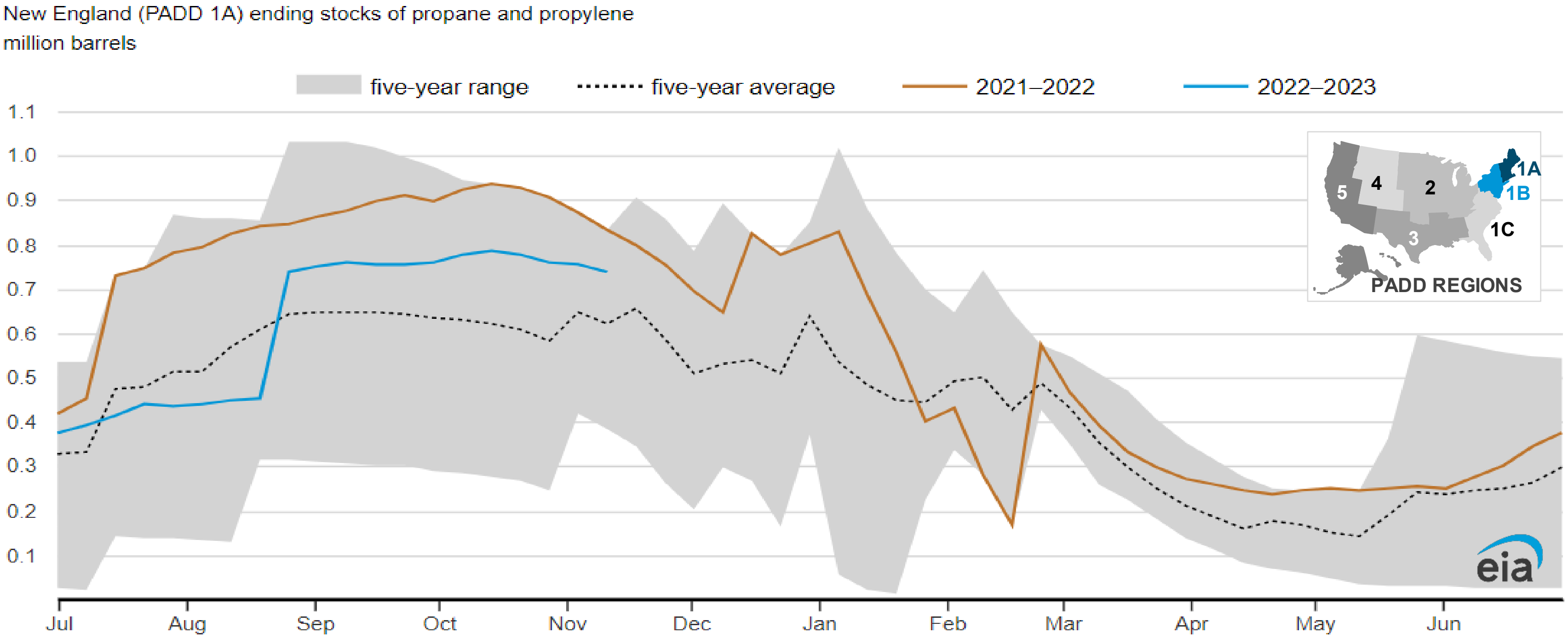
2022/23 Winter Propane Market Update

November 16, 2022 | Washington, DC
(Inventory data as of 11/11/22; residential heating fuel prices as of 11/14/22)

