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Date: 5/8/75

Office of the Administrator **MAY 9 1975**

To: Mr. John O. Marsh, Jr.

For your information.

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081

National Energy
Information Center

SUMMARY OF SIGNIFICANT INFORMATION
Week Ending May 2, 1975

- Petroleum

- Oil companies have reported \$2,012 million so far in first quarter 1975 earnings. This represents a decline of \$781 million or 28 percent from the fourth quarter of 1974 and a decline of \$837 million, or 29 percent, from the first quarter of 1974.

Declines in profits in the basic oil and gas business of the companies were very large in absolute terms but less marked in percentage terms than the drop in profits on chemical activities. The following tabulation for six of the largest companies which provide consistent earnings data for segments of their business (Exxon, Texaco, Gulf, Mobil, Socal and Indiana Standard) indicates how earnings (in millions) changed for the segments. These companies account for about 3/4 of total profit for the first quarter of 1975.

	1st Qtr 1975	4th Qtr 1974	1st Qtr 1974	% Change	
				1st Qtr- 4th Qtr	1st Qtr- 1st Qtr
Oil & Gas					
U.S.	524.3	641.5	653.3	<18.3>	<19.7>
Foreign & Other	799.6	1098.4	1249.5	<27.2>	<38.4>
Chemicals	140.7	229.0	212.7	<38.6>	<33.7>
Total	1464.6	1968.9	2115.5	<25.6>	<30.8>

The companies cite the recent tax legislation as the cause of approximately \$275 million of the decline, or 35 percent and 33 percent, respectively, of the decline from the fourth quarter and the first quarter of 1974.

Foreign earnings are off substantially from both of the 1974 quarters. The decline from the first quarter is the most pronounced because that quarter had the benefit of large inventory profits. Also, crude oil costs have risen progressively over the last 15 months as the OPEC countries

- Petroleum (Continued)

raised tax and royalty rates and the cost of buyback oil in three separate steps. Most of these cost increases could not be passed on to customers in a recession-weakened market.

- Crude oil production of the non-Communist world averaged 40.59 million barrels a day during the first quarter of 1975, down 11.3 percent from the production level in the same period last year.
- President Russell Cameron, of Cameron Engineers, asserts that development of western coal and oil shale will not "dry up" the West. In fact, to replace all U.S. oil production with oil shale products would require only 20 percent of the Colorado River basin water. Similarly, he said, replacing total U.S. gas production via coal gasification would require the use of less than ten percent of the water in the Missouri River basin.

- Natural Gas

- In its first coal gasification decision, FPC on April 21 authorized the transportation and sale (when mixed with natural gas) of substitute gas made from coal (SNG). The initial certificated rate was \$1.38 per Mcf for a six month developmental period to be reviewed after operating results are available. Transwestern will transport the SNG from a \$447 million coal gasification plant on the Navajo Indian Reservation in NW New Mexico. The plant has a design capacity to convert 25,000 tons of coal per day into 250,000 Mcf of SNG.
- Texas, Oklahoma, Louisiana, New Mexico and Arkansas have formed the Southwest Regional Energy Council to monitor Federal Energy legislation and attempt to influence energy policy. These five energy-producing states are concerned over the pressures to supply energy, especially natural gas, to the rest of the United States in the face of shortages among local industry.

- Coal

- Analysis of a group of selected medium sized coal companies reveals that 1974 was a highly profitable year. Rate of return on net worth for these companies was 30.4 percent as compared with 10.6 percent in 1973. For all non-financial companies covered in a survey by one of the large New York banks, the

- Coal (Continued)

1974 rate of return on net worth was 13.9%. Analysis of the rate of return for these selected coal companies vs all non-financial companies for the 10 year period 1965-1974 shows that the rate for these coal companies was above the all non-financial rate in only two years, namely, 1970 and 1974.

- Exports of bituminous coal during the first quarter were 14 million tons, up 38 percent from the first quarter of 1974. This higher level is somewhat surprising in light of the slumping world economic situation, particularly in the steel market.

- Nuclear

- A new, broadly supported lobby group, called the Nuclear Energy Council (NEC), is in the process of being formed. Craig Hosmer, former Congressman from California and former member of the Joint Committee on Atomic Energy, will be the Acting Director of NEC. The NEC is supported by numerous pro-nuclear groups, such as the Edison Electric Institute, Westinghouse, General Electric, and the Atomic Industrial Forum.

- International

- There are persistent reports in the trade that Algerian crude oil is being offered, on an indirect barter basis, at prices as much as \$1 a barrel below the official selling price of \$11.75. The offerings come from sellers of equipment to the country who have been told they must take crude oil in part payment.
- The Soviet Union has had to issue a press release justifying its oil price increases this year. It admits making the increases but says its Comecon partners still are saving \$3 billion this year by buying from it.
- The International Monetary Fund says that the growth in international reserves of OPEC members has slowed, and in some cases, declines have set in. Saudi Arabia, with reserves of \$15.9 billion in January continues to rank third behind West Germany (\$34.4 billion in March) and the United States

- Coal (Continued)

(\$16.7 billion in March). Iran ranked second in March among OPEC members with \$8.3 billion, followed by Venezuela (\$7.4 billion) and Nigeria (\$6.1 billion). All three countries are continuing to improve their reserve positions, although at a diminishing rate. Reserves of Libya (\$3.0 billion in March) and Algeria (\$1.1 billion) have been steadily declining since the second quarter of 1974.

Date: 5/14/75

MAY 16 1975

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb
Administrator

Federal Energy Administration

Room 3400

Ext. 6081

SUMMARY OF SIGNIFICANT INFORMATION
Week Ending May 7, 1975

Petroleum

- The United States Geological Survey has released new estimates of petroleum and natural gas reserves and resources done at FEA's request in connection with the reserve/resource survey. The new figures for crude oil and natural gas liquids are 35 percent of the USGS estimates published in March 1974. The new figures for natural gas are 32 percent of the 1974 figures. USGS will supply a detailed report by the end of this month.
- Policy and Analysis has completed a comprehensive picture of ownership in the petroleum industry. The report, which lists 1,500 parent companies and over 8,000 domestic and foreign subsidiaries and affiliates, shows the equity share owned by parent firms and identifies the principal business of each subsidiary. Splendid cooperation on the part of the oil companies made it possible to add a great deal of information to that available from public sources. Illustrative data for the largest 21 refiners and the largest 21 companies, in each fuel sector follow:

<u>Energy Category</u>	<u>Top 21 Refiners Own the Following in Each Category</u>	<u>Top 21 Companies Own the Following in Each Category</u>
United States Refinery Capacity	81%	81%
Total United States Production of Net Crude + NGL	60%	61%
Total United States Production of Lignite and Bituminous Coal	17%	56%
Total United States Production of Natural Gas	64%	67%

Natural Gas

- Over the last two years, thirty-one of 45 plants in which it was proposed to make natural gas from petroleum have been formally cancelled. Industry indicates the major reason for these cancellations was the lack of naphtha feedstocks.

