



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

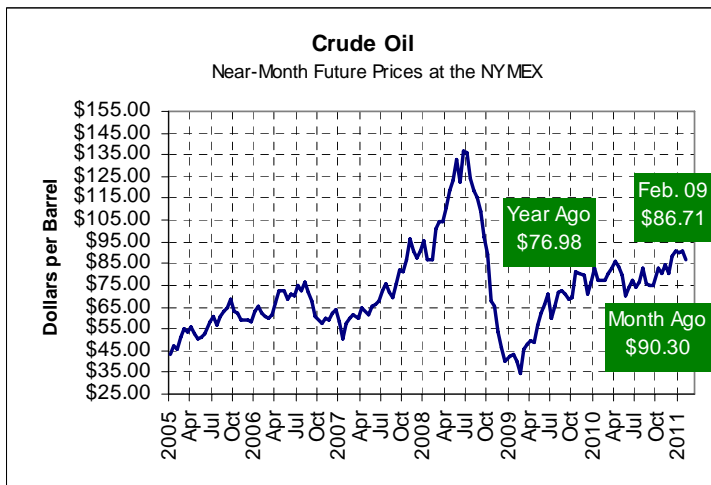
Feb. 14, 2011

Crude Oil

U.S. crude oil prices decreased \$3.59 to \$86.71 per barrel in the past month and stand 13 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	02-09-11	01-05-11	change	02-03-10	change
NYMEX	\$86.71	\$90.30	down 4%	\$76.98	up 13%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for March delivery ended \$0.23 per barrel lower Feb. 9, to close at \$86.71 per barrel, in response to a rise in domestic supplies of



crude oil and refined products. Stockpiles were expected to fall for the week ending Feb. 4. Crude oil futures for Apr. fell \$0.14 per barrel to close at \$90.10 per barrel.

- The weekly fuels report released Feb. 9 by the Energy Information Administration (EIA) showed that oil supplies increased the week ending Feb. 4. Analysts had projected higher prices on an expected decline in oil reserves and on political tensions in Egypt that potentially threatened oil supplies from the Middle East.
- Crude oil futures weakened as several petroleum refineries were continuing seasonal turn around that reduced crude oil throughput and helped to build additional domestic crude oil stocks.
- Compared to this time last year, this crude oil futures settlement price was \$9.73, or 13 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending Feb. 4 averaged 19.1 million barrels per day (MMB/D), up 0.8 percent compared to the similar period last year.
- According to the EIA report, U.S. oil inventories increased 1.9 MMB for the week ending Feb. 4, climbing for the fourth consecutive week. U.S. crude supplies are now 13.6 MMB higher than at this time last year.

- Crude imports for the week ending Feb. 4 were 8.9 MMB/D, down 103,000 barrels per day from the prior week. Imports at this time last year averaged 8.3 MMB/D. Crude oil inventories represent 24.2 days of forward cover compared to 24.3 days at this time last year.
- U.S. refinery crude runs were relatively unchanged with refiners processing about 14.9 MMB/D of crude for the week ended Feb. 4. U.S. refinery capacity was 84.7 percent, up 0.3 percent from the prior week and 5.6 percent higher than the 79.1 percent figure at this time last year. Refineries are carefully managing production to maximize margin which now stands at nearly \$20 per refined barrel of motor gasoline.
- Gasoline output increased at 8.9 MMB/D on the week and is up by only 80,000 barrels per day compared to last year at this time. Distillate output increased slightly at 4.3 MMB/D for the week ending Feb. 4 and stands 849,000 barrels per day higher compared to the production level at this time last year.

