

2023/24 Winter Propane Market Update



November 1, 2023 | Washington, DC

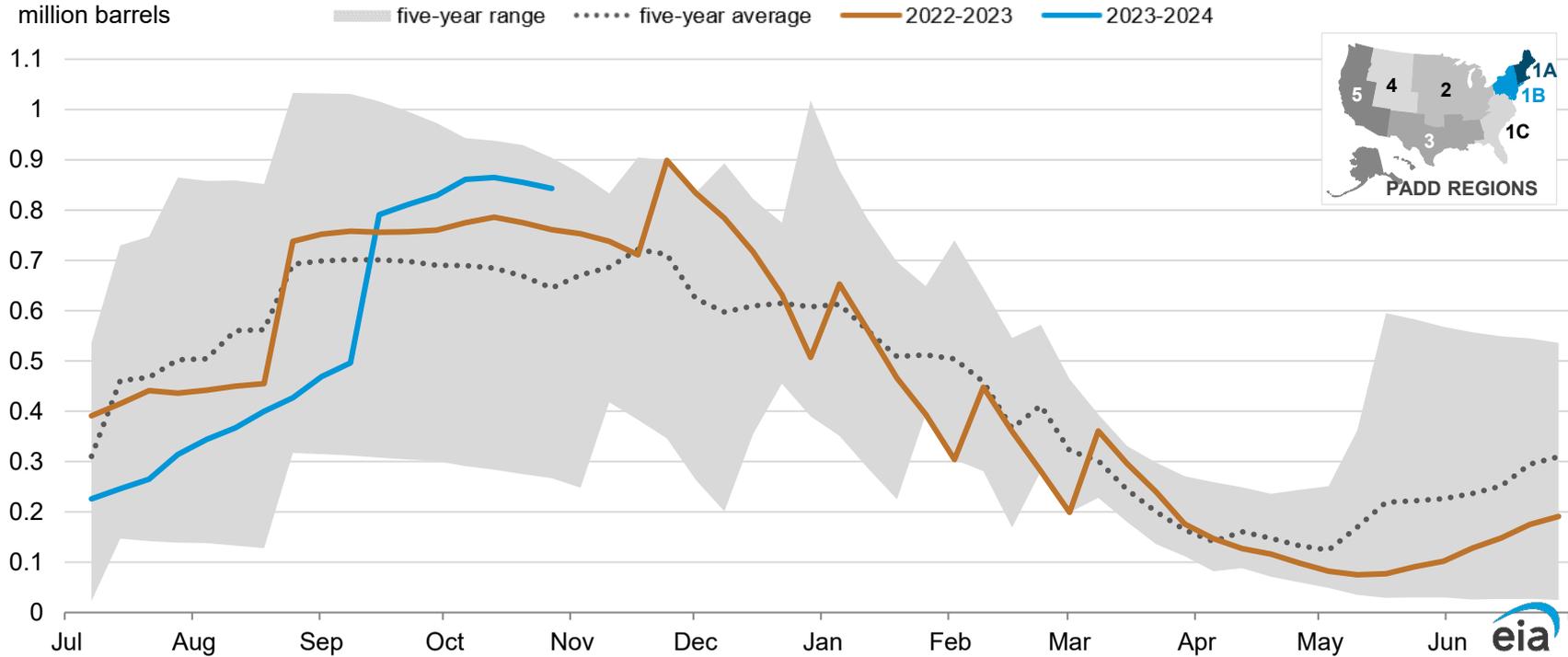
(Inventory data as of 10/27/23; residential heating fuel prices as of 10/30/23)

By

U.S. Energy Information Administration

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

PADD 1A propane inventories
million barrels



Data source: EIA, *Weekly Petroleum Status Report*, November 1, 2023

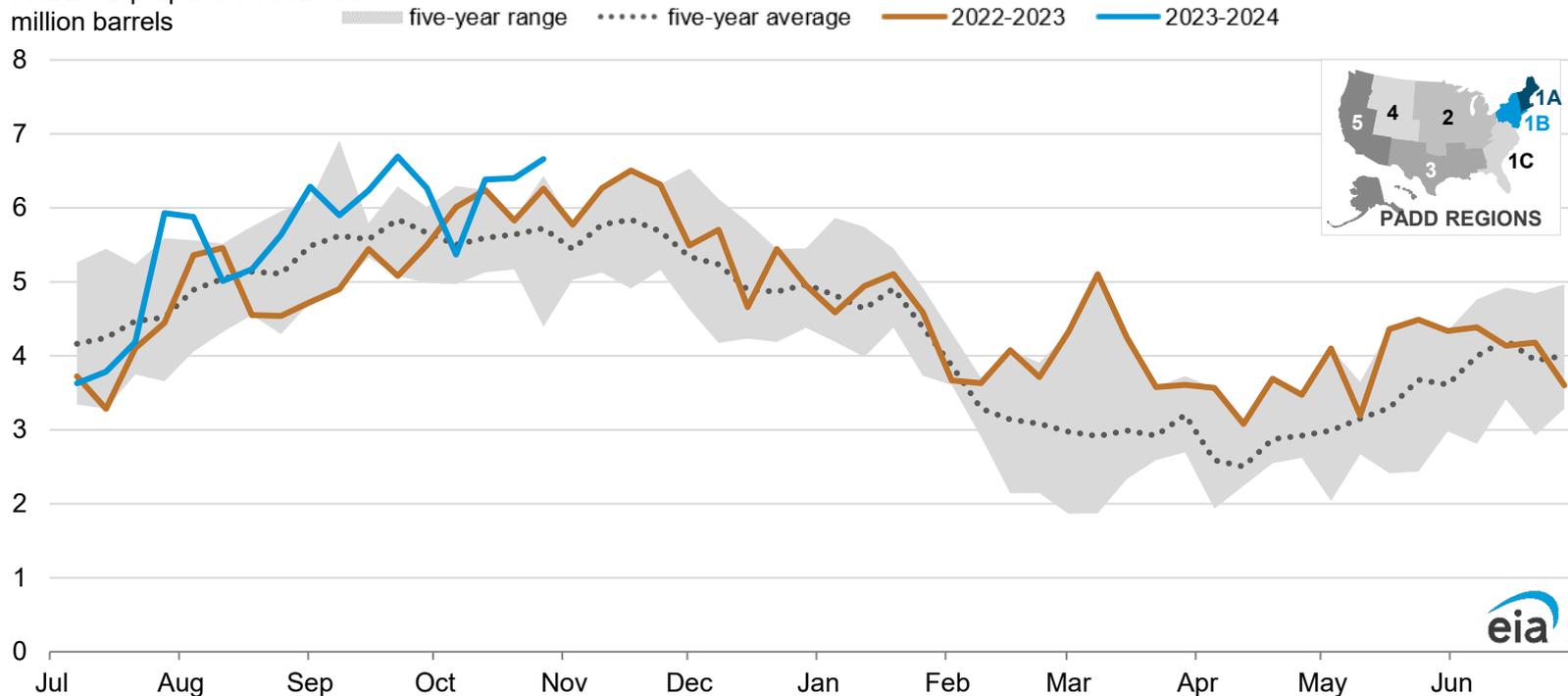
Note: PADD 1A is composed of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont.