Natural Gas (Continued)

- Intrastate wellhead gas prices as high as \$2.00 per Mcf continue to encourage drilling activity in a newly discovered gas area in Webb and Zapata counties of Southwestern Texas. It is believed that at least 1,000 wells will be needed to develop the area which has estimates of gas reserves ranging from one to three trillion cubic feet in a 3,000 square mile area.

Coal

- The average delivered price of spot market purchases of coal by electric utilities in January was \$28.12 per ton, down 12 percent from a peak price of \$31.95 per ton in November 1974, when the coal strike occurred. Total spot market deliveries, with a high of 9.6 million tons just prior to the coal strike in November, declined to 7.2 million tons. Excluding the strike-influenced months of November and December, these January deliveries were at their lowest level since February 1974. The average delivered price of contract purchases in January was \$14.57, up from the December price by about 3 percent, or the same as the average monthly increase during 1974.

International

- The People's Republic of China has put out diplomatic feelers to Australia, New Zealand, Malaysia, and other oil importing countries of the Far East to sound them out on their future crude and product requirements. This move appears to reflect confidence by Chinese officials that they can meet the target of 795,000 to 1,014,000 barrels per day of crude oil Japan is hoping to buy in 1980 and still have plenty left for export elsewhere. No official figures exist on Chinese proved reserves, but estimates range from a conservative 20 billion barrels to figures exceeding the reserves of the Persian Gulf. Production in 1974 rose to 1,288,000 barrels per day from 1,005,000 barrels per day in 1973. Western observers estimate output by 1980 will be well in excess of 4,110,000 barrels per day, not counting offshore production.
- Although several producing countries have lowered prices in recent months, Indonesia is sticking to its price of \$12.60 per barrel for its crude oil in spite of pressures to reduce that price. Production dropped from 1,300 thousand barrels per day to 1,210 barrels per day in March.



Solar Energy

- New Mexico has enacted an income tax credit of 25%, up to \$1,000, of the cost of installing a solar heating or cooling system in a tax payer's home.
- The Senate Select Committee on Small Business hearings on May 13 and 14 is investigating whether large firms are elbowing out small solar pioneers and whether Federal funds are being spent in a way that discriminates against small business.



Date: 5/21/75

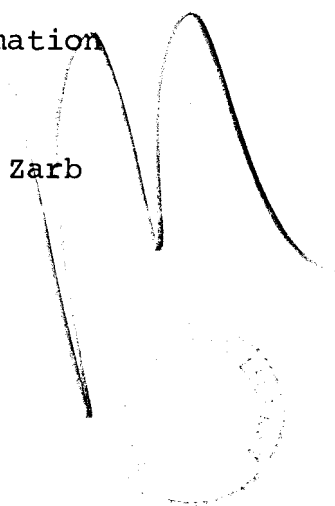
Office of the Administrator

A handwritten signature in black ink, appearing to be a stylized 'J' or 'M'.

To: Jack Marsh

For Your Information

Frank Zarb

A large, stylized handwritten signature in black ink, possibly reading 'Frank Zarb', with a circular stamp or mark below it.

Federal Energy Administration

Room 3400

Ext. 6081

MAY 22 1975

SUMMARY OF SIGNIFICANT INFORMATION

Week Ending May 16, 1975

Petroleum

- The U.S. Supreme Court has overturned a lower court decision requiring Alyeska Pipeline Services to pay attorney's fees of the Wilderness Society and two other environmental groups in connection with their challenge to the trans-Alaska Pipeline. In a decision that could limit such challenges by non-profit groups, the five-man majority said that to grant the fees "would make major inroads on a policy matter that Congress has reserved for itself."

Natural Gas

- The Texas Railroad Commission has scheduled a June 2 hearing on a proposed phase-out of programs involving the use of natural gas as boiler fuel. It is estimated that about 21 percent of Texas production is used as boiler fuel in power plants, more than four times the amount in residential and commercial uses.
- Effects of gas curtailments in the past heating season included: a fertilizer plant and a glass plant in North Carolina were shut down for two weeks in January; major industrial firms in Ohio received about 50 percent of their normal gas supplies in January; severe supply cutbacks in glass and petrochemical plants in New Jersey were offset to some extent by emergency supplies made available from other areas.
- FEA has sent to the General Accounting Office a questionnaire which will be used to collect data on "alternate fuel demand due to natural gas curtailments" this Fall. The data will be supplied by all intrastate pipelines, distributors and municipalities who curtailed or expect to curtail end use customers.

Coal

- The North Carolina Utilities Commission reported that the price paid by electric utilities for spot coal purchases declined in February 1975. Also, utilities were able to negotiate prices lower than the initial coal company offers. One utility reported that an average price of \$27.44 per ton f.o.b. at mine was



Coal (Continued)

reduced to \$19.67 per ton through negotiations. Some spot coal prices were 50 percent lower than last Fall.

International

- Canada adjusted its export tax downward (as of June 1, 1975) from \$5.50 to \$4.70 per barrel on light crudes and from \$5.00 to \$4.20 per barrel on the heavy crudes. This move reflects the softening of the crude petroleum market. Shipments to the U.S. in January were far below the 800,000 barrels per day ceiling set by the Canadians. During April, Canadian exports to the U.S. were down to a low of 560,000 barrels per day.
- Occidental is selling Libyan crude oil some \$.20 to \$.25 per barrel below their cost of \$11.20 to \$11.25.
- Saudia Arabia, which now has a production capacity of 10.5 million barrels per day, was producing at a level just over 5.65 million barrels per day in April.

Electric Power

- The Massachusetts legislature has rejected a proposal to create a state public power authority to finance and operate new electric utilities. Proponents of the measure are expected to seek the additional signatures required to place the proposal on the ballot for a referendum vote.
- The House Commerce subcommittee on investigations will investigate the TVA to determine if the fuel adjustment clause has caused the Federal utility to become careless about the quality of the coal it purchases. In recent hearings Tennessee consumer groups charged that TVA officials have accepted coal "layered" with slag and dirt. TVA has admitted that such "layering" did occur but that the amounts involved were small.

Nuclear

- Due to the temporary loss of two operating TVA nuclear generating units because of a fire on March 22d, the uranium enrichment complex at Oak Ridge will have to rely on higher priced electricity from fossil fuel. This will result in an approximate 11 percent increase in the cost of enrichment for utilities.



Solar

- A private corporation in Phoenix, Arizona, the Desert Sunshine Exposure Test, Inc., now offers test facilities for solar energy collectors. The facility is designed to meet the proposed NBS standard test method. Special equipment includes an "exactly-normal-incident" mount that follows the sun from morning to night. The availability of a commercial test facility that can provide fully instrumented outdoor tests is another indication that the solar energy industry is coming of age.