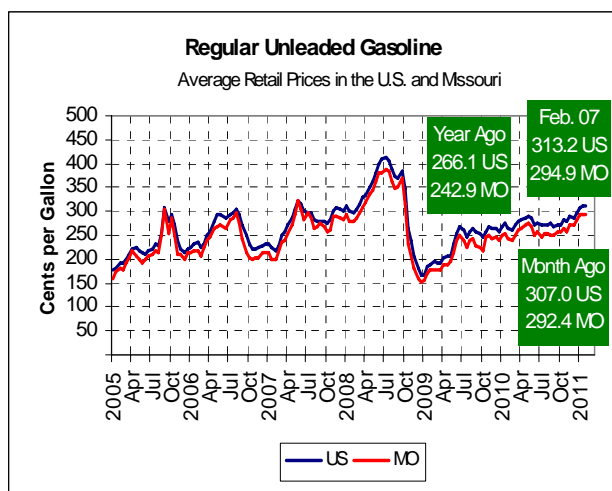
Transportation Fuels

On Feb. 7, Missouri's statewide average retail price for gasoline was \$2.95 per gallon, up 2.5 cents or 1 percent in the past month and \$0.52 per gallon higher than at this time last year.

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	02-07-11	01-03-11	change	02-01-10	change
US	313.2	307.0	up 2%	266.1	up 18%
Missouri	294.9	292.4	up 1%	242.9	up 21%

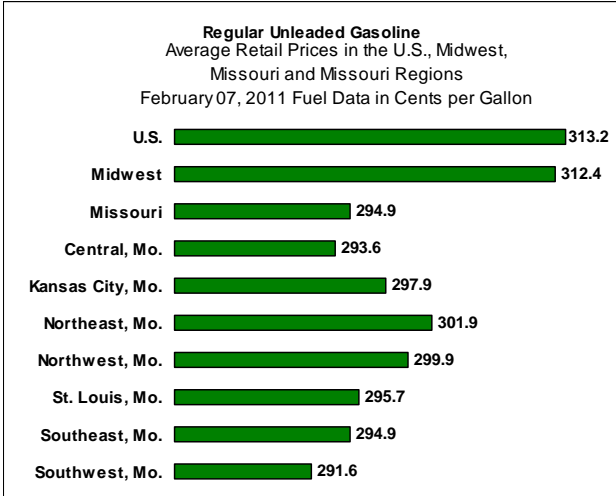
Diesel Fuel - Retail Prices (cents per gallon)					
	02-07-11	01-03-11	change	02-01-10	change
US	351.3	333.1	up 5%	278.1	up 26%
Missouri	335.0	315.3	up 6%	263.3	up 27%

- On Feb. 7, Missouri's average retail price for gasoline was \$2.95, an increase of 2.5 cents in the past month. The average price for diesel fuel was up by nearly 20 cents in the past month.



Missouri's average retail gasoline price is \$0.52 or 21 percent higher, while the average diesel fuel price is nearly \$0.72, or 27 percent, higher for the comparable period in Feb. 2010.

- The U.S. average price for regular gasoline was up 6.2 cents per gallon or about 2 percent compared to last month at \$3.13 per gallon. The U.S. average was about 47 cents or 18 percent higher compared to last year. In the past week, the U.S. average was up about 3 cents per gallon.
- Gasoline imports decreased to 1.0 MMB/D for the week ending Feb. 4, nearly 136,000 barrels per day lower compared to the prior week and about 131,000 barrels per day lower than last year at this time.



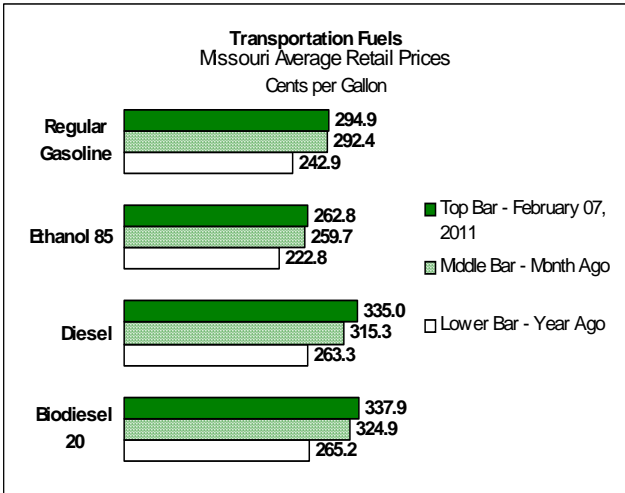
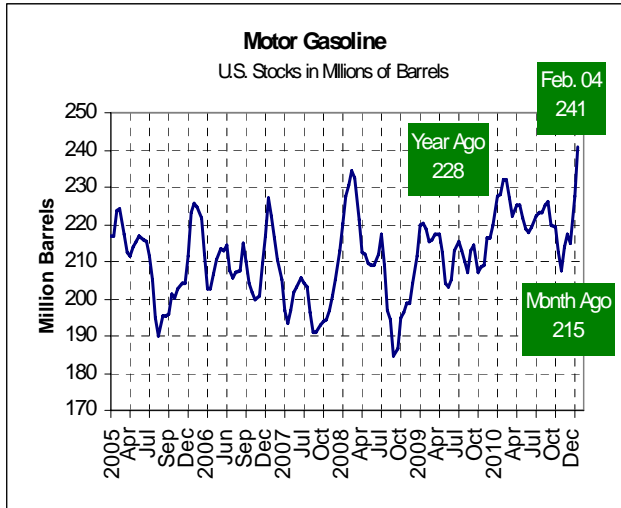
gasoline inventories are 10.4 MMB higher than at this time last year and trend well above the upper range of the five-year average for this time of year.

