

North Carolina Energy Office [energync.net](http://energync.net)



**North Carolina Monthly Petro Price Monitor**  
**March 8, 2011**

**SUMMARY**

As most motorists have noticed, petroleum prices continue to rise. On average, regular gasoline prices within North Carolina increased 24-cents per gallon since Feb. 25, 2011; 33-cents over the previous month; and 74-cents over March a year ago. Ultra low sulfur diesel increased 20-cents over last the report, 33-cents over the previous month, and 93-cents over March 2010. Home heating oil increased 12-cents per gallon over the last report, increased 10-cents over the February 2011 average, and 72-cents over March a year ago. Propane increased five-cents over the last report, increased four-cents over the February 2011 average and 27-cents over February 2010. Spot prices for jet fuel increased 14-cents/gallon over the last report, increased 31-cents/gallon over February 2011, and \$1.04/gallon over March 2010.

The current geopolitical landscape has not physically affected on-hand supplies in the Southeast or the United States. In fact, petroleum supplies appear to be within the five-year average. The issues lie in the security of supplies within the global market. The uncertainty of the geopolitical unrest surrounding the Middle East and North Africa is causing speculation about the availability of the global petroleum supply. Since petroleum is a global commodity, North Carolina and the United States are vulnerable to the forces that act upon the market. In this case, the uncertainty of when the security of the petroleum supply will return to normal is having an adverse effect on our pump prices.

With the continued rise in petroleum prices, the North Carolina Energy Office provides several conservation and efficiency suggestions, at the end of this report.

**Current N.C. per gallon average for petroleum products using AAA Fuel Gauge Data**

<b>Road Fuels</b>	<b>Mar 7, 2011</b>	<b>Feb 25, 2011</b>	<b>Feb. 2011</b>	<b>Mar. 2010</b>
Regular gasoline	\$3.49	\$3.25	\$3.10	\$2.75
Mid-grade	\$3.61	\$3.37	\$3.24	\$2.88
Premium	\$3.74	\$3.49	\$3.36	\$3.01
Ultra low sulfur diesel	\$3.82	\$3.62	\$3.49	\$2.89
Jet Fuel (SPOT)	\$3.15	\$3.01	\$2.84	\$2.11
<b>Winter Heating Fuels</b>				
Home heating oil	\$3.44	\$3.32	\$3.34	\$2.72
Propane	\$3.13	\$3.08	\$3.09	\$2.86

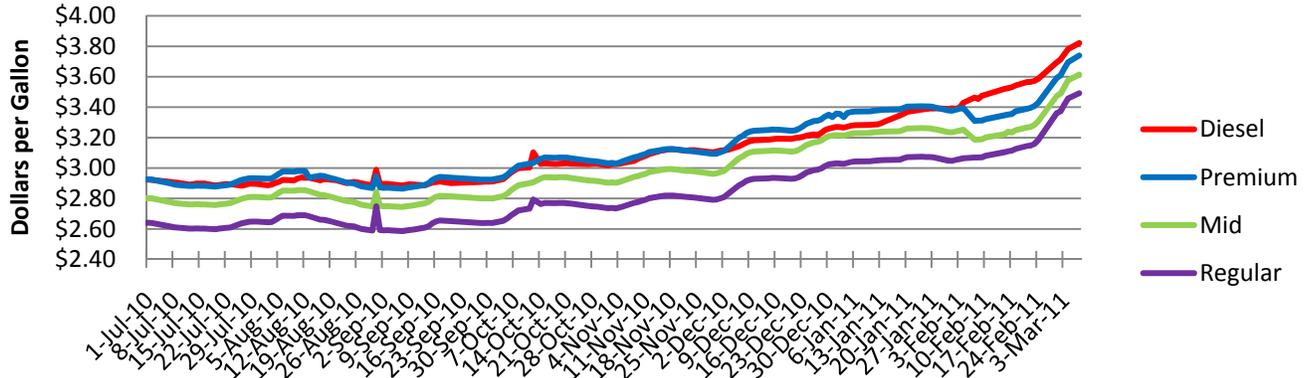
Source: EIA, Petroleum Navigator, Weekly Retail Gasoline and Diesel Prices and Weekly Heating Oil and Propane Prices as well AAA Fuel Gauge Report

The Energy Information Administration divides the nation into several regions –Petroleum Administration Defense Districts. North Carolina is in District 1C, East Coast, Lower Atlantic; with Florida, Georgia, South Carolina, Virginia and West Virginia.

