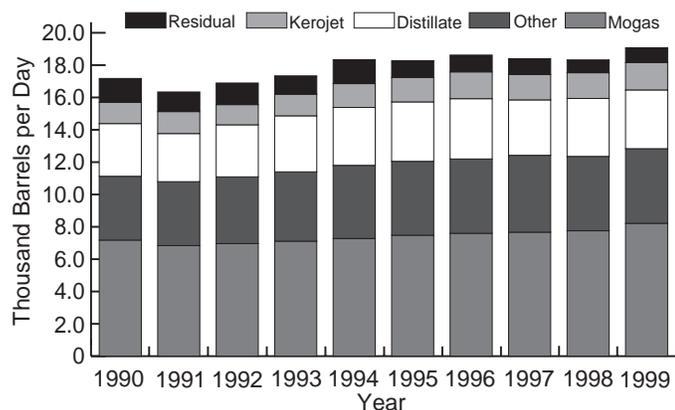


Highlights

Total demand for refined petroleum products, measured as product supplied for February 1999¹, averaged 19.1 million barrels per day (Table & Figure H1). Demand for refined petroleum products reached the highest average for the month since 1979. Data collected by the National Oceanic Atmospheric Administration (NOAA) during the month for the U.S. reflect warmer than normal temperatures for this time of year. On average, temperatures were 16.3 percent warmer than normal although 4.6 percent cooler than this time last year.² The latest release of the Beige Book from the Federal Reserve Board notes continued economic strength during the month.³

Figure H1. Total Demand, 1990-Current, Comparison in February for Petroleum Products



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

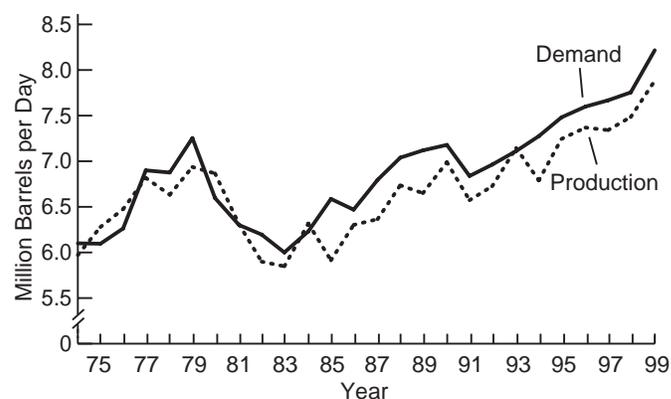
February 1999 highlights include:

- **Demand** for finished motor gasoline set a record high average for the month at 8.2 million barrels per day. **Production** of finished motor gasoline also set a February record high, averaging 7.9 million barrels per day. Finished motor gasoline **imports** were higher than normal for February at 382 thousand barrels per day.
- Distillate fuel oil **demand** averaged 3.6 million barrels per day, the highest average for February in three years. Distillate fuel oil **stocks** ended the month totaling 138.5 million barrels, the highest end of February level since 1983.
- **Demand** for residual fuel **increased 15 percent compared to the same month last year**, averaging 910 thousand barrels per day. **Production** of residual fuel oil was also above last year's February average. Residual fuel oil **stocks** ended the month totaling 41.0 million barrels.
- **Demand** for kerosene-type jet fuel set a February record high averaging 1.7 million barrels per day. **Production** of kerosene-type jet fuel was not far behind at 1.6 million barrels

per day, also a February record high. **Stocks** ended the month at the highest end of February level ever, 44.1 million barrels.

- Propane inventories ended the month 9.0 million barrels higher than last year with a total of 41.2 million barrels.
- Domestic crude oil **production** averaged only 5.9 million barrels per day in February, the lowest level for the month in 49 years. **Imports** of crude oil averaged 8.6 million barrels per day, a February record high. **Stocks** of crude oil, excluding the Strategic Petroleum Reserve (SPR) ended the month totaling 332.8 million barrels, 10.5 million higher than last year.

