



Environmental Services Division

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GASOLINE PRICES EXPECTED TO TOP \$2 THIS SUMMER

DES MOINES – Gasoline prices have been going up in the last month and are expected to top \$2 this summer. In its newly released forecast, the U.S. Department of Energy projects gasoline prices to reach \$2.20 in the Midwest this summer. “Production cuts by oil producing countries and gasoline refiners combined with higher demand during the summer driving season are creating upward pressure on prices,” said Tommi Makila, Iowa Department of Natural Resources (DNR) Energy Policy Analyst. “However, low overall demand and large inventories of both oil and gasoline should keep us from experiencing the kinds of price shocks we saw last summer.”

Motor Fuels

The April 16 average price of 10 percent ethanol blended mid-grade gasoline in Iowa was \$1.95 per gallon, which is 43 percent lower than the April 2008 price of \$3.40 per gallon of the same blend. The April 16th average price for diesel in Iowa was \$2.19 per gallon, which is 47 percent lower than the April 2008 price of \$4.14. For Iowa metro area averages, visit:

http://www.energy.iowa.gov/Newsroom/fuel_price.html

Self-Serve	4/16/09	3/16/09	Difference
Regular Unleaded with 10% Ethanol	\$1.95	\$1.80	+\$0.15
Regular Unleaded	\$2.01	\$1.86	+\$0.15
Premium Unleaded	\$2.10	\$1.95	+\$0.15
Diesel	\$2.19	\$1.95	+\$0.24

Source: Oil Price Information Service, www.opisnet.com

Crude Oil

On April 16, a barrel of West Texas Cushing Sweet Crude Oil settled at \$49.98. The price is a six percent increase over March’s price of \$47.35 and 57 percent lower than the April 2008 price of \$117.19.

Heating Fuels

On April 16th, natural gas was trading at \$3.57/MMBtu, which is \$7.31 lower than one year ago, a 67 percent decrease. The U.S. Department of Energy, Energy Information Administration reports that working natural gas in storage as of April 10, 2009 was 1,695 billion cubic feet (Bcf), 311 Bcf above the 5-year average (2004-2008), and 438 Bcf higher than the level during the corresponding week last year.

A survey completed by the DNR on April 16, 2009, indicated that the average retail price of propane in Iowa was \$1.48, which is \$0.53 lower than the price of propane at this time last year. The same survey

found that heating oil is selling in Iowa for an average of \$1.79 per gallon across the state, which is \$1.98 lower than the price in April of last year, a 53 percent decrease.

Now that the heating season is coming to a close, consumers are encouraged to think about energy saving strategies for the summer season. The U.S. Department of Energy provides energy savings tips on its “Stay Cool, Save Money” website at <http://www.energysavers.gov/seasonal/>. Iowa Energy Center’s “Home Series” also provides energy saving information for consumers. Home Series booklets are available at <http://www.energy.iastate.edu/homeseries/index.htm>

Heating Fuel Type	4/16/09	3/16/09	Difference
Natural Gas*	3.57/MMbtu	3.80/MMbtu	-\$0.23/MMbtu
Propane**	\$1.48	\$1.62	-\$0.14
#2 Heating Oil**	\$1.79	\$1.60	+\$0.19
*Source: Wall Street Journal, **Source: IDNR			