
EIA Short-Term and Winter Fuels Outlook

NASEO 2009 Winter Fuels Outlook Conference
October 6, 2009, Washington, DC

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U.S. Energy Information Administration



Overview

- EIA expects average heating bills to be 8 percent lower this winter than last
 - a decrease of \$84 to a U.S. average of \$960
- Due to slightly milder winter weather forecast for many areas ...
- And lower fuel prices forecast this winter compared to last
 - 11 percent lower residential natural gas prices
 - 14 percent lower propane prices
 - unchanged heating oil prices
- Inventories of all heating fuels are currently well above levels seen at the start of last winter
 - helps mitigate against any price increases if winter is colder than expected

U.S. households will spend an average of 8% (\$84) less on heating bills this winter (October 1– March 31)

Percent change from last winter

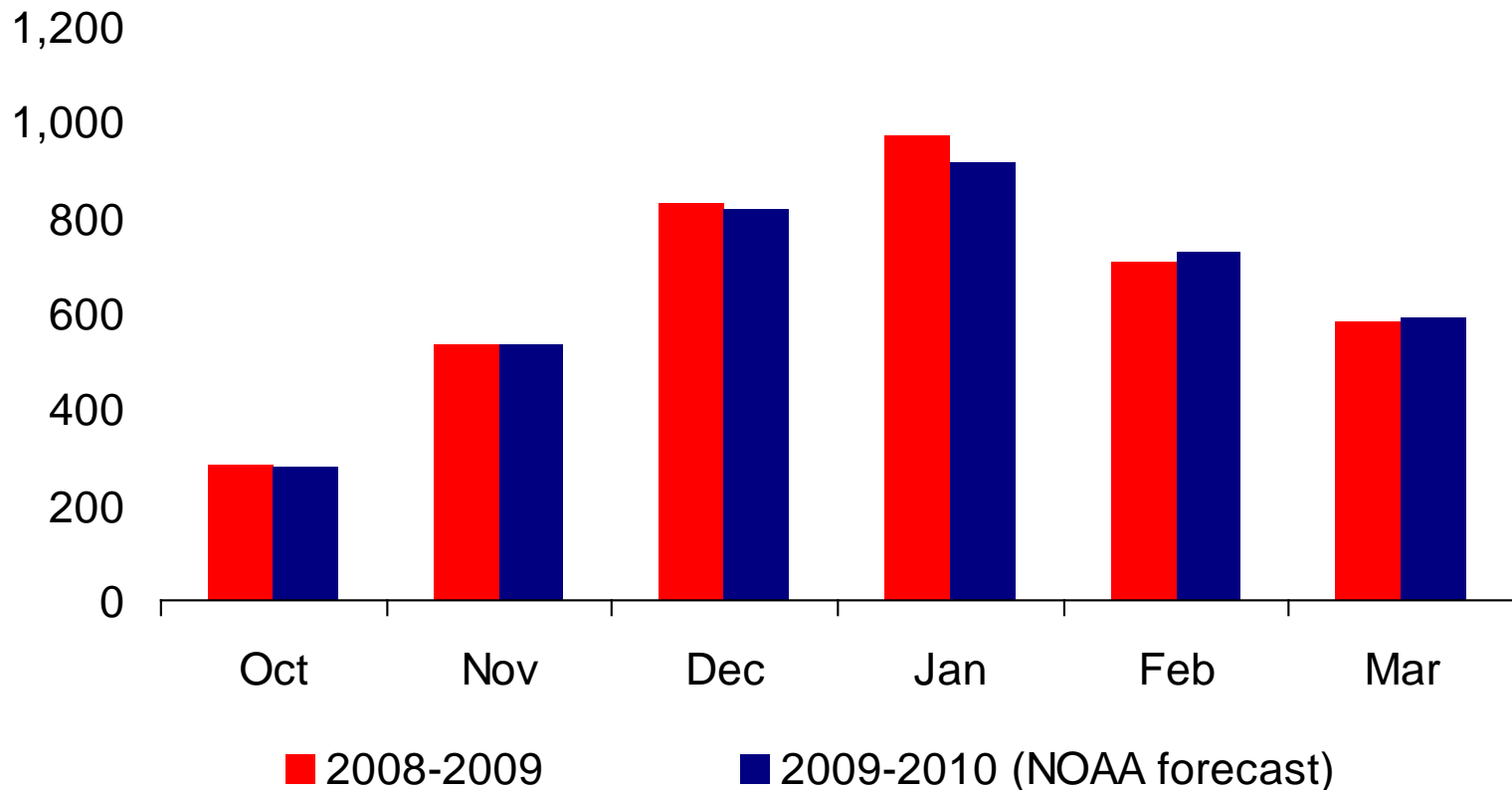
Fuel bill	Base case	If 10% warmer than forecast	If 10% colder than forecast
Heating oil	-2	-13	10
Natural gas	-12	-21	-5
Propane	-14	-22	-6
Electricity	-2	-6	2
Average all fuels	-8	-16	-2

Source: STEO October 2009.



