

Energy Situation Analysis Report

Last Updated: February 6, 2003

Next Update: February 11, 2003

[Energy Situation Analysis Report Archive \(PDF\)](#)

Latest Oil Market Developments

The West Texas Intermediate (WTI) near-month futures price on the New York Mercantile Exchange (NYMEX) rose by 75 cents per barrel on Wednesday, February 5, to close at \$33.93 per barrel. Prices had fallen in early trading on Wednesday, as U.S. Secretary Of State Colin Powell presented evidence to the United Nations Security Council of Iraqi non-compliance with previous U.N. resolutions. Later in the day, prices rose back to close higher. Weekly data released by EIA Wednesday showed sharp declines in U.S. stocks of gasoline and distillates, with heating oil stocks falling by 11% from the previous week's data. NYMEX crude oil futures continued to climb on Thursday, February 6, climbing 23 cents per barrel to close at \$34.16 per barrel. Spot prices for heating oil at New York Harbor rose sharply on Thursday, closing up 9 cents per gallon at \$1.13 per gallon. [more...](#)

Latest U.S. Weekly EIA Petroleum Information

The U.S. average retail price for regular gasoline rose for the eighth week in a row last week, increasing by 5.4 cents per gallon as of February 3 to end at 152.7 cents per gallon, the highest price since September 17, 2001. Residential heating fuel prices increased for the period ending February 3, 2003. The average residential heating oil price was 153.5 cents per gallon, up 3.8 cents per gallon from the previous week. Residential heating fuel prices have risen 27.9 cents per gallon since October 2002 and are 37.2 cents per gallon higher than last year at this time. [more...](#)

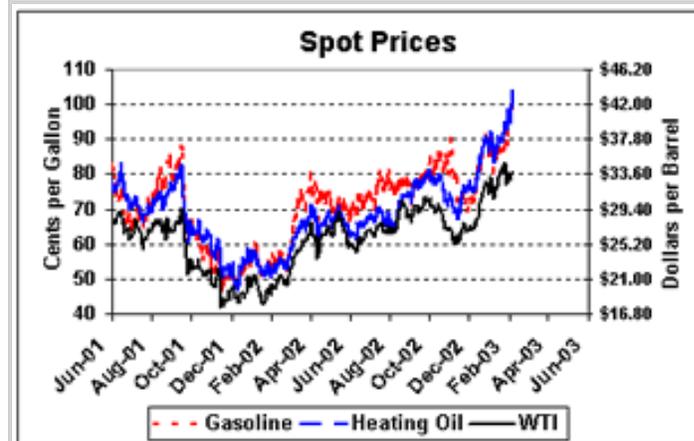
World Oil Market Highlights

According to February 2003 projections, 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 projections incorporate the 1.5 million-barrel-per-day increase to the

Energy Prices*

Petroleum Futures (near month)	2/5/03	2/4/03	Change
WTI (\$/Bbl)	33.93	33.58	+0.35
Gasoline (c/gallon)	103.15	100.06	+3.09
Heating Oil (c/gallon)	99.40	96.19	+3.21
Natural Gas (\$/MMBtu)			
Henry Hub	6.24	6.26	-0.02
California	5.27	5.24	+0.03
New York City	7.39	8.02	-0.63
Electricity (\$/Megawatthour)			
COB	49.12	48.25	+0.87
PJM West	65.50	54.63	+10.87
NEPOOL	66.63	64.13	+2.50
Average	56.56	53.70	+2.86

*Definitions



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. [more...](#)

Latest U.S. Weekly Natural Gas Information

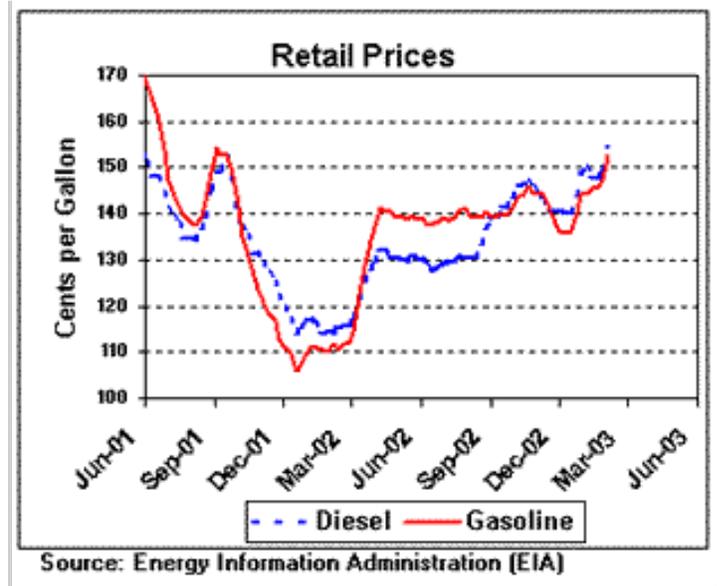
Natural gas spot prices climbed between \$0.50 and \$0.70 per MMBtu at most production-area trading locations since Monday, February 3. Despite a slight decrease of 2 cents per MMBtu yesterday (February 5), the Henry Hub spot price has gained about 9% since Monday to an average of \$6.24. Strong space-heating demand in the Mid-continent and parts of New England has supported prices well over \$6 in these regions. [more...](#)

Latest U.S. Coal Information

Coal futures trading volumes on the NYMEX became active this week as 30 near-month futures contracts were settled on Tuesday, February 4, and 10 more on February 5. This compares with only 65 trades during all of January. Settled prices for near-month (March) deliveries remained at \$30.00 per short ton, but rise to \$31.60 per short ton for deliveries in April through June 2003. For the third quarter, 24 trades were reported on Wednesday, at \$32.50 per short ton - 10 cents higher than on the previous day. In addition, 60 trades were reported for calendar year 2004 deliveries, at \$33.25 per short ton. [more...](#)

Latest U.S. Electricity Information

In the Western United States, spot electricity prices generally increased over the past two trading. Colder weather, higher natural gas prices, and a nuclear plant refueling outage contributed to the increase in electricity prices. At Mid-Columbia, a benchmark for the Northwest, prices went from a weekly low of \$37.93 per megawatthour on January 30 to a weekly high of \$46.75 on February 5. In the Northeast, prices were higher in New England and the Mid-Atlantic States for the last two trading days as declining temperatures caused customer demand to increase. At Nepoch, prices went up to \$66.63 per megawatthour on February 5 from a weekly low of \$56.20 on February 3. [more...](#)



[Signup for e-mail subscription](#)

[Archives](#)

[EIA Home](#)

[Contact Us](#)

Page last modified on undefined



Energy Situation Analysis Reports

Previous Energy Situation Analysis Reports
(PDF Version 4/17/02-present; HTML text only 10/10/01-4/16/02)

