

# Propane Market Update



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*February 22, 2018 | Washington, DC*

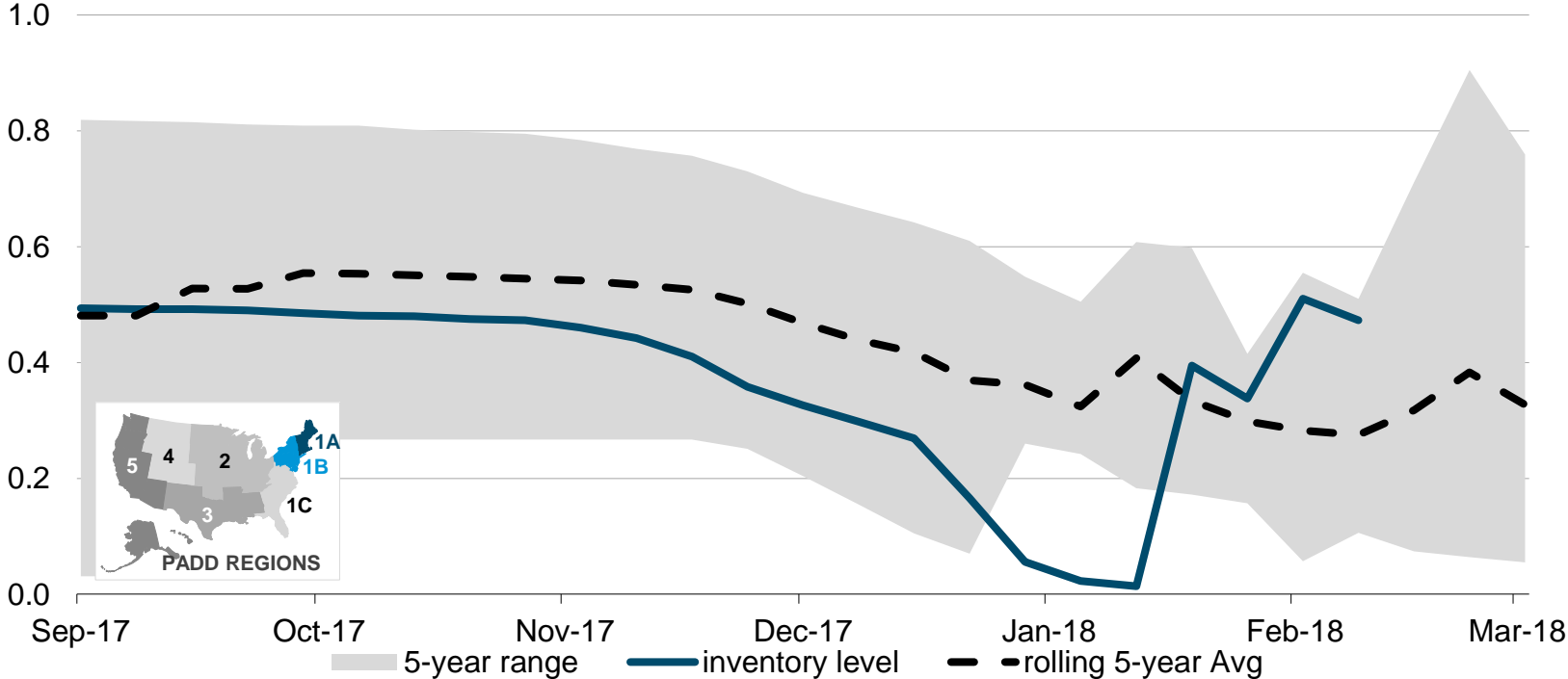
*(Inventory data as of 02/16/18; residential heating fuel prices as of 02/19/18)*

