



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

July 25, 2011

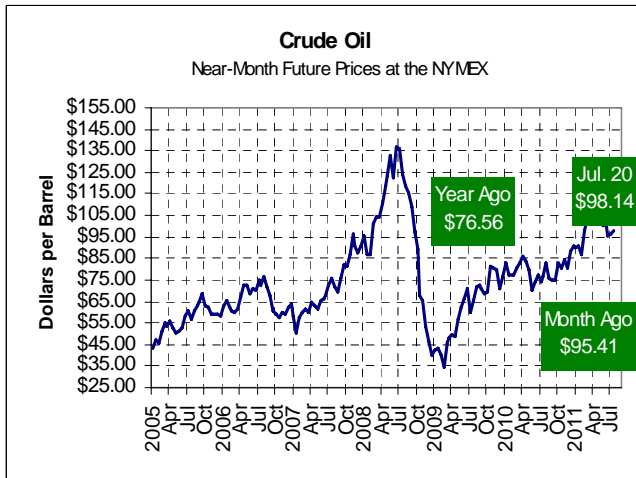
### Crude Oil

U.S. crude oil prices increased \$2.73 to \$98.14 per barrel in the past month and stand 28 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	07-20-11	06-22-11	change	07-21-10	change
NYMEX	\$98.14	\$95.41	up 3%	\$76.56	up 28%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for Aug. delivery ended \$0.64, or 0.7 percent, higher July 20 to close at \$98.14 per barrel, after the weekly federal energy report showed that domestic crude oil supplies dropped as refineries increased fuel output and on speculation that European leaders will agree on steps to address the debt crisis.
- U.S. crude oil prices advanced as German Chancellor Angela Merkel and French President Nicolas Sarkozy met in Berlin to seek common ground on fighting the region's debt crisis before the

European summit, a meeting that their Greek counterpart says could make or break the euro. European officials are considering steps previously rejected by Germany, including the use of precautionary credit lines, to prevent the spread of the region's debt crisis. Other options up for discussion include enabling the main 440 billion-euro (\$626 billion) rescue fund to lend to recapitalize banks.



- Compared to this time last year, the U.S. crude oil futures settlement price of \$98.14 is \$21.58, or 28 percent, higher.

- Total petroleum products supplied to market over the last four-week period ending July 15 averaged 18.9 million barrels per day (MMB/D), down 1.6 percent compared to the similar period last year.
- According to the July 20 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories fell 3.7 MMB for the week ending July 15. U.S. crude supplies are now 1.7 MMB lower than at this time last year.

- Crude imports for the week ending July 15 were 9.3 MMB/D, up over 0.3 MMB/D from the prior week. Imports at this time last year averaged over 9.9 MMB/D. Crude oil inventories represent 22.9 days of forward cover compared to 23.1 days at this time last year.
- The Energy Department will deliver about 7.7 MMB of crude oil from the Strategic Petroleum Reserve (SPR) in July. The rest of the 30.64 million-barrel release will be delivered in Aug. According to a July 21 update, the actual release of nearly 2 MMB to date did not have a significant impact on buoyant crude prices as the SPR release was intended.
- U.S. refinery crude runs were up 406,000 barrels per day with refiners processing over 16.0 MMB/D of crude for the week ended July 15. U.S. refinery capacity was 90.3 percent, up 2.3 percent from the prior week and an 11-month high, but 1.2 percent lower than the 91.5 percent figure at this time last year.
- Gasoline output increased at 9.3 MMB/D on the week as profit margins for refiners climbed to a record \$34.993 per barrel on July 14 but is up by only 117,000 barrels per day compared to last year at this time. Distillate output increased at 4.6 MMB/D for the week ending July 15 and stand 67,000 barrels per day higher compared to the production level at this time last year.

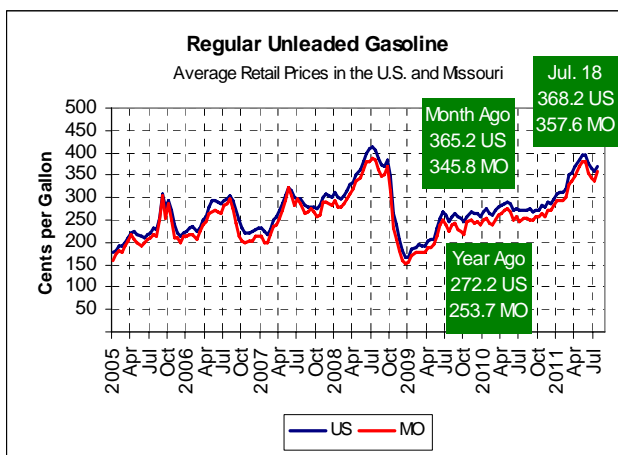
### Transportation Fuels

On July 18, Missouri's statewide average retail price for gasoline was \$3.58 per gallon, up nearly 12 cents or 3 percent in the past month and \$1.04 per gallon higher than at this time last year.

