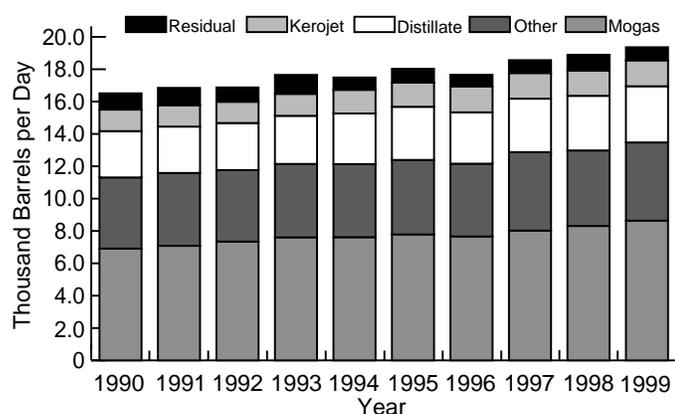


Highlights

Total demand for refined petroleum products, measured as product supplied, averaged 19.4 million barrels per day in September 1999¹ (Table & Figure H1). Demand for refined petroleum products set a record high for the month as well as a year-to-date record at an average of 19.2 million barrels per day. Record demand for finished motor gasoline, distillate fuel oil, and near record demand for kerosene-type jet fuel easily pushed demand past the prior record for the month. U.S. economic activity remains brisk, retail sales increased again and consumer confidence remains sky high.² Temperatures in the U.S. cooled off in September. On average, cooling degree day temperatures were 2 percent cooler than normal and 27 percent cooler than last September.³

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



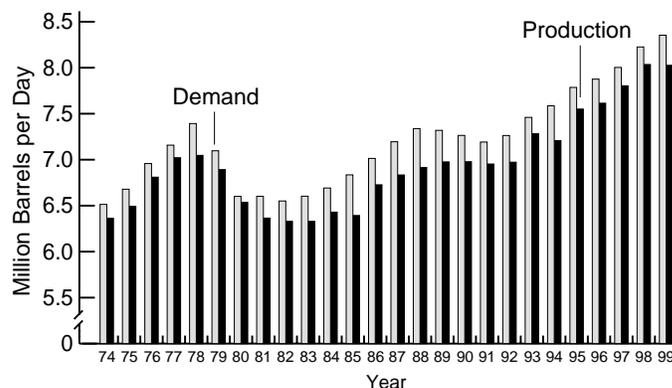
Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

September 1999 and year-to-date highlights include:

- **Demand** for finished motor gasoline set a **record high for the month** at an average of 8.6 million barrels per day. **For the year, demand is up 1.6 percent** compared to the prior record. **Production** also set a **record for the month** at an average of 8.4 million barrels per day. For the year, production is slightly behind this time last year at an average of 8.0 million barrels per day. Stocks ended the month totaling 157.2 million barrels, **the lowest level for September since the finished motor gasoline series began in 1981**.
- **Demand and production of distillate fuel oil set September records** at 3.5 million barrels per day and 3.6 million barrels per day, respectively. Over the last nine months, distillate fuel oil demand has averaged a record 3.5 million barrels per day. Total distillate **stocks** ended the month at 144.9 million barrels, **7.7 million barrels below last September's month end total**.

- Residual fuel oil **demand, production, and imports were all below last year's respective averages** for the month. Year-to-date residual fuel oil production is down 6.3 percent to an average of 719 thousand barrels per day. Month-end **stocks** of residual fuel oil totaled 38.3 million barrels.
- **Demand** for kerosene-type jet fuel was close to the 1996 record high for the month at an average of 1.6 million barrels per day. **Through September, demand is up 3.6 percent** compared to this time last year. **Production** of kerosene-type jet fuel was also near the September record high, with an average of 1.6 million barrels per day. Year-to-date production set a record at 1.6 million barrels per day. Kerosene-type jet fuel **stocks** ended the month at an **all time high**, 47.6 million barrels.
- Propane inventories posted an unexpected draw for the month, dropping 1.7 percent to a total of 59.7 million barrels.
- Domestic crude oil **production** averaged 5.9 million barrels per day, 122 thousand barrels per day **higher than last September**. Since January, domestic production has averaged only 5.9 million barrels per day. Alaskan field production dropped to 682 thousand barrels per day in September, the lowest level for any month since August 1977. At 8.5 million barrels per day, **imports** of crude oil were only 0.3 million barrels per day from the record for the month. **Stocks** of crude oil, excluding the Strategic Petroleum Reserve (SPR), ended the month at a total of 304.5 million barrels.