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>

*If you are having problems with this site, please contact the EIA Webmaster at
wmaster@eia.doe.gov*

Page last modified on undefined

[Back to the Current Energy Situation Analysis Report](#)

[E-Mail Subscription Lists](#)



Latest Oil Market Developments

(updated February 6, 2003)

The West Texas Intermediate (WTI) near-month futures price on the New York Mercantile Exchange (NYMEX) rose by 75 cents per barrel on Wednesday, February 5, to close at \$33.93 per barrel. Prices had fallen in early trading on Wednesday, as U.S. Secretary Of State Colin Powell presented evidence to the United Nations Security Council of Iraqi non-compliance with previous U.N. resolutions. Later in the day, prices rose back to close higher. Weekly data released by EIA Wednesday showed sharp declines in U.S. stocks of gasoline and distillates, with heating oil stocks falling by 11% from the previous week's data. NYMEX crude oil futures continued to climb on Thursday, February 6, climbing 23 cents per barrel to close at \$34.16 per barrel. Spot prices for heating oil at New York Harbor rose sharply on Thursday, closing up 9 cents per gallon at \$1.13 per gallon.

Mediation efforts have continued in an effort to resolve the general strike in [Venezuela](#), but without coming to an agreement. President Hugo Chavez said on Tuesday, February 4, that Venezuela is currently producing nearly 2 million barrels per day, while striking PdVSA employees said Wednesday that the country's production is around 1.3 million barrels per day.

In addition to Venezuela, where a general strike now in its 66th day has sharply curtailed oil production, oil prices have been pushed higher in recent weeks by falling commercial crude oil stocks in the United States and 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 expected by 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) and the UAE (around 300,000 barrels per day), both of which are located in the Persian Gulf region. Other countries believed to have small amounts (i.e., less than 100,000 barrels per day) of spare oil production capacity include Nigeria, Kuwait, Algeria, and Iran.

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

- The new Executive Director of the International Energy Agency (IEA), Claude Mandil, is to meet OPEC Secretary General Alvaro Silva in Vienna this Friday to discuss the condition of the world oil market.
- According to press reports, Venezuela loaded the first tanker chartered by a private foreign oil company since early December, when the current strike began. All other recent oil cargoes

departing from Venezuela had been on tankers chartered by PdVSA, its U.S. subsidiary Citgo, or the Cuban state-owned oil company, Cupet.

- An official of NYMEX stated on Wednesday that NYMEX does not plan to suspend after-hours trading in the event that a U.S.-led attack on Iraq were to take place during trading hours.
- As of February 6, 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.

File last modified: February 6, 2003

[Archives of past Energy Situation Analysis Reports are now available.](#)

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>

If you are having technical problems with this site, please contact the EIA Webmaster at wmaster@eia.doe.gov

Latest U.S. Weekly EIA Petroleum Information

(last complete update: February 6, 2003)

Petroleum Inventories

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) increased by 1.0 million barrels, but are 45.7 million barrels below the level last year at this time, and well below the lower end of the normal range for the end of January. Meanwhile, distillate fuel inventories plummeted by 10.3 million barrels, and are also now below the lower end of the normal range, as too are residual fuel inventories. Motor gasoline inventories fell by 3.4 million barrels last week and are now at or slightly below the normal range. Total commercial petroleum inventories, at 918.6 million barrels, are also below the lower end of the normal range.

The draw on U.S. inventories of propane posted a record 18.3 million barrels during January 2003, a level that surpassed the previous monthly record of 17.6 million barrels set during January 1994. Contributing to the all-time record stockdraw was last week's nearly 6.7 million-barrel decline that put U.S. inventories of propane at an estimated 32.3 million barrels as of the week ending January 31, 2003. January's extended cold spell sent U.S. inventories of propane plunging to a level at the lower limit of the average range as of last week. Regional stockdraws were strong in all the major propane consuming areas last week with inventories lower by 0.5 million barrels in the East Coast, followed by respective declines of 2.2 million barrels and 3.7 million barrels in the Midwest and Gulf Coast regions. While Midwest inventories continued to track within the respective average range last week, inventories in the East Coast moved down to a level below the average range, and the Gulf Coast inventories moved to the lower limit of the average range.

Petroleum Imports

U.S. crude oil imports (including imports going into the Strategic Petroleum Reserve) averaged 8.4 million barrels per day last week, a decline of 300,000 barrels per day from the previous week. Crude oil imports have averaged 8.6 million barrels per day over the last four weeks, or about 100,000 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. However, crude oil imports from Venezuela continue to be much lower than normal. Total motor gasoline imports (including both finished gasoline and gasoline blending components) averaged 700,000 barrels per day last week, while distillate fuel imports averaged 300,000 barrels per day.

Monthly data on the origins of U.S. crude oil imports in November 2002 has been released and it shows that four countries each 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), Canada (1.485 million barrels per day), Saudi Arabia (1.474 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 9.527 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 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 the top 10 countries mentioned above as well as Colombia, Ecuador, and Gabon).

Refinery Inputs and Production

U.S. crude oil refinery inputs continued to drop, averaging 13.8 million barrels per day during the week ending January 31, the first week it has averaged below 14 million barrels per day since the week ending October 11, 2002. Because of lower crude oil refinery inputs, refinery production of motor gasoline and jet fuel declined significantly, while distillate fuel production increased. .

Petroleum Demand

Total product supplied over the last four-week period averaged 20.1 million barrels per day, or about 4.9% more than the same period last year. Over the last four weeks, motor gasoline demand is up 5.0%, and residual fuel demand is up 15.7% compared to the same period last year. Distillate fuel demand last week averaged 4.9 million barrels per day, the highest weekly average ever, and is up 10.5% from a year ago over the last four weeks.

Spot Prices (updated February 4)

The average world crude oil price on January 31, 2003 was \$29.73 per barrel, down \$0.29 per barrel from the previous week but \$11.52 per barrel more than last year. The spot price for conventional gasoline in the New York Harbor was 95.60 cents per gallon on Friday, January 31, up 5.82 cents per gallon from last week and 38.87 cents per gallon higher than a year ago. The spot price for No. 2 heating oil in the New York Harbor was 95.83 cents per gallon, 1.08 cents per gallon higher than last week and 43.50 cents per gallon more than last year.

Average U.S. Retail Gasoline Price Rises Above \$1.50

The U.S. average retail price for regular gasoline rose for the eighth week in a row last week, increasing by 5.4 cents per gallon as of February 3 to end at 152.7 cents per gallon, the highest price since September 17, 2001. Increasing by a total of 16.7 cents per gallon over the last eight weeks, the average

retail price is 41.1 cents per gallon higher than last year. Prices throughout the country were up, with the largest increase occurring in the Midwest, where prices rose 6.5 cents to end at 152.4 cents per gallon. The smallest price increase occurred on the West Coast, where prices rose 4.0 cents.