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

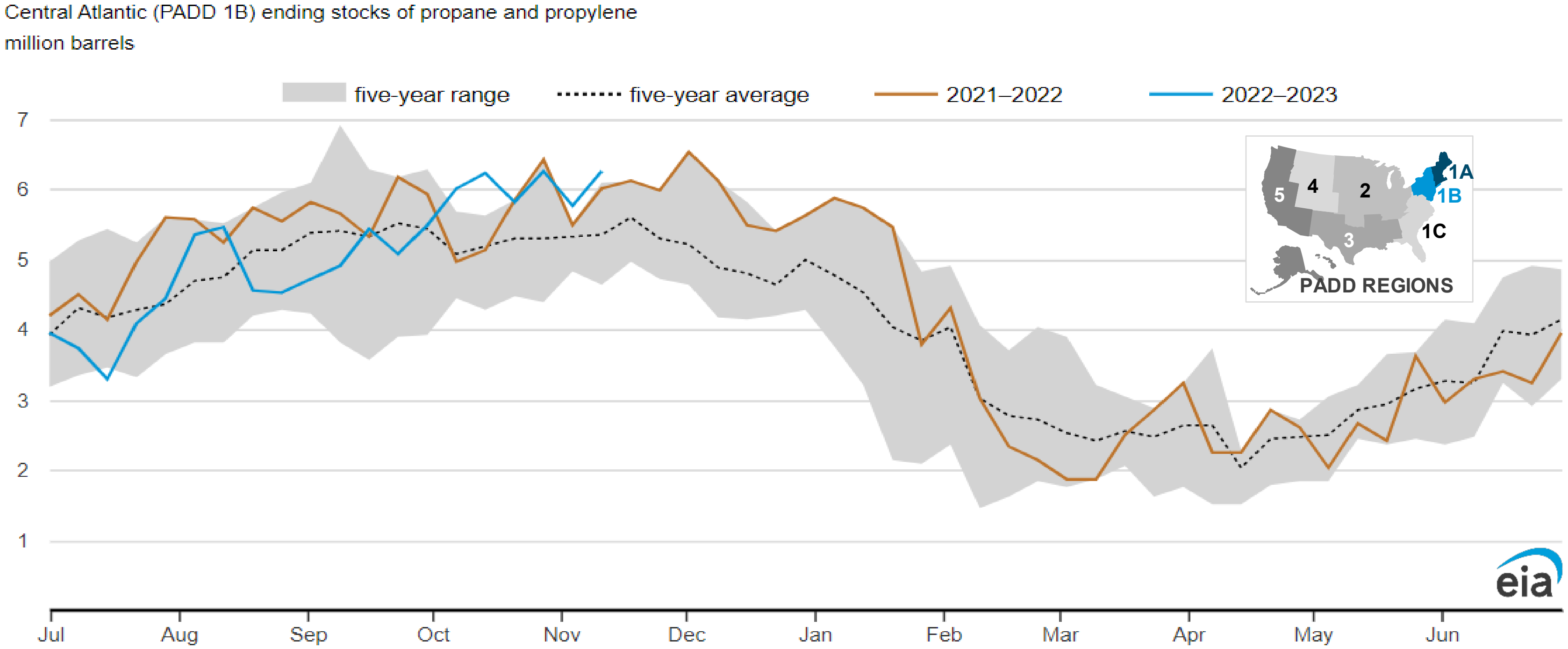


Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report*, November 16, 2022

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

data through November 11, 2022

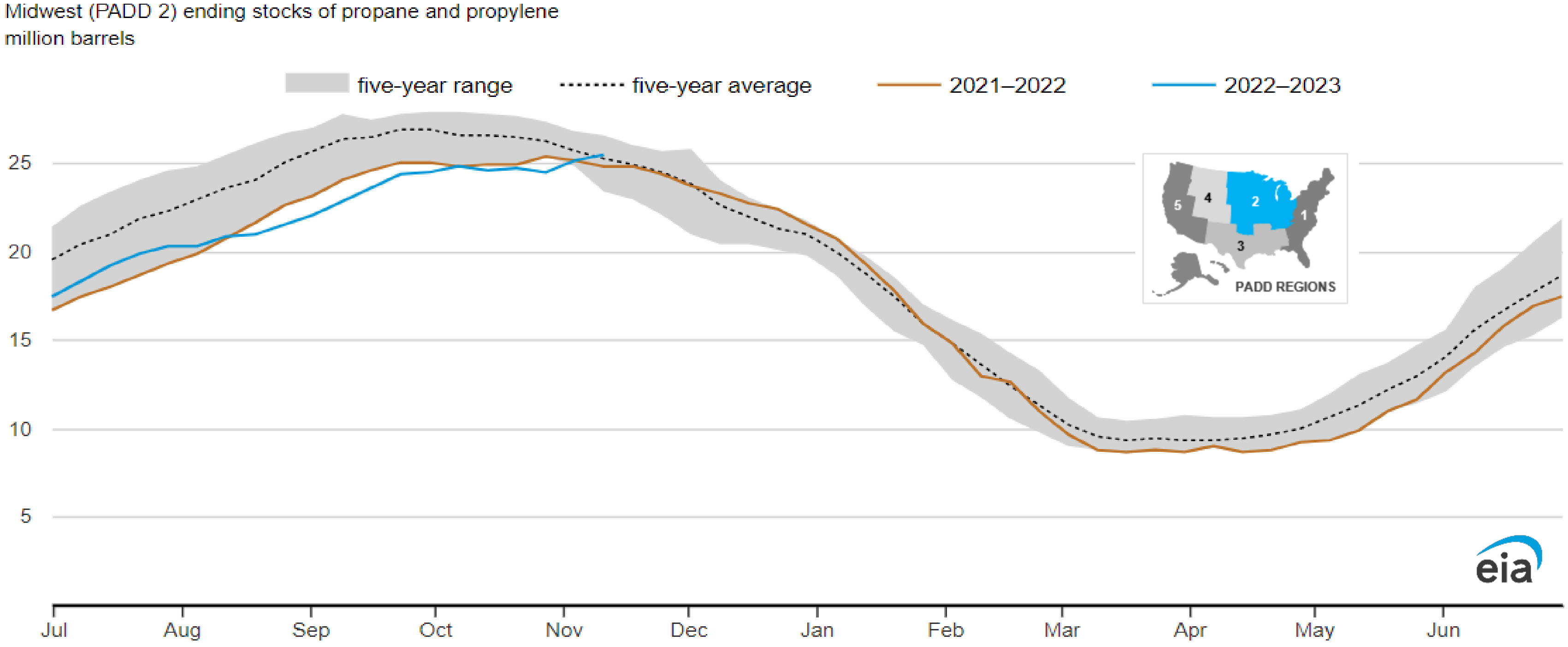
PADD 1B (Mid-Atlantic) propane inventories above the 5-year range



Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report*, November 16, 2022
Note: PADD 1B is composed of Delaware, District of Columbia, Maryland, New Jersey, New York, and Pennsylvania.

data through November 11, 2022

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



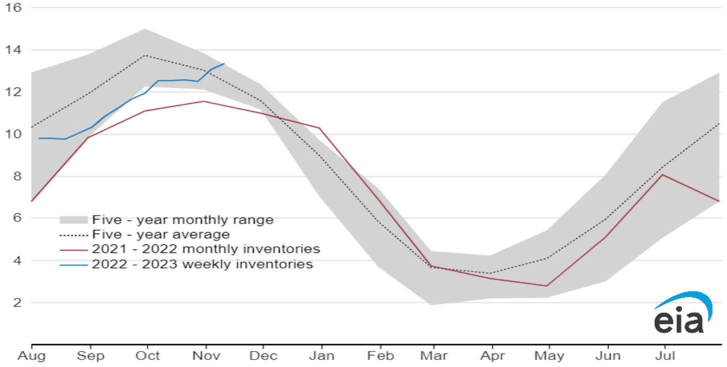
Source: U.S. Energy Information Administration, *Weekly Petroleum Status Report*, November 16, 2022