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



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

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

²"Strong U.S. Retail Sales Add To Rate Fears", *Reuters*, October 14, 1999, accessible via the Internet at <http://dailynews.yahoo.com/>.

³"Cooling Degree Day Data Monthly Summary, Monthly Data for September 1999", *National Oceanic and Atmospheric Administration*, accessible via the Internet at <http://www.cpc.ncep.noaa.gov>.

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

Category	1999			1998	January - September	
	Estimated September	August	Difference ^a	September	1999	1998
Products Supplied	19.4	19.9	-0.5	18.9	19.2	18.9
Finished Motor Gasoline.....	8.6	8.6	0.1	8.3	8.4	8.2
Distillate Fuel Oil.....	3.5	3.4	0.1	3.4	3.5	3.5
Residual Fuel Oil	0.8	1.0	-0.2	1.0	0.8	0.9
Jet Fuel.....	1.6	1.7	-0.1	1.6	1.7	1.6
Other Petroleum Products ^b	4.8	5.2	-0.4	4.7	4.9	4.7
Crude Oil Inputs	15.2	15.3	-0.1	14.9	14.9	15.0
Operating Utilization Rate (%)	95.0	96.4	-1.5	95.8	94.3	97.4
Imports	10.5	10.7	-0.2	10.5	10.7	10.7
Crude Oil	8.5	8.7	-0.1	8.5	8.7	8.7
Strategic Petroleum Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Other.....	8.5	8.7	-0.1	8.5	8.7	8.7
Products	2.0	2.1	-0.1	2.0	2.0	2.0
Finished Motor Gasoline.....	0.4	0.3	0.1	0.3	0.4	0.3
Distillate Fuel Oil.....	0.2	0.2	(s)	0.2	0.2	0.2
Residual Fuel Oil	0.3	0.2	(s)	0.3	0.2	0.3
Jet Fuel.....	0.1	0.2	(s)	0.1	0.1	0.1
Other Petroleum Products ^c	1.0	1.1	-0.1	1.1	1.0	1.1
Exports	1.0	0.9	0.1	0.9	0.9	1.0
Crude Oil	0.1	0.1	(s)	(s)	0.1	0.1
Products	0.9	0.8	0.1	0.8	0.8	0.9
Total Net Imports	9.6	9.8	-0.3	9.6	9.8	9.7
Stock Change^d	-0.2	-0.7	0.4	-0.5	-0.1	0.3
Crude Oil	-0.4	-0.5	0.2	-0.6	-0.1	(s)
Products	0.1	-0.1	0.3	0.1	-0.1	0.3
Total Stocks	1,621	1,618	3	1,652	—	—
(million barrels)						
Crude Oil	879	889	-10	873	—	—
Strategic Petroleum Reserve ^e	575	575	(s)	563	—	—
Other.....	305	314	-10	310	—	—
Products	742	729	12	779	—	—
Finished Motor Gasoline.....	157	159	-1	164	—	—
Distillate Fuel Oil.....	145	142	3	153	—	—
Residual Fuel Oil	38	37	1	40	—	—
Jet Fuel.....	48	45	2	46	—	—
Other Petroleum Products ^c	354	346	7	377	—	—

