

## EIA-Short-Term Energy Outlook – Highlights

North Sea Brent crude oil prices averaged \$42/barrel (b) in April, a \$3/b increase from March. Improving economic data, growing supply disruptions, and falling U.S. crude oil production and rig counts contributed to the price increase.

Brent crude oil prices are forecast to average \$41/b in 2016 and \$51/b in 2017, \$6/b and \$10/b higher than forecast in last month's STEO, respectively. West Texas Intermediate (WTI) crude oil prices are forecast to average slightly less than Brent in 2016 and to be the same as Brent in 2017. However, the current values of futures and options contracts suggest high uncertainty in the price outlook. For example, EIA's forecast for the average WTI price in August 2016 of \$42/b should be considered in the context of Nymex contract values for August 2016 delivery. These contracts traded during the five-day period ending May 5 (Market Prices and Uncertainty Report) suggest the market expects WTI prices to range from \$32/b to \$65/b (at the 95% confidence interval) in August 2016.

During the April-through-September summer driving season of 2016, U.S. regular gasoline retail prices are forecast to average \$2.21/gallon (gal), 17 cents/gal higher than forecast in last month's STEO but 42 cents/gal lower than last summer. U.S. regular gasoline retail prices are forecast to average \$2.08/gal in 2016 and \$2.24/gal in 2017, 14 cents/gal higher and 24 cents/gal higher than forecast in last month's STEO, respectively.

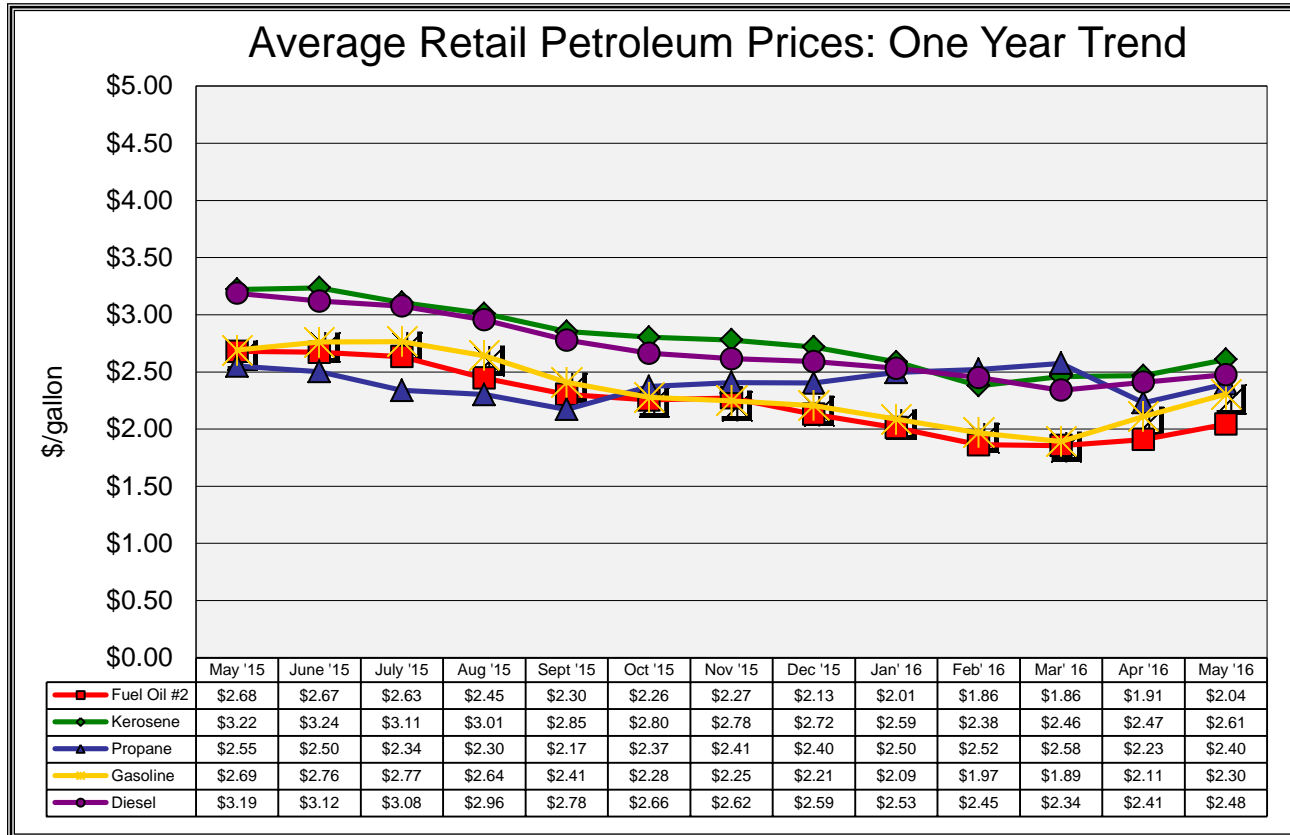
U.S. crude oil production averaged 9.4 million barrels per day (b/d) in 2015. Production is forecast to average 8.6 million b/d in 2016 and 8.2 million b/d in 2017. The 2017 forecast is about 0.1 million b/d higher than forecast in the April STEO. EIA estimates that crude oil production for the month of April 2016 averaged 9.0 million b/d, which is 0.1 million b/d below the March 2016 level, and 0.7 million b/d below the 9.7 million b/d level reached in April 2015.

