

# Vermont Fuel Price Report

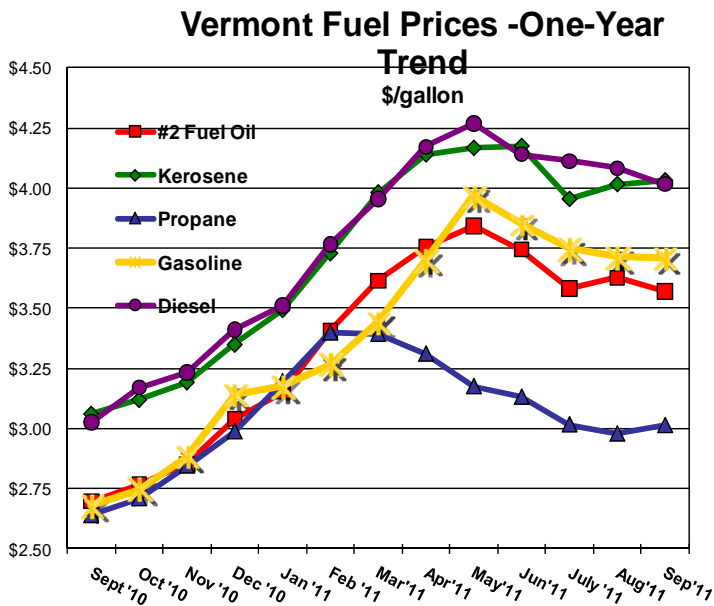
September, 2011

## EIA-Short-Term Energy Outlook

EIA's economic growth assumptions have been lowered substantially compared with last month's *Outlook*. This forecast assumes that U.S. real gross domestic product (GDP) grows by 1.5 percent this year and 1.9 percent next year compared with 2.4 percent and 2.6 percent, respectively, in the previous *Outlook*. World oil-consumption-weighted real GDP grows by 3.1 percent and 3.8 percent in 2011 and 2012, respectively, compared with 3.4 percent and 4.1 percent in the last *Outlook*. With weaker economic growth and lower petroleum consumption growth, EIA expects the U.S. average refiner acquisition cost of crude oil to rise from an average of \$100 per barrel in 2011 to \$103 per barrel in 2012, compared with an increase to \$107 per barrel in 2012 in last month's *Outlook*.

Regular-grade gasoline retail prices fell by 40 cents per gallon from their peak this year of \$3.97 per gallon on May 9 to \$3.57 per gallon on June 27 following a decline in crude oil prices. Gasoline retail prices stabilized in July and August with weekly retail prices averaging between \$3.58 per gallon and \$3.71 per gallon, but are projected to fall to an average \$3.47 per gallon in the fourth quarter 2011 after refiners switch production from summer-grade gasoline to lower-cost winter-grade gasoline.

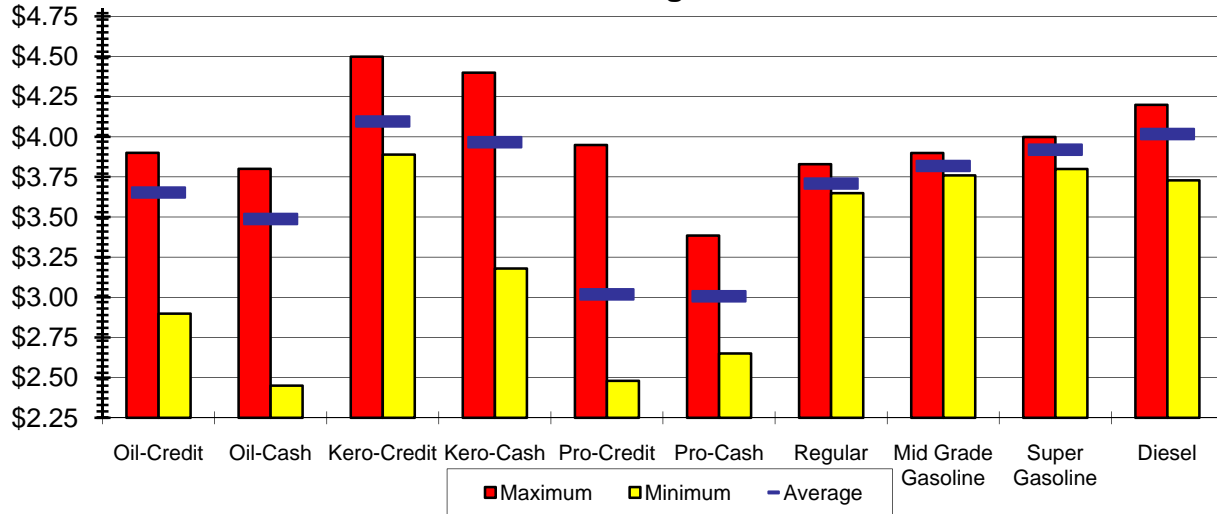
Natural gas working inventories ended August 2011 at 3.0 trillion cubic feet (Tcf), about 5 percent, or 144 billion cubic feet (Bcf), below the 2010 end-of-August level. EIA expects that working natural gas inventories will approach last year's high levels by the end of this year's injection season. The projected Henry Hub natural gas spot price averages \$4.20 per million British thermal units (MMBtu) in 2011, \$0.18 per MMBtu lower than the 2010 average. EIA expects the natural gas market to tighten moderately in 2012, with the Henry Hub spot price increasing to an average of \$4.30 per MMBtu.



