



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

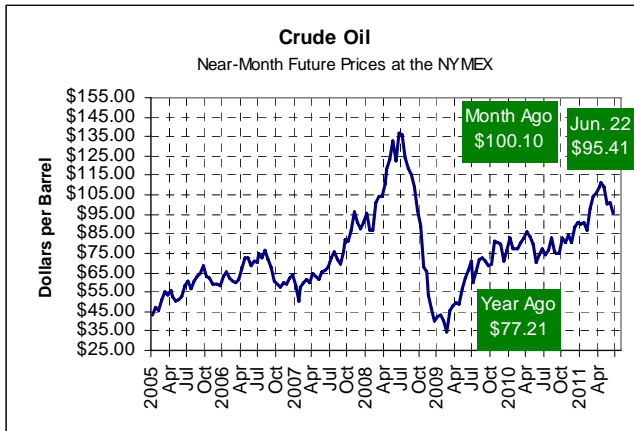
June 23, 2011

Crude Oil

U.S. crude oil prices decreased \$4.69 to \$95.41 per barrel in the past month and stand 24 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	06-22-11	05-18-11	change	06-22-10	change
NYMEX	\$95.41	\$100.10	down 5%	\$77.21	up 24%

- At the New York Mercantile Exchange (NYMEX) crude oil futures for July delivery ended \$1.24 per barrel higher June 22, to close at \$95.41 per barrel, as U.S. inventories of crude oil fell for the third week and refineries increased operating rates to the highest level in 10 months.



- According to key oil analysts, prices also rose after Greek Prime Minister Papandreou won a vote of confidence, reducing concern repercussions of Greece's debt crisis will spread throughout Europe. Crude oil futures are up 24 percent from a year ago. Brent crude oil, the European counterpart to West Texas Intermediate (WTI), traded at a premium of \$18.80 per barrel to WTI futures. The difference between

London and New York oil futures reached a record of \$22.29 on June 15. Supplies of oil at Cushing, Oklahoma rose for the first time in four weeks. Inventories climbed 273,000 barrels to 38 million barrels (MMB), the report showed. Cushing is the terminus of the Keystone pipeline, which carries Canadian oil to the central US and was closed from May 29th to June 5th. In London, the Brent contract for August delivery on the InterContinental Exchange settled \$3.26 higher at \$114.21 per barrel June 22.

- Compared to this time last year, the U.S. crude oil futures settlement price was \$18.20, or 24 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending June 17 averaged 19.1 million barrels per day (MMB/D), down 2.7 percent compared to the similar period last year.

- According to the June 22 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories fell 1.7 MMB for the week ending June 17. U.S. crude supplies are now 1.3 MMB lower than at this time last year.
- Crude imports for the week ending June 17 were 9.1 MMB/D, down over 0.5 MMB/D from the prior week. Imports at this time last year averaged nearly 10.1 MMB/D. Crude oil inventories represent 24.2 days of forward cover up from the 24.1 days compared to this time last year.
- U.S. refinery crude runs were up 549,000 barrels per day with refiners processing about 15.8 MMB/D of crude for the week ended June 17. U.S. refinery capacity was 89.2 percent, up 3.1 percent from the prior week but 0.2 percent lower than the 89.4 percent figure at this time last year.
- Gasoline output increased at 9.4 MMB/D on the week but is up by only 164,000 barrels per day compared to last year at this time. Distillate output increased at 4.3 MMB/D for the week ending June 17 and stand 2,000 barrels per day higher compared to the production level at this time last year.

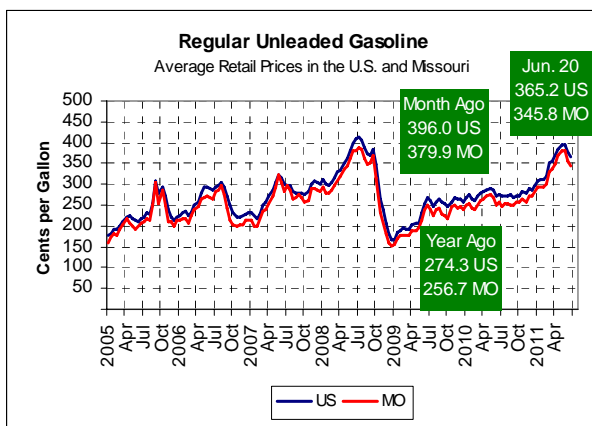
Transportation Fuels

On June 20, Missouri's statewide average retail price for gasoline was \$3.46 per gallon, down 34 cents or 9 percent in the past month and \$0.89 per gallon higher than at this time last year.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>06-20-11</u>	<u>05-16-11</u>	<u>change</u>	<u>06-21-10</u>	<u>change</u>
US	365.2	396.0	down 8%	274.3	up 33%
Missouri	345.8	379.9	down 9%	256.7	up 35%

