



# Vermont Fuel Price Report

July 2012

## EIA-Short-Term Energy Outlook – Highlights

- EIA projects the West Texas Intermediate (WTI) crude oil spot price to average about \$88 per barrel over the second half of 2012 and the U.S. refiner acquisition cost (RAC) of crude oil to average \$93 per barrel, both about \$7 per barrel lower than last month's Outlook. EIA expects WTI and RAC crude oil prices to remain roughly at these second half levels in 2013. Beginning in this month's Outlook, EIA is also providing a forecast of Brent crude oil spot prices (see [Brent Crude Oil Spot Price Added to Forecast](#)), which are expected to average \$106 per barrel for 2012 and \$98 per barrel in 2013. These price forecasts assume that world oil-consumption-weighted real gross domestic product (GDP) grows by 2.9 percent in both 2012 and 2013.
- With crude oil prices falling over the last month, EIA has lowered the average regular gasoline retail price forecast for the third quarter of 2012 to \$3.39 per gallon. EIA expects regular gasoline retail prices, which averaged \$3.53 per gallon in 2011, to average \$3.49 per gallon in 2012 and \$3.28 per gallon in 2013.
- EIA expects U.S. total crude oil production to average 6.3 million barrels per day (bbl/d) in 2012, an increase of 0.6 million bbl/d from last year, and the highest level of production since 1997. Projected U.S. domestic crude oil production increases to 6.7 million bbl/d in 2013.
- Natural gas working inventories ended June 2012 at an estimated 3.1 trillion cubic feet (Tcf), about 23 percent above the same time last year. EIA expects the Henry Hub natural gas spot price, which averaged \$4.00 per million British thermal units (MMBtu) in 2011, to average \$2.58 per MMBtu in 2012 and \$3.22 per MMBtu in 2013.
- In April 2012, the United States exported 12.5 million short tons of coal, which is a monthly record based on EIA data dating back to 1973. Although EIA projects coal exports to total 112 million tons in 2012, 4.6 percent higher than 2011, EIA expects that coal exports will fall by 15.5 million short tons (14 percent) in 2013. <sup>1</sup>

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<sup>1</sup> For additional energy related information and data visit the EIA website at <http://www.eia.gov/>

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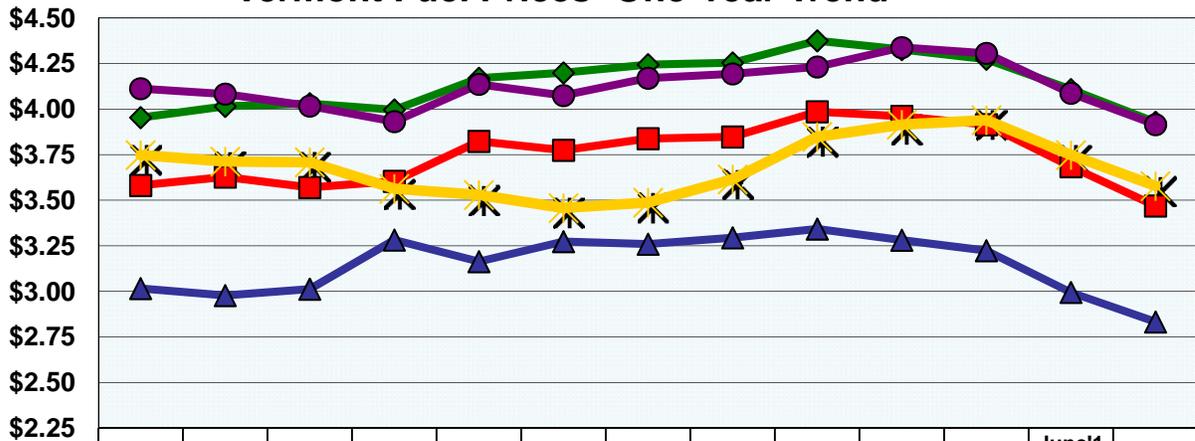
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## Vermont Highlights -

