

2023/24 Winter Propane Market Update



December 28, 2023 | Washington, DC

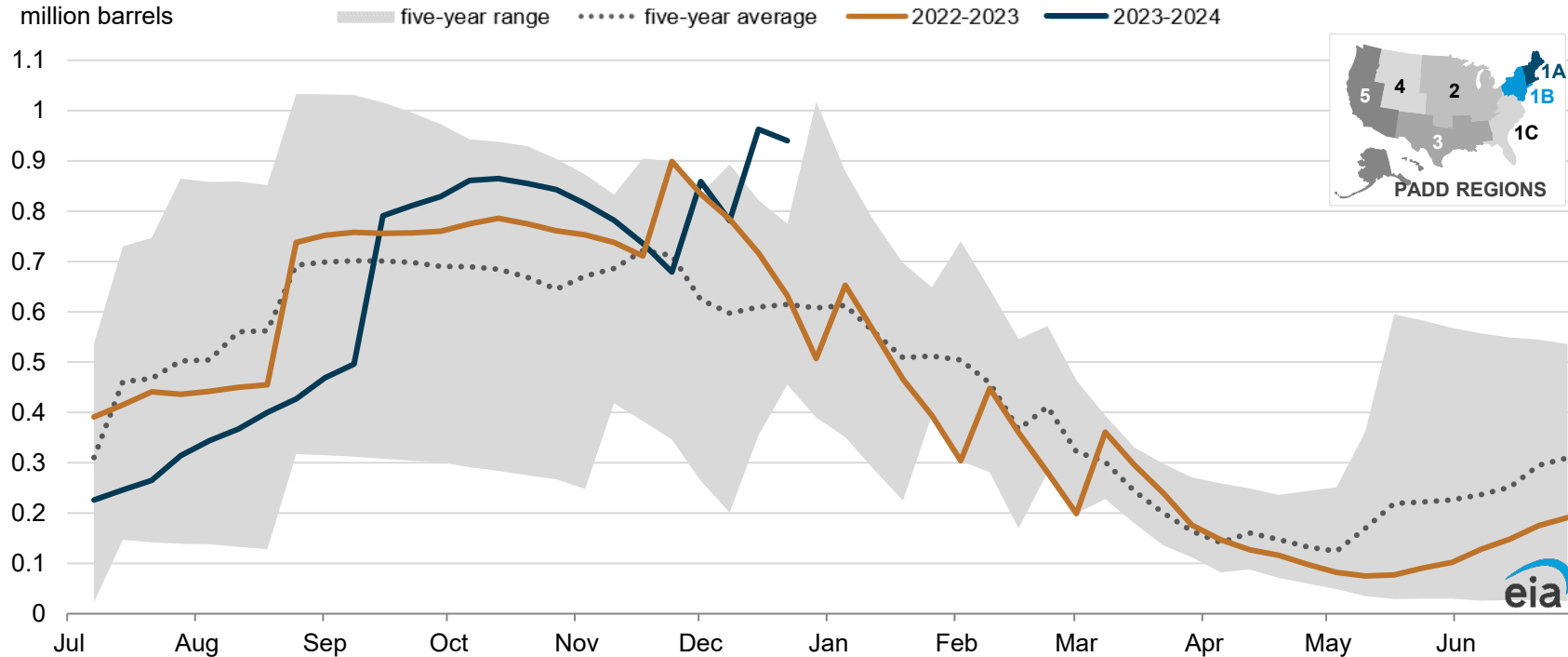
(Inventory data as of 12/22/23; residential heating fuel prices as of 12/25/23)

