



## Division of Energy

# MISSOURI ENERGY BULLETIN

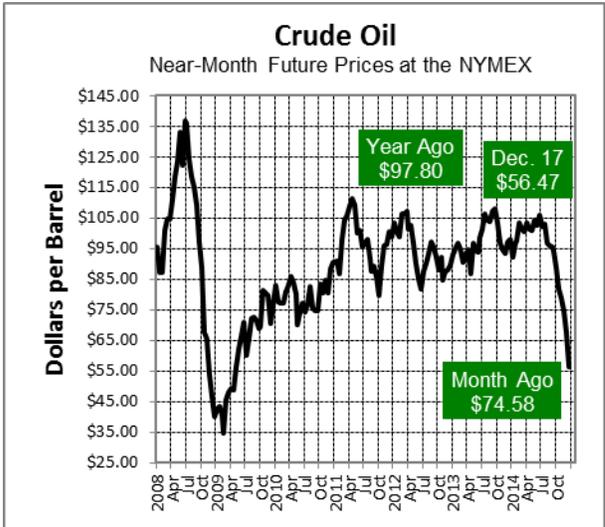
December 19, 2014

*(Data is for the week ended December 12, 2014, unless stated otherwise.)*

### Crude Oil

U.S. crude oil prices decreased \$18.11, or 24 percent, to \$56.47 per barrel in the past month and stand 42 percent lower compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	12-17-14	11-19-14	change	12-18-13	change
NYMEX	\$56.47	\$74.58	down 24%	\$97.80	down 42%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for January 2015 delivery ended \$0.54, or 1.0 percent, higher on the December 17 trade day to settle at \$56.47 after a stock market rally prompted the over-sold crude market higher.
- The price of oil has dropped this year as a surge in shale drilling lifted domestic output to the fastest pace in three decades coinciding with slowing growth in world demand. Inventories at Cushing, Oklahoma, the storage site used for NYMEX futures, increased 2.9 million barrels (MMB) to 27.8 MMB, the highest level since March.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$56.47 is \$41.33, or 42 percent, lower.
- Total petroleum products supplied to market, a measure of consumption, over the last four-week period averaged 20.1 MMB/D, up by 1.4 percent compared to the same period last year.

- According to the December 17 weekly Energy Information Administration (EIA) fuels report, U.S. oil inventories decreased 0.8 MMB to 379.9 MMB. U.S. crude supplies are now 7.6 MMB higher compared to this time last year.
- Crude imports decreased from the prior week at 7.1 MMB/D. Imports at this time last year averaged 7.7 MMB/D. Domestic crude production was unchanged at 9.1 MMB/D on the week. Last year at this time, production stood at 8.1 MMB/D.
- U.S. refinery crude runs were lower from the prior week with refiners processing about 16.3 MMB/D of crude. U.S. refinery capacity use was down on the week at 93.5 percent. Last year at this time, capacity use stood at 91.5 percent.
- Gasoline output was higher on the week at 9.9 MMB/D. Production at this time last year averaged 9.4 MMB/D. Distillate output was unchanged from the prior week at 5.2 MMB/D. Last year at this time, production stood at 4.9 MMB/D.

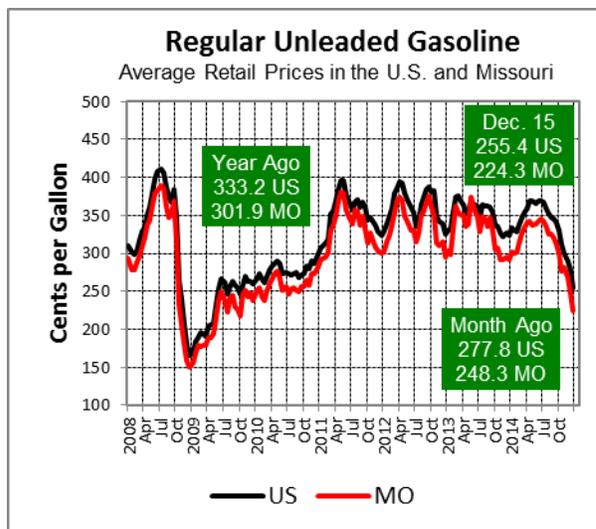
## Transportation Fuels

On December 15, Missouri's statewide average retail price for gasoline was about \$2.24 per gallon, down 24.0 cents in the past month and down 77.6 cents in the past year.

