

Energy Situation Analysis Report

Last Updated: January 16, 2003

Next Update: January 21, 2003

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Latest Oil Market Developments

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Latest U.S. Weekly EIA Petroleum Information

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) dropped by 6.4 million barrels last week, and are 42.1 million barrels below the level last year at this time and just above the Lower Operational Inventory level of 270 million barrels. Meanwhile product inventories continue to rise with distillate fuel inventories up 2.6 million barrels, and motor gasoline inventories up by 5.8 million barrels last week. Thus, distillate fuel inventories are now near the middle of the normal range for this time of year, while motor gasoline inventories are near the upper end of the normal range. [more...](#)

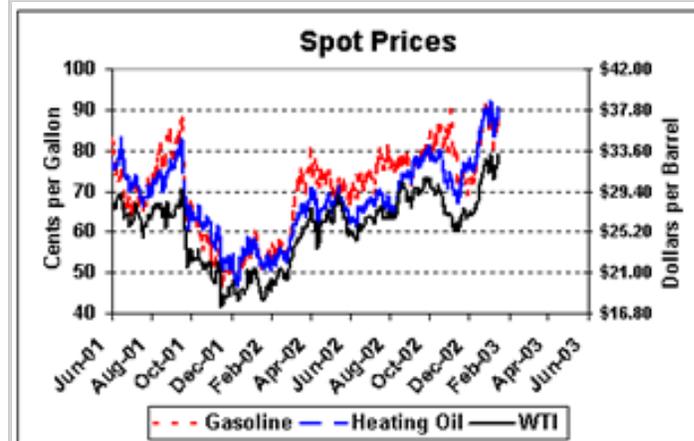
World Oil Market Highlights

According to February 2003 estimates, the world (excluding Iraq and Venezuela) holds between 2 and 2.5 million barrels per day of excess oil production capacity that could be brought online. February 2003 estimates incorporate the 1.5 million-barrel-per-day increase to the OPEC-10 production ceiling announced on January 12, 2003, as well as recent unrest in Venezuela. Nearly all of this "excess capacity" is located in OPEC member

Energy Prices*

Petroleum Futures (near month)	1/15/03	1/14/03	Change
WTI (\$/Bbl)	33.21	32.37	+0.84
Gasoline (c/gallon)	90.43	89.16	+1.27
Heating Oil (c/gallon)	90.86	89.16	+1.70
Natural Gas (\$/MMBtu)			
Henry Hub	5.22	5.25	-0.03
California	4.67	4.69	-0.02
New York City	7.46	7.81	-0.35
Electricity (\$/Megawatthour)			
COB	38.08	39.00	-0.92
PJM West	51.95	55.70	-3.75
NEPOOL	65.06	74.38	-9.32
Average	47.23	49.06	-1.83

[*Definitions](#)



countries. [more...](#)

Latest U.S. Weekly Natural Gas Information

Natural gas price movements have been mixed since last Monday, January 13, with most market locations showing gains of less than 10 cents per MMBtu or losses of up to 10 cents per MMBtu. Some extreme price fluctuations occurred in other markets, such as in the Northeast, where temperatures have reached their lowest levels so far this winter. At the NYMEX, the price of the futures contract for February delivery at the Henry Hub closed at \$5.430 per MMBtu yesterday (January 15), which is the highest price level for this contract, and the highest for a near-month contract since April 2001. Prices have climbed nearly 18 cents per MMBtu since last Monday. [more...](#)

Latest U.S. Coal Information

The average coal spot prices indexed by EIA began 2003 up 2.0% compared with the week ended December 20, 2002 (no new data were published for the Christmas holiday week). For the week ended January 10, 2003, those spot prices all remained unchanged. Compared to peak prices in summer 2001, Central and Northern Appalachian coal prices are lower by about \$16.50 and \$13.00 per short ton, respectively, or 35% and 33% lower. The largest difference in percentage is for the Powder River Basin coal prices, about half the late Spring 2001 peak price (down by \$6.45 per short ton, or 51%). [more...](#)

Latest U.S. Electricity Information

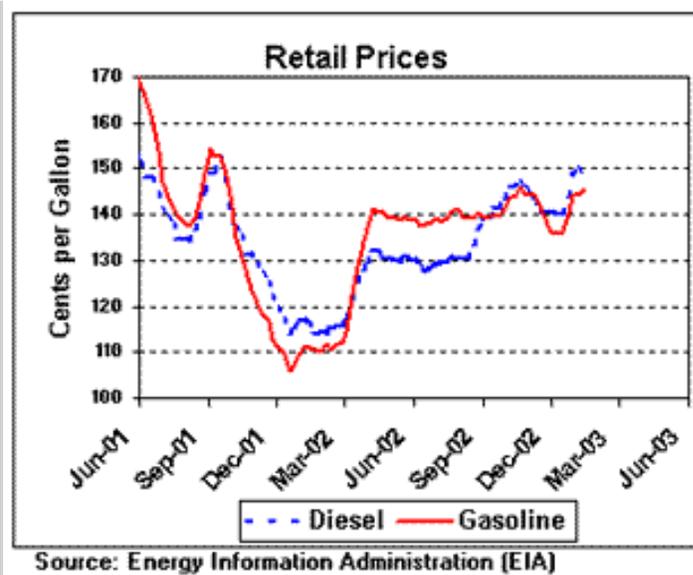
In the Western United States, spot electricity prices decreased for the past three trading days as warmer weather led to a decline in customer demand. At Mid-Columbia, a benchmark for the Northwest, prices fell to a seven-day low of \$36.57 per megawatthour on January 15 from a seven-day high of \$43 per megawatthour on January 10. In the Midwest, electricity prices increased on January 14 and then decreased slightly on January 15 as the cold temperatures prolonged high customer demand. In the Northeast, prices were generally lower the last three trading days with exception of New England. Over the past seven days, average prices at all trading centers ranged between \$42.86 and \$50.67 per megawatthour with an overall weekly average of \$46.52 per megawatthour. [more...](#)

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Contact:

Lowell Feld

lowell.feld@eia.doe.gov

Phone: Lowell Feld: (202) 586-9502

Fax: (202) 586-9753

URL: <http://www.eia.doe.gov/emeu/security/esar/archive/esararchive.html>

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Special Topic -- Basic Facts on Venezuela

(updated December 17, 2002)

Venezuela, OPEC's only member located in the Western Hemisphere, produced about 2.9 million barrels per day of oil (total liquids) on average during the first nine months of 2002, representing almost 4% of total world oil production. By November, Venezuelan crude oil production was an estimated 400,000 barrels per day above its quota level of 2.5 million barrels per day.

Venezuela has also been one of the 5 largest oil exporters in the world, with net exports averaging 2.4 million barrels per day through the first 3 quarters of 2002. Venezuela's has ranked consistently as the last several years as one of the four top sources of U.S. oil imports (along with Canada, Mexico, and Saudi Arabia). Venezuelan exports to the U.S. peaked in 1997 at about 1.8 million barrels per day. In 1997, Venezuelan imports accounted for over 17% of total U.S. imports, compared to 12% during the first nine months of 2002.

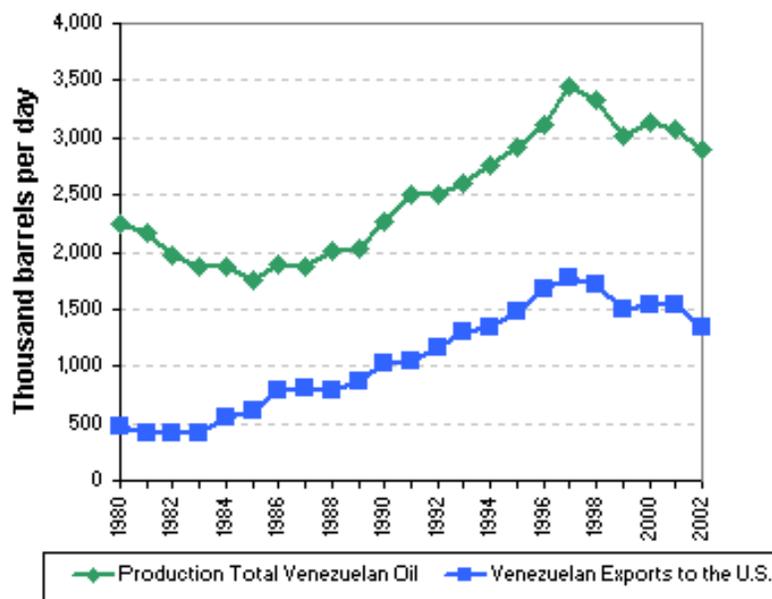
During the first nine months of 2002, oil from Venezuela supplied approximately 14% of U.S. net oil imports and ranked as the fourth largest source of U.S. oil imports (behind Canada, Saudi Arabia, and Mexico). The United States imported 1.5 million barrels per day of oil from Venezuela during this period. In addition to oil imported directly from Venezuela, the United States also imports oil products (i.e., motor gasoline, heating oil) refined in the Caribbean. The United States imports around 300,000 barrels per day of refined products from the Caribbean, of which roughly 200,000 barrels per day is refined from Venezuelan crude oil. Including this (see table), Venezuela supplies about 15% of U.S. net oil imports, about 15% of net gasoline imports, about 66% of net distillate imports, and about 276% of residual net fuel imports (total net residual fuel imports are small due to relatively high export volumes resulting in a large percentage).