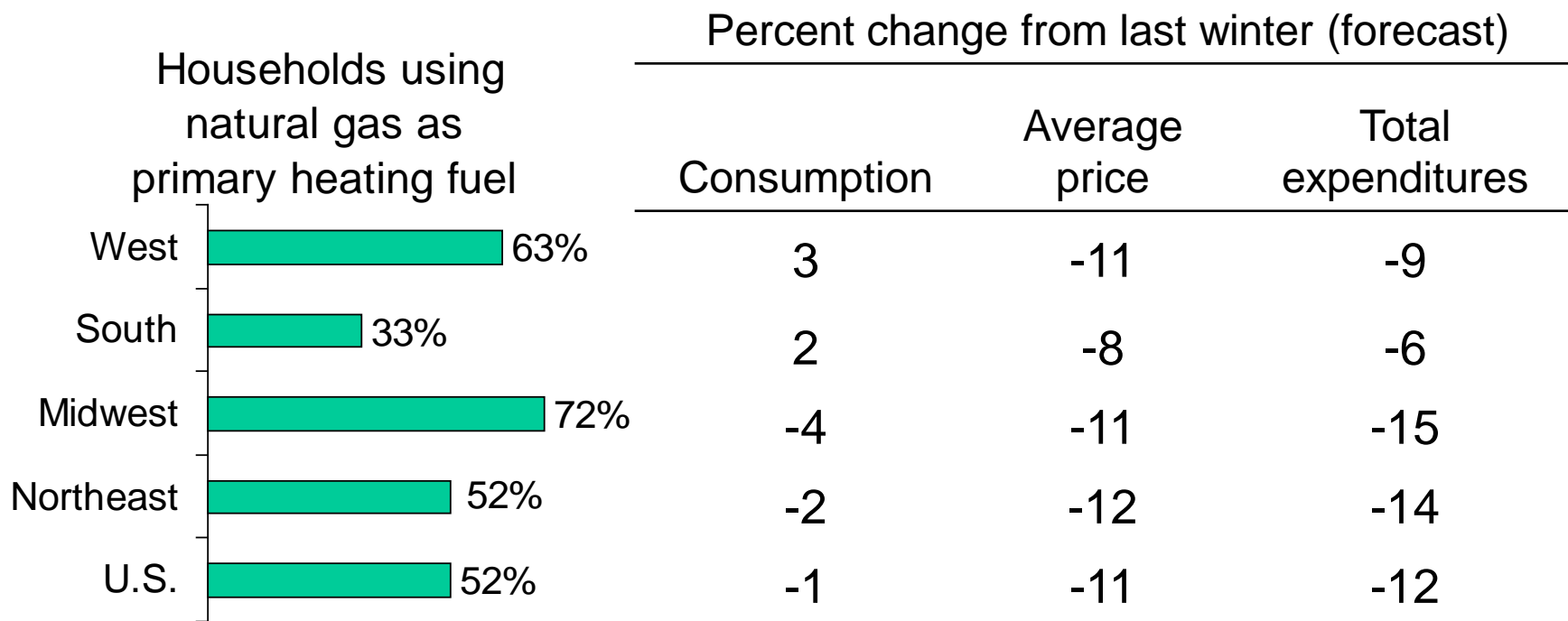
NOAA expects winter 2009-10 to be 1% warmer than last winter, and 1% warmer than 30-year average

U.S. population-weighted heating degree-days



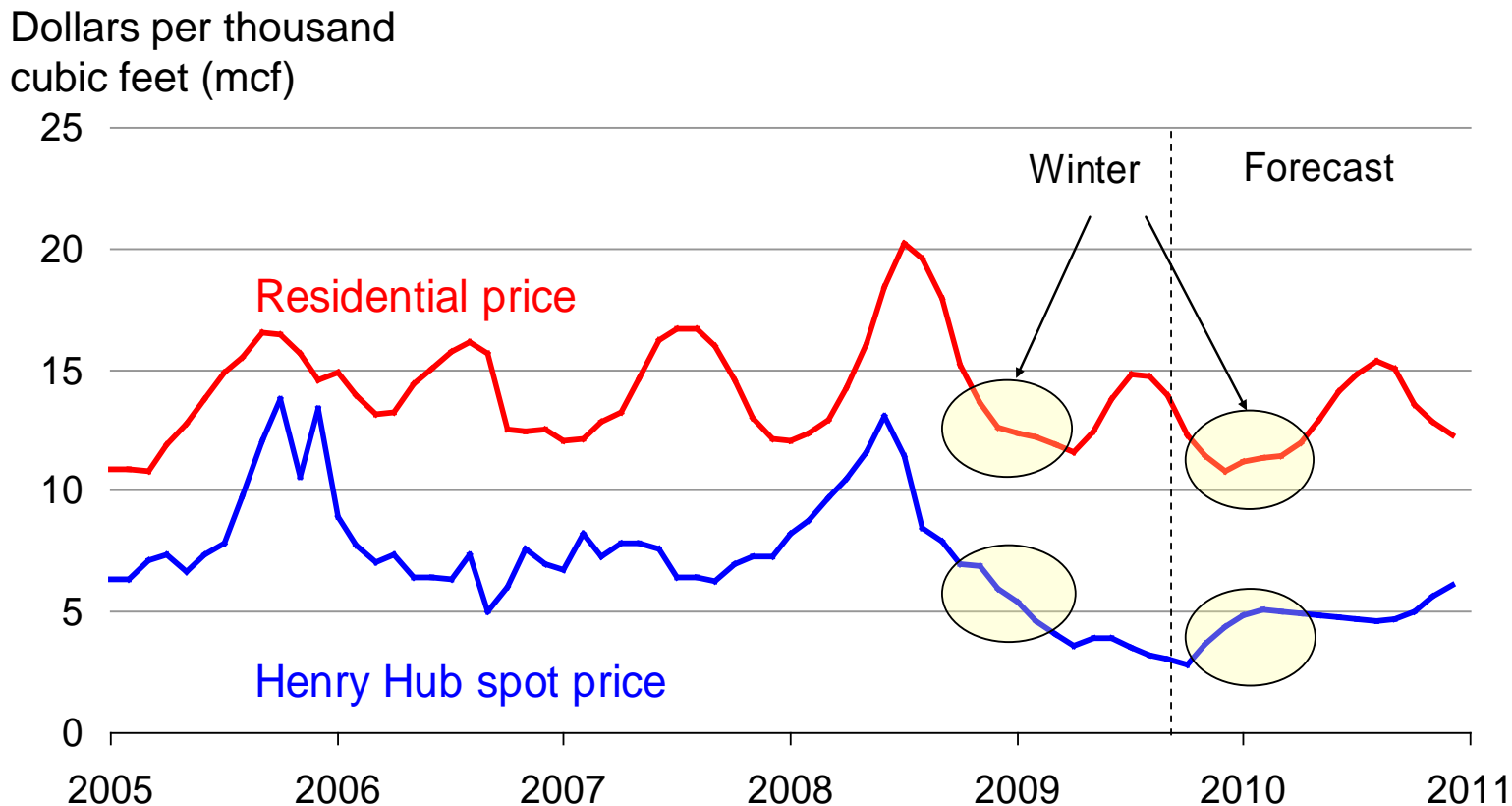
Source: NOAA (September 16, 2009).