### Vermont Average Retail Petroleum Prices (per gallon)

	July '12	June'12	%change	July '11	%change
No. 2 Fuel Oil	\$3.469	\$3.685	-5.86%	\$3.582	-3.15%
Kerosene	\$3.928	\$4.108	-4.37%	\$3.954	-0.64%
Propane	\$2.832	\$2.994	-5.41%	\$3.015	-6.07%
Reg. Unleaded Gasoline	\$3.578	\$3.748	-4.54%	\$3.748	-4.56%
Diesel	\$3.915	\$4.087	-4.21%	\$4.113	-4.81%

### Vermont Fuel Prices -One-Year Trend



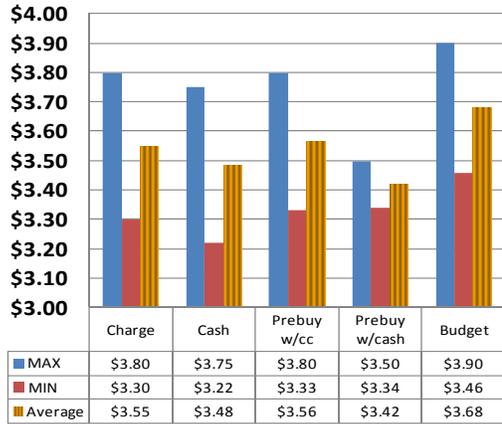
	July '11	Aug'11	Sep'11	Oct '11	Nov' 11	Dec '11	Jan' 12	Feb'12	Mar'12	Apr'12	May'12	June'12	July '12
Fuel Oil #2	\$3.58	\$3.63	\$3.57	\$3.60	\$3.82	\$3.774	\$3.84	\$3.847	\$3.986	\$3.961	\$3.915	\$3.685	\$3.469
Kerosene	\$3.95	\$4.02	\$4.03	\$4.00	\$4.17	\$4.199	\$4.24	\$4.254	\$4.375	\$4.327	\$4.274	\$4.108	\$3.928
Propane	\$3.02	\$2.98	\$3.01	\$3.28	\$3.16	\$3.273	\$3.26	\$3.294	\$3.342	\$3.281	\$3.223	\$2.994	\$2.832
Gasoline	\$3.75	\$3.71	\$3.71	\$3.56	\$3.53	\$3.457	\$3.49	\$3.615	\$3.848	\$3.915	\$3.939	\$3.748	\$3.578
Diesel	\$4.11	\$4.08	\$4.02	\$3.93	\$4.14	\$4.075	\$4.17	\$4.194	\$4.232	\$4.338	\$4.306	\$4.087	\$3.915

NOTE: The Vermont Fuel Price Report is published monthly by the Vermont Department of Public Service. Prices are collected on or about the first Monday of each month and reflect dealer discounts for cash or self-service, except propane prices, which are an average of the credit and discount price. Propane prices are based on 1,000 + gallons. For more information please contact Mike Kundrath at (802) 828-4081 or by email at michael.kundrath@state.vt.us.

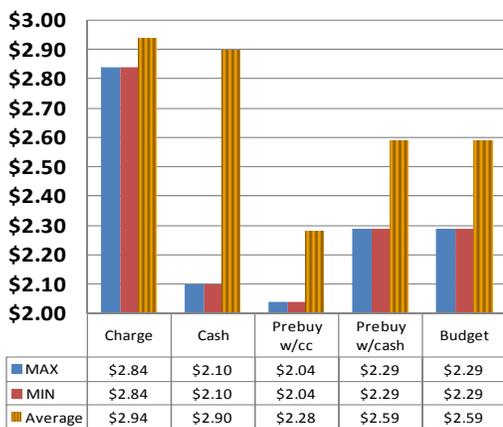
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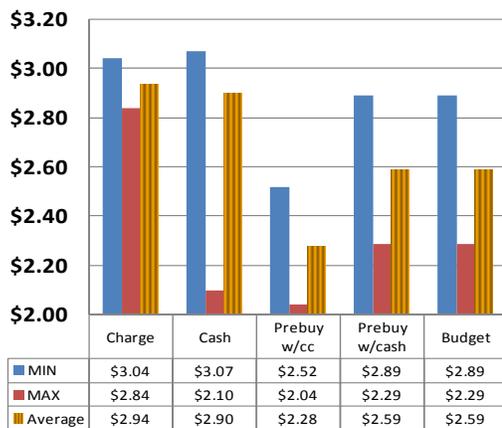
## #2- Heating Oil Programs



