

Weekly Propane Newsletter

Volume 50, Number 10

March 5, 2020

LPG Dual-Fuel Ship Engine Design Receives Preliminary Approval

The American Bureau of Shipping (ABS) has granted an approval in principle to Japan's Kawasaki Heavy Industries Ltd. (KHI) for its LPG as Fuel system design. The design is for a dual-fuel vessel propulsion engine capable of using both marine diesel oil and LPG as fuel. KHI maintains the system enables the power plant to meet

nitrogen oxide Tier 3 emissions regulations. "Using LPG as a fuel can lower emissions to air compared to conventional fuels, both in terms of greenhouse gas emissions and other pollutants," said Patrick Ryan, ABS senior vice president of global engineering and technology.

To read the complete article, [Click Here](#).

Canadian Propane Inventories Retreat 41.6% in January

Canada's primary underground propane inventories fell 41.6% in January to 445.1 Mcm, the equivalent of 2.8 MMbbl., according to the Canada Energy Regulator (CER). Compared to a year earlier, stocks were down 47.2%. Propane storages in the West exited the first month of 2020 with 266.9 Mcm on hand. Volumes

declined 41.8% over January and ended 57.4% under last year. Supplies in the East began February at 178.2 Mcm. That level marked a drop of 41.4% for the month and a retreat of 17.2% for the year.

To read the complete article, [Click Here](#).

Additional Infrastructure Needed in Permian to Move Gas, NGLs

The Permian Basin needs more infrastructure, particularly for moving natural gas and natural gas liquids, because production in the region continues to beat expectations, an executive from European major Shell said Feb. 5, Argus Media reports. "Although additional gathering facilities and pipelines have been constructed,

more are needed to support the projected growth from the Permian," said Amir Gerges, Shell vice president for Permian assets. "The flaring and emissions in the Permian have become famous, and it is not something we would like to be recognized for."

To read the complete article, [Click Here](#).

New Mexico's First Propane Buses Ready for School Year

In a partnership with the New Mexico Public Education Department, school districts in the state have purchased propane autogas buses. The 17 Blue Bird Vision models, the first propane buses to operate in the state,

are going to the Los Lunas Public Schools, the Magdalena Municipal School District, and the Moriarty-Edgewood School District.

To read the complete article, [Click Here](#).

PRINCIPAL AVERAGES

Mont Belvieu.....	51.257
Kearney	46.428
Conway	44.046
Los Angeles	98.250
Selkirk.....	75.426
Apex	56.590
Hattiesburg	51.175

Weekly Propane Newsletter

Steve Relyea, Editor
Published by
Butane-Propane News, Inc.
338 E. Foothill Blvd.
P.O. Box 660698
Arcadia, CA 91006
Phone 626/357-2168
Fax 626/303-2854
steve@bpnews.com
subscriptions@bpnews.com

NEWSLINKS...

U.S. Oil, Natural Gas Output Rises with 10% Fewer Wells

To read the complete article, [Click Here](#).

Shale Changes Producer, Midstream Relationships

To read the complete article, [Click Here](#).

EIA Sees U.S. Emissions Flattening Through 2050

To read the complete article, [Click Here](#).

BPN's Weekly Propane Newsletter

PROPANE PRICES UPDATE

March 5, 2020

All Prices in U.S. Cents/Gallon

Reproduction is prohibited without permission from BPN

PRINCIPAL U.S. POSTINGS

	Mont Belvieu	Kearney Mo.	Conway Kan.	Los Angeles	Selkirk N.Y.	Apex N.C.	Hatties- burg
AePEX Energy	-	-	-	98.000	-	-	-
Alliance Energy Svcs	-	44.990	42.260	-	-	57.310	50.850
CHS/Cenex	48.520	46.590	44.100	-	71.270	55.750	49.580
Crestwood Services	-	47.070	43.370	-	73.398	56.750	51.870
Enterprise Prod	53.750	44.750	-	-	72.500	57.310	50.850
Global Gas	-	-	-	-	74.420	-	-
Martin Gas	-	-	-	-	-	57.500	52.000
Midstream Energy	-	-	-	98.000	-	-	-
NGL Supply Ltd	-	-	-	-	-	56.250	49.000
NGL Wholesale (O)	-	-	45.500	-	-	-	-
NGL Wholesale (W)	-	48.740	45.000	-	85.540	55.260	49.750
Targa	51.500	-	-	99.000	-	-	55.500
Valero	-	-	-	98.000	-	-	-
AVERAGES	<u>51.257</u>	<u>46.428</u>	<u>44.046</u>	<u>98.250</u>	<u>75.426</u>	<u>56.590</u>	<u>51.175</u>

All postings reflect rack price only and do not include other fees, assessments, or taxes.

