

## Division of Energy

# MISSOURI ENERGY BULLETIN

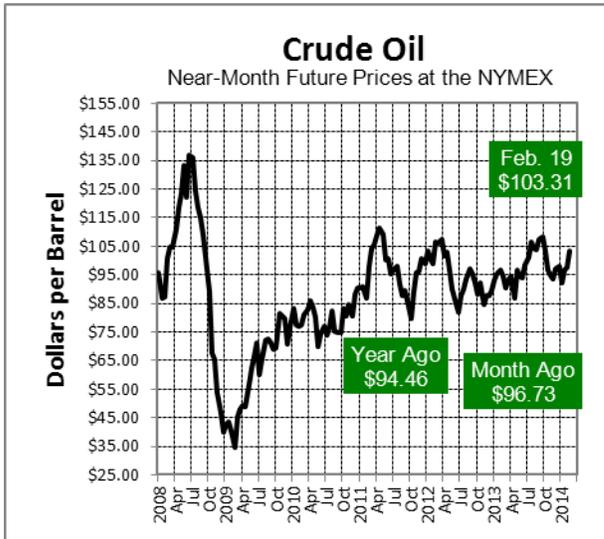
February 21, 2014

*(Data is for the week ended February 14, 2014, unless stated otherwise.)*

### Crude Oil

**U.S. crude oil prices increased \$6.58, or 7 percent, to \$103.31 per barrel in the past month, and stand 9 percent higher compared to this time last year.**

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>02-19-14</u>	<u>01-22-14</u>	<u>change</u>	<u>02-20-13</u>	<u>change</u>
NYMEX	\$103.31	\$96.73	up 7%	\$94.46	up 9%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for March 2014 delivery ended \$0.88, or 0.9 percent, higher on the February 19 trade day to close at \$103.31 per barrel, hitting a 4-month high on speculation that inventories at Cushing, Oklahoma, dropped for a third week.
- Crude oil futures increased on growing concerns that domestic demand for oil may climb because of surging natural gas prices. Manufacturers and utilities switch between natural gas and crude-based fuels depending on cost.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$103.31 is \$8.85, or 9 percent, higher.
- Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 19.1 million barrels per day (MMB/D), up by 3.0 percent compared to the same period last year.

- According to the February 20 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 1.0 MMB at 362.3 MMB. U.S. crude supplies are now 14.1 MMB lower than at this time last year.
- Crude imports decreased by 0.5 MMB/D from the prior week at 7.4 MMB/D. Imports at this time last year averaged 7.7 MMB/D. Domestic crude production was unchanged at 8.1 MMB/D on the week. Last year at this time, production reached 7.1 MMB/D.
- U.S. refinery crude runs decreased slightly with refiners processing 15.2 MMB/D of crude. U.S. refinery capacity use was 86.8 percent, down 0.3 percent from the prior week, yet 3.9 percent higher compared to this time last year.
- Gasoline output was down at 8.8 MMB/D on the week and up 164,000 barrels per day (B/D) compared to the production level at this time last year. Distillate output was down 57,000 B/D for the week at 4.5 MMB/D, and stands 268,000 B/D higher compared to the production level at this time last year.

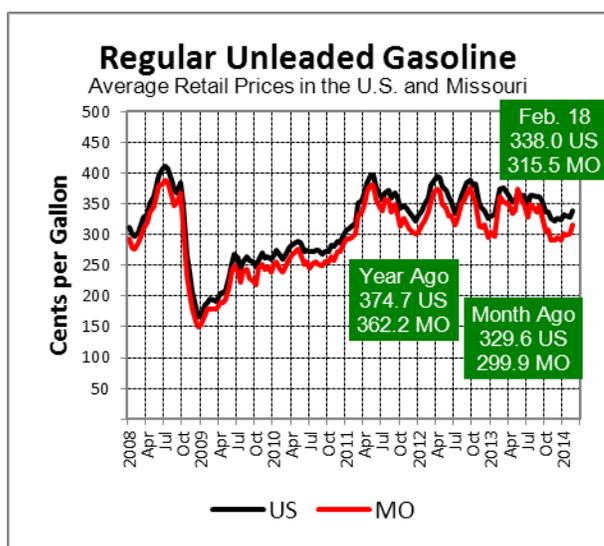
### Transportation Fuels

On February 18, Missouri's statewide average retail price for gasoline was about \$3.16 per gallon, up 15.6 cents in the past month yet down nearly 47 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	02-18-14	01-21-14	change	02-19-13	change
US	338.0	329.6	up 3%	374.7	down 10%
Missouri	315.5	299.9	up 5%	362.2	down 13%

