

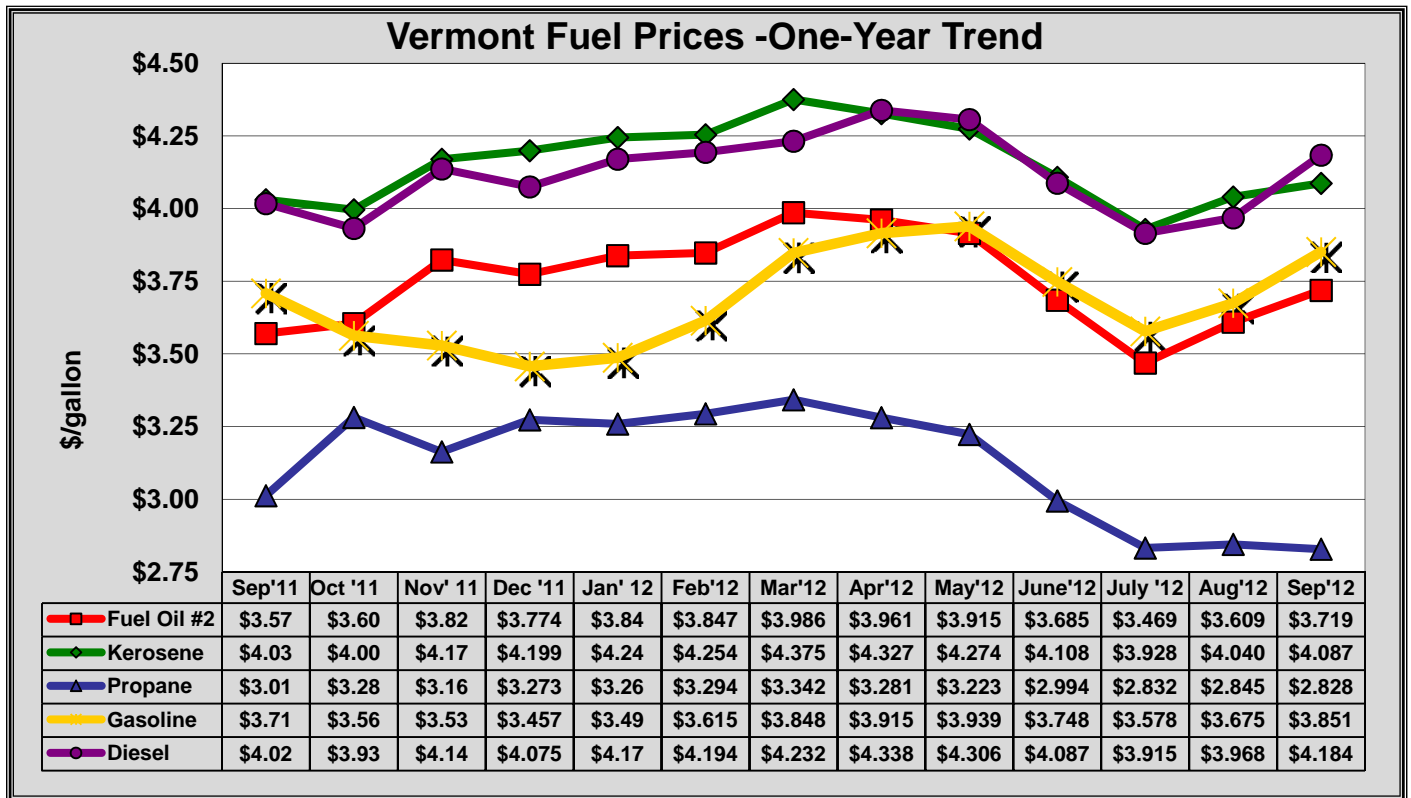
EIA-Short-Term Energy Outlook - Highlights¹

