



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

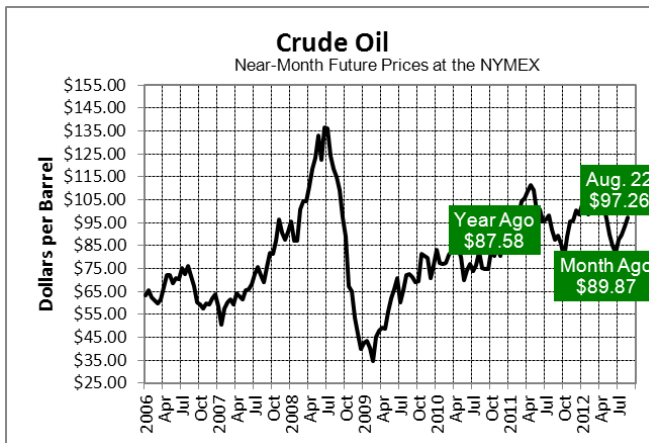
August 24, 2012

Crude Oil

U.S. crude oil prices increased \$7.39, or 8 percent, to \$97.26 per barrel in the past month and stand 11 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	<u>08-22-12</u>	<u>07-18-12</u>	<u>change</u>	<u>08-17-11</u>	<u>change</u>
NYMEX	\$97.26	\$89.87	up 8%	\$87.58	up 11%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for October delivery ended \$0.42, or 0.4 percent, higher August 22 to close at \$97.26 per barrel, after a federal energy report showed domestic oil reserves fell, and on investor reaction that the Federal Reserve may soon enact additional stimulus measures. Crude prices are up 11 percent compared to the same period last year.



Oil prices have rallied 25 percent from this year's settlement low of \$77.69 on June 28.

(FOMC) gathering 3 weeks ago noting that monetary easing will be needed quickly unless there are signs of a durable economic pickup. Participants at the FOMC meeting said that a new large-scale asset-purchase program could provide additional support for the economic recovery, according to the meeting minutes released this week. The FOMC said in a statement after the meeting that it will pump fresh stimulus into the economy if needed to spur growth and cut the jobless rate.

- U.S. oil inventories decreased at 360.7 million barrels (MMB). The decrease in stockpiles may be due to lower crude production by Mexico, one of the three largest oil suppliers to the U.S. and a larger-than-anticipated draw on domestic inventories.
- Oil prices also gained in response to the Federal Open Market Committee's
- Compared to this time last year, the U.S. crude oil futures settlement price of \$87.58 is \$19.68, or 11 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending August 17 averaged 19.2 MMB/D, down 2.2 percent compared to the similar period last year. According to the August 22 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories

decreased 5.4 MMB at 360.7 MMB for the week ending August 17. U.S. crude supplies are now 9.0 MMB higher than at this time last year.

- Crude imports for the week ending August 17 were 8.2 MMB/D, down 0.51 MMB/D from the prior week. Imports at this time last year averaged 8.8 MMB/D. Crude oil inventories represent 23.2 days of forward cover compared to 22.6 days at this time last year.
- U.S. refinery crude runs were down 273,000 barrels per day with refiners processing 15.4 MMB/D of crude for the week ending August 17. U.S. refinery capacity use was 92.1 percent, down 0.5 percent from the prior week and up 2.4 percent compared to this time last year.
- Gasoline output was down at 9.3 MMB/D on the week as refiners found greater premiums in diesel fuel production. Gasoline output was down 110,000 barrels per day compared to last year at this time.
- Distillate output increased at 4.7 MMB/D for the week ending August 17, and stands 87,000 barrels per day higher compared to the production level at this time last year.

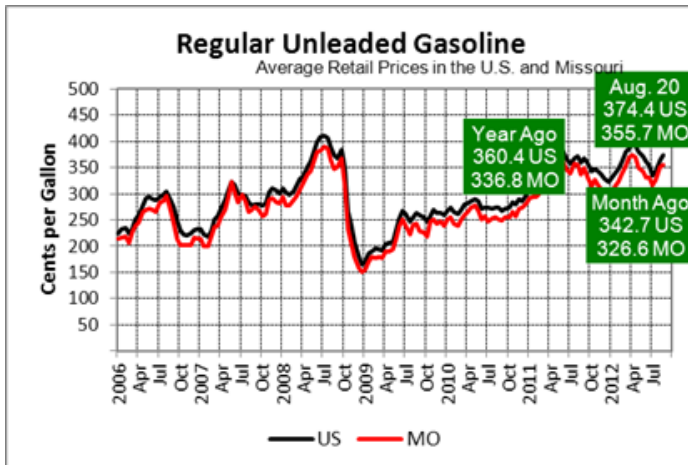
Transportation Fuels

On August 20, Missouri’s statewide average retail price for gasoline was \$3.56 per gallon, up 29.1 cents or 9 percent in the past month.