Figure H2. Finished Motor Gasoline, Year-to-Year February Comparisons, 1974-1999



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Motor Gasoline

Demand for finished motor gasoline reached an average of 8.2 million barrels per day in February, a **6 percent increase over the February 1998 record high for the month** (Figure H2). Fueling the February record demand for gasoline, the average retail price of conventional motor gasoline averaged a mere 93.2 cents a gallon including taxes (Figure H3).⁴ Refineries have continued to maximize motor gasoline production at the expense of distillates, as the relatively mild 1998-99 winter has left an overhang of distillate inventories.⁵ The refinery shift in **production** of finished motor gasoline was enough to push the average for the month to 7.9 million barrels per day, a **5 percent increase over last year's record high for the month**. **Imports** of finished motor gasoline were higher than normal for this time of year averaging 382 thousand barrels per day, the highest February average in nine years. Finished motor gasoline **stocks** ended the month at their highest end of February level since 1995, totaling 177.0 million barrels.

¹ February 1999 data are monthly-from-weekly estimates based on the Energy Information Administration's Weekly Petroleum Supply Reporting System.

² "Heating Degree Day Data Monthly Summary, Monthly Data for February 1999", *National Oceanic Atmospheric Administration*, accessible via the Internet at <http://nic.fb4.noaa.gov>.

³ "The Beige Book", *Federal Reserve Board*, March 17, 1999, accessible via the Internet at <http://www.bog.frb.fed.us/>.

⁴ "Table 16. U.S. Retail Motor Gasoline and On-Highway Diesel Fuel Prices, 1998 to Present", *Weekly Petroleum Status Report*, February 26, 1999, p. 27.

⁵ "Spot Products Markets Look for Spring Relief", *The Oil Daily*, February 24, 1999, p. 3 & 4.

Table H1. Petroleum Supply Summary
(Million Barrels per Day, Except Where Noted)

Category	1999			1998	January - February	
	Estimated February	January	Difference ^a	February	1999	1998
Products Supplied	19.1	18.9	0.2	18.3	19.0	18.3
Finished Motor Gasoline.....	8.2	7.6	0.6	7.8	7.9	7.7
Distillate Fuel Oil.....	3.6	3.6	(s)	3.6	3.6	3.6
Residual Fuel Oil	0.9	0.8	0.1	0.8	0.9	0.8
Jet Fuel.....	1.7	1.7	(s)	1.6	1.7	1.6
Other Petroleum Products ^b	4.6	5.1	-0.4	4.6	4.9	4.6
Crude Oil Inputs	14.5	14.5	(s)	14.0	14.5	14.2
Operating Utilization Rate (%)	94.2	92.5	1.7	92.2	93.3	93.3
Imports	10.6	10.2	0.4	9.6	10.4	9.7
Crude Oil	8.6	8.3	0.3	7.8	8.5	8.0
Strategic Petroleum Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Other.....	8.6	8.3	0.3	7.8	8.5	8.0
Products	2.0	1.9	0.1	1.8	1.9	1.8
Finished Motor Gasoline.....	0.4	0.3	0.1	0.3	0.3	0.3
Distillate Fuel Oil.....	0.3	0.3	(s)	0.2	0.3	0.2
Residual Fuel Oil	0.3	0.2	0.1	0.2	0.2	0.2
Jet Fuel.....	0.1	0.1	(s)	0.1	0.1	0.1
Other Petroleum Products ^c	0.9	1.0	-0.1	1.0	1.0	1.0
Exports	0.9	0.9	(s)	1.0	0.9	1.0
Crude Oil	0.1	0.1	(s)	0.2	0.1	0.2
Products	0.8	0.8	(s)	0.8	0.8	0.8
Total Net Imports	9.7	9.3	0.4	8.6	9.5	8.7
Stock Change^d	-0.5	-0.3	-0.2	-0.1	-0.4	0.2
Crude Oil	(s)	0.1	-0.1	(s)	(s)	0.3
Products	-0.5	-0.3	-0.1	-0.2	-0.4	-0.1
Total Stocks	1,619	1,639	-21	1,572	—	—
(million barrels)						
Crude Oil	905	897	8	886	—	—
Strategic Petroleum Reserve ^e	572	572	0	563	—	—
Other.....	333	325	8	322	—	—
Products	714	743	-29	687	—	—
Finished Motor Gasoline.....	177	185	-8	173	—	—
Distillate Fuel Oil.....	139	148	-9	128	—	—
Residual Fuel Oil	41	44	-3	38	—	—
Jet Fuel.....	44	45	-1	42	—	—
Other Petroleum Products ^c	313	321	-7	306	—	—

