

# Energy Situation Analysis Report

Last Updated: November 7, 2002

Next Update: November 12, 2002

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

## Latest Oil Market Developments

The West Texas Intermediate (WTI) front month (December) crude oil futures price on the New York Mercantile Exchange (NYMEX) fell 37 cents per barrel to settle at \$25.77 per barrel on Wednesday, November 6, marking the lowest NYMEX front month settling price since June 20, 2002. This price decline followed weekly reports released by the American Petroleum Institute (API), and the Energy Information Administration (EIA) on Tuesday and Wednesday respectively, both of which indicated an increase in U.S. crude oil stocks during the week ended November 1 (see below). Oil markets are also paying close attention to speculation concerning OPEC quota leakage as well as ongoing deliberations at the United Nations (U.N.) Security Council. Prices for NYMEX crude oil were lower in early trading on Thursday, November 5. [more...](#)

## Latest U.S. Weekly EIA Petroleum Information

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by 3.4 million barrels last week, the fourth consecutive weekly increase. However, nationally, they remain about 23 million barrels below the level last year at this time. Also, the U.S. average retail price for regular gasoline rose last week, increasing by 0.4 cent per gallon as of November 4 to end at 144.8 cents per gallon. This price is still 24.2 cents per gallon higher than last year. [more...](#)

## World Oil Market Highlights

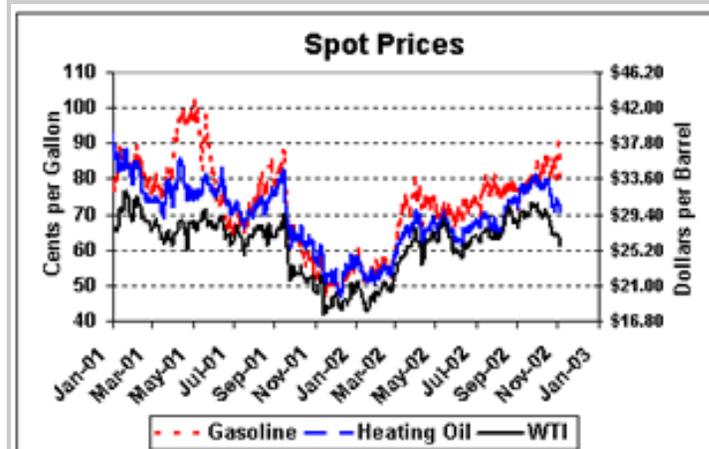
According to fourth quarter 2002 estimates, the world (excluding Iraq) holds about 5 million barrels per day of excess oil production capacity that could be brought online, almost all of which lies in OPEC countries. [more...](#)

## Latest U.S. Weekly Natural Gas Information

## Energy Prices\*

Petroleum Futures	11/6/02	11/5/02	Change
WTI (\$/Bbl)	25.77	26.14	-0.37
Gasoline (c/gallon)	71.78	74.07	-2.29
Heating Oil (c/gallon)	70.79	71.80	-1.01
<b>Natural Gas (\$/MMBtu)</b>			
Henry Hub	3.93	3.90	+0.03
California	3.93	3.88	+0.05
New York City	4.44	4.42	+0.02
<b>Electricity (\$/Megawatthour)</b>			
COB	34.83	35.42	-0.59
PJM West	35.70	35.87	-0.17
NEPOOL	48.25	48.50	-0.25
Average	38.29	38.57	-0.28

[\\*Definitions](#)



Source: Closing quote as reported by Reuters News Service

Natural gas spot prices have increased up to 10 cents per MMBtu at most market locations since Monday, November 4, although prices at many points in California, the Mid-continent, Northeast, Louisiana, and Texas regions have declined up to 9 cents per MMBtu. The slight increases in prices likely can be attributed to injection demand as suppliers use the anticipated respite from cold temperatures to add to their working gas inventories.

[more...](#)

### Latest U.S. Coal Information

The average spot coal prices tracked by EIA, after strengthening slightly for the week ended October 4, have stalled at or around static levels. Coal prices show little movement and lacking clear direction as markets-both spot and over-the-counter-show low interest and little activity. Compared to peak prices in summer 2001, Central and Northern Appalachian coal prices are down by about \$18.50 and \$12.00 per short ton, respectively.

[more...](#)

### Latest U.S. Electricity Information

Electricity prices at Mid-Columbia, a benchmark for the U.S. Northwest, prices decreased \$9.03 per megawatthour between November 1 and November 6. Prices at the Cinergy trading center, which are reflective of Midwest prices, increased \$2.67 per megawatthour from November 4 to November 5, but decreased \$1.50 per megawatthour from November 5 to November 6. For PJM West and in New England, prices were slowly decreasing as warmer forecasts were predicted, which would indicate lower customer demand. [more...](#)

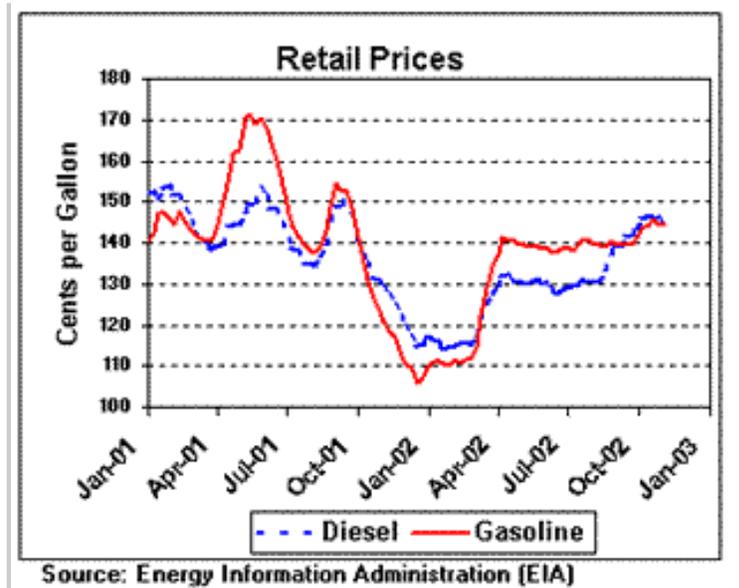
[Signup for e-mail subscription](#)

[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](mailto: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](mailto: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 November 7, 2002)

The West Texas Intermediate (WTI) front month (December) crude oil futures price on the New York Mercantile Exchange (NYMEX) fell 37 cents per barrel to settle at \$25.77 per barrel on Wednesday, November 6, marking the lowest NYMEX front month settling price since June 20, 2002. This price decline followed weekly reports released by the American Petroleum Institute (API), and the Energy Information Administration (EIA) on Tuesday and Wednesday respectively, both of which indicated an increase in U.S. crude oil stocks during the week ended November 1 (see below). Oil markets are also paying close attention to speculation concerning OPEC quota leakage as well as ongoing deliberations at the United Nations (U.N.) Security Council. On Wednesday (11/6/02), the United States presented a draft resolution on Iraq to the U.N. Security Council and suggested that the Council vote on the resolution by Friday (see below). Prices for NYMEX crude oil were lower in early trading on Thursday, November 5.

Overall, crude oil prices on the NYMEX are down sharply (over \$5 per barrel) from the near-term high closing price reached on October 1. This decline can be attributed to growing supplies from OPEC and to an easing of traders' concerns over the imminence of an attack on Iraq as discussions continue at the U.N.. This has contributed to a reduction in the so-called "war premium." On the other hand, U.S. inventories of crude oil, gasoline, and distillate fuel all remain at the lower end of the normal range for this time of year, which normally acts as a supportive ("bullish") factor for oil prices.