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 November 11, 2022

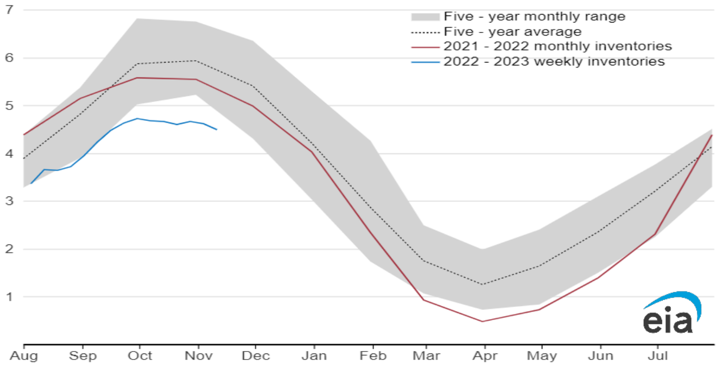
Selected state propane* inventories

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



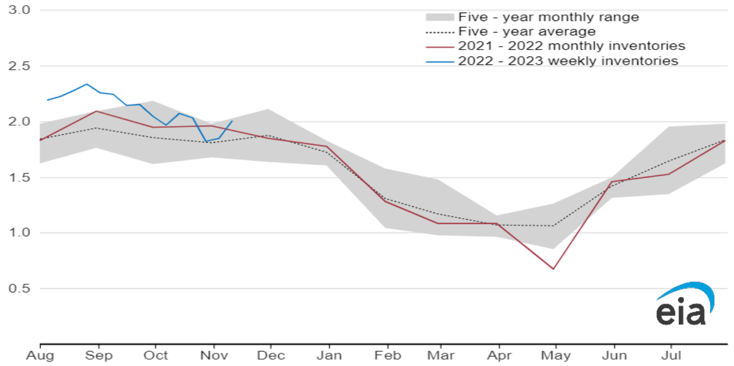
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

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



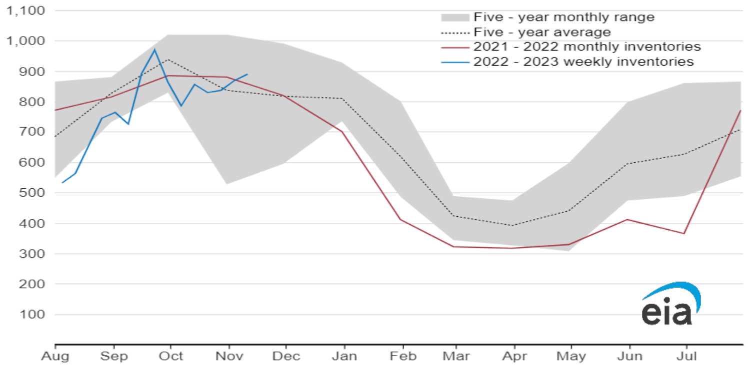
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

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

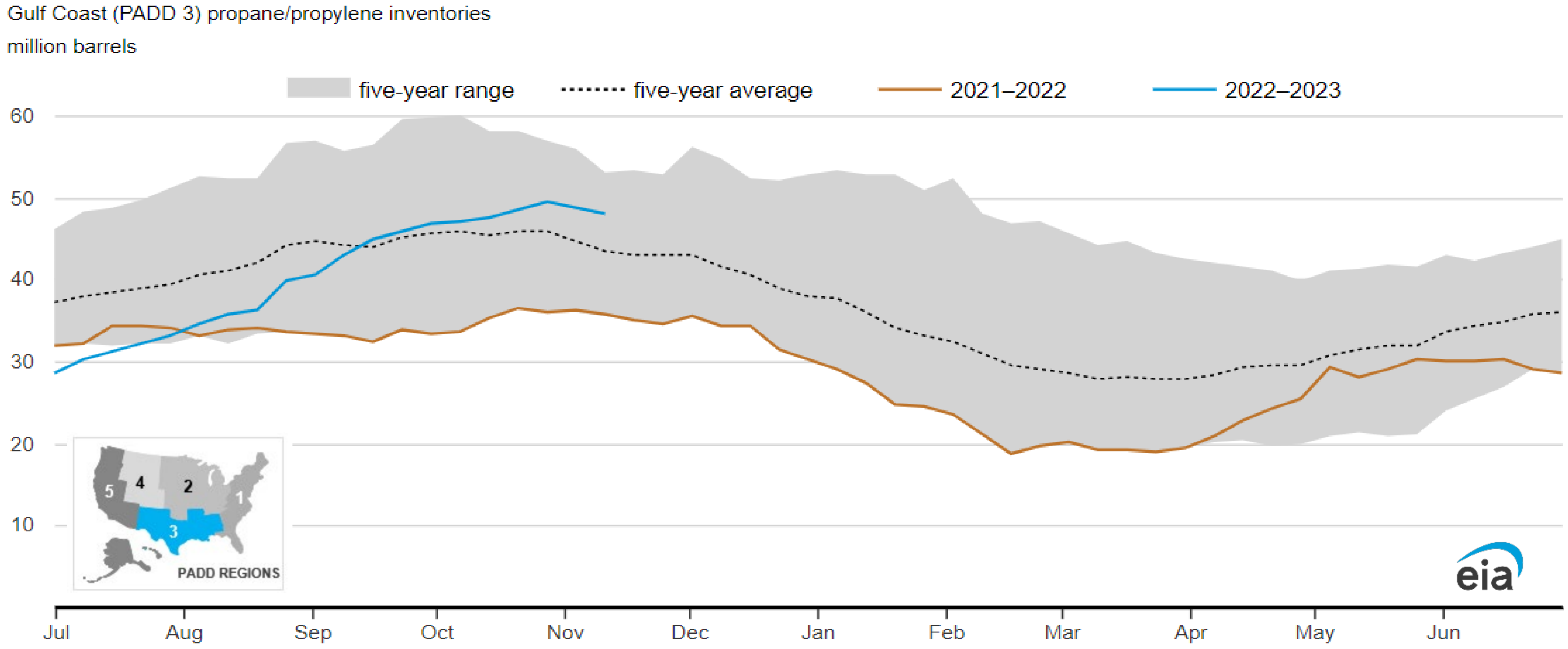


Source: U.S. Energy Information Administration, *Petroleum Supply Monthly and Weekly Petroleum Status Report*

Data source: EIA, Weekly Petroleum Status Report, data through November 11, 2022

*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*, November 16, 2022
Note: PADD 3 is composed of Alabama, Arkansas, Louisiana, Mississippi, New Mexico, and Texas.