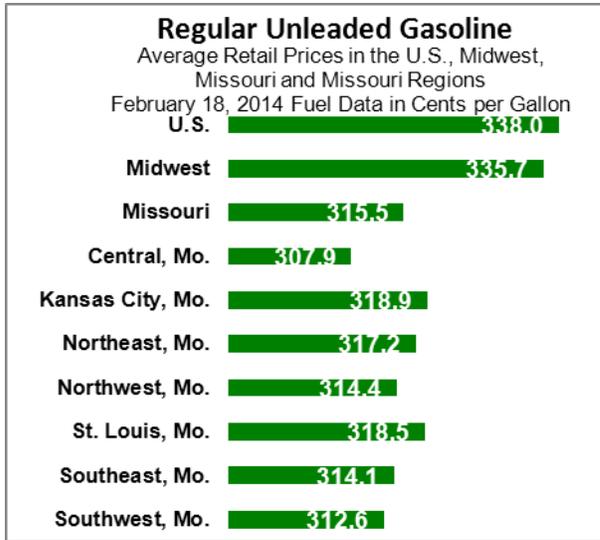
Diesel Fuel - Retail Prices (cents per gallon)					
	02-18-14	01-21-14	change	02-19-13	change
US	398.9	387.3	up 3%	415.7	down 4%
Missouri	372.3	362.5	up 3%	393.8	down 5%

- On February 18, Missouri's average retail price for gasoline was about \$3.16 per gallon, up 15.6 cents



in the past month. The average price for diesel fuel was up 9.8 cents per gallon, or 3 percent, in the past month. Missouri's average retail gasoline price is 46.7 cents, or 13 percent, lower, while the average retail diesel fuel price is 21.5 cents, or 5 percent, lower for the comparable period in February 2013.

- The U.S. average price for regular gasoline is 8.4 cents, or 3 percent, higher per gallon compared to last month at \$3.38 per gallon. The U.S. average was down by 36.7 cents compared to this time last year. In the past week, the U.S. average increased by 7.1 cents per gallon.

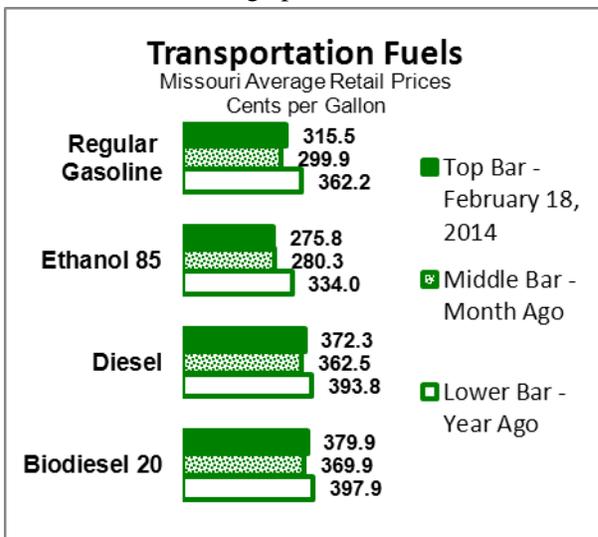
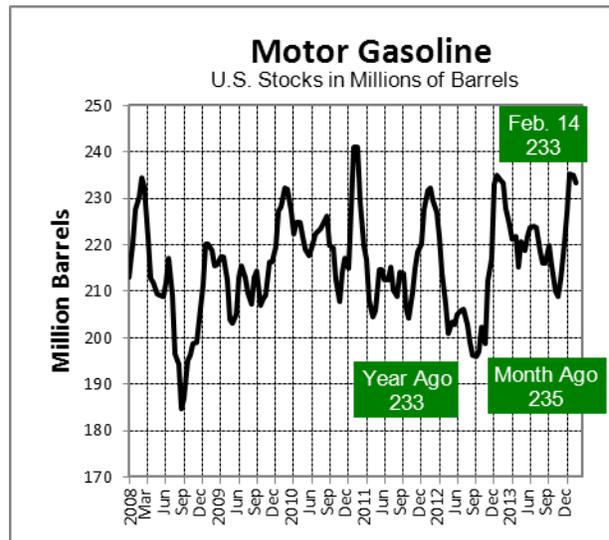