Natural gas working inventories were 2,625 billion cubic feet (Bcf) on April 29, which was 49% higher than a year earlier, and 47% higher than the previous five-year (2011-15) average for that week. April is typically the beginning of the inventory injection season, which runs through October. EIA projects natural gas inventories will be 4,158 Bcf at the end of October 2016, which would be the highest end-of-October level on record. Henry Hub spot prices are forecast to average \$2.25/million British thermal units (MMBtu) in 2016 and \$3.02/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

MAY  
2016



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

	May '16	Apr '16	% Change	May '15	% Change
No. 2 Fuel Oil	\$2.04	\$1.91	7.1%	\$2.68	-23.7%
Kerosene	\$2.61	\$2.47	5.7%	\$3.22	-19.0%
Propane	\$2.40	\$2.23	7.4%	\$2.55	-6.1%
Reg. Unleaded Gasoline	\$2.30	\$2.11	9.2%	\$2.69	-14.4%
Diesel	\$2.48	\$2.41	2.7%	\$3.19	-22.3%

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Comparing the Cost of Heating Fuels							
Type of Energy	BTU/unit	Typical Efficiency	\$/unit	\$/MMBtu		High Efficiency	\$/MMBtu
Fuel Oil, gallon	138,200	80%	\$2.04	\$18.49		95%	\$15.57
Kerosene, gallon	136,600	80%	\$2.61	\$23.87			
Propane, gallon	91,600	80%	\$2.40	\$32.70		95%	\$27.54
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	^		

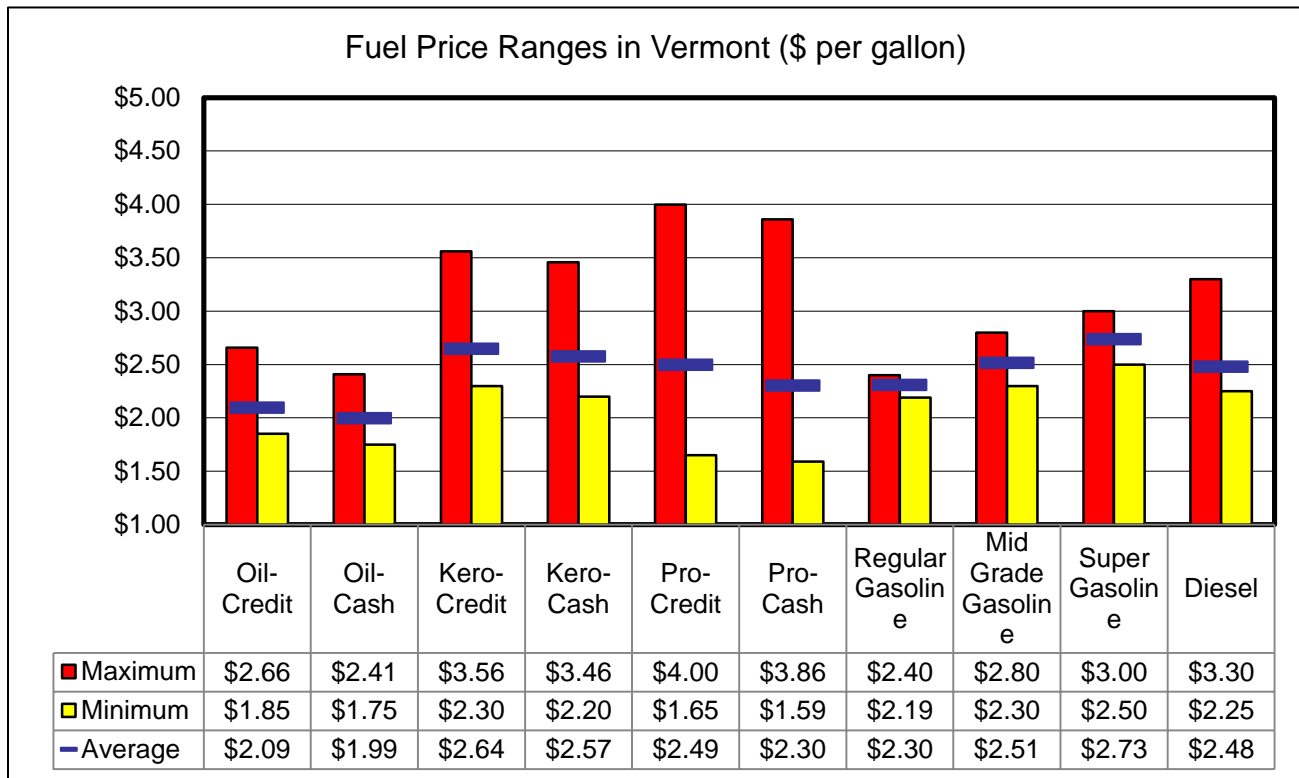
\* The natural gas price is based on the rate effective February 1st, 2016