^a Difference is equal to volume for current month minus volume for previous month.

^b Includes crude oil product supplied, natural gas liquids, liquefied refinery gases (LRG's), other liquids, and all finished petroleum products except finished motor gasoline, distillate fuel oil, residual fuel oil, and jet fuel.

^c Includes natural gas liquids, liquefied refinery gases (LRG's), other liquids, and all finished petroleum products except motor gasoline, jet fuel, distillate fuel oil, and residual fuel oil.

^d A negative number indicates a decrease in stocks and a positive number indicates an increase.

^e Crude oil stocks in the Strategic Petroleum Reserve include non-U.S. stocks held under foreign or commercial storage agreements.

(s) = Less than 0.05 million barrels per day, or less than 0.05 percent, or less than 0.5 million barrels.

Note: Totals may not equal sum of components due to independent rounding.

Source: Energy Information Administration (EIA), 1997, *Petroleum Supply Annual*, Volume II; appropriate issues of the *Petroleum Supply Monthly* and the *Weekly Petroleum Status Report*.

Data for the current month are preliminary estimates, based on weekly submissions. For an explanation of estimation methodology and accuracy, see Appendix A of *Weekly Petroleum Status Report* and the article, "Accuracy of Petroleum Supply Data", published in the October 1998, *Petroleum Supply Monthly*.

Table H2. U.S. Refinery Inputs, Capacities¹ and Utilization Rates: 1998-1999
(Thousand Barrels per Day, Except Where Noted)

Item	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec
1998												
Gross Refinery Inputs	14,655	14,340	14,851	15,170	15,305	15,651	15,704	15,806	15,041	14,241	15,089	15,168
Operating Refinery Capacity ²	15,538	15,555	15,547	15,587	15,617	15,687	15,695	15,689	15,703	15,346	15,481	15,797
Idle Capacity ³	167	158	184	144	144	135	135	143	129	537	449	154
Idle Three Months or Less	41	20	46	0	0	0	0	14	0	420	369	37
Idle More than Three Months	127	138	138	144	144	135	135	129	129	117	80	117
Operable Refinery Capacity	15,705	15,713	15,732	15,732	15,761	15,822	15,830	15,832	15,832	15,883	15,930	15,951
Utilization Rate (percent)												
Operating Capacity	94.3	92.2	95.5	97.3	98.0	99.8	100.1	100.7	95.8	92.8	97.5	96.0
Operable Capacity	93.3	91.3	94.4	96.4	97.1	98.9	99.2	99.8	95.0	89.7	94.7	95.1
1999												
Gross Refinery Inputs	14,762											
Operating Refinery Capacity ²	15,953											
Idle Capacity ³	200											
Idle Three Months or Less	71											
Idle More than Three Months	129											
Operable Refinery Capacity	16,153											
Utilization Rate (percent)												
Operating Capacity	92.5											
Operable Capacity	91.4											

¹Capacities are on a calendar day basis.

