

The EIA Short-term Energy Outlook

for

National Association of State Energy Officials

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by

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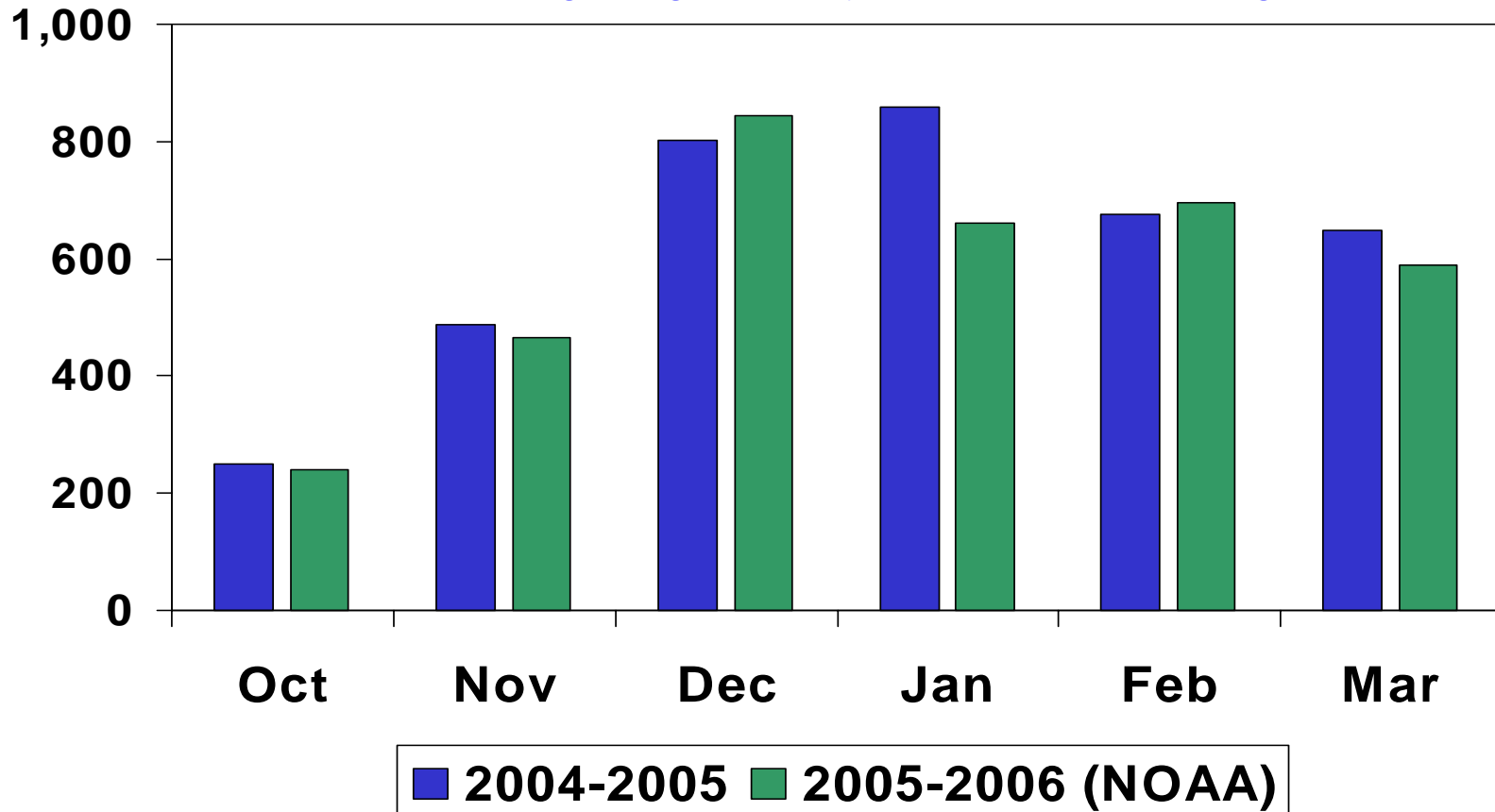


