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**For Immediate Release  
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**Multiple Factors Drive Heating Oil Prices**

Augusta, Maine – The Governor’s Office of Energy Independence and Security (OEIS) conducted its weekly heating fuel price survey on Monday, February 6, 2012 and found that the current statewide average cash price for No. 2 heating oil to be **\$3.72 per gallon**, up a penny from last week.

“Maine consumers frequently ask what drives heating oil prices and their fluctuation,” said OEIS Director Ken Fletcher, “and the answers can often change along with the rise and fall of the prices. Because crude oil is a major price component of heating oil, changes in the price of crude will generally affect the price of heating oil. Crude oil prices are determined by worldwide supply and demand. Demand can vary with the global economy, geopolitical factors and with weather. The petroleum market can be very unstable and prices are extremely volatile across nations, states and regions. Each day’s somber headlines out of the Middle East, along with increasing consumer demand, work against stabilization in the global energy markets. Other factors, such as transportation and refining costs, add to the final prices. Because petroleum products are sold in a competitive market, sellers are allowed to price their product in a competitive manner. Unfortunately, the causes of the often-dramatic changes in the price of oil are international in scope and somewhat beyond our control. Governor LePage is committed to working with Maine citizens, businesses, members of Congress and other partners to address supply disruptions and any rapid and unsustainable increase in energy prices or other energy emergency situation. The State’s focus must be on those areas we can reasonably identify and respond to in the short-term within the fiscal, technical and personnel resources available.

Using this week’s average heating oil price and converting to a common heating unit value (million Btu) the price of fuel oil is at \$26.82. This compares with an equivalent heating unit value for natural gas of \$15.70 (at \$1.57/therm); propane, \$34.49 (at \$3.15/gallon); wood pellets, \$14.30 (at \$236/ton); and cord wood, \$10.50 (at \$210/cord). OEIS has a calculator on its web site that allows consumers to estimate home heating costs and price impacts of various energy sources.

[http://www.maine.gov/oeis/docs/heatcalculatorMEv3\\_1.xls](http://www.maine.gov/oeis/docs/heatcalculatorMEv3_1.xls).

*As of February 6, 2012*

Heating Oil	Statewide	Southwest	Central	Eastern	Western	Northern
Average	3.72	3.66	3.79	3.76	3.61	3.82
High	4.07	3.75	4.07	3.89	3.75	3.85
Low	3.48	3.48	3.59	3.65	3.48	3.76
<b>Kerosene</b>	4.11	4.06	4.18	4.15	3.99	4.22
<b>Propane</b>	3.15					

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 \$3.48 per gallon can be found in the Southwest and Western regions. The highest price of \$4.07 per gallon was found in the Central region. The statewide kerosene price average is \$4.11 per gallon at this time. The statewide average for propane *based on a use of 925 gallons a year* is \$3.15 per gallon. The table above provides current Maine cash prices in dollars rounded to the nearest penny. On February 6, the price of WTI crude oil, a major driver of refined petroleum product prices, including heating oil, was at \$96.97 per barrel. Efficiency Maine links Maine homeowners and businesses with qualified, certified contractors who provide access to energy improvement options. For program details call 866-376-2463 or visit [www.energymaine.com](http://www.energymaine.com).