



Independent Statistics & Analysis

U.S. Energy Information  
Administration

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## Short-Term Energy Outlook Notice: Suspension of Regional Residential Heating Oil and Propane Price Forecasts

Because of fiscal year 2011 budget reductions, the U.S. Energy Information Administration (EIA) has suspended surveys that were the source of historical price data published in Tables 12-15 and 34-38 of the [Petroleum Marketing Monthly](#) (*PMM*) that supported the residential retail heating oil and propane retail price forecasts in the [Short-Term Energy Outlook](#) (*STEO*) (see the EIA [April 28, 2011 press release](#) for more details).

Without *PMM* heating oil and propane price data for March 2011 and subsequent months, EIA will no longer be able to provide regional residential retail price forecasts for propane and heating oil effective with the June issue of the *STEO*. Consequently, *STEO* Table 4d (U.S. Regional Heating Oil Prices and Inventories) and Table 4e (U.S. Regional Propane Prices and Inventories) will no longer be published. While the U.S. average residential propane retail price forecast will also be suspended, a U.S. average residential heating oil price forecast based on the monthly average retail heating oil prices published by the [U.S. Bureau of Labor Statistics](#) (BLS) from their consumer price survey will be provided to replace the currently forecasted series.

The only alternative heating oil and propane residential retail prices published by EIA are from data collected by state energy offices under the EIA State Heating Oil and Propane Program (SHOPP) from early October through mid-March. Because this program only provides retail prices for 23 states and is not a year-round program, forecasts using SHOPP prices cannot be effectively integrated into the *STEO* model at this time.

Residential heating oil retail prices are available from the monthly consumer price survey conducted by BLS (72511 fuel oil #2). The BLS price survey does not include propane. The BLS price survey covers 87 urban areas with prices collected during the first week of each month. Figure 1 compares the BLS all-urban average and EIA U.S.-

average heating oil prices, while Figure 2 illustrates the price spread between the two series. Between January 2003 and December 2010, the BLS all-urban retail price averaged 14 cents per gallon higher than the EIA price, with a standard deviation of 7 cents per gallon. The price spread was at its greatest in June 2008 when prices neared their highest level. Differences between the two price series may be due to differences in sample frame (BLS all-urban compared with EIA all-consumers), sampling schedule (BLS first week in the month compared with EIA average price of all sales during the month), or method of selecting sample respondents. The STEO heating oil U.S. average residential retail price will now reflect the BLS all-urban price. Consequently, the heating oil residential price history and forecast in the June 2011 STEO will average about 14 cents-per-gallon higher than previously published forecasts.

