



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

January 11, 2013

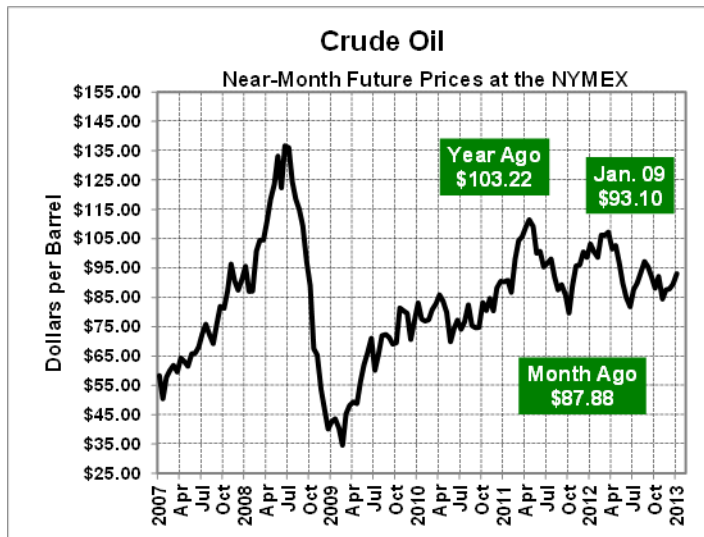
(Data is for the week ended January 4, 2013, unless stated otherwise.)

Crude Oil

U.S. crude oil prices increased \$5.22, or 6 percent, to \$93.10 per barrel in the past month and stand 10 percent lower than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	01-09-13	12-05-12	change	01-04-12	change
NYMEX	\$93.10	\$87.88	up 6%	\$103.22	down 10%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for February delivery ended \$0.05, or less than 1 percent, lower January 9 to close at \$93.10 per barrel after the weekly federal energy report showed crude and petroleum inventories increased for the week ending January 4.



- U.S. oil inventories increased on the week at 361.3 million barrels (MMB). U.S. crude production surged to 7.0 MMB/D, the highest level since 1993. Imports increased 1.2 MMB/D on the week. U.S. oil stockpiles at Cushing, Oklahoma, used to negotiate futures prices for oil at the NYMEX, set a new record level of 50.1 MMB.

The combined gain of crude, gasoline and distillate supplies was 15.5 MMB, the most since 1996. Oil production has increased 17 of the last 18 weeks. U.S. oil production will average 7.92 MMB/D in 2014, according to the January 8 *Short-Term Energy Outlook*. Imports of crude oil rose 18 percent to 8.34 MMB/D, the first gain in 4 weeks. U.S. imports in 2012 averaged 8.7 MMB, which would be the lowest level since 1997.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$93.10 is \$10.12, or 10 percent, lower. For calendar year 2013, crude values are 1 cent or less than 1 percent higher.

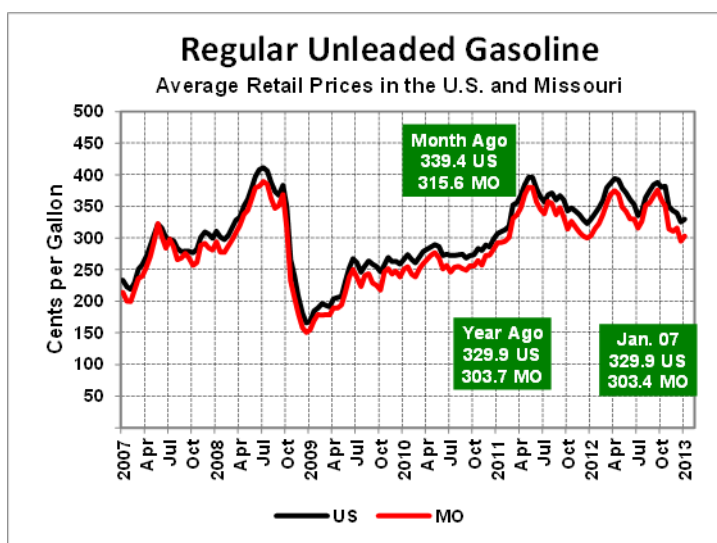
- Total petroleum products supplied to market over the last four-week period averaged over 18.9 MMB/D, up 2.4 percent compared to the similar period last year. According to the January 9 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 1.3 MMB at 361.3 MMB. U.S. crude supplies are now 26.6 MMB higher than at this time last year.
- Crude imports increased at 8.3 MMB/D, up 1.2 MMB/D from the prior week. Imports at this time last year averaged 9.9 MMB/D. Crude oil inventories represent 23.5 days of forward cover compared to 22.7 days at this time last year.
- U.S. refinery crude runs decreased 85,000 barrels per day with refiners processing 15.3 MMB/D of crude. U.S. refinery capacity use was 89.1 percent, down 1.3 percent from the prior week and up 3.8 percent compared to this time last year.
- Gasoline output decreased at 8.2 MMB/D on the week as U.S. refineries moved into scheduled maintenance and on a decline in petroleum consumption. Distillate output increased at 4.9 MMB/D, and stands 164,000 barrels per day higher compared to the production level at this time last year.

