



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

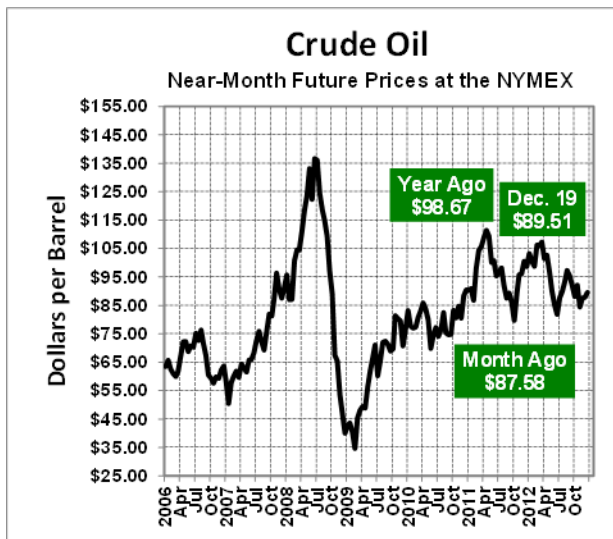
December 20, 2012

(Data is for the week ended December 14, 2012, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$1.93, or 2 percent, to \$89.51 per barrel in the past month and stand 9 percent lower than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	12-19-12	11-21-12	change	12-21-11	change
NYMEX	\$89.51	\$87.58	up 2%	\$98.67	down 9%



- At the New York Mercantile Exchange (NYMEX), crude oil futures for January delivery ended \$1.58, or 1.8 percent, higher December 19 to close at \$89.51 per barrel after the weekly federal energy report showed crude inventories decreased as refineries ramped up production.
- U.S. oil inventories decreased at 371.6 million barrels (MMB). U.S. crude production was unchanged while imports fell on the week. Oil stockpiles have dropped during December in the past 6 years. Petroleum companies in Texas can be taxed on the value of stored crude as part of local property taxes.
- At the NYMEX, crude values have increased in the past 4 days of trade. The most recent data shows the highest December refinery run since 2004, and suggest that winter builds may be marginal. East Coast motor gasoline stock levels remain tight following Super Storm Sandy and suggest the supply picture could prevail into 2013. Domestic fuel oil demand surged and high export levels continued through the month.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$89.51 is \$9.16, or 9 percent, lower. For calendar year 2012, crude values are 9.4 percent lower as U.S. oil production continued to rise.

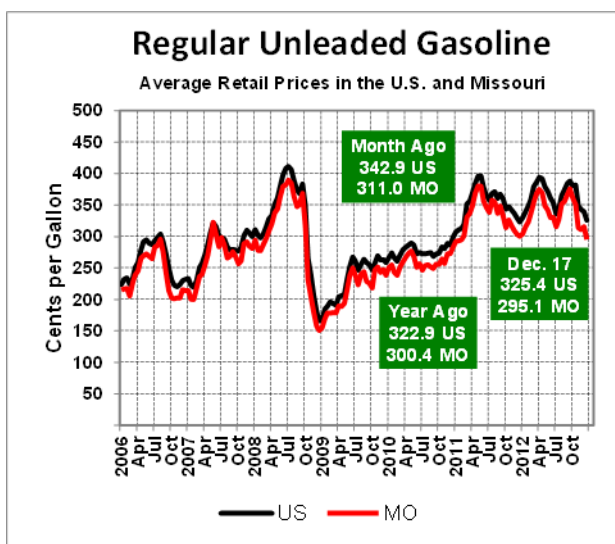
- Total petroleum products supplied to market over the last four-week period averaged over 19.0 MMB/D, up 2.8 percent compared to the similar period last year. According to the December 19 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories decreased 1.0 MMB at 371.6 MMB. U.S. crude supplies are now 48.1 MMB higher than at this time last year.
- Crude imports decreased at 8.4 MMB/D, down 100,000 barrels per day from the prior week. Imports at this time last year averaged 7.6 MMB/D. Crude oil inventories represent 24.1 days of forward cover compared to 21.9 days at this time last year.
- U.S. refinery crude runs increased 227,000 barrels per day with refiners processing 15.6 MMB/D of crude. U.S. refinery capacity use was 91.5 percent, up 1.2 percent from the prior week and up 6.2 percent compared to this time last year.
- Gasoline output increased at 9.1 MMB/D on the week as U.S. refineries ramped up production before scheduled maintenance in January. Distillate output increased at 4.9 MMB/D, and stands 603,000 barrels per day higher compared to the production level at this time last year.