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

^ Cord Wood and Pellets prices updated 8/5/15

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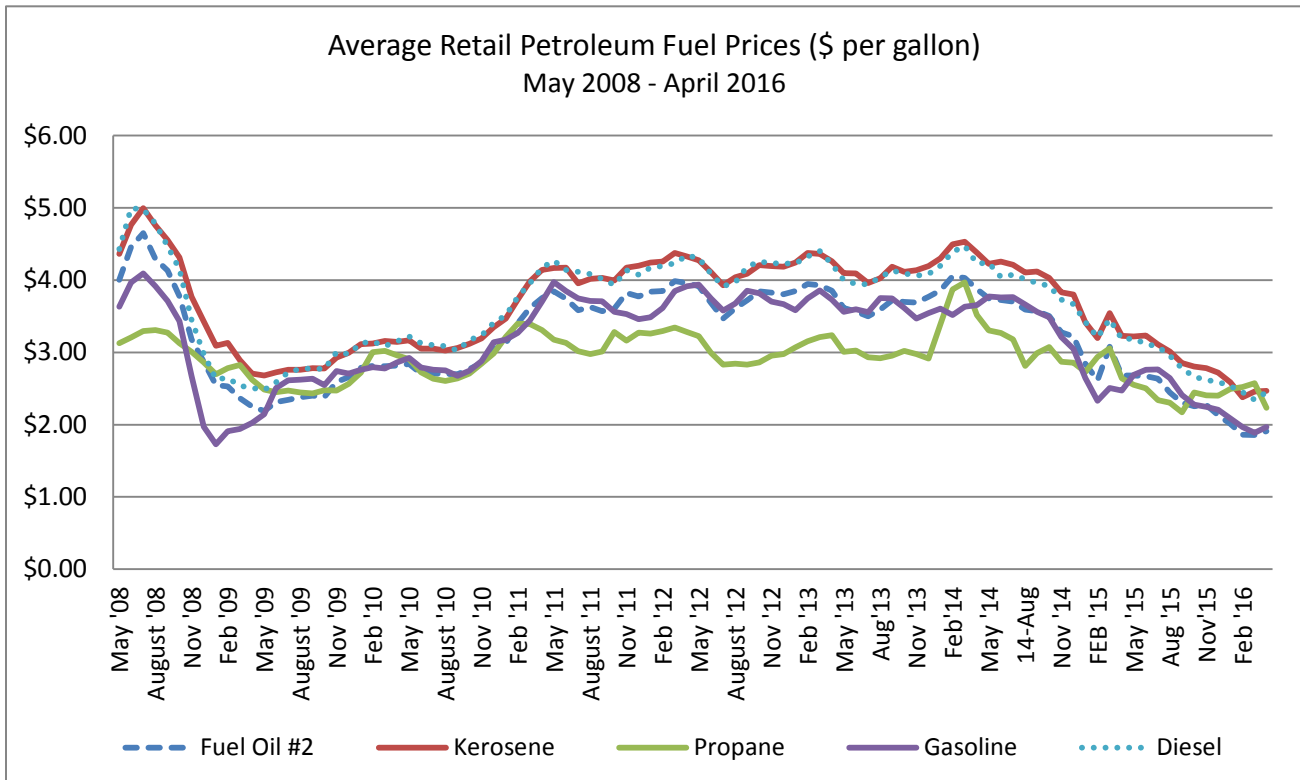
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	Oil-Credit	Oil-Cash	Kero-Credit	Kero-Cash	Pro-Credit	Pro-Cash	Regular Gasoline	Mid Grade Gasoline	Super Gasoline	Diesel
Stan.Dev \$	\$0.18	\$0.15	\$0.29	\$0.29	\$0.68	\$0.52	\$0.26	\$0.94	\$0.24	\$0.42
Stan.Dev %	8.55%	7.44%	11.10%	11.30%	27.12%	22.72%	2.05%	5.88%	1.93%	2.22%