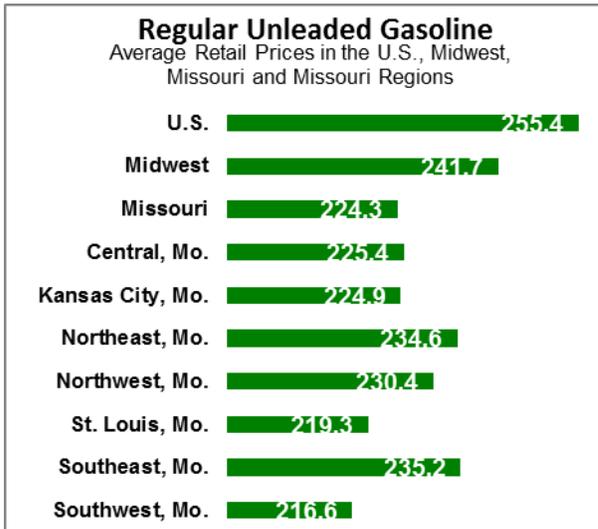
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>12-15-14</u>	<u>12-01-14</u>	<u>change</u>	<u>01-07-14</u>	<u>change</u>
US	255.4	277.8	down 8%	333.2	down 23%
Missouri	224.3	248.3	down 10%	301.9	down 26%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>12-15-14</u>	<u>12-01-14</u>	<u>change</u>	<u>01-07-14</u>	<u>change</u>
US	341.9	277.8	up 23%	391.0	down 13%
Missouri	328.8	350.5	down 6%	366.9	down 10%

- On December 15, Missouri's average retail price for gasoline was about \$2.24 per gallon, down 24.0 cents in the past month.
- The average price for diesel fuel was down 21.7 cents per gallon, or 6 percent, in the past month.
- Missouri's average retail gasoline price is 77.6 cents, or 26 percent, lower while the average retail diesel fuel price is 38.1 cents, or 10 percent, lower for the comparable period in December 2013.
- On December 19, Springfield, Missouri, became the only city in the US to have an average retail price for gasoline of less than \$2.00.
- The U.S. average price for regular gasoline is 22.4 cents per gallon, or 8 percent, lower compared to last month at about \$2.55 per gallon.

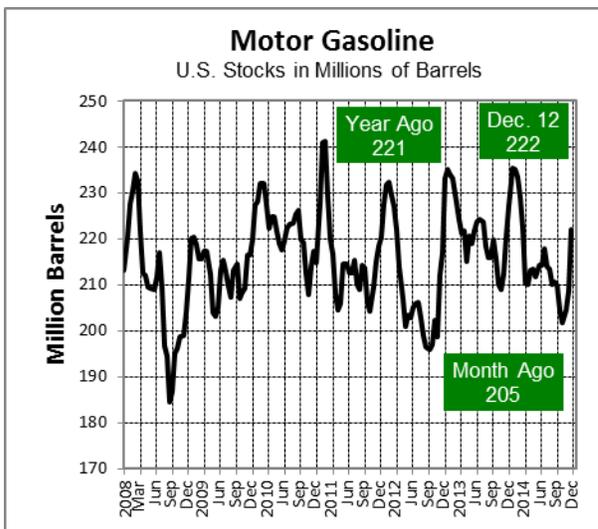


- The U.S. average was down 77.8 cents, or 23 percent, compared to this time last year. In the past week, the U.S. average decreased by 12.5 cents per gallon.