Lower natural gas heating bills for all regions this winter



Source: STEO October 2009.

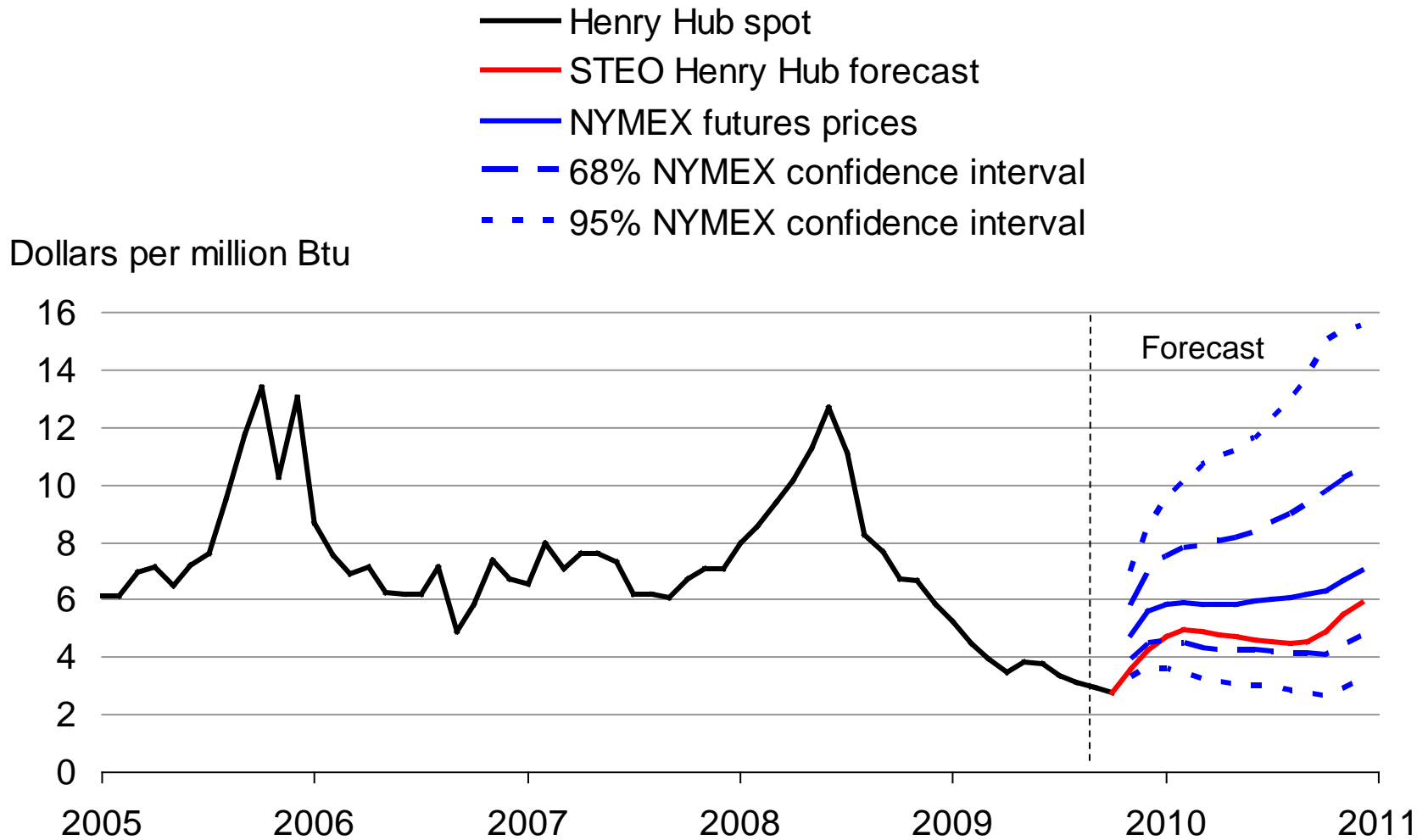
EIA expects residential natural gas prices to be 11% lower this winter



Source: STEO October 2009.