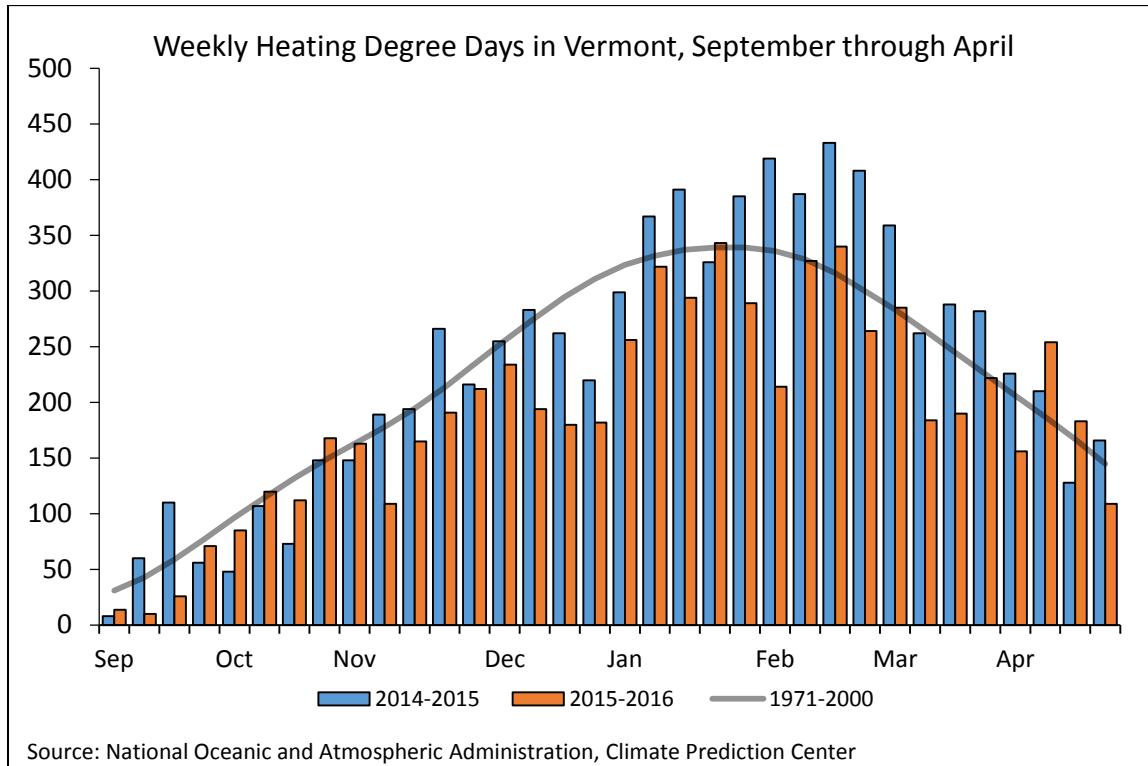
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Heating Degree Days in Vermont per Month

	Current Season 2015-2016	Last Season 2014-2015	"Normal" Season 1971-2000
Sep	121	234	211
Oct	485	376	491
Nov	840	1,013	984
Dec	790	1,020	1,137
Jan	1,504	1,768	1,670
Feb	1,145	1,647	1,281
Mar	881	1,191	1,019
Apr	702	730	693
Cumulative	6468	7,979	7,496

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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](mailto:john.woodward@vermont.gov).*