



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

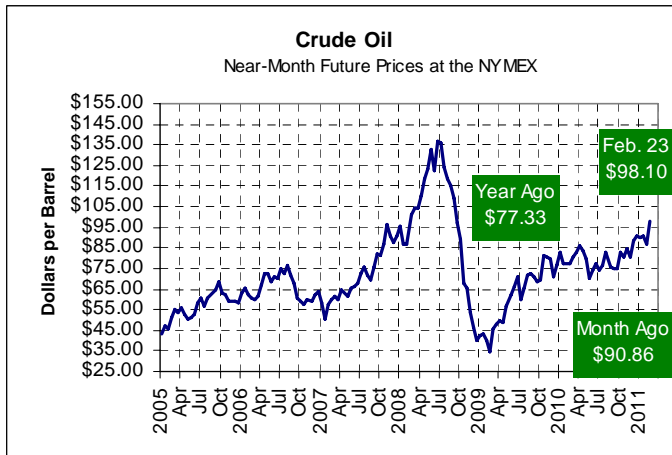
Feb.28, 2011

### Crude Oil

U.S. crude oil prices increased \$7.24 to \$98.10 per barrel in the past month and stand 8 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	02-23-11	01-19-11	change	02-12-10	change
NYMEX	\$98.10	\$90.86	up 8%	\$77.33	up 27%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Apr.delivery ended \$2.68 per barrel higher Feb. 23, to close at \$98.10 per barrel, in response to domestic tensions in Libya. Crude oil prices surged to a 29-month high amid estimates that Libya's output was cut by as much as two-



thirds. Oil retreated below \$100 per barrel after Saudi Arabia, the US and the International Energy Agency (IEA) said they can compensate for any Libyan supply disruption and as the US economy grew less than forecast in the 4th quarter.

- Libyan oil production has been cut by more than 1 million barrels per day (MMB/D), according to Barclays Capital. The IEA said output was down by at least 850,000 barrels per day. Libya, which produces 1.6 MMB/D, is the 9th-largest producer among the 12

members of OPEC, shipping most of its crude and fuels to Europe.

- The weekly fuels report released Feb. 24 by the Energy Information Administration (EIA) showed that oil supplies increased the week ending Feb. 18. Analysts projected a decline in oil reserves on political tensions in Egypt and Libya potentially threatening oil supplies from the Middle East.
- Compared to this time last year, this crude oil futures settlement price was \$20.77, or 27 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending Feb. 18 averaged 19.5 million barrels per day (MMB/D), up 2.3 percent compared to the similar period last year but falling back below the 20 MMB/D mark.

- According to the EIA report, U.S. oil inventories increased 0.8 MMB for the week ending Feb. 18, climbing for the sixth consecutive week. U.S. crude supplies are now 9.2 MMB higher than at this time last year.
- Crude imports for the week ending Feb. 18 were 8.1 MMB/D, down 160,000 barrels per day from the prior week. Imports at this time last year averaged 9.1 MMB/D. Crude oil inventories represent 24.7 days of forward cover compared to 24.6 days at this time last year.
- U.S. refinery crude runs were down 0.33 MMB/D with refiners processing about 13.9 MMB/D of crude for the week ended Feb. 18. U.S. refinery capacity was 79.4 percent, down 1.9 percent from the prior week and 1.8 percent lower than the 81.2 percent figure at this time last year. U.S. refinery capacity is down 8.6 percent from where we began the 2011 calendar year.
- Gasoline output increased at 8.9 MMB/D on the week and is up by only 71,000 barrels per day compared to last year at this time. Distillate output decreased slightly at 3.9 MMB/D for the week ending Feb. 18 yet stands 388,000 barrels per day higher compared to the production level at this time last year.