- Gasoline imports increased by 60,000 B/D from the prior week at 0.4 MMB/D. Imports were 0.5 MMB/D last year at this time.
- Implied demand for gasoline was down 0.3 MMB/D last week at 8.0 MMB/D, and down 0.4 MMB/D compared to 8.4 MMB/D at this time last year. Extremely inhospitable road conditions in the lower 48 states may have caused lower consumption.
- In the past four weeks, U.S. gasoline demand has averaged about 8.3 MMB/D, down 0.1 MMB/D compared to the same four-week period last year.

- U.S. gasoline supplies increased by 0.3 MMB at 233.4 MMB on the week. U.S. gasoline inventories are up 3.1 MMB compared to this time last year and trend near the upper range of the five-year average for this time of year.

- Distillate stocks decreased 0.3 MMB at 112.7 MMB and stand 10.9 MMB lower compared to the same period last year. Distillate demand was down slightly at 3.6 MMB/D on the week and down 185,000 B/D compared to the same period last year. On a four-week average, distillate demand was up 167,000 B/D compared to the same period last year at 3.9 MMB/D.

- On February 18, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.76 per gallon, 39.7 cents or about 12.6 percent lower than the average price for conventional motor gasoline.



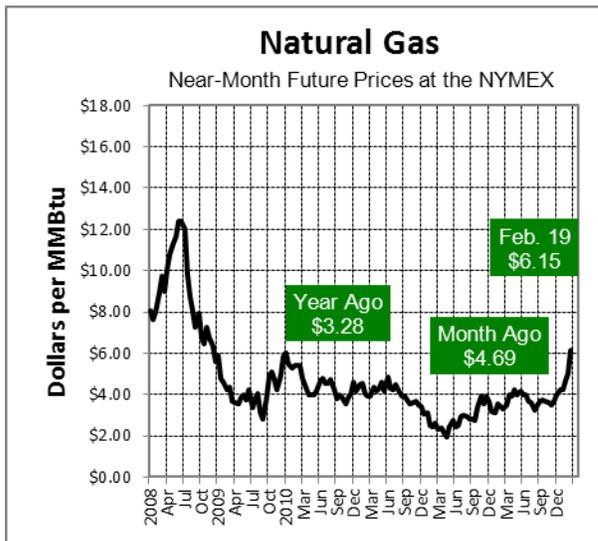
- On February 18, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.80 per gallon, 7.6 cents or 2.0 percent higher than the average retail price for conventional diesel fuel.
- According to the February 14, 2014, *Short Term Energy Outlook*, EIA's forecast 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 \$3.44 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 19, natural gas futures at the NYMEX closed at \$6.15 per million British thermal units (MMBtu), up 88 percent compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-19-14	01-22-14	change	02-21-13	change
NYMEX	\$6.15	\$4.69	up 31%	\$3.28	up 88%