Topics affecting **world oil markets** include:

- On Wednesday (11/6/02), the United States presented a new draft resolution on Iraq to the U.N. Security Council. The new draft includes changes that reflect recent negotiations with France, Russia, and other Security Council members. The U.S. delegation has suggested that the Security Council members vote on Friday.
- Weekly reports released by the API on Tuesday evening, and the EIA on Wednesday morning, indicated increases in U.S. crude oil inventories of 2.3 million barrels and 3.4 million barrels, respectively, for the week ended November 1. Both sources show that crude oil inventories are below last year's level for this week. EIA statistics also indicate that both gasoline and distillate inventories are also down for the week (see [Latest U.S. Weekly EIA Petroleum Information](#)).
- On Wednesday (11/6/02), OPEC officials commented on growing speculation over OPEC quota leakage and falling world oil prices. OPEC President Rilwanu Lukman said, "In spite of the so-called overproduction the price is still in the range. Obviously the oil is being absorbed by the market and the market is the best indicator of what it needs." Some analysts estimate that OPEC members are producing up to 2.6 million barrels per day above the cartel's output ceiling.

- The Trans-Alaska oil pipeline resumed operation on Wednesday (11/6/02) after a three-day shut down began on Sunday (11/3/02) following a magnitude-7.9 earthquake. Despite being shut down, the shutdown has not caused gasoline prices to spike on the West Coast.
- As of November 7, 2002, the [U.S. Strategic Petroleum Reserve \(SPR\)](#) contained 589.4 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: November 7, 2002

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

Contact:

Lowell Feld

[lowell.feld@eia.doe.gov](mailto: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](mailto:wmaster@eia.doe.gov)*

## Latest U.S. Weekly EIA Petroleum Information

(last update - November 7, 2002)

### Petroleum Inventories

U.S. commercial crude oil inventories (excluding those in the Strategic Petroleum Reserve) rose by 3.4 million barrels last week, the fourth consecutive weekly increase. However, nationally, they remain about 23 million barrels below the level last year at this time. In PADD II (Midwest), crude oil inventories rose slightly to 56.0 million barrels, the highest level since September 6, but still near historic lows seen in recent weeks. Distillate fuel inventories fell by 1.9 million barrels, with decreases in both low-sulfur distillate fuel (diesel fuel) and high-sulfur distillate fuel (heating oil). Distillate fuel inventories remain below the lower limit of the normal range for this time of year. Motor gasoline inventories fell by 2.2 million barrels, and are now just below the lower limit of the normal range for this time of year.

October typically represents one of the slowest months of the year for propane market activity. October is sandwiched between the hectic summer stock-building season and the bustling winter stock-draw-down season. During this period, propane inventories can just as easily show continued modest stock builds as they can show modest stock draws, depending on such factors as weather and fall crop drying demand. But propane market activity during October 2002 was atypical with inventories showing one of the largest stock draws in recent years. Last week's stock draw that measured 1.7 million barrels contributed to preliminary data for U.S. inventories of propane falling by 6.4 million barrels during October 2002, the largest stock draw for this month since 1985, and the second largest ever for October. The sharp plunge in propane inventories, partly reflecting colder-than-normal weather during October, significantly eroded the inventory cushion that was built up over the summer months. However, U.S. inventory levels remain at levels that are still considered by many industry observers as adequate for this time of year.

### Petroleum Imports

U.S. crude oil imports averaged 9.1 million barrels per day, up almost 100,000 barrels per day from the previous week. Crude oil imports have averaged 9.4 million barrels per day over the last four weeks, or about 200,000 barrels per day more than averaged during the same four-week period last year. Total motor gasoline imports (including both finished gasoline and gasoline blending components) averaged nearly 1.1 million barrels per day last week, the second highest weekly level ever recorded. Distillate fuel imports remained relatively high, averaging over 300,000 barrels per day for the third straight week.

Monthly data on the sources of U.S. crude oil imports in August 2002 was released recently 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. oil imports in August 2002 were Canada (1.537 million barrels per day), Venezuela (1.514 million barrels per day), Mexico (1.475 million barrels per day), and Saudi Arabia (1.411 million barrels per day). Rounding out the top ten sources, in order, were Nigeria (0.792 million barrels per day), United Kingdom (0.480 million barrels per day), Norway (0.402 million barrels per day), Iraq (0.246 million barrels per day), Colombia (0.217 million barrels per day), and Angola (0.211 million barrels per day). Of the 9.545 million barrels per day of crude oil imported into the United States during the month of August 2002, the top four countries accounted for 62% of these imports, while the top ten sources accounted for nearly 87% of all U.S. crude oil imports. Iraqi crude oil imports were the 2nd lowest amount since May 1998 (June 2002 was the only recent month in which Iraq imported less), while Russian crude oil imports averaged 0.100 million barrels per day, ranking 14th for the month, but the 2nd largest amount since June 1994 (only exceeded by the amount imported in May 2002).

### Refinery Inputs and Production

U.S. crude oil refinery inputs averaged 14.9 million barrels per day during the week ending November 1, an increase of more than 100,000 barrels per day from the previous week, and the highest level since the week ending September 27. Increased crude oil refinery inputs in PADD I (East Coast) and PADD V (West Coast) were partially offset by declines in the other regions. Despite the increase in crude oil refinery inputs, production of motor gasoline and distillate fuel dropped slightly, while jet fuel production increased moderately last week.

### Petroleum Demand

Total product supplied over the last four-week period averaged 19.4 million barrels per day, or about 2.1% less than the level last year. Over the last four weeks, motor gasoline demand is up 4.2%, and kerosene-jet fuel demand is up 0.5%. Distillate fuel demand is down 2.5% compared to the same four-week period last year, even with last week's demand averaging 4.0 million barrels per day.

However, the first bout of cold weather that blanketed the Upper Plains with snow and pumped colder-than-normal temperatures into the Midwest and Northeast regions over the last several weeks is expected to jump start distillate fuel demand over the next several weeks that up until now had been rather lackluster. Through the week ending November 1, 2002, year-to-date demand for distillate fuel trailed the same prior year level by 3.9%, partly reflecting warmer-than-normal weather earlier in the year and a slowing in the economic recovery that occurred during the latter part of the third quarter of this year. But the recent cold snap sent distillate fuel demand the last two weeks to above 4 million barrels per day, the first time two consecutive weeks have registered demand that high since March 2001. The most recent data, based on weekly surveys for October, show distillate demand up 4% over September to an average of 3.8 million barrels per day.

## Spot Prices

The average world crude oil price on November 1, 2002 was \$24.53 per barrel, down \$1.29 from the previous week but \$5.90 per barrel more than last year. The spot price for conventional gasoline in the New York Harbor was 85.25 cents per gallon, down 0.20 cent per gallon from last week and 32.97 cents higher than a year ago. The spot price for No. 2 heating oil in the New York Harbor was 73.90 cents per gallon, 1.85 cents per gallon higher than last week and 16.90 cents per gallon more than last year.

## Retail Gasoline and Diesel Fuel Prices Fall Back Last Week

The U.S. average retail price for regular gasoline rose last week, increasing by 0.4 cent per gallon as of November 4 to end at 144.8 cents per gallon. This price is 24.2 cents per gallon higher than last year. This is the fourth time in the last five weeks prices have risen during a season of normally decreasing gasoline prices.

