Maine Heating Fuels Inventory 2003

Maine State Planning Office
Report to the Maine Legislature
Utilities and Energy Committee
Betsy Elder 2/27/2004

STATE OF MAINE
EXECUTIVE DEPARTMENT
MAINE STATE PLANNING OFFICE
38 STATE HOUSE STATION
AUGUSTA, ME 04333

JOHN ELIAS BALDACCI
GOVERNOR

MARTHA E. FREEMAN
DIRECTOR

March 25, 2004

Senator Christopher Hall, Chair
Representative Lawrence Bliss, Chair
House Members
Joint Standing Committee on Utilities and Energy
Maine Legislature
115 State House Station
Augusta, Maine 04333

Re: Annual Report on Maine Heating Fuels Inventory 2003

Dear Senator Hall, Representative Bliss, and Members of the Utilities and Energy Committee;

Please find enclosed the State Planning Office's Annual Report on Maine Heating Fuels Inventory 2003. SPO extends its apologies to the Utilities and Energy Committee for the delay in providing this report. Due to extenuating circumstances, production of the oil inventory Report could not be completed by January this year. Please let me know if you have any questions or need additional information on matters discussed in the report. Thank you for your patience in receiving this report and for your attention to this matter.

Sincerely,

Betsy Elder
Hydropower Coordinator
Energy Policy Analyst

Cc: Governor John Elias Baldacci
Martha Freeman - SPO
Beth Nagusky - SPO

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Maine Heating Fuels Inventory

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Report to the Legislature

During the winter of 1999-2000, Maine experienced an unanticipated surge in demand for heating oil due primarily to cold weather and problems transporting fuels. This increase in demand led to dramatic price increases in a relatively short time period. During mid-January 2000 prices jumped almost 50% in a few weeks. Similar price increases were experienced in the rest of the Northeast and in the Midwest.

The Maine legislature enacted L.D. 2668 in response to these events, requiring the State Planning Office to prepare an annual report on the state of Maine oil inventories. In its report to the Utilities and Energy Committee, the SPO is asked to provide information on the following energy issues;

1. Recent Statewide storage inventory of petroleum products including and especially, No.2 heating oil and kerosene
2. Historic trends of the statewide storage inventory over the prior twelve months
3.Anticipated reductions, curtailments or shortfalls in product deliveries or storage inventories in the coming months.
4. If the SPO determines that there may be a significant shortfall in heating oil supply inventories or anticipated deliveries into the State, (it shall issue) a report including;
   - the information suggesting a supply shortfall
   - current and anticipated inventories of home heating oil storage supplies
   - SPO recommendations for State action in response to the supply shortfall.

This report provides documentation of SPO's research into the status of Maine petroleum inventories since 1999. In gathering this information, SPO has maintained communication with Primary Terminal Operators and received and administered company bi-weekly inventory reports. SPO extends its apologies to the Utilities and Energy Committee for the delay in providing this Report. Due to extenuating circumstances, production of the oil inventory Report could not be completed by January of this year. **The inventory information provided in this Report must be qualified with caveats provided in succeeding sections of this Report.**

Executive Summary

Maine is dependent on heating oil supplies that are stored in southern New England states because we have only a five to six day in-state storage capacity. Maine's oil supply inventory can change overnight due primarily to weather, so any report on Maine's current heating oil inventories may become quickly outdated. Today's plentiful supplies can quickly evaporate if the onset of a period of cold weather causes heating oil consumers to fill their tanks. For this reason, the New England *regional* inventories offer a more meaningful indicator of the state of Maine's supplies.

Adequate New England heating oil inventories are important to Maine consumers because approximately 415,420 Maine housing units, or 80% of Maine housing units, heats primarily with No.2 fuel oil or kerosene. Maine consumers are vulnerable to market price and supply volatility

because of the distance from significant petroleum storage facilities and refineries. Maine consumers are also vulnerable to market volatility because of the move to a different storage and delivery system. Building excessive heating oil stock can be a costly practice that competitive enterprises will seek to minimize. Suppliers will fare poorly in the competitive market for failing to correctly estimate the level of inventories that they will need to satisfy contracts to customers. If inventories are too high, suppliers pay unnecessary storage costs, thereby reducing profits. If inventories are too low, they lose customers to competitors. Thus, market incentives insure that private unregulated suppliers of distillate adequately prepare for each winter. The movement by the oil industry to *just-in-time* delivery systems may allow the oil dealer to avoid the price of risk but often causes the Maine consumer to absorb the brunt of volatile market prices. The overall decline in seasonal heating oil inventories during the last decade is an indicator of the increased competitiveness and risk aversion that now characterize the oil industry.