data through October 27, 2023



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

PADD 1B propane inventories
million barrels



Data source: EIA, *Weekly Petroleum Status Report*, November 1, 2023

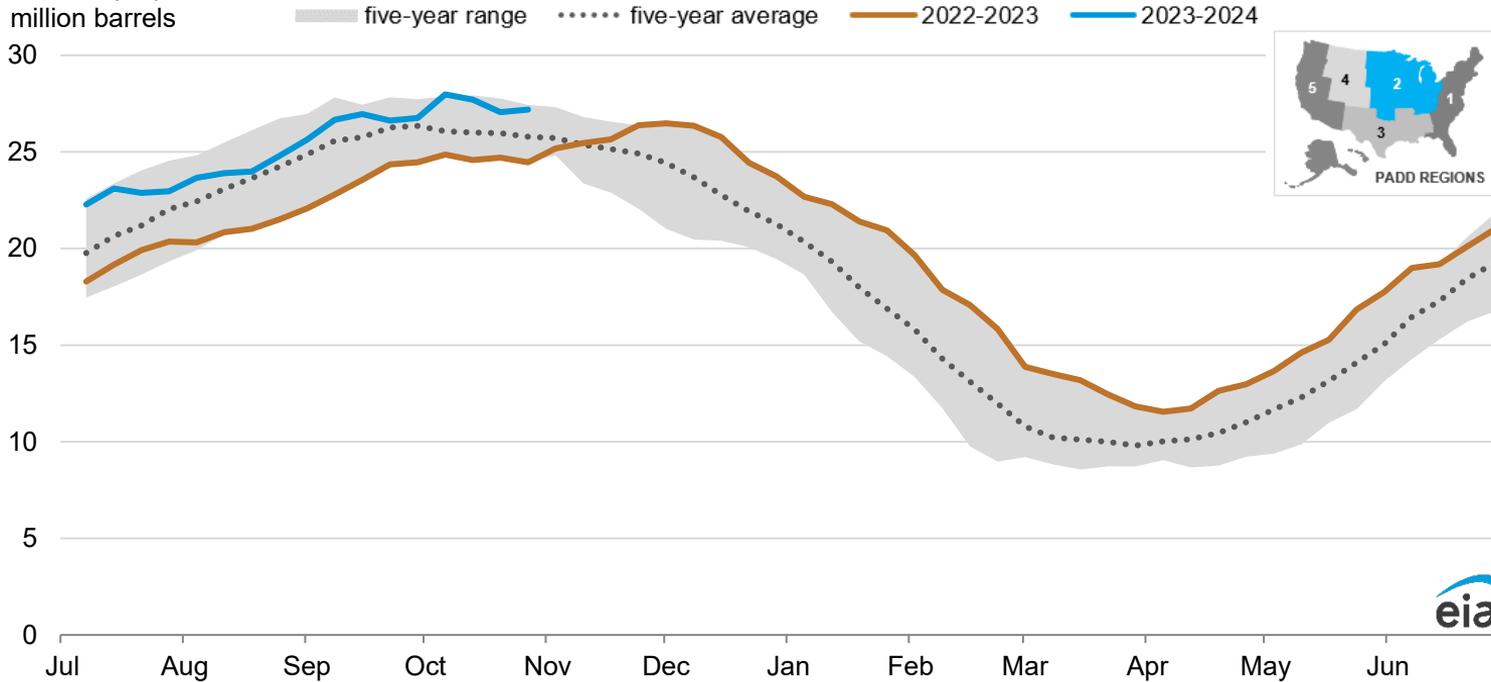
Note: PADD 1A is composed of Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

