

EIA-Short-Term Energy Outlook – Highlights

- EIA projects that the Brent crude oil spot price will average about \$103 per barrel during the second half of 2012, about \$3.50 per barrel higher than in last month's Outlook. The forecast Brent crude oil spot price falls to an average of \$100 per barrel in 2013. The projected West Texas Intermediate (WTI) crude oil spot price discount to Brent crude oil narrows from about \$14 in the third quarter of 2012 to \$9 by late 2013. These price forecasts assume that world oil-consumption-weighted real gross domestic product (GDP), which increased by 3.0 percent in 2011, grows by 2.8 percent in 2012 and 2.9 percent in 2013.
- With higher crude oil prices, EIA has increased the average regular gasoline retail price forecast for the third quarter of 2012 to \$3.49 per gallon from \$3.39 per gallon in last month's Outlook. EIA expects regular gasoline retail prices, which averaged \$3.53 per gallon in 2011, to average \$3.53 per gallon in 2012 and \$3.33 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.
- As a result of drought conditions affecting corn harvests and prices throughout the Midwest, ethanol production fell from 920 thousand bbl/d for the week ending June 8, 2012 to 809 thousand bbl/d for the week ending July 27, 2012. EIA has reduced its 2012 ethanol production forecast from 900 thousand bbl/d (13.8 billion gallons) in last month's Outlook to 870 thousand bbl/d (13.3 billion gallons). EIA expects ethanol production to recover in the second half of 2013, averaging about 880 thousand bbl/d for the year.
- Natural gas working inventories ended July 2012 at an estimated 3.2 trillion cubic feet (Tcf), about 17 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 \$2.67 per MMBtu in 2012 and \$3.34 per MMBtu in 2013.¹

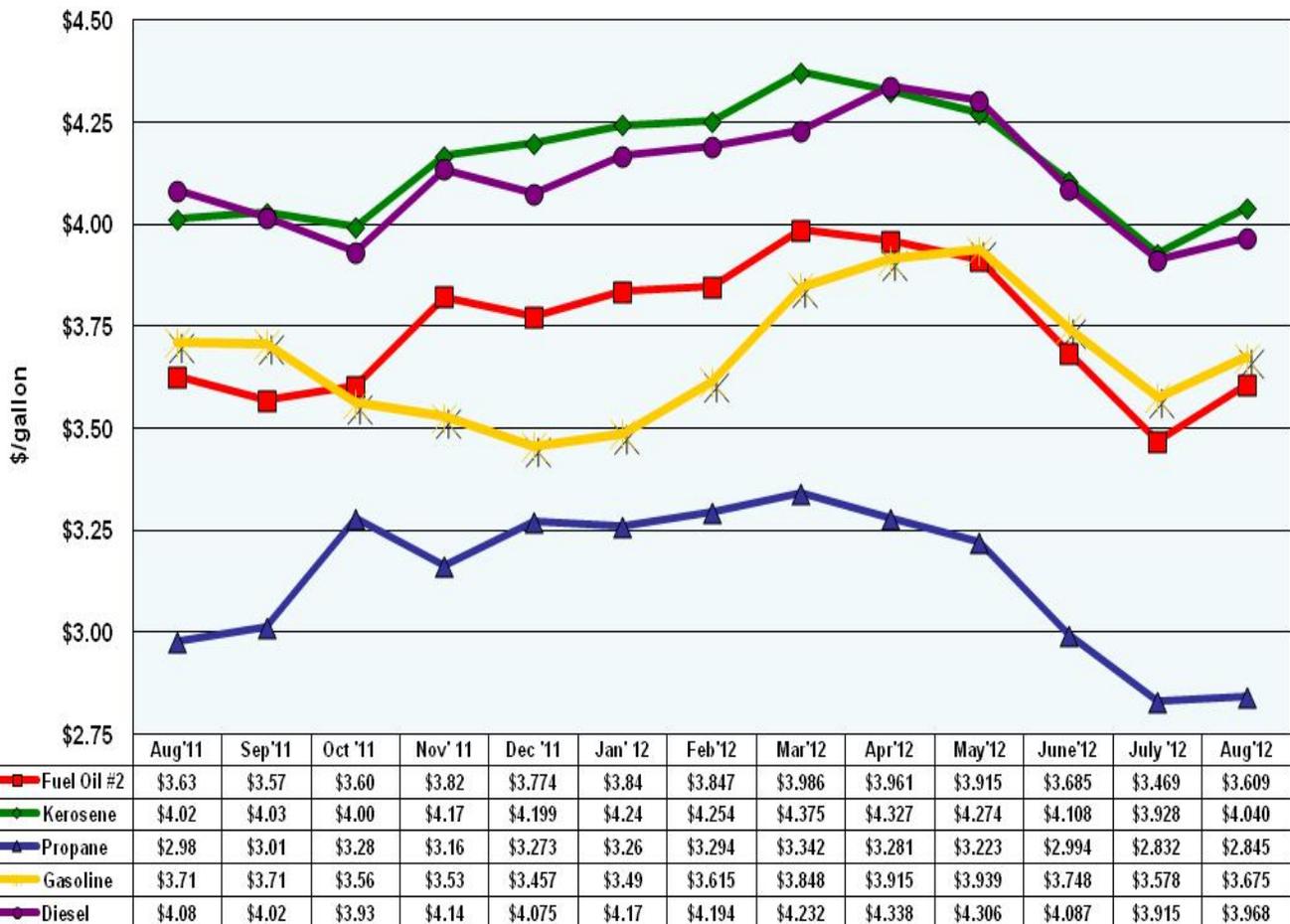
¹ For additional energy related information and data visit the EIA website at <http://www.eia.gov/>

