MAINE DEPARTMENT OF
Energy Resources

2025-2026
Heating Season

Propane Pricing Guide for Consumers

Resources to help Maine propane consumers obtain the price and service that best meets their needs

Are propane prices regulated?

No, propane prices are not regulated in Maine or any other states. Propane and other delivered fuels (like heating oil) contrast to electricity and natural gas which are delivered via wires, poles, and pipelines owned by the company transporting the energy. Electricity and natural gas service territories are generally exclusive, so their prices are regulated by the Maine Public Utilities Commission. In the case of propane, several fuel companies may deliver to the same household, creating market forces (e.g. supply, demand, competition, location) that determine the price.

Isn't propane priced the same as heating oil?

No, propane is not priced the same as heating oil. There are several characteristics of propane and propane sales that differ from heating oil and affect the retail price.

- Propane is a gas under pressure. It is stored in pressurized tanks that require periodic inspections for safety, which is an additional expense.
- Pressurized propane tanks are expensive to purchase, so most households choose to have the propane retailer own the tank. The retailer must recoup the cost of providing the tank, which is factored into the price of the fuel.
- Propane pricing is generally based on volume. Think of propane prices as you would think of any good that you purchase – it is generally more expensive to buy anything in a small volume. For example, a single serving of milk from a convenience store is generally more expensive, per ounce, than the per-ounce cost of a whole gallon of milk. The same principle applies to propane. If you purchase only 50 gallons of propane per year, it will likely cost more for the dealer to provide you with fuel. The dealer has the fixed costs of the tank, delivery truck, and driver, which are the same whether you purchase 50 or 500 gallons. You will likely pay a lower price per gallon if you purchase a greater volume of propane.

How can I obtain propane at a fair price?

- **Shop around:** There is no correlation between location and price in Maine. Propane dealers operate under very different business models. Some are one-or-two-person operations with a single delivery truck, while others are large, publicly-traded companies with obligations to investors. The Maine Department of Energy Resources tracks Maine propane prices weekly during the heating season, but customers should still call local dealers to compare prices. View the latest Maine propane prices here.

Emergency Fuel Assistance

If you are very low on fuel and can't afford to fill your tank, you may qualify for an emergency delivery. Emergency funds are available at non-profits, churches, municipalities, and other organizations. Call 211 or contact the Community Action Agency in your area for more information.

COMMUNITY ACTION AGENCIES

- **Know how much you use each year:** Propane dealers all operate under a "tiered" pricing structure, which means that smaller volume customers pay more per gallon. One example of this tiered system is: under 100 gallons per year; 101-250 gallons; 251-500 gallons; 501-800 gallons; and over 800 gallons. Each tier has a different price per gallon and each dealer has their own tiered system. When you call around for the best price, know how much you tend to use on an annual basis. Reviewing past fuel bills is a great way to determine your annual usage.

- **Ask about fees:** Some retailers charge additional fees while some do not. Make sure you know what additional fees you would pay when comparing dealers. Dealers may charge fees for services including 1) annual tank rental; 2) annual leak detection and safety inspection; 3) delivery; and 4) tank removal and fuel pump-out (if you are switching to a new retailer).

- **Consider purchasing your own tank:** If you are able to purchase your own propane tank, you would be free to purchase fuel from the supplier of your choice, and the cost of the tank would not be added to the price you are quoted. State law prohibits propane dealers from filling tanks owned by another company (all other states have similar laws). If you do decide to switch suppliers, the new company will require a safety inspection to be performed and will charge you for that service. The dealer will not deliver to a tank that they have not inspected themselves, as it presents a liability concern. If you are considering purchasing your own propane tank, verify that the tank would be covered under your homeowner's insurance policy.

- **For small volume users, ask about once-a-year delivery in the off-season:** Propane dealers purchase much of their product months ahead of time. To get enough fuel delivered from December through February, dealers typically accept some fuel deliveries in the summer. If you are a small customer, consider getting your fuel delivered once a year in the summer months. The dealer may consider offering a lower price, but you must ask.

- **If you prefer a set price, ask for a pre-buy contract:** This option will allow you to lock in a price for the season. Be sure to read the fine print of any contract before signing. Some retailers offer contracts in which the per gallon price varies but is capped at a maximum price. Many propane companies also offer budget plans.

- **Ask to be notified prior to any business operational changes:** Unfortunately, some dealers have not notified customers of changes to delivery schedules, new fees, and other changes. Request that you be notified, in writing, of any changes ahead of time. That way, there will be no surprises when you get your bill and you can rely on a delivery schedule that meets your needs.

- **Switch dealers if you are not satisfied:** Changing dealers is not as difficult as it may seem. Propane companies switch out tanks regularly. If possible, plan changes in the summer months. Dealers are often very busy delivering fuel during winter and may not have staff available to pick up an old tank during that time. Try to use up as much of the remaining propane in your tank before changing dealers to minimize the chance of spills or leaks as well as being charged "pump-out" fees. Propane dealers generally reimburse customers for any propane remaining in a tank when it is switched out (at the prevailing price), although state law does not require them to do so. Refer to your contract for details.