Transportation Fuels

On December 17, Missouri's statewide average retail price for gasoline was \$2.95 per gallon, down 15.9 cents in the past month and down 2 percent in the past year.

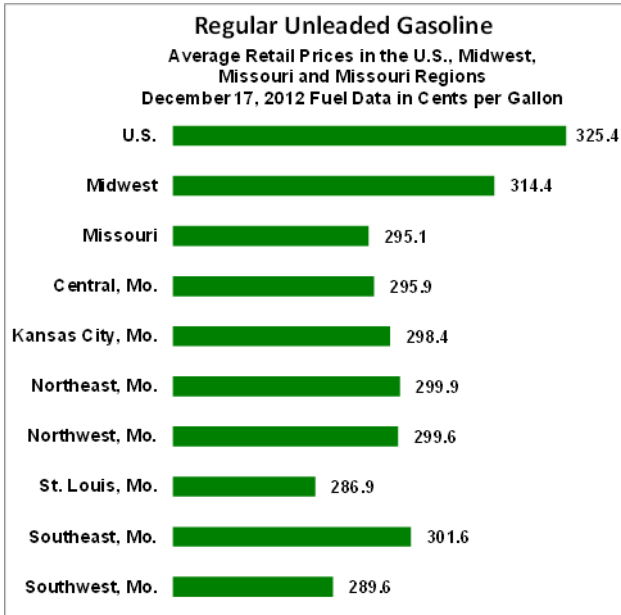
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	12-17-12	11-19-12	change	12-19-11	change
US	325.4	342.9	down 5%	322.9	up 1%
Missouri	295.1	311.0	down 5%	300.4	down 2%

Diesel Fuel - Retail Prices (cents per gallon)					
	12-17-12	11-19-12	change	12-19-11	change
US	325.4	342.9	down 5%	382.8	down 15%
Missouri	368.8	374.8	down 2%	361.4	up 2%



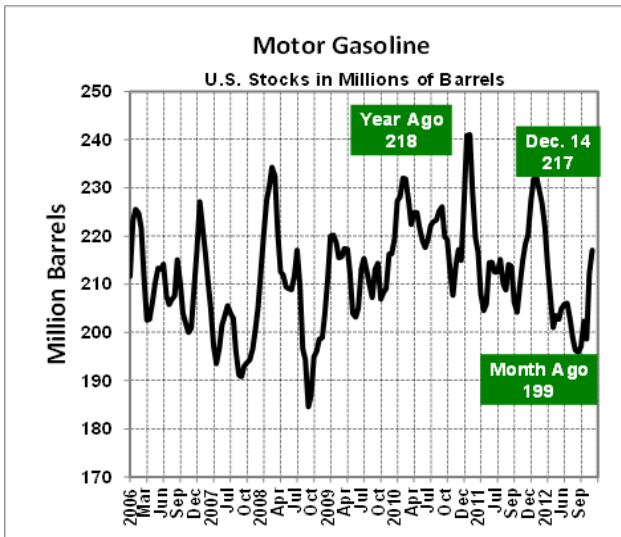
average decreased 9.5 cents per gallon.

