

# Propane update



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*December 12, 2014 / Washington, DC*

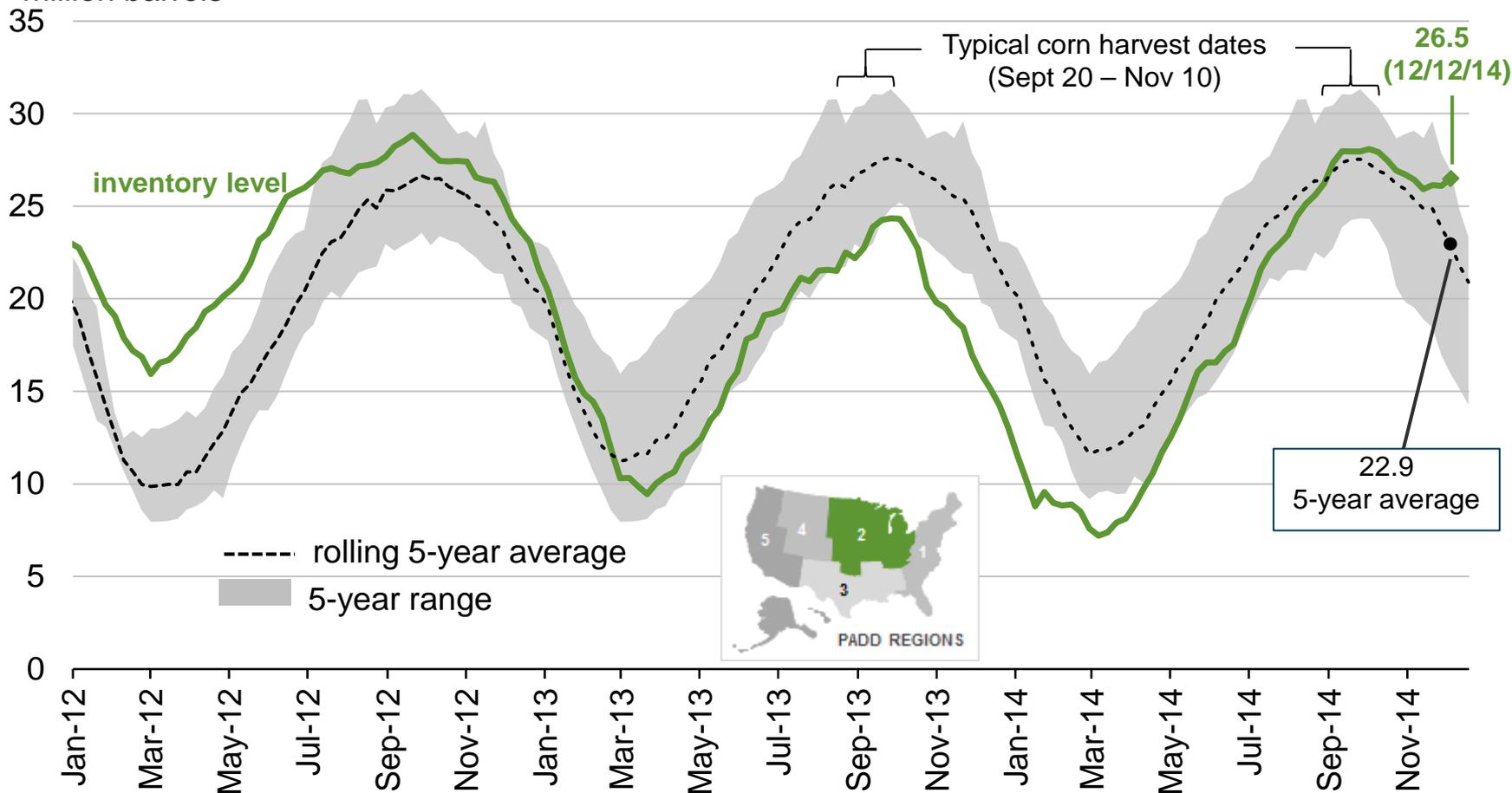
*By*

*U.S. Energy Information Administration*

# PADD 2 (Midwest) propane inventories are