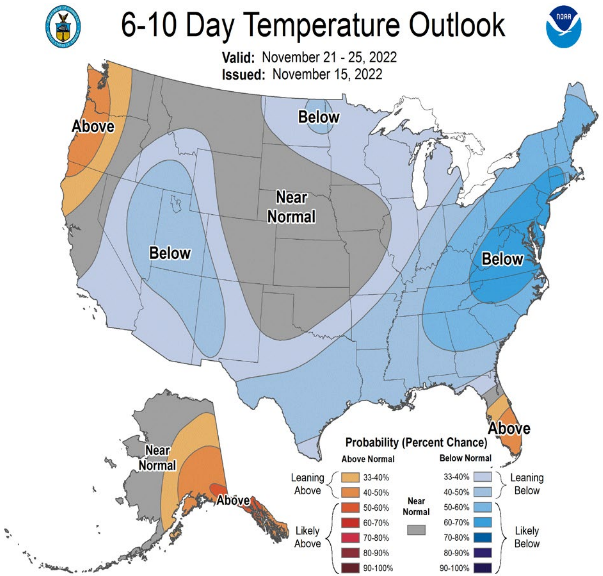
data through November 11, 2022

Conway, KS propane spot prices now at a ~3¢/gal premium to Mt. Belvieu, TX

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

Data source: Bloomberg, L.P. data through November 15, 2022

NOAA's projected temperatures: November 21 – Nov. 25, 2022, and November 23 – Nov. 29, 2022



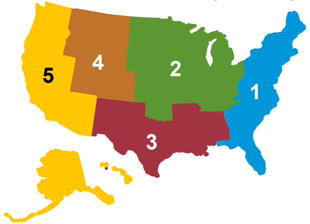
A = temperatures above normal

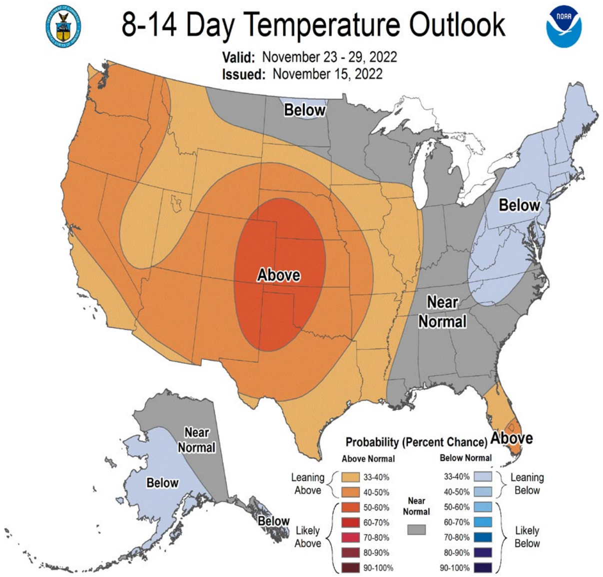
N = equal chance that temperatures are above normal, normal, or below normal

B = temperatures below normal

Data source: [NOAA](), Nov. 16, 2022

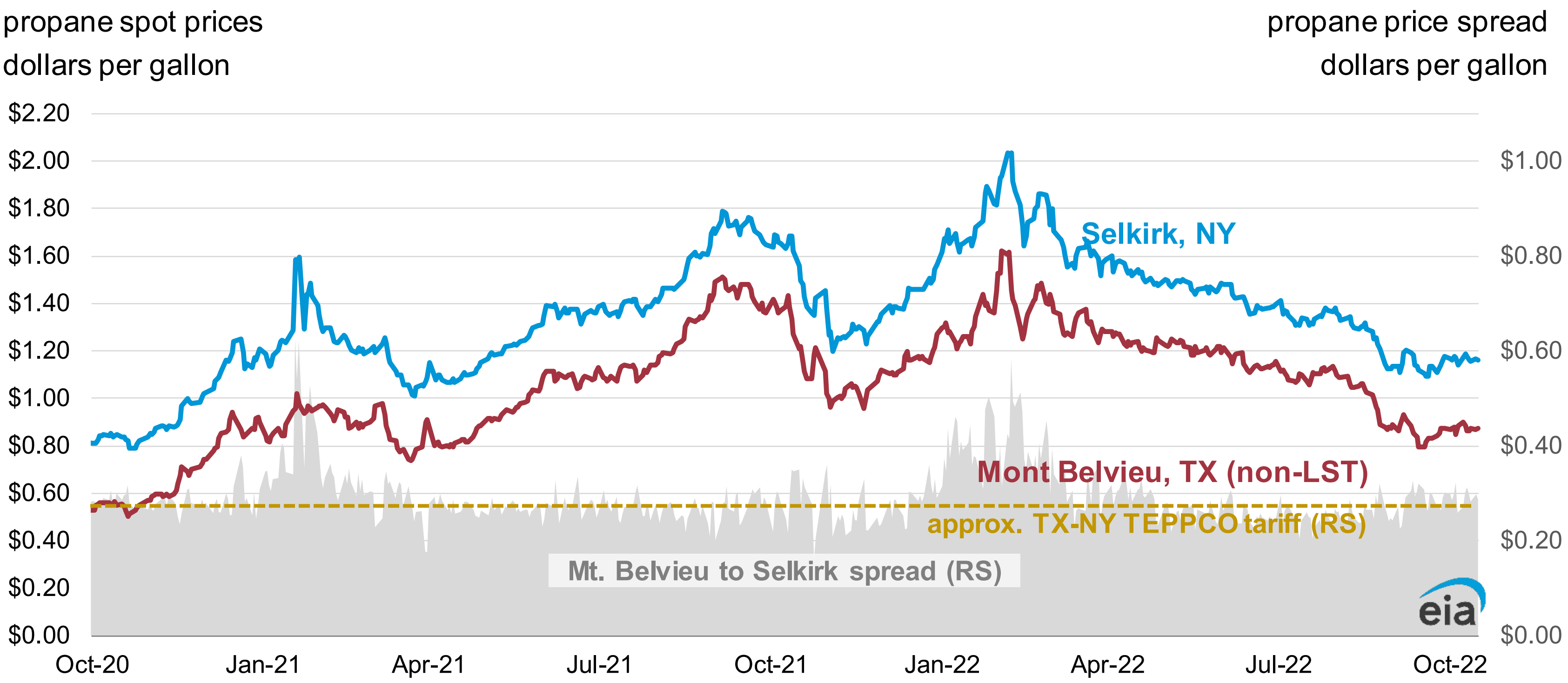
Petroleum Administration for Defense Districts (PADDs)





- NOAA forecasts a chance of below-normal temperatures along the Eastern Seaboard, Great Lakes, Gulf Coast, and the Great Basin region, with a chance of above-normal temperatures in the Pacific Northwest, Alaska, and South Florida. Near-normal temperatures are expected in the central Plains, stretching around the northern Rockies. Later in the forecast, above-normal temperatures are expected in most of the western half of the U.S..
- The cooler-than normal and near-normal temperatures forecasted across all PADDs are likely to result in above average propane demand for this time of year. At the end of November, demand may decrease in all PADDs except for PADD 1 relative to this time of year.

