

EIA Short-Term Energy and Winter Fuels Outlook

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U.S. average fuel expenditures are expected to be higher for all fuels this winter (October – March).

Fuel	Average Household Expenditures Percent Change from Last Winter		
	Base Case	If 10% Warmer Than Forecast	If 10% Colder Than Forecast
Natural Gas	9.5	-1.7	20.3
Heating Oil	21.8	9.8	31.6
Propane	16.3	4.3	27.7
Electricity	3.9	-1.3	7.2
Average Expenditures	9.8	0.1	18.4

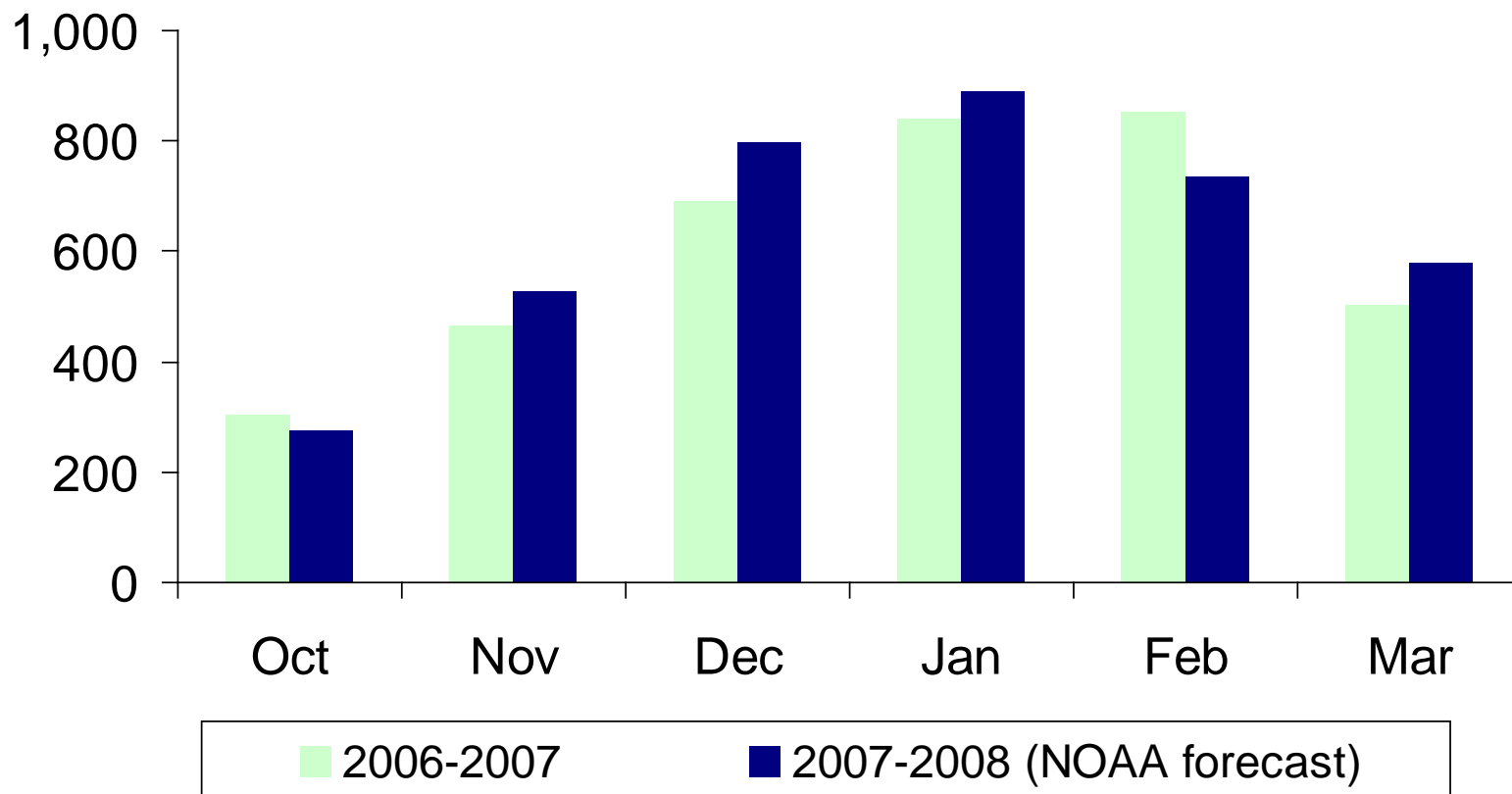
Winter = October 1 through March 31.

Expenditures are based on typical per household consumption adjusted for weather.

Warmer and colder cases represent 10-percent decrease or 10-percent increase in heating degree-days, respectively.

Winter 2007-08 is expected to be 4 % colder than 2006-07, but still 2 % warmer than 30-year average.

U.S. Heating Degree-Days Population-Weighted



Natural gas prices are expected to be higher than last winter.