*By*

*U.S. Energy Information Administration*

# PADD 1A (New England) propane inventories above the 5-year average

PADD1A propane\* inventories  
million barrels

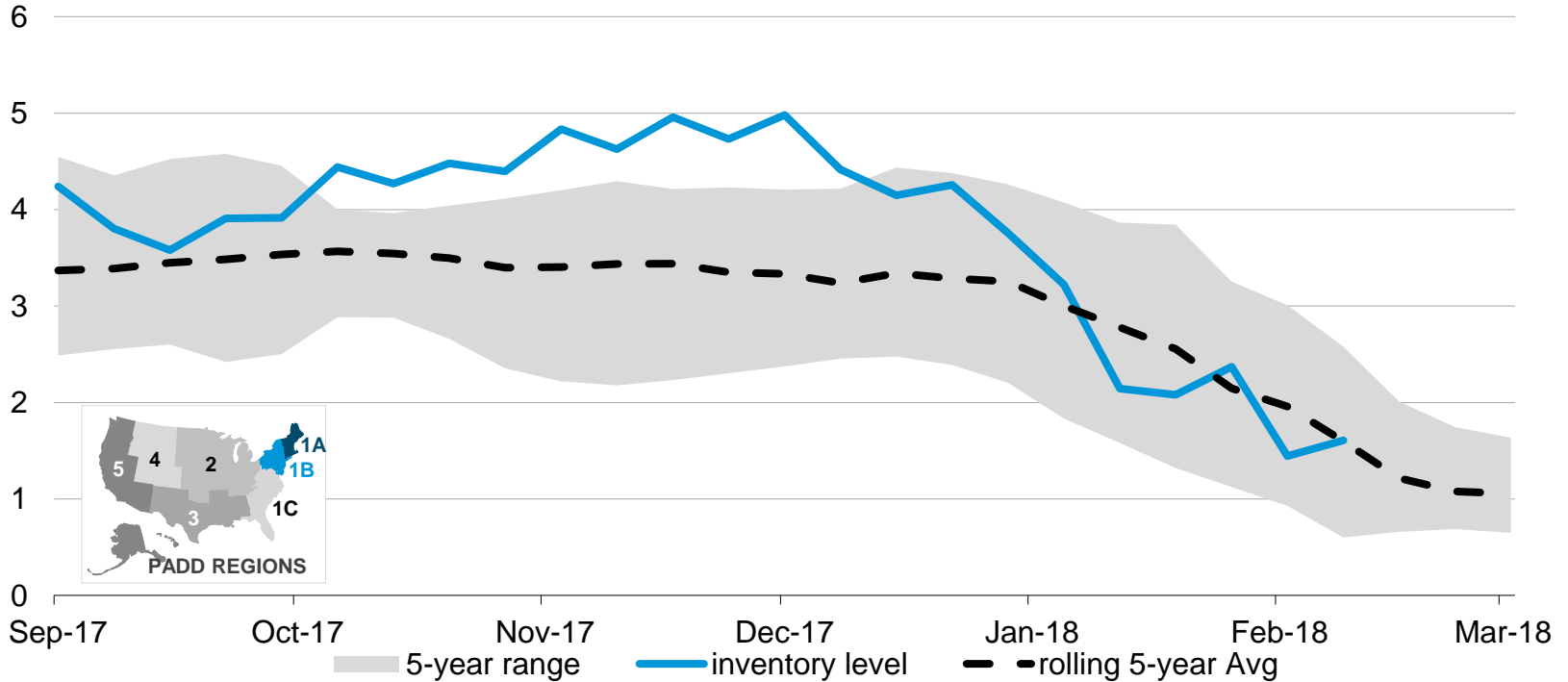


Source: EIA, Weekly Petroleum Status Report, data through February 16, 2018

\*propane/propylene for fuel use only

# PADD 1B (Mid-Atlantic) propane inventories at the 5-year average

PADD1B propane\* inventories  
million barrels

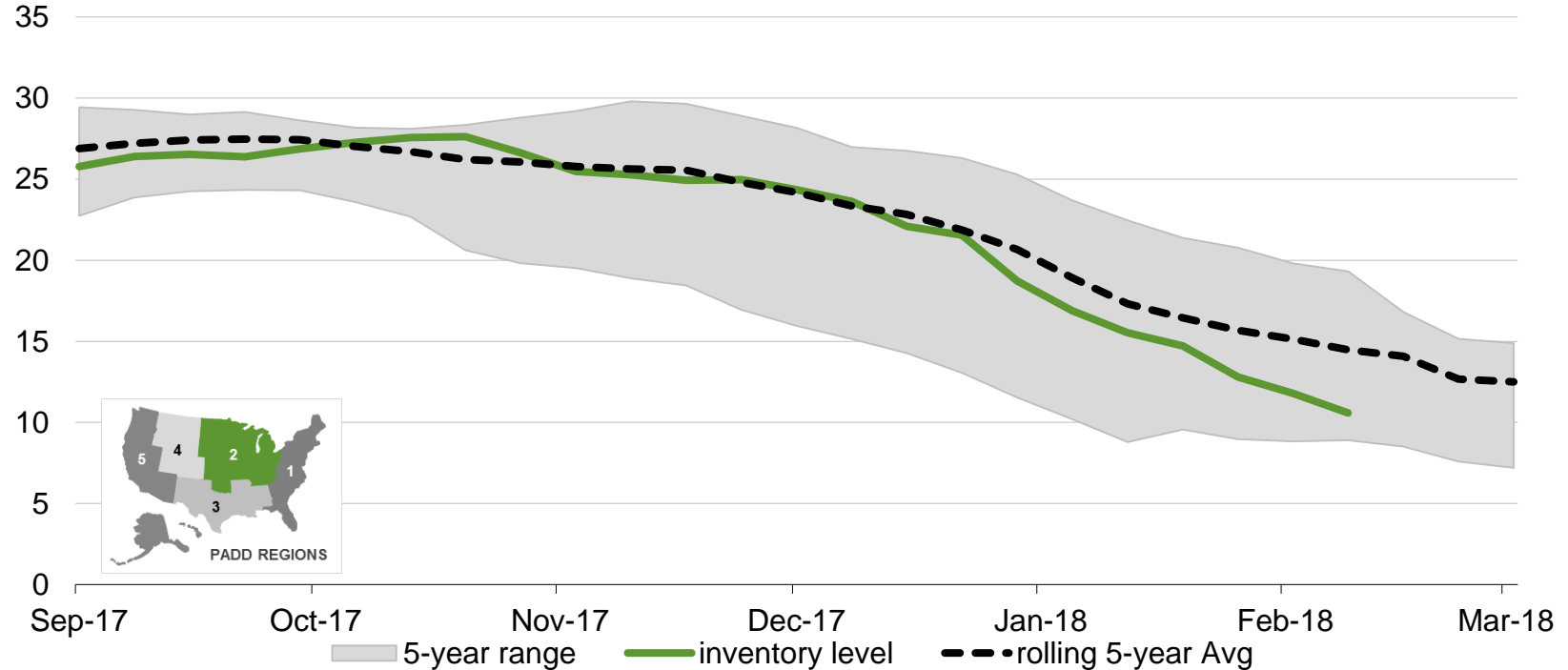


Source: EIA, Weekly Petroleum Status Report, data through February 16, 2018

\*propane/propylene for fuel use only

# PADD 2 (Midwest) propane inventories within the 5-year range

PADD 2 propane\* inventories  
million barrels



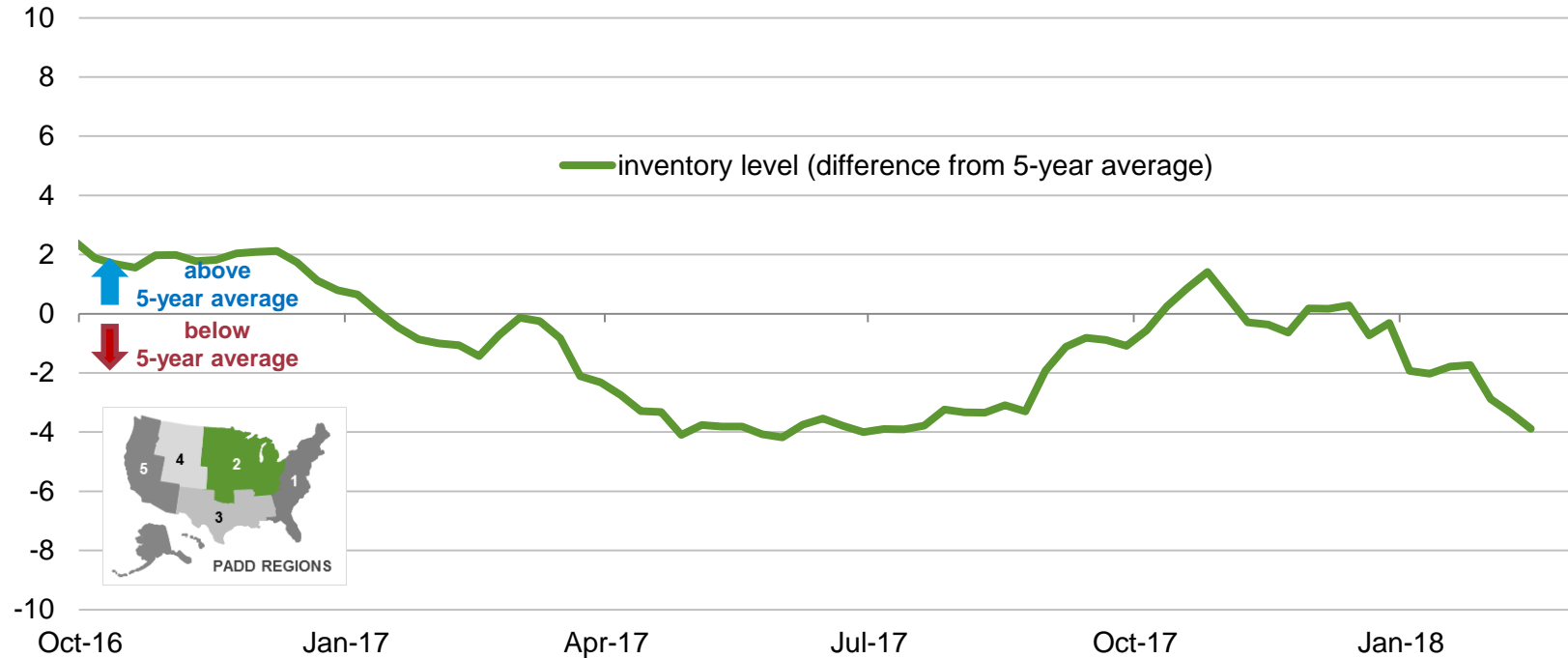
Source: EIA, Weekly Petroleum Status Report, data through February 16, 2018

