

THE ALTERNATIVE FUEL PRICE REPORT



This is the twelfth issue of the Clean Cities Alternative Fuel Price Report, a quarterly newsletter keeping you up to date on the prices of alternative fuels in the U.S. and their relation to gasoline and diesel prices. This issue discusses prices that were gathered from Clean Cities coordinators and stakeholders between June 14 and June 25, 2004, with comparisons to the prices in the previous Price Report, which were collected in March, 2004.

The prices contained within this report are meant to represent retail, at-the-pump sales prices for each fuel. In some cases, prices are collected from utilities or government facilities, where taxes are not included. In these instances, though government users may not be required to pay a tax on the fuel, standard federal and state taxes are added on and included in the prices presented herein. Some states, in lieu of taxes, charge an annual flat fee for certain alternative fuels (esp. gaseous fuels such as CNG and propane). Such flat fees are not considered in the prices estimated in this report.

Gasoline and Diesel Prices

Regular grade gasoline averaged \$1.985 per gallon nationwide during the week of June 14, 2004, increasing by 24.7¢ per gallon since the previous Price Report (March 2004), as illustrated in the table to the right. Prices for the various regions of the country are also illustrated in this table. (A map of the regions is shown on the next page.) During the week of June 14, prices ranged from a low of \$1.882 in the Midwest and Gulf Coast regions to a high of \$2.243 on the West Coast. The price increased in all regions since March, 2004. The greatest increase in prices was in New England, where the price increased by over 35¢ per gallon.

Gasoline Price Trends

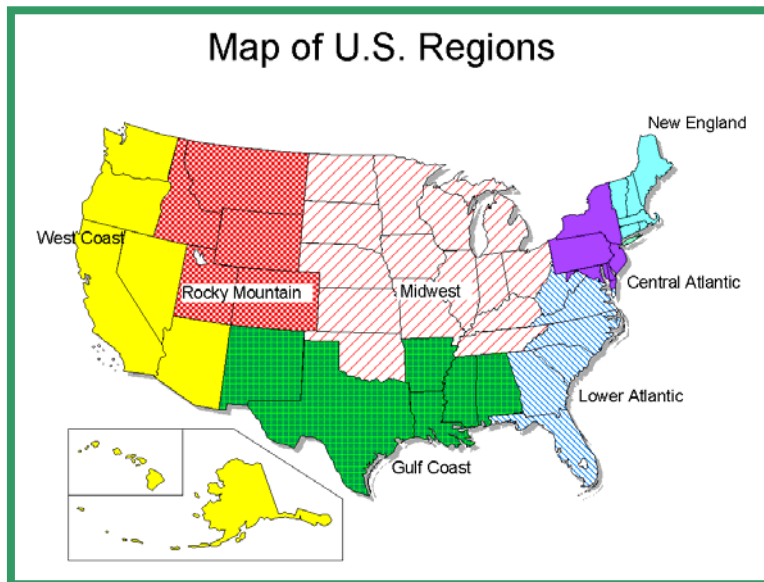
| | Week of 3-8-04 | Week of 6-14-04 | Change in Price |
|--------------------|----------------|-----------------|-----------------|
| New England | \$1.729 | \$2.088 | \$0.359 |
| Central Atlantic | \$1.739 | \$2.060 | \$0.321 |
| Lower Atlantic | \$1.673 | \$1.928 | \$0.255 |
| Midwest | \$1.683 | \$1.882 | \$0.199 |
| Gulf Coast | \$1.613 | \$1.882 | \$0.269 |
| Rocky Mountain | \$1.707 | \$1.982 | \$0.275 |
| West Coast | \$2.026 | \$2.243 | \$0.217 |
| Nationwide Average | \$1.738 | \$1.985 | \$0.247 |

Diesel fuel averaged \$1.711 per gallon nationwide during the week of June 14, 2004. This represents an increase of 8.3¢ per gallon from the previous Price Report (March 2004). Prices for the various regions of the country are illustrated in the table to the right. During the week of June 14, diesel prices ranged from a low of \$1.635 in the Gulf Coast region to a high of \$1.998 on the West Coast. Between March and June, 2004, prices for diesel increased in every region of the country.

