

2023/24 Winter Propane Market Update



January 10, 2024 | Washington, DC

(Inventory data as of 1/5/24; residential heating fuel prices as of 1/8/24)

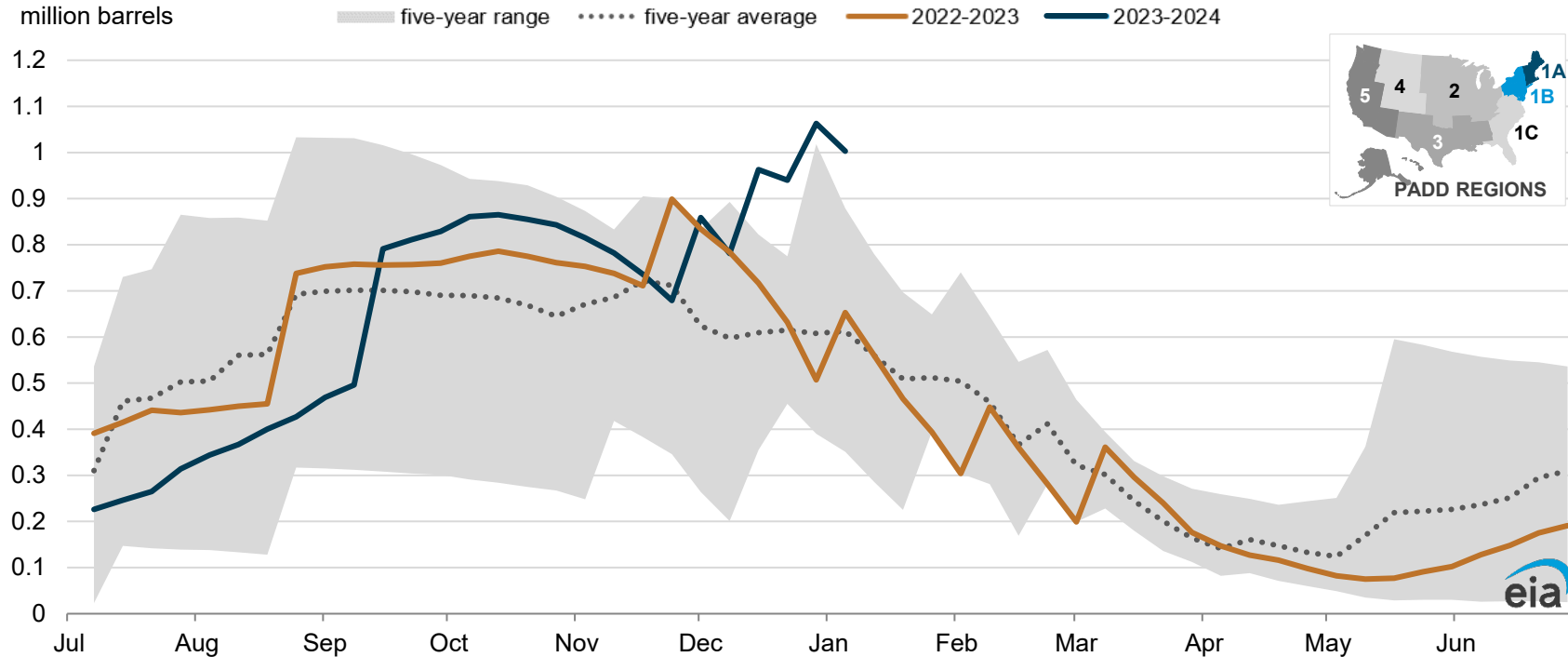
By

U.S. Energy Information Administration

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

PADD 1A propane inventories

million barrels



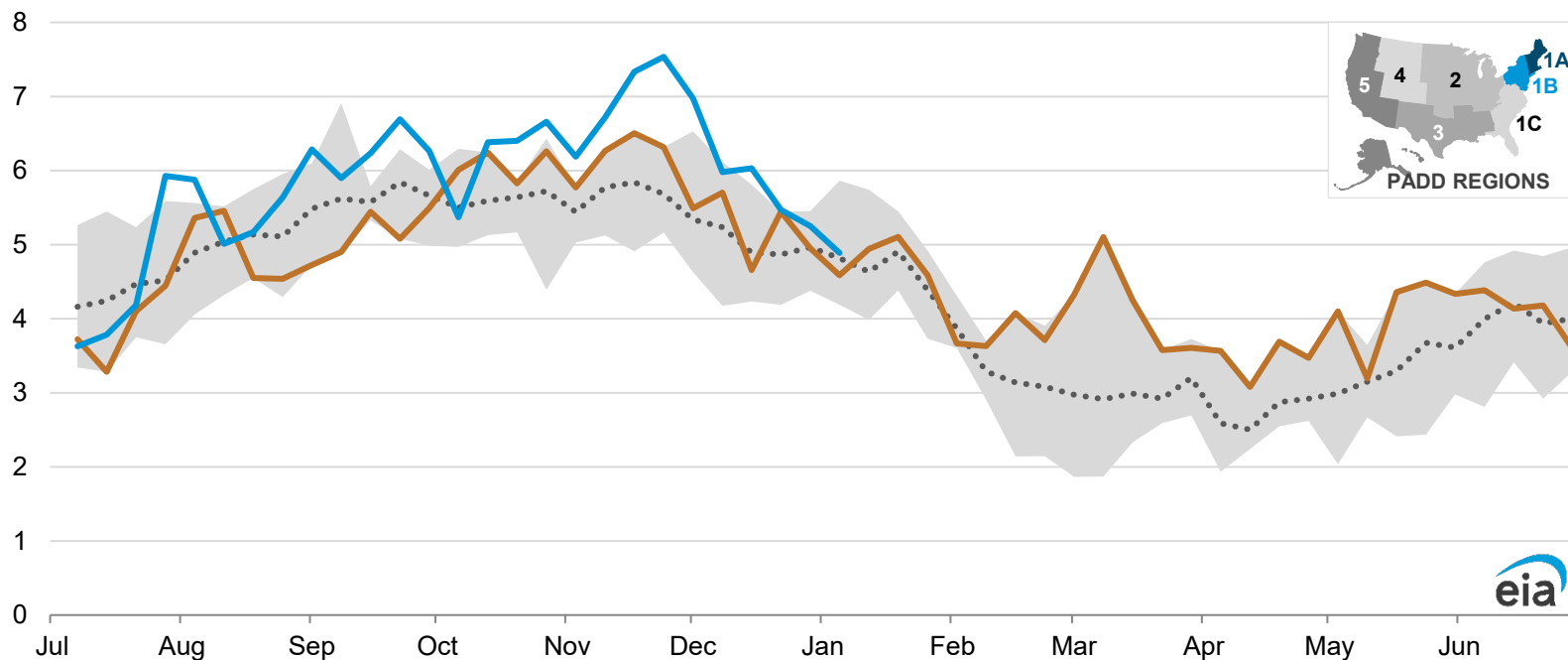
Data source: EIA, *Weekly Petroleum Status Report*, January 10, 2024. Data through January 5, 2024.