Vermont Highlights -

Vermont Average Retail Petroleum Prices (per gallon)

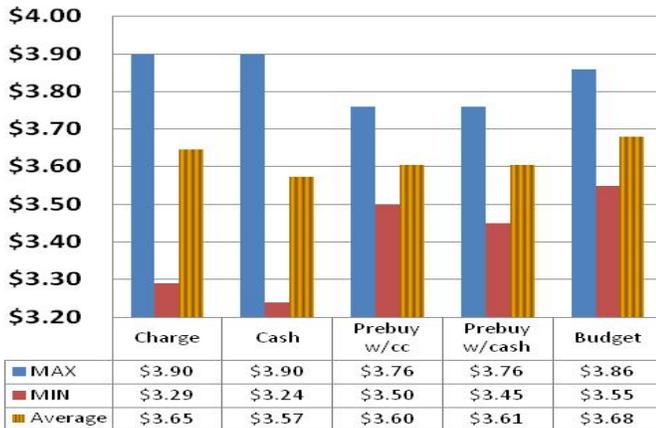
	Aug'12	July '12	%change	Aug'11	%change
No. 2 Fuel Oil	\$3.609	\$3.469	4.06%	\$3.63	-0.49%
Kerosene	\$4.040	\$3.928	2.85%	\$4.02	0.62%
Propane	\$2.845	\$2.832	0.44%	\$2.98	-4.45%
Reg. Unleaded Gasoline	\$3.675	\$3.578	2.71%	\$3.71	-1.02%
Diesel	\$3.968	\$3.915	1.36%	\$4.08	-2.81%

Vermont Fuel Prices -One-Year Trend

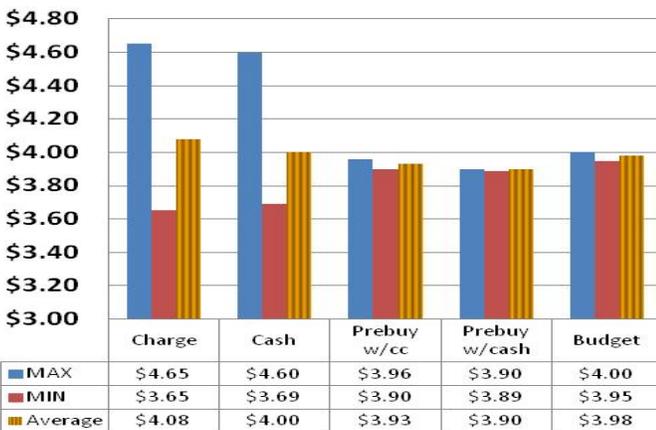


NOTE: The Vermont Fuel Price Report is published monthly by the Vermont Department of Public Service. Prices are collected on or about the first Monday of each month and reflect dealer discounts for cash or self-service, except propane prices, which are an average of the credit and discount price. Propane 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.