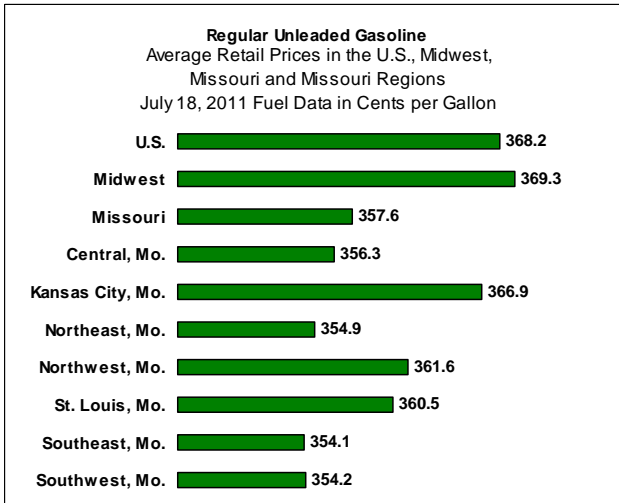
Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	07-18-11	06-20-11	change	07-19-10	change
US	368.2	365.2	up 1%	272.2	up 35%
Missouri	357.6	345.8	up 3%	253.7	up 41%

Diesel Fuel - Retail Prices (cents per gallon)					
	07-18-11	06-20-11	change	07-19-10	change
US	392.3	395.0	down 1%	289.9	up 35%
Missouri	382.0	379.9	up 1%	276.2	up 38%

- On July 18, Missouri's average retail price for gasoline was \$3.58, an increase of 12 cents in the past month. The average price for diesel fuel was up by 2 cents in the past month. Missouri's average retail gasoline price is \$1.04 or 41 percent higher, while the average diesel fuel price is \$1.06, or 38 percent, higher for the comparable period in July 2010.

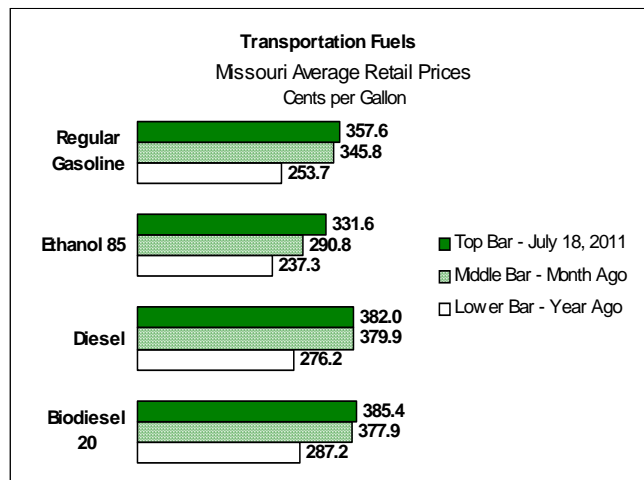


- The U.S. average price for regular gasoline was up about 3 cents per gallon or about 1 percent compared to last month at \$3.68 per gallon. The U.S. average was about \$0.96 cents or 35 percent higher compared to this time last year. In the past week, the U.S. average increased by 4 cents per gallon.

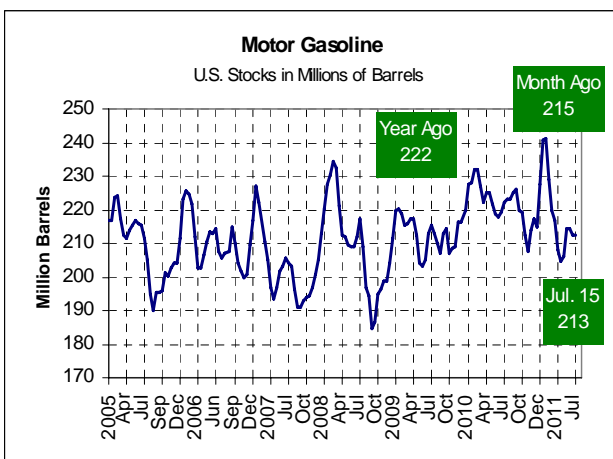


- Gasoline imports increased to 0.9 MMB/D for the week ending July 15; nearly 127,000 barrels per day higher compared to the prior week yet 295,000 barrels per day lower than last year at this time.
- Implied demand for gasoline increased the week ending July 15 at 9.0 MMB/D, up 12,000 barrels per day from the prior week yet 407,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 9.2 MMB/D, 203,000 barrels per day lower compared to the same 4-week period last year.