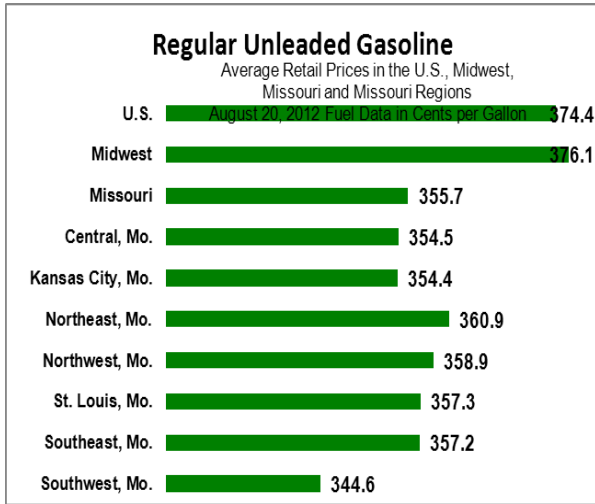
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	08-20-12	07-16-12	change	08-15-11	change
US	374.4	342.7	up 9%	360.4	up 4%
Missouri	355.7	326.6	up 9%	336.8	up 6%

Diesel Fuel - Retail Prices (cents per gallon)					
	08-20-12	07-16-12	change	08-15-11	change
US	402.6	342.7	up 17%	383.5	up 5%
Missouri	386.9	349.8	up 11%	373.3	up 4%

- On August 20, Missouri’s average retail price for gasoline was about \$3.56 per gallon, an increase of 29.1 cents in the past month. The average price for diesel fuel was up 37.1 cents per gallon in the past month. Missouri’s average retail gasoline price is 18.9 cents, or 6.0 percent, higher, while the average diesel fuel price is 13.6 cents, or 4.0 percent, higher for the comparable period in August 2011.



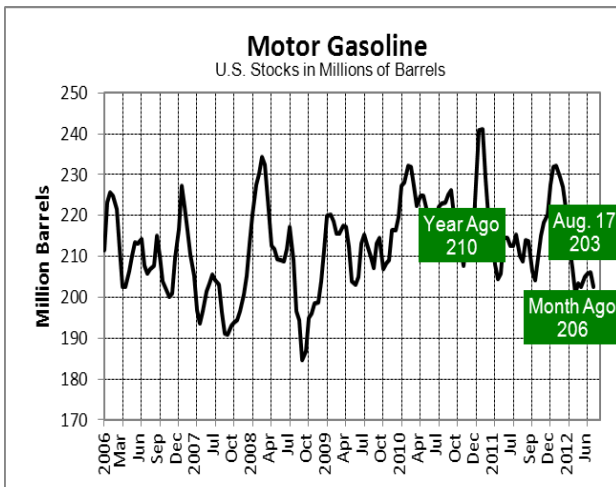
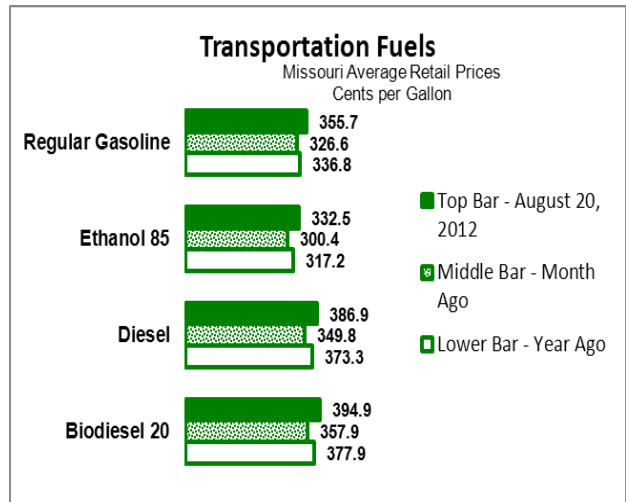
- The U.S. average price for regular gasoline was up by 31.7 cents per gallon, or 9.0 percent, compared to last month at \$3.74 per gallon. The U.S. average was 14.0 cents, or 4 percent, higher compared to this time last year. In the past week, the U.S. average increased 2.3 cents per gallon.



