



Division of Energy

MISSOURI ENERGY BULLETIN

October 18, 2013

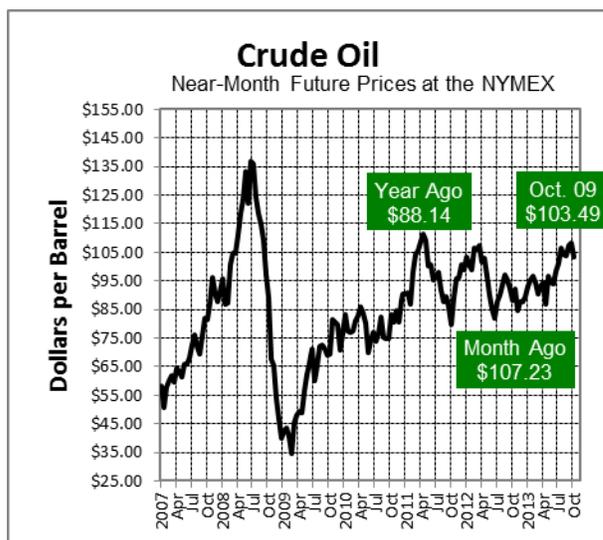
Effective August 28, 2013, the Division of Energy was transferred from the Missouri Department of Natural Resources to the Missouri Department of Economic Development. The Missouri Energy Bulletin will continue to be published the first and third full weeks of each month.

(Data is for the week ended October 4, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices decreased \$3.74, or 3 percent, to \$103.49 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)					
	10-09-13	09-04-13	change	10-03-12	change
NYMEX	\$103.49	\$107.23	down 3%	\$88.14	up 17%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for November delivery ended \$1.88, or 1.8 percent, lower on October 9 to close at \$103.49 per barrel, after the weekly federal fuels report showed inventories grew by the most in a year as U.S. refineries reduced production.
- Futures capped the biggest drop in four weeks after the Energy Information Administration (EIA) said oil supplies increased more than 4 times the median estimate of analysts. The U.S. refinery operating rate decreased to a 5-month low as refineries began seasonal maintenance.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$103.49 is \$5.35, or 17 percent, higher.
- Total petroleum products supplied to market over the last four-week period averaged 19.2 million barrels per day (MMB/D), up by 3.7 percent compared to the similar period last year. According to

the October 9 weekly fuels report, U.S. oil inventories increased 6.8 MMB at 370.5 MMB. U.S. crude supplies are now 4.2 MMB higher than at this time last year.

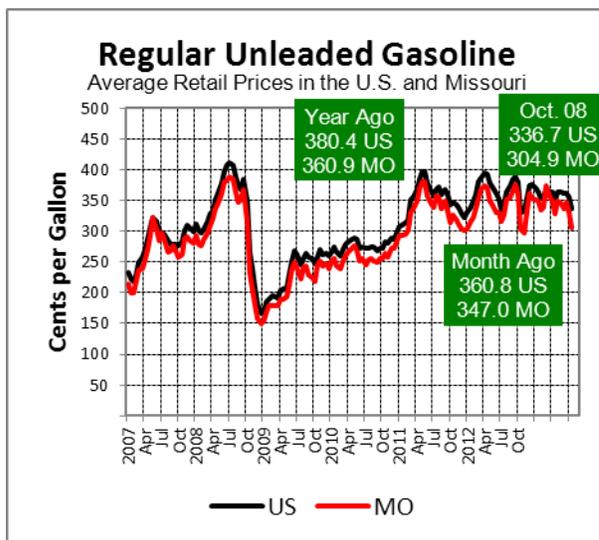
- Crude imports decreased 323,000 barrels per day (B/D) from the prior week at 8.0 MMB/D. Imports at this time last year averaged 8.2 MMB/D.
- U.S. refinery crude runs decreased, with refiners processing 14.9 MMB/D of crude. U.S. refinery capacity use was 85.9 percent, down 3.1 percent from the prior week and down 0.8 percent compared to this time last year.
- Gasoline output was up at 9.0 MMB/D on the week and was up 311,000 B/D compared to the production level at this time last year. Distillate output was down for the week at 4.6 MMB/D, a decrease of about 269,000 B/D, and stands 286,000 B/D higher compared to the production level at this time last year.

Transportation Fuels

On October 8, Missouri’s statewide average retail price for gasoline was about \$3.05 per gallon, down 42.1 cents in the past month and down 56.0 cents in the past year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>10-08-13</u>	<u>09-03-13</u>	<u>change</u>	<u>10-01-12</u>	<u>change</u>
US	336.7	360.8	down 7%	380.4	down 12%
Missouri	304.9	347.0	down 12%	360.9	down 16%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>10-08-13</u>	<u>09-03-13</u>	<u>change</u>	<u>10-01-12</u>	<u>change</u>
US	390.0	398.1	down 2%	407.9	down 4%
Missouri	371.7	381.2	down 2%	389.2	down 5%

