North Carolina Energy Office energync.net

North Carolina Monthly Petro Price Monitor
February 8, 2011

SUMMARY

Petroleum prices continue to increase almost on a daily basis. The rate of increase has slowed slightly, however, prices continue to rise. The rise in petroleum prices may be related to the geopolitical unrest in the Middle East and the potential risk involved in obtaining or transporting petroleum from this region during these tenuous times. Petroleum obtained from the Middle East must travel through this region in order to reach the United States. The sources of North Carolina's petroleum will be discussed later in the document.

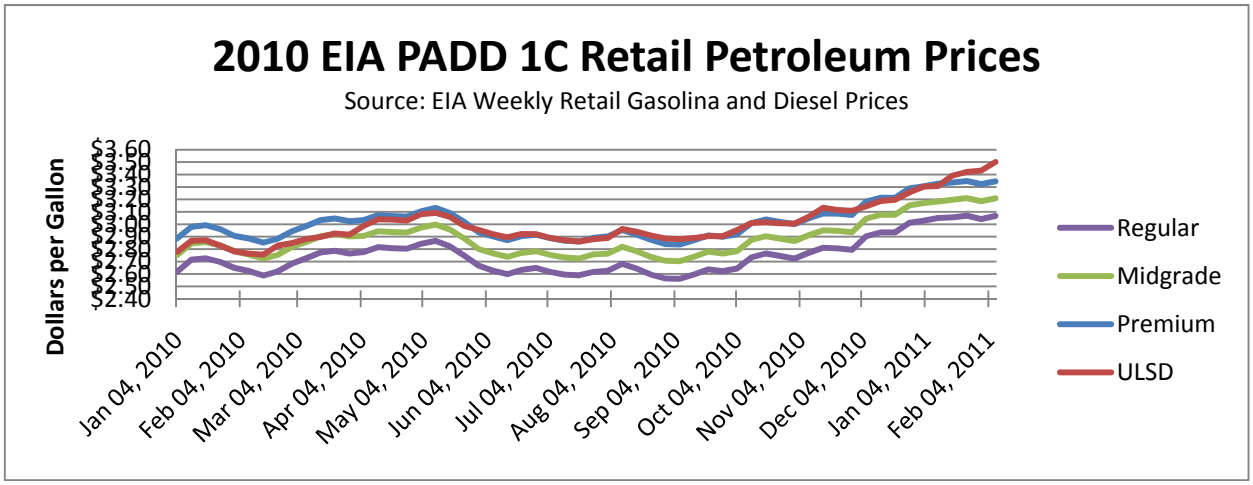
Regular gasoline prices within the state, on the average, increased three-cents/gallon over last week; two-cents over the previous month; and 45-cents over February last year. Ultra low sulfur diesel increased seven-cents over last week, 13-cents over the previous month, and 72-cents over February a year ago. Home heating oil decreased one-cent/gallon over last week, but increased six-cents over the January 2011 average, and 54-cents over February 2010. Propane decreased three-cents/gallon over last week, remained three-cents over the January 2011 average and 14-cents over February 2010.

Current N.C. per gallon average for petroleum products

Road Fuels	Feb. 8, 2011	Jan. 31, 2011	Jan. 2011	Feb. 2010
Regular gasoline	3.07	$3.04	$3.05	$2.62
Mid-grade	3.21	$3.19	$3.19	$2.75
Premium	3.35	$3.32	$3.33	$2.88
Ultra low sulfur diesel	3.50	$3.43	$3.37	$2.78
Winter Fuels				
Home heating oil	3.24	$3.25	$3.18	$2.70
Propane	3.07	$3.10	$3.04	$2.93

Source: EIA, Petroleum Navigator, Weekly Retail Gasoline and Diesel Prices and Weekly Heating Oil and Propane Prices

The Energy Information Administration divides the nation into several regions –Petroleum Administration Defense Districts. North Carolina is in District 1C, East Coast, Lower Atlantic; with Florida, Georgia, South Carolina, Virginia and West Virginia.



Petroleum Sources

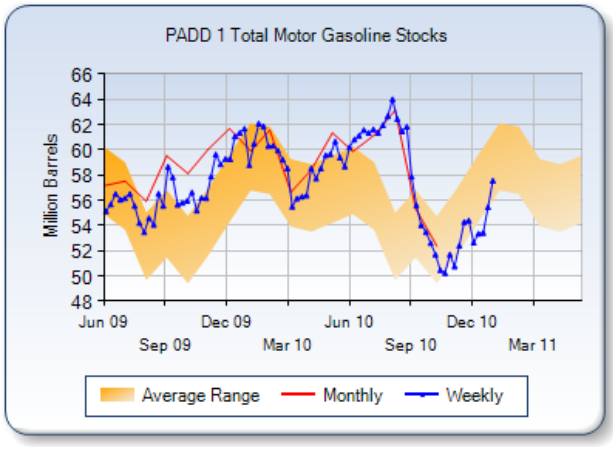
According the Energy Information Administration, there is no way to definitively determine where your gasoline or diesel comes from. However, using the data retrieved from the Energy Information Administration's Petroleum Administration Defense District Country of Origin Report, we can determine that 64% of the petroleum products used in PADD-1C come from international sources such as the Organization of Petroleum Exporting Countries (OPEC) and 36% from domestic sources.