SPO's research into the state of heating oil and kerosene inventories over the past four years does show some very basic things about Maine's storage capacity. Based on the information that SPO has received from Primary Terminal Operators, year-round Maine storage capacity for heating oil statewide is usually in the range between 1.6 and 1.8 billion barrels. During fall 2002 through winter 2003 heating oil storage increased to be consistently in the 1.8 billion barrel range.

As one might expect, heating oil stock inventories follow a cyclical seasonal trend of supply reduction in the summer months and a build-up during the winter season. During 2001 supplies built to over one billion barrels during December and January and dropped off sharply in February. In fall of 2001 supplies were robust and they stayed strong during September 2001 through March 2002. A build-up began again in fall 2002 when supply levels exceeded one billion barrels and then in November supply levels started to drop off instead of building throughout the heating season. At levels in the 7-800 million barrel range during November 2002 through February 2003 it appears that stocks could not really be re-supplied adequately to match previous years' levels during most of the 2002-03 heating season. Subsequent to terrorist attacks on September 11, 2001 the entire country experienced an economic downturn putting downward pressure on the prices of most commodities including oil products. Potential supply uncertainty, a strike in Venezuela, OPEC manipulations, world unrest and uncertainty of the impact from war on Iraq all contributed to the paucity of crude oil supplies during that time, which was reflected in Maine supplies of refined petroleum products. Spring 2003 came in the nick of time as supplies were really dwindling in March to less than 600 million barrels.

Since summer 2003, there has been an almost continuous build-up of heating oil stocks to historic levels, as reported by the State Planning Office since year 2000, that is, in the 1.1 billion barrel range. Heating oil stocks during October 2002 were nearly one million barrels less than supplies in October 2003 (See graphs, pages 12-13). Heating oil supplies for November 2003 were also more robust than November 2002. December 2003 supplies diminished as consumers responded to a cold and snowy month but were in the same general range as they were in December 2002. December 2002 and 2003 both displayed 54-55% of storage filled respectively and stocks for both periods were just slightly under one billion barrels. There was a seasonal diminishment of supplies in the summer of 2003.

Like heating oil, kerosene stocks typically follow a seasonal cycle, diminishing during summer months and building during fall and winter as we move toward the heating season. They usually start to build during September and October and peak in January, February and March. Kerosene storage capacity also typically increases during the winter heating season months, and this year was no exception. Storage capacity increased to almost 500 million barrels during the fall of 2003. While Maine's storage capabilities fluctuate from month to month, it appears that our statewide capacity to store kerosene has decreased over the past couple of years. The wholesale kerosene market in Maine has shrunk and many carriers do not offer this product anymore. Only four Maine terminals distribute kerosene.

Based on the information that SPO has received from Primary Terminal Operators this year, November 2002 and 2003 kerosene inventories were comparable in the 250-270 million barrel range. (See graphs on pages 15-16) At 53% percent of storage filled, December 2003 kerosene inventories were significantly lower than December 2002 when storage was filled to 76% of capacity. December 2003 found kerosene storage at the same 500 million barrel statewide storage capacity level but with 23% less stock in storage. September 2003 was the most robust month for kerosene stocks, when Maine held 300 million barrels and was filled to 72% of storage capacity.

It is the recommendation of SPO that the set-aside law be repealed.

The 1989 statute, 5 MRSA § 3307-D, transferred this program from the Office of Energy Resources to the State Planning Office and required SPO to promulgate rules establishing a set aside program. The rules were not drafted nor were they needed during the time that has elapsed since 1967. The Secretary of State pronounced the old rules invalid and SPO believes that the market has changed sufficiently to make this program outdated. Additionally, the Governor has the power to declare an energy emergency when an actual or impending acute shortage in energy resources threatens citizens through 37-B MRSA § 742(2). In such a case the Governor can implement allocation and conservation programs, regulate business hours and temperature settings and regulate the storage, distribution and consumption of home heating oil. This statute gives the Governor sufficient authority in the event of a real or expected petroleum shortage and is more workable that the set-aside program currently on the books.

Additionally, proactive remediation of potential supply vulnerabilities could be accomplished through other more effective and modern means. Providing tax or other incentives to motivate oil dealers to assist the State in an energy crisis is one way. Providing incentives to oil dealers to assist in a supply hedge at their own surplus bulk storage in locations where significant populations reside is another. Negotiation of special rates and terms for this surplus heating oil to be distributed to needy customers at times when business volumes are low, like in the summer, is another concept. Additionally, negotiation for Maine to get some of the NHHOR supplies is another approach worth pursuing.