- On December 17, Missouri's average retail price for gasoline was over \$2.95 per gallon, a decrease of 15.9 cents in the past month. The average price for diesel fuel was down 6.0 cents per gallon in the past month. Missouri's average retail gasoline price is 5.3 cents, or 2 percent, lower, while the average diesel fuel price is 7.4 cents, or 2 percent, higher for the comparable period in December 2012.
- The U.S. average price for regular gasoline was down by 17.5 cents per gallon, or 5 percent, compared to last month at \$3.25 per gallon. The U.S. average was 2.5 cents, or 1 percent, higher compared to this time last year. In the past week, the U.S.

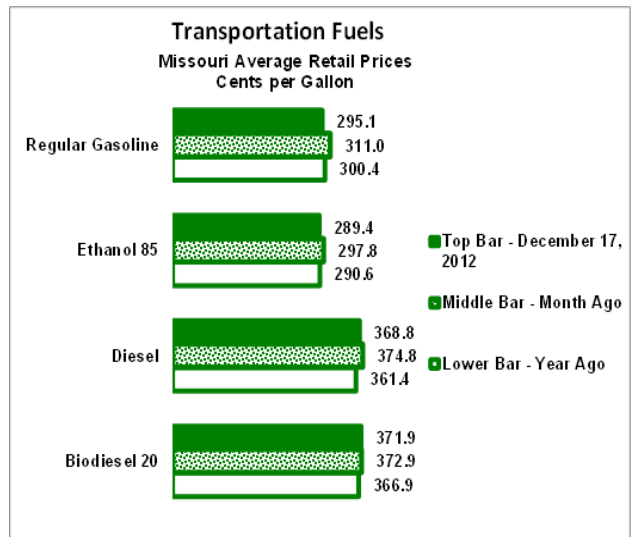


based on implied demand during the past 4-week average. U.S. gasoline inventories are up 0.9 MMB compared to this time last year and trend above the upper end of the five-year average for this time of year.

- Distillate stocks decreased at 117.0 MMB and stand 22.2 MMB lower compared to the same period last year. Distillate demand was up at 4.2 MMB/D on the week and down 186,000 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 up 714,000 barrels per day. On a four-week average, distillate demand was down 104,000 barrels per day compared to the same period last year at 3.8 MMB/D.



- Gasoline imports decreased 65,000 barrels per day from the prior week at 0.5 MMB/D, 353,000 barrels per day lower than last year at this time.
- Implied demand for gasoline increased at 8.6 MMB/D, up 130,000 barrels per day from the prior week but about 261,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.5 MMB/D, 250,000 barrels per day or 3.0 percent lower compared to the same 4-week period last year.
- U.S. gasoline supplies increased 2.2 MMB at 219.3 MMB. Gasoline inventories represent 25.9 days of supply for the U.S.



- On December 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.89 per gallon, 6 cents or about 2.1 percent lower than the average price for conventional motor gasoline.
- On December 17, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.72 per gallon, about 3 cents or less than 1 percent higher than the statewide average retail price for conventional diesel fuel.

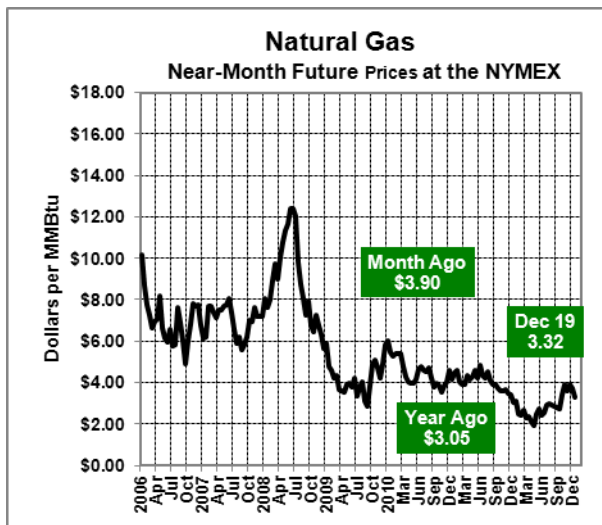
- According to EIA’s December 11, 2012, *Short Term Energy Outlook*, projected national average regular gasoline retail prices average \$3.63 per gallon in 2012 and \$3.43 per gallon in 2013, compared with \$3.53 per gallon in 2011.