Henry Hub Winter Average Spot Price

10% Colder = \$8.71/ mcf

Base Case = \$7.79/ mcf

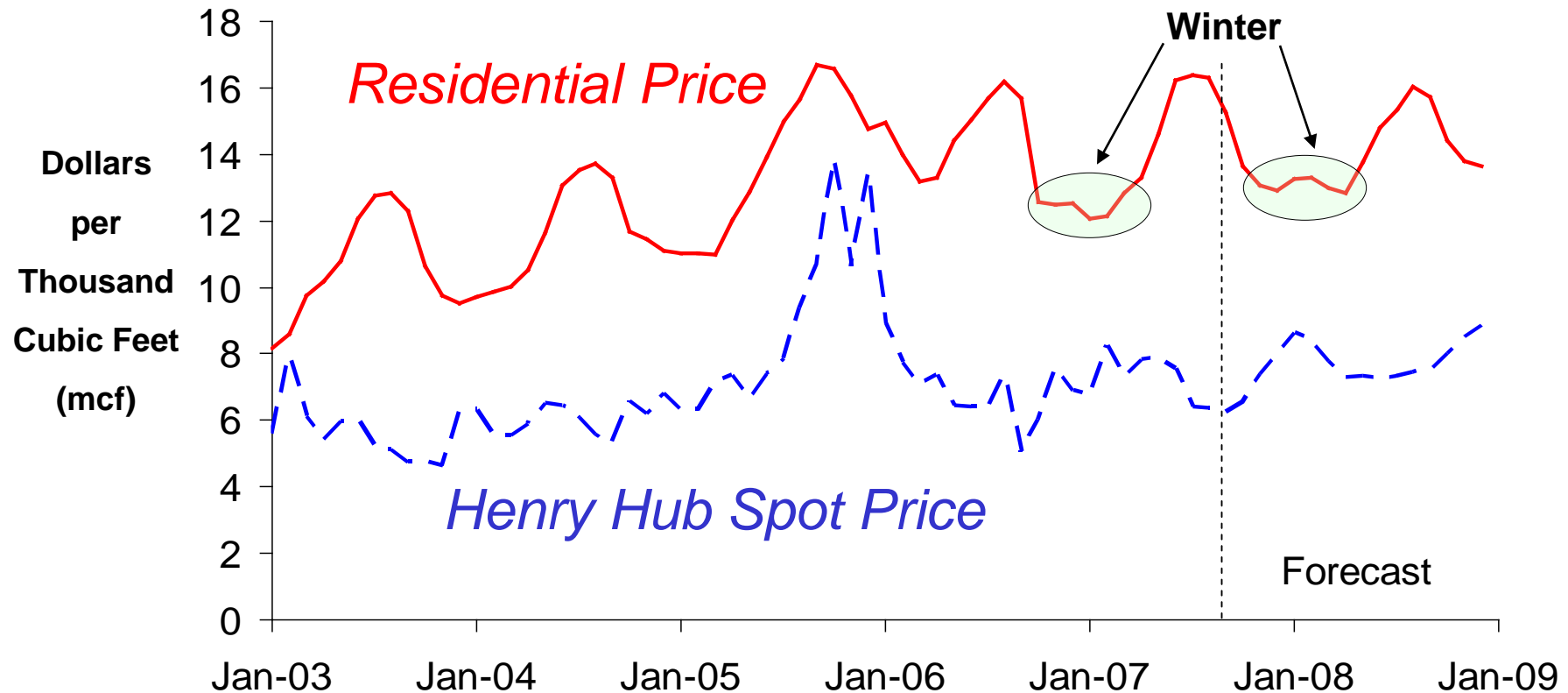
10% Warmer = \$7.05/ mcf

Residential Winter Average Price

10% Colder = \$13.53/ mcf

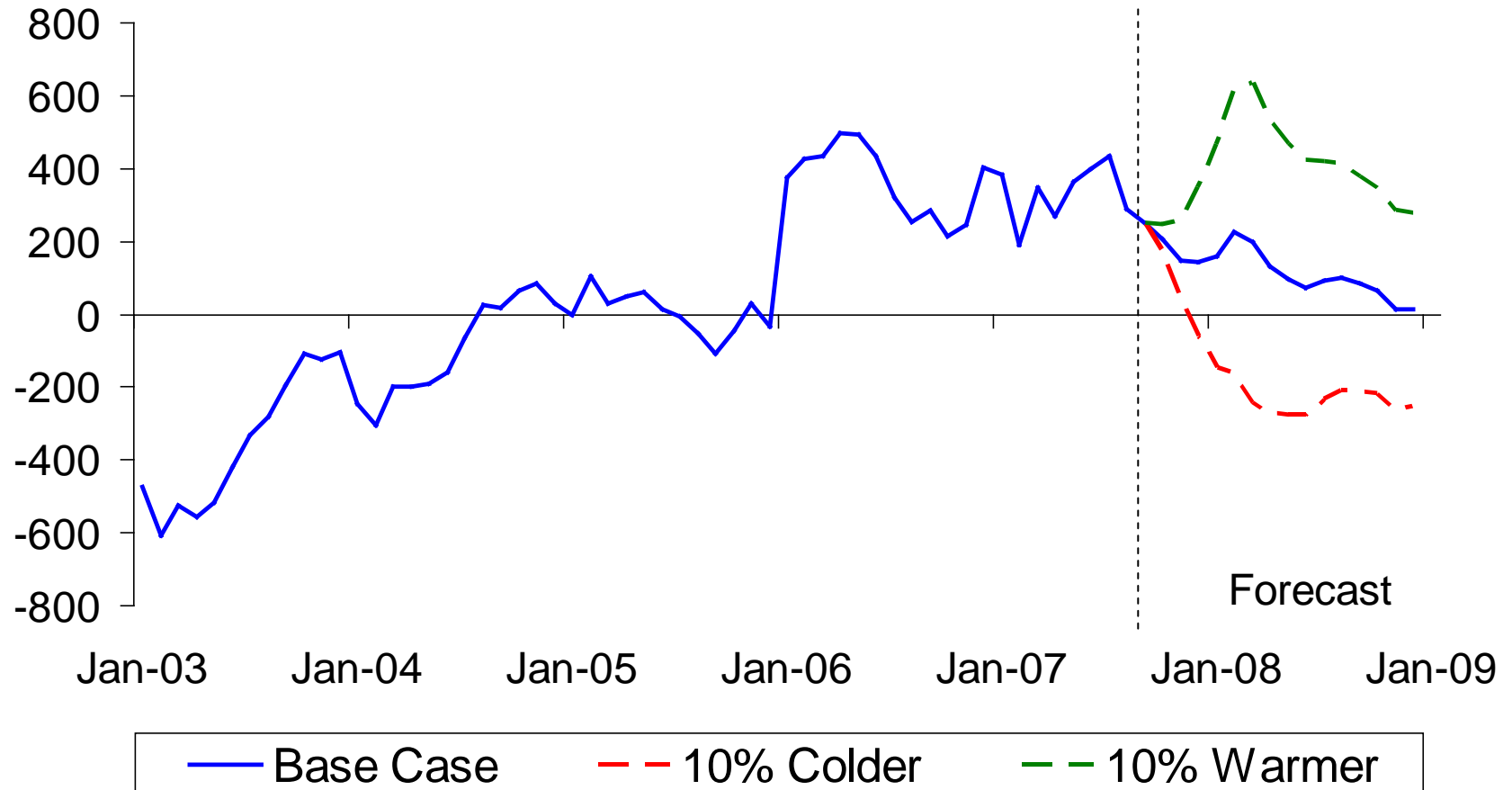
Base Case = \$13.14/ mcf

10% Warmer = \$12.87/ mcf



