

N E B R A S K A



E N E R G Y   O F F I C E

Nebraska  
"Preparing for the  
Upcoming Heating Season"

State Heating Oil and Propane Conference

October 8, 2014



# Profile of Nebraska

Population - 1,868,516

Occupied Housing Units - 733,570



# Occupied Housing by Fuel Used for Home Heating in 2012

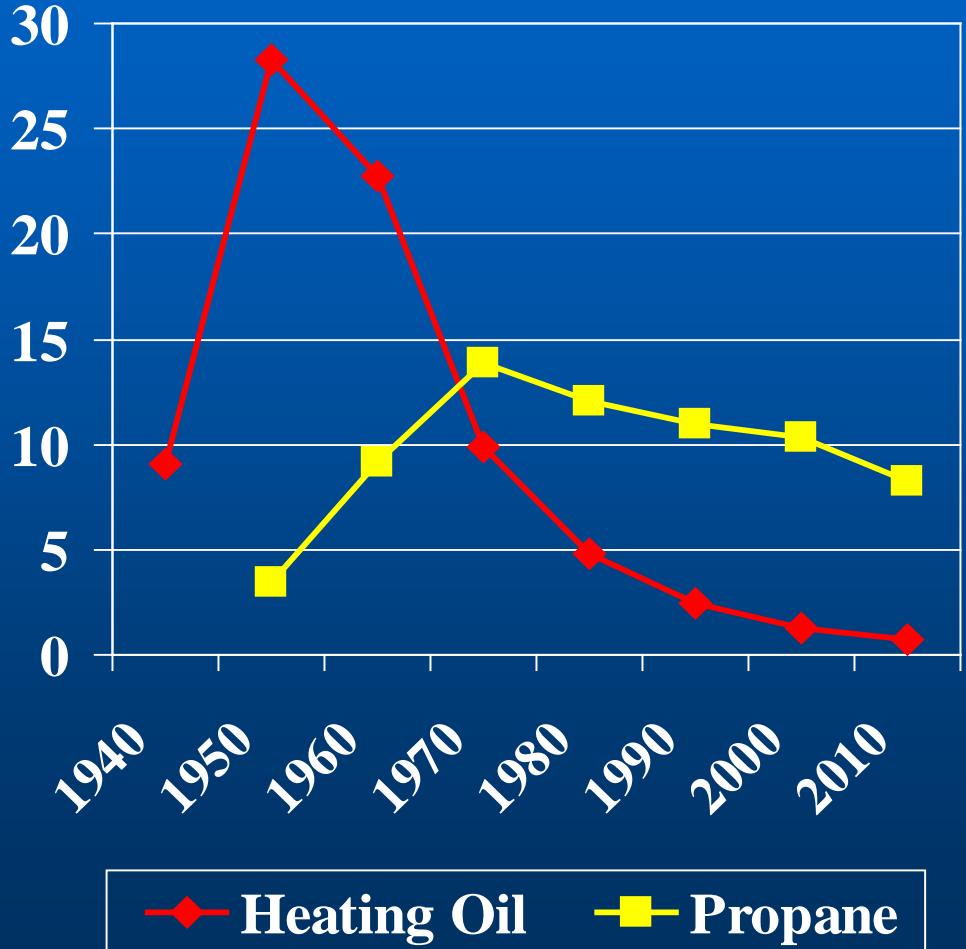
Natural Gas	63%
Electricity	26%
Propane	8%
Wood	1.60%
Fuel Oil and Kerosene	0.50%
Coal or Coke	0.01%
Solar Energy	0.04%
All Other Fuels	0.09%
No Fuel Used	0.20%

*<http://www.neo.ne.gov/statshtm/75.html>*



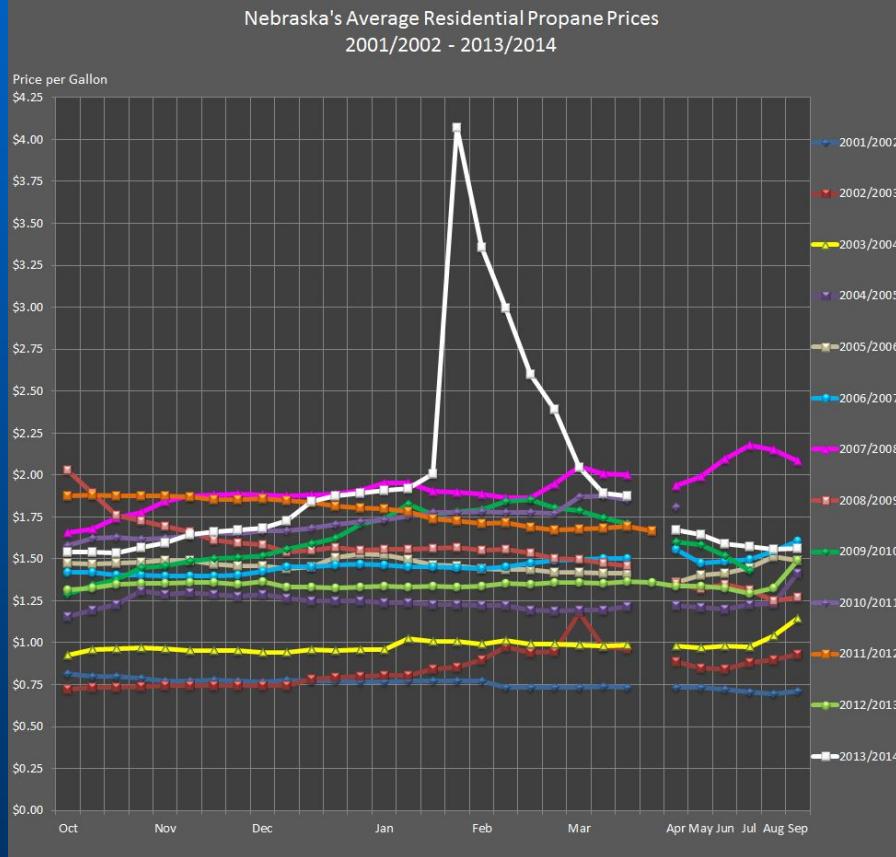
# History of Heating Oil and Propane Market Share

- Percent of market share





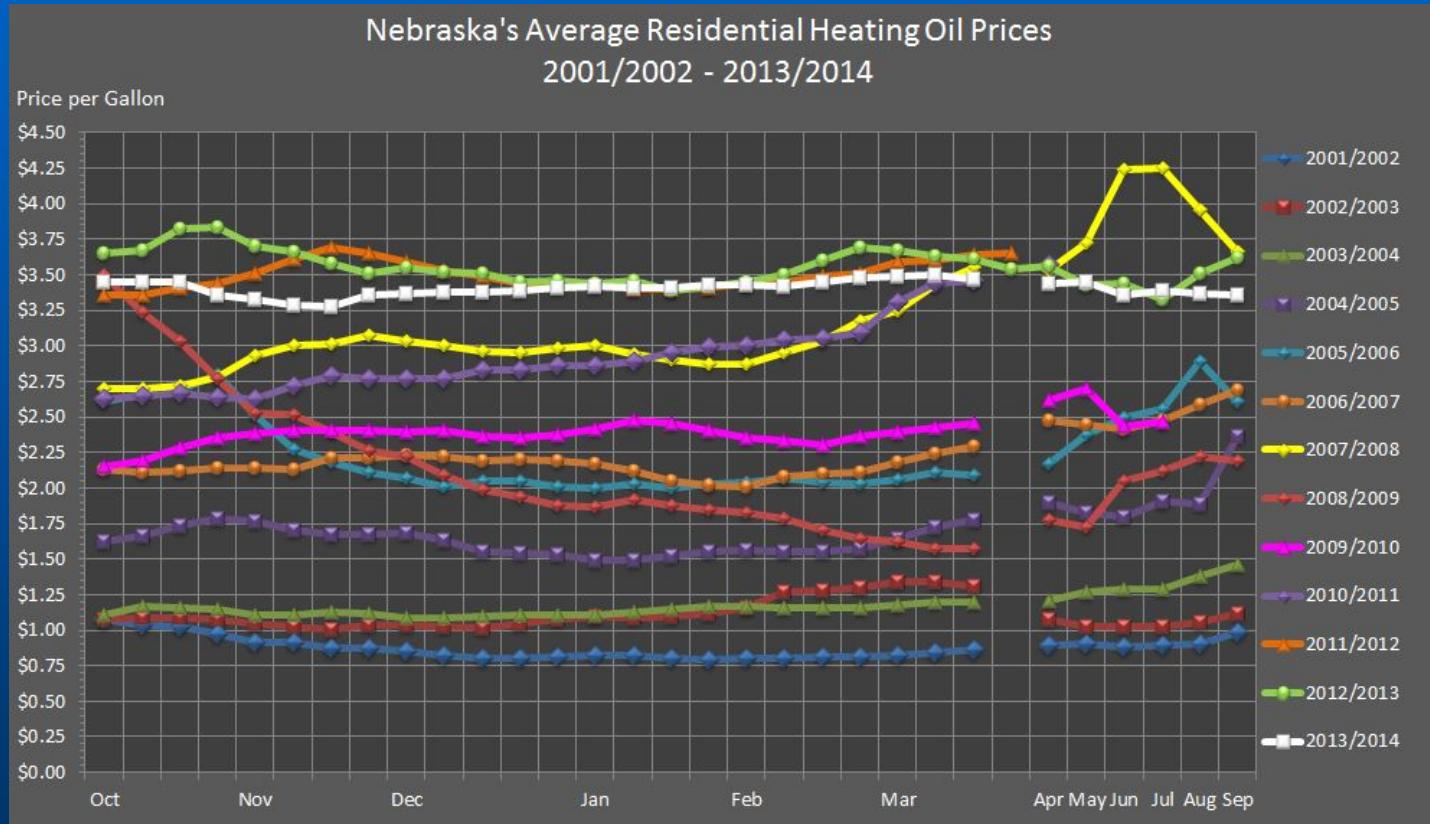
# Residential Propane Price



<http://www.neo.ne.gov/statsthtml/86.html>



# Residential Heating Oil Price



<http://www.neo.ne.gov/statshtml/87.html>



# Weekly Report Using SHOPP Prices



# Residential Propane Price Archive

## Nebraska's Average Residential Propane Prices

### Archive

Year
<a href="#">2013/2014</a>
<a href="#">2012/2013</a>

2011/2012	Heating Season						Off Season					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
First Monday	<a href="#">Oct 3</a>	<a href="#">Nov 7</a>	<a href="#">Dec 5</a>	<a href="#">Jan 2</a>	<a href="#">Feb 6</a>	<a href="#">Mar 5</a>	No Report	No Report	No Report	No Report	No Report	No Report
Second Monday	<a href="#">Oct 10</a>	<a href="#">Nov 14</a>	<a href="#">Dec 12</a>	<a href="#">Jan 9</a>	<a href="#">Feb 13</a>	<a href="#">Mar 12</a>						
Third Monday	<a href="#">Oct 17</a>	<a href="#">Nov 21</a>	<a href="#">Dec 19</a>	<a href="#">Jan 16</a>	<a href="#">Feb 20</a>	<a href="#">Mar 19</a>						
Fourth Monday	<a href="#">Oct 24</a>	<a href="#">Nov 28</a>	<a href="#">Dec 26</a>	<a href="#">Jan 23</a>	<a href="#">Feb 27</a>							
Fifth Monday	<a href="#">Oct 31</a>			<a href="#">Jan 30</a>								

