



Division of Energy

MISSOURI ENERGY BULLETIN

January 24, 2014

(Data is for the week ended January 17, 2014, unless stated otherwise.)

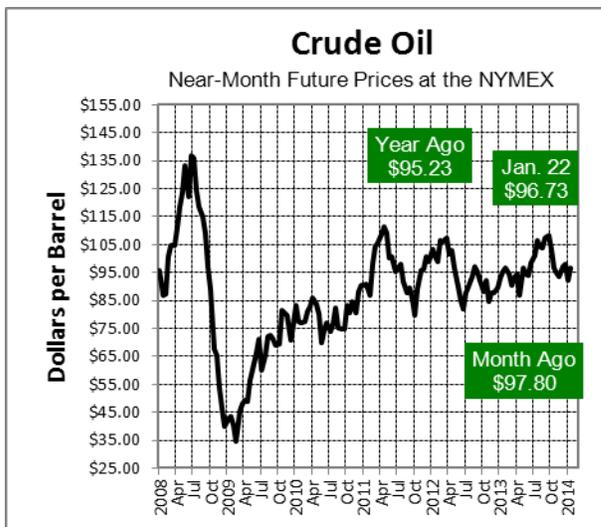
Crude Oil

U.S. crude oil prices decreased \$1.07, or 1 percent, to \$96.73 per barrel in the past month, and stand 2 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	01-22-14	12-18-13	change	01-23-13	change
NYMEX	\$96.73	\$97.80	down 1%	\$95.23	up 2%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for February 2014 delivery ended \$1.76, or 1.9 percent, higher on the January 22 trade day to close at \$96.73 per barrel, in anticipation of much lower distillate inventories due to increased demand for space heating from sub-freezing temperatures in the Midwest and Northeast Regions.

- Crude oil futures increased after the weekly federal fuels report noted stockpiles of heating oil and diesel fell 3.21 million barrels (MMB) last week to 120.7 MMB. Prices also were supported by news that the southern portion of the Keystone XL pipeline connecting Cushing, Oklahoma, to the Gulf Coast started making deliveries of crude.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$96.73 is \$1.50, or 2 percent, higher.
- Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 18.8 MMB/D, up by 2.5 percent compared to the same period last year.

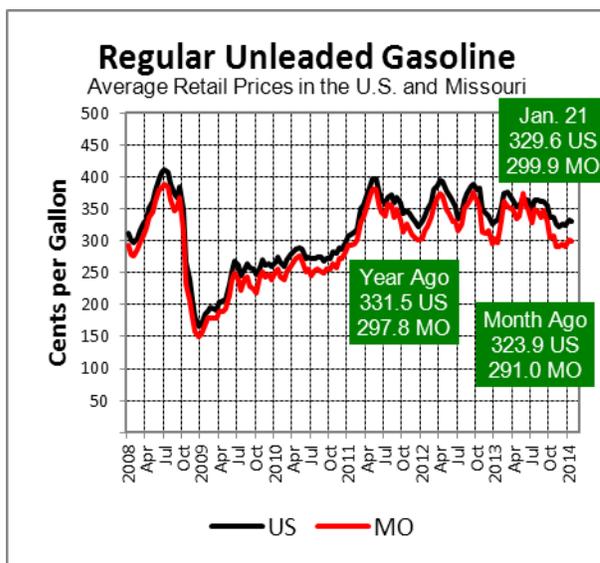
- According to the January 23 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 1.0 MMB at 351.2 MMB. U.S. crude supplies are now 11.9 MMB lower than at this time last year.
- Crude imports increased by 655,000 barrels per day (B/D) from the prior week at 7.5 MMB/D. Imports at this time last year averaged 7.7 MMB/D. Domestic crude production decreased at 8.0 MMB/D on the week. Last year at this time, production reached 7.7 MMB/D.
- U.S. refinery crude runs decreased by 0.5 MMB/D with refiners processing 15.2 MMB/D of crude. U.S. refinery capacity use was 86.5 percent, down 3.5 percent from the prior week yet 2.9 percent higher compared to this time last year.
- Gasoline output was up at 8.9 MMB/D on the week and up 270,000 B/D compared to the production level at this time last year. Distillate output was down 241,000 B/D for the week at 4.5 MMB/D, and stands 157,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

On January 21, Missouri's statewide average retail price for gasoline was \$2.99 per gallon, up 8.9 cents in the past month and up 2.1 cents in the past year.