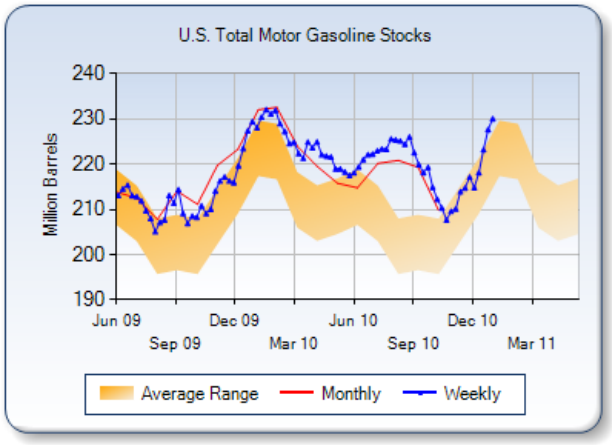
The top-five OPEC and Non-OPEC sources are listed in the chart below.

OPEC Nations	6-month average in thousand barrels	Non-OPEC Nations	6-month average in thousand barrels
Venezuela	27,891	Mexico	38,219
Saudi Arabia	22,677	Russia	14,889
Iraq	18,505	Columbia	9,656
Qatar	10,357	Brazil	5,072
Libya	6,870	Canada	4,453

Gasoline Stocks

On hand supplies in the East Coast, Lower Atlantic District are within the 5-year average and are trending in the upwards direction. On a national basis, gasoline stocks trend upwards and exceed the 5-year average.

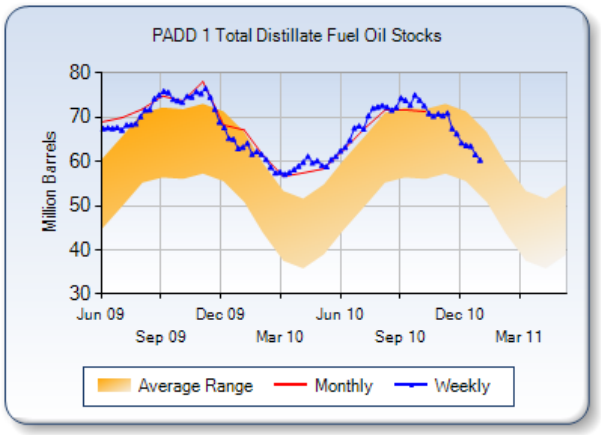


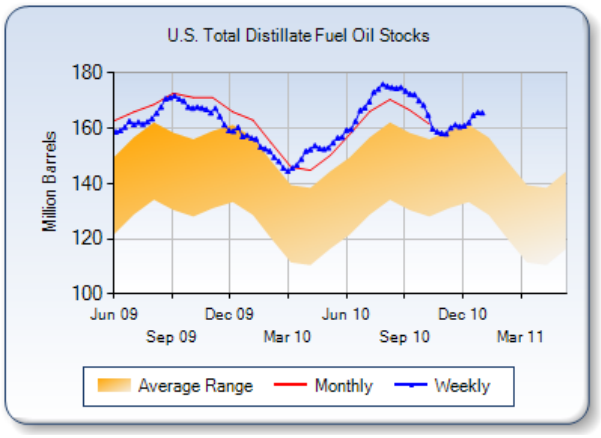


Source: Energy Information Administration, *Stocks of Total Motor Gasoline by PAD District, June 2009 to Present*

Diesel Stocks

The on hand supplies of diesel in the East Coast, Lower Atlantic District appear within the 5-year average range. The monthly trend appears to remain near the upper range of the 5-year average, while the weekly supplies show a downward trend. On a national basis, diesel stocks are well above the 5-year average.





Source: Energy Information Administration, *Stocks of Distillate Fuel Oil by PAD District, June 2009 to Present*

Petroleum Use

The light duty vehicle accounts for 76% of the vehicles traveling the roads in North Carolina. The Energy Information Administration includes automobiles, light trucks, motorcycles and light commercial trucks in this category. The predominant fuel used in this category is regular gasoline. Regular gasoline, according to the Energy Administrations Administration's Prime Supplier Sales Volume report, accounts for 73% of the total petroleum product imported into the state. Freight trucks account for approximately 20% of the vehicles traveling the roads in North Carolina. The predominant fuel for this category of vehicle is Ultra Low Sulfur Diesel (ULSD), which according to the Energy Administrations Administration's Prime Supplier Sales Volume report, accounts for approximately 17% of the petroleum product imported into the state.

Note

The Monitor is a brief status report of the most recent week, with some analysis of causes for price changes. The North Carolina Energy Offices tracks supplies, prices and events that have an impact on petroleum products. Questions about the information in the Monitor can be directed to Bob Mielish at bmielish@nccomerce.com.