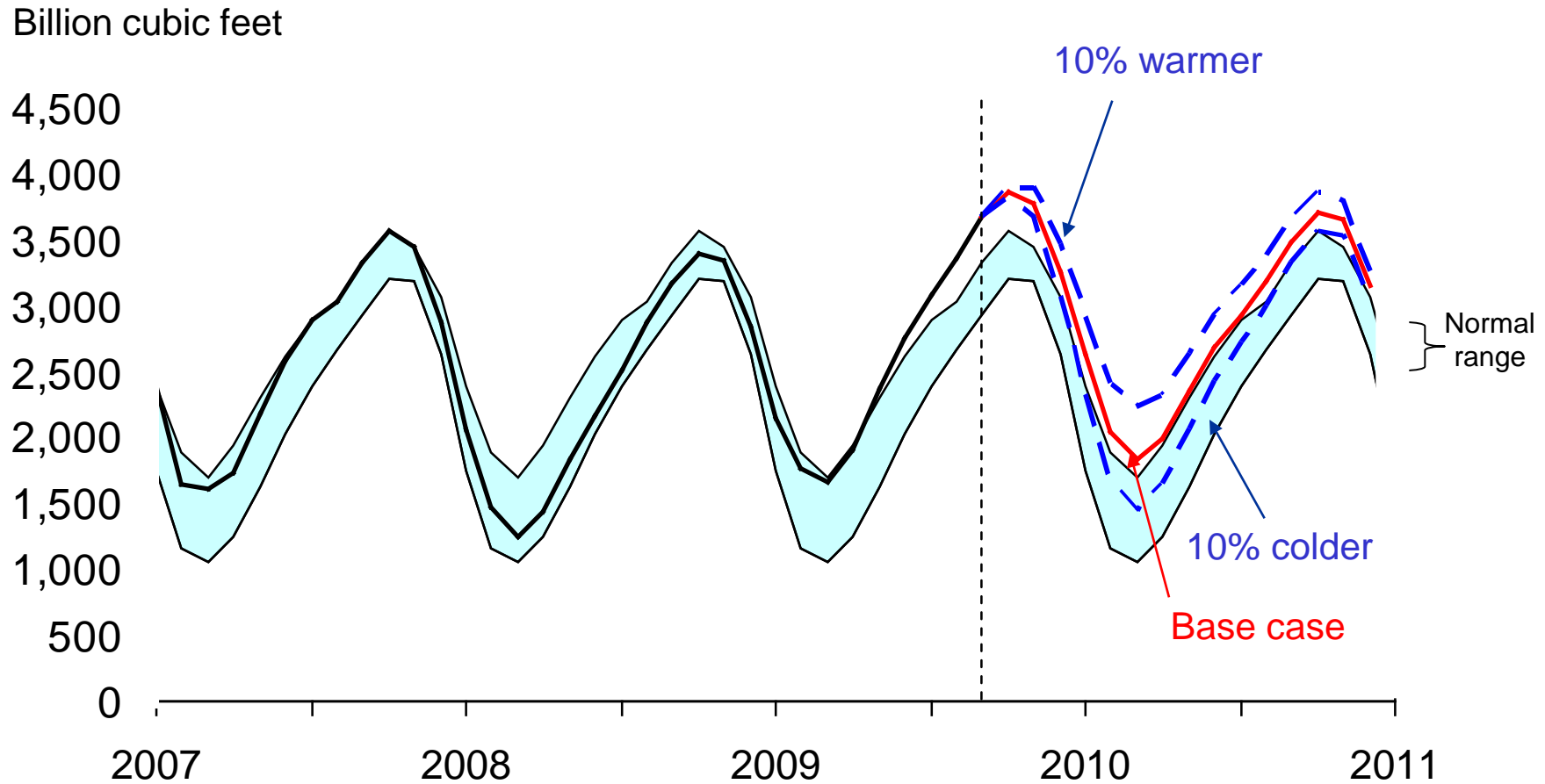
Henry Hub spot prices remain highly uncertain



Source: STEO October 2009.



Natural gas inventories have reached record-high levels



Source: STEO October 2009.