data through October 27, 2023



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

PADD 2 propane inventories
million barrels

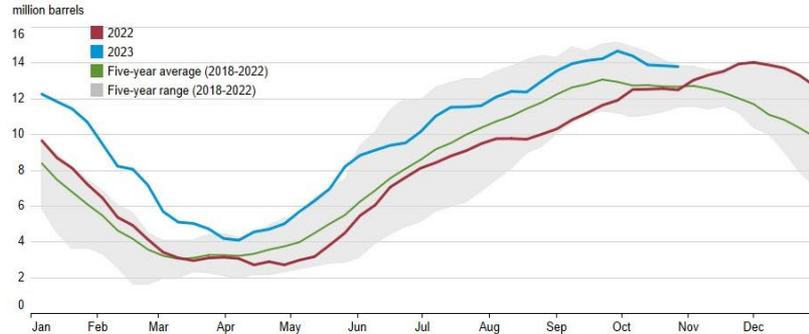


Data source: EIA, *Weekly Petroleum Status Report*, November 1, 2023

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 27, 2023

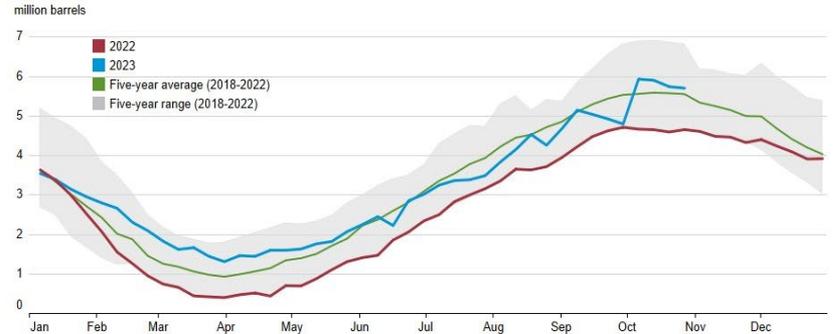
Selected state propane* inventories

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



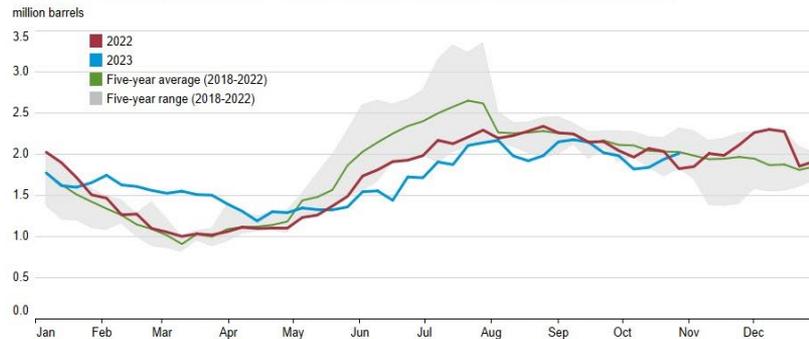
Data source: U.S. Energy Information Administration, Weekly Petroleum Status Report

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



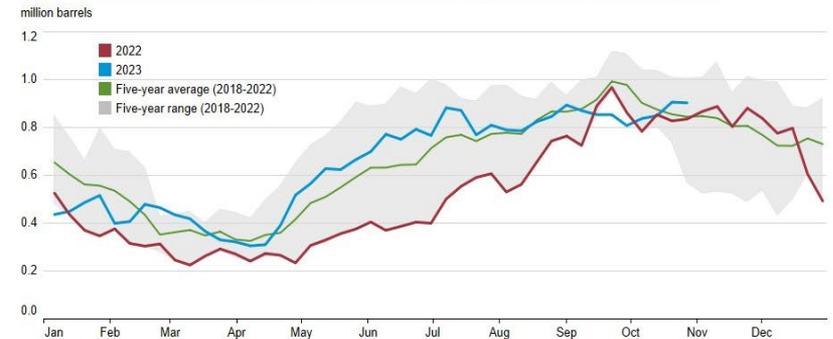
Data source: U.S. Energy Information Administration, Weekly Petroleum Status Report

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



Data source: U.S. Energy Information Administration, Weekly Petroleum Status Report

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



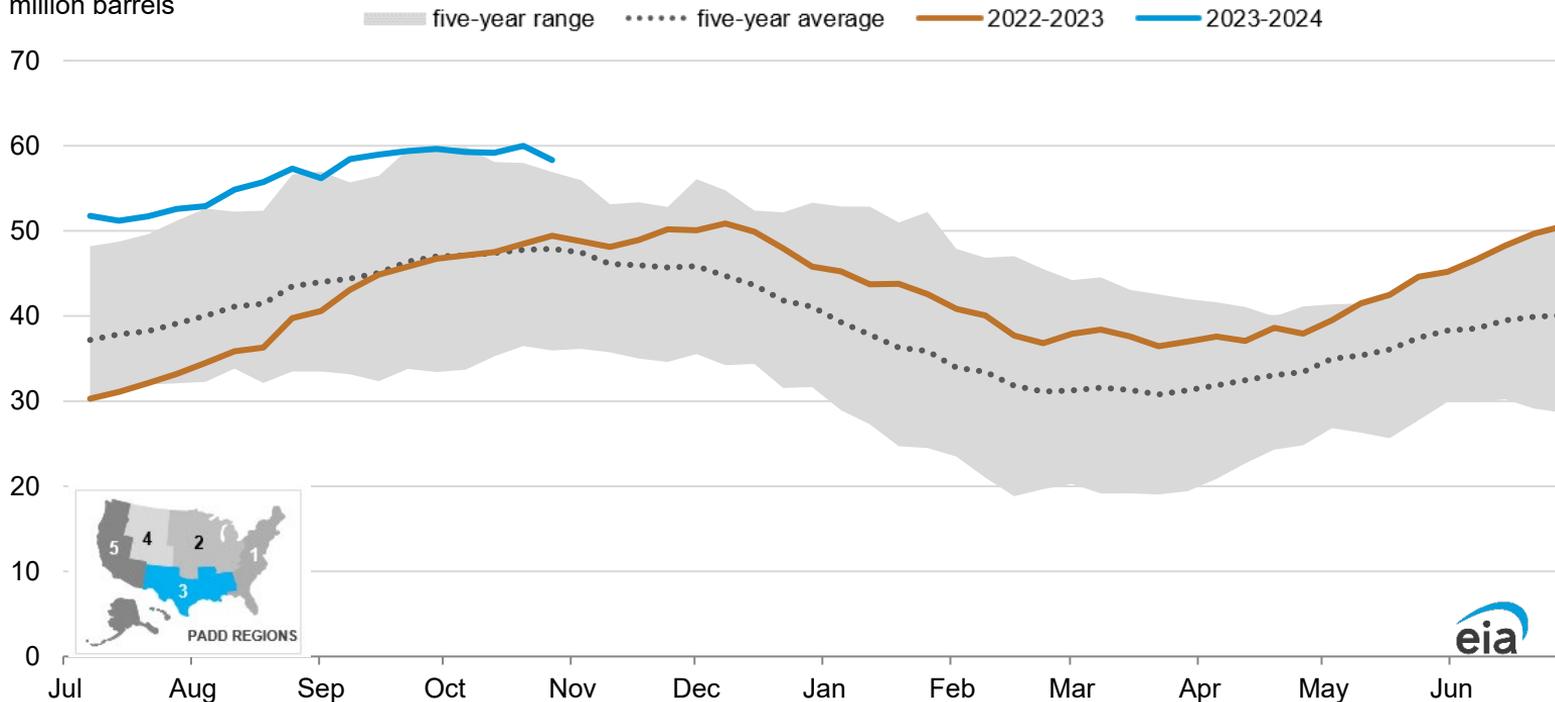
Data source: U.S. Energy Information Administration, Weekly Petroleum Status Report

