

# ***EIA Short-Term and Winter Fuels Outlook***

**Howard Gruenspecht**  
**Acting Administrator,**  
**Energy Information Administration**

*National Capital Area Chapter*  
*U.S. Association for Energy Economics*  
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## ***U.S. average fuel expenditures are expected to be higher for all fuels this winter (October – March).***

Average U.S. Household Winter (2008-2009) Heating Fuel Expenditures  
Percent Change from Last Winter

Fuel	Base Case	If 10% Warmer Than Forecast	If 10% Colder Than Forecast
Heating Oil	<b>23.1</b>	9.7	35.5
Natural Gas	<b>18.1</b>	3.4	29.3
Propane	<b>11.3</b>	0.6	24.6
Electricity	<b>10.4</b>	4.8	13.9
Average All Fuels	<b>15.3</b>	4.0	24.5

Winter = October 1 through March 31.

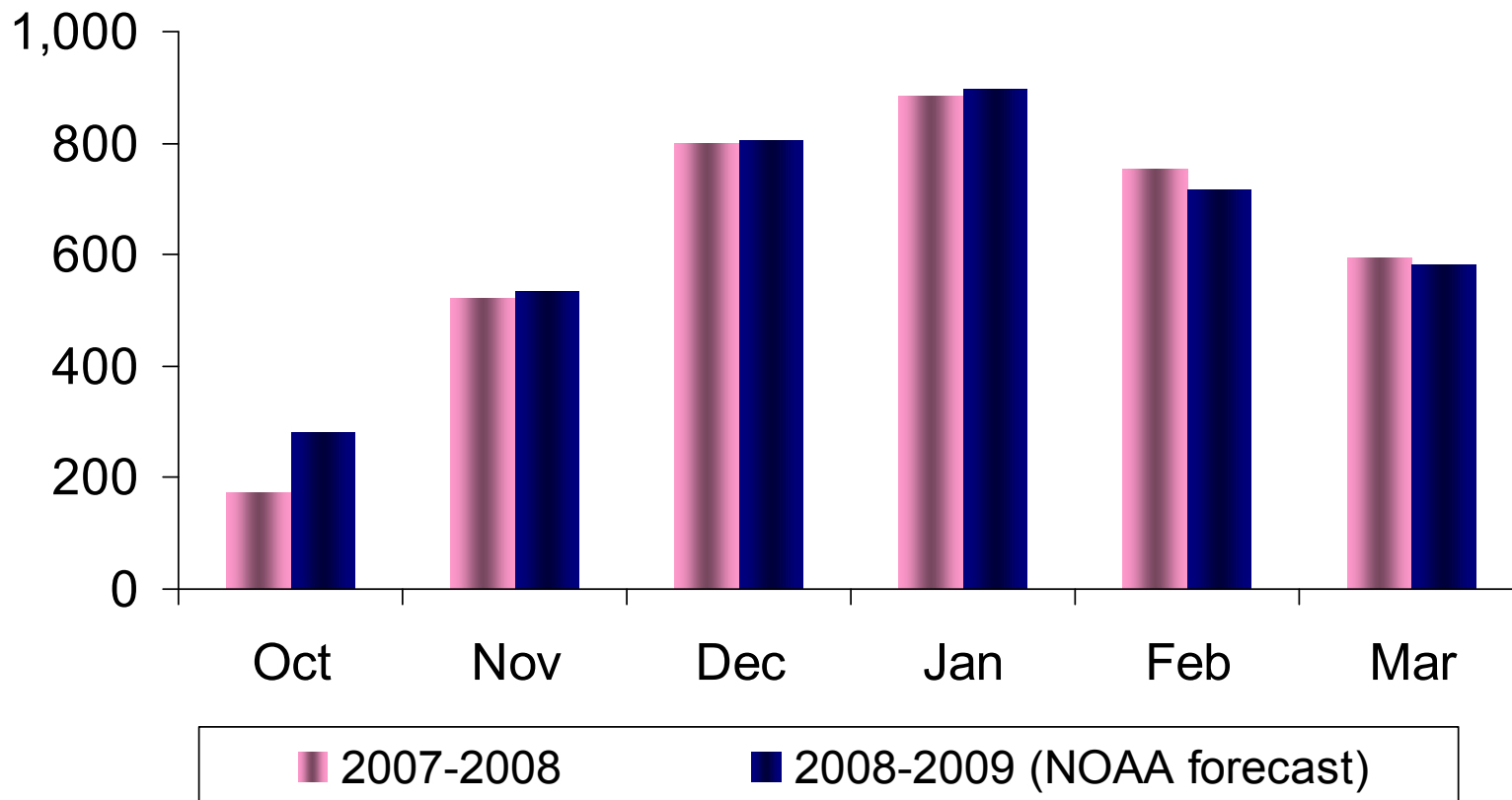
Expenditures are based on typical per household consumption adjusted for weather.

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

***Winter 2008-09 is expected to be 2% colder than 2007-08, but still 2% warmer than 30-year average.***

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## 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 = \$10.55/ mcf