# Consumer Pricing

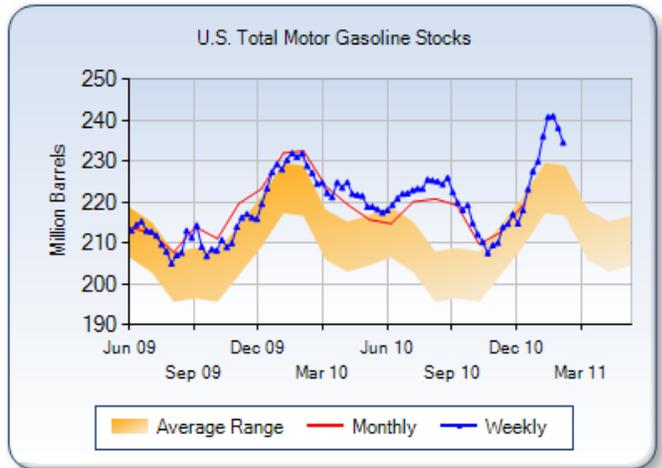
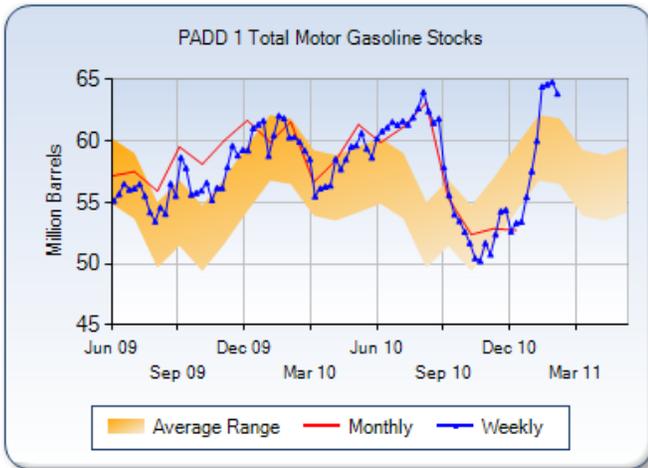
## DAILY REPORTING

Source: American Automobile Association Fuel Gauge Report



## Gasoline Stocks

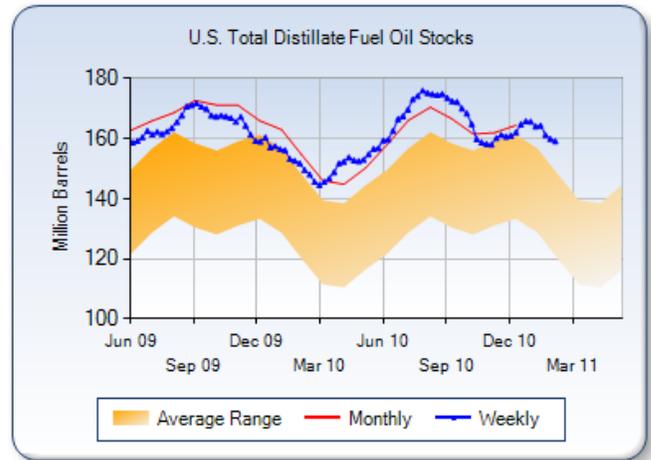
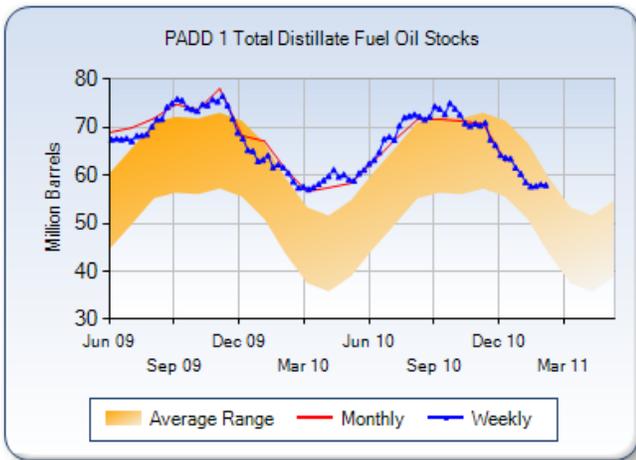
Monthly on-hand supplies in the East Coast, Lower Atlantic District remain close to the lower range of the five-year average, while the weekly inputs appear to be trending above the 5-year average. On a national basis, monthly gasoline stocks continue to trend upwards and weekly stocks exceed the 5-year average.



