

# Winter Propane Market Update



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*February 21, 2019 | Washington, DC*

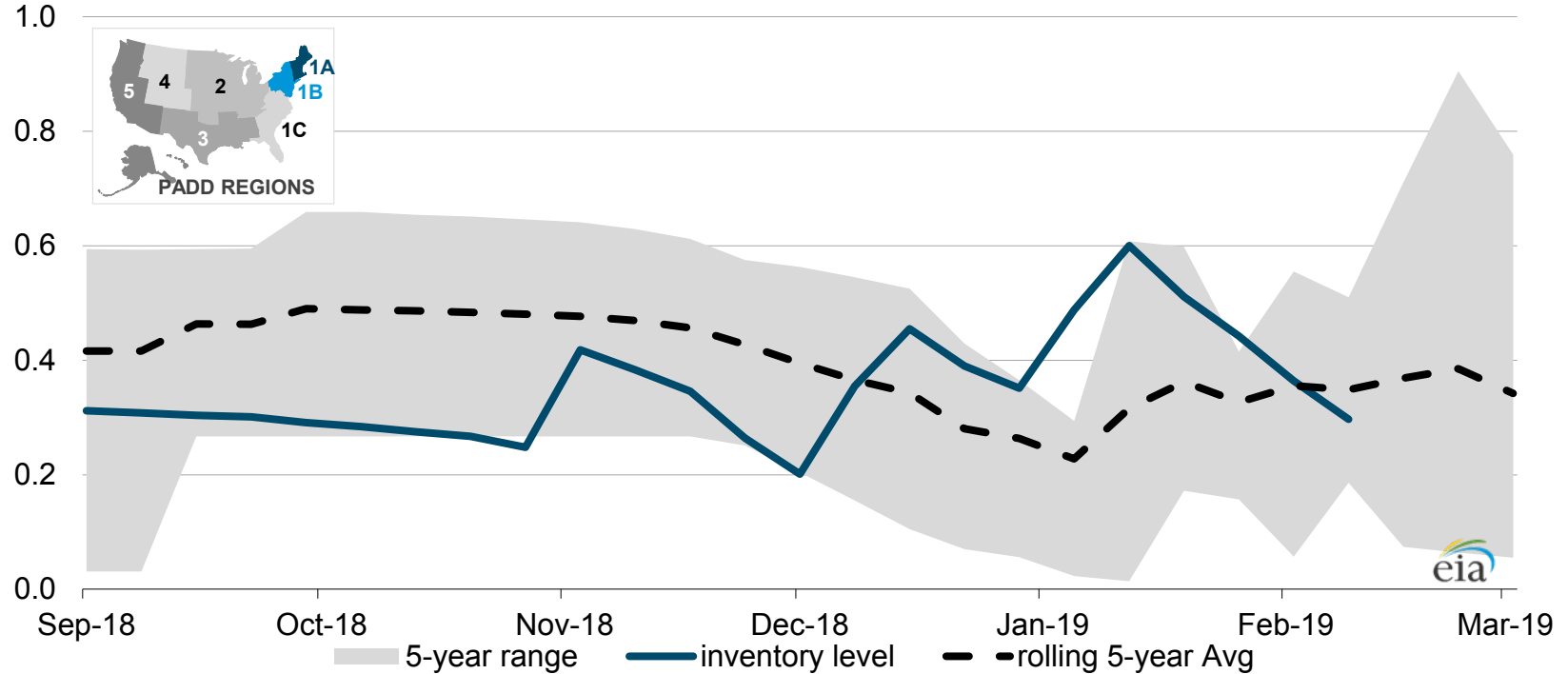
*(Inventory data as of 2/15/19; residential heating fuel prices as of 2/18/19)*

*By*

*U.S. Energy Information Administration*

# PADD 1A (New England) propane inventories within the 5-year range

PADD 1A propane\* inventories  
million barrels



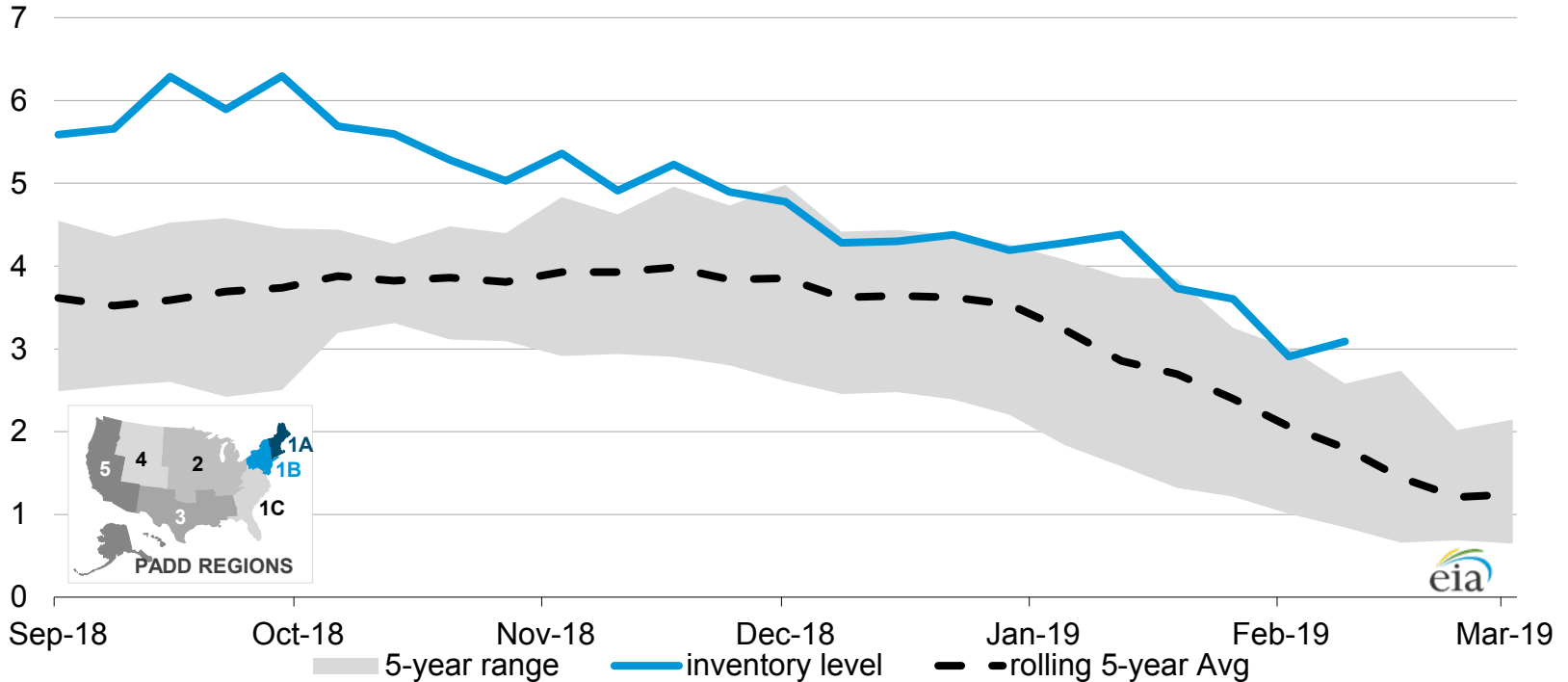
Source: EIA, Weekly Petroleum Status Report, data through February 15, 2019