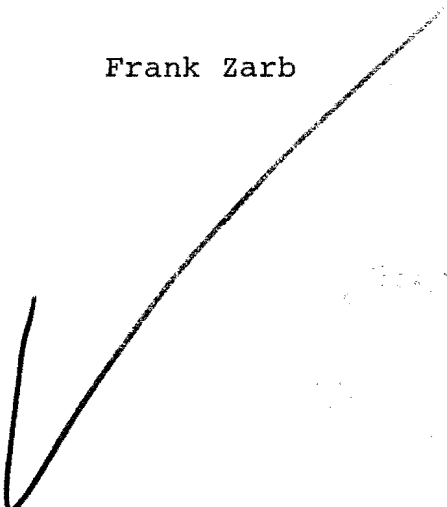
Date: ~~MAY 29 1975~~
JUN 2 1975

Office of the Administrator

To: Jack Marsh

For Your Information

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081

National Energy
Information Center

SUMMARY OF SIGNIFICANT INFORMATION
Week Ending May 23, 1975

Petroleum

- The U.S. petroleum industry will spend \$1.02 billion for air and water pollution control in 1975, a 76 percent increase over these expenditures in 1974, according to a McGraw-Hill economics department survey.
- U.S. dependence on Arab OPEC oil continued to increase in the first quarter of this year, rising to 22.7 percent of total imports from 12.7 percent in 1974.

Natural Gas

- Although industrial sales of gas by utility companies were down 14.7 percent for the 1974-1975 heating season (November-March), residential sales increased by 5.7 percent and commercial sales were up by 6.3 percent.
- The Indonesian national petroleum company, Pertamina, has agreed to deliver liquified natural gas to California in 1982 at a price of \$2.51 per million Btu. Alaskan LNG to be delivered to the same gas company in 1980 is estimated to cost \$2.47 per million Btu. Western Gasification Company proposes to deliver synthetic natural gas made from coal to another California company in 1980 at \$2.38 per million Btu.
- The American Natural Gas System has filed an application with the FPC to construct and operate a coal - gasification (SNG) plant in North Dakota. A favorable ruling by the agency and success in obtaining necessary financial commitments would allow construction to begin in early 1977. The plant is estimated to cost \$778 million and it is designed to produce 911 billion cubic feet of gas per year. Coal facilities will cost about \$126 million. The estimated cost of the SNG at the tailgate of the plant is \$2.52 in 1974 dollars.

Coal

- The Natural Resources Committee of the Texas State Senate has blocked construction of a coal slurry pipeline which would run from Colorado to the Gulf coast. The committee rejected a bill which would have authorized condemnation of land for the right-of-way. Legislation is required because the pipeline would cross the property of railroad companies, who do not want the competition in coal transportation. The railroads argued that an increase in revenues from hauling coal would result in overall improvement in the state's train services, and in the case of one railroad, remedy its financial trouble. An increase in coal usage is expected if Texas phases out natural gas as a boiler fuel.

Nuclear

- Firm plans to increase nuclear generating capacity in other parts of the free world outpace growth in the U.S. through 1980. During this period the U.S. portion of total free world capacity will fall from 57 percent to 45%, after which time it will increase to 55 percent in 1985.
- The Nuclear Regulatory Commission (NRC) held a meeting on May 27th so that industry representatives, principally the Atomic Industrial Forum, could ask questions concerning NRC's "provisional decision" of May 8th on plutonium recycle. It was reemphasized in this meeting that NRC intends to conduct a full cost-benefit analysis of the safeguard alternatives for plutonium recycle. The initial draft Environmental Impact Statement on plutonium recycle did not properly consider safeguards according to NRC. In order to rectify this situation, an extended decision-making schedule is anticipated. During the remainder of 1975, existing safeguard studies will be completed; in 1976 an impact statement on safeguards will be prepared; in 1977 public hearings will be held; and sometime in 1978 a final decision will be reached.
- The nuclear industry thinks this delay will further aggravate the "stalemate in the backend" of the nuclear fuel cycle. In this regard, ERDA has just published a task force report recommending "prompt resolution of the question of plutonium recycle." Industry does not view 1978 as "prompt."



Electric Power

- Electric utilities in Texas--still 90 percent dependent on natural gas for electricity generation--are "nervous and skeptical" about upcoming Texas Railroad Commission hearings on the use of natural gas as a boiler fuel. Utility officials are convinced that the hearings were ordered by the Commission to forestall Federal regulation of intrastate natural gas use. The utilities fear the Commission will next impose rigid timetables for the conversion to coal and oil in an effort to free large volumes of natural gas to alleviate shortages on the interstate market and thus defuse Congressional momentum toward increased regulation of this fuel.



Date: 6/4/75

Office of the Administrator

JUN 5 1975

To: Jack Marsh

For your information.

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081

SUMMARY OF SIGNIFICANT INFORMATION
Week Ending May 30, 1975

Petroleum

- The May 28 OCS sale of leases off the Louisiana and Texas coasts brought in a total of only \$250.7 million for 102 tracts. An additional 181 tracts offered at the sale drew no bids at all.
- The Maine Board of Environmental Protection has agreed to allow industrial grade fuel oil used in the Portland area to contain up to 1.5 percent sulfur instead of the previously proposed maximum of 0.7 percent. After 1985 the requirement will be stiffened to 1 percent. Oil burned elsewhere in the state may contain up to 2.5 percent sulfur.

Natural Gas

- Although proved natural gas reserves in Alaska's North Slope are placed at approximately 26 trillion cubic feet, potential reserves are estimated to be 114 trillion cubic feet. This estimate was given in testimony at an FPC hearing by the senior vice president of DeGolyer and MacNaughton.
- On May 9 the U.S. Court of Appeals in Washington ruled that the Federal Power Commission is operating within its regulatory authority in prescribing priority-of-service curtailments for interstate pipelines. The court also reaffirmed a prior conclusion that "end use is a most appropriate consideration for purposes of a curtailment plan".
- The largest liquefied natural gas facility in the United States is on schedule and progressing toward a 1977 completion date. Cost of the project including a 36 inch, 86 mile pipeline from the Cove Point, Maryland, receiving terminal to Loudoun County, Pennsylvania, is estimated at \$293 million. Upon completion, the terminal will supply the Columbia Gas System and the Consolidated Gas System an additional 650 million cubic feet of gas per day.

Electric Power

- The fuels and electric-utility industries came under heavy fire at the American Public Power Association's annual conference in Boston. Monopoly pricing by utilities and price manipulation by fuel suppliers was charged by speaker after speaker. APPA members later passed resolutions urging amendment of the Federal Power Act to give FPC the authority to order the wheeling of power over the transmission lines

Electric Power (Continued)

of jurisdictional utilities on reasonable terms and conditions. They also urged a Congressional probe of the oil industry.