U.S. Average Winter Fuel Expenditures Projected Higher than Winter 04/05

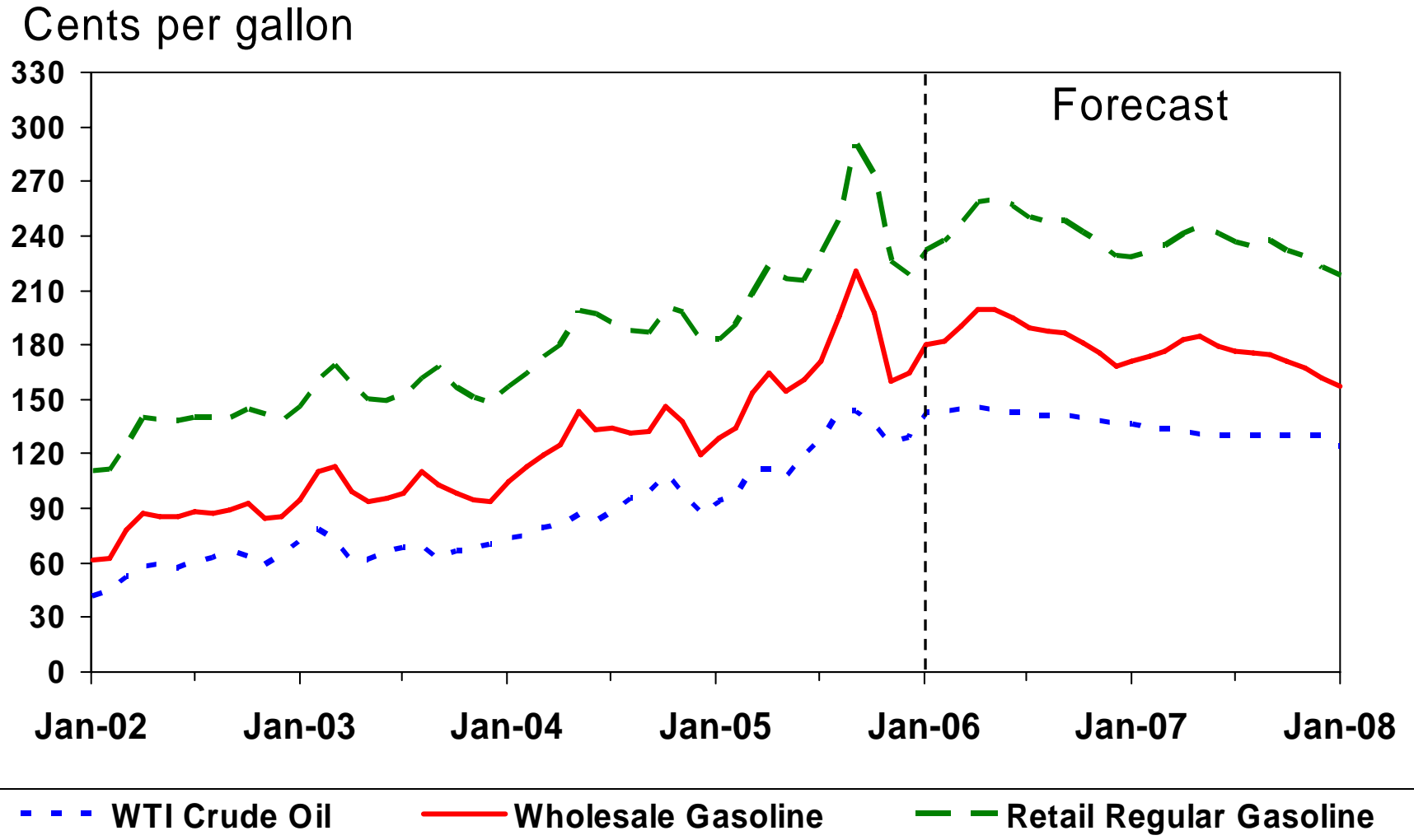
	Winter of		Forecast	
	Average 99 - 04	2004 - 05	2005 - 06	% Change
Natural Gas				
Price (\$/mcf *)	8.41	11.12	14.53	30.6
Expenditures (\$)	586	742	920	24.0
Heating Oil				
Price (\$/gallon)	1.35	1.92	2.40	24.8
Expenditures (\$)	865	1,199	1,394	16.3
Propane				
Price (\$/gallon)	1.29	1.64	1.95	18.4
Expenditures (\$)	885	1,102	1,252	13.6
Electricity				
Price (\$/kwh **)	0.082	0.087	0.094	7.7
Expenditures (\$)	985	717	753	5.1
Average Expenditures	688	786	921	17.2
Expenditures are based on typical per household consumption				
* Thousand cubic feet, ** kilowatthour				