\*propane/propylene for fuel use only

# PADD 1B (Mid-Atlantic) propane inventories above the 5-year range

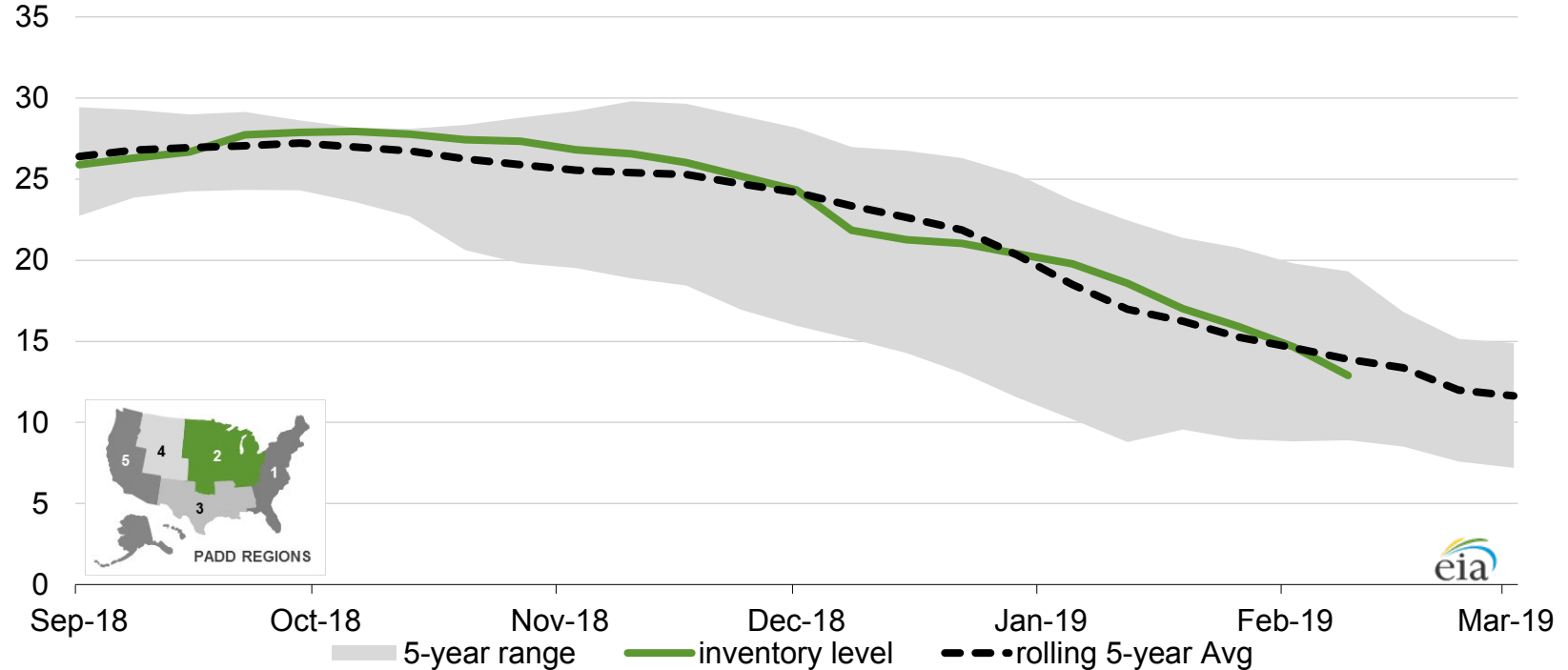
PADD 1B propane\* inventories

million barrels



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

PADD 2 propane\* inventories  
million barrels



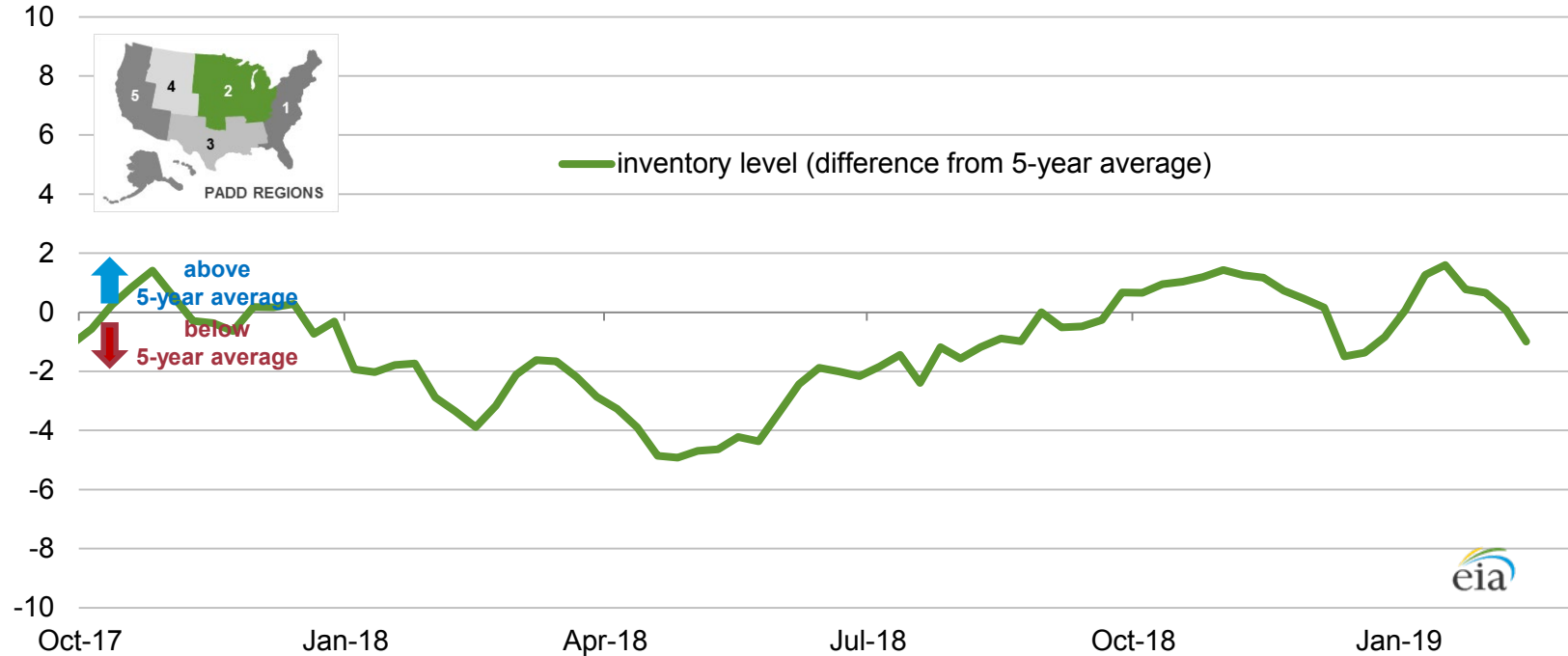
Source: EIA, Weekly Petroleum Status Report, data through February 15, 2019