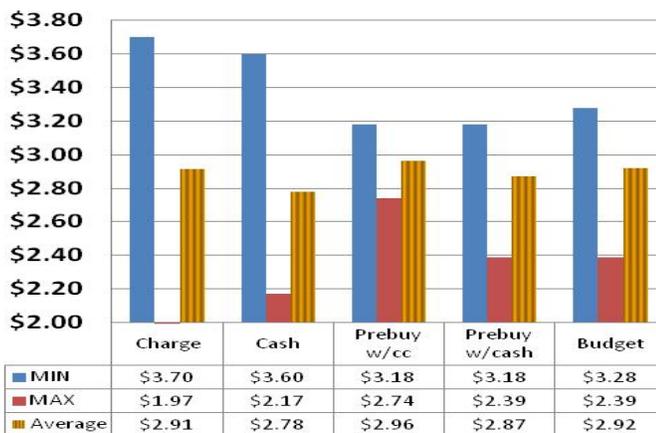
#2- Heating Oil Programs



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 August survey some dealers had already closed out their budget and pre buy programs. Contact your Dealer for availability, up to date terms and conditions of their “price protection” programs.

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Comparing the Cost of Heating Fuels

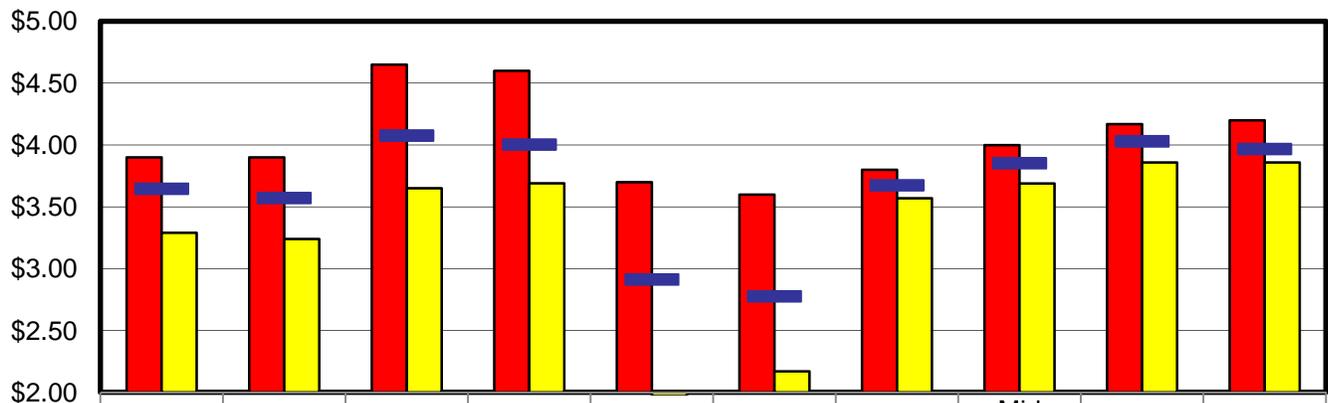
Type of Energy	BTU/unit	Adj Effic	\$/unit	\$/MMBtu
Fuel Oil, gallon	138,200	80%	\$3.61	\$32.65
Kerosene, gallon	136,600	80%	\$4.04	\$36.97
Propane, gallon	91,600	80%	\$2.84	\$38.82
Natural Gas, therm	100,000	80%	\$1.54	\$19.31
Electricity, kwh	3,412	100%	\$0.15	\$43.46
Wood, cord (green)	22,000,000	60%	\$190.00	\$14.39
Pellets, ton	16,400,000	80%	\$247.00	\$18.83

* The natural gas price is based on the rate effective 7/21/12.

*Wood green updated 11/16/11

Comparing the Cost of Heating Fuels

Fuel Price Ranges in Vermont



	Oil-Credit	Oil-Cash	Kero-Credit	Kero-Cash	Pro-Credit	Pro-Cash	Regular Gasoline	Mid Grade Gasoline	Super Gasoline	Diesel
■ Maximum	\$3.90	\$3.90	\$4.65	\$4.60	\$3.70	\$3.60	\$3.80	\$4.00	\$4.17	\$4.20
■ Minimum	\$3.29	\$3.24	\$3.65	\$3.69	\$1.97	\$2.17	\$3.57	\$3.69	\$3.86	\$3.86
— Average	\$3.65	\$3.57	\$4.08	\$4.00	\$2.91	\$2.78	\$3.67	\$3.85	\$4.03	\$3.97

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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