



## Division of Energy

# MISSOURI ENERGY BULLETIN

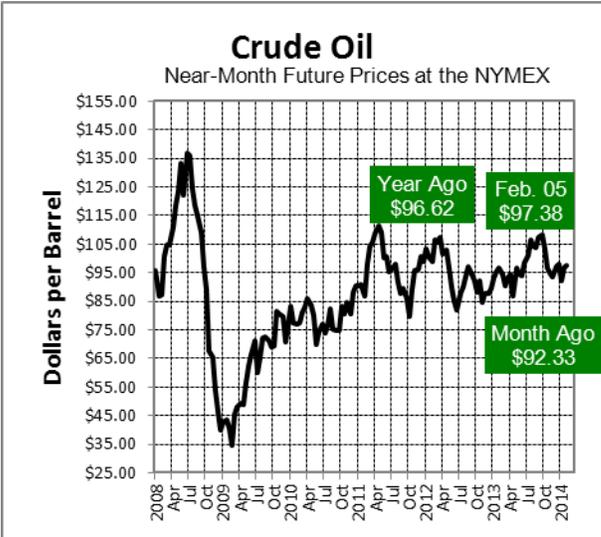
February 7, 2014

*(Data is for the week ended January 31, 2014, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices increased \$5.05, or 5 percent, to \$97.38 per barrel in the past month, and stand 1 percent higher compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	02-05-14	01-08-14	change	02-07-13	change
NYMEX	\$97.38	\$92.33	up 5%	\$96.62	up 1%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for March 2014 delivery ended \$0.19, or 0.2 percent, higher on the February 5 trade day to close at \$97.38 per barrel, as continued cold temperatures and strong demand for home heating oil forced domestic supplies lower for the 4<sup>th</sup> straight week.
- Crude oil futures increased after the weekly federal fuels report noted stockpiles of heating oil and diesel fell 2.4 million barrels (MMB) last week to 113.8 MMB. Prices also were supported by the continued slump in crude inventories despite increased domestic production.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$97.38 is \$0.76, or 1 percent, higher.
- Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 19.2 MMB per day (MMB/D), up by 5.0 percent compared to the same period last year.

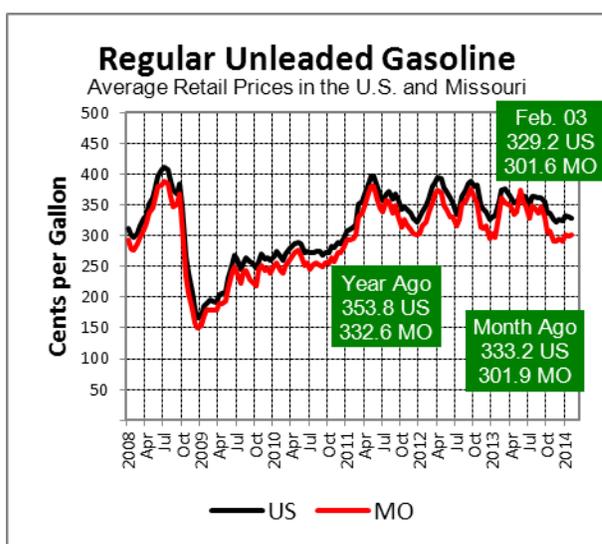
- According to the February 5 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 0.4 MMB at 358.1 MMB. U.S. crude supplies are now 13.6 MMB lower than at this time last year.
- Crude imports decreased by 1.2 MMB/D from the prior week at 6.9 MMB/D, the largest decline since September 2012. Imports at this time last year averaged 7.6 MMB/D. Domestic crude production was unchanged at 8.0 MMB/D on the week. Last year at this time, production reached 7.0 MMB/D.
- U.S. refinery crude runs decreased by 0.4 MMB/D with refiners processing 15.0 MMB/D of crude. U.S. refinery capacity use was 86.1 percent, down 2.1 percent from the prior week yet 1.9 percent higher compared to this time last year.
- Gasoline output was down at 8.9 MMB/D on the week and up 157,000 barrels per day (B/D) compared to the production level at this time last year. Distillate output was down 264,000 B/D for the week at 4.6 MMB/D, and stands 113,000 B/D higher compared to the production level at this time last year.