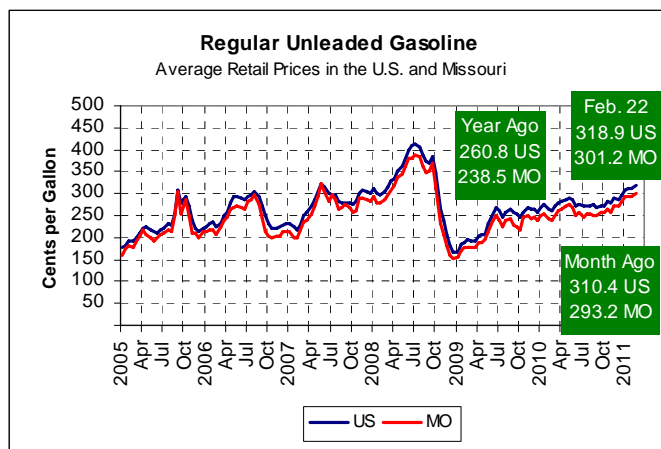
### Transportation Fuels

On Feb. 22, Missouri's statewide average retail price for gasoline was \$3.01 per gallon, up 8 cents or 3 percent in the past month and \$0.63 per gallon higher than at this time last year.

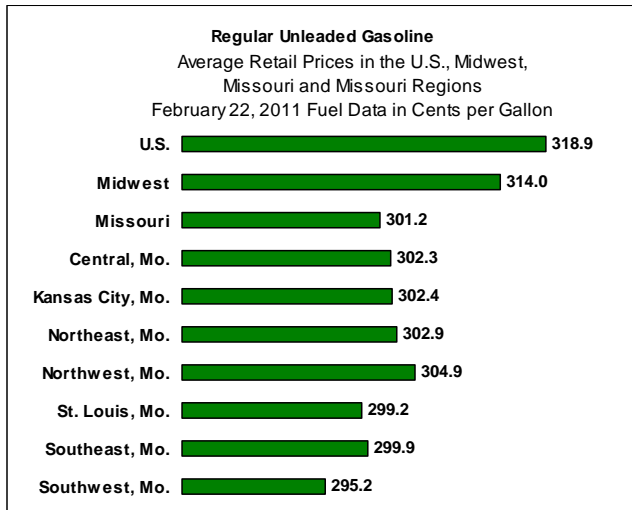
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	02-22-11	01-18-11	change	02-15-10	change
US	318.9	310.4	up 3%	260.8	up 22%
Missouri	301.2	293.2	up 3%	238.5	up 26%

Diesel Fuel - Retail Prices (cents per gallon)					
	02-22-11	01-18-11	change	02-15-10	change
US	357.3	340.7	up 5%	275.6	up 30%
Missouri	339.5	323.9	up 5%	252.8	up 34%

- On Feb. 22, Missouri's average retail price for gasoline was \$3.01, an increase of 8 cents in the past month. The average price for diesel fuel was up by nearly 16 cents in the past month. Missouri's average retail gasoline price is \$0.63 or 26 percent higher, while the average diesel fuel price is nearly \$0.87, or 34 percent, higher for the comparable period in Feb. 2010.

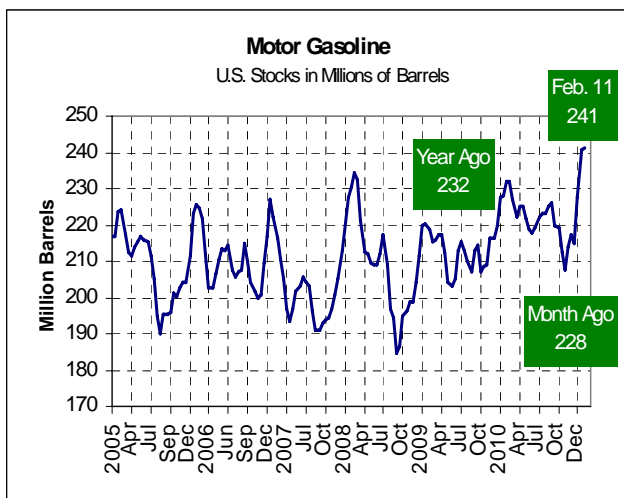


- The U.S. average price for regular gasoline was up 8.5 cents per gallon or about 3 percent compared to last month at \$3.19 per gallon. The U.S. average was about 58 cents or 22 percent higher compared to last year. In the past week, the U.S. average was up about 5 cents per gallon.