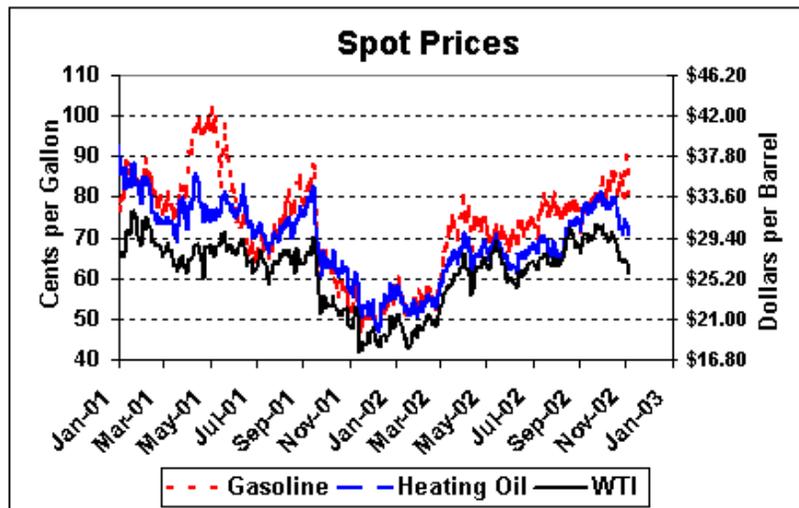
Retail diesel fuel prices fell last week for the second week in a row, decreasing by 1.4 cents per gallon to a national average of 144.2 cents per gallon as of November 4. Prices are expected to remain at these levels or higher throughout the season in part due to low distillate fuel inventories. Retail diesel prices were down throughout the country, with the largest price decrease occurring on the Gulf Coast, which saw the price fall by 2.3 cents per gallon to end at 139.4 cents per gallon. There was a price increase seen in New England, where prices gained 0.1 cent to end at 149.7 cents per gallon.

## Retail Heating Fuels Prices Show Slight Upward Movement

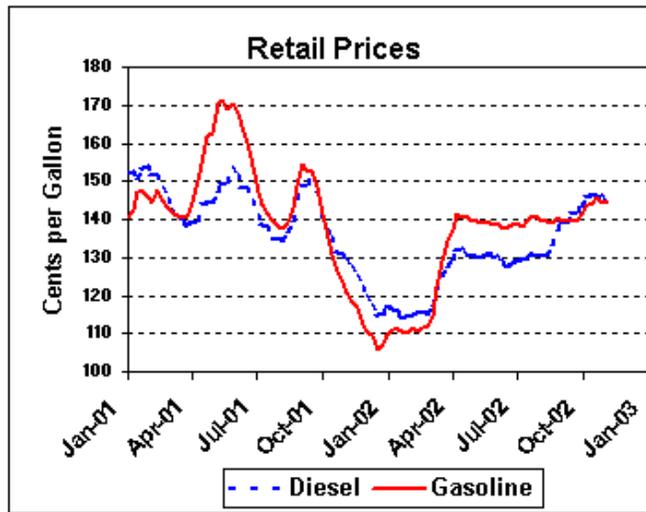
Residential heating oil and propane prices showed slight increases for the period ending November 4, 2002. The average residential heating oil price was 127.8 cents per gallon, up 0.6 cent per gallon, while the average residential propane prices increased 1.0 cent per gallon from 114.1 to 115.1 cents per gallon. Heating oil prices are 5.2 cents per gallon higher than last year at this time while residential propane prices are 1.6 cents per gallon higher than one year ago. Wholesale heating oil prices increased 0.4 cent per gallon, to 82.4 cents per gallon. Wholesale propane prices rose slightly from 54.4 to 55.2 cents a gallon, up 0.8 cent per gallon.

## U.S. Petroleum Prices

(updated November 7, 2002)



Source: Closing quote as reported by Reuters News Service



Source: Energy Information Administration (EIA)

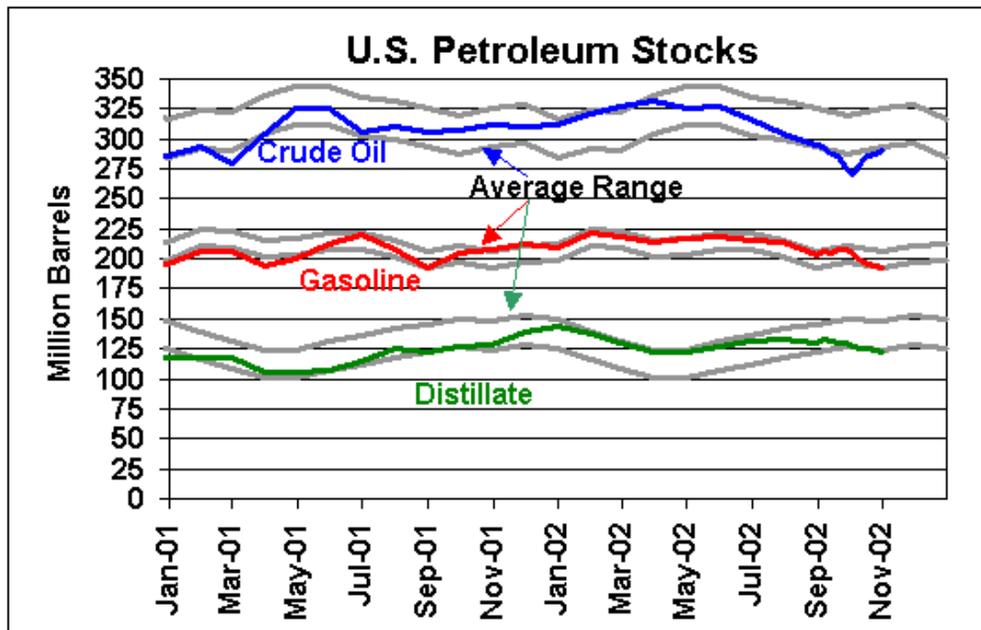
### Crude Oil and Oil Products Price Table