- The New Mexico Public Service Commission will test an innovative return-on-equity adjustment clause designed to reduce regulatory lag and improve the financial position of electric utilities. The concept, termed "cost-of-service indexing," provides in part for quarterly rate adjustments to assure utilities a 13.5 to 14.5 percent return on common equity. Adjustments are to be made on a flat kilowatt hour rate for all customer classes in proportion to the energy they consume.

Nuclear

- A company, under contract to the Office of Data, has recently compiled statistics on all contracts for nuclear reactors signed during calendar year 1974 to determine the planning and construction times that utilities are currently using. The results show a range from 7 to 12 years, with an average of 9 years for the time to plan and construct a nuclear plant. This means that any chance of obtaining more than 200 total nuclear power plants on line by 1985 is slim unless action is taken within the current year.
- According to the Canadian magazine, Oilweek, Canada's output of crude oil and liquid hydrocarbons is expected to average 1,625,000 barrels per day in 1975, a decline of almost 11 percent from 1974. Much of the decline reflects the failure of export demand for Canadian crude to match the 800,000 barrel per day level decreed by the federal government. Crude exports, all of which go to the United States, are expected to range between 667,000 and 650,000 barrels per day during 1975.
- Several important Italian discoveries were announced recently, one in the Adriatic Sea and the other in the Po Valley. The latest find is the first of significance after many years of drilling in the Adriatic. Engineers calculated that production of the field should reach about 100,000 barrels per day during its early years. Although data on the Po Valley discovery were not made available, Italian oil company officials described it as a "giant".

Date: 9/17/75

SEP 19 1975

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

SUMMARY OF SIGNIFICANT INFORMATION

Week Ending September 12, 1975

Petroleum

- Apparent demand for all petroleum products for the 4 weeks ending September 5 averaged 15.80 million b/d, 6.4 percent below the same period in 1974. This level of demand was 7.3 percent below the comparable 4-week period in 1973.
- Motor gasoline demand was 1.3 percent below the 1974 level but 1.0 percent above 1973. Residual fuel oil demand, however, was down 18.7 percent from 1974 and 6.3 percent from 1973. Demand for distillate was off 1.5 percent from 1974 and was 11.3 percent lower than in 1973.
- Consumption of oil in the European Community is expected to average 10 million barrels per day in 1975, 4.7 percent less than in 1974 and 9.5 percent less than 1973. Consumption in 1976 is expected to increase by 1.7 percent.
- Ten barges carrying cargo essential to the development of the Prudhoe Bay field, which have been held up at Point Barrow awaiting a break in the ice, have finally reached the Bay. These barges contained large oil field modules which could not have been transported over land. As of September 10, however, prospects for the remaining 39 barges in the fleet to reach port are not good, but they can backtrack and ship their cargoes by railroad and highway.

Natural Gas

- Two beer companies are going into the natural gas business in New York State. The producers of Miller's and Schlitz are planning to drill hundreds of shallow, low-volume gas wells to meet their own needs. The area is underlain by sandstone at depths of less than 1000 feet. Wells drilled to this formation typically produce between 10 and 25 thousand cubic feet per day (roughly 1.8 to 4.4 oil equivalent barrels per day), quantities previously considered noncommercial.

- The chairman of Consolidated Natural Gas says his company should be able to increase its sales of gas by 1977. These new sales would be based on the receipt of liquefied natural gas from Algeria in 1977. At a later date, the company expects to get 180 billion cubic feet per year of gas from two coal gasification plants to be built in the Appalachian region.

Geothermal

- The U.S. Geological Survey has released the first comprehensive report of geothermal resources, published as Circular 726. It is reported that the U.S. is potentially capable of producing 37,000 billion kw-hr of electricity from geothermal energy. This represents a potential generating capacity of 140,000 MW for 30 years which is the equivalent of 140 Hoover Dams or 140 average modern nuclear power plants. This potential electrical generation exists in the steam and hot-water geothermal resources. However, only 3,100 billion kw-hr are considered recoverable at current prices and technology.
- Current production, at the Geysers in California by Pacific and Electric, is just over 500 megawatts. They have plans to expand to about 1,500 megawatts by the mid-1980's.

Coal

- U.S. coal exports for the first half of 1975 increased 20.9 percent from 28.0 million tons in 1974 to 33.8 million tons. Japan continues to be the leading importer of U.S. coal.
- Coal exports to Europe have increased due to a 1974 production decrease in European Economic Community countries, increased demand for coking coal, and the EEC desire to develop secure import sources. Also, importers have been replenishing coal supplies depleted during the 1974 U.S. coal strike.

Electric Power

- President Ford met with officials of the Edison Electric Institute on September 10 for a briefing on EEI's recent

study "Economic Growth in the Future." The study examines a variety of energy scenarios, recommends a GNP growth rate of approximately 3.5 percent.

Several of the largest electricity consumers in Minnesota have attached time-of-day pricing in an intervention in a rate case pending before the Minnesota Public Service Commission. The consumers, represented by the St. Paul Chamber of Commerce, argue that more research is needed before the rate can be implemented.

Nuclear

Brazil's first reactor, a Westinghouse design, is nearing completion near Rio de Janeiro, and the recent \$8 billion pact with West Germany including enrichment services, reprocessing facilities, and 8 Kraftwerk Union reactors, is to be completed by 1985. This implies that 55 plants will be built in the ensuing 15 years, an ambitious goal in light of predicted material and manpower shortages in the nuclear field.

THE WHITE HOUSE

WASHINGTON

September 25, 1975

M

MEMORANDUM TO: JACK MARSH

FROM: RUSS ROURKE R

Jack, FEA called in response to your inquiry with regard to their September 5 Summary of Significant Information bulletin.

Forty-nine barges were moving equipment to the North Slope. They were all temporarily locked by heavy ice. Ten of the forty-nine barges were, however, able to get through. The ten were carrying the largest modules (packing devices for pre-assembled equipment, etc.).

This particular problem will cause no delay in phase one production, i. e., the programmed 600,000 barrels per day goal. It will, however, result in a several month delay of the scheduled phase two production goal of 1.2 million barrels per day.

carrying largest
modules -

THE WHITE HOUSE
WASHINGTON

Chester -

latest - 5749 sub

10 of barges of fleet
have gotten thru - they
carry as to most of
modules -

Delay will not
stop phase 1 production -
400,000 lbs of phase 2 production

may be delayed

by 1.2 b/d

may be delayed
several months



September 12, 1975

MEMORANDUM FOR: FRANK ZARB
FROM: JACK MARSH
SUBJECT: Summary of Significant
Information

In reference to the attached Summary of Significant Information for the week ending September 5, 1975, in terms of consequences, what exactly does Point Two under Petroleum mean?

