

Average Residential Propane Prices in Nebraska

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Analysis

On January 24, 2005, the average residential [propane](#) price had no change from last week at \$1.23 a gallon. This price was 22 percent higher than last year at this time (see the [table](#) at the end of this report). The [graph](#) below the text shows the spread in prices from month to month and from this year compared to the previous years. Other [states](#) in the Midwest region had higher prices ranging from \$1.28 to \$1.76 with the region averaging \$1.57 per gallon. States adjacent to Nebraska, such as South Dakota, Iowa, and Missouri, had prices of \$1.28, \$1.28, and \$1.53, respectively.

With 15.2 million barrels, the Midwest region [inventory](#) level was in the normal range for this time of year. Inventories appear to be adequate for the remainder of the heating season, particularly in the Midwest, where the largest concentrations of propane heating customers are located. If Midwest inventories follow 5-year average trends for the remainder of the heating season, inventories would end the heating season in March at about 9.8 million barrels. This level would be above the 5-year average level which is 8.7 million barrels. The Energy Information Administration projected that inventories would remain above recent year lows even if the region were to experience sustained frigid temperatures lasting several weeks. The year 2001 had the most recent low with 6.1 million barrels at the end of March.

Note: The [annual report](#) for the 2003-2004 winter season is available.

Heating Season

The Nebraska Energy Office has participated in the State Heating Oil and Propane Program for four years. During the heating season (October to March), the staff contact 23 companies each week who supply propane to Nebraska, collect Monday's retail price, and submit the data to the [Energy Information Administration](#). The Energy Information Administration calculates the average price shown in the [table](#) below.

In the Midwest region, Nebraska's average residential propane price was the lowest price each week during the last three heating seasons. The Energy Information Administration theorized that this was due to minimal transportation costs since Nebraska's [wholesale](#) prices were not the lowest in the region each week. Another reason would be the number of participating states. Since state participation in the program is voluntary, propane prices were not surveyed in each state in the Midwest region. Kansas and Oklahoma might also have had low prices--possibly lower than Nebraska's because the two states are closer to production, refinery, and storage areas.

Off Season

During the off season (April through September), the Nebraska Energy Office staff continue to contact the same suppliers who were contacted during the heating season. Staff contact suppliers once a month instead of once a week since the price of propane is usually not as volatile during the off season. The Nebraska Energy Office staff calculate the average price, shown in the [table](#) below, from the suppliers' retail prices on the first Monday of the month.

	Heating Season						Off Season					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2002/2003												
First Monday	\$0.721	\$0.743	\$0.744	\$0.806	\$0.901	\$1.181	\$0.886	\$0.849	\$0.845	\$0.882	\$0.899	\$0.934
Second Monday	\$0.734	\$0.743	\$0.747	\$0.806	\$0.973	\$0.975						
Third Monday	\$0.736	\$0.743	\$0.784	\$0.843	\$0.943	\$0.966						
Fourth Monday	\$0.739	\$0.743	\$0.793	\$0.855	\$0.948							
Fifth Monday			\$0.799									
2003/2004												
First Monday	\$0.925	\$0.964	\$0.945	\$0.959	\$0.990	\$0.984	\$0.981	\$0.971	\$0.982	\$0.974	\$1.038	\$1.143
Second Monday	\$0.960	\$0.955	\$0.942	\$1.027	\$1.011	\$0.983						
Third Monday	\$0.966	\$0.952	\$0.957	\$1.008	\$0.993	\$0.984						
Fourth Monday	\$0.968	\$0.952	\$0.956	\$1.006	\$0.992							
Fifth Monday			\$0.959									
	Heating Season						Off Season					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2004/2005												
First Monday	\$1.158	\$1.290	\$1.265	\$1.237	NA	NA	NA	NA	NA	NA	NA	NA
Second Monday	\$1.195	\$1.297	\$1.248	\$1.236	NA	NA						
Third Monday	\$1.227	\$1.290	\$1.251	\$1.228	NA							
Fourth Monday	\$1.312	\$1.278	\$1.251	\$1.228	NA							
Fifth Monday		\$1.288		NA								

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Sources: *State Heating Oil and Propane Survey* and the *Weekly Petroleum Status Report*. Energy Information Administration, Office of Oil and Gas, U.S. Department of Energy, Washington, DC. Nebraska Energy Office, Lincoln, NE.

Note: NA = Not Available.

*This report was updated on January 28, 2005.
Typically, there is one week between updates during the heating season and one month between updates during the cooling season.*

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