Transportation Fuels

On January 7, Missouri's statewide average retail price for gasoline was \$3.03 per gallon, down 12.2 cents in the past month and down less than a penny in the past year.

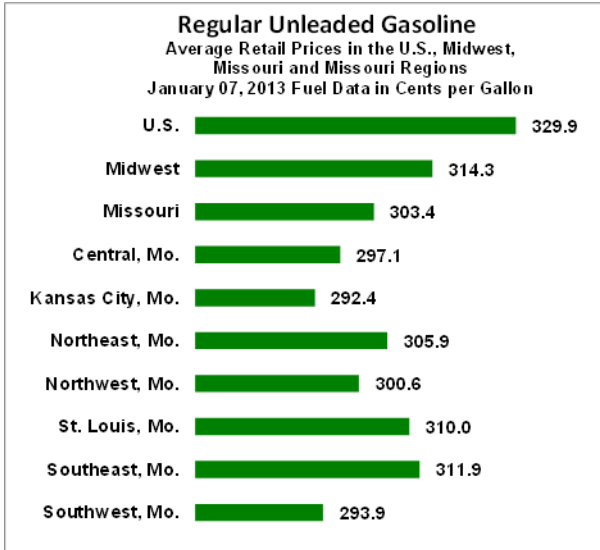
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	<u>01-07-13</u>	<u>12-03-12</u>	<u>change</u>	<u>01-03-12</u>	<u>change</u>
US	329.9	339.4	down 3%	329.9	no change
Missouri	303.4	315.6	down 4%	303.7	down 0%

Diesel Fuel - Retail Prices (cents per gallon)					
	<u>01-07-13</u>	<u>12-03-12</u>	<u>change</u>	<u>01-03-13</u>	<u>change</u>
US	329.9	339.4	down 3%	378.3	down 13%
Missouri	367.0	379.3	down 3%	352.7	up 4%



- On January 7, Missouri's average retail price for gasoline was over \$3.03 per gallon, a decrease of 12.2 cents in the past month. The average price for diesel fuel was down 12.3 cents per gallon in the past month. Missouri's average retail gasoline price is 0.3 cents, or less than 1 percent, lower, while the average diesel fuel price is 14.3 cents, or 4 percent, higher for the comparable period in January 2012.