SPOT PRICES FOR NATURAL GAS LIQUIDS

	Propane	Normal Butane	Iso Butane	Natural Gasoline	EP-Mix 80%-20%	Ethane
Mont Belvieu	39.625 40.375	52.000 54.125	58.000 64.375	93.750 95.938	13.500 14.750	14.750 15.125
Mont Belvieu LST	39.250 39.750	48.000 48.625	60.438 64.750	97.000 120.000	-	-
Conway Kan.	36.250 36.750	47.000 50.000	63.000 68.000	95.750 98.000	10.750 12.375	-
Hattiesburg	42.000 45.500	-	-	-	-	-
Hobbs, N.M.	55.250 55.750	-	-	-	-	-
Delivered L.A. Basin	98.000 * 99.000	-	-	-	-	-
On The River	-	-	-	93.250 95.438	-	-
Sarnia	52.000 53.000	-	-	-	-	-
Edmonton	44.000 44.500	-	-	-	-	-

* Bakersfield, Calif.

CANADIAN PRODUCER POSTINGS

Pembina Pipeline: Marysville, 53.000; Sarnia, 52.000

All postings reflect rack price only and do not include other fees, assessments, or taxes.

COMMENTARY

Mixed Results

Spot propane was showing mixed results today as the Mont Belvieu markets rose 0.875 cents and 1 cent compared to last week's Thursday Update while Conway, Kan. deal making dipped 0.75 cents.

Belvieu non-LST was trading at 39.625-40.375 cents/gal. mid-morning, up 0.875 cents for buyers and 0.375 cents for sellers. Low and high trades were at 39.50 and 40.50 cents. LST spots, at 39.25-39.75 cents/gal., rose 1 cent for buyers and 0.250 cents for sellers. Low and high deals were at 39.00 and 39.625 cents.

The Conway, Kan. bid and offer stood at 36.25-36.75 cents/gal., lower by 0.75 cents for buyers and 1.25 cents for sellers. Low and high trades were at 36.00 and 37.00 cents.

Meanwhile, principal postings shifted higher at Apex and dipped lower at Conway and Mont Belvieu. Two sellers cut prices at Selkirk while three others held firm.

At Apex, N.C., on the Dixie Pipeline, CHS/Cenex and NGL Supply Wholesale LLC added 2 cents; NGL Supply Ltd. 4 cents; Crestwood Services and Martin Gas Sales 4.5 cents; and Alliance Energy Services and Enterprise Products 5 cents/gal.

At Conway, Kan., CHS/Cenex edged down 0.25 cents; Alliance Energy Services 0.5 cents; Crestwood Services 0.88 cents; and NGL Supply Wholesale LLC 1 cent/gal.

At Selkirk, N.Y., on TEPPCO, CHS/Cenex discounted 0.5 cents and Crestwood Services 1.262 cents/gal. Enterprise Products, Global Gas, and NGL Supply Wholesale LLC held their previous prices.

At Mont Belvieu, Enterprise Products cut 0.25 cents; CHS/Cenex cut 0.5 cents; and Targa Resources 2 cents/gal.

PRICES FOR OTHER BASING POINTS

U.S. Cents/Gallon

Thursday, March 05, 2020

AePEX Energy: Las Vegas, NV 68.000; San Joaquin Valley, CA 99.000.

Alliance Energy Services: Barron, WI 67.000; Benson, MN 47.250; Waupaca, WI 64.750; [Dixie] Albany, GA 54.150; Alma, GA 54.860; Cheraw, SC 56.300; Demopolis, AL 52.370; Lexington, SC 55.690; Milner, GA 53.990; Opelika, AL 53.340; [Kaneb] Geneva, NE 46.040; Norfolk, NE 47.630; North Platte, NE 48.160; Wolsey, SD 49.420; Yankton, SD 47.490; [Kinder-Morgan] Clear Lake, IA 50.870; Coralville, IA 50.660; Des Moines, IA 50.000; Lemont(k), IL 49.250; Morris, IL 49.000; Plattsmouth, NE 47.420; Rockford, IL 52.240; Tampico, IL 50.990; [MAPCO] Bushton, KS 43.000; Cantril, IA 47.470; Clay Center, KS 43.370; Dubuque, IA 49.310; Farmington, IL 49.230; Greenwood, NE 44.790; Iowa City(m), IA 48.490; Janesville, WI 50.500; Mankato, MN 48.330; Moberly, MO 46.400; Ogden, IA 47.320; Pine Bend, MN 49.320; Sanborn, IA 46.980; Whiting, IA 45.920.