Propane fuel bills expected to fall in all regions

Households using propane as primary heating fuel

West 4%

South 5%

Midwest 9%

Northeast 4%

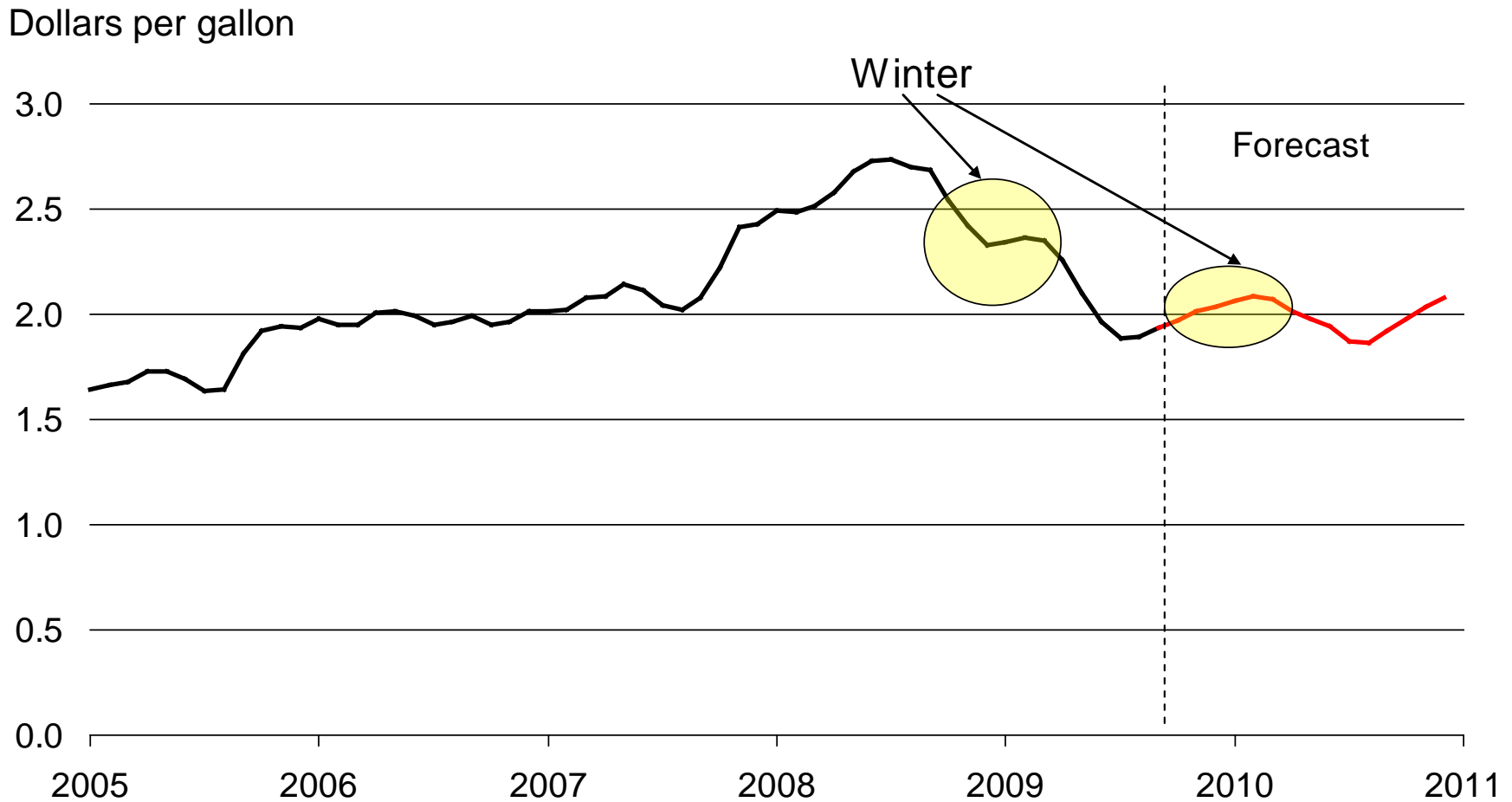
U.S. 6%

Percent change from last winter (forecast)

	Consumption	Average price	Total expenditures
West	4	-9	-5
South	1	-14	-12
Midwest	-4	-17	-21
Northeast	-2	-11	-13
U.S.	-1	-14	-14

Source: STEO October 2009.

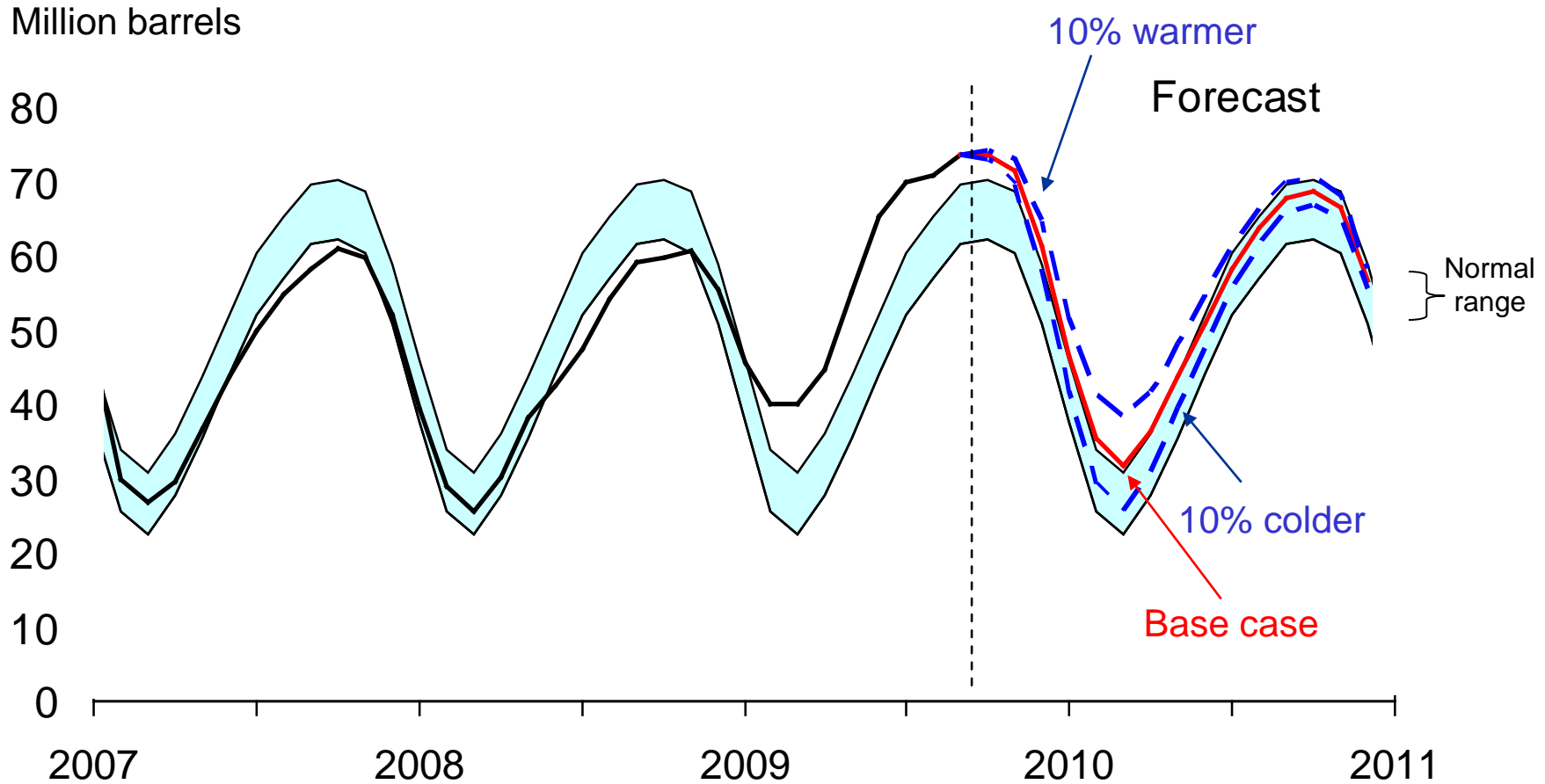
EIA forecasts residential propane prices will average 14% (32¢ per gallon) lower than last winter