Note: PADD 1A is composed of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

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

PADD 1B propane inventories
million barrels

■ five-year range five-year average — 2022-2023 — 2023-2024



Data source: EIA, *Weekly Petroleum Status Report*, January 10, 2024. Data through January 5, 2024.

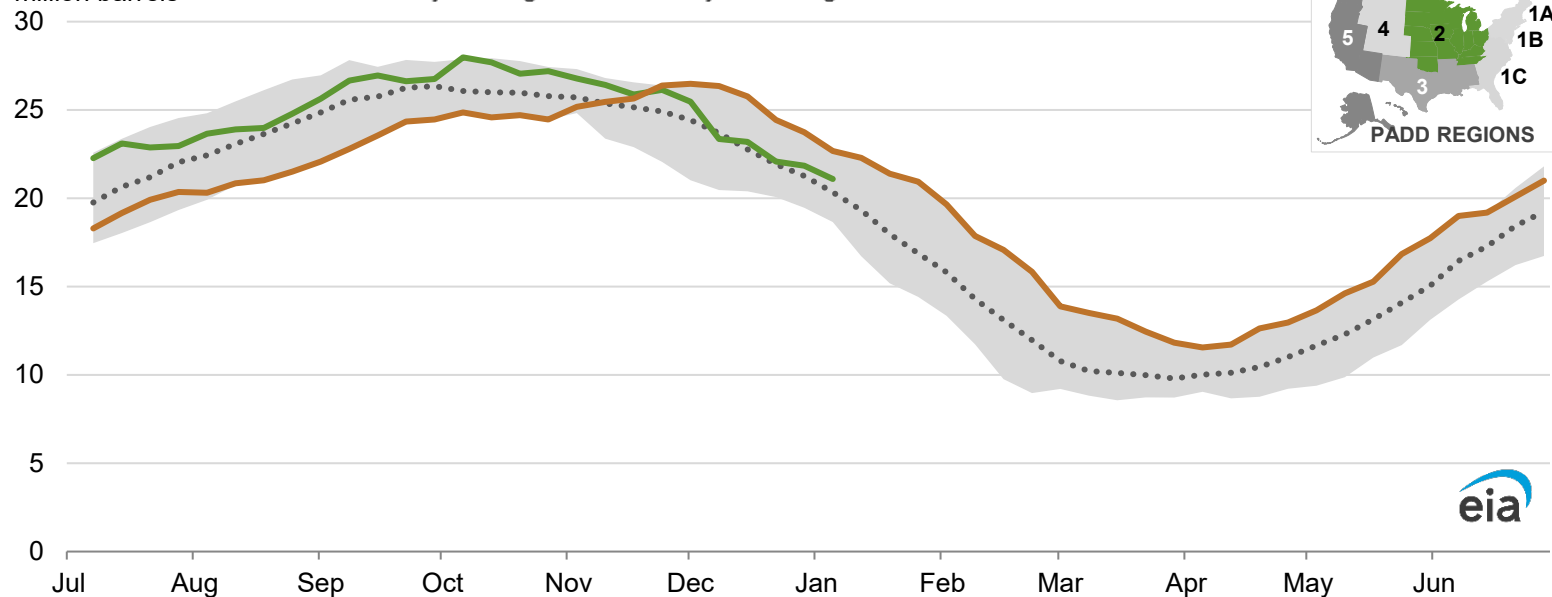
Note: PADD 1A is composed of Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