\*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

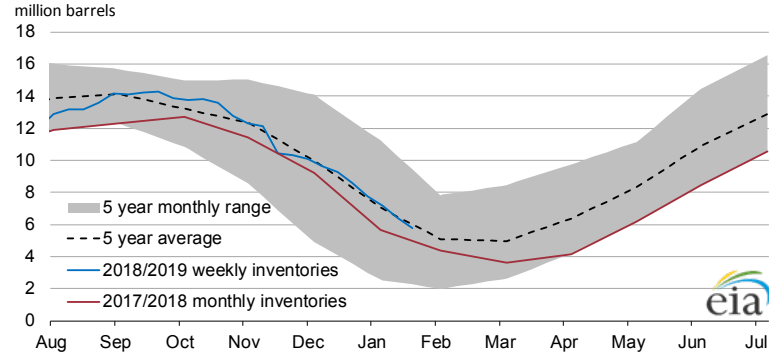


Source: EIA, Weekly Petroleum Status Report, data through February 15, 2019

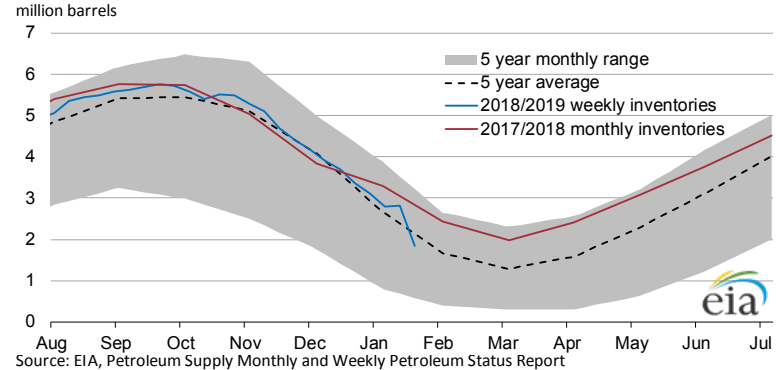
\*propane/propylene for fuel use only

# Selected state propane\* inventories

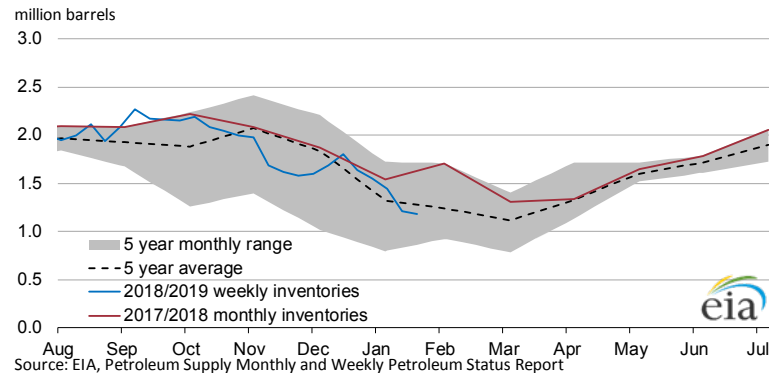
**Kansas propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)**



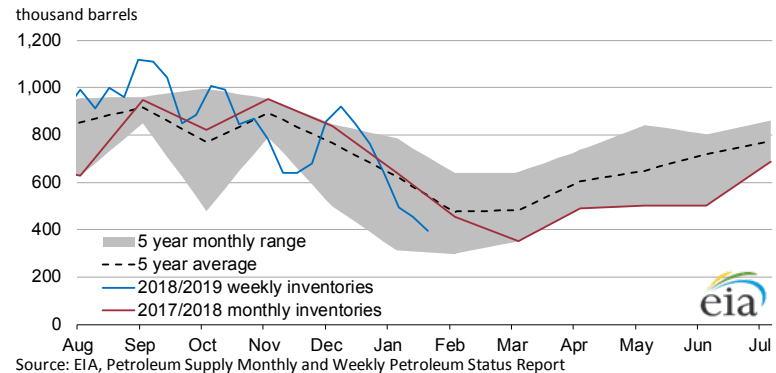
**Michigan propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)**



