

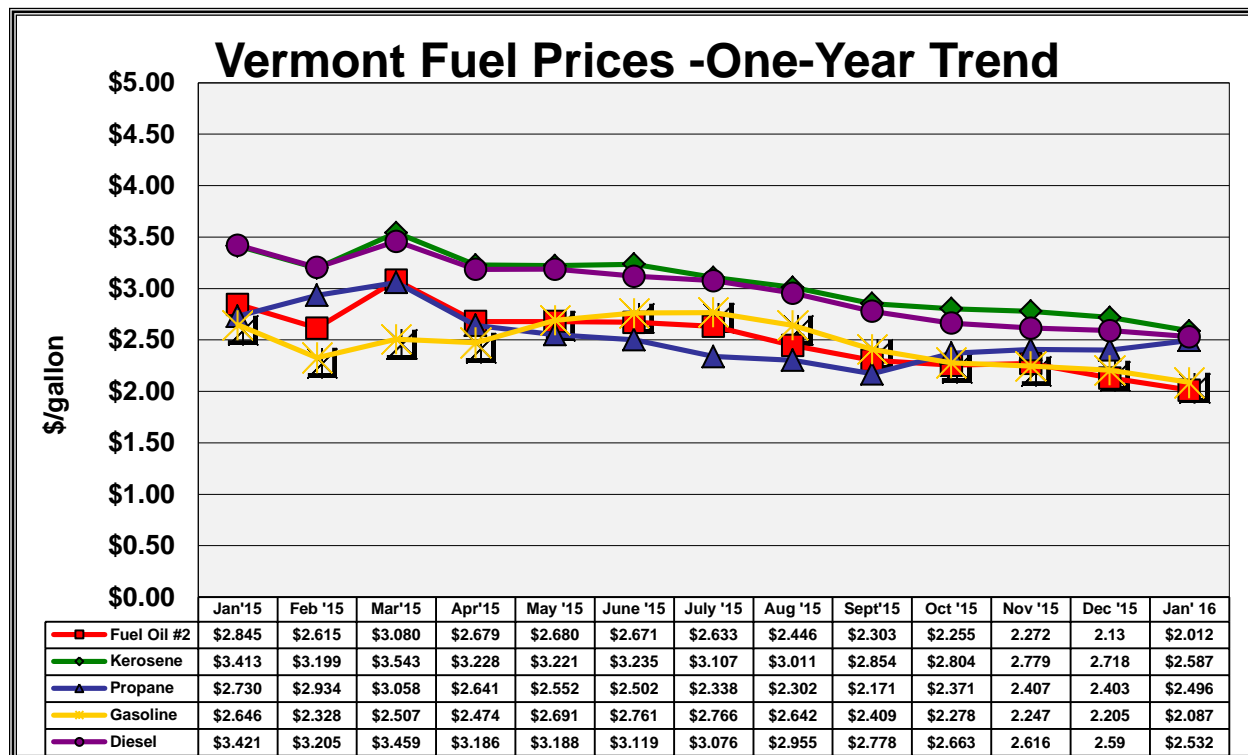
EIA-Short-Term Energy Outlook – Highlights

- North Sea Brent crude oil prices averaged \$38/barrel (b) in December, a \$6/b decrease from November, and the lowest monthly average price since June 2004. Brent crude oil prices averaged \$52/b in 2015, down \$47/b from the average in 2014, as growth in global liquids inventories put downward pressure on Brent prices throughout much of the year.
- Forecast Brent crude oil prices average \$40/b in 2016 and \$50/b in 2017. Forecast West Texas Intermediate (WTI) crude oil prices average \$2/b lower than Brent in 2016 and \$3/b lower in 2017. 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 April 2016 of \$37/b should be considered in the context of recent contract values for April 2016 delivery ([Market Prices and Uncertainty Report](#)) suggesting that the market expects WTI prices to range from \$25/b to \$56/b (at the 95% confidence interval).
- The price of U.S. retail regular gasoline is forecast to average \$2.03/gallon (gal) in 2016 and \$2.21/gal in 2017, compared with \$2.43/gal in 2015. In December, average retail regular gasoline prices were \$2.04/gal, a decrease of 12 cents/gal from November and 51 cents/gal lower than in December 2014. EIA expects monthly retail prices of U.S. regular gasoline to reach a seven-year low of \$1.90/gal in February 2016, before rising during the spring.
- U.S. crude oil production averaged an estimated 9.4 million barrels per day (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 December fell 80,000 b/d from the November level.
- Natural gas working inventories were 3,643 billion cubic feet (Bcf) on January 1, which was 17% higher than during the same week last year and 15% 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 2,043 Bcf, which would be 38% above the level at the same time last year. Forecast Henry Hub spot prices average \$2.65/million British thermal units (MMBtu) in 2016 and \$3.22/MMBtu in 2017, compared with an average of \$2.63/MMBtu in 2015.
- A decline in power generation from fossil fuels in the forecast period is offset by an increase from renewable sources. The share of generation from natural gas falls from 33% in 2015 to 31% in 2017, and coal falls from 34% to 33%. For renewables, the forecast share of total generation supplied by hydropower rises from 6% in 2015 to 7% in 2017, and the forecast share for other renewables increases from 7% in 2015 to 9% in 2017.