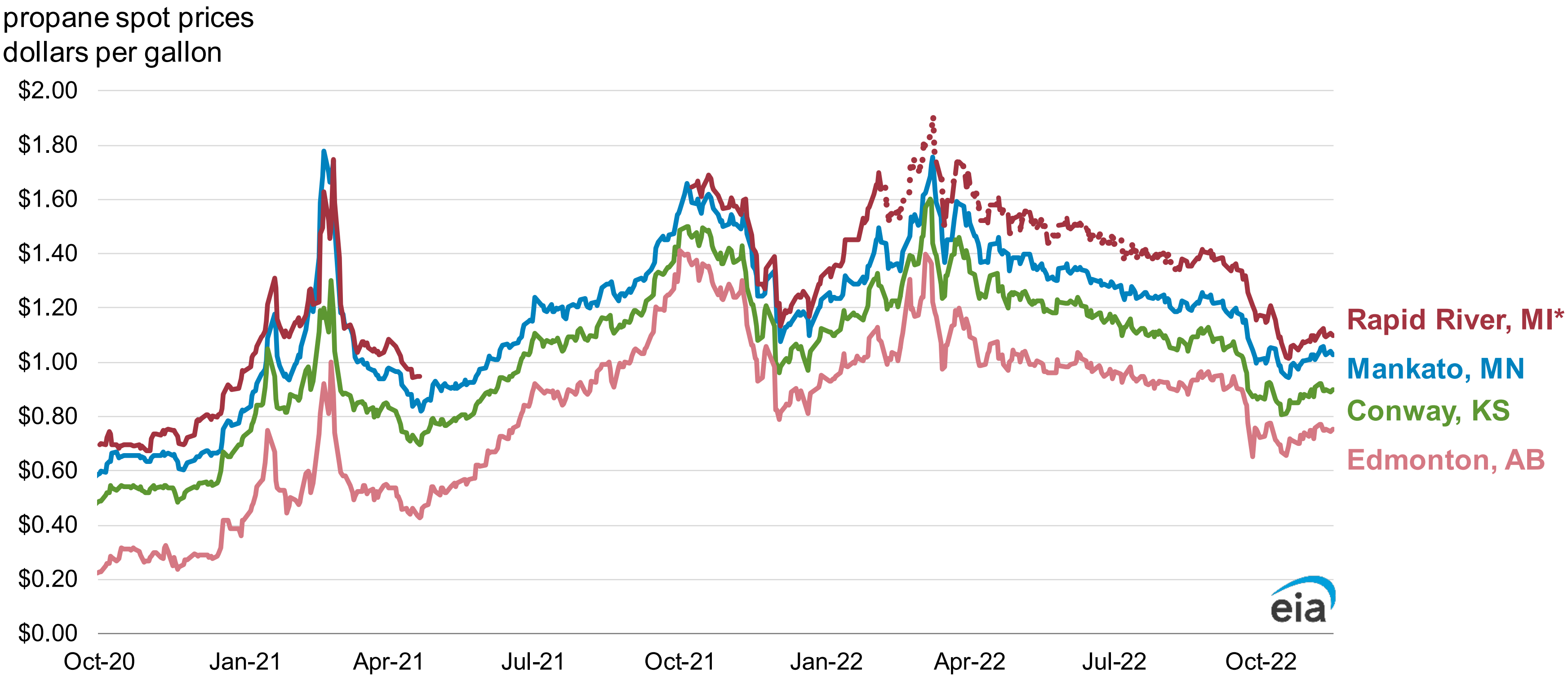
Northeast propane prices, generally dictated by tariff on TEPPCO* pipeline, currently high enough to pull product from the Gulf Coast



TEPPCO = Enterprise TE Products Pipeline Company LLC

Data source: Bloomberg, L.P., data through November 15, 2022; Enterprise Products Partners L.P., Effective Tariffs, FERC No. 54.64.0