**Illinois, Indiana, Ohio propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)**



**Iowa, Minnesota, Wisconsin propane/propylene stock at refineries, terminals, and natural gas plants (not pipelines)**



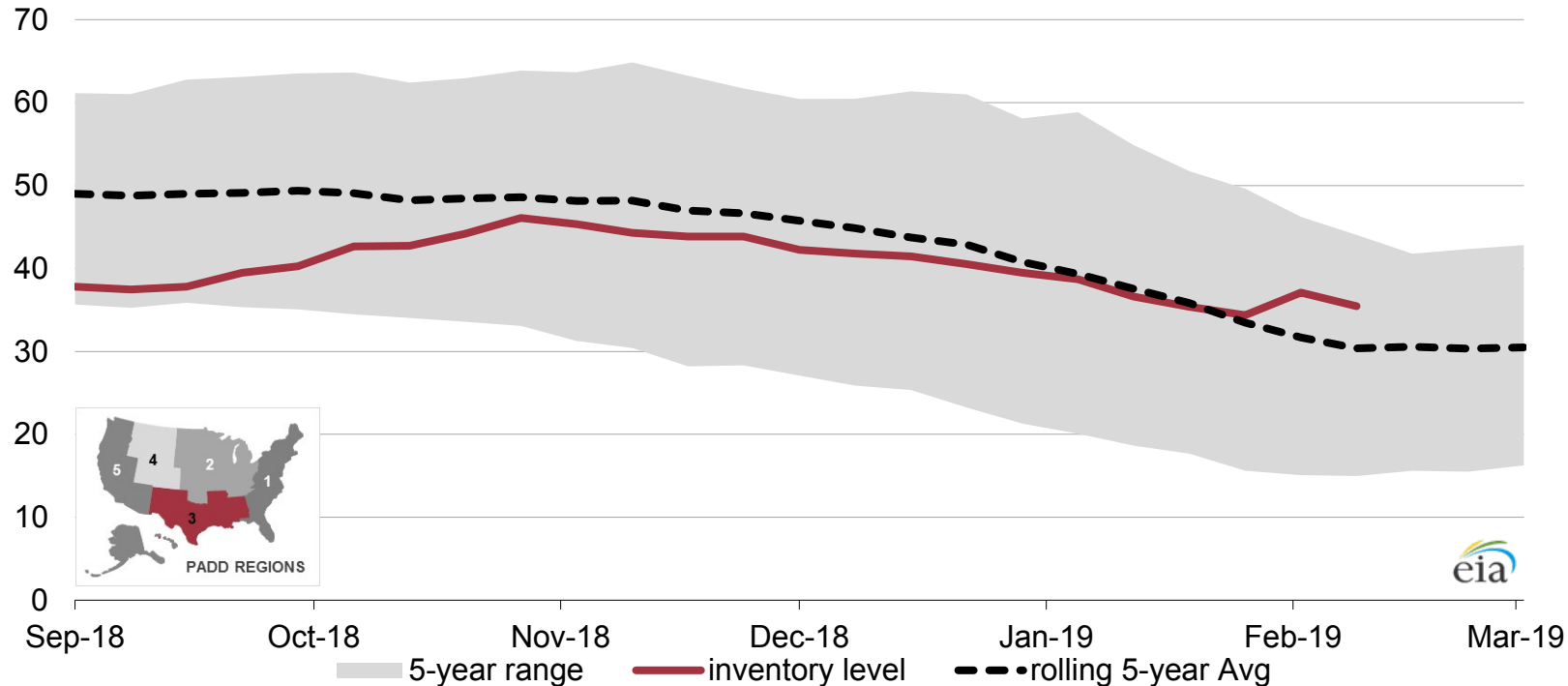
Source: EIA, Weekly Petroleum Status Report, data through February 15, 2019

