



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

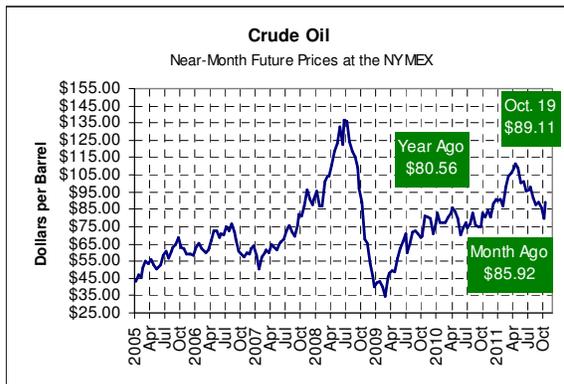
October 20, 2011

Crude Oil

U.S. crude oil prices increased \$3.19 to \$89.11 per barrel in the past month and stand 11 percent higher than at this time last year.

<i>Crude Oil - Near Month Future Prices (dollars per barrel)</i>					
	<u>10-19-11</u>	<u>09-21-11</u>	<u>change</u>	<u>10-21-10</u>	<u>change</u>
NYMEX	\$89.11	\$85.92	up 4%	\$80.56	up 11%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Nov. delivery ended \$2.23, or 2.5 percent, lower Oct. 19 to close at \$89.11 per barrel, after a split emerged between France and Germany on proposals to increase the European bailout fund and the Federal Reserve described the pace of US economic growth as ‘modest.’
- The Fed said in its Beige Book survey that companies reported more doubt about the strength of the recovery. US fuel use declined 2.2 percent to 18.3 million barrels per day (MMB/D) last week, the least since May, the Energy Department said. Crude oil futures are down 5.8 percent this year.
- A Franco-German split on the role of the European Central Bank in leveraging the euro bailout fund emerged at an event in Frankfurt to mark the conclusion of Jean-Claude Trichet’s term as the ECB’s president. The disagreements among policy makers came as banks lobbied against forced recapitalization and deeper write-downs on Greek debt. European Union leaders are scheduled to



meet on October 23rd in Brussels to discuss ways to combat the credit crisis. The Fed’s regional banks in Atlanta, New York, Minneapolis and Dallas said growth in their regions was modest. The Richmond Fed said conditions were ‘weak or weakening in most sectors.’ The Beige Book survey, released two weeks before each policy meeting, is based on information gathered by officials at the Fed’s 12 regional banks.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$89.11 is \$8.55, or 11 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending Oct. 14 averaged 18.8 MMB/D, down 0.9 percent compared to the similar period last year.

- According to the Oct. 19 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 4.7 MMB for the week ending Oct. 14. U.S. crude supplies are now 28.3 MMB lower than at this time last year.
- Crude imports for the week ending Oct. 14 were 7.9 MMB/D, down by over 1.2 MMB from the prior week. Imports at this time last year averaged nearly 8.6 MMB/D. Crude oil inventories represent 22.5 days of forward cover compared to 25.5 days at this time last year.
- U.S. refinery crude runs were down 206,000 barrels per day with refiners processing over 14.7 MMB/D of crude for the week ended Oct. 14. U.S. refinery capacity was 83.1 percent, down about 1.2 percent from the prior week and 0.7 percent higher than the 82.4 percent figure at this time last year.
- Gasoline output improved at 8.9 MMB/D on the week as refiners adjusted output on pace with flat demand. Gasoline output is up 98,000 barrels per day compared to last week and only down 41,000 barrels per day compared to last year at this time. Distillate output decreased at 4.3 MMB/D for the week ending Oct. 14 and stand 136,000 barrels per day higher compared to the production level at this time last year.

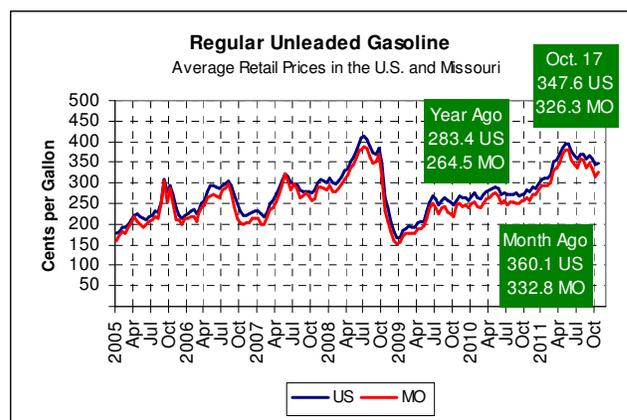
Transportation Fuels

On Oct. 17, Missouri's statewide average retail price for gasoline was \$3.26 per gallon, down 6.5 cents or 2 percent in the past month.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>10-17-11</u>	<u>09-19-11</u>	<u>change</u>	<u>10-18-10</u>	<u>change</u>
US	347.6	360.1	down 3%	283.4	up 23%
Missouri	326.3	332.8	down 2%	264.5	up 23%