\*propane/propylene for fuel use only

# PADD 2 (Midwest) propane inventories below 5-year-average levels

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

million barrels

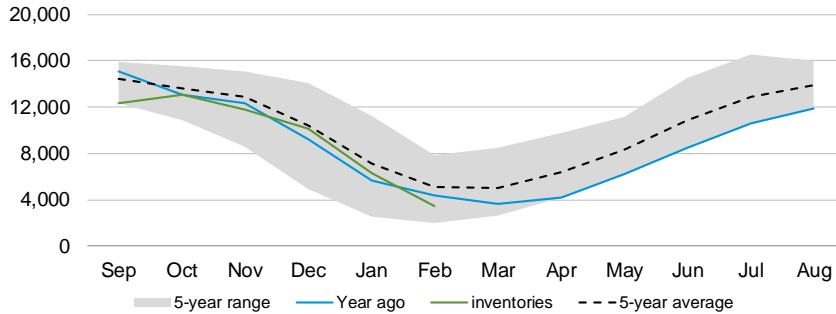


Source: EIA, Weekly Petroleum Status Report, data through February 16, 2018

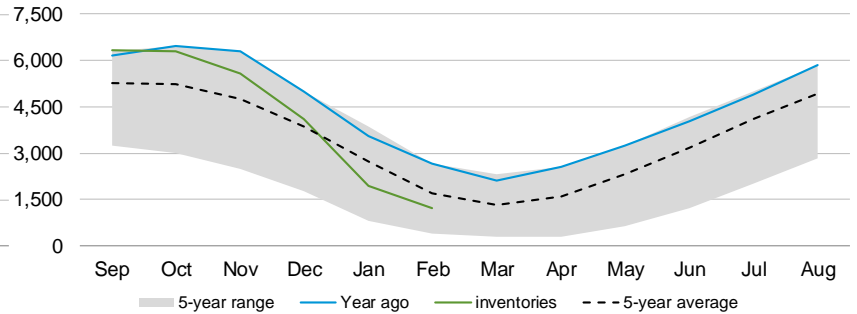
\*propane/propylene for fuel use only

# Selected state propane\* inventories

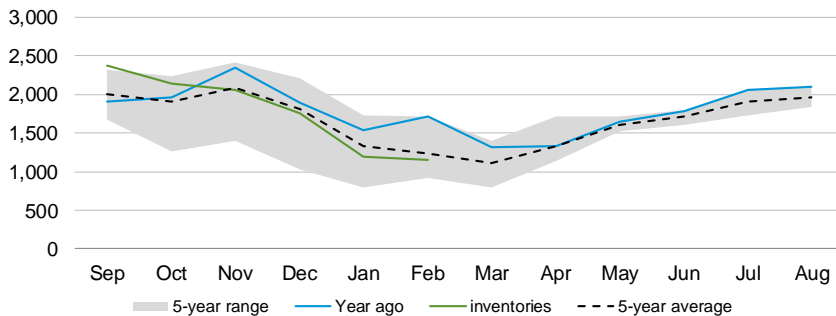
Kansas propane stocks  
thousand bbls



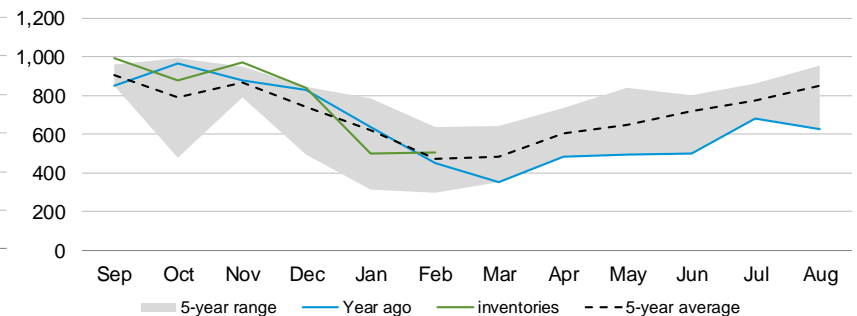
Michigan propane stocks  
thousand bbls



Illinois, Indiana, Ohio propane stocks  
thousand bbls



Iowa, Minnesota, Wisconsin propane stocks  
thousand bbls



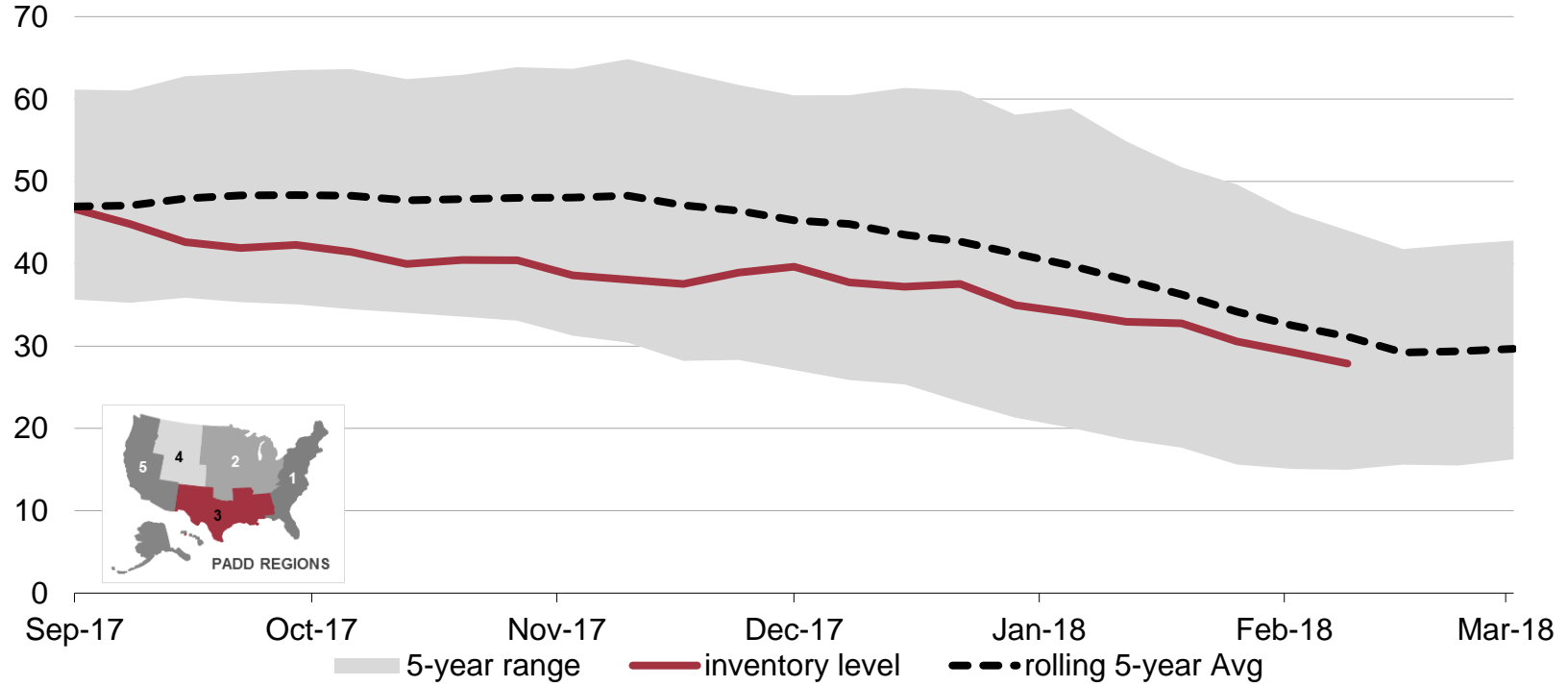
Source: EIA, Weekly Petroleum Status Report, data through Feb. 16, 2018