Base Case = \$8.96/ mcf

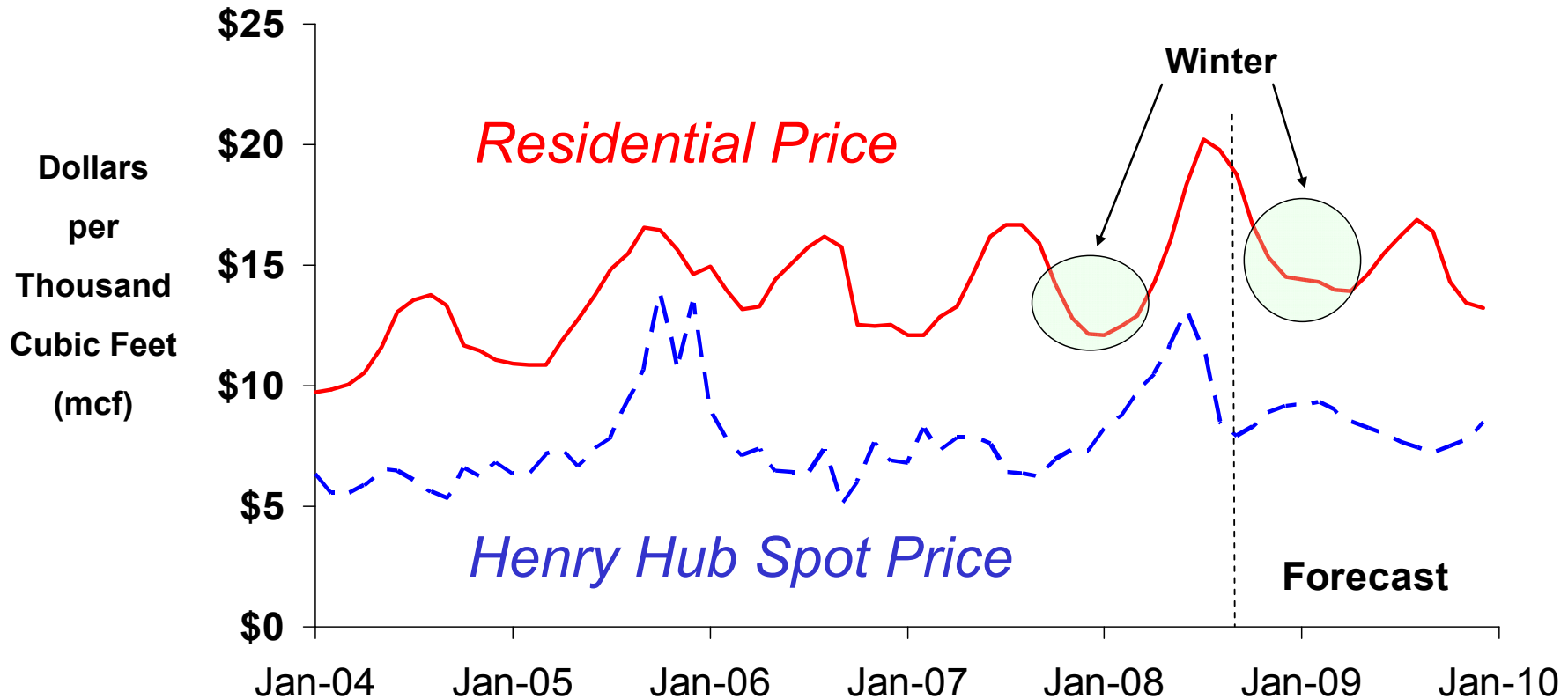
10% Warmer = \$7.66/ mcf

## Residential Winter Average Price

10% Colder = \$15.22/ mcf

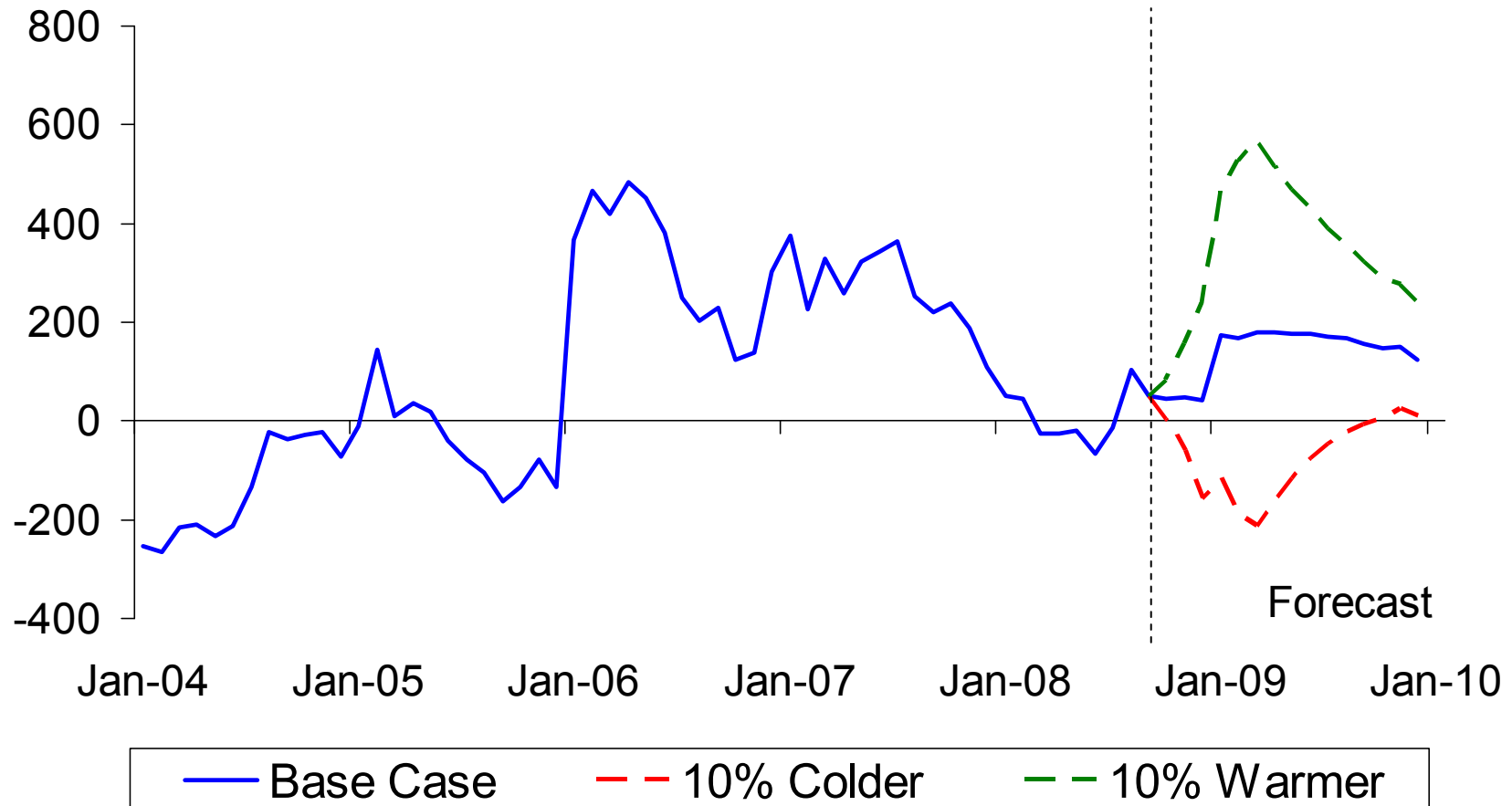
Base Case = \$14.82/ mcf

10% Warmer = \$14.17 mcf



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

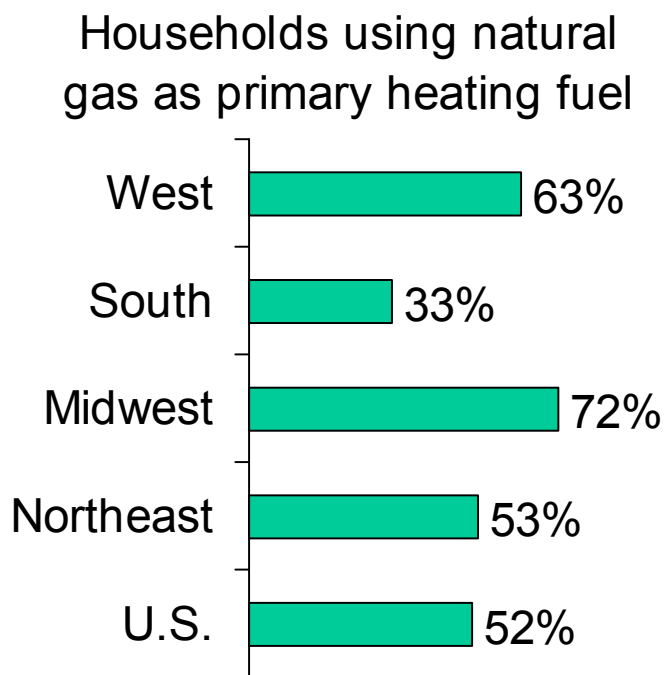
## **Deviation from 2003-2007 Average, Billion Cubic Feet**



