Summary Statistics Tables and Figures Sources

Information about petroleum supply and disposition at the National level are presented in the Summary Statistics tables. Industry terminology and product definitions are listed alphabetically in the Glossary.

The data presented in these tables are from several sources and represent different levels of timeliness and data finality.

- U.S. Department of Energy, Energy Information Administration (EIA), *Petroleum Supply Annual* (1986 through 2003).

- EIA, *Petroleum Supply Monthly* (January 1994 through July 2004).

- EIA, Weekly Petroleum Supply Reporting System (except domestic crude oil production) (August 2004). A more detailed explanation is provided in Summary Statistics Explanatory Note 1.

- Domestic crude oil production estimate is based on historical statistics from State conservation agencies and the Minerals Management Service of the U.S. Department of the Interior. (January 1994 through August 2004). Refer to Summary Statistics Explanatory Note 2 for a more detailed explanation.

Summary Statistics Explanatory Notes

The following explanatory notes are provided to assist in understanding and interpreting the data presented in the Summary Statistics section of this publication.

Note 1. Preliminary Monthly Statistics Derivation

Data collected from the Weekly Petroleum Supply Reporting System (WPSRS) are used to develop estimates of the most current monthly quantities. The forms that comprise the WPSRS are:

Form Number	Name
EIA-800	"Weekly Refinery Report"
EIA-801	"Weekly Bulk Terminal Report"
EIA-802	"Weekly Product Pipeline Report"
EIA-803	"Weekly Crude Oil Stocks Report"
EIA-804	"Weekly Imports Report"

A sample of all petroleum companies report weekly data to the Energy Information Administration (EIA) on crude oil and petroleum products stocks, refinery inputs and production, and crude oil and petroleum product imports. The sample of companies that report weekly is selected from the universe of companies that report on the comparable monthly surveys.

The sampling procedure used for the weekly system is the cut-off method. In the cut-off method, companies are ranked from largest to smallest on the basis of the quantities reported during a 12-month period. Companies are chosen for the sample beginning with the largest companies with additional companies added until the total sample coverage represents a minimum of 90 percent of each item by geographic region being measured.   All monthly-from-weekly estimates are shown in italics.

In calculating monthly estimates based upon weekly submissions, an interpolation process is used to make the weekly figures comparable to the monthly. The interpolation process is designed to resolve the timing differences between the weekly and the monthly systems — the time-of-day of reporting periods and the day-of-month of reporting periods. The end of the weekly reporting period (exactly 1 week long) is 7 a.m. Friday. The end of the monthly reporting period (one calendar month long) is 12 midnight on the last day of the month. To resolve the difference in the time-of-day of the weekly and monthly reporting periods, it is assumed that there is no activity during the period 12 midnight Thursday through

7 a.m. Friday. Thus, for the purposes of interpolation, the weekly system reporting period is assumed to end at 12 midnight on Thursday. The resolution of the day-of-month differences depends on whether the series is a cumulative one (such as production and imports) or a value at a fixed point-in-time (i.e., stocks).

For cumulative items (all items except stocks) the following method is used to calculate a monthly-from-weekly figure for a given month. First, a weight is assigned to each week in the month based on the number of days in that week that are in the month. (All intermediate weeks in a month will have a weight of seven; the beginning and ending weeks in the month may have a weight of less than seven, according to the number of days of the week that are in the month.)   The weight for each week is then multiplied by the average daily volume for that week. To arrive at the monthly-from-weekly figure, a sum is taken of these weighted weekly volumes. The daily average for the monthly-from-weekly figure is calculated by dividing the total monthly-from-weekly figure by the number of days in the month.

Stock figures are not cumulative but represent inventories as of the last day of the reporting period. When the reporting week does not coincide with the end of a reporting month, an interpolation is necessary to derive a monthly-from-weekly figure for end-of-month stocks.

To derive the monthly-from-weekly stock figures, the two weekly reports that bracket the end of the month are used. Average daily stock change and the number of interpolated days are determined.   The average daily stock change is defined as one-seventh of the difference between the stock level at the end of the last full week of the month and the stock level at the end of the week containing the last day of the month. The number of interpolation days is defined as the number of days between the end of the preceding weekly reporting period (midnight Thursday) and the end of the monthly reporting period. The end-of-month stock levels are then estimated as the sum of (a) the stock level reported the last full week of the month, plus (b) the number of interpolation days multiplied by the average daily stock change for the week.

The monthly-from-weekly exports data are derived from the most recent data published in the *Weekly Petroleum Status Report*. Beginning with statistics for the first week ending in October 1991, weekly estimates of exports are forecast using an autoregressive integrated moving-average (ARIMA) procedure. The ARIMA procedure models a value as a linear combination of its own past values and present and past values of other related time series. The most recent 5 years of

past data are used to obtain the forecast. In addition, for the major products and crude oil, 5 years of related price data are used. The price data include some U.S. and some foreign series.

Note 2. Domestic Crude Oil Production

The Energy Information Administration (EIA) collects monthly crude oil production data on an ongoing basis. Data on crude oil production for States are reported to the EIA by State government agencies. Data on crude oil production for Federal offshore areas are reported to the EIA by the Minerals Management Service of the U.S. Department of the Interior and the Conservation Committee of California Oil Producers.

Currently, all except four crude oil producing States (Michigan, New York, Ohio, and Pennsylvania) report production on a monthly basis. These four States report crude oil production on an annual basis. Estimates of monthly crude oil production for these four States are made by the EIA using data reported on Form EIA-182, "Domestic Crude Oil First Purchase Report." After the end of each calendar year, the monthly crude oil production estimates are updated using annual reports from various State agencies, the Minerals Management Service, and the Conservation Committee of California Oil Producers. The final estimate is published in the *Petroleum Supply Annual.* There is a time lag of approximately 4 months between the end of the production month and the time when most monthly State crude oil production data become available.