Winter Has Been Relatively Kind to the Lower-48 States

U.S. Heating Degree-Days Population-Weighted



Gasoline, Diesel and Crude Oil Prices



Upcoming Motor Fuels Challenges

- 2006 is the “year of the fuel spec,” with introduction of ultra-low sulfur diesel, sharp reduction in MTBE use, start of the RFS program, and tighter Tier 2 gasoline.
- World oil prices are expected to remain high, and refinery capacity is expected to remain tight. Demand could grow at a faster rate than in 2005.
- Overall, average annual gasoline and diesel fuel prices in 2006 are both expected to exceed the respective 2005 annual average prices by a modest amount.
- The transitions associated with pending changes in fuel specifications raise the prospect that there could be significant price volatility, and accompanying price spikes, affecting particular markets as we move into the peak summer driving season.

Improving EIA's State energy data

- In late 2005, EIA:
 - Launched an improved State Energy Website that includes a schedule for actual and planned releases and improved links to EIA's State energy data.
http://www.eia.doe.gov/emeu/states/_states.html

- In 2006, EIA will:
 - Continue to release data in stages (i.e., as energy sources are completed) and not hold until all State data for a given year are complete.
 - Work to provide more timely data.
 - Launch a new product, State Energy Briefs, to provide an integrated report for each State. Briefs will include narratives, maps, tables and data links.



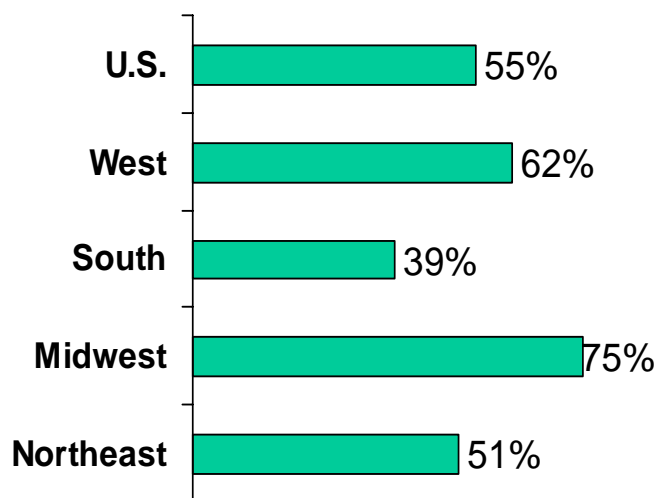
Conclusions

- Recovery of production facilities and other infrastructure in the Gulf region is continuing.
- Most households will be paying significantly more for heating this winter compared to last. The average U.S. household will pay about \$135 more for heating this winter if weather matches the latest NOAA projection.
- As winter winds down, attention turns to the motor fuels market, where tight fundamentals and multiple changes in fuel specifications raise the prospect of a busy spring and summer.
- EIA is interested in working with NASEO as we undertake efforts to provide more timely and user-friendly presentations of State-level data.