Source: Energy Information Administration, Stocks of Total Motor Gasoline by Petroleum Administration Defense District, June 2009 to present

## Diesel Stocks

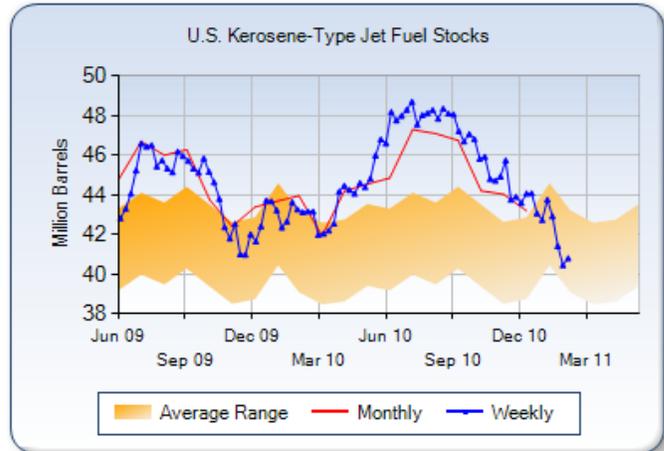
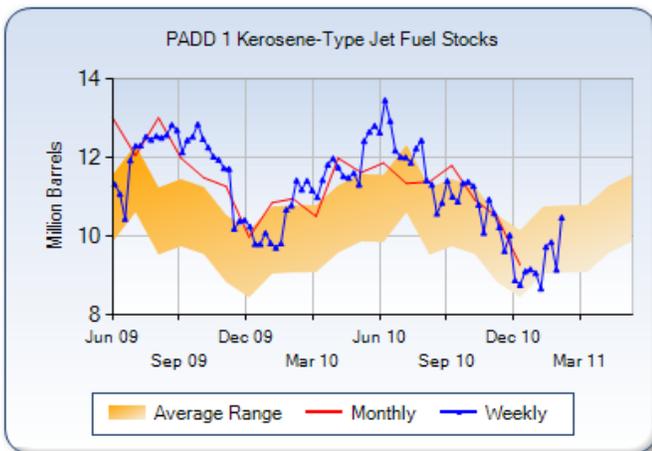
The on hand supplies of diesel in the East Coast, Lower Atlantic District appear well within the 5-year average range. The monthly trend remains near the upper range of the 5-year average, while the weekly supplies are following the five-year average trend. On a national basis, diesel stocks are well above the 5-year average.



Source: Energy Information Administration, Stocks of Distillate Fuel Oil by Petroleum Administration Defense District, June 2009 to present