- Distillate stocks increased to 164 MMB and stand 8.2 MMB higher compared to the same period last year. Distillate demand was relatively unchanged at 3.7 MMB/D compared to the same period last year. On a four-week average, distillate demand is unchanged compared to the same period last year at 3.7 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down 209,000 barrels per day or 6 percent at 3.7 MMB/D for the week ending Feb. 4.

- Implied demand for gasoline decreased slightly the week ending Feb. 4 at 8.5 MMB/D, down 25,000 barrels per day from the prior week and down 242,000 barrels per day compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 8.6 MMB/D or 30,000 barrels per day lower compared to the same 4-week period last year.

- U.S. gasoline supplies increased 4.7 MMB at 241 MMB for the week ending Feb. 4. Gasoline inventories represent 27.9 days of supply for the United States based on implied demand during the past 4-week average. U.S.

- On Feb. 7, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.63 per gallon, 32 cents or about 12 percent lower than the average price for conventional motor gasoline.



- On Feb. 7, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.38 per gallon, 3 cents or less than 1 percent, higher than the statewide average retail price for conventional diesel fuel.

- According to EIA, regular-grade motor gasoline retail prices are projected to average \$3.15 per gallon in 2011 and average \$3.20 during the summer driving season Apr. through September.

Natural Gas

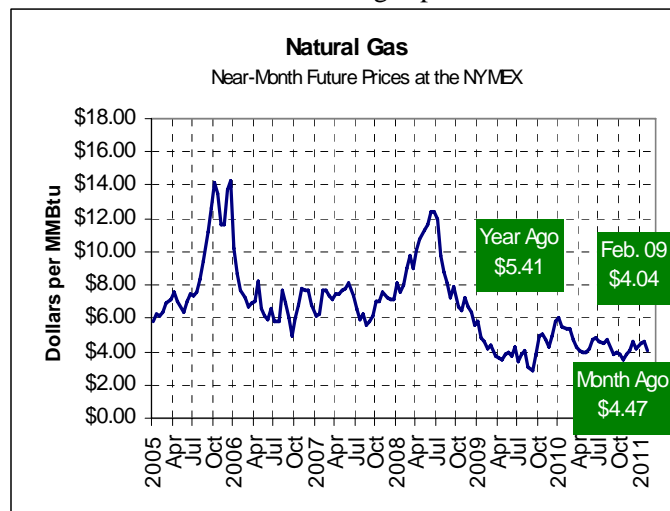
Approximately 58 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On Feb. 9, natural gas futures closed at \$4.04 per MMBtu, down 43 cents from a month ago and 25 percent lower compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-09-11	01-05-11	change	02-03-10	change
NYMEX	\$4.04	\$4.47	down 10%	\$5.41	down 25%

- Natural gas futures for Mar. delivery decreased \$0.43 in the past month to a final closing price of \$4.04 per MMBtu on Feb. 9.