\*propane/propylene for fuel use only

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

PADD 3 propane\* inventories

million barrels

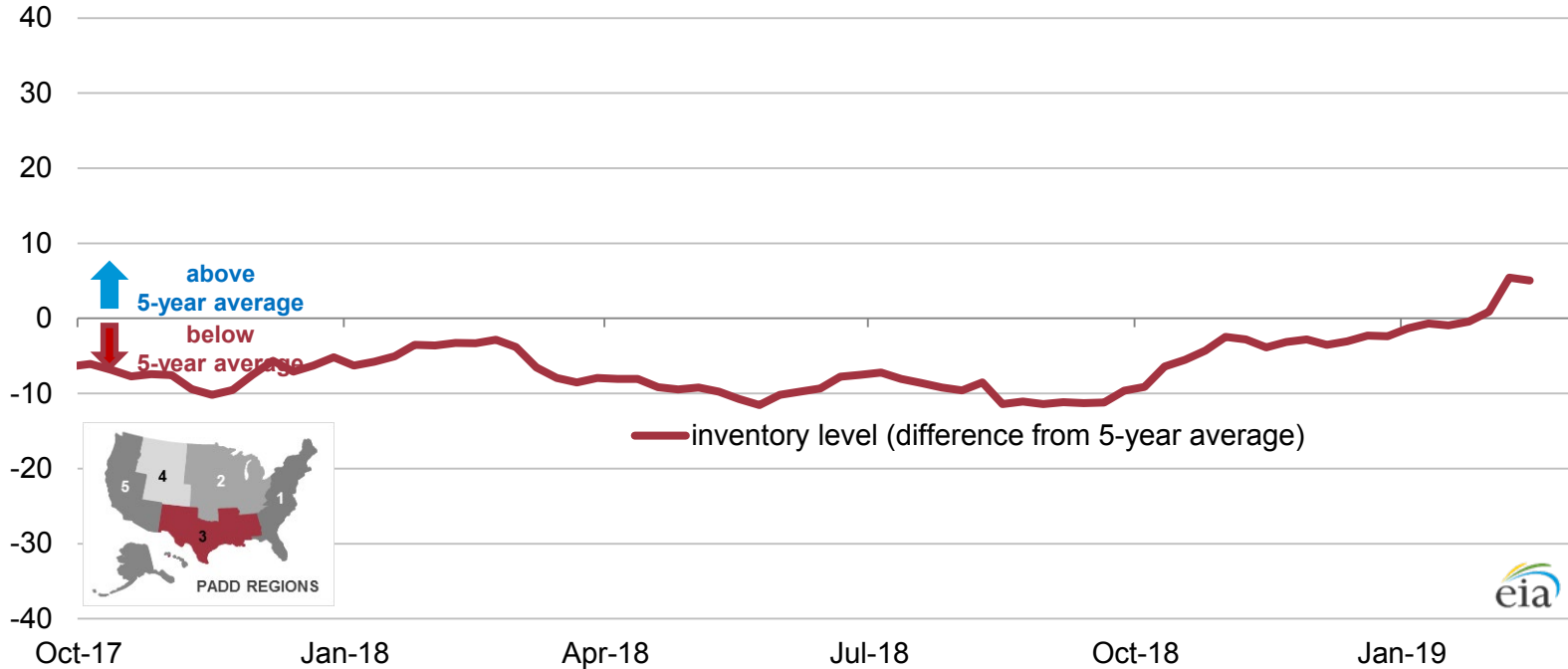


Source: EIA, Weekly Petroleum Status Report, data through February 15, 2019

\*propane/propylene for fuel use only

# PADD 3 (Gulf Coast) propane inventories above 5-year average levels

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



Source: EIA, Weekly Petroleum Status Report, data through February 15, 2019

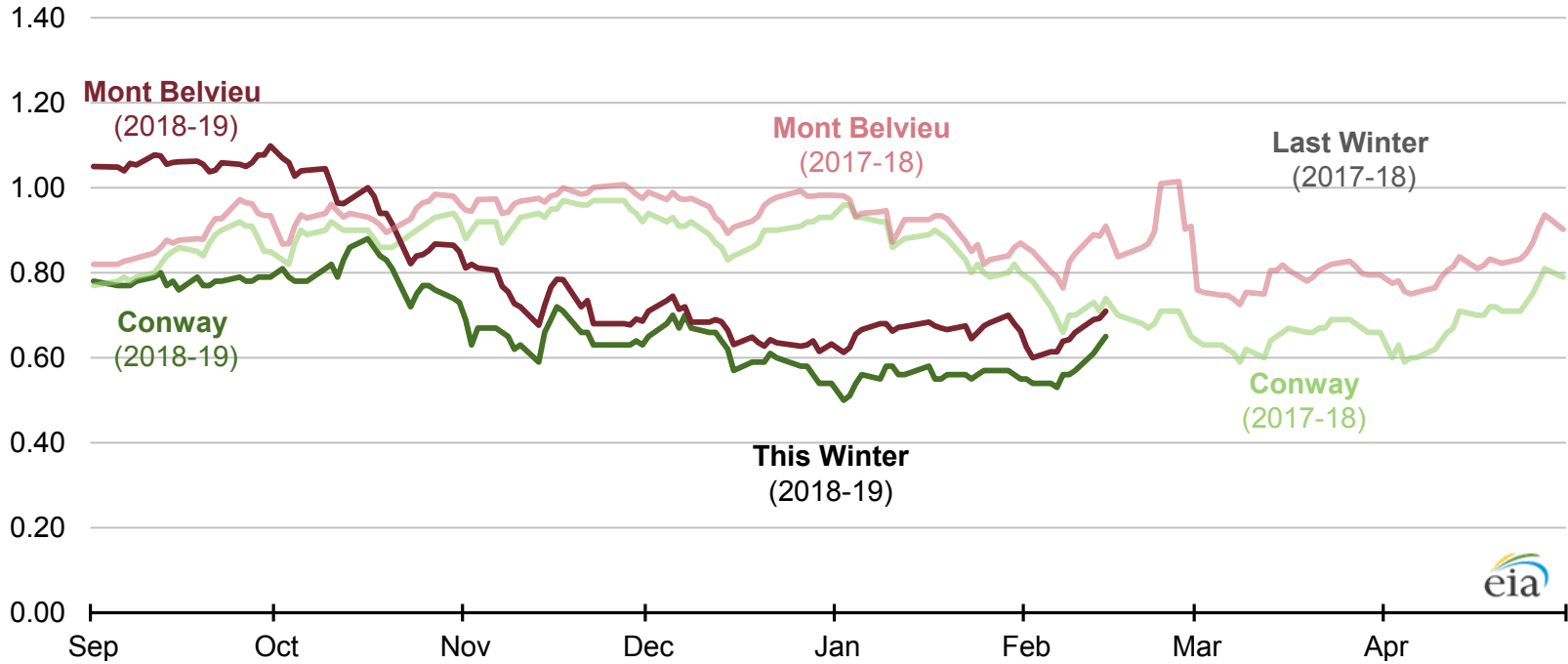
\*propane/propylene for fuel use only



# Mt. Belvieu and Conway propane spot prices below last year's levels; Kansas discount to Texas down to ~6¢/gal as cooler temperatures move into the Midwest

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

dollars per gallon

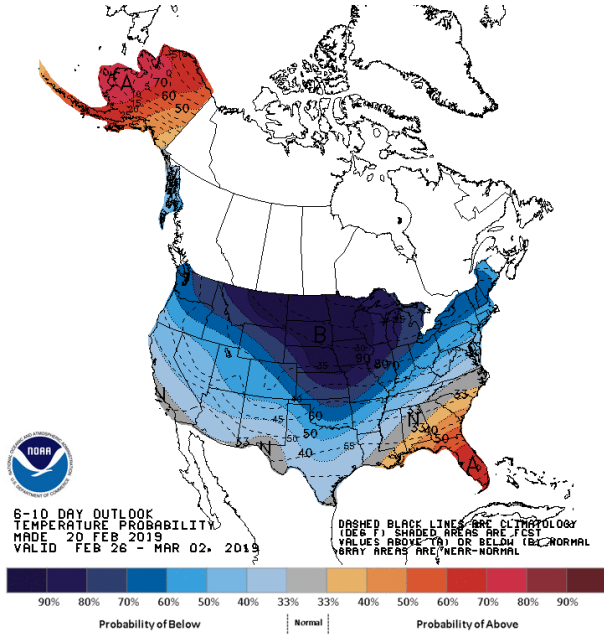


Source: EIA, Bloomberg, data through February 20, 2019



# NOAA's projected temperatures:

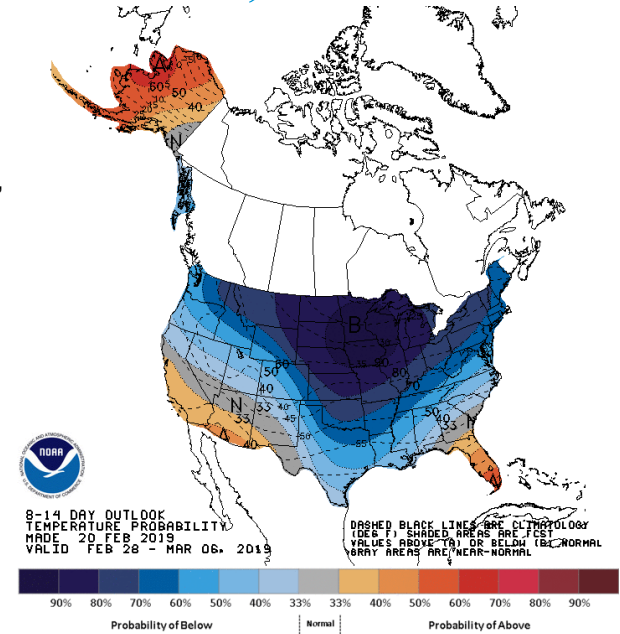
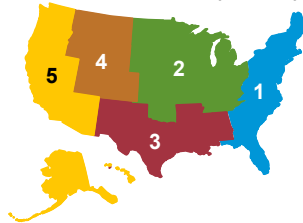
## February 26 – Mar. 2, 2019, and February 28 – Mar 6, 2019



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

Source: [NOAA](https://www.noaa.gov), Feb. 20, 2019

Petroleum Administration for Defense Districts (PADDs)