Date	WTI Crude Oil		Gasoline		Heating Oil		Kerojet	Propane		EIA Weekly Retail US Average	
	Spot	Futures	Spot	Futures	Spot	Futures	Spot	Spot	Spot	Gasoline	Diesel
	Cushing		NYH		NYH		NYH	Mt. Belvieu	Conway		
	\$/bbl	\$/bbl	cents per gallon		cents per gallon		c/gal	cents per gallon		cents per gallon	
9/19/2002	\$29.49	\$29.50	79.30	80.08	77.85	78.81	82.63	47.57	46.32		
9/20/2002	\$29.65	\$29.61	79.78	81.41	77.45	78.70	82.00	47.88	47.25		
9/23/2002	\$30.85	\$30.71	79.95	84.27	79.00	80.57	83.05	48.75	47.75	139.5	141.7
9/24/2002	\$30.79	\$30.77	80.85	82.92	79.40	80.70	83.53	48.63	47.75		
9/25/2002	\$30.69	\$30.64	80.63	81.69	79.70	80.63	83.68	47.51	46.69		
9/26/2002	\$30.31	\$30.41	78.80	80.81	79.20	80.40	83.10	47.50	46.75		
9/27/2002	\$30.53	\$30.54	80.05	81.43	79.20	80.38	83.20	47.82	46.88		
9/30/2002	\$30.59	\$30.45	79.73	81.35	79.18	80.18	83.06	48.13	47.00	141.3	143.8
10/1/2002	\$30.71	\$30.83	83.03	82.71	81.05	82.04	85.43	48.75	47.75		
10/2/2002	\$30.59	\$30.49	84.53	82.50	80.20	81.35	86.83	48.25	47.44		
10/3/2002	\$29.73	\$29.76	80.25	80.25	77.72	79.43	83.10	47.50	46.25		
10/4/2002	\$29.65	\$29.62	80.10	79.72	79.20	79.19	83.18	47.57	46.00		
10/7/2002	\$29.65	\$29.64	80.80	80.47	78.08	79.16	82.78	47.57	46.25	143.9	146.0
10/8/2002	\$29.56	\$29.48	83.78	82.35	77.55	79.05	83.30	47.26	45.88		
10/9/2002	\$29.31	\$29.35	82.20	82.04	77.71	79.42	83.51	47.32	46.25		
10/10/2002	\$28.96	\$28.97	81.50	80.46	77.10	78.30	83.10	46.69	45.50		
10/11/2002	\$29.36	\$29.37	82.80	82.01	77.88	78.97	83.40	47.25	47.07		
10/14/2002	\$30.06	\$30.03	85.90	84.96	79.85	80.89	85.40	48.25	47.32	144.0	146.1
10/15/2002	\$29.73	\$29.72	84.47	83.99	78.80	79.98	84.35	47.94	46.88		
10/16/2002	\$29.28	\$29.47	84.65	83.93	78.79	79.96	83.64	48.25	47.00		
10/17/2002	\$29.61	\$29.62	85.75	83.98	79.85	80.77	84.05	48.63	47.00		
10/18/2002	\$29.56	\$29.60	85.90	85.17	79.90	80.35	83.25	48.82	47.50		
10/21/2002	\$28.31	\$28.37	80.54	81.03	75.66	76.29	79.49	47.68	46.75	145.8	146.9
10/22/2002	\$27.93	\$27.92	80.93	79.85	75.36	75.78	79.06	47.50	46.63		
10/23/2002	\$28.19	\$28.18	81.40	81.40	75.03	75.67	79.40	48.25	47.69		
10/24/2002	\$27.87	\$28.20	82.23	84.17	74.73	75.97	79.10	48.50	48.32		
10/25/2002	\$27.09	\$27.05	85.45	86.09	72.05	72.76	76.28	47.88	47.94		
10/28/2002	\$27.25	\$27.29	83.60	85.30	71.95	73.08	76.10	47.75	48.00	144.4	145.6
10/29/2002	\$26.81	\$26.86	80.05	82.27	70.55	71.55	74.90	47.75	48.00		
10/30/2002	\$26.85	\$26.81	80.80	82.83	72.55	72.77	76.05	47.88	47.94		
10/31/2002	\$27.18	\$27.22	79.65	86.35	74.50	74.38	77.85	48.25	48.69		
11/1/2002	\$27.04	\$27.13	85.25	76.45	73.90	74.16	76.60	48.38	49.63		
11/4/2002	\$26.89	\$26.95	89.93	77.43	73.08	73.33	75.53	47.88	49.07	144.8	144.2
11/5/2002	\$26.06	\$26.14	86.50	74.07	71.41	71.80	74.33	47.25	48.50		
11/6/2002	\$25.72	\$25.77	80.60	71.78	70.72	70.79	73.50	46.57	47.75		

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	
	11/2/2002	11/2/2001	Diff.	% Diff.
<b>Refinery Activity</b>				
Crude Oil Input	14,273	15,002	-729	-4.9%
Operable Capacity	16,800	16,510	290	1.8%
Operable Capacity Utilization (%)	86.0%	92.0%	-6.0%	
<b>Production</b>				
Motor Gasoline	8,282	8,446	-164	-1.9%
Jet Fuel	1,485	1,458	27	1.9%
Distillate Fuel Oil	3,441	3,796	-355	-9.4%
<b>Imports</b>				
Crude Oil (incl. SPR)	9,402	9,211	191	2.1%
Motor Gasoline	757	696	61	8.8%
Jet Fuel	185	63	122	193.7%
Distillate Fuel Oil	301	253	48	19.0%
<b>Total</b>	<b>11,627</b>	<b>11,379</b>	<b>248</b>	<b>2.2%</b>
<b>Exports</b>				
Crude Oil	20	11	9	81.8%
Products	940	935	5	0.5%
<b>Total</b>	<b>960</b>	<b>946</b>	<b>14</b>	<b>1.5%</b>
<b>Products Supplied</b>				
Motor Gasoline	9,022	8,655	367	4.2%
Jet Fuel	1,576	1,570	6	0.4%
Distillate Fuel Oil	3,790	3,888	-98	-2.5%
<b>Total</b>	<b>19,408</b>	<b>19,824</b>	<b>-416</b>	<b>-2.1%</b>
<b>Stocks (Million Barrels)</b>				
	<b>11/2/2002</b>	<b>11/2/2001</b>	<b>Diff.</b>	<b>% Diff.</b>
Crude Oil (excl. SPR)	290.5	313.2	-22.7	-7.2%
Motor Gasoline	192.1	207.8	-15.7	-7.6%
Jet Fuel	42.5	40.3	2.2	5.5%
Distillate Fuel Oil	121.9	128.9	-7.0	-5.4%
<b>Total (excl. SPR)</b>	<b>983.4</b>	<b>1,031.8</b>	<b>-48.4</b>	<b>-4.7%</b>



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

File last modified: November 7, 2002

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

Contact:

Doug MacIntyre

[douglas.macintyre@eia.doe.gov](mailto: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](mailto:wmaster@eia.doe.gov)*

## World Oil Market Highlights

(updated November 7, 2002)

According to fourth quarter 2002 estimates, the world (excluding Iraq) holds around 5 million barrels per day of excess oil production capacity that could be brought online, almost all of which lies in OPEC countries.

OPEC Crude Oil Production <sup>1</sup> (Thousand barrels per day)					
	3Q 2002 Production	4Q 2002 Production	1/01/02 Quota <sup>2</sup>	2002 Production Capacity <sup>3</sup>	4Q Surplus Capacity <sup>3</sup>
Algeria	876	900	693	1,100	200
Indonesia	1,112	1,100	1,125	1,200	100
Iran	3,402	3,500	3,186	3,850	350
Kuwait <sup>4</sup>	1,923	1,950	1,741	2,400	450
Libya	1,333	1,340	1,162	1,400	60
Nigeria	1,949	2,000	1,787	2,300	300
Qatar	650	670	562	850	180
Saudi Arabia <sup>4</sup>	7,743	7,933	7,053	10,000-10,500 <sup>5</sup>	2,067-2,567 <sup>5</sup>
UAE <sup>6</sup>	1,987	2,000	1,894	2,600	600
Venezuela <sup>7</sup>	2,733	2,900	2,497	2,950	50
<b>OPEC 10 Crude Oil Total</b>	<b>23,707</b>	<b>24,293</b>	<b>21,700</b>	<b>28,650-29,150<sup>5</sup></b>	<b>4,357-4,857<sup>5</sup></b>
Iraq <sup>8</sup>	1,719	2,232	N/A	2,900	668

<b>OPEC Crude Oil Total</b>	<b>25,426</b>	<b>26,524</b>	N/A	<b>31,550-32,050<sup>5</sup></b>	<b>5,026-5,526<sup>5</sup></b>
Other Liquids <sup>9</sup>	2,761	2,761	N/A		
<b>Total OPEC Production</b>	<b>28,187</b>	<b>29,285</b>	N/A		

NA: Not Applicable

<sup>1</sup>Crude oil does not include lease condensate or natural gas liquids.

<sup>2</sup>Quotas are based on crude oil production only.

<sup>3</sup>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.

<sup>4</sup>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.

<sup>5</sup> 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.

<sup>6</sup>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.

<sup>7</sup>Venezuelan capacity and production numbers exclude extra heavy crude oil used to produce Orimulsion.

<sup>8</sup>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. Resolution 986 limited the sale of Iraqi crude oil over six-month periods to specified dollar amounts. However, the Security Council voted to remove any limits on the amount of oil Iraq could export in December 1999.

