



Missouri Department of Natural Resources Division of Energy

MISSOURI ENERGY BULLETIN

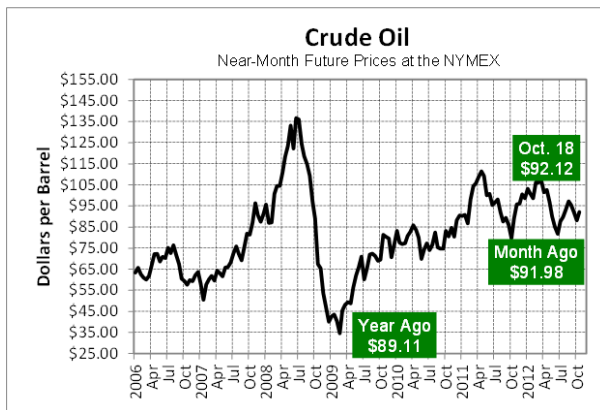
October 19, 2012

Crude Oil

U.S. crude oil prices increased \$0.14, or less than 1 percent, to \$92.12 per barrel in the past month and stand 3 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	10-18-12	09-19-12	change	10-19-11	change
NYMEX	\$92.12	\$91.98	up 0%	\$89.11	up 3%

- At the New York Mercantile Exchange (NYMEX), crude oil futures for November delivery ended \$0.03 higher October 17 to close at \$92.12 per barrel, as new home construction rose and crude supplies climbed to the most for this time of year since government records began in 1982. While



crude prices are relatively unchanged compared to the same period last year, crude oil values have increased 6.7 percent since the beginning of the calendar year.

- U.S. oil inventories increased at 369.2 million barrels (MMB). The increase in domestic stockpiles was attributed to higher domestic crude oil production and increased crude imports for the week ending October 12.

Oil futures gained as new U.S. housing starts improved in September to the highest level in 4 years. Prices changed less than 25 cents for a 4th consecutive day, the longest streak of moves that small since 2003. According to the U.S. Department of Commerce, housing starts surged 15 percent last month to an 872,000 annual rate, the most since July 2008. Oil also rose as the euro strengthened to a one-month high against the dollar after Spain kept its investment-grade credit rating from Moody's Investors Service. U.S. oil production increased for a 6th week to 6.61 million barrels per day (MMB/D), the highest level since May 1995.

- Compared to this time last year, the U.S. crude oil futures settlement price of \$92.12 is \$3.01, or 3 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending October 12 averaged 18.8 MMB/D, unchanged compared to the similar period last year. According to the

October 17 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 2.9 MMB at 369.2 MMB for the week ending October 12. U.S. crude supplies are now 36.3 MMB higher than at this time last year.

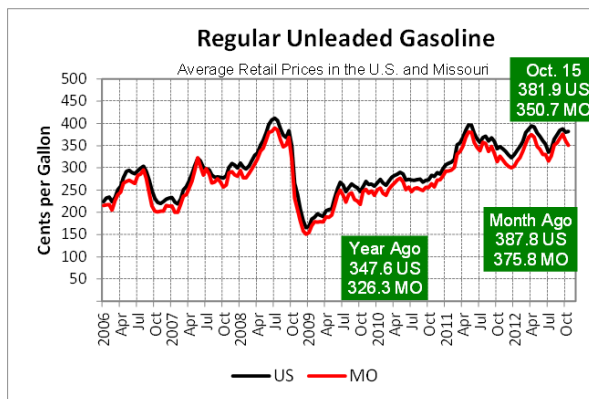
- Crude imports for the week ending October 12 grew for the third week at 8.3 MMB/D, up 126,000 barrels per day from the prior week. Imports at this time last year averaged 7.9 MMB/D. Crude oil inventories represent 25.0 days of forward cover compared to 22.5 days at this time last year.
- U.S. refinery crude runs were up 71,000 barrels per day with refiners processing 14.8 MMB/D of crude for the week ending October 12. U.S. refinery capacity use was 87.4 percent, up 0.6 percent from the prior week and up 4.3 percent compared to this time last year.
- Gasoline output increased slightly at 8.8 MMB/D on the week as West Coast refineries and products pipelines returned to service. Gasoline output improved during the past week but is still down 223,000 barrels per day compared to last year at this time.
- Distillate output increased at 4.5 MMB/D for the week ending October 12, and stands 105,000 barrels per day higher compared to the production level at this time last year.

Transportation Fuels

On October 15, Missouri’s statewide average retail price for gasoline was about \$3.51 per gallon, down 25.1 cents in the past month but up 7 percent in the past year.