By

U.S. Energy Information Administration

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

PADD 1A propane inventories
million barrels

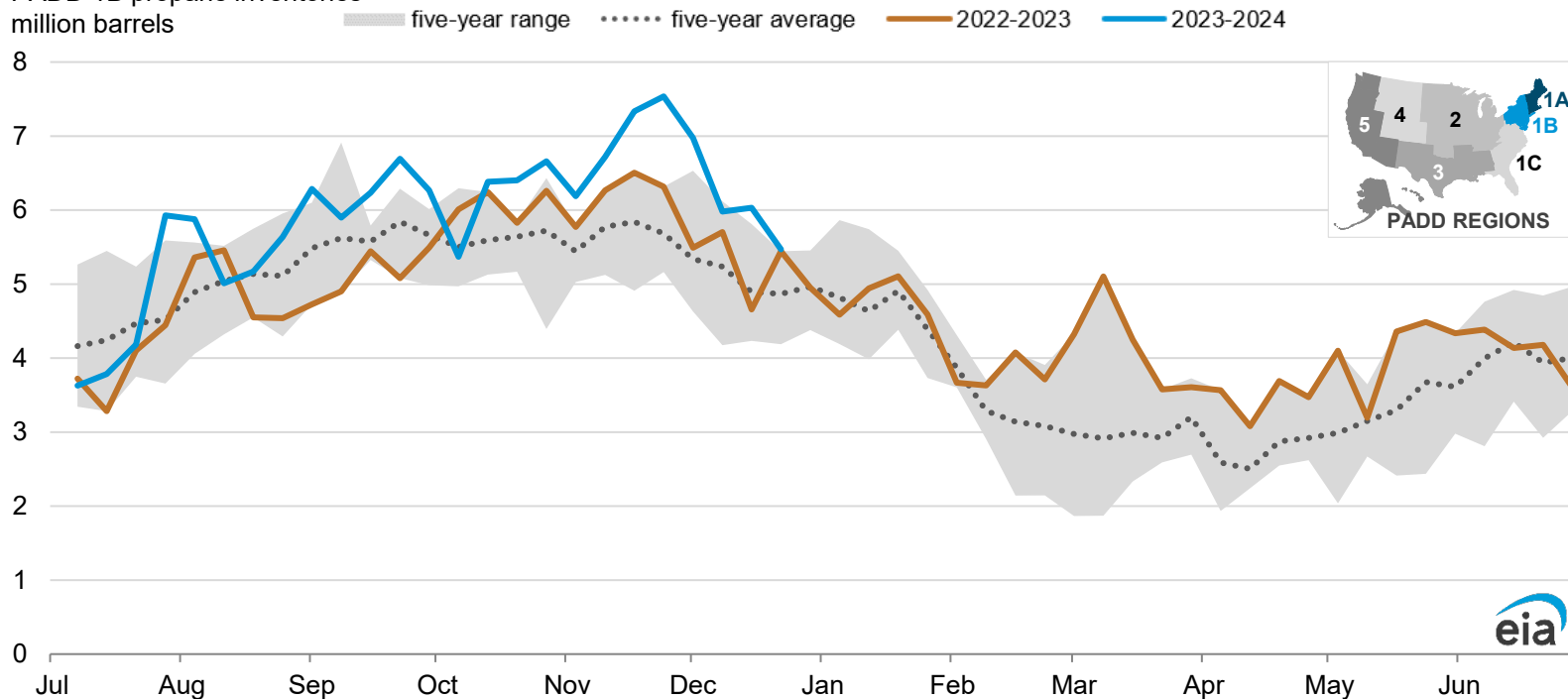


Data source: EIA, *Weekly Petroleum Status Report*, December 28, 2023. Data through December 22, 2023.

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

PADD 1B (Mid-Atlantic) propane inventories at top of the 5-year range

PADD 1B propane inventories
million barrels

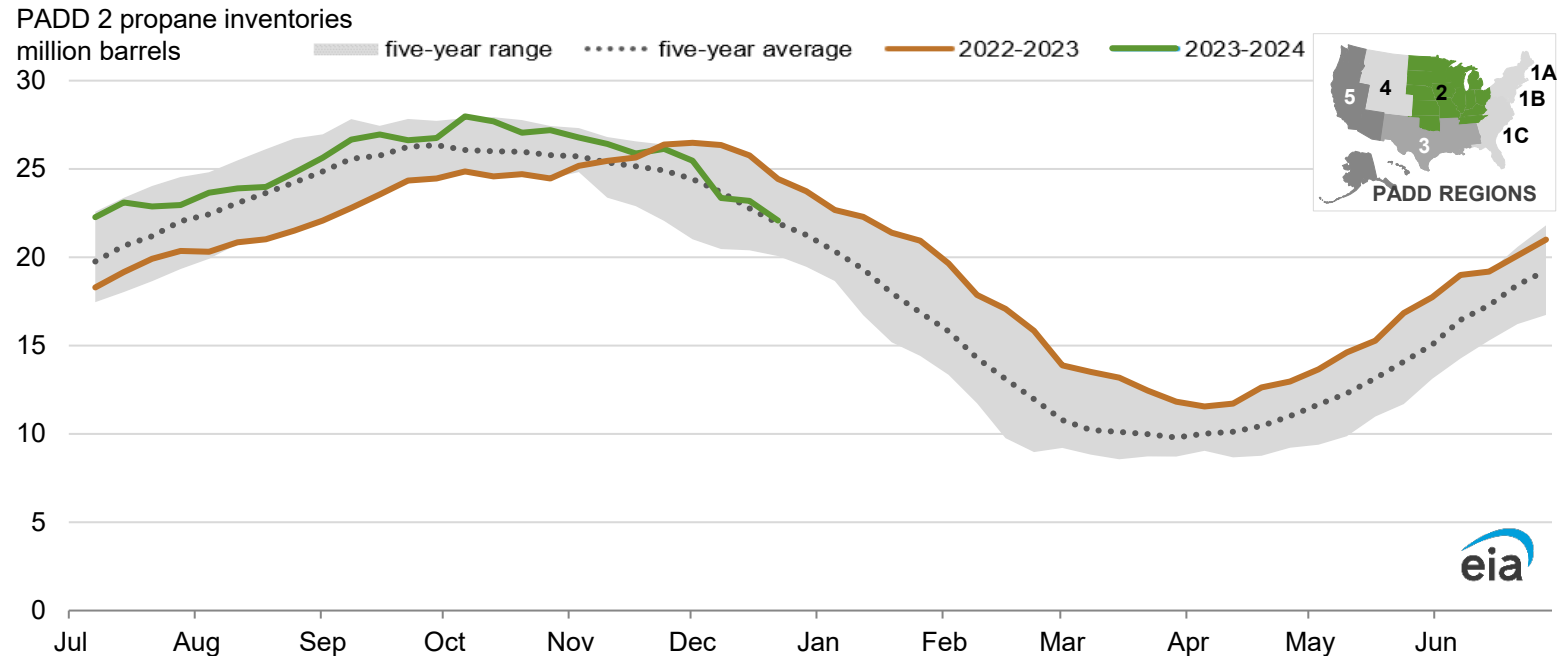


Data source: EIA, *Weekly Petroleum Status Report*, December 28, 2023. Data through December 22, 2023.