PADD 2 (Midwest) propane inventories above the 5-year average

See note below on past publication error

PADD 2 propane inventories

million barrels



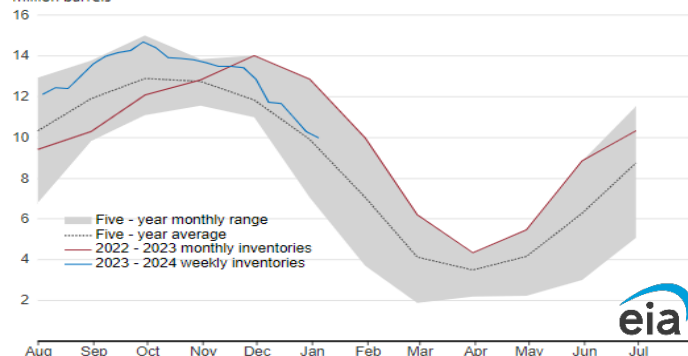
Data source: EIA, *Weekly Petroleum Status Report*, January 10, 2024. Data through January 5, 2024.

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

Note: PADD 2 propane stocks published in the *Weekly Petroleum Status Report* between November 15 and December 20 were misstated. Current week's publication shows correct stocks and the PADD 2 inventory chart shows corrected propane stocks. We have published an errata table with correct stock levels for all impacted weeks in [Appendix E](#) of the [Weekly Petroleum Status Report](#).

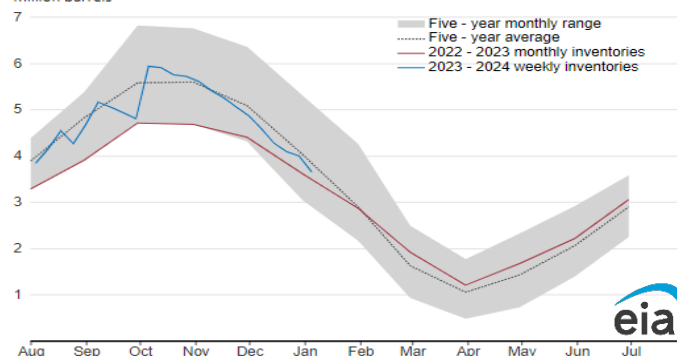
Selected state propane* inventories

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



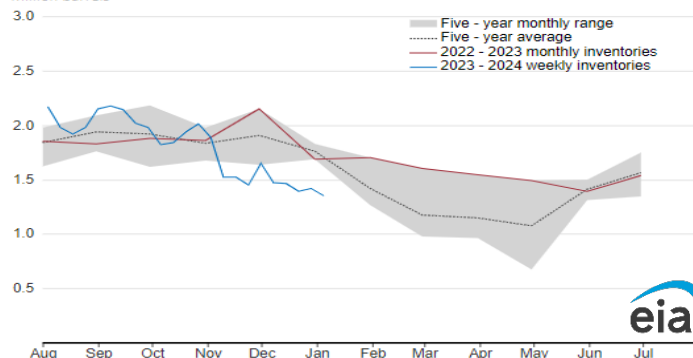
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

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



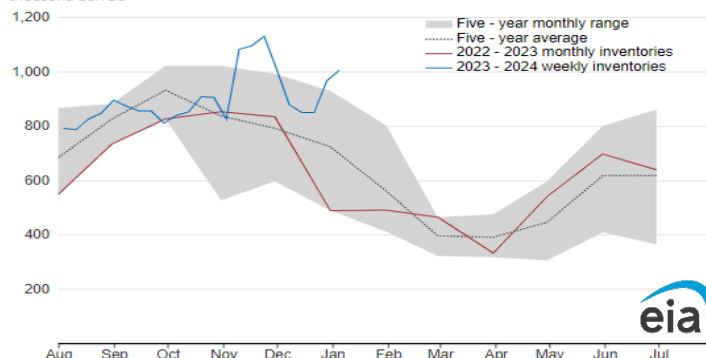
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