## Jet Fuel Stocks

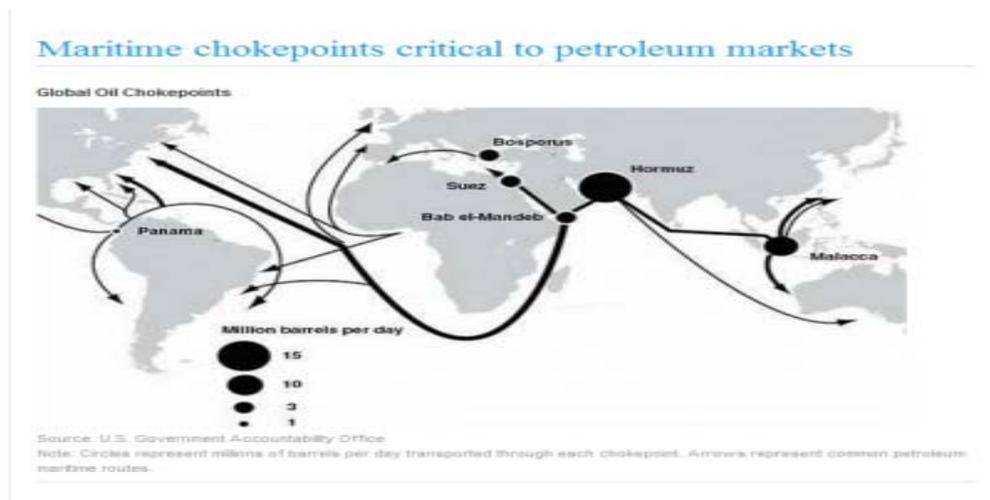
The on hand supplies of jet fuel in the East Coast, Lower Atlantic District appear within the 5-year average range. The monthly trend appears to remain within the 5-year average, while the weekly supplies are following the five-year average trend. On a national basis, jet fuel stocks are above the 5-year average.



Source: Energy Information Administration, Stocks of Distillate Fuel Oil by Petroleum Administration Defense District, June 2009 to present

## Global Supply

The International Energy Agency (IEA) released a report last Wednesday indicating that Libya normally produces approximately 2% of the world's oil. Using data obtained from the Energy Information Administration's Countries of origin report, Libya produces approximately 0.7% of the U.S demand and less than 0.5% of the Petroleum Administration Defense District -1C demand. Since Libya does not produce all that much for the United States or the Southeast region, then why are gasoline prices increasing at such a rapid rate? The IEA estimates that from 850,000 to one million barrels per day of Libyan crude is currently shut in (meaning that the crude is not getting to the market for distribution and sale). In the short term a 2% reduction in supply may be insignificant, however the global market views that in the long term a 2% reduction in supply may be significant. The global market is concerned about the potential shut-in of crude Libyan crude and the overall security of supplies from a region where the political structure is in question. The security concerns spill over into the global petroleum transportation routes and their associated choke points. Consider the locations of Algeria, Bahrain, Egypt, Iran, Libya, Tunisia, and Yemen and their proximity to the Strait of Hormuz or the Suez Canal. The uncertainty of the future drives speculation which adversely affects our prices.



## Conservation and Efficiency

The state cannot control (and does not want to control) the petroleum market; however, it can offer suggestions to consumers that may assist them in saving a few dollars through conservation.

- Drivers should slow down. The U.S. Department of Energy reports that for every five-mile per hour over the 55 mile per hour mark results in a 6% loss in fuel efficiency.
- Drivers should drive conservatively. Do not drive aggressively, instead gently accelerate. The U.S. Department of Energy suggests that sensible driving will net a 5% savings in efficiency in town and 33% at highway speeds.
- Using cruise control when appropriate can net a 14% savings in fuel efficiency.
- Use a GPS to plan the most efficient route. By planning your route ahead of time, you may drive fewer miles or find the most efficient route, therefore using less gas.
- Drivers may consider coordinating with co-workers or neighbors to arrange carpools or vanpools in order to get to work, school, or grocery shopping. Drivers may consider visiting one of many internet sites similar to the following: <http://www.triangletransit.org/vanpool/> or <http://www.vpsi.org/mysitecaddy/site3/>
- Check gas prices on-line to find the most economical gas, such as [http://gasbuddy.com/Gas\\_Prices/North\\_Carolina/index.aspx](http://gasbuddy.com/Gas_Prices/North_Carolina/index.aspx)

**Editorial Note**

The Monitor is a brief status report of the most recent week, with some analysis of causes for price changes. The North Carolina Energy Office tracks supplies, prices and events that have an impact on petroleum products. Questions about the information in the Monitor can be directed to Bob Mielish at [bmielish@nccommerce.com](mailto:bmielish@nccommerce.com).