



Division of Energy

MISSOURI ENERGY BULLETIN

September 23, 2013

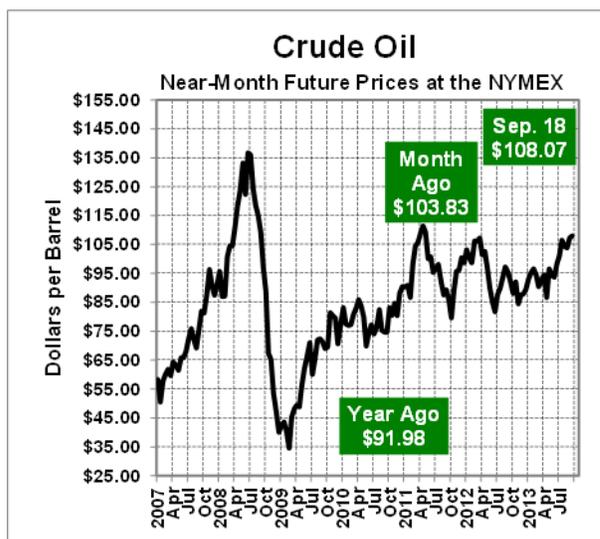
Effective August 28, 2013, the Division of Energy was transferred from the Missouri Department of Natural Resources to the Missouri Department of Economic Development. The Missouri Energy Bulletin will continue to be published the first and third full weeks of each month.

(Data is for the week ended September 13, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$4.24, or 4 percent, to \$108.07 per barrel in the past month and stand 17 percent higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	09-18-13	08-21-13	change	09-19-12	change
NYMEX	\$108.07	\$103.83	up 4%	\$91.98	up 17%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for October delivery ended \$2.65, or 2.5 percent, higher on September 18 to close at \$108.07 per barrel, after the Federal Reserve said it will maintain monthly bond purchases.
- Futures strengthened as the Federal Open Market Committee said it will continue buying \$85 million in Treasuries each month. Prices increased earlier as crude stockpiles fell to the lowest level since March 2012 and supplies at Cushing, Oklahoma, dropped an 11th straight week. There is now going to be more money available to prop up oil and other markets.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$108.07 is \$16.09, or 17 percent, higher.
- Total petroleum products supplied to market over the last four-week period averaged 19.1 million barrels per day (MMB/D), up by 2.1 percent compared to the similar period last year. According to

the September 18 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 4.4 MMB at 355.6 MMB. U.S. crude supplies are now 12.0 MMB lower than at this time last year.

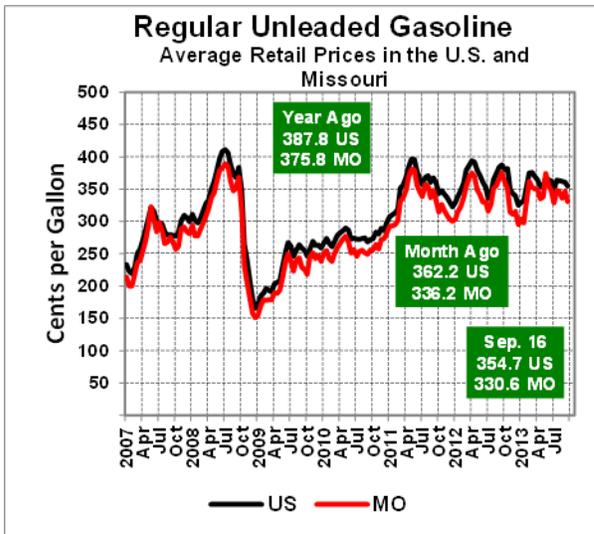
- Crude imports decreased 439,000 barrels per day (B/D) from the prior week at 7.6 MMB/D. Imports at this time last year averaged 9.8 MMB/D.
- U.S. refinery crude runs increased, with refiners processing 16.1 MMB/D of crude. U.S. refinery capacity use was 92.5 percent, unchanged from the prior week and up 3.6 percent compared to this time last year.
- Gasoline output was up at 9.0 MMB/D on the week and was up 290,000 B/D compared to the production level at this time last year. Distillate output was up for the week at 5.1 MMB/D, an increase of about 13,000 B/D, and stands 498,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

On September 16, Missouri's statewide average retail price for gasoline was about \$3.31 per gallon, down 5.6 cents in the past month and down 45.2 cents in the past year.

