



Division of Energy

MISSOURI ENERGY BULLETIN

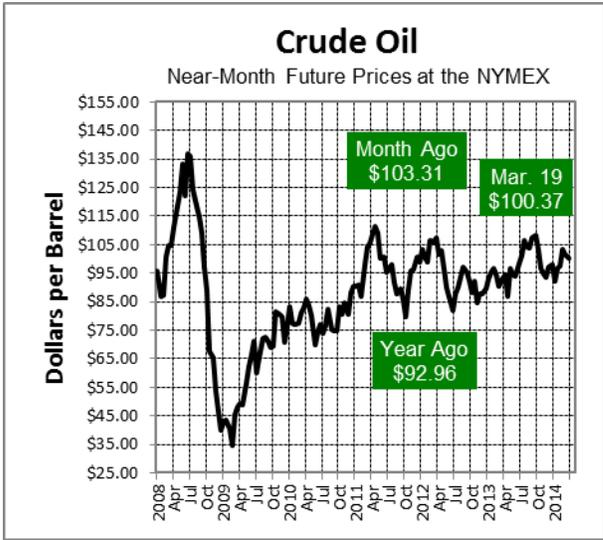
March 21, 2014

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

Crude Oil

U.S. crude oil prices decreased \$2.94, or 3 percent, to \$100.37 per barrel in the past month, and stand 8 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	03-19-14	02-19-14	change	03-20-13	change
NYMEX	\$100.37	\$103.31	down 3%	\$92.96	up 8%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for April 2014 delivery ended \$0.67, or 0.7 percent, higher on the March 19 trade day to close at \$100.37 per barrel as oil inventories at Cushing, Oklahoma, dropped for a 7th week.
- Oil futures strengthened as supplies at Cushing slipped 989,000 barrels last week to 29.8 million, the least since January 2012.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$100.37 is \$7.41, or 8 percent, higher.

- Total petroleum products supplied to market, a measurement of consumption, over the last four-week period averaged 18.6 million barrels per day (MMB/D), up by 1.4 percent compared to the same period last year.
- According to the March 19 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories increased 5.8 MMB at 375.9 MMB. U.S. crude supplies are now 6.8 MMB lower than at this time last year.

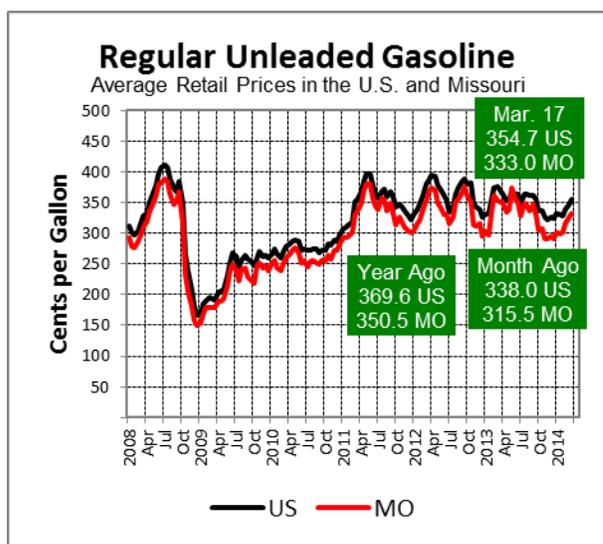
- Crude imports were unchanged from the prior week at 7.3 MMB/D. Imports at this time last year averaged 7.3 MMB/D. Domestic crude production was unchanged at 8.2 MMB/D on the week. Last year at this time, production stood at 7.2 MMB/D.
- U.S. refinery crude runs decreased slightly with refiners processing 14.9 MMB/D of crude. U.S. refinery capacity use was 85.6 percent, down 0.4 percent from the prior week. Last year at this time, capacity use stood at 83.5 percent.
- Gasoline output was down at 9.2 MMB/D on the week and up 0.7 MMB/D compared to the production level at this time last year. Distillate output increased slightly from the prior week at 4.7 MMB/D. Last year at this time, production stood at 4.3 MMB/D.

Transportation Fuels

On March 17, Missouri's statewide average retail price for gasoline was \$3.33 per gallon, up 17.5 cents in the past month, yet down 17.5 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	03-17-14	02-18-14	change	03-18-13	change
US	354.7	338.0	up 5%	369.6	down 4%
Missouri	333.0	315.5	up 6%	350.5	down 5%