2010/2011	Heating Season						Off Season					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
First Monday	<a href="#">Oct 4</a>	<a href="#">Nov 1</a>	<a href="#">Dec 6</a>	<a href="#">Jan 3</a>	<a href="#">Feb 7</a>	<a href="#">Mar 7</a>	<a href="#">Apr 4</a>	No Report				
Second Monday	<a href="#">Oct 11</a>	<a href="#">Nov 8</a>	<a href="#">Dec 13</a>	<a href="#">Jan 10</a>	<a href="#">Feb 14</a>	<a href="#">Mar 14</a>						

[http://www.neo.ne.gov/statshtml/86\\_archive.htm](http://www.neo.ne.gov/statshtml/86_archive.htm)



# Propane Price Analysis

On January 9, 2012, the average residential propane price had fallen 3 cents from last week to \$1.77 per gallon (see the table at the end of this report). The graph below this text shows the spread in prices from month to month and from this year compared to previous years. This week's average price was 1 cent (or 1 percent) higher than the price a year ago.



# Propane Price Range

Other states in the Midwest Region had higher prices ranging from \$1.90 to \$2.86 per gallon with the region averaging \$2.22. States adjacent to Nebraska, such as South Dakota, Iowa, and Missouri, had prices of \$1.97, \$1.90, and \$2.10, respectively.



# Wholesale Propane Price Analysis

Since the last report, Nebraska's average wholesale price had dropped 10 cents to \$1.11 while the average retail price had fallen 3 cents to \$1.77 per gallon. As a result, the rack-to-retail margin has increased to 66 cents per gallon. Of the surveyed states in the region this week, Nebraska had the lowest average retail price but not the lowest average wholesale price.



# Propane Supply

On the supply side, the Midwest Region inventory level was above the normal range for this time of year with 23.0 million barrels in storage on January 6.



## Links

Notes: The [final report](#) for the 2010-2011 winter season is available. An [archive](#) houses annual reports from previous years.



# Heating Oil & Propane Program

The Energy Information Administration, the independent statistical and analytical agency within the U.S. Department of Energy, conducts the State Heating Oil and Propane Program from October to March--the heating season--each year. The Energy Information Administration collects prices for the program each week from participating states and calculates a state average price, a regional average price, and a national average price which can be seen in the report [Residential Propane Prices by Region and State.](#)



# EIA Weekly Petroleum Status Report



U.S. Energy Information  
Administration

## Petroleum & Other Liquids

### Weekly Petroleum Status Report

Data for week ending Sept. 26, 2014 | Release Date: Oct. 1, 2014 | Next Release Date: Oct. 8, 2014 |

#### Previous Issues

Week:

The petroleum supply situation in the context of historical information and selected prices.

#### Appendices

A Petroleum Supply Summary	PDF
B Explanatory Notes (Stock Ranges)	PDF
C Northeast Reserves	PDF
D Winter Fuels Heating Prices (October - March)	PDF

	Figures	Tables
D1 Residential Heating Oil Prices	XLS	PDF
D2 Wholesale Heating Oil Prices	XLS	PDF
D3 Residential Propane Prices	XLS	PDF
D4 Wholesale Propane Prices	XLS	PDF
Winter Fuels Explanatory Notes		PDF

#### Sources and Glossary

Weekly Petroleum Status Report Sources	PDF
Weekly Petroleum Status Report Glossary	PDF



# Weekly Heating Oil Prices

**U.S. Energy Information Administration**

**PETROLEUM & OTHER LIQUIDS**

OVERVIEW DATA ANALYSIS & PROJECTIONS

**Weekly Heating Oil and Propane Prices (October - March)**  
(Dollars per Gallon Excluding Taxes)

Data Series: Residential Heating Oil ▾ Period: Weekly ▾

Show Data By:		Graph	Clear	02/10/14	02/17/14	02/24/14	03/03/14	03/10/14	03/17/14	View History
<input type="radio"/> Data Series	<input checked="" type="radio"/> Area									
U.S.		<input type="checkbox"/>		4.245	4.226	4.242	4.226	4.195	4.123	1990-2014
<b>East Coast (PADD 1)</b>		<input type="checkbox"/>		4.249	4.229	4.245	4.230	4.199	4.127	1990-2014
<b>New England (PADD 1A)</b>		<input type="checkbox"/>		4.159	4.151	4.157	4.151	4.137	4.074	1990-2014
Connecticut		<input type="checkbox"/>		4.344	4.349	4.337	4.338	4.347	4.273	1990-2014
Maine		<input type="checkbox"/>		3.918	3.906	3.909	3.912	3.897	3.847	1990-2014
Massachusetts		<input type="checkbox"/>		4.210	4.204	4.225	4.214	4.179	4.127	1990-2014
New Hampshire		<input type="checkbox"/>		4.027	4.013	4.029	3.987	4.017	3.933	1990-2014
Rhode Island		<input type="checkbox"/>		4.242	4.226	4.236	4.243	4.178	4.114	1990-2014
Vermont		<input type="checkbox"/>		3.950	3.917	3.929	3.922	3.923	3.869	1990-2014
<b>Central Atlantic (PADD 1B)</b>		<input type="checkbox"/>		4.325	4.296	4.319	4.296	4.251	4.171	1990-2014
Delaware		<input type="checkbox"/>		4.192	4.167	4.162	4.118	4.060	3.971	1990-2014
District of Columbia		<input type="checkbox"/>		4.721	4.721	4.773	4.774	4.763	4.755	1990-2014
Maryland		<input type="checkbox"/>		4.154	4.188	4.203	4.205	4.195	4.143	1990-2014
New Jersey		<input type="checkbox"/>		4.334	4.351	4.370	4.367	4.332	4.255	1990-2014
New York		<input type="checkbox"/>		4.525	4.460	4.491	4.469	4.417	4.338	1990-2014
Pennsylvania		<input type="checkbox"/>		4.051	4.040	4.053	4.015	3.971	3.881	1990-2014
<b>Lower Atlantic (PADD 1C)</b>		<input type="checkbox"/>		3.760	3.792	3.835	3.846	3.853	3.876	1990-2014
North Carolina		<input type="checkbox"/>		3.768	3.784	3.806	3.804	3.800	3.805	1990-2014
Virginia		<input type="checkbox"/>		3.759	3.793	3.839	3.851	3.859	3.884	1990-2014
<b>Midwest (PADD 2)</b>		<input type="checkbox"/>		3.701	3.744	3.785	3.777	3.742	3.688	1990-2014
Illinois		<input type="checkbox"/>								1990-1991
Indiana		<input type="checkbox"/>		3.811	3.882	3.930	3.928	3.864	3.807	1990-2014
Iowa		<input type="checkbox"/>		3.467	3.495	3.526	3.527	3.510	3.465	1990-2014
Kentucky		<input type="checkbox"/>		3.747	3.786	3.842	3.844	3.796	3.734	1994-2014
Michigan		<input type="checkbox"/>		3.889	3.916	3.932	3.868	3.836	3.765	1990-2014
Minnesota		<input type="checkbox"/>		3.531	3.557	3.613	3.625	3.644	3.618	1990-2014
Nebraska		<input type="checkbox"/>		3.416	3.447	3.476	3.490	3.496	3.473	2001-2014
Ohio		<input type="checkbox"/>		4.103	4.122	4.132	4.086	4.024	3.911	1990-2014
Wisconsin		<input type="checkbox"/>		3.607	3.652	3.713	3.706	3.695	3.644	1990-2014



# Heating Oil Price by Region

## Appendix D

**Table D1. Residential Heating Oil Prices by Region and State**  
(Dollars per Gallon, Excluding Taxes)

Region/State	2012 - 2013 Heating Season Monthly					
	October	November	December	January	February	March
Average	4.014	4.012	3.986	4.017	4.145	4.055
East Coast (PADD 1)	4.021	4.018	3.994	4.027	4.154	4.063
New England (PADD 1A)	3.960	3.924	3.915	3.973	4.104	4.017
Central Atlantic (PADD 1B)	4.071	4.091	4.056	4.072	4.196	4.102
Lower Atlantic (PADD 1C)	3.751	3.770	3.762	3.748	3.839	3.836
Midwest (PADD 2)	3.714	3.748	3.672	3.553	3.776	3.687

Region/State	2013 - 2014 Heating Season Monthly					
	October	November	December	January	February	March
Average	3.832	3.837	3.969	4.066	4.239	4.181
East Coast (PADD 1)	3.835	3.840	3.973	4.070	4.242	4.185
New England (PADD 1A)	3.763	3.787	3.937	4.047	4.160	4.121
Central Atlantic (PADD 1B)	3.893	3.884	4.004	4.093	4.313	4.239
Lower Atlantic (PADD 1C)	3.637	3.631	3.673	3.684	3.782	3.858
Midwest (PADD 2)	3.526	3.498	3.495	3.510	3.719	3.736