^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), 1998, *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	14,661	14,262	14,901	15,301	15,464	15,671	15,705	15,806	15,040	14,222	15,095	15,169
Operating Refinery Capacity ²	15,538	15,558	15,550	15,547	15,573	15,686	15,691	15,685	15,699	15,343	15,478	15,797
Idle Capacity ³	173	158	184	144	135	135	135	143	129	537	449	154
Idle Three Months or Less	47	20	46	0	0	0	0	14	0	420	369	37
Idle More than Three Months	127	138	138	144	135	135	135	129	129	117	80	117
Operable Refinery Capacity	15,711	15,716	15,735	15,692	15,708	15,821	15,826	15,828	15,828	15,880	15,927	15,951
Utilization Rate (percent)												
Operating Capacity	94.4	91.7	95.8	98.4	99.3	99.9	100.1	100.8	95.8	92.7	97.5	96.0
Operable Capacity	93.3	90.7	94.7	97.5	98.4	99.1	99.2	99.9	95.0	89.6	94.8	95.1
1999												
Gross Refinery Inputs	14,762	14,719	14,802	15,333	15,253	15,195	15,447	15,546				
Operating Refinery Capacity ²	15,953	15,955	16,139	16,140	15,984	16,137	16,134	16,134				
Idle Capacity ³	200	227	131	132	288	139	153	153				
Idle Three Months or Less	71	98	2	0	158	7	21	48				
Idle More than Three Months	129	129	129	132	130	132	132	105				
Operable Refinery Capacity	16,153	16,181	16,270	16,271	16,271	16,276	16,287	16,287				
Utilization Rate (percent)												
Operating Capacity	92.5	92.3	91.7	95.0	95.4	94.2	95.7	96.4				
Operable Capacity	91.4	91.0	91.0	94.2	93.7	93.4	94.8	95.4				

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.

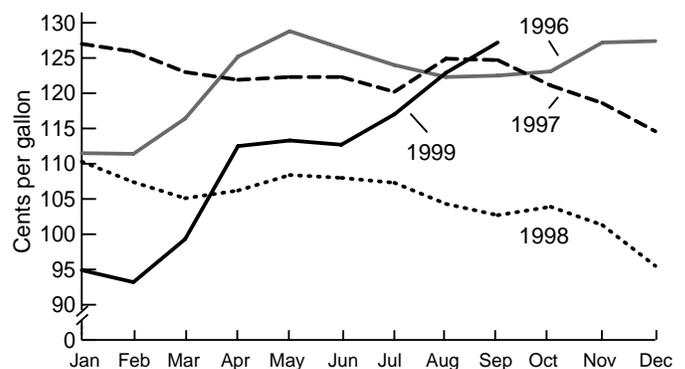
Note: Totals may not equal sum of components due to independent rounding.

Sources: Energy Information Administration (EIA), 1998, *Petroleum Supply Annual*, Volume 2, Table 16; EIA, *Petroleum Supply Monthly*, 1999 data issue, Table 28.

Motor Gasoline

Demand for finished motor gasoline received a boost from hurricane Floyd as residents along parts of the East Coast fled from the hurricane's path.⁴ **Demand** for finished motor gasoline averaged 8.6 million barrels per day, **a record high for the month**. Demand for finished motor gasoline, year-to-date, is up 1.6 percent from the prior record for an average of 8.4 million barrels per day (Figure H2). The price for conventional motor gasoline continued to rise in September averaging \$1.272 per gallon, including taxes (Figure H3).⁵ **Production** of finished motor gasoline averaged 8.4 million barrels per day for the month, another **September record high**. For the year, production of finished motor gasoline is close to the record, with an average of 8.0 million barrels per day. **Imports** were in the upper range for this time of year averaging 377 thousand barrels per day, the highest average for the month since 1992. **Imports are up 21.7 percent year-to-date** to an average of 376 thousand barrels per day. **Stocks** of finished motor gasoline ended the month at 157.2 million barrels. **This is the lowest level for September since the finished motor gasoline series began in 1981**.