Source: STEO October 2009.



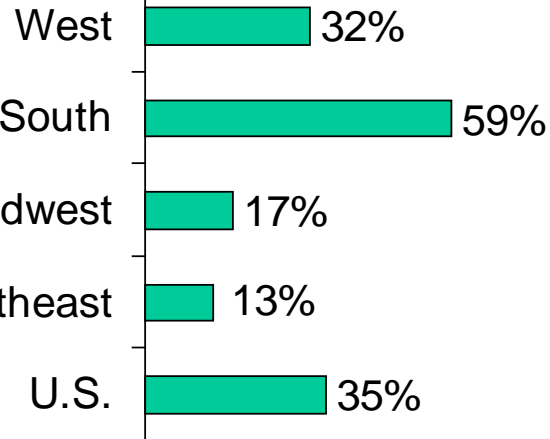
Propane inventories are high relative to normal range



Source: STEO October 2009.

Projected winter electricity bills show little change from last winter

Households using electricity as primary heating fuel



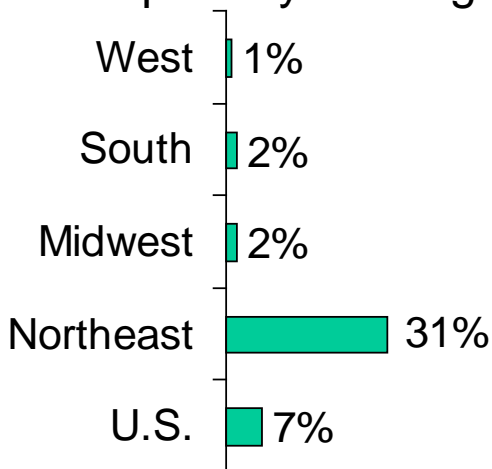
Percent change from last winter (forecast)

	Consumption	Average price	Total expenditures
West	2	0	2
South	1	-4	-3
Midwest	-3	-1	-4
Northeast	-1	-1	-2
U.S.	0	-2	-2

Source: STEO October 2009.

Winter heating oil bills to fall slightly in Northeast and South, but increase in other regions