- At the NYMEX, for the trading week ending Feb. 9, natural gas futures decreased 39 cents per MMBtu to \$4.04. Natural gas prices fell at most market locations, despite frigid temperatures



through much of the country during the report week.

- Significantly colder temperatures led to spikes in demand, and even power interruptions. Texas power generators were hampered by cold temperatures, leading the Electricity Reliability Council of Texas (ERCOT) to impose rolling blackouts, as more than 50 power plants in ERCOT's region tripped offline. Residential and commercial natural gas demand was 8 percent higher this report week than the previous report week. Likewise, power demand jumped 22 percent from the previous week, likely the result of the cold temperatures in Texas and other areas dependent on electric power for heating.

- Working gas in storage as of Feb. 4 totaled 2,144 Bcf, 2.1 percent below the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. This marks the first time since Jan. 2010 that stocks have fallen below the 5-year average. U.S. natural gas supplies are 98 Bcf or 4.4 percent lower than last year at this time.
- According to the EIA's *Short Term and Winter Fuels Outlook* released Feb. 8, EIA expects Midwest households heating primarily with natural gas to spend an average of \$12, or 1.5 percent, less this winter. The decrease in natural gas expenditures reflects a 2.3-percent decrease in prices and a 0.9-percent increase in consumption. Heating expenditures are projected at \$793 for the winter heating period.

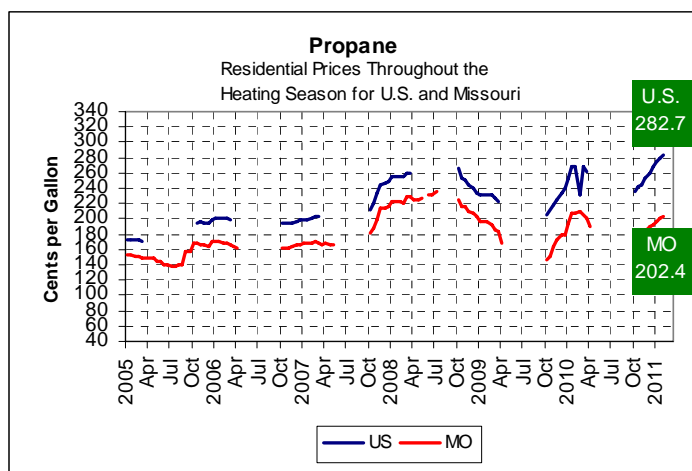
Propane

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 Feb. 7, the average Missouri retail price for residential propane was about \$2.02 per gallon, up 5 cents from last month but 2 percent lower compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>02-07-11</u>	<u>01-03-11</u>	<u>change</u>	<u>02-01-10</u>	<u>change</u>
Missouri	202.4	197.5	up 2%	206.9	down 2%

- According to the Division of Energy's statewide propane price survey conducted Feb. 7, retail residential propane prices increased about 5 cents since in the past month but stand about 5 cents per gallon or 2 percent lower than last year at this time.



The average U.S. residential propane price increased in the past month, rising nearly \$0.09 per gallon to reach \$2.83 per gallon. This was an increase of \$0.15 per gallon compared to the \$2.68 per gallon average from the same period last year.

- U.S. inventories of propane fell last week as total stocks were down about 3.1 million barrels to end at 35 million barrels. Propane inventories are now 2 million barrels higher compared to the same period last year. Implied demand

for propane decreased at 1.5 MMB/D for the week ending Feb. 4 and unchanged compared to the demand level for this time last year.

- According to the survey, the highest Missouri retail residential price for propane was \$2.80 per gallon while the lowest retail price was \$1.80 per gallon.
- For the week ending Feb. 4, Midwest propane inventories decreased 1.2 MMB. At 14.9 MMB, Midwest inventories are 1.8 MMB or about 14 percent higher than the 13.1 MMB reported at this time last year.
- According to the EIA's *Short Term and Winter Fuels Outlook* released Feb. 8, EIA expects Midwest households heating primarily with propane to spend an average of \$243, or 14 percent, more this winter. The increase in propane gas expenditures reflects a 13.6 percent increase in prices and a 0.2 percent increase in consumption. Heating expenditures are projected at \$1,997 for the winter heating period.

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