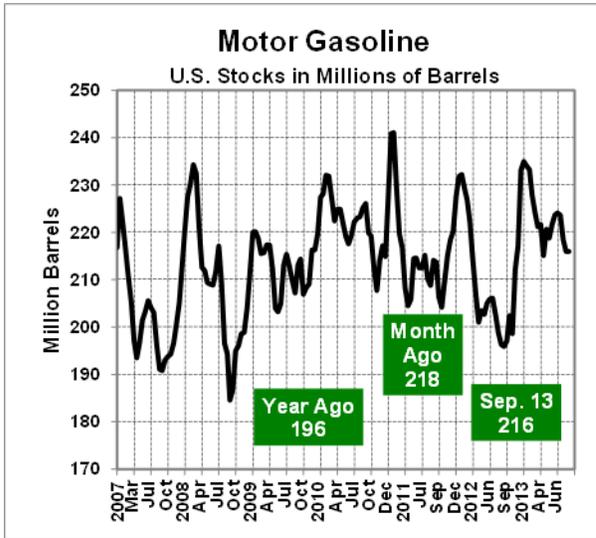
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	09-16-13	08-20-13	change	09-17-12	change
US	354.7	362.2	down 2%	387.8	down 9%
Missouri	330.6	336.2	down 2%	375.8	down 12%

Diesel Fuel - Retail Prices (cents per gallon)					
	09-16-13	08-20-13	change	09-17-12	change
US	397.4	390.0	up 2%	413.5	down 4%
Missouri	380.8	369.1	up 3%	393.4	down 3%



week, the U.S. average decreased by 4.0 cents per gallon.

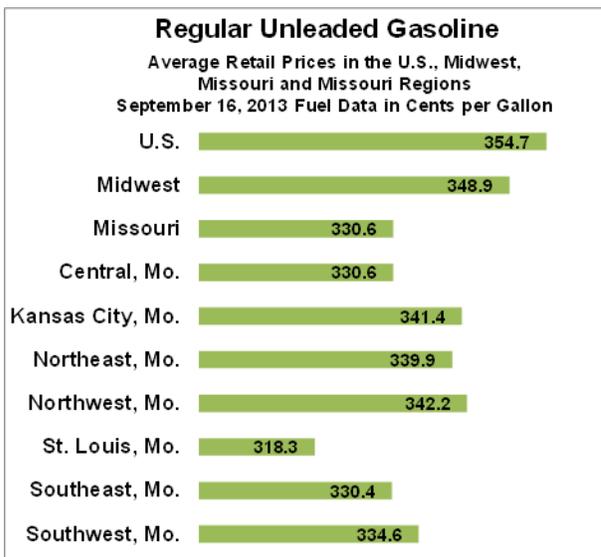
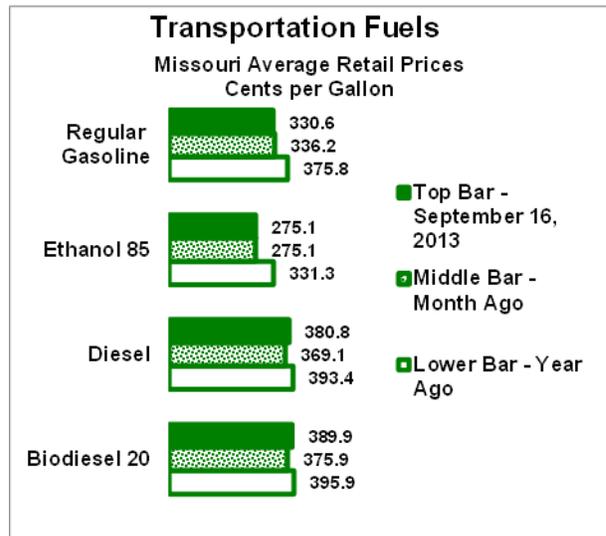
- On September 16, Missouri's average retail price for gasoline was about \$3.31 per gallon, a decrease of 5.6 cents in the past month. The average price for diesel fuel was up by 11.7 cents per gallon in the past month. Missouri's average retail gasoline price is 45.2 cents, or 12 percent, lower, while the average retail diesel fuel price is 12.6 cents, or 3 percent, lower for the comparable period in September 2012.
- The U.S. average price for regular gasoline is 7.5 cents, or 2.0 percent, lower per gallon compared to last month at \$3.55 per gallon. The U.S. average was down by 33.1 cents compared to this time last year. In the past



- Gasoline imports increased by 92,000 B/D from the prior week at 0.5 MMB/D. Imports are 34,000 B/D higher than last year at this time.
- Implied demand for gasoline was up at 9.0 MMB/D from the prior week and stands about 396,000 B/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.9 MMB/D, an increase of about 48,000 B/D compared to the same four-week period last year.
- U.S. gasoline supplies decreased 1.6 MMB at 216.0 MMB on the week. U.S. gasoline

inventories are up 19.7 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 1.1 MMB at 131.1 MMB and stand 2.9 MMB higher compared to the same period last year. Distillate demand was up at 4.1 MMB/D on the week and up 366,000 B/D compared to the same period last year. On a four-week average, distillate demand was up 370,000 B/D compared to the same period last year at 3.8 MMB/D.
- On September 16, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.75 per gallon, 56.0 cents or 16.9 percent lower than the average price for conventional motor gasoline.