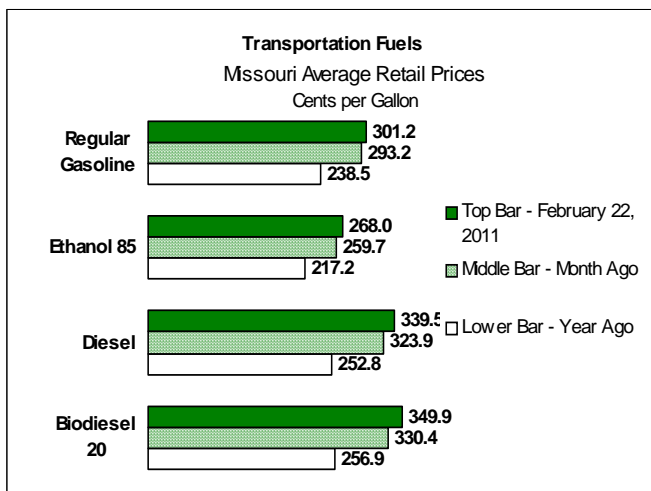


238 MMB for the week ending Feb. 18. Gasoline inventories represent 27.2 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 7.1 MMB higher than at this time last year and trend well above the upper range of the five-year average for this time of year.

- Distillate stocks decreased to 160 MMB and stand 7.3 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 higher compared to the same period last year at 3.8 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was down 325,000 barrels per day or 9 percent at 3.7 MMB/D for the week ending Feb. 18.



- Gasoline imports decreased to 0.8 MMB/D for the week ending Feb. 18 nearly 128,000 barrels per day lower compared to the prior week and about 39,000 barrels per day lower than last year at this time.
- Implied demand for gasoline decreased slightly the week ending Feb. 18 at 9.1 MMB/D, up 291,000 barrels per day from the prior week and up 37,000 barrels per day compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 8.7 MMB/D, unchanged compared to the same 4-week period last year.
- U.S. gasoline supplies decreased 2.8 MMB at



- On Feb. 22, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.68 per gallon, 33 cents or about 12 percent lower than the average price for conventional motor gasoline.
- On Feb. 22, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.50 per gallon, 10 cents or about 3 percent, higher than the statewide average retail price for conventional diesel fuel.
- According to EIA Feb.8, 2011 *Short Term Energy Outlook*, 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.

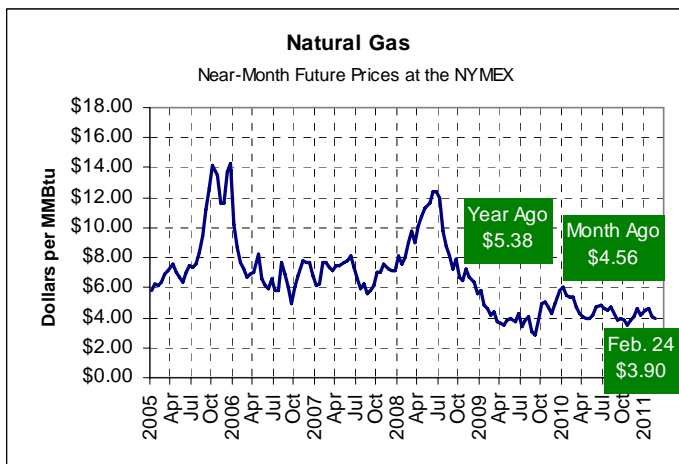
### Natural Gas

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. 24, natural gas futures closed at \$3.90 per MMBtu, down 66 cents from a month ago and 28 percent lower compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	02-24-11	01-19-11	change	02-17-10	change
NYMEX	\$3.90	\$4.56	down 14%	\$5.38	down 28%

- Natural gas futures for Mar. delivery decreased \$0.66 in the past month to a final closing price of \$3.90 per MMBtu on Feb. 24.
- At the NYMEX, for the trading week ending Feb. 23, natural gas futures decreased 10 cents per MMBtu to \$3.90. Natural gas prices fell at most market locations throughout the U.S.