currently above the five-year average

PADD 2 propane\* inventories

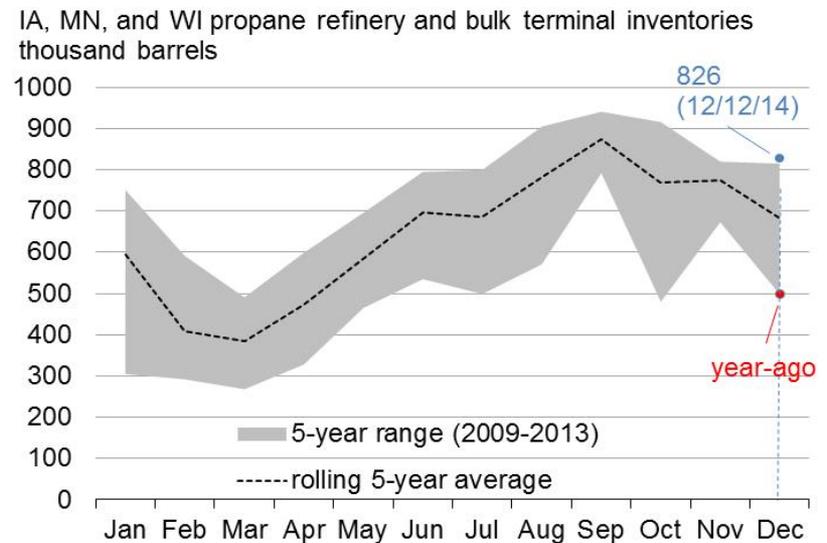
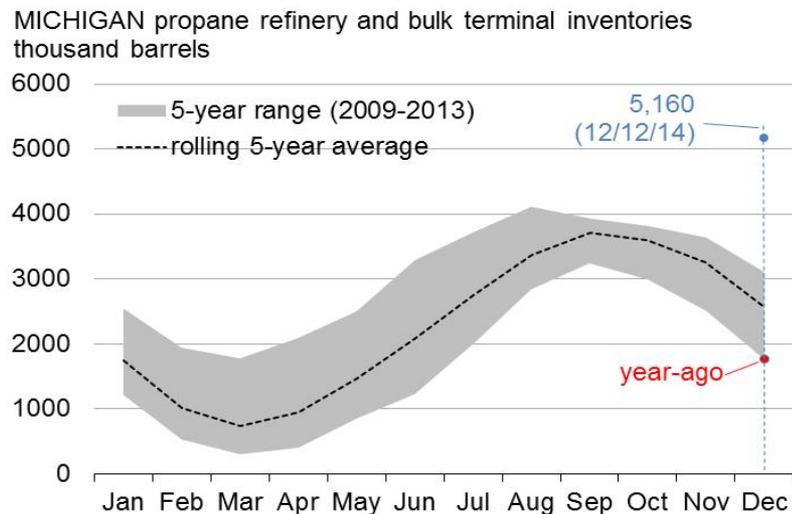
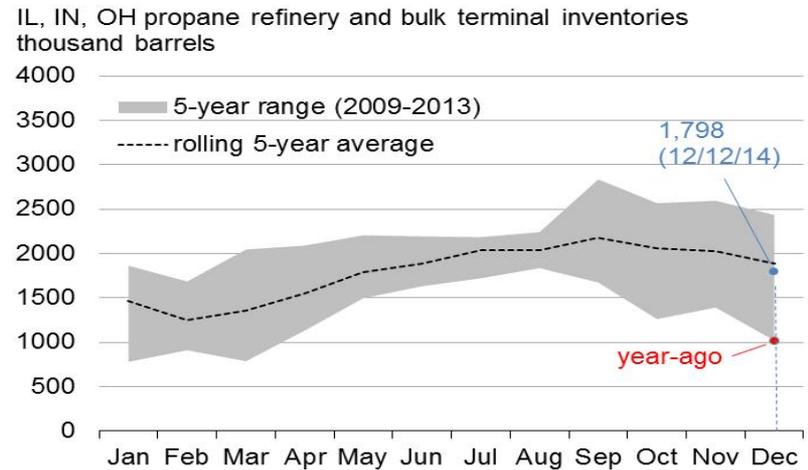
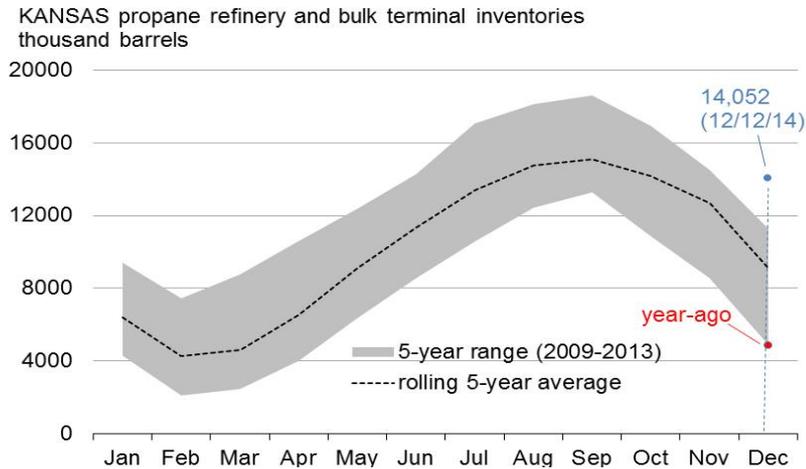
million barrels