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



Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

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



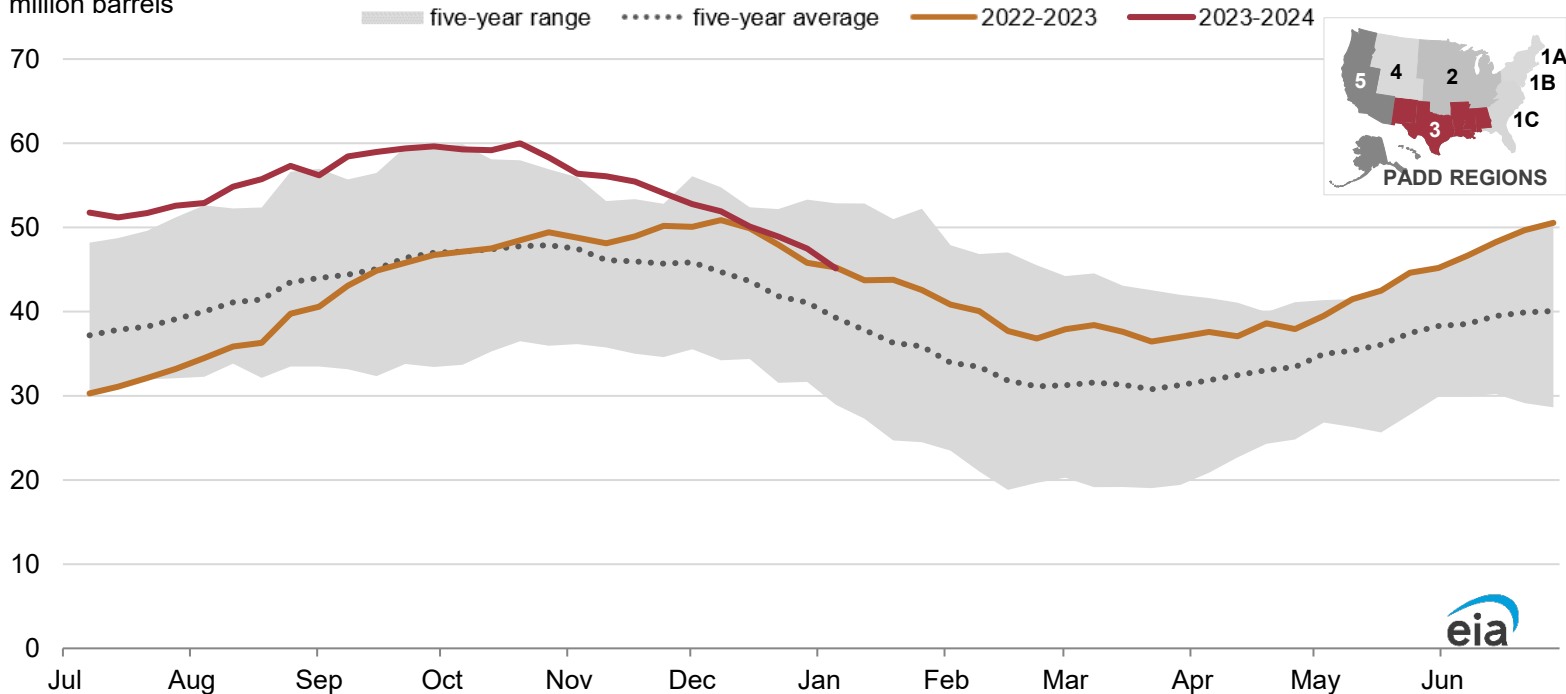
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

Data Source: EIA, *Weekly Petroleum Status Report*, data through January 5, 2024

*propane/propylene for fuel use only

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

PADD 3 propane inventories
million barrels

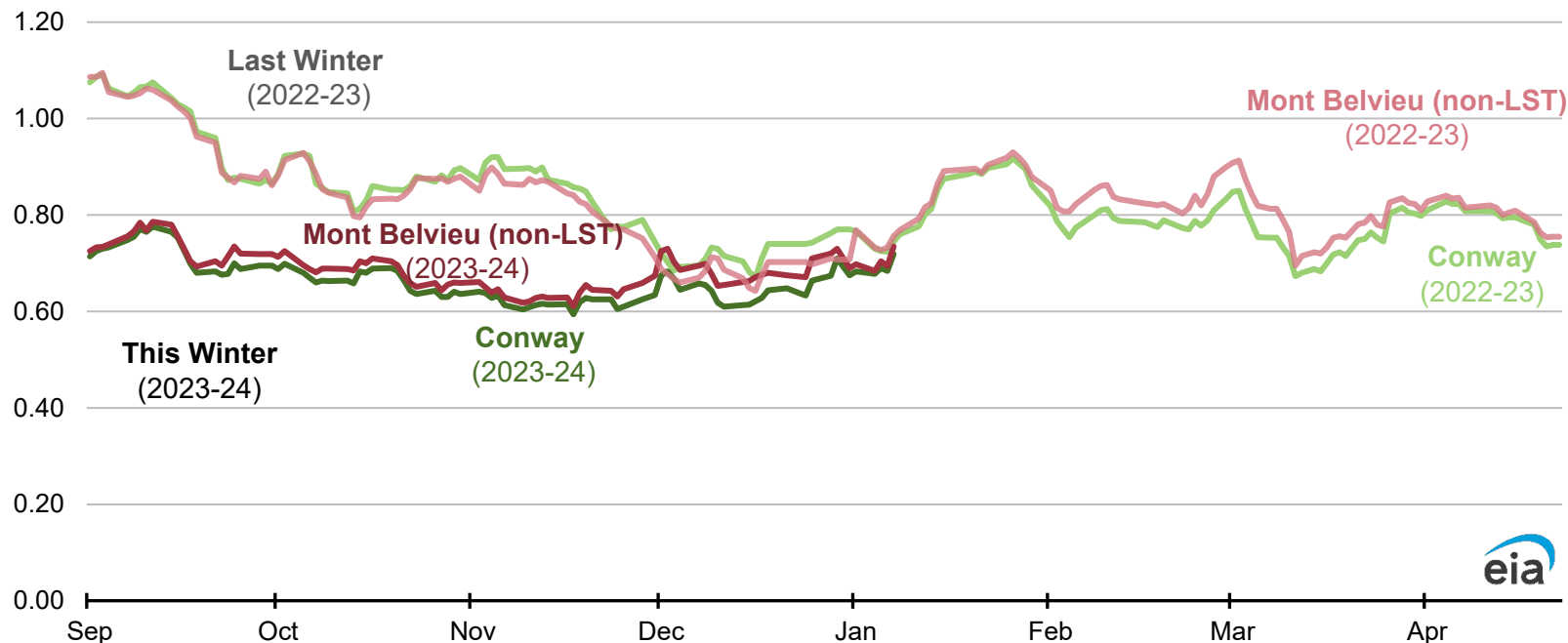


Data source: EIA, *Weekly Petroleum Status Report*, January 10, 2024. Data through January 5, 2024.