- A falloff in natural gas consumption during the week, which exceeded a falloff in supply, was the primary catalyst causing the price decline to continue. Domestic consumption during the week decreased by 8 percent from the previous week. A decrease in power consumption of 22.3 percent led the decline followed by a reduction of 4.3 percent in the industrial sector. The residential/commercial sector saw a drop of 2.6 percent, in line with the general trend of moderating temperatures during the period.

- Working gas in storage as of Feb. 18 totaled 1,830 Bcf, 3.2 percent below the 5-year average inventory level for the week according to EIA's *Weekly Natural Gas Storage Report*. U.S. natural gas supplies are 48 Bcf or 2.6 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.

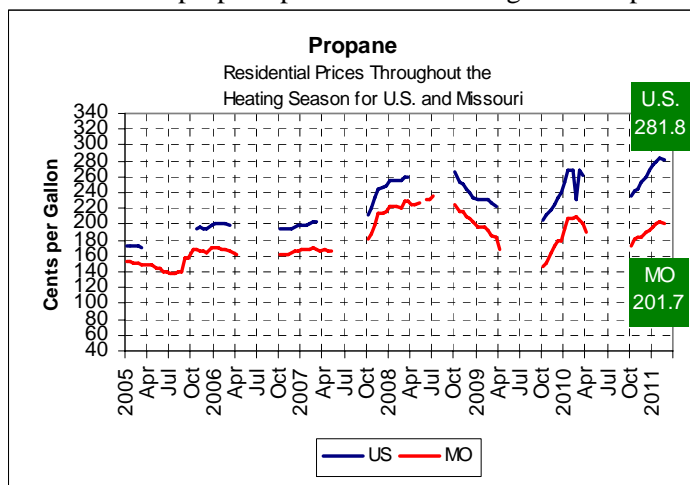
## Propane

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. 22, the average Missouri retail price for residential propane was about \$2.02 per gallon, up unchanged from last month but 3 percent lower compared to last year at this time.**

Propane - Retail Prices (cents per gallon)					
	<u>02-22-11</u>	<u>01-18-11</u>	<u>change</u>	<u>02-15-10</u>	<u>change</u>
Missouri	201.7	201.3	up 0%	208.9	down 3%

- According to the Division of Energy's statewide propane price survey conducted Feb. 22, retail residential propane prices were unchanged in the past month but stand about 7 cents per gallon or 3 percent lower than last year at this time.



The average U.S. residential propane price increased in the past month, rising nearly \$0.02 per gallon to reach \$2.82 per gallon. This was an increase of \$0.51 per gallon compared to the \$2.31 per gallon average from the same period last year.

- U.S. inventories of propane fell last week as total stocks were down about 1.5 million barrels to end at 29 million barrels. Propane inventories are now 2 million barrels higher compared to the same period last year. Implied demand

for propane decreased at 0.4 MMB/D for the week ending Feb. 18 and 0.3 MMB/D lower compared to the demand level for this time last year.

- According to the survey, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.80 per gallon.
- For the week ending Feb. 18, Midwest propane inventories decreased 1.5 MMB. At 10.9 MMB, Midwest inventories are 0.2 MMB or about 2 percent higher than the 10.7 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](mailto:energy@dnr.mo.gov); Web Address: [www.dnr.mo.gov/energy/transportation/fb.htm](http://www.dnr.mo.gov/energy/transportation/fb.htm)