



## Division of Energy

# MISSOURI ENERGY BULLETIN

January 10, 2014

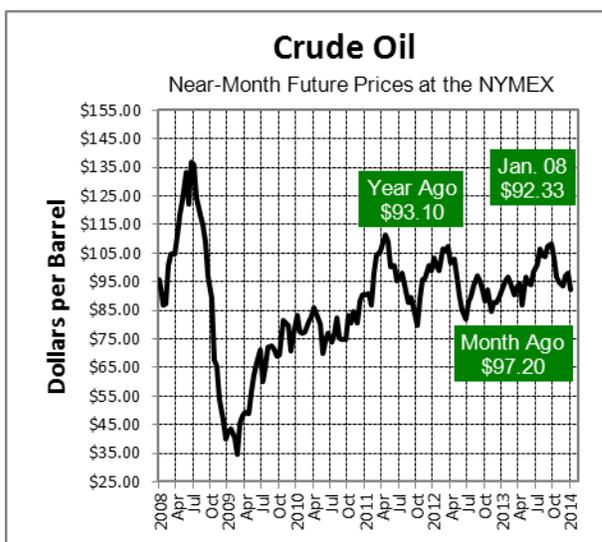
*(Data is for the week ended January 3, 2014, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices decreased \$4.87, or 5 percent, to \$92.33 per barrel in the past month, and stand 1 percent lower compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	01-08-14	12-04-13	change	01-09-13	change
NYMEX	\$92.33	\$97.20	down 5%	\$93.10	down 1%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for February 2014 delivery ended \$1.34, or 1.4 percent, lower on the January 8 trade day to close at \$92.33 per barrel, the lowest level in 6 weeks after the weekly federal inventory report reflected larger-than-expected increases in domestic gasoline and distillate supplies as consumer demand dropped.



- Crude oil futures fell for the 6th time in 7 days. Inventories of gasoline and distillates, including diesel fuel and heating oil, climbed more than twice as much as analysts predicted for the week ended January 3rd.
  - Compared to this time last year, the U.S. crude oil futures settlement price of \$92.33 is \$0.77, or 1 percent, lower.
  - Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 19.7 million barrels per day (MMB/D), up by 4.3 percent compared to the same period last year.
- According to the January 8 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories decreased 2.7 million barrels (MMB) at 357.9 MMB. U.S. crude supplies are now 3.4

MMB lower than at this time last year. Inventories are near a 30-year seasonal high, even after falling 33.5 MMB in 6 weeks.

- Crude imports increased by 466,000 barrels per day (B/D) from the prior week at 7.9 MMB/D. Imports at this time last year averaged 8.3 MMB/D. Domestic crude production increased at 8.1 MMB/D on the week. Last year at this time, production reached 7.0 MMB/D.
- U.S. refinery crude runs decreased by 0.1 MMB/D with refiners processing 16.1 MMB/D of crude. U.S. refinery capacity use was 92.3 percent, down 0.1 percent from the prior week and 3.2 percent higher compared to this time last year.
- Gasoline output was down at 8.8 MMB/D on the week and up 578,000 B/D compared to the production level at this time last year. Distillate output was down 154,000 B/D for the week at 5.1 MMB/D, and stands 159,000 B/D higher compared to the production level at this time last year.

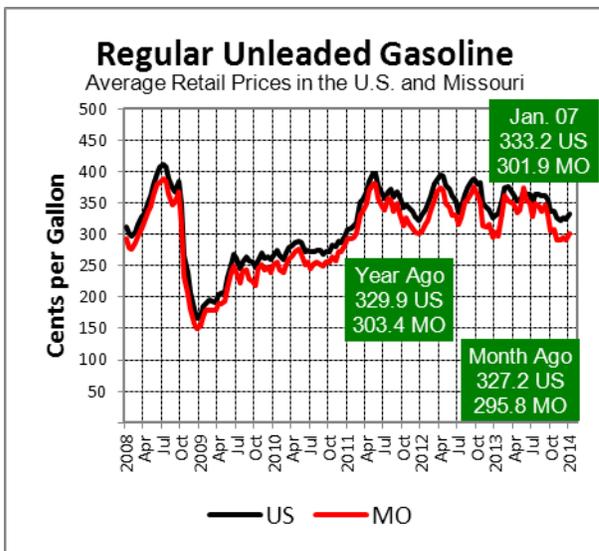
### Transportation Fuels

On January 7, Missouri's statewide average retail price for gasoline was \$3.02 per gallon, up 6.1 cents in the past month and down 1.5 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	01-07-14	12-02-13	change	01-07-13	change
US	333.2	327.2	up 2%	329.9	up 1%
Missouri	301.9	295.8	up 2%	303.4	down 0%