CHS/Cenex: Greenbay (Tank Car), WI 62.350; Lemont, IL 45.750; Lima, OH 63.850; Rapid River, MI 63.100; Slaughter, TX 53.100; [Dixie] Albany, GA 52.820; Alma, GA 53.520; Cheraw, SC 54.290; Demopolis, AL 50.900; Lexington, SC 53.680; Milner, GA 52.640; Opelika, AL 51.980; [Kinder-Morgan] Clear Lake, IA 51.470; Coralville, IA 51.520; Des Moines, IA 50.510; Morris, IL 46.000; Plattsmouth, NE 47.530; Rockford, IL 53.090; Tampico, IL 55.100; [MAPCO] Bushton, KS 44.600; Cantril, IA 49.890; Clay Center, KS 45.470; Dubuque, IA 50.410; Farmington, IL 51.400; Greenwood, NE 45.390; Iowa City(m), IA 50.150; Janesville, WI 51.850; Lecompton, KS 46.910; Moberly, MO 48.000; Ogden, IA 48.740; Pine Bend, MN 51.100; Sanborn, IA 49.330; Whiting, IA 47.520; [TEPPCO] Coshocton, OH 63.290; Du Bois, PA 64.780; Greensburg, PA 63.760; Oneonta, NY 70.390; Princeton, IN 56.320; Todhunter, OH 61.490; Watkins Glen, NY 69.310.

Crestwood Services: Huntington, IN 51.530; Robinson, IL 51.000; Tuscola, IL 52.635; [Dixie] Albany, GA 53.600; Alma, GA 54.300; Cheraw, SC 55.740; Demopolis, AL 51.810; Lexington, SC 55.130; Milner, GA 53.440; Opelika, AL 52.780; [Kaneb] Geneva, NE 47.470; Norfolk, NE 49.070; North Platte, NE 49.570; Wolsey, SD 50.570; Yankton, SD 48.820; [Kinder-Morgan] Clear Lake, IA 52.070; Coralville, IA 51.870; Des Moines, IA 50.870; Plattsmouth, NE 48.720; Rockford, IL 53.170; Tampico, IL 52.220; [MAPCO] Bushton, KS 44.620; Cantril, IA 49.220; Clay Center, KS 45.370; Dubuque, IA 50.820; Farmington, IL 50.620; Greenwood, NE 46.720; Iowa City(m), IA 49.970; Janesville, WI 51.820; Mankato, MN 49.820; Moberly, MO 48.170; Ogden, IA 49.070; Pine Bend, MN 50.820; Sanborn, IA 48.820; Whiting, IA 47.820; [TEPPCO] Du Bois, PA 67.418; Greensburg, PA 66.428; Oneonta, NY 70.118; Watkins Glen, NY 67.128.

DCP/GSR: Greeley, CO 55.500; Gulf Plains, TX 58.500; Jameson, TX 58.500; Ozona Gas Plant, TX 58.500; Sonora, TX 58.500; Spindle, CO 55.500; Wilcox, TX 58.500.

Enable Midstream: Calumet, OK 49.000; Rush Springs, OK

49.000; Waskom, TX 60.000; Wetumka, OK 49.000.

Enterprise Products: Armstrong, TX 55.750; Harford Mills, NY 78.750; Hobbs, NM 55.750; Inver Grove Heights, MN 49.250; Jackson, MN 47.750; Origin Station, TX 55.750; Shoup, TX 55.750; Stephens City, VA 56.400; [Dixie] Albany, GA 54.150; Alma, GA 54.860; Cheraw, SC 56.300; Demopolis, AL 52.370; Lexington, SC 55.690; Milner, GA 53.990; Opelika, AL 53.340; [Kaneb] Geneva, NE 44.750; Norfolk, NE 46.250; North Platte, NE 47.000; Wolsey, SD 48.000; Yankton, SD 46.250; [Kinder-Morgan] Clear Lake, IA 51.000; Des Moines, IA 50.250; Plattsmouth, NE 47.750; Rockford, IL 51.500; [MAPCO] Cantril, IA 46.997; Clay Center, KS 42.997; Dubuque, IA 49.000; Farmington, IL 49.000; Greenwood, NE 44.500; Iowa City(m), IA 48.000; Janesville, WI 50.250; Mankato, MN 48.000; Moberly, MO 46.000; Ogden, IA 47.000; Pine Bend, MN 49.000; Sanborn, IA 46.750; Whiting, IA 45.500; [TEPPCO] Coshocton, OH 65.950; Du Bois, PA 68.350; Greensburg, PA 67.250; Oneonta, NY 70.250; Princeton, IN 57.400; Todhunter, OH 64.150; Watkins Glen, NY 69.500.