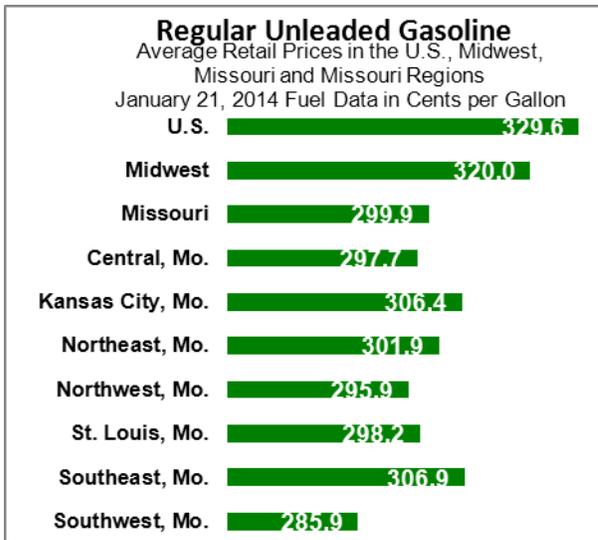
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	01-21-14	12-16-13	change	01-22-13	change
US	329.6	323.9	up 2%	331.5	down 1%
Missouri	299.9	291.0	up 3%	297.8	up 1%

Diesel Fuel - Retail Prices (cents per gallon)					
	01-21-14	12-16-13	change	01-22-13	change
US	387.3	387.1	up 0%	331.5	up 17%
Missouri	362.5	364.8	down 1%	353.1	up 3%

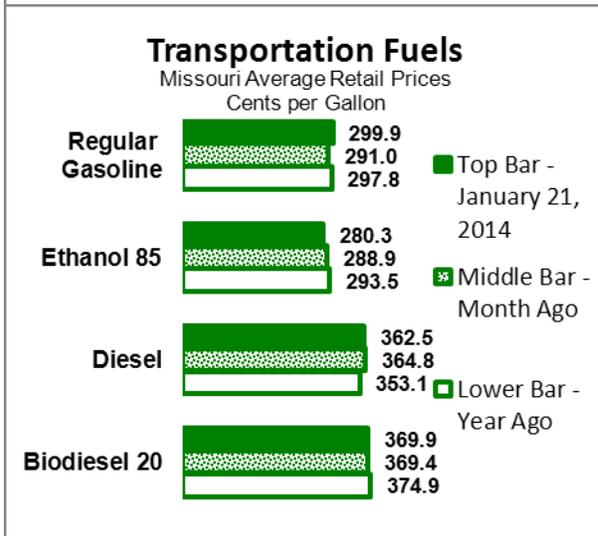
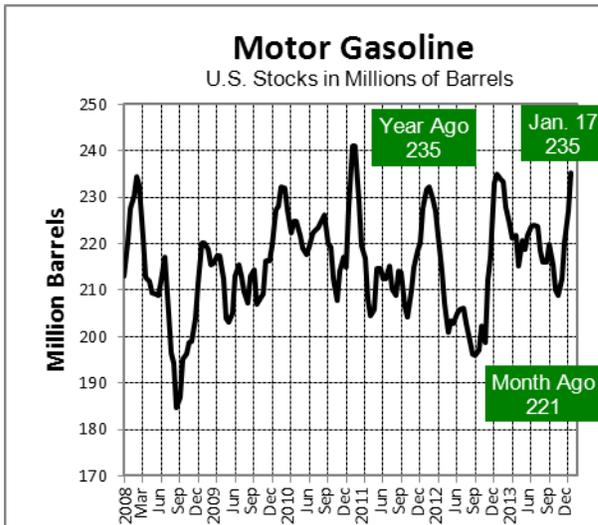


- On January 21, Missouri's average retail price for gasoline was about \$2.99 per gallon, up 8.9 cents in the past month. The average price for diesel fuel was down 2.3 cents per gallon, or 1 percent, in the past month. Missouri's average retail gasoline price is 2.1 cents, or 1 percent, higher, while the average retail diesel fuel price is 9.4 cents, or 3 percent, higher for the comparable period in January 2013.
- According to the AAA, the average retail price for motor gasoline continued at or above \$3 per gallon in all 50 states. Missouri (with Montana) continues to enjoy the lowest average retail motor gasoline price in the U.S., with an average price near \$3.00 per gallon.

- The U.S. average price for regular gasoline is 5.7 cents, or 2 percent, higher per gallon compared to last month at \$3.29 per gallon. The U.S. average was down by 1.9 cents compared to this time last



gasoline inventories are up 2.0 MMB compared to this time last year and trend above the upper range of the five-year average for this time of



year. In the past week, the U.S. average decreased by about 3 cents per gallon.

- Gasoline imports increased by 123,000 B/D from the prior week at 0.5 MMB/D. Imports were nearly 0.4 MMB/D last year at this time.
- Implied demand for gasoline was up at 8.1 MMB/D from the prior week and stands about 0.4 MMB/D lower compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.3 MMB/D, unchanged compared to the same four-week period last year.
- U.S. gasoline supplies increased by 2.1 MMB at 235.3 MMB on the week. U.S. gasoline inventories are up 2.0 MMB compared to this time last year and trend above the upper range of the five-year average for this time of year.

- Distillate stocks decreased 3.2 MMB at 120.7 MMB and stand 12.2 MMB lower compared to the same period last year. Distillate demand was up 50,000 B/D at 3.8 MMB/D on the week and up 407,000 B/D compared to the same period last year. On a four-week average, distillate demand was up 170,000 barrels per day compared to the same period last year at 3.5 MMB/D.

- On January 21, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.80 per gallon, 19.6 cents or about 6.5 percent lower than the average price for conventional motor gasoline.