Source: EIA, Weekly Petroleum Status Report, data through December 12, 2014

\*propane/propylene for fuel use only

# Current propane inventories for key individual states

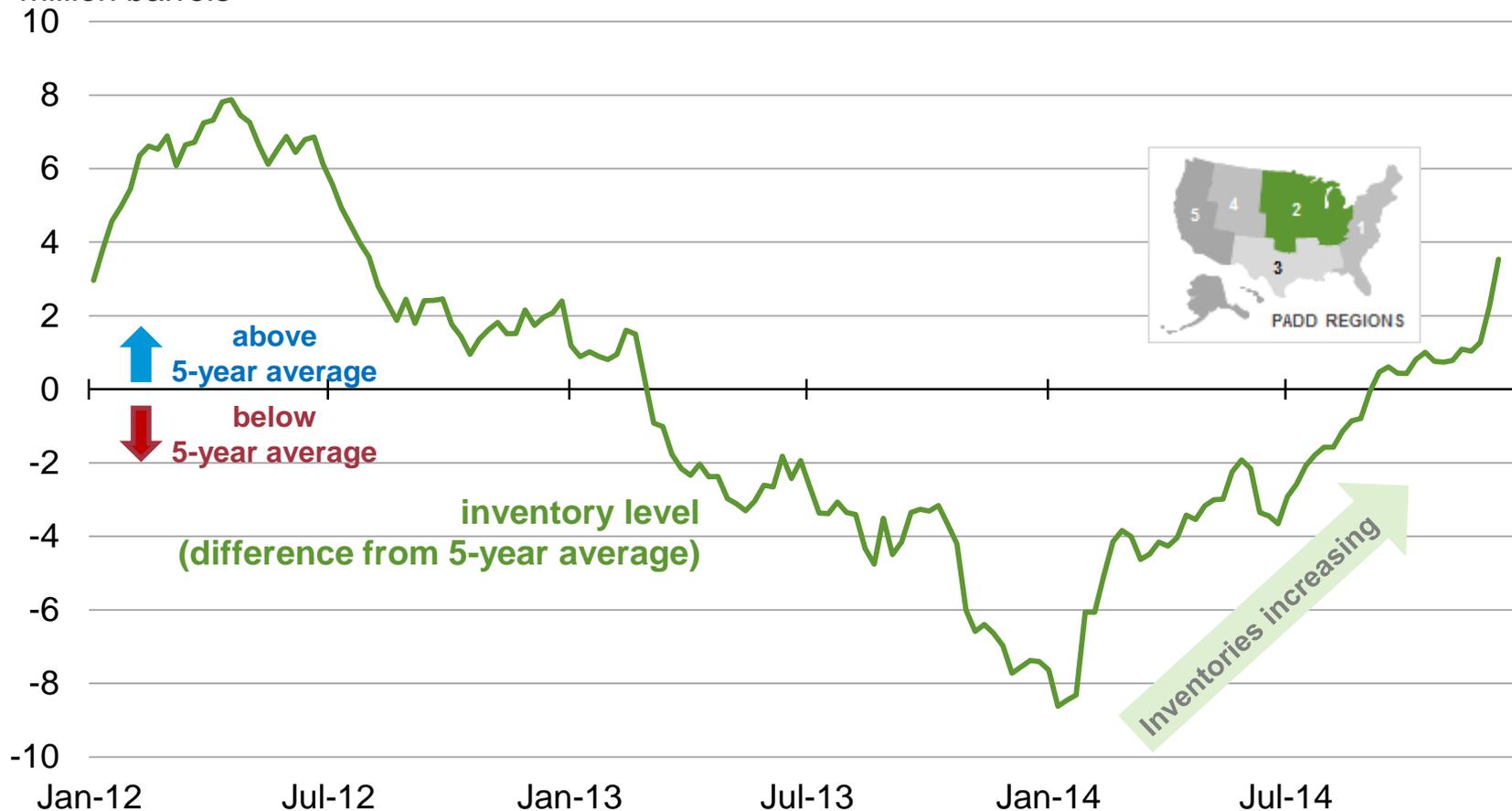


Source: EIA Weekly Petroleum Status Report, data through December 12, 2014

# PADD 2 (Midwest) propane inventories remain above the five-year average

PADD 2 propane\* inventories, difference from 5-year average

million barrels



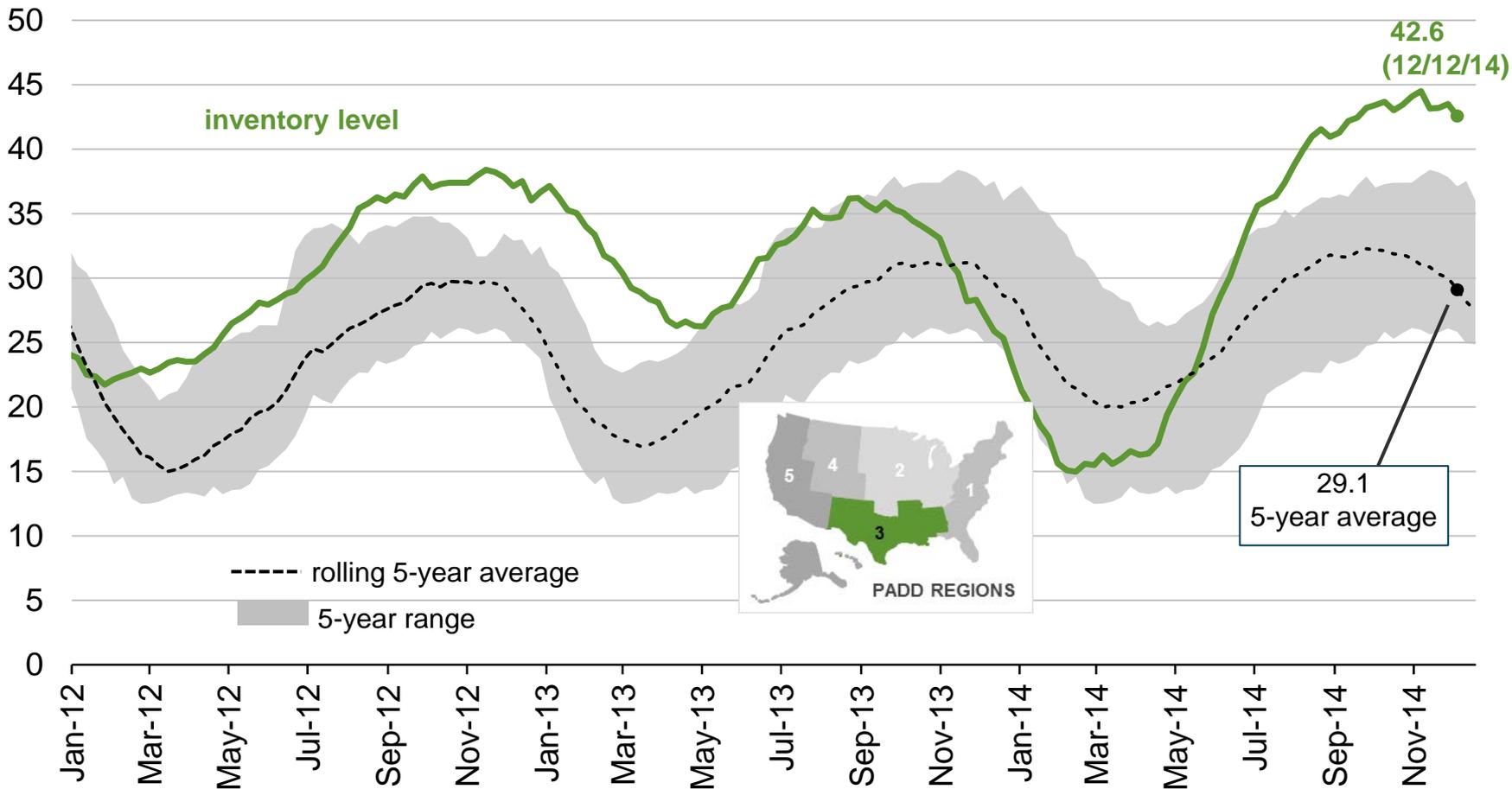
Source: EIA, Weekly Petroleum Status Report, data through December 12, 2014