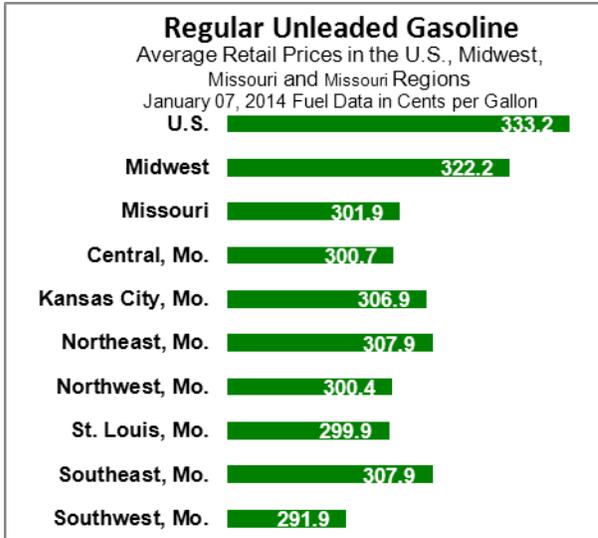
Diesel Fuel - Retail Prices (cents per gallon)					
	01-07-14	12-02-13	change	01-07-13	change
US	391.0	388.3	up 1%	329.9	up 19%
Missouri	366.9	365.1	up 0%	367.0	down 0%

- On January 7, Missouri's average retail price for gasoline was about \$3.02 per gallon, up 6.1 cents in the past month. The average price for diesel fuel was up 1.8 cents per gallon, or less than 1 percent, in the past month. Missouri's average retail gasoline price is 1.5 cents, or less than 1 percent lower, while the average retail diesel fuel price is less than a penny lower for the comparable period in January 2013.

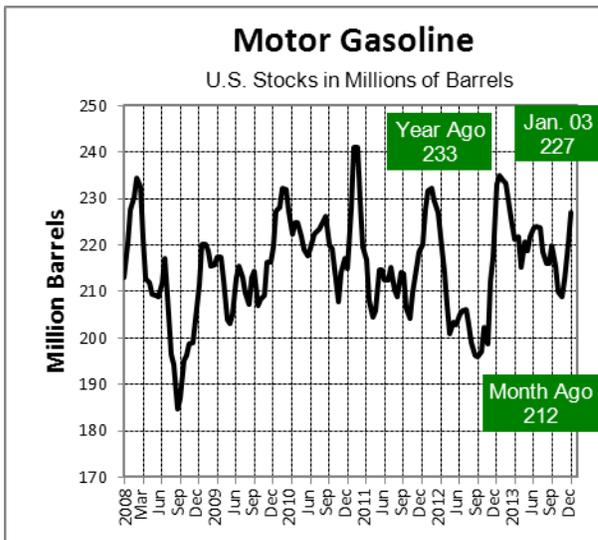


- According to the AAA, the average retail price for motor gasoline has drifted above \$3 per gallon in all 50 states. Missouri, however, continues to enjoy the lowest average retail motor gasoline price in the U.S. along with Montana with an average price of \$3.02 per gallon.
- The U.S. average price for regular gasoline is 6.0 cents, or 2 percent, higher per gallon compared to last month at \$3.33 per gallon.