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

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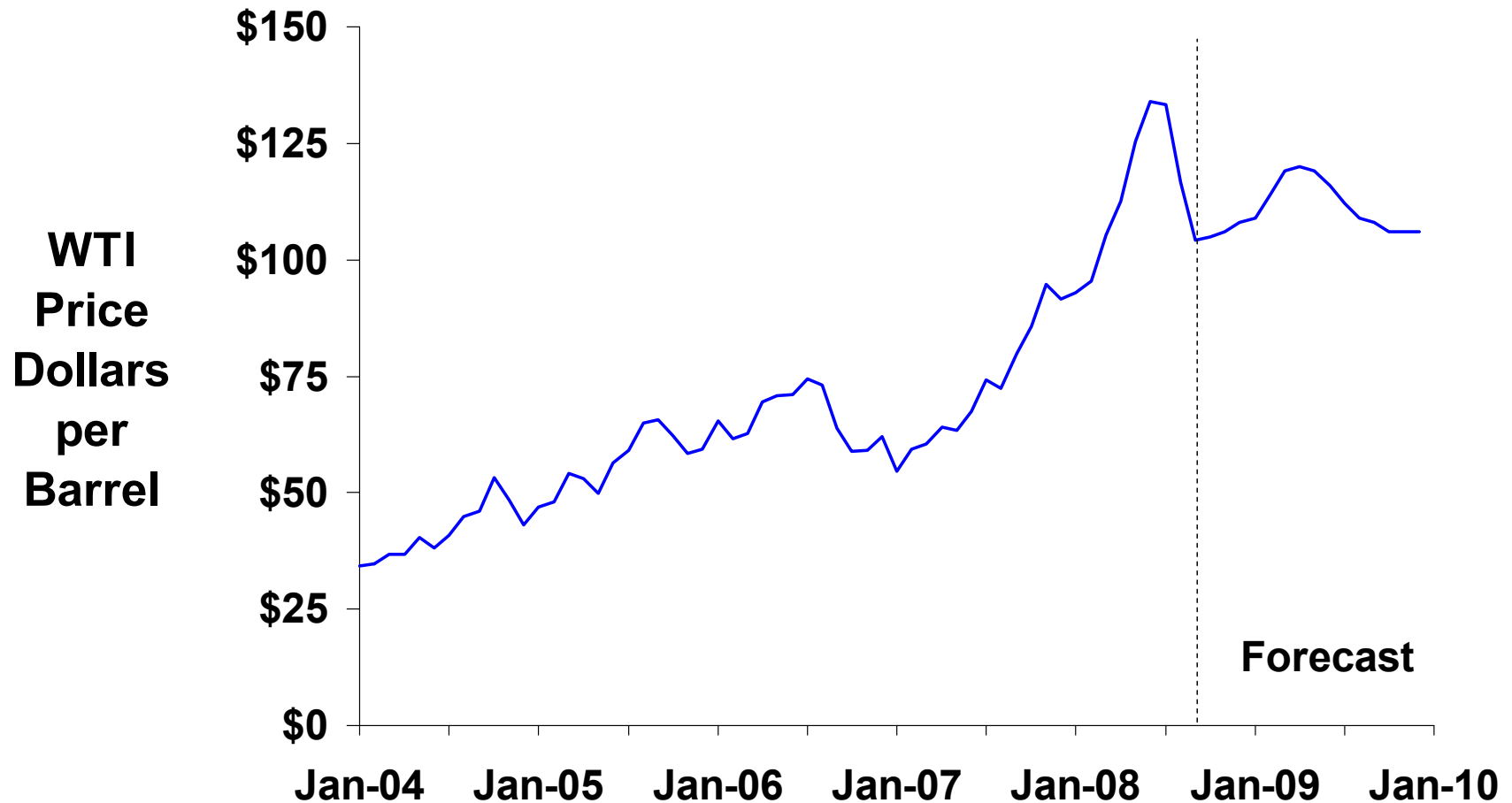
## **Percent Change from Last Winter (Projected)**



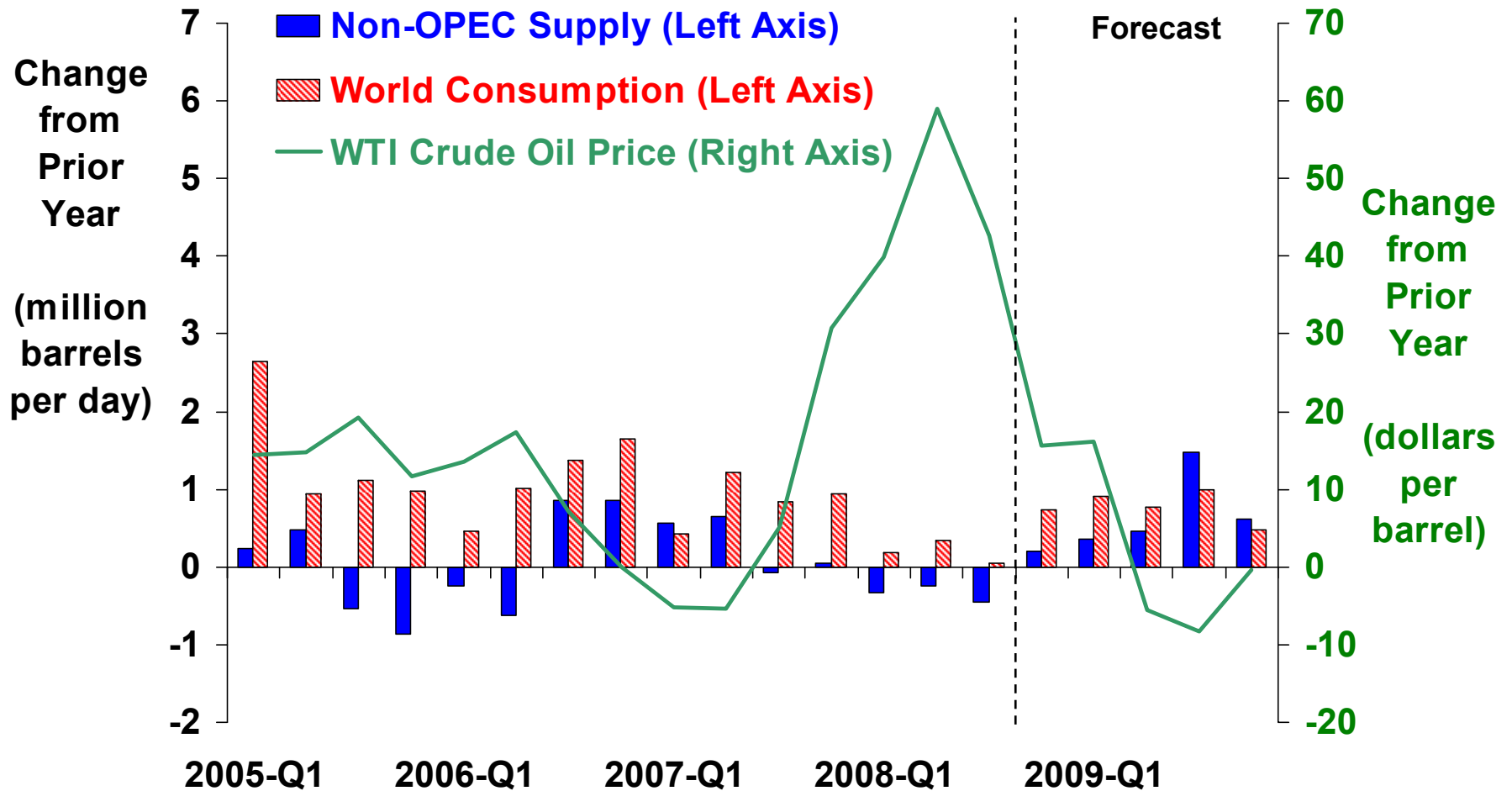
	Consumption	Average Price	Total Expenditures
West	-2%	+15%	+13%
South	+7%	+18%	+26%
Midwest	-2%	+19%	+17%
Northeast	+6%	+12%	+19%
U.S. Average	+1%	+17%	+18%