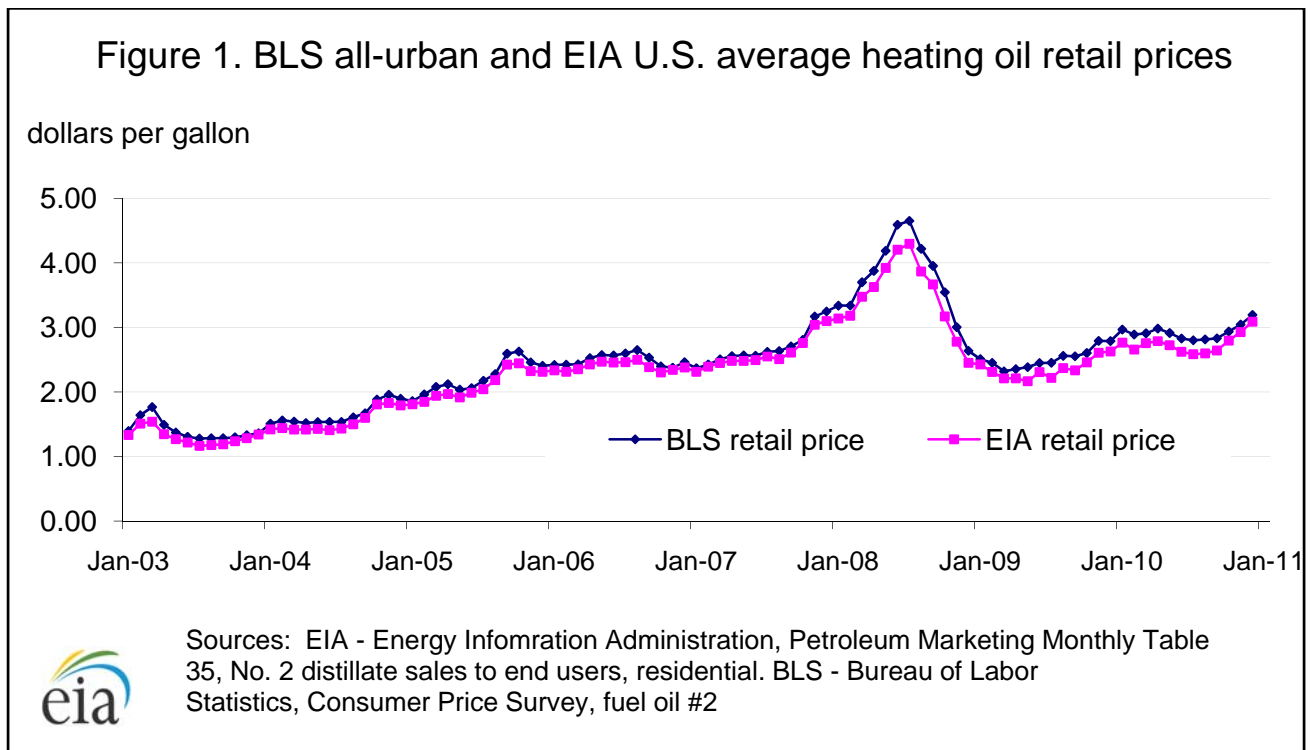
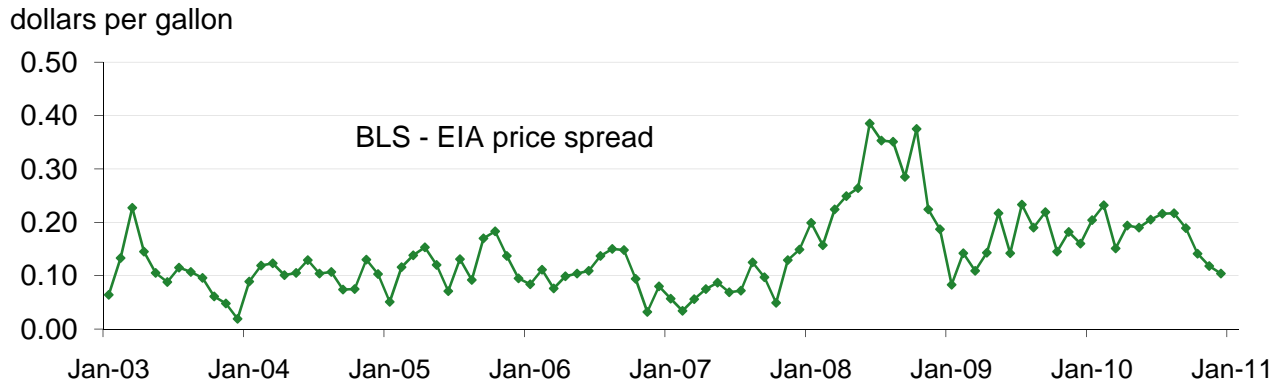


Figure 2. Price difference between BLS all-urban and EIA U.S. average heating oil retail prices



Sources: EIA - Energy Information Administration, Petroleum Marketing Monthly Table 35, No. 2 distillate sales to end users, residential. BLS - Bureau of Labor Statistics, Consumer Price Survey, fuel oil #2

STEO will continue to include regional price forecasts of gasoline retail prices including taxes, which are based on the EIA weekly gasoline price survey, in Table 4c (U.S. Regional Motor Gasoline Prices and Inventories). However, regional gasoline retail prices excluding taxes, which are based on data from the suspended surveys that were previously published in Tables 28-30 of the *PMM* will no longer be available.