



Division of Energy

MISSOURI ENERGY BULLETIN

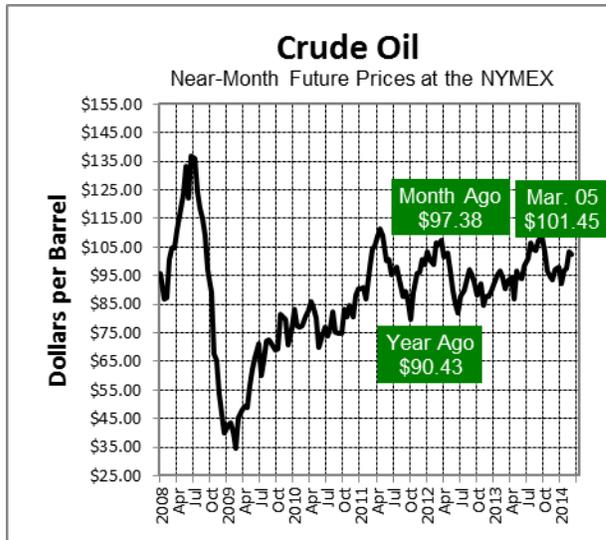
March 7, 2014

(Data is for the week ended February 28, 2014, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$4.07, or 4 percent, to \$101.45 per barrel in the past month, and stand 12 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	03-05-14	02-05-14	change	03-06-13	change
NYMEX	\$101.45	\$97.38	up 4%	\$90.43	up 12%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for April 2014 delivery ended \$1.88, or 1.8 percent, lower on the March 5 trade day to close at \$101.45 per barrel on speculation that Ukraine's crisis won't disrupt shipments.
- Oil futures fell after Russian President Vladimir Putin said he sees no immediate need to invade eastern Ukraine. About 313,000 barrels per day (B/D) transited via Ukraine in 2013, according to the country's Energy Ministry. The southern branch of the Druzhba pipeline moves Russian oil through the Ukraine to European refineries
- Compared to this time last year, the U.S. crude oil futures settlement price of \$101.45 is \$11.02, or 12 percent, higher.
- Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 18.5 million barrels per day (MMB/D), down by 0.8 percent compared to the same period last year.

- According to the March 5 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 0.4 MMB at 363.8 MMB. U.S. crude supplies are now 17.5 MMB lower than at this time last year.
- Crude imports increased by 80,000 B/D from the prior week at 7.1 MMB/D. Imports at this time last year averaged 7.3 MMB/D. Domestic crude production was unchanged at 8.1 MMB/D on the week. Last year at this time, production stood at 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 87.4 percent, down 0.6 percent from the prior week. Last year at this time, capacity use stood at 82.2 percent.
- Gasoline output was up at 9.4 MMB/D on the week and up 0.6 MMB/D compared to the production level at this time last year. Distillate output was unchanged for the week at 4.6 MMB/D. Last year at this time, production stood at 4.3 MMB/D.