- On January 21, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.70 per gallon, 7.4 cents, or 2 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

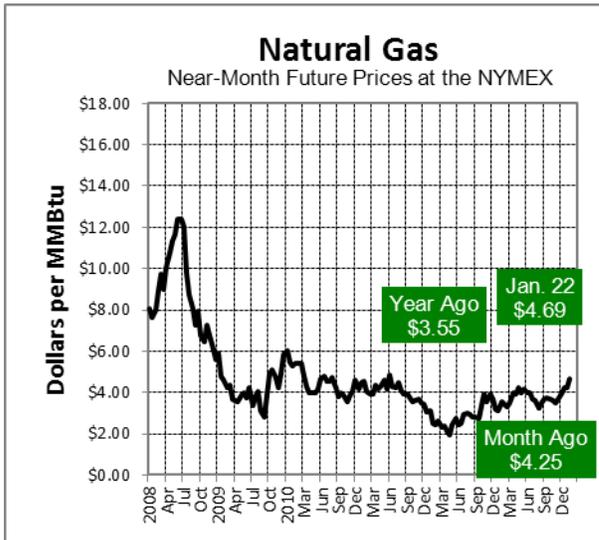
per gallon in 2014.

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 22, natural gas futures at the NYMEX closed at \$4.69 per million British thermal units (MMBtu), up 32 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-22-14	12-18-13	change	01-17-13	change
NYMEX	\$4.69	\$4.25	up 10%	\$3.55	up 32%



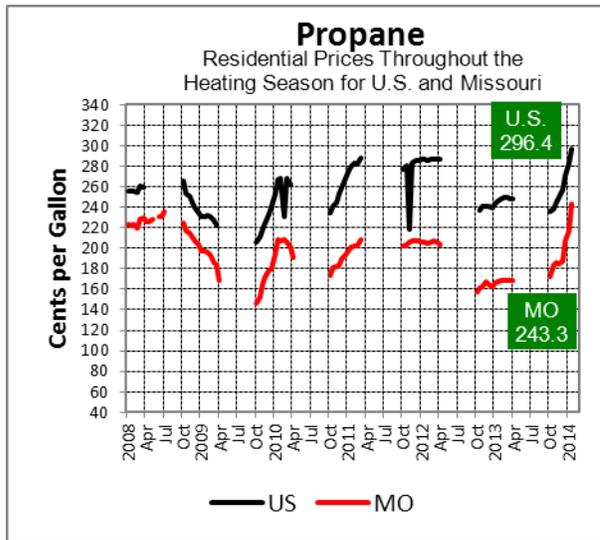
- At the NYMEX, natural gas futures for February 2014 delivery ended 26.0 cents higher on the January 22 trade day to close at \$4.69 per MMBtu. In the past year, natural gas values have increased by \$1.14, or 32 percent, per MMBtu.
- For the reporting week January 15 to January 22, the price of the February 2014 contract increased 36 cents, from \$4.33 to \$4.69 per MMBtu, the highest price since June 2011.
- The 12-month strip (the average of the 12 contracts between February 2014 and January 2015) increased 20 cents, from \$4.17 to \$4.37 per MMBtu.
- Total natural gas consumption for the report week increased 18.9 percent above last week's levels, as temperatures fell once again. Consumption in the residential/commercial sectors drove the increase, rising 27.8 percent, largely because of the sharp temperature drops on January 14 and January 22. The industrial sector, which also uses some amount of natural gas for heating, consumed 3.9 percent more gas week-on-week. Electric sector consumption rose by 18.9 percent, driven largely by the Southeast and the Midwest.
- Working gas in storage totaled 2,423 Bcf, 13.2 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 598 Bcf, or 19.8 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 21, the average Missouri retail price for residential propane was about \$2.43 per gallon, up 18 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	01-21-14	12-16-13	change	01-22-13	change
Missouri	243.3	206.7	up 18%	167.5	up 45%



- According to the Division of Energy's most recent statewide propane price survey conducted January 21, the average Missouri retail residential propane price was about \$2.43 per gallon, up 37 cents in the past month and up 45 percent compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$3.50 per gallon, while the lowest retail price was about \$2.22 per gallon.
- The average U.S. residential propane price increased by 10 cents per gallon last week

to over \$2.96 per gallon, 68 cents per gallon higher than the same period last year. This is the largest single week increase since the start of the heating season in October.

- U.S. inventories of propane decreased by 3.4 MMB to end at 35.3 MMB, the lowest inventory for the month of January since 2001. Propane inventories are now 25.6 MMB, or 42.1 percent, lower compared to the same period last year. Implied demand for propane increased by 10,000 B/D at 1.7 MMB/D on the week, and up 82,000 B/D compared to the demand level for this time last year.
- Midwest propane inventories decreased 1.3 MMB on the week. At 10.2 MMB, Midwest inventories are 8.7 MMB, or 46 percent, lower than the 18.9 MMB reported at this time last year and is the lowest inventory level for the month of January since EIA began collecting data in 1993.
- Emergency declarations have been issued by 23 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.
- 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; Web Address: <http://ded.mo.gov/division-of-energy/transportation/missouri-energy-bulletins>.