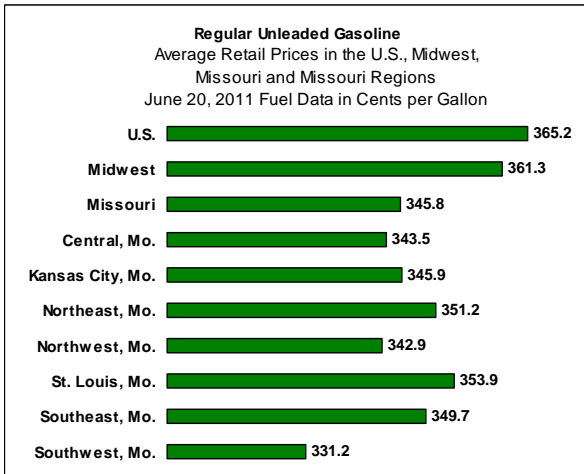
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>06-20-11</u>	<u>05-16-11</u>	<u>change</u>	<u>06-21-10</u>	<u>change</u>
US	395.0	406.1	down 3%	296.1	up 33%
Missouri	379.9	388.5	down 2%	281.8	up 35%

- On June 20, Missouri's average retail price for gasoline was \$3.46, a decrease of 34 cents in the past month. The average price for diesel fuel was down by 9 cents in the past month. Missouri's average retail gasoline price is \$0.89 or 35 percent higher, while the average diesel fuel price is \$0.98, or 35 percent, higher for the comparable period in June 2010.



- The U.S. average price for regular gasoline was down 31 cents per gallon or about 9 percent compared to last month at \$3.65 per gallon. The U.S. average was about \$0.91 cents or 33 percent higher compared to this time last year. In the past week, the U.S. average was down by about 6 cents per gallon.

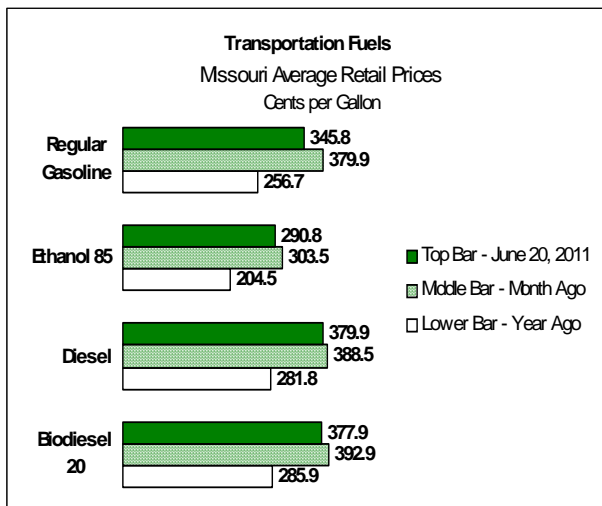
- Gasoline imports decreased to 0.8 MMB/D for the week ending June 17, nearly 248,000 barrels per day lower compared to the prior week yet 22,000 barrels per day higher than last year at this time.



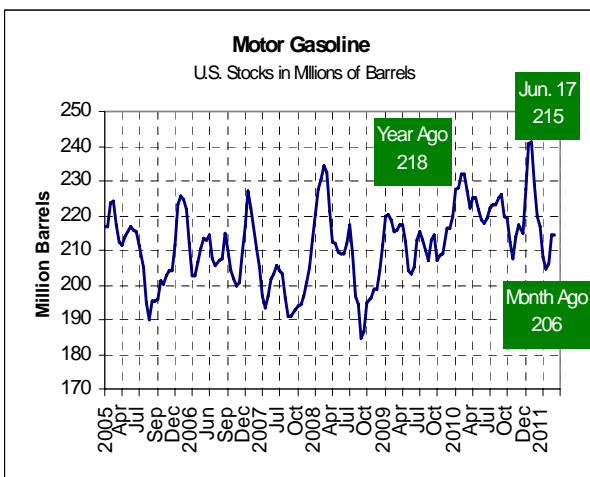
- Implied demand for gasoline decreased the week ending June 17 at 9.3 MMB/D, down 51,000 barrels per day from the prior week yet 78,000 barrels per day higher compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged 9.3 MMB/D, 84,000 barrels per day higher compared to the same 4-week period last year.
- U.S. gasoline supplies decreased 0.5 MMB at 214.6 MMB for the week ending June 17. Gasoline inventories represent 23 days of supply for the United States based on implied demand during the past 4-week average. U.S.

gasoline inventories are 3.0 MMB lower than at this time last year and trend at the mid-range of the five-year average for this time of year.