\*propane/propylene for fuel use only; inventories include stocks at terminals, gas plants, and refineries only

# PADD 3 (Gulf Coast) propane inventories within the 5-year range

PADD 3 propane\* inventories

million barrels



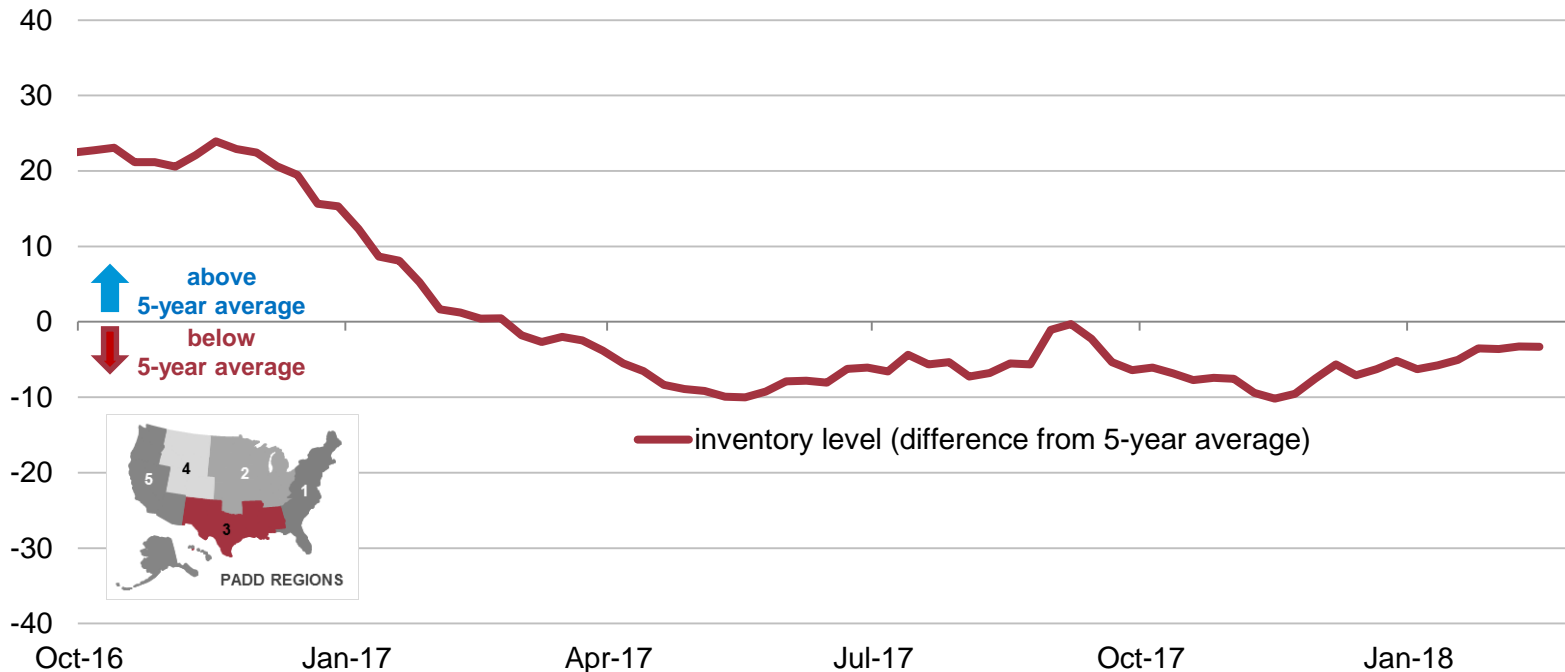
Source: EIA, Weekly Petroleum Status Report, data through February 16, 2018