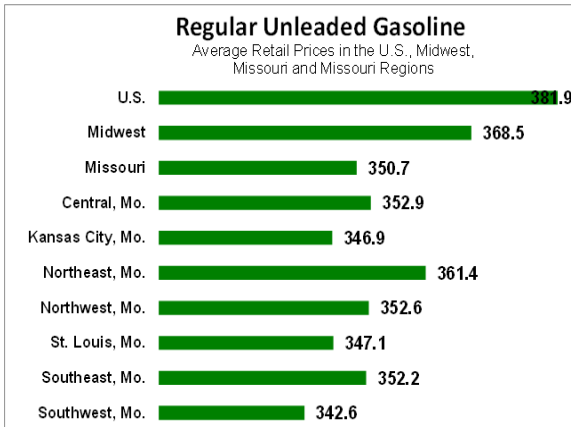
<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>10-15-12</u>	<u>09-17-12</u>	<u>change</u>	<u>10-17-11</u>	<u>change</u>
US	381.9	387.8	down 2%	347.6	up 10%
Missouri	350.7	375.8	down 7%	326.3	up 7%

<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>10-15-12</u>	<u>09-17-12</u>	<u>change</u>	<u>10-17-11</u>	<u>change</u>
US	381.9	413.5	down 8%	380.1	up 0%
Missouri	404.4	393.4	up 3%	364.4	up 11%



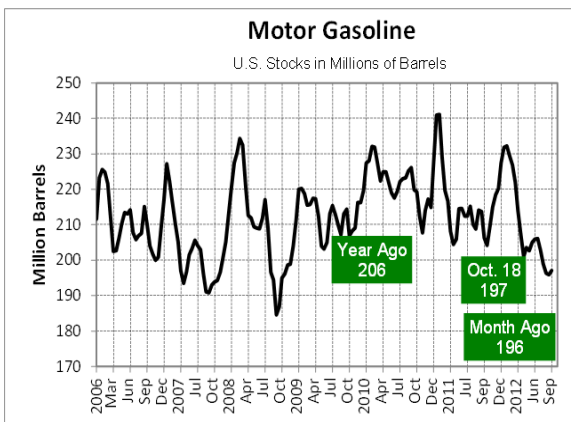
- On October 15, Missouri’s average retail price for gasoline was about \$3.51 per gallon, a decrease of 25.1 cents in the past month. The average price for diesel fuel was up 11.0 cents per gallon in the past month. Missouri’s average retail gasoline price is 24.4 cents, or 7 percent, higher, while the average diesel fuel price is 40.0 cents, or 11 percent, higher for the comparable period in October 2011.

The U.S. average price for regular gasoline was down by 5.9 cents per gallon, or 2 percent, compared to last month at \$3.82 per gallon. The U.S. average was 34.3 cents, or 10 percent, higher compared to this time last year. In the past week, the U.S. average decreased 3.1 cents per gallon.



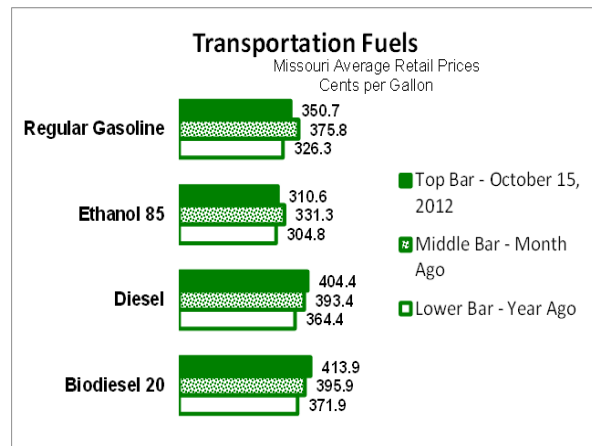
period last year.

- U.S. gasoline supplies increased 1.7 MMB at 197.1 MMB for the week ending October 12. Gasoline inventories represent 22.7 days of supply for the U.S. based on implied demand during the past 4-week average. U.S. gasoline inventories are down 9.1 MMB compared to this time last year and trend at the bottom of the five-year average for this time of year.
- Distillate stocks decreased at 118.7 MMB and stand 31.1 MMB lower compared to the same period last year. Distillate demand was up at 3.9 MMB/D for the week ending October 12 and down 304,000 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 up about 57,000 barrels per day. On a four-week average, distillate demand was down 168,000 barrels per day compared to the same period last year at 3.9 MMB/D.



According to EIA's October 10, 2012, *Short Term Energy Outlook*, the average U.S. regular-grade motor gasoline retail price will begin to decline

- Gasoline imports increased to 0.53 MMB/D for the week ending October 12, about 29,000 barrels per day higher compared to the prior week and 71,000 barrels per day higher than last year at this time.
- Implied demand for gasoline inclined the week ending October 12 at 8.7 MMB/D, up 142,000 barrels per day from the prior week, and about 131,000 barrels per day higher compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.7 MMB/D; 203,000 barrels per day or 2.3 percent lower compared to the same 4-week



- On October 15, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.11 per gallon, 40 cents or about 12.9 percent lower than the average price for conventional motor gasoline.
- On October 15, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$4.14 per gallon, 10 cents or 2.5 percent higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's October 10, 2012, *Short*

in October as the gasoline market transitions from summer-grade to winter-grade gasoline specifications and forecast crude oil prices begin to fall. Projected regular gasoline retail prices will average \$3.60 per gallon during the fourth quarter of 2012.

