



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

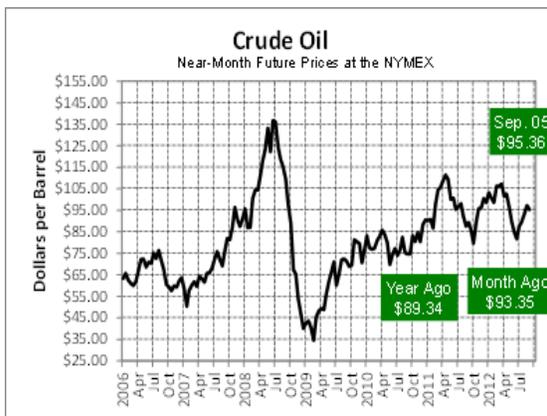
September 7, 2012

Crude Oil

U.S. crude oil prices increased \$2.01, or 2 percent, to \$95.36 per barrel in the past month and stand 7 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	09-05-12	08-08-12	change	09-07-11	change
NYMEX	\$95.36	\$93.35	up 2%	\$89.34	up 7%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for October delivery ended \$0.06 higher September 5 to close at \$95.36 per barrel, as European Central Bank (ECB) policy makers met to discuss a plan involving unlimited purchases of government debt to ease the region's debt crisis. Crude prices are up 7 percent compared to the same period last year. Crude oil prices have declined 3.5 percent since the beginning of the calendar year.



- U.S. oil inventories decreased at 357.1 million barrels (MMB). The decrease in stockpiles may be due to lower crude production and imports as a result of Hurricane Isaac.
- Oil prices firmed as on-going monetary issues continue to plague Europe. Germany's Bundesbank objected to the plan by the ECB involving unlimited purchases of government debt to ease the region's debt crisis.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$95.36 is \$6.02, or 7 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending August 31 averaged 19.2 MMB/D, down 1.0 percent compared to the similar period last year. According to the September 5 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 7.4 MMB at 357.1 MMB for the week ending August 31. U.S. crude supplies are now 4.0 MMB higher than at this time last year.
- Crude imports for the week ending August 31 were 8.0 MMB/D, down 1.5 MMB/D from the prior week. Imports at this time last year averaged 8.5 MMB/D. Crude oil inventories represent 23.4 days of forward cover compared to 22.8 days at this time last year.

- U.S. refinery crude runs were down 800,000 barrels per day with refiners processing 14.6 MMB/D of crude for the week ending August 31. U.S. refinery capacity use was 86.1 percent, down 5.1 percent from the prior week and down 2.9 percent compared to this time last year.
- Gasoline output was down at 9.0 MMB/D on the week as refiners in the Gulf of Mexico shuttered production due to Hurricane Isaac. Gasoline output improved during the past week but is still down 80,000 barrels per day compared to last year at this time.
- Distillate output decreased at 4.3 MMB/D for the week ending August 31, and stands 89,000 barrels per day higher compared to the production level at this time last year.

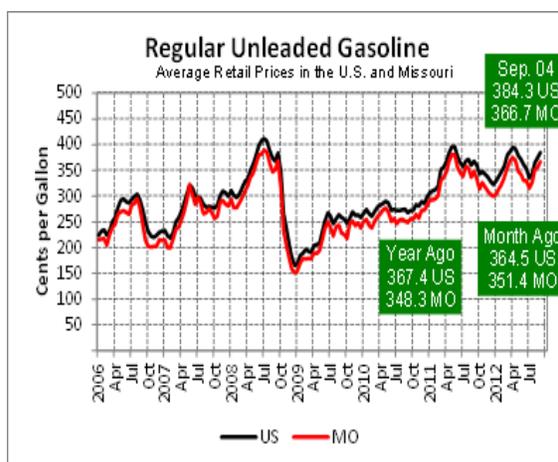
Transportation Fuels

On September 4, Missouri's statewide average retail price for gasoline was \$3.67 per gallon, up 15.3 cents or 4 percent in the past month.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	09-04-12	08-06-12	change	09-06-11	change
US	384.3	364.5	up 5%	367.4	up 5%
Missouri	366.7	351.4	up 4%	348.3	up 5%