- At the NYMEX, natural gas futures for March 2014 delivery ended 59.8 cents higher on the February 19 trade day to close at \$6.15 per MMBtu. In the past year, natural gas values have increased by \$2.87, or 88 percent, per MMBtu.
- For the reporting week February 12 to February 19, the price of the March 2014 contract increased \$1.33, from \$4.82 to \$6.15 per MMBtu.
- The 12-month strip (the average of the 12 contracts between March 2014 and February 2015) increased 32 cents, from \$4.64 to \$4.93 per MMBtu.
- Total consumption of natural gas fell to 87.5 billion cubic feet per day (Bcf/D, 24 percent below last week's average of 112.8 Bcf/D and 3 percent below the average for the same days in 2013. The decline in demand began last week, after consumption peaked at 125.0 Bcf/D on Thursday, February 6, as the impact of cold weather on that date dissipated. The decline continued through February 19, when consumption fell to 73.7 Bcf/D.
- The largest drop in consumption came from the residential and commercial sector, which fell week-on-week by 18.9 Bcf/D or 29.6 percent, to 44.9 Bcf/D. Natural gas consumption in the power sector (power burn) fell by 6.4 Bcf/D or 27.4 percent below week-ago levels to 16.8 Bcf/D. Industrial consumption decreased by 1.0 Bcf/d or 4.4 percent.
- Working gas in storage totaled 1,443 Bcf, 33.9 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 975 Bcf, or 40.3 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released February 14, 2014, Midwest households that heat with natural gas may realize an increase in expenditures by 5.8 percent for the 2013/14 heating season based on an increase in consumption of approximately 5.2 percent.

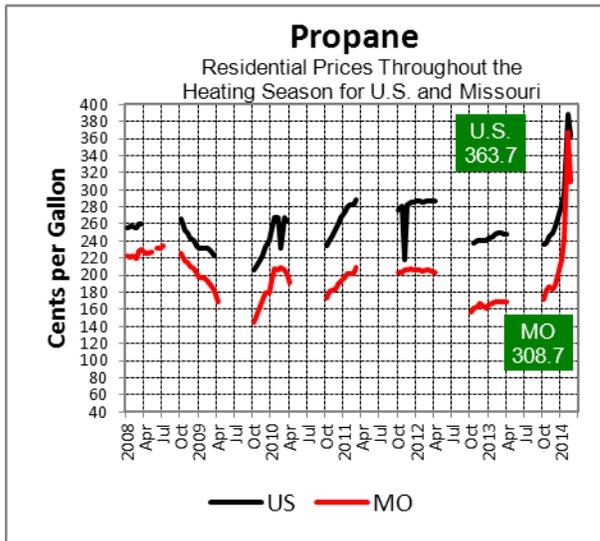
## Propane

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 18, the average Missouri retail price for residential propane was about \$3.09 per gallon, up \$0.65 in the past month.**

Propane - Retail Prices (cents per gallon)					
	02-18-14	01-21-14	change	02-19-13	change
Missouri	308.7	243.3	up 27%	169.1	up 83%

- According to the Division of Energy's most recent statewide propane price survey conducted



February 18, the average Missouri retail residential propane price was about \$3.09 per gallon, up \$0.65 in the past month and up nearly \$1.40, or 83 percent, compared to last year at this time.

- According to the survey, the highest Missouri retail residential price for propane was nearly \$3.75 per gallon. The lowest retail price was about \$2.51 per gallon.
- The average U.S. residential propane price increased by 12.7 cents per gallon last week to \$3.64 per gallon, \$1.15 per gallon higher than the same period last year. The January 27 average price of \$4.01 was the highest nominal price ever recorded by the EIA.

- Propane inventories remain very tight. U.S. propane stocks fell by 1.2 million barrels to end at 26.7 MMB last week, 24.4 MMB or 47.7 percent lower than a year ago. Implied demand for propane decreased by 336,000 B/D at 1.3 MMB/D on the week. Propane demand is 142,000 B/D lower compared to the demand level at this time last year.
- Midwest propane inventories decreased over 0.1 MMB on the week. At 8.8 MMB, Midwest inventories are 5.7 MMB, or 39 percent, lower than the 14.5 MMB reported at this time last year.
- Federal emergency declarations remain in effect through March 1, 2014, 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 February 14, 2014, Midwest households that heat with propane may realize an increase in expenditures by 45.7 percent for the 2013-14

heating season based on an increase in price of 38.5 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>.