Diesel Price Trends

| | Week of 3-8-04 | Week of 6-14-04 | Change in Price |
|--------------------|----------------|-----------------|-----------------|
| New England | \$1.762 | \$1.810 | \$0.048 |
| Central Atlantic | \$1.740 | \$1.780 | \$0.040 |
| Lower Atlantic | \$1.584 | \$1.636 | \$0.052 |
| Midwest | \$1.588 | \$1.657 | \$0.069 |
| Gulf Coast | \$1.566 | \$1.635 | \$0.069 |
| Rocky Mountain | \$1.623 | \$1.879 | \$0.256 |
| West Coast | \$1.845 | \$1.998 | \$0.153 |
| Nationwide Average | \$1.628 | \$1.711 | \$0.083 |

Gasoline and diesel prices shown are retail prices; they include federal, state, and local taxes. These prices were obtained from the Energy Information Administration.



Natural Gas (CNG) Prices

Average natural gas (CNG) retail pump prices for the various regions of the country are illustrated in the accompanying table. Regional average CNG prices ranged from a low of \$1.02 per GGE in the Midwest region to a high of \$1.54 per GGE on the West Coast during the week of June 14, 2004. Prices for CNG were collected from across the country by Clean Cities Coordinators, DOE Regional Office contacts, and fuel providers on a voluntary basis.

CNG Price Trends

| | Week of 3-8-04 | Week of 6-14-04 | Change in Price | Number of Respondents for 6-14-04 | Approx. No. of Stations Represented |
|------------------|----------------|-----------------|-----------------|-----------------------------------|-------------------------------------|
| New England | \$1.40 | \$1.40 | \$0.00 | 1 | 1 |
| Central Atlantic | No Info | \$1.12 | - | 1 | 7 |
| Lower Atlantic | \$1.48 | \$1.49 | \$0.01 | 2 | 2 |
| Midwest | \$1.07 | \$1.02 | (\$0.05) | 4 | 5 |
| Gulf Coast | \$1.35 | \$1.27 | (\$0.08) | 2 | 3 |
| Rocky Mountain | \$1.40 | \$1.53 | \$0.13 | 4 | 26 |
| West Coast | \$1.59 | \$1.54 | (0.05) | 5 | 40 |

Propane Prices

Propane retail pump prices in the various regions of the country during the week of June 14, 2004, are illustrated in the accompanying table. Regional average propane prices ranged from a low of \$1.40 per gallon (\$1.88 per GGE) in the Gulf Coast region to a high of \$2.25 per gallon (\$3.02 per GGE) in the Lower Atlantic region. Prices for propane were collected from across the country by Clean Cities Coordinators, DOE Regional Office contacts, and fuel providers on a voluntary basis.

Propane Price Trends

| | Week of 3-8-04 | Week of 6-14-04 | Change in Price | Number of Respondents for 6-14-04 | Approx. No. of Stations Represented |
|------------------|----------------|-----------------|-----------------|-----------------------------------|-------------------------------------|
| New England | No Info | No Info | - | 0 | 0 |
| Central Atlantic | No Info | \$1.79 | - | 1 | 4 |
| Lower Atlantic | \$2.22 | \$2.25 | \$0.03 | 2 | 4 |
| Midwest | \$1.71 | \$1.54 | (\$0.17) | 2 | 3 |
| Gulf Coast | No Info | \$1.40 | - | 1 | 1 |
| Rocky Mountain | \$1.75 | \$1.63 | (\$0.12) | 3 | 3 |
| West Coast | \$1.94 | \$1.47 | (\$0.47) | 3 | 3 |