<sup>9</sup>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.-August 2002\*

(all volumes in million barrels per day)

	<b>Total Oil Imports</b>	<b>Crude Oil Imports</b>	<b>Petroleum Product Imports</b>
<b>Canada</b>	1.89	1.39	0.50
<b>Saudi Arabia</b>	1.51	1.48	0.03
<b>Mexico</b>	1.50	1.46	0.04
<b>Venezuela</b>	1.39	1.19	0.20
<b>Nigeria</b>	0.60	0.57	0.03
<b>Iraq</b>	0.52	0.52	0.00
<b>United Kingdom</b>	0.46	0.39	0.07
<b>Norway</b>	0.41	0.36	0.05

<b>Angola</b>	0.32	0.31	0.01
<b>Algeria</b>	0.28	0.03	0.25
<b>Total Imports</b>	<b>11.30</b>	<b>9.01</b>	<b>2.29</b>

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

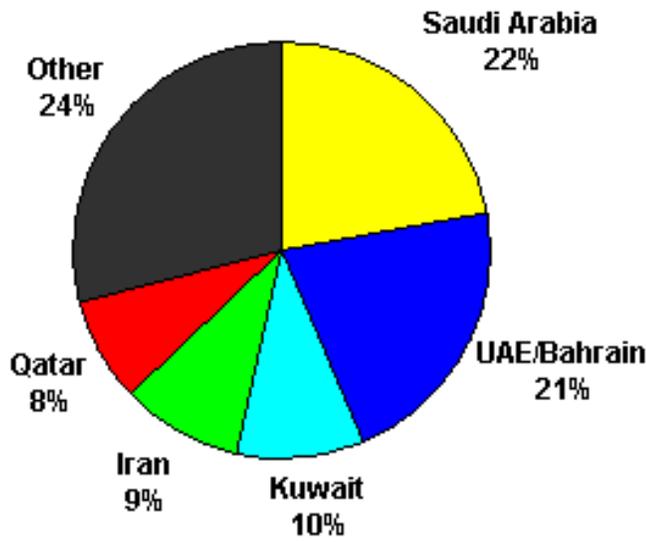
<b>Top World Oil Net Exporters, Jan.-Aug. 2002*</b>		
	<b>Country</b>	<b>Net Exports (million barrels per day)</b>
1)	Saudi Arabia	6.10
2)	Russia	4.67
3)	Norway	2.81
4)	Iran	2.35
5)	Venezuela	2.20
6)	Nigeria	1.84
7)	United Arab Emirates	1.72
8)	Iraq	1.45
9)	Kuwait	1.45
10)	Mexico	1.21
11)	Libya	1.12
12)	Algeria	1.04

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

During the first five months of 2002, about half of U.S. crude oil imports came from the Western Hemisphere (17% from South America, 16% from Mexico, 15% from Canada, 2% from the Caribbean), while 27% came from the Persian Gulf region (17% from Saudi Arabia, 8% from Iraq, 2% from Kuwait).

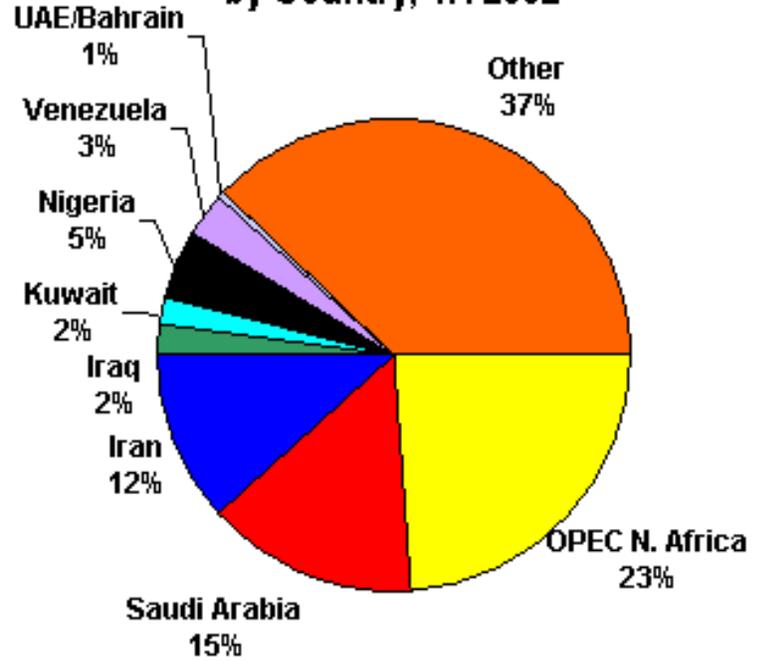
In general, OECD Europe depends far more heavily on the Persian Gulf and North Africa for oil imports than the United States. During the first quarter of 2002, about 25% of OECD Europe's net oil imports came from the Persian Gulf (mainly Saudi Arabia, Iran, Iraq, and Kuwait), around 28% from Africa (mainly Libya, Algeria, and Nigeria), and much of the remainder from Russia. 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.

**Japanese Net Oil Imports by Country, 1H 2002**



Total=4.76 million barrels per day

**OECD European Net Oil Imports by Country, 1H 2002**



Total=7.6 million barrels per day

File last modified: November 7, 2002

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

Contact:

Lowell Feld

[lowell.feld@eia.doe.gov](mailto: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](mailto: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.



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

## Latest U.S. Weekly Natural Gas Information

(updated November 7, 2002)

### [Industry/Market Developments](#)

EIA Releases New Report on the U.S. LNG Market: 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, which is natural gas that has been cooled to about minus 260 degrees Fahrenheit for shipment and/or storage as liquid, is an important source of supply in 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.

*EIA Issues Information of Particular Interest to Residential Natural Gas Customers:* On Friday, November 1, the Energy Information Administration (EIA) posted an information product on its website titled: [Residential Natural Gas Prices: Information for Consumers](#). This brochure describes how natural gas is supplied to individual households, and shows the various components that are included in the price a residential customer pays for natural gas. It touches on natural gas industry restructuring at the State level, explaining how this on-going process can affect residential consumers and why they should be interested in it. In addition, the brochure summarizes EIA's projections for the current heating season, including the average heating-season price and likely total cost over the winter for natural gas for the typical residential consumer. The brochure also suggests ways for consumers to save on their natural gas bills.

### [Storage](#)

Working gas in storage was 3,145 Bcf for the week ended Friday, November 1, 2002, according to the EIA Weekly Natural Gas Storage Report. This is the first time since the week ended June 1, 2001, that current stocks have fallen below the level recorded during the same report week of the previous year. Nevertheless, natural gas in storage is almost 5 percent greater than the 5-year average of 3,007 Bcf for the report week. Implied net withdrawals of natural gas from working gas storage were 27 billion cubic feet (Bcf), which marks the first net withdrawal of the 2002-2003 heating season and only the second time in the past 8 years that a net withdrawal occurred during that week.

<b>All Volumes in Bcf</b>	<b>Current Stocks 11/1/2002</b>	<b>Estimated Prior 5-year (1997-2001) Average</b>	<b>Percent Difference from 5-Year Average</b>	<b>Implied Net Change from Last Week</b>	<b>One-Week Prior Stocks 10/25/2002</b>
<b>East Region</b>	1,854	1,843	0.6%	-13	1,867
<b>West Region</b>	411	363	13.2%	-5	416
<b>Producing Region</b>	880	802	9.7%	-9	889
<b>Total Lower 48</b>	3,145	3,008	4.6%	-27	3,172