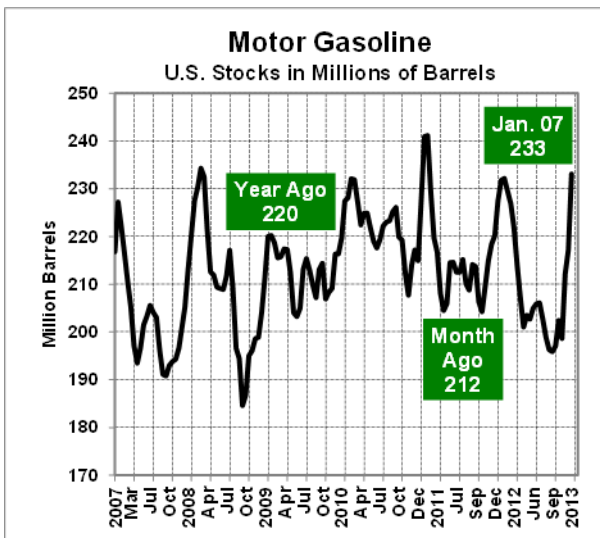
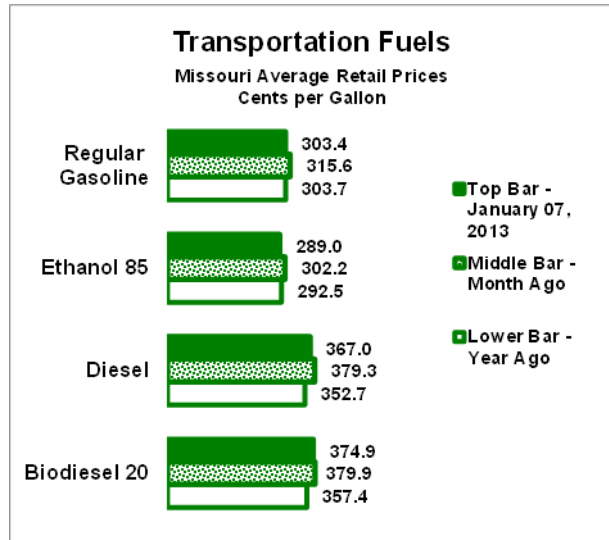
- The U.S. average price for regular gasoline was down by 9.5 cents, or 3 percent, per gallon compared to last month at \$3.30 per gallon. The U.S. average was unchanged compared to this time last year. In



the past week, the U.S. average was unchanged at \$3.30 per gallon.

- Gasoline imports decreased 40,000 barrels per day from the prior week at 0.45 MMB/D, 3,000 barrels per day higher than last year at this time.
- Implied demand for gasoline decreased at 8.0 MMB/D, down 508,000 barrels per day from the prior week, but about 169,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.4 MMB/D, 195,000 barrels per day or 2.3 percent lower compared to the same 4-week period last year.

- U.S. gasoline supplies increased 7.4 MMB at 233.1 MMB. Gasoline inventories represent 27.6 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are up 9.3 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 increased at 130.7 MMB and stand 16.8 MMB lower compared to the same period last year. Distillate demand was down at 3.1 MMB/D on the week and down 193,000 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 170,000 barrels per day. On a four-week average, distillate demand was down 192,000 barrels per day compared to the same period last year at 3.6 MMB/D.



- On January 7, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$2.89 per gallon, 14 cents or about 4.8 percent lower than the average price for conventional motor gasoline.
- On January 7, Missouri's average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.75 per gallon, about 8 cents or 2.2 percent higher than the statewide average retail price for conventional diesel fuel.

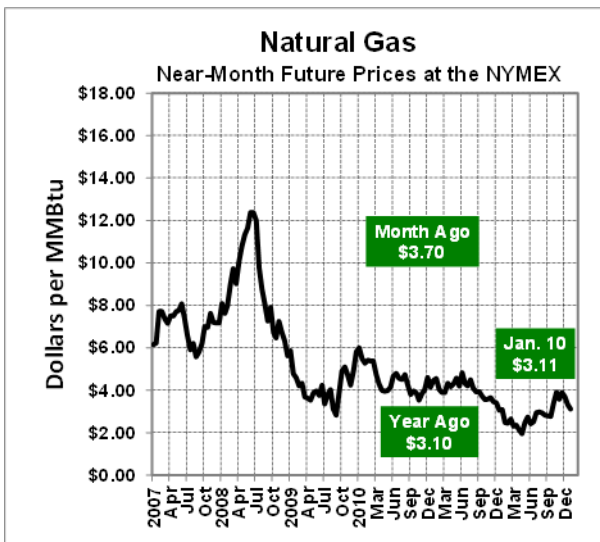
- According to EIA’s January 8, 2013, *Short Term Energy Outlook*, falling crude prices will help national average regular gasoline retail prices fall from an average \$3.63 per gallon in 2012 to annual averages of \$3.44 per gallon and \$3.34 per gallon in 2013 and 2014, respectively.