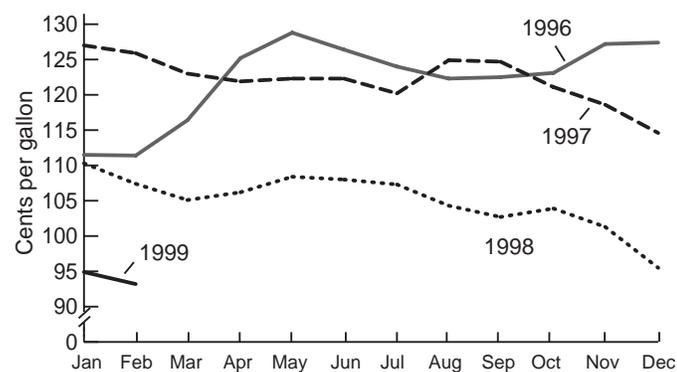
²Operating capacity equals the operable capacity less the total idle capacity.

³Idle capacity is the component of operable capacity that is not in operation and not under active repair, but is capable of being placed in operation within 30 days; and capacity not in operation but is under active repair that can be completed within 90 days.

Note: Totals may not equal sum of components due to independent rounding.

Sources: Energy Information Administration (EIA), 1997, *Petroleum Supply Annual*, Volume 2, Table 16; EIA, *Petroleum Supply Monthly*, 1998 data issue, Table 28.

Figure H3. Prices for Conventional Motor Gasoline 1996-current



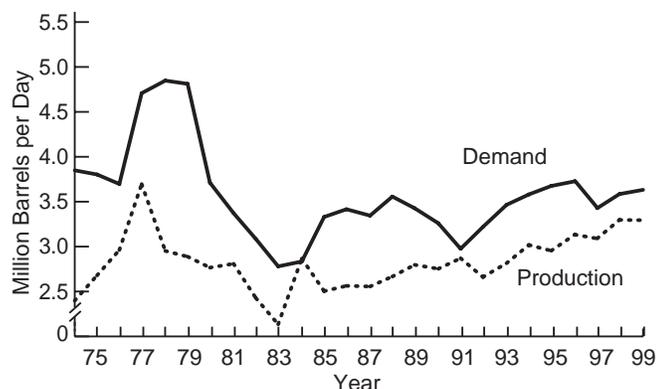
Source: Energy Information Administration, *Weekly Petroleum Status Report*, DOE/EIA-0208 (various issues).

Distillate Fuel Oil

Demand for **distillate** fuel oil during February averaged 3.6 million barrels per day, the highest average for the month in three years (Figure H4). Demand received a boost from both the cooler weather and increases in rail activity during the month. On U.S. railroads, both rail freight and intermodal traffic saw increases compared to this time last year.⁶ Distillate **production** averaged 3.3 million barrels per day as refineries concentrated on gasoline in lieu of distillates, as noted earlier. Distillate fuel oil **imports** reached their highest average for this time of year since 1995 at 281 thousand barrels per day. Total distillate fuel oil **stocks** ended the month 10.6 million barrels higher than the end of February last year for a total of 138.5 million barrels. Compared to this time last year, the largest increase is attributed to low-sulfur distillates, which accounted for 72.7 million barrels of the total.

⁶ "Rail Freight Traffic Rebounds During February", *Association of American Railroads*, March 4, 1999, accessible via the Internet at <http://www.aar.org>.