Retail diesel fuel prices increased last week, rising to a national average of 154.2 cents per gallon as of February 3, the highest price since December 18, 2000. Retail diesel prices were up throughout the country, with the largest price increase occurring in the Midwest, where prices rose 6.0 cents per gallon to end at 153.2 cents per gallon, the highest price since September 17, 2001.

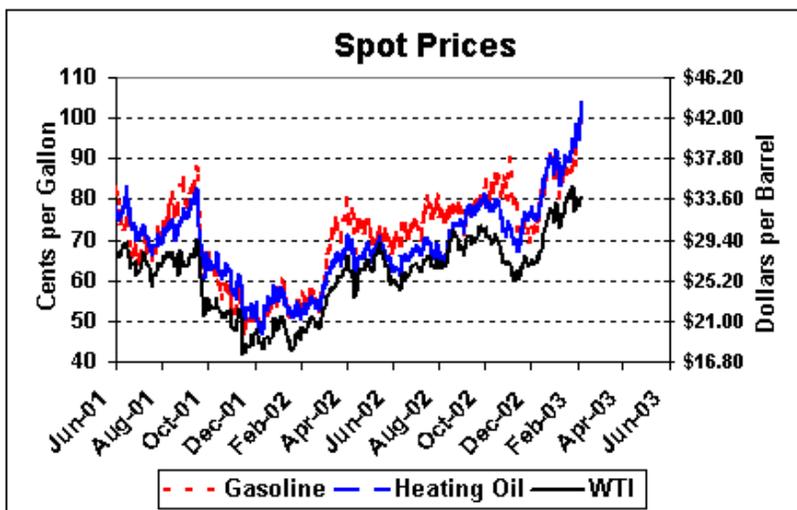
Residential Heating Fuel Prices Continue to Rise

Residential heating fuel prices increased for the period ending February 3, 2003. The average residential heating oil price was 153.5 cents per gallon, up 3.8 cents per gallon from the previous week. Residential heating fuel prices have risen 27.9 cents per gallon since October 2002 and are 37.2 cents per gallon higher than last year at this time. Wholesale heating oil prices increased 4.1 cents per gallon this week, to 102.1 cents per gallon.

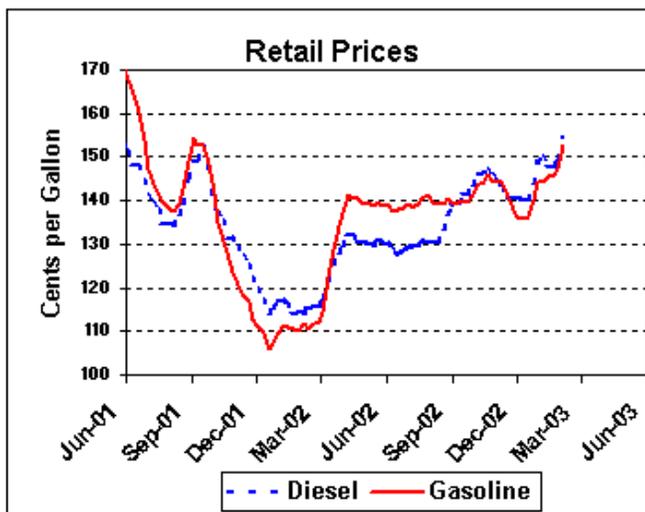
Residential propane prices increased 7.9 cents per gallon, from 135.9 to 143.8 cents per gallon. Residential propane prices have risen 31.6 cents per gallon since October 2002 and are 30.5 cents per gallon higher than one year ago. Wholesale propane prices also increased, rising 9.2 cents per gallon, from 69.6 cents to 78.8 cents per gallon.

U.S. Petroleum Prices

(updated February 6, 2003)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

Crude Oil and Oil Products Price Table

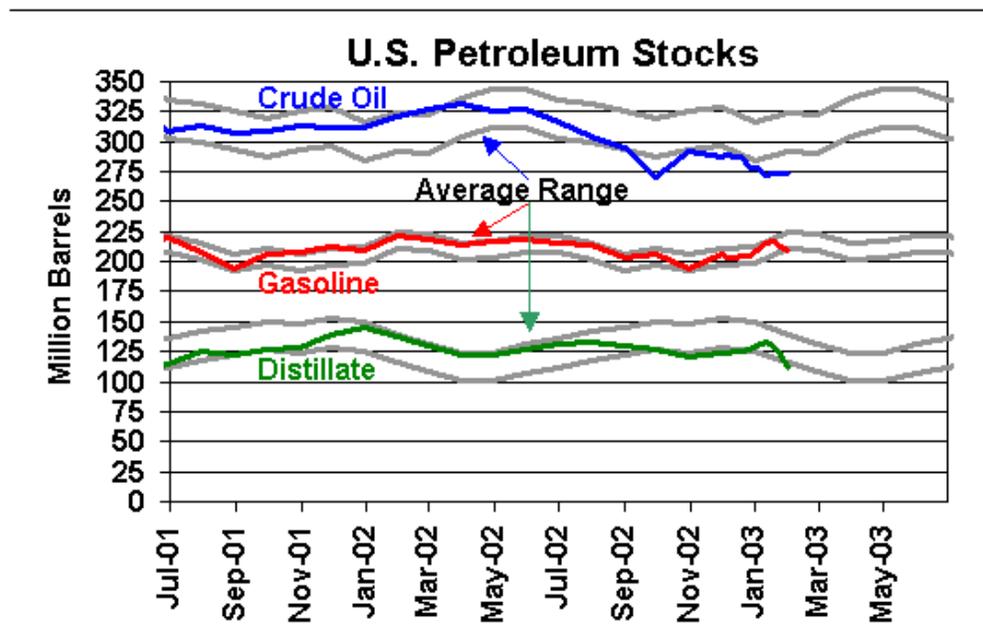
Date	WTI Crude Oil		Gasoline		Heating Oil		Kerojet	Propane		EIA Weekly Retail	
	Spot	Futures	Spot	Futures	Spot	Futures	Spot	Spot	US Average		
	Cushing		NYH		NYH		NYH	Mt. Belvieu	Conway	Gasoline	Diesel
	\$/bbl	\$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
12/19/2002	\$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		
1/16/2003	\$33.58	\$33.66	87.15	90.76	89.09	89.67	90.37	60.13	60.38		
1/17/2003	\$33.88	\$33.91	87.30	91.11	89.25	89.86	90.48	60.25	59.94		
1/20/2003	NA	NA	NA	NA	NA	NA	NA	NA	NA	145.9	148.0
1/21/2003	\$34.62	\$34.61	86.80	90.10	89.27	89.47	89.92	59.57	57.75		
1/22/2003	\$34.32	\$32.85	86.40	89.93	91.00	91.19	91.73	59.75	57.44		
1/23/2003	\$33.90	\$32.25	86.75	89.81	91.50	91.53	92.23	60.19	58.38		
1/24/2003	\$34.98	\$33.28	89.78	92.25	94.75	95.02	95.63	61.38	58.94		
1/27/2003	\$32.43	\$32.29	88.35	90.15	93.73	93.43	94.38	60.00	58.88	147.3	149.2
1/28/2003	\$32.70	\$32.67	90.95	92.72	93.00	93.04	93.60	68.25	61.25		
1/29/2003	\$33.54	\$33.63	95.59	97.13	96.73	97.13	96.75	77.00	64.69		
1/30/2003	\$33.78	\$33.85	97.05	98.69	98.08	98.05	98.48	71.38	64.88		
1/31/2003	\$33.51	\$33.51	95.60	97.56	95.83	95.88	96.33	72.38	65.57		
2/3/2003	\$32.84	\$32.76	94.69	95.68	94.85	91.81	96.55	65.38	65.25	152.7	154.2
2/4/2003	\$33.61	\$33.58	98.80	100.06	99.05	96.19	101.93	67.25	67.25		
2/5/2003	\$33.91	\$33.93	101.30	103.15	103.80	99.40	106.55	70.19	69.25		