## *Crude oil prices are expected to remain high.*

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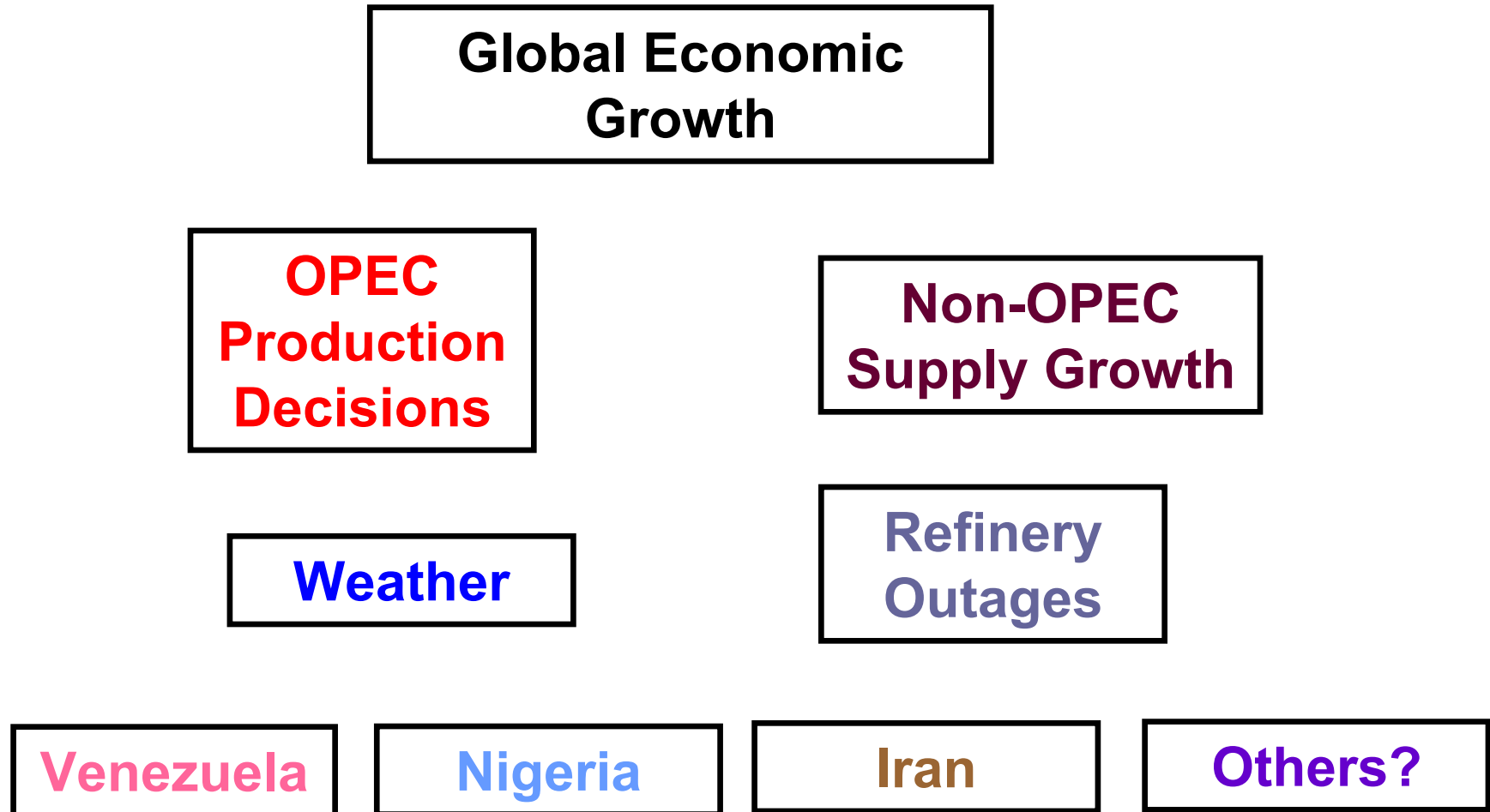
# *The balance between global consumption and non-OPEC supply growth drives oil prices.*