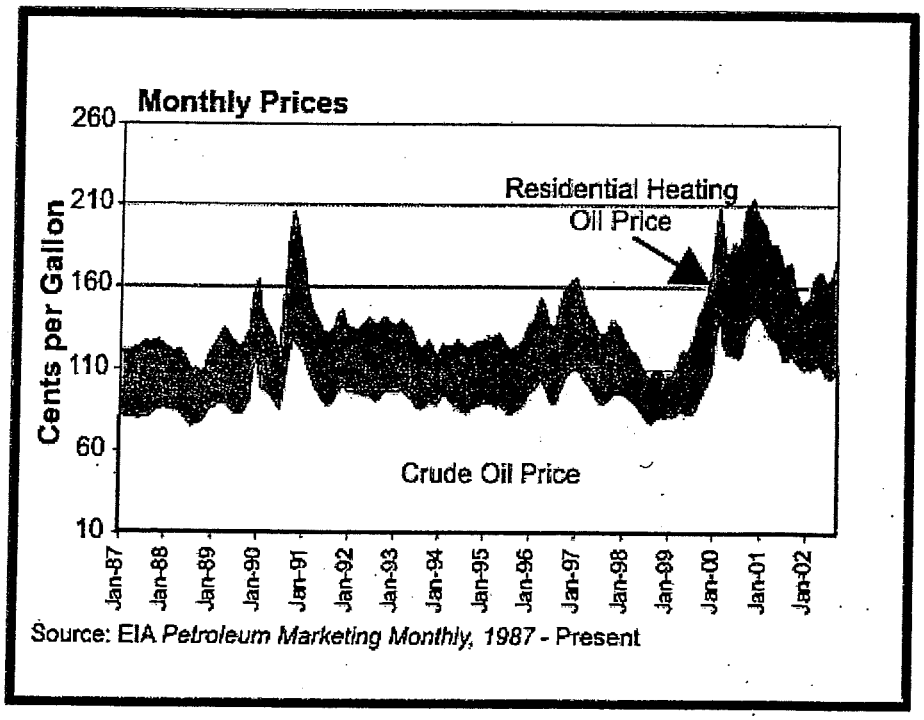
It is the recommendation of SPO that the State Planning Office Petroleum/Heating Fuels Inventory Reporting Requirements prescribed by L.D. 2668 be modified.

Instead of preparing an annual report on the state of Maine oil inventories, which is already outdated by the time the Committee reads it, it might be more meaningful for SPO to report to the Utilities and Energy Committee periodically during the heating season. SPO could provide information on statewide storage inventories of No.2 heating oil and kerosene on a monthly basis during the period of highest demand. Anticipated reductions, curtailments or shortfalls in product deliveries or storage inventories in the coming month would be reported at this time. If the SPO anticipates that there may be a significant shortfall in heating oil supply inventories or anticipated deliveries into the State, it shall indicate this in its monthly report. At the end of the heating season, SPO could provide a succinct report documenting the historic trends of statewide storage inventories.

Global Oil Issues 2002-2003

The price of crude oil has fluctuated drastically in the past five years. After peaking in September 2000, world crude oil prices declined as weakening global demand allowed inventories to recover from the relatively low levels experienced during 2000. During the summer of 2001, the price of crude oil declined steadily to a historic low price of less than $20.00 per barrel. Since then however, the price of crude has risen almost steadily to current levels of $35.00/barrel.

Figure 1. Heating Oil Prices Correspond With Crude Oil



Source: EIA *Petroleum Marketing Monthly, 1987* - Present

Crude oil inventories are currently at the lowest level they have been in almost twenty-eight years due to a combination of factors including; 1) increases in demand from the industrial and electricity sectors; 2) the general strike in Venezuela during the fall of 2002 and the winter of 2003; 3) the effects of steady OPEC quota cuts; 4) a weak dollar; 5) disruption of Nigerian production due to civil unrest; 6) the uncertainty of Iraqi production and 7) the paucity of refinery capacity nationwide.

At the end of the 2002-2003 heating season, crude oil inventory levels approached the lower operational inventory (LOI) range. The LOI represents a level that is below the lowest level that total U.S. inventories have ever reached. The LOI is a hypothetical inventory level that indicates a high degree of market stress. In late March of 2003 U.S. crude oil inventories (excluding those in the Strategic Petroleum Reserve) were barely above the LOI level of 270 million barrels. During early January 2004 crude oil inventories dipped to their lowest level since 1975. At 264 million barrels, they were six million barrels below the LOI level, defined in 1998, and the price for West Texas Intermediate (WTI) crude oil continued to be in the $35.00 per barrel range.

At today's prices, it is possible that the tight crude oil supply situation will remain problematic. Production control by OPEC nations, higher refinery margin costs, higher natural gas wellhead prices, and impacts of the Venezuelan strike have all contributed to the decline of crude oil inventories and the increase in crude oil prices. Concerned that if prices remain at these high levels, world economic growth and oil demand will falter, Saudi and other OPEC producers are ready to fill any supply shortfall with a collective 500,000 barrels per day, provided the OPEC *reference basket* or hypothetical futures price per barrel remains above the $22.00-$28.00/barrel price range.

