

Nebraska Gasoline and Diesel Prices

Nebraska motorists are entering the summer of 2007 facing record prices. Oil prices are stronger ahead of the long Memorial Day weekend with the price of European [Brent crude](#) at the \$70 mark and the price of U.S. [West Texas Intermediate](#) (WTI) returning to the \$65 mark. [Spot prices](#) east of the Rockies average nearly \$2.50 per gallon for conventional unleaded gasoline while the gasoline market continues to experience heavy [backwardation](#).

Gasoline prices are also being guided by supply and production issues. National gasoline stocks are well below their seasonal average of 215 million barrels. Stocks will be difficult to build as refineries continue to have production issues. With several refineries operating at reduced rates and a few Nebraska terminals experiencing [spot outages](#), the increase in demand that comes with the summer driving season could keep prices elevated.

For the week of May 21, Nebraska's average gasoline price had risen 14 cents from the previous week to \$3.42, which was 63 cents higher than the price at this time last year. This week, average prices in surveyed cities increased 11-19 cents per gallon and ranged from \$3.35 in Columbus to \$3.55 in North Platte. New record-highs were reported in each surveyed city. The state average established a new record-high on Wednesday — not on a daily basis as was the case last week. As of May 18, the Midwest gasoline stock level fell farther below the normal range with 46.1 million barrels.

Diesel fuel prices in Nebraska have been stable and have been lower compared to gasoline prices, which is different from recent summers. Spot diesel prices average about \$2.13 east of the Rockies, 35 cents less than spot gasoline prices.

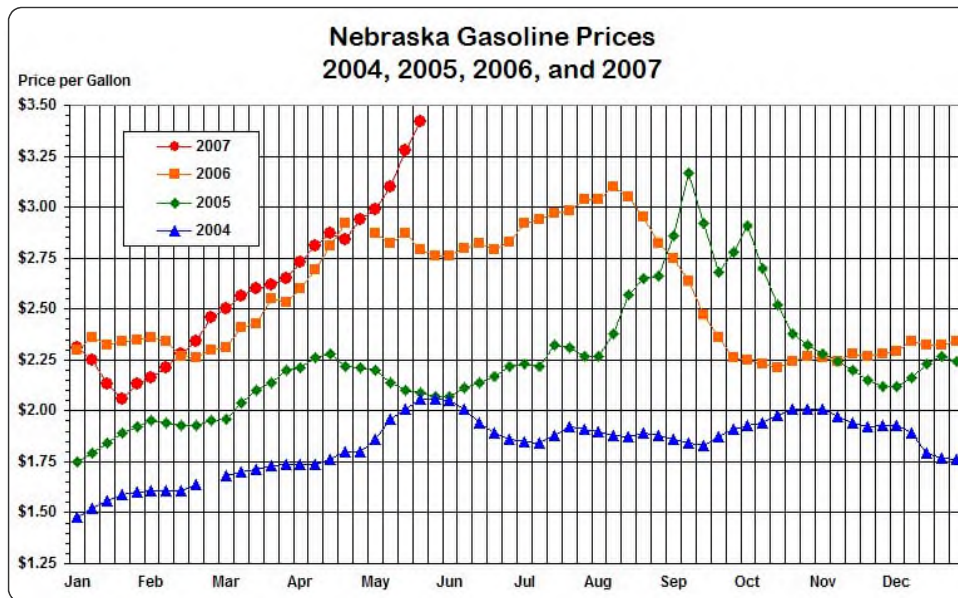
Nebraska's average diesel price had increased one cent from the previous week to \$2.93. According to the [weekly price report](#), this week's state average was four cents higher than the price at this time last year. Weekly averages in the surveyed cities ranged from \$2.87 in Columbus to \$2.98 in North Platte. On the supply side, the Midwest distillate fuel inventory level was in the normal range with 20 million barrels of ultra-low sulfur diesel fuel and 5.5 million barrels of low sulfur diesel fuel as of May 18.

Regular unleaded gasoline is regular unleaded motor gasoline with an 87 to 88 octane. Diesel fuel is fuel used for internal combustion in diesel engines. Ultra-low sulfur diesel fuel has sulfur levels of 15 ppm and less while low sulfur diesel fuel ranges from more than 15 ppm to 500 ppm sulfur.

An [archive](#) of this report, [average gasoline prices for each month](#), [average diesel prices for each month](#), and [historical weekly prices](#) are available for diesel and three grades of motor gasoline.



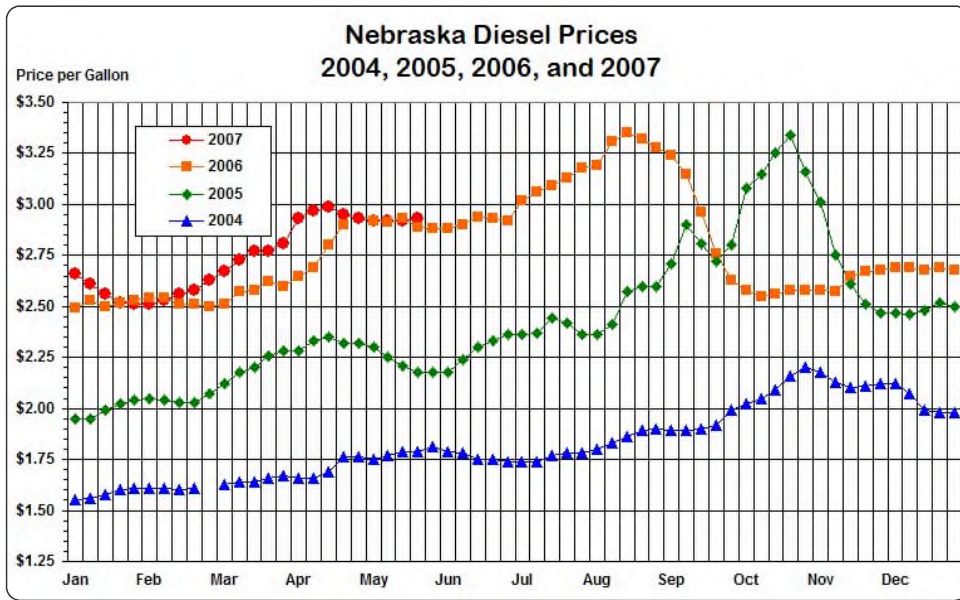
A general rule of thumb: A dollar increase in the [West Texas Intermediate](#) (WTI) crude oil price will result in a 2.5-cent increase in the gasoline price and the diesel fuel price. Likewise, a dollar decrease in the WTI crude oil price will result in a 2.5-cent decrease in the gasoline price and the diesel fuel price.



Unleaded Gasoline Prices for the Week of May 21, 2007 (Price per Gallon)

	Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
Weekly Average	\$3.35	\$3.47	\$3.45	\$3.46	\$3.37	\$3.55	\$3.40	\$3.42

Notes: The average may not equal the average of the components due to independent rounding. NA = Not Available.



Diesel Prices for the Week of May 21, 2007 (Price per Gallon)

	Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
Weekly Average	\$2.87	\$2.89	\$2.95	\$2.90	\$2.96	\$2.98	\$2.92	\$2.93

Notes: The average may not equal the average of the components due to independent rounding. NA = Not Available.

Source: Nebraska Energy Office, Lincoln, NE.

*This report was updated on May 25, 2007.
Typically, there is one week between updates.*