Final 2018/19 Winter Propane Market Update

March 27, 2019 | Washington, DC
(Inventory data as of 3/22/19; residential heating fuel prices as of 3/25/19)

By
U.S. Energy Information Administration
PADD 1A (New England) propane inventories below the 5-year average

PADD 1A propane* inventories
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 22, 2019

*propane/propylene for fuel use only
PADD 1B (Mid-Atlantic) propane inventories above the 5-year range

Source: EIA, Weekly Petroleum Status Report, data through March 22, 2019

*propane/propylene for fuel use only
PADD 2 (Midwest) propane inventories near the bottom of the 5-year range

PADD 2 propane* inventories
million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 22, 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 March 22, 2019

*propane/propylene for fuel use only
Selected state propane* inventories

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

- 5 year monthly range
- 5 year average
2018/2019 weekly inventories
2017/2018 monthly inventories


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

- 5 year monthly range
- 5 year average
2018/2019 weekly inventories
2017/2018 monthly inventories


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

- 5 year monthly range
- 5 year average
2018/2019 weekly inventories
2017/2018 monthly inventories


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

- 5 year monthly range
- 5 year average
2018/2019 weekly inventories
2017/2018 monthly inventories


*propane/propylene for fuel use only

U.S. Energy Information Administration
PADD 3 (Gulf Coast) propane inventories approaching the top of the 5-year range

PADD 3 propane\(^*\) inventories

million barrels

Source: EIA, Weekly Petroleum Status Report, data through March 22, 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 March 22, 2019

*propane/propylene for fuel use only
Mt. Belvieu (LST*) and Conway propane spot prices below last year’s levels; Kansas discount to Texas remains ~7¢/gal – above pipeline tariff but below cost of rail.

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

Source: EIA, Bloomberg, data through March 26, 2019

*due to data availability issues, this week’s chart displays Mt. Belvieu propane spot prices at the LoneStar Terminal, rather than the non-LST price
NOAA’s projected temperatures:
April 1 – Apr. 5, 2019, and April 7 – Apr 9, 2019

• NOAA forecasts a shift in temperature probabilities, from a likelihood of colder-than-normal across the Lower-48 east of the Rockies to a warmer-than-normal across much of the country over the course of the forecast period

• With a shift to warmer-than-normal midway through the forecast, consumption of heating fuels in the major propane-consuming regions is likely to end the heating season at slightly above-normal levels, with the start of April marking the end of major heating fuel consumption

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

Source: NOAA, Mar. 26, 2019
Northeast propane prices, generally dictated by tariff on TEPPCO* pipeline, remain at sufficiently-high premium to draw further imports into the market.

TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: EIA, Bloomberg, data through March 26, 2019; Enterprise Products Partners L.P., Effective Tariffs, FERC No. 54.42.0

*due to data availability issues, this week's chart displays Mt. Belvieu propane spot prices at the LoneStar Terminal, rather than the non-LST price

TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: EIA, Bloomberg, data through March 26, 2019; Enterprise Products Partners L.P., Effective Tariffs, FERC No. 54.42.0

*due to data availability issues, this week’s chart displays Mt. Belvieu propane spot prices at the LoneStar Terminal, rather than the non-LST price
Prices at major Midwest market centers closely correlated with Conway and Edmonton hub propane spot prices

propane spot prices
dollars per gallon

$1.20
$1.00
$0.80
$0.60
$0.40
$0.20
$0.00


Rapid River, MI
New Hampshire, IA
Mankato, MN
Conway, KS
Edmonton, AB

Source: EIA, Bloomberg, data through March 26, 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
Maps of states participating in Winter Fuels Survey

**Petroleum Administration for Defense Districts**

**Winter Heating Fuels Survey — PADD 1 and 2 represented States**

**Petroleum Administration for Defense Districts**

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

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**HEATING OIL**

**PADD 1: East Coast**
- PADD 1A: New England
  - Connecticut
  - New Hampshire
  - Maine
  - Rhode Island
  - Massachusetts
  - Vermont
- PADD 1C: Lower Atlantic
  - North Carolina
  - Virginia

**PADD 2: Midwest**
- PADD 1B: Central Atlantic
  - Delaware
  - District of Columbia
  - Maryland
  - New Jersey
  - New York
  - Pennsylvania
- PADD 2A: Lower Atlantic
  - Indiana
  - Minnesota
  - Nebraska
  - Ohio
  - Wisconsin

**PADD 3: Gulf Coast**
- PADD 3A: Gulf Coast

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**PROPANE**

**PADD 1: East Coast**
- PADD 1A: New England
  - Connecticut
  - Delaware
  - Kentucky
  - Maine
  - Massachusetts
  - New Hampshire
  - North Carolina
  - Rhode Island
  - Virginia
- PADD 1B: Central Atlantic
  - Pennsylvania
  - West Virginia

**PADD 2: Midwest**
- PADD 2A: Lower Atlantic
  - Florida
  - Georgia
  - Kansas
  - Kentucky
  - Michigan
  - North Carolina
  - Ohio
  - Pennsylvania
  - Virginia

**PADD 3: Gulf Coast**
- PADD 3A: Gulf Coast

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Source: EIA, *Heating Oil and Propane Update*
Retail propane prices end this heating season below prices reported for the same week last year in PADDs 1 and 2.

Source: State Heating Oil and Propane Program, data through March 25, 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 March 22, 2019
For more information, please see EIA’s webinar on Propane Market Indicators and Measures of Supply Adequacy
For more information


State Energy Portal | www.eia.gov/state

Winter Heating Fuels Site | www.eia.gov/special/heatingfuels/

Movements of Propane by Rail | http://www.eia.gov/dnav/pet/pet_move_railNA_a_EPLLPA_RAIL_mbbl_m.htm

Today in Energy | www.eia.gov/todayinenergy

Short-Term Energy Outlook | www.eia.gov/steo


Annual Energy Outlook | www.eia.gov/aeo

International Energy Outlook | www.eia.gov/ieo

Monthly Energy Review | www.eia.gov/mer