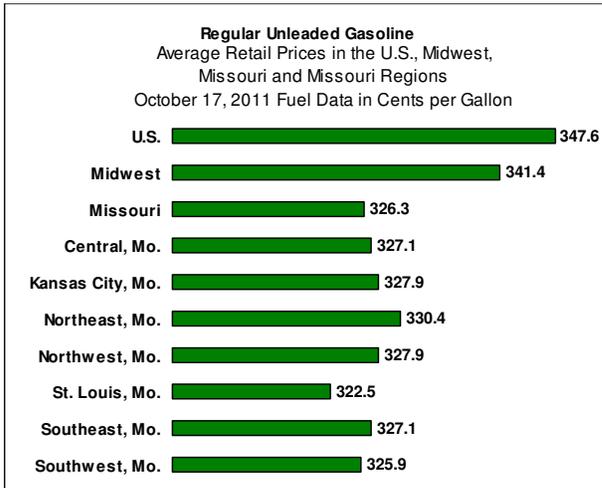
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>10-17-11</u>	<u>09-19-11</u>	<u>change</u>	<u>10-18-10</u>	<u>change</u>
US	380.1	383.3	down 1%	307.3	up 24%
Missouri	364.4	371.6	down 2%	293.5	up 24%

- On Oct. 17, Missouri's average retail price for gasoline was \$3.26, a decrease of 6.5 cents in the past month. The average price for diesel fuel was down by about 7 cents in the past month. Missouri's average retail gasoline price is \$0.62 or 23 percent higher, while the average diesel fuel price is \$0.71, or 24 percent, higher for the comparable period in Oct. 2010.



- The U.S. average price for regular gasoline was down 12.5 cents per gallon, or 3 percent compared to last month at \$3.47 per gallon. The U.S. average was about \$0.64 or 23 percent higher compared to this time last year. In the past week, the U.S. average increased by about 6 cents per gallon.

- Gasoline imports increased to nearly 0.5 MMB/D for the week ending Oct. 14; about 41,000 barrels per day higher compared to the prior week and 320,000 barrels per day lower than last year at this time.

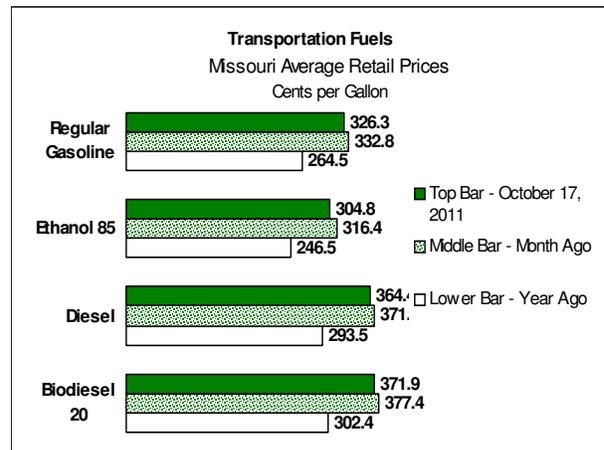


- Implied demand for gasoline fell the week ended Oct. 14 at 8.5 MMB/D, down by 412,000 barrels per day from the prior week and 293,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.8 MMB/D, 136,000 barrels per day lower compared to the same 4-week period last year.

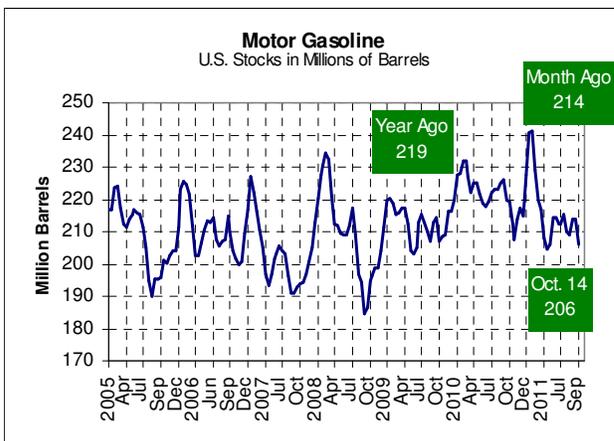
- U.S. gasoline supplies decreased 3.3 MMB at 206.3 MMB for the week ending Oct. 14. Gasoline inventories represent 23.2 days of supply for the United States based on

implied demand during the past 4-week average. U.S. gasoline inventories are 13.1 MMB lower than at this time last year and trend in the middle of the five-year average for this time of year.

- Distillate stocks decreased 4.3 MMB at 149.7 MMB and stand 20.3 MMB lower compared to the same period last year. Distillate demand was up at 4.1 MMB/D for the week ending Oct. 14 and up 229,000 barrels per day compared to the same period last year. On a four-week average, distillate demand is up 222,000 barrels per day compared to the same period last year at 4.04 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up 115,000 barrels per day.



- On Oct. 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$3.05 per gallon, 21 cents or 6 percent lower than the average price for conventional motor gasoline.