Data Source: EIA, Weekly Petroleum Status Report, November 1, 2023; data through October 27, 2023

*propane/propylene for fuel use only

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

PADD 3 propane inventories
million barrels



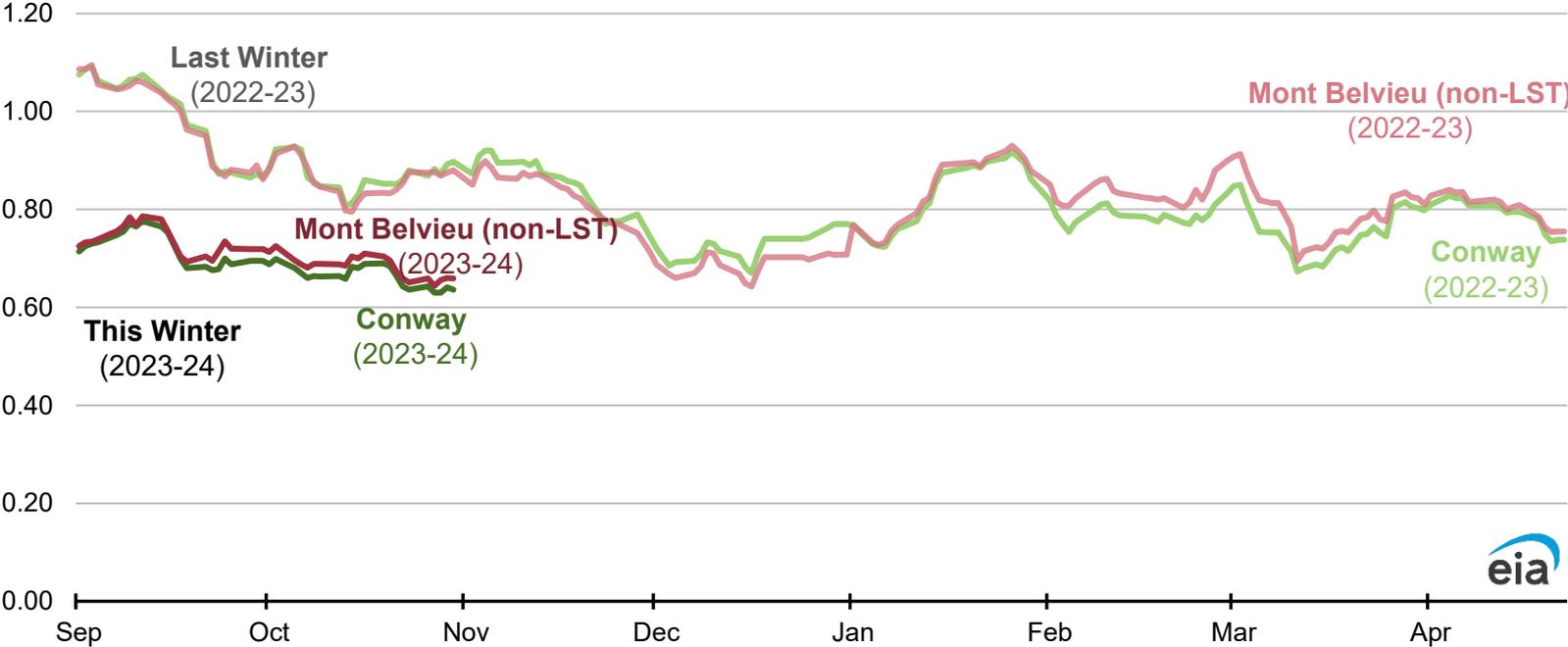
Data source: EIA, *Weekly Petroleum Status Report*, November 1, 2023

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

data through October 27, 2023

Mt. Belvieu, TX to Conway, KS propane spot prices moving together; Mt. Belvieu at ~2¢/gal premium

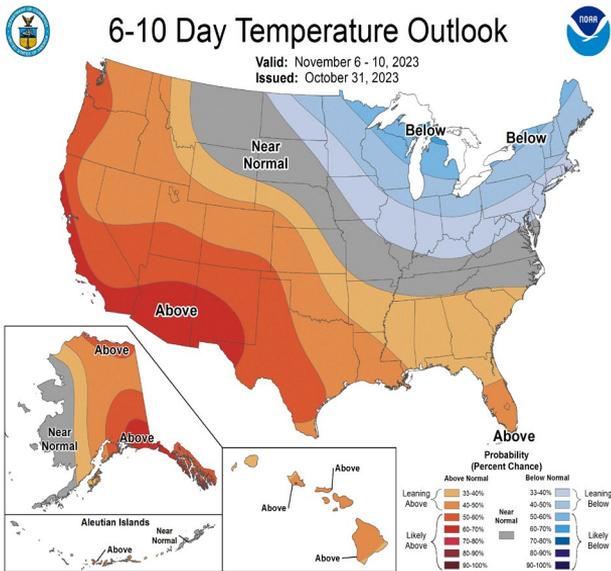
Propane spot prices (Conway, KS and Mont Belvieu, TX)
dollars per gallon



Data source: Bloomberg L.P., data through October 31, 2023

NOAA's projected temperatures:

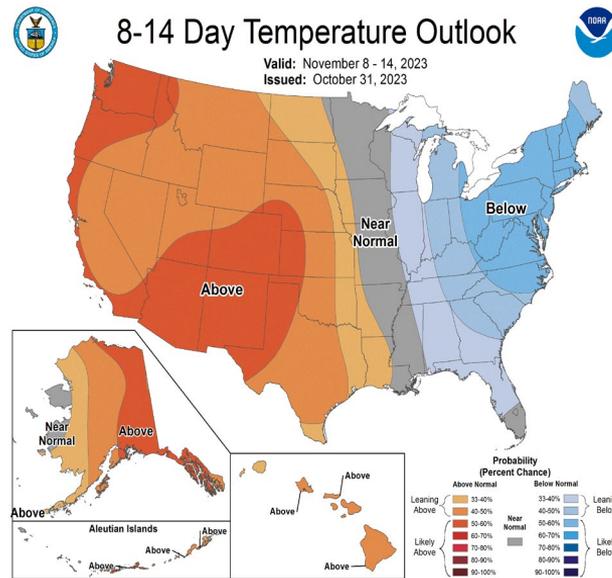
November 6 – Nov. 10, 2023, and November 8 – Nov. 14, 2023