### Transportation Fuels

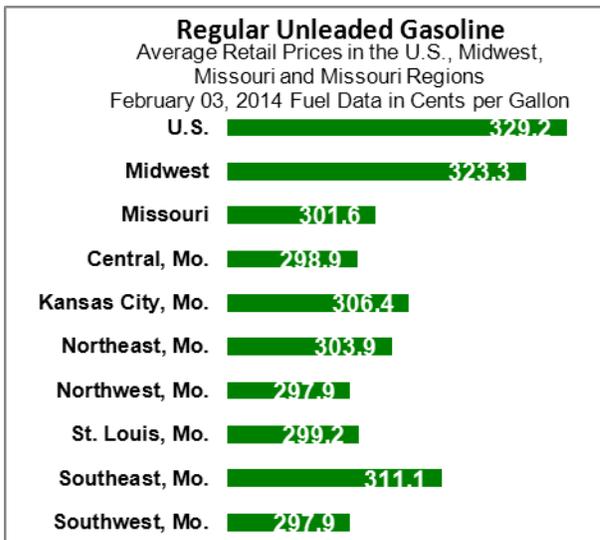
On February 3, Missouri's statewide average retail price for gasoline was about \$3.02 per gallon, down 0.3 cents in the past month and down 31 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>02-03-14</u>	<u>01-07-14</u>	<u>change</u>	<u>02-04-13</u>	<u>change</u>
US	329.2	333.2	down 1%	353.8	down 7%
Missouri	301.6	301.9	down 0%	332.6	down 9%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>02-03-14</u>	<u>01-07-14</u>	<u>change</u>	<u>02-04-13</u>	<u>change</u>
US	329.2	391.0	down 16%	353.8	down 7%
Missouri	365.0	366.9	down 1%	374.6	down 3%



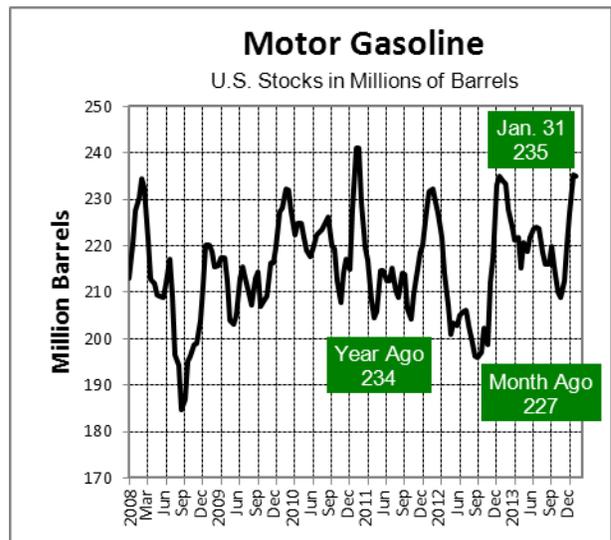
- On February 3, Missouri's average retail price for gasoline was about \$3.02 per gallon, down 0.3 cents in the past month. The average price for diesel fuel was down 1.9 cents per gallon, or 1 percent, in the past month. Missouri's average retail gasoline price is 31 cents, or 9 percent, lower, while the average retail diesel fuel price is 9.6 cents, or 3 percent, lower for the comparable period in February 2013.
- According to the AAA, Missouri (along with Montana) continues to enjoy one of the lowest state average retail motor gasoline prices in the U.S., with an average near \$3.00 per gallon.



