

Nebraska Gasoline and Diesel Prices

Motor Gasoline

Analysts are forecasting that next summer could bring \$4-per-gallon gasoline at retail pumps if the price of crude oil remains around \$90 per barrel. There is also talk about \$100 per barrel for crude oil. When the price of crude oil was \$80 per barrel, the nation's average gasoline retail price was \$2.85 per gallon. Using the rule of thumb for petroleum products which states gasoline retail prices increase 2.5 cents per gallon with every \$1 increase per barrel for crude oil, it doesn't seem likely that the pump price would rise above \$3.50 per gallon.

For the week of October 22, Nebraska's average gasoline price rose five cents from the previous week to \$2.87, which was 63 cents higher than the price at this time last year. Weekly averages in the surveyed cities ranged from \$2.80 in Norfolk to \$2.89 in Lincoln. As of October 19, the Midwest gasoline stock level was below the normal range with 47.7 million barrels.

Diesel Fuel

Fuel demand from harvesting in the agricultural sector of the state continues. For the week ending October 21, the USDA reported that soil conditions in Nebraska remained wet across much of the state limiting harvest progress. Corn harvest was nearly halfway complete while soybean harvest fell further behind. The eastern part of the state had fields with standing water.

This week the price of diesel fuel in the state increased two cents from the previous week to \$3.15. According to the [weekly price report](#), this week's state average was 57 cents higher than the price at this time last year. Weekly averages in the surveyed cities ranged from \$3.11 in Norfolk, North Platte, and Omaha to \$3.18 in Kearney. On the supply side, the Midwest distillate fuel inventory level was in the upper half of the normal range with 19.6 million barrels of ultra-low sulfur diesel fuel and 5.3 million barrels of low sulfur diesel fuel as of October 19.

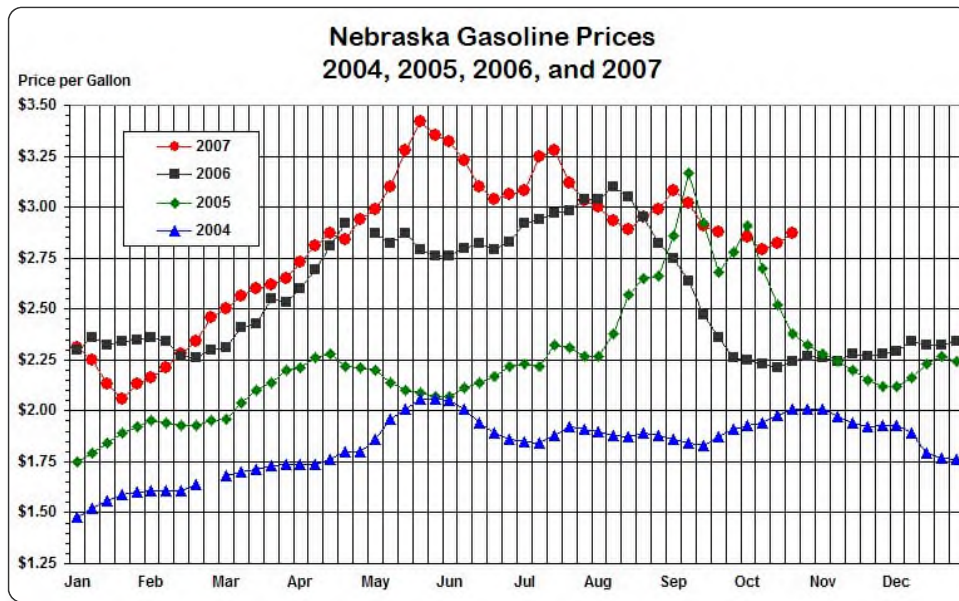
Notes

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.



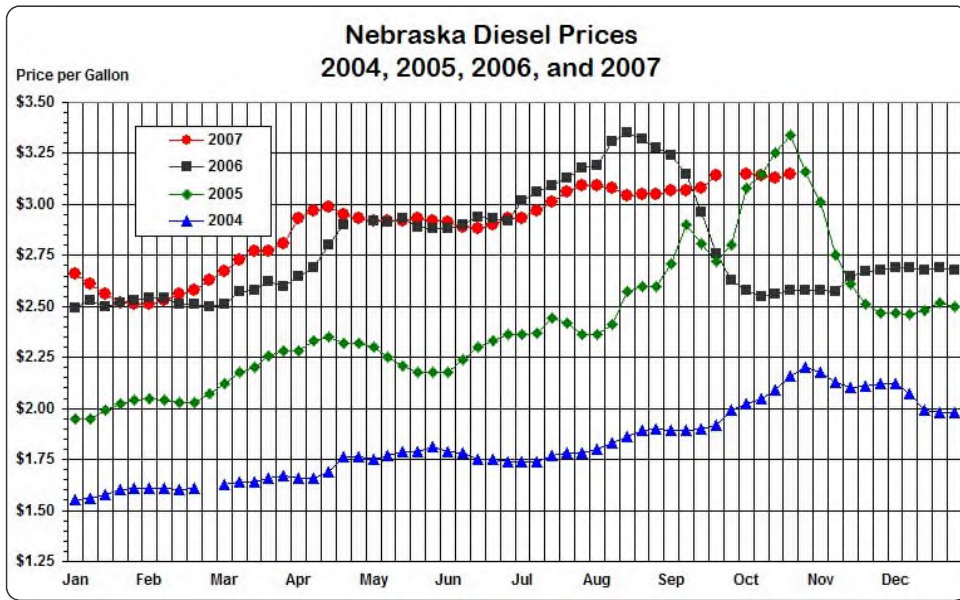
A general rule of thumb: A dollar increase in the [West Texas Intermediate](#) (WTI) crude oil price per barrel will result in a 2.5-cent increase in the gasoline price per gallon and the diesel fuel price per gallon. Likewise, a dollar decrease in the WTI crude oil price per barrel will result in a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



Unleaded Gasoline Prices for the Week of October 22, 2007 (Price per Gallon)

	Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
Weekly Average	\$2.82	\$2.82	\$2.86	\$2.89	\$2.80	\$2.88	\$2.86	\$2.87

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



Diesel Prices for the Week of October 22, 2007 (Price per Gallon)

	Columbus	Grand Island	Kearney	Lincoln	Norfolk	North Platte	Omaha	State
Weekly Average	\$3.12	\$3.13	\$3.18	\$3.15	\$3.11	\$3.11	\$3.11	\$3.15

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 October 26, 2007.
Typically, there is one week between updates.*