

EIA-Short-Term Energy Outlook – Highlights

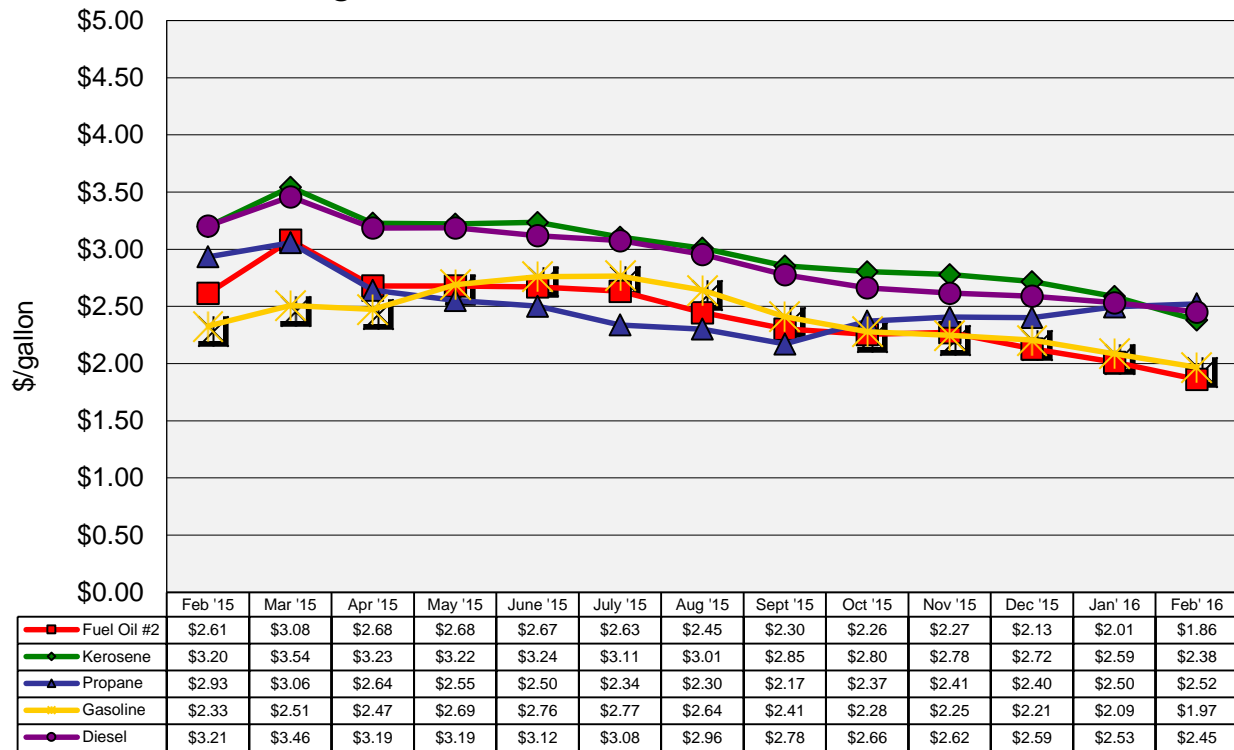
- North Sea Brent crude oil prices averaged \$31/barrel (b) in January, a \$7/b decrease from December and the lowest monthly average price since December 2003. Brent crude oil prices averaged \$52/b in 2015, down \$47/b from the average in 2014. Growth in global liquids inventories, which averaged 1.8 million barrels per day (b/d) in 2015, continues to put [downward pressure on Brent prices](#).
- Brent crude oil prices are forecast to average \$38/b in 2016 and \$50/b in 2017. Forecast West Texas Intermediate (WTI) crude oil prices are expected to average the same as Brent in both years. However, the current values of futures and options contracts continue to suggest high uncertainty in the price outlook. For example, EIA's forecast for the average WTI price in May 2016 of \$36/b should be considered in the context of recent Nymex contract values for May 2016 delivery ([Market Prices and Uncertainty Report](#)) suggesting that the market expects WTI prices to range from \$21/b to \$58/b (at the 95% confidence interval).
- The U.S. retail regular gasoline price is forecast to average \$1.98/gallon (gal) in 2016 and \$2.21/gal in 2017, compared with \$2.43/gal in 2015. In January, the average retail regular gasoline price was \$1.95/gal, a decrease of 9 cents/gal from December and the first time monthly gasoline prices averaged below \$2/gal since March 2009. EIA expects the monthly average retail price of U.S. regular gasoline to reach a seven-year low of \$1.82/gal in February 2016, before rising during the spring.
- U.S. crude oil production averaged an estimated 9.4 million b/d in 2015, and it is forecast to average 8.7 million b/d in 2016 and 8.5 million b/d in 2017. EIA estimates that crude oil production in January was 70,000 b/d below the December level, which was 9.2 million b/d.
- Natural gas working inventories were 2,934 billion cubic feet (Bcf) on January 29, 20% higher than during the same week last year and 18% higher than the previous five-year average (2011-15) for that week. EIA forecasts that inventories will end the winter heating season (March 31) at 2,096 Bcf, which would be 41% above the level at the same time last year. Henry Hub spot prices are forecast to average \$2.64/million British thermal units (MMBtu) in 2016 and \$3.22/MMBtu in 2017, compared with an average of \$2.63/MMBtu in 2015.