Region/State	2013 - 2014 Heating Season Weekly											
	12/30	1/6	1/13	1/20	1/27	2/3	2/10	2/17	2/24	3/3	3/10	3/17
Average	4.037	4.020	4.011	4.055	4.176	4.241	4.245	4.226	4.242	4.226	4.195	4.123
East Coast (PADD 1)	4.041	4.024	4.015	4.060	4.180	4.246	4.249	4.229	4.245	4.230	4.199	4.127
New England (PADD 1A)	4.020	4.014	4.008	4.033	4.131	4.172	4.159	4.151	4.157	4.151	4.137	4.074
Connecticut	4.216	4.183	4.175	4.218	4.317	4.352	4.344	4.349	4.337	4.338	4.347	4.273
Maine	3.780	3.835	3.841	3.829	3.892	3.934	3.918	3.906	3.909	3.912	3.897	3.847
Massachusetts	4.061	4.046	4.043	4.077	4.202	4.219	4.210	4.204	4.225	4.214	4.179	4.127
New Hampshire	3.891	3.896	3.894	3.906	3.986	4.044	4.027	4.013	4.029	3.987	4.017	3.933
Rhode Island	4.081	4.077	4.062	4.103	4.197	4.268	4.242	4.226	4.236	4.243	4.178	4.114
Vermont	3.848	3.788	3.758	3.771	3.894	3.971	3.950	3.917	3.929	3.922	3.923	3.869
Central Atlantic (PADD 1B)	4.063	4.037	4.026	4.085	4.225	4.310	4.325	4.296	4.319	4.296	4.251	4.171
Delaware	3.919	3.909	3.898	3.975	4.113	4.193	4.192	4.167	4.162	4.118	4.060	3.971
Dist Columbia	4.681	4.681	4.653	4.653	4.695	4.720	4.721	4.721	4.773	4.774	4.763	4.755
Maryland	3.992	4.020	3.990	4.000	4.074	4.126	4.154	4.188	4.203	4.205	4.195	4.143
New Jersey	4.141	4.134	4.118	4.138	4.278	4.365	4.334	4.351	4.370	4.367	4.332	4.255
New York	4.228	4.197	4.192	4.270	4.438	4.482	4.525	4.460	4.491	4.469	4.417	4.338
Pennsylvania	3.785	3.747	3.731	3.792	3.902	4.055	4.051	4.040	4.053	4.015	3.971	3.881
Lower Atlantic (PADD 1C)	3.674	3.677	3.678	3.677	3.705	3.741	3.760	3.792	3.835	3.846	3.853	3.876
North Carolina	3.649	3.648	3.655	3.646	3.696	3.728	3.768	3.784	3.806	3.804	3.800	3.805
Virginia	3.677	3.680	3.681	3.681	3.706	3.743	3.759	3.793	3.839	3.851	3.859	3.884
Midwest (PADD 2)	3.508	3.494	3.483	3.499	3.565	3.646	3.701	3.744	3.785	3.777	3.742	3.688
Indiana	3.541	3.535	3.533	3.531	3.642	3.761	3.811	3.882	3.930	3.928	3.864	3.807
Iowa	3.478	3.421	3.389	3.429	3.425	3.396	3.467	3.495	3.526	3.527	3.510	3.465
Kentucky	3.492	3.479	3.468	3.503	3.535	3.650	3.747	3.786	3.842	3.844	3.796	3.734
Michigan	3.524	3.503	3.512	3.546	3.654	3.807	3.889	3.916	3.932	3.868	3.836	3.765
Minnesota	3.583	3.583	3.566	3.545	3.535	3.517	3.531	3.557	3.613	3.625	3.644	3.618
Nebraska	3.406	3.416	3.409	3.411	3.431	3.428	3.416	3.447	3.476	3.490	3.496	3.473
Ohio	3.593	3.619	3.602	3.675	3.852	4.045	4.103	4.122	4.132	4.086	4.024	3.911
Wisconsin	3.555	3.511	3.479	3.456	3.536	3.572	3.607	3.652	3.713	3.706	3.695	3.644

Source: Based on data collected by State Energy Offices.



