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AVERAGE ENERGY PRICES IN THE DETROIT AREA – JULY 2012

Detroit area consumers paid prices more than the U.S. city average for electricity (17.3 percent) in July, as measured by the Consumer Price Index (CPI), the U.S. Bureau of Labor Statistics reported today. Prices for gasoline and utility (piped) gas service in Detroit were close to their U.S. averages in July. Regional Commissioner Charlene Peiffer noted that the percent differential between local and national prices for electricity widened over the year as Detroit area prices rose while national prices were essentially unchanged. Local gasoline prices fell faster than the national average over the year while area utility (piped) gas prices declined more slowly. (See table A. Data in this release are not seasonally adjusted; over-the-year analysis is used throughout.)

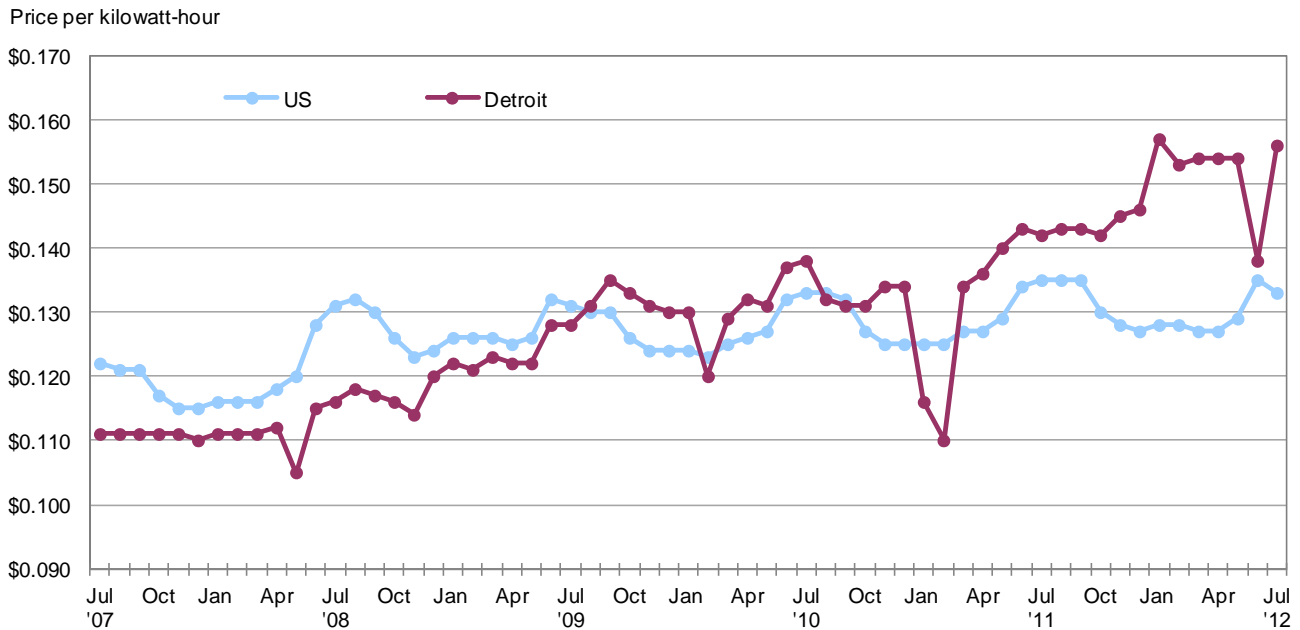
Table A. Average prices for electricity, gasoline, and utility (piped) gas United States and Detroit area, July 2011 and July 2012

	July 2011			July 2012		
	United States	Detroit area	Percent difference	United States	Detroit area	Percent difference
Electricity (per kWh)	\$0.135	\$0.142	5.2	\$0.133	\$0.156	17.3
Gasoline per gallon	3.703	3.837	3.6	3.502	3.597	2.7
Utility (piped) gas per therm	1.078	1.010	-6.3	0.943	0.928	-1.6

NOTE: A positive percent difference measures how much the price in the Detroit area is above the national price, while a negative difference reflects a lower price in the Detroit area.

A kilowatt-hour (kWh) of electricity cost Detroit area consumers \$0.156 in July 2012, 9.9 percent more than one year earlier. Nationwide, electricity prices were essentially unchanged over the year at \$0.133. Since August 2009, electricity prices in Detroit have exceeded the nation in all but five months. (See chart 1.)