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 January 10, natural gas futures closed at \$3.11 per million British thermal units (MMBtu), down 59 cents from a month ago and unchanged compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	01-10-13	12-05-12	change	01-04-12	change
NYMEX	\$3.11	\$3.70	down 16%	\$3.10	up 0%



- At the NYMEX, natural gas futures for February 2013 delivery ended 10.5 cents lower on January 9 to close at \$3.11 per MMBtu. In the past month, natural gas values have decreased 59 cents or 16 percent.
- The February 2013 futures contract price fell 12 cents over the report period, from \$3.23 per MMBtu on January 2 to \$3.11 per MMBtu on January 9 in response to relatively low demand from December 2012 through January 4, 2013.
- According to EIA, total consumption fell 8.0 percent this week, with a 12.8 percent decline in residential and commercial

natural gas consumption. Residential and commercial consumption, however, was 14.4 percent greater than this time last year, although last winter was one of the warmest on record. Use of natural gas for power generation and industrial consumption also fell this week.

- Working gas in storage totaled 3,316 billion cubic feet (Bcf), 10.7 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 88 Bcf, or 2.6 percent, lower than last year at this time.
- According to EIA’s *Short Term Energy Outlook*, released January 8, 2013, Midwest households that heat with natural gas may realize an increase in expenditures by 16.3 percent to \$720 for the 2012/13 heating season based on an increase in consumption of approximately 20.9 percent.

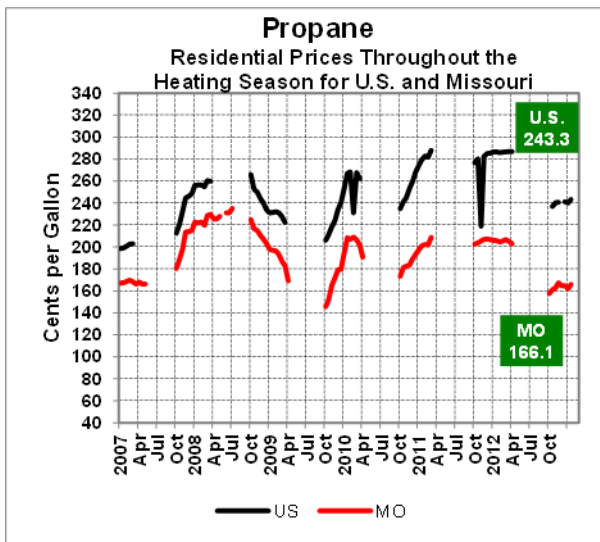
Propane

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 January 7, the average Missouri retail price for residential propane was about \$1.66 per gallon, up 1.2 cents in the past month, and down 19 percent compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	01-07-13	12-03-12	change	01-17-12	change
Missouri	166.1	164.9	up 1%	205.7	down 19%

- According to the Division of Energy's statewide propane price survey conducted January 7, the average Missouri retail residential propane price was \$1.66 per gallon, up 1.2 cents or 1 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 \$1.45 per gallon.
- U.S. inventories of propane decreased 1.1 MMB to end at 65.6 MMB. Propane inventories are now 11.3 MMB, or 21 percent, higher compared to the same period last year. Implied demand for propane decreased 70,000 barrels per day at 1.5 MMB/D on the week, and up 100,000 barrels per day compared to the demand level for this time last year.
- Midwest propane inventories decreased 1.5 MMB on the week. At 21.6 MMB, Midwest inventories are 1.4 MMB, or 6.5 percent, lower than the 23.0 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook*, released January 8, 2013, Midwest households that heat with propane may realize a decrease in expenditures by 5.9 percent to \$1,448 for the heating season based on a decrease in price of 21.8 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