

U.S. Refineries Average 85.5% of Capacity

The average U.S. refinery utilization rate for April climbed above 85 percent for the first time this year, at 85.5 percent, up from March's 82 percent, according to the latest **American Petroleum Institute's** (API) Monthly Statistical Report. The April 2009 refinery utilization rate was 82.5 percent.

April U.S. motor gasoline demand, measured as deliveries, increased 2.2 percent over last year from 8.9 million barrels per day, to 9.1 million barrels per day. "U.S. refiners are meeting the gasoline demands of American consumers," noted API Chief Economist John Felmy. "We are seeing that in production statistics, in refinery utilization rates and in motor gasoline inventories." U.S. gasoline production jumped to 9.1 million barrels per day for April 2010, the highest April level ever and the second-highest gasoline production level for any month on record behind only March 2010.

U.S. distillate deliveries, which historically show a strong correlation with economic activity, reversed recent declines by surging 6.7 percent in April over year-ago levels, the API report noted. Distillate deliveries had declined 29 out of the previous 30 months, dating back to October 2007. Low sulfur distillate deliveries – the fuel primarily used for highway transportation – increased in April by 3.0 percent. That increase marked only the third monthly increase in low sulfur deliveries since June 2008. With total U.S. petroleum deliveries of 19 million per barrels, April 2010 showed the second-lowest April deliveries since April 2000, with only April 2009 lower.

API says domestic crude oil production in April slipped 0.4 percent from March 2010 levels, but continued near five-year highs at 5.5 million barrels per day, up 4.2 percent from April 2009. Lower 48 crude oil production jumped by 6.8 percent to 4.86 million barrels per day, while Alaskan output rose 0.2 percent to 654,000 barrels per day. Natural gas liquids production of 1.94 million barrels per day was up 4.8 percent from last April and up by 2.4 percent from March of this year.