Note: PADD 3 is composed of Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

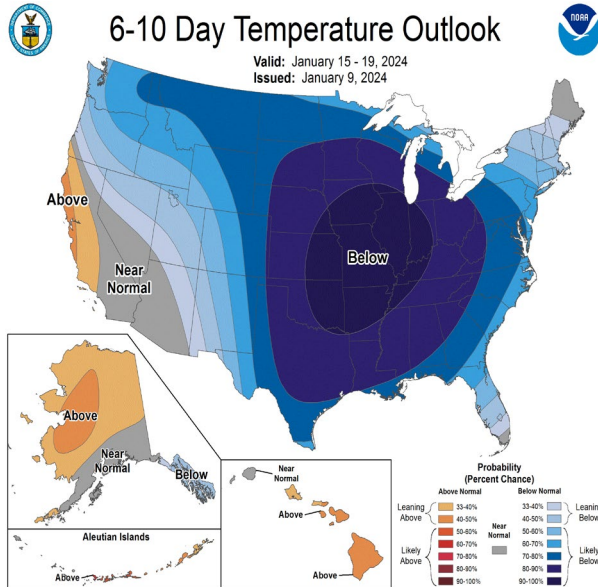
Wholesale propane spot prices now slightly lower than last year's, with Mt. Belvieu, Texas at ~2¢/gal premium to Conway, Kansas.

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



Data source: Bloomberg L.P., data through January 9, 2024

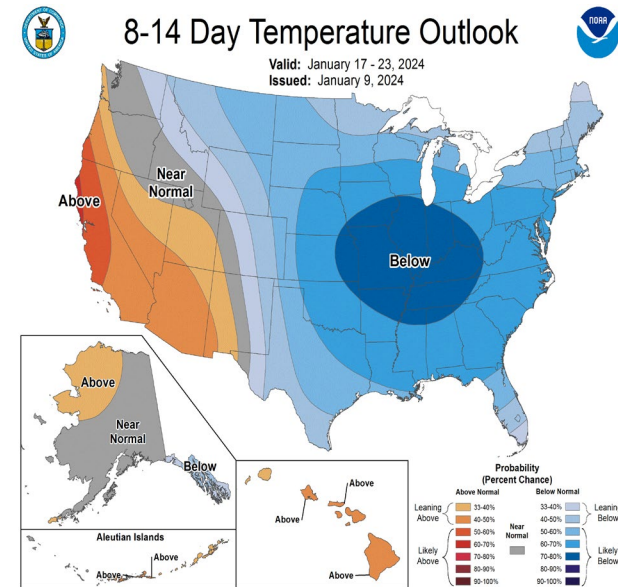
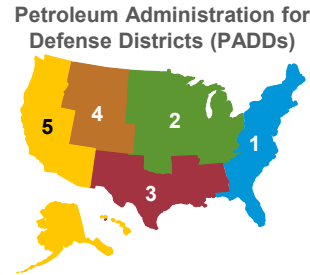
NOAA's projected temperatures: January 15 – Jan. 19, 2024, and January 17 – Jan. 23, 2024