Additional Slides

Natural Gas Heating Bills Are Projected to Rise Between 17% and 28%

Households using natural gas as primary heating fuel

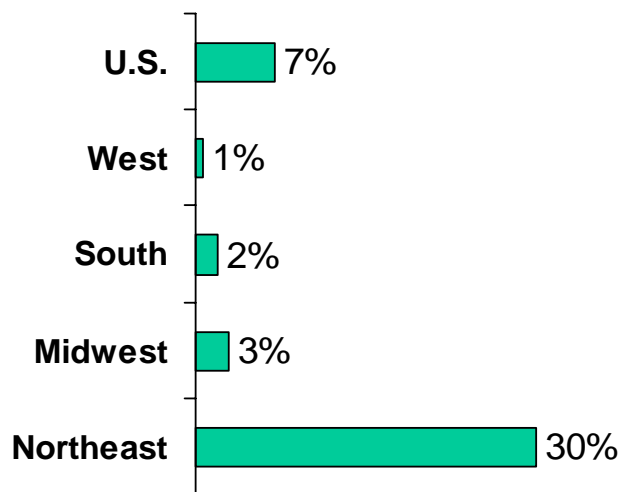


% Change from Last Winter (Projected)

	Consumption	Average Price	Total Expenditures
West	- 4.4 %	+ 29 %	+ 23 %
South	- 2.6 %	+ 29 %	+ 26 %
Midwest	- 5.1 %	+ 35 %	+ 28 %
Northeast	- 7.7 %	+ 27 %	+ 17 %

Winter Heating Oil Expenditures Are Projected to Increase by 13% to 23%

Households using heating oil as primary heating fuel

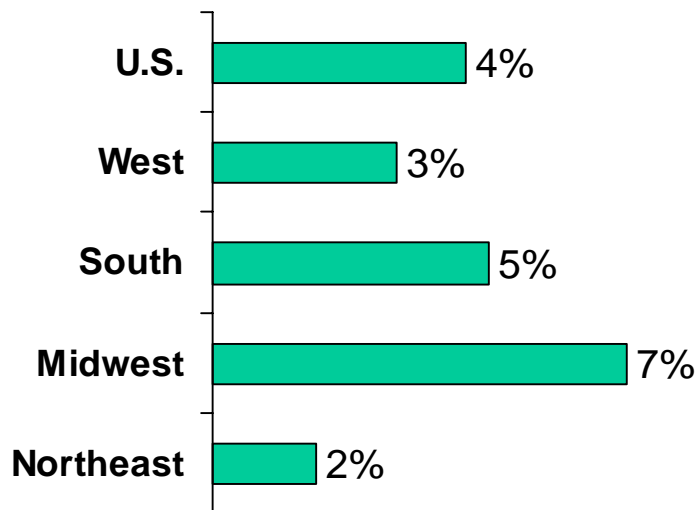


% Change from Last Winter (Projected)

	Consumption	Average Price	Total Expenditures
West	- 7.1 %	+ 22 %	+ 13 %
South	- 3.3 %	+ 24 %	+ 20 %
Midwest	- 5.4 %	+ 30 %	+ 23 %
Northeast	- 7.7 %	+ 24 %	+ 15 %

Propane Expenditures Are Projected Up by 8% to 17% This Winter

Households using propane as primary heating fuel

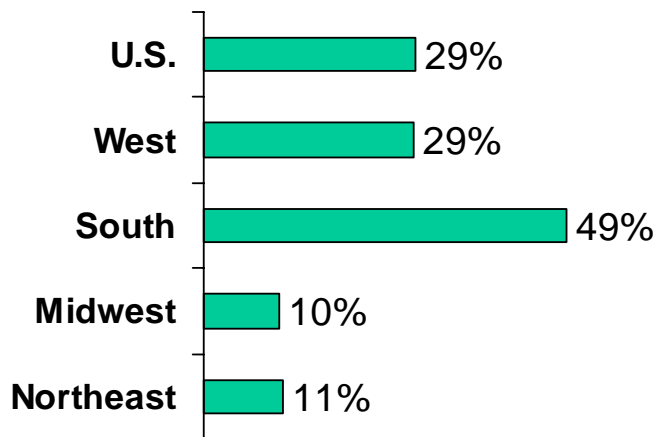


% Change from Last Winter (Projected)

	Consumption	Average Price	Total Expenditures
West	- 4.4 %	+ 16 %	+ 11 %
South	- 1.6 %	+ 19 %	+ 17 %
Midwest	- 5.0 %	+ 19 %	+ 13 %
Northeast	- 7.3 %	+ 17 %	+ 8 %

Winter Electricity Expenditures Are Projected Up By Less Than 2%, Except in the South