# SHOPP Final Report

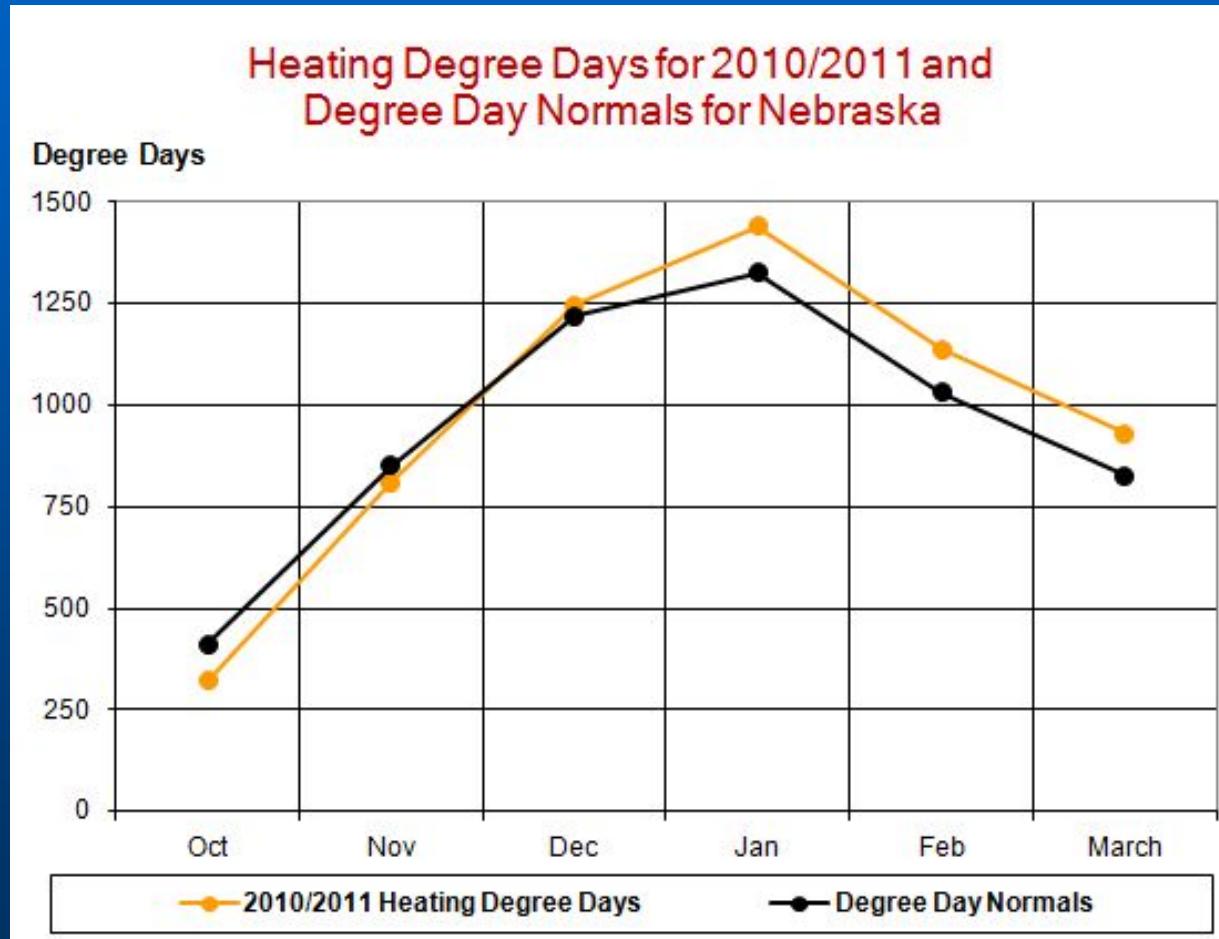


# Indicators

- Cold weather
- Wet corn crop
- Changes to pipeline operations

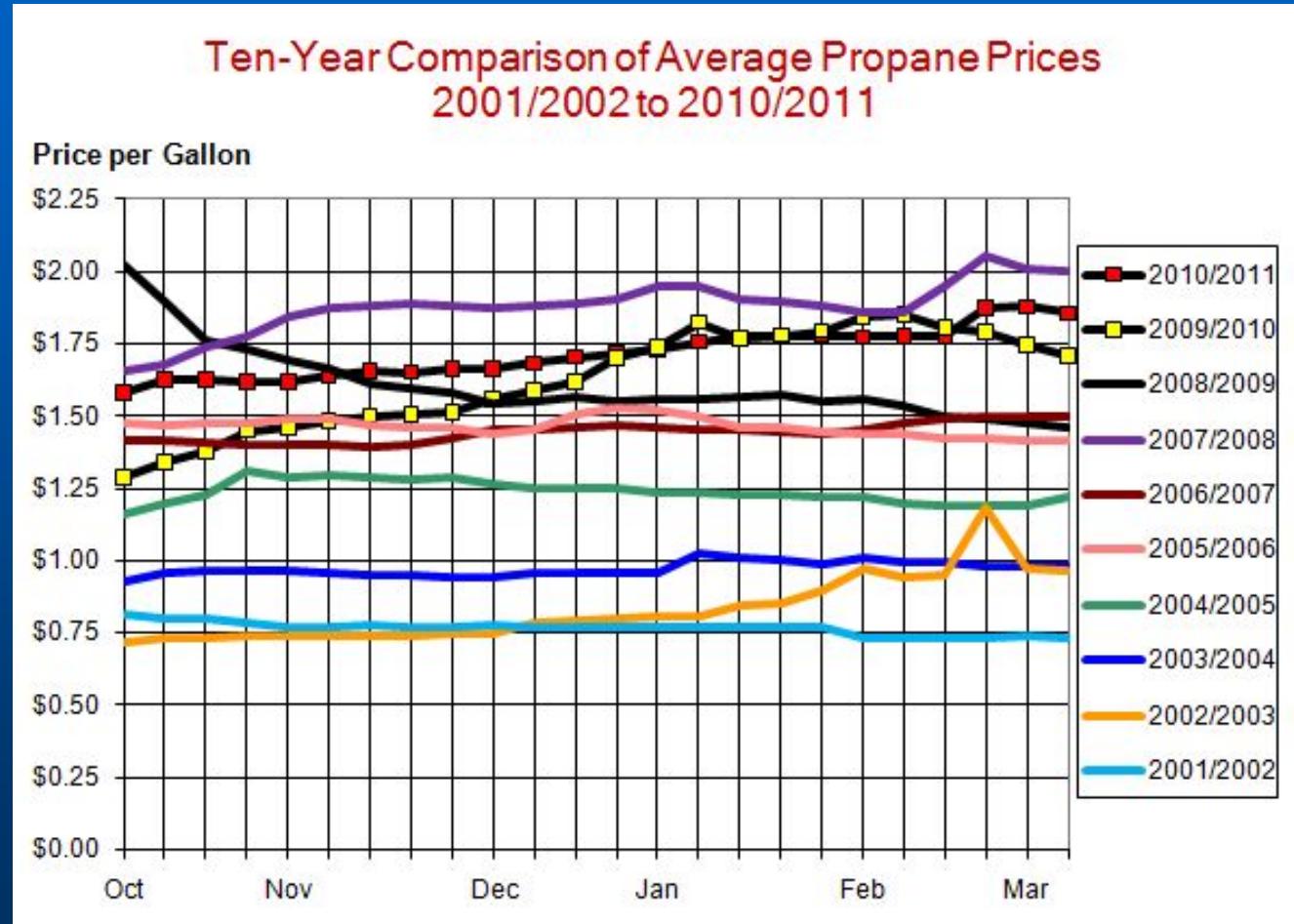


# Heating Degree Days



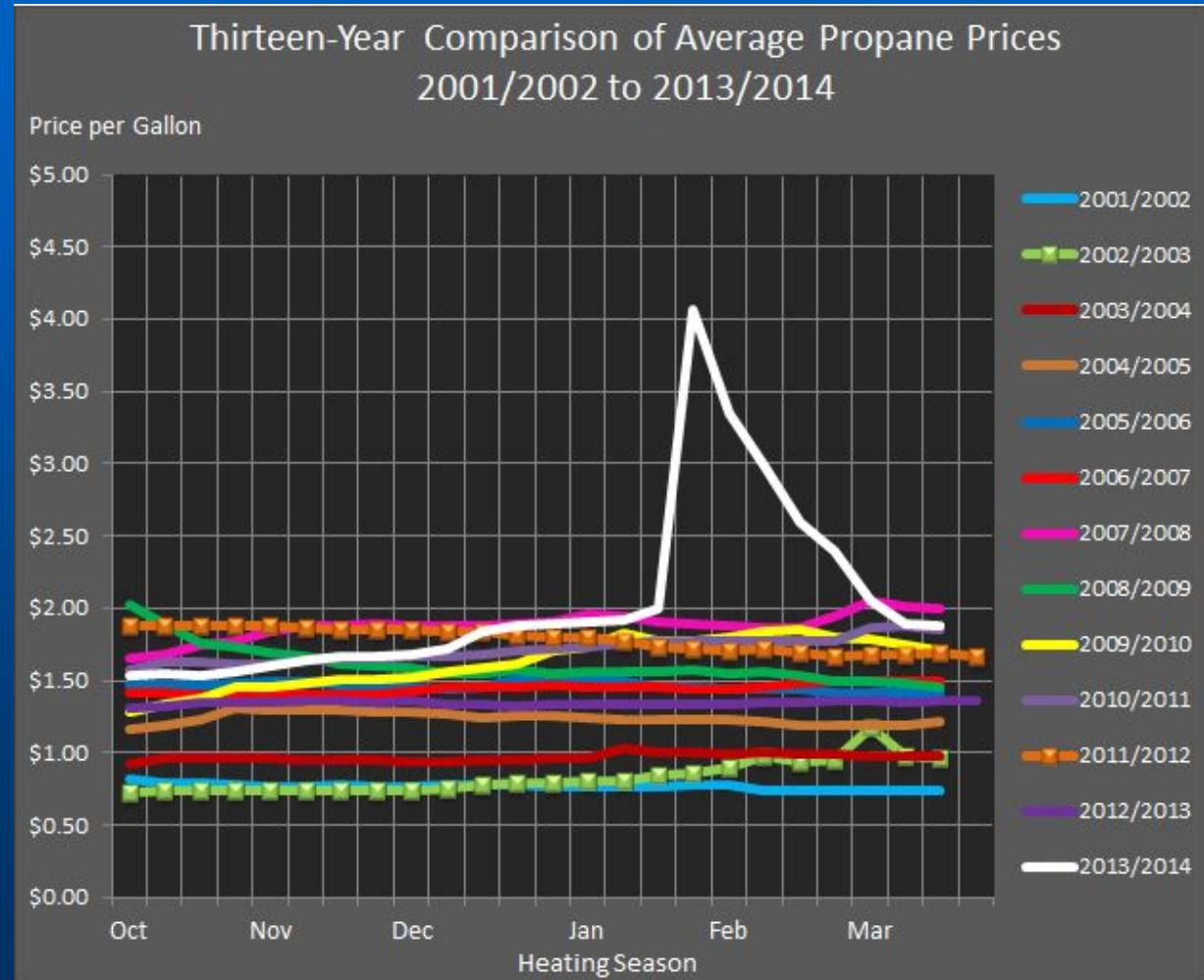


# Propane Price Comparison





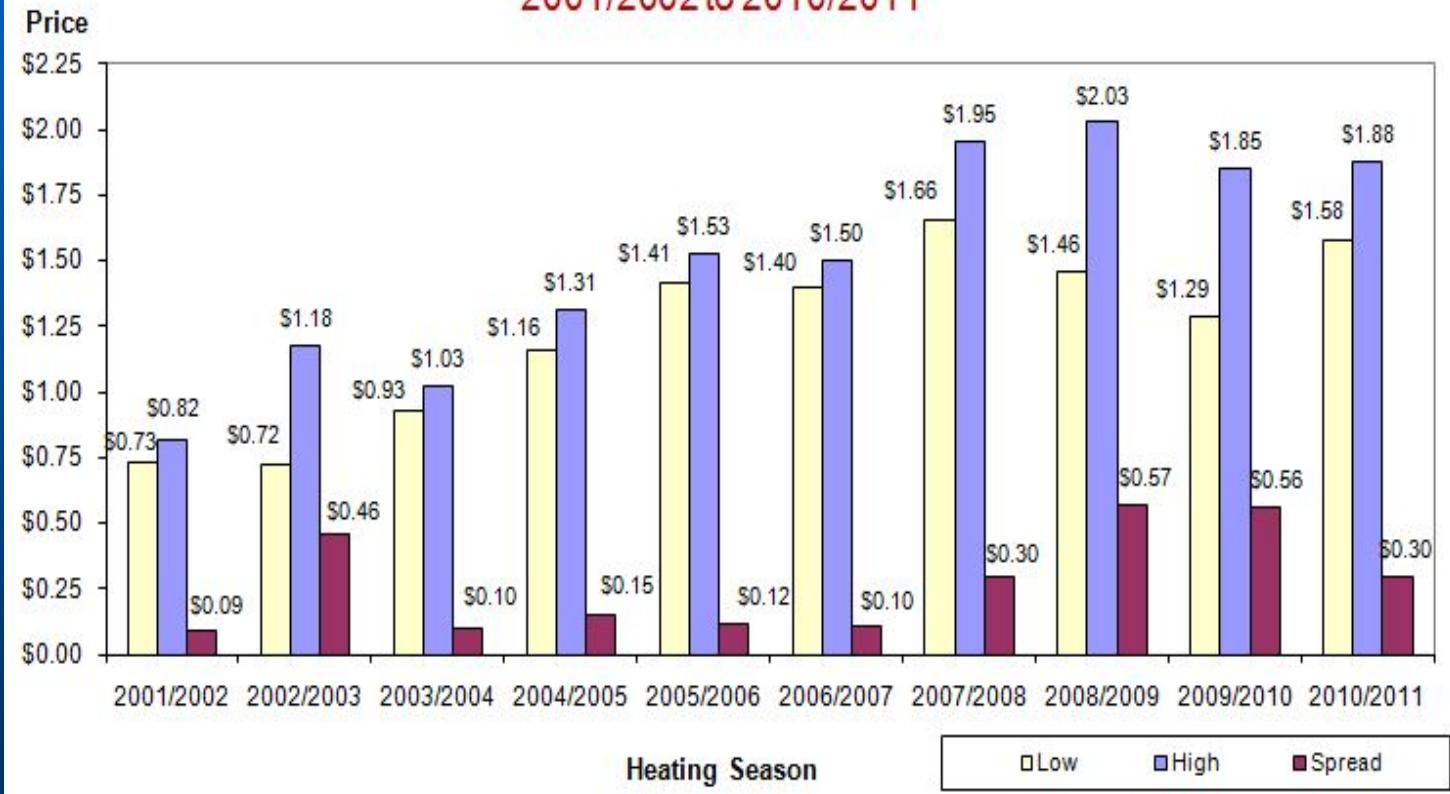
# Price Comparison Over 13 Years





# Propane Price Range & Spread

Propane Price Range and Spread  
Each Heating Season  
2001/2002 to 2010/2011





# Propane Average Price for Heating Season

Heating Season	Average Price	Percent Increase/(Decrease) From Prior Year
2013/2014	\$2.04	51%
2012/2013	\$1.35	(25%)
2011/2012	\$1.79	4%
2010/2011	\$1.72	6%
2009/2010	\$1.63	1%
2008/2009	\$1.61	(14%)
2007/2008	\$1.88	30%
2006/2007	\$1.45	(1%)
2005/2006	\$1.46	18%
2004/2005	\$1.24	28%
2003/2004	\$0.97	17%
2002/2003	\$0.83	8%
2001/2002	\$0.77	NA
Average Thirteen-Year Price	\$1.44	