Maine Heating Fuels Market Trends

The role of distillate trade, imports and exports in the U.S. supply/demand balance deserves some attention here. Distillate fuel oil is refined from crude oil and is used primarily for production of heating oil and diesel fuel. The Northeast does not have a refinery or distillate pipeline and is this country's biggest consumer of heating oil. The Northeast uses 70% of the heating oil supply in 12 weeks and Maine ranks 6th in the nation for its total consumption of this product. Consumers here burn an average of 13,755,000 barrels of No.2 fuel oil per year.

Distillate oil can be divided into two classes; low-sulfur and high-sulfur. Residential heating systems can usually tolerate both types of distillate fuel, however, high-sulfur distillate is what is usually thought of as heating oil. High sulfur distillate oil can also be used in off-road equipment, but 1990 Clean Air Act Amendments require on-highway transportation, primarily heavy trucks, to use a distillate fuel with a sulfur content of less than 0.05 percent (referred to as low-sulfur diesel). Low sulfur diesel currently makes up about 67 percent of the total distillate sold. (American Petroleum Institute - API).

Trade does play a critical role in influencing winter peak demands. Overall the U.S. is a net importer of distillate. On a year-round average basis, exports and imports of high sulfur

distillate are about in balance, but in peak winter months imports increase while exports decrease. The distillate trade (and generically the petroleum trade) is significantly affected by geographic logistics and regulation. The bulk of U.S. refining capability is in the Gulf Coast while the greatest need for heating oil is in the Northeast. Most of the U.S. Gulf distillate production moves by pipeline to other parts of the country. The remainder must move by ship. Under the Jones Act, shipments between U.S. ports must be made on U.S. flag-ships, which are usually more expensive than foreign flag carriers, increasing the attractiveness of exports from both the supplier's viewpoint and from the domestic viewpoint, relative to domestic sources. Proposals to limit distillate exports are unlikely to have the intended effect of increasing supplies to East Coast customers. Without a waiver of the Jones Act, domestic production under an export ban would be reduced.

Several key structural changes have taken place in the oil industry during the past decade. Due to oil price deregulation and trade in oil product futures, petroleum prices respond to supply and demand conditions in much the same way as other commodities. Oil is competing in a global marketplace and, because of this competition in the broad international market, it is less likely that any one player or sector has enough market influence to effectively dominate or control price and supply patterns, OPEC notwithstanding. But while the industry may be more competitive, the market has become more volatile, reacting or overreacting to real or perceived changes in demand or market conditions. According to the Department of Energy's Energy Information Administration,"...the movement away from producer pricing or market-related pricing...has tended to increase both competitiveness and volatility of petroleum markets. The current price-determining process involves many more market participants, with varying expectations, including traders, brokers, speculators, retailers, wholesalers and refiners. More transactions are now directly or indirectly linked to spot or futures market prices, which encourages sellers to *follow the market,* which can rise or fall relatively quickly on either technical factors, or on changing near-term perceptions of market fundamentals." (1)

To the extent that interruptible, commercial and industrial customers are better able to absorb higher distillate prices, their presence in the market may significantly augment the aggregate demand relationship between prices and total end-use sales. The surprising presence of the interruptible, commercial and industrial sectors in the January-February 2000 markets resulted in an acceleration in the bidding process for scarce supplies, thereby inducing price overreaction to the cold weather and tight market conditions. Additionally, transportation and distribution problems further complicated matters. Supply shortages, transportation bottlenecks, low inventories and refinery outages all threatened prices and made the market unpredictable for commodity traders. As heating oil markets tightened, East Coast supply and distribution systems were severely strained. Transportation delays and other distribution problems contributed to the price spike by causing temporary spot run-outs at several major New England terminals.

(1) Analysis of Heating Fuel Market Behavior 1989-90, United States Department of Energy, Energy Information Administration, June 1990, page 37

Residential consumers need to recognize that the same forces that compel higher prices, in response to increased demand, may also serve to keep overall heating oil prices as low as possible under normal market conditions. In fact, the trend toward a more competitive, *through-put* oriented heating oil market has helped to insure that oil prices, on an inflation-adjusted basis, remain highly competitive relative to other fuels. However, the way in which market dynamics operate, especially when viewed in the context of increasing New England dependence on natural gas for heavy industrial uses and electric generation, suggests that price volatility will recur.

High heating oil prices in New England occur not only because of high crude prices, but primarily as a result of low regional inventories. Consumers perceive heating oil prices to be constantly on the increase because the market dictates higher costs during the winter months when consumer demand and dependence are greatest. Maine consumers may feel gouged by paying higher prices at a time when they are most vulnerable to market forces and seasonal temperature changes. Prices for heating oil tend to be highest when the demand for heating oil is at its peak and consumers feel the effects that strong demand and low stocks may have on prices. Because the Northeast residential sector is highly dependent on home heating oil, whose prices are normally highest in the winter, colder than normal winter weather will further increase demand and stimulate the potential for price volatility. If heating oil re-supply problems are coupled with additional distillate fuel oil demand from interruptible or fuel-switching customers, home heating oil prices can rise sharply, as they have in other winters.