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

B = temperatures below normal

Data source: [NOAA](https://www.noaa.gov), Jan. 9, 2024

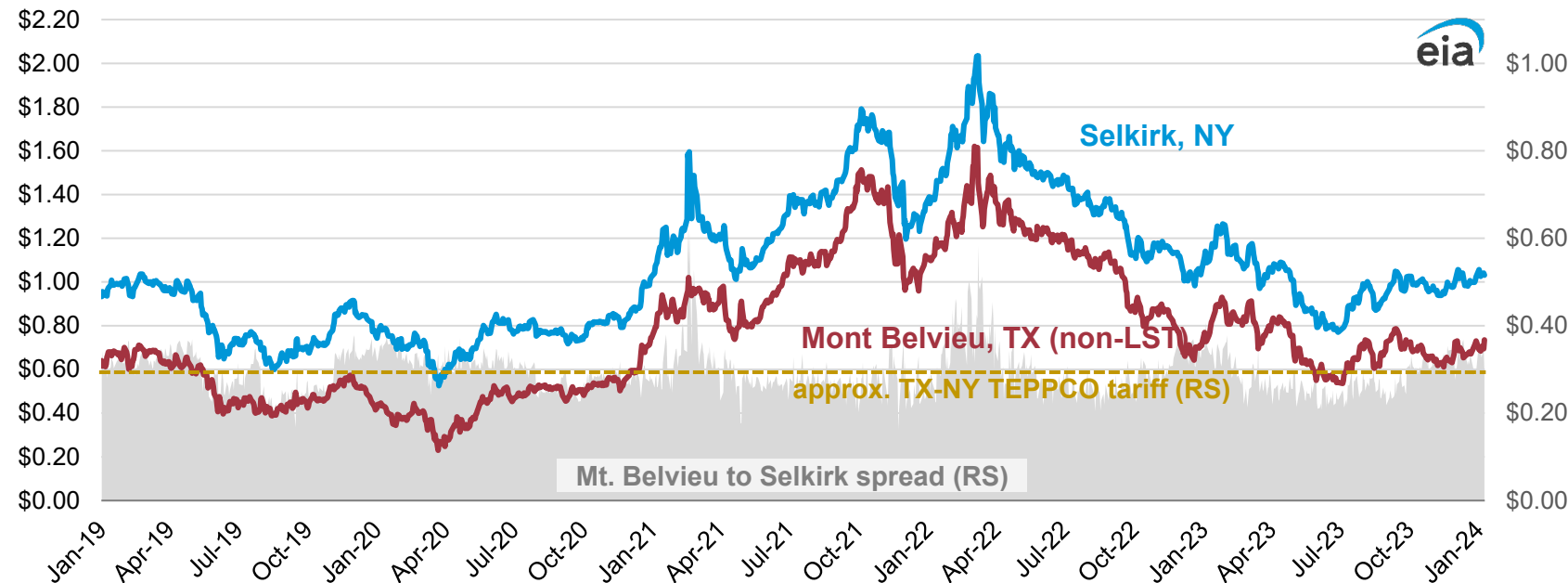


- NOAA forecasts below-normal temperatures across most of the Lower-48 states with the highest probability from the Great Lakes down to the Gulf Coast. Parts of California and Alaska may see above-normal temperatures for this time of year. Later in the forecast, warmer-than-normal temperatures push further east in the Lower-48.
- Heating fuel demand is likely to rise to well above-normal levels for this time of year in most PADDs because of the polar vortex, which will carry cold temperatures across the contiguous United States. Warmer-than-normal and near-normal temperatures in PADD 5 could result in typical demand.

Northeast propane prices, generally dictated by tariff on TEPPCO* pipeline, remain high enough to pull product from the Gulf Coast

propane spot prices
dollars per gallon

propane price spread
dollars per gallon

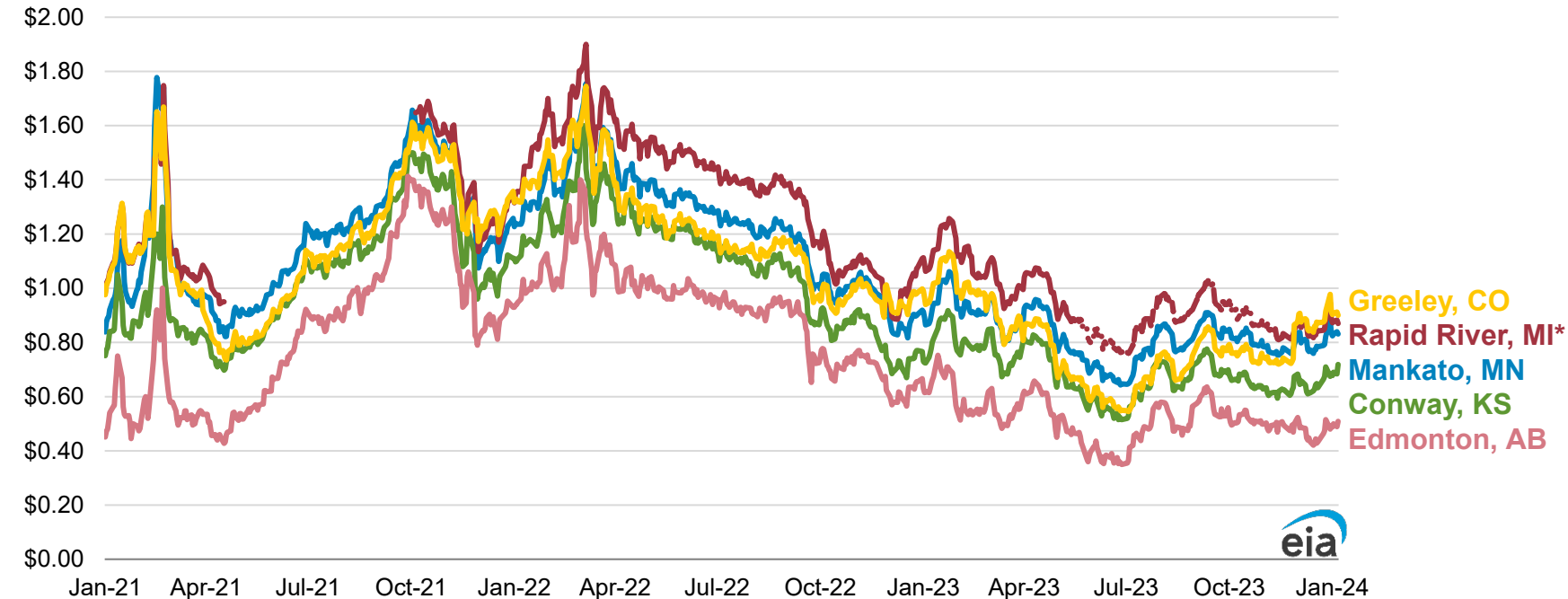


TEPPCO = Enterprise TE Products Pipeline Company LLC

Data source: Bloomberg L.P., data through January 9, 2024; Enterprise Products Partners L.P., [Effective Tariffs](#), FERC No. 54.69.0