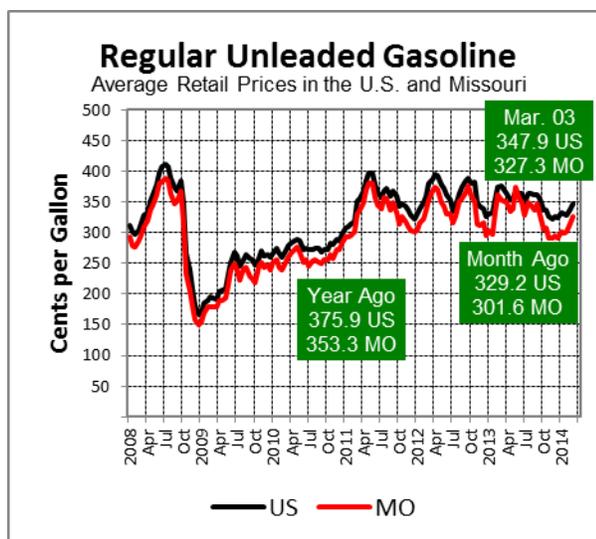
Transportation Fuels

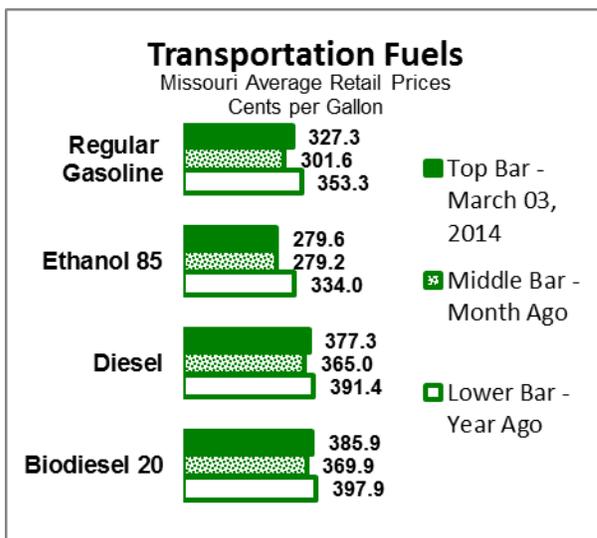
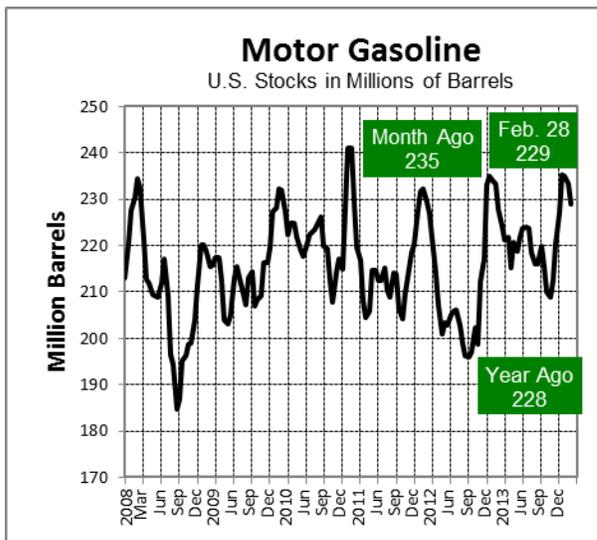
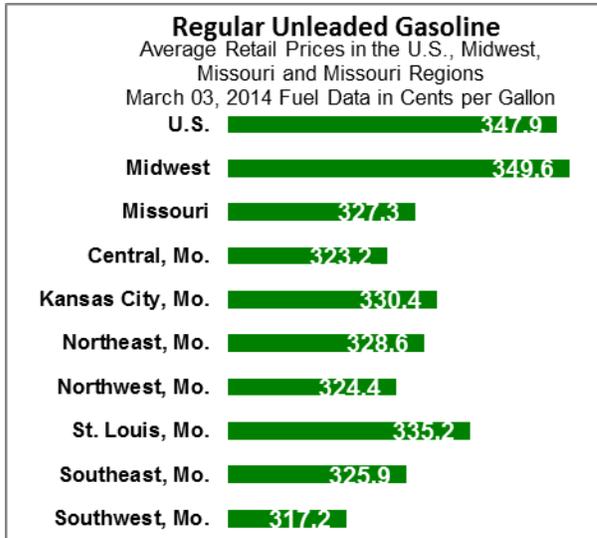
On March 3, Missouri's statewide average retail price for gasoline was about \$3.27 per gallon, up 25.7 cents in the past month yet down 26.0 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	03-03-14	02-03-14	change	03-04-13	change
US	347.9	329.2	up 6%	375.9	down 7%
Missouri	327.3	301.6	up 9%	353.3	down 7%

Diesel Fuel - Retail Prices (cents per gallon)					
	03-03-14	02-03-14	change	03-04-13	change
US	401.6	329.2	up 22%	375.9	up 7%
Missouri	377.3	365.0	up 3%	391.4	down 4%

- On March 3, Missouri's average retail price for gasoline was \$3.27 per gallon, up 25.7 cents in the past month. The average price for diesel fuel was up 12.3 cents per gallon, or 3 percent, in the past month. Missouri's average retail gasoline price is 26.0 cents, or 7 percent, lower, while the average retail diesel fuel price is 14.1 cents, or 4 percent, lower for the comparable period in March 2013.
- The U.S. average price for regular gasoline is 18.7 cents, or 6 percent, higher per gallon compared to last month at \$3.48 per gallon. The U.S. average was down by 28.0 cents compared to this time last year. In the past week, the U.S. average increased by 3.5 cents per gallon.





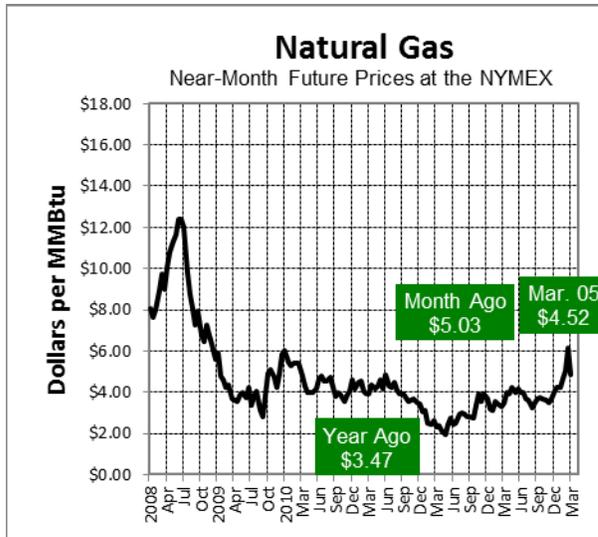
- Gasoline imports increased by 54,000 B/D from the prior week at 0.3 MMB/D. Imports were 0.6 MMB/D last year at this time.
- Implied demand for gasoline was down 0.1 MMB/D last week at 8.4 MMB/D and unchanged compared to this time last year.
- In the past four weeks, U.S. gasoline demand has averaged about 8.3 MMB/D, down 0.1 MMB/D compared to the same four-week period last year.
- U.S. gasoline supplies decreased by 1.6 MMB at 229 MMB on the week. U.S. gasoline inventories are up 1.1 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 increased 1.4 MMB at 114.5 MMB and stand 5.9 MMB lower compared to the same period last year. Distillate demand was down at 3.5 MMB/D on the week and down 0.3 MMB/D compared to the same period last year. On a four-week average, distillate demand was down 162,000 B/D compared to the same period last year at 3.6 MMB/D.
- On March 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.80 per gallon, 47.7 cents or about 15.0 percent lower than the average price for conventional motor gasoline.
- On March 3, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.86 per gallon, 8.6 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 March 5, natural gas futures at the NYMEX closed at \$4.52 per million British thermal units (MMBtu), up 30 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>03-05-14</u>	<u>02-05-14</u>	<u>change</u>	<u>03-06-13</u>	<u>change</u>
NYMEX	\$4.52	\$5.03	down 10%	\$3.47	up 30%