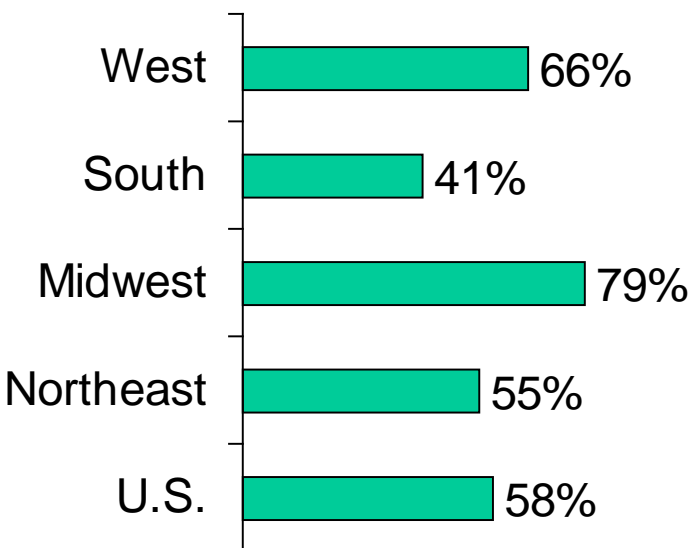
U.S. natural gas in storage is projected to remain above historical averages.

Deviation from 5-year Average, Billion Cubic Feet



Natural gas heating bills are projected to be higher for all regions this winter.

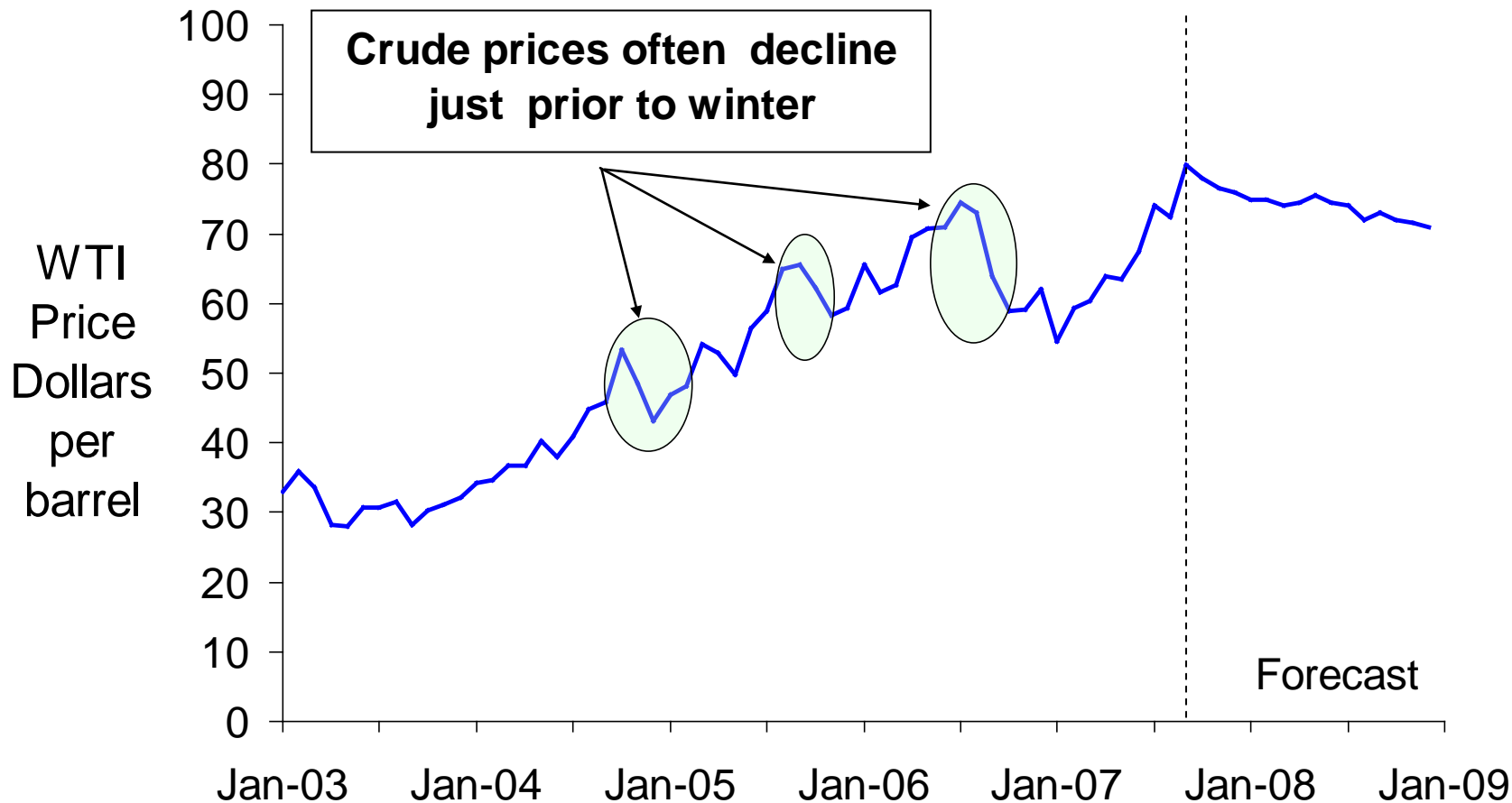
Households using natural gas as primary heating fuel