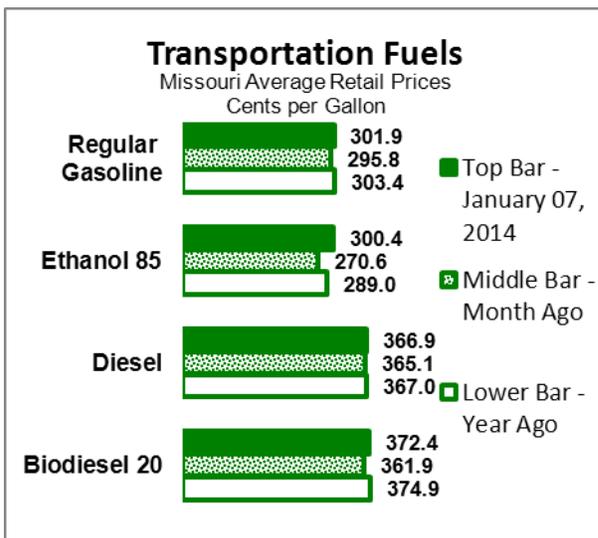
The U.S. average was up by 3.3 cents compared to this time last year. In the past week, the U.S. average increased by less than 1 cent per gallon.



- Gasoline imports increased by 132,000 B/D from the prior week at 0.4 MMB/D. Imports were nearly 0.5 MMB/D last year at this time.
- Implied demand for gasoline was down at 8.3 MMB/D from the prior week and stands about 0.3 MMB/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, or 401,000 B/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased by 6.2 MMB at 227.0 MMB on the week. U.S. gasoline inventories are down 6.1 MMB compared to this time last year yet trend at the upper range of the five-year average for this time of year.



- Distillate stocks increased 5.8 MMB at 125.0 MMB and stand 5.8 MMB lower compared to the same period last year. Distillate demand was down 292,000 B/D at 3.0 MMB/D on the week and down 44,000 B/D compared to the same period last year. On a four-week average, distillate demand was up 82,000 barrels per day compared to the same period last year at 3.6 MMB/D.



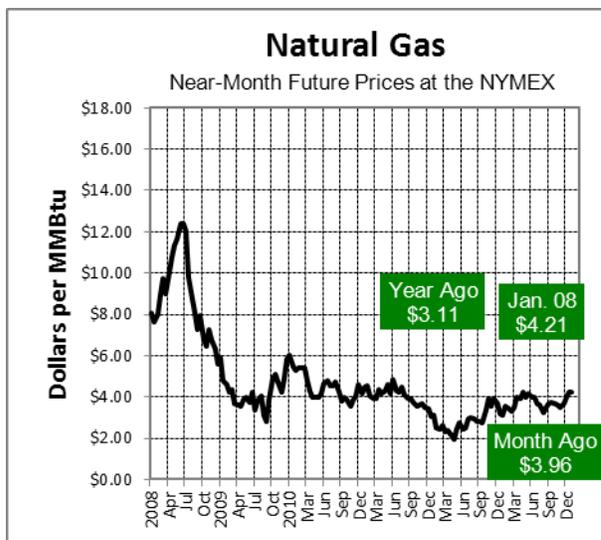
- On January 7, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.00 per gallon, 2 cents or less than 1 percent lower than the average price for conventional motor gasoline.
- On January 7, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.72 per gallon, 5 cents, or 1 percent, higher than the average retail price for conventional diesel fuel.
- According to the January 7, 2014, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages, which was \$3.63 per gallon in 2012 and \$3.51 per gallon in 2013, is projected to average \$3.46 per gallon in 2014.

## Natural Gas

Approximately 54 percent (1,260,322) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity. (Data updated from the most recent U.S. Census report.)

**On January 8, natural gas futures at the NYMEX closed at \$4.21 per million British thermal units (MMBtu), up 35 percent compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-08-14	12-04-13	change	01-10-13	change
NYMEX	\$4.21	\$3.96	up 6%	\$3.11	up 35%



