Average Residential Propane Prices in Nebraska

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Analysis

On January 12, 2009, the average residential propane price had relatively no change from the previous week and remained at $1.56 per gallon (see the table at the end of this report). The graph below this text shows the spread in prices from month to month and from this year compared to previous years. This week's average price was 39 cents (or 20 percent) lower than the price at this time last year.

Other states in the Midwest Region had higher prices ranging from $1.58 to $2.40 with the region averaging $2.08 per gallon. States adjacent to Nebraska, such as South Dakota, Iowa, and Missouri, had prices of $1.58, $1.74, and $1.97, respectively.

While wholesale prices had increased eight cents this week to 91 cents per gallon and the rack-to-retail margin decreased to 65 cents, Nebraska retail price was the lowest of the surveyed states in the region. Nebraska does not have the lowest wholesale prices of the surveyed states in the region.

On the supply side, the Midwest Region inventory level was in the lower half of the normal range for this time of year with 17.7 million barrels in storage on January 9.

Notes: The annual report for the 2007-2008 winter season is available. An archive houses annual reports from previous years.

Heating Season

The Nebraska Energy Office has participated in the State Heating Oil and Propane Program for eight winter seasons. During the heating season (October to March), the staff contact 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 has had the lowest average residential propane price each week. The Energy Information Administration theorizes that this is due to minimal transportation costs since Nebraska's wholesale prices are 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 have not been 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.

State Heating Oil and Propane Program

The Energy Information Administration, the independent statistical and analytical agency within the U.S. Department of Energy, conducts the State Heating Oil and Propane Program from October to March--the heating season--each year. The Energy Information Administration collects prices for the program each week from participating states and calculates a state average price, a regional average price, and a national average price which can be seen in the report Residential Propane Prices by Region and State.

Midwest Region

For statistical purposes, the Energy Information Administration defines the Midwest Region to include the states of Iowa, Illinois, Indiana, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Tennessee, and Wisconsin.

Price Explanation

The prices represent average home heating charge prices for delivery of consumer grade propane, excluding taxes and cash discounts.

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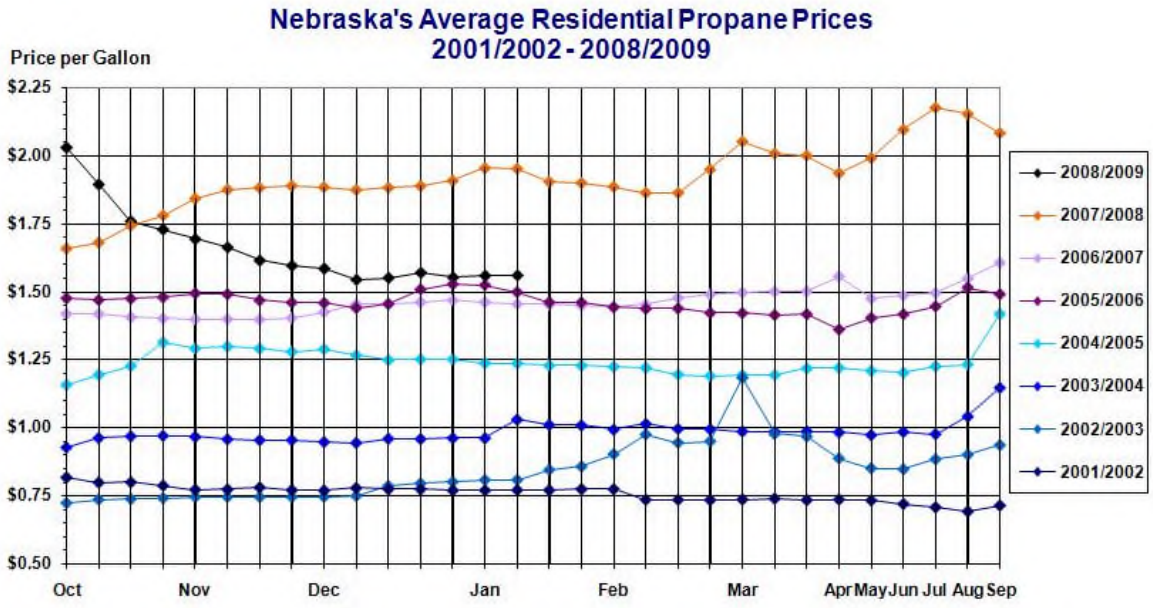

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Nebraska's Average Residential Propane Prices 2001/2002 – 2008/2009

	Heating Season						Off Season					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2001/2002												
First Monday	$0.815	$0.771	$0.768	$0.769	$0.773	$0.736	$0.736	$0.733	$0.720	$0.708	$0.693	$0.714
Second Monday	$0.797	$0.772	$0.777	$0.770	$0.735	$0.739						
Third Monday	$0.798	$0.779	$0.773	$0.770	$0.735	$0.734						

	Heating Season						Off Season					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fourth Monday	$0.786	$0.770	$0.773	$0.773	$0.734							
Fifth Monday	$0.774		$0.769									
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	$1.220	$1.194	$1.220	$1.209	$1.202	$1.225	$1.232	$1.415
Second Monday	$1.195	$1.297	$1.248	$1.236	$1.196	$1.218						
Third Monday	$1.227	$1.290	$1.251	$1.228	$1.190							
Fourth Monday	$1.312	$1.278	$1.251	$1.228	$1.194							
Fifth Monday		$1.288		$1.224								
2005/2006												
First Monday	$1.475	$1.490	$1.440	$1.524	$1.437	$1.414	$1.361	$1.403	$1.417	$1.446	$1.514	$1.490
Second Monday	$1.469	$1.468	$1.455	$1.498	$1.438	$1.417						
Third Monday	$1.474	$1.460	$1.508	$1.461	$1.422							
Fourth Monday	$1.479	$1.458	$1.527	$1.460	$1.421							
Fifth Monday	$1.493			$1.443								
2006/2007												
First Monday	$1.418	$1.399	$1.454	$1.461	$1.452	$1.500	$1.556	$1.474	$1.486	$1.494	$1.548	$1.605
Second Monday	$1.418	$1.397	$1.453	$1.454	$1.477	$1.501						

	Heating Season						Off Season					
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
Third Monday	$1.406	$1.403	$1.461	$1.452	$1.489							
Fourth Monday	$1.401	$1.424	$1.468	$1.448	$1.496							
Fifth Monday	$1.398			$1.442								
	Heating Season						**Off Season**					
	Oct	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**
2007/2008												
First Monday		$1.841	$1.883	$1.953	$1.884	$2.051	$1.934	$1.990	$2.095	$2.175	$2.152	$2.082
Second Monday	$1.657	$1.874	$1.873	$1.951	$1.862	$2.007						
Third Monday	$1.679	$1.881	$1.881	$1.903	$1.862	$1.999						
Fourth Monday	$1.742	$1.888	$1.887	$1.899	$1.948							
Fifth Monday	$1.779		$1.907									
2008/2009												
First Monday	$2.028	$1.692	$1.584	$1.558	NA	NA	NA	NA	NA	NA	NA	NA
Second Monday	$1.893	$1.662	$1.543	$1.559	NA	NA						
Third Monday	$1.758	$1.614	$1.550	NA	NA	NA						
Fourth Monday	$1.728	$1.595	$1.569	NA	NA							
Fifth Monday			$1.552									

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

Note: NA = Not Available.

This report was updated on January 22, 2009.
Typically, there is one week between updates during the heating season and one month between updates during the cooling season.