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

Corrected PADD 2 (Midwest) propane inventories

See note below on past publication error



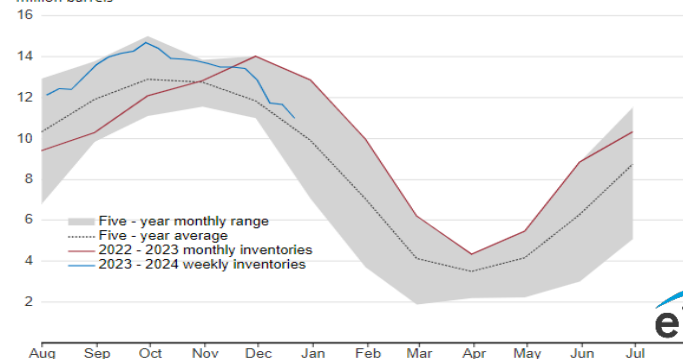
Data source: EIA, *Weekly Petroleum Status Report*, December 28, 2023. Data through December 22, 2023.

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](#).

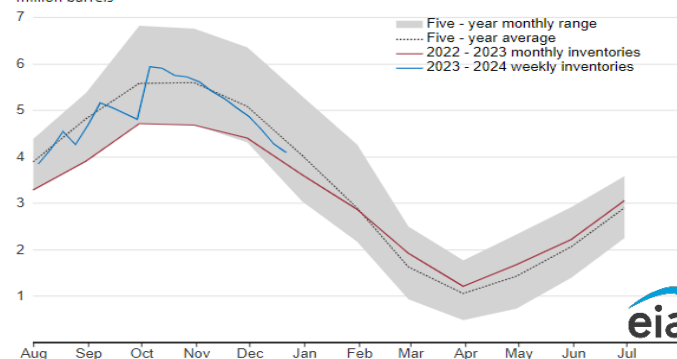
Selected state propane* inventories

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



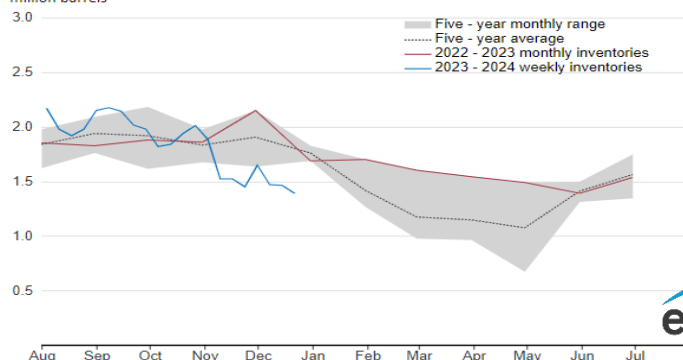
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

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



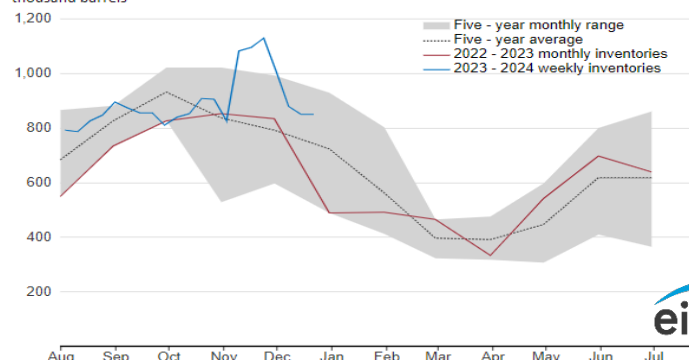
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