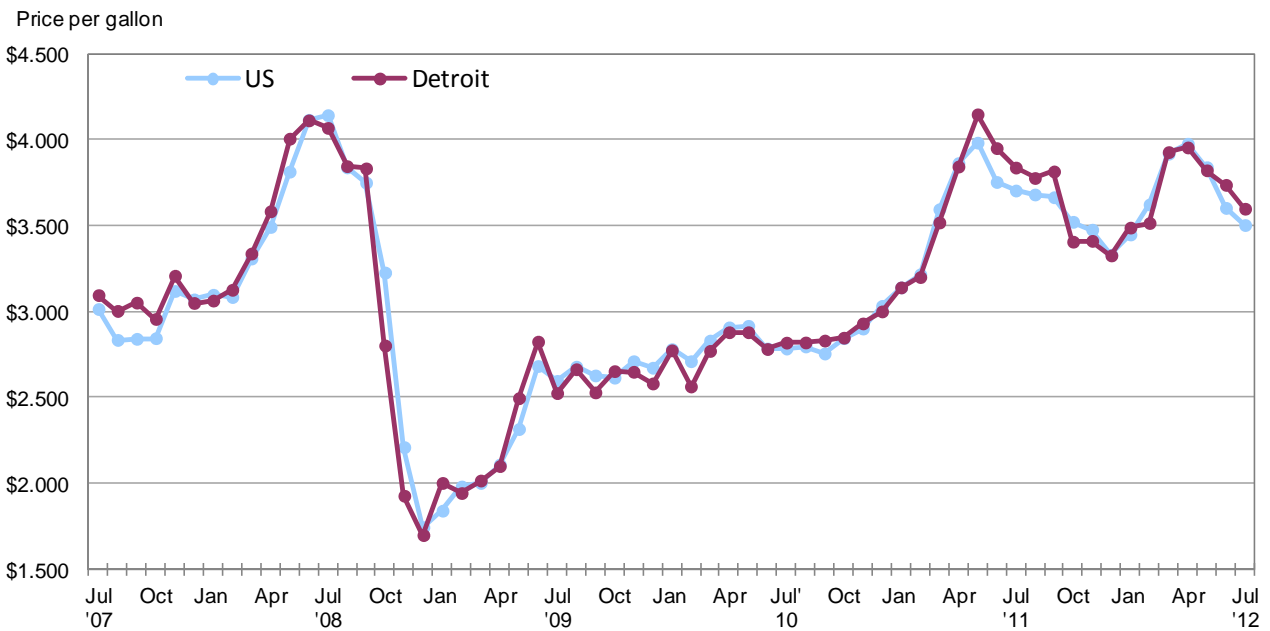
Chart 1. Average prices for electricity, United States and Detroit area, July 2007–July 2012



Source: U.S. Bureau of Labor Statistics

In July 2012, a gallon of gasoline averaged \$3.597 in the Detroit area, 2.7 percent higher than the national average of \$3.502. Over the year, the local price of gasoline fell 6.3 percent, while nationwide prices declined 5.4 percent. Local and national prices have largely moved in tandem over the last five years. (See chart 2.)

Chart 2. Average prices for gasoline, United States and Detroit area, July 2007–July 2012