JOM/dl



Date: 9/10/75

SEP 15 1975

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081



SUMMARY OF SIGNIFICANT INFORMATION
Week Ending September 5, 1975

Petroleum

- Apparent demand for all petroleum products for the four weeks ending August 29 averaged 15.83 million b/d, 5.8 percent below the same period in 1974. Demand for residual fuel oil was down 17.3 percent and distillate was off 4.2 percent while motor gasoline was practically the same as the year before. Imports were 4.3 percent below 1974 and crude production was down 6.3 percent.
- Packed ice and gale-force winds in the Arctic Ocean continued late last week to prevent the annual North Slope sealift from moving past Point Barrow with its Prudhoe Bay production cargo. With time running out, the possibility is growing that for the first time this century the seasonal passage may be blocked.
- Crown Central Petroleum will convert all its Virginia service stations to company-operated status. Crown says reluctance of its lessee operators to abide by its high-volume, low-per-gallon concept has prompted the move. According to Crown, many of its dealers refuse to pass on to motorists the benefit of the cost reductions inherent in the multi-pump approach.
- The Chase Manhattan Bank reporting group of oil companies (mostly majors) drilled nearly 3,300 exploratory and development wells during the first half of 1975, accounting for about 19 percent of all wells drilled in the U.S. The average depth of wells drilled by the group was 5,544 feet vs. 4,402 feet for all other operators; and the average cost per well, \$218.5 thousand vs. \$103.3 thousand for other companies.
- According to BLS, in the period January 1974-June 1975, OPEC revenue per barrel increased by 9.6% while the prices OPEC countries paid for American goods increased by between 7.2% and 9.7%.
- Final FEA August reports indicated that the national average selling price of regular gasoline increased 0.5 cents per gallon to 59.2 cents per gallon.
- FEA's August survey of 21 of the nation's largest gasoline marketers indicated fewer companies increased prices than in June and July. Thirteen companies increased prices, three reduced prices, and five held prices constant in August. In comparison, in June, all 21 companies increased prices, and in July, 20 companies increased prices and one held prices constant.

memo to FEA - "what does this mean?"

Petroleum (Continued)

- FEA's August survey of 21 of the nation's largest heating oil producers found more major refiners increasing their prices than in previous months. During August, 15 companies increased prices and the remainder held prices constant; during July, nine companies increased prices and the remainder held prices constant.

Natural Gas

- The Delaware Basin of West Texas continues to be one of the Nation's most active gas areas. Free market intrastate prices and the high deliverability of the wells are incentives for operators to invest up to \$2.5 million per well and drill to depths of 22,500 feet. Current activity is almost evenly split between wildcatting and development drilling.

Nuclear

- A survey on energy questions conducted by the Opinion Research Corporation of Princeton for C&E has yielded quite different results than the recent Louis Harris survey. The sharpest contrast is found in public assessment of nuclear power plant problems. Some 48% of the ORC "public" saw waste disposal as the greatest problem, while only 3% in the Harris survey contended that waste disposal problems made nuclear plants "unsafe." Radiation discharge (25%), nuclear accident (23%), and thermal pollution (17%), rounded out the ORC responses, while discharge, accident, and pollution were cited by 10%, 8%, and 3%, respectively, in the Harris study.

Coal

- The West Virginia Coal Association has reported that as of Monday morning 7,500 miners in West Virginia were still idled by the wildcat strike. The return to work is near normal in all counties but Boone and Logan, the origin of the strike. This situation represents a substantial improvement over the end of last week when 37,000 miners were out in West Virginia and 2,000 in Pennsylvania.

Electric Power

- The Tri-State Generation and Transmission Association of Denver is building a small-load, direct current facility which will provide the first permanent closed link between the Eastern and Western power grids of the United States. The direct current link will eliminate the need to maintain synchronization between grids which is a problem in long-distance transmission of alternating current.

January 14, 1976

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: JACK MARSH

The President has indicated a special interest in the facircled comment contained in the FEA Energy Highlights Report of January 2 which is attached.

He would be grateful if you would give him a one-page summary or other background information you believe would be useful including status reports from time-to-time as to progress of the bloc countries in this field. A copy of this memo is being sent to Frank Zarb for his information.

JOM/dl



FEA ENERGY HIGHLIGHTS, WEEK ENDING JANUARY 2, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 12/26/75	4 Wks Ended 12/26/75	Wk Ended 12/26/74	4 Wks Ended 12/26/74
Total Demand	17,998	17,478	18,171	18,220
Distillate	3,944	3,719	3,375	3,666
Residual	2,709	2,691	3,152	3,028
Mogas	6,821	6,769	6,346	6,558
Total Imports	6,667	6,598	7,347	6,939
Crude	4,453	4,655	4,158	3,931
Product	2,214	1,943	3,189	3,008
Crude Production	8,223	8,220	8,700	8,670

Alaska and DOI Dispute Beaufort Sea Acreage

Alaska is still trying to work out a joint leasing agreement with the United States Department of Interior on disputed acreage in the Beaufort Sea just north of Prudhoe Bay. The State could decide to lease acreage farther to the east, where there is no dispute, but the potential for oil is less there.

NATURAL GAS

FPC Releases Study on Prices Received
by Natural Gas Companies

The FPC released a staff study of prices received by 95 natural gas companies that are subject to the Commission's jurisdiction for sales under 504 intrastate contracts executed in the first half of 1975. The report indicates the monthly weighted price for new intrastate contracts averaged \$1.26 per Mcf for January through June 1975. These prices ranged from \$1.04 per Mcf in March to \$1.54 per Mcf in April. The range for renegotiated or amended contracts ranged from 76.4¢ per Mcf in March to \$1.67 per Mcf in April, with a six month average of \$1.42 per Mcf.

ELECTRICITY

Study Reveals Utility Construction Cutbacks Will Not Affect Power Sufficiency

A Westinghouse analysis of recent data on utility construction cutbacks indicates that the present level of cutbacks will still permit sufficient capacity in the late 1970's and 1980's. Westinghouse officials warned, however, that a new wave of cutbacks beyond the present level may have serious consequences.

NUCLEAR

Possible International Implications from Westinghouse Uranium Default Case

Three Swedish utilities affected by the Westinghouse uranium default have filed suits in Swedish District Court primarily, it is believed, to place their complaints on record. The international implications of the suits are difficult to assess, but reciprocity from rulings on similar suits in U.S. courts will probably be exercised. The contracts involve a total of 7250 tons of U_3O_8 , enough to meet the requirements of the 5 Swedish reactors presently operating (3312 megawatts total capacity) for the period 1975 through 1984.

Westinghouse to Implement New Uranium Resource Organization

In further developments, Westinghouse has made a formal announcement that it will implement a new uranium resources organization specifically to discuss utilities' uranium requirements; provide management support of litigation involving contracts; plan and manage new worldwide uranium exploration, production, and acquisition; and interface with government agencies that may affect uranium supply. A.L. Bethel, director of the new group, stressed the Company's interest in restoring customer confidence, noting his organization would provide the best manner "to reach a fair and amicable resolution of disputes between Westinghouse and the utilities."