Much of Venezuela's exports to the United States are destined for refineries operated by Citgo, a subsidiary of PdVSA, the Venezuelan national oil company. Over two-thirds of Venezuelan oil exports to the United States arrive at U.S. Gulf Coast facilities.

The U.S. East Coast region (Petroleum Administration for Defense District I, or PADD I) imported 238,000 barrels per day of oil from Venezuela. This represented approximately 8.5% of total PADD I net oil imports over that period. During the same nine months, U.S. PADD III (the Gulf Coast region) imported 1.1 million barrels per day of oil from Venezuela, making up approximately 19% of total PADD III net oil imports.

The U.S. Gulf Coast is particularly reliant on Venezuelan crude oil. During the first nine months of 2002, crude oil imports from Venezuela accounted for 21% of the Gulf Coast region's total crude oil imports. This compares to only 7% dependence

Venezuelan Oil Production and Exports, 1980-2002*



*Production and export data for 2002 are through September 2002. Production data includes both crude oil and other liquids. Export data include both crude oil and refined products.

on Venezuelan crude oil for the East Coast region. The reason for this difference is mainly that the Gulf Coast is a major crude oil refining center, while the East Coast is more of a consuming region.

For refined products, the East Coast receives 57% of its asphalt and road oil, 21% of its jet fuel, and 15% of its distillate imports from Venezuela. Apart from crude oil, the Gulf Coast relies on Venezuelan imports most heavily for naphtha and petrochemical feedstock (17%), unfinished oils (12%), and gasoline blending components (8%).

**Total U.S. Dependency on Venezuelan Crude Oil	2001			2002 (Jan-Sep)		
	Imports	% of Net Imports	% of Product Supplied	Imports	% of Net Imports	% of Product Supplied
Crude Oil *	1291	13.9%	8.5%	1201	13.4%	8.0%
Gasoline (incl. Blending components)	139	22.8%	1.6%	105	15.2%	1.2%
Distillate Fuel	100	44.5%	2.6%	72	66.2%	1.9%
Residual Fuel	80	76.9%	9.8%	43	275.6%	6.8%
Other Products	<u>158</u>			<u>167</u>		
Total Oil	1768	16.2%	9.0%	1588	15.4%	8.1%
* Crude oil product supplied is defined as crude oil refinery inputs.						
** Calculated using 100% of Venezuela imports, 50% of Virgin Island imports and 100% of Netherlands Antilles imports based on estimates on the share of Venezuelan crude oil used in these countries.						

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Contact:

Lowell Feld

lowell.feld@eia.doe.gov

Phone: Lowell Feld: (202) 586-9502

Fax: (202) 586-9753

URL: <http://www.eia.doe.gov/emeu/security/esar/latem.html>

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Latest Oil Market Developments

(updated January 16, 2003)

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Meanwhile, the general strike in [Venezuela](#), which has brought oil production in that country to a near halt, is now on its 46th day with no end in sight. Venezuelan President Hugo Chavez is scheduled to meet with U.N. Secretary General Kofi Annan today (1/16/03) in New York. Also, representatives from across the Western Hemisphere meeting in Quito, Ecuador, on Wednesday (1/15/03) began organizing the "Friends of Venezuela," designed to assist OAS President Cesar Gaviria in conflict resolution. Recent production estimates indicate that Venezuela is currently producing under 600,000 barrels per day, significantly less than its pre-strike production of approximately 2.9 million barrels per day.

In addition to Venezuela, oil prices have been pushed higher in recent weeks by continued fears that a war with Iraq could affect Middle Eastern oil supplies as well. Oil markets fear that if a war with Iraq were to occur while the stoppage in Venezuelan oil exports continued, this could push the world's spare oil output capacity (around 2.0-2.5 million barrels per day in February 2003, not including Iraq or Venezuela) to its limit. Nearly all of this "excess capacity" is located in OPEC member countries, particularly Saudi Arabia (1.3-1.8 million barrels per day), the UAE (around 300,000 barrels per day), Iran (50,000 barrels per day), and Kuwait (75,000 barrels per day). Outside of the Persian Gulf, the largest source of excess production capacity lies in Nigeria (75,000 barrels per day) and Algeria (50,000 barrels per day).

Other issues related to **world oil markets** include:

- Press reports from Thursday (1/16/03) indicate that U.N. weapons inspectors found 11 empty chemical warheads in an ammunition storage area 93 miles southwest of Baghdad. The inspection team has reportedly designated one more warhead for further investigation.
- Statements made by chief U.N. Weapons Inspector Dr. Hans Blix regarding Iraqi compliance with U.N. Security Council resolution 1441 have caused concern amongst traders. On Wednesday

(1/15/03) Dr. Blix said, "They have provided prompt access, been very cooperative in terms of logistics. But they need to provide evidence if we are to avoid any worse development." Later, after meeting with European Union officials in Brussels on Thursday (1/16/03), Dr. Blix commented on the accumulation of armed forces in the region and weapons inspections saying, "The other major option, as you know, is the one that we have seen taking shape in the form of armed action against Iraq." Dr. Blix will be in Baghdad with his colleague, Mohammed ElBaradei, Director of the IEA, on Sunday and Monday. Dr. Blix will next brief the Security Council on the findings of his inspection team on January 27, 2003.

- EIA reported Wednesday that U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) dropped by 6.4 million barrels last week, and are 42.1 million barrels below the level last year at this time and just above the Lower Operational Inventory level of 270 million barrels. EIA also reported a rise in product inventories, with distillate fuel inventories up by 2.6 million barrels, and motor gasoline inventories up by 5.8 million barrels last week, putting distillate fuel inventories near the middle of the normal range for this time of year and motor gasoline inventories near the upper end of the normal range. The American Petroleum Institute (API) reported a smaller drop in crude oil supplies of 3.3 million barrels for the week, as well as a slight decline in distillate inventories of 104,000 barrels. Low inventory levels has compounded price volatility in recent weeks.
- As of January 16, 2003, the [U.S. Strategic Petroleum Reserve \(SPR\)](#) contained 599.3 million barrels of oil. The SPR has a maximum drawdown capability of 4.3 million bbl/d for 90 days, with oil beginning to arrive in the marketplace 15 days after a presidential decision to initiate a drawdown. The SPR drawdown rate declines to 3.2 million bbl/d from days 91-120, to 2.2 million bbl/d for days 121-150, and to 1.3 million bbl/d for days 151-180.

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Contact:

Lowell Feld

lowell.feld@eia.doe.gov

Phone: Lowell Feld: (202) 586-9502

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Latest U.S. Weekly EIA Petroleum Information

(last complete update: January 16, 2003)

Petroleum Inventories

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) dropped by 6.4 million barrels last week, and are 42.1 million barrels below the level last year at this time and just above the Lower Operational Inventory level of 270 million barrels. Meanwhile product inventories continue to rise with distillate fuel inventories up 2.6 million barrels, and motor gasoline inventories up by 5.8 million barrels last week. Thus, distillate fuel inventories are now near the middle of the normal range for this time of year, while motor gasoline inventories are near the upper end of the normal range.

U.S. inventories of propane reported the largest weekly decline of the heating season last week, dropping by more than 3 million barrels just ahead of an arctic air mass that swept through most areas east of the Rockies. As of the week ending January 10, 2003, U.S. inventories stood at an estimated 47.6 million barrels, a level that continues to track within the average range for this time of year. Regionally, Gulf Coast inventories accounted for about two-thirds of the weekly stock draw with a nearly 2.0 million decline, followed by a 0.5 million-barrel drop in the Midwest and a 0.4 million-barrel decline in the East Coast during this same period. All regional inventories remain within their respective average ranges as of last week.

Petroleum Imports

U.S. crude oil imports (including imports going into the Strategic Petroleum Reserve) averaged 8.5 million barrels per day last week, up 200,000 barrels per day from the amount imported in the previous week. Crude oil imports have averaged 8.4 million barrels per day over the last four weeks, or about 400,000 barrels per day less than averaged during the same four-week period last year. Although the origins of weekly crude oil imports are very preliminary and thus not published, it appears that some crude oil from Venezuela continues to arrive into the United States. It appears that while crude oil imports from Venezuela continue to be much lower than normal, they have increased some over the last two weeks. Total motor gasoline imports (including both finished gasoline and gasoline blending components) averaged nearly 800,000 barrels per day last week, while distillate fuel imports averaged 400,000 barrels per day last week.

Preliminary monthly data on the origins of U.S. crude oil imports in November 2002 was recently released and it shows that four countries imported more than 1.4 million barrels per day of crude oil to the United States that month. The top sources of U.S. crude oil imports in November 2002 were Mexico (1.531 million barrels per day), Saudi Arabia (1.474 million barrels per day), Canada (1.453 million barrels per day), and Venezuela (1.438 million barrels per day). This is the first time since July 2002 in which Mexico was the leading source of U.S. crude oil imports. Rounding out the top ten sources, in order, were United Kingdom (0.632 million barrels per day), Nigeria (0.556 million barrels per day), Angola (0.390 million barrels per day), Norway (0.388 million barrels per day), Iraq (0.380 million barrels per day), and Kuwait (0.230 million barrels per day). Of the 9.529 million barrels per day of crude oil imported into the United States during the month of November 2002, the top four countries accounted for 62% of these imports, while the top ten sources accounted for nearly 89% of all U.S. crude oil imports. Russian crude oil imports, after averaging at least 0.100 million barrels per day in the previous three months, averaged 0.085 million barrels per day, ranking 14th for the month (behind Colombia, Ecuador, and Gabon).