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



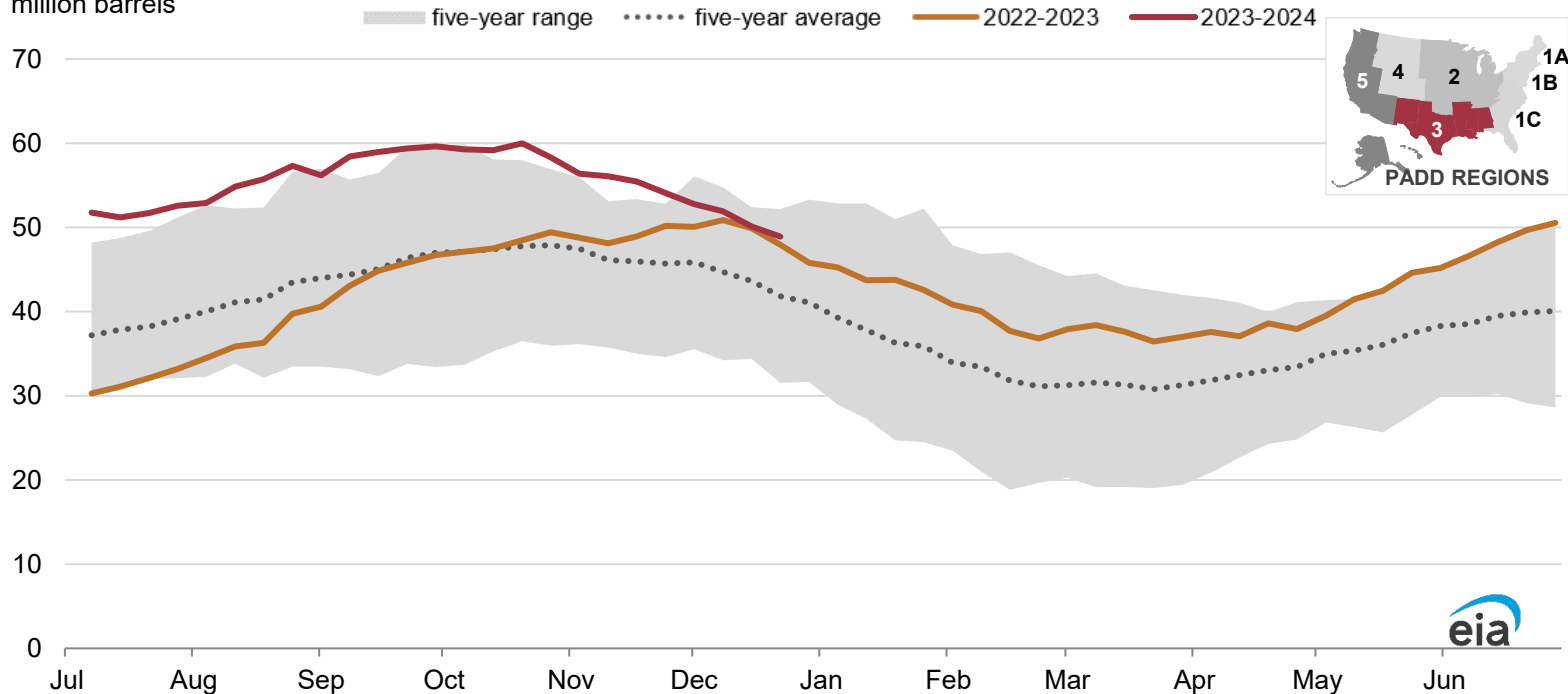
Source: U.S. Energy Information Administration, *Petroleum Supply Monthly* and *Weekly Petroleum Status Report*

Data Source: EIA, *Weekly Petroleum Status Report*, data through December 22, 2023