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

JANUARY
2016



Vermont Average Retail Petroleum Prices (per gallon)					
	Jan' 16	Dec '15	% Change	Jan'15	% Change
No. 2 Fuel Oil	\$2.012	\$2.130	-5.54%	\$2.845	-29.27%
Kerosene	\$2.587	\$2.718	-4.82%	\$3.413	-24.19%
Propane	\$2.496	\$2.403	3.86%	\$2.730	-8.57%
Reg. Unleaded Gasoline	\$2.087	\$2.205	-5.37%	\$2.646	-21.13%
Diesel	\$2.532	\$2.590	-2.24%	\$3.421	-25.99%

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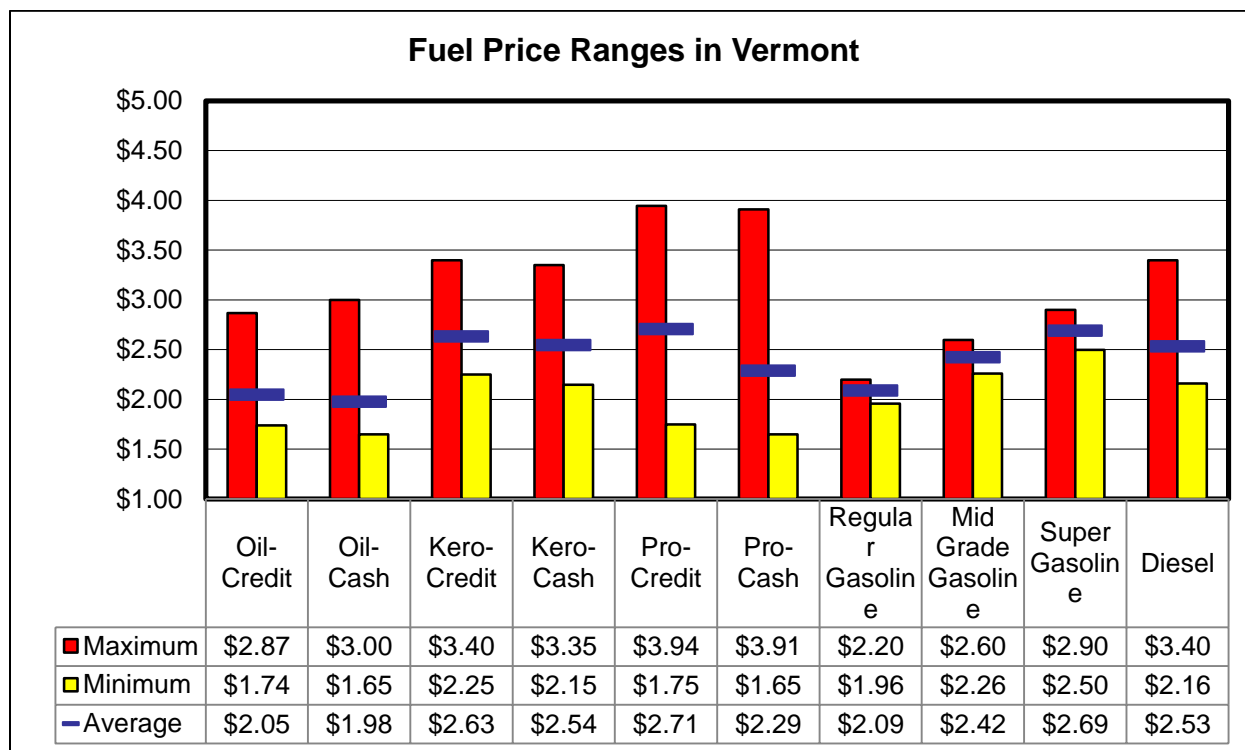
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Comparing the Cost of Heating Fuels

<u>Type of Energy</u>	<u>Btu/unit</u>	<u>Typ. Effic.</u>	<u>\$/unit</u>	<u>\$/MMBtu</u>		<u>High Efficiency</u>	<u>\$/MMBtu</u>
Fuel Oil, gallon	138,200	80%	\$2.01	\$18.20		95%	\$15.33
Kerosene, gallon	136,600	80%	\$2.59	\$23.67			
Propane, gallon	91,600	80%	\$2.50	\$34.06		95%	\$23.59
Natural Gas, therm	100,000	79%	\$1.39	\$17.42	*	95%	\$14.67
Electricity, kWh (resistive heat)	3,412	100%	\$0.15	\$43.46			
Electricity, kWh (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 12/15/2015.							
# see October 2015 Fuel Price Report for discussion of heat pump coefficient of performance							
^ Wood green and Pellets updated 8/5/15							