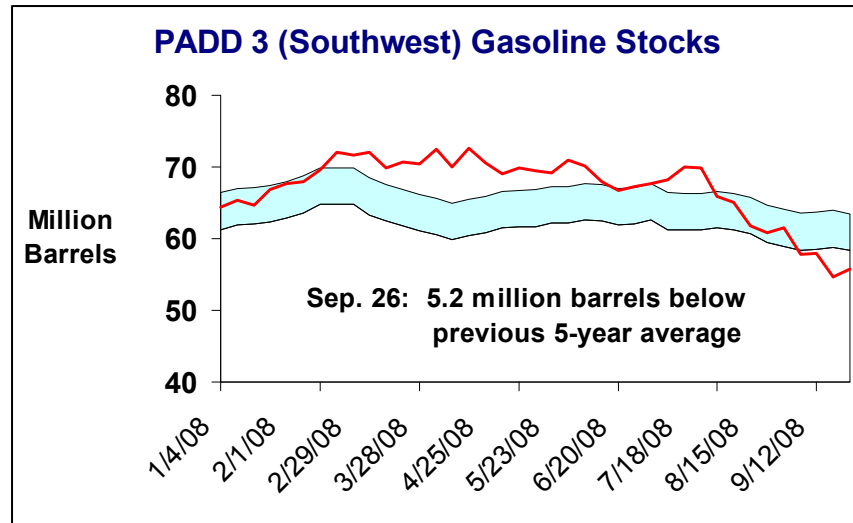
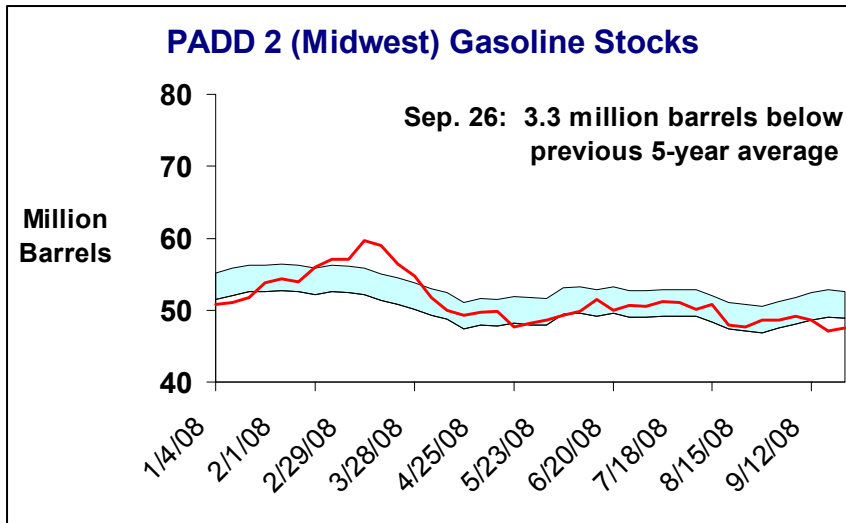
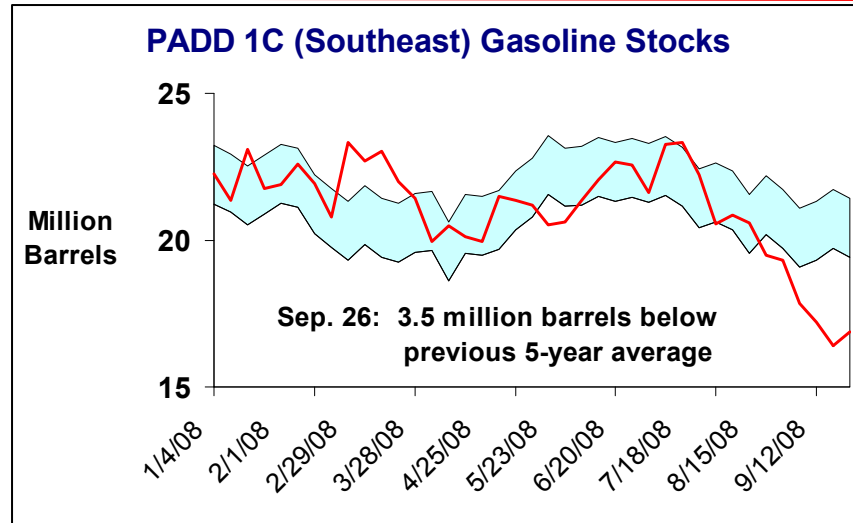
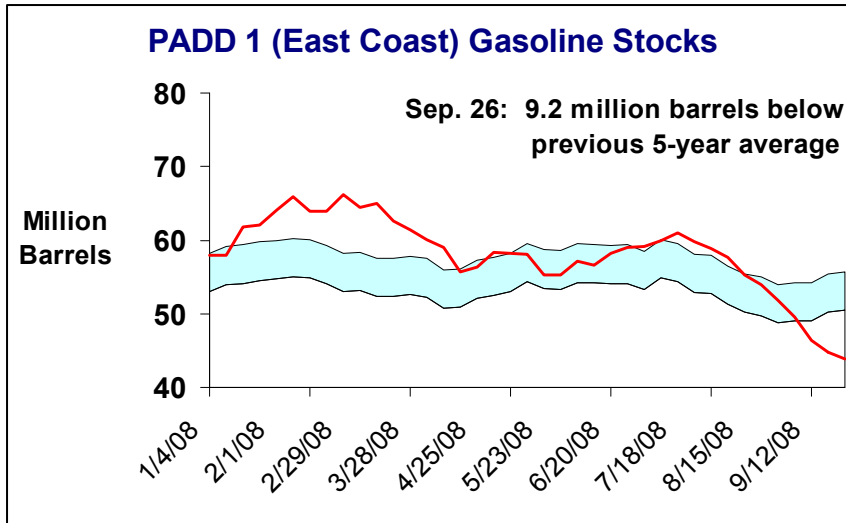


# *Multiple and hard-to-predict uncertainties drive the oil market forecast.*

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# Gasoline inventories are low.



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

***Retail heating oil prices are projected to average about 50 cents per gallon higher than last winter.***

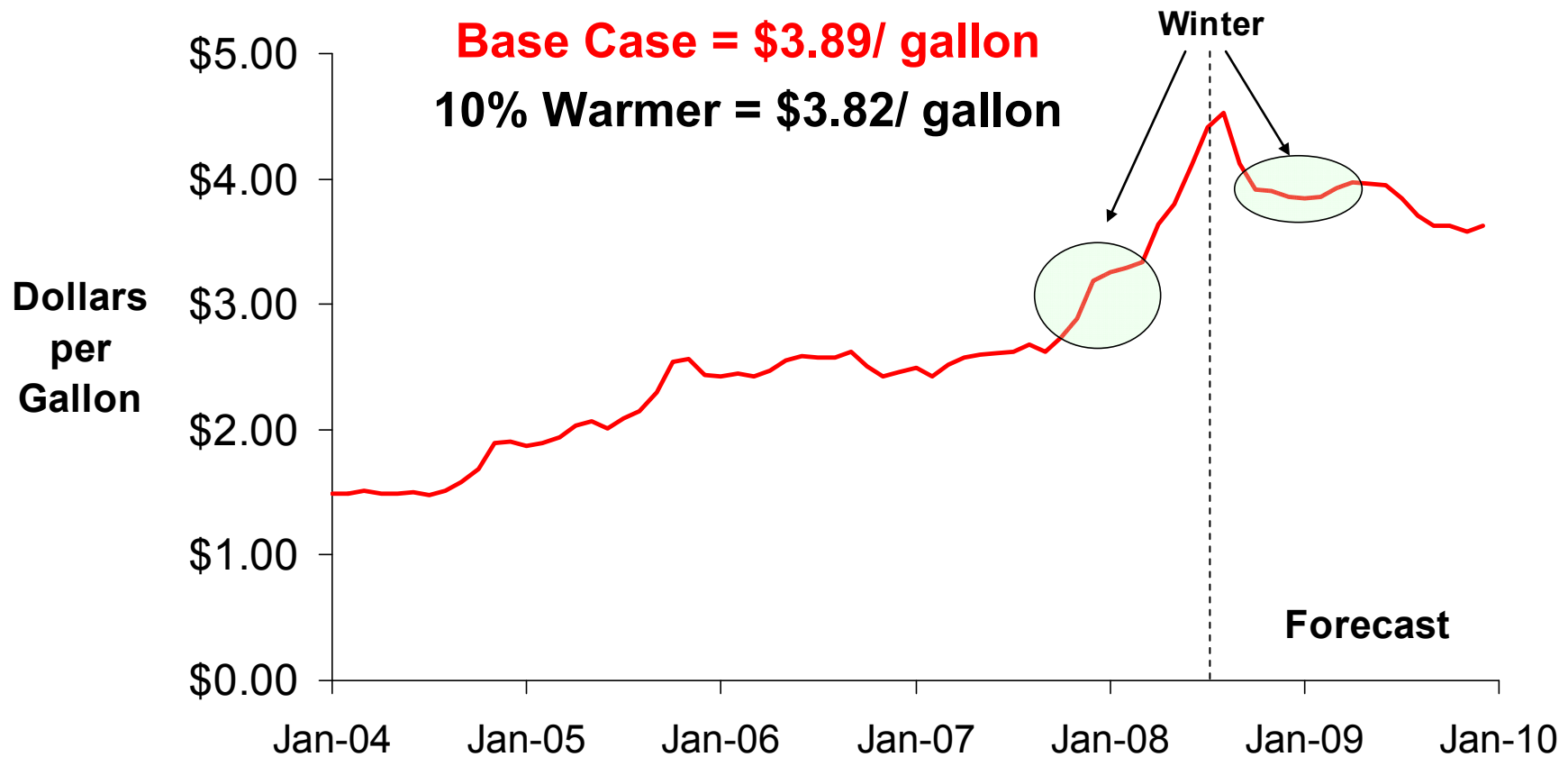
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**October 2008 – March 2009 Average**