*propane/propylene for fuel use only

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

PADD 3 propane inventories
million barrels

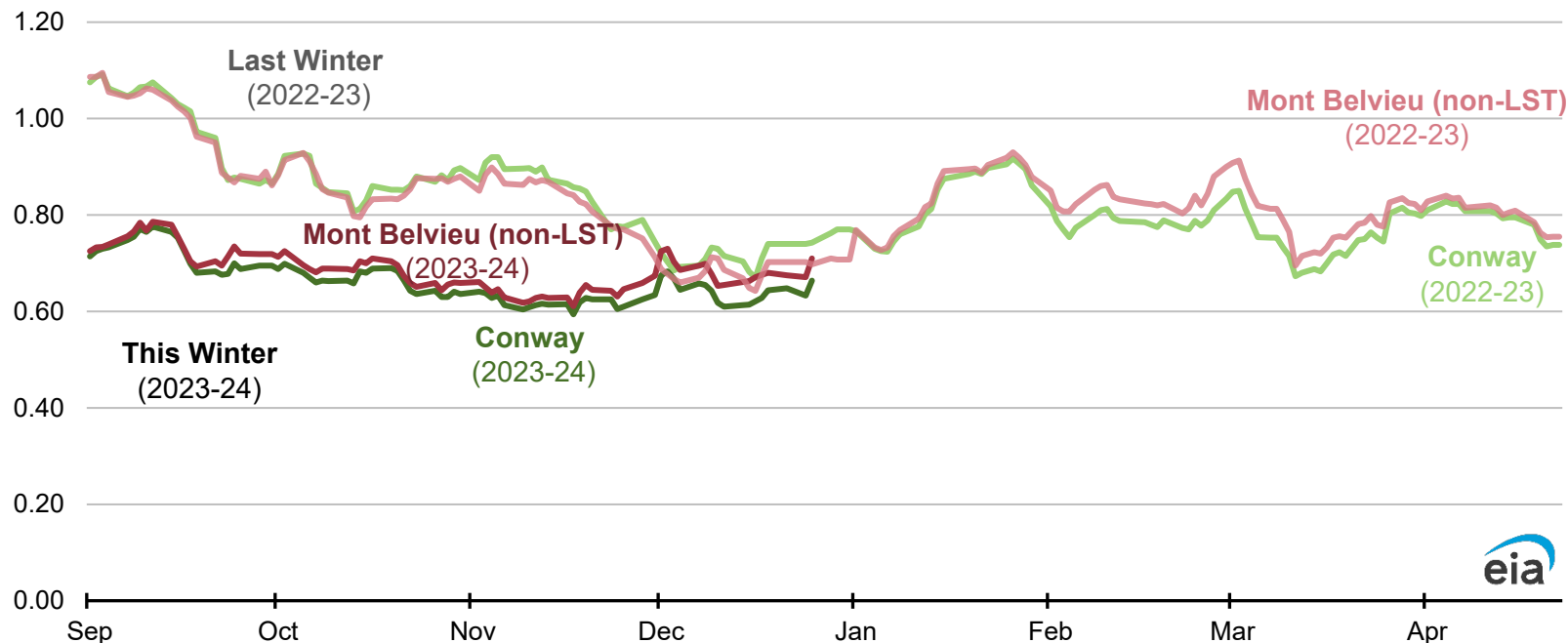


Data source: EIA, *Weekly Petroleum Status Report*, December 28, 2023. Data through December 22, 2023.

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 ~5¢/gal premium to Conway, Kansas.

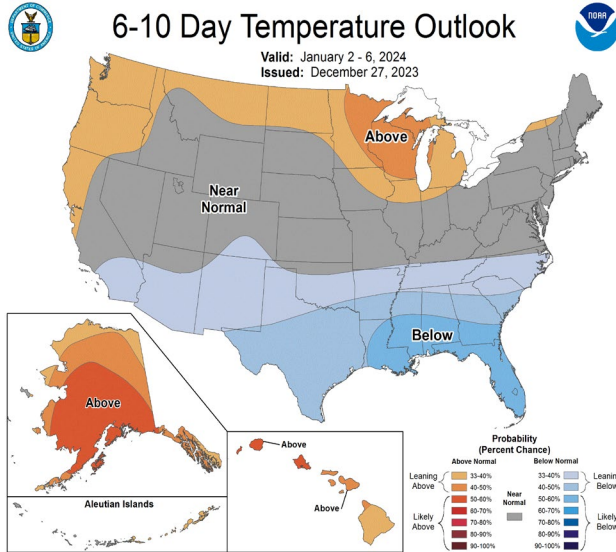
Propane spot prices (Conway, KS and Mont Belvieu, TX)
dollars per gallon



Data source: Bloomberg L.P., data through December 27, 2023

NOAA's projected temperatures:

January 2 – Jan. 6, 2023, and January 4 – Jan. 10, 2023

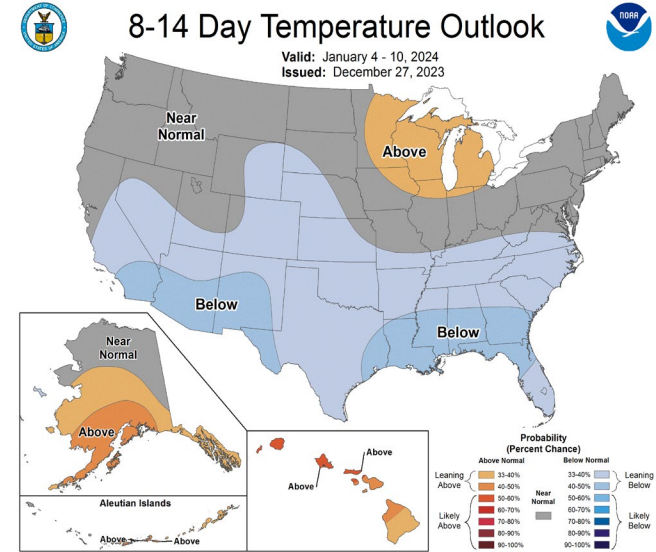
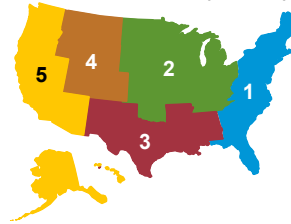


A = temperatures above normal
N = equal chance that temperatures are above normal, normal, or below normal

B = temperatures below normal

Data source: [NOAA](https://www.noaa.gov), Dec. 27, 2023

Petroleum Administration for Defense Districts (PADDs)

