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Heating Oil Prices Down Slightly From Last Week

Augusta, Maine – The Governor’s Energy Office (GEO) is conducting its weekly fuel price survey for this year’s heating season. On Monday, October 29, 2012, the current statewide average cash price for No. 2 heating oil is **\$3.70 per gallon**, a 6 cent decrease from last week’s price survey, but still 14 cents higher than the same time last year. Prices for propane in quantities used for heating are essentially unchanged from last week, and significantly lower than this time a year ago.

The drop in heating oil and kerosene prices from last week may be due to a projected surplus in global oil output for the last quarter of 2012. According to the International Energy Agency, supply will outstrip demand by over 630,000 barrels per day, the largest surplus in four years. Decreased turmoil in the Middle East, combined with fewer transportation and production problems in some parts of the world, are thought to be factors. US oil prices have dropped 13% since mid-September. See <http://www.eenews.net/energywire/2012/10/26/9>

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 \$26.88. This compares with an equivalent heating unit value for natural gas of \$17.00 (at \$1.70/therm); propane, \$29.23 (at \$2.67/gallon); wood pellets, \$14.30 (at \$236/ton); and cord wood, \$10.50 (at \$210/cord). GEO has a calculator on its web site that allows consumers to estimate home heating costs and price impacts of various energy sources. See <http://www.maine.gov/energy/index.html>

As of October 29, 2012

| Heating Oil | Statewide | Southwest | Central | Eastern | Western | Northern |
|-----------------|-----------|-----------|---------|---------|---------|----------|
| Average | 3.70 | 3.63 | 3.71 | 3.72 | 3.68 | 3.84 |
| High | 3.85 | 3.80 | 3.80 | 3.85 | 3.80 | 3.85 |
| Low | 3.38 | 3.38 | 3.55 | 3.40 | 3.40 | 3.80 |
| Kerosene | 4.10 | 4.06 | 4.12 | 4.14 | 4.14 | 4.04 |
| Propane | 2.67 | | | | | |

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 Energy Office sample, the lowest actual heating oil price of \$3.38 per gallon was recorded in the Southwestern region of the state. The highest price of \$3.85 per gallon was reported in two regions. The statewide kerosene price average is \$4.10 per gallon, down 8 cents from last week. The statewide average for propane, **based on a use of at least 900 gallons a year**, is at \$2.67 per gallon, unchanged from last week. The table above provides current Maine cash prices in dollars rounded to the nearest penny.

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.