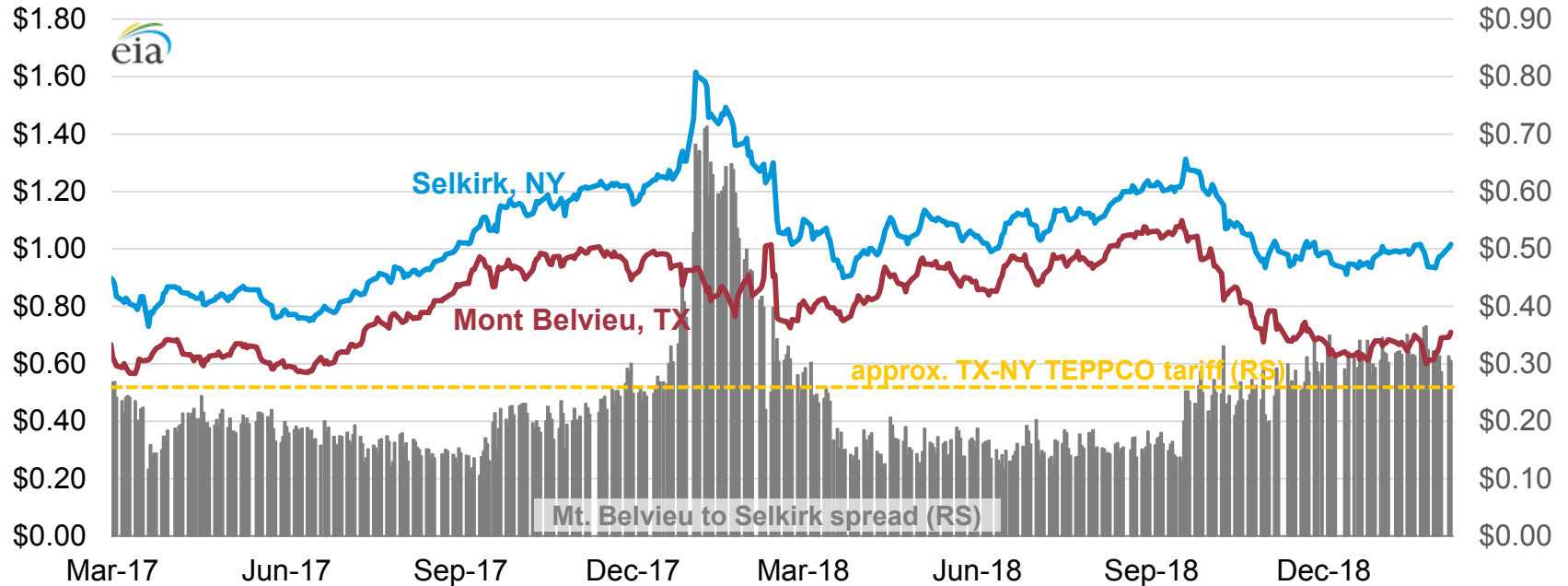


- NOAA forecasts the below-normal temperatures gradually moving east across the country, centering on the Great Lakes region and affecting nearly all the Lower-48, with the exception of the southeast and southwest corners of the country, where NOAA projects above-normal temperatures
- The probability of below- to significantly-below-normal temperatures across most of PADDs 2, 3, 4, and 5, and the northern states of PADD 1, are likely to result in above-normal heating fuel consumption for most of the country.

# Northeast propane prices, generally dictated by tariff on TEPPCO\* pipeline, remain at sufficiently-high premium to draw further imports into the market

propane spot prices  
dollars per gallon

propane price spread  
dollars per gallon

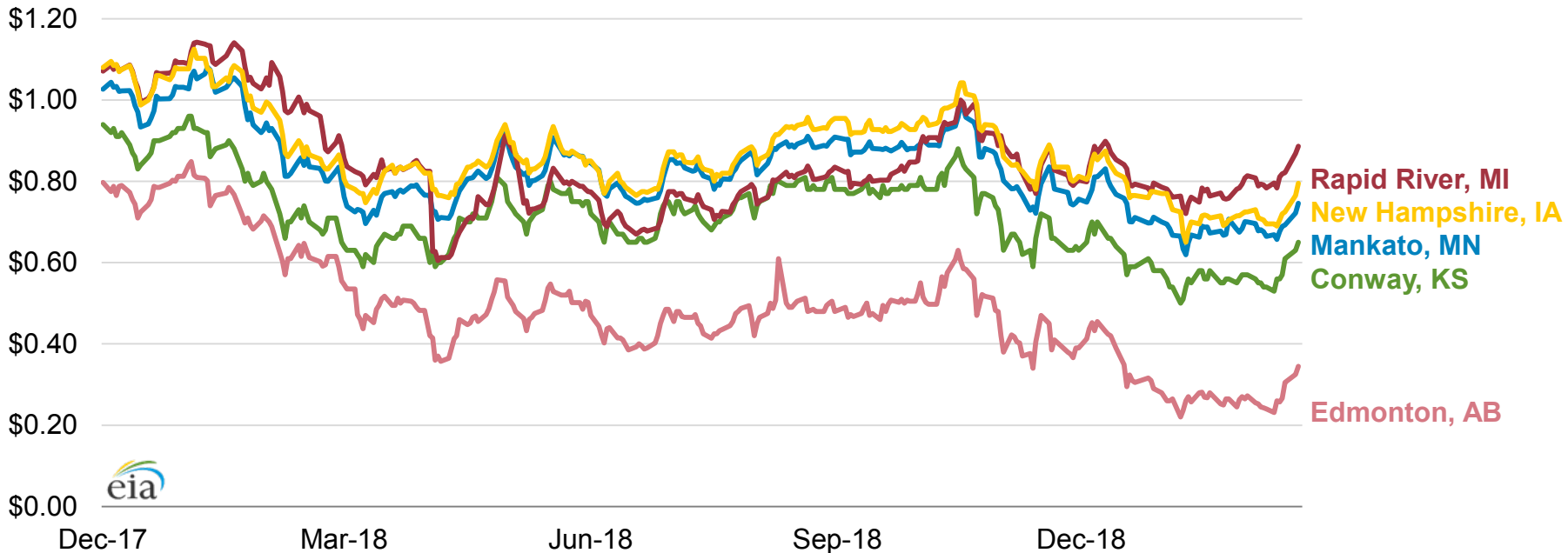


TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: EIA, Bloomberg, data through February 20, 2019; Enterprise Products Partners L.P., [Effective Tariffs](#), FERC No. 54.42.0