Refinery Inputs and Production

U.S. crude oil refinery inputs averaged over 15.0 million barrels per day during the week ending January 10, an increase of nearly 200,000 barrels per day from the previous week. Much of the increase was in PADD II (Midwest), with a small increase in PADD V (West Coast) nearly offsetting a similar decrease in PADD I (East Coast). Even with higher crude oil refinery inputs, motor gasoline and distillate fuel refinery production declined, although jet fuel refinery production increased.

Petroleum Demand

Total product supplied over the last four-week period averaged 19.9 million barrels per day, or about 4.5 percent more than the same period last year. Over the last four weeks, motor gasoline demand is up 2.9 percent, kerosene-jet fuel demand is up 11.2 percent, and distillate fuel demand is up 4.9 percent compared to the same four-week period last year.

Spot Prices (updated January 14)

The average world crude oil price on January 10, 2003 was \$28.77 per barrel, down \$0.26 per barrel from the previous week but \$9.22 per barrel more than last year. The spot price for conventional gasoline in the New York Harbor was 84.48 cents per gallon on Friday, January 10, down 5.30 cents per gallon from last week and 30.70 cents per gallon higher than a year ago. The spot price for No. 2 heating oil in the New York Harbor was 86.10 cents per gallon, 5.70 cents per gallon lower than last week and 32.65 cents per gallon more than last year.

Retail Gasoline and Diesel Fuel Prices (updated January 14)

The U.S. average retail price for regular gasoline rose for the fifth week in a row last week, increasing by 1.0 cent per gallon as of January 13 to end at 145.4 cents per gallon. This price is 34.3 cents per gallon higher than last year. Prices throughout most of the country were up, with the largest increase occurring in the Midwest, where prices rose 2.3 cents to end at 144.2 cents per gallon. The Gulf Coast was the only region that saw a price decrease, with

prices falling by 0.2 cent to end at 139.9 cents per gallon.

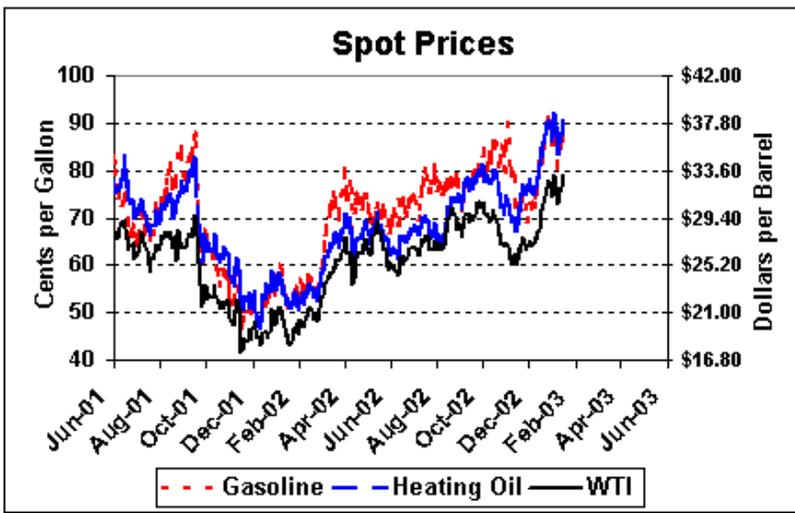
Retail diesel fuel prices decreased last week, falling to a national average of 147.8 cents per gallon as of January 13. Retail diesel prices were down throughout the country, with the largest price decrease occurring in the Midwest, where prices dropped 2.8 cents per gallon to end at 146.7 cents per gallon.

Heating Fuel Prices Show Modest Gains This Week

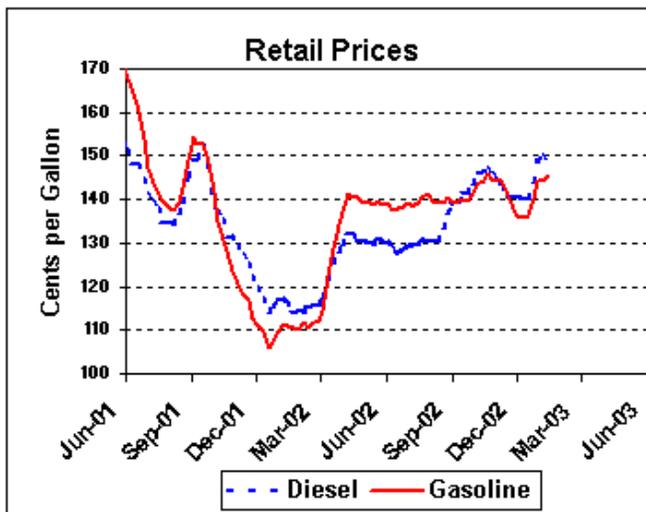
Residential heating fuel prices increased slightly for the period ending January 13, 2003. The average residential heating oil price was 143.1 cents per gallon, up 0.3 cent per gallon from the previous week. Residential propane prices also continued to move upward by 0.7 cent per gallon, rising from 126.8 to 127.5 cents per gallon. Heating oil prices are 26.5 cents per gallon higher than last year at this time while residential propane prices are 14.1 cents per gallon higher than one year ago. Wholesale heating oil prices decreased 6.3 cents per gallon this week, to 88.5 cents per gallon, while wholesale propane prices decreased from 62.9 to 62.0 cents a gallon, down 0.9 cent per gallon.

U.S. Petroleum Prices

(updated January 16, 2003)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

Crude Oil and Oil Products Price Table

Date	WTI Crude Oil		Gasoline		Heating Oil		Kerojet	Propane		EIA Weekly Retail	
	Spot	Futures	Spot	Futures	Spot	Futures	Spot	Spot	Spot	US Average	
	Cushing		NYH		NYH		NYH	Mt. Belvieu	Conway	Gasoline	Diesel
	\$/bbl	\$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
11/28/2002	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A		
11/29/2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
12/2/2002	\$27.27	\$27.24	72.77	74.39	77.80	77.39	78.20	48.57	49.19	136.4	140.7
12/3/2002	\$27.34	\$27.30	72.95	75.32	76.78	77.50	77.28	49.38	49.69		
12/4/2002	\$26.80	\$26.71	71.63	72.93	75.05	74.54	75.23	48.88	49.38		
12/5/2002	\$27.27	\$27.29	73.35	75.27	75.70	75.62	76.03	49.38	49.57		
12/6/2002	\$27.03	\$26.93	72.15	74.03	74.83	74.73	75.15	49.32	49.44		
12/9/2002	\$27.29	\$27.20	74.23	76.21	75.60	75.82	75.98	49.38	49.32	136.0	140.5
12/10/2002	\$27.73	\$27.74	76.25	78.87	76.35	77.19	76.70	49.38	49.32		
12/11/2002	\$27.49	\$27.40	74.83	77.39	76.45	76.87	77.20	49.94	50.38		
12/12/2002	\$28.20	\$28.01	77.72	80.71	78.50	79.25	78.93	51.69	51.88		
12/13/2002	\$28.39	\$28.44	80.88	83.95	80.85	81.56	81.23	52.13	53.13		
12/16/2002	\$30.15	\$30.10	84.56	87.85	84.58	85.64	85.05	54.00	54.19	136.3	140.1
12/17/2002	\$30.04	\$30.10	81.30	85.39	83.00	83.95	83.50	53.69	53.50		
12/18/2002	\$30.41	\$30.44	83.10	87.54	84.60	85.53	85.25	53.88	53.88		
12/19/2002	\$30.57	\$30.56	84.15	87.81	85.65	86.06	85.55	53.88	54.25		
12/20/2002	\$30.57	\$30.30	84.55	87.92	85.65	85.95	87.23	54.19	53.94		
12/23/2002	\$32.09	\$31.75	89.04	91.86	89.20	89.62	91.58	54.82	54.32	140.1	144.0
12/24/2002	\$32.13	\$31.97	89.85	92.77	89.65	90.49	91.83	54.82	54.32		
12/25/2002	NA	NA	NA	NA	NA	NA	NA	NA	NA		
12/26/2002	\$32.61	\$32.49	90.95	92.97	90.25	90.91	92.13	56.25	54.88		
12/27/2002	\$32.68	\$32.72	90.78	93.25	90.18	90.79	93.58	55.88	54.44		
12/30/2002	\$31.41	\$31.37	86.15	87.92	86.25	86.74	88.80	55.25	54.38	144.1	149.1
12/31/2002	\$31.21	\$31.20	85.10	86.48	87.20	86.55	89.30	53.94	53.25		
1/1/2003	NA	NA	NA	NA	NA	NA	NA	NA	NA		
1/2/2003	\$31.97	\$31.85	86.75	88.30	88.45	88.09	90.07	55.44	54.88		
1/3/2003	\$33.26	\$33.08	89.78	91.90	91.80	91.82	93.40	57.25	55.50		
1/6/2003	\$32.29	\$32.10	86.25	88.20	89.08	88.79	90.70	55.94	54.00	144.4	150.1
1/7/2003	\$31.20	\$31.08	81.75	84.18	84.95	84.88	86.58	54.82	52.50		
1/8/2003	\$30.66	\$30.56	80.25	83.51	83.46	83.21	84.21	54.44	52.69		
1/9/2003	\$31.95	\$31.99	86.98	89.25	87.28	87.50	88.03	55.50	53.63		
1/10/2003	\$31.59	\$31.68	84.48	87.19	86.10	86.53	86.75	55.50	53.75		
1/13/2003	\$32.08	\$32.26	86.03	89.90	87.78	88.38	89.13	56.63	54.00	145.4	147.8
1/14/2003	\$32.42	\$32.37	86.18	89.16	89.25	89.16	90.38	57.13	55.57		
1/15/2003	\$33.23	\$33.21	86.70	90.43	90.36	90.86	90.71	58.82	57.19		