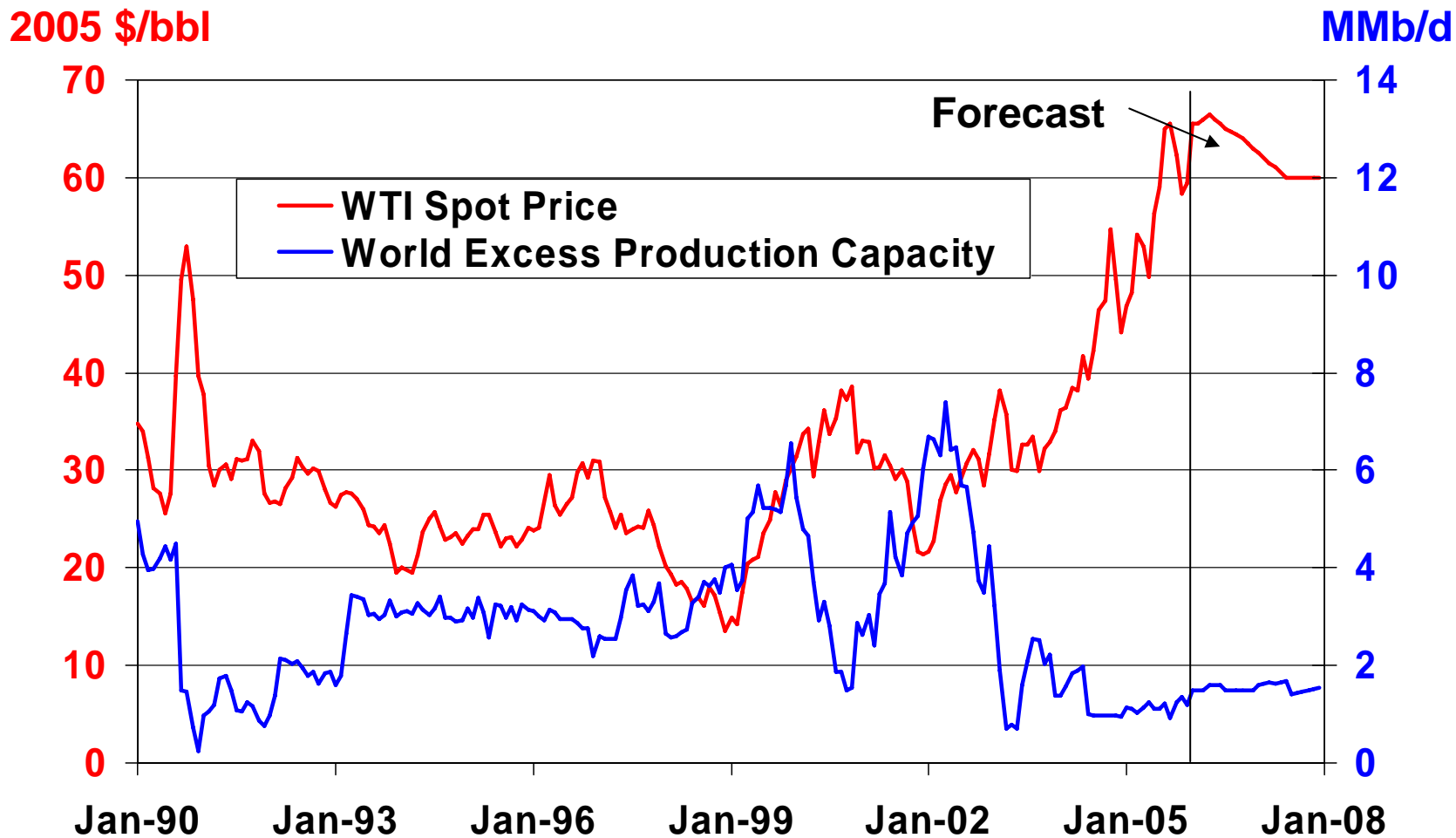
Households using electricity as primary heating fuel



% Change from Last Winter (Projected)