Comecon to Construct 150 Nuclear Reactors in East Europe

The two special nuclear organizations within Comecon (Communist Economic Community), Interatominstrument in Warsaw and Interatomenergo in Moscow, will construct some 150 nuclear reactors in East European Bloc countries. Most of the units would be of the Voronezh pressurized 440 Mwe water reactor type, small by U.S. standards, but of a highly reliable Russian design. No large reactors (1000 Mwe) are planned for Comecon members until after 1985 at the earliest.

U File

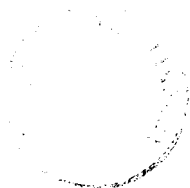
Date: MAR 23 1976

Office of the Administrator MAR 24 1976

To: Jack Marsh

For your information.

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING MARCH 12, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 3/5/76	4 Wks Ended 3/5/76	Wk Ended 3/7/75	4 Wks Ended 3/7/75
Total Demand	17,566	17,536	17,428	17,458
Distillate	3,062	3,512	3,389	3,756
Residual	2,982	2,882	2,855	2,893
Mogas	7,070	6,543	6,481	6,276
Total Imports	7,776	7,397	5,442	6,228
Crude	5,348	5,046	3,238	3,929
Product	2,418	2,351	2,204	2,299

(N. Kawin, 347-4101)

Weekly Rotary Drilling Rig Count

	Wk Ended 3/12/76	4 Wks Ended 3/12/76	Wk Ended 3/14/75	4 Wks Ended 3/14/75
Offshore	128	129	104	100
U.S. Total	1,520	1,562	1,672	1,653

(J. Gaynor, 961-8607)

Retail Price of Gasoline Continues Downward Trend

Retail gasoline dealers lowered their prices for regular gasoline during February. The national average retail price in January 1976 was 57.7 cents; in February it was 57.1 cents per gallon. This decrease reflects the continual downward trend that began in October 1975.

(C. Bordeaux, 961-8113)

Two Items

NATURAL GAS

British Columbia Wants 25% Hike in Price of Gas Exports to U.S.

The British Columbia Energy Commission is requesting the Federal Cabinet and National Energy Board to hike the price of natural gas exports from B.C. to the U.S. Pacific Northwest from the current rate of \$1.60 per Mcf to \$2.00 per Mcf, effective November 1, 1976.

(J. McCarrick, 961-7696)

FPC Ends Firm-Interruptible Contract Distinction in Curtailments

In prescribing an interim 5-priority curtailment program for Panhandle Eastern to be effective April 1, the Federal Power Commission affirmed an Administrative Law Judge's conclusion that giving preference to firm contracts over interruptible contracts in classifying gas usage for priority purposes should be eliminated. The Commission concluded that the most prudent course is to require curtailments according to end-use alone, since the firm-interruptible distinction is not a fully accurate indicator of relative need for gas.

(J. McCarrick, 961-7696)

NUCLEAR

NRDC Petition Could Sidetrack Breeder

The licensing proceeding for issuance of a Limited Work Authorization (LWA) for the Clinch River Breeder Reactor has encountered new problems. An intervention petition submitted to the Nuclear Regulatory Commission by the Natural Resources Defense Council (NRDC) raises specific issues that may precipitate indirect financial tangles. The NRDC petition contends that the unprecedented nature of the project should exclude the LWA option, pending a satisfactory settlement of all safety issues. Acceptance of this petition may require ERDA to return to Congress, since further delays in initiating construction are likely to boost estimated costs beyond the permitted Congressional ceiling. A decision on the petition by the Atomic Safety and Licensing Board of the NRC is due this month.

(A. Reynolds, 964-6186)

Zarba

THE WHITE HOUSE

WASHINGTON

July 26, 1976

MEMORANDUM FOR: DICK CHENEY
MIKE DUVAL

FROM: JACK MARSH *JM*

I call to your attention the item in the FEA Energy Highlights, relating to the referendum on the matter of the nuclear moratorium.

I particularly call to your attention those states in which this issue will appear on the November ballot. Please note it did not get on the ballot in Michigan.

JUL 24 1976

Date JUL 22 1976

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING JULY 9, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 7/2/76	4 Wks Ended 7/2/76	Wk Ended 7/4/75	4 Wks Ended 7/4/75
Total Demand	16,698	16,167	16,586	15,722
Distillate	2,551	2,298	2,309	2,267
Residual	2,147	2,039	2,511	2,321
Mogas	7,665	7,312	7,530	7,078
Total Imports	7,270	6,984	5,527	5,492
Crude	5,886	5,720	3,711	3,733
Product	1,384	1,264	1,816	1,759

(G. Roccapriore, 961-8415)

CRUDE OIL

Domestic Crude Oil Prices

The Domestic Crude Oil Purchasers Report (FEA Form P-124-M-0) collects monthly first sale data from purchasers of crude oil. The figures below present the preliminary data collected and the calculation of the excess receipts generated as a result of the composite price being higher than that expected under the EPCA. These figures are currently being verified and audited. Final figures for February and March, the months being audited, are expected by July 30, 1976. Beginning with the April submission, final figures will be published 90 days after the end of the month.

Month	Lower Tier Percent	Lower Tier Price	Upper Tier Price	Composite Price	EPCA Expected Price	Cumulative Excess Receipts (Millions of Dollars)
February	56.78	\$5.07	\$11.44	\$7.82	\$7.66	\$38
March	57.21	5.10	11.42	7.80	7.72	57
April	57.02	5.08	11.56	7.86	7.78	77

As a result of the audit, twelve major companies are resubmitting their data for the months of February and March. Consequently, the above data are subject to change.

The EPCA expected price was based upon an assumed 60 percent of lower tier oil for February and an assumed 8 percent decline rate per year thereafter for the production of oil. Data for at least one more month must be collected to make a reasonable estimate of the actual decline rate.

(C. Heath, 254-5246)

COAL

First Quarter 1976 Domestic Consumption Up

Domestic consumption of bituminous coal and lignite for the first quarter of 1976 was 148.0 million tons, an increase of 3.7 percent over first quarter 1975. The electric utility sector (approximately 70 percent of total consumption) was up 10.2 percent from the 1975 level, while other sectors decreased 11.9 percent.

(P. Newman, 964-4401)

Supreme Court Decides on Regional EIS Requirements

The landmark case of Sierra Club versus Kleppe (originally Morton) finally came to an end on June 28, when the Supreme Court ruled that the National Environmental Policy Act does not require the preparation of an environmental impact statement (EIS) for the Great Northern Plains region unless a major Federal action encompassing the entire region is proposed. The court noted that "all proposals are for actions of either local or national scope. There is no evidence for an action of regional scope." The actual region in question encompasses 90,000 square miles and contains an estimated 48 percent of the total U.S. coal resources. The decision represents a victory for the Administration, which is counting heavily on western coal to help lessen U.S. dependence on foreign oil.