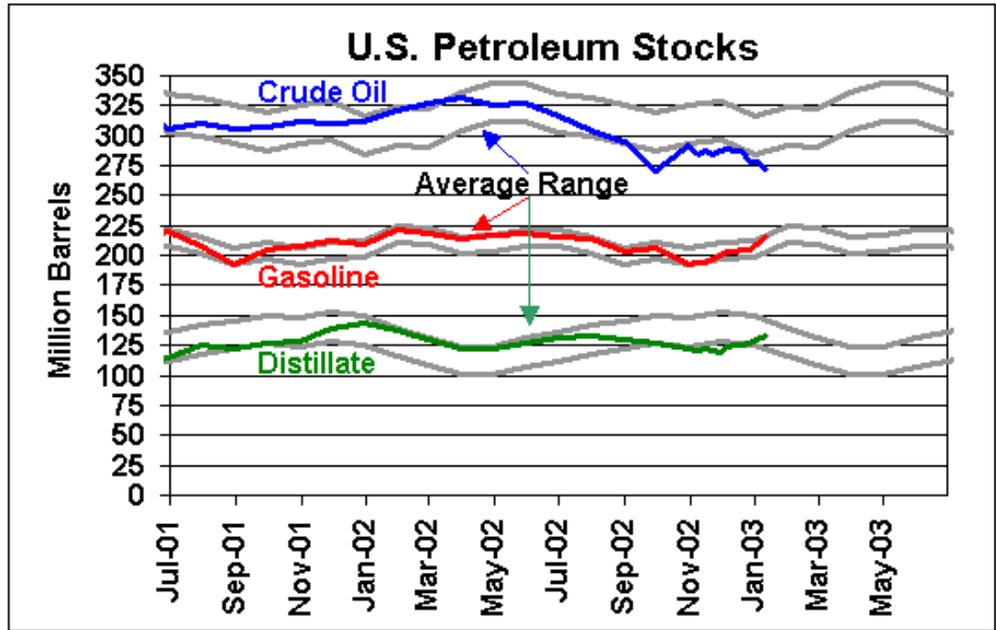
Source: Spot and futures closing quotes as reported by Reuters News Service, retail prices reported by EIA

U.S. Petroleum Supply

	(Thousand Barrels per Day)		Four Weeks Ending		vs. Year Ago	
			1/10/2003	1/10/2002	Diff.	% Diff.
Refinery Activity						
Crude Oil Input			14,880	14,613	267	1.8%
Operable Capacity			16,800	16,609	191	1.1%
Operable Capacity Utilization (%)			89.3%	89.3%	0.0%	
Production						
Motor Gasoline			8,677	8,246	431	5.2%
Jet Fuel			1,529	1,507	22	1.5%
Distillate Fuel Oil			3,850	3,666	184	5.0%
Imports						
Crude Oil (incl. SPR)			8,389	8,777	-388	-4.4%
Motor Gasoline			784	718	66	9.3%
Jet Fuel			115	97	18	19.1%
Distillate Fuel Oil			437	257	180	69.8%
Total			10,767	10,947	-180	-1.6%
Exports						
Crude Oil			10	12	-2	-14.4%
Products			980	1,018	-38	-3.7%
Total			990	1,029	-39	-3.8%
Products Supplied						
Motor Gasoline			8,700	8,452	248	2.9%
Jet Fuel			1,709	1,532	177	11.6%
Distillate Fuel Oil			3,872	3,691	181	4.9%
Total			19,922	19,057	865	4.5%

vs. Year Ago

Stocks (Million Barrels)			vs. Year Ago	
	1/10/2003	1/10/2002	Diff.	% Diff.
Crude Oil (excl. SPR)	272.3	314.4	-42.1	-13.4%
Motor Gasoline	215.6	213.4	2.2	1.0%
Jet Fuel	39.9	41.8	-1.9	-4.5%
Distillate Fuel Oil	132.3	142.6	-10.3	-7.2%
Total (excl. SPR)	951.3	1,036.4	-85.1	-8.2%



Source: Energy Information Administration, Weekly Petroleum Status Report, Petroleum Supply Monthly

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Contact:
 Doug MacIntyre
douglas.macintyre@eia.doe.gov
 Phone: Doug MacIntyre : (202) 586-1831
 Fax: (202) 586-9753

URL: <http://www.eia.doe.gov/emeu/security/esar/latpet.html>

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Definitions

Petroleum

WTI – West Texas Intermediate (for the purposes of this table, prices provided are near month futures price) Cushing OK.

Bbl – Barrel (42 gallons).

C's – cents.

Natural Gas

Henry Hub – A pipeline hub on the Louisiana Gulf coast. It is the delivery point for the natural gas futures contract on the New York Mercantile Exchange (NYMEX).

Electricity

COB – average price of electricity traded at the California-Oregon and Nevada-Oregon border.

Palo Verde - average price of electricity traded at Palo Verde and West Wing Arizona.

Average - average price of electricity traded at all locations.

World Oil Market Highlights

(updated January 16, 2003)

According to February 2003 estimates, the world (excluding Iraq and Venezuela) holds between 2 and 2.5 million barrels per day of excess oil production capacity that could be brought online. February 2003 estimates incorporate the 1.5 million-barrel-per-day increase to the OPEC-10 production ceiling announced on January 12, 2003, as well as recent unrest in Venezuela. Nearly all of this "excess capacity" is located in OPEC member countries.

Estimated OPEC Crude Oil Production ¹

(Thousand barrels per day)

	November 2002 Production	December 2002 Production	January 2003 Production	February 2003 Production	February 2003 Quotas ²	Production Capacity ³	February Spare Capacity ³
Algeria	950	1,000	1,050	1,050	782	1,100	50
Indonesia	1,100	1,050	1,025	1,025	1,270	1,050	25
Iran	3,500	3,580	3,600	3,700	3,597	3,750	50
Kuwait ⁴	1,940	1,970	2,000	2,125	1,966	2,200	75
Libya	1,350	1,350	1,350	1,370	1,312	1,400	30
Nigeria	2,010	2,050	2,100	2,225	2,018	2,300	75
Qatar	690	700	700	740	635	850	110
Saudi Arabia ⁴	8,100	8,100	8,200	8,700	7,963	10,000-10,500 ⁵	1,300-1,800 ⁵
UAE ⁶	2,010	2,040	2,050	2,200	2,138	2,500	300
Venezuela ⁷	2,905	1,100	600	600	2,819	600	0
OPEC 10 Crude Oil Total	24,555	22,920	22,675	23,735	24,500	25,750-26,250⁵	2,015-2,515⁵
Iraq ⁸	2,375	2,315	2,375	2,400	N/A	2,900	500
OPEC Crude Oil Total	26,930	25,430	25,050	26,135		28,650-29,150⁵	2,515-3,015⁵
Other Liquids ⁹	2,761	2,761	2,761	2,761			
Total OPEC Production	29,691	28,191	27,811	28,896			

NA: Not Applicable

1 Crude oil does not include lease condensate or natural gas liquids.

2 Quotas are based on crude oil production only.

3 Maximum sustainable production capacity, defined as the maximum amount of production that: 1) could be brought online within a period of 30 days; and 2) sustained for at least 90 days.

4 Kuwaiti and Saudi Arabian figures each include half of the production from the Neutral Zone between the two countries. Saudi Arabian production also includes oil produced from its offshore Abu Safa field on behalf of Bahrain.

5 Saudi Arabia is the only country with the capability to further increase its capacity significantly within 90 days. Saudi Arabia can increase its sustainable production capacity to 10 million barrels per day within 30 days and to 10.5 million barrels per day within 90 days. As a result, the estimates for Saudi Arabia are as shown as a range, with the lower figure using the 30 days' definition and the upper end reflecting Saudi Arabia's 90 days' capability. OPEC's surplus capacity estimates are also shown as a range for this reason.

6 The UAE is a federation of seven emirates. The quota applies only to the emirate of Abu Dhabi, which controls the vast majority of the UAE's economic and resource wealth.