Percent Change from Last Winter (Projected)

	Consumption	Average Price	Total Expenditures
West	+ 2	+ 2	+ 5
South	+ 1	+ 9	+ 11
Midwest	+ 3	+ 8	+ 11
Northeast	+ 6	+ 4	+ 10
U.S. Average	+ 3	+ 6	+ 10

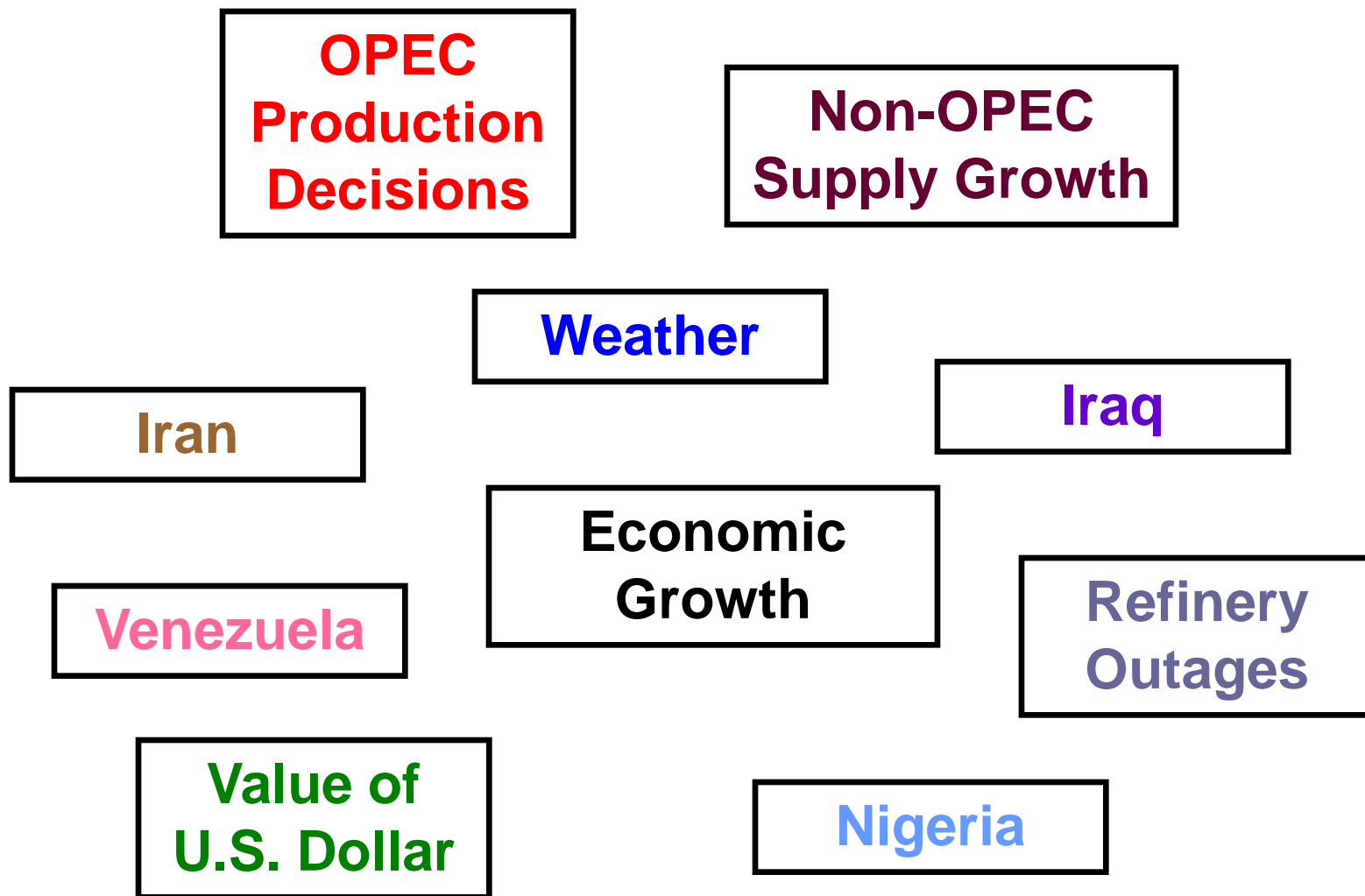
Crude oil prices, having recently exceeded \$80 per barrel, are projected to decline slowly over the forecast.