Figure H3. Retail Prices for Conventional Motor Gasoline, 1996-current



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

Distillate Fuel Oil

Distillate fuel oil **demand** averaged 3.5 million barrels per day, another **record for the month**. Thanks to the booming economy, demand for distillates has been strong this year.⁶ Year-to-date,

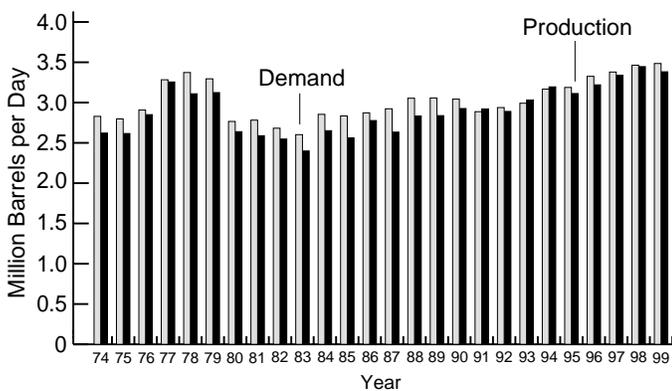
⁴“Crude Futures Move Higher in Quiet Trading; Little Concern Seen Over OPEC Summit”, *The Oil Daily*, September 20, 1999, p. 3.

⁵“Table 16. U.S. Retail Motor Gasoline and On-Highway Diesel Fuel Prices, 1998 to Present”, *Weekly Petroleum Status Report*, October 1, 1999, p. 27.

⁶“U.S. Distillate Deliveries Drop, Buy Demand Grows”, *Oxy-Fuel News - Monthly Markets Update*, September 20, 1999, p. 5.

distillate fuel oil demand averaged 3.5 million barrels per day as well, another record. **Production** of distillate fuel oil set a **record for the month** at an average of 3.6 million barrels per day, a 3.5 percent increase compared to the prior September record (Figure H4). While September's average was one of the highest ever, production over the last nine months has averaged only 3.4 million barrels per day. Distillate fuel oil **imports** were normal for this time of year, averaging 176 thousand barrels per day. This year, imports of distillates are up to an average of 215 thousand barrels per day. **Stocks** ended the month totaling 144.9 million barrels, **down 7.7 million barrels compared to last year**. High-sulfur distillates are down the most compared to this time last year, totaling 73.9 million barrels. They are down 7.3 percent. Low-sulfur distillates ended the month totaling 71.0 million barrels, a 2.6 percent decline.

Figure H4. Distillate, Year-to-Date September 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

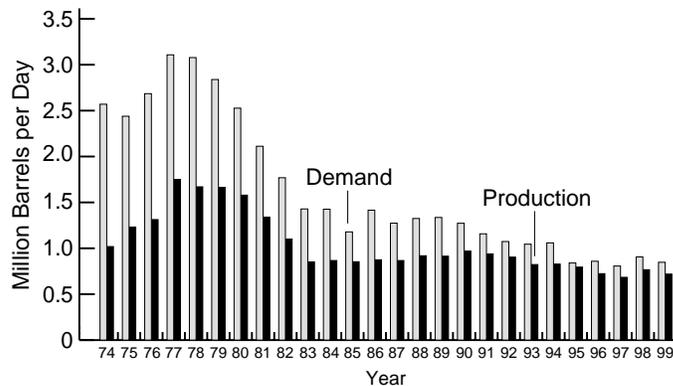
Demand for residual fuel oil averaged 811 thousand barrels per day in September. Demand from utilities for residual fuel, which use the fuel to supplement base load power, cooled in September along with the weather.⁷ Demand for residual fuel this year is down also, averaging only 848 thousand barrels per day over the last nine months. Clean burning natural gas has lured utilities with fuel switching capabilities away from residual fuel oil as residual prices have been increasing along with crude oil.⁸ **Production** of residual fuel oil is down compared to last year's averages, both for the month and year-to-date. In September, production averaged 718 thousand barrels per day while residual fuel oil production over the last nine months averaged 719 thousand barrels per day (Figure H5). Year-to-date production is down 6.3 percent compared to this time last year. Residual fuel oil **imports** were healthy for the month, averaging 284 thousand barrels per day. Year-to-date imports of residual fuel oil have been normal at an average of 244 thousand barrels per day. Month-end **stocks** totaled 38.3 million barrels, down 1.4 million barrels compared to this time last year.

⁷"Residual Fuel Watch", *Oil Price Information Service*, September 20, 1999, p. 10.

⁸"US Refiners Ride Into Winter On The Margin", *Oil Market Intelligence*, September 1999, p. 8 & 9.