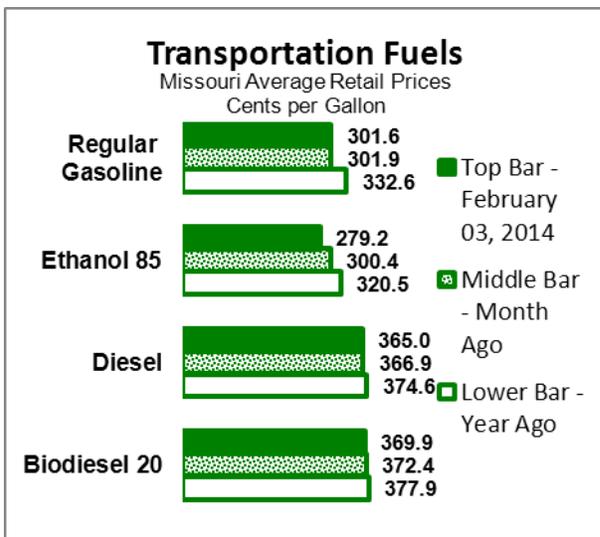
- The U.S. average price for regular gasoline is 4.0 cents, or 1 percent, lower per gallon compared to last month at \$3.29 per gallon. The U.S. average was down by 24.6 cents compared to this time last year. In the past week, the U.S. average decreased by about 0.3 cents per gallon.
- Gasoline imports increased by 153,000 B/D from the prior week at 0.6 MMB/D. Imports were 0.07 MMB/D lower than last year at this time.
- Implied demand for gasoline was down at 8.5 MMB/D from the prior week and stands unchanged compared to this time last year. In the past four weeks, U.S. gasoline

demand has averaged about 8.3 MMB/D, compared with 8.4 MMB/D for the same four-week period last year.

- U.S. gasoline supplies increased by 0.5 MMB at 235.0 MMB on the week. U.S. gasoline inventories are up 0.9 MMB compared to this time last year and trend at the upper range of the five-year average for this time of year.
- Distillate stocks decreased 2.4 MMB at 113.8 MMB and stand 15.8 MMB lower compared to the same period last year. Distillate demand was down 0.6 MMB/D at 3.9 MMB/D on the week and up 316,000 B/D compared to the same period last year. On a four-week average, distillate demand was up 230,000 B/D compared



to the same period last year at 3.5 MMB/D.



- On February 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.79 per gallon, 22.4 cents or about 7.4 percent lower than the average price for conventional motor gasoline.
- On February 3, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.70 per gallon, 5.0 cents, or 1.4 percent, higher than the average retail price for conventional diesel fuel.

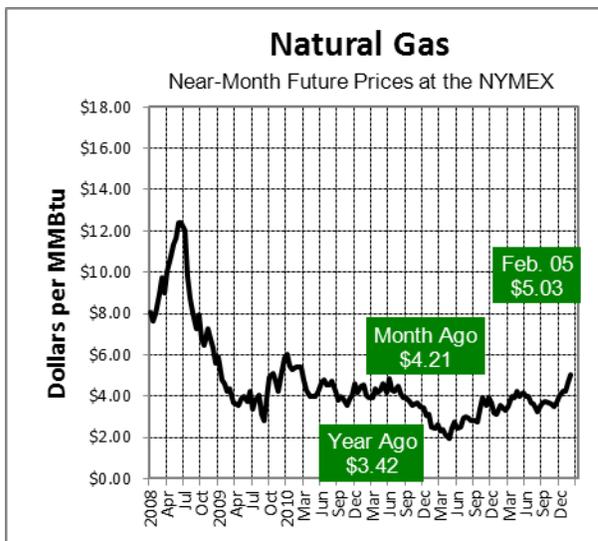
- According to the January 7, 2014, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages, which was \$3.63 per gallon in 2012 and \$3.51 per gallon in 2013, is projected to average \$3.46 per gallon in 2014.