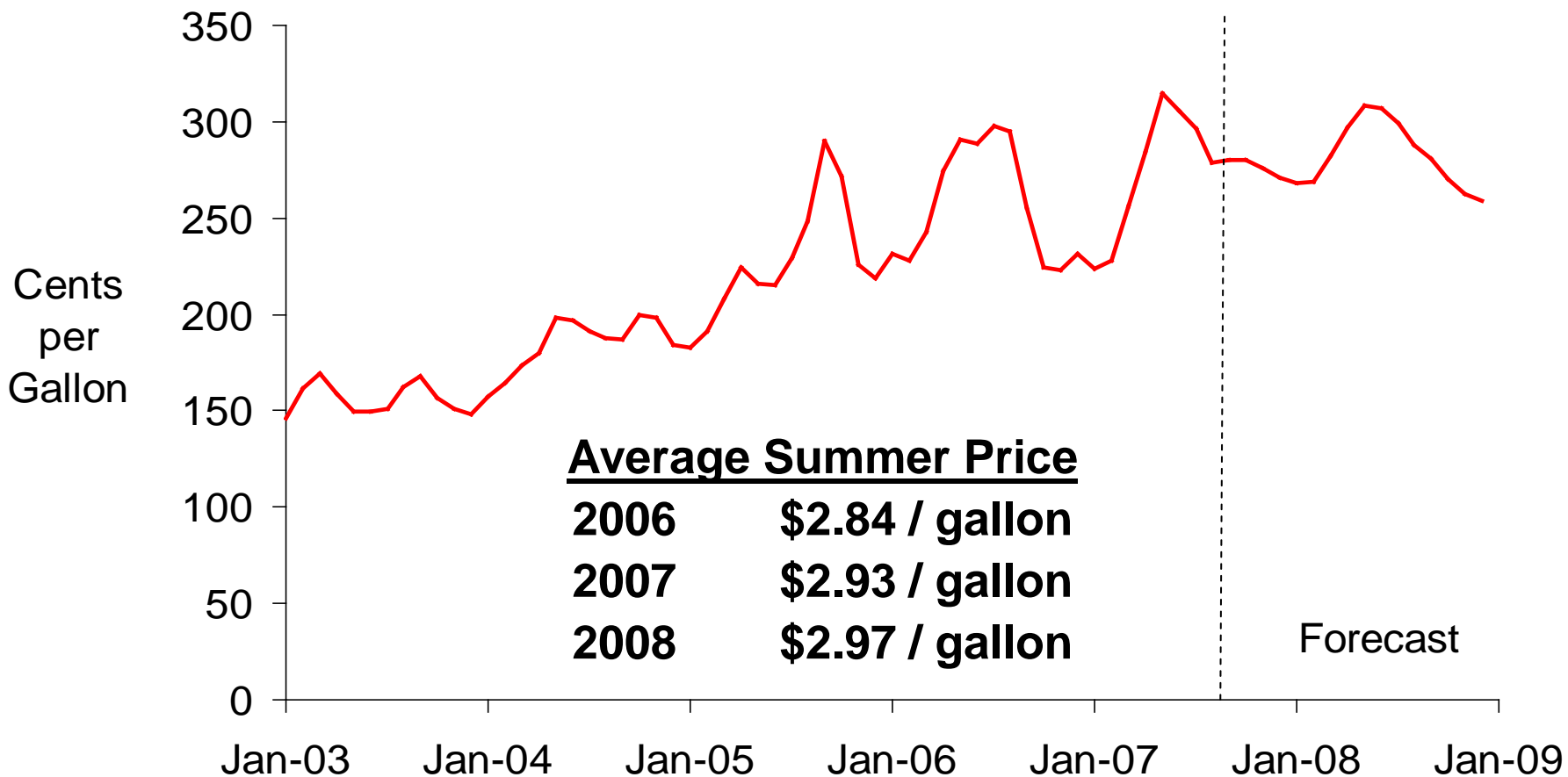
WTI = West Texas Intermediate crude oil.
Short-Term Energy Outlook, October 2007



Multiple and hard-to-predict uncertainties drive the oil market forecast



Retail gasoline prices are projected to be higher in 2008.