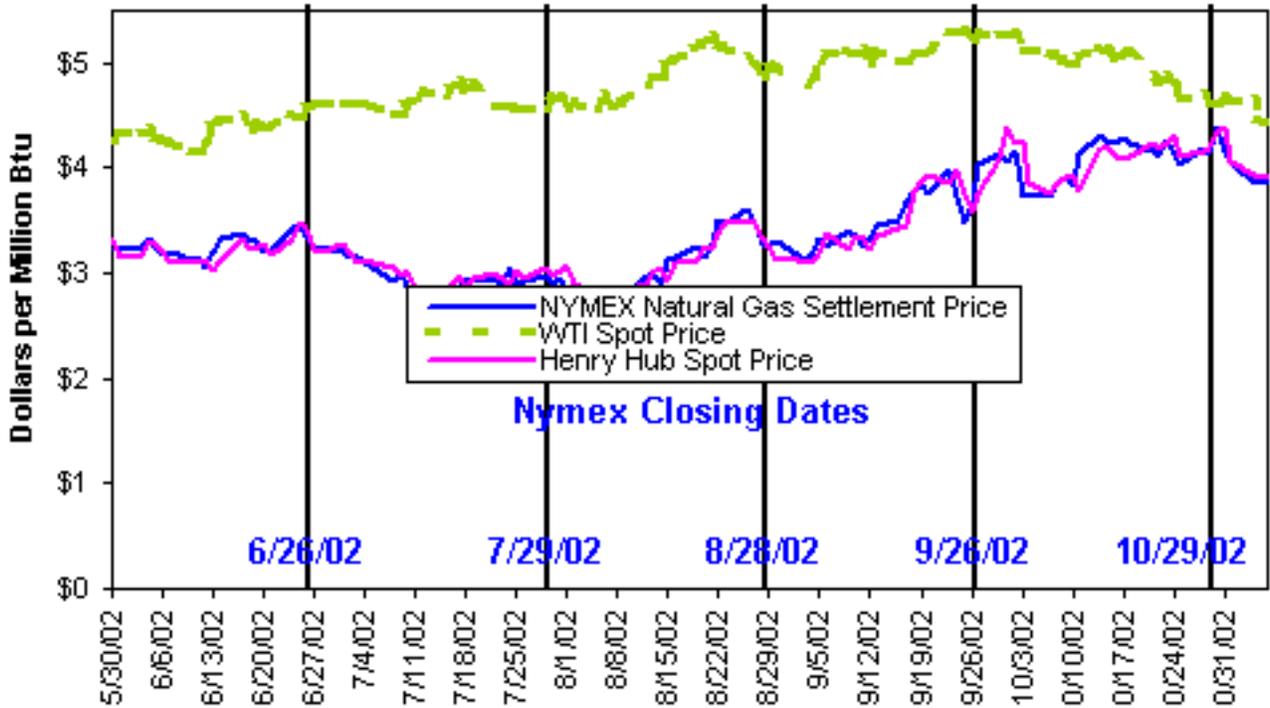
*Source: Energy Information Administration: Form EIA-912, "Weekly Underground Natural Gas Storage Report," and the Historical Weekly Storage Estimates Database.*

### Prices:

Spot prices have increased up to 10 cents per MMBtu at most market locations since Monday, November 4, although prices at many points in California, the Mid-continent, Northeast, Louisiana, and Texas regions have declined up to 9 cents per MMBtu. Price gains and losses on Tuesday and Wednesday were generally less than a nickel in either direction in most cases. The slight increases in prices likely can be attributed to injection demand as suppliers use the anticipated respite from cold temperatures to add to their working gas inventories.

At the NYMEX, the price of the futures contract for December delivery at the Henry Hub has declined by about a penny per MMBtu since Monday, November 4, to settle at \$3.854 per MMBtu yesterday (November 6). Likewise, prices of the futures contracts for delivery during the heating season months all declined roughly 1 cent since 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>	<b>California Composite Average Price*</b>	<b>Henry Hub</b>	<b>New York City</b>	<b>Chicago</b>	<b>NYMEX futures contract-December delivery</b>	<b>NYMEX futures contract-January delivery</b>
10/10/2002	3.43	3.94	4.24	3.94	4.055	4.153
10/11/2002	3.23	3.79	4.05	3.81	4.336	4.396
10/14/2002	3.82	4.19	4.45	4.23	4.471	4.521
10/15/2002	3.87	4.20	4.53	4.25	4.440	4.505
10/16/2002	3.66	4.10	4.39	4.18	4.422	4.492
10/17/2002	3.68	4.09	4.39	4.19	4.507	4.572
10/18/2002	3.72	4.11	4.41	4.25	4.462	4.542
10/21/2002	3.93	4.23	4.59	4.33	4.378	4.460
10/22/2002	4.00	4.20	4.69	4.34	4.315	4.403
10/23/2002	4.04	4.24	4.81	4.38	4.440	4.510
10/24/2002	4.14	4.31	4.85	4.46	4.300	4.385
10/25/2002	3.97	4.11	4.57	4.26	4.188	4.278
10/28/2002	4.06	4.17	4.80	4.34	4.329	4.409
10/29/2002	4.14	4.19	4.95	4.39	4.261	4.346
10/30/2002	4.25	4.33	5.16	4.48	4.389	4.457
10/31/2002	4.33	4.38	4.98	4.41	4.156	4.256
11/1/2002	4.07	4.06	4.52	4.08	4.060	4.165
11/4/2002	3.93	3.94	4.34	3.91	3.863	3.983
11/5/2002	3.88	3.90	4.42	3.92	3.883	3.993
11/6/2002	3.93	3.93	4.44	3.92	3.854	3.971

\* 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>)

File last modified: November 7, 2002

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

Contact:

Jim Thompson

[james.thompson@eia.doe.gov](mailto: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](mailto:wmaster@eia.doe.gov)*

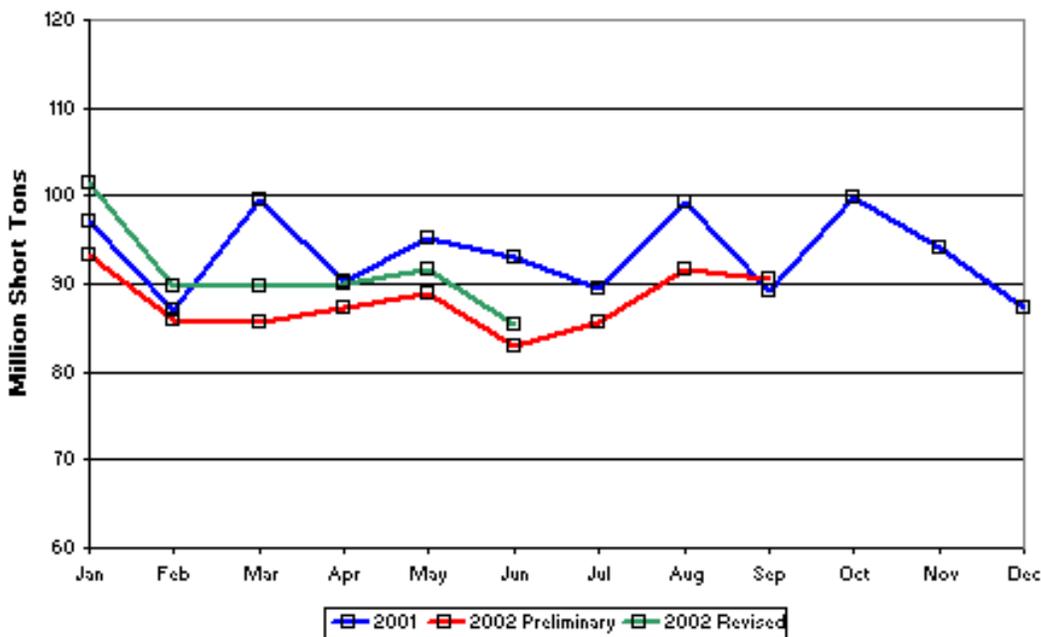
## Latest U.S. Coal Information

(updated November 5, 2002)

### Coal Production

For the week ended October 19, railcar loadings of coal were 0.7% lower while national coal production was 0.1% above year-ago levels. Year-to-date, estimated western U.S. coal production is 0.5% below the levels of a year ago, whereas eastern U.S. coal production is estimated to be 5.7% below last year's level. The revised production for the first 9 months of 2002 is 845.6 million short tons (mst), 2.9% lower than the 840.0 mst in the first 9 months of 2001. The revised estimate incorporates Mine Safety and Health Administration coal production survey data for the second quarter 2002.