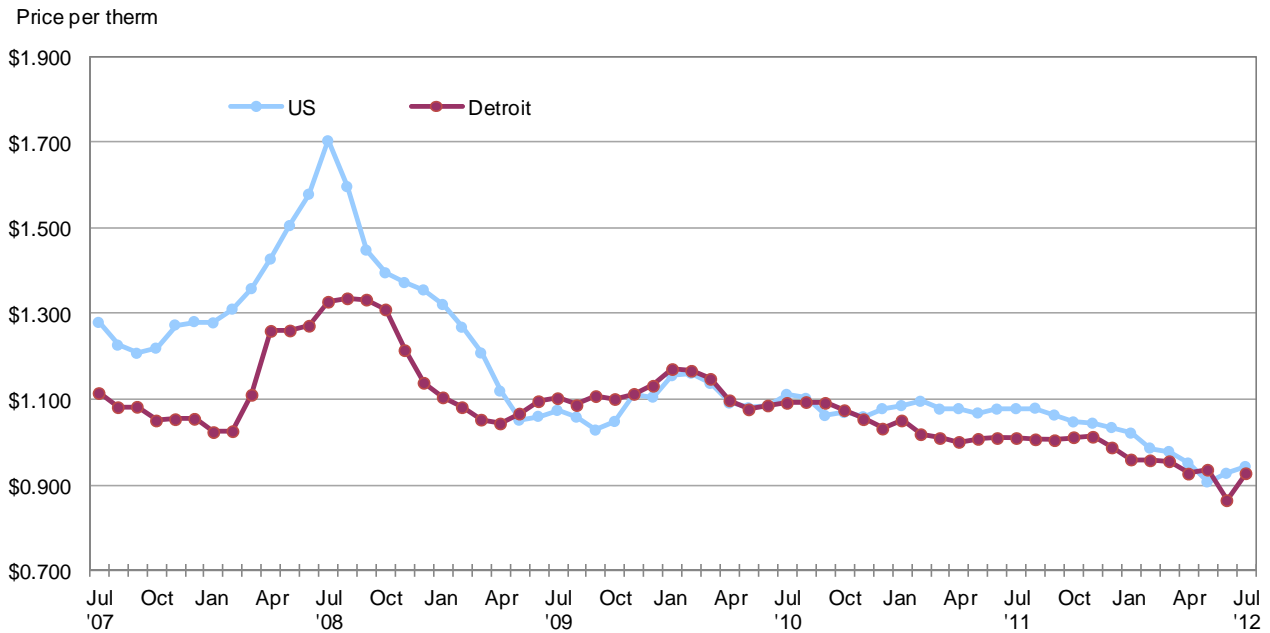


Source: U.S. Bureau of Labor Statistics

A therm—a measure of constant heating value—of utility (piped) gas, commonly referred to as natural gas, averaged \$0.928 in the Detroit area in July 2012, declining \$0.082 (or 8.1 percent) from a year ago.

Nationwide, a therm averaged \$0.943 in July 2012, down 12.5 percent over the year. Detroit area prices for utility (piped) gas in July 2012 were among the lowest recorded in the last five years. (See chart 3.)

Chart 3. Average prices for utility (piped) gas, United States and Detroit area, July 2007–July 2012



Source: U.S. Bureau of Labor Statistics

The Detroit-Arbor-Flint, Mich. Consolidated Metropolitan Statistical Area (CMSA) in this release is comprised of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.

Technical Note

Average prices for electricity, utility (piped) gas, and gasoline are published monthly for the U.S. city average, the 4 regions, the 3 population size classes, 10 region/size-class cross-classifications, and the 14 largest local index areas. For electricity, average prices per kilowatt-hour (kWh) and per 500 kWh are published. For utility (piped) gas, average prices per therm, per 40 therms, and per 100 therms are published. For gasoline, the average price per gallon is published. Average prices for commonly available grades of gasoline are published as well as the average price across all grades.

Price quotes for 40 therms and 100 therms of utility (piped) gas and for 500 kWh of electricity are collected in sample outlets for use in the average price programs only. Since they are for specified consumption amounts, they are not used in the CPI. All other price quotes used for average price estimation are regular CPI data.

With the exception of the 40 therms, 100 therms, and 500 kWh price quotes, all eligible prices are converted to a price per normalized quantity. These prices are then used to estimate a price for a defined fixed quantity.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

Table 1. Average prices for electricity, gasoline, and utility (piped) gas, United States and Detroit area, July 2011-July 2012, not seasonally adjusted

Year and Month	Electricity per kWh		Gasoline per gallon		Utility (piped) gas per therm	
	United States	Detroit area	United States	Detroit area	United States	Detroit area
2011						
July	\$0.135	\$0.142	\$3.703	\$3.837	\$1.078	\$1.010
August	0.135	0.143	3.680	3.776	1.079	1.007
September	0.135	0.143	3.664	3.814	1.063	1.005
October	0.130	0.142	3.521	3.405	1.047	1.012
November	0.128	0.145	3.475	3.410	1.044	1.013
December	0.127	0.146	3.329	3.325	1.034	0.988
2012						
January	0.128	0.157	3.447	3.487	1.021	0.960
February	0.128	0.153	3.622	3.514	0.986	0.958
March	0.127	0.154	3.918	3.927	0.978	0.956
April	0.127	0.154	3.976	3.954	0.951	0.927
May	0.129	0.154	3.839	3.821	0.907	0.936
June	0.135	0.138	3.602	3.736	0.927	0.865
July	0.133	0.156	3.502	3.597	0.943	0.928