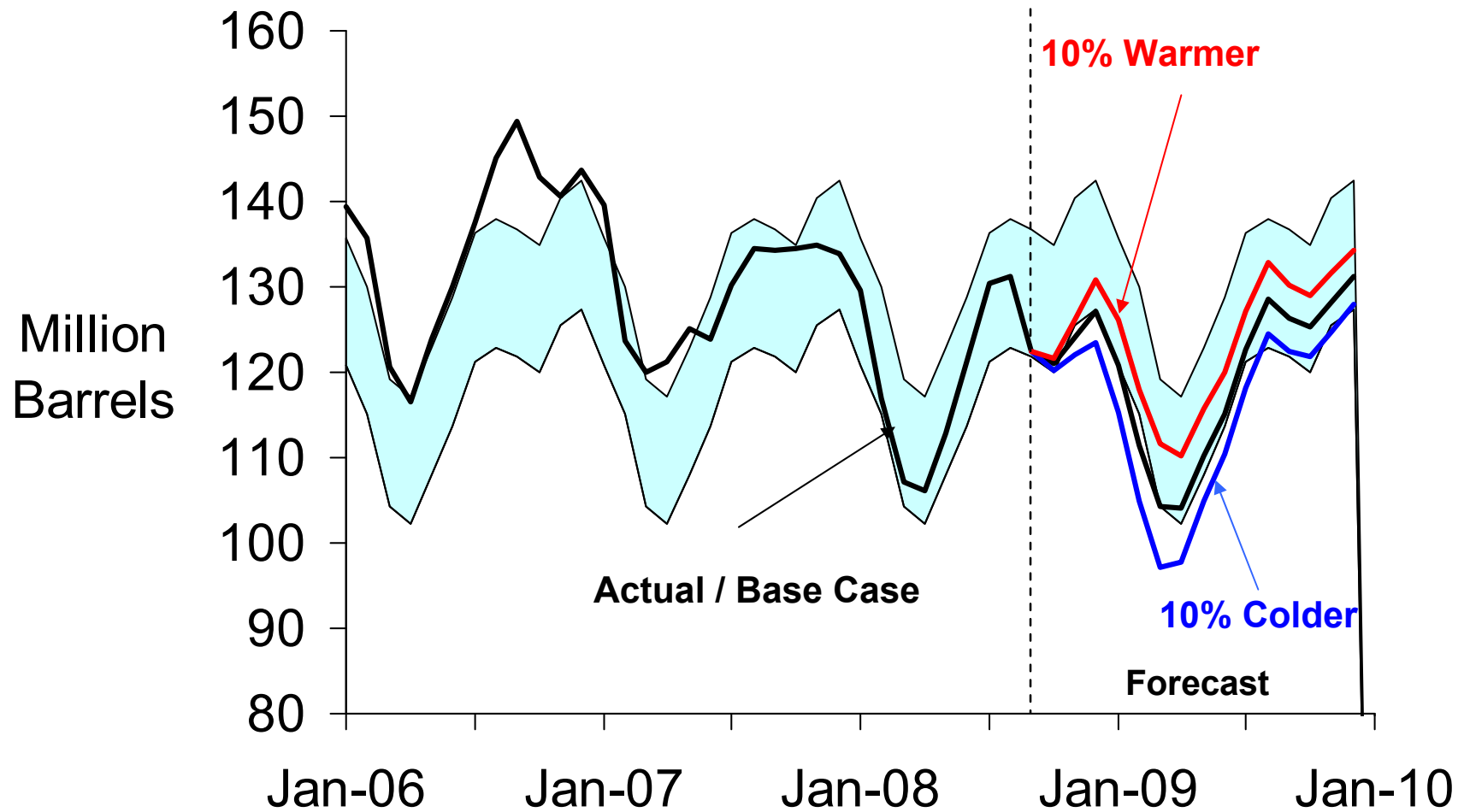
**10% Colder = \$3.98/ gallon**

**Base Case = \$3.89/ gallon**

**10% Warmer = \$3.82/ gallon**

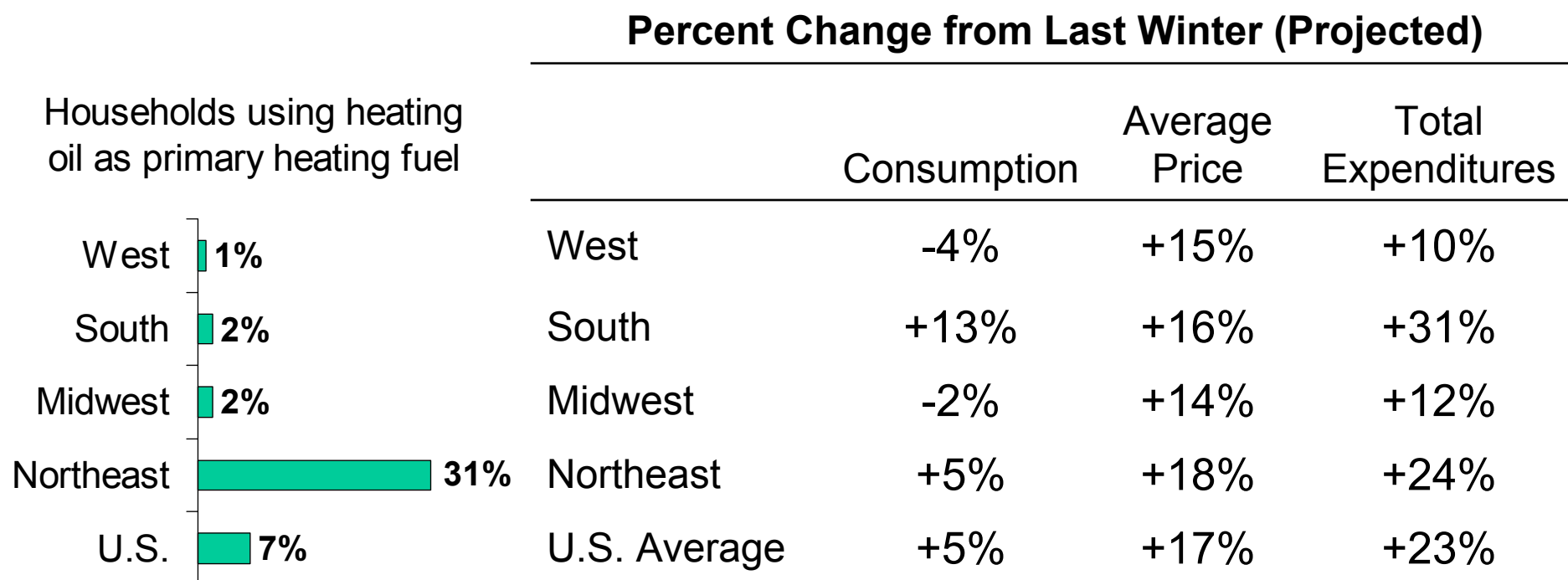


## ***Distillate inventories are low.***

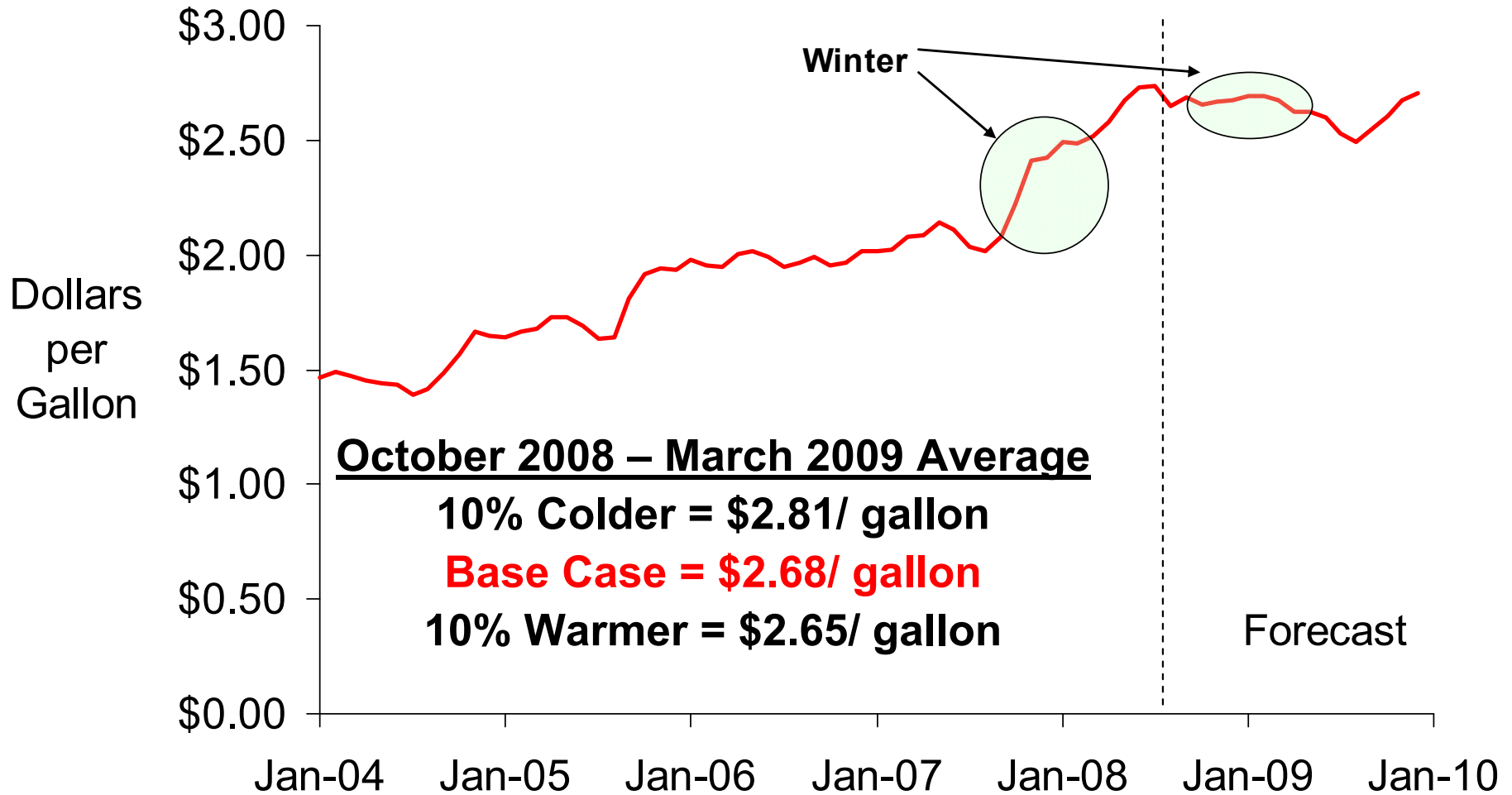