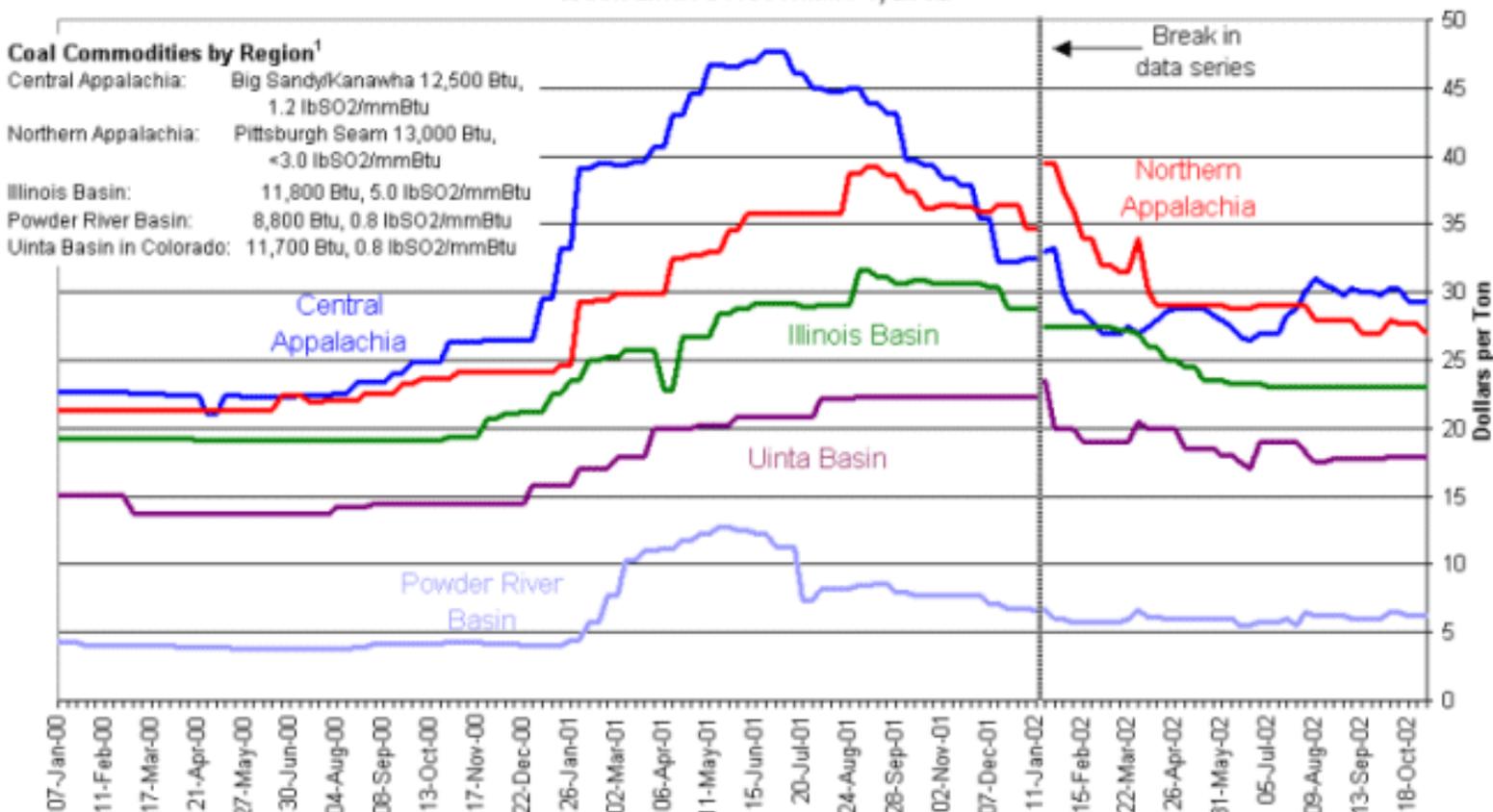
#### U.S. Monthly Coal Production



### Coal Prices

The average spot coal prices tracked by EIA, after strengthening slightly for the week ended October 4, have stalled at static levels (graph below). Coal prices show little movement and lack clear direction as markets-both spot and over-the-counter-show low interest and little activity. Compared to peak prices in summer 2001, Central and Northern Appalachian coal prices are down by about \$18.50 and \$12.00 per short ton, respectively. Compared to the previous floor in the summer of 2000, prior to the 2001 escalation, the latest indexed spot prices of \$29.25 per short ton for Central Appalachian and \$27.00 per short ton for Northern Appalachian coal are higher by 31% and 27% respectively. Other prices also remain higher than the summer 2000 base: by 30% for the Uinta Basin, 20% for the Illinois Basin, and 67% for the Powder River Basin.

### Average Weekly Coal Commodity Spot Prices Week Ended November 1, 2002



<sup>1</sup>Prior to January 11, 2002, EIA averaged 12-month "forward" spot prices for several coal specifications; after that date, coal prices shown are for a relatively high-Btu coal selected in each region, for delivery in the "prompt" quarter. The "prompt quarter" is the next calendar quarter, with quarters shifting forward after the 15th of the month preceding each quarter's end.  
Source: with permission, selected from listed prices in Platts Coal Outlook, "Weekly Price Survey"

Over-the-counter (OTC) trading volumes on the [NYMEX](#) throughout the months of September and October were the lowest since the market initiated trade in coal July 2001. The past week saw negligible activity-15 trades for the week. The settled price for near-month deliveries continues around \$28 per ton, prices for Central Appalachian coal that major producers consider untenable. NYMEX prices for early 2003 remain below \$29, with offers rising to \$30 starting in July 2003.

### Market Trends

At the American Coal Council's 20th annual Coal Market Strategies Conference last week, coal market analysts emphasized the continuing impact of a host of negative factors on coal markets. It was generally agreed that the above normal coal stockpiles at power plants and a number of economically negative issues will keep coal prices and purchases low for the rest of 2002, even if the weather becomes colder than normal. Among the problems depressing the coal industry are some stubborn broader problems such as: the overall economy, failure or bankruptcies among last year's ebullient independent power producers (IPPs) and online energy traders, and post-Enron credit problems for energy producers and for new or innovative coal-based generation.

In addition, the rush by IPPs to build new natural gas-fired units has resulted in a glut of shelved gas-fired generating equipment available at bargain prices. This will make new coal-fired plants—normally larger, more capital-intensive, and requiring more lead time than gas-fired plants to permit and build—less attractive for the next year or

more and even harder to finance. Meanwhile, in the wings, preliminary estimates of probable costs of mercury abatement regulations being considered by the Environmental Protection Agency, are projected to be high for coal. Since final standards have not been promulgated, estimates are speculative, but could add \$2.6 million per year on the low end to \$10.6 million per year on the high end to annualized costs for a 250 megawatt coal-fired power plant. Because of the nature of the mercury and other minerals typically associated with western coal deposits, the higher costs are expected for plants burning western subbituminous coals (presentation by Michael Durham, ADA Environmental Solutions, October 16).

Peabody Energy COO Richard Whiting commented that his company has 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 get the money needed to pay-down debt, so now they are more focused on profitability. Mr. Whiting also commented that productivity gains will inevitably flatten out. He said that Peabody continues to push mining equipment vendors for better technology, but he is concerned about the lack of capital investment in the industry and the low rates of return.