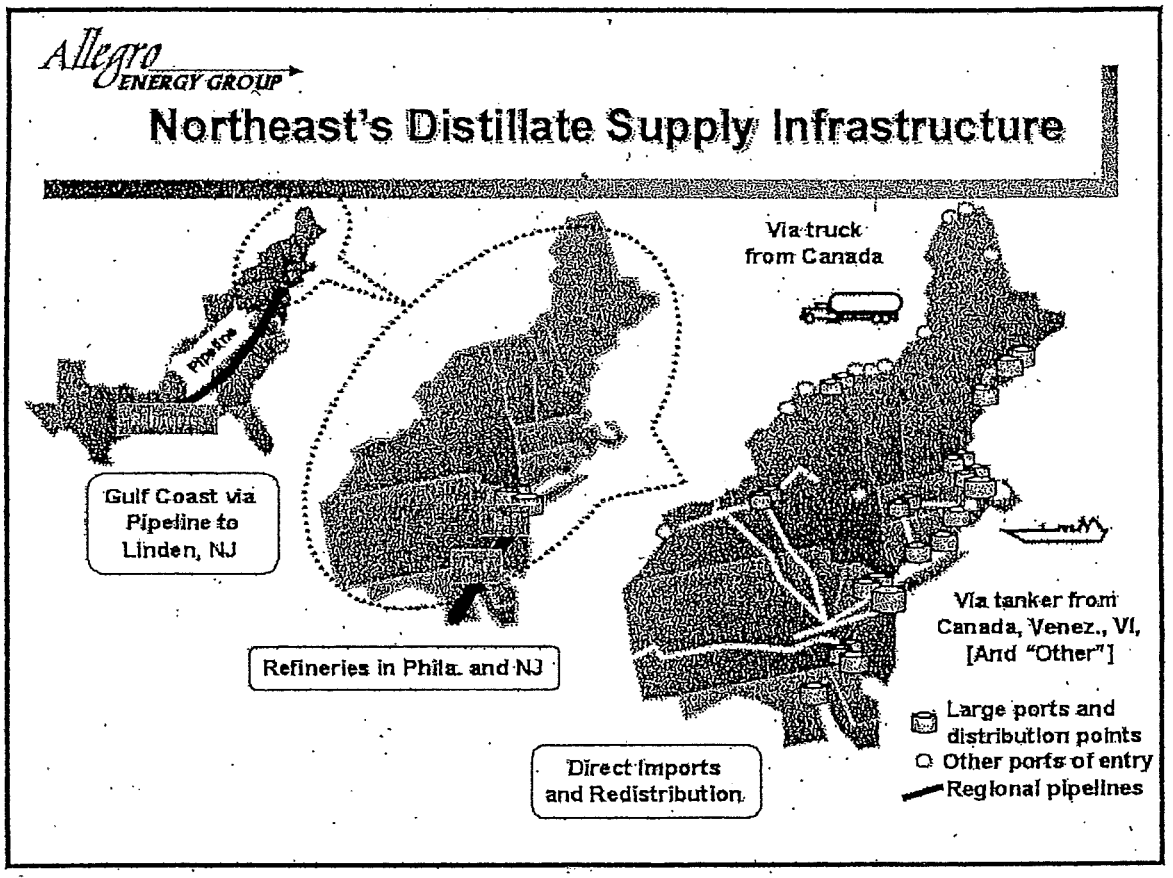
Supply issues and consumer tastes and preferences dictate the market but the most significant factor influencing demand in the Maine home heating oil market is the weather. Seasonal temperature change, cold weather, snow, and harbor icing all inhibit efficient deliveries. As one would expect in the Northeast United States, the winter months of December, January and February are also the months of highest heating oil consumption.

Industry reliance on just-in-time inventories is risky, as it assumes a flawless delivery system. Ninety percent of New England heating oil moves by sea and is dependent upon a smooth and well-oiled operation. If the transportation system is unreliable or stressed by weather, slippery roads and frozen harbors, deliveries may not be flawless. The ability of oil suppliers to re-supply kerosene, propane and heating oil is of primary importance.

New England's Regional Oil Distribution System

Northeast crude supplies originate primarily in Venezuela and Canada. The Northeast receives the bulk of its distillate supply from the Gulf Coast via the Colonial pipeline to Linden, New Jersey. The nearest refineries are in Philadelphia and New Jersey; they send products to Boston and New York harbors. From there, deliveries are made to Maine harbors through terminals in Portland, South Portland, Searsport, Bucksport and Belfast. The St. John, New Brunswick (Irving) refinery, which recently completed a half-billion dollar renovation, provides a reliable source of refined products from the north.