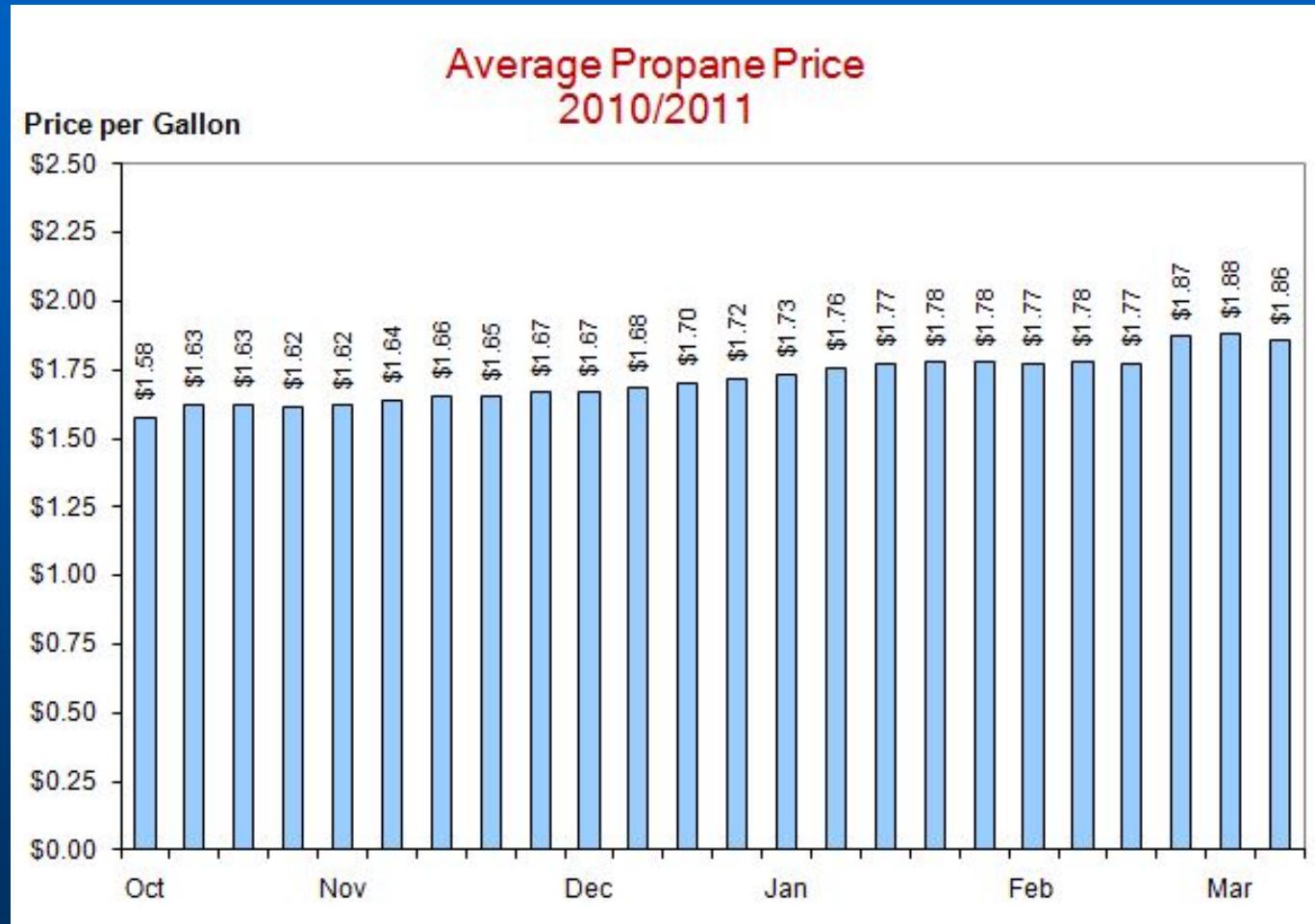


# Propane Average Price for October

Heating Season	Average October Price	Percent Increase/(Decrease) From Prior Year
2013/2014	\$1.56	16%
2012/2013	\$1.34	(29%)
2011/2012	\$1.88	17%
2010/2011	\$1.61	18%
2009/2010	\$1.36	(26%)
2008/2009	\$1.85	8%
2007/2008	\$1.71	21%
2006/2007	\$1.41	(5%)
2005/2006	\$1.48	21%
2004/2005	\$1.22	27%
2003/2004	\$0.96	32%
2002/2003	\$0.73	(8%)
2001/2002	\$0.79	NA
<b>Average Thirteen-Year October Price</b>	<b>\$1.38</b>	