- Gasoline imports decreased to 0.78 MMB/D for the week ending August 17, about 11,000 barrels per day lower compared to the prior week and 117,000 barrels per day lower than last year at this time.
- Implied demand for gasoline decreased the week ending August 17 at 9.1 MMB/D, down 227,000 barrels per day from the prior week, but about 57,000 barrels per day higher compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 9.0 MMB/D, 154,000 barrels per day or 1.7 percent

lower compared to the same 4-week period last year.

- U.S. gasoline supplies decreased 1.0 MMB at 202.7 MMB for the week ending August 17. Gasoline inventories represent 22.5 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 8.7 MMB compared to this time last year and trend at the bottom of the five-year average for this time of year.
- Distillate stocks increased at 125.2 MMB and stand 30.5 MMB lower compared to the same period last year. Distillate demand was down slightly at 3.6 MMB/D for the week ending August 17 and down 286,000 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 8,000 barrels per day. On a four-week average, distillate demand was up 20,000 barrels per day compared to the same period last year at 3.7 MMB/D.



average retail price for conventional diesel fuel.

- On August 20, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.33 per gallon, 23 cents or about 7 percent lower than the average price for conventional motor gasoline.
- On August 20, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.95 per gallon, 8 cents or about 2 percent higher than the statewide

- 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.

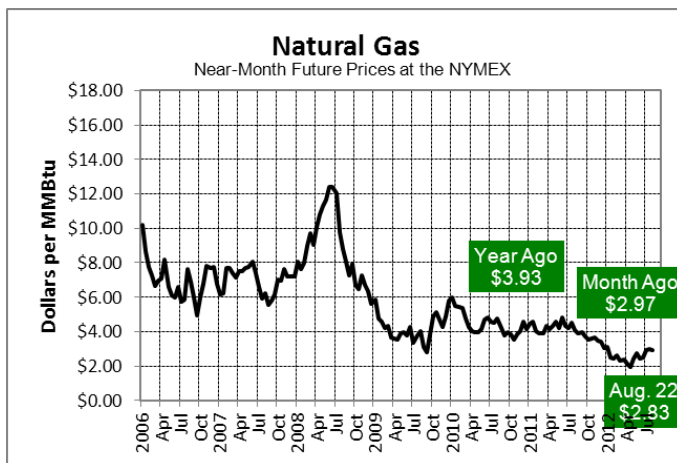
Natural Gas

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 August 22, natural gas futures closed at \$2.83 per million British thermal units (MMBtu), down 14 cents from a month ago and down \$1.10 compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	08-22-12	07-18-12	change	08-17-11	change
NYMEX	\$2.83	\$2.97	down 5%	\$3.93	down 32%

- Natural gas futures for September delivery decreased \$0.14 in the past month to a final closing price of \$2.83 per MMBtu on August 22.



- At the NYMEX, the September 2012 contract ended the week with a net gain, rising from \$2.75 per MMBtu last Wednesday, August 15 to \$2.83 per MMBtu August 22, an increase of 7.8 cents per MMBtu. Prices dropped late last week, falling to \$2.72 per MMBtu on August 17, but rose steadily thereafter to finish the trade week up 2.8 percent.

11.0 percent decrease in power sector consumption. Residential/commercial sector consumption finished the week up 4.5 percent, while industrial sector consumption rose relatively modestly (0.7 percent). Although down week-over-week, power sector consumption exceeded levels for the same week last year by 2.3 percent.

- According to EIA, domestic natural gas consumption declined by 5.1 percent from last week, driven by an

- Working gas in storage as of August 17 totaled 3,308 billion cubic feet (Bcf), 12.1 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 423 Bcf, or 14.7 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 August 6, the average Missouri retail price for residential propane was about \$1.54 per gallon, down 9.4 cents in the past month.

Propane - Retail Prices (cents per gallon)					
	<u>08-06-12</u>	<u>07-02-12</u>	<u>change</u>	<u>08-01-11</u>	<u>change</u>
Missouri	154.1	163.5	down 6%	200.5	down 23%

- According to the Division of Energy's statewide propane price survey conducted August 6, Missouri retail residential propane prices were down 9.4 cents, or 6.0 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 \$1.16 per gallon.
- For the week ending August 17, U.S. inventories of propane increased 1.9 MMB to end at 79.9 MMB. Propane inventories are now 18.9 MMB, or 36 percent, higher compared to the same period last year. Implied demand for propane decreased 173,000 barrels per day at 0.94 MMB/D for the week ending August 17, and up 165,000 barrels per day compared to the demand level for this time last year.
- For the week ending August 17, Midwest propane inventories increased 0.2 MMB. At 27.2 MMB, Midwest inventories are 3.7 MMB, or 15.7 percent, higher than the 23.5 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