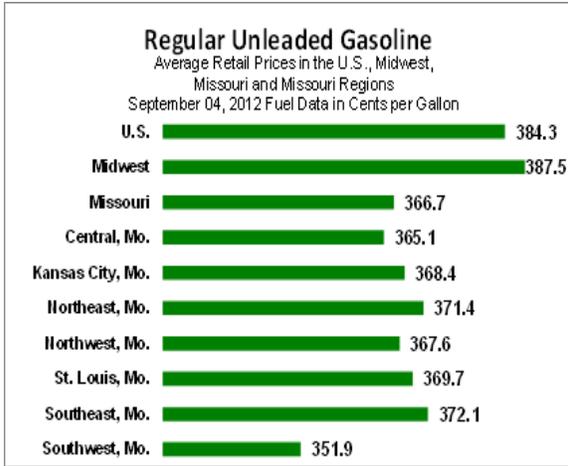
Diesel Fuel - Retail Prices (cents per gallon)					
	09-04-12	08-06-12	change	09-06-11	change
US	412.7	385.0	up 7%	386.8	up 7%
Missouri	393.2	368.6	up 7%	375.5	up 5%

- On September 4, Missouri's average retail price for gasoline was about \$3.67 per gallon, an increase of 15.3 cents in the past month. The average price for diesel fuel was up 24.6 cents per gallon in the past month. Missouri's average retail gasoline price is 18.4 cents, or 5 percent, higher, while the average diesel fuel price is 17.7 cents, or 5 percent, higher for the comparable period in September 2011.



- The U.S. average price for regular gasoline was up by 19.8 cents per gallon, or 5 percent, compared to last month at \$3.84 per gallon. The U.S. average was 16.9 cents, or 5 percent, higher compared to this time last year. In the past week, the U.S. average increased 6.7 cents per gallon.

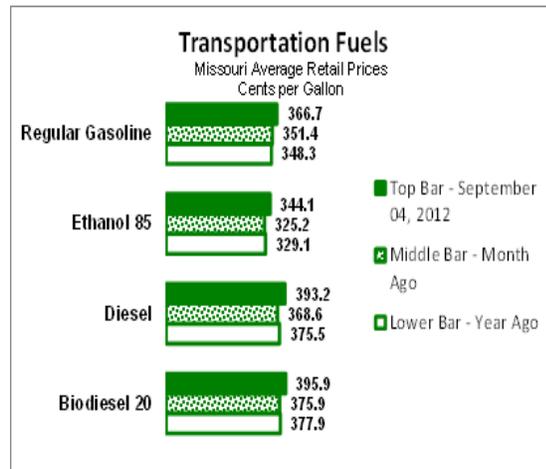
- Gasoline imports increased to 0.96 MMB/D for the week ending August 31, about 275,000 barrels per day higher compared to the prior week and 60,000 barrels per day higher than last year at this time.



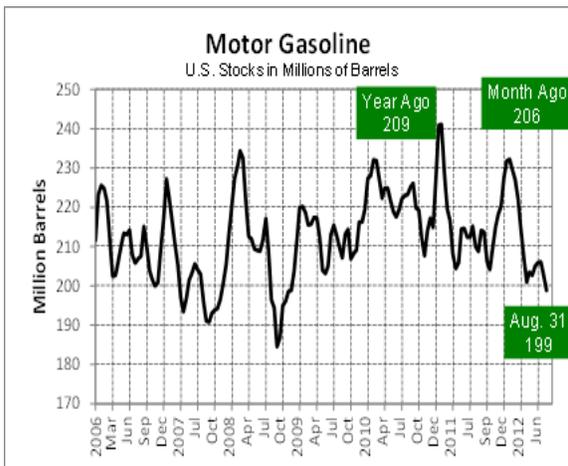
- Implied demand for gasoline increased the week ending August 31 at 9.2 MMB/D, up 113,000 barrels per day from the prior week, and about 156,000 barrels per day higher compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 9.2 MMB/D; 61,000 barrels per day or 0.7 percent higher compared to the same 4-week period last year.
- U.S. gasoline supplies decreased 2.3 MMB at 198.9 MMB for the week ending August 31. Gasoline inventories represent 21.7 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline

inventories are down 9.9 MMB compared to this time last year and trend at the middle of the five-year average for this time of year.

- Distillate stocks increased at 1.0 MMB but stand 29.7 MMB lower compared to the same period last year. Distillate demand was down at 3.2 MMB/D for the week ending August 31 and down 632,000 barrels per day compared to the same period last year. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down about 342,000 barrels per day. On a four-week average, distillate demand was down 357,000 barrels per day compared to the same period last year at 3.5 MMB/D.