⁹"Preliminary Scheduled Passenger Traffic Statistics", *Air Transport Association*, October 18, 1999, accessible via the Internet at <http://www.air-transport.org>.

Figure H5. Residual, Year-to-Date September Comparisons, 1974-1999

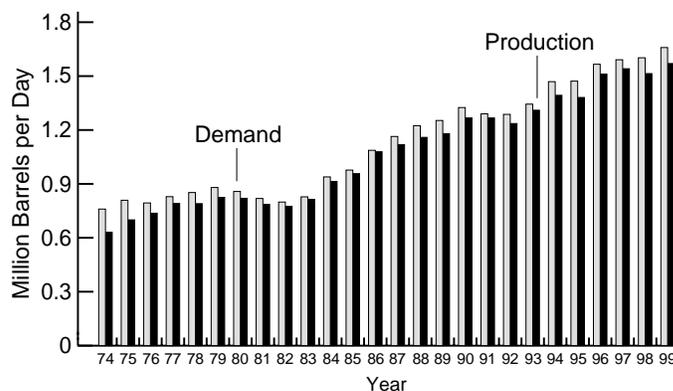


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Kerosene-Type Jet Fuel

Demand for kerosene-type jet fuel continues to increase along with commercial air traffic. Domestic available seat miles are up 4.6 percent, year-to-date, according to the Air Transport Association's latest data.⁹ **Demand** for kerosene-type jet fuel just missed setting a record for the month at an average of 1.6 million barrels per day. For the year, demand for kerosene-type jet fuel is up 3.6 percent from the prior high to an average of 1.7 million barrels per day (Figure H6). **Production** was in the upper range for this time of year, averaging a robust 1.6 million barrels per day. Production of kerosene-type jet fuel since the beginning of the year has averaged 1.6 million barrels per day, **a new third-quarter record**. **Imports** of total jet fuel, kerosene- and naphtha-type, in September were higher than the past two years, averaging 129 thousand barrels per day. Imports since January have averaged 125 thousand barrels per day, the highest average since 1975. End-of-month **stocks** of kerosene-type jet fuel totaled 47.6 million barrels, **the highest total ever**.

Figure H6. Kerojet, Year-to-Date September Comparisons, 1974-1999

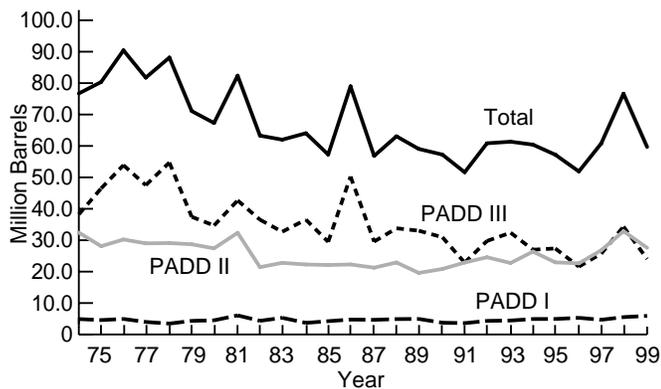


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Propane

Propane stocks reported an unexpected draw for the start of the 1999-2000 heating season, dropping 1.0 million barrels to a total of 59.7 million barrels by month's end (Figure H7). While propane inventories ended the month **down 22.1 percent compared to this time last year, they remain well within the normal seasonal range**. Regionally, inventories increased in all major areas of the Nation except for the Gulf Coast, which reported a 1.5 million barrel draw. Propane inventories along the East Coast continued well above the normal seasonal range, ending the month totaling 5.9 million barrels. Although Midwest and Gulf Coast inventories were within their normal seasonal patterns, inventories in the Gulf Coast ended the month near the lower limit for the month. Midwest inventories increased 373 thousand barrels to end the month totaling 27.6 million barrels. Gulf Coast inventories totaled 24.0 million barrels by month end, down 10.3 million barrels compared to this time last year.