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), Oct. 31, 2023



Petroleum Administration for Defense Districts (PADDs)

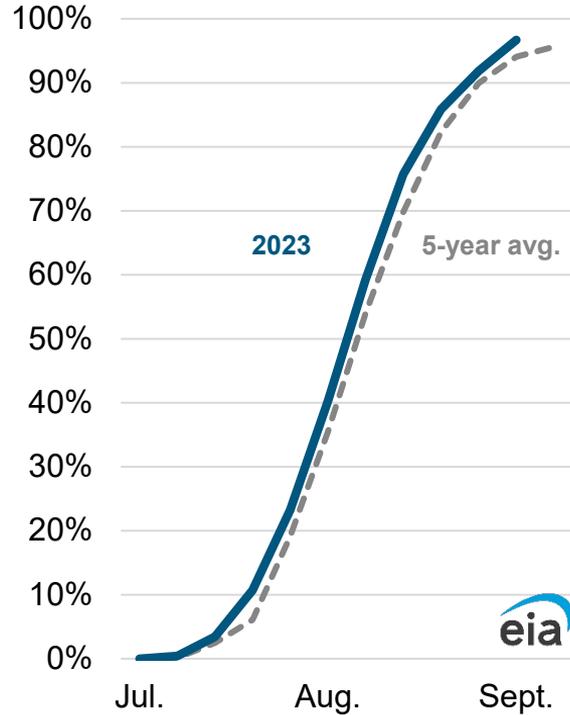


- NOAA forecasts below-normal temperatures for the northern Midwest, Great Lakes, and Northeast. Above-normal temperatures are expected from the Pacific Coast to the South, as well as parts of the Plains. Later in the forecast the above-normal temperatures are expected to shift north east, below-normal temperatures to stretch south.
- The cooler-than normal forecast for PADDs 1 and 2 could result in an increase in heating fuel demand in those regions over the coming week relative to normal for this time of year. Consumption in PADDs 3, 4, and 5 will likely be below-normal.

With winter weather affecting parts of the Midwest, demand for fuel for grain drying could increase as about 40% of corn remains to be harvested