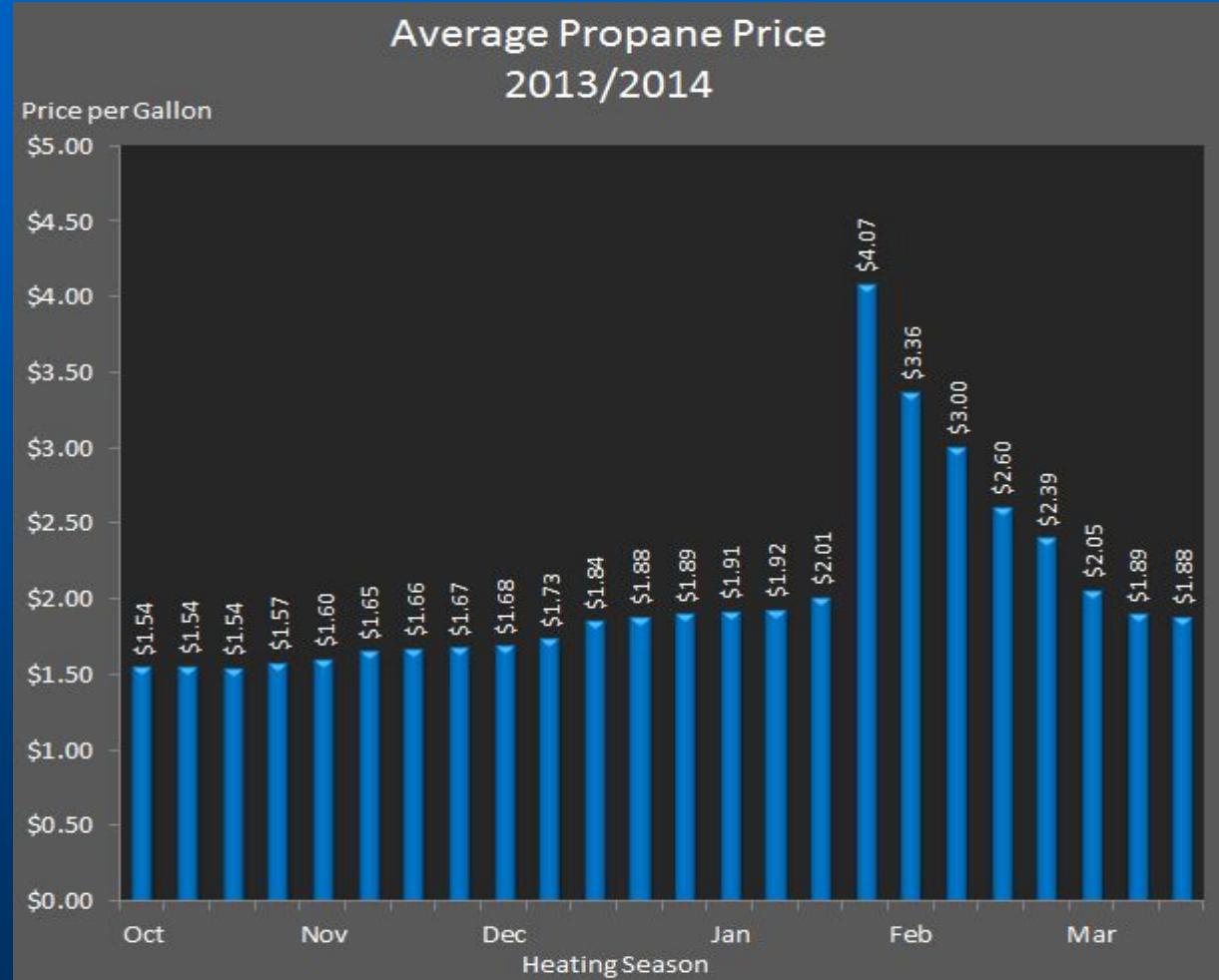


# Average Propane Prices



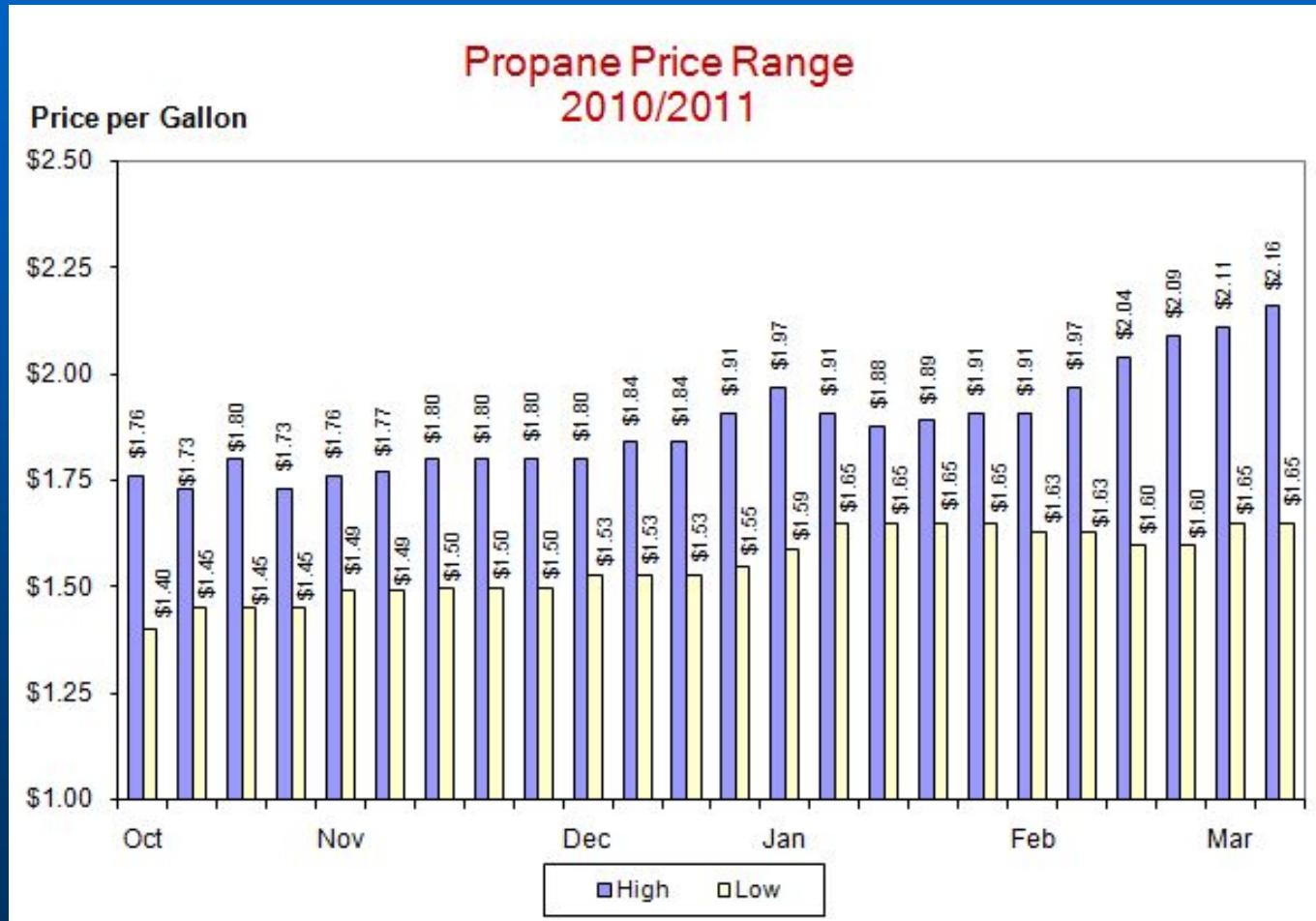


# Average Propane Prices



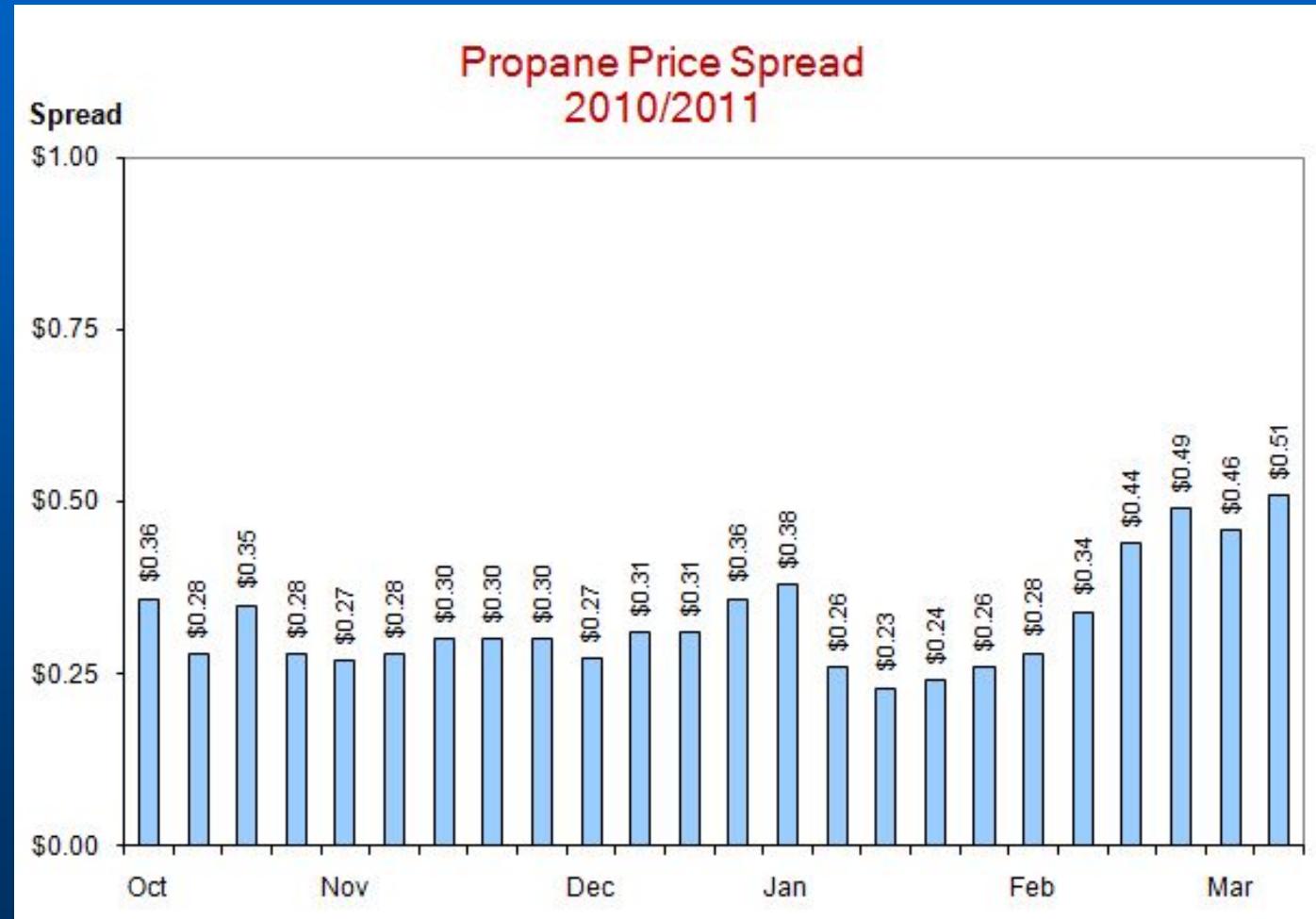


# Propane Price Range



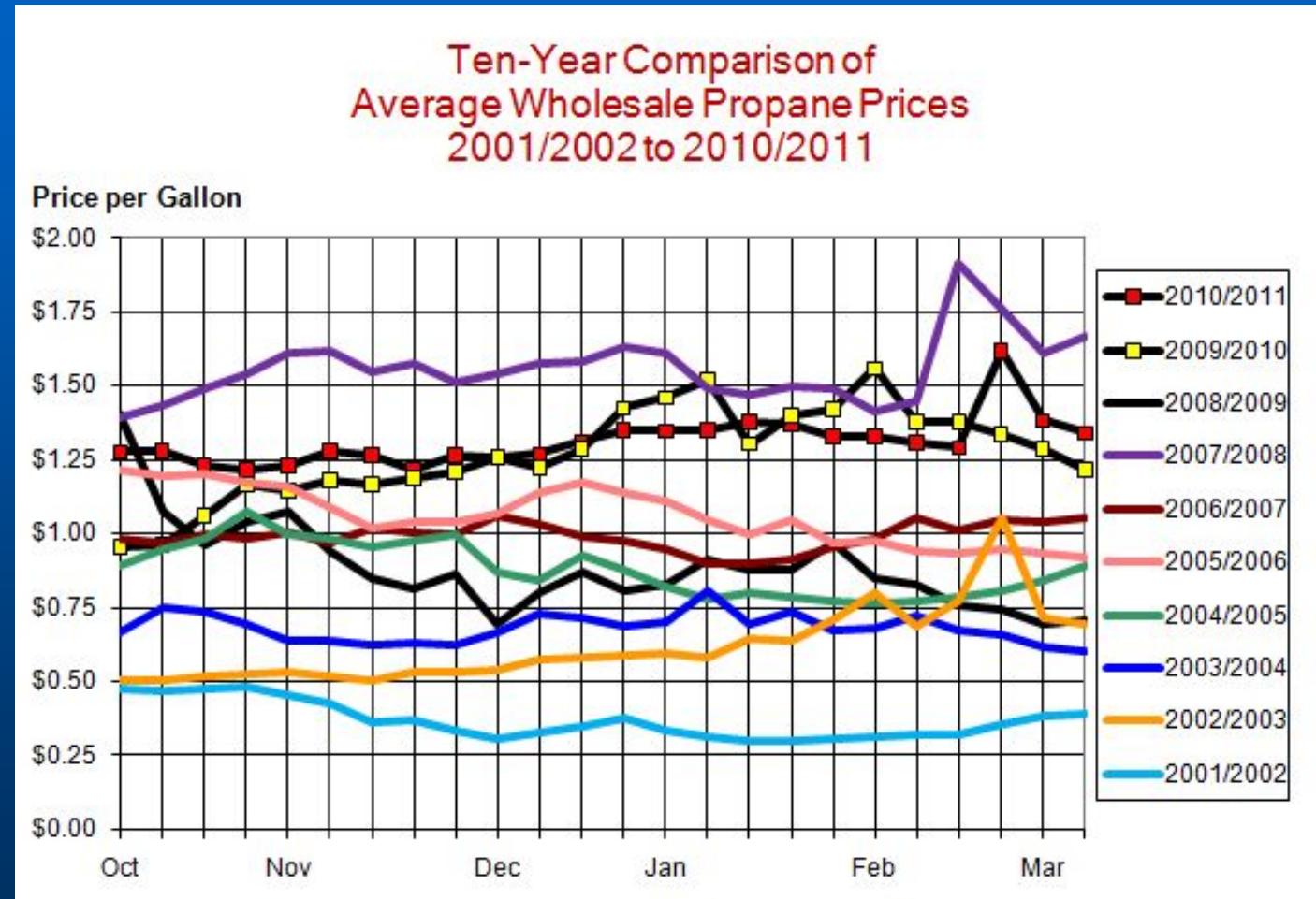


# Propane Price Spread



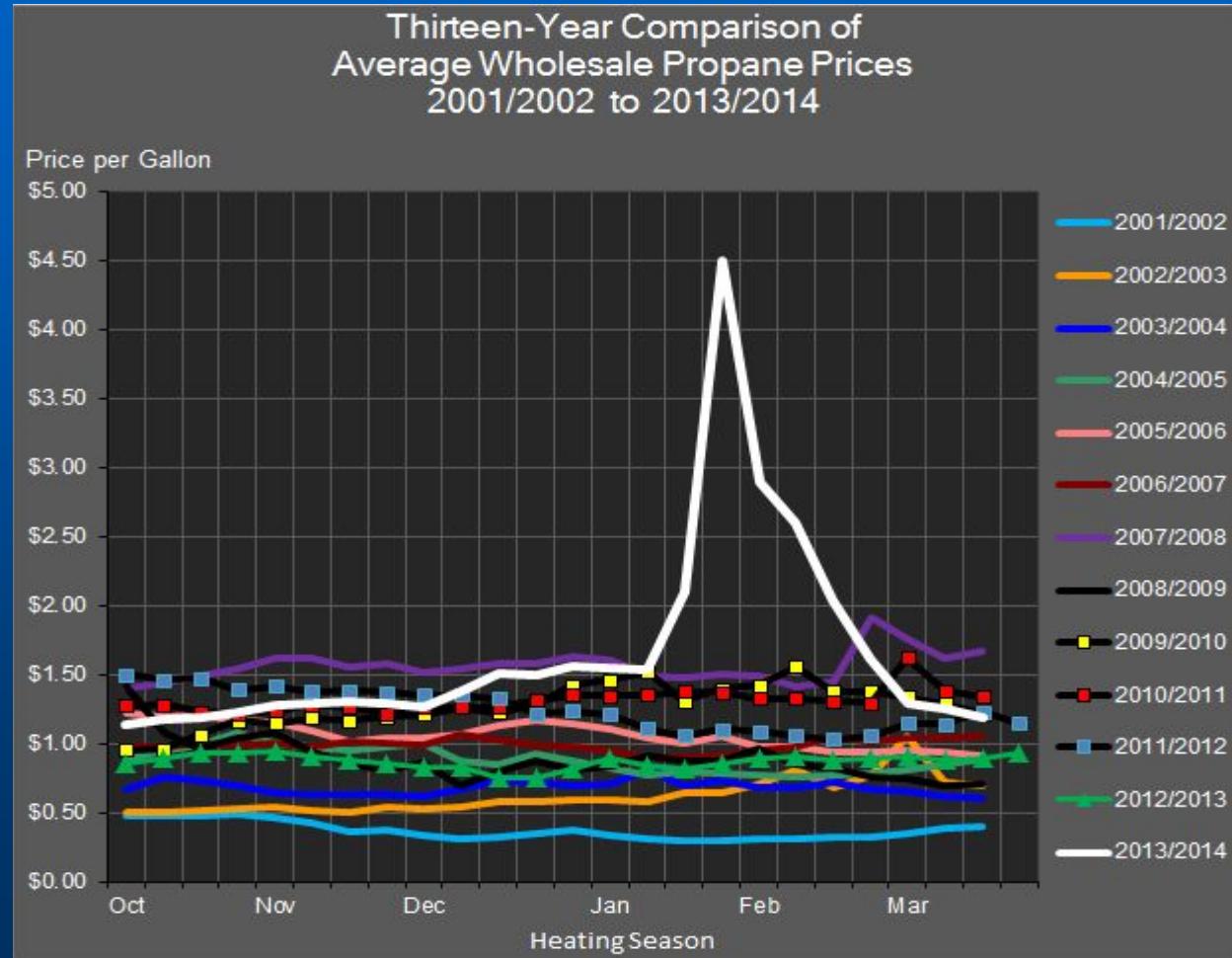


# Wholesale Propane Price Comparison



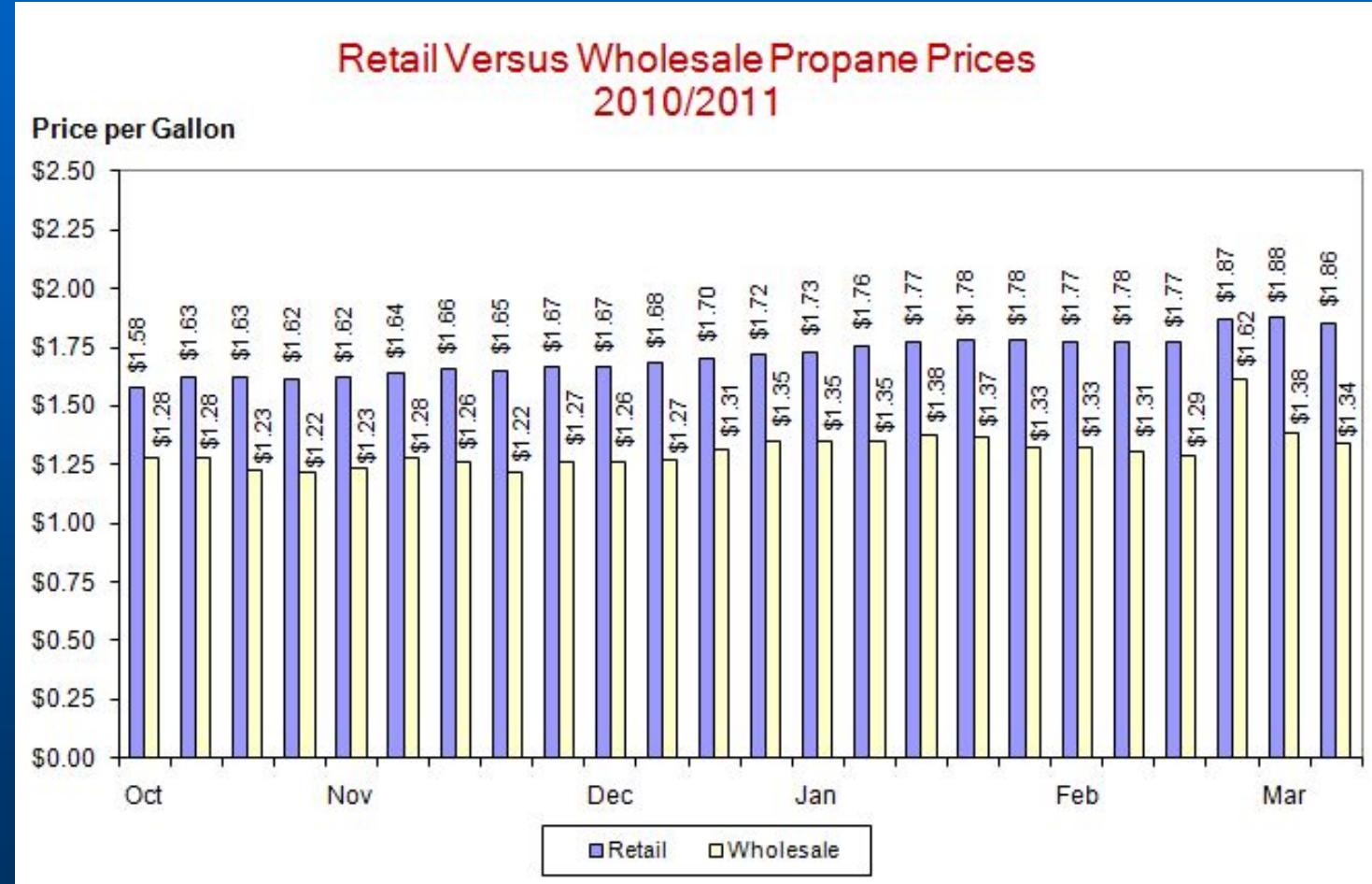


# Wholesale Price Comparison Over 13 Years



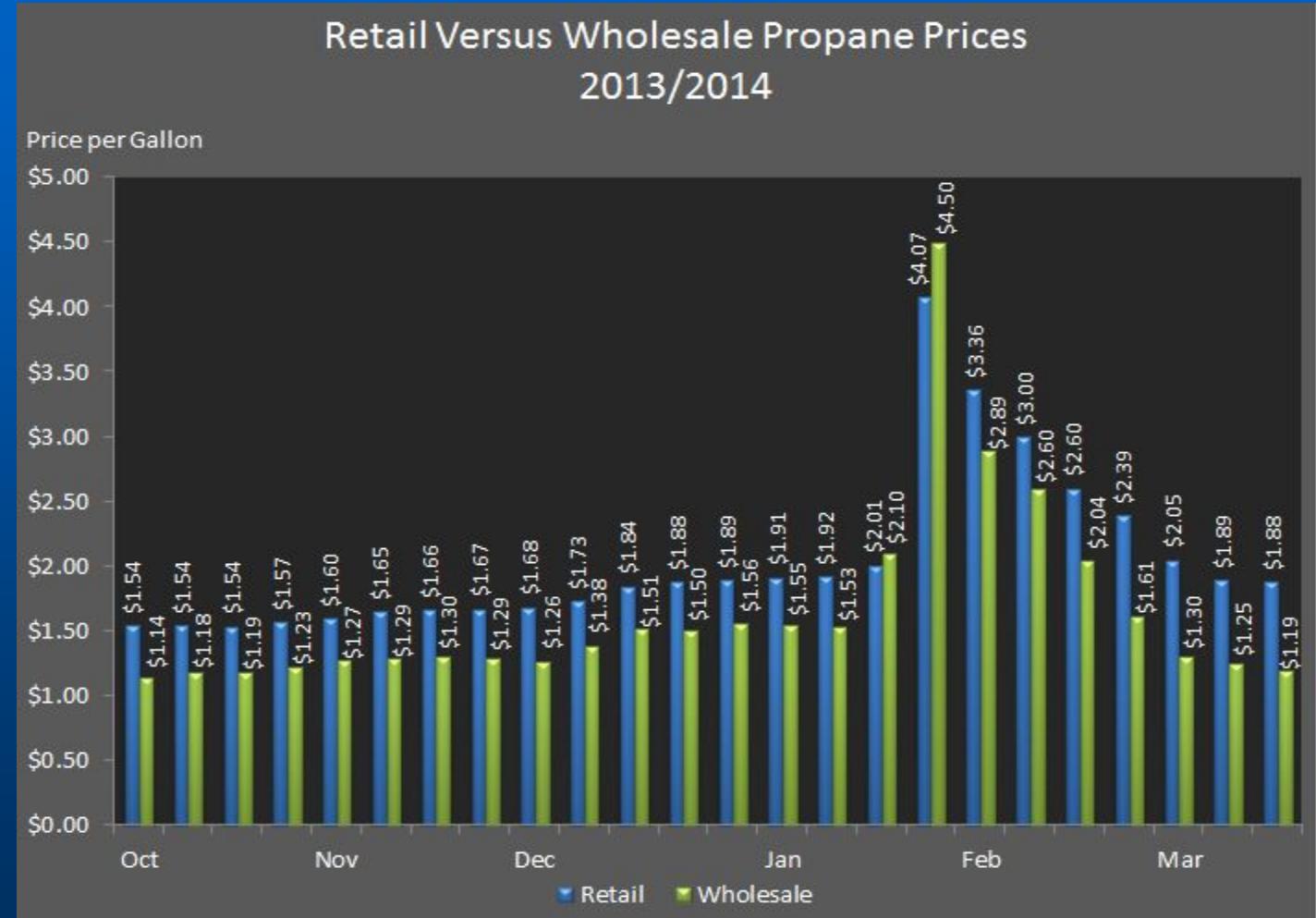


# Retail vs. Wholesale Prices





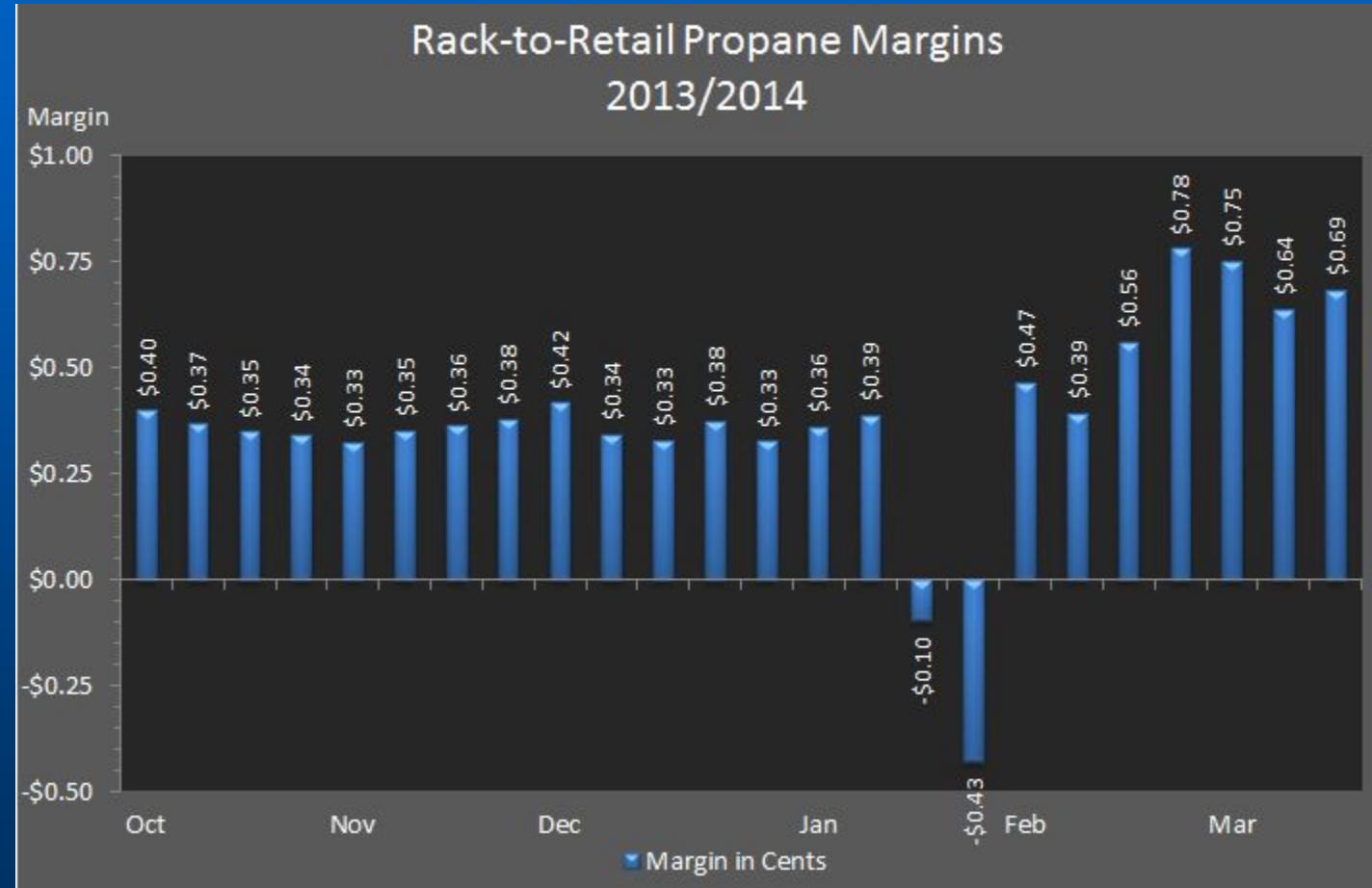
# Retail vs. Wholesale Prices





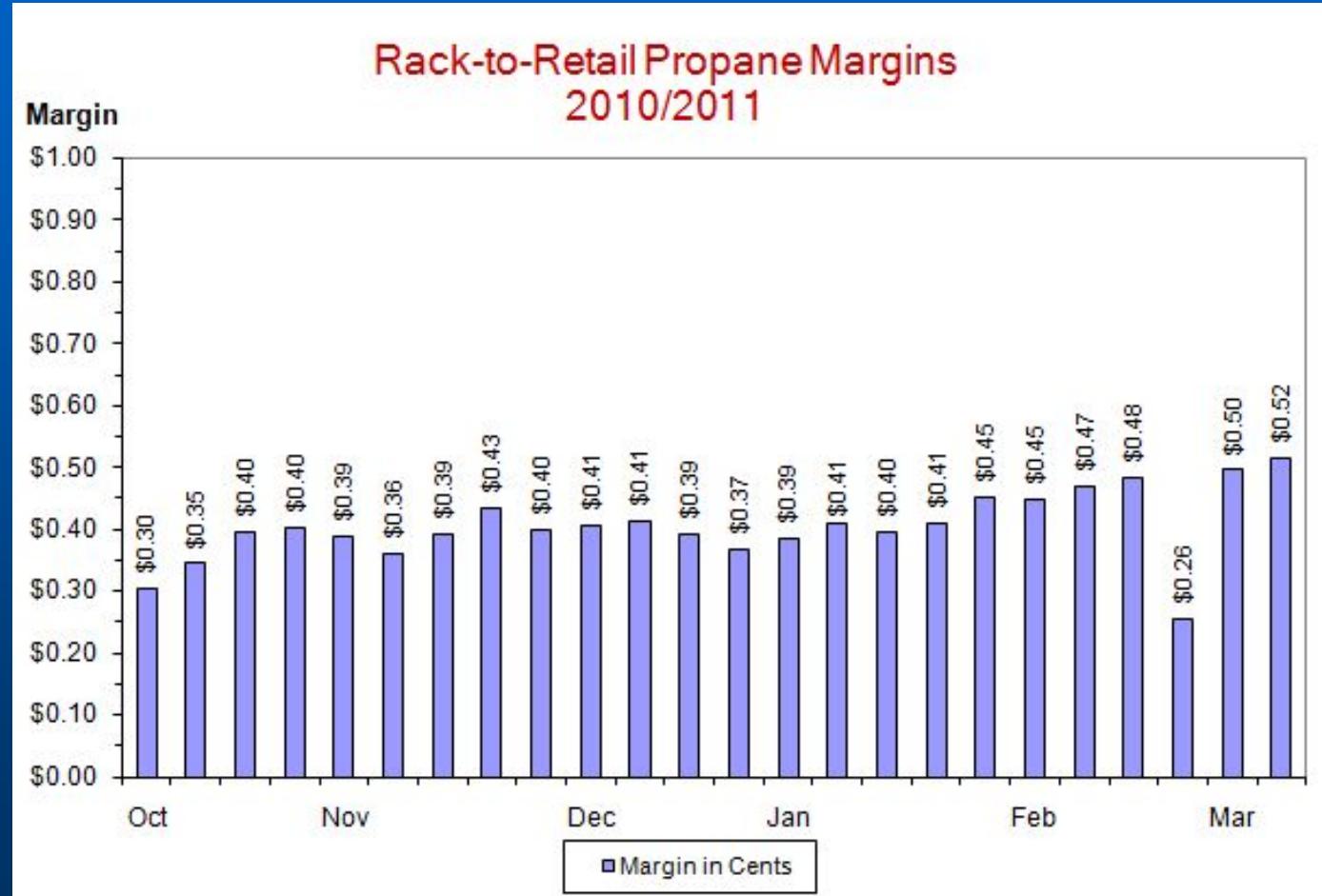
# Rack-to-Retail

## Weekly Propane Price Margin





# Propane Price Margins





# Issues

- Winter weather forecast