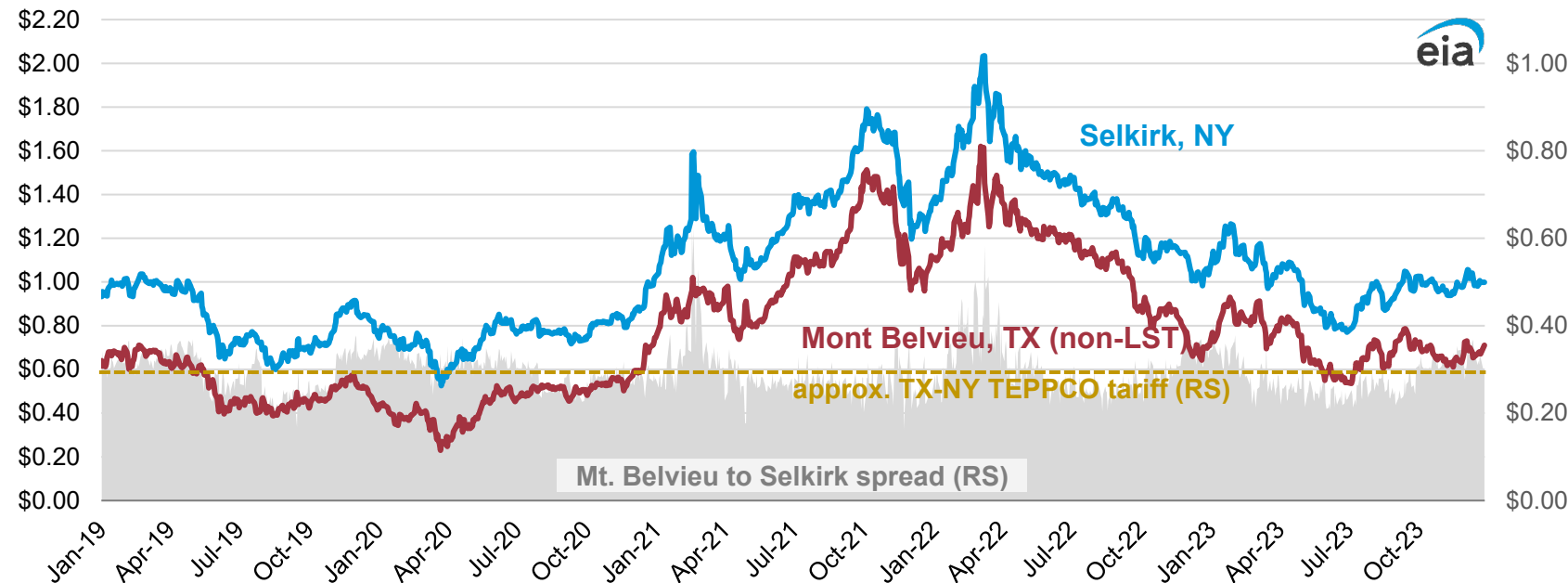


- After three weeks of above-normal temperatures, NOAA forecasts below-normal temperatures to stretch across the southern Lower-48 states with the highest probability along the Gulf Coast. Chances of above-normal temperatures remain in the northern-tier states and Alaska earlier in the forecast, and just around the western Great Lakes region later in the forecast, when normal to below-normal temperatures are forecasted for the rest of the Lower-48 states
- Heating fuel demand is likely to rise to normal and above-normal levels for this time of year across much of the Lower-48 states outside of the northern reaches of PADDs 2, 4, and 5.

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

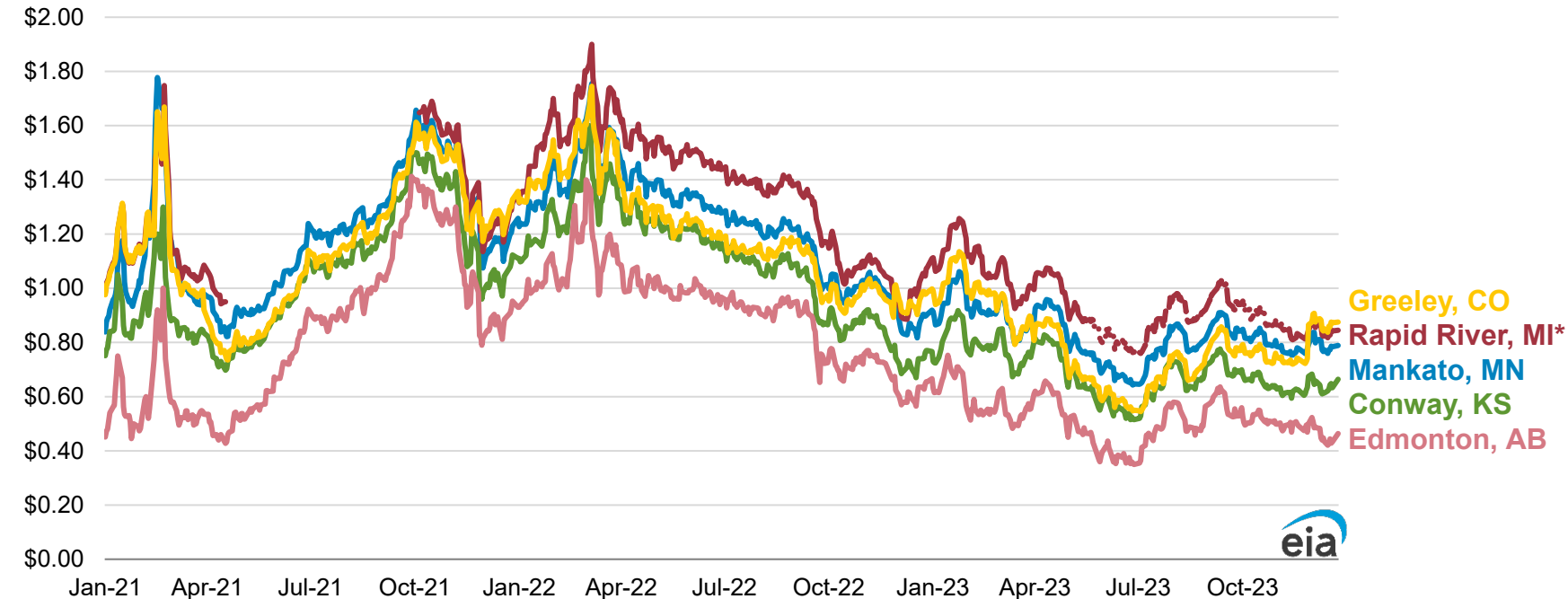


TEPPCO = Enterprise TE Products Pipeline Company LLC

Data source: Bloomberg L.P., data through December 27, 2023; 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