Summer = April 1 through September 30.
Short-Term Energy Outlook, October 2007



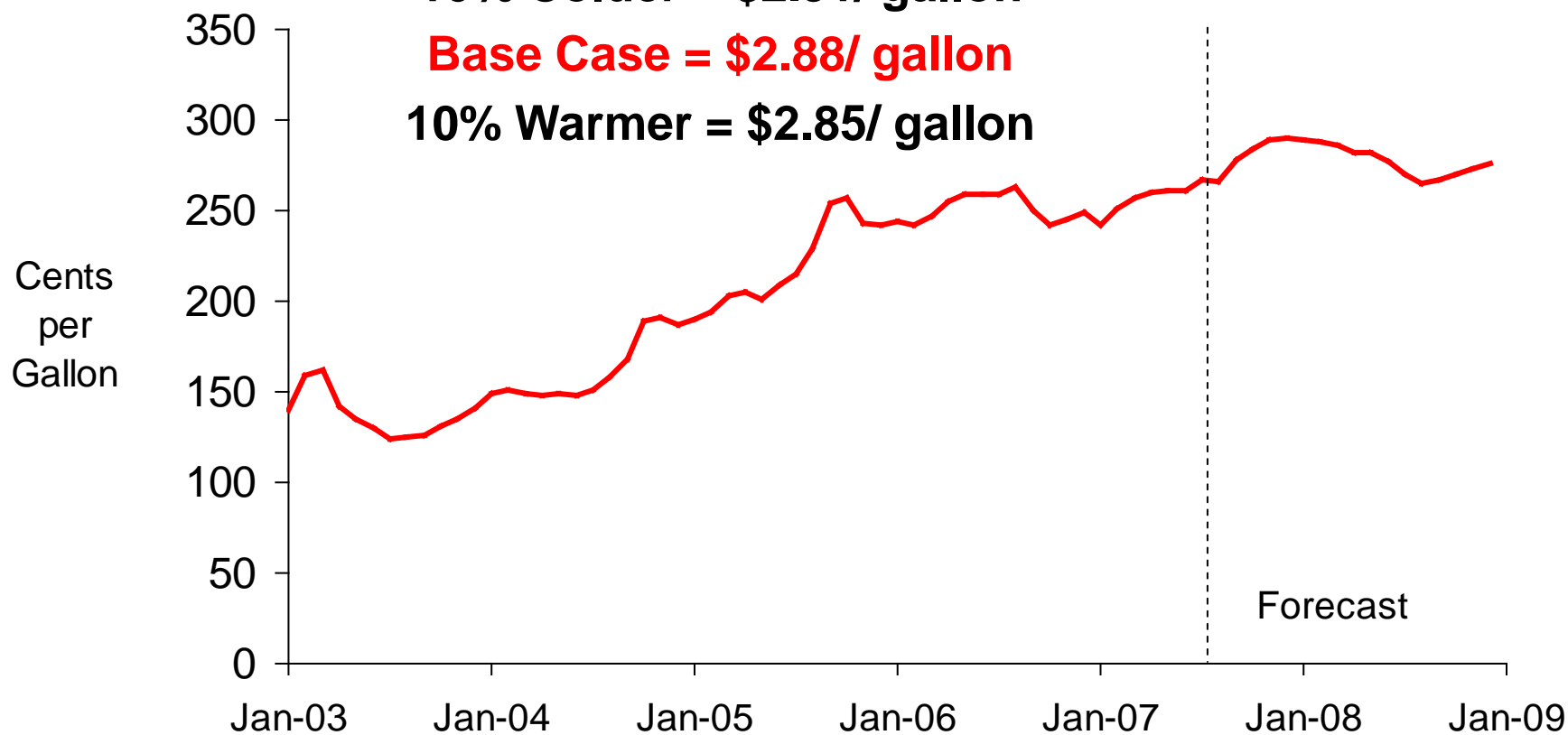
Retail heating oil prices are projected to average about 40 cents per gallon higher than last winter.

October 2007 – March 2008 Averages

10% Colder = \$2.91/ gallon

Base Case = \$2.88/ gallon

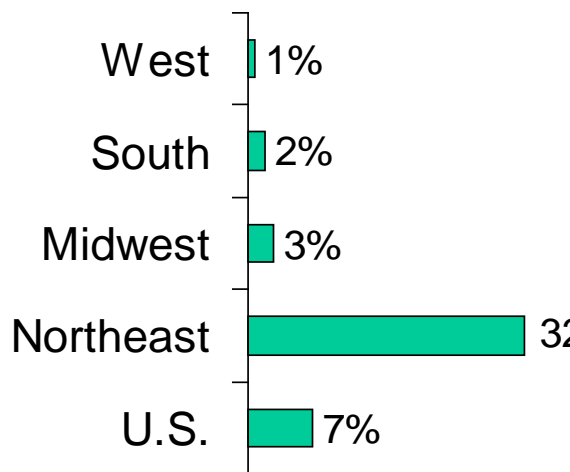
10% Warmer = \$2.85/ gallon



U.S. winter heating oil expenditures projected to increase for all regions.