Kinder Morgan: Altamont, UT 48.000.

Martin Gas: [Dixie] Albany, GA 54.500; Alma, GA 54.900; Cheraw, SC 56.000; Demopolis, AL 52.750; Lexington, SC 55.100; Milner, GA 54.250; Opelika, AL 53.750.

Midstream Energy: San Joaquin Valley, CA 107.000.

NGL Supply Ltd: [Dixie] Albany, GA 53.250; Alma, GA 54.000; Cheraw, SC 55.250; Demopolis, AL 51.500; Lexington, SC 54.500; Milner, GA 53.000; Opelika, AL 52.500.

NGL Supply Wholesale LLC: Lebanon, IN 78.500; [Dixie] Albany, GA 52.110; Alma, GA 52.810; Cheraw, SC 54.250; Demopolis, AL 50.320; Lexington, SC 53.640; Milner, GA 51.950; Opelika, AL 51.290; [Kaneb] Geneva, NE 48.800; Norfolk, NE 50.390; North Platte, NE 50.920; Wolsey, SD 52.180; Yankton, SD 50.250; [Kinder-Morgan] Clear Lake, IA 53.620; Coralville, IA 53.420; Des Moines, IA 52.750; Lemont(k), IL 56.310; Morris, IL 58.330; Plattsmouth, NE 50.180; Rockford, IL 54.990; Tampico, IL 53.740; [MAPCO] Bushton, KS 45.750; Cantril, IA 51.210; Clay Center, KS 47.120; Dubuque, IA 53.060; Farmington, IL 52.980; Greenwood, NE 48.540; Iowa City(m), IA 52.230; Janesville, WI 54.250; Lecompton, KS 48.560; Mankato, MN 51.980; Moberly, MO 50.140; Ogden, IA 51.070; Pine Bend, MN 53.450; Sanborn, IA 50.730; Whiting, IA 49.670; [TEPPCO] Coshocton, OH 79.280; Du Bois, PA 81.200; Greensburg, PA 80.110; Light, AR 72.400; Oneonta, NY 84.140; Watkins Glen, NY 81.430.

Targa: Chico, TX 56.500; Gillis, LA 47.000; Greenville, MS 61.000; Monument, NM 52.500; San Francisco, CA 99.000; San Joaquin Valley, CA 99.000; Tebone, LA 55.500; Tyler, TX 63.500; Waskom, TX 56.500; [Dixie] Albany, GA 53.680; Alma, GA 54.390.

Valero: Mc Kee, TX 48.000;

All postings reflect rack price only and do not include other fees, assessments, or taxes.

Weekly Draw Accelerates, U.S. Propane Stocks Drop 3.6 MMbbl

Primary U.S. propane stocks dropped 3.6 MMbbl the week ended Feb. 28, according to the Energy Information Administration's (EIA) *This Week in Petroleum* report. The 4.9% takeaway left inventories standing at 70.0 MMbbl, a level that was nonetheless 18.8 MMbbl, or 36.7%, greater than the most recent five-year average for the same time of year; 18.6 MMbbl, or 36.2%, higher than last year; and 28.9 MMbbl, or 70.3%, above two years ago. **Stocks were drawn down by 1.6 MMbbl on the Gulf Coast, 1.5 MMbbl in the Midwest, 400,000 bbl on the East Coast, and 300,000 bbl in the Rocky Mountain/West Coast PADDs.** Propylene non-fuel-use stocks represented 7.7% of total inventories, up from 7.4% a week earlier. EIA reported the nation ended the week with 41.6 days of propane supply, down from 47.6 days the previous week but up from 30.8 days a year ago.

Production: EIA gauged U.S. propane production at 2.095 MMbbl, off 44,000 bbl for the week but up 72,000 bbl for the year and 238,000 bbl over than two years ago. The four-week production average, 2.189 MMbbl, led the previous year by 146,000 bbl. East Coast output was 253,000 bbl, Midwest 470,000 bbl, Gulf Coast 1.163 MMbbl, and Rocky Mountain/West Coast 210,000 bbl.