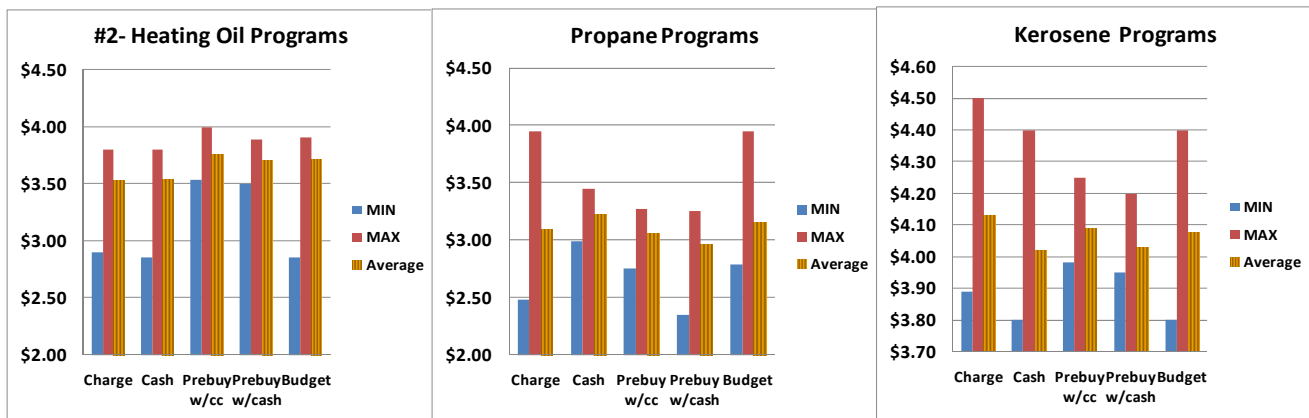
	September '11	August '11	%change	September '10	%change
No. 2 Fuel Oil	\$3.570	\$3.589	-0.52%	\$2.696	32.42%
Kerosene	\$4.031	\$4.023	0.19%	\$3.060	31.70%
Propane	\$3.012	\$2.977	1.18%	\$2.638	14.18%
Reg. Unleaded Gasoline	\$3.708	\$3.712	-0.11%	\$2.677	38.52%
Diesel	\$4.017	\$4.083	-1.61%	\$3.026	32.75%

Type of Energy	BTU/unit	Adj Effic	\$/unit	\$/MMBtu
Fuel Oil, gallon	138,200	80%	\$3.57	\$32.29
Kerosene, gallon	136,600	80%	\$4.03	\$36.88
Propane, gallon	91,600	80%	\$3.01	\$41.11
Natural Gas, therm	100,000	80%	\$1.68	\$21.06
Electricity, kwh	3,412	100%	\$0.15	\$43.46
Wood, cord (green)	22,000,000	60%	\$180.00	\$13.64
Pellets, ton	16,400,000	80%	\$247.00	\$18.83

## Fuel Price Ranges in Vermont



**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 predetermined 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.



Editors Note: Not all dealers offer all programs, check with your favorite dealer for their program offerings. As the heating draws near some dealers are reporting some programs are fully subscribed.

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 Kundra at (802) 828-4081 or by email at michael.kundra@state.vt.us.