In order to present more timely crude oil production estimates, the EIA prepares an original, forecast estimate on the first day of the production month (indicated with a "PE"). Approximately 45 days later, this original estimate of monthly crude oil production is replaced by State-level interim estimates (indicated with an "RE"). The State-level interim estimates are based on: (a) data reported by the States (e.g., production data for Alaska are typically reported to the EIA before the interim estimate is made); (b) first purchase data reported on Form EIA-182, "Domestic Crude Oil First Purchase Report;" (c) exponential or hyperbolic curve fitted projections based on recent State data; or (d) constant level projections based on the average production rate during a recent time period.

Note 3. Figures

Figures associated with the Summary Statistics tables are provided which depict the balance between supply, disposition, and ending stocks for various commodities.

The national inventory (stocks) graphs (Figures S4, S6, S8, S10, S12, S14, and S16) for crude oil, finished motor gasoline, distillate fuel oil, residual fuel oil, jet fuel,

propane/propylene, and liquefied petroleum gases, in this publication include features to assist in comparing current inventory levels with past inventory levels and observed minimum operating levels. These features are described below.

The graphs displaying inventory levels provide the reader with actual inventory data compared to an *average range* from the most recent 5-year period running from January through December or from July through June. The ranges are updated every 6 months in April and October. The 5-year period is adjusted by dropping the oldest 6 months and including the most recent 6 months. The ranges also reflect seasonal variation determined from a 7-year period. The seasonal factors, which determine the shape of the upper and lower curves, are updated annually in October, using the most recent year's final monthly data.

The monthly seasonal factors are estimated by means of a seasonal adjustment technique developed at the U.S. Bureau of the Census (Census X-11). The seasonal factors are assumed to be stable (i.e., unchanging from year to year) and additive (i.e., the series is deseasonalized by subtracting the seasonal factor for the appropriate month from the reported inventory levels). The intent of deseasonalization is to remove only variation from the data. Thus, a deseasonalized series would contain the same trends, cyclical components, and irregularities as the original data.

After seasonal factors are derived, data from the most recent 5-year period (January through December or July through June) are deseasonalized. The average of the deseasonalized 60-month series determines the midpoint of the deseasonalized average band. The standard deviation of the deseasonalized 60 months is calculated adjusting for extreme data points. The upper curve of the average range is defined as the average plus the seasonal factors plus the standard deviation. The lower curve is defined as the average plus the seasonal factors minus the standard deviation. Thus, the width of the average range is twice the standard deviation.

The lines labeled "lower operational inventory" on the stock graphs are the lower end of the demonstrated operational inventory range updated for known and definable changes in the petroleum delivery system.

Note 4. Frames Maintenance

In January 1981 and 1983, numerous respondents were added to bulk terminal and pipeline surveys affecting subsequent stocks reported and stock change calculations. Using the expanded coverage (new basis), the end-of-year stocks, in million barrels, would have been as listed below.

- Crude Oil: 1982- 645 (Total) and 351 (Other Primary).

- Crude Oil and Petroleum Products: 1980- 1,425; and 1982- 1,461.

- Motor Gasoline: 1980- 263 (Total) and 214 (Finished); 1982- 244 (Total) and 202 (Finished).

- Distillate Fuel Oil: 1980- 205; and 1982- 186.

- Residual Fuel Oil: 1980- 91; and 1982- 69.

- Jet Fuel: 1980- 42 (Total) and 36 (Kerosene-type); and 1982- 39 (Total) and 32 (Kerosene-type).

- Propane/Propylene: 1980- 69; and 1982- 57.

- Liquefied Petroleum Gases: 1980- 128; and 1982-102.

- Other Petroleum Products: 1980- 207; and 1982-219.

Stock change calculations beginning in 1981 and 1983 were made using new basis stock levels.

Stocks of Alaskan crude oil in-transit were included for the first time in January 1981. The major impact of this change is on the reporting of stock change calculations. Using the expanded coverage (new basis), 1980 end-of-year crude oil stocks would have been 488 million barrels (Total) and 380 million barrels (Other Primary).

Beginning with January 1984, natural gas liquids supply and disposition data were collected on a component basis rather than a product basis. This change affected stocks reported and stock change calculations. Under the new basis, end-of-year 1983 stocks would have been:

- Propane/Propylene: 1983- 55.

- Liquefied Petroleum Gases: 1983- 108.

- Other Petroleum Products: 1983- 210.

In response to changes in the Clean Air Act Amendments of 1990 requiring that all gasoline sold in carbon monoxide nonattainment areas have an oxygen content of 2.7 percent (by weight) during winter months, the Energy Information Administration (EIA) conducted a frame identifier survey in 1991 of companies that produce, blend, store, or import oxygenates. The purpose of this survey was to (1) identify all U.S. producers, blenders, storers, and importers of oxygenates; and (2) collect supply and blending data for 1990 and end of 1990 inventory data on those oxygenates blended into motor gasoline. A summary of the results from the identification survey were published in the *Weekly Petroleum Status Report* dated February 12, 1992 and in the February 1992 issue of the *Petroleum Supply Monthly*.

In order to continue to provide relevant information about U.S. and regional gasoline supply, the EIA conducted a second frame identifier survey of these companies during 1992. As a result, a number of respondents were added to the monthly surveys effective in January 1993: 19 blenders, 25 stock holders, and 8 importers. This change did not affect stocks reported and therefore did not cause a new basis stock level to be calculated.