Figure H4. Distillate, Year-to-Year February Comparisons, 1974-1999

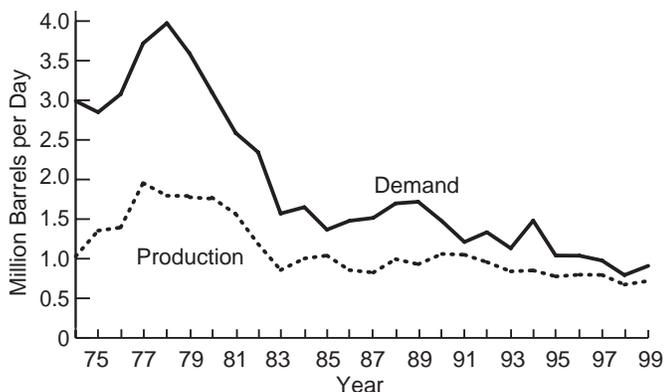


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Residual Fuel Oil

Residual fuel oil's recent comeback remained strong in February. **Demand** for residual fuel oil averaged 910 thousand barrels per day, a **15 percent increase compared to last year's average** (Figure H5). Utilities along the East Coast with the ability to switch fuels have favored residual fuel oil over natural gas as low crude oil prices translate into lower residual fuel oil prices.⁷ Residual fuel oil **production** also increased compared to this time last year, averaging 719 thousand barrels per day. Residual fuel oil **imports** came into the U.S. at their highest average since December 1996, averaging 275 thousand barrels per day. **Stocks** ended the month totaling 41.0 million barrels, the highest total for the month since 1993.

Figure H5. Residual, Year-to-Year February Comparisons, 1974-1999



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

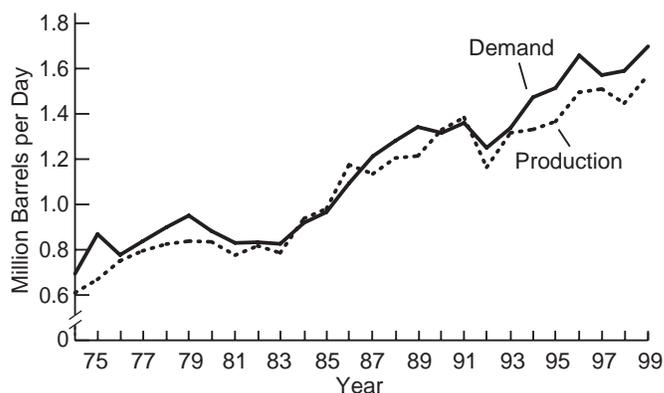
⁷ "Dismal Crude Price Helps Residual Fuel Oil Mount Comeback in Battle With Natural Gas", *The Oil Daily*, March 3, 1999, p. 3 & 4.

⁸ "Preliminary Scheduled Passenger Traffic Statistics", *Air Transport Organization*, March 17, 1999, accessible via the Internet at <http://www.air-transport.org/data/>.

Kerosene-Type Jet Fuel

The latest statistics available for domestic scheduled passenger traffic in February suggest a healthy demand for air travel.⁸ Kerosene-type jet fuel **demand** set a record high for the month at an average of 1.7 million barrels per day (Figure H6). **Production** of kerosene-type jet fuel averaged 1.6 million barrels per day, another February record. Total jet fuel **imports**, were within the normal seasonal range averaging 110 thousand barrels per day. **Stocks** of kerosene-type jet fuel reached the highest level for February ever at a total of 44.1 million barrels.

