

EIA Short-Term and Winter Fuels Outlook

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U.S. average fuel expenditures are expected to be higher for all fuels this winter (October – March).

Average U.S. Household Winter (2008-2009) Heating Fuel Expenditures
Percent Change from Last Winter

Fuel	Base Case	If 10% Warmer Than Forecast	If 10% Colder Than Forecast
Heating Oil	23.1	9.7	35.5
Natural Gas	18.1	3.4	29.3
Propane	11.3	0.6	24.6
Electricity	10.4	4.8	13.9
Average All Fuels	15.3	4.0	24.5

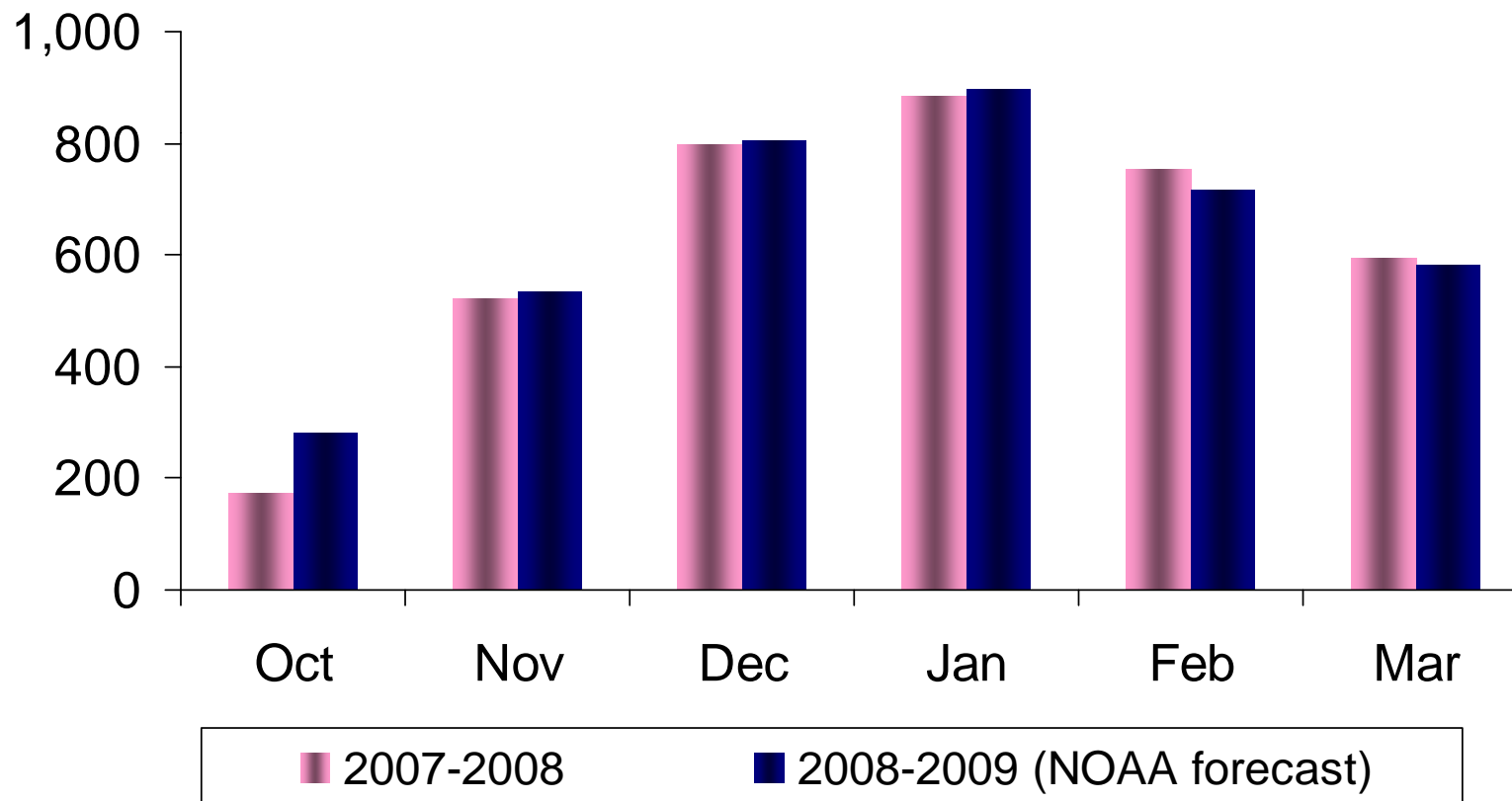
Winter = October 1 through March 31.

Expenditures are based on typical per household consumption adjusted for weather.

Warmer and colder cases represent 10-percent decrease or 10-percent increase in heating degree-days, respectively.

Winter 2008-09 is expected to be 2% colder than 2007-08, but still 2% warmer than 30-year average.

U.S. Heating Degree-Days Population-Weighted



Natural gas prices are expected to be higher than last winter.

