



# Missouri Department of Natural Resources Division of Energy

## MISSOURI ENERGY BULLETIN

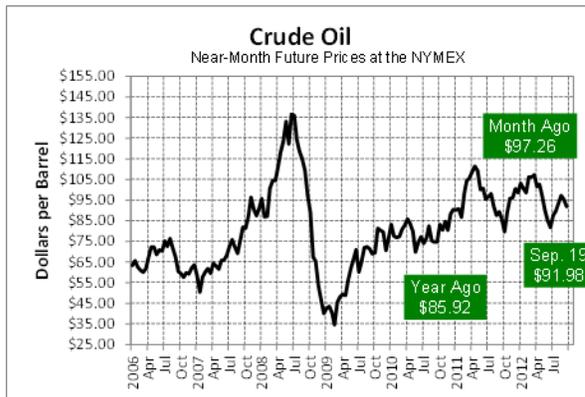
September 21, 2012

### Crude Oil

U.S. crude oil prices decreased \$5.28, or 5 percent, to \$91.98 per barrel in the past month and stand 7 percent higher than at this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)					
	09-19-12	08-22-12	change	09-21-11	change
<b>NYMEX</b>	<b>\$91.98</b>	<b>\$97.26</b>	<b>down 5%</b>	<b>\$85.92</b>	<b>up 7%</b>

- At the New York Mercantile Exchange (NYMEX), crude oil futures for October delivery ended \$3.31 lower September 19 to close at \$91.98 per barrel, after U.S. crude inventories surged the most since March as production and imports rebounded from Hurricane Isaac. Crude prices are up 7 percent compared to the same period last year. Crude oil prices have declined 6.9 percent since the beginning of the calendar year.



- U.S. oil inventories increased at 367.6 million barrels (MMB). The increase in stockpiles is attributed to a combination of higher domestic crude production and imports in the aftermath of Hurricane Isaac.
- Oil prices followed US stock values lower this week after last week's swell in commodity values in response to the Federal Reserve's announced plan to buy mortgage securities indefinitely and on growing concern that protests in the Middle East and North Africa may lead to oil supply disruptions.
- Compared to this time last year, the U.S. crude oil futures settlement price of \$91.98 is \$6.06, or 7 percent, higher.
- Total petroleum products supplied to market over the last four-week period ending September 14 averaged 18.6 MMB/D, down 2.9 percent compared to the similar period last year. According to the September 19 Energy Information Administration (EIA) weekly fuels report, U.S. oil inventories increased 8.5 MMB at 367.6 MMB for the week ending September 14, rising the most since March 30 and a 6-week high. U.S. crude supplies are now 28.6 MMB higher than at this time last year.

- Crude imports for the week ending September 14 were 9.8 MMB/D, up 1.3 MMB/D from the prior week. Imports at this time last year averaged 8.4 MMB/D. Crude oil inventories represent 24.8 days of forward cover compared to 22.2 days at this time last year.
- U.S. refinery crude runs were up 595,000 barrels per day with refiners processing 14.9 MMB/D of crude for the week ending September 14. U.S. refinery capacity use was 88.9 percent, up 4.2 percent from the prior week and up 0.6 percent compared to this time last year.
- Gasoline output was up at 8.7 MMB/D on the week as refiners in the Gulf of Mexico resumed near-normal production following Hurricane Isaac. Gasoline output improved during the past week but is still down 238,000 barrels per day compared to last year at this time.
- Distillate output increased at 4.6 MMB/D for the week ending September 14, and stands 309,000 barrels per day higher compared to the production level at this time last year.

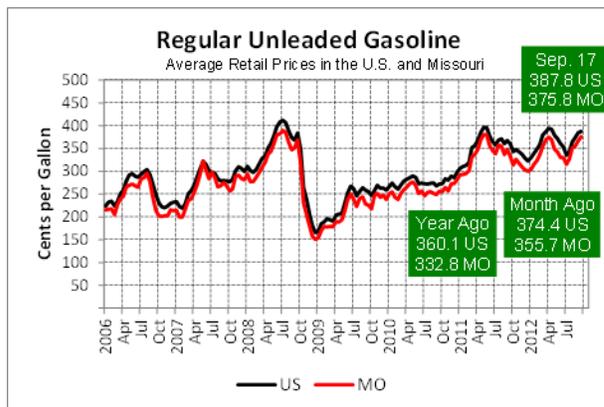
### Transportation Fuels

**On September 17, Missouri's statewide average retail price for gasoline was \$3.76 per gallon, up 20.1 cents or 6 percent in the past month.**