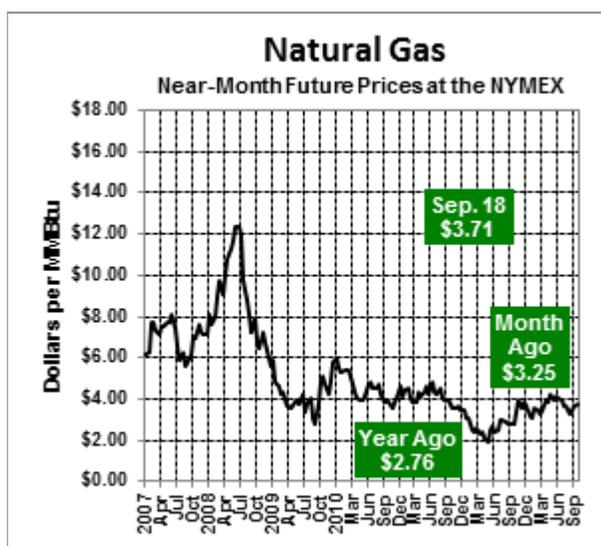
- On September 16, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.90 per gallon, 9.0 cents or 2.3 percent higher than the average retail price for conventional diesel fuel.
- According to the September 10, 2013, *Short Term Energy Outlook*, EIA expects the regular gasoline retail price to average \$3.44 per gallon in the fourth quarter of 2013. The annual average regular gasoline retail, which was \$3.63 per gallon in 2012, is expected to be \$3.55 per gallon in 2013 and \$3.43 per gallon in 2014.

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 18, natural gas futures at the NYMEX closed at \$3.71 per million British thermal units (MMBtu), up 46 cents from a month ago and up 95 cents compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	09-18-13	08-07-13	change	09-19-12	change
NYMEX	\$3.71	\$3.25	up 14%	\$2.76	up 34%



- At the NYMEX, natural gas futures for October 2013 delivery ended 3.2 cents lower on September 18 to close at \$3.71 per MMBtu. In the past year, natural gas values have increased 88 cents or 31 percent.
- For the reporting week September 11 to September 18, the price of the October 2013 contract increased from \$3.57 per MMBtu to \$3.71. The 12-month strip (the average of the 12 contracts between October 2013 and September 2014) increased from \$3.81 per MMBtu to \$3.94.
- According to EIA, residential and commercial consumption increased 20.9 percent on the week, a sign that seasonally cooler weather has arrived in some areas of the country. However, a 16.1 percent decline in gas consumption for power generation helped offset the increase in residential and commercial consumption, resulting in a 4 percent net decline in total consumption
- Working gas in storage totaled 3,299 billion cubic feet (Bcf), 0.5 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 187 Bcf, or 5.4 percent, lower than last year at this time.

Propane

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

(Note: Beginning April 2013, residential retail propane prices will be reported only for the first full week of each month through September 2013.)

On September 3, the average Missouri retail price for residential propane was about \$1.72 per gallon, up 16.1 cents in the past month, and up 10 percent compared to last year at this time.

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>09-03-13</u>	<u>08-05-13</u>	<u>change</u>	<u>09-04-12</u>	<u>change</u>
Missouri	172.0	155.9	up 10%	155.7	up 10%

- According to the Division of Energy's most recent statewide propane price survey conducted September 3, the average Missouri retail residential propane price was about \$1.72 per gallon, up 16.1 cents in the past month and up 16.3 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.29 per gallon, while the lowest retail price was about \$1.46 per gallon.
- U.S. inventories of propane decreased by about 0.1 MMB to end at 64.4 MMB. Propane inventories are now 9.6 MMB, or 12.9 percent, lower compared to the same period last year. Implied demand for propane decreased by 77,000 B/D at 1.3 MMB/D on the week, and up 203,000 B/D compared to the demand level for this time last year.
- Midwest propane inventories increased 0.6 MMB on the week. At 22.7 MMB, Midwest inventories are 5.5 MMB, or 19.5 percent, lower than the 28.2 MMB reported at this time last year.

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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: 573-751-3443; Fax: 573-751-6860; Email: energy@ded.mo.gov; Web Address: www.ded.mo.gov/energy/transportation/fb.htm.