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

Energy Situation Analysis Report

U.S. Petroleum Supply

(Thousand Barrels per Day)	Four Weeks Ending		vs. Year Ago	
	1/31/2003	1/31/2002	Diff.	% Diff.
Refinery Activity				
Crude Oil Input	14,428	14,453	-25	-0.2%
Operable Capacity	16,800	16,814	-14	-0.1%
Operable Capacity Utilization (%)	86.8%	87.4%	-0.6%	
Production				
Motor Gasoline	8,010	8,131	-121	-1.5%
Jet Fuel	1,494	1,477	17	1.2%
Distillate Fuel Oil	3,445	3,501	-56	-1.6%
Imports				
Crude Oil (incl. SPR)	8,573	8,646	-73	-0.8%
Motor Gasoline	730	685	45	6.6%
Jet Fuel	131	102	29	28.4%
Distillate Fuel Oil	345	292	53	18.2%
Total	10,900	10,847	53	0.5%
Exports				
Crude Oil	10	11	-1	-9.1%
Products	929	850	79	9.3%
Total	939	861	78	9.1%
Products Supplied				
Motor Gasoline	8,581	8,172	409	5.0%
Jet Fuel	1,591	1,585	6	0.4%
Distillate Fuel Oil	4,282	3,875	407	10.5%
Total	20,117	19,170	947	4.9%
Stocks (Million Barrels)				
	1/31/2003	1/31/2002	Diff.	% Diff.
Crude Oil (excl. SPR)	274.3	320.0	-45.7	-14.3%
Motor Gasoline	209.6	221.6	-12.0	-5.4%
Jet Fuel	40.9	41.4	-0.5	-1.2%
Distillate Fuel Oil	112.1	138.0	-25.9	-18.8%
Total (excl. SPR)	918.6	1,037.2	-118.6	-11.4%



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

File last modified: February 6, 2003

[Archives of past Energy Situation Analysis Reports are now available.](#)

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>

If you are having technical problems with this site, please contact the EIA Webmaster at wmaster@eia.doe.gov

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.

File last modified: January 16, 2003

[Archives of past Energy Situation Analysis Reports are now available.](#)

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>

If you are having technical problems with this site, please contact the EIA Webmaster at wmaster@eia.doe.gov



[Home](#) > [Energy Situation Analysis Report](#) > [Latest U.S. Weekly Natural Gas Information](#)

Latest U.S. Weekly Natural Gas Information

(February 6, 2003)

[Industry/Market Developments](#)

Pipeline Disturbance in the Midwest: A critical outage continues in effect along ANR Pipeline's Southwest Mainline upstream of its New Windsor Compressor Station in Illinois, according to a notice to shippers released on Wednesday (February 5). Late Sunday, February 2, a rupture occurred along the pipeline segment, which is located near Viola, Illinois. No injuries were reported as a result of the incident, and natural gas was rerouted, avoiding interruptions in service, according to the pipeline company. However, ANR has notified shippers that the availability of interruptible transportation may depend on firm service nominations. Determination of the cause of the rupture likely will not be possible until the results of metallurgical testing of the damaged section of pipeline are available. The ANR Pipeline Company, which is owned by El Paso Corporation, operates roughly 10,600 miles of pipeline serving the central United States with peak-day capacity of 6 billion cubic feet per day.

EIA Releases Report on the Role of LNG in the United States: The Energy Information Administration (EIA) has posted a feature article on its web site on the role of liquefied natural gas (LNG) in the natural gas industry titled U.S. LNG Markets and Uses. The article examines different aspects of LNG operations, paying particular attention to marine terminals, peak-shaving storage facilities, and facilities serving niche markets such as LNG as a vehicular fuel. LNG is natural gas that has been cooled to about minus 260 degrees Fahrenheit for shipment and/or storage as liquid. LNG imports are an important source of incremental supplies to the US. Also, LNG from storage is a key supply source for meeting the peak-day demands of local utilities, particularly in the Northeast. The report highlights the role of these LNG storage facilities, as well as proposed expansion plans at existing U.S. LNG import terminals and proposals for new import facilities.

[Natural Gas Storage](#)

Working gas in storage was 1,521 Bcf or 15.9 percent below the 5-year average for the week ending January 31, according to EIA's Weekly Natural Gas Storage Report. The implied net withdrawal was 208 Bcf, which is 97 Bcf more than the 5-year average withdrawal for the week. Withdrawals near the 5-year average for the remaining two months of the traditional heating season would result in inventories dipping to 890 Bcf by the end of March.