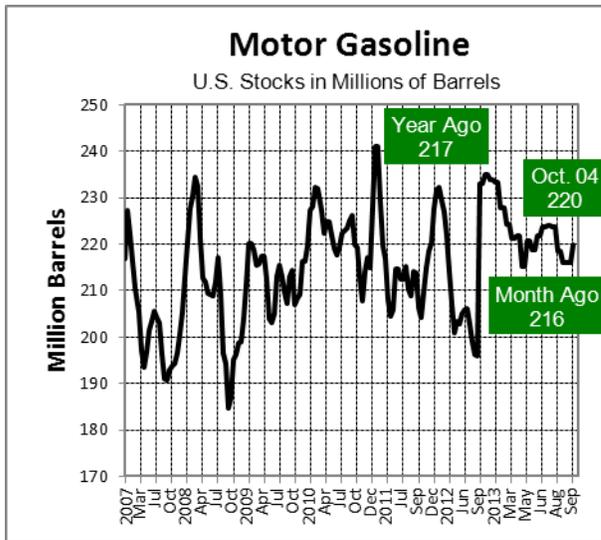


- On October 8, Missouri’s average retail price for gasoline was about \$3.05 per gallon, a decrease of 42.1 cents in the past month. The average price for diesel fuel was down 9.5 cents per gallon in the past month. Missouri’s average retail gasoline price is 56.0 cents, or 16 percent, lower, while the average retail diesel fuel price is 17.5 cents, or 5 percent, lower for the comparable period in October 2012.

- The U.S. average price for regular gasoline is 24.1 cents, or 7.0 percent, lower per gallon to last month at \$3.05 per gallon. The U.S. average was down by 43.7 cents compared to this time last year. In the

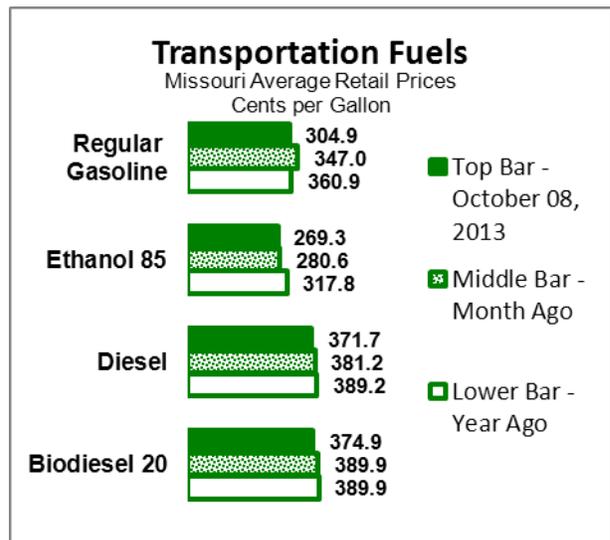
past week, the U.S. average decreased by 5.8 cents per gallon.

- Gasoline imports increased by 17,000 B/D from the prior week at 0.6 MMB/D. Imports are 74,000 B/D higher than last year at this time.

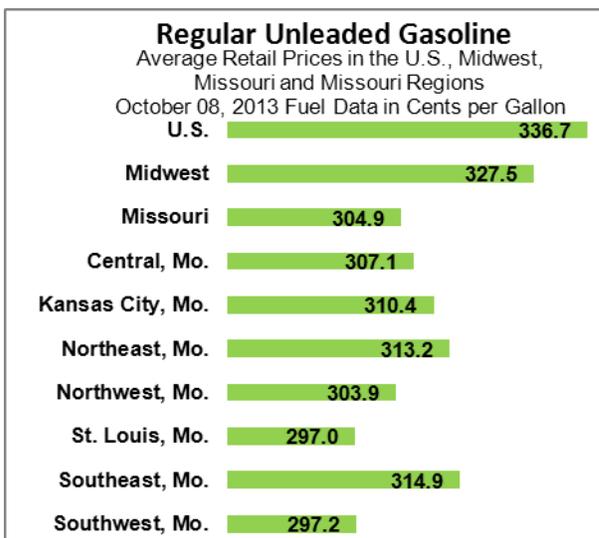


- Implied demand for gasoline was up at 8.8 MMB/D from the prior week and stands about 259,000 B/D higher compared to this time last year. In the past four weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, an increase of about 156,000 B/D compared to the same four-week period last year.
- U.S. gasoline supplies increased 0.1 MMB at 219.9 MMB on the week. U.S. gasoline inventories are up 24.5 MMB compared to this time last year and trend above the upper range of the five-year average for this time of year.

- Distillate stocks decreased 3.1 MMB at 126.0 MMB and stand 5.2 MMB higher compared to the same period last year. Distillate demand was unchanged at 3.8 MMB/D on the week and unchanged compared to the same period last year. On a four-week average, distillate demand was unchanged compared to the same period last year at 3.8 MMB/D.
- On October 8, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.69 per gallon, 36.0 cents or 11.8 percent lower than the average price for conventional motor gasoline.
- On October 8, Missouri's average retail price for



B20, diesel fuel containing 20 percent biofuel, was about \$3.75 per gallon, 3.0 cents or less than 1.0 percent higher than the average retail price for conventional diesel fuel.