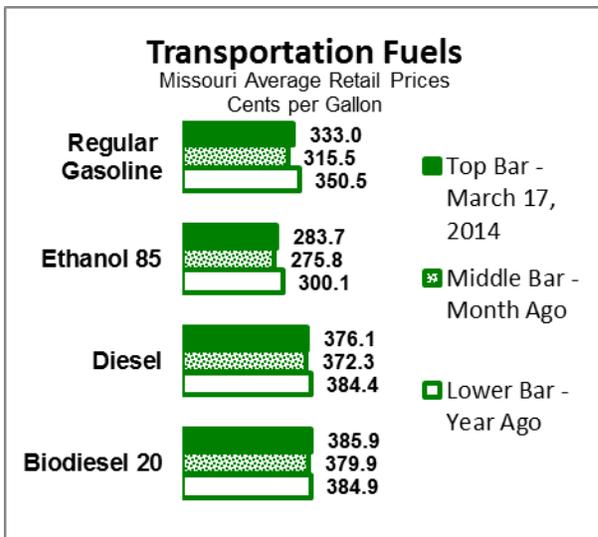
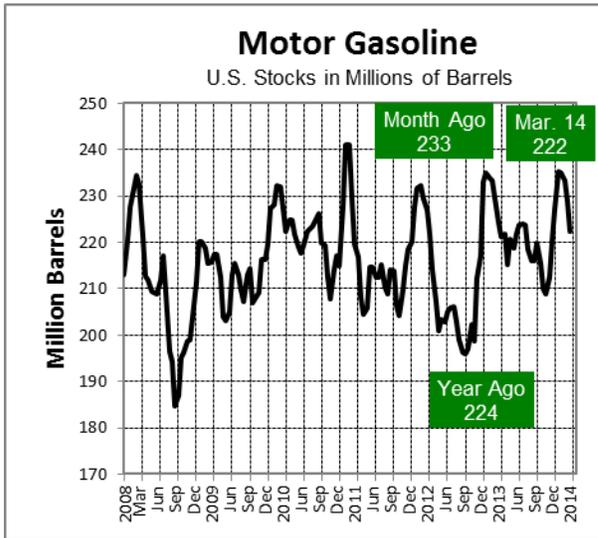
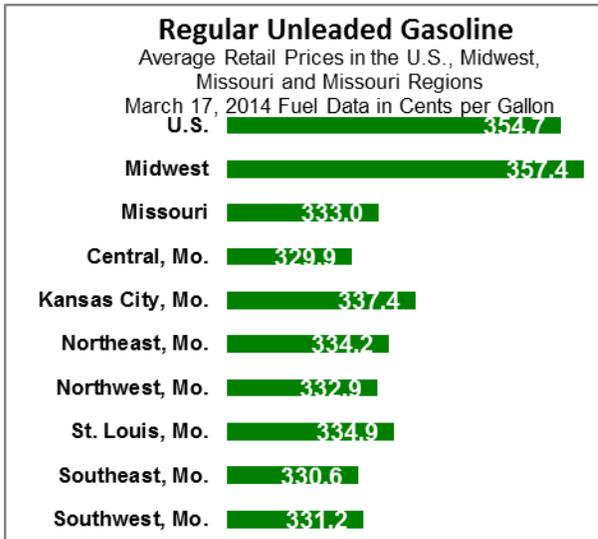
Diesel Fuel - Retail Prices (cents per gallon)					
	03-17-14	02-18-14	change	03-18-13	change
US	354.7	398.9	down 11%	404.7	down 12%
Missouri	376.1	372.3	up 1%	384.4	down 2%



3.5 cents per gallon.

- On March 17, Missouri's average retail price for gasoline was \$3.33 per gallon, up 17.5 cents in the past month. The average price for diesel fuel was up 3.8 cents per gallon, or 1 percent, in the past month. Missouri's average retail gasoline price is 17.5 cents, or 5 percent, lower, while the average retail diesel fuel price is 8.3 cents, or 2 percent, lower for the comparable period in March 2013.
- The U.S. average price for regular gasoline is 16.7 cents, or 5 percent, higher per gallon compared to last month at about \$3.55 per gallon. The U.S. average was down by 14.9 cents compared to this time last year. In the past week, the U.S. average increased by

- Gasoline imports increased by 26,000 B/D from the prior week at 0.4 MMB/D. Imports were 0.4 MMB/D last year at this time.
- Implied demand for gasoline was down by over 0.4 MMB/D last week at 8.5 MMB/D, yet up by 200,000 barrels compared to 8.3 MMB/D at this time last year.



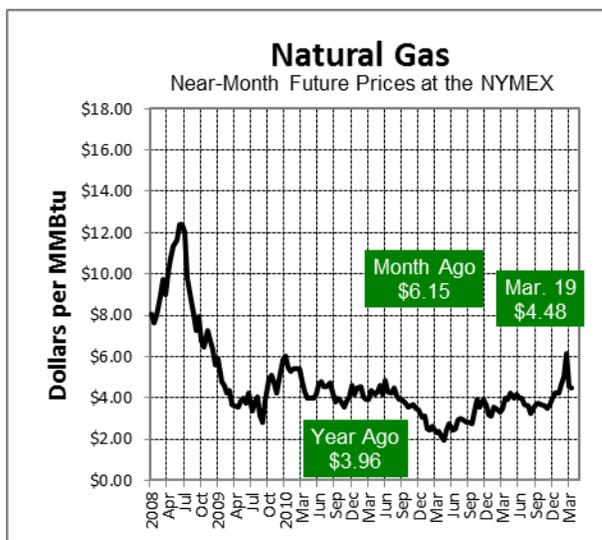
- In the past four weeks, U.S. gasoline demand has averaged about 8.6 MMB/D, down over 0.1 MMB/D compared to the same four-week period last year.
- U.S. gasoline supplies decreased by 1.5 MMB at 222.3 MMB on the week. U.S. gasoline inventories are down 0.5 MMB compared to this time last year and trend near the upper range of the five-year average for this time of year.
- Distillate stocks decreased 3.1 MMB at 110.8 MMB and stand 8.9 MMB lower compared to the same period last year. Distillate demand was up at 4.2 MMB/D on the week and up by nearly 0.6 MMB/D compared to the same period last year. On a four-week average, distillate demand was up at 3.8 MMB/D. Demand was 3.6 MMB/D last year at this time.
- On March 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.84 per gallon, 49.3 cents or about 14.8 percent lower than the average price for conventional motor gasoline.
- On March 17, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.86 per gallon, 9.8 cents or 2.5 percent higher than the average retail price for conventional diesel fuel.
- According to the March 11, 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 \$3.45 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 19, natural gas futures at the NYMEX closed at \$4.48 per million British thermal units (MMBtu), up 13 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	<u>03-19-14</u>	<u>02-19-14</u>	<u>change</u>	<u>03-20-13</u>	<u>change</u>
NYMEX	\$4.48	\$6.15	down 27%	\$3.96	up 13%