Editor's Note: Data presented in the Vermont Fuel Price Report, as in the past, is collected on the first Monday of the month.

VERMONT FUEL PRICE REPORT

FEBRUARY
2016

Average Retail Petroleum Prices: One Year Trend



Average Retail Petroleum Prices (\$ per gallon)

	Feb' 16	Jan' 16	% Change	Feb '15	% Change
No. 2 Fuel Oil	\$1.86	\$2.01	-7.4%	\$2.61	-28.8%
Kerosene	\$2.38	\$2.59	-8.0%	\$3.20	-25.6%
Propane	\$2.52	\$2.50	1.1%	\$2.93	-14.0%
Reg. Unleaded Gasoline	\$1.97	\$2.09	-5.7%	\$2.33	-15.5%
Diesel	\$2.45	\$2.53	-3.2%	\$3.21	-23.5%

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Comparing the Cost of Heating Fuels							
	<u>BTU/unit</u>	<u>Typical Efficiency</u>	<u>\$/unit</u>	<u>\$/MMBtu</u>		<u>High Efficiency</u>	<u>\$/MMBtu</u>
Fuel Oil, gallon	138,200	80%	\$1.86	\$16.85		95%	\$14.19
Kerosene, gallon	136,600	80%	\$2.38	\$21.78			
Propane, gallon	91,600	80%	\$2.52	\$34.42		95%	\$28.99
Natural Gas, Ccf	100,000	80%	\$1.40	\$17.55	*	95%	\$14.78
Electricity, kWh (resistive heat)	3,412	100%	\$0.15	\$43.46			
Electricity, kWh (cold climate heat pump)	3,412		\$0.15		#	240%	\$18.32
Wood, cord (green)	22,000,000	60%	\$227.14	\$17.21	^		
Pellets, ton	16,400,000	80%	\$294.00	\$22.41	^		

* The natural gas price is based on the rate effective February 1st, 2016

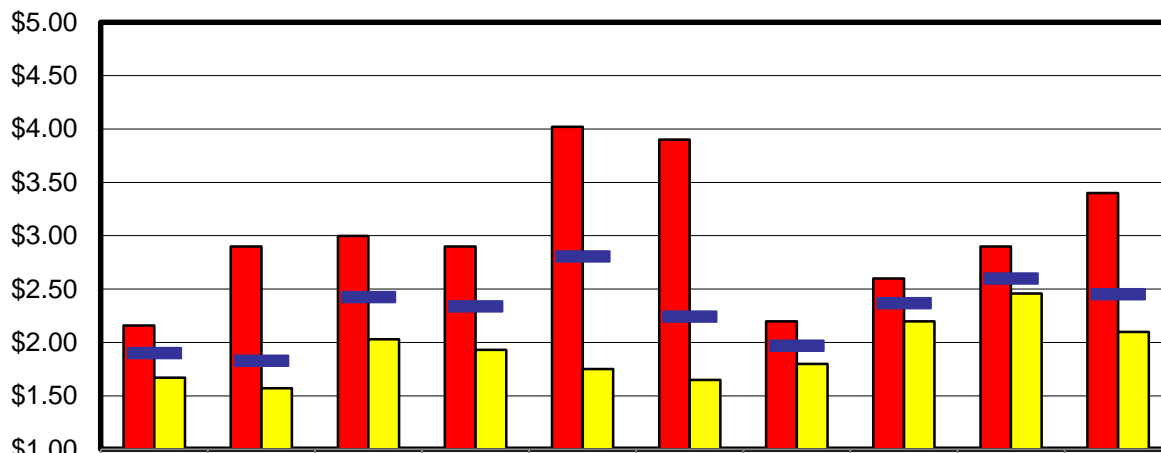
see October 2015 Fuel Price Report for discussion of heat pump coefficient of performance