- On September 4, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.44 per gallon, 24 cents or about 7 percent lower than the average price for conventional motor gasoline.



- On September 4, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.96 per gallon, 3 cents or about 1 percent higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's August 7, 2012, *Short Term Energy Outlook*, the U.S. regular-grade motor gasoline retail price is estimated to average \$3.53 per gallon in 2012, unchanged from last year. During the April through September peak driving season, prices are forecast to average about \$3.61 per gallon.

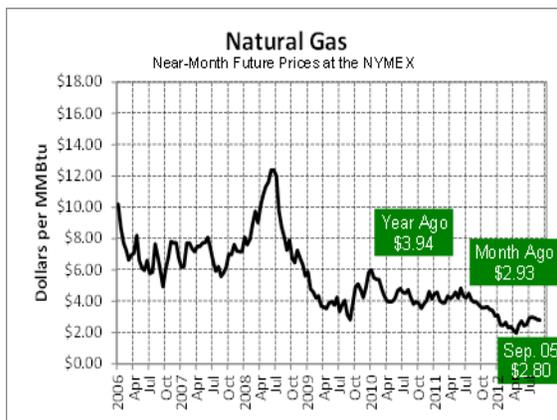
Natural Gas

Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On September 5, natural gas futures closed at \$2.80 per million British thermal units (MMBtu), down 13 cents from a month ago and down \$1.14 compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	09-05-12	08-08-12	change	09-07-11	change
NYMEX	\$2.80	\$2.93	down 4%	\$3.94	down 29%

- Natural gas futures for October delivery decreased \$0.13 or 4 percent in the past month to a final closing price of \$2.80 per MMBtu on September 5.



- At the NYMEX, the October 2012 futures contract increased from \$2.69 per MMBtu last Wednesday, August 29, to \$2.80 per MMBtu on September 5, an increase of 11 cents, or 4.1 percent, during the trade week. Peak shut-in natural gas production in the Federal Offshore Gulf of Mexico (GOM) during Hurricane Isaac was about 3.2 billion cubic feet (Bcf) per day. Isaac was sufficiently powerful to force evacuation of 85 percent of production platforms and shut-in 73 percent of GOM natural gas production (at peak).
- According to EIA, consumption in the industrial and residential/commercial sectors fell by 1.6 percent and 4.3 percent, respectively, but was more than offset by a jump in consumption for power generation, which increased by 7.2 percent. Overall natural gas consumption for power was up 24.5 percent compared to the corresponding week last year.
- Working gas in storage as of August 31 totaled 3,402 billion cubic feet (Bcf), 10.7 percent above the five-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 395 Bcf, or 13.1 percent, higher than last year at this time.

Propane

Approximately 13 percent (293,603) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

(Note: From April through September, residential retail propane prices are reported only for the first full week of each month.)

On September 4, the average Missouri retail price for residential propane was about \$1.56 per gallon, up 1.6 cents in the past month yet down 22 percent compared to last year at this time.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>09-04-12</u>	<u>08-06-12</u>	<u>change</u>	<u>09-06-11</u>	<u>change</u>
Missouri	155.7	154.1	up 1%	199.6	down 22%

- According to the Division of Energy's statewide propane price survey conducted September 4, Missouri retail residential propane prices were up 1.6 cents, or 1.0 percent, in the past month.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$1.93 per gallon, while the lowest retail price was about \$1.30 per gallon.
- For the week ending August 31, U.S. inventories of propane increased 0.8 MMB to end at 72.5 MMB. Propane inventories are now 18.9 MMB, or 35 percent, higher compared to the same period last year. Implied demand for propane decreased 146,000 barrels per day at 1.0 MMB/D for the week ending August 31, and up 2,000 barrels per day compared to the demand level for this time last year.
- For the week ending August 31, Midwest propane inventories increased 138,000 barrels. At 27.2 MMB, Midwest inventories are 3.6 MMB, or 15.3 percent, higher than the 23.6 MMB reported at this time last year.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources' 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 on-line 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 Natural Resources, Division of Energy, P.O. Box 176, Jefferson City, MO 65102-0176; Phone: (573) 751-3443 or (800) 361-4827; Fax: (573) 751-6860; E-mail: energy@dnr.mo.gov; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm