

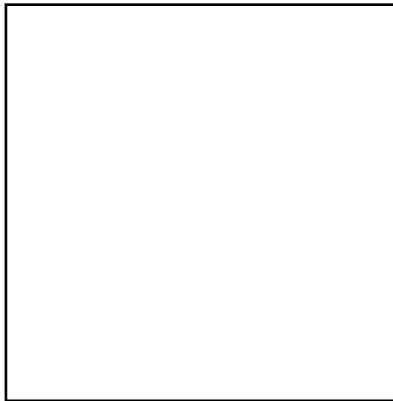
**State of Nebraska
Heating Oil and Propane Program**

**2016/2017 Winter Heating Season
Annual Report
July 2017**

The Nebraska Energy Office collects propane and heating oil prices from a sample of Nebraska retailers as part of the State Heating Oil and Propane Program (SHOPP) from October to March. The prices are submitted to the U.S. Department of Energy's Energy Information Administration, who average the prices to protect proprietary information. The results are released to Congress and the public through the [Weekly Heating Oil and Propane Prices \(October – March\)](#) report. (Changing the Data Series will show the prices of each fuel.)

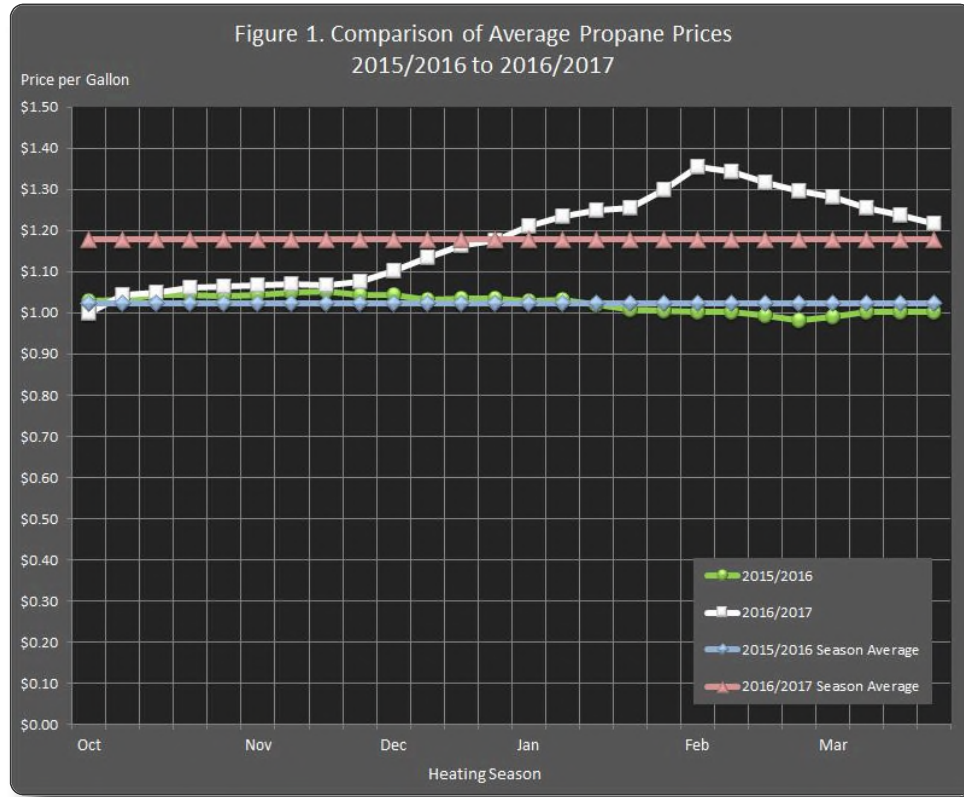
According to the 30-year average, Nebraska normally has 5520 heating degree days during the heating season. In the 2016/2017 heating season, Nebraska had 4757 heating degree days which indicates that the temperatures were 14 percent warmer than normal. Prices were impacted with downward pressure by this warm winter. Upward pressure on both fuels' prices came from higher crude oil prices. There was also strong export demand for propane impacting propane prices.

In Nebraska, propane supply and heating oil supply remained adequate for home heating demand while refineries in planned and unplanned turnarounds had a normal turnaround season and harvest had the normal demand for fuels. (Turnarounds are periods of maintenance.) With a warm winter, consumers used less fuel and supplies did not sustain a big impact.



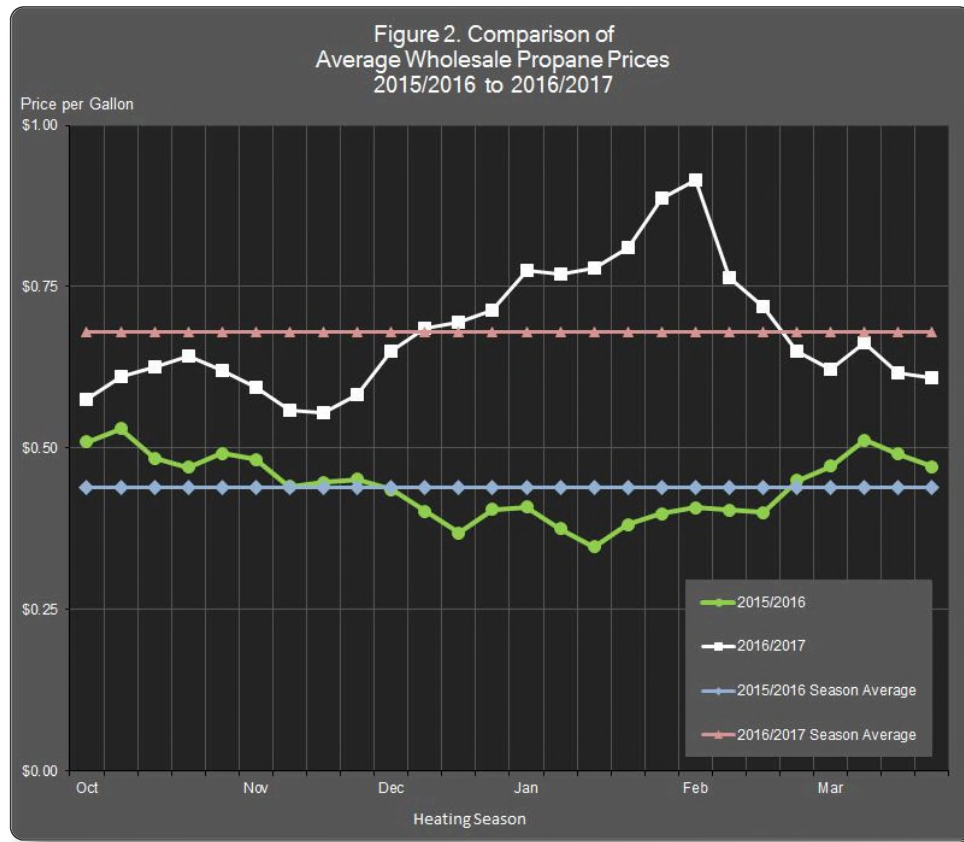
Residential Propane Prices: For the 2016/2017 heating season, the average weekly [price of propane](#) started at \$1.00, which was 3 cents per gallon lower than the price of \$1.03 per gallon at the beginning of the last heating season. The price ended this heating season at \$1.22 per gallon, which is probably explained by wholesale prices.

The Nebraska Energy Office estimates that propane prices averaged \$1.18 per gallon this winter, which was 16 cents per gallon higher than last winter. (See Figure 1 below.)



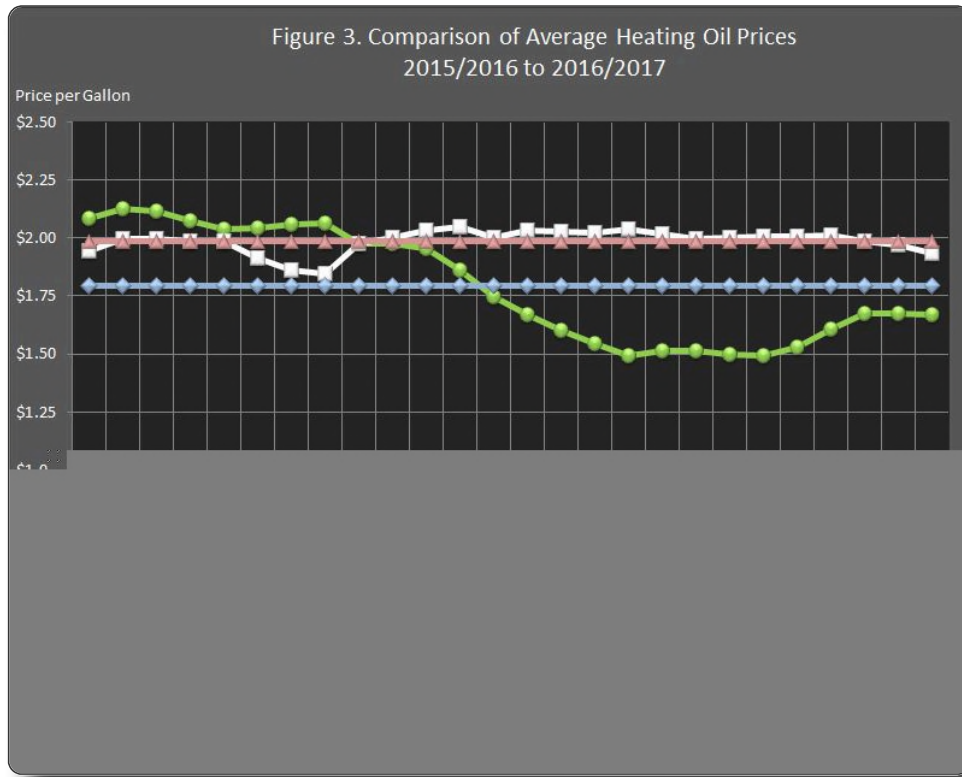
Wholesale Propane Prices: The average weekly [wholesale propane price](#) began the 2016/2017 heating season at 58 cents, which was 7 cents per gallon higher than the price of 51 cents per gallon at the beginning of the last heating season. The price finished the 2016/2017 heating season at 61 cents, which was only 3 cents higher than the price at the beginning of the heating season.

For the 2016/2017 heating season, wholesale propane prices averaged 68 cents per gallon, 24 cents (55 percent) per gallon higher than the last heating season, which was probably due to increased propane exports. (See Figure 2 below.)



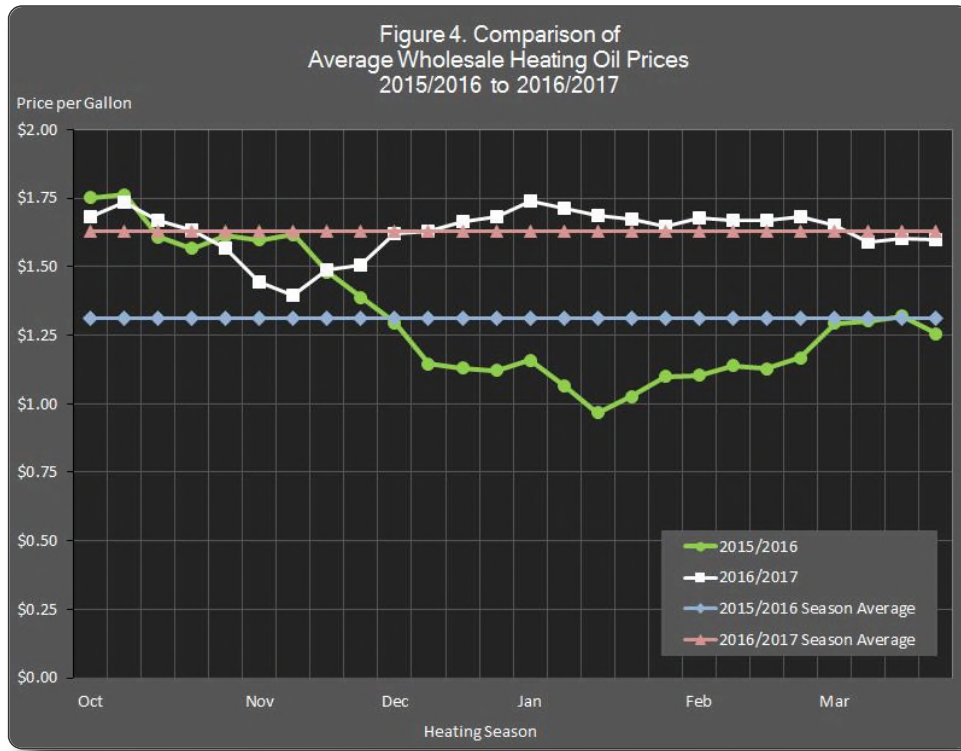
Residential Heating Oil Prices: The average weekly [price of heating oil](#) started the 2016/2017 winter at \$1.94, which was 15 cents per gallon lower than the price of \$2.09 per gallon at the beginning of last winter. The last week of March, 2017, saw the average price settle at \$1.94, which was the same as the price at the beginning of the season. The stability of heating oil prices last winter was probably due to wholesale prices.

The average household that uses heating oil as its primary space heating fuel paid an estimated average of \$1.99 per gallon this winter, 20 cents per gallon higher than last winter. (See Figure 3 below.)

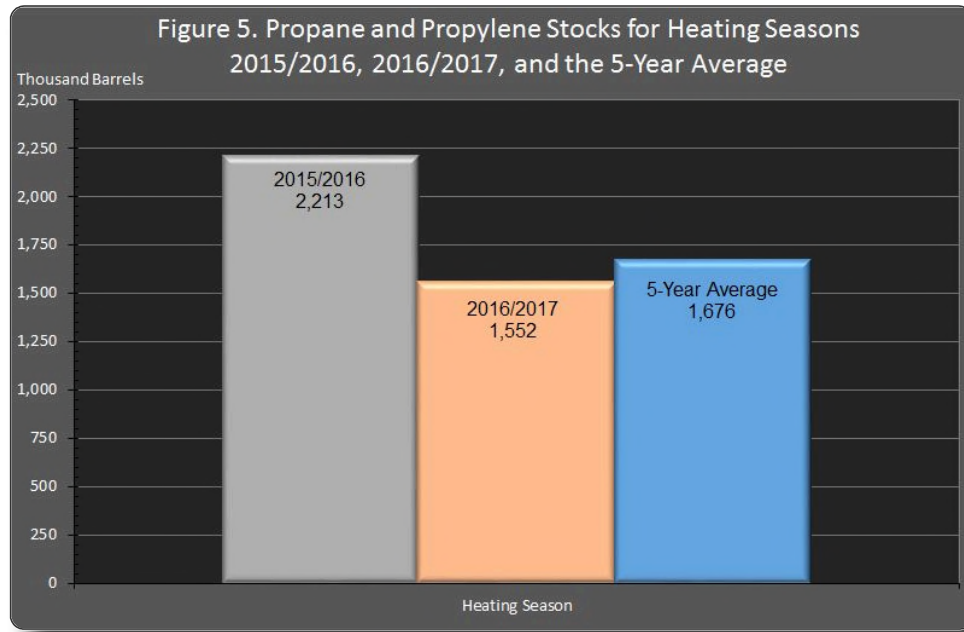


Wholesale Heating Oil Prices: The average weekly [wholesale heating oil prices](#) began the 2016/2017 heating season at \$1.68, which was 7 cents per gallon lower than the beginning of the last heating season at \$1.75 per gallon. The price finished the 2016/2017 heating season at \$1.60 per gallon which was 8 cents lower than the price at the beginning of the heating season. The stability of wholesale heating oil prices last winter could be explained by good inventory levels.

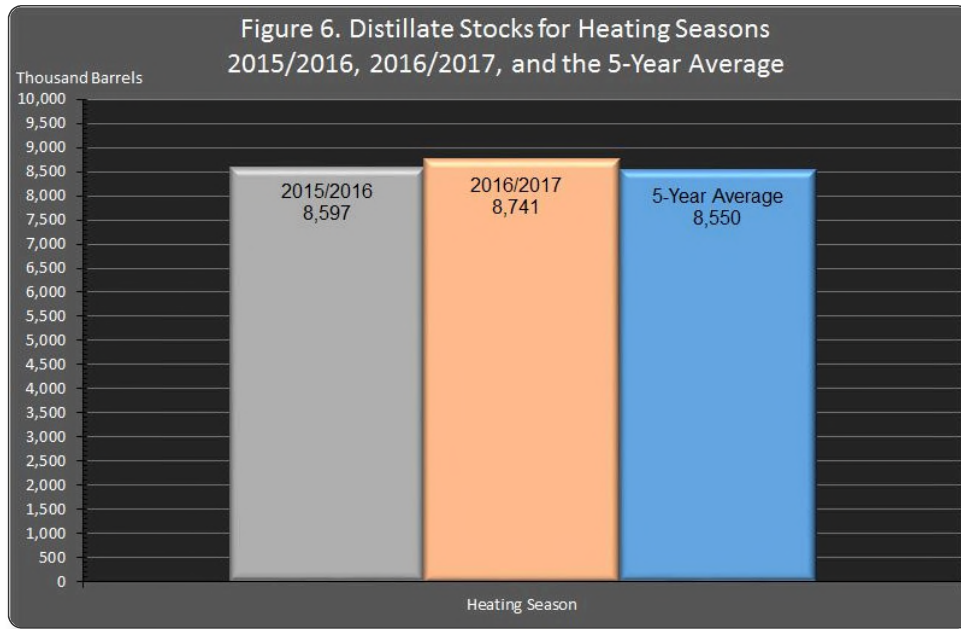
For the 2016/2017 heating season, the average wholesale heating oil price averaged \$1.63 per gallon, an increase of 32 cents (24 percent) per gallon from the last heating season. (See Figure 4 below.)



Propane Stocks: [Nebraska's propane inventories](#) for the heating season were 1.6 million barrels, just 124,000 barrels below the five-year average but 661,000 barrels less than last year's heating season. According to the Energy Information Administration, propylene inventories represented about 6 percent of U.S. total propane inventories. (See Figure 5 below.)



Distillate Stocks: It is estimated that [Nebraska's total distillate inventories](#) have been above the five-year average level since the heating season of 2014/2015. High U.S. refinery runs in 2015 and 2016 kept distillate inventories higher than historical norms, and the trend continued into this winter. For this heating season, Nebraska's total distillate inventories were at 8.7 million barrels, which was 144,000 barrels higher than last year's heating season and 191,000 barrels above the five-year average. (See Figure 6 below.)



Sources: *State Heating Oil and Propane Survey; This Week in Petroleum; Refinery, Bulk Terminal, and Natural Gas Plant Stocks by State; Nebraska Propane and Propylene Stocks at Refineries, Bulk Terminals, and Natural Gas Plants; and the Short-Term Energy Outlook.* Energy Information Administration, Washington, DC. Nebraska Energy Office, Lincoln, NE.

This report was released October, 2017.