Colored bands represent "normal" range published in EIA, Weekly Petroleum Status Report.

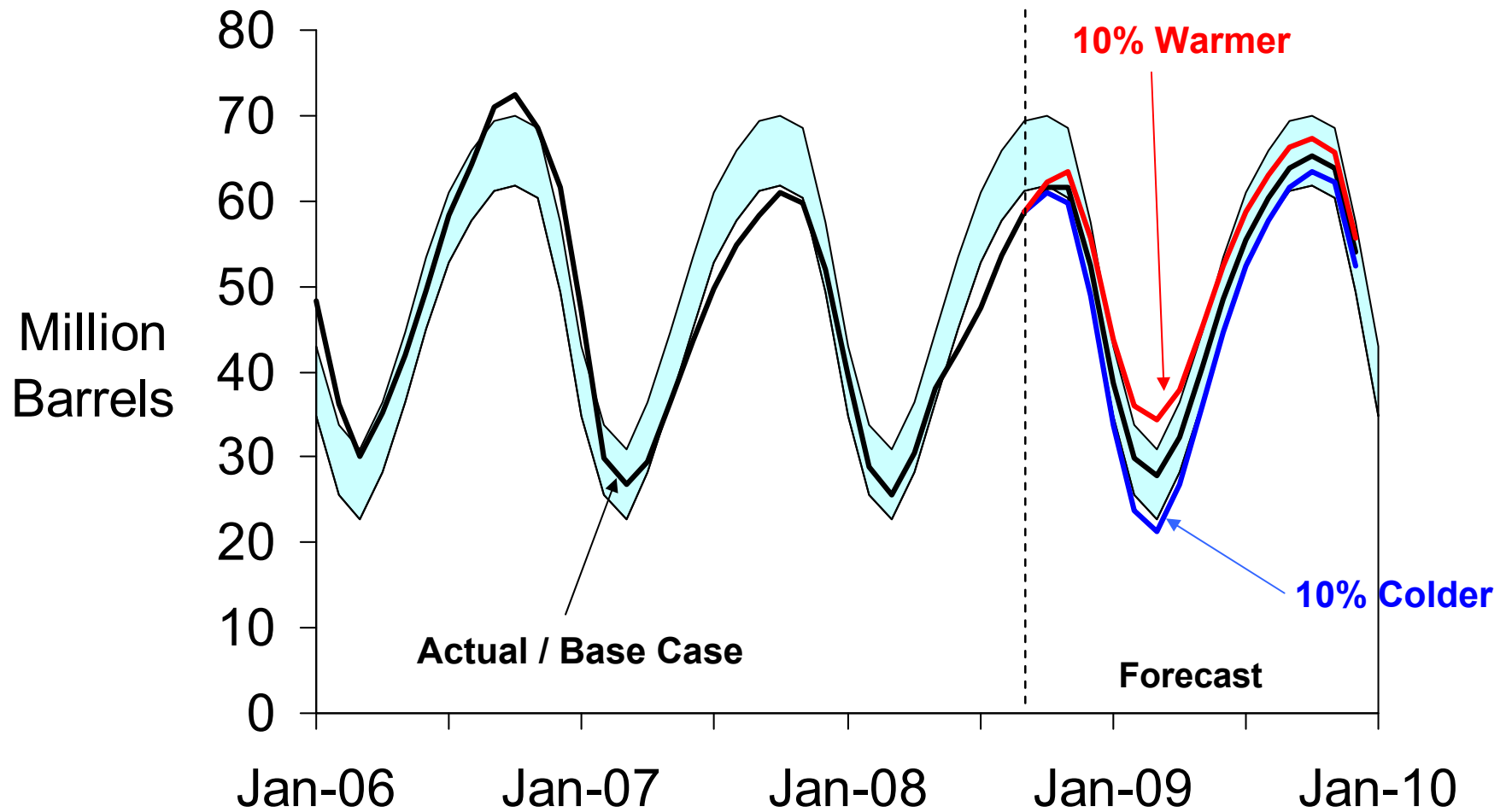
## ***U.S. winter heating oil expenditures projected to increase for all regions.***



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

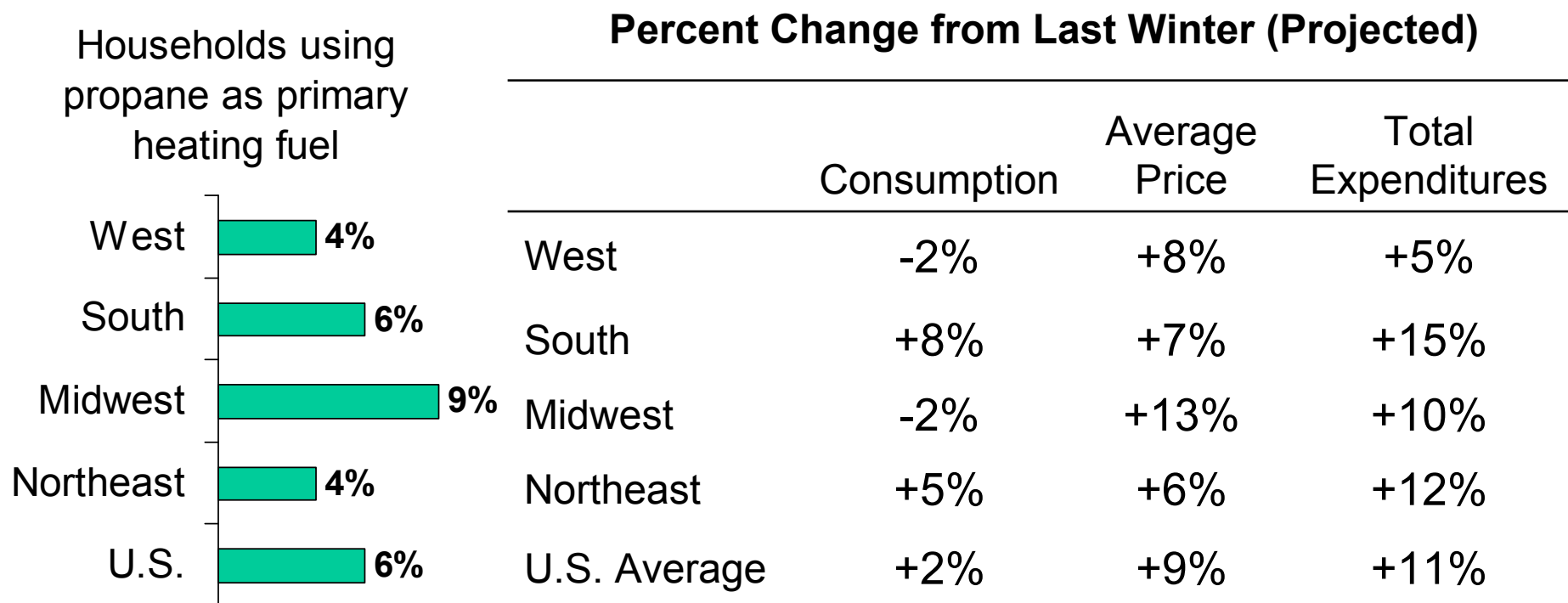


## ***Propane inventories are low.***



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

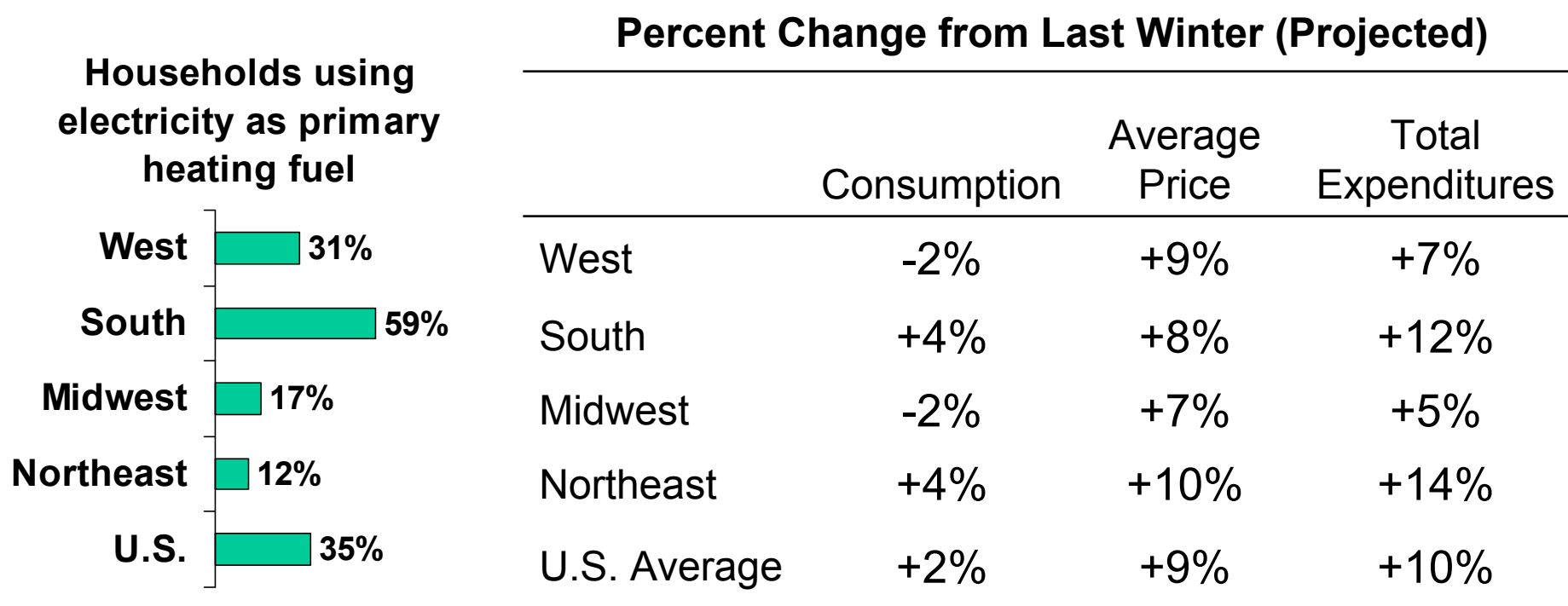
## ***Propane expenditures are projected to increase in all regions.***





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

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## ***Summary:***

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- **On average, U.S. households will pay about \$150 (15%) more for heating this winter.**
- **Higher expenditures are driven by higher fuel prices and weather-related increases in consumption.**
- **Under the baseline forecast, natural gas expenditures could be about \$155 (18%) higher for the average U.S. household this winter.**
- **Household heating oil and propane expenditures are projected to be about \$450 (23%) and \$190 (11%) higher this winter, respectively.**
- **Electricity expenditures are forecasted to be \$90 (10%) higher for the average U.S. household this winter.**
- **A weaker economy, with a significant downturn in U.S. and/or global economic activity, or warmer weather would reduce estimated expenditures. A colder winter could raise estimated expenditures somewhat from those of the base case weather scenario.**