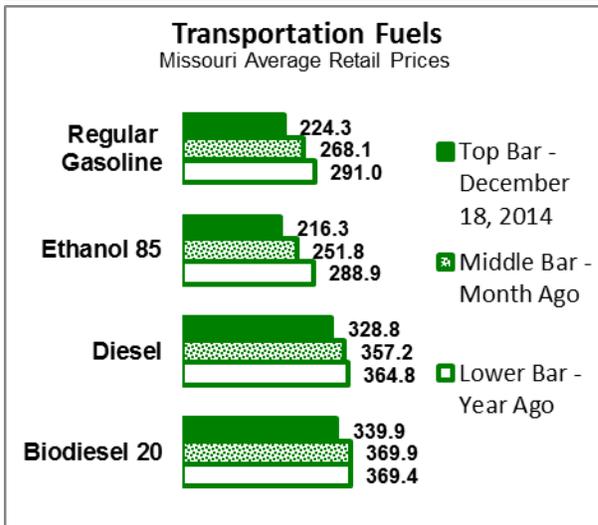


- Gasoline imports increased from the prior week at 0.8 MMB/D, 0.2 MMB/D higher compared to last year at this time.
- Implied demand for gasoline was higher at 9.4 MMB/D. At this time last year, demand was 9.0 MMB/D.
- In the past four weeks, U.S. gasoline demand has averaged about 9.2 MMB/D, 0.4 MMB/D higher compared to the same four-week period last year.
- U.S. gasoline supplies increased at 222.0 MMB on the week. U.S. inventories are up 1.5 MMB compared to this time last year and trend slightly above the five-year average for this time of year.

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- Distillate stocks decreased at 121.5 MMB and stand 5.6 MMB higher compared to the same period last year.
- Distillate demand increased at 4.2 MMB/D on the week. Demand stood at 4.1 MMB/D at this time last year. On a four-week average, distillate demand decreased at 3.7 MMB/D.
- On December 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.16 per gallon, 8.0 cents or 3.6 percent lower than the average price for conventional motor gasoline.



- On December 15, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was about \$3.40 per gallon, 11.1 cents or 3.3 percent higher than the average retail price for conventional diesel fuel.
- According to the December 9, 2014, *Short Term Energy Outlook*, EIA forecasts the 2014 regular gasoline retail price to average \$3.37 per gallon falling to \$2.60 in 2015.

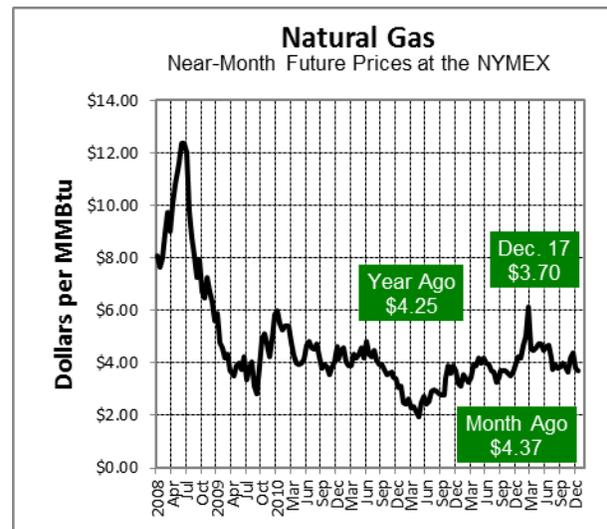
## Natural Gas

Approximately 53 percent (1,251,339) 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 December 17, natural gas futures at the NYMEX closed at \$3.70 per million British thermal units (MMBtu), down \$0.67 in the last month.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	12-17-14	11-19-14	change	12-18-13	change
NYMEX	\$3.70	\$4.37	down 15%	\$4.25	down 13%

- At the NYMEX, natural gas futures for January 2015 delivery ended 8.3 cents higher on the December 17 trade day to close at \$3.70 per MMBtu. In the past year, natural gas values have decreased by \$0.55 per MMBtu, or 13 percent.
- For the reporting week, December 10 to December 17, the price of the January 2015 contract increased then decreased by less than 10 cents, to settle at \$3.70 per MMBtu.
- The 12-month strip, the average of January 2015 through December 2015 futures contracts, ended the week down 3 cents, at \$3.56/MMBtu.