- Distillate stocks increased 1.2 MMB at 142 MMB and stand 14.9 MMB lower compared to the same period last year. Distillate demand was down at 3.4 MMB/D in the past week and down 365,000 barrels per day compared to the same period last year. On a four-week average, distillate demand is down 0.22 MMB/D 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 185,000 barrels per day at 3.4 MMB/D for the week ending June 17.



- On June 20, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was \$2.91 per gallon, 55 cents or about 16 percent lower than the average price for conventional motor gasoline.



- On June 20, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.78 per gallon, 2 cents or less than 1 percent, lower than the statewide average retail price for conventional diesel fuel.
- According to EIA's June 7, 2011 *Short Term Energy Outlook*, EIA projects U.S. gasoline prices to average about \$3.75 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.

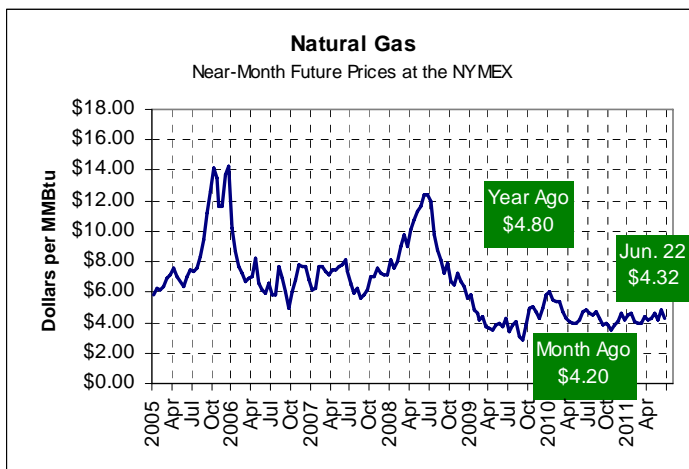
Natural Gas

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 June 22, natural gas futures closed at \$4.32 per MMBtu, up 12 cents from a month ago and 10 percent lower compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	06-22-11	05-18-11	change	06-24-10	change
NYMEX	\$4.32	\$4.20	up 3%	\$4.80	down 10%

- Natural gas futures for July delivery increased \$0.12 in the past month to a final closing price of \$4.32 per MMBtu on June 22.
- At the NYMEX, for the trading week ending June 22, natural gas futures decreased about 26 cents per MMBtu to \$4.32.
- Prices declined slightly at most market locations, with some exceptions, mainly in the Northeast. The



small declines in prices were likely a reflection of moderate weather during the report week across much of the country. Natural gas demand rose slightly from the previous week, and remained flat year over year. Declines in residential and commercial consumption were offset by a 5.3 percent increase in consumption for natural gas for electric power generation and a 2.5 percent increase in industrial consumption. Despite the week over week increase, electric power consumption remains 10 percent

below levels during the same week last year, most likely the result of moderate temperatures compared to this time last year. Power burn near the end of the report week declined substantially, specifically in the Midwest, Gulf area, and Southeast. Supply this week increased slightly, as increases in production were offset by declines in pipeline imports from Canada.

- Working gas in storage as of June 17 totaled 2,354 Bcf, 2.6 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 258 Bcf or 9.9 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 April 2011, residential retail propane prices will be reported only for the first full week of each month through September 2011)

On June 6, the average Missouri retail price for residential propane was about \$2.03 per gallon, relatively unchanged from last month and 16 percent higher compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	<u>06-06-11</u>	<u>05-02-11</u>	<u>change</u>	<u>06-07-10</u>	<u>change</u>
Missouri	203.1	202.9	up 0%	175.8	up 16%

- According to the Division of Energy's statewide propane price survey conducted June 6, retail residential propane prices were relatively unchanged in the past month and stand nearly 27 cents per gallon or 16 percent higher than last year at this time.
- According to the survey conducted June 6, the highest Missouri retail residential price for propane was \$2.50 per gallon while the lowest retail price was \$1.85 per gallon.
- For the week ending June 17, U.S. inventories of propane increased as total stocks were up about 1.8 MMB to end at 37.5 million barrels. Propane inventories are now 8.7 MMB lower compared to the same period last year. Implied demand for propane decreased 151,000 at 0.7 MMB/D for the week ending June 17 and about 173,000 barrels per day lower compared to the demand level for this time last year.
- For the week ending June 17, Midwest propane inventories increased 0.8 MMB. At 16.3 MMB, Midwest inventories are 3.9 MMB or about 19 percent lower than the 20.2 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; Web Address: www.dnr.mo.gov/energy/transportation/fb.htm