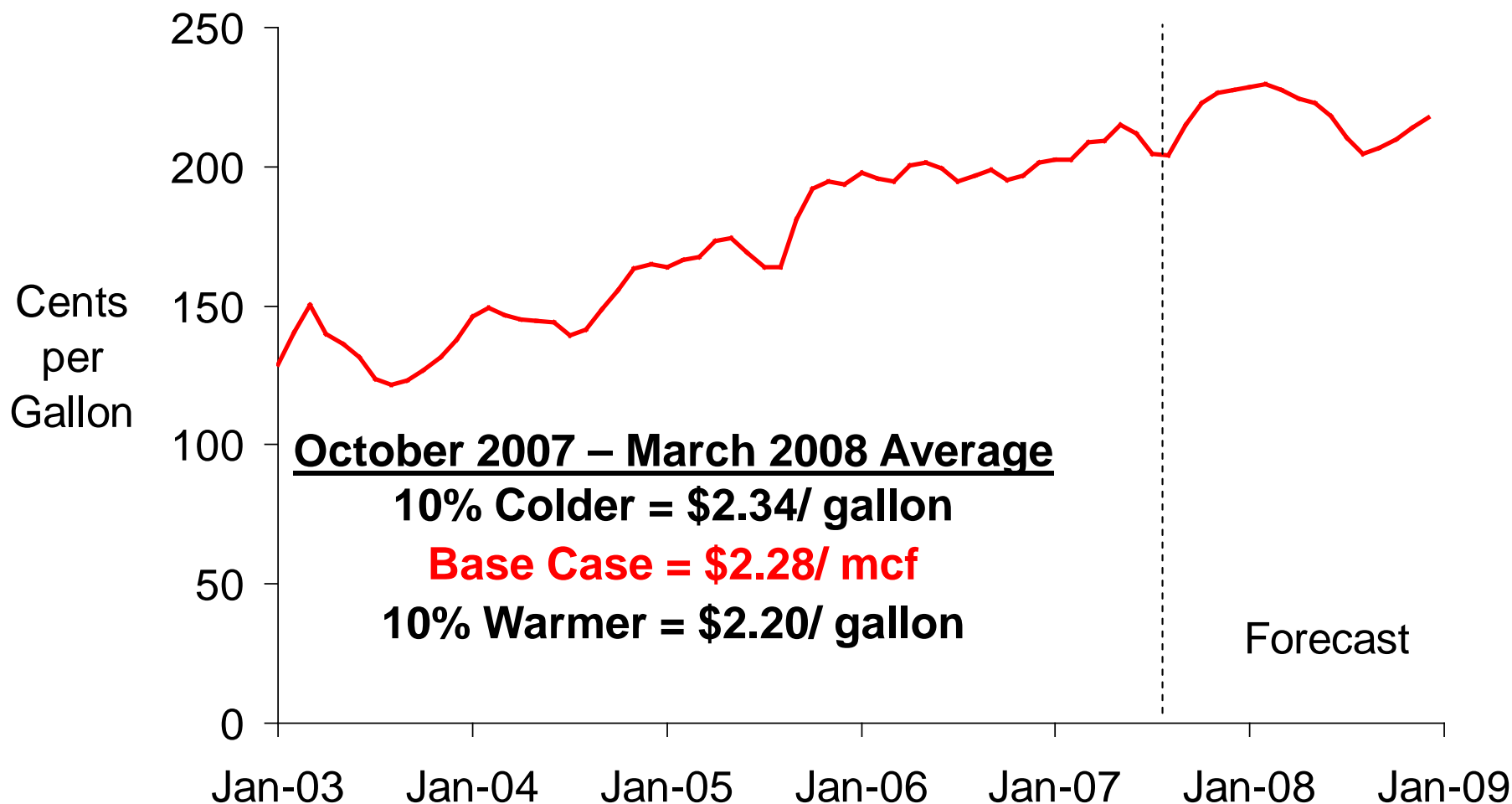
Percent Change from Last Winter (Projected)