Prices at major Midwest market centers fell this week; the price at Greeley, CO has remained elevated

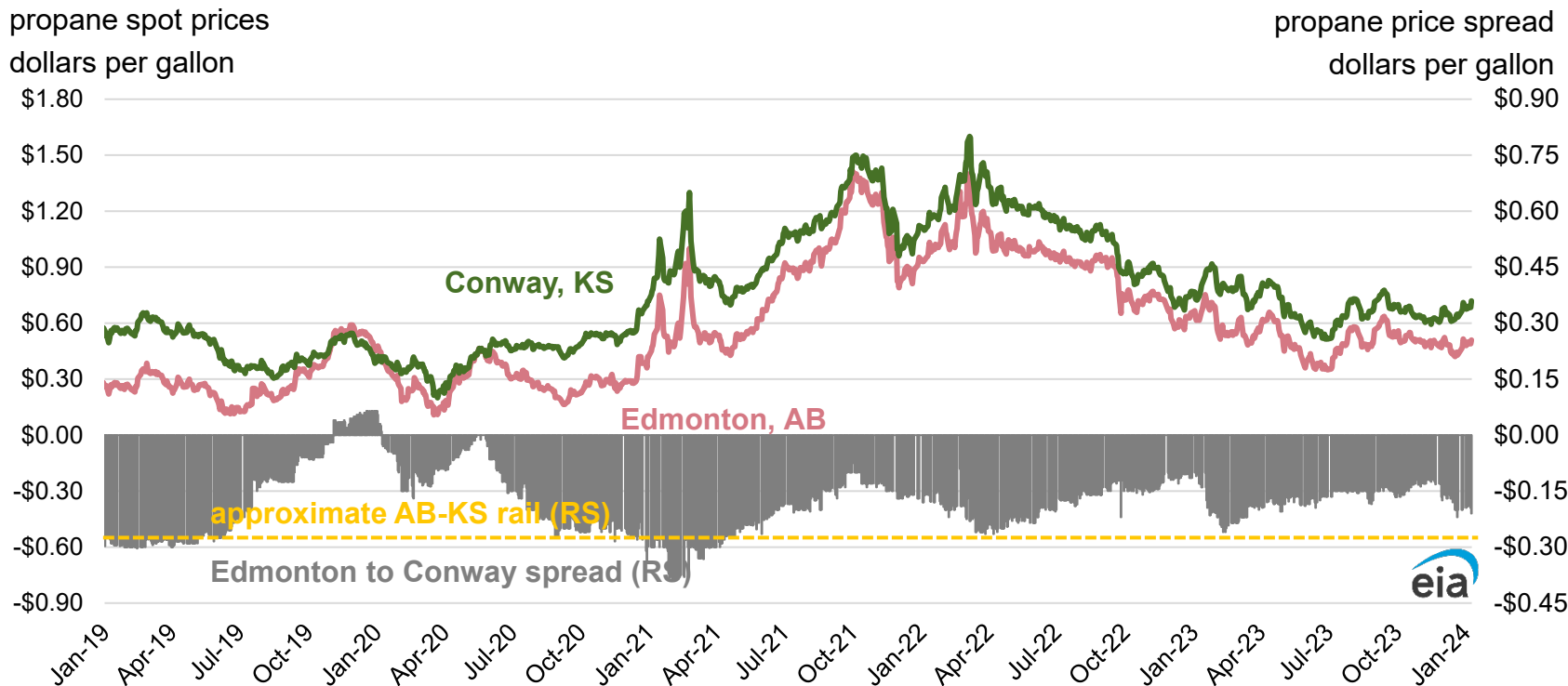
propane spot prices
dollars per gallon



Data source: Bloomberg L.P., data through January 9, 2024

*Rapid River, MI rack prices not consistently available during summer months

Discount for Edmonton propane relative to Conway rising to around ~21¢/gal, enough to cover rail transportation costs into some Midwest markets



Data source: Bloomberg L.P., data through January 9, 2024

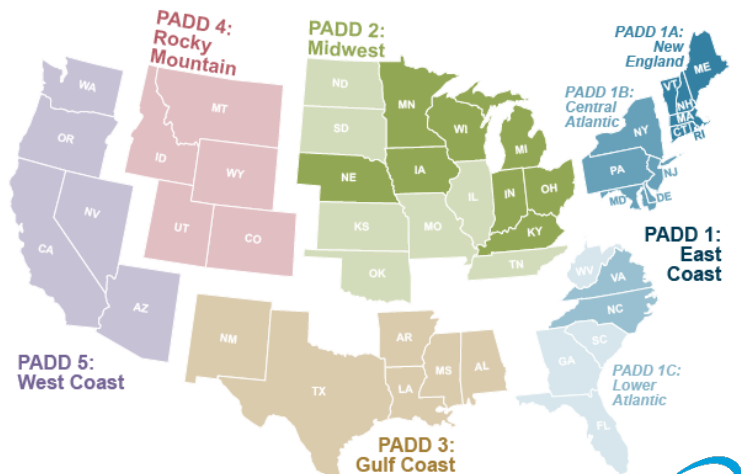
State Heating Oil and Propane Program (SHOPP) updates

