

Nebraska Gasoline and Diesel Prices

Motor Gasoline

Several factors are pressuring gasoline prices: (1) market backwardation, (2) low inventories, (3) [spot prices](#), (4) increased demand expected from travelers, and (5) the hurricane season.

While there is less [backwardation](#), it is still present in the gasoline market. Gasoline inventories throughout the country remain tight. Spot gasoline prices continue to be high—above \$2.35 per gallon, but a drop is expected when refineries return online later this month. Heavy demand is expected from vacation travels. June, July, and August are the busiest [travel](#) months for Nebraskans. Last year, Nebraska's average gasoline price peaked in August (shown in the graph below). The wild card is the hurricane season. Serious storms could damage refineries, as Hurricanes Katrina and Rita did two summers ago. But prices could drop significantly if such damaging storms don't materialize.

For the week of May 28, Nebraska's average gasoline price had fallen seven cents from the previous week to \$3.35, which was 59 cents higher than the price at this time last year. Weekly averages in the surveyed cities ranged from \$3.29 in Omaha to \$3.51 in North Platte. As of May 25, the Midwest gasoline stock level was below the normal range with 46.9 million barrels.

Diesel Fuel

Midwest spot diesel prices are expected to fall as the result of a decrease in the Gulf Coast ultra-low sulfur diesel (ULSD) spot price. And retail prices follow spot or wholesale prices.

Nebraska's average retail diesel price has been stable throughout the month of May. This week the price decreased one cent from the previous week to \$2.92. 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 \$2.86 in Grand Island to \$2.97 in Norfolk. On the supply side, the Midwest distillate fuel inventory level was in the normal range with 19.1 million barrels of ultra-low sulfur diesel fuel and 5.7 million barrels of low sulfur diesel fuel as of May 25.

Notes

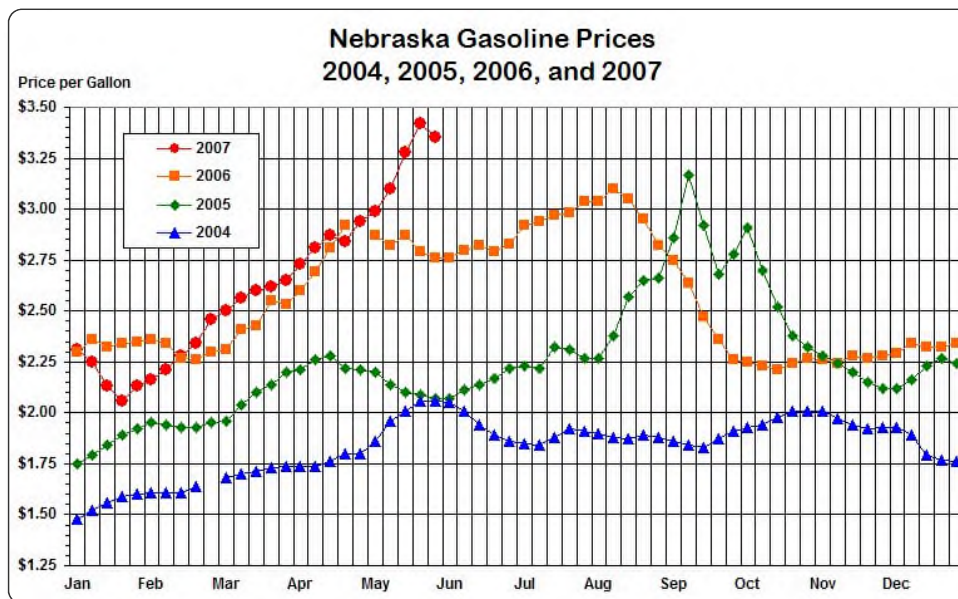
Regular unleaded gasoline is regular unleaded motor gasoline with an 87 to 88 octane. Diesel fuel is fuel used for internal combustion in diesel engines. Ultra-low sulfur diesel fuel has sulfur levels of 15 ppm and less while low sulfur diesel fuel ranges from more-than-15 ppm to 500 ppm sulfur.

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.

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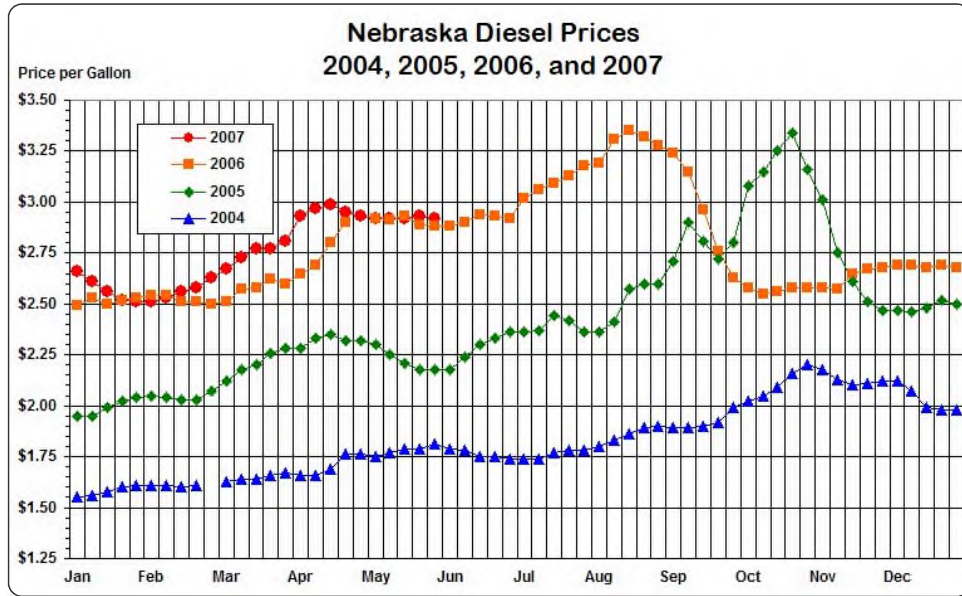
A general rule of thumb: A dollar increase in the [West Texas Intermediate](#) (WTI) crude oil price per barrel will result in a 2.5-cent increase in the gasoline price per gallon and the diesel fuel price per gallon. Likewise, a dollar decrease in the WTI crude oil price per barrel will result in a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



**Unleaded Gasoline Prices for the Week of May 28, 2007
(Price per Gallon)**

Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
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	Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
Weekly Average	\$3.30	\$3.43	\$3.38	\$3.33	\$3.32	\$3.51	\$3.29	\$3.35
<i>Notes:</i> The average may not equal the average of the components due to independent rounding. NA = Not Available.								



**Diesel Prices for the Week of May 28, 2007
(Price per Gallon)**

	Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
Weekly Average	\$2.87	\$2.86	\$2.95	\$2.87	\$2.97	\$2.96	\$2.90	\$2.92
<i>Notes:</i> 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 June 1, 2007.
Typically, there is one week between updates.*