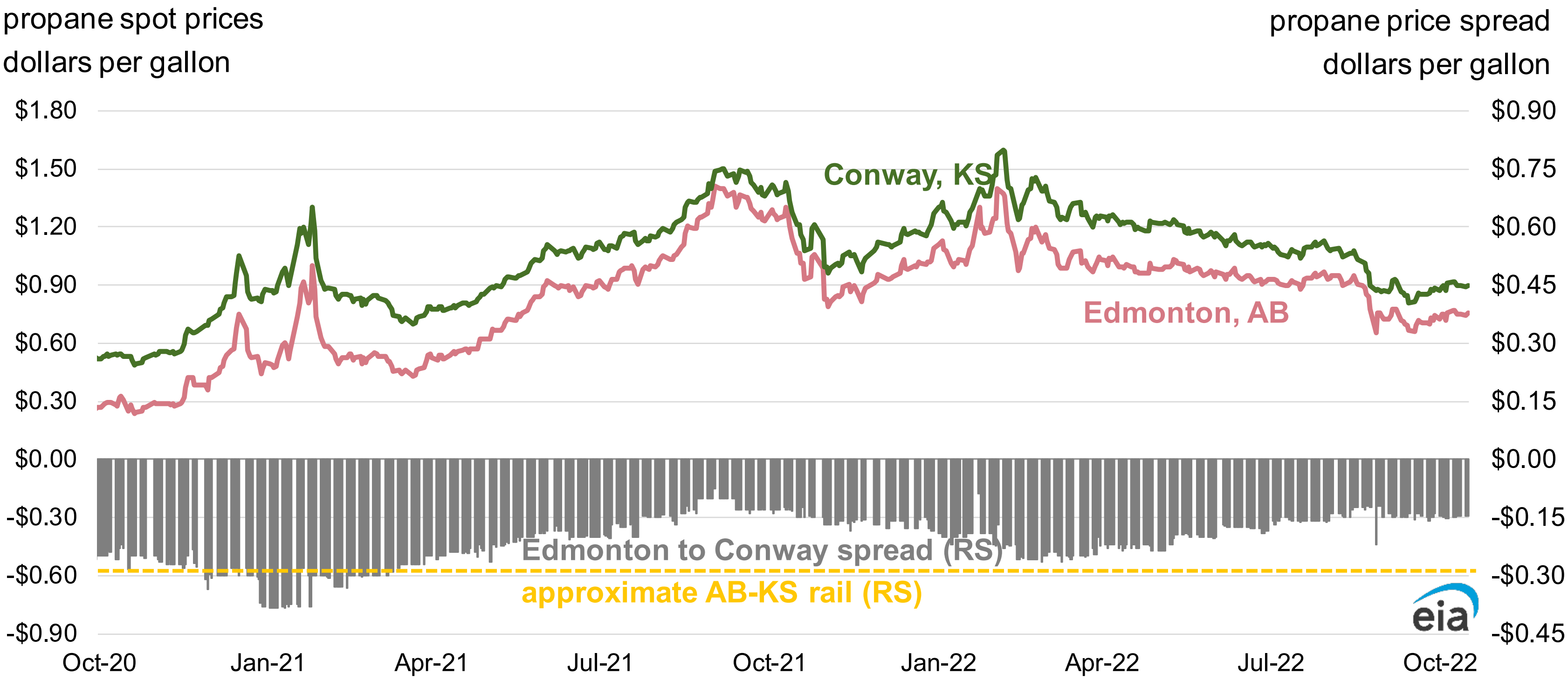
Prices at major Midwest market centers closely correlated with Conway, with Edmonton prices at similar discount to Conway as last winter



Data Source: Bloomberg, L.P., data through November 15, 2022

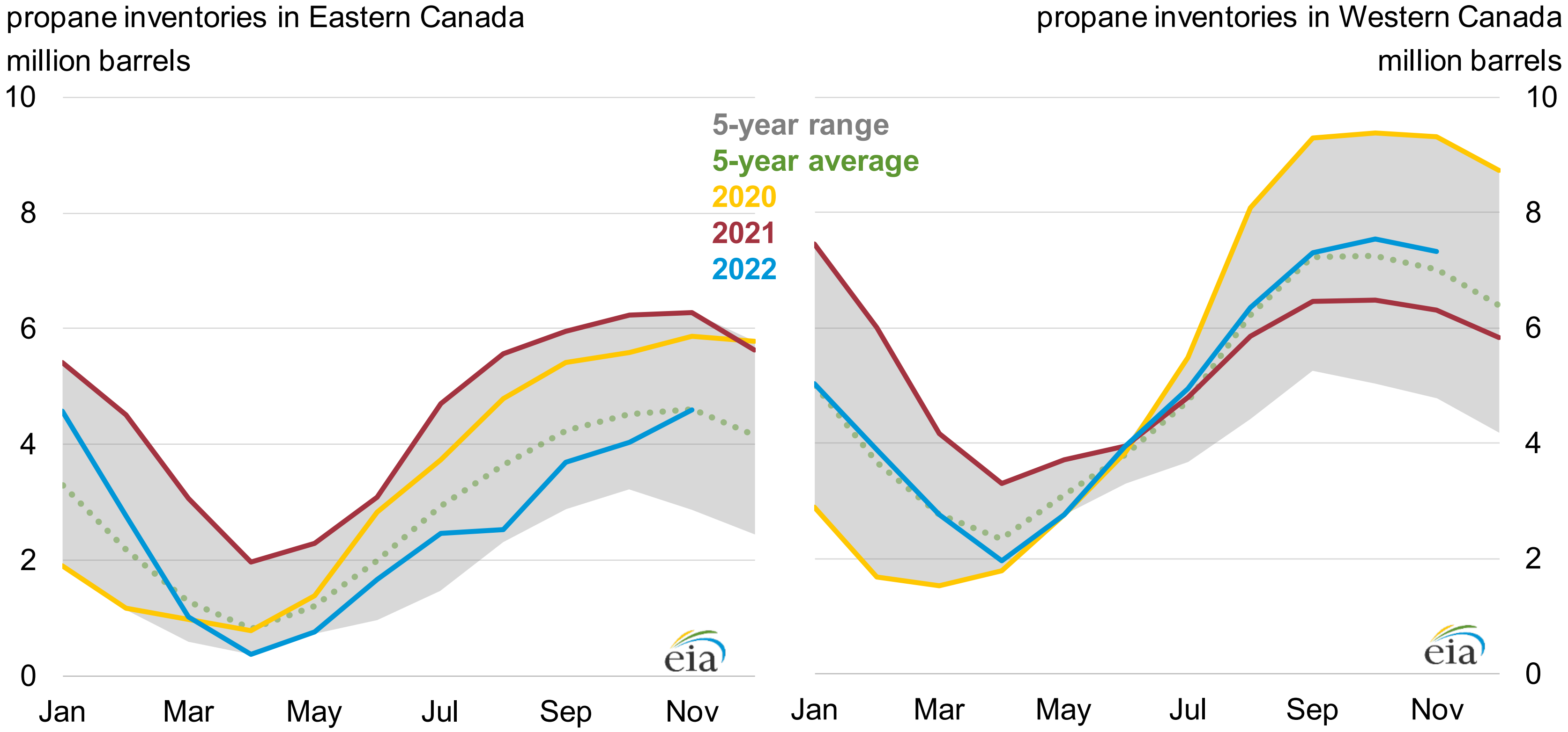
**Rapid River, MI rack prices not consistently available during summer months*