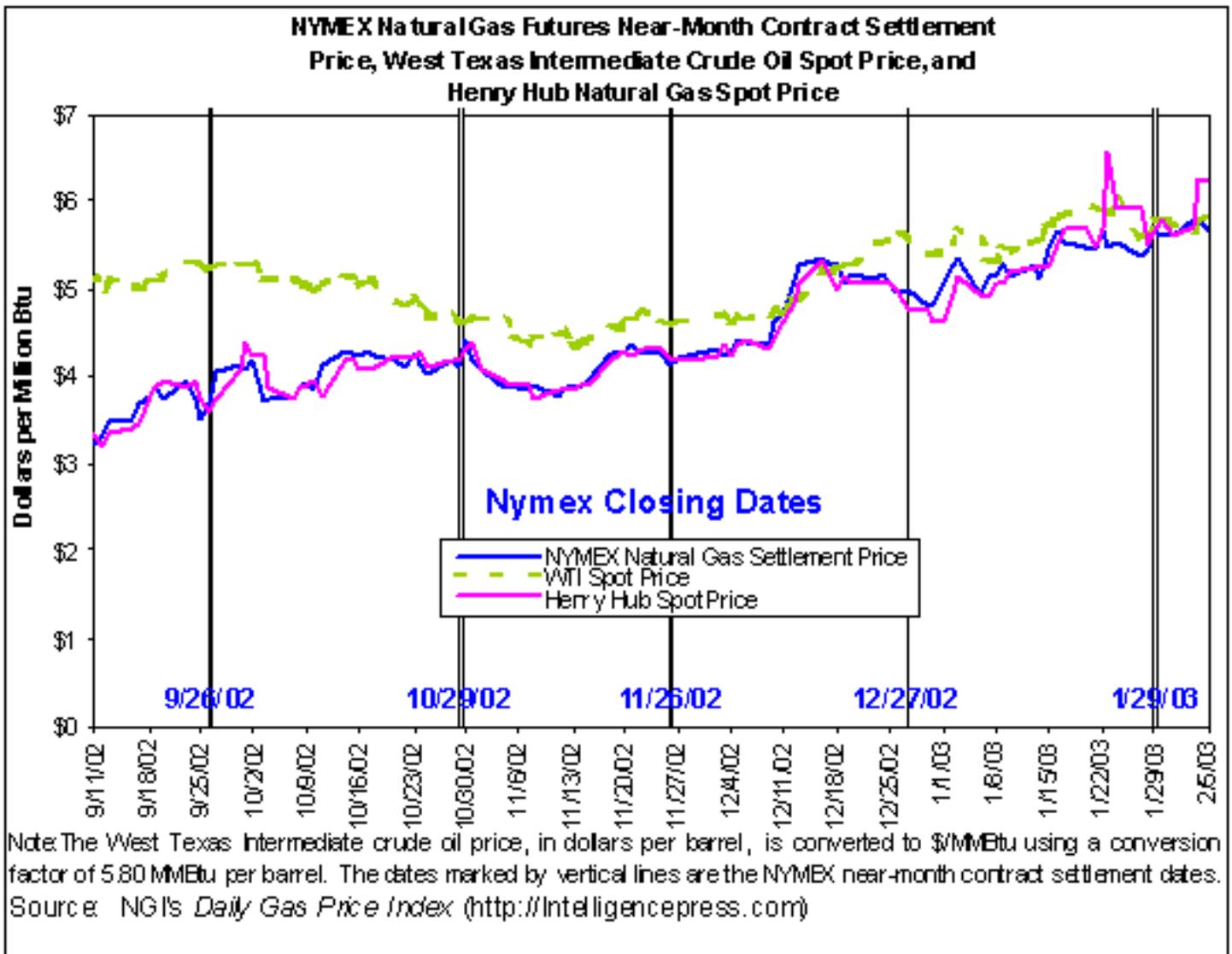
All Volumes in Bcf	Current Stocks 1/31/2003	Estimated Prior 5-year (1998-2002) Average	Percent Difference from 5-Year Average	Implied Net Change from Last Week	One- Week Prior Stocks 1/24/2003
East Region	805	1,063	-24.3%	-141	946
West Region	285	235	21.3%	-11	296
Producing Region	431	510	-15.5%	-56	487
Total Lower 48	1,521	1,808	-15.9%	-208	1,729

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

Prices:

Natural gas spot prices climbed between \$0.50 and \$0.70 per MMBtu at most production-area trading locations since Monday, February 3. Despite a slight decrease of 2 cents per MMBtu yesterday (February 5), the Henry Hub spot price has gained about 9 percent since Monday to an average of \$6.24. Strong space-heating demand in the Midcontinent and parts of New England has supported prices well over \$6 in these regions. The price for supply on El Paso Corp.-owned ANR Pipeline in Illinois jumped 61 cents per MMBtu to \$6.04, in part owing to concerns over transportations constraints following the rupture of a segment of the pipeline on Sunday (See Industry/Market Developments above). Price gains have been particularly large at Rockies trading locations. The spot price at Opal, Wyoming, climbed \$0.85 per MMBtu, or about 23 percent, to an average of \$4.55, while the spot price at the Cheyenne Hub in Wyoming gained \$1.10 per MMBtu to \$4.85. Markets in the Mid-Atlantic and New England still command the highest prices in the nation, at an average of \$7.37 yesterday, a gain of about \$1.01 per MMBtu since Monday.

At the NYMEX, the price for the March contract for delivery to the Henry Hub decreased slightly more than \$0.12 per MMBtu since Monday (February 3), but continues to trade near two-year highs. The March contract, which closed on Wednesday at \$5.644 per MMBtu, now trades at nearly a 40-cent premium to the final settlement price of this winter's January contract (usually the highest price contract of the season). The 12-month strip, or the average price for delivery over the next year, yesterday closed at \$5.137 per MMBtu, near a two-year high but down less than 1 cent on the day.



<i>Trade Date (All prices in \$ per MMBtu)</i>	California Composite Average Price*				NYMEX futures contract-March delivery	NYMEX futures contract-April delivery
	Henry Hub	New York City	Chicago			
1/8/2003	4.67	5.07	6.26	4.99	5.111	4.933
1/9/2003	4.53	5.05	6.79	4.98	5.229	5.029
1/10/2003	4.64	5.21	7.52	5.12	5.068	4.873
1/13/2003	4.64	5.22	7.86	5.14	5.172	4.930
1/14/2003	4.69	5.25	7.81	5.18	5.055	4.858
1/15/2003	4.67	5.22	7.46	5.16	5.355	5.067
1/16/2003	5.03	5.51	7.97	5.52	5.603	5.223
1/17/2003	5.11	5.68	9.55	5.70	5.503	5.148
1/21/2003	4.99	5.47	13.63	5.56	5.432	5.127
1/22/2003	5.14	5.68	19.05	5.90	5.608	5.233
1/23/2003	5.51	6.56	12.76	6.44	5.425	5.125
1/24/2003	5.07	5.92	10.36	5.67	5.465	5.103
1/27/2003	5.12	5.92	12.66	5.67	5.291	4.965
1/28/2003	4.86	5.50	7.33	5.42	5.359	5.000
1/29/2003	4.90	5.62	7.37	5.50	5.629	5.234
1/30/2003	5.10	5.76	7.42	5.62	5.583	5.270
1/31/2003	4.93	5.58	6.41	5.45	5.605	5.345
2/3/2003	5.02	5.72	6.53	5.70	5.766	5.485
2/4/2003	5.24	6.26	8.02	6.27	5.762	5.512
2/5/2003	5.27	6.24	7.39	6.25	5.644	5.414