\*propane/propylene for fuel use only

# PADD 3 (Gulf coast) propane inventories are well above the five-year range

PADD 3 propane\* inventories

million barrels



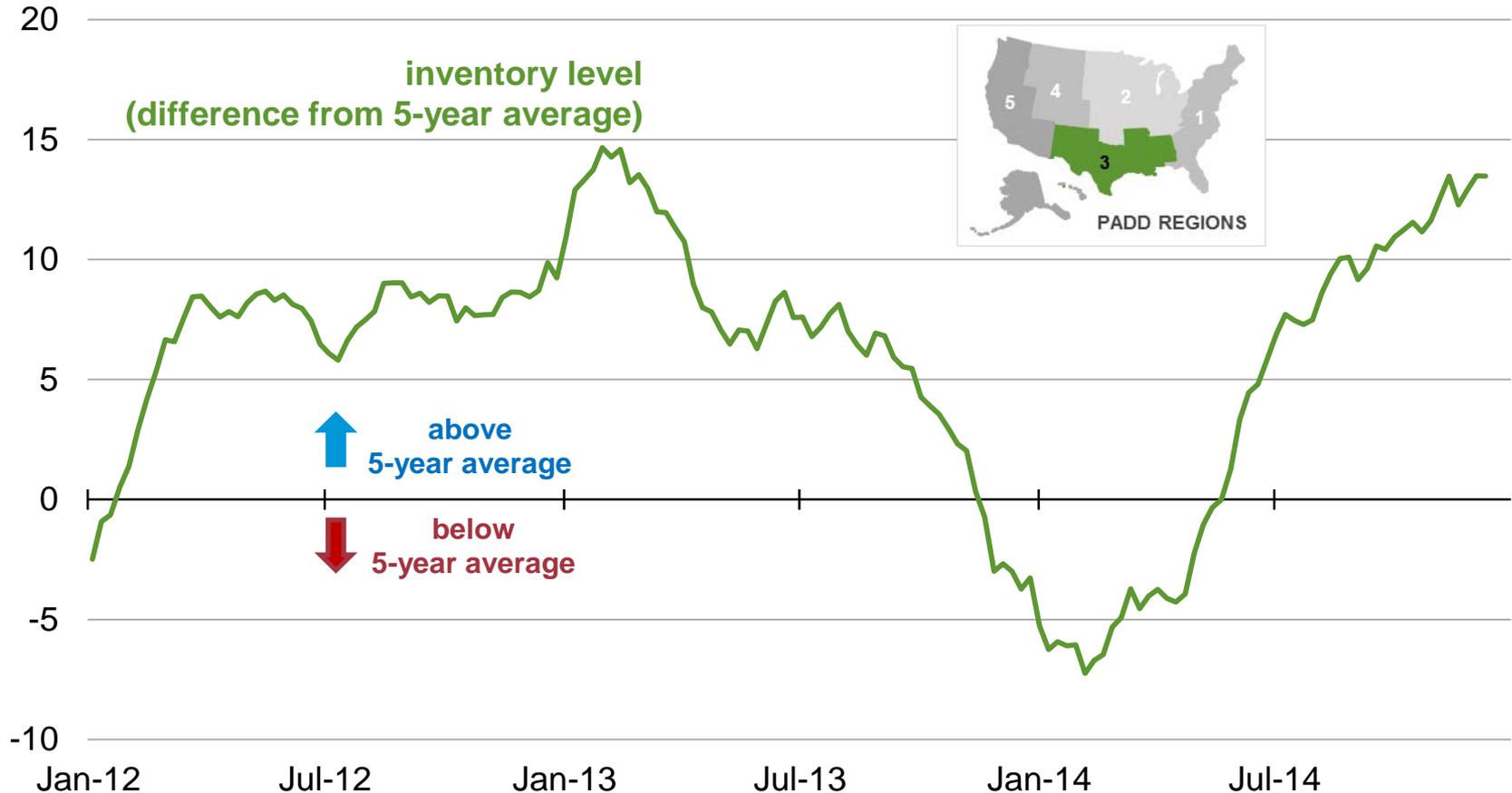
Source: EIA, Weekly Petroleum Status Report, data through December 12, 2014

\*propane/propylene for fuel use only

# PADD 3 (Gulf coast) propane inventories have been over the five-year average since May 2014

PADD 3 propane\* inventories, difference from 5-year average

million barrels



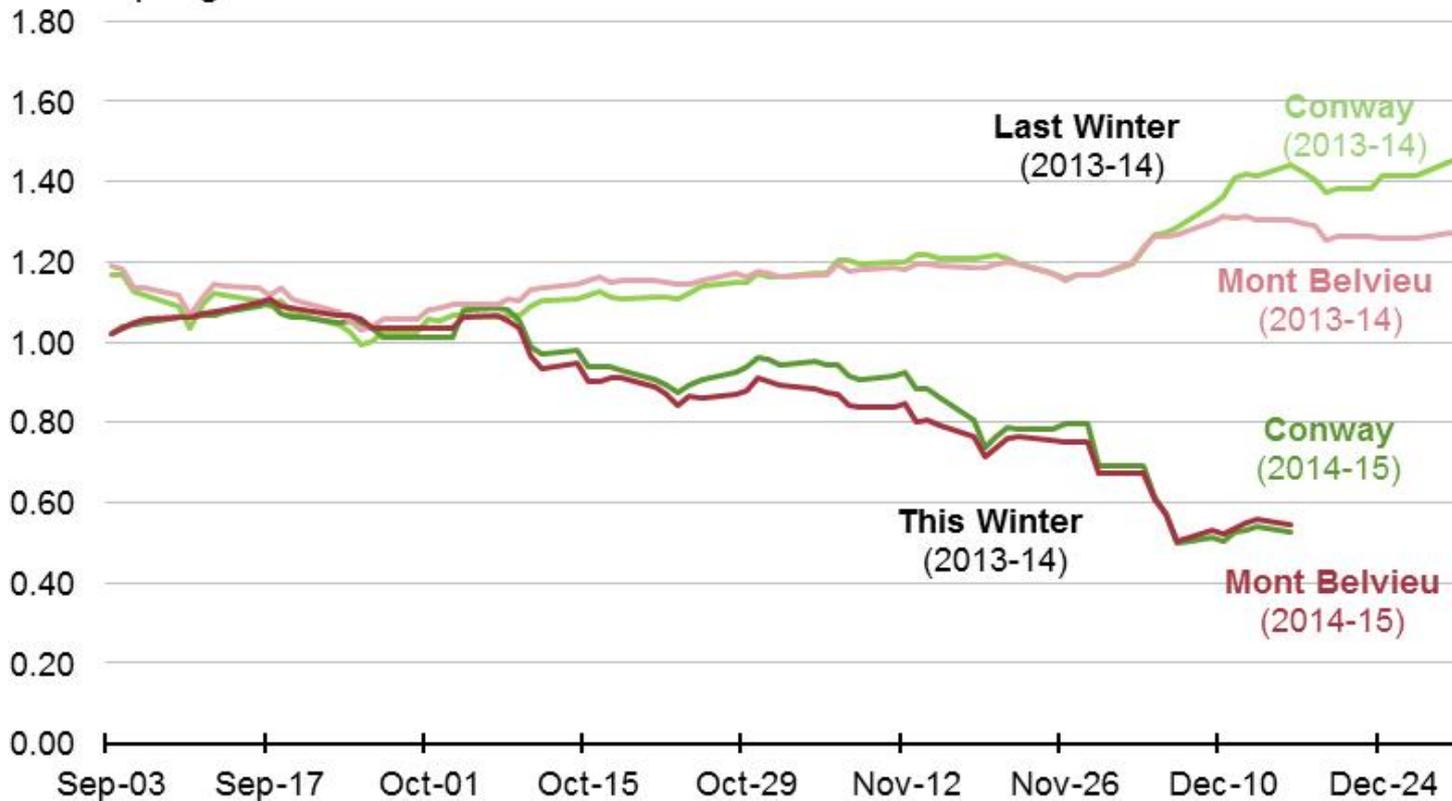
Source: EIA, Weekly Petroleum Status Report, data through December 12, 2014