Discount for Edmonton propane relative to Conway, around ~15¢/gal, not enough to cover rail transportation costs into most Midwest markets



Data source: Bloomberg, L.P., data through November 15, 2022

October 1 inventories in Western Canada are above the 5-year average, while inventories in Eastern Canada are at the 5-year average



Source: Graph created by the U.S. Energy Information Administration, based on data from the Canada Energy Regulator, November 15, 2022

State Heating Oil and Propane Program (SHOPP) updates

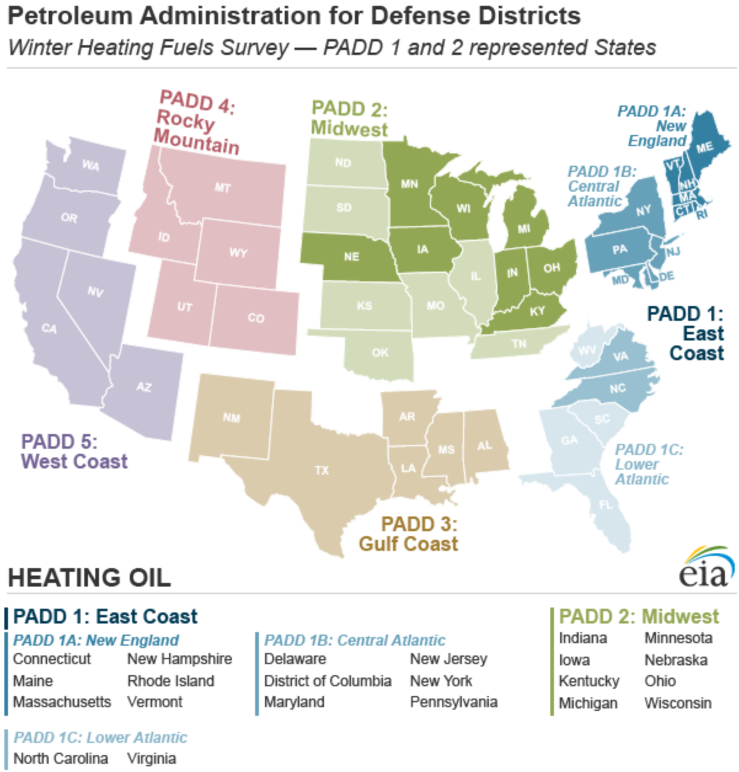
- SHOPP is a collaborative program between states and EIA that provides weekly wholesale and retail prices for heating oil and propane at the state level.

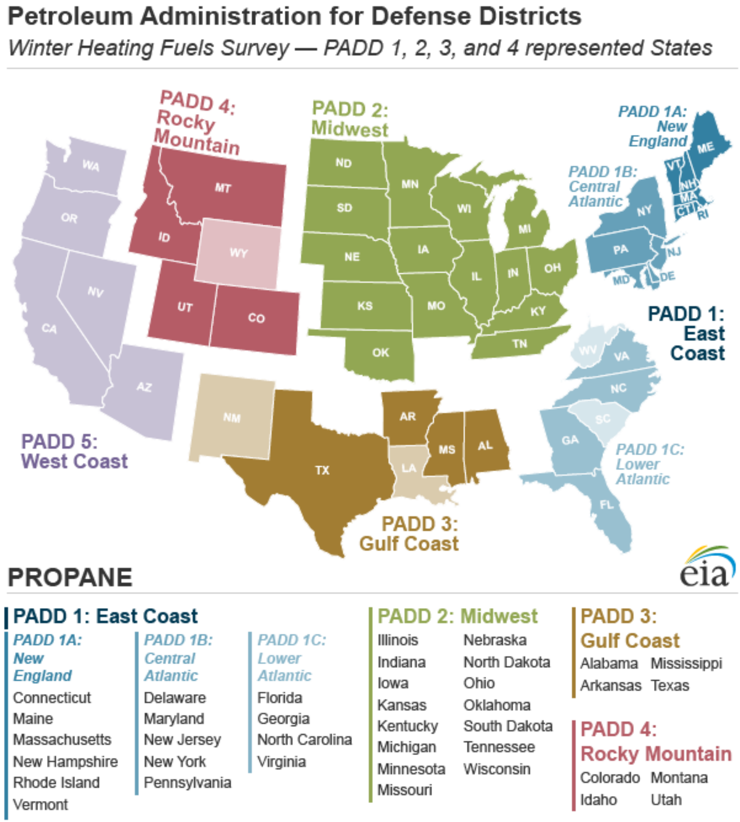
- EIA expanded SHOPP in October 2014 to include 14 additional states in propane price data collection. In 2016, EIA added 10 new states to its wholesale propane price publication. This should be taken into consideration when comparing the average prices for the U.S., PADD 1, PADD 1B, PADD 1C, and PADD 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.

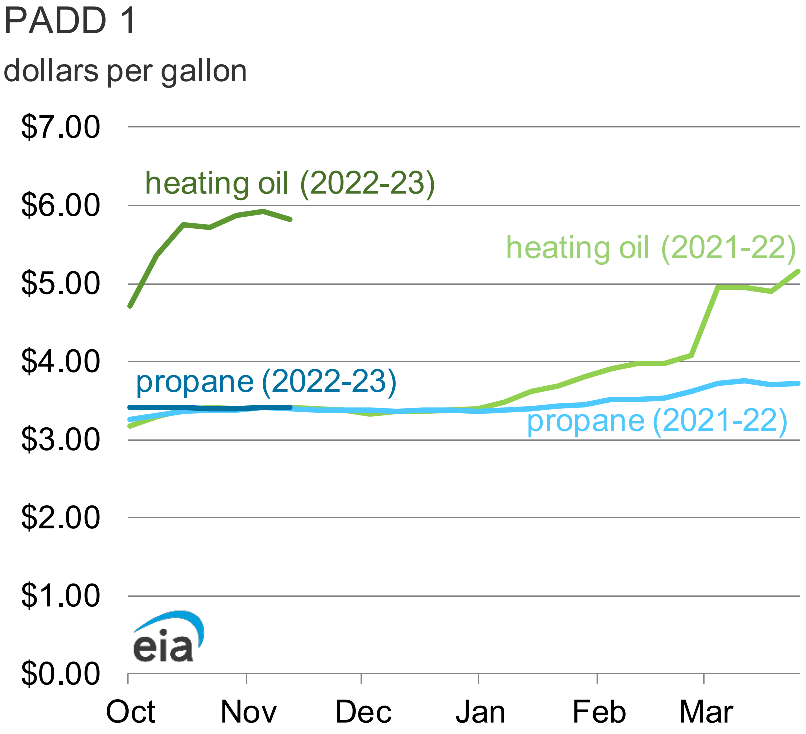
Maps of states participating in Winter Fuels Survey