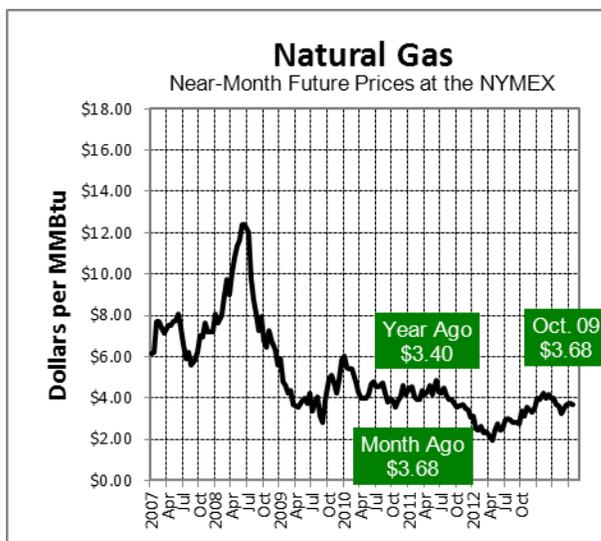
- According to the October 8, 2013, *Short Term Energy Outlook*, EIA's forecast for the regular gasoline retail price averages \$3.34 per gallon in the fourth quarter of 2013. The annual average regular gasoline retail price, which was \$3.63 per gallon in 2012, is expected to be \$3.52 per gallon in 2013 and \$3.40 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 October 9, natural gas futures at the NYMEX closed at \$3.68 per million British thermal units (MMBtu), and up 8 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-09-13	09-04-13	change	10-03-12	change
NYMEX	\$3.68	\$3.68	up 0%	\$3.40	up 8%



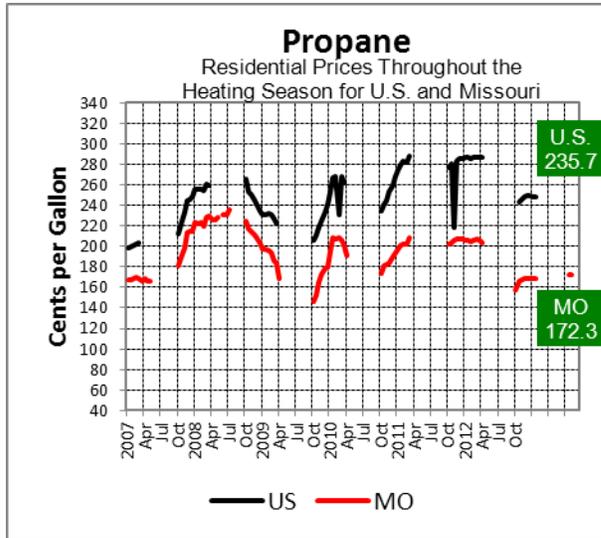
- At the NYMEX, natural gas futures for November 2013 delivery ended 3.7 cents lower on October 9 to close at \$3.68 per MMBtu. In the past year, natural gas values have increased 28 cents or 8 percent.
 - For the reporting week October 2 to October 9, the price of the November 2013 contract increased 13.7 cents, from \$3.54 to \$3.68 per MMBtu.
 - The 12-month strip (average of November 2013 to October 2014 contracts) gained 13.0 cents per MMBtu for the week, closing at \$3.91 per MMBtu.
- According to EIA, total U.S. natural gas consumption increased by 3.3 percent from the prior week. Power generation was up 3.0 percent while total residential/commercial consumption increased 31.3 percent.
 - Working gas in storage totaled 3,577 billion cubic feet (Bcf), 1.6 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 138 Bcf, or 3.7 percent, lower than last year at this time.
 - According to EIA's *Short Term Energy Outlook*, released October 8, 2013, Midwest households that heat with natural gas may realize an increase in expenditures by 13 percent for the 2013/14 heating season based on an increase in price of approximately 14 percent.

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.

On October 8, the average Missouri retail price for residential propane was about \$1.72 per gallon, unchanged in the past month, and up 9 percent compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	10-08-13	09-03-13	change	10-01-12	change
Missouri	172.3	172.0	up 0%	157.5	up 9%



- According to the Division of Energy's most recent statewide propane price survey conducted October 8, the average Missouri retail residential propane price was about \$1.72 per gallon, unchanged in the past month and up 14.8 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.00 per gallon, while the lowest retail price was about \$1.54 per gallon.
- U.S. inventories of propane decreased by about 0.5 MMB to end at 66.5 MMB.

Propane inventories are now 9.4 MMB, or 12.4 percent, lower compared to the same period last year. Implied demand for propane increased by 345,000 B/D at 1.4 MMB/D on the week, and up 172,000 B/D compared to the demand level for this time last year.

- Midwest propane inventories increased 0.08 MMB on the week. At 24.3 MMB, Midwest inventories are 4.1 MMB, or 14.4 percent, lower than the 28.4 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released October 8, 2013, Midwest households that heat with propane may realize an increase in expenditures by 9 percent for the 2013/14 heating season based on an increase in price of 10 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: www.ded.mo.gov/energy/transportation/fb.htm.