\*propane/propylene for fuel use only

# Conway (KS) price premium over Mt. Belvieu (TX) grew rapidly in late 2014, but has since converged

## Propane spot prices (Conway and Mt. Belvieu)

dollars per gallon

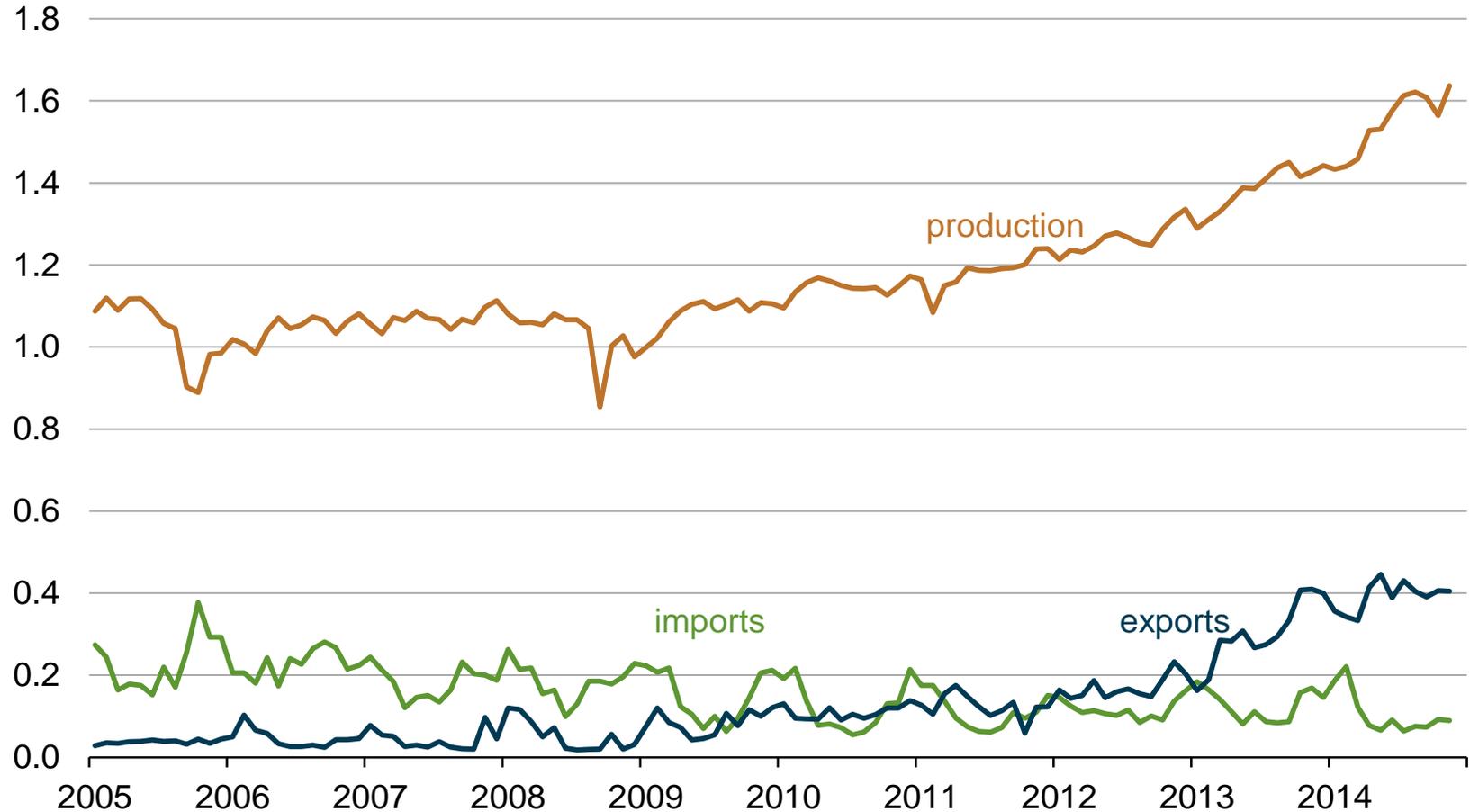


Source: U.S. Energy Information Administration via Thomson Reuters, data through December 16, 2014