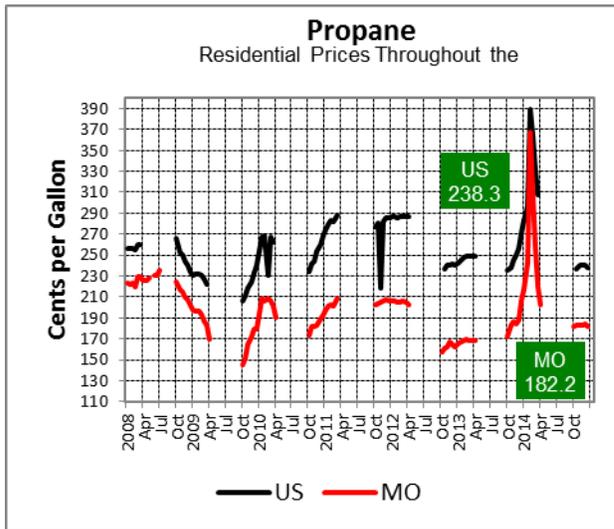
- According to the EIA, demand for natural gas fell by 0.6 percent as weather conditions improved for the report week and temperatures returned to near or above normal. The only sector showing an increase for the week was the residential/commercial sector, which logged a 0.3 percent week-over-week growth. Consumption of natural gas used for electrical power generation decreased 1.9 percent.
- Working gas in storage totaled 3,295 Bcf, 7.3 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 6 Bcf, or 0.2 percent, higher than last year at this time.
- EIA expects that households heating with natural gas in the Midwest will spend an average of \$68, or 8.9 percent, less this winter than last winter, reflecting prices that are about 1.5 percent higher and consumption that is nearly 10.2 percent lower.

## Propane

Approximately 10 percent (234,133) 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 December 15, the average Missouri retail price for residential propane was about \$1.82 per gallon, 1.6 cents lower in the past month and down 35.5 cents in the past year.**

<b>Propane - Retail Prices (cents per gallon)</b>					
	<u>12-15-14</u>	<u>12-01-14</u>	<u>change</u>	<u>01-07-14</u>	<u>change</u>
<b>Missouri</b>	<b>182.2</b>	<b>183.8</b>	<b>down 1%</b>	<b>217.7</b>	<b>down 16%</b>



- According to the Division of Energy's most recent statewide propane price survey conducted December 15, the average Missouri retail residential propane price was about \$1.82 per gallon, 1.6 cents lower in the past month and down 35.5 cents compared to last year at this time.
- According to the survey, the highest Missouri retail residential price for propane was nearly \$2.10 per gallon. The lowest retail price was about \$1.56 per gallon.
- U.S. propane stocks decreased by 0.8 MMB last week to 78.4 MMB, 28.4

MMB, or 56.9 percent, higher than a year ago. Midwest inventories decreased by 4.0 MMB to 26.5 MMB. Midwest inventories are 10.6 MMB, or 66.7 percent, higher than the 15.9 MMB reported at this time last year.

- Implied demand for propane increased at 1.4 MMB/D on the week. Propane demand is 173,000 B/D or 10.7 percent, lower compared to this time last year.
- EIA expects that households heating with propane in the Midwest will spend an average of \$761, or 33.6 percent, less this winter than last winter, reflecting prices that are about 26.1 percent lower and consumption that is nearly 10.2 percent lower. Factors that could affect propane demand include a repeat of last winter's cold weather and recent infrastructure changes.

**For more information on propane, please visit:**

<http://energy.mo.gov/energy/services/be-prepared-for-propane>

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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](mailto:energy@ded.mo.gov); Web Address: <http://energy.mo.gov/energy/stay-informed/missouri-energy-bulletins>.