- Brent crude oil spot prices have increased at a relatively steady pace from their 2012 low of \$89 per barrel on June 25 to their recent high of \$117 per barrel on August 23 because of the seasonal tightening of oil markets and continuing unexpected production outages. EIA expects Brent crude oil prices to fall from recent highs over the rest of 2012, averaging \$111 per barrel over the last 4 months of 2012 and \$103 per barrel in 2013. West Texas Intermediate (WTI) crude oil spot prices rose by a more modest \$17 per barrel between June 25 and August 23, as the WTI discount to Brent crude oil widened from \$10 per barrel to \$22 per barrel. EIA expects WTI spot prices to average \$93 per barrel in 2013, with the WTI discount to Brent narrowing to \$9 per barrel by the end of the 2013.
- Higher crude oil prices, refinery outages, a pipeline disruption, and concerns over Hurricane Isaac's impact on the Gulf Coast, the United States' major refining region, contributed to higher gasoline prices during August. EIA has increased the average regular-gasoline retail price forecast for the third quarter of 2012 to \$3.66 per gallon from \$3.49 per gallon in last month's Outlook. EIA expects retail gasoline prices to begin declining later this month as the gasoline market recovers and transitions from summer-grade to winter-grade gasoline specifications. Forecast regular gasoline retail prices average \$3.58 per gallon over the fourth quarter of 2012 and \$3.43 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 0.7 million bbl/d from last year. Projected U.S. domestic crude oil production increases to 6.8 million bbl/d in 2013, the highest level of production since 1993.
- Because of the projected increase in natural gas prices relative to coal, EIA expects the recent trend of substituting coal-fired electricity generation with natural gas generation to slow and likely reverse over the next year. From April through August 2012, average monthly natural gas prices to electric generators increased by 34 percent, while coal prices fell slightly. EIA expects that coal-fired electricity generation will increase by 9 percent in 2013, while natural gas generation will fall by about 10 percent.
- EIA expects carbon dioxide emissions from fossil fuels, which fell by 2.3 percent in 2011, to further decline by 2.4 percent in 2012. However, projected emissions increase by 2.8 percent in 2013, as coal regains some of its electric-power-generation market share.
- Natural gas working inventories ended August 2012 at an estimated 3.4 trillion cubic feet (Tcf), about 13 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 \$2.65 per MMBtu in 2012 and \$3.34 per MMBtu in 2013.