Regular Unleaded Gasoline - Retail Prices (cents per gallon)					
	09-17-12	08-20-12	change	09-19-11	change
US	387.8	374.4	up 4%	360.1	up 8%
Missouri	375.8	355.7	up 6%	332.8	up 13%

Diesel Fuel - Retail Prices (cents per gallon)					
	09-17-12	08-20-12	change	09-19-11	change
US	413.5	402.6	up 3%	383.3	up 8%
Missouri	393.4	386.9	up 2%	371.6	up 6%

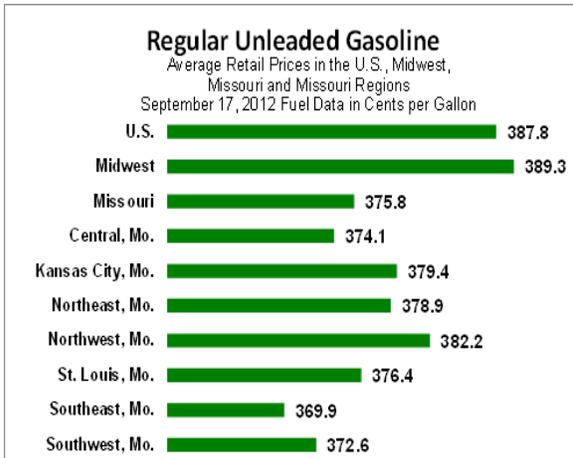
- On September 17, Missouri's average retail price for gasoline was about \$3.76 per gallon, an increase of 20.1 cents in the past month. The average price for diesel fuel was up 6.5 cents per gallon in the past month. Missouri's average retail gasoline price is 43 cents, or 13 percent, higher, while the average diesel fuel price is 21.8 cents, or 6 percent, higher for the comparable period in September 2011.



- The U.S. average price for regular gasoline was up by 13.4 cents per gallon, or 4 percent, compared to last month at \$3.89 per gallon. The U.S. average was 27.7 cents, or 8 percent, higher compared to this time last year. In the past week, the U.S. average increased 3.1 cents per gallon.

- Gasoline imports increased to 0.46 MMB/D

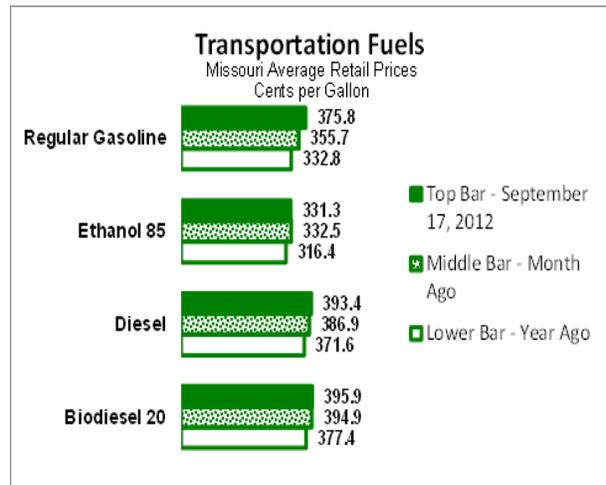
for the week ending September 14, about 341,000 barrels per day lower compared to the prior week and 443,000 barrels per day lower than last year at this time.



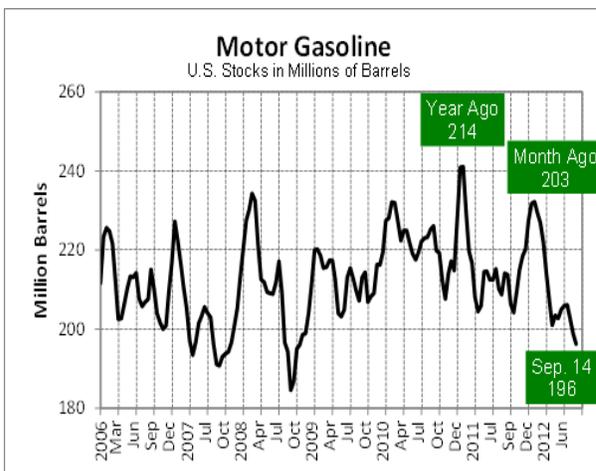
- Implied demand for gasoline declined the week ending September 14 at 8.6 MMB/D, down 63,000 barrels per day from the prior week, and about 384,000 barrels per day lower compared to this same period last year. In the past 4 weeks, U.S. gasoline demand has averaged about 8.9 MMB/D; 81,000 barrels per day or 0.9 percent lower compared to the same 4-week period last year.
- U.S. gasoline supplies decreased 1.4 MMB at 196.3 MMB for the week ending September 14. Gasoline inventories represent 22.1 days of supply for the U.S. based on implied

demand during the past 4-week average. U.S. gasoline inventories are down 17.8 MMB compared to this time last year and trend near the middle of the five-year average for this time of year.