- Other states' issues
- Planned or unplanned refinery shutdowns
  - Refineries that feed Nebraska
  - Refineries that feed other states
- Closed terminals in Nebraska or other states
- Man-made or natural incidents
- Increasing exports of propane
- Price of Conway propane versus Mt. Belvieu
- Pipelines
- Truck / Drivers
- Crops



# Proactive Moves



# Heating Season Preparations by Nebraska Dealers

## Their Customers

- Summer Fill
- Contract Price
- Keep Full
- Budget Billing
- Telling customers to fill all available storage

## Their Suppliers

- Contracting a bigger percentage of the amount of propane or heating oil that they estimate needing this winter
- Filled all available storage



# Heating Season Preparations by the Nebraska Energy Office

- Conducted a summer survey of propane and heating oil prices
- Contact Emergency Managers in the state to stay on top of any local issues
- Will collect inventory numbers from storage, pipelines, fuel terminals
  - Maintain a color spreadsheet of fuel supply adequacy
- Will collect prime supplier data from as many suppliers as are willing to provide numbers
- Will maintain communication at the Federal, State, and local levels

# N E B R A S K A



## E N E R G Y   O F F I C E

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Agency - <http://www.neo.ne.gov/>

Statistics - <http://www.neo.ne.gov/statshml/index3c.html>