John Dean of JD Consulting displayed a graph showing productivity at Powder River Basin (PRB) high Btu mines (8800 Btu/lb) peaking in 1998 and declining since. This would reverse the trend, as PRB productivity had been increasing for many years. A representative of Arch coal 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 believes there is significant opportunity to increase output at the longwall mines by upgrading the conveyor systems that move coal out of the mines.

Would-be buyers have found coal producers generally unwilling to commit beyond existing contracts at current prices. With some eastern mines still off line, supplies of eastern compliance coal have reportedly been tight and most buyers, with still a stockpile cushion, have delayed buys. Citing the high capital costs of opening new coal mines, Consol Energy disclosed on September 24 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). Meanwhile, stock market prices for energy trading companies and some utilities took heavy losses on October 8 and 9 as investors reacted to a new wave of bankruptcy announcements and credit downgrades. As noted above, one effect of these trends is a tightening of new capital, credit, and short-term cash for expansions as well as coal purchases and operating expenses.

For the time being, coal producers continue to keep some capacity offline to stabilize prices, while coal-consuming power plants plan for 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 (<http://www.eia.doe.gov/cneaf/electricity/page/capacity/capacity.html>). While most of the planned capacity was natural gas-fired, coal-fired plants do not show up because they are longer-term projects.

File last modified: November 5, 2002

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

Contact:

Bill Watson and Rich Bonskowski

[william.watson@eia.doe.gov](mailto:william.watson@eia.doe.gov)

[richard.bonskowski@eia.doe.gov](mailto: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](mailto:wmaster@eia.doe.gov)*

## Latest U.S. Electricity Information

(updated November 7, 2002)

**Selected Wholesale Electricity Prices:** Electricity prices in the Western United States decreased generally over the past three trading days as rain increased the resources available for hydroelectric generation and warmer weather caused a reduction in customer demand. Less expensive natural gas also lowered the cost of running power plants in the region. At Mid-Columbia, a benchmark for the U.S. Northwest, prices decreased \$9.03 per megawatthour between November 1 and November 6. At COB, prices fell \$7.92 per megawatthour during the same time period.

In the Midwest, electricity prices were mixed over the past few days. Cold temperatures coupled with a reduction in supply pushed prices upward on November 5, but prices dropped on November 6 with forecasts for warmer weather and a projected decrease in customer demand. In addition, more nuclear capability came on-line on November 6 that helped to reduce prices in the region. Prices at the Cinergy trading center, which are reflective of Midwest prices, increased \$2.67 per megawatthour from November 4 to November 5, but decreased \$1.50 per megawatthour from November 5 to November 6.

In the Southeast, electricity prices followed the Midwest's pattern of change. Within SERC, prices increased almost \$1.60 on November 5, but decreased by nearly the same amount on November 6.

In New York City, spot electricity prices increased because transmission line repairs restricted electricity imports. Prices increased by \$4.50 per megawatthour to \$62.00 per megawatthour for both November 5 and November 6. For PJM West and in New England, prices were slowly decreasing as warmer forecasts were predicted, which would indicate lower customer demand.

Over the past seven days, the average price at all trading centers ranged between \$38.29 and \$45.90 per megawatthour.

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

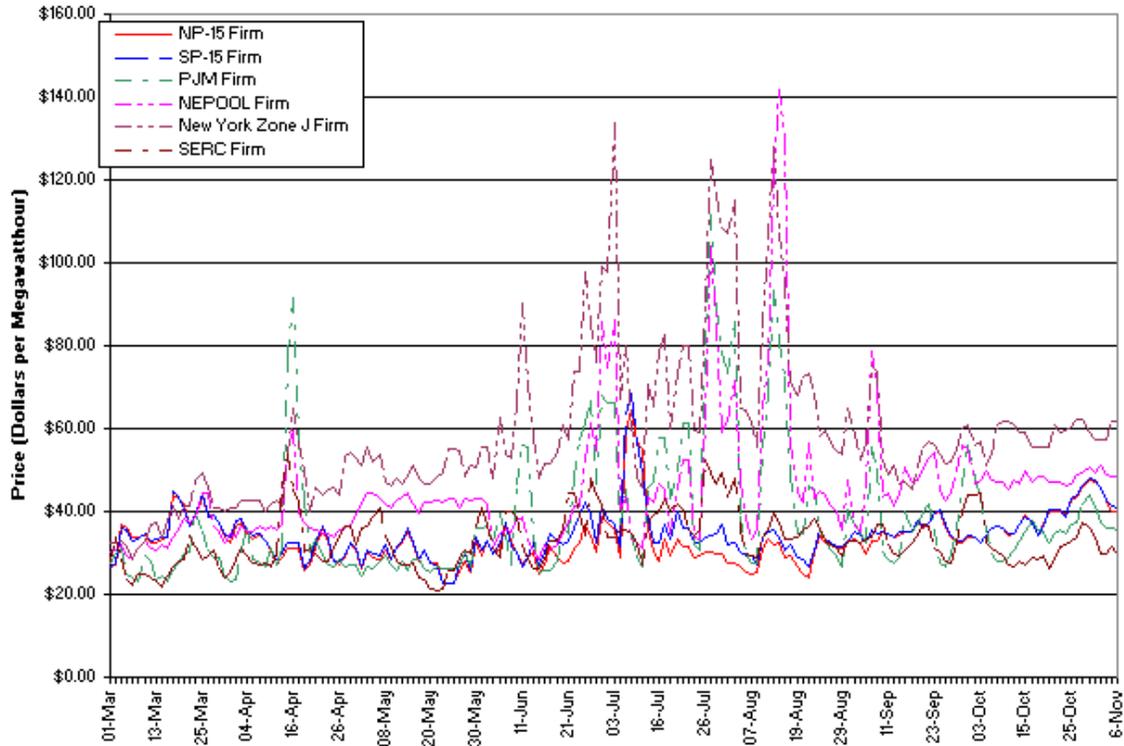
Trading Centers	Date							Price Range		
	10/29/02	10/30/02	10/31/02	11/1/02	11/4/02	11/5/02	11/6/02	Max	Min	Average
COB	41.75	45.50	45.54	42.75	39.15	35.42	34.83	45.54	34.83	40.71
Palo Verde	42.20	44.93	42.46	40.42	37.31	34.86	35.35	44.93	34.86	39.65
Mid-Columbia	38.86	42.87	43.55	40.18	36.21	32.36	31.15	43.55	31.15	37.88
Mead/Marketplace	44.00	46.25	45.00	43.85	40.20	38.08	38.43	46.25	38.08	42.26
4 Corners	43.41	46.54	44.50	40.92	39.83	36.55	37.88	46.54	36.55	41.38
NP 15	45.59	47.75	47.32	45.72	42.60	39.89	40.12	47.75	39.89	44.14
SP 15	46.32	48.13	47.37	45.78	42.53	41.17	40.72	48.13	40.72	44.57
PJM West	41.75	44.20	41.13	37.28	36.09	35.87	35.70	44.20	35.70	38.86
NEPOOL	49.50	50.75	49.25	51.00	49.00	48.50	48.25	51.00	48.25	49.46
New York Zone J	62.25	59.00	57.50	57.50	57.50	62.00	62.00	62.25	57.50	59.68
Cinergy	35.63	38.94	33.19	23.25	23.88	26.55	25.05	38.94	23.25	29.50
SERC	37.33	35.91	33.87	29.78	29.97	31.58	29.99	37.33	29.78	32.63
<b>Average Price</b>	44.05	45.90	44.22	41.54	39.52	38.57	38.29	45.90	38.29	41.73

**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](http://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 Nepool.  
**New York Zone J:** Average price of electricity traded at the New York Zone J - New York City.

**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: November 7, 2002

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

Contact:  
 William Liggett  
[william.liggett@eia.doe.gov](mailto: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](mailto:wmaster@eia.doe.gov)