(E. Luthy, 961-6161)

NUCLEAR

Nuclear Moratoria Update

States with nuclear moratoria certain to appear on the November ballot now include Oregon, Washington, and Colorado, with Arizona, Ohio, and Montana as probables. In Michigan, the anti-nuclear referendum failed to qualify by its July 3 deadline, but all registered signatures will carry over to the November 1978 ballot opportunity in that State.

(A. Reynolds, 964-6186)

Copy →



Weekly Highlights Evaluation

Due to severe resource constraints, the FEA would like to identify which of its activities can be curtailed with a minimal impact. With this in mind, we would appreciate your evaluation of the utility of this publication. If you would like to continue receiving the Weekly Highlights, please indicate by returning the note below.

.....

TO: John D. Curtis, Director
Office of Energy Systems Data
Federal Energy Administration
Room 7415
12th & Pennsylvania Avenue, N.W.
Washington, D.C. 20461

I feel FEA's Weekly Energy Highlights are useful, and would like to remain on the mailing list.

John O. Marsh
(Signature)
John O. MARSH
(Name - Please print)
White House
(Agency)

sent 9/2/76

THE WHITE HOUSE
WASHINGTON

P/stat PG²
and send -

1. π
2. D/c
3. Mike
4. J. Cav.

done

Date: OCT 14 1976

OCT 18 1976

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081

COAL

UMW Reverses Position on Federal Control of Strip Mining

At the United Mine Workers' convention held recently in Cincinnati, delegates voted to drop support of Federal Controls on the strip mining industry in favor of less stringent state legislation. In 1973, the Union leadership endorsed the present Federal strip mining bill that was vetoed by President Ford, but now the Union's legislative committee resolves that Federal reclamation standards might harm the strip mining industry, which produces over half the nation's coal.

(P. Newman, 964-4775)

August Production of Coal up from a Year Ago

Production of bituminous coal and lignite during August 1976 was 53.4 million tons. Even though the miners' wildcat strike continued into the first two weeks of August, monthly production still increased 4.5 percent from the August 1975 level.

(P. Newman, 964-4775)

SOLAR

Production of Medium Temperature Solar Collectors Up 60 Percent Over Last Six Months

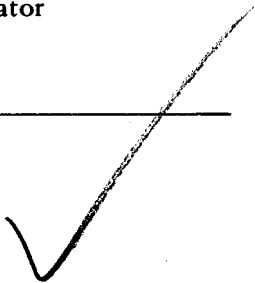
A recent semi-annual survey of solar collector manufacturers conducted by the Federal Energy Administration shows that production of medium temperature collectors increased to 700,000 square feet during the first six months of 1976, up 60 percent from the previous six-month period. A total of 142 companies are currently producing these collectors compared to 100 during the previous survey period. Production of low temperature collectors (used mainly for heating swimming pools) was about unchanged from the earlier period, however.

(R.D. Stoll, 964-6186)

Date: NOV 03 1976

Office of the Administrator

To: Jack Marsh



For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING OCTOBER 22, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 10/15/76	4 Wks Ended 10/15/76	Wk Ended 10/17/75	4 Wks Ended 10/17/75
Total Demand	16,380	16,260	15,661	15,884
Distillate	2,746	2,610	2,590	2,456
Residual	2,594	2,308	2,226	2,265
Mogas	6,597	6,820	6,276	6,643
Total Imports	7,587	7,148	5,922	6,076
Crude	5,845	5,563	4,233	4,357
Product	1,742	1,585	1,689	1,719

(G. Roccapriore, 566-9365)

BOM and API Revise Upward Estimates of 1976
Residual Fuel Oil Imports

Starting with the week ending October 8, the American Petroleum Institute has raised its estimates of residual fuel oil imports substantially to correct the under-reporting which has existed for most of 1976. The increase for that week was 310,000 b/d. Residual fuel oil demand for the first six months was revised upward by 9 percent. The principal reason for API's shortfall was the entrance of a number of new importers, not covered by its survey, into the business. The BOM has made similar but much smaller changes. BOM was short because some importers, reporting under FEA's entitlements program, thought they no longer had to report to FEA's Office of Oil Imports, the source of BOM's residual imports data; others have merely been slow in reporting to the Office of Oil Imports.

(C. Dwyer, 566-9365)

COAL

Coal Production Up From a Year Ago

Production of bituminous coal and lignite in September 1976 was 59.7 million tons, an increase of 7.4 percent over September 1975 production. Production for the first nine months of 1976 totaled 493.4 million tons, up 4.0 percent from the 1975 nine-month total.

(P. Newman, 964-4775)

FEA Orders 48 Power Plants to Plan to Burn Coal

On October 5 the Federal Energy Administration announced an order requiring 48 electric utility power plants in 22 states that are under construction or in the planning stage to burn coal. All the plants are being built with coal-burning capability, but the order prevents them from switching to oil or natural gas. The estimated generating capacity of the plants is 29,000 megawatts; together, they have the capacity to use 84 million tons of coal per year, the equivalent of 300 million barrels of oil per year.

(P. Newman, 964-4775)

FPC Orders Gulf to Refund Money and Deliver Gas to Texas Eastern

In the first ruling of its kind, the FPC has ordered Gulf Oil to refund millions of dollars to Texas Eastern Transmission Corporation for failure to deliver contracted volumes of natural gas. The FPC didn't specify how much Gulf must repay the pipeline company, merely that Gulf must pay the difference between the contract prices and higher prevailing market prices that Texas Eastern had to pay to get gas supplies elsewhere. Gulf has until December 15 to calculate the refund amount. The FPC also gave Gulf two months to start delivering the full amount of gas it owes to Texas Eastern.

(A. Bass, 566-9577)

December 9, 1976

MEMORANDUM FOR: FRANK ZARB

FROM: JACK MARSH

I think we should start sending the "FEA Energy Highlights Weekly Report" to Governor Carter. It should be sent to him in care of Jack Watson.

Many thanks.

JOM/d1



THE WHITE HOUSE
WASHINGTON

December 9, 1976

MEMORANDUM FOR: JACK WATSON

FROM: JACK MARSH *JM*

The attached weekly report from FEA is quite interesting. It may be helpful for you to bring this to the attention of the Governor and he may find it of interest.

The report is reviewed by a number of senior people here at the White house, including the President.

I have asked Frank Zarb to send the report to Governor Carter in care of you.

Many thanks.