^ Cord Wood and Pellets prices updated August 2015

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Fuel Price Ranges in Vermont (\$ per gallon)



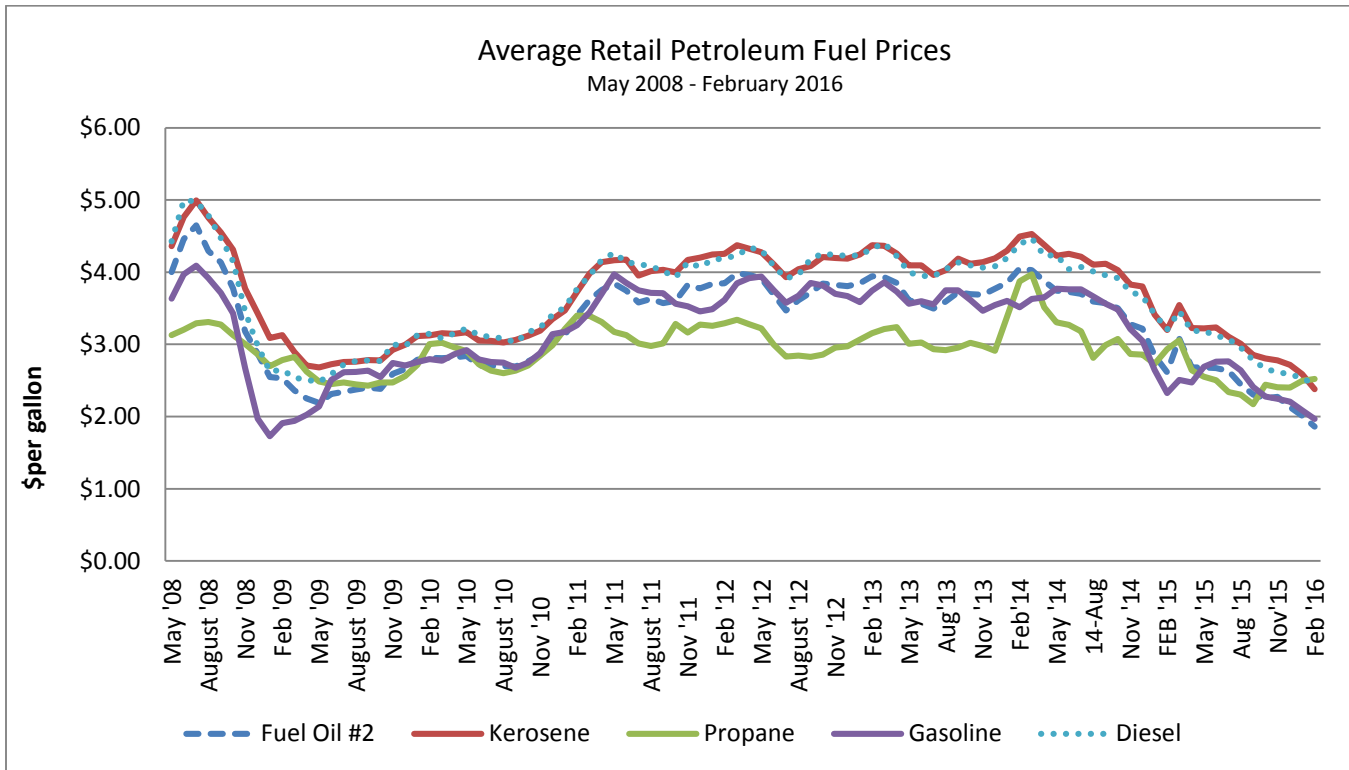
	Oil-Credit	Oil-Cash	Kero-Credit	Kero-Cash	Pro-Credit	Pro-Cash	Regular Gasoline	Mid Grade Gasoline	Super Gasoline	Diesel
■ Maximum	\$2.16	\$2.90	\$3.00	\$2.90	\$4.02	\$3.90	\$2.20	\$2.60	\$2.90	\$3.40
■ Minimum	\$1.67	\$1.57	\$2.03	\$1.93	\$1.75	\$1.65	\$1.80	\$2.20	\$2.46	\$2.10
— Average	\$1.90	\$1.83	\$2.42	\$2.34	\$2.80	\$2.24	\$1.97	\$2.36	\$2.60	\$2.45