7 Venezuelan capacity and production numbers exclude extra heavy crude oil used to produce Orimulsion. It has been estimated that it would take 4 months from the end of the current crisis for Venezuela to restore its pre-strike production capacity. Venezuelan production projections assume production remains at current levels.

8 Iraqi oil exports are approved by the United Nations under the oil-for-food program for Iraq established by Security Council Resolution 986 (April 1995) and subsequent resolutions. As a result, Iraqi production and exports have not been a part of any recent OPEC agreements.

9 Other liquids include lease condensate, natural gas liquids, and other liquids including volume gains from refinery processing.

Major Sources of U.S. Petroleum Imports, Jan.-October 2002*			
(all volumes in million barrels per day)			
	Total Oil Imports	Crude Oil Imports	Petroleum Product Imports
Canada	1.91	1.41	0.50
Saudi Arabia	1.53	1.50	0.03
Mexico	1.50	1.46	0.04
Venezuela	1.42	1.23	0.20
Nigeria	0.59	0.56	0.03
United Kingdom	0.46	0.39	0.08
Iraq	0.46	0.46	0.00
Norway	0.39	0.35	0.04
Angola	0.32	0.31	0.01
Total Imports	11.32	9.04	2.28

* Table includes all countries from which the U.S. imported more than 300,000 barrels per day of total oil in Jan.-Oct. 2002.

Top World Oil Net Exporters, Jan.-Oct. 2002*		
	Country	Net Exports (million barrels per day)
1)	Saudi Arabia	6.85

2)	Russia	5.03
3)	Norway	3.12
4)	Iran	2.47
5)	Venezuela	2.45
6)	United Arab Emirates	1.93
7)	Nigeria	1.85
8)	Mexico	1.68
9)	Kuwait	1.63
10)	Iraq	1.52
11)	Algeria	1.25
12)	Libya	1.20

**Table includes all countries with net exports exceeding 1 million barrels per day in Jan.-Oct. 2002.*

During the first ten months of 2002, about half of U.S. crude oil imports came from the Western Hemisphere (17% from South America, 17% from Canada, 13% from Mexico, 4% from the Caribbean), while 20% came from the Persian Gulf region (14% from Saudi Arabia, 4% from Iraq, 2% from Kuwait).

In general, OECD Europe depends far more heavily on the Persian Gulf and North Africa for oil imports than does the United States. Japan receives over three-quarters of its oil supplies from the Persian Gulf (mainly the UAE, Saudi Arabia, Kuwait, Iran, and Qatar) with the remainder coming from Indonesia, China, and other sources.

Having provided this information, it is important to stress that oil is a "fungible" (interchangeable, traded on a world market) commodity, that a disruption of oil flows anywhere will affect the price of oil everywhere, and that the specific suppliers of oil to a particular country or region are not of enormous significance, at least from an economic point of view.

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Contact:

Lowell Feld

lowell.feld@eia.doe.gov

Phone: Lowell Feld: (202) 586-9502

Fax: (202) 586-9753

URL: <http://www.eia.doe.gov/emeu/security/esar/esar.html>

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Latest U.S. Weekly Natural Gas Information

(updated January 16, 2003)

[Industry/Market Developments](#)

FERC Examines Standards For Natural Gas Price-Reporting: Federal Energy Regulatory Commission (FERC) staff raised the issue of questionable price indices in a discussion paper presented to the Commission during its regular weekly meeting yesterday (Wednesday, January 15). Staff asserted that the recent admissions by a number of marketing companies that employees had provided false price information to various industry publications raises doubts about the accuracy of gas prices published by these industry organizations. The FERC staff recommended that the Commission develop minimum price index standards that would have to be met before any set of prices could be used in new pipeline tariffs. Currently, published prices from various industry sources (e.g. Natural Gas Intelligence, Inside FERC) are used for pipelines' cash-out and penalty tariff provisions, and are often referenced in negotiated transportation contracts. In a larger context, staff pointed out that these published price indices are the basis for many physical and financial transactions throughout the industry, and are "central to the functioning of wholesale natural gas markets." The staff recommended four standards for price indices: (1) accuracy, (2) adequacy of coverage, (3) market liquidity information, and (4) verifiability. The Commission took no specific action at yesterday's meeting, but indicated that a technical conference would be arranged in the "not-too-distant future." "

[Storage](#)

Working gas in storage was 2,195 Bcf or 0.8 percent below the 5-year average for the week ending January 10, according to EIA's Weekly Natural Gas Storage Report. The implied net withdrawal was 136 Bcf, which is 16 Bcf more than the five-year average withdrawal for the week but 6 Bcf lower than the 142 Bcf pulled from underground storage last year.

All Volumes in Bcf	Current Stocks 1/10/2003	Estimated Prior 5-year (1998-2002) Average	Percent Difference from 5-Year Average	Implied Net Change from Last Week	One- Week Prior Stocks 1/3/2003
East Region	1,248	1,336	-6.6%	-85	1,333
West Region	329	280	17.5%	-13	342
Producing Region	618	596	3.7%	-38	656
Total Lower 48	2,195	2,213	-0.8%	-136	2,331

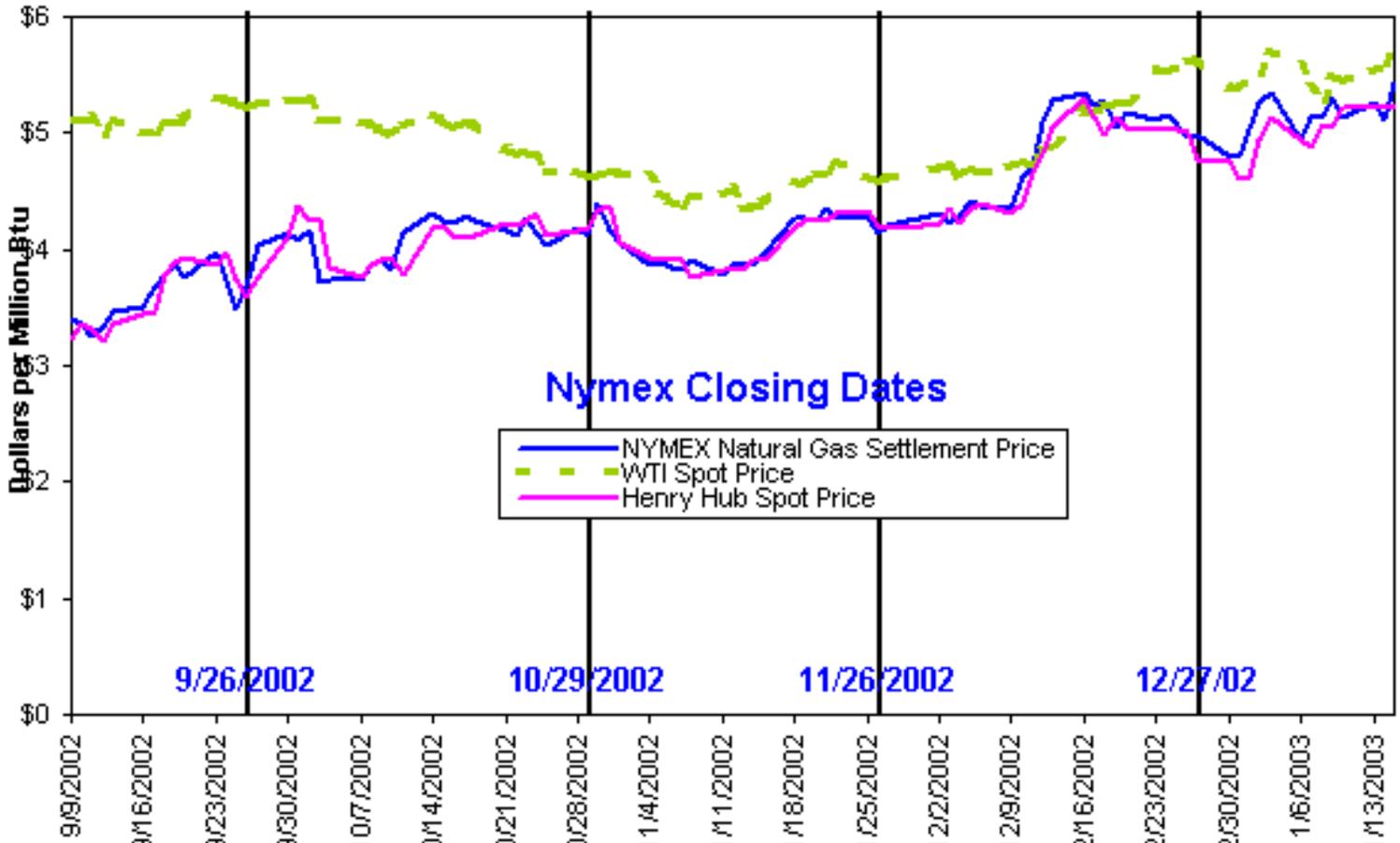
Source: Energy Information Administration: Form EIA-912, "Weekly Underground Natural Gas Storage Report," and the Historical Weekly Storage Estimates Database.

Prices:

Price movements have been mixed since last Monday, January 13, with most market locations showing gains of less than 10 cents per MMBtu or losses of up to 10 cents per MMBtu. Some extreme price fluctuations occurred in other markets, such as in the Northeast, where temperatures have reached their lowest levels so far this winter. At Tennessee Zone 6, prices hit \$8.85 per MMBtu on Tuesday and then fell to \$8.23 per MMBtu on Wednesday, which was the highest price in the nation. Elsewhere in the Northeast, prices declined by as much as 85 cents since last Monday.

At the NYMEX, the price of the futures contract for February delivery at the Henry Hub closed at \$5.430 per MMBtu yesterday (January 15), which is the highest price level for this contract, and the highest for a near-month contract since April 2001. Prices have climbed nearly 18 cents per MMBtu since last Monday.

NYMEX Natural Gas Futures Near-Month Contract Settlement Price, West Texas Intermediate Crude Oil Spot Price, and Henry Hub Natural Gas Spot Price



Note: The West Texas Intermediate crude oil price, in dollars per barrel, is converted to \$/MMBtu using a conversion factor of 5.80 MMBtu per barrel. The dates marked by vertical lines are the NYMEX near-month contract settlement dates.
 Source: NGI's *Daily Gas Price Index* (<http://Intelligencepress.com>)

<i>Trade Date (All prices in \$ per MMBtu)</i>	California Composite				NYMEX futures contract-February delivery	NYMEX futures contract-March delivery
	Average Price*	Henry Hub	New York City	Chicago		
12/17/2002	4.70	5.14	6.12	4.79	5.179	4.879
12/18/2002	4.61	4.98	5.56	4.72	5.249	4.949
12/19/2002	4.80	5.14	5.63	4.97	5.073	4.868
12/20/2002	4.80	5.05	5.69	4.96	5.203	5.000
12/23/2002	4.85	5.03	6.00	4.96	5.176	5.011
12/24/2002	4.85	5.03	6.00	4.96	5.209	5.039
12/26/2002	4.86	5.00	6.01	4.89	4.990	4.880
12/27/2002	4.58	4.78	5.39	4.71	5.022	4.892
12/30/2002	4.50	4.75	5.28	4.61	4.800	4.710
12/31/2002	4.29	4.60	5.44	4.55	4.789	4.692
1/2/2003	4.37	4.94	6.10	4.81	5.251	5.131
1/3/2003	4.55	5.13	6.26	5.01	5.344	5.220
1/6/2003	4.40	4.95	6.38	4.81	4.935	4.870
1/7/2003	4.41	4.89	6.11	4.75	5.127	5.047
1/8/2003	4.67	5.07	6.26	4.99	5.161	5.111
1/9/2003	4.53	5.05	6.79	4.98	5.304	5.229
1/10/2003	4.64	5.21	7.52	5.12	5.143	5.068
1/13/2003	4.64	5.22	7.86	5.14	5.251	5.172
1/14/2003	4.69	5.25	7.81	5.18	5.107	5.055
1/15/2003	4.67	5.22	7.46	5.16	5.430	5.355

* Average of NGI's reported average prices for: Malin, PG&E citygate, and Southern California Border Average.

Source: NGI's Daily Gas Price Index (<http://intelligencepress.com>)

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Contact:

Jim Thompson

james.thompson@eia.doe.gov

Phone: Jim Thompson : (202) 586-6201

Fax: (202) 586-4420

URL: <http://www.eia.doe.gov/emeu/security/esar/latng.html>

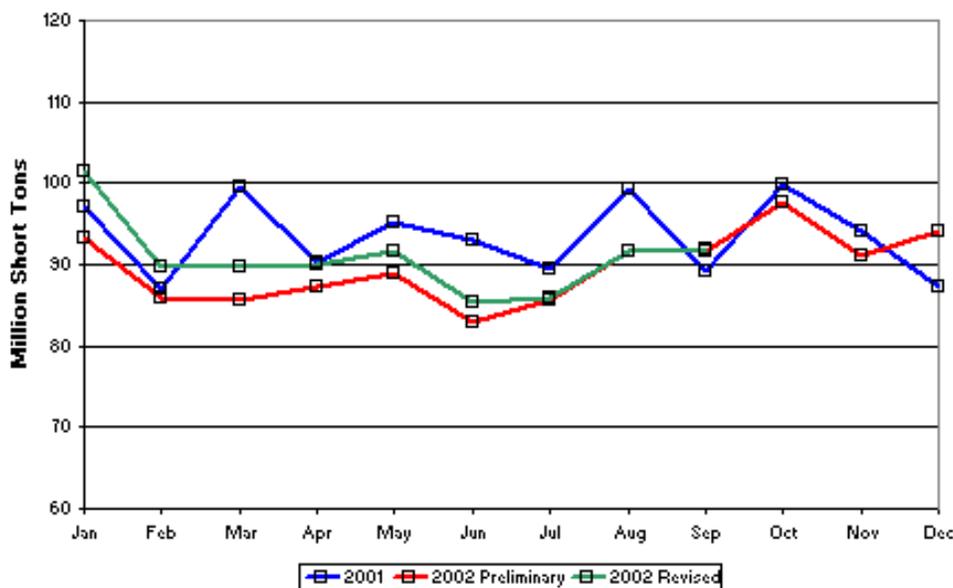
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Latest U.S. Coal Information

Coal Production (Updated January 16, 2003)

For the week ended January 11, coal-related statistics were lower than the same week in 2002. Railcar loadings of coal were 5.3% lower than year-ago levels and estimated national coal production was 7.3% lower. Year-to-date statistics (11.9% lower than last year) do not represent a trend. The period ending January 11 in 2002 included 8 work days versus 7 in 2003. The longer-term comparison, for the 52 weeks ended January 11, 2003, versus the 52 weeks ended January 12, 2002, shows estimated western U.S. coal production in the more recent period at 1.2% above the levels of a year earlier; estimated eastern U.S. coal production in the more recent period is 5.4% below the levels a year earlier. The estimated production for the 12 months of 2002 is 1,099.9 million short tons (mmst), 1.8% lower than the 1,121.3 mmst in 2001. This estimate incorporates coal production survey data of the Mine Safety and Health Administration through the third quarter 2002.

U.S. Monthly Coal Production

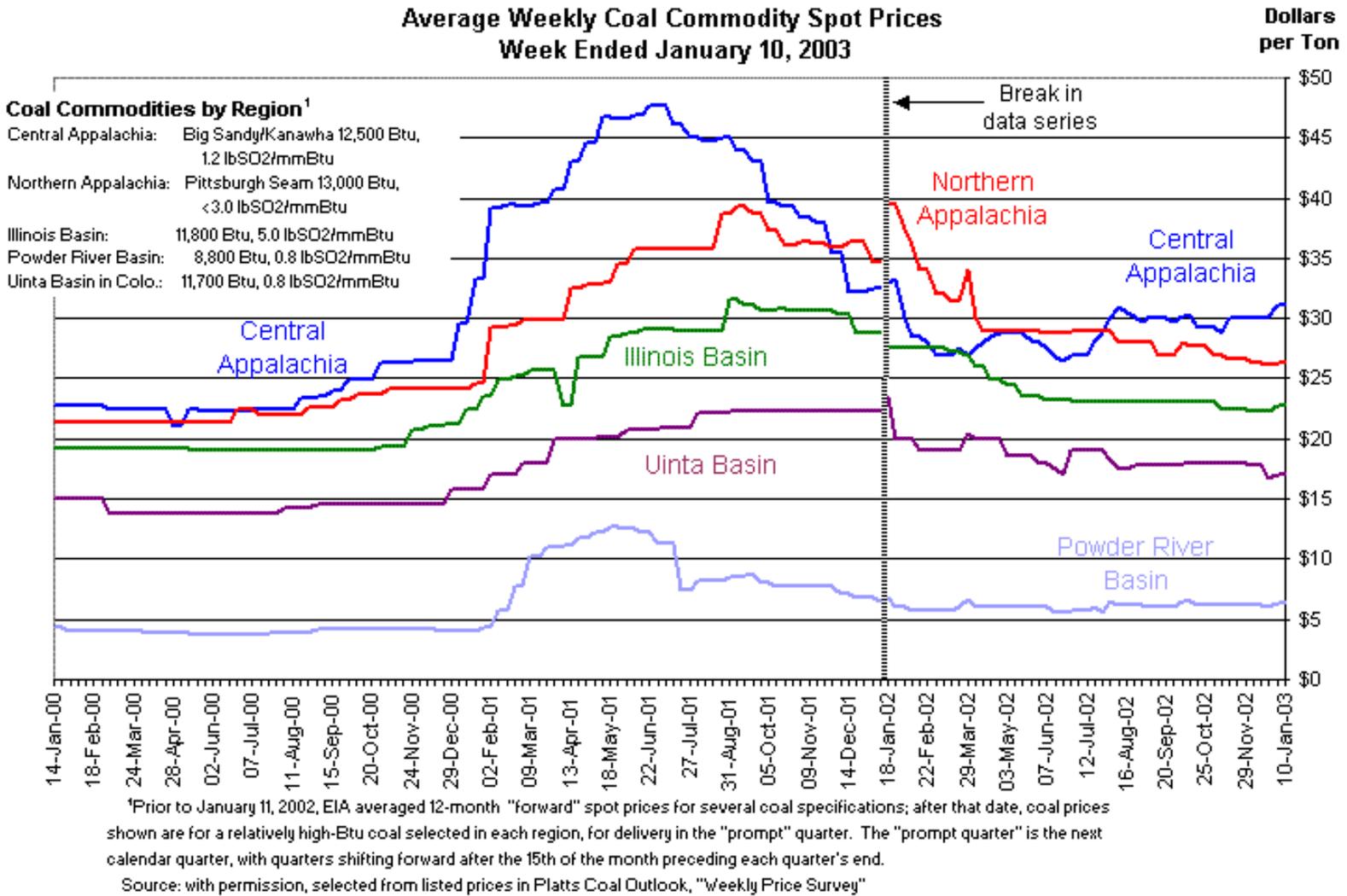


Coal Prices (Updated January 14, 2003)

The average spot prices indexed by EIA (plotted below) began 2003 up 2.0% compared with the week ended December 20, 2002 (no new data were published for the Christmas holiday week). For the week ended January 10, 2003, those spot prices all remained unchanged. It would be premature to speculate which direction they might move next. When these spot prices last changed, the Central Appalachian coal price gained \$0.85 per short ton, the Northern Appalachian indexed price inched up by ten cents and the Illinois Basin price gained \$0.50. The Powder River Basin prices advanced by twenty cents and the Uinta Basin price gained twenty-five cents. Compared to peak prices in summer 2001, Central and Northern Appalachian coal prices are lower by about \$16.50 and \$13.00 per short ton, respectively, or 35% and 33% lower. The largest difference in percentage is for the Powder River Basin coal prices, about half the late Spring 2001 peak price (down by \$6.45 per short ton, or 51%). Compared to previous price floors, in the summer of 2000, the latest EIA-indexed spot prices of \$31.10 per short ton for Central Appalachian and \$26.30 per short ton for Northern Appalachian coal are now higher by 40% and 23% respectively. Other prices also remain higher than the summer 2000 base: by 24% for the Uinta Basin, 19% for the Illinois Basin, and 68% for the Powder River Basin.

The weekly spot price survey done by Energy Argus Coal Daily, noted a "holiday lull" had settled over spot markets around

Christmas. "As expected, spot market activity in Central Appalachia and the Powder River Basin was extremely slow. . . resulting in little to no change in prices (Coal Daily, December 30, 2002). Like EIA's spot prices, indicators cited by commercial coal analysts have been mixed of late. Coal producers were encouraged that, as of December 20, over-the-counter prices for NYMEX look-alike coals (12,500 Btu/lb, 1% sulfur) rose from \$27.25 to \$29.50 per short ton during the month. Coal trade volumes reportedly had picked up also, and those looking for hopeful signals were pleased. The fact that NYMEX prices returned to \$30.00 per short ton for the prompt quarter also gave encouragement to coal sellers, along with completion of 160 trades during the prior 2 weeks (compared with virtually none). At the same time, fuel buyers are not concerned. The anecdotal information is that large coal-consuming power plants just did not need any coal at that point and that some of them had even sold excess inventory to other coal consumers. It would take a long spell of sub-zero temperatures to change their outlooks. There is reportedly evidence "that some utilities are opting to secure low-cost (natural gas) generating capacity as a hedge. . . instead of maintaining higher coal stockpiles" (Platts Coal Outlook, December 23, 2002: pp. 1, 6, 14).



Over-the-counter (OTC) trading volumes on the [NYMEX](#) since September 2002 have been the lowest since trade was initiated in coal in July 2001. The settled prices for near-month deliveries reached \$30.00 per short ton as of December 19 and remain there as of December 27, 2002, although no trades were transacted during Christmas week. That price holds for February and March deliveries then rises to \$31.25 per short ton for April through June 2003. Continuing tepid trade volumes, however, render OTC and NYMEX prices only marginally relevant.

Market Trends

Even though trade volumes are low overall, markets for medium- and high-sulfur coals continue to hold their shares during

2002. One reason is the low cost of emission allowances. The bottom-line costs for combustion and emissions using the higher-sulfur products can be less than burning compliance coal. According to Energy Argus' *Coal Daily* (December 9, 2002: p.7), for compliance coal, emitting 1.2 lbs of sulfur dioxide/mmBtu, for a \$28.35 per short ton spot price, 12,500 Btu/lb coal, the cost adjusted for purchased allowances would be \$30.32 per short ton. For the same heating value, a coal emitting 1.5 lbs of sulfur dioxide/mmBtu, spot priced at \$26.50 per short ton, the adjusted cost would be \$28.96 per short ton, while for the analogous coal emitting 2.0 lbs of sulfur dioxide/mmBtu, spot priced at \$24.75 per short ton, the bottom-line cost would be \$28.03 per short ton. Despite the forward-costs savings, not every coal-fired generator is in a position to use this strategy.

According to comments on third quarter performance by Peabody CEO, Irl Engelhardt, many customers were believed to be bringing stockpiles down to levels lower than historical norms. Arch Energy president and CEO, Steven Leer, voiced similar observations. Arch estimated that utility coal stocks were already in line with the same point in 1999, 2000, and 2001. "It is possible . . . that power producers are planning to operate with stockpiles at levels lower than the historical range," he said. If so, "the long run impact is likely to be a positive one for coal producers, as the market moves toward better overall supply-demand balance" (Coal Transportation Report, November 4, 2002). For much of 2002, however, broad problems have depressed the coal industry: the overall economy; failure or bankruptcies among independent power producers (IPPs) and online energy traders; low electricity prices and post-Enron credit problems for electric power producers; relatively low gas prices; operational expediencies of combined-cycle natural gas generators, which sometimes keep them online even when coal-fired dispatch would be cheaper; and reluctance of investors to finance new or innovative coal-based generation, with longer lead-times, greater capital requirements, and uncertain eventual environmental compliance costs.

Would-be buyers in the second half of 2002 found major coal producers generally unwilling to commit beyond existing contracts at current prices. With some eastern mines off line, supplies of eastern compliance coal reportedly remained tight and many buyers, either with a stockpile cushion or credit problems, delayed buys. Citing the high capital costs of opening new coal mines, Consol Energy disclosed on September 24, 2002, that the company does not intend to invest in new mines until contract coal prices in Appalachia go above \$30 per short ton and buyers are willing to commit to contracts longer than 2 or 3 years (Energy Argus *Coal Daily*, September 26, 2002). Meanwhile, stock market prices for energy trading companies and some utilities took heavy losses due to bankruptcy announcements and credit downgrades. One effect of these trends was a tightening of new capital, credit, and short-term cash for expansions as well as coal purchases and operating expenses. Concurrently, power plant operators delayed some of their fuel purchase due to continuing slack demand. The outlook for delayed growth in electricity demand is reflected in EIA's figures for [electricity generation capacity additions: 37.0 gigawatts delayed past 2002 and 5.5 gigawatts canceled](#). Most of that planned capacity was natural gas-fired. Coal-fired plants are similarly affected but not reflected in 2002 capacity changes because they are longer-term projects.

Coal Producer Issues

Energy Argus' *Coal Daily* (December 9, 2002) reported that some coal producers in the Colorado Plateau broke with suppliers trying to put a floor beneath coal prices. Citing continued lack of demand from Western utilities the report identified RAG Coal in Colorado and Andalex Resources in Utah as the rumored sources of low-priced coal. Energy Argus reported Green River Basin (Colorado) spot coal with 11,100 nominal Btu/lb dropping to \$12.00 per short ton, while the Uinta Basin 11,700 Btu product declined to \$15.00 per short ton. In Utah, the Uinta Basin coal dropped to \$17.00 per short ton. Energy Argus uses a different pricing index for spot coal than does EIA (EIA does not track Green River, lower-Btu coal). EIA's indexed spot Uinta coal in Colorado averaged \$17.80 per short ton for the week ended December 6.

Peabody Energy COO Richard Whiting commented at the American Coal Council's 20th annual Coal Market Strategies Conference in October 2002, that his company had moved away from the philosophy of producing as much coal as possible at all times, to tailoring production to meet demand. That is, they will be return-on-investment-driven rather than cash-flow driven. In the past few years, companies like Peabody and Consol used IPOs to raise money to pay down debt; now they are more focused on profitability. Mr. Whiting noted that productivity gains will inevitably flatten out. Peabody continues to push mining equipment vendors for better technology, but he was concerned about a lack of capital investment in the industry and about low rates of return. Meanwhile, some eastern coal producers grouched that some of their fellow producers were not being disciplined, and that they continue to produce unwanted coal at a time when the market is virtually nonexistent. The major problem for producers, however, has been too much "coal on the ground," (in consumers' stockpiles). Until cold weather takes hold in the East, with significant consumption of those stocks, buyers simply cannot justify contracting for more coal, even at bargain

prices. If consumer stocks were drawn down rapidly, however, producers hoped to get the \$30+ per short ton they have been seeking (*Coal Outlook*, November 18, 2002).