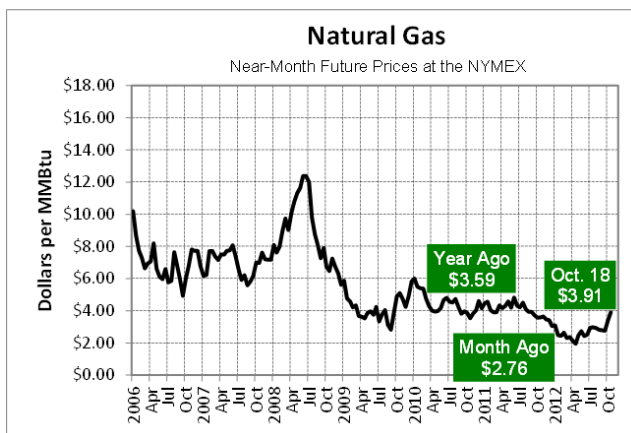
Natural Gas

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 October 18, natural gas futures closed at \$3.91 per million British thermal units (MMBtu), up \$1.15 from a month ago and up 32 cents compared to last year at this time.

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	10-18-12	09-19-12	change	10-20-11	change
NYMEX	\$3.91	\$2.76	up 42%	\$3.59	up 9%

- Natural gas futures for November delivery increased \$1.15 or 42 percent in the past month to a final closing price of \$3.91 per MMBtu on October 18.



- At the NYMEX, the price of the near-month (November 2012) contract was essentially unchanged this report week. The contract fell slightly from \$3.48 per MMBtu October 10 to \$3.47 per MMBtu October 17. Similar to the Henry Hub spot price, the futures contract increased about 13.6 cents from Oct. 10 to Oct. 12.

- According to EIA, overall natural gas consumption dropped by 4 percent, as declines occurred in most major consuming sectors. Consumption of natural gas for electric power generation

fell 2.7 percent, while residential and commercial use declined 9.5 percent due to weather-related demand declines. Consumption increased 0.2 percent in the industrial sector.

- Working gas in storage as of October 12 totaled 3,776 billion cubic feet (Bcf), 7.1 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 181 Bcf, or 5.0 percent, higher than last year at this time.
- According to EIA's *Short Term Energy Outlook* released Oct. 10, 2012, Midwest households that heat with natural gas may realize an increase in expenditures by 19.2 percent to \$734 for the 2012/13 heating season based on an increase in consumption of approximately 17.8 percent.

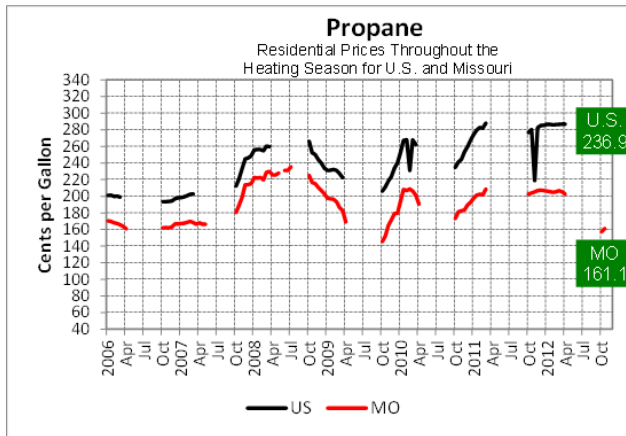
Propane

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 October 15, the average Missouri retail price for residential propane was about \$1.61 per gallon, up 5.4 cents since the last survey September 4, yet down 20 percent compared to last year at this time.

Propane - Retail Prices (cents per gallon)					
	10-15-12	09-04-12	change	10-17-11	change
Missouri	161.1	155.7	up 3%	203.9	down 20%

- According to the Division of Energy's statewide propane price survey conducted October 15, the average Missouri retail residential propane price was \$1.61 per gallon, up 5.4 cents or 3.4 percent since the last survey conducted September 4.



- According to the survey, the highest Missouri retail residential price for propane was nearly \$1.93 per gallon, while the lowest retail price was about \$1.35 per gallon.

- For the week ending October 12, U.S. inventories of propane decreased 1.3 MMB to end at 74.6 MMB. Propane inventories are now 15.7 MMB, or 27 percent, higher compared to the same period last year. Implied demand for propane increased 239,000 barrels per

day at nearly 1.5 MMB/D for the week ending October 12, and up 0.5 MMB compared to the demand level for this time last year.

- For the week ending October 12, Midwest propane inventories decreased 510,000 barrels. At 27.9 MMB, Midwest inventories are 2.7 MMB, or 10.7 percent, higher than the 25.2 MMB reported at this time last year.
- According to EIA's *Short Term Energy Outlook* released Oct. 10, 2012, Midwest households that heat with propane may realize an increase in expenditures by 11.2 percent to \$1,711 for the heating season based on an increase in consumption of 17.4 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