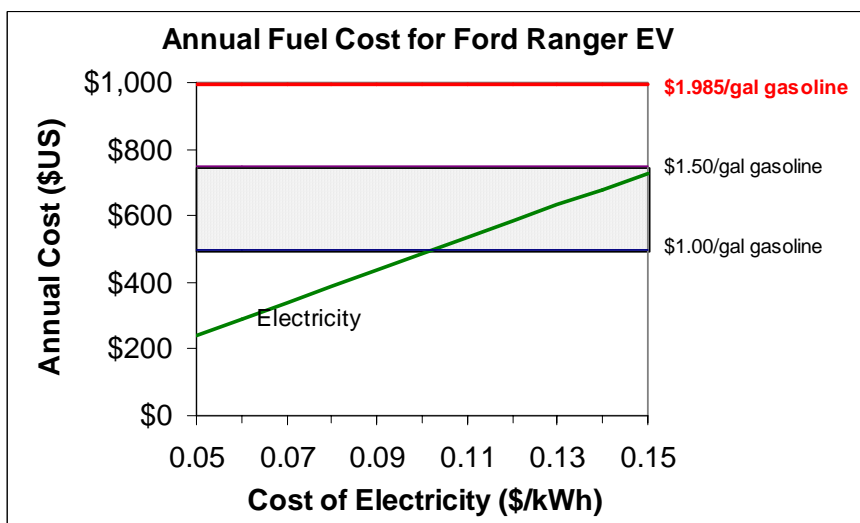
Electricity Prices

Residential electricity prices in the United States ranged from 5¢ to 18¢ per kilowatt-hour in February 2004, according to the Energy Information Administration's Electric Power Monthly newsletter of May 2004. Commercial electricity rates ranged from 5¢ to 16¢ per kilowatt-hour. The Rocky Mountain region and the Midwest region had the lowest electricity prices in the residential sector, and the Rocky Mountain region had the lowest electricity prices in the commercial sector. The highest prices for both the residential and commercial sectors were in the New England region.

It is difficult to estimate regional fuel costs of electric vehicles with any precision because of the complexity of electricity pricing structures. However, one method for comparing electricity to conventional fuels is to calculate the fuel cost per year for sample vehicles. The table below illustrates two sample electric vehicles: the Ford Ranger and the Toyota Rav4¹. Fuel costs per year were calculated based upon the EPA-published fuel economy ratings for gasoline vehicles (in MPG) and for electric vehicles (in kilowatt-hours per mile). Each vehicle was assumed to travel 12,000 miles per year. Fuel costs for electric vehicles were calculated from a range of prices, as shown below. The national average price of gasoline (\$1.985 per gallon) was used to calculate the annual fuel cost for gasoline vehicles.

Annual Fuel Cost Comparison

| | Electric Vehicle (5¢/kWh) | Electric Vehicle (7.5¢/kWh) | Electric Vehicle (10¢/kWh) | Electric Vehicle (12.5¢/kWh) | Electric Vehicle (15¢/kWh) | Gasoline Vehicle |
|-------------|------------------------------|--------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------|
| Ford Ranger | \$240 | \$360 | \$490 | \$610 | \$730 | \$990 |
| Toyota Rav4 | \$180 | \$270 | \$360 | \$450 | \$540 | \$920 |



The graph to the left shows the annual fuel cost of an electric Ford Ranger over a range of electricity prices from 5¢ to 15¢ per kilowatt-hour. At the national average gasoline price of \$1.985 per gallon, the fuel cost of an electric Ranger is less than that of its conventional counterpart for electricity price up to 20¢ per kilowatt-hour. If gasoline costs \$1.00 per gallon, the electric vehicle will not have a lower fuel cost than its conventional counterpart unless the electricity price is under 11¢ per kilowatt-hour.

Ethanol (E85) Prices

For the week of June 14, 2004, E85 prices were obtained from the Lower Atlantic, Midwest, Rocky Mountain, and West Coast regions. Regional average prices range from a low of \$1.82 per gallon (\$2.28 per GGE) in the Midwest region, to a high of \$2.16 per gallon (\$2.7 per GGE) in the

Ethanol Price Trends

| | Week of 3-8-04 | Week of 6-14-04 | Change in Price | Number of Respondents for 6-14-04 | Approx. No. of Stations Represented |
|------------------|-------------------|--------------------|--------------------|---|---|
| New England | No Info | No Info | - | 0 | 0 |
| Central Atlantic | No Info | No Info | - | 0 | 0 |
| Lower Atlantic | \$1.69 | \$1.87 | \$0.18 | 1 | 1 |
| Midwest | \$1.47 | \$1.82 | \$0.35 | 5 | 14 |
| Gulf Coast | No Info | No Info | - | 0 | 0 |
| Rocky Mountain | \$1.85 | \$2.05 | \$0.20 | 2 | 2 |
| West Coast | \$1.71 | \$2.16 | \$0.45 | 1 | 1 |

¹ The 2002 Ford Ranger EV is compared to a 2002 Ford Ranger 2WD with 4 cylinders, 4-valve dual overhead cam, 2.3 liters, and automatic transmission. The 2002 Toyota Rav4 EV is compared to a 2002 Toyota Rav4 2WD with 4 cylinders, 2 liters, and automatic transmission.

West Coast region.² Prices for E85 were collected from across the country by Clean Cities Coordinators, DOE Regional Office contacts, and fuel providers on a voluntary basis.