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 19, natural gas futures closed at \$3.32 per million British thermal units (MMBtu), down 58 cents from a month ago and up 9 percent compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	12-19-12	11-21-12	change	12-21-11	change
NYMEX	\$3.32	\$3.90	down 15%	\$3.05	up 9%



- At the NYMEX, natural gas futures for January 2013 delivery ended 9.8 cents lower December 19 to close at \$3.32 per MMBtu. In the past month, natural gas values have decreased 58 cents or 15 percent.
- At the NYMEX, the January 2013 futures contract price fell 6 cents over the report period, from \$3.38 per MMBtu on December 12 to \$3.32 per MMBtu on December 19, possibly reflecting expectations of mild weather and adequate supply.
- According to EIA, overall natural gas

consumption for the nation fell by 0.2 percent. The residential/ commercial sector, which is the biggest gas-consuming sector during the winter, consumed 0.8 percent more gas week-on-week. This was offset by a 2.5 percent decrease in natural gas consumption in the electric power sector.

- Working gas in storage totaled 3,724 billion cubic feet (Bcf), 10.2 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 66 Bcf, or 1.8 percent, higher than last year at this time.
- According to EIA’s *Short Term Energy Outlook*, released December 11, 2012, Midwest households that heat with natural gas may realize an increase in expenditures by 23.8 percent to \$762 for the 2012/13 heating season based on an increase in consumption of approximately 20.7 percent.

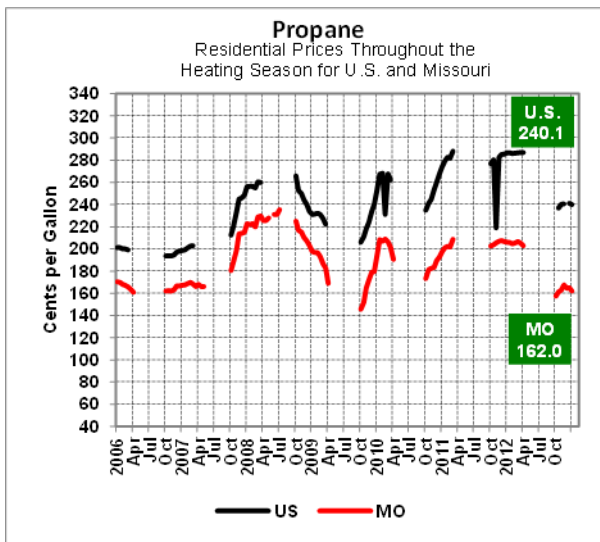
Propane

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 17, the average Missouri retail price for residential propane was about \$1.62 per gallon, down 2.7 cents in the past month, and down 21 percent compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	12-17-12	11-26-12	change	01-03-12	change
Missouri	162.0	164.7	down 2%	206.1	down 21%

- According to the Division of Energy's statewide propane price survey conducted December 17, the average Missouri retail residential propane price was \$1.62 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 1.9 MMB to end at 69.2 MMB. Propane inventories are now 12.3 MMB, or 22 percent, higher compared to the same period last year. Implied demand for propane decreased 155,000 barrels per day at nearly 1.6 MMB/D on the week, and up 3,000 barrels per day compared to the demand level for this time last year.
- Midwest propane inventories decreased 1.1 MMB on the week. At 24.3 MMB, Midwest inventories are 0.2 MMB, or 0.8 percent, higher than the 24.1 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released December 11, 2012, Midwest households that heat with propane may realize a decrease in expenditures by 2.8 percent to \$1,496 for the heating season based on a decrease in price of 19.1 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; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm