



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

December 7, 2012

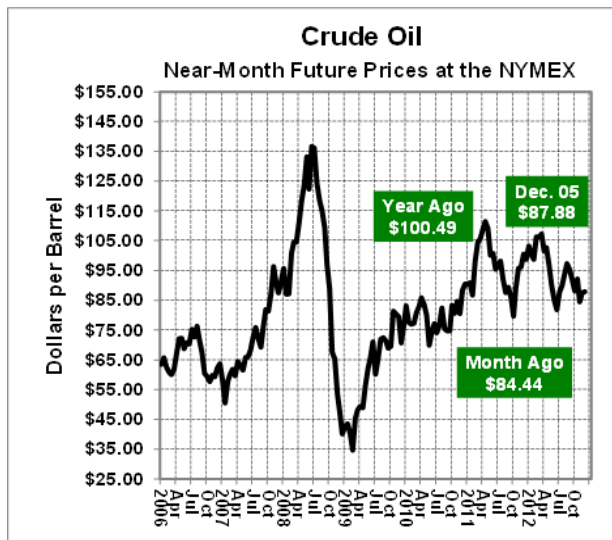
(Data is for the week ending November 30, 2012, unless stated otherwise.)

### Crude Oil

U.S. crude oil prices increased \$3.44, or 4 percent, to \$87.88 per barrel in the past month and stand 13 percent lower than at this time last year.

| Crude Oil - Near Month Future Prices (dollars per barrel) |          |          |        |          |          |
|---|----------|----------|--------|----------|----------|
|   | 12-05-12 | 11-07-12 | change | 12-07-11 | change   |
| NYMEX   | \$87.88  | \$84.44  | up 4%  | \$100.49 | down 13% |

- At the New York Mercantile Exchange (NYMEX), crude oil futures for January delivery ended \$0.62, or 0.7 percent, lower December 5 to close at \$87.88 per barrel after the weekly federal energy report showed U.S. gasoline inventories increased the most in 11 years while demand weakened.



- U.S. oil inventories decreased at 371.6 million barrels (MMB). U.S. crude production was unchanged, while imports and refinery demand slightly increased. Seasonal oil stock reductions are at play as refiners and other physical holders of crude shed supplies to avoid end-of-year tax consequences.

- At the NYMEX, the decline in gasoline futures weighed on crude oil prices. After fuel-supply disruptions earlier this year in California and later in the Northeast

following Super Storm Sandy, consumers and energy investors had grown concerned that oil refineries were having trouble producing enough fuel. But refining facilities in the Midwest and along the Gulf Coast have begun dialing up their capacity to near record levels in recent weeks in order to take advantage of lower oil prices. The 12-Month Strip (average of January 2013 to December 2013 contracts) closed down \$0.44 per barrel.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$87.88 is \$12.61, or 13 percent, lower. For calendar year 2012, crude values are 11 percent lower.

- Total petroleum products supplied to market over the last four-week period averaged 19.0 MMB/D, up 2.6 percent compared to the similar period last year. According to the December 5 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 2.4 MMB at 371.8 MMB. U.S. crude supplies are now 35.7 MMB higher than at this time last year.
- Crude imports increased at 8.2 MMB/D, up 112,000 barrels per day from the prior week. Imports at this time last year averaged 9.4 MMB/D. Crude oil inventories represent 24.7 days of forward cover compared to 22.7 days at this time last year.
- U.S. refinery crude runs increased 19,000 barrels per day with refiners processing 15.0 MMB/D of crude. U.S. refinery capacity use was 90.6 percent, up 1.9 percent from the prior week and up 2.8 percent compared to this time last year.
- Gasoline output increased at 9.0 MMB/D on the week as U.S. refineries ramped up production as crude values continue to weaken. Distillate output increased at 4.8 MMB/D, yet stands 186,000 barrels per day lower compared to the production level at this time last year.

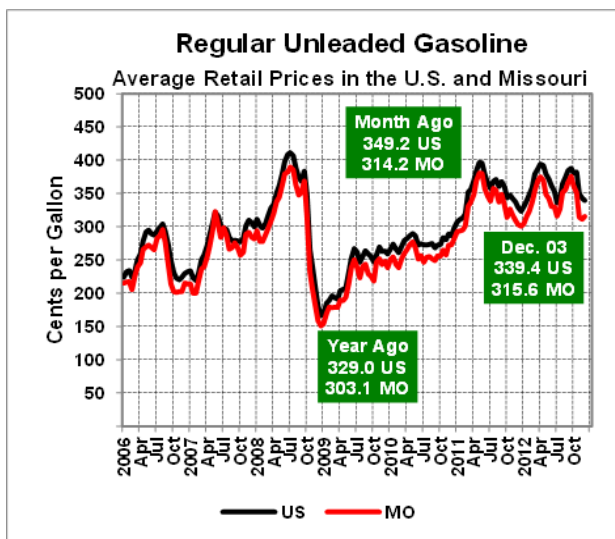
### Transportation Fuels

On December 3, Missouri's statewide average retail price for gasoline was about \$3.16 per gallon, up 1.4 cents in the past month and up 4 percent in the past year.

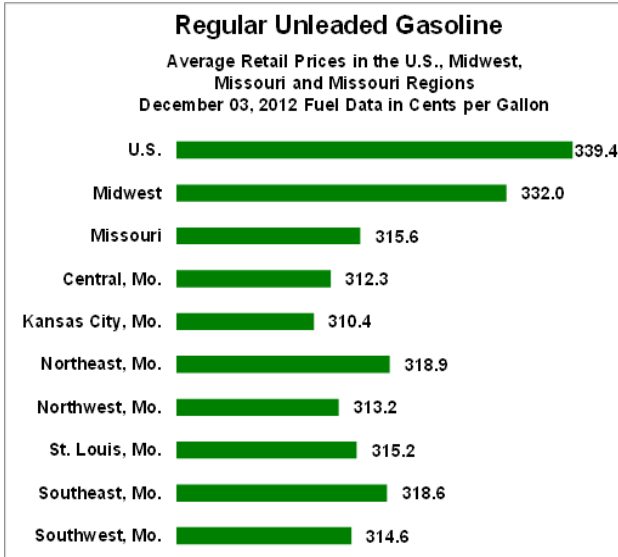
| Regular Unleaded Gasoline - Retail Prices (cents per gallon) |                 |                 |               |                 |               |
|--|-----------------|-----------------|---------------|-----------------|---------------|
|  | <u>12-03-12</u> | <u>11-05-12</u> | <u>change</u> | <u>12-05-11</u> | <u>change</u> |
| US   | 339.4           | 349.2           | down 3%       | 329.0           | up 3%         |
| Missouri   | 315.6           | 314.2           | up 0%         | 303.1           | up 4%         |

| Diesel Fuel - Retail Prices (cents per gallon) |                 |                 |               |                 |               |
|--|-----------------|-----------------|---------------|-----------------|---------------|
|  | <u>12-03-12</u> | <u>11-05-12</u> | <u>change</u> | <u>12-05-11</u> | <u>change</u> |
| US   | 339.4           | 401.0           | down 15%      | 393.1           | down 14%      |
| Missouri                                       | 379.3           | 384.8           | down 1%       | 375.8           | up 1%         |

- On December 3, Missouri's average retail price for gasoline was \$3.16 per gallon, an increase of 1.4 cents in the past month. The average price for diesel fuel was down 5.5 cents per gallon in the past month. Missouri's average retail gasoline price is 12.5 cents, or 4 percent, higher, while the average diesel fuel price is 3.5 cents, or 1 percent, higher for the comparable period in December 2011.



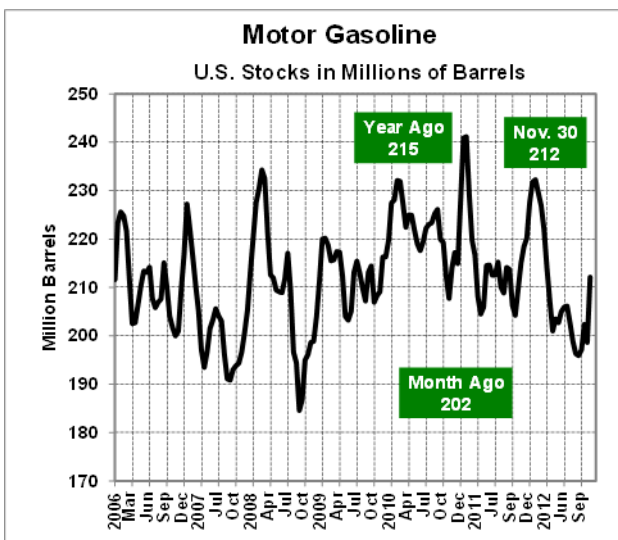
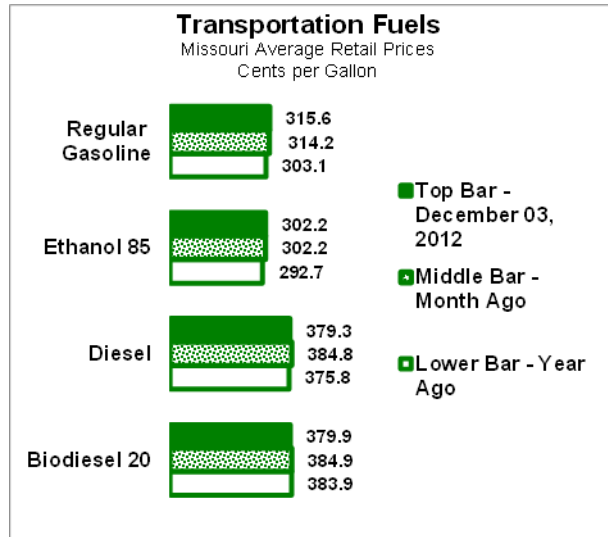
- The U.S. average price for regular gasoline was down by 9.8 cents per gallon, or 3 percent, compared to last month at \$3.39 per gallon. The U.S. average was 10.4 cents, or 3 percent, higher compared to this time last year. In the past week, the U.S. average decreased 4.3 cents per gallon.



- Gasoline imports increased 18,000 barrels per day from the prior week at 0.5 MMB/D; 308,000 barrels per day lower than last year at this time.
- Implied demand for gasoline declined at 8.4 MMB/D, down 73,000 barrels per day from the prior week and about 220,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.6 MMB/D; 7,000 barrels per day or 1.1 percent higher compared to the same 4-week period last year.
- U.S. gasoline supplies increased 7.9 MMB at 212.1 MMB, the largest one-week

increase in 11 years. Gasoline inventories represent 24.5 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 2.9 MMB compared to this time last year and trend near the upper end of the five-year average for this time of year.

- Distillate stocks increased at 115.1 MMB and stand 26.0 MMB lower compared to the same period last year. Distillate demand was down at 3.5 MMB/D on the week and down 376,000 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 293,000 barrels per day. On a four-week average, distillate demand was up 67,000 barrels per day compared to the same period last year at 3.9 MMB/D.



- On December 3, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.02 per gallon, 14 cents or about 4.6 percent lower than the average price for conventional motor gasoline.
- On December 3, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.80 per gallon, about 0.6 cents or less than 1 percent higher than the statewide average retail price for conventional diesel fuel.

- According to EIA’s November 6, 2012, *Short Term Energy Outlook*, the U.S. regular-grade motor gasoline retail price will average \$3.56 per gallon during the fourth quarter of 2012.

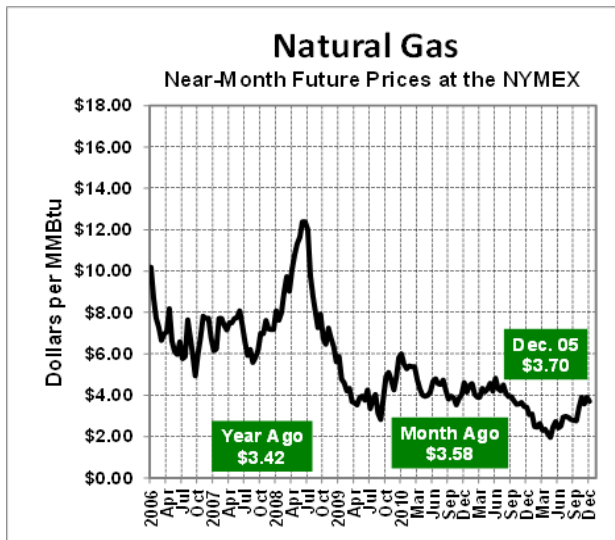
### Natural Gas

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 December 5, natural gas futures closed at \$3.70 per million British thermal units (MMBtu), up 12 cents from a month ago and up 8 percent compared to last year at this time.**

| Natural Gas - Near Month Future Prices (dollars per MMBtu) |          |          |        |          |        |
|--|----------|----------|--------|----------|--------|
|  | 12-05-12 | 11-08-12 | change | 12-07-11 | change |
| NYMEX  | \$3.70   | \$3.58   | up 3%  | \$3.42   | up 8%  |

- At the NYMEX, natural gas futures for January 2013 delivery ended 10.1 cents lower December 5 to close at \$3.70 per MMBtu. In the past month, natural gas values have increased 12 cents or 3 percent.