# U.S. propane production and trade trends

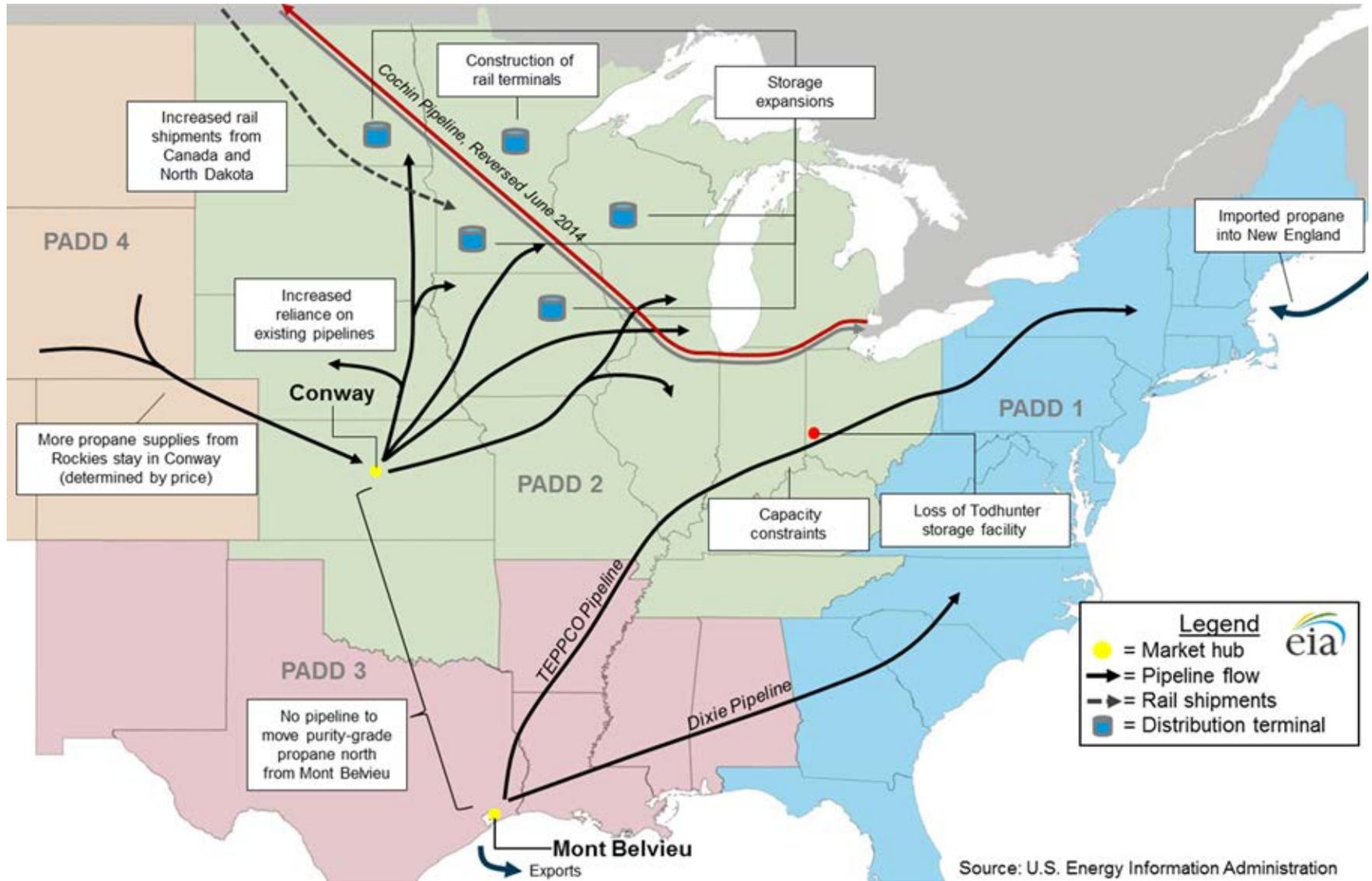
## U.S. propane and propylene production, imports, and exports

million barrels per day



Source: EIA, Petroleum Supply Monthly through September 2014; October and November 2014 are estimates

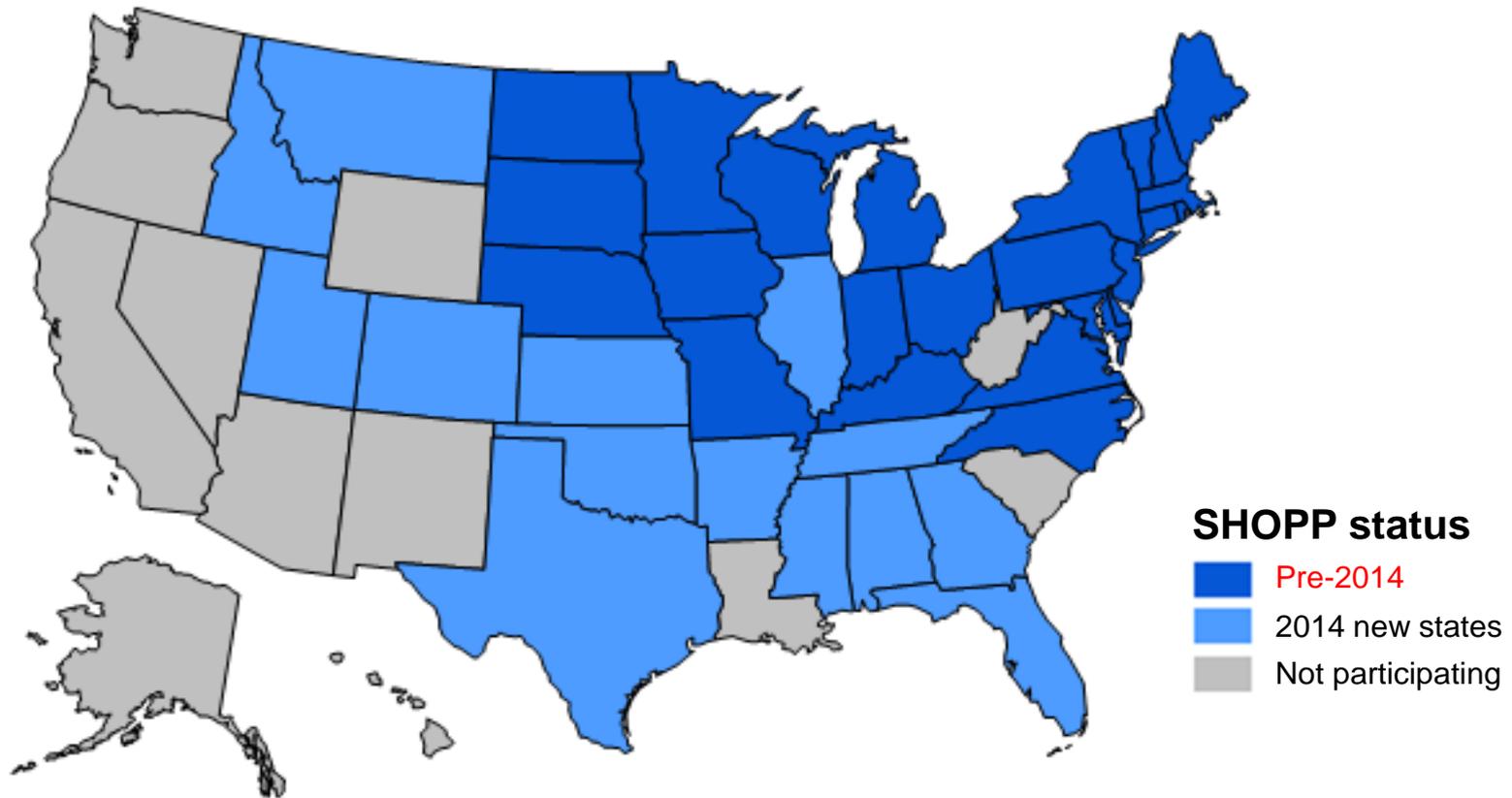
# Winter 2014-15 propane supply diagram



## State Heating Oil and Propane Program (SHOPP) updates

- SHOPP is a collaborative program between states and EIA that provides weekly wholesale and retail prices for heating oil and propane at the state level
- EIA has extended SHOPP (beginning October 2014) to include 14 additional states that were affected by the propane shortage last winter
- EIA is providing more granular data to states on a weekly basis during the 2014/2015 heating season
- New winter fuels page provides easier access to state-level information: [www.eia.gov/special/heatingfuels](http://www.eia.gov/special/heatingfuels)