John Dean of JD Consulting displayed a graph at the Conference showing that productivity at Powder River Basin (PRB) high-Btu mines (8800 Btu/lb) peaked in 1998 and has declined since. This would reverse the general trend, as PRB productivity had been increasing for many years. An Arch coal speaker was pessimistic about the productivity outlook in both the East and West. Key factors are higher stripping ratios in the PRB as mines progress, thinner seams in the East, tighter environmental restrictions in the East, and the introduction of inexperienced new miners in the PRB. The one area he was optimistic about was northern Appalachia, where he said there is significant opportunity to increase output at the longwall mines by upgrading the conveyor systems that move coal out of the mines.

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Contact:

Bill Watson and Rich Bonskowski

william.watson@eia.doe.gov

richard.bonskowski@eia.doe.gov

Phone: Bill Watson: 202-287-1971; Rich Bonskowski: 202-287-1725

Fax: 202-287-1934

URL: <http://www.eia.doe.gov/emeu/security/esar/latcl.html>

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Latest U.S. Electricity Information

(updated January 16, 2003)

Selected Wholesale Electricity Prices: In the Western United States, spot electricity prices decreased for the past three trading days as warmer weather led to a decline in customer demand. At Mid-Columbia, a benchmark for the Northwest, prices fell to a seven-day low of \$36.57 per megawatthour on January 15 from a seven-day high of \$43 on January 10. At California's NP-15 and SP-15, prices decreased to seven-day lows of \$41.65 and \$42.40 per megawatthour on January 15 from seven-day highs of \$47.16 and \$47.92 per megawatthour on January 10, respectively. The region's other trading centers including California-Oregon Border, Palo Verde, Mead/Marketplace and 4 Corners experienced similar price decreases. Western electricity markets will be closed on Monday for observance of the Martin Luther King Jr. holiday.

In the Midwest, electricity prices increased on January 14 and then decreased slightly on January 15 as the cold temperatures prolonged high customer demand. In addition, higher natural gas prices also raised electricity prices. At the Cinergy Trading Center, prices rose to \$45.94 per megawatthour on January 14 from \$43.60 per megawatthour on January 13 and then dropped a little to \$45.49 per megawatthour on January 15. Similarly in the Southeast, prices increased on January 14 because the cold weather increased customer demand. The region's prices decreased on January 15 because generating supplies were adequate to meet the high customer demand. Prices within the SERC trading area went from \$43.41 per megawatthour on January 13 to \$43.62 on January 14 and then down to \$43.31 per megawatthour on January 15.

In the Northeast, prices were generally lower the last three trading days with exception of New England. At Nepoch, cold temperatures escalated customer demand and fuel costs for natural gas power plants. Prices increased to a seven-day high of \$74.38 per megawatthour on January 14 from \$68 on January 13 and then decreased to \$65.06 per megawatthour on January 15. More nuclear generation came on-line to help curb electricity prices on January 15. Entergy's Indian Point Unit 3 ran at full capacity along with many other plants in order to increase supplies. After reaching a seven-day high of \$92 per megawatthour on January 10, New York City's prices dropped to \$86.25 per megawatthour on January 15. At PJM West, prices decreased to \$51.95 per megawatthour on January 15 from a seven-day high of \$58.63 on January 10.

Over the past seven days, average prices at all trading centers ranged between \$42.86 and \$50.67 per megawatthour with an overall weekly average of \$46.52 per megawatthour.

U.S. Regional Electricity Prices at Major Trading Centers (Dollars per megawatthour)

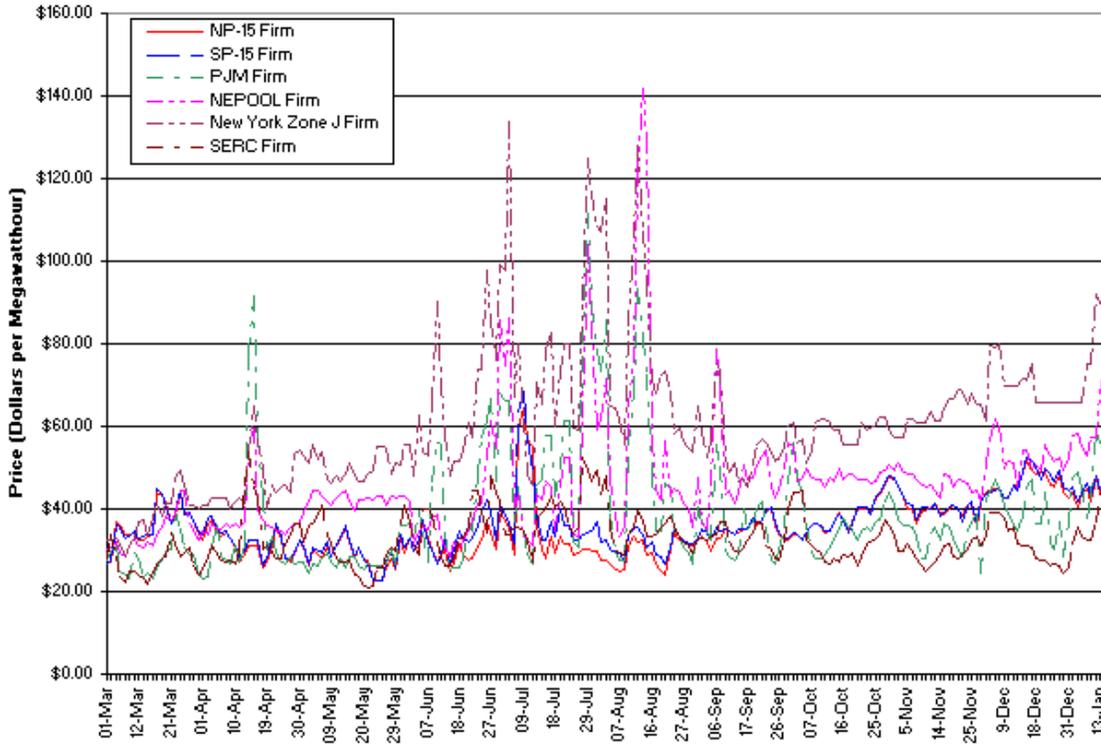
Trading Centers	Date							Price Range		
	1/7/03	1/8/03	1/9/03	1/10/03	1/13/03	1/14/03	1/15/03	Max	Min	Average
COB	41.25	41.25	40.00	45.50	40.88	39.00	38.08	45.50	38.08	40.85
Palo Verde	38.36	38.85	37.14	42.13	39.09	38.35	38.21	42.13	37.14	38.88
Mid-Columbia	38.46	40.36	38.00	43.00	38.52	37.40	36.57	43.00	36.57	38.90
Mead/Marketplace	41.55	41.46	41.13	45.00	41.85	40.83	39.93	45.00	39.93	41.68
4 Corners	38.45	39.17	37.13	42.11	39.31	38.50	37.81	42.11	37.13	38.93
NP 15	43.42	44.77	41.92	47.16	43.94	42.45	41.65	47.16	41.65	43.62
SP 15	43.78	46.21	43.11	47.92	44.72	43.30	42.40	47.92	42.40	44.49
PJM West	45.39	37.92	42.52	58.63	56.13	55.70	51.95	58.63	37.92	49.75
NEPOOL	55.00	53.00	57.31	57.15	68.00	74.38	65.06	74.38	53.00	61.41
New York Zone J	66.00	75.00	75.00	92.00	90.00	89.25	86.25	92.00	66.00	81.93
Cinergy	29.22	28.60	35.89	50.68	43.60	45.94	45.49	50.68	28.60	39.92
SERC	33.42	32.57	32.28	36.73	43.41	43.62	43.31	43.62	32.28	37.91
Average Price	42.86	43.26	43.45	50.67	49.12	49.06	47.23	50.67	42.86	46.52

Sources: COB, Palo Verde, Mid-Columbia, Mead/Market Place, Four Corners, NP-15, SP-15, PJM-West, NEPOOL, New York Zone J, Cinergy, and SERC trading centers. Used with permission from Bloomberg L.P. (www.bloomberg.com).

COB: Average price of electricity traded at the California-Oregon and Nevada-Oregon Borders.
Palo Verde: Average price of electricity traded at Palo Verde and the West Wing, Arizona.
Mid-Columbia: Average price of electricity traded at Mid-Columbia.
Mead/Market Place: Average price of electricity traded at Mead Market Place, McCullough and Eldorado.
Four Corners: Average price of electricity traded at Four Corners, Shiprock, and San Juan, New Mexico.
NP 15: Average price of electricity traded at NP 15.

- Four Corners:** Average price of electricity traded at Four Corners, Shiprock, and San Juan, New Mexico.
- NP-15:** Average price of electricity traded at NP-15.
- SP-15:** Average price of electricity traded at SP-15.
- PJM-West:** Average price of electricity traded at PJM Western hub.
- NEPOOL:** Average price of electricity traded at Nepool.
- New York Zone J:** Average price of electricity traded at the New York Zone J - New York City.
- Cinergy:** Average price of electricity traded into the Cinergy control area.
- SERC:** Average price of electricity traded into the Southeastern Electric Reliability Council.

Average Wholesale Electricity Prices in the U.S.



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Contact:
 William Liggett
william.liggett@eia.doe.gov
 Phone: William Liggett: (202) 287-1727
 Fax: (202) 287-1934

URL: <http://www.eia.doe.gov/emeu/security/esar/latel.html>

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