- Distillate stocks decreased at 128.2 MMB and stand 29.4 MMB lower compared to the same period last year. Distillate demand was up at 3.7 MMB/D for the week ending September 14 and down 190,000 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 416,000 barrels per day. On a four-week average, distillate demand was down 433,000 barrels per day compared to the same period last year at 3.4 MMB/D.



- On September 17, Missouri's average retail price for E85 motor fuel, conventional motor fuel containing 85 percent ethanol, was about \$3.31 per gallon, 45 cents or about 14 percent lower than the average price for conventional motor gasoline.



- On September 17, the average retail price for B20, diesel fuel containing 20 percent biofuel, was \$3.96 per gallon, 3 cents or about 1 percent higher than the statewide average retail price for conventional diesel fuel.
- According to EIA's September 11, 2012, *Short Term Energy Outlook*, the U.S. regular-grade motor gasoline retail price is estimated to average \$3.64 per gallon in 2012 compared at \$3.53 last year. During the April through September peak driving season, prices are forecast to average about \$3.69 per gallon.

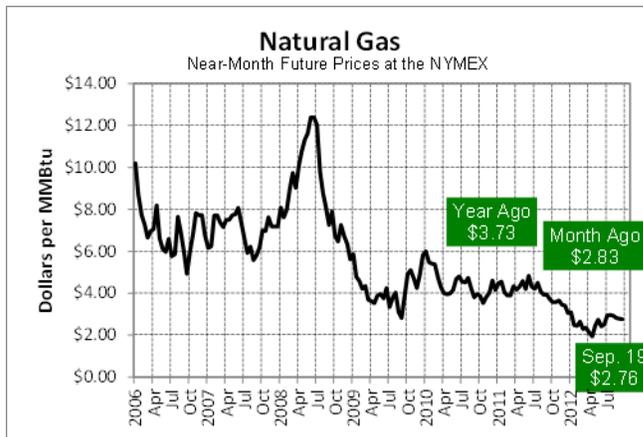
## Natural Gas

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 September 19, natural gas futures closed at \$2.76 per million British thermal units (MMBtu), down 7 cents from a month ago and down \$0.97 compared to last year at this time.**

Natural Gas - Near Month Future Prices (dollars per MMBtu)					
	09-19-12	08-22-12	change	09-21-11	change
NYMEX	\$2.76	\$2.83	down 2%	\$3.73	down 26%

- Natural gas futures for October delivery decreased \$0.07 or 2 percent in the past month to a final closing price of \$2.76 per MMBtu on September 19.



- At the NYMEX, the price of the near-month contract fell about 30 cents, from \$3.063 per MMBtu last Wednesday, September 12 to \$2.762 per MMBtu September 19.

- According to EIA, consumption of natural gas for power generation declined 13.1 percent, reflecting reduced air-conditioning demand as summer temperatures continued to subside. Residential and commercial consumption rose 12.9 percent. The rise

in residential and commercial consumption reflects increases in heating demand in some areas of the country. Industrial demand also rose slightly over the week, by 1.5 percent.

- Working gas in storage as of September 14 totaled 3,496 billion cubic feet (Bcf), 8.6 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 320 Bcf, or 10.1 percent, higher 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: From April through September, residential retail propane prices are reported only for the first full week of each month.)*

**On September 4, the average Missouri retail price for residential propane was about \$1.56 per gallon, up 1.6 cents in the past month, yet down 22 percent compared to last year at this time.**

<i>Propane - Retail Prices (cents per gallon)</i>					
	<u>09-04-12</u>	<u>08-06-12</u>	<u>change</u>	<u>09-06-11</u>	<u>change</u>
Missouri	155.7	154.1	up 1%	199.6	down 22%

- According to the Division of Energy's statewide propane price survey conducted September 4, Missouri retail residential propane prices were up 1.6 cents, or 1.0 percent, in the past month.
- 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 \$1.30 per gallon.
- For the week ending September 14, U.S. inventories of propane increased 1.3 MMB to end at 74.0 MMB. Propane inventories are now 18.7 MMB, or 34 percent, higher compared to the same period last year. Implied demand for propane decreased 177,000 barrels per day at 1.04 MMB/D for the week ending September 14, and up 69,000 barrels per day compared to the demand level for this time last year.
- For the week ending September 14, Midwest propane inventories increased 572,000 barrels. At 28.2 MMB, Midwest inventories are 3.1 MMB, or 12.4 percent, higher than the 25.1 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)