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

Vermont Fuel Price Report

September, 2012

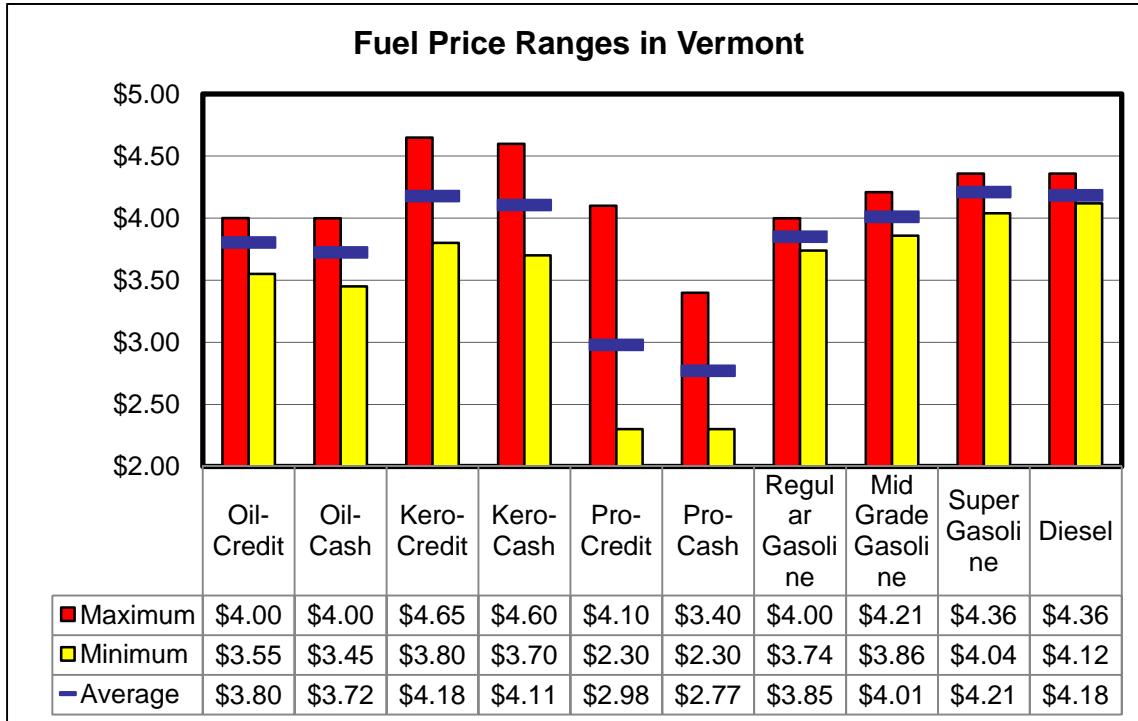


| Vermont Average Retail Petroleum Prices (per gallon) | | | | | |
|--|---------|---------|---------|--------|---------|
| | Sep'12 | Aug'12 | %change | Sep'11 | %change |
| No. 2 Fuel Oil | \$3.719 | \$3.609 | 3.03% | \$3.57 | 4.16% |
| Kerosene | \$4.087 | \$4.040 | 1.15% | \$4.03 | 1.40% |
| Propane | \$2.828 | \$2.845 | -0.58% | \$3.01 | -6.11% |
| Reg. Unleaded Gasoline | \$3.851 | \$3.675 | 4.80% | \$3.71 | 3.84% |
| Diesel | \$4.184 | \$3.968 | 5.43% | \$4.02 | 4.15% |

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.

Vermont Fuel Price Report

September, 2012



Comparing the Cost of Heating Fuels

| Type of Energy | BTU/unit | Adj Effic | \$/unit | \$/MMBtu |
|--------------------|------------|-----------|----------|----------|
| Fuel Oil, gallon | 138,200 | 80% | \$3.76 | \$34.04 |
| Kerosene, gallon | 136,600 | 80% | \$4.14 | \$37.90 |
| Propane, gallon | 91,600 | 80% | \$2.87 | \$39.23 |
| 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 take effect on July 21st,

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. In addition you can learn more about how you can reduce your fuel usage and bills, by contacting Efficiency Vermont toll-free at (888) 921-5990 or visit www.encyvermont.com.

Vermont Fuel Price Report

September, 2012

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.

| <u>FUEL TYPE</u> | | <u>PAYMENT OPTION</u> | | |
|-----------------------------------|---------------|-----------------------|--------|--------|
| | | Max | Min | Ave |
| #2 Heating Oil | Cash | \$4.00 | \$3.45 | \$3.72 |
| | Credit | \$4.00 | \$3.55 | \$3.80 |
| | Prebuy w/cc | \$3.80 | \$3.38 | \$3.61 |
| | Prebuy w/cash | \$3.83 | \$3.35 | \$3.59 |
| | Budget | \$3.87 | \$3.45 | \$3.75 |
| | Other | \$3.90 | \$3.90 | \$3.82 |
| Kersone: | Cash | \$4.60 | \$3.70 | \$4.11 |
| | Credit | \$4.65 | \$3.80 | \$0.85 |
| | Prebuy w/cc | \$4.23 | \$3.70 | \$4.00 |
| | Prebuy w/cash | \$4.18 | \$3.63 | \$3.96 |
| | Budget | \$4.60 | \$3.60 | \$4.19 |
| Propane: 1001-1250 Gal | Other | \$4.30 | \$4.05 | \$4.02 |
| | Cash | \$3.40 | \$2.30 | \$2.77 |
| | Credit | \$4.10 | \$2.30 | \$2.98 |
| | Prebuy w/cc | \$4.10 | \$2.10 | \$3.13 |
| | Prebuy w/cash | \$3.30 | \$2.04 | \$2.83 |
| | Budget | \$3.09 | \$2.29 | \$2.75 |
| | Other | \$3.19 | \$2.90 | \$2.86 |
| Other | \$3.00 | \$3.00 | \$2.93 | |

Editors Note: Not all dealers offer all programs, check with your favorite dealer for their program offerings. As the heating season draws near 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 Kundrath at (802) 828-4081 or by email at michael.kundrath@state.vt.us.