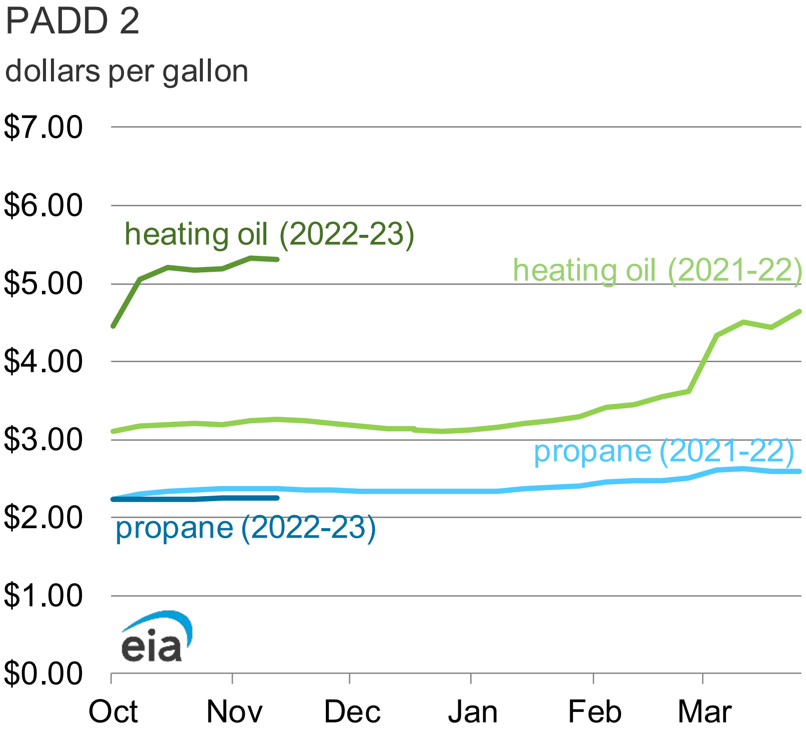




Data source: EIA, Heating Oil and Propane Update

Retail propane prices in PADD 1 are at the same level compared to this time last year, while propane prices in PADD 2 are lower

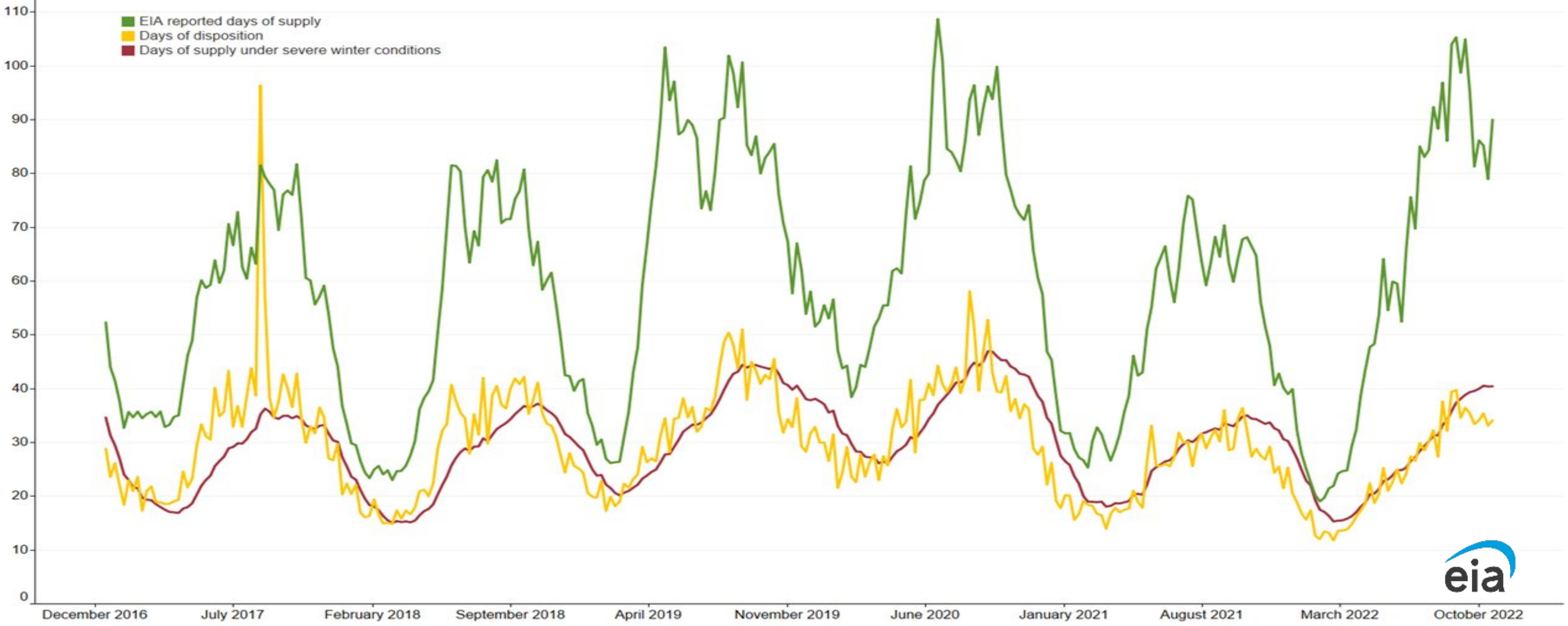




Data source: State Heating Oil and Propane Program, data through November 14, 2022

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 November 11, 2022
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_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