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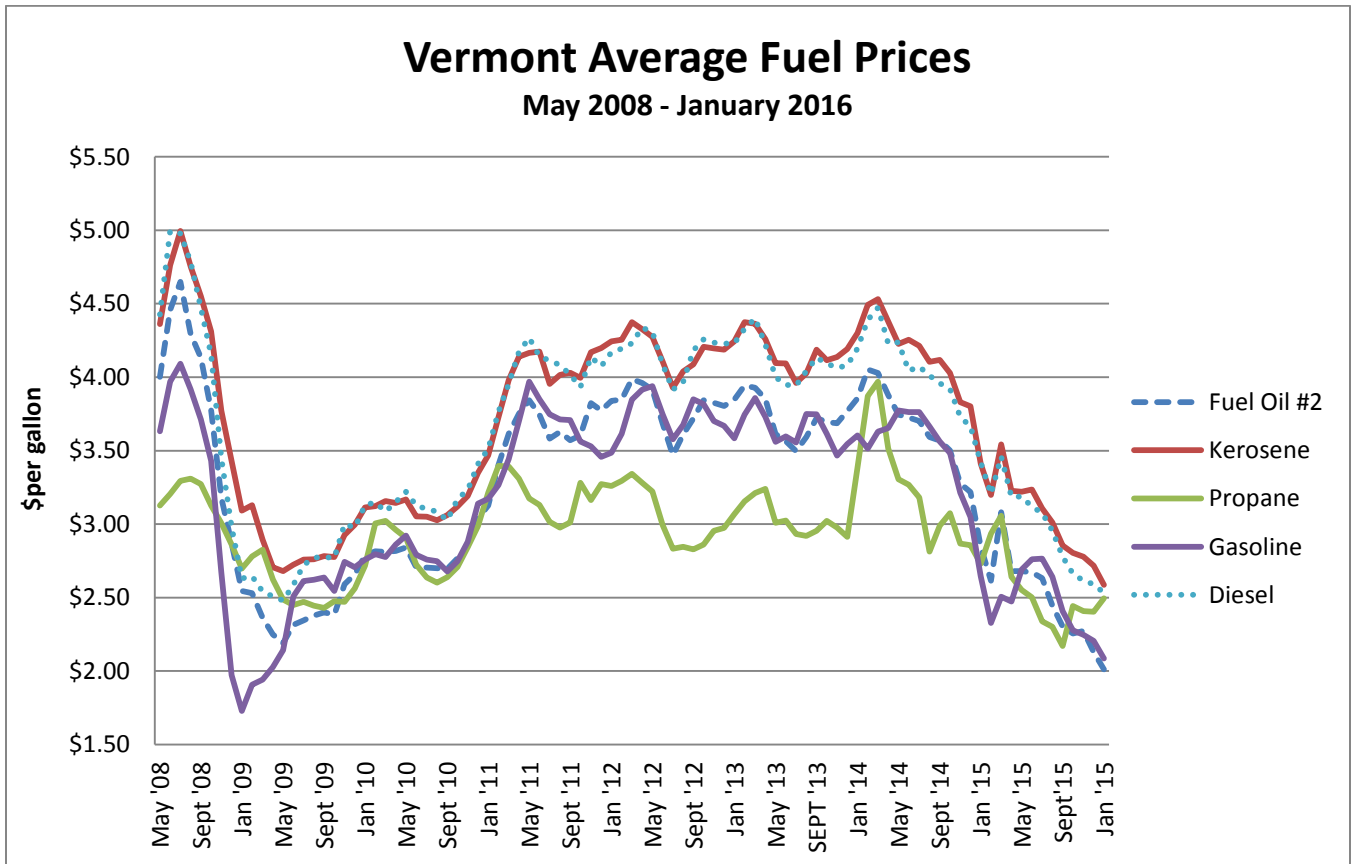


Fuel Price Ranges in Vermont

	<u>Oil-Credit</u>	<u>Oil-Cash</u>	<u>Kero-Credit</u>	<u>Kero-Cash</u>	<u>Pro-Credit</u>	<u>Pro-Cash</u>	<u>Regular Gas</u>	<u>Mid Grade Gas</u>	<u>Super Gas</u>	<u>Diesel</u>
<u>Stan. Dev \$</u>	\$0.23	\$0.28	\$0.29	\$0.29	\$0.71	\$0.49	\$0.26	\$0.94	\$0.24	\$0.42
<u>Stan. Dev %</u>	11.21%	14.09%	11.10%	11.27%	26.40%	21.52%	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.