Attachment



FEA ENERGY HIGHLIGHTS, WEEK ENDING NOVEMBER 19, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 11/12/76	4 Wks Ended 11/12/76	Wk Ended 11/14/75	4 Wks Ended 11/14/75
Total Demand	17,634	17,572	15,878	16,112
Distillate	3,280	3,113	2,668	2,680
Residual	2,615	2,830	2,219	2,250
Mogas	7,081	7,023	6,280	6,671
Total Imports	7,516	7,314	6,207	6,162
Crude	5,465	5,369	4,458	4,432
Product	2,051	1,945	1,749	1,730

(C. Dwyer, 566-9365)

U.S. Drilling Rig Activity up

U.S. drilling rig activity, as measured by the number of rotary rigs in active use, attained in November the highest level since December 1961. The rig count averaged 1,840 during the month, up 4.7 percent from the count for November 1975. It is expected that about 41,000 wells will be drilled in 1976, compared with a 1975 total of 37,235. Footages drilled will increase from 174.4 million feet in 1975 to an estimated 188 million feet in 1976.

(S. Wood, 566-9365)

COAL

Exxon Signs Agreement with Colombia for Coal Development

Exxon has signed a contract with Colombia's coal agency, Carboacol, to develop an estimated 400 million tons of low sulfur steam coal on the country's Caribbean coast. Electric utilities on the U.S. East Coast should have a promising new source of coal supply with good geographic access when production, initially estimated at 5 million tons per year, begins in 1983.

(P. Newman, 566-4775)

NATURAL GAS

FEA Predicts Alternate Fuels Available to Offset Winter's Gas Curtailments

Natural gas curtailments for the coming winter are estimated at 1.84 trillion cubic feet, an increase of 30 percent over those actually experienced last year. Alternative fuels appear adequate nationwide to substitute for curtailed gas, but at additional costs over last year of about \$550 to \$650 million. No curtailments of residential customers are foreseen, but some curtailments of commercial customers are projected. These estimates are based upon an FEA survey of 1,700 gas distributing companies, accounting for 95 percent of total end-user deliveries.

(F. Lalley, 566-9577)

SOLAR

Solar Collector Production up 155 Percent from 1975

The production of medium-temperature and special solar energy collectors increased from 276,000 square feet in the first half of 1975 to 704,000 square feet in the first half of 1976. These collectors are used mainly for hot water and space heating in homes and offices. One hundred and forty-two companies are now manufacturing such collectors, compared with 100 companies in the second half of 1975.

(R. Stoll, 566-6186)

Date: 9 DEC 1976

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING NOVEMBER 26, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 11/19/76	4 Wks Ended 11/19/76	Wk Ended 11/21/75	4 Wks Ended 11/21/75
Total Demand	19,438	18,200	16,408	16,114
Distillate	4,138	3,531	2,744	2,718
Residual	2,780	2,811	2,255	2,249
Mogas	7,090	6,958	6,679	6,601
Total Imports	8,098	7,572	6,306	6,258
Crude	6,059	5,579	4,576	4,518
Product	2,039	1,993	1,730	1,740

(G. Roccapriore, 566-9365)

Gasoline Decontrol Proposed

FEA has published proposed amendments exempting motor gasoline from price and allocation controls and will hold public hearings on this issue in Washington and six other cities on December 14 and 15. This proposed action is consistent with the decontrol of residual fuel oils, middle distillate, naphtha jet fuel, and a variety of special products that took effect earlier this year. It would leave less than 5 percent of refined products under price and allocation control.

(E. Vilade, 566-9833)

Domestic Crude Oil Prices Exceed ECPA Mandate - Price Freeze
Continued through December

Domestic Crude Oil prices for the period February-August 1976 exceeded the ECPA expected price by \$164 million. This figure is based upon actual data collection from crude oil purchasers. A preliminary estimate shows that the total excess will rise by \$35 million, to \$199 million, when data for September 1976 are included. To limit the excess over ECPA Mandate, FEA announced that the first sale price of domestic crude oil will be frozen at the June 1976 level, through the end of December. The \$.16 rise in the composite price in September is primarily due to the change in qualification for stripper wells specified in ECPA and redefinition of property. Month-by-month comparison of actual prices with expected ECPA prices are shown below:

<u>Month</u>	<u>Lower Tier Percent</u>	<u>Lower Tier Price</u>	<u>Upper Tier Price</u>	<u>Composite Price</u>	<u>ECPA Expected Price</u>	<u>Cumulative Excess Receipts (Millions of Dollars)</u>	<u>Average Daily Production (MMB/D)</u>
February	56.12	\$5.05	\$11.48	\$7.87	\$7.66	\$ 49	8.20
March	56.93	5.07	11.39	7.79	7.72	67	8.22
April	56.69	5.07	11.52	7.86	7.78	86	8.13
May	57.04	5.13	11.55	7.89	7.84	97	8.01
June	55.92	5.15	11.60	7.99	7.88	123	8.09
July	55.58	5.19	11.60	8.04	7.93	152	8.02
August	55.69	5.18	11.62	8.03	7.98	164	8.07
September*	53.40	5.17	11.65	8.19	8.04	199	8.08

* Estimated.

(A. Linden, 254-3910)

Date: DEC 23 1976

Office of the Administrator

To: Jack Marsh

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING DECEMBER 10, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 11/26/76	4 Wks Ended 11/26/76	Wk Ended 11/28/75	4 Wks Ended 11/28/75
Total Demand	18,319	18,313	17,814	16,730
Distillate	4,052	3,611	3,878	3,081
Residual	2,826	2,816	2,828	2,446
Mogas	6,589	6,902	6,910	6,585
Total Imports	9,115	8,108	6,751	6,537
Crude	6,607	5,953	4,941	4,734
Product	2,508	2,155	1,810	1,803

(G. Roccapriore, 566-9365)

Heating Oil Prices Remain Below FEA Index Levels

FEA's survey of prices for sale of heating oil to ultimate consumers shows that these prices have remained from 1.5 to 1.8 cents per gallon below index prices through November 27, 1976, for all parts of the U.S. except the West. Prices in the West were 1.0 cent per gallon below their index value.

(E. Vilade, 566-9833)

Fall Temperatures Continue Below Average

During the heating oil season, beginning September 1, average temperatures have been below normal. In the period September 1 to November 27, the nation has experienced 29 percent more degree days of colder weather than normal, and 61 percent more than for the same period last year. The East Coast has had 35 percent more degree days than normal, and 91 percent more than for the same period last year.

(C. Dwyer, 566-9365)

NUCLEAR

Domestic Reactors Show Continued Improved Performance

Domestic reactors in commercial operation performed at 66 percent of capacity during October. Since June, commercial reactors have produced power at an average of 65 percent of their total rated capacity, for their highest continuous performance ever. The 54 domestic reactors now in commercial operation have a maximum dependable capacity of 36,010 megawatts.

(A. Reynolds, 566-6186)

CONSERVATION

FEA Manual on Industrial Insulation now Available

An FEA manual for improved insulation design in industrial plants and utilities is now available through the U.S. Government Printing Office. The manual, entitled "Economic Thickness for Industrial Insulation," provides guidance on energy conservation via effective use of insulating materials. It includes discussions of costs, thickness of materials, condensation control, and the improved insulation of existing structures.

(J. Merna, 566-9833)