- At the NYMEX, natural gas futures for April 2014 delivery ended 2.8 cents higher on the March 12 trade day to close at \$4.48 per MMBtu. In the past year, natural gas values have increased by \$0.52, or 13 percent.
- For the reporting week, March 12 to March 19, the price of the April 2014 contract decreased by 1 cent, from \$4.49 to \$4.48 per MMBtu.
- Total domestic consumption increased 5.2 percent week over week, with increases occurring in all sectors. In the residential and commercial sectors, which primarily use natural gas for heating, demand was

highest last Wednesday and Sunday-Monday, the coldest days of the week. Overall residential and commercial consumption rose 7.4 percent last week. Consumption of natural gas for power generation increased 6.2 percent and industrial consumption rose 0.9 percent.

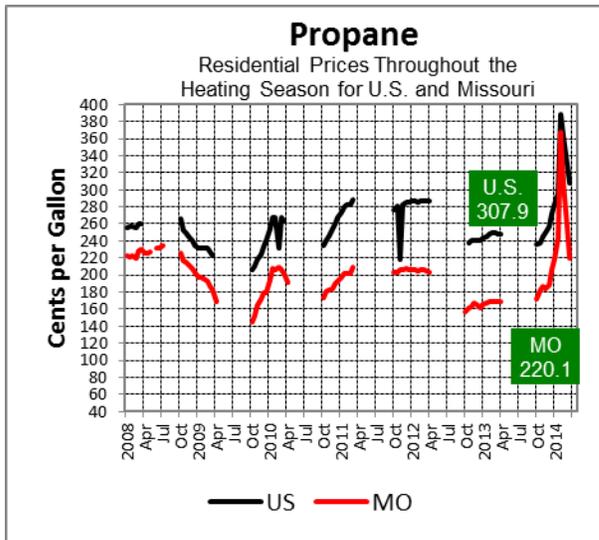
- Working gas in storage totaled 953 Bcf, 47.9 percent below the five-year average inventory level for the week, according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 932 Bcf, or 49.4 percent, lower than last year at this time.
- According to EIA's *Short Term Energy Outlook*, released March 11, 2014, Midwest households that heat with natural gas may realize an increase in expenditures by 11.5 percent for the 2013/14 heating season based on an increase in consumption of approximately 10.3 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 17, the average Missouri retail price for residential propane was about \$2.20 per gallon, down nearly \$0.89 in the past month.

Propane - Retail Prices (cents per gallon)					
	03-17-14	02-18-14	change	03-18-13	change
Missouri	220.1	308.7	down 29%	168.5	up 31%



- According to the Division of Energy's most recent statewide propane price survey conducted March 17, the average Missouri retail residential propane price was about \$2.20 per gallon, down nearly \$0.89 in the past month and up nearly \$0.52, or 31 percent, compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.70 per gallon. The lowest retail price was about \$1.86 per gallon.
- The average U.S. residential propane price decreased by 55.8 cents per gallon last week to \$3.08 per gallon, \$0.60 per gallon

higher than the same period last year. The January 27, 2014, average price of \$4.01 per gallon was the highest nominal U.S. price ever recorded by the EIA.

- Propane inventories remain very tight. U.S. propane stocks increased by 0.2 MMB to end at 26.2 MMB last week, 15.5 MMB, or 37.2 percent, lower than a year ago. Midwest propane inventories decreased by nearly 0.4 MMB on the week. At 7.2 MMB, Midwest inventories are 3.1 MMB, or 30 percent, lower than the 10.3 MMB reported at this time last year.
- Implied demand for propane decreased by 252,000 B/D at 1.1 MMB/D on the week. Propane demand is 345,000 B/D lower compared to the demand level at this time last year.
- A Missouri emergency declaration remains in effect through March 21, 2014, 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 12, 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 March 11, 2014, Midwest households that heat with propane may realize an increase in expenditures by 65.9 percent for the 2013-14 heating season based on an increase in price of 50.6 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>.