\*propane/propylene for fuel use only

# PADD 3 (Gulf Coast) propane inventories below the 5-year average

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

million barrels



Source: EIA, Weekly Petroleum Status Report, data through February 16, 2018

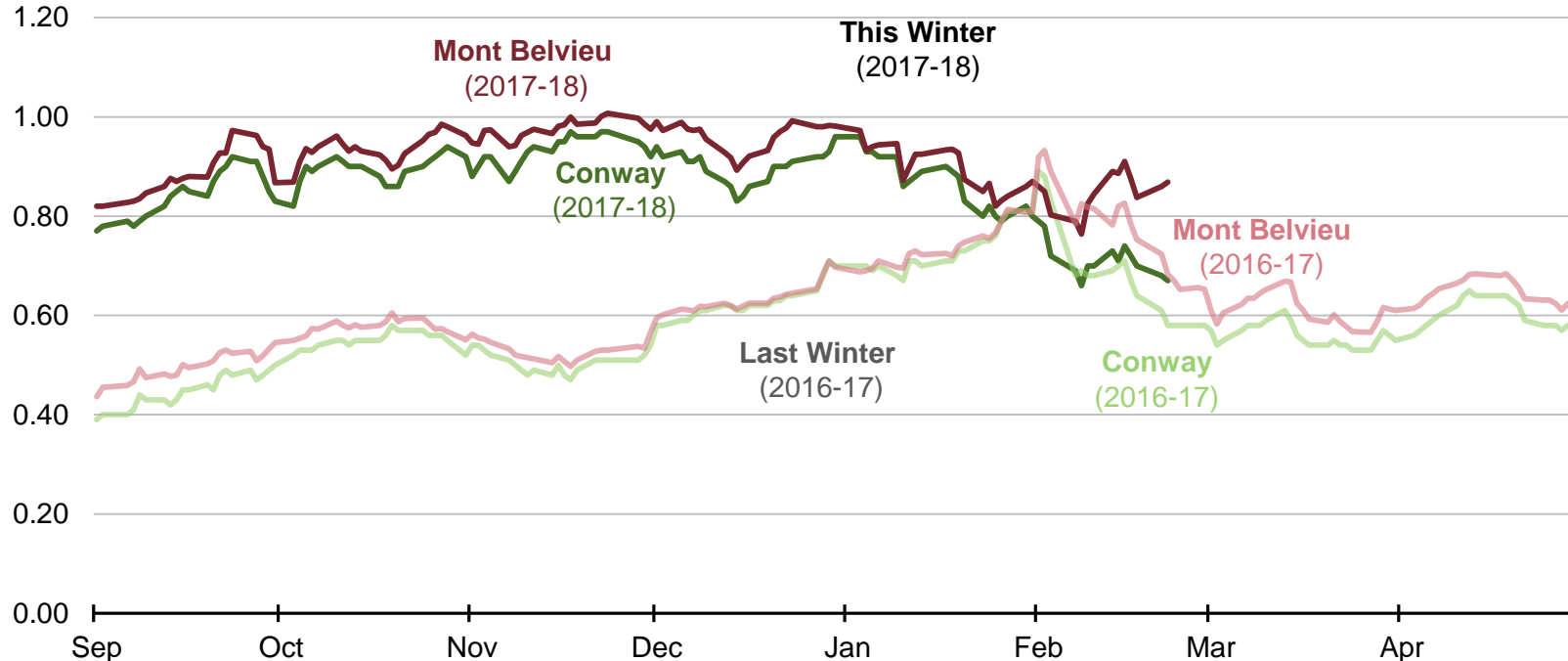
\*propane/propylene for fuel use only



# Propane spot prices above same time last year, but trending in opposite directions; Conway, KS discount to Mt. Belvieu, TX at ~20¢/gal

Propane spot prices (Conway, KS and Mont Belvieu, TX)

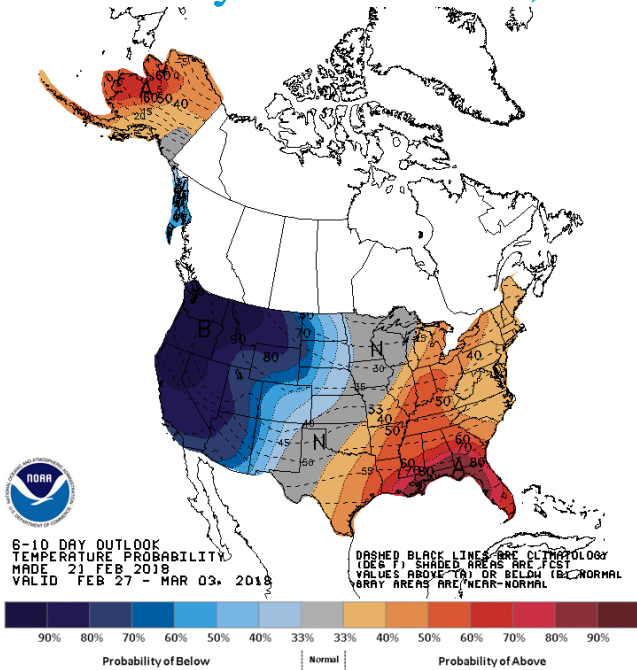
dollars per gallon



Source: EIA, Bloomberg, data through February 20, 2018

# NOAA's projected temperatures:

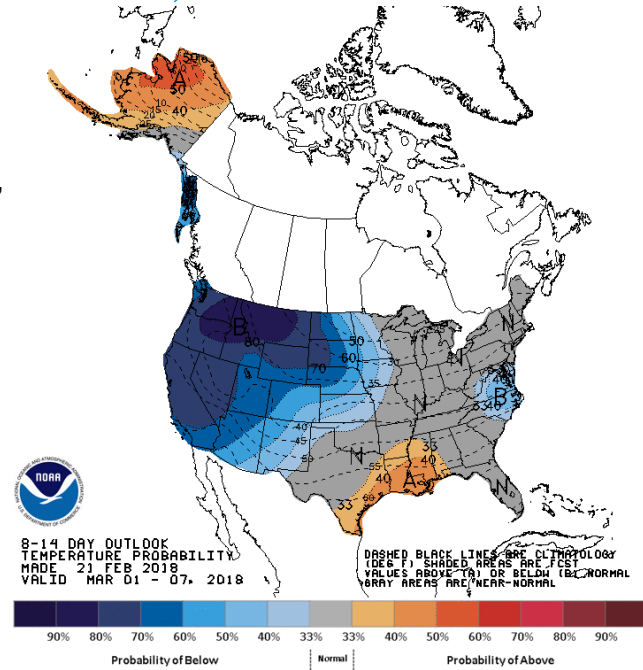
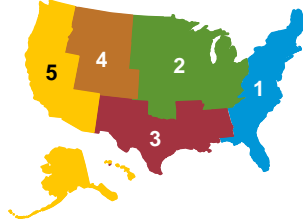
## February 27 – Mar. 3, 2018, and March 1 – Mar. 7, 2018



A = temperatures above normal  
N = equal chance that temperatures are above normal, normal, or below normal  
B = temperatures below normal

Source: [NOAA](#), Feb. 21, 2018

Petroleum Administration for Defense Districts (PADDs)