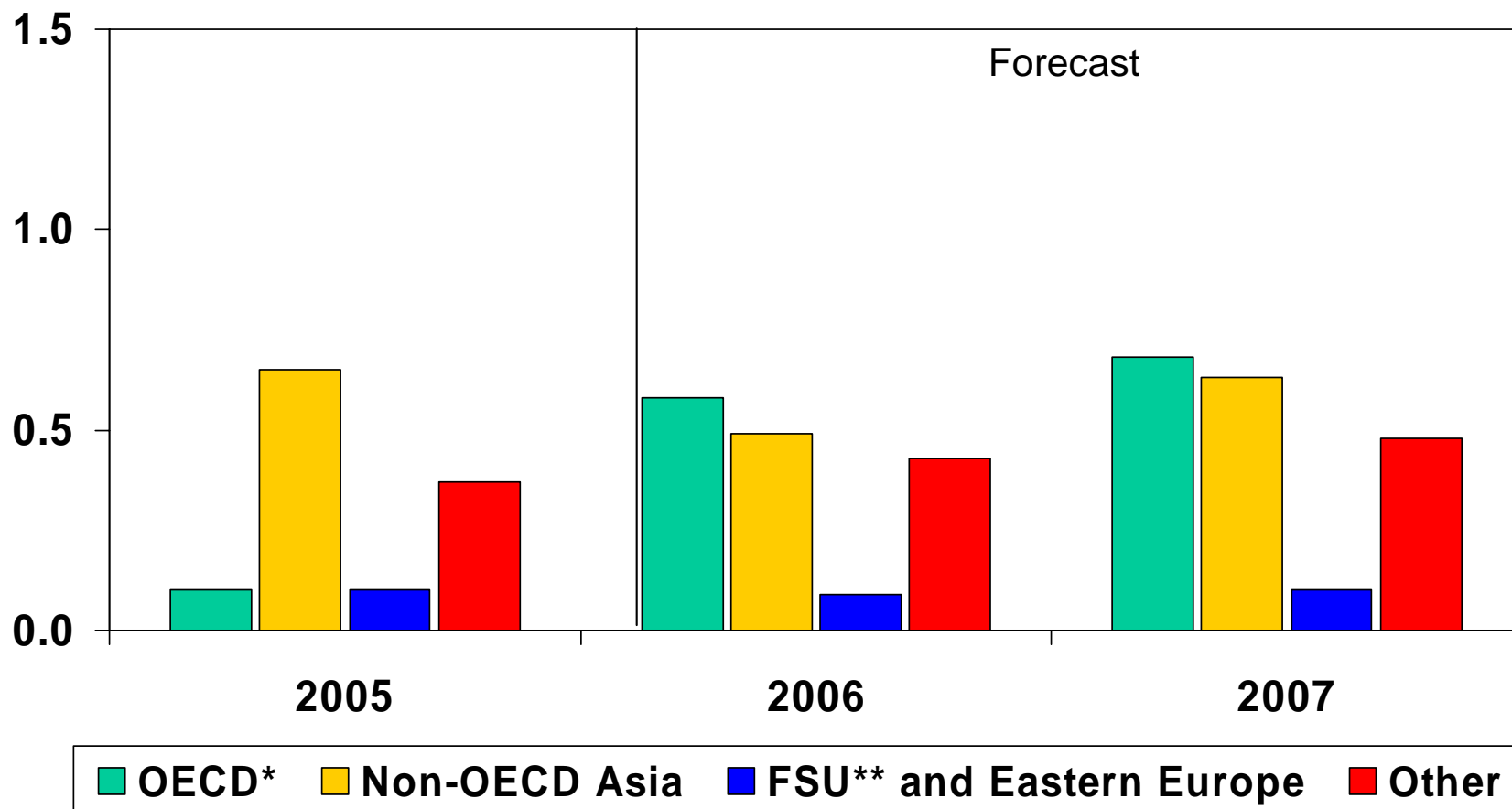
	Consumption	Average Price	Total Expenditures
West	- 3.3 %	+ 2 %	- 1 %
South	- 1.2 %	+ 10 %	+ 8 %
Midwest	- 3.5 %	+ 5 %	+ 2 %
Northeast	- 5.6 %	+ 8 %	+ 2 %

Tight Global Markets Result in High Crude Prices and Strained Supply



World Oil Demand Growth (Change from Previous Year)

Million barrels per day



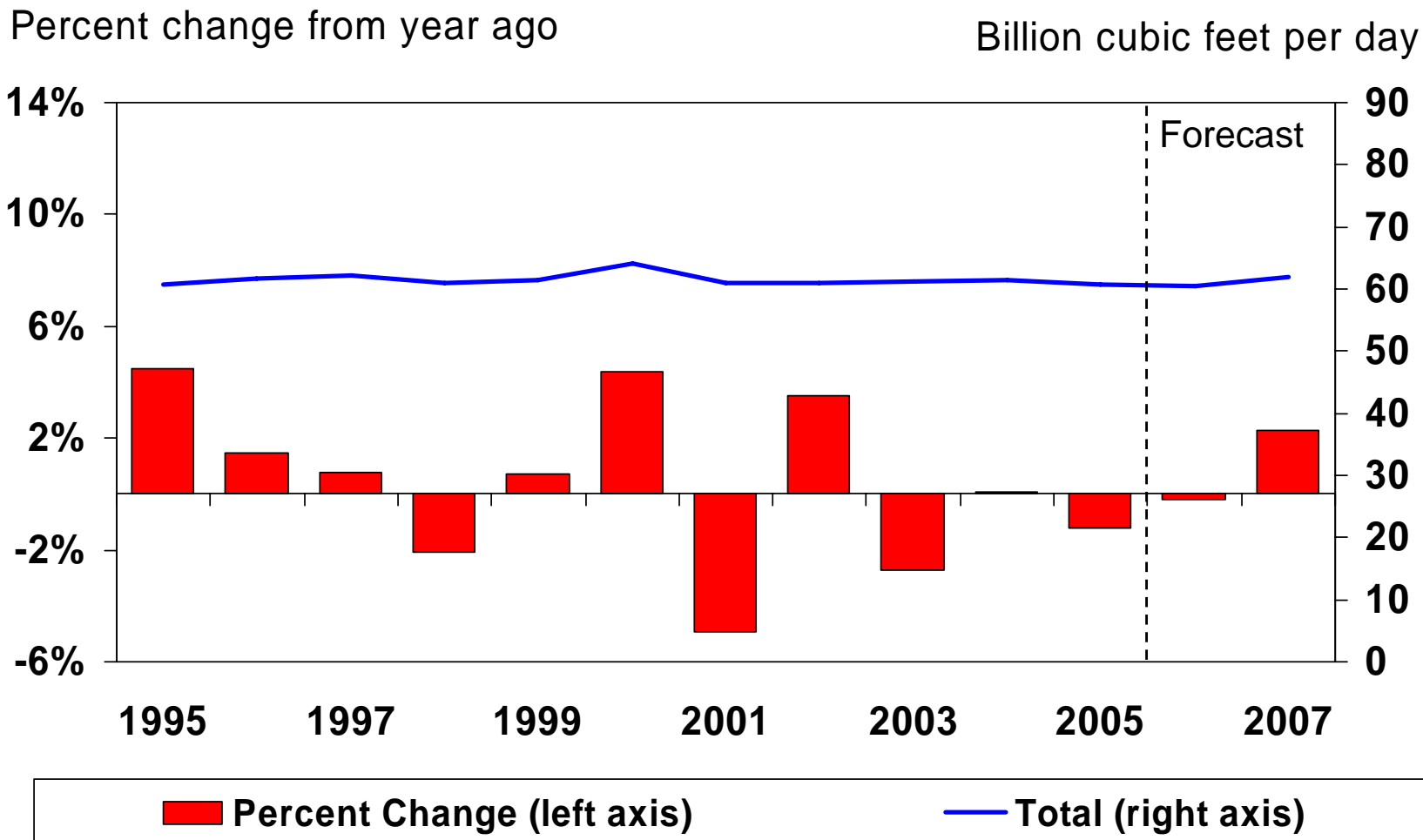
* Countries belonging to Organization of Economic Cooperation and Development

** Former Soviet Union

Short-Term Energy Outlook, February 2006

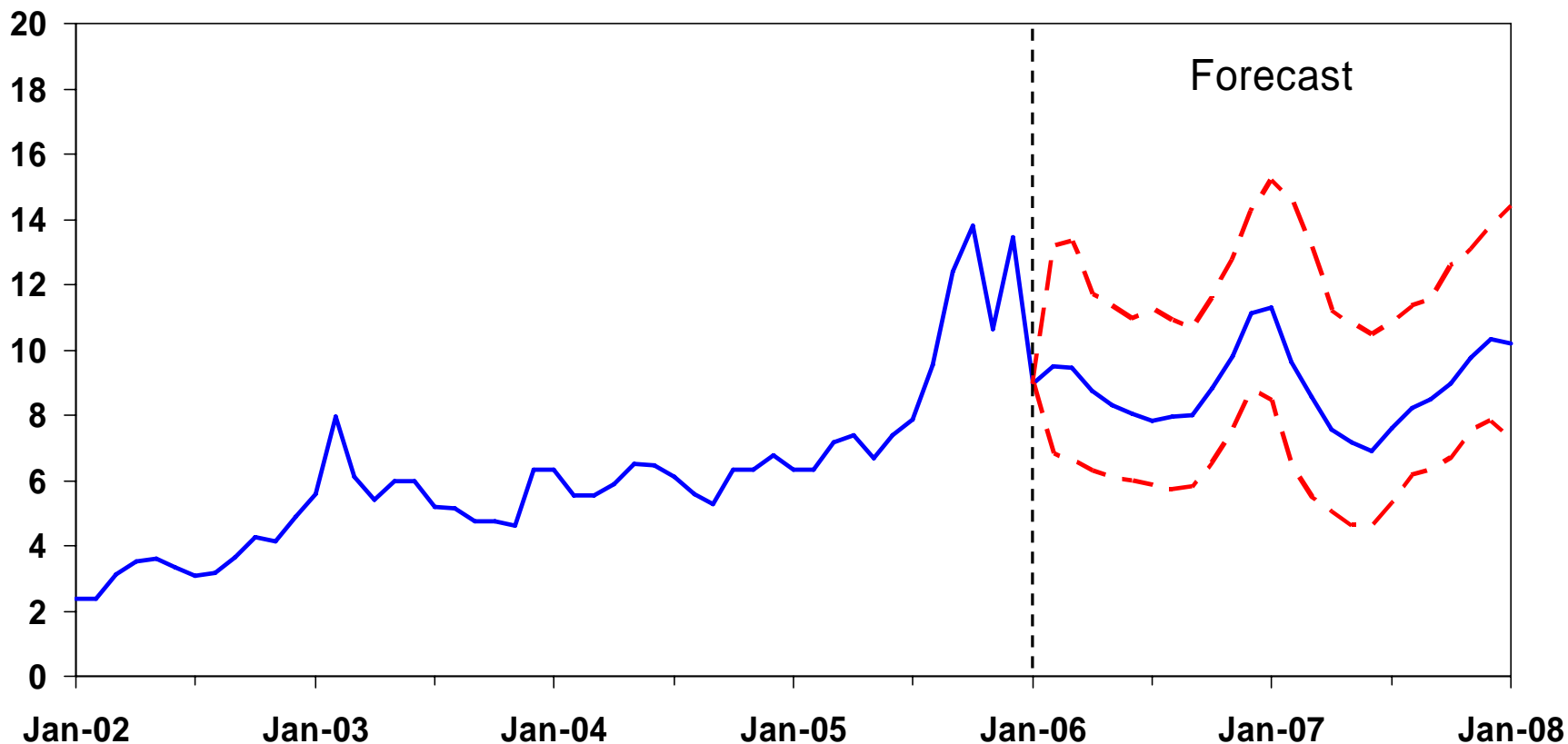


Total U.S. Natural Gas Demand Growth



U.S. Natural Gas Spot Prices (Base Case and 95% Confidence Interval*)

Dollars per 1,000 cubic feet



*The confidence intervals show +/- 2 standard errors based on the properties of the model.