## Kerosene Programs



## Propane Programs



**PRICE PROTECTION PROGRAMS** - Many fuel dealers offer their customers "price protection" programs. With "Pre-Buy" programs, customers can purchase a specified volume of fuel at a discounted price by paying for the heating season's fuel in advance. In "Fixed Price" programs, a pre-determined price per unit is set for all of the fuel delivered during the heating season. In "Cap" programs, the fuel price will not exceed a pre-determined value and may go down based on market conditions at time of delivery. Cap and Fixed Price programs may be part of "Budget" programs, in which the customer agrees to make equal monthly payments, often for 10 to 12 months. Price protection programs can be beneficial, as they provide a degree of certainty, and customers are better able to budget their finances and thus are not caught short during the heating season. However, price protection programs don't guarantee savings, so consumers need to consider their options carefully.

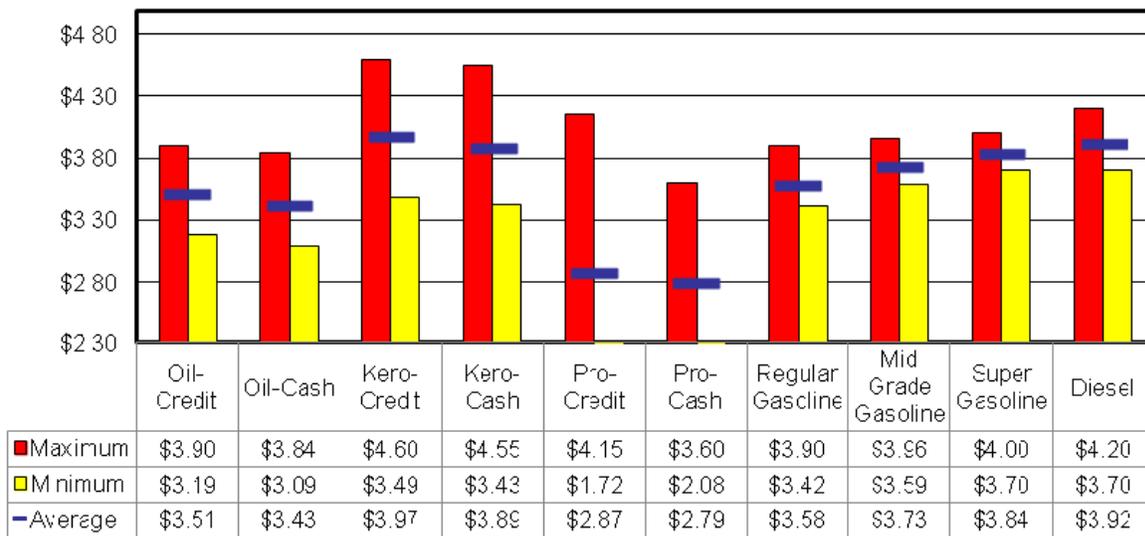
At the time of the survey several dealers had not yet issued their programs therefore the data for July is based on a small sample and is representative of program availability and average price per gallon for price protection programs as of July 10<sup>th</sup>. Contact your Dealer for up to date terms and conditions of their "price protection" programs.

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### Fuel Price Ranges in Vermont



### Comparing the Cost of Heating Fuels

Type of Energy	BTU/unit	Adj Effic	\$/unit	\$/MMBtu
Fuel Oil, gallon	138,200	80%	\$3.47	\$31.37
Kerosene, gallon	136,600	80%	\$3.93	\$35.95
Propane, gallon	91,600	80%	\$2.83	\$38.65
Natural Gas, therm	100,000	80%	\$1.60	\$19.97
Electricity, kwh	3,412	100%	\$0.15	\$43.46
Wood, cord (green)	22,000,000	60%	\$190.00	\$14.39
Pellets, ton	16,400,000	80%	\$247.00	\$18.83

\* The natural gas price is based on the rate effective 4/22/12 - Note: Vermont Gas announced plans for an overall rate reduction of 3.6% to take effect on July 21st,

\*Wood green updated 11/16/11

If you are looking for possible savings on your heating costs consider replacing your less efficient unit with a high efficiency furnace/ boiler. Contact your local fuel dealer for more information.

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