- On Oct. 17, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.72 per gallon, 8.0 cent or 2 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA's Oct. 12, 2011 *Short Term Energy Outlook*, EIA projects U.S. gasoline prices to average about \$3.63 per gallon during the peak driving season (April through September) and fall to \$3.36 in the fourth quarter of 2011. EIA expects the May national average price of \$3.91 per

gallon to be the peak monthly average price this driving season.

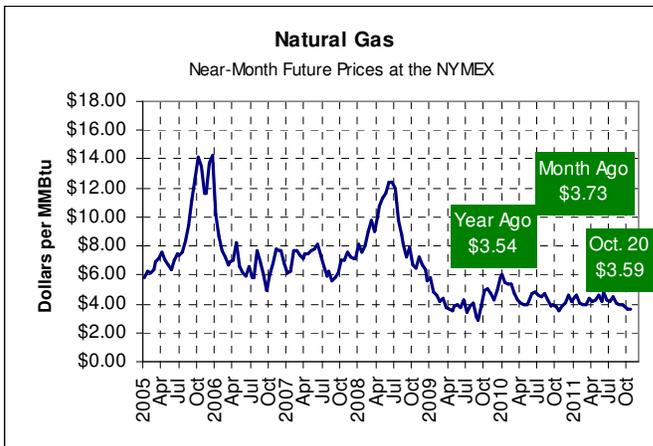
Natural Gas

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 Oct. 19, natural gas futures closed at \$3.59 per MMBtu, down 14 cents from a month ago and up 1 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-19-11	09-21-11	change	10-20-10	change
NYMEX	\$3.59	\$3.73	down 4%	\$3.54	up 1%

- Natural gas futures for Nov. delivery decreased \$0.14 in the past month to a final closing price of \$3.59 per MMBtu on Oct. 19.
- At the NYMEX, the November 2011 contract during the trading week increased 10.0 cents from \$3.48 per MMBtu on Oct. 12 to \$3.59 per MMBtu on Oct. 19.
- Overall demand increases over the week were offset by declines in gas consumed for electricity generation. Power burn fell by 2.9 percent over the week. Demand increases were met largely by higher imports, predominately from Canada. Imports from Canada increased by 4.1 percent and



averaged 5.6 billion cubic feet per day, while LNG imports grew by 22.2 percent and averaged 641 million cubic feet (MMcf)/day.

- Working gas in storage as of Oct. 14 totaled 3,624 Bcf, 3.2 percent above the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 46 Bcf or 1.3 percent lower than last year at this time.
- According to EIA's *Short Term Energy*

Outlook released Oct. 12, 2011, Midwest households that heat with natural gas may realize a fall in natural gas expenditures by 0.1 percent to \$779 for the heating season based on a reduction in consumption of approximately 1.4 percent.

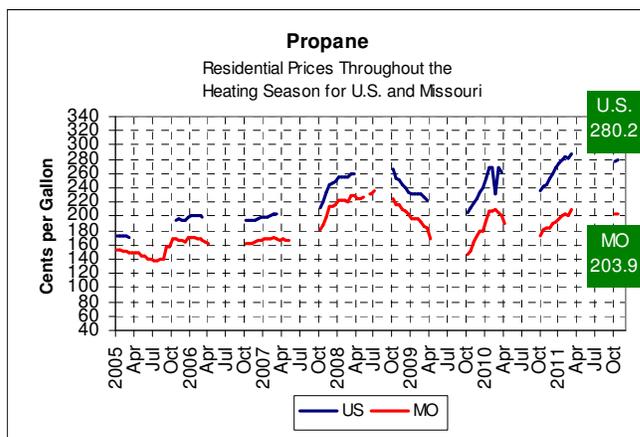
Propane

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.

On Oct. 17, the average Missouri retail price for residential propane was about \$2.04 per gallon, down 46 cents per gallon from the first week of September and 12 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	10-17-11	09-06-11	change	10-20-10	change
Missouri	203.9	249.9	down 18%	181.4	up 12%

- According to the Division of Energy's statewide propane price survey conducted Oct. 17, retail residential propane prices were down by 46 cents since Sept. 6 and stand over 39 cents per gallon or 12 percent higher than last year at this time.
- According to the survey conducted Oct. 17, the highest Missouri retail residential price for propane was nearly \$2.70 per gallon while the lowest retail price was \$1.85 per gallon.



- For the week ending Oct. 14, U.S. inventories of propane increased as total stocks were up over 1.0 MMB to end at 58.9 MMB. Propane inventories are now 4.6 MMB lower compared to the same period last year. Implied demand for propane declined 172,000 barrels for the week ending Oct. 14 and down 59,000 barrels per day compared to the demand level for this time last year.

- For the week ending Oct. 14, Midwest propane inventories decreased 70,000 barrels. At 25.2 MMB, Midwest

inventories are 2.9 MMB or about 10 percent lower than the 28.1 MMB reported at this time last year.

- According to EIA's *Short Term Energy Outlook* released Oct. 12, 2011, Midwest households that heat with propane may realize an increase in propane expenditures by 3.5 to \$1,880 for the heating season based on a and increase in price by 4.8 percent to \$2.22 per gallon.

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