Maine imports 60-75% of its distillate supply from Canadian and New England distribution centers. Maine is farther from refineries and supply centers than the other New England states, and supplies tend to dwindle at the end of the supply chain. The bulk of New England's storage capacity resides in Connecticut, New York and Massachusetts.



Maine's Oil Distribution System

Maine's oil distribution system has three categories. There are **primary** terminal facilities, which receive shiploads of products, **secondary** (or bulk storage facilities) and **tertiary** (or local) distribution facilities. Maine's oil distribution system is dependent on the status of supplies and the accessibility of regional inventories. Unlike other New England states, we have very little tank storage capacity, no pipelines (except for crude oil and what is under construction for natural gas), and no refineries. Bulk storage facilities are designed to receive quantities of oil for further distribution by truck to tertiary distributors. Since *just-in-time* inventories have become the standard mode of operation, tertiary storage facilities have decreased but they are by far the most numerous type of storage facility in Maine.

Historically, Maine has enjoyed the lowest home heating oil prices of any state in New England. With over 270 oil dealers and a high ratio of oil dealers competing within a small population, competition between the larger statewide retail oil delivery companies, such as Irving, Dead River, Webber Energy and C.N. Brown and the smaller locally owned delivery businesses, results in a relatively stable consumer market. Ninety-five percent of Maine's customers pay the

cash price. Customers in other New England states pay 10% higher retail prices on average. Also, State fuel taxes are higher in many of our neighboring New England states. Heating oil demand is fairly inelastic as there are few alternatives and the demand for heating oil is influenced by necessity not price.

The inventories of bulk-storage facilities can change significantly in a matter of hours during an intense period of rapid response deliveries. Therefore, the quantities of heating fuels that are delivered to Primary Terminals are more critical. The following companies operate in Maine at the indicated locations.

Active Maine Terminal Facilities for Primary Petroleum Storage and Distribution

Company Name - Location(s)
Motiva - South Portland, Bangor
Gulf Oil Ltd. Partnership - South Portland
Sprague Energy - Bucksport, Searsport, South Portland
ExxonMobil- Portland & Bangor via pipeline
Irving - Searsport
Webber Oil - Bangor
Webber Tanks - Bucksport, Brewer
Florida Power and Light (FPL) Yarmouth, Wiscassett (#6 heavy oil only)

Note: Global and Sunoco are through-putters. With no terminal of their own, they *put through* the product from another company's terminal. Portland Pipeline Corp. transports only crude oil via pipeline to Canada. Section 3307-C of Maine Statute 5 MSRA mandates that these facililties report inventory, storage and anticipated delivery information to the State Planning Office on a bi-weekly basis. SPO has received information from and established good communication with all of these companies.

Maine Heating Oil and Kerosene Inventories

Any analysis of Maine heating fuels inventory must first take into account New England inventories. Because Maine does not have refineries, pipelines (other than for natural gas and crude oil) or much storage, its distillate inventory health can be measured against that of New England, or PADD I (Petroleum Administrative Demographic District) which serves New England. According to DOE/EIA, as of January 23, 2004 high-sulfur distillate fuel (heating oil) inventories in New England were 30.8 million barrels, a level which exceeds the five-year average and is 16% higher than last year at that time. As of February 23, New England heating oil inventories were 4.9 million barrels, a very similar level to last year at this time and 36.6% below the five-year average.

SPO's research into the state of heating oil and kerosene inventories over the past four years does show some very basic things about our storage capacity. Based on the information that SPO has received from Primary Terminal Operators, year-round Maine heating oil storage

statewide is usually in the range between 1.6 and 1.8 billion barrels. During fall 2002 through winter 2003 heating oil storage increased to be consistently in the 1.8 billion barrel range.