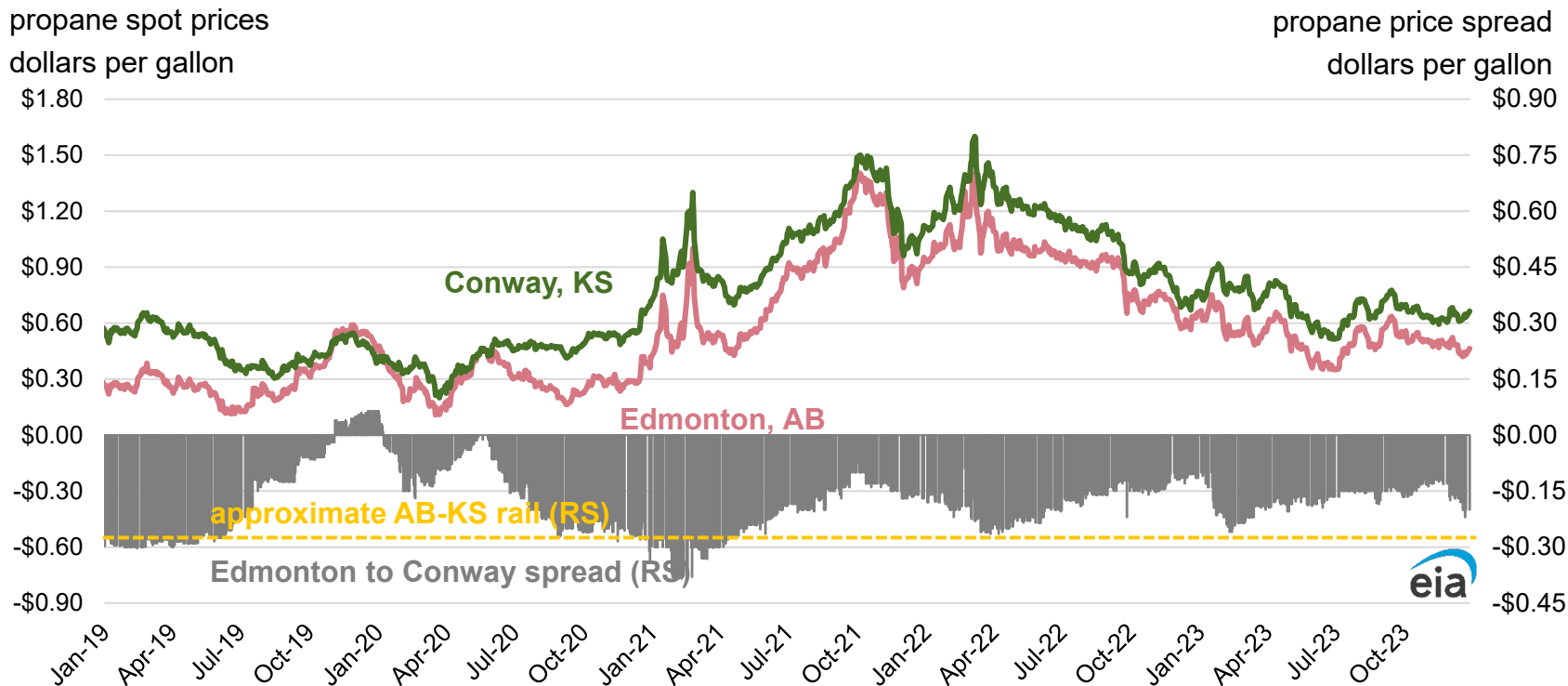
propane spot prices
dollars per gallon



Data source: Bloomberg L.P., data through December 27, 2023

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

Discount for Edmonton propane relative to Conway rising to around ~20¢/gal, enough to cover rail transportation costs into some Midwest markets



Data source: Bloomberg L.P., data through December 27, 2023

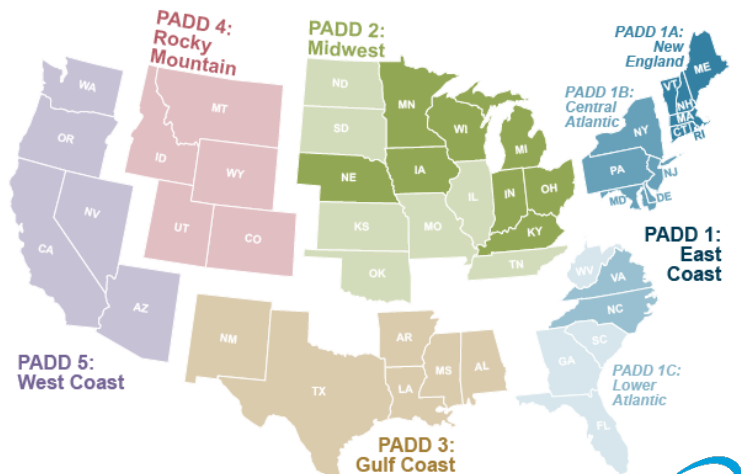
State Heating Oil and Propane Program (SHOPP) updates