Figure H7. Propane Stocks, Year-to-Year September 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

As crude oil prices return to healthy levels, domestic crude oil production gained back some lost ground. Domestic crude oil **production** averaged 5.9 million barrels per day in September, **an increase of 122 thousand barrels per day compared to this time last year**. For the year, domestic crude oil production is **down 5.6 percent** compared to last year's average. Year-to-date domestic crude oil production averaged 5.9 million barrels per day, the lowest average since 1950. Maintenance along the Trans-Alaska Pipeline in September, which shut down the flow of oil for 26 hours, prompted producers to follow suit and shut down to perform their own maintenance.¹⁰ Field production of Alaskan crude oil averaged a dismal 682 thousand barrels per day, the lowest monthly average since August 1977. Since the beginning of the year, Alaskan field production has averaged only 1.0 million barrels per day, **a decline of 13.0 percent this year**. Crude oil **imports** averaged an impressive 8.5 million barrels per day for the month and 8.7 million barrels per day for the year, both similar to 1998's respective averages. Net imports, imports minus exports, of crude oil averaged 8.4 million barrels per day in September. Net

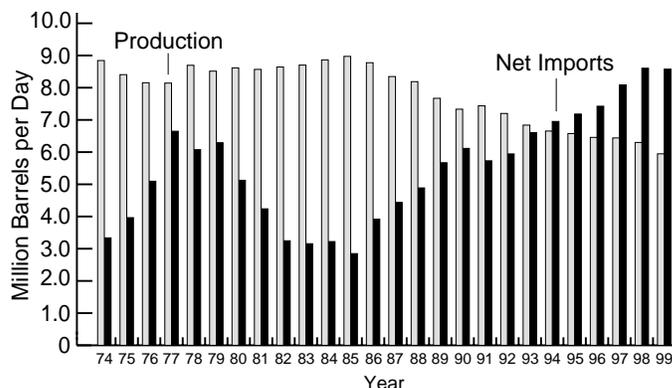
¹⁰"Pipeline pumping again after shutdown", *The Associated Press*, September 13, 1999, accessible via the Internet at <http://www.adn.com>.

¹¹"Oil Prices Could Hit \$30/bbl, Analyst Says, But Rise in Opec Production Is Likely Soon", *The Oil Daily*, October 8, 1999, p. 3.

imports of crude oil over the last nine months have averaged 8.6 million barrels per day (Figure H8).

OPEC's success in reigning in production has led to the tightening in domestic crude oil supplies.¹¹ Crude oil **stocks**, excluding the Strategic Petroleum Reserves (SPR), ended the month at a total of 304.5 million barrels. Stocks of crude oil, excluding the SPR, ended the month at the lowest level in two years. Total crude oil stocks ended the month at 879.4 million barrels; this includes non-U.S. stocks held under foreign or commercial storage agreements.

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

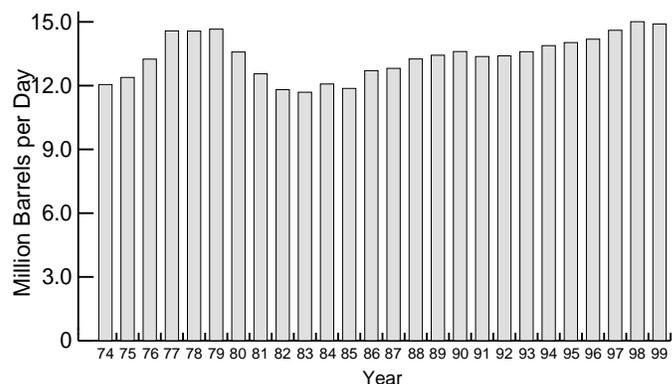


Source: Energy Information Administration, *Petroleum Supply Annual*, DOE/EIA-0340 (various issues), and *Petroleum Supply Monthly*, DOE/EIA-0109 (various issues).

Refinery Operations

Crude oil **inputs** reached the second highest average for the month ever at 15.2 million barrels per day. Inputs of crude oil over the last nine months averaged 14.9 million barrels per day, slightly less than this time last year (Figure H9). The estimated refinery **operable utilization rate** (gross input divided by operable capacity) averaged 94.1 percent of capacity compared to 95.0 percent a year ago.

Figure H9. Year-to-Date September 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).