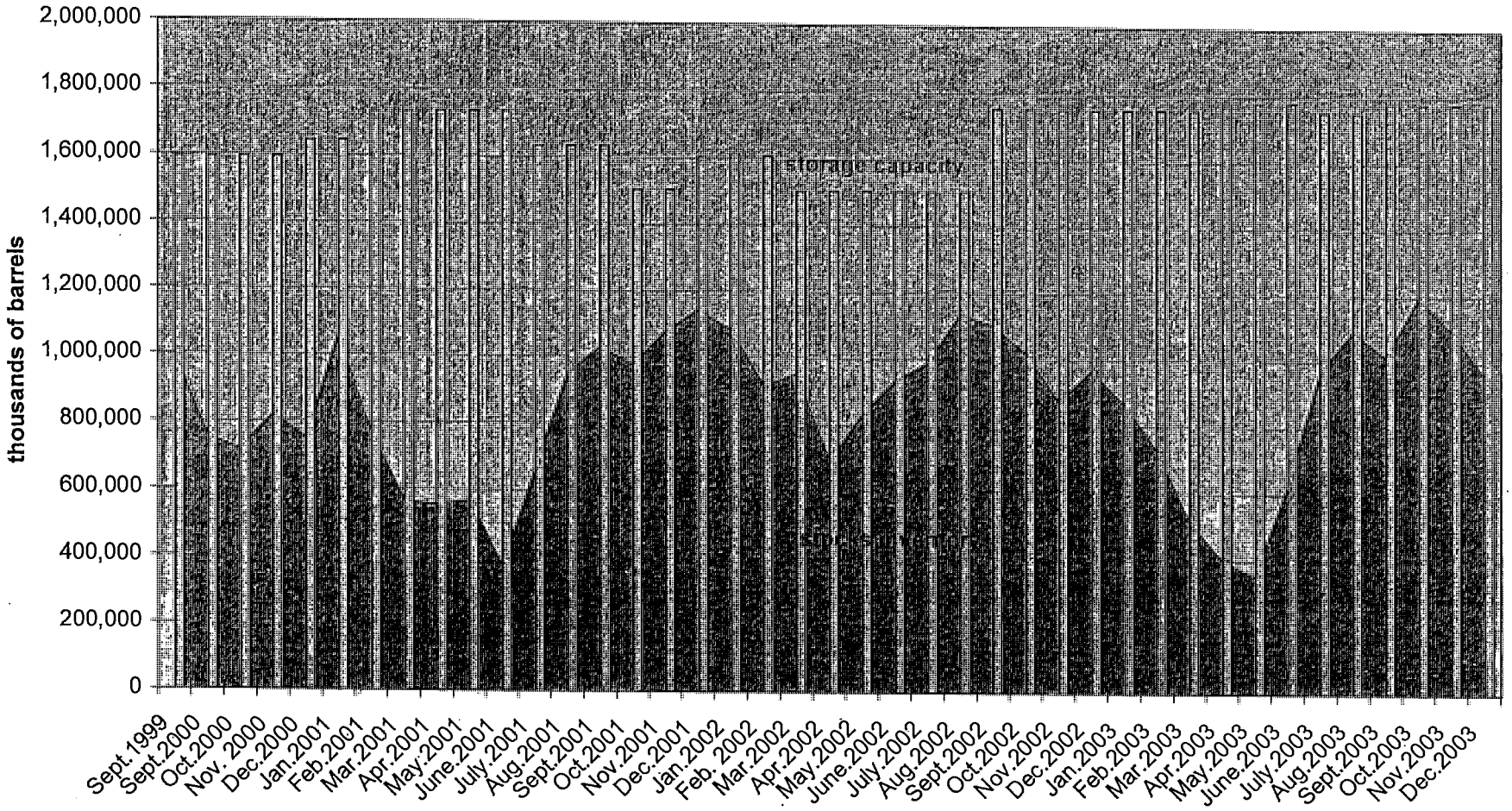
As one might expect, heating oil stocks inventories follow a cyclical seasonal trend of supply reduction in the summer months and a build-up during the winter season. During 2001 supplies built to over one billion barrels only during December and January and dropped off sharply in February. In fall of 2001 supplies were robust and they stayed strong during September 2001 through March 2002. A build-up began again in fall 2002 when supply levels exceeded one billion barrels and then in November supply levels started to drop off instead of building throughout the heating season. At levels in the 7-8 million barrels range during November 2002 through February 2003 it appears that stocks could not really be re-supplied adequately to match previous years' levels during the rest of the 2002-03 heating season. Subsequent to terrorist attacks on September 11, 2001, the entire country experienced an economic downturn putting downward pressure on the prices of most commodities including oil products. Potential supply uncertainty, a strike in Venezuela, OPEC manipulations, world unrest and uncertainty of the impact from war on Iraq all contributed to the paucity of crude oil supplies during that time, which was reflected in Maine supplies of refined petroleum products. Spring 2003 came in the nick of time as supplies were really dwindling in March to less than 600 million barrels.

Since summer 2003, there has been an almost continuous build-up of heating oil stocks to historic levels, as reported by the State Planning Office since year 2000, that is, in the 1.1 billion barrel range. Heating oil stocks during October 2002 were nearly one million barrels less than supplies in October 2003 (See graphs, pages 12-13). Heating oil supplies for November 2003 were also more robust than November 2002. December 2003 supplies diminished as consumers responded to a cold and snowy month but were in the same general range as they were in December 2002. December 2002 and 2003 both displayed 54-55% of storage filled respectively and stocks for both periods were just slightly under one billion barrels. The graph also clearly shows a seasonal diminishment of supplies in the summer of 2003.

