

DOE/EI/20475--T1

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RHODE ISLAND GOVERNOR'S OFFICE OF ENERGY ASSISTANCE
REPORT ON
WINTER DISTILLATE SURVEY
1987 - 1988
FOR THE
U.S. DEPARTMENT OF ENERGY
ENERGY INFORMATION ADMINISTRATION
UNDER DOE GRANT NO. DE-FC01-87EI-20475
SUBMITTED MAY 20, 1988

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MASTER
JMB

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I. The Survey

The State of Rhode Island, under DOE Grant DE-FC01-87EI-20475 implemented a program to monitor prices and inventory levels of #2 heating oil during the period October 5, 1987 to May 2, 1988.

The residential and wholesale prices were collected from the same list of companies used in the 1986-87 heating season with the addition of one company for wholesale prices. Retail prices only were obtained from thirteen dealers. Four dealers provided both retail and wholesale prices. Wholesale prices only were obtained from eight sources. Thus twenty five contacts were made each week or bi-weekly, according to the schedule established by DOE, to provide the price information from the state. The attached letter was sent to all dealers in September to initiate the program.

Distillate stocks within the state were ascertained as per the required schedule from nine sources, representing the majority of stocks. In one case, two terminals are involved and amounts added.

The calls were made by Cheryl Roccio of this office, with the assistance of Michael Patrie. The excellent cooperation we received from the dealers is entirely due to their excellent work.

All data received was compiled and transmitted to DOE on time, utilizing Dialcom electronic mail, or the telephone in a couple of cases.

II Prices

The Rhode Island Winter Distillate Survey began on October 5, 1987 with a per gallon wholesale price of 57.1¢ and a retail price of 85.6¢. (All prices in this report are the weighted average prices from the EIA Flash Report, not the simple average which we compute for immediate use from our survey.) The previous year's opening prices were 43.5¢ and 72.9¢, 13.6¢ for wholesale and 12.7¢ for retail lower than this year. But 1987 October prices were far more moderate than those of October 1985, when the prices were 84.8¢ wholesale and 107.3¢ retail.

The usual seasonal rise in the prices began immediately, with an increase to 60¢ on October 19 and 60.7¢ on November 2 for wholesale prices. However this proved to be the high for the entire winter, unlike last year when the seasonal peak occurred in mid-January. A generally stable situation prevailed this year, with wholesale prices remaining in the range of 50 to 60¢. The low for the year in wholesale prices occurred on March 7 - 50.4¢. A gradual increase then took place for the next few weeks, with a sharper rise between April 18 and May 2 of 4¢ to 58.4¢.

On the retail side, there was even greater stability. The high for the season was reached on January 18. At 90.9¢, it was only 5.3¢ higher than the low for the year, which was the first price taken in the survey - 85.6¢ on October 5. The retail price increased in the next survey period to 87.1¢ on October 19, then to 88.7¢ on November 2, and reached 90¢ on December 7. The survey reports show prices between 90.0¢ and 90.9¢ for the entire winter season. What a contrast to the volatility of earlier years! Only slight declines were recorded in March, to 89.3 on March 7 and 88.8¢ on March 21. April's prices were similar, and the survey closed with a retail price of 89.7¢ on May 2.

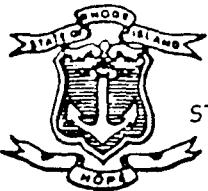
For comparison, the end of the heating season last year had prices of 53¢ for wholesale and 83.2¢ for retail. Thus this year concluded with prices 5 and 6¢ higher.

The spread in prices among the dealers is instructive. On the retail side the difference between the lowest dealer and the highest was as much as 13¢, though most were clustered at the high end. As we tell consumers often, it pays to shop around.

The gross profit margin between retail and wholesale prices in the state rose from 28.5¢ on October 5 to high of 38.9¢ on March 7.

III. Inventories

The stock survey was initiated on October 5, 1987, and continued each reporting week, collecting inventory data as of the preceding Friday. There were no problems despite very much lower inventories than in the past.



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Executive Department
Governor's Office of Energy Assistance
275 Westminster Mall
Providence, R.I. 02903-3393

September 23, 1987

STATE HEATING OIL SURVEY

The Governor's Office of Energy Assistance will again this year be the participating agency for Rhode Island in the Energy Information Agency (EIA) program which provides state-level statistics on price and supply trends. We will be calling you every other week starting October 5. From December through the first week in March we will survey residential prices every week. The program concludes on May 2, 1987.

All company-specific data is maintained on a strictly confidential basis. Your cooperation, as in the past, in providing the data in a timely manner is greatly appreciated and we look forward to working with you again. We are happy that Cheryl Roccio will be our contact person again this year.

Enclosed is the EIA's report on last year's program, which we thought you might like to have.

Clement A. Griscom, Ph.D.
Director

Enclosure

CAG/lr

RHODE ISLAND #2 HEATING OIL PRICES
1987-1988

	WHOLESALE	RETAIL		
	UNWEIGHTED*	WEIGHTED**	UNWEIGHTED*	WEIGHTED
10-5	56.4	57.1	84.6	85
10-19	60.2	60.0	86.4	87
11-2	60.9	60.7	87.8	88
11-16	59.9	59.6	88.2	88
11-30			88.4	89
12-7	60.7	60.1	88.8	90
12-14			89.2	90
12-21	57.0	56.9	89.3	90
12-28			89.4	90
1-4	57.6	56.9	89.4	90
1-11			90.0	90
1-18	58.0	57.6	89.9	90
1-25			89.8	90
2-1	54.5	54.3	89.7	90
2-8			90.2	90
2-15	54.3	54.0	89.5	90
2-22			89.0	90
3-7	50.8	50.4	88.6	89
3-21	51.5	51.1	88.4	88
4-4	53.8	53.3	88.2	88
4-18	59.6	54.4	88.5	89
5-2	58.7	58.4	88.9	89

* From survey;

** From EIA Flash Report;

RHODE ISLAND #2 HEATING OIL PRICES

1987-1988