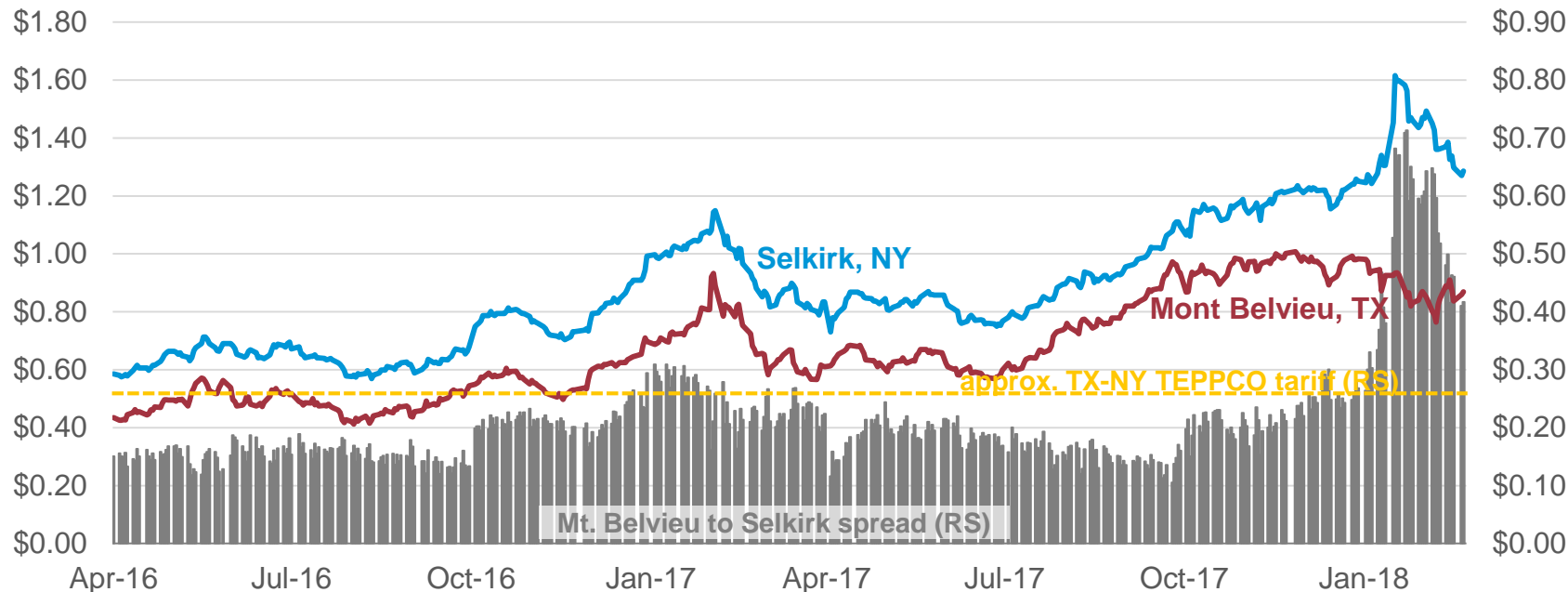


- NOAA projects the below-normal temperatures stretching from the West Coast across the Upper Midwest, with higher-than-normal temperatures in PADD1 and eastern portions of PADDs 2 and 3 to move east, with below-normal and normal temperatures across the Lower-48, aside from above-normal temperatures along the TX/LA Gulf Coast
- Heating fuel demand in PADDs 4 & 5 may rise above normal, with PADDs 1, 2, & 3 at normal levels for this time of year

# Generally, tariff on the TEPPCO\* pipeline sets the ceiling in the Northeast – unless marginal supply comes from overseas

propane spot prices  
dollars per gallon

propane price spread  
dollars per gallon



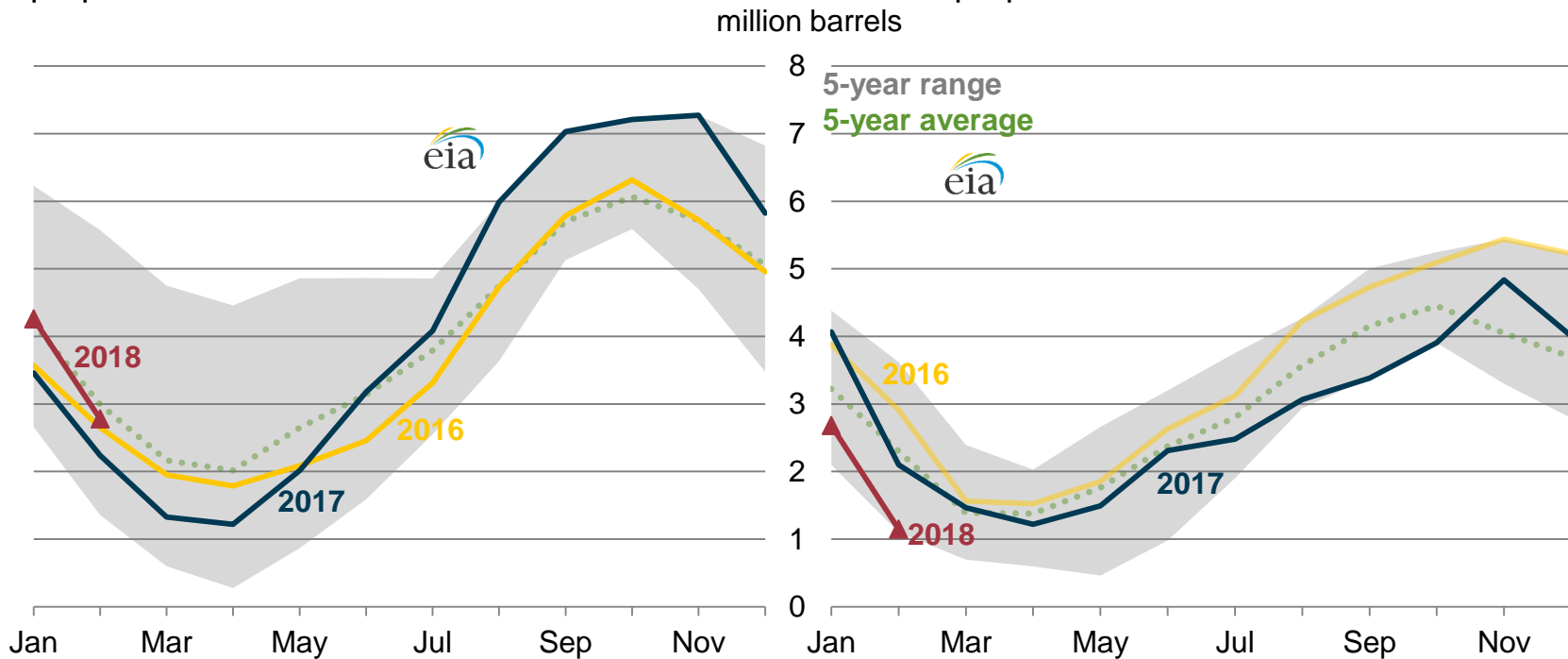
TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: EIA, Bloomberg, data through February 20, 2018; Enterprise Products Partners L.P., [Effective Tariffs](#), FERC No. 54.42.0

# Propane stocks in Canada declined 3 million barrels in January; Inventories in East now at bottom of 5-year range; Western stocks below 5-year average