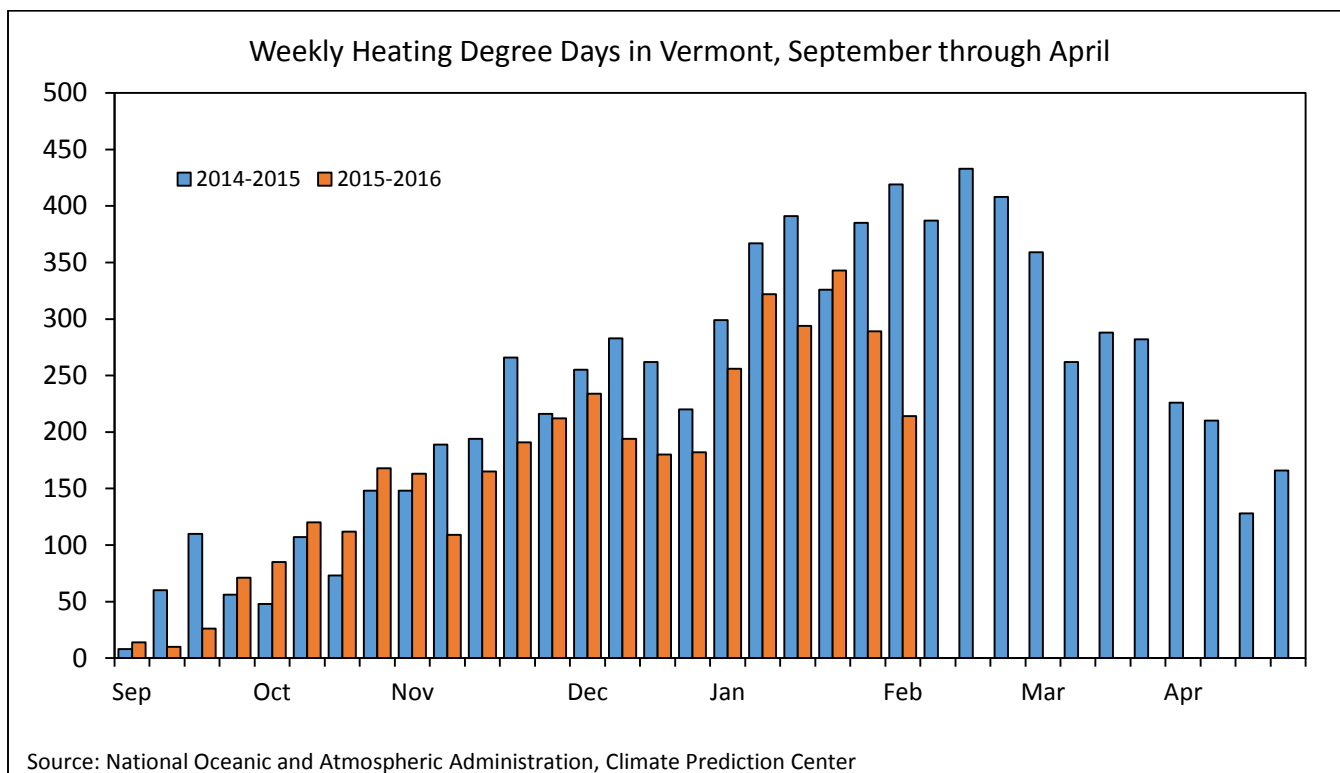
Fuel Price Ranges in Vermont

	Oil-Credit	Oil-Cash	Kero-Credit	Kero-Cash	Pro-Credit	Pro-Cash	Regular Gas	Mid Grade Gas	Super Gas	Diesel
Stan.Dev. \$	\$0.15	\$0.23	\$0.25	\$0.26	\$0.80	\$0.56	\$0.26	\$0.94	\$0.24	\$0.42
Stan.Dev. %	7.87%	12.47%	10.20%	11.02%	28.48%	25.11%	2.05%	5.88%	1.93%	2.22%

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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 John Woodward at (802) 828-3061 or by email at john.woodward@vermont.gov.