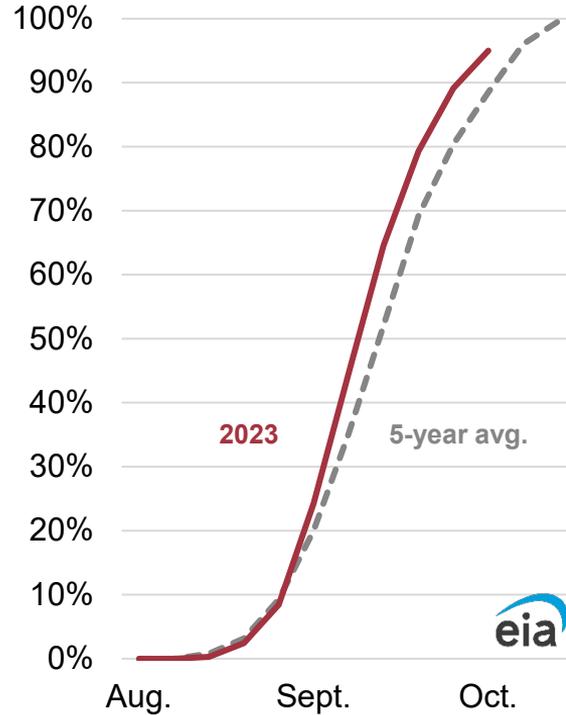
corn dough progress

%, by week



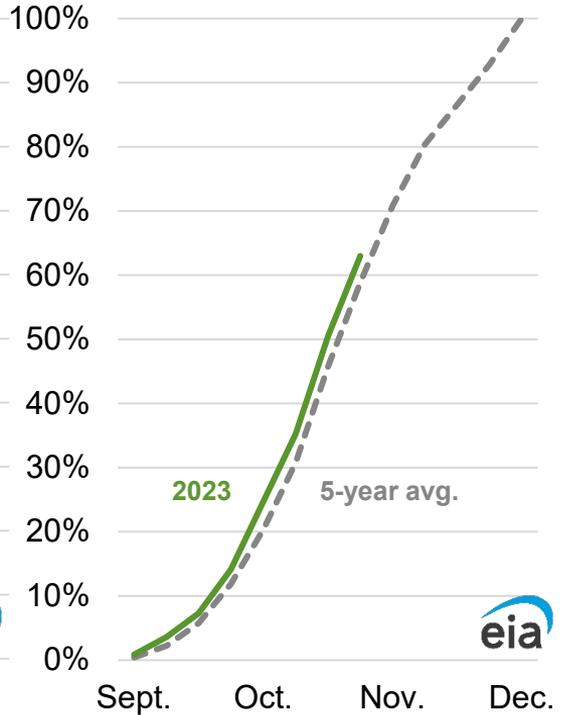
corn maturity progress

%, by week



corn harvest progress

%, by week

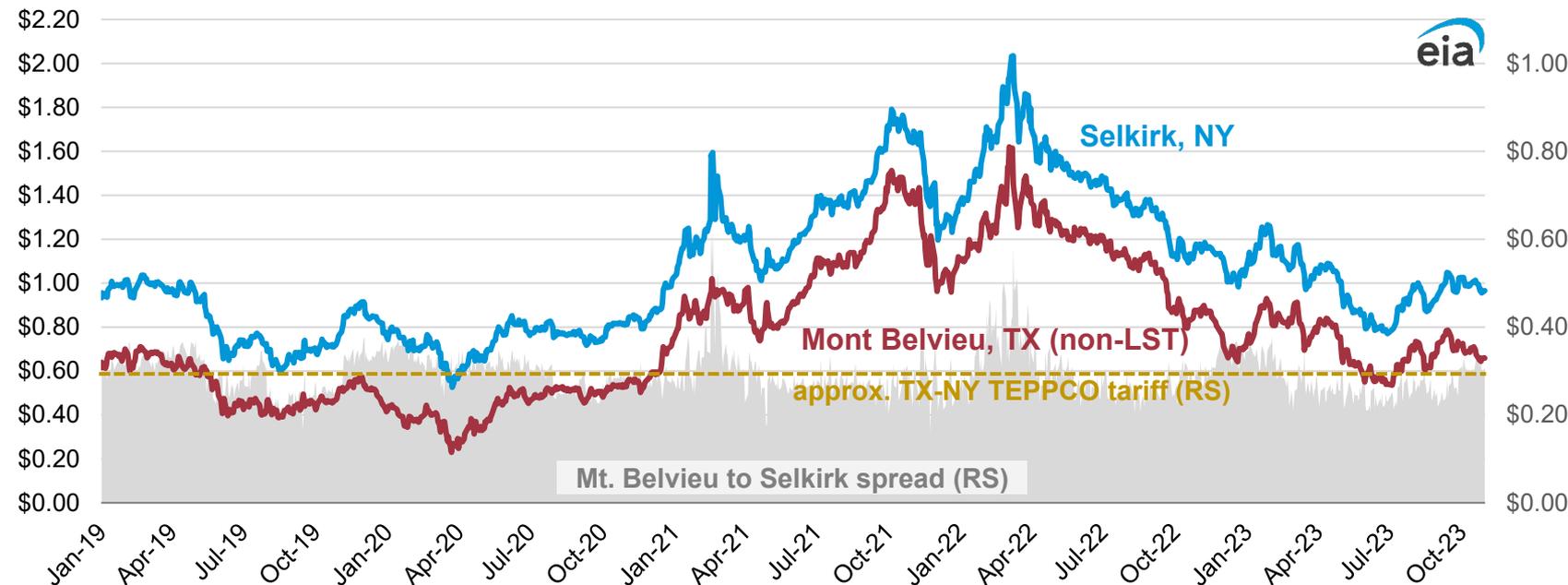


Data source: USDA [National Agricultural Statistics Service](#), Oct. 30, 2023

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

propane spot prices
dollars per gallon

propane price spread
dollars per gallon

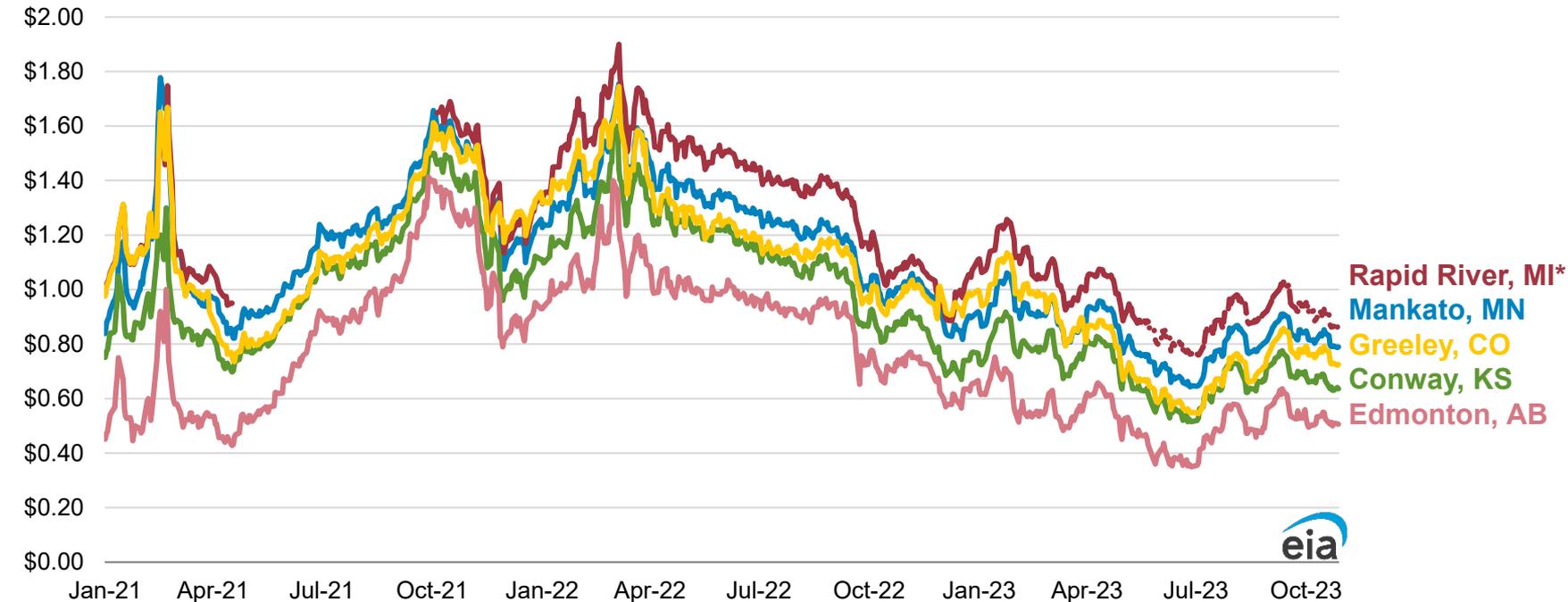


TEPPCO = Enterprise TE Products Pipeline Company LLC

Data source: Bloomberg L.P., data through October 31, 2023; Enterprise Products Partners L.P., [Effective Tariffs](#), FERC No. 54.69.0

Prices at major Midwest market centers closely correlated with Conway, lower this week compared to last week