- 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 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

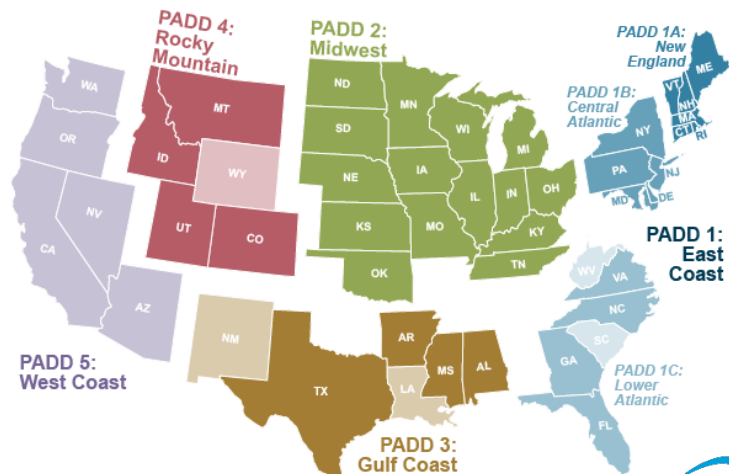
Indiana Minnesota
Iowa Nebraska
Kentucky Ohio
Michigan Wisconsin

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

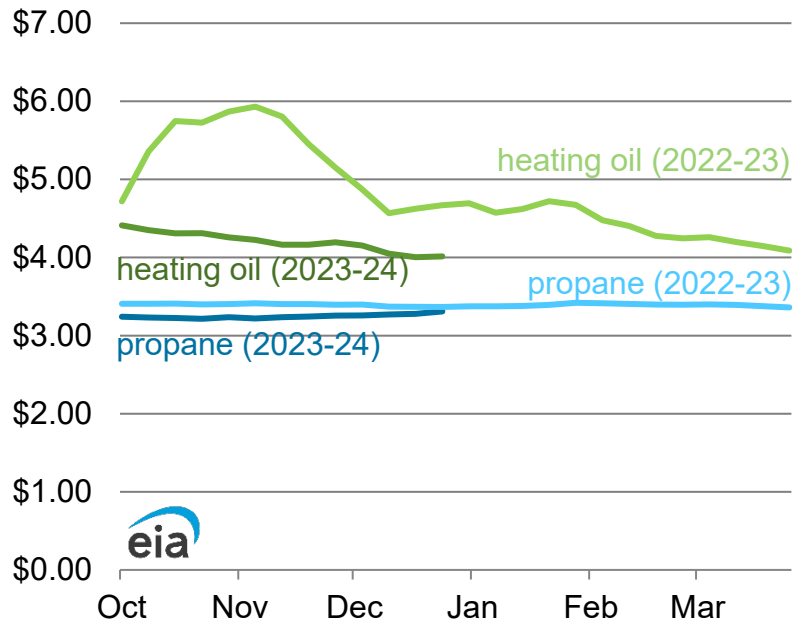


Data source: EIA, [Heating Oil and Propane Update](#)

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

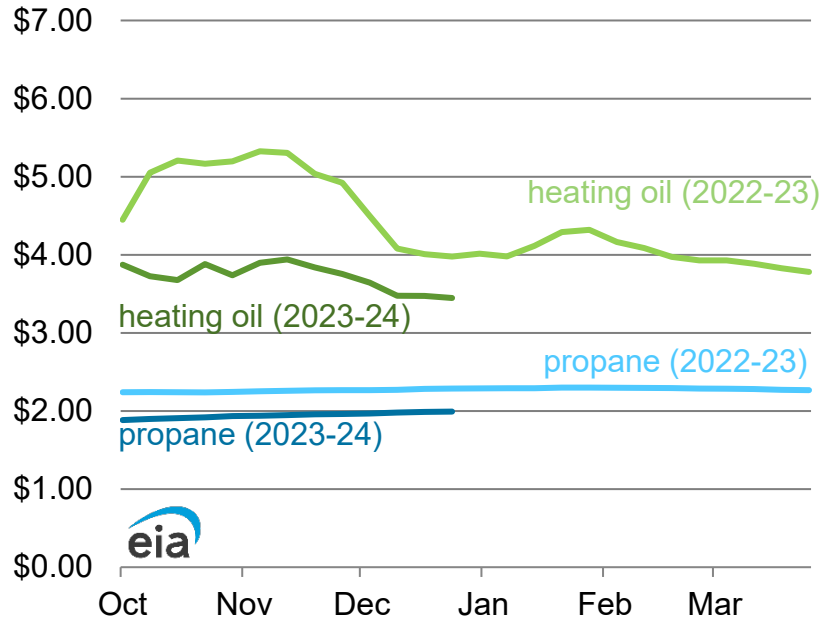
PADD 1

dollars per gallon



PADD 2

dollars per gallon



Data source: State Heating Oil and Propane Program, data through December 25, 2023

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_mbb1_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