Households using heating oil as primary heating fuel

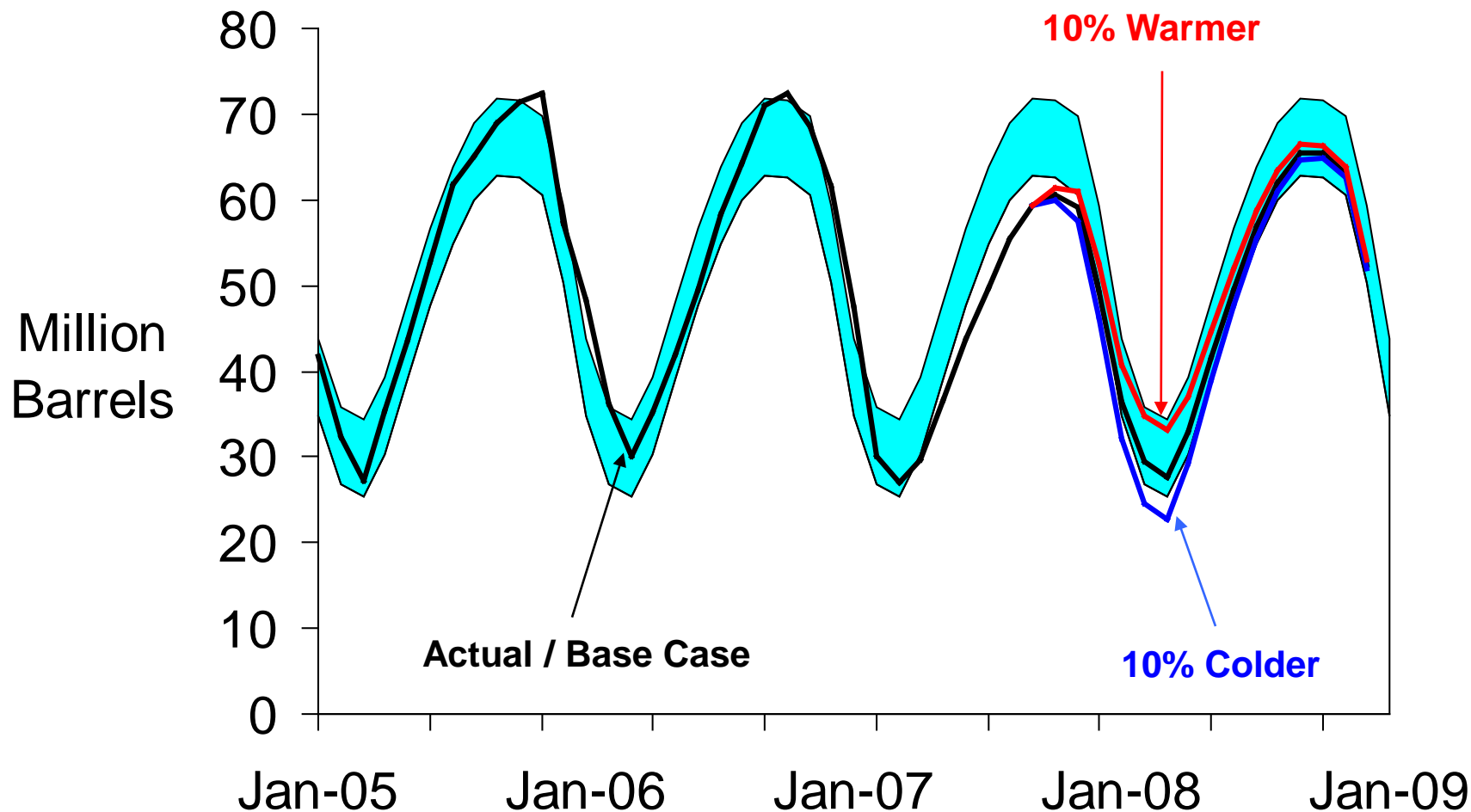


	Consumption	Average Price	Total Expenditures
West	+ 4	+ 13	+ 18
South	+ 6	+ 19	+ 26
Midwest	+ 4	+ 18	+ 23
Northeast	+ 5	+ 16	+ 22
U.S. Average	+ 5	+ 16	+ 22

Residential propane prices are expected to average about 23 cents per gallon higher than last winter.



Propane inventories are low.



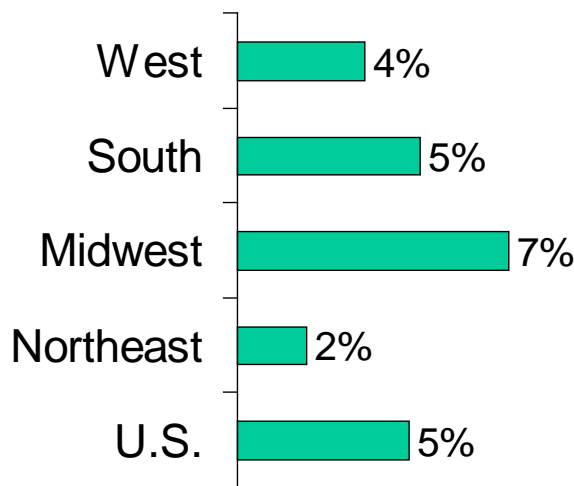
Colored bands represent "normal" range published in EIA, Weekly Petroleum Status Report, Appendix A.



Propane expenditures are projected to increase in all regions.

Percent Change from Last Winter (Projected)

Households using propane as primary heating fuel

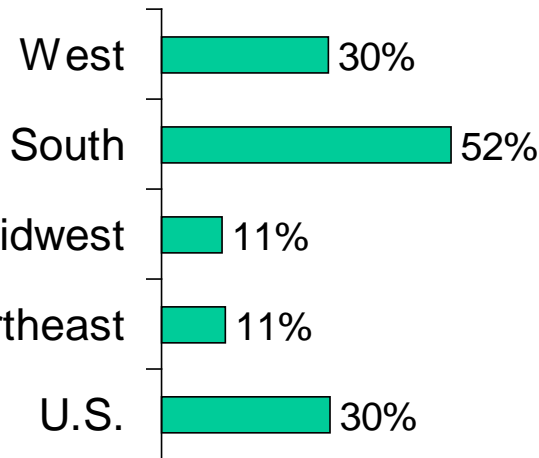


	Consumption	Average Price	Total Expenditures
West	+ 2	+ 8	+ 10
South	+ 2	+ 13	+ 16
Midwest	+ 4	+ 15	+ 19
Northeast	+ 5	+ 15	+ 21
U.S. Average	+ 3	+ 13	+ 16

Winter electricity expenditure increases are expected to be smaller than other fuels.

Percent Change from Last Winter (Projected)

Households using electricity as primary heating fuel



	Consumption	Average Price	Total Expenditures
West	+ 2	+ 4	+ 5
South	+ 1	+ 2	+ 3
Midwest	+ 2	+ 2	+ 4
Northeast	+ 4	+ 3	+ 7
U.S. Average	+ 2	+ 2	+ 4

Wrap up:

- **On average, U.S. households will pay about \$88 (10%) more for heating this winter.**
- **Higher expenditures are driven by higher unit prices and weather-related increases in consumption.**
- **Under the baseline forecast, natural gas expenditures could be about \$78 (10%) higher for the average U.S. household this winter.**
- **Heating oil expenditures are projected to be about \$319 (22%) higher for the average U.S. household this winter. Electricity expenditures are forecasted to be \$32 (4%) higher the average U.S. household this winter.**
- **A colder winter would raise estimated expenditures somewhat from those of the base case weather scenario.**