Households using heating oil as primary heating fuel

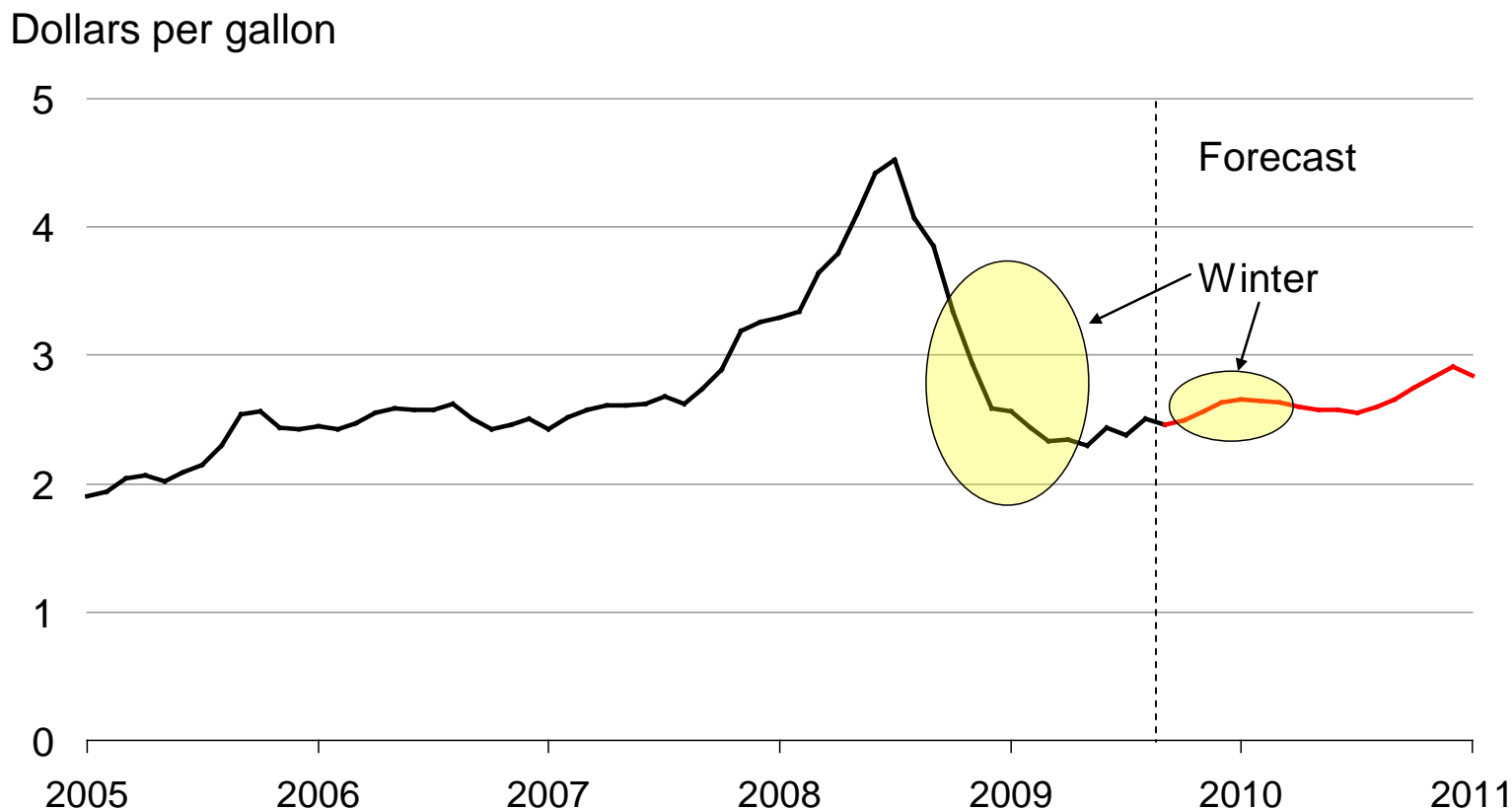


Percent change from last winter (forecast)

	Consumption	Average price	Total expenditures
West	2	10	12
South	-2	0	-1
Midwest	-5	11	6
Northeast	-2	-1	-3
U.S.	-2	0	-2

Source: STEO October 2009.

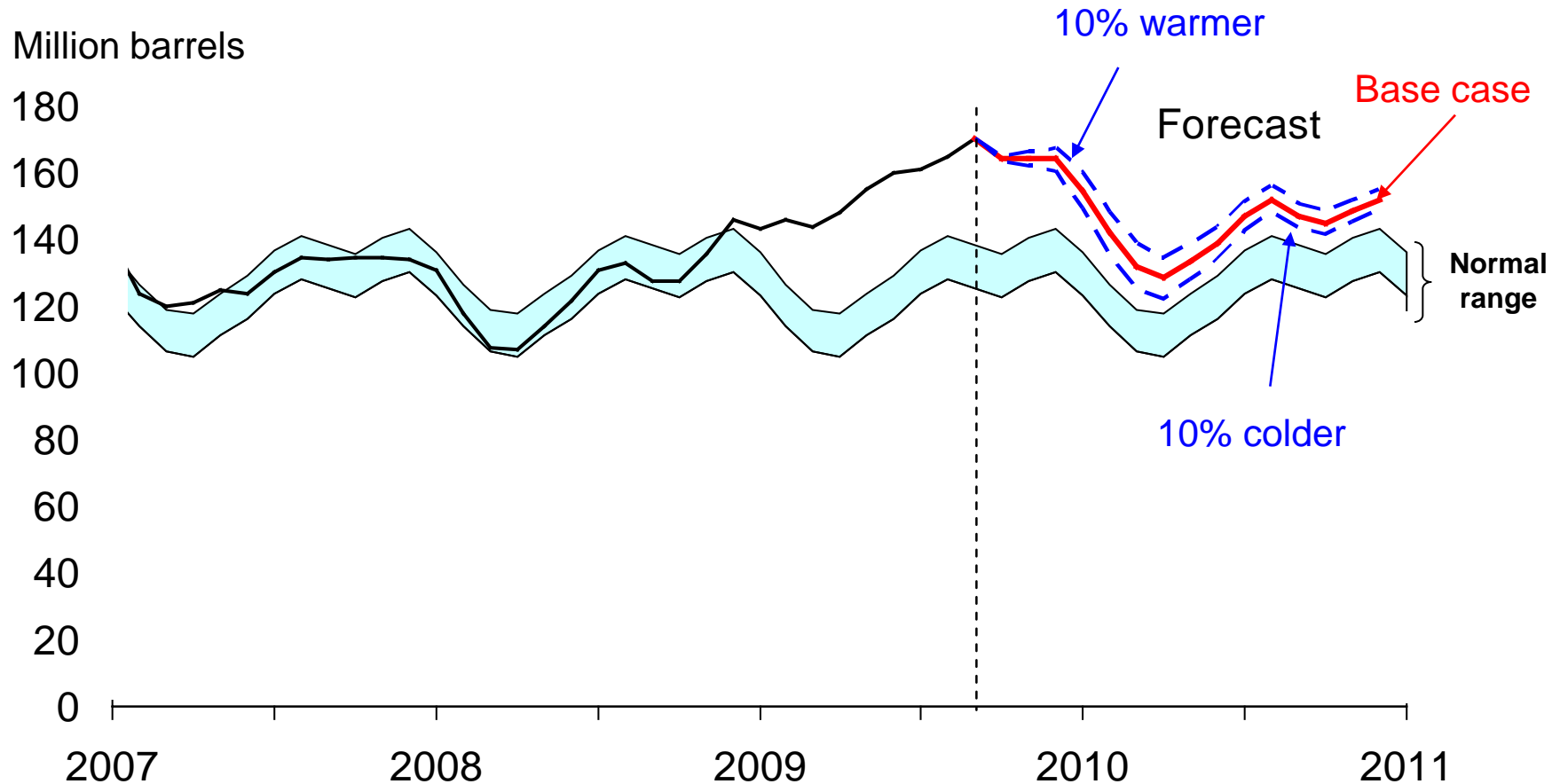
U.S. heating oil retail price forecast to average about the same as last winter