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

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

File last modified: February 6, 2003

[Archives of past Energy Situation Analysis Reports are now available.](#)

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>

If you are having technical problems with this site, please contact the EIA Webmaster at

wmaster@eia.doe.gov

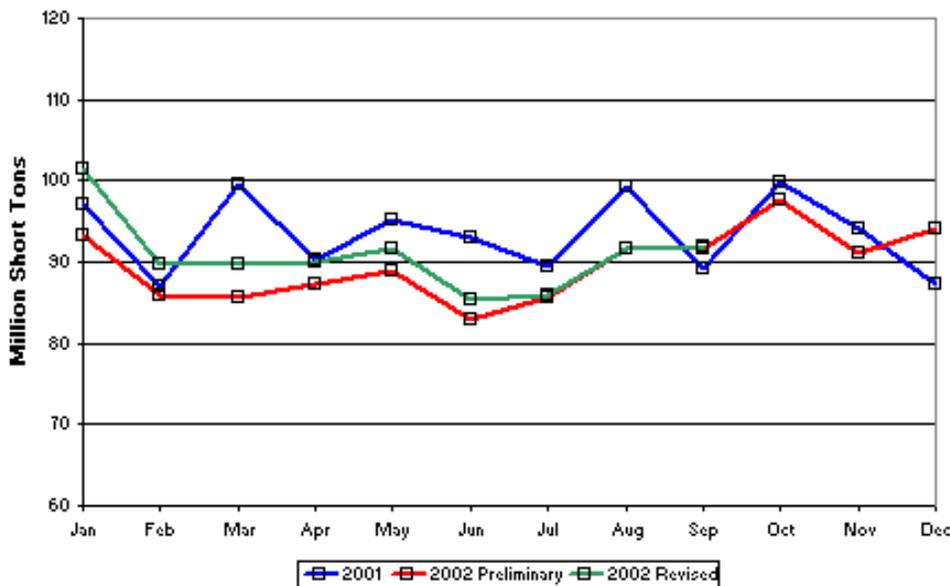
Latest U.S. Coal Information

Coal Production (Updated February 6, 2003)

For the week ended February 1, estimated coal production totaled 20.0 million short tons (mmst), 2.9 mmst lower than in the same week in 2002. Railcar loadings of coal were 8.3% lower than year-ago levels and estimated national coal production was 12.6% lower. The estimated production for the first month of 2003 is 91.4 mmst, 10.05% lower than the 101.5 mmst in January of 2002.

For the year to date, national coal production estimates are 12.2% lower than in 2002 - 8.4% lower west of the Mississippi and 16.6% lower in the East. These percentages are noticeable greater than those for the January-to-January comparison above because the 2003 year-to-date production gained only a Saturday's production on February 1 whereas February 1, 2002, was a full workday. The longer-term comparison, for the 52 weeks ended February 1, 2003, versus the 52 weeks ended February 2, 2002, shows estimated western U.S. coal production in the more recent 52 weeks at 0.1% above the levels of a year earlier. Estimated eastern U.S. coal production in the more recent period, however, is 6.7% below the levels a year earlier. The more recent estimate incorporates coal production survey data of the Mine Safety and Health Administration through the third quarter 2002.

U.S. Monthly Coal Production

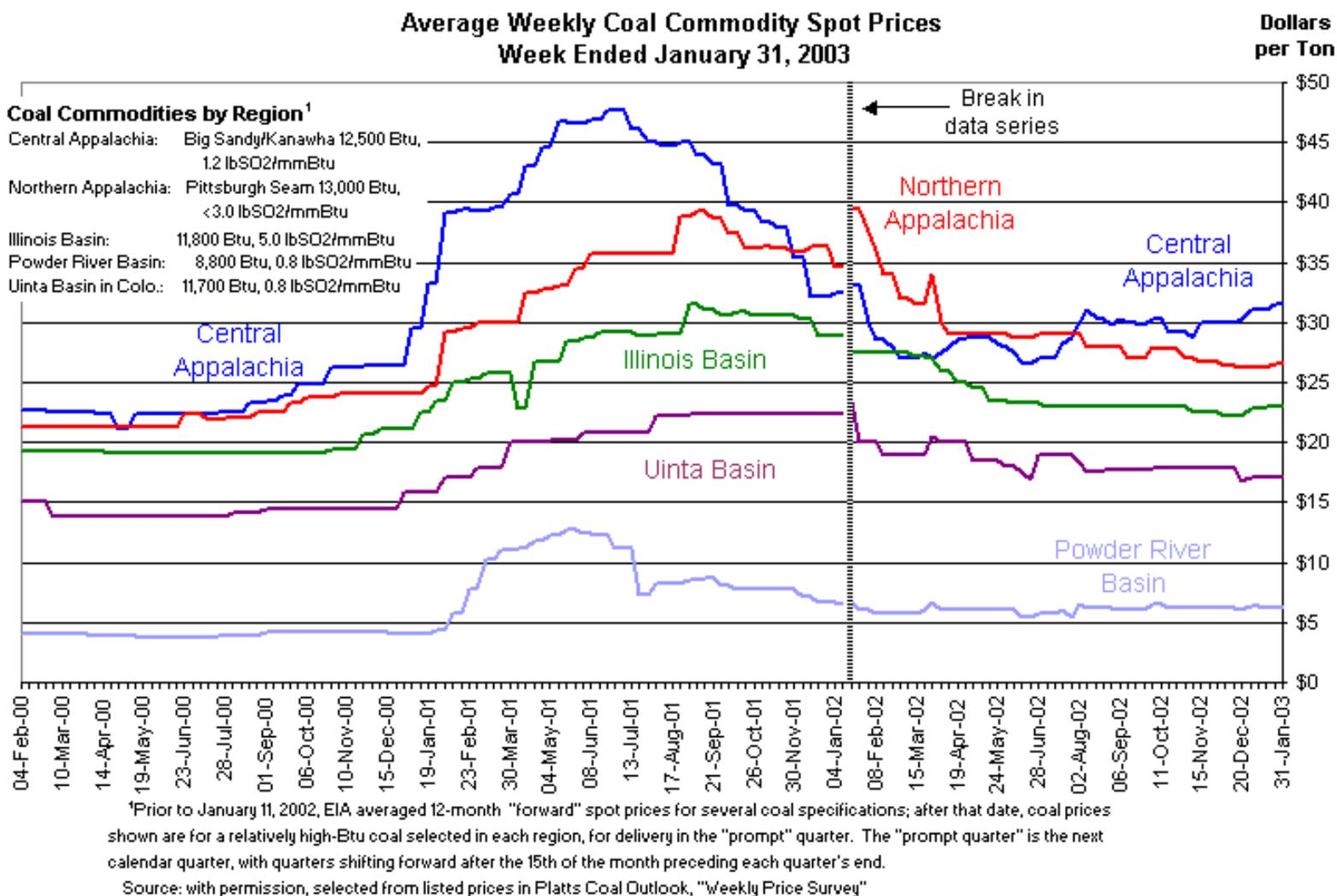


Coal Prices (Updated February 4, 2003)

Spot coal prices tracked by EIA in the over-the-counter (OTC) market were unchanged for the week ended January 31 versus the prior week (see graph below). Considering that price changes during January have generally been upward, no change can be seen as encouraging for coal sellers as long as prices that have risen stay put. It is still early to declare an upward trend in prices because traded volumes have been relatively low, even with several sizable transactions during the month, so no real momentum is in effect.