Henry Hub Winter Average Spot Price

10% Colder = \$10.55/ mcf

Base Case = \$8.96/ mcf

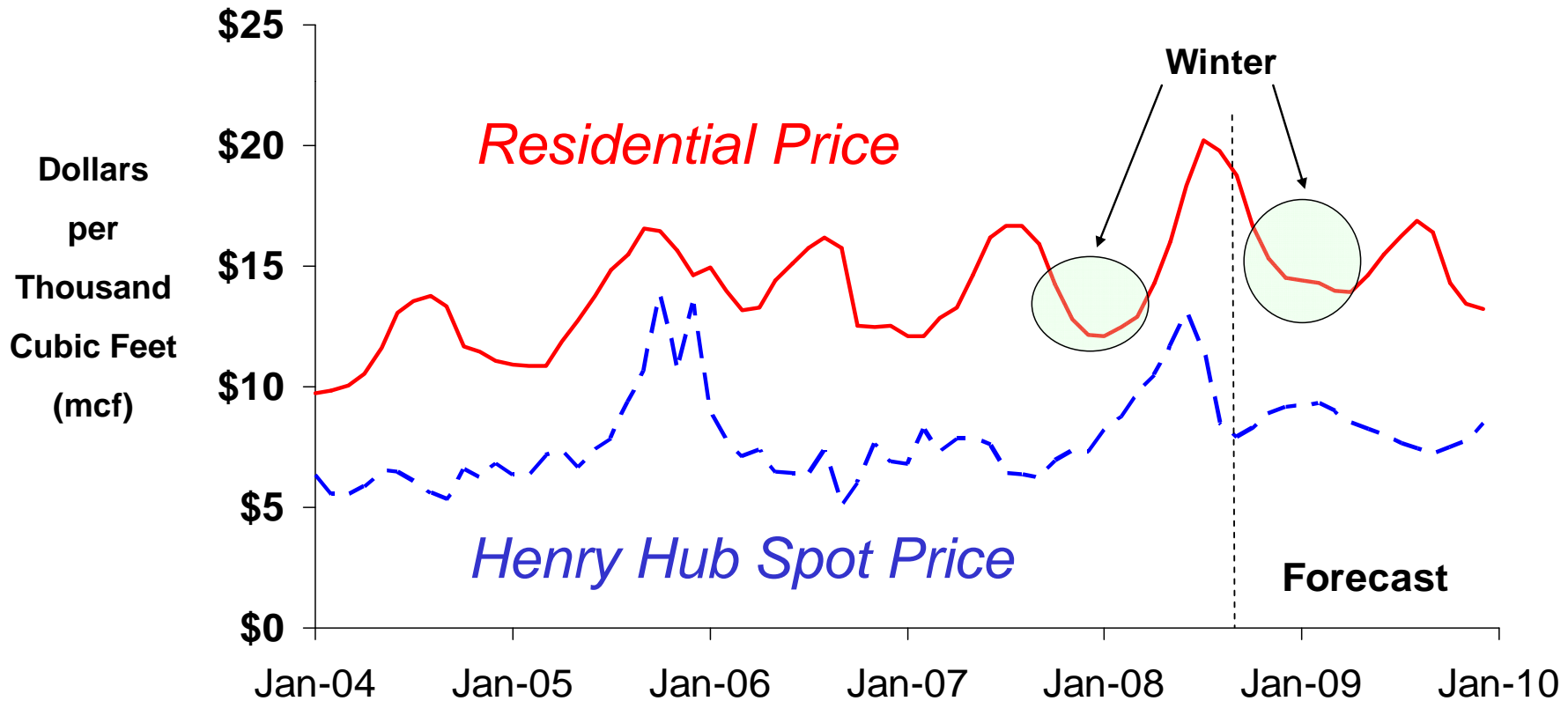
10% Warmer = \$7.66/ mcf

Residential Winter Average Price

10% Colder = \$15.22/ mcf

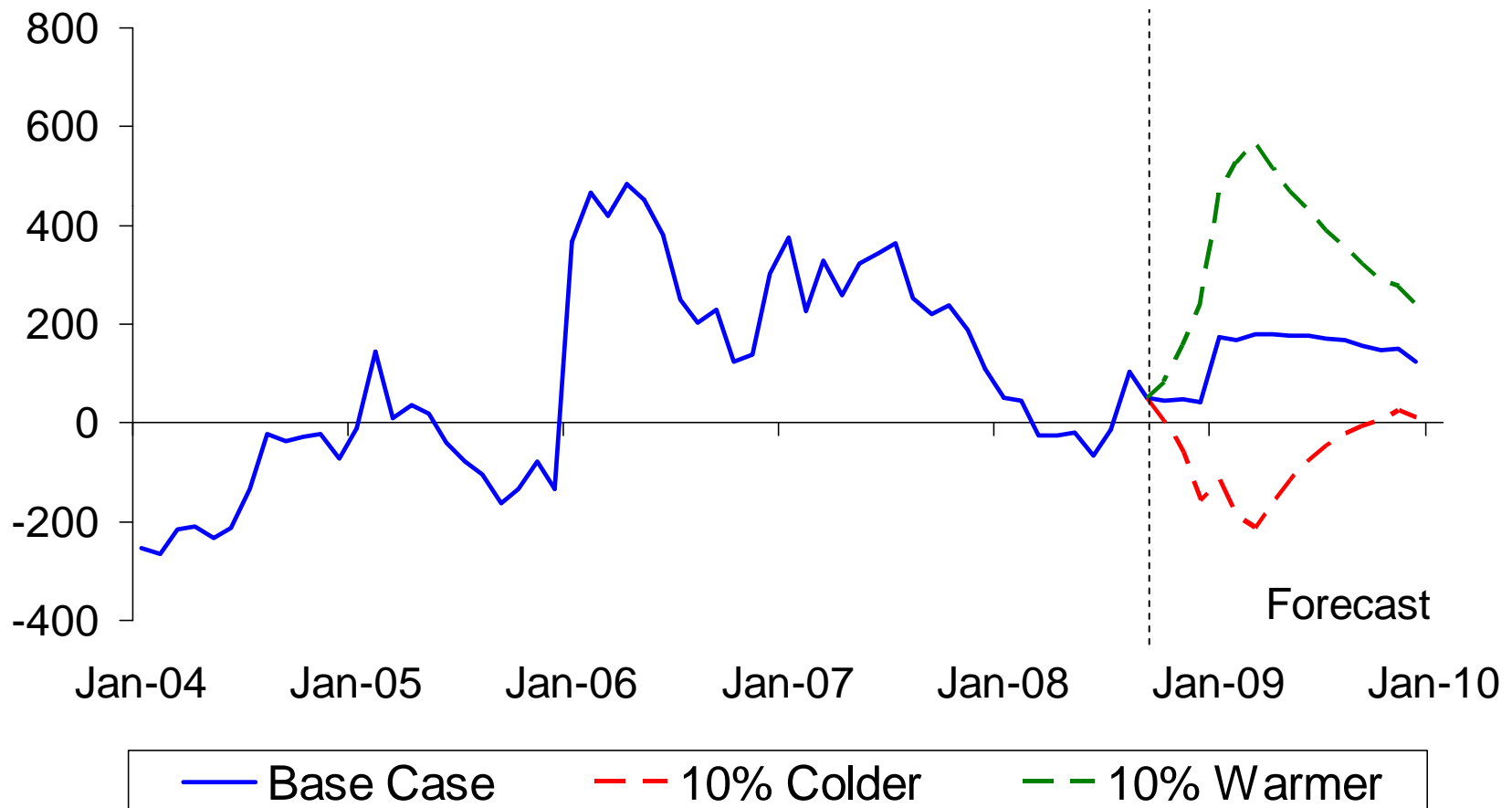
Base Case = \$14.82/ mcf

10% Warmer = \$14.17 mcf



U.S. natural gas in storage is projected to remain above historical averages.

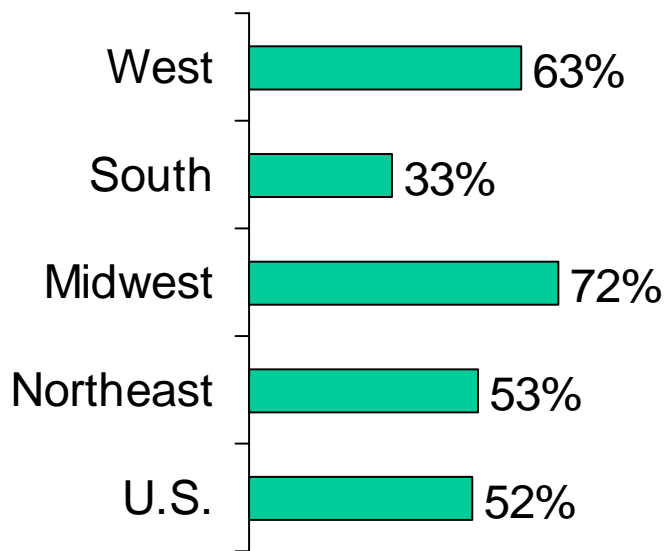
Deviation from 2003-2007 Average, Billion Cubic Feet



Natural gas heating bills are projected to be higher for all regions this winter.

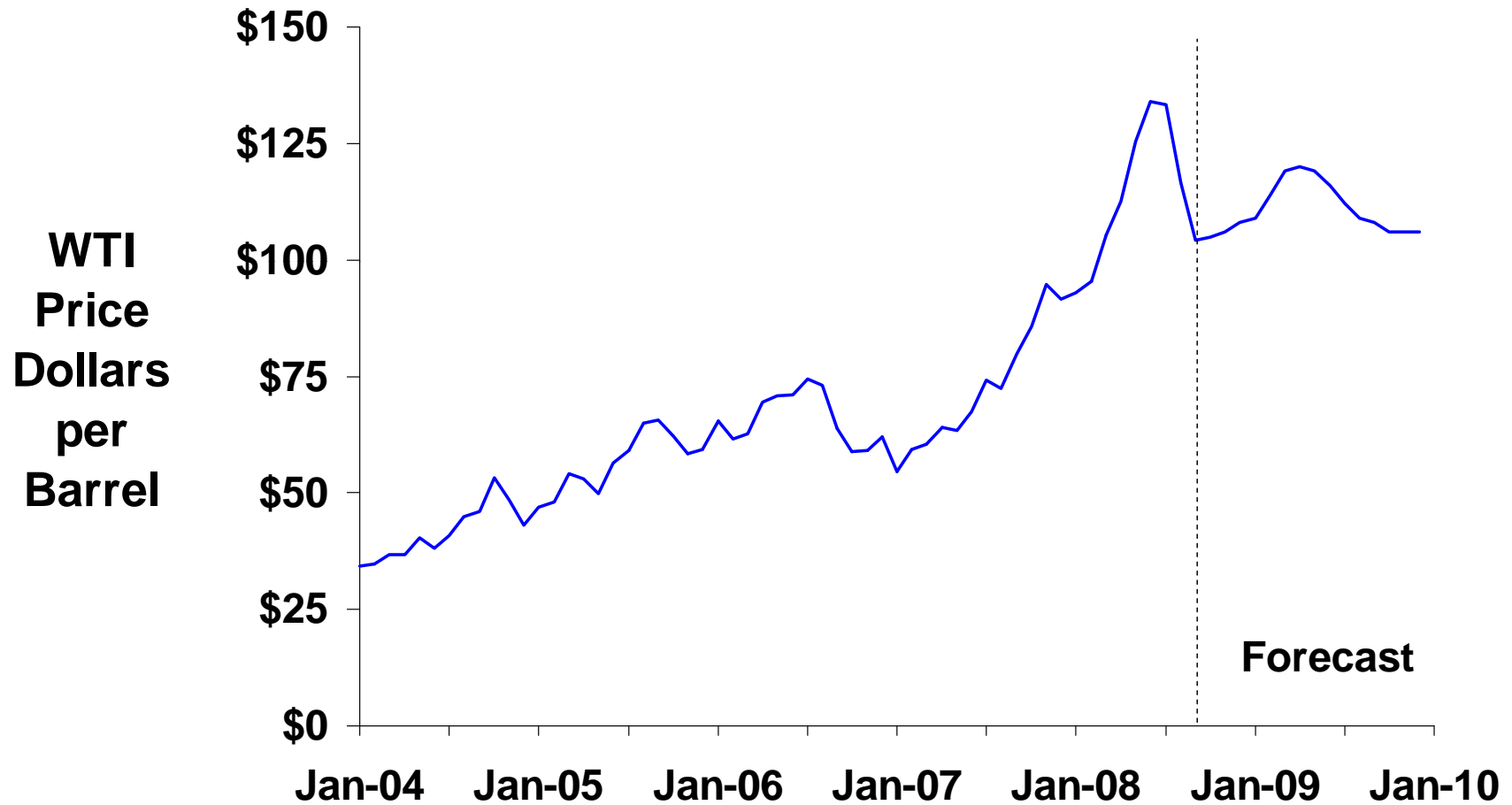
Percent Change from Last Winter (Projected)

Households using natural gas as primary heating fuel

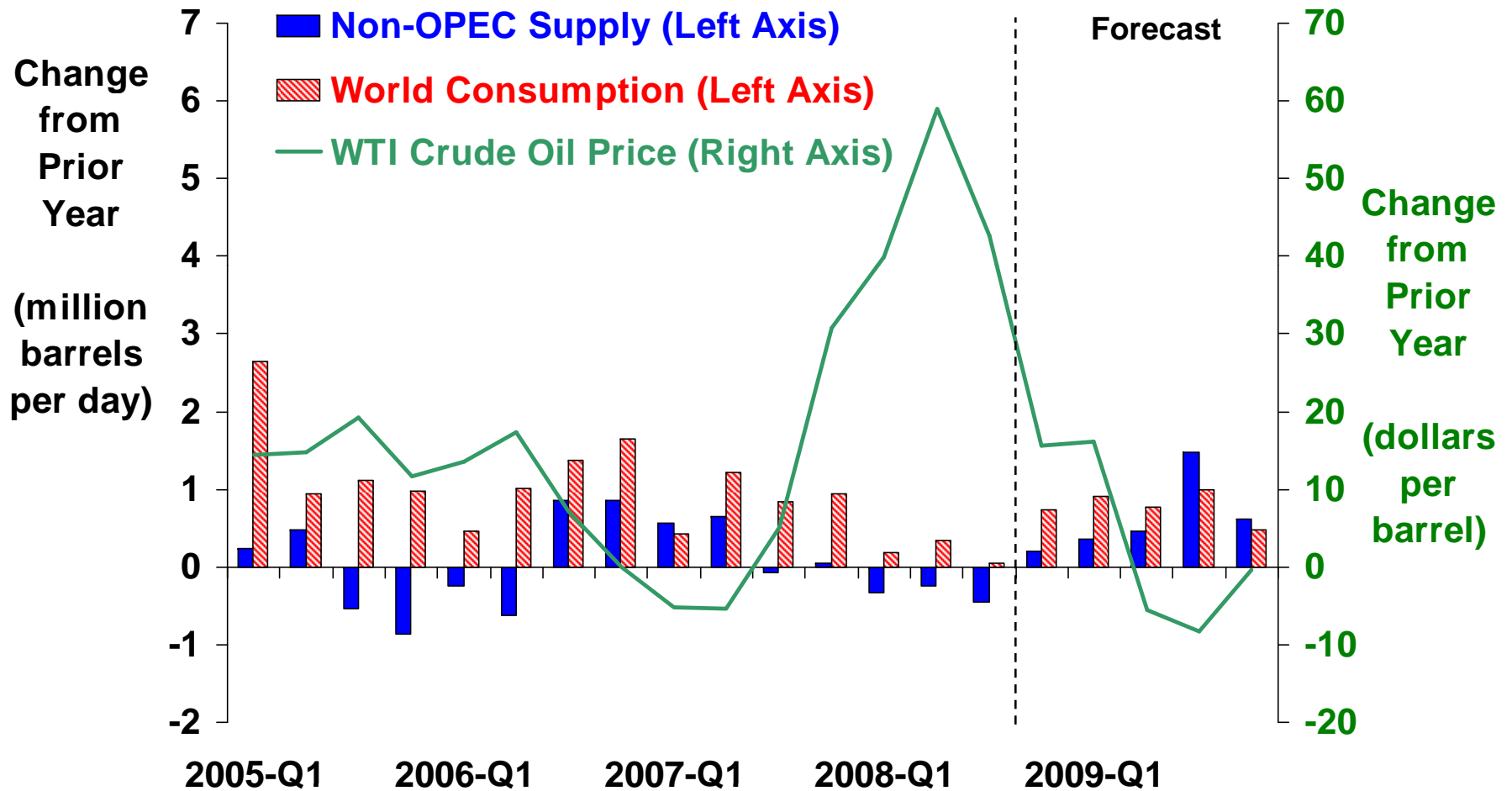


	Consumption	Average Price	Total Expenditures
West	-2%	+15%	+13%
South	+7%	+18%	+26%
Midwest	-2%	+19%	+17%
Northeast	+6%	+12%	+19%
U.S. Average	+1%	+17%	+18%

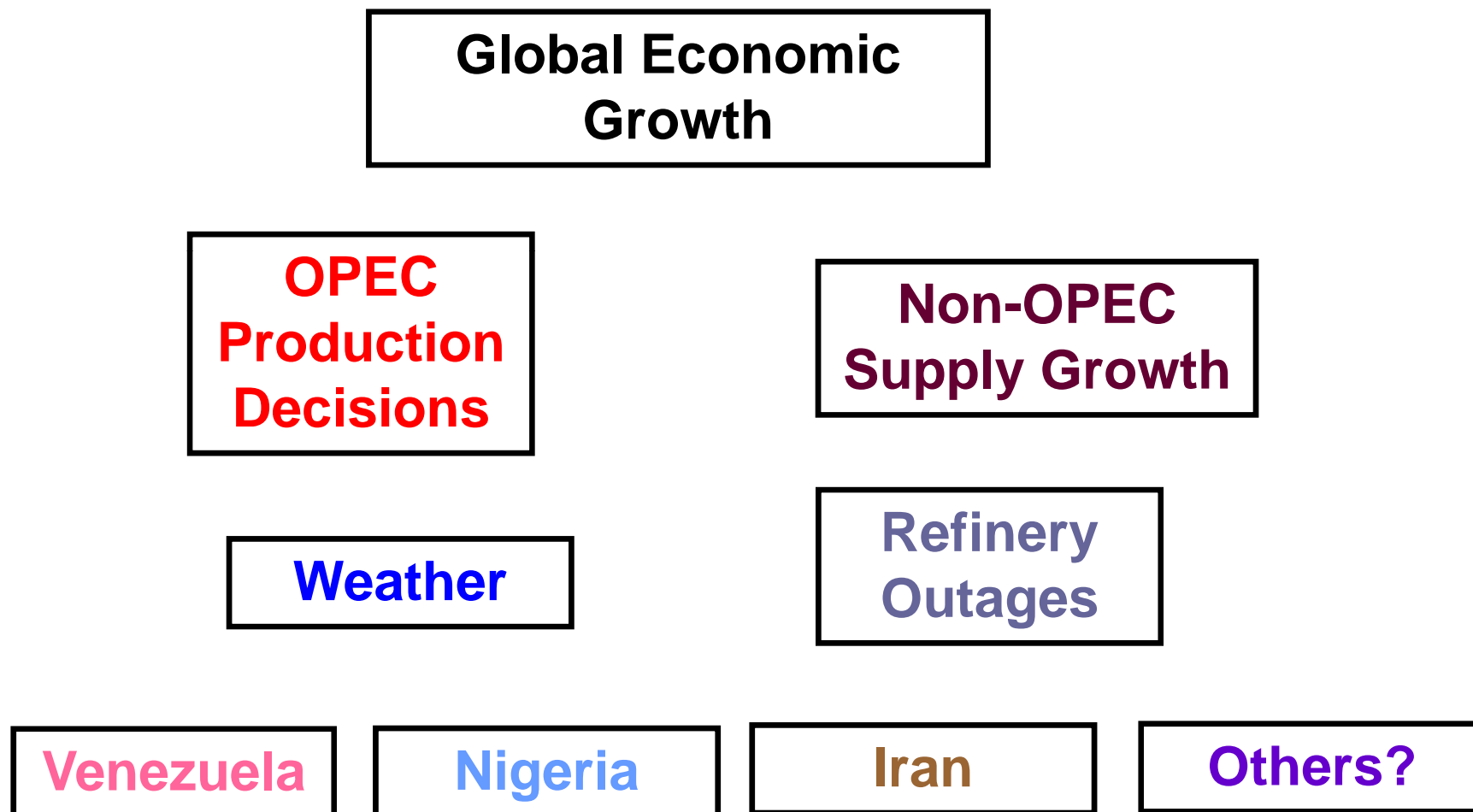
Crude oil prices are expected to remain high.



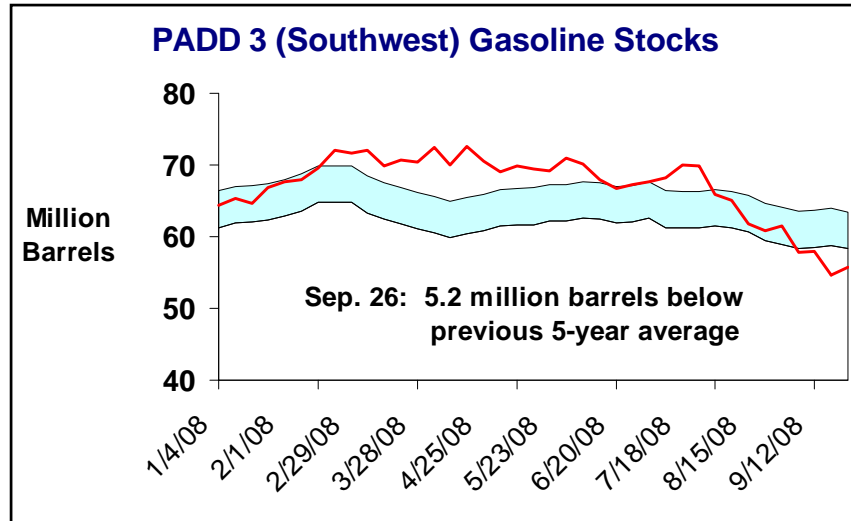
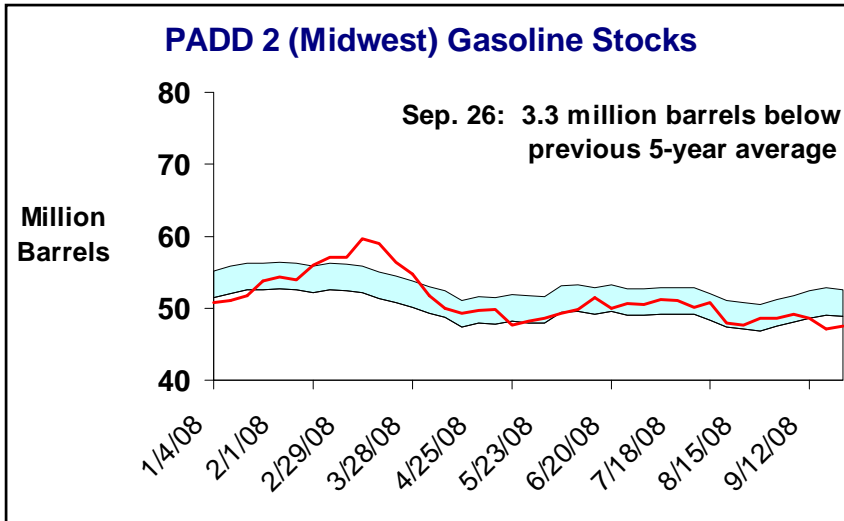
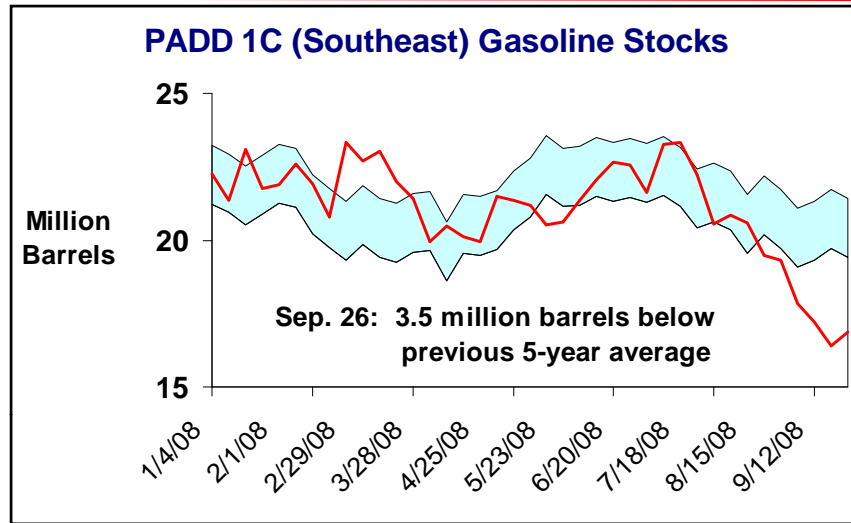
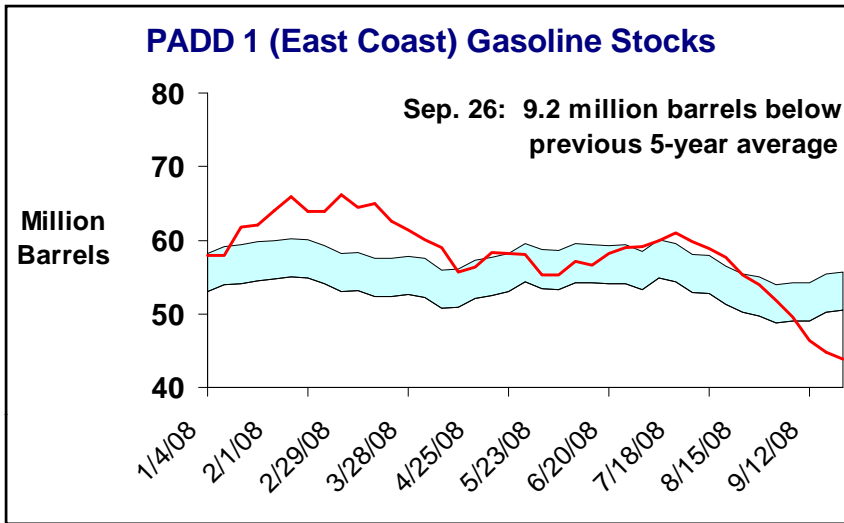
The balance between global consumption and non-OPEC supply growth drives oil prices.



Multiple and hard-to-predict uncertainties drive the oil market forecast.



Gasoline inventories are low.



Colored bands represent "normal" range published in EIA, Weekly Petroleum Status Report.



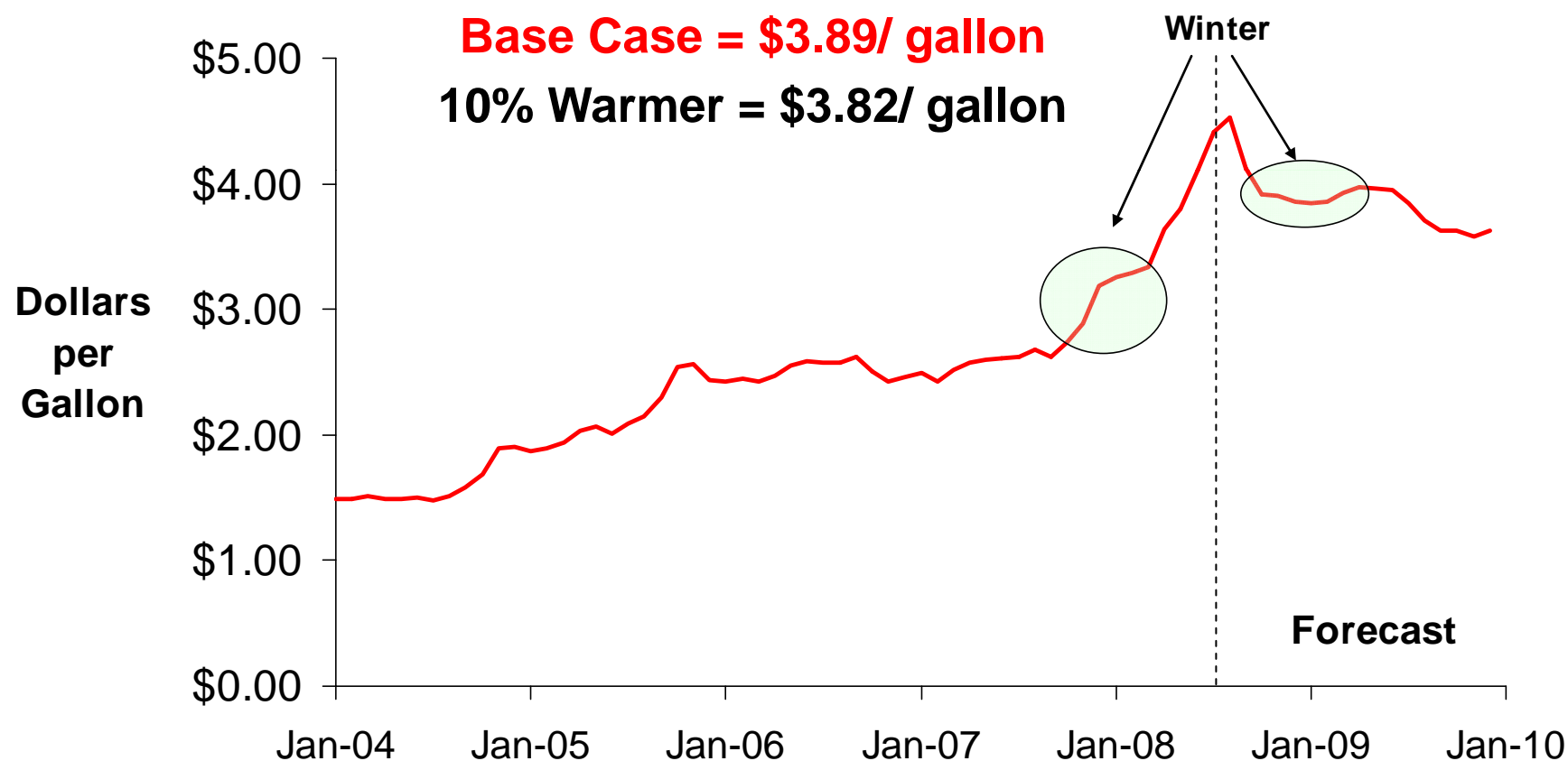
Retail heating oil prices are projected to average about 50 cents per gallon higher than last winter.

October 2008 – March 2009 Average

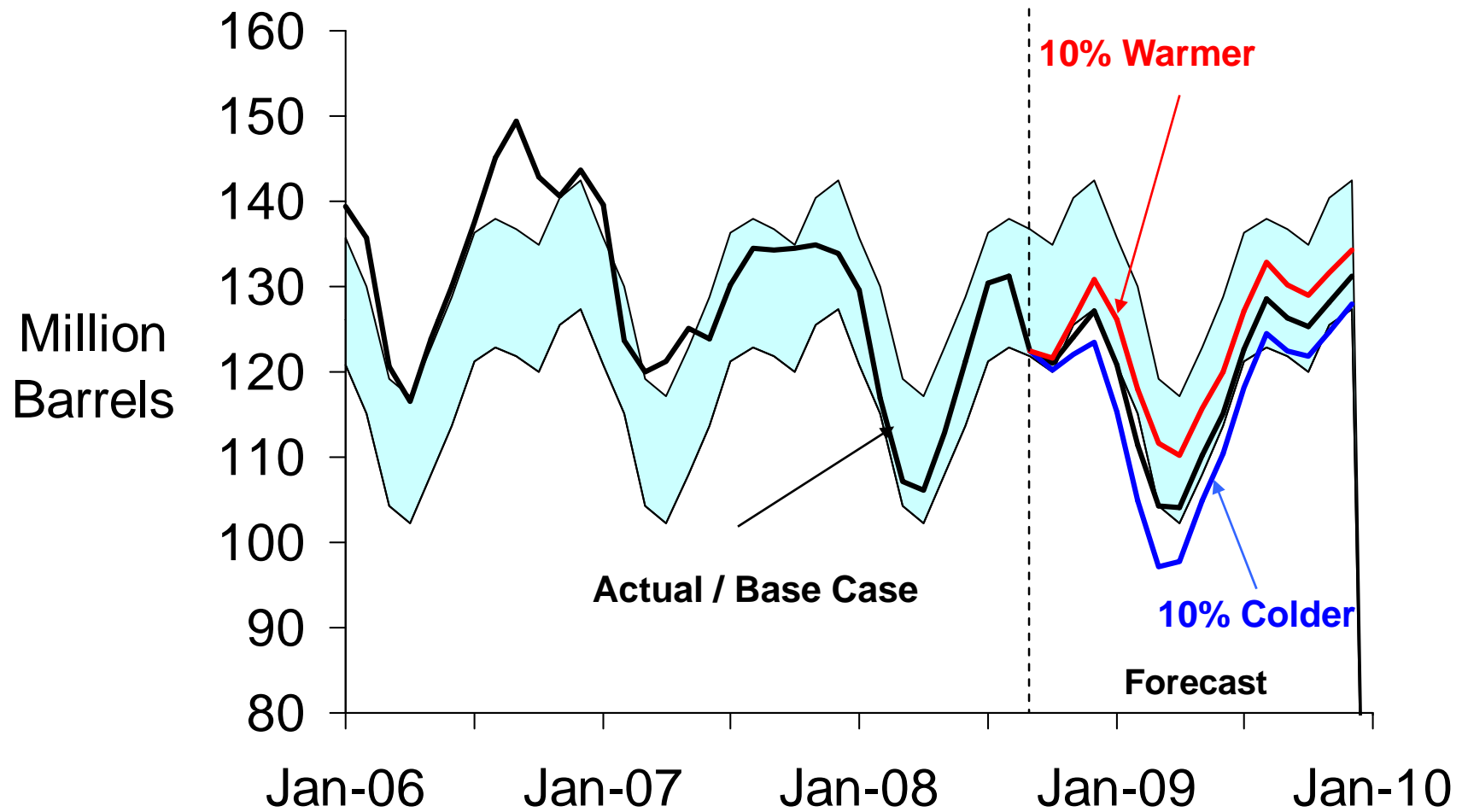
10% Colder = \$3.98/ gallon

Base Case = \$3.89/ gallon

10% Warmer = \$3.82/ gallon

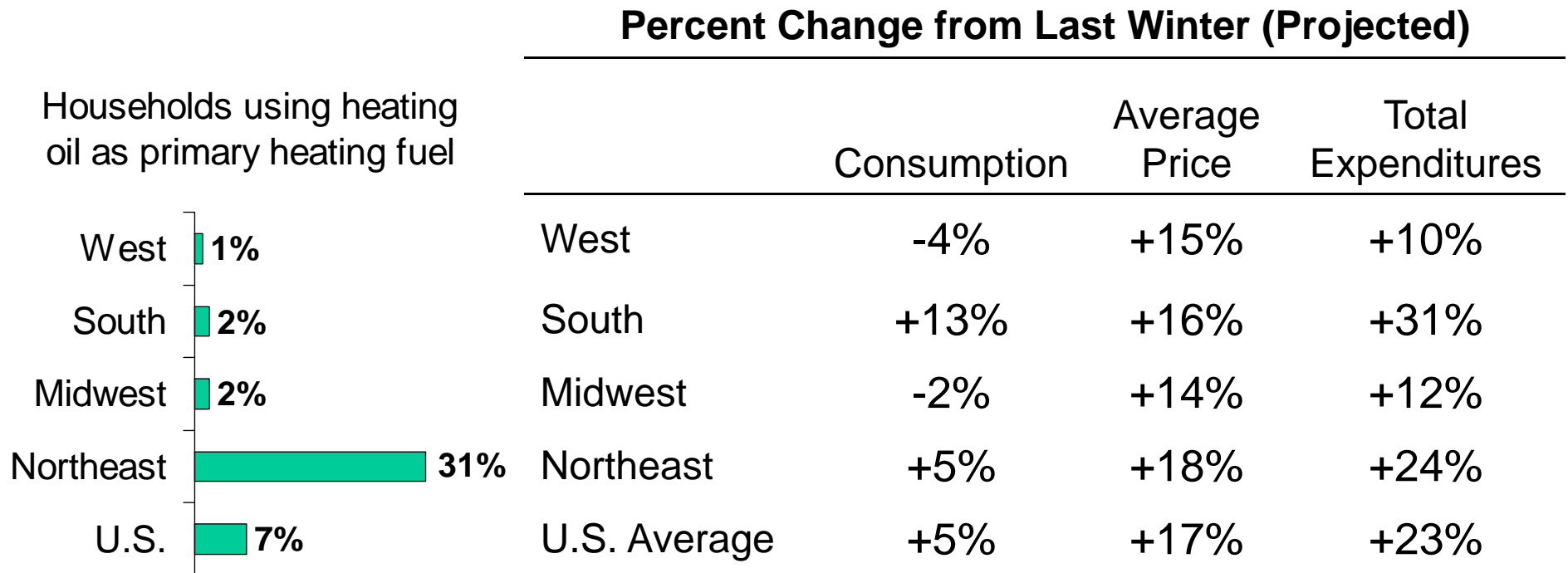


Distillate inventories are low.

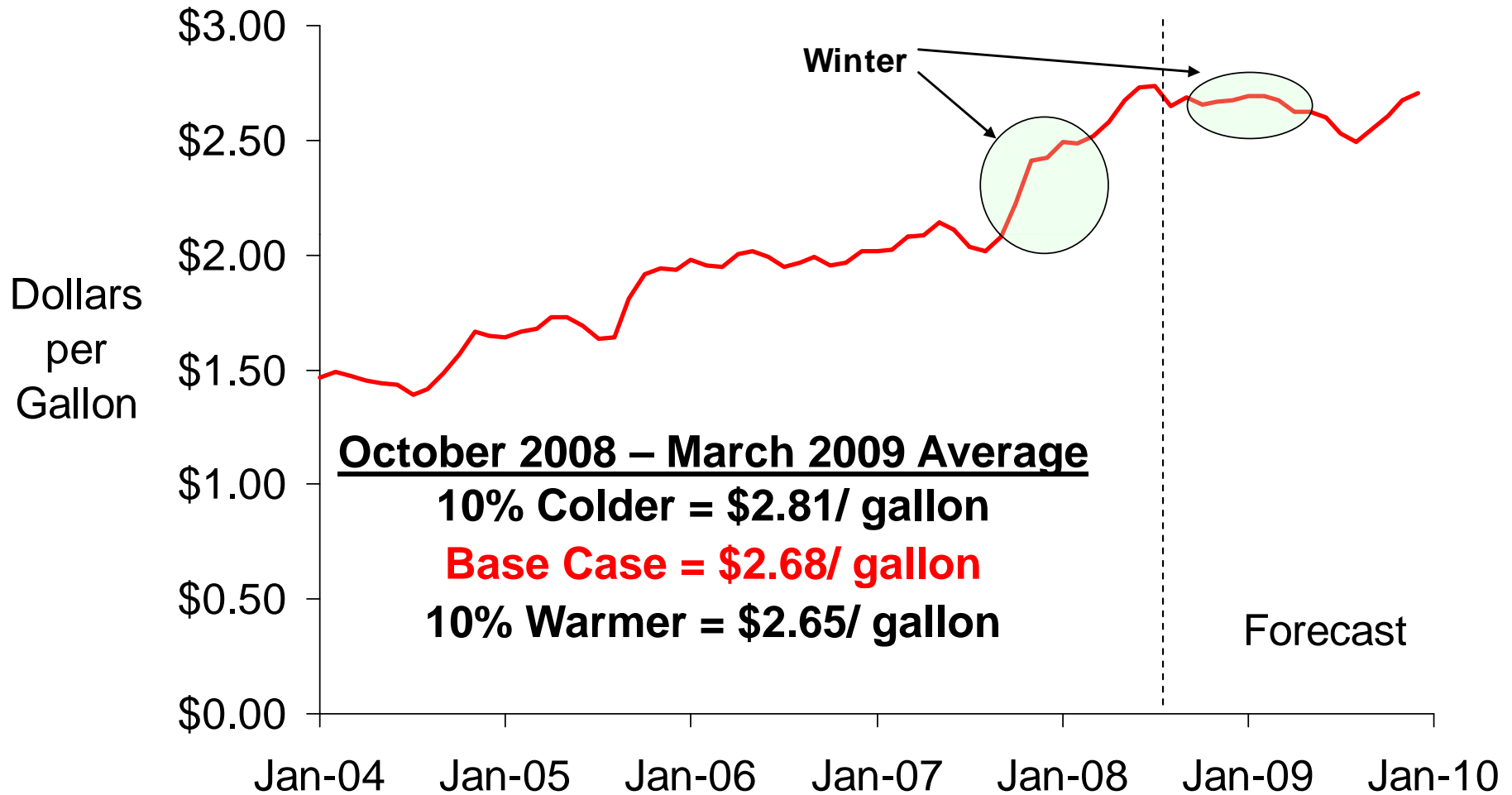


Colored bands represent "normal" range published in EIA, Weekly Petroleum Status Report.

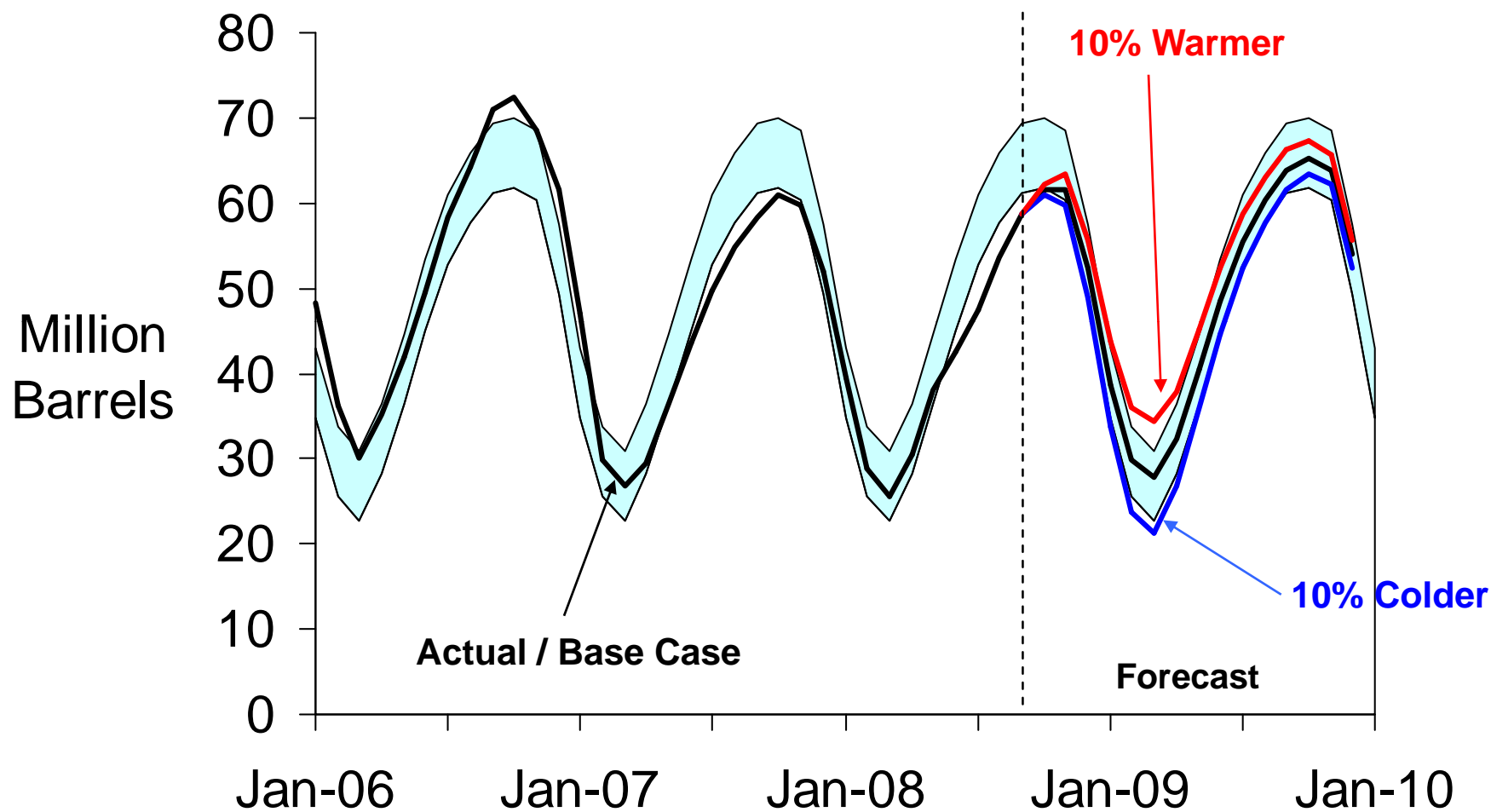
U.S. winter heating oil expenditures projected to increase for all regions.



Residential propane prices are expected to average about 23 cents per gallon higher than last winter.



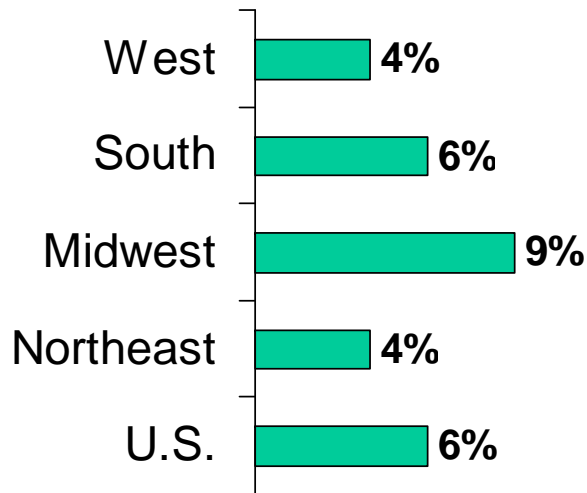
Propane inventories are low.



Colored bands represent "normal" range published in EIA, Weekly Petroleum Status Report.

Propane expenditures are projected to increase in all regions.

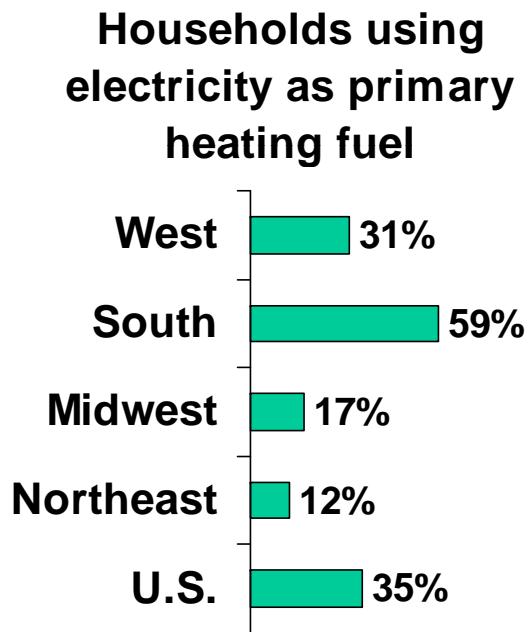
Households using propane as primary heating fuel



Percent Change from Last Winter (Projected)

	Consumption	Average Price	Total Expenditures
West	-2%	+8%	+5%
South	+8%	+7%	+15%
Midwest	-2%	+13%	+10%
Northeast	+5%	+6%	+12%
U.S. Average	+2%	+9%	+11%

Winter electricity expenditure increases are expected to be smaller than other fuels.



Percent Change from Last Winter (Projected)

	Consumption	Average Price	Total Expenditures
West	-2%	+9%	+7%
South	+4%	+8%	+12%
Midwest	-2%	+7%	+5%
Northeast	+4%	+10%	+14%
U.S. Average	+2%	+9%	+10%

Summary:

- **On average, U.S. households will pay about \$150 (15%) more for heating this winter.**
- **Higher expenditures are driven by higher fuel prices and weather-related increases in consumption.**
- **Under the baseline forecast, natural gas expenditures could be about \$155 (18%) higher for the average U.S. household this winter.**
- **Household heating oil and propane expenditures are projected to be about \$450 (23%) and \$190 (11%) higher this winter, respectively.**
- **Electricity expenditures are forecasted to be \$90 (10%) higher for the average U.S. household this winter.**
- **A weaker economy, with a significant downturn in U.S. and/or global economic activity, or warmer weather would reduce estimated expenditures. A colder winter could raise estimated expenditures somewhat from those of the base case weather scenario.**