# Prices at major Midwest market centers closely correlated with Conway and Edmonton hub propane spot prices

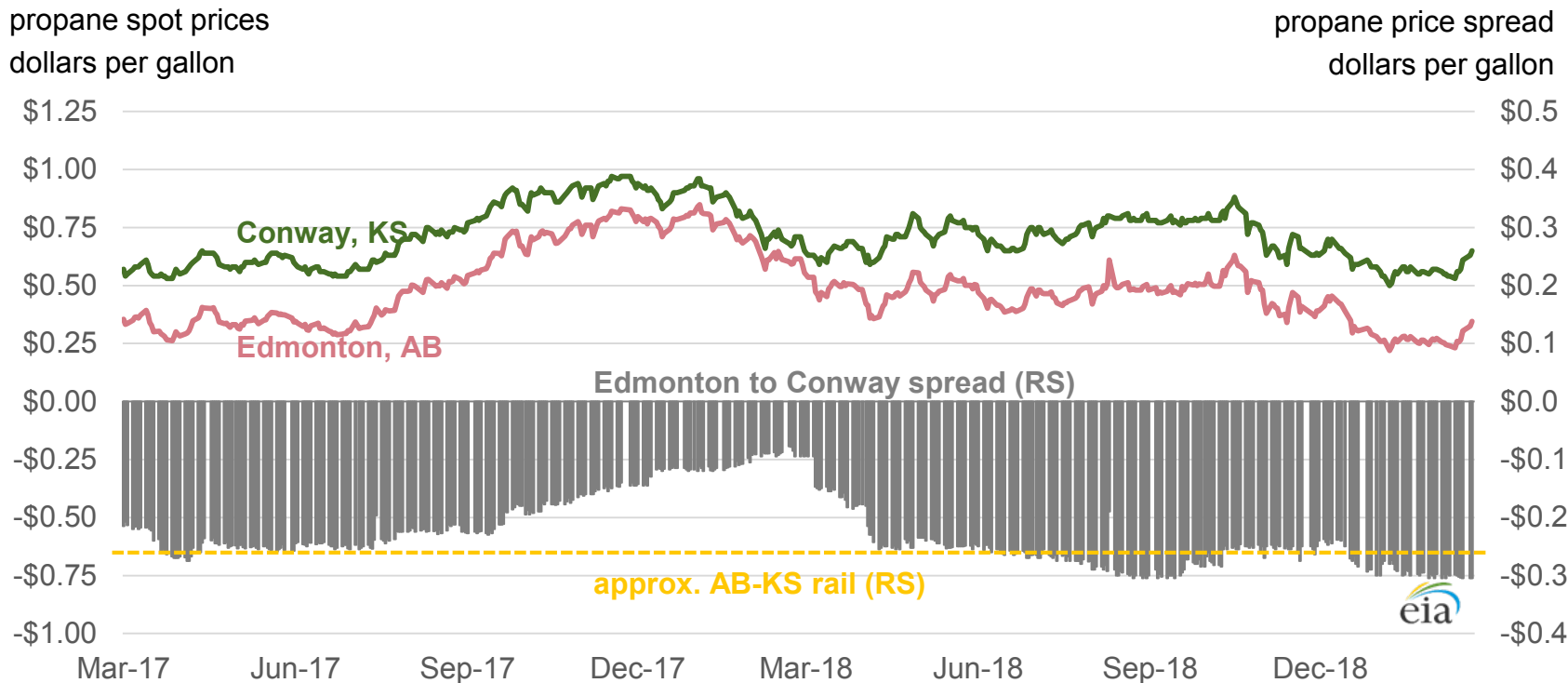
propane spot prices  
dollars per gallon



Source: EIA, Bloomberg, data through February 20, 2019



# Discount for Edmonton propane relative to Conway, at ~30¢/gal, remains sufficient to cover cost of rail into the Upper Midwest



Source: EIA, Bloomberg, data through February 20, 2019

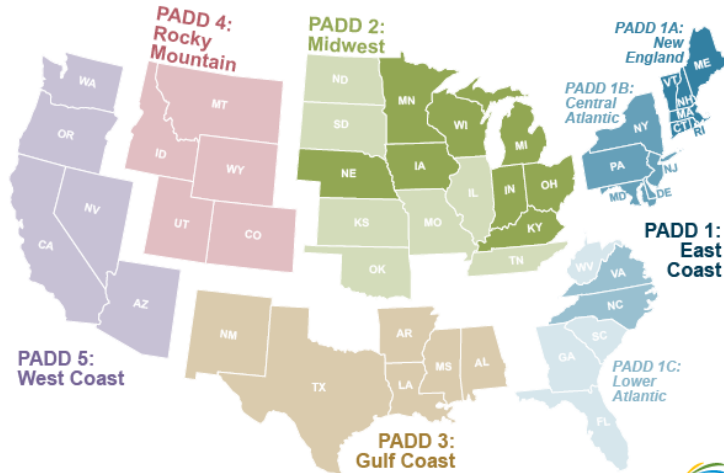
## State Heating Oil and Propane Program (SHOPP) updates

- 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 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