During January, the average spot prices indexed by EIA (plotted below) have risen for Appalachian and Illinois Basin coal. Compared to peak prices in summer 2001, Central and Northern Appalachian coal prices are lower by about \$16.00 and \$12.50 per short ton, respectively, or 34% and 32% lower. The largest percentage difference is for the Powder River Basin coal prices,

about half the late Spring 2001 peak price (down by \$6.55 per short ton, or 51%). Compared to previous price floors, in the summer of 2000, the latest EIA-indexed spot prices of \$31.50 per short ton for Central Appalachian and \$26.60 per short ton for Northern Appalachian coal are now higher by 41% and 25% respectively. Other prices also remain higher than the summer 2000 base: by 24% for the Uinta Basin, 20% for the Illinois Basin, and 65% for the Powder River Basin.



Coal futures trading volumes on the [NYMEX](#) became active this week as 30 near-month futures contracts were settled on Tuesday, February 4, and 10 more on February 5. This compares with only 65 trades during all of January. Settled prices for near-month (March) deliveries remained at \$30.00/short ton, but rise to \$31.60 for deliveries in April through June 2003. For the third quarter, 24 trades were reported on Wednesday, at \$32.50/short ton - \$0.10 higher than on the previous day. In addition, 60 trades were reported for calendar year 2004 deliveries, at \$33.25/short ton.

Coal Markets (Updated February 4, 2003)

Central Appalachian spot coal trades were centered on Eastern coals, with several near-term train and barge delivery trades, and one Powder River Basin trade for 2004 delivery. NYMEX look-alike coal traded at \$32.75 per short ton, for delivery in the second half of 2003 - considerably higher than NYMEX tender prices (see below).

Meanwhile, the idling of several Appalachian mines recently is likely to affect supplies and raise prices sooner or later. An OTC trader noted that closures of coal mines owned by Horizon Natural Resources, along with general uncertainty over future Appalachian production, was starting to push up prices (Platts Coal Trader, January 29 and 30). Horizon indicated it was

continuing its "rightsizing" agenda. About the same time, Georgia Power announced it would purchase no new coal from an earlier Eastern coal solicitation for up to 7 mmst between 2003 and 2006 (Platts Coal Trader, January 30). This week, James River Coal announced the idling of two of its mines, worth 1.2 mmst of production last year, due to low coal prices and "adverse mining conditions" (Energy Argus Coal Daily, February 4). Eastern mine closures in December and January have been both voluntary and involuntary, due to bankruptcy, mine fire, poor returns, and possibly waiting out the low prices.

Consol Energy reported on January 28 that its 2002 net income was \$11.7 million and was down sharply from 2001 (\$151.2 million). The company closed six mines in 2002, with associated equipment removal costs, and also attributed the lower profits to higher mining costs. Not to be overlooked, sales were down as well in 2002 - from 76.5 mmst in 2001 to 67.3 mmst. Consol's Mine 84, which has been closed due to fire several weeks ago is expected to be back at full production by mid-February, but after 0.7 mmst of lost production, worth about \$8 million (Energy Argus Coal Daily, January 29).

"With prices slowly inching up, you're starting to see buyers taking a more proactive approach," one broker said. "That includes locking in some larger commitments in the likelihood that prices, particularly in the East, continue to rise." After several weeks of cold, even below average weather, in the Midwest and East, burn rates increased and some buyers were able to look toward new coal deliveries. Further, with natural gas prices high recently, many industry analysts are expecting spot prices to take an upward trend. During the week ended January 24, Consol Energy entered a 17-year agreement with FirstEnergy to provide 4.5 mmst/year from the expanding McElroy mine in West Virginia. This mine produces coal averaging 13,999 Btu/lb and 3.18% sulfur. Georgia Power issued a new solicitation for PRB coal for up to 4 mmst of coal over 2 years or up to 10 mmst over 4 years. This followed a recent PRB contract Georgia Power awarded for its Scherer station.

Future Coal Supplies (updated February 6, 2003)

On January 29, the Fourth Circuit Court of Appeals ruled in favor of the coal industry and the Department of Justice by overturning Judge Charles Haden's May 2002 ban on new valley fill permits at coal mines in West Virginia and eastern Kentucky. The three-judge panel ruled that the 2002 ruling had been "over broad" and essentially supported the existing policies that the Army Corps of Engineers has followed for many years in issuing fill permits under the Clean Water Act. This action is not, however, expected to result in an immediate increase in new permits. The Corps has not accepted most new applications during the appeal period and the normal 45-day processing time could go to several months if a flood of applications is received.

Further, a new issue has developed during the off time. Last year, the Corps introduced a new impact mitigation policy that applies to both existing and new permits. Under the Nationwide 21 program, the new Corps policy applies to the Central Appalachian coalfields of West Virginia and eastern Kentucky. Operators will be required to save a stream or wetland at another location to compensate for those it fills during coal mine operations, or to pay "in lieu" fees if compensating wetlands cannot be preserved. The most pressing issue related to this is a February 11 deadline, after which no new fill can be done. Under Congressional pressure from the affected States, and now that the Haden ruling has been overturned, the Corps is free to move ahead and may extend the February 11 deadline.

File last modified: February 6, 2003

[Archives of past Energy Situation Analysis Reports are now available.](#)

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>

If you are having technical problems with this site, please contact the EIA Webmaster at wmaster@eia.doe.gov

Latest U.S. Electricity Information

(updated February 6, 2003)

Selected Wholesale Electricity Prices: In the Western United States, spot electricity prices generally increased over the past two trading. Colder weather, higher natural gas prices, and a nuclear plant refueling outage contributed to the increase in electricity prices. At Mid-Columbia, a benchmark for the Northwest, prices went from a weekly low of \$37.93 per megawatthour on January 30 to a weekly high of \$46.75 on February 5. At Mead/Marketplace, prices increased to a seven-day high of \$53.56 per megawatthour on February 4 from a seven-day low of \$42.73 on January 30. At California's NP-15 and SP-15, prices rose to seven-day highs of \$52.38 and \$54.36 per megawatthour on February 5. Other trading centers in the area including California-Oregon Border, Palo Verde and Four Corners experienced similar price increases.