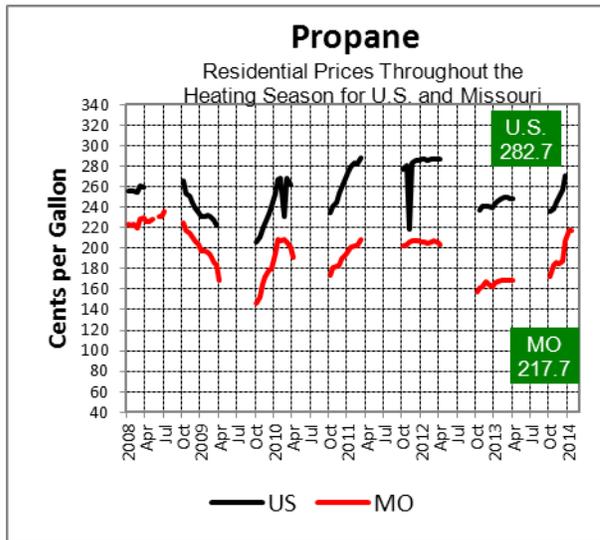
- At the NYMEX, natural gas futures for February 2014 delivery ended 8.0 cents lower on the January 8 trade day to close at \$4.21 per MMBtu. In the past year, natural gas values have increased by \$1.10, or 35 percent, per MMBtu.
- For the reporting week January 1 to January 8, the price of the February 2014 contract decreased 11.0 cents, from \$4.32 to \$4.21 per MMBtu.
- The 12-month strip (the average of the 12 contracts between February 2014 and January 2015) fell from \$4.27 January 2 to \$4.14 per MMBtu.
- According to EIA, total consumption hit its highest daily level since 2005 on January 6, at 128.7 billion cubic feet (Bcf) then hit another record high at 137.0 Bcf on January 7 as the cold weather moved from the Midwest to the East. Residential and commercial demand increased 38 percent from the previous week.
- Consumption of natural gas for power generation (power burn) increased 35.5 percent on the week, and was greater than 30 Bcf/d on both January 6 and 7. Though this was not a record, power burn is not normally this high during the winter, and these levels are much more typical of levels seen in the summer months. Industrial consumption increased 6.1 percent week-on-week, and overall consumption increased 29.8 percent from last week.
- Working gas in storage totaled 2,817 Bcf, 10.1 percent below the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 528 Bcf, or 15.8 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released January 7, 2014, Midwest households that heat with natural gas may realize an increase in expenditures by 6.9 percent for the 2013/14 heating season based on an increase in price of approximately 4.4 percent.

## Propane

Approximately 10 percent (244,808) of Missouri households use propane to heat their homes. (Data updated from the most recent U.S. Census report.) Propane is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

**On January 7, the average Missouri retail price for residential propane was about \$2.18 per gallon, up 11 cents in the past month.**

Propane - Retail Prices (cents per gallon)					
	01-07-14	12-16-13	change	01-22-13	change
Missouri	217.7	206.7	up 5%	167.5	up 30%



- According to the Division of Energy's most recent statewide propane price survey conducted January 7, the average Missouri retail residential propane price was about \$2.18 per gallon, up 11 cents in the past month and up 30 percent compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.85 per gallon, while the lowest retail price was about \$1.95 per gallon.
- U.S. inventories of propane decreased by 3.5 MMB to end at 42.2 MMB, the lowest inventory for the month of January since

2001. Propane inventories are now 23.1 MMB, or 35.3 percent, lower compared to the same period last year. Implied demand for propane increased by 316,000 B/D at 1.7 MMB/D on the week, and up 218,000 B/D compared to the demand level for this time last year.

- Midwest propane inventories decreased 1.2 MMB on the week. At 13.1 MMB, Midwest inventories are 8.4 MMB, or 39 percent, lower than the 21.5 MMB reported at this time last year and is the lowest inventory level for the month of January since EIA began collecting data in 1994.
- Emergency declarations have been issued by 12 states, including Missouri, waiving the federal Hours of Service standard allowing propane transporters to work longer hours to deliver propane to consumers due to high demand from sub-freezing temperatures and near-record setting snow fall.
- According to EIA's *Short Term Energy Outlook*, released January 7, 2014, Midwest households that heat with propane may realize an increase in expenditures by 23.5 percent for the 2013/14 heating season based on an increase in price of 20.7 percent.

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The *Missouri Energy Bulletin* is distributed twice a month by the Missouri Department of Economic Development's Division of Energy. The Division of Energy collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and online at the division's Web address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; and Missouri's energy retailers. For more information, contact: MO Dept. of Economic Development, Division of Energy, P.O. Box 1766, Jefferson City, MO 65102-1766; Phone: 573-751-2254; Fax: 573-751-6860; Email: [energy@ded.mo.gov](mailto:energy@ded.mo.gov); Web Address: <http://ded.mo.gov/division-of-energy/transportation/missouri-energy-bulletins>.