Figure H6. Kerojet, Year-to-Year February Comparisons, 1974-1999

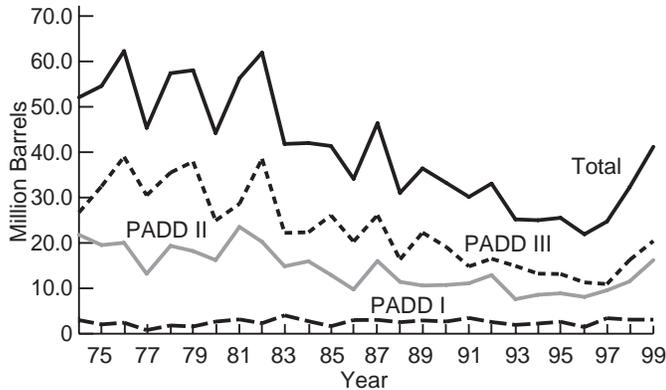


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Propane

Propane inventories ended February at a total of 41.2 million barrels, **9 million barrels higher than the end of February last year** and well above the normal seasonal range (Figure H7). The largest decline for stocks was in the Midwest which dropped 3.3 million barrels to 16.2 million barrels by month's end. Propane stocks in the Gulf Coast declined 2.7 million barrels to end the month at 20.4 million barrels and stocks along the East Coast ended the month at 3.1 million barrels, an increase of 203 thousand barrels. Stocks along the East Coast remain within the normal seasonal range while stocks in the Midwest and Gulf Coast ended the month well above their normal seasonal ranges.

Figure H7. Propane Stocks, Year-to-Year February Comparisons, 1974-1999

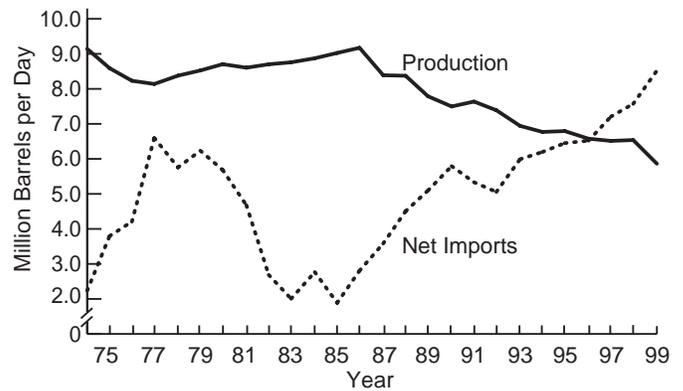


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Crude Oil

Domestic crude oil **production** averaged 5.9 million barrels per day during February, **the lowest average for the month since 1950**. Field production of Alaskan crude oil remains at the lowest level for the month since the Trans Alaska Pipeline System was brought on line in 1978. February's Alaskan field production of crude oil averaged only 1.1 million barrels per day. In order to fill the refineries' appetite for crude oil, imports of crude oil came into the U.S. at a record pace. Crude oil **imports** during February averaged 8.6 million barrels per day, **an 11 percent increase over last year's record high for the month**. Net imports of crude oil, one measure of U.S. reliance on foreign oil, set a record high for February as well at 8.5 million barrels per day (Figure H8). Crude oil **stocks** excluding the SPR, ended the month at 332.8 million barrels, 10.5 million barrels more than the end of February last year. Total crude oil stocks ended the month at 904.7 million barrels; this includes non-U.S. stocks held under foreign or commercial storage agreements.

Figure H8. Crude Oil, Year-to-Year February Comparisons for Production and Net Imports, 1974-1999

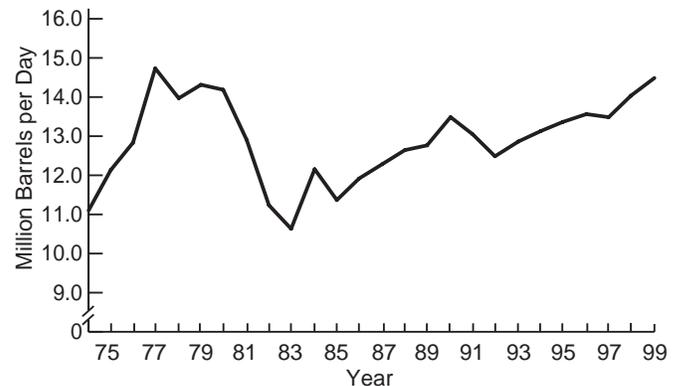


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Refinery Operations

Crude oil **inputs** averaged 14.5 million barrels per day, the highest average for February since the record was set in 1977 (Figure H9). The estimated refinery **operable utilization rate** (gross input divided by operable capacity) averaged 91.8 percent versus 91.3 percent a year ago.

Figure H9. Year-to-Year February Comparisons for Crude Oil Inputs, 1974-1999



Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).