## 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 February 5, natural gas futures at the NYMEX closed at \$5.03 per million British thermal units (MMBtu), up 19 percent compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-05-14	01-08-14	change	02-04-13	change
NYMEX	\$5.03	\$4.21	up 19%	\$3.42	up 47%



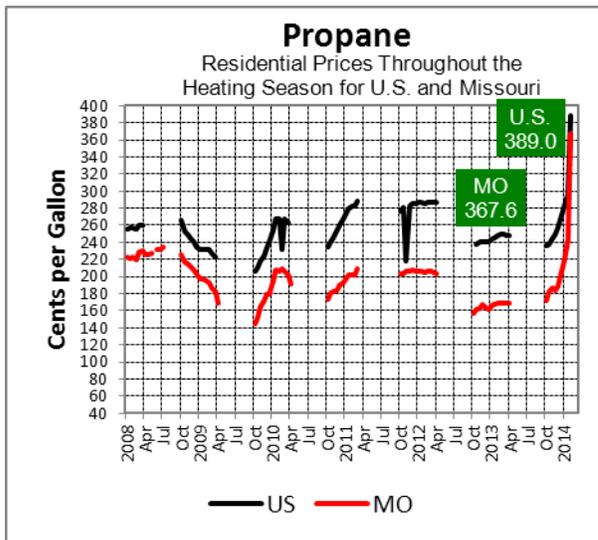
- At the NYMEX, natural gas futures for March 2014 delivery ended 34.5 cents lower on the February 5 trade day to close at \$5.03 per MMBtu. In the past year, natural gas values have increased by \$1.61, or 47 percent, per MMBtu.
- For the reporting week January 29 to February 5, the price of the March 2014 contract decreased 44 cents, from \$5.47 to \$5.03 per MMBtu.
- The 12-month strip (the average of the 12 contracts between March 2014 and February 2015) decreased 7 cents, from \$4.68 to \$4.61 per MMBtu.
- Total natural gas consumption for the report week fell 15.5 percent compared to last week's levels, as temperatures were relatively moderate for most of the report week between winter storms. Consumption in the residential/commercial sectors drove the decline, falling 18.2 percent. However, the weather across most of the country remained significantly colder than normal, with consumption in the residential/commercial sector 9.9 percent higher than last year.
- Working gas in storage totaled 1,923 Bcf, 22.4 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 778 Bcf, or 28.8 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 February 3, the average Missouri retail price for residential propane was about \$3.68 per gallon, up \$1.50 in the past month.**

Propane - Retail Prices (cents per gallon)					
	02-03-14	01-07-14	change	02-04-13	change
Missouri	367.6	217.7	up 69%	168.9	up 118%



- According to the Division of Energy's most recent statewide propane price survey conducted February 3, the average Missouri retail residential propane price was about \$3.68 per gallon, up \$1.50 in the past month and up \$1.99, or 118 percent, compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$4.19 per gallon, down \$1.60 from the January 27 record price of \$5.80. The lowest retail price was about \$2.97 per gallon, down \$0.63 from the January 27 price of \$3.60 per gallon.
- The average U.S. residential propane price decreased by 11.9 cents per gallon last week to \$3.89 per gallon, \$1.59 per gallon higher than the same period last year. Average U.S. residential propane prices have set new weekly records in the past 6 consecutive weeks. The January 27 average price of \$4.01 was the highest nominal price ever recorded by the EIA.
- U.S. propane stocks fell by 0.8 million barrels to end at 30.8 million barrels last week, 24.0 million barrels, or 43.8 percent lower than a year ago. Implied demand for propane decreased by 346,000 B/D at 1.3 MMB/D on the week. Propane demand is 260,000 B/D higher compared to the demand level at this time last year.
- Midwest propane inventories increased 0.8 MMB on the week. At 9.6 MMB, Midwest inventories are 6.1 MMB, or 39 percent, lower than the 15.7 MMB reported at this time last year.
- Federal emergency declarations have been issued covering 34 states, including Missouri, and the District of Columbia, waiving the federal Hours of Service standard to allow transporters to work longer hours to deliver propane to consumers due to prolonged high demand from sub-freezing temperatures.
- The EIA, working closely with Missouri and other impacted states, issued Energy Market Alert: Winter 2013–14 Propane Updates on February 6, containing information and data on the current propane situation at: <http://www.eia.gov/special/alert/propane/?src=Petroleum-f>

- 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>.