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U.S. Department of Energy Winter Fuels Outlook Predicts High Heating Fuel Prices in Northeast

Augusta--- The Governor’s Office of Energy Independence and Security (OEIS) conducted its weekly heating fuel survey on Monday, October 17, 2011 and found that the current statewide average cash price for No. 2 heating oil to be at **\$3.50 per gallon**, an increase of six cents over last week.

“Last week, the U.S. Department of Energy, Energy Information Administration (EIA) released its 2011-12 Winter Fuels Outlook and predicted that weather and fuel prices will significantly impact the cost of heating in the Northeast region this winter,” said OEIS Director Ken Fletcher. “EIA projects that, in the Northeast, heating oil and propane *prices* will increase 10 percent over last year. EIA expects households heating primarily with heating oil to spend an average of about \$193 (8 percent increase in *expenditures*) more this winter than last winter with residential heating oil prices to average \$3.71 per gallon during the winter season, the highest average winter price on record (although lower than the record heating oil prices realized during the summer of 2008 when crude oil and all petroleum product prices hit their peak). Heating oil and propane prices are volatile and reflect global markets for crude oil. Markets remain uncertain but domestic inventories of distillate fuels appear to be at reasonable levels.”

As of October 17, 2011

Heating Oil	Statewide	Southwest	Central	Eastern	Western	Northern
Average	3.50	3.42	3.54	3.55	3.44	3.65
High	3.70	3.60	3.70	3.65	3.50	3.70
Low	3.30	3.30	3.41	3.40	3.35	3.58
Kerosene	3.91	3.86	3.96	3.95	3.80	4.04
Propane	3.09					

It is important to note that the price for heating oil is a statewide average and that prices in a given geographic region of the state may be considerably higher or lower than the statewide average. Within the OEIS sample, the lowest actual heating oil price of \$3.30 per gallon was found in the Southwest region. The highest price of \$3.70 per gallon was found in the Central and Northern regions. The statewide kerosene price average is \$3.91 per gallon at this time. The statewide average for propane ***based on a use of 925 gallons a year*** is \$3.09 per gallon. The table above provides current Maine cash prices in dollars rounded to the nearest penny. On October 17, the price of WTI crude oil, a major driver of refined petroleum product prices, including heating oil was \$86.86.

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