- At the NYMEX, natural gas futures for April 2014 delivery ended 14.4 cents lower on the March 5 trade day to close at \$4.52 per MMBtu. In the past year, natural gas values have increased by \$1.05, or 30 percent.

- For the reporting week, February 26 to March 5, the price of the April 2014 contract decreased 1 cent, from \$4.53 to \$4.52 per MMBtu.

- Domestic consumption increased in all sectors with the biggest increase taking place during Monday's cold snap. Consumption this report week averaged

101.8 billion cubic feet per day (Bcf/d). This was 24 percent higher than last week's average of 81.8 Bcf/d, and 19 percent higher than consumption during the same week in 2013. Residential and commercial consumption increased 32 percent over the previous week and power burn increased by 32 percent over last past week.

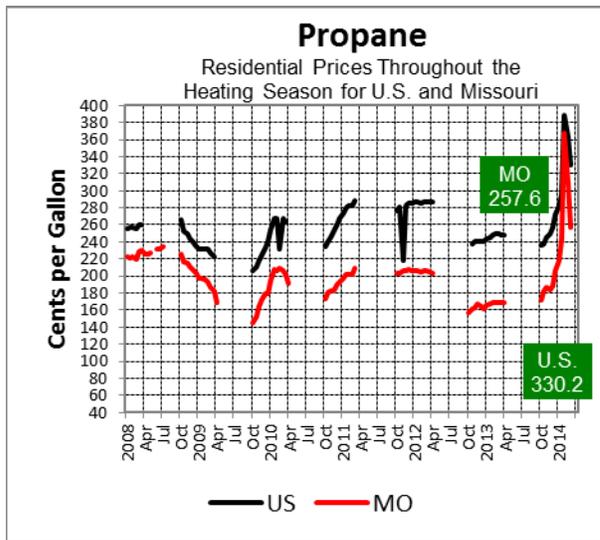
- Working gas in storage totaled 1,196 Bcf, 38.8 percent below the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 908 Bcf, or 43.2 percent, lower than last year at this time.
- According to EIA's *Short Term Energy 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 March 3, the average Missouri retail price for residential propane was about \$2.58 per gallon, down \$1.10 in the past month.

Propane - Retail Prices (cents per gallon)					
	03-03-14	02-03-14	change	03-04-13	change
Missouri	257.6	367.6	down 30%	168.9	up 53%



than the same period last year. The January 27 average price of \$4.01 was the highest nominal price ever recorded by the EIA.

- According to the Division of Energy's most recent statewide propane price survey conducted March 3, the average Missouri retail residential propane price was about \$2.58 per gallon, down \$1.10 in the past month and up nearly \$0.89, or 53 percent, compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$3.46 per gallon. The lowest retail price was about \$2.11 per gallon.
- The average U.S. residential propane price decreased by 58.8 cents per gallon last week to \$3.30 per gallon, \$0.81 per gallon higher to \$3.30 per gallon, \$0.81 per gallon higher than the same period last year.
- Propane inventories remain very tight. U.S. propane stocks increased by 0.5 MMB to end at 27.2 MMB last week, 18.5 MMB, or 40.5 percent, lower than a year ago. Implied demand for propane increased by 58,000 B/D at 1.3 MMB/D on the week. Propane demand is 35,000 B/D lower compared to the demand level at this time last year.
- Midwest propane inventories decreased by 0.4 MMB on the week. At 8.5 MMB, Midwest inventories are 3.4 MMB, or 29 percent, lower than the 11.9 MMB reported at this time last year.
- A federal emergency declaration remains in effect through March 15, 2014, covering several Midwest states including Missouri, waiving the federal Hours of Service standard to allow transporters to work longer hours to deliver propane to consumers due to prolonged high demand for space heat.
- The EIA, working closely with Missouri and other impacted states, issued Energy Market Alert: Winter 2013–14 Propane Updates on March 5, 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; Web Address: <http://ded.mo.gov/division-of-energy/transportation/missouri-energy-bulletins>.