- At the NYMEX, the January 2013 futures contract decreased by 10 cents from \$3.80 per MMBtu on November 28 to \$3.70 per MMBtu on December 5. Prices fell for much of the report week before regaining more than 16 cents per MMBtu on December 4, finishing the week down 2.7 percent. The 12-Month Strip (average of January 2013 to December 2013 contracts) closed yesterday at \$3.823 per MMBtu, down 3.2 cents per MMBtu (0.8 percent) for the week.
- According to EIA, domestic natural gas consumption fell by 11.9 percent from the prior week, driven by a decrease of 23.5

percent in residential/commercial sector consumption. Industrial sector consumption finished the week down 2.1 percent, while power sector consumption dipped modestly (down 0.2 percent). Residential/commercial sector consumption trailed levels for the same week last year by a considerable margin (24.7 percent).

- Working gas in storage totaled 3,804 billion cubic feet (Bcf), 4.6 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 33 Bcf, or 0.9 percent, lower than last year at this time.
- According to EIA’s *Short Term Energy Outlook*, released November 6, 2012, Midwest households that heat with natural gas may realize an increase in expenditures by 20.9 percent to \$744 for the 2012/13 heating season based on an increase in consumption of approximately 17.6 percent.

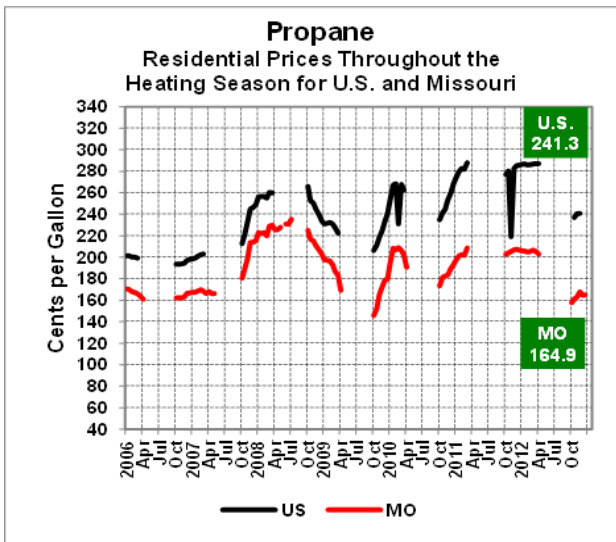
## Propane

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 December 3, the average Missouri retail price for residential propane was about \$1.65 per gallon, down 2.7 cents in the past month, yet down 20 percent compared to last year at this time.**

| Propane - Retail Prices (cents per gallon) |          |          |         |          |          |
|--|----------|----------|---------|----------|----------|
|  | 12-03-12 | 11-19-12 | change  | 12-19-11 | change   |
| Missouri                                   | 164.9    | 167.6    | down 2% | 206.7    | down 20% |

- According to the Division of Energy's statewide propane price survey conducted December 3, the average Missouri retail residential propane price was \$1.65 per gallon, down 2.7 cents or 2 percent in the past month.



- 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 \$1.40 per gallon.
- U.S. inventories of propane decreased 0.3 MMB to end at 72.5 MMB. Propane inventories are now 12.8 MMB, or 22 percent, higher compared to the same period last year. Implied demand for propane increased 232,000 barrels per day at nearly 1.5 MMB/D on the week, and up nearly 221,000 barrels per day compared to the demand level for this time last year.
- Midwest propane inventories decreased 89,000 barrels. At 26.3 MMB, Midwest inventories are 0.8 MMB, or 3.1 percent, higher than the 25.5 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released November 6, 2012, Midwest households that heat with propane may realize a decrease in expenditures by 0.3 percent to \$1,534 for the heating season based on an increase in consumption of 17.4 percent.

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](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)