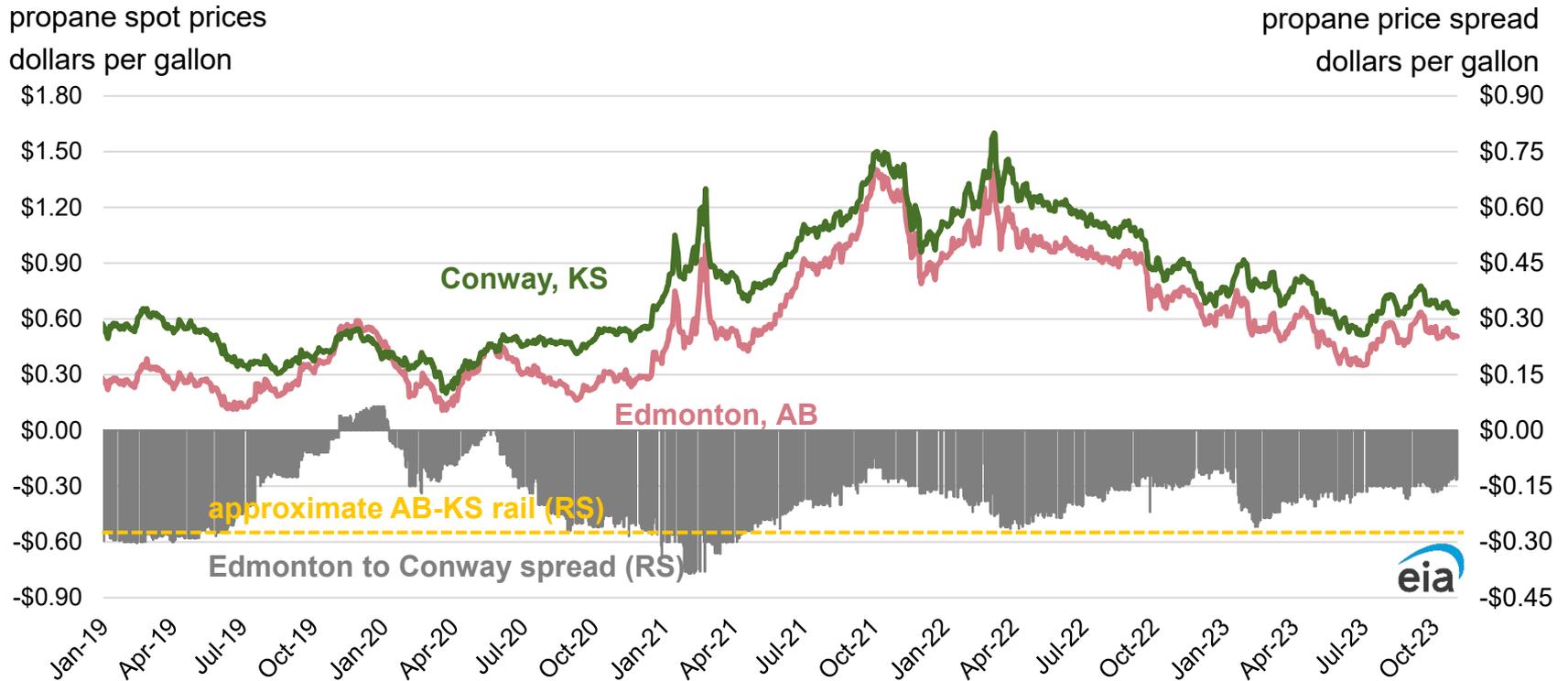
propane spot prices
dollars per gallon



Data source: Bloomberg L.P., data through October 31, 2023

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

Discount for Edmonton propane relative to Conway, around ~13¢/gal, not enough to cover rail transportation costs into most Midwest markets



Data source: Bloomberg L.P., data through October 31, 2023

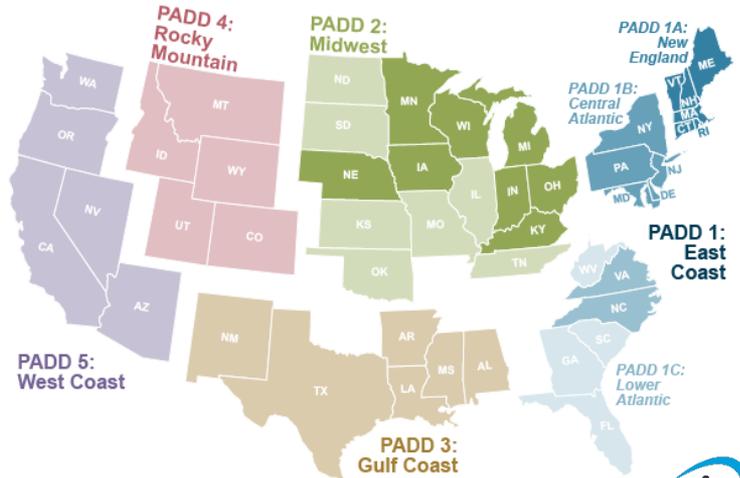
State Heating Oil and Propane Program (SHOPP) updates

- 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 2714 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 2719. 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

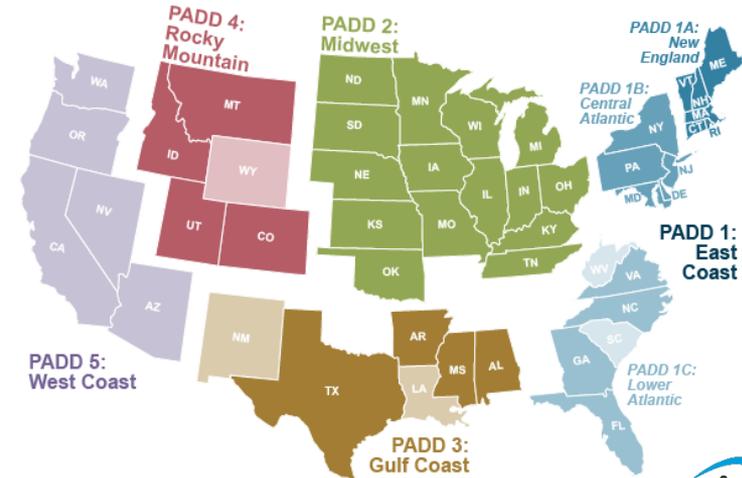
PADD 2: Midwest

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

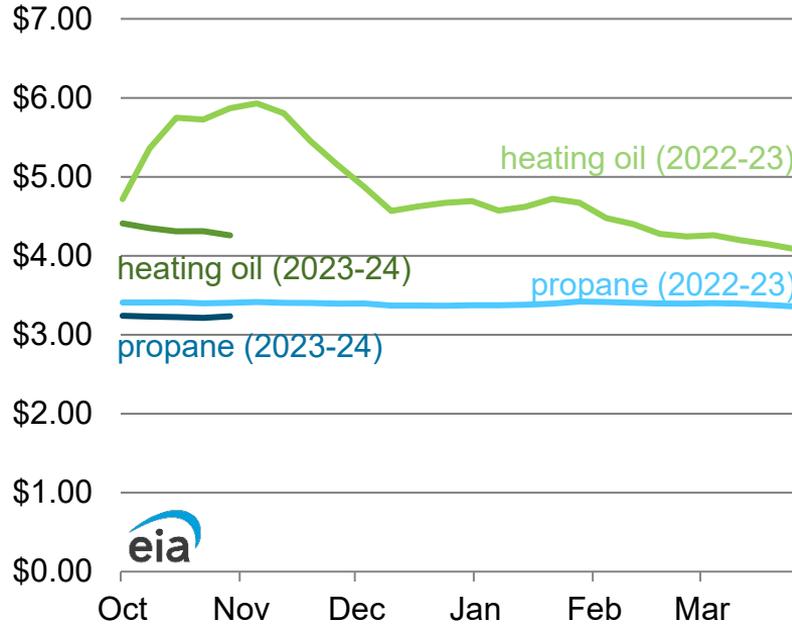
Colorado Montana
Idaho Utah

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

Retail propane prices at the start of this heating season are lower compared to the end of the last heating season in both PADDs 1 and 2