Like heating oil, kerosene stocks typically follow a seasonal cycle, diminishing during summer months and building during fall and winter when they are most needed for heating. They usually start to build during September and October and peak in January, February and March. Kerosene storage capacity also typically increases during the winter heating season months and this year was no exception. Storage capacity increased to almost 500 million barrels during the fall of 2003 (See graphs, pages 15-16). Maine's storage capabilities fluctuate from month to month, but it appears that our statewide capacity to store kerosene has decreased over the past couple of years. The wholesale kerosene market in Maine has shrunk and many carriers do not offer this product anymore.

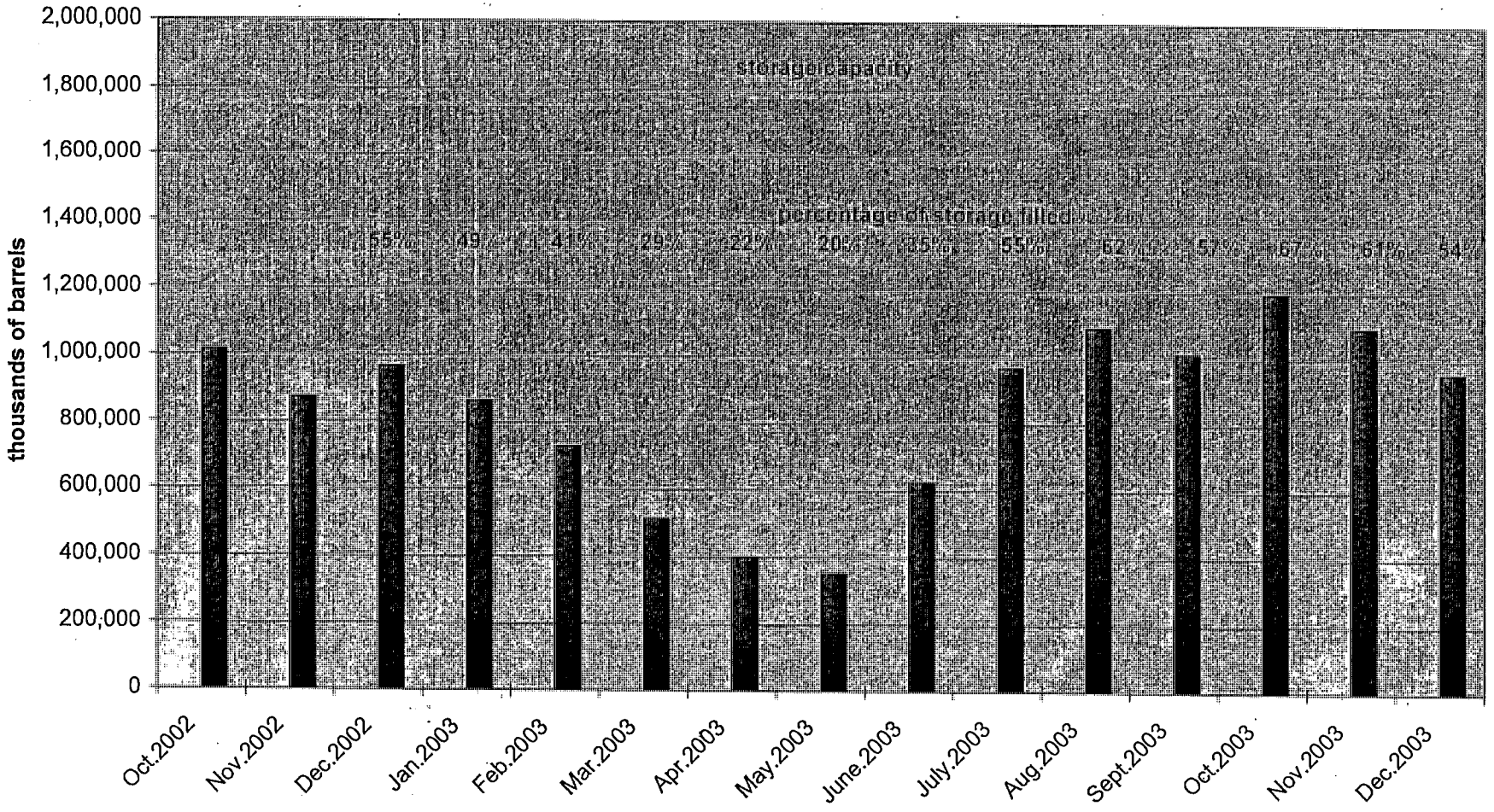
Maine No.2 Heating Oil Stocks Inventories in Relation to Storage Capacity 1999-2003

Maine State Planning Office Jan.2004



Maine No.#2 Heating Oil Stocks Inventories

Maine State Planning Office Janaury 2004