- 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



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

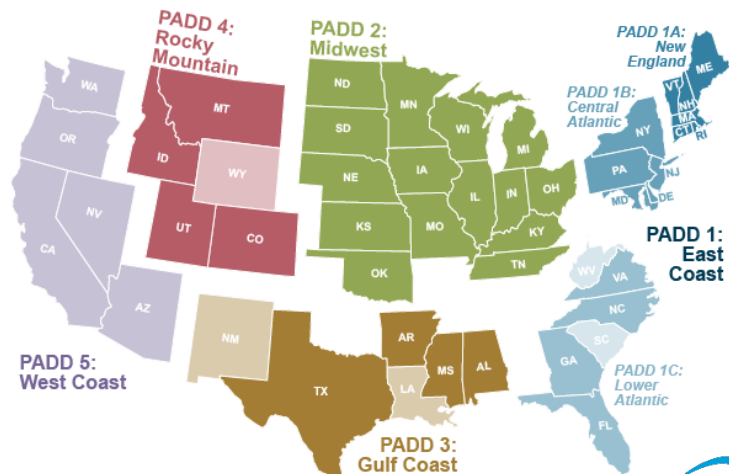
Indiana Minnesota
Iowa Nebraska
Kentucky Ohio
Michigan Wisconsin

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

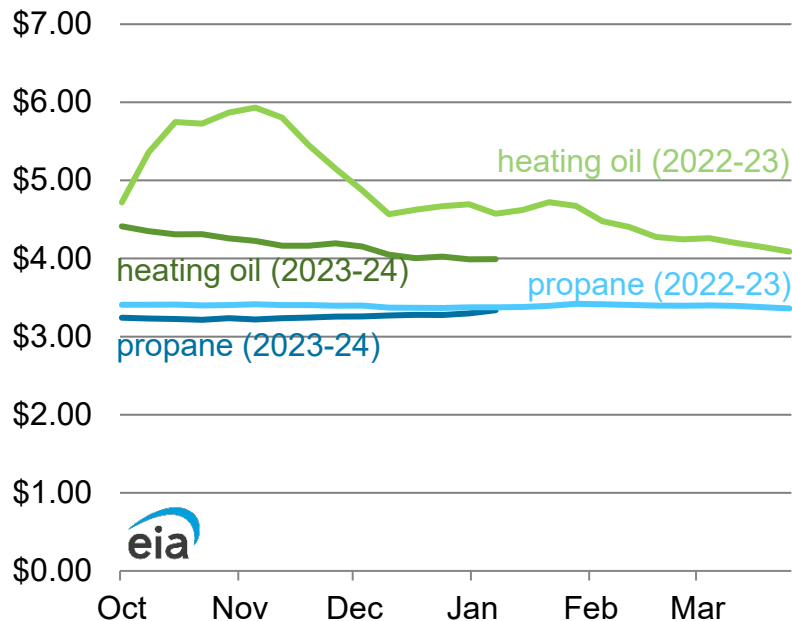


Data source: EIA, [Heating Oil and Propane Update](#)

Retail propane prices in PADD 1 are close to prices at this time last year; prices in PADD 2 are lower than at this time last year

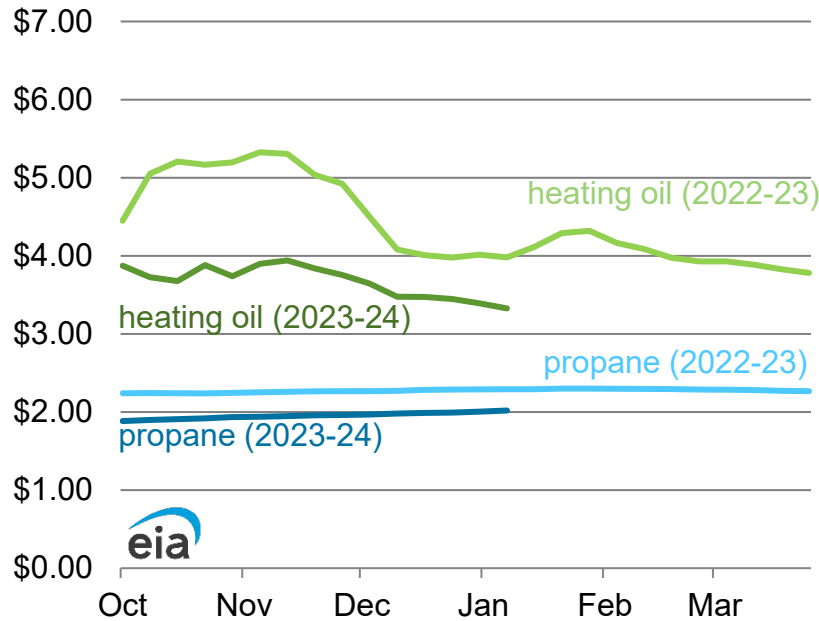
PADD 1

dollars per gallon



PADD 2

dollars per gallon



Data source: State Heating Oil and Propane Program, data through January 8, 2024

For more information

U.S. Energy Information Administration home page | www.eia.gov

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_mbbi_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