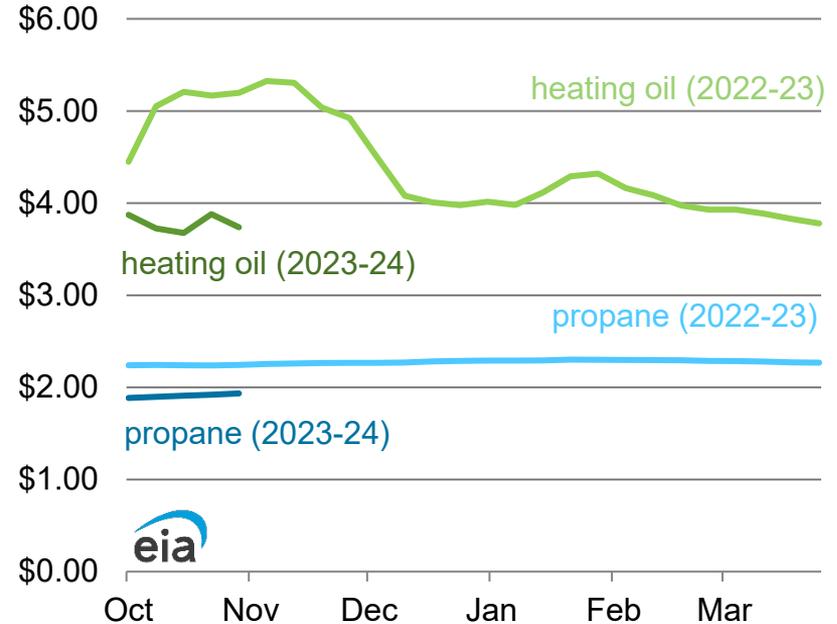
PADD 1

dollars per gallon



PADD 2

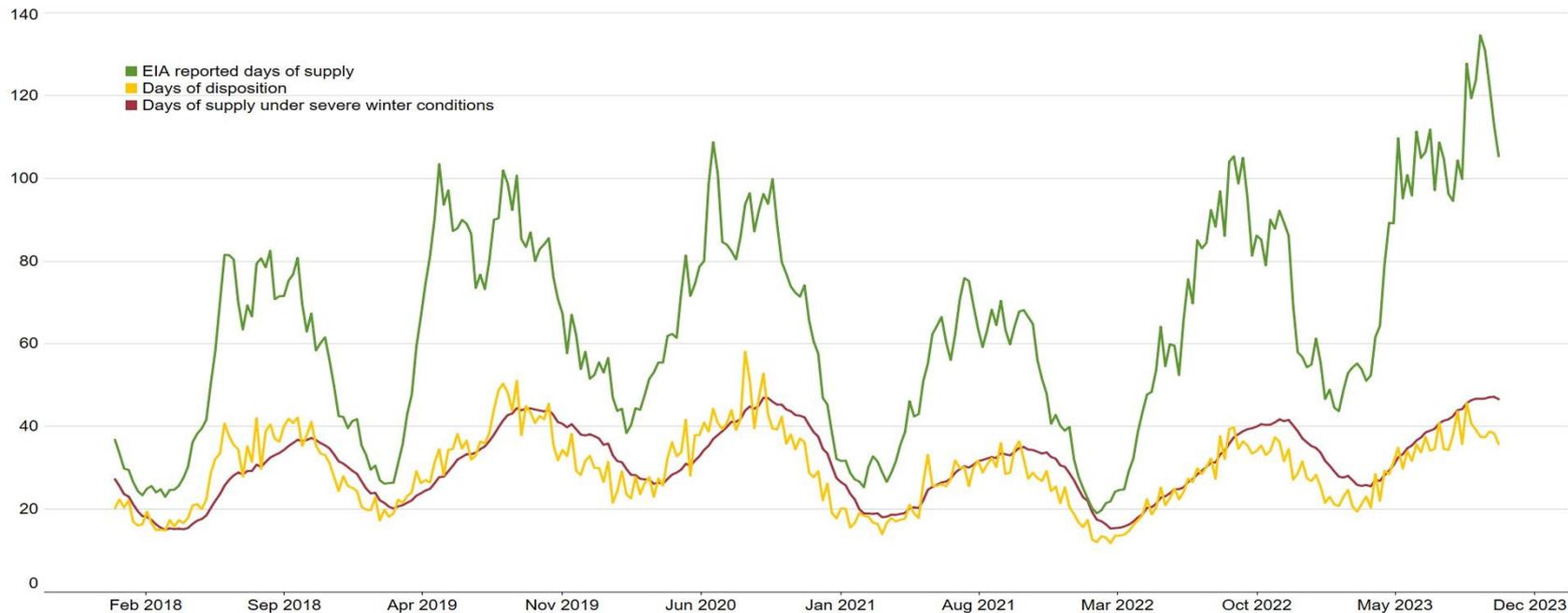
dollars per gallon



Data source: State Heating Oil and Propane Program, data through October 30, 2023

Various days-of supply/disposition measures

U.S. weekly stocks of propane/propylene
days of supply & disposition



Note: *disposition = domestic product supplied + exports

Data source: U.S. Energy Information Administration, Weekly Petroleum Status Report, data through October 27, 2023

For more information, please see EIA's [webinar on Propane Market Indicators and Measures of Supply Adequacy](#)

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_mdbl_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