In the Midwest, electricity prices increased during the past three trading days as the cold weather raised customer demand. At the Cinergy Trading Center, prices increased to a weekly high of \$61.32 per megawatthour on February 5 from a weekly low of \$27.39 on January 31. Similarly in the Southeast, prices increased for 3 out of the 7 latest trading days as cooler temperatures led to higher customer demand. Prices within the SERC trading area increased to \$47.73 per megawatthour on February 5 from a seven-day low of \$38.94 on January 31.

In the Northeast, prices were higher in New England and the Mid-Atlantic States for the last two trading days as declining temperatures caused customer demand to increase. At Nepoch, prices went up to \$66.63 per megawatthour on February 5 from a weekly low of \$56.20 on February 3. In the Mid-Atlantic States, prices at the PJM West trading center increased to a seven-day high of \$65.50 per megawatthour from a seven-day low of \$40.54 on February 3. In New York City, prices traded at \$79 per megawatthour on February 4 and February 5, up from a weekly low of \$73.50 on February 3.

Over the past seven days, average prices at all trading centers ranged between \$47.87 and \$56.56 per megawatthour with an overall weekly average of \$51.21 per megawatthour.

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

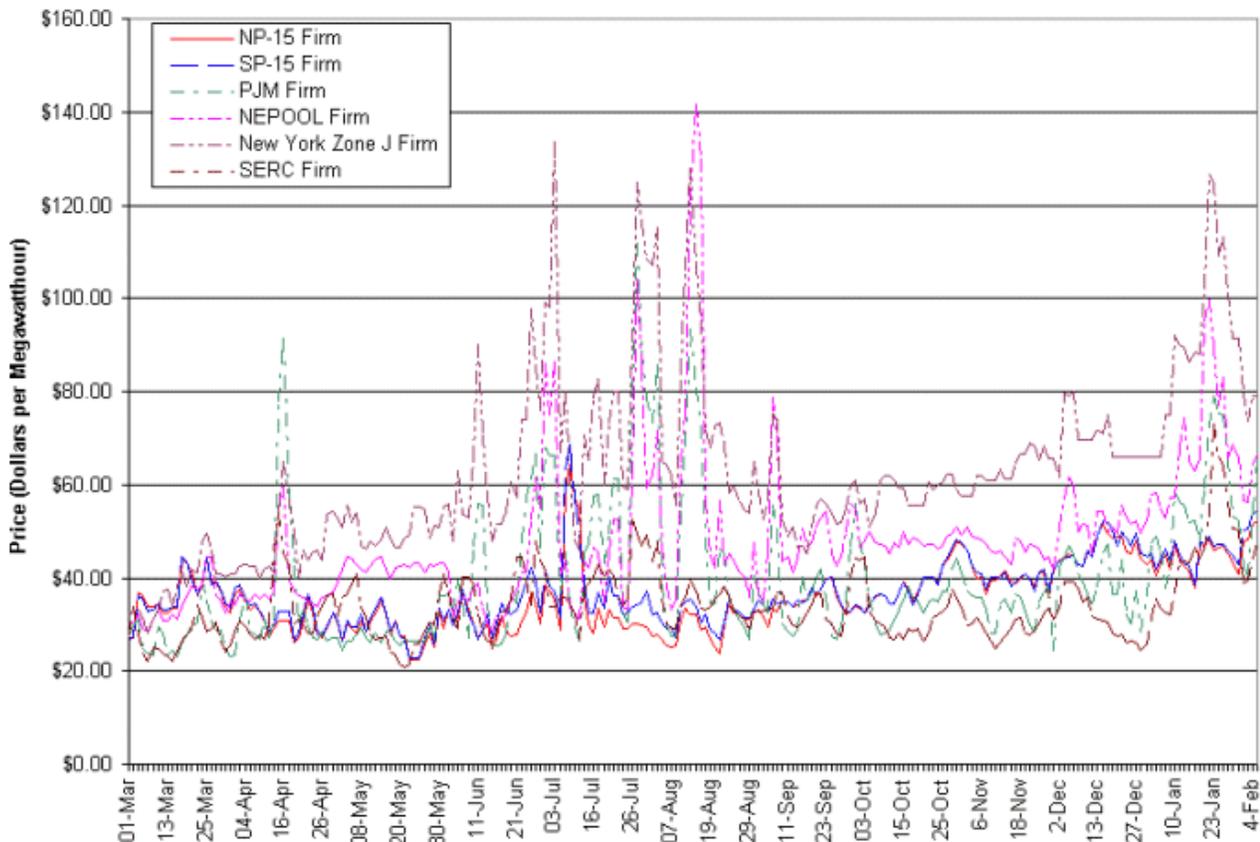
Trading Centers	Date							Price Range		
	1/28/03	1/29/03	1/30/03	1/31/03	2/3/03	2/4/03	2/5/03	Max	Min	Average
COB	42.00	41.00	39.92	45.13	45.21	48.25	49.12	49.12	39.92	44.38
Palo Verde	42.72	42.47	40.01	47.40	47.58	51.14	51.44	51.44	40.01	46.11
Mid-Columbia	38.32	38.37	37.93	42.23	42.22	46.36	46.75	46.75	37.93	41.74
Mead/Marketplace	44.17	43.42	42.73	49.34	51.10	53.56	53.29	53.56	42.73	48.23
4 Corners	42.17	41.96	39.12	47.33	46.80	50.58	51.25	51.25	39.12	45.60
NP 15	45.06	43.49	40.73	47.81	48.24	51.45	52.38	52.38	40.73	47.02
SP 15	45.95	44.85	42.91	50.33	50.49	54.02	54.36	54.36	42.91	48.99
PJM West	65.50	53.33	52.25	42.50	40.54	54.63	65.50	65.50	40.54	53.46
NEPOOL	65.50	68.63	66.00	56.50	56.20	64.13	66.63	68.63	56.20	63.37
New York Zone J	101.00	91.50	91.50	79.50	73.50	79.00	79.00	101.00	73.50	85.00
Cinergy	44.65	46.15	43.70	27.39	36.67	47.10	61.32	61.32	27.39	43.85
SERC	55.90	50.53	50.06	38.94	39.56	44.23	47.73	55.90	38.94	46.71
Average Price	52.75	50.48	48.91	47.87	48.18	53.70	56.56	56.56	47.87	51.21

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.
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 Nepoch.

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.



File last modified: February 6, 2003

[Archives of past Energy Situation Analysis Reports are now available.](#)

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>

If you are having technical problems with this site, please contact the EIA Webmaster at wmaster@eia.doe.gov