propane inventories in Western Canada

propane inventories in Eastern Canada

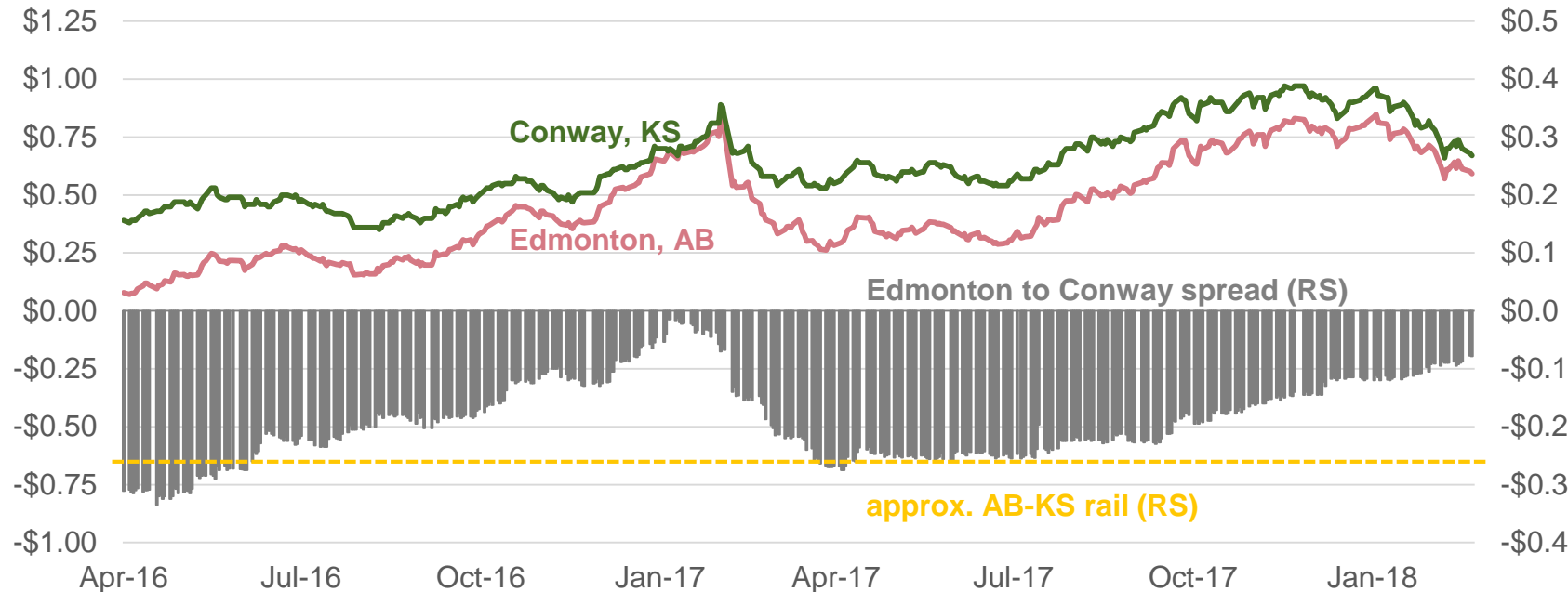


Source: Canada's [National Energy Board](#), February 21, 2018

# Discount for Alberta propane relative to Midwest hub in Kansas down to ~8¢/gal, as W. Canadian inventories continue to drop

propane spot prices  
dollars per gallon

propane price spread  
dollars per gallon



Source: EIA, Bloomberg, data through February 20, 2018

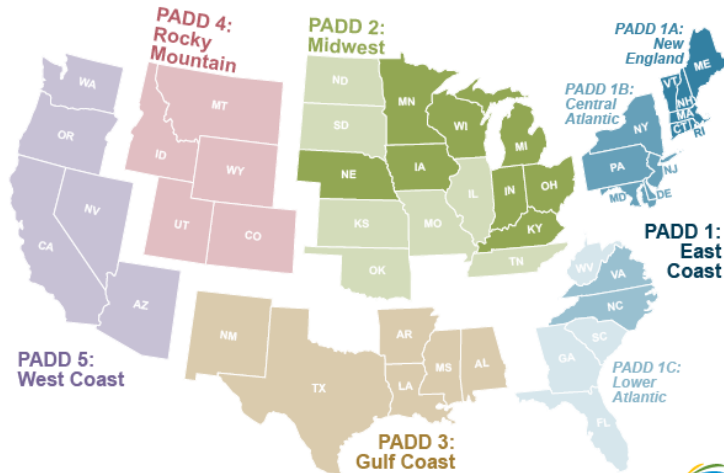
## State Heating Oil and Propane Program (SHOPP) updates

- 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 in propane price data collection
- 10 new states were added to the wholesale propane price survey in 2016. This should be taken into consideration when comparing the average prices for last year (2015-2016 season) for the U.S., PADD 1, PADD 1B, PADD 1C, and PADD 2 averages
- EIA is providing more granular inventory data to states on a weekly basis since the 2016/2017 heating season
- New winter fuels page provides easier access to state-level information:  
[www.eia.gov/special/heatingfuels](http://www.eia.gov/special/heatingfuels)

# Maps of states participating in Winter Fuels Survey

## Petroleum Administration for Defense Districts

Winter Heating Fuels Survey — PADD 1 and 2 represented States



### HEATING OIL



#### PADD 1: East Coast

**PADD 1A: New England**  
Connecticut New Hampshire  
Maine Rhode Island  
Massachusetts Vermont

**PADD 1B: Central Atlantic**  
Delaware New Jersey  
District of Columbia New York  
Maryland Pennsylvania

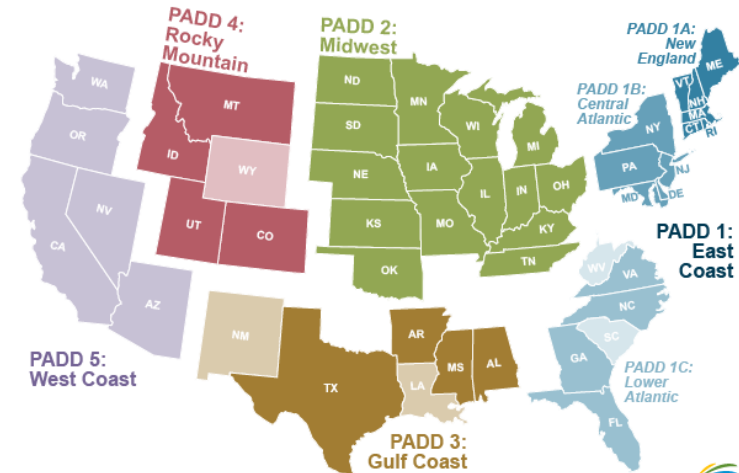
#### PADD 2: Midwest

Indiana Minnesota  
Iowa Nebraska  
Kentucky Ohio  
Michigan Wisconsin

**PADD 1C: Lower Atlantic**  
North Carolina Virginia

## Petroleum Administration for Defense Districts

Winter Heating Fuels Survey — PADD 1, 2, 3, and 4 represented States



### PROPANE



#### PADD 1: East Coast

**PADD 1A: New England**  
Connecticut  
Maine  
Massachusetts  
New Hampshire  
Rhode Island  
Vermont

**PADD 1B: Central Atlantic**  
Delaware  
Maryland  
New Jersey  
New York  
Pennsylvania

**PADD 1C: Lower Atlantic**  
Florida  
Georgia  
North Carolina  
Virginia

#### PADD 2: Midwest

Illinois Nebraska  
Indiana North Dakota  
Iowa Ohio  
Kansas Oklahoma  
Kentucky South Dakota  
Michigan Tennessee  
Minnesota Wisconsin  
Missouri

