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FOR IMMEDIATE RELEASE
October 16, 2009

FUEL PRICES INCREASE AS SUPPLIES DECREASE

DES MOINES – Gasoline prices increased for the first time since August 10, 2009, with the Midwest region having the largest gains. “Fuel supplies have declined by the largest margin in a year, leading to slight increases in pricing,” said Jessica Zopf, Communications Specialist for the Iowa Office of Energy Independence. “Energy analysts are split over whether prices will rise or fall next week because the market did not respond to supply numbers as anticipated. Refinery activity has decreased, but if demand increased, there would be enough capacity to cover.”

Motor Fuels

The October 16th average price of 10 percent ethanol blended mid-grade gasoline in Iowa was \$2.37 per gallon, which is 14 percent lower than the October 2008 price of \$2.74 per gallon of the same blend. The October 16th average price for diesel in Iowa was \$2.61 per gallon, which is 29 percent lower than the October 2008 price of \$3.70. For Iowa metro area averages, visit: http://www.energy.iowa.gov/Newsroom/fuel_price.html

Self-Serve	10/16/09	9/15/09	Difference
Regular Unleaded with 10% Ethanol	\$2.37	\$2.34	+\$0.03
Regular Unleaded	\$2.44	\$2.40	+\$0.04
Premium Unleaded	\$2.54	\$2.51	+\$0.03
Diesel	\$2.61	\$2.62	-\$0.01

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

Crude Oil

On October 16th, a barrel of West Texas Cushing Sweet Crude Oil increased to \$77.58. The price is a 9 percent increase over the September price of \$70.93 and 4 percent higher than the October 2008 price of \$74.55.

Heating Fuels

On October 16th, natural gas was trading at \$3.70/MMBtu, which is \$3.01 lower than one year ago, a 45 percent decrease. The U.S. Department of Energy, Energy Information Administration reports that working natural gas in storage as of Friday, October 9, was 3,716 Billion cubic feet (Bcf), 474 Bcf above the 5-year average (2004-2008), and 450 Bcf higher than the level during the corresponding week last year.

A survey completed by the Iowa Office of Energy Independence on October 12, 2009, indicated that the average retail price of propane in Iowa was \$1.31, which is \$1.59 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 \$2.21 per gallon across the state, which is \$1.16 lower than the price in October of last year.

Heating Fuel Type	10/12/09	9/15/09	Difference
Natural Gas*	\$3.70/MMbtu	\$3.15/MMbtu	+\$0.55
Propane**	\$1.31	\$1.29	+\$0.02
#2 Heating Oil**	\$2.21	\$2.20	+\$0.01

*Source: Wall Street Journal, **Source: OEI

To limit the financial impact of fluctuating energy prices, consumers should make improvements to their homes' and vehicles' energy efficiency. Tips for saving energy and money at home and on the road are available at www.EnergySavingTips.gov.

The Office of Energy Independence (OEI) sets the strategic direction for Iowa's clean energy future by identifying goals to achieve desired results. The office will align state government efforts for achieving energy independence through partnerships with business and industry, community leaders, government and public agencies, and other stakeholders.

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