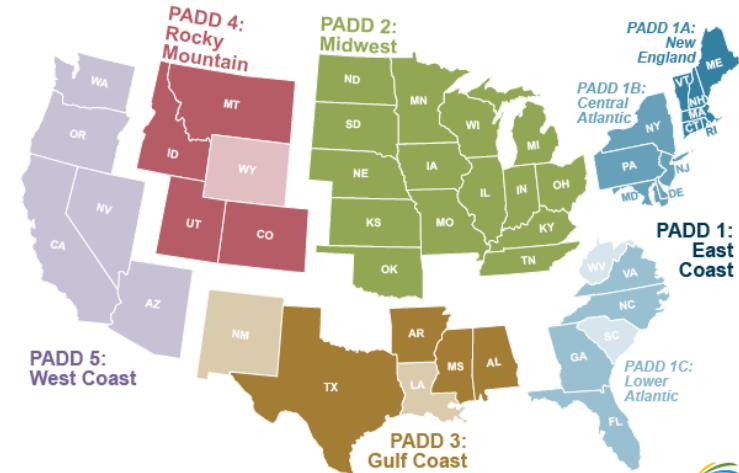
#### PADD 2: Midwest

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

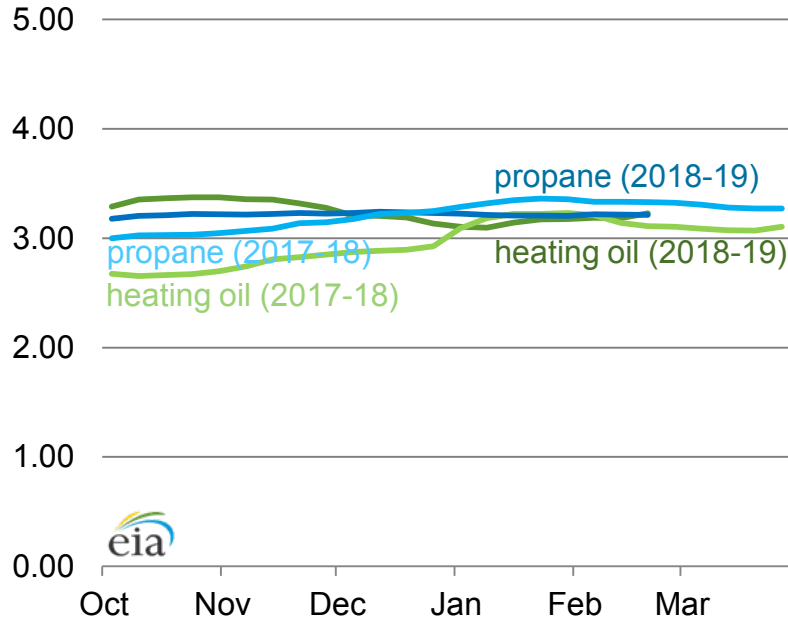
Colorado Montana  
Idaho Utah

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

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

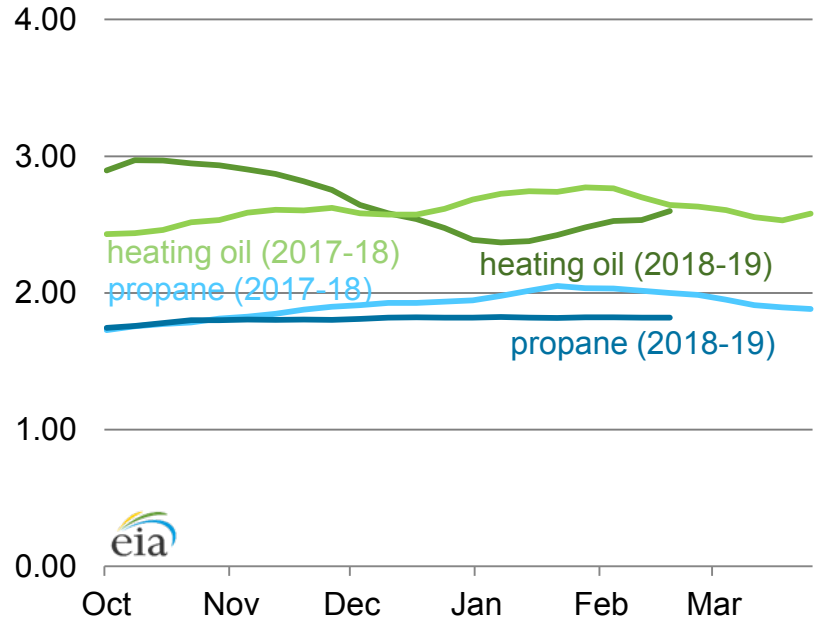
## PADD 1

dollars per gallon



## PADD 2

dollars per gallon



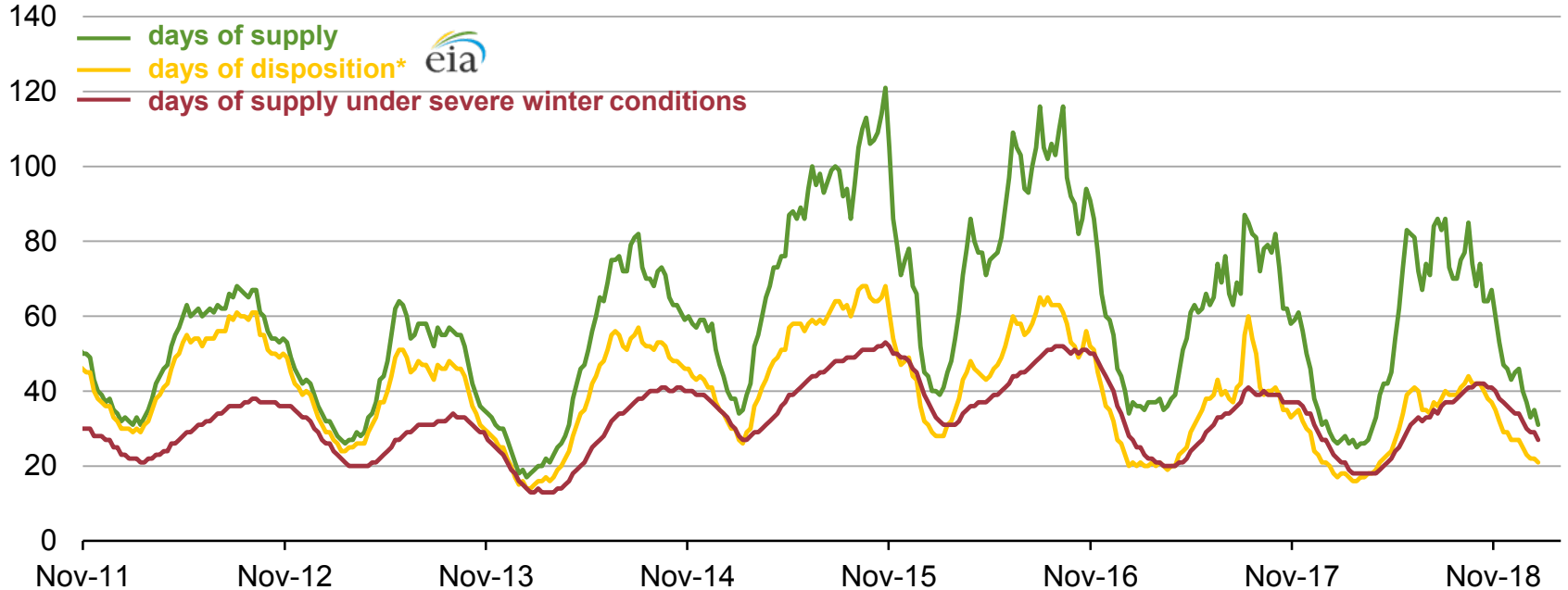
Source: State Heating Oil and Propane Program, data through February 19, 2019



# Various days-of supply/disposition measures

U.S. weekly stocks of propane/propylene

days of supply & disposition



Note: \*disposition = domestic product supplied + exports

Source: U.S. Energy Information Administration, Weekly Petroleum Status Report, data through February 15, 2019

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\\_mdbl\\_m.htm](http://www.eia.gov/dnav/pet/pet_move_railNA_a_EPLLPA_RAIL_mdbl_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)