Biodiesel (B20) Prices

Biodiesel prices for the week of June 14, 2004, are shown in the table to the right. The prices shown represent B20, a fuel composed of conventional diesel (80%) and biodiesel (20%). Regional average prices ranged from \$1.73 per gallon in the Midwest region to \$2.11 per gallon in the Rocky Mountain region. Prices for biodiesel were collected from across the country by Clean Cities Coordinators, DOE Regional Office contacts, and fuel providers on a voluntary basis. Note that some biodiesel prices were given in terms of B100, a pure biodiesel fuel not blended with conventional diesel. In these cases, a representative diesel price from the corresponding region was assumed, and a B20 price was calculated.

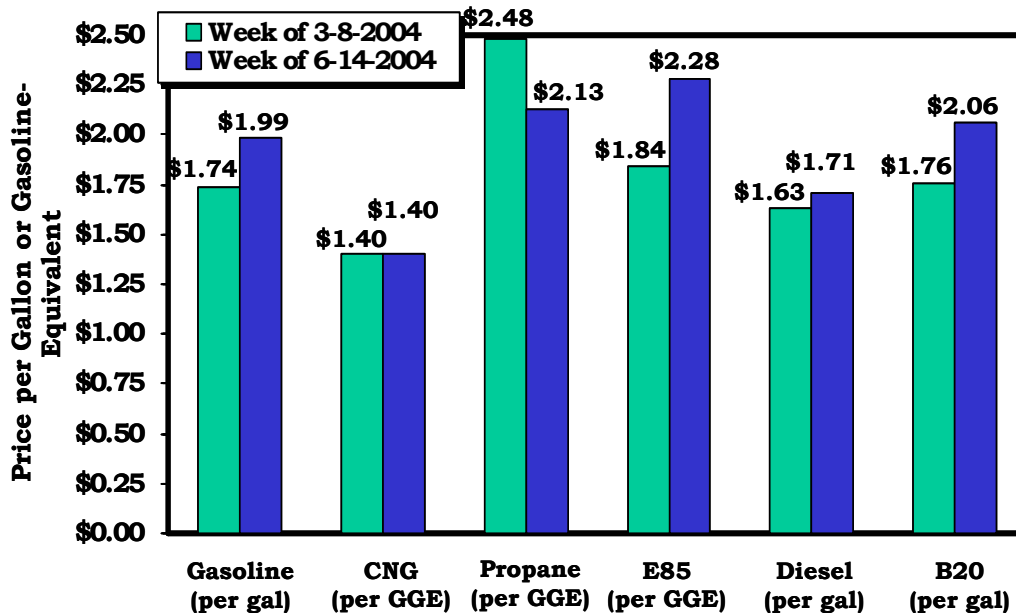
Biodiesel Price Trends

| | Week of 3-8-04 | Week of 6-14-04 | Change in Price | Number of Respondents for 6-14-04 | Approx. No. of Stations Represented |
|------------------|----------------|-----------------|-----------------|-----------------------------------|-------------------------------------|
| New England | No Info | No Info | - | 0 | 0 |
| Central Atlantic | No Info | \$2.08 | - | 1 | 1 |
| Lower Atlantic | \$1.69 | \$1.84 | \$0.15 | 2 | 3 |
| Midwest | \$1.65 | \$1.73 | \$0.08 | 3 | 4 |
| Gulf Coast | No Info | No Info | - | 0 | 0 |
| Rocky Mountain | \$1.83 | \$2.11 | \$0.28 | 3 | 5 |
| West Coast | \$2.21 | \$2.06 | (\$0.15) | 3 | 3 |

Summary

During the week of June 14, 2004, gasoline and diesel prices across the country were significantly higher than in March, 2004 (the time period of the previous Price Report). The reported price of CNG increased in some regions and decreased in some regions. Propane prices decreased in the Midwest, the Rocky Mountains, and the West Coast, but increased in the Lower Atlantic region. Ethanol prices rose in every reporting region. The biodiesel price increased in most of the regions that reported it but decreased on the West Coast. The graph below illustrates the relative prices of gasoline, diesel, CNG, propane, E85, and biodiesel.³

Selected Fuel Prices in the U.S.



² Includes a 10% decrease in energy use per mile for E85 relative to gasoline.

³ Gasoline and diesel prices in the graph are national averages; CNG, propane, and B20 prices are median values. The Midwest region's price for E85 is shown because the majority of the reporting stations are located in the Midwest.



Do you have fuel prices you wish to share for inclusion in the next newsletter? To do so, contact:

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