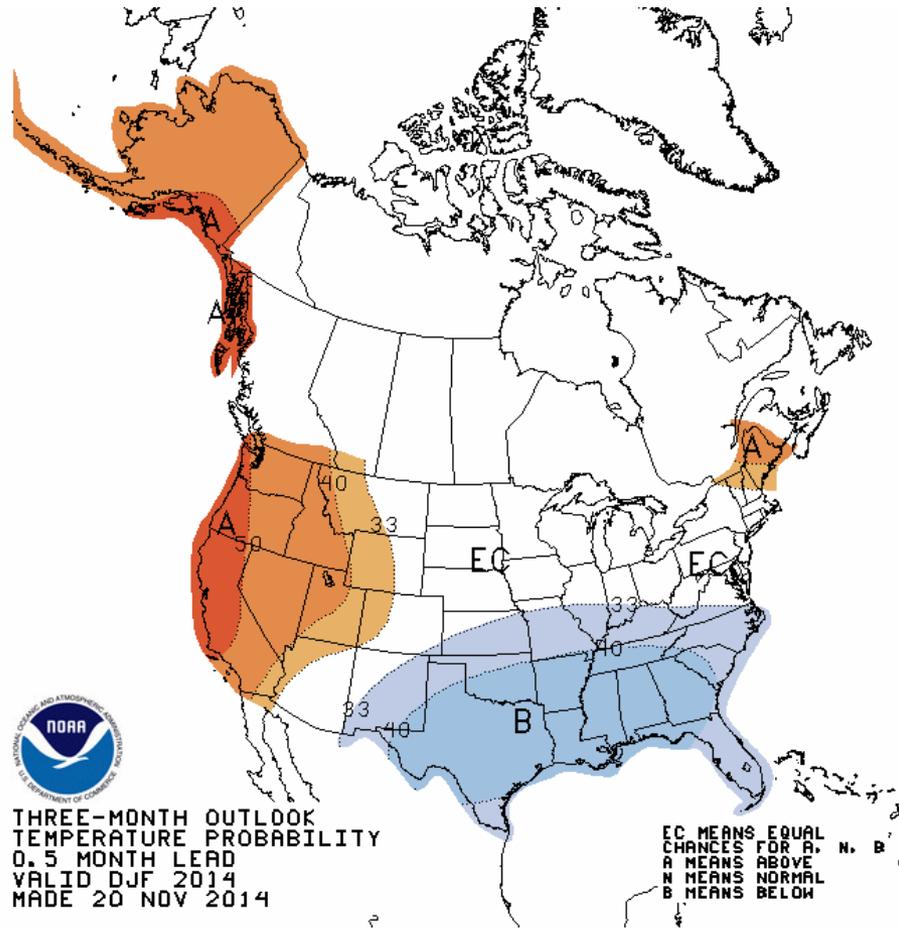
# State Heating Oil and Propane Program (SHOPP) states



Source: U.S. Energy Information Administration

# NOAA's projected temperatures: December 2014 – February 2015

Weather remains the overriding uncertainty for propane consumption this winter



A = temperatures above normal

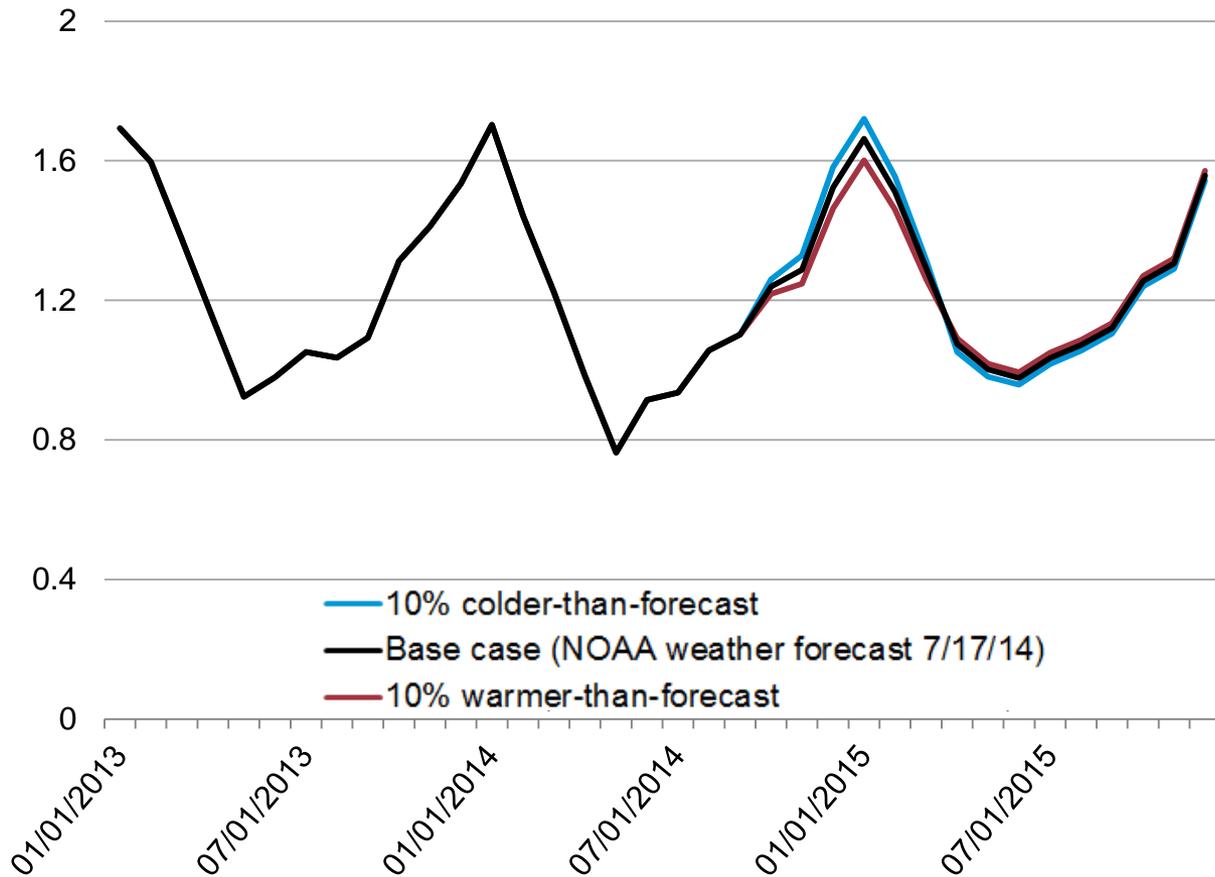
EC = equal chance that  
temperatures are above normal,  
normal, or below normal