#### PADD 3: Gulf Coast

Alabama Mississippi  
Arkansas Texas

#### PADD 4: Rocky Mountain

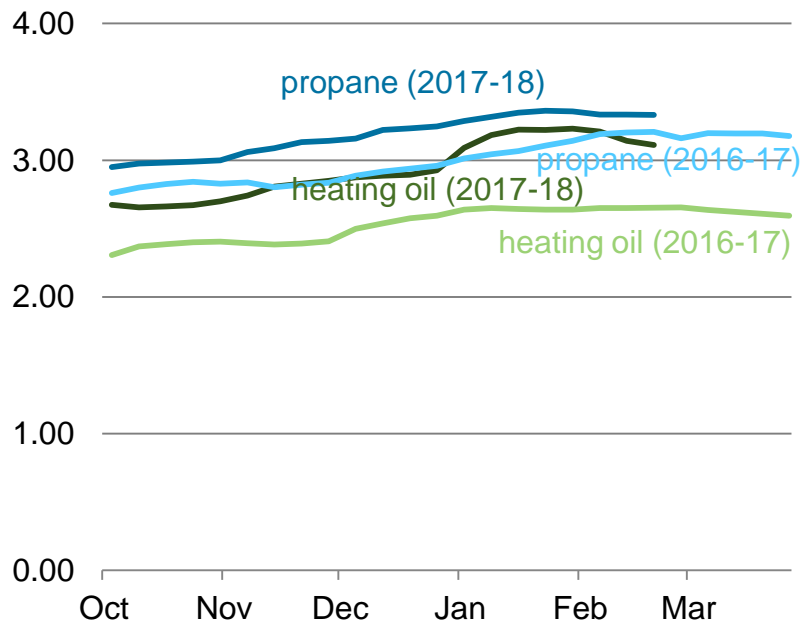
Colorado Montana  
Idaho Utah

Source: EIA, [Heating Oil and Propane Update](#)

# Retail propane prices this heating season in PADD 1 and PADD 2 are above prices reported for the same week last year

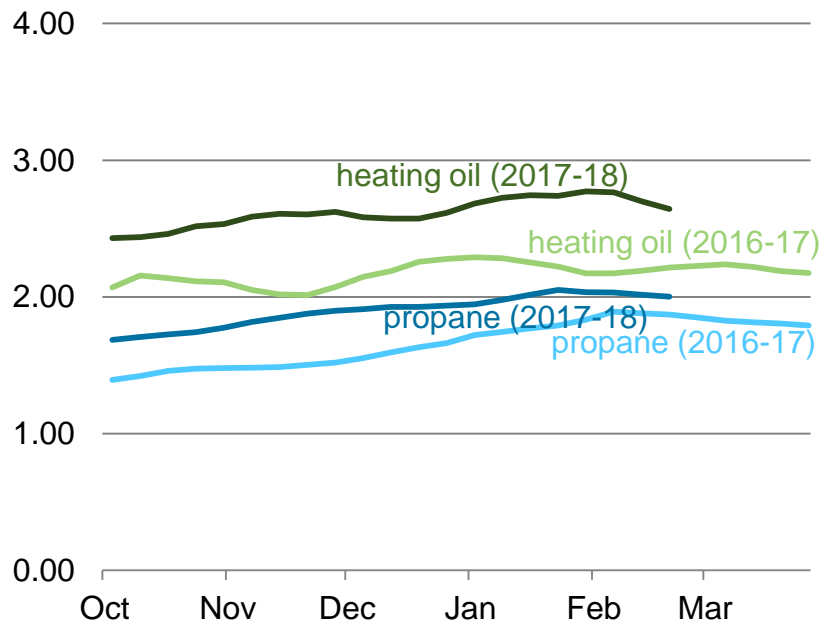
## PADD 1

dollars per gallon



## PADD 2

dollars per gallon

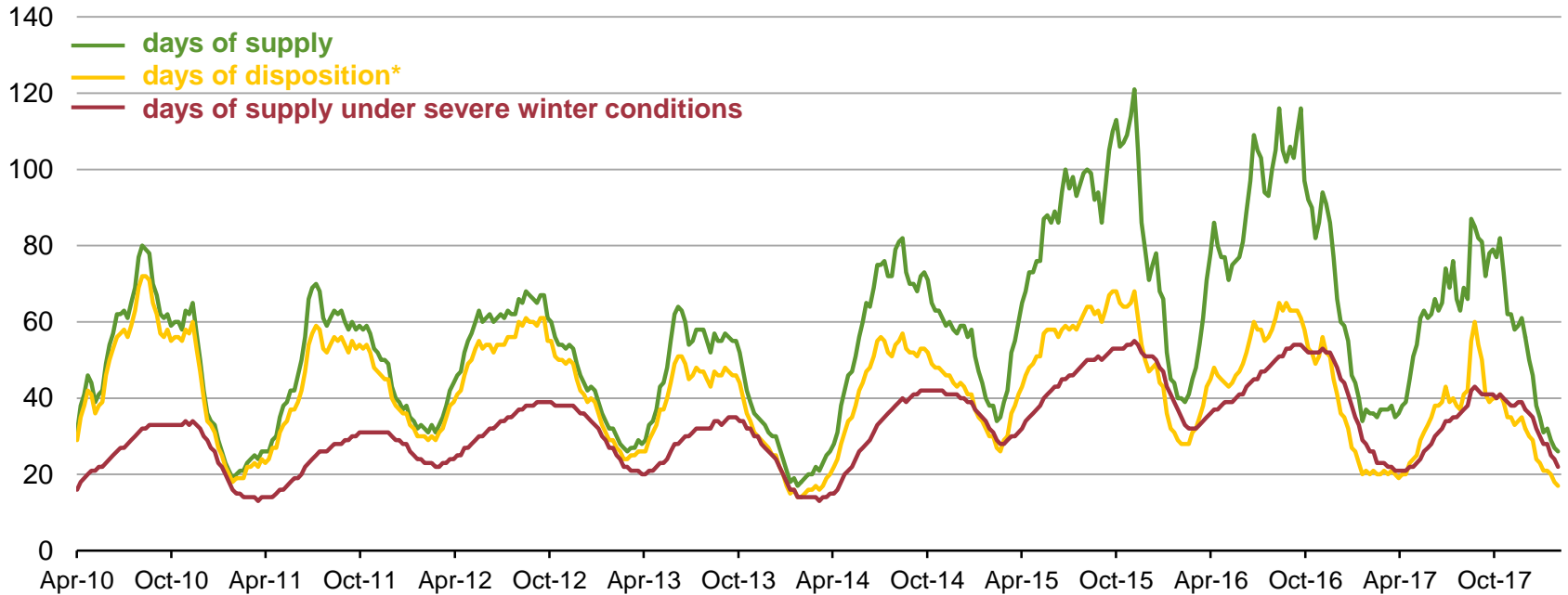


Source: State Heating Oil and Propane Program, data through February 19, 2018



# Various days-of supply/disposition measures

U.S. weekly stocks of propane  
days of supply & disposition



Note: \*disposition = domestic product supplied + exports

Source: U.S. Energy Information Administration, Weekly Petroleum Status Report, data through February 16, 2018

For more information, please see EIA's [webinar on Propane Market Indicators and Measures of Supply Adequacy](#)

## For more information

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

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

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

Movements of Propane by Rail |

[http://www.eia.gov/dnav/pet/pet\\_move\\_railNA\\_a\\_EPLLPA\\_RAIL\\_mbb1\\_m.htm](http://www.eia.gov/dnav/pet/pet_move_railNA_a_EPLLPA_RAIL_mbb1_m.htm)

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

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

Energy Explained – Hydrocarbon Gas Liquids |

[http://www.eia.gov/energyexplained/index.cfm?page=hgls\\_home](http://www.eia.gov/energyexplained/index.cfm?page=hgls_home)

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)