Source: STEO October 2009

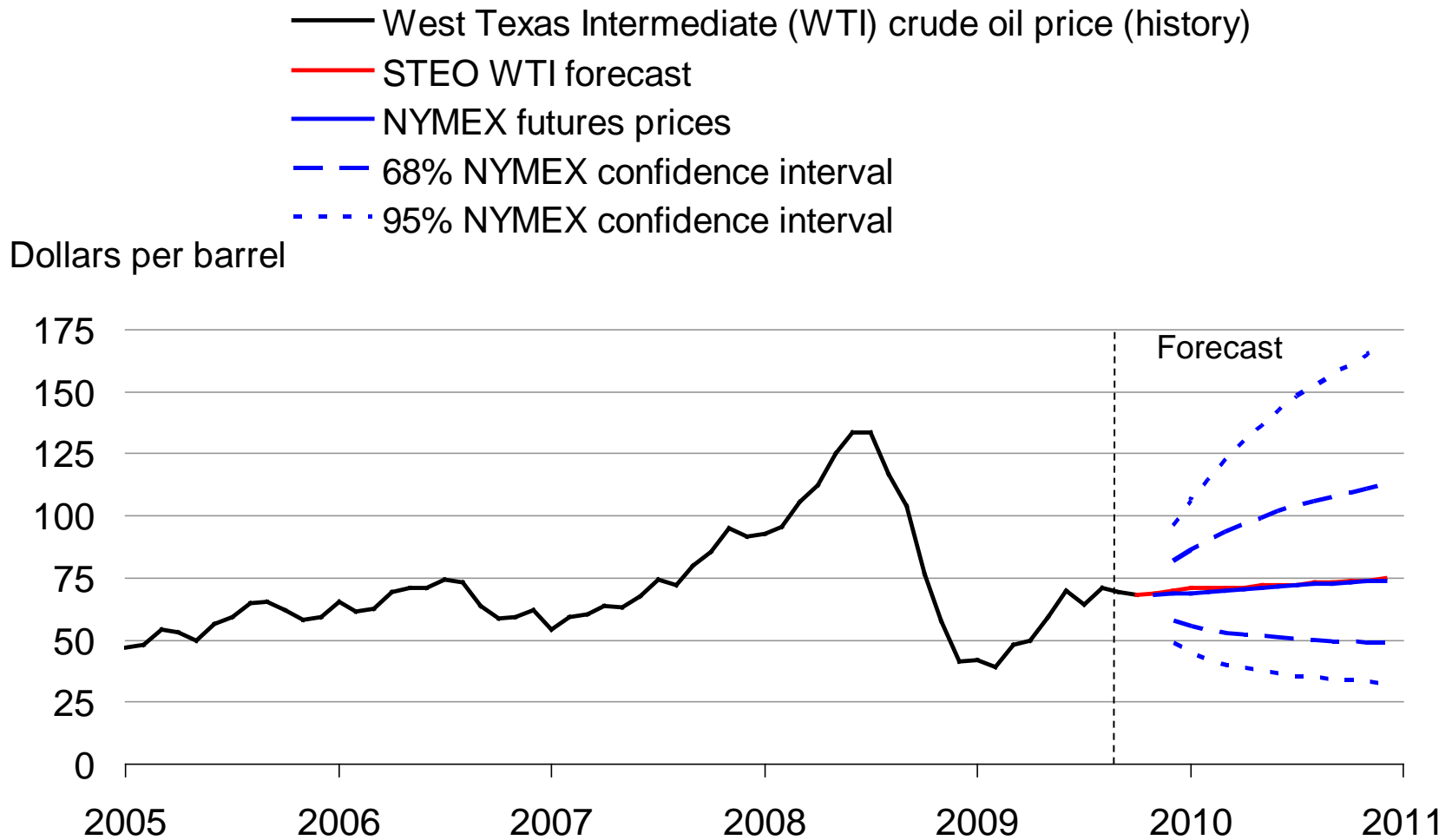


Going into winter, distillate inventories are well above the 5-year average



Source: STEO October 2009.

EIA expects crude oil prices will remain near current levels, but uncertainty is high



Source: STEO October 2009.



Oil prices relate to many uncertain factors



EIA recently launched the *Energy and Financial Markets Initiative* to track all the factors affecting energy prices

The Initiative has four main components relating to

1. Collection of critical energy information to improve market transparency
2. Analysis of energy and financial market dynamics
3. Outreach to experts and the public
4. Coordination with other Federal agencies

For more information

Energy Information Administration home page	www.eia.doe.gov
Short-Term Energy Outlook	www.eia.doe.gov/emeu/steo/pub/contents.html
Annual Energy Outlook	www.eia.doe.gov/oiaf/aeo/index.html
International Energy Outlook	www.eia.doe.gov/oiaf/ieo/index.html
Monthly Energy Review	www.eia.doe.gov/emeu/mer/contents.html

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