B = temperatures below normal

Source: NOAA, November 20, 2014

# Propane consumption depends on winter temperatures

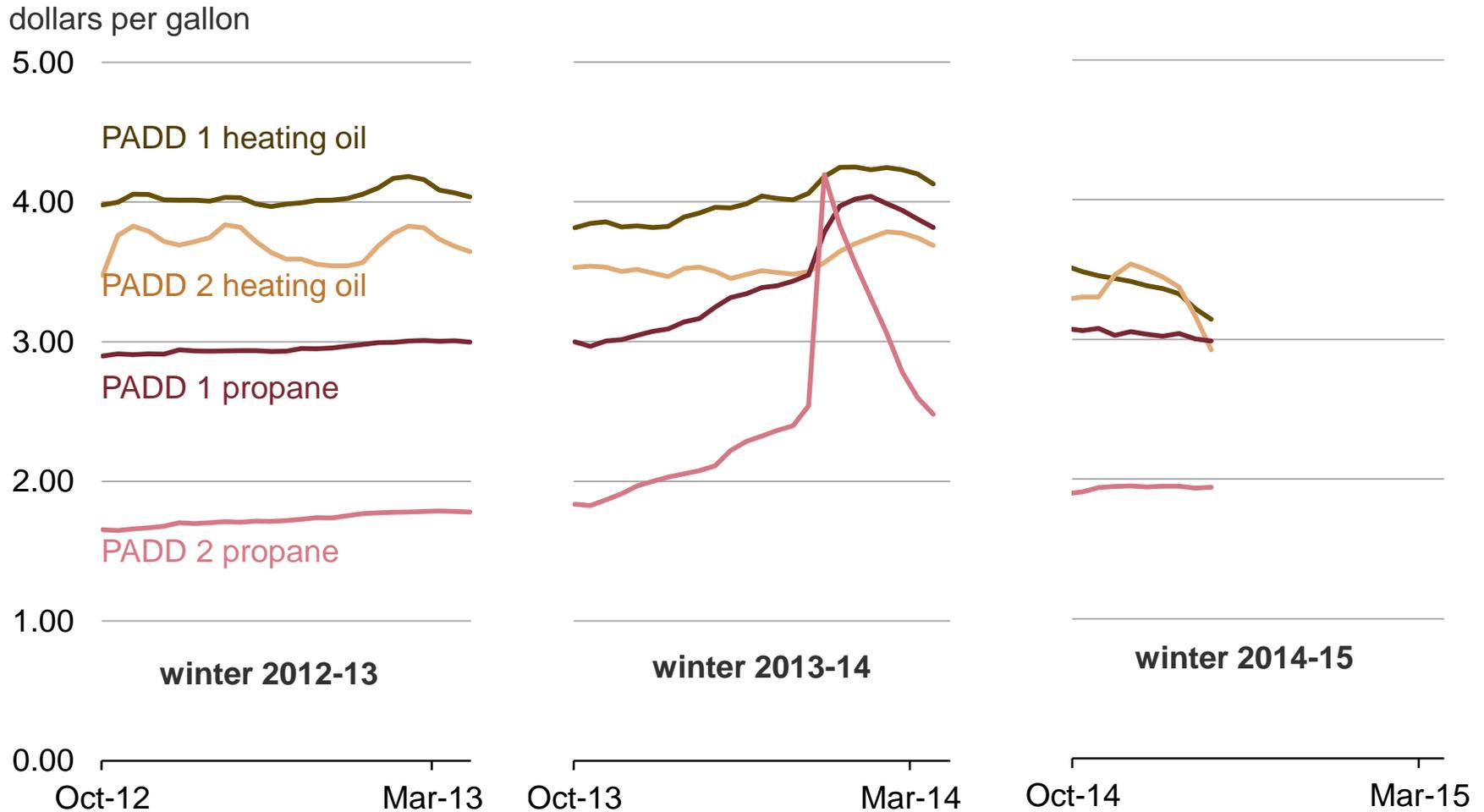
Total winter propane consumption  
million barrels per day



- Winter (Oct-Mar) propane consumption averages 40,000 barrels/day higher in the 10% colder case
- In the cold-weather case, higher residential demand is partly offset by lower industrial use because of higher propane spot prices

Source: EIA Short-term Energy Outlook (August 2014) and EIA estimates

# Midwest propane prices are stable so far this heating season



Source: State Heating Oil and Propane Program, data through November 17, 2014

## For more information

U.S. Energy Information Administration home page | [www.eia.gov](http://www.eia.gov)

Short-Term Energy Outlook | [www.eia.gov/steo](http://www.eia.gov/steo)

Annual Energy Outlook | [www.eia.gov/aeo](http://www.eia.gov/aeo)

International Energy Outlook | [www.eia.gov/ieo](http://www.eia.gov/ieo)

Monthly Energy Review | [www.eia.gov/mer](http://www.eia.gov/mer)

Today in Energy | [www.eia.gov/todayinenergy](http://www.eia.gov/todayinenergy)

State Energy Portal | [www.eia.gov/state](http://www.eia.gov/state)

Drilling Productivity Report | [www.eia.gov/petroleum/drilling](http://www.eia.gov/petroleum/drilling)

Winter Heating Fuels Site | [www.eia.gov/special/heatingfuels/](http://www.eia.gov/special/heatingfuels/)