- U.S. gasoline supplies increased 0.8 MMB at 212.5 MMB for the week ending July 15. Gasoline inventories represent 23.2 days of supply for the United States based on implied demand during the past 4-week average. U.S. gasoline inventories are 9.7 MMB lower than at this time last year and continue to trend at the mid-range of the five-year average for this time of year.
- Distillate stocks increased 3.4 MMB at 148.5 MMB and stand 18.1 MMB lower compared to the same period last year. Distillate demand was up at 3.4 MMB/D in the past week but down 44,000 barrels per day compared to the same period last year. On a four-week average, distillate demand is down 91.0 MMB/D compared to the same period last year at 3.5 MMB/D. On the week, distillate demand, which includes diesel fuel, kerosene and home heating oil, was up 78,000 barrels per day.



- On July 18, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$3.32 per gallon, 26 cents or about 8 percent lower than the average price for conventional motor gasoline.



- On July 18, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.85 per gallon, 3.4 cents or less than 1 percent, higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's July 12, 2011 *Short Term Energy Outlook*, EIA projects U.S. gasoline prices to average about \$3.71 per gallon during the peak driving season (April through September). EIA expects

the May national average price of \$3.91 per gallon will be the peak monthly average price this driving season.

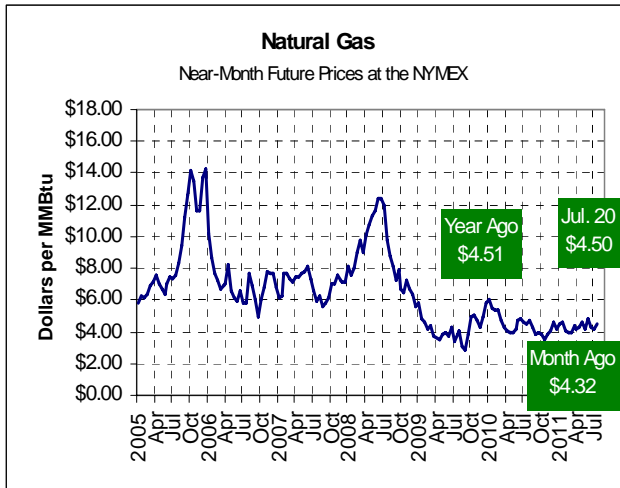
### Natural Gas

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 July 20, natural gas futures closed at \$4.50 per MMBtu, up 18 cents from a month ago and unchanged compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	07-20-11	06-22-11	change	07-22-10	change
NYMEX	\$4.50	\$4.32	up 4%	\$4.51	down 0%

- Natural gas futures for Aug. delivery increased \$0.18 in the past month to a final closing price of \$4.50 per MMBtu on July 20.
- At the NYMEX, for the trading week ending July 20, natural gas futures increased about 9.7 cents per MMBtu to \$4.50.
- The price increase was most likely due to significantly higher temperatures that spread across much of the United States, bringing temperatures into the triple digits in many areas. Overall consumption



of natural gas for electric power rose only 1.1 percent from the previous week, with power consumption spiking during the end of the report week. Natural gas consumed for power generation was above 30 Bcf for Tuesday and Wednesday, compared to a level closer to 25 Bcf during the beginning of the report week July 13. Consumption overall rose about 3 percent on the week and supply rose about 0.6 percent. Domestic production increased slightly by 0.2 percent, and topped 65 Bcf on Tuesday July 19.

- Working gas in storage as of July 15 totaled 2,671 Bcf, 2.2 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 213 Bcf or 7.4 percent lower than last year at this time.

## 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.

*(Note: Beginning Apr. 2011, residential retail propane prices will be reported only for the first full week of each month through Sept. 2011)*

**On July 5, the average Missouri retail price for residential propane was about \$2.03 per gallon, relatively unchanged from last month and 19 percent higher compared to last year at this time.**

<b>Propane - Retail Prices (cents per gallon)</b>					
	<u>07-05-11</u>	<u>06-06-11</u>	<u>change</u>	<u>07-06-10</u>	<u>change</u>
<b>Missouri</b>	<b>202.6</b>	<b>203.1</b>	<b>down 0%</b>	<b>169.8</b>	<b>up 19%</b>

- According to the Division of Energy's statewide propane price survey conducted July 5, retail residential propane prices were relatively unchanged in the past month and stand nearly 33 cents per gallon or 19 percent higher than last year at this time.
- According to the survey conducted July 5, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.79 per gallon.
- For the week ending July 15, U.S. inventories of propane increased as total stocks were up about 2.0 MMB to end at 46.6 million barrels. Propane inventories are now 5.9 MMB lower compared to the same period last year. Implied demand for propane increased 120,000 barrels for the week ending July 15 but down 210,000 barrels per day compared to the demand level for this time last year.
- For the week ending July 15, Midwest propane inventories increased 0.98 MMB. At 20.3 MMB, Midwest inventories are 3.1 MMB or about 13 percent lower than the 23.4 MMB reported at this time last year.

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)