2022/23 Winter Propane Market Update

October 19, 2022 | Washington, DC
(Inventory data as of 10/14/22; residential heating fuel prices as of 10/17/22)

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

New England (PADD 1A) ending stocks of propane and propylene
million barrels

Note: PADD 1A is composed of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.
data through October 14, 2022
PADD 1B (Mid-Atlantic) propane inventories above the 5-year range

Central Atlantic (PADD 1B) ending stocks of propane and propylene
million barrels

Note: PADD 1B is composed of Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

data through October 14, 2022
PADD 2 (Midwest) propane inventories below the 5-year range

Midwest (PADD 2) ending stocks of propane and propylene
million barrels

Note: PADD 2 is composed of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.

data through October 14, 2022
Selected state propane* inventories

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


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


*propane/propylene for fuel use only
PADD 3 (Gulf Coast) propane inventories above the 5-year average

Source: U.S. Energy Information Administration, Weekly Petroleum Status Report, October 18, 2022
Note: PADD 3 is composed of Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.
data through October 14, 2022
Mt. Belvieu, TX to Conway, KS propane spot prices moving together, with Conway at around 1¢/gal premium since the beginning of September

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

Source: Graph created by the U.S. Energy Information Administration, based on data from Bloomberg, data through October 18, 2022
NOAA’s projected temperatures:
October 24 – Oct. 28, 2022, and October 26 – Nov. 1, 2022

- After below-normal temperatures east of the Mississippi and above-normal temperatures in the west for the first half of October, the current NOAA forecast for the second half of the month calls for a high chance of above-normal temperatures in the Northeast, stretching west later in the forecast. There is a chance of below-normal temperatures in the western half of the United States with the highest probability in the lower-Rockies.

- The warmer-than normal temperatures forecasted across PADDs 1, 2, and 3 could result in below-average propane demand over the coming week for this time of year. Below-normal temperatures in PADDs 4 and 5 could result in elevated propane demand in those regions for this time of year.

Source: NOAA, Oct. 18, 2022
Northeast propane prices, generally dictated by tariff on TEPPCO* pipeline, currently high enough to pull product from the Gulf Coast

propane spot prices
dollars per gallon

propane price spread
dollars per gallon

Selkirk, NY

Mont Belvieu, TX (non-LST)

approx. TX-NY TEPPCO tariff (RS)

Mt. Belvieu to Selkirk spread (RS)

TEPPCO = Enterprise TE Products Pipeline Company LLC

Source: Graph created by the U.S. Energy Information Administration, based on data from Bloomberg, data through October 18, 2022; Enterprise Products Partners L.P., Effective Tariffs, FERC No. 54.64.0
Prices at major Midwest market centers closely correlated with Conway, with Edmonton prices at similar discount to Conway as last winter.
October 1 inventories in Western Canada are above the 5-year average, while inventories in Eastern Canada are just below the 5-year average.

Source: Graph created by the U.S. Energy Information Administration, based on data from the Canada Energy Regulator, October 13, 2022.
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 expanded SHOPP in October 2014 to include 14 additional states in propane price data collection. In 2016, EIA added 10 new states to its wholesale propane price publication. 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 has been providing more granular inventory data to states on a weekly basis since the 2016/2017 heating season.

• EIA implemented two new samples for residential heating oil and propane in October 2019. Under the new sampling methodology, EIA is publishing standard errors for SHOPP prices.
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

Source: EIA, Heating Oil and Propane Update
Retail propane prices in PADDs 1 and 2 have remained flat relative to the previous two weeks, while heating oil continues to increase.

Source: State Heating Oil and Propane Program, data through October 17, 2022
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 October 14, 2022
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
Energy Explained – Hydrocarbon Gas Liquids |
  http://www.eia.gov/energyexplained/index.cfm?page=hgls_home
Annual Energy Outlook | www.eia.gov/aeo
International Energy Outlook | www.eia.gov/ieo
Monthly Energy Review | www.eia.gov/mer