Demand: U.S. propane demand, measured as product supplied, ended at 1.791 MMbbl, up 569,000 bbl week to week, 165,000 bbl year to year, and 169,000 bbl compared to two years ago. The four-week demand average was 1.683 MMbbl.

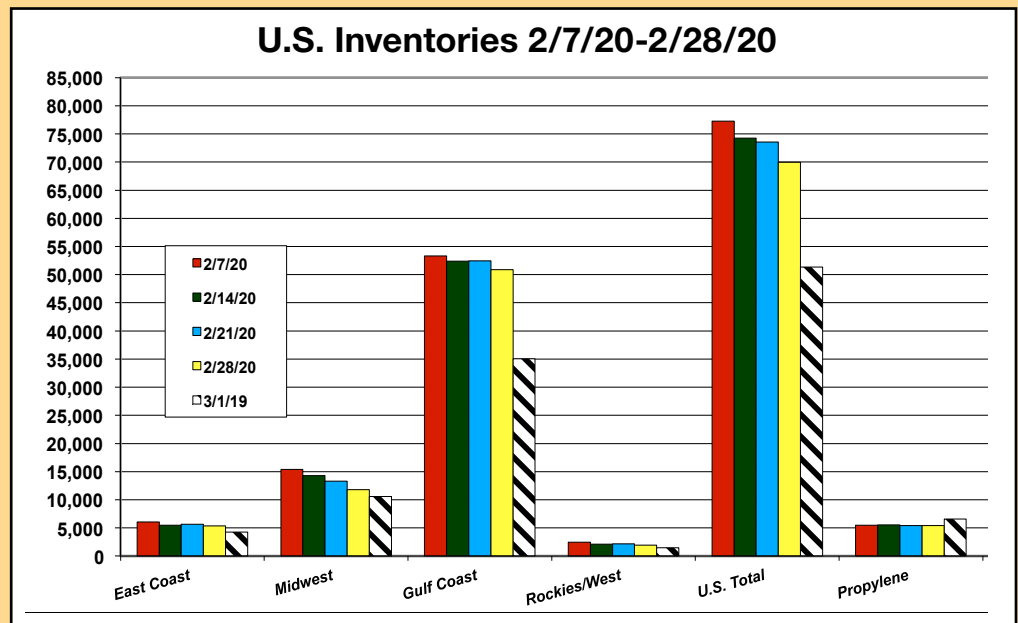
Exports: U.S. propane exports ran at 944,000 bbl, a rate 183,000 bbl behind the prior week but 103,000 bbl stronger year on year and 276,000 bbl

greater than two years ago. The four-week export average, 1.123 MMbbl, bested last year by 354,000 bbl.

Imports: U.S. propane imports arrived at 122,000 bbl, 11,000 bbl over a week earlier, but 31,000 bbl below last year and 79,000 bbl behind two years ago. The four-week import average, 134,000 bbl, slackened 42,000 bbl year over year. For the most recent reporting period, the East Coast received 26,000 bbl, the Midwest 47,000 bbl, and the Rocky Mountain/West Coast 48,000 bbl.

Residential price: EIA appraised the average U.S. residential propane price at 196.6 cents/gal., off 1.1 cents for the week and down 45.3 cents for the year. The East Coast residential average was 258.8 cents, Midwest 158.5 cents, Gulf Coast 217.2 cents, and Rocky Mountain region 171.8 cents.

Wholesale price: The agency's average U.S. wholesale propane price was 56.8 cents/gal., 3.1 cents lower than the previous week and 25.9 cents below last year. The East Coast wholesale average was 63.7 cents, Midwest 53.4 cents, Gulf Coast 53.1 cents, and Rocky Mountain region 63.9 cents.



Key Principal Averages 2010-2020—Cents/Gallon

Principal Averages	March 8, 2010	March 9, 2015	March 5, 2018	March 11, 2019	March 5, 2020
Mont Belvieu	126.330	73.156	101.793	79.840	51.257
Kearney	124.133	64.082	74.192	72.128	46.428
Conway	121.996	61.270	71.800	69.350	44.046
West Texas	127.500	N/A	N/A	N/A	N/A
Los Angeles	N/A	67.250	115.500	145.375	98.250
Selkirk	136.809	105.442	115.560	100.294	75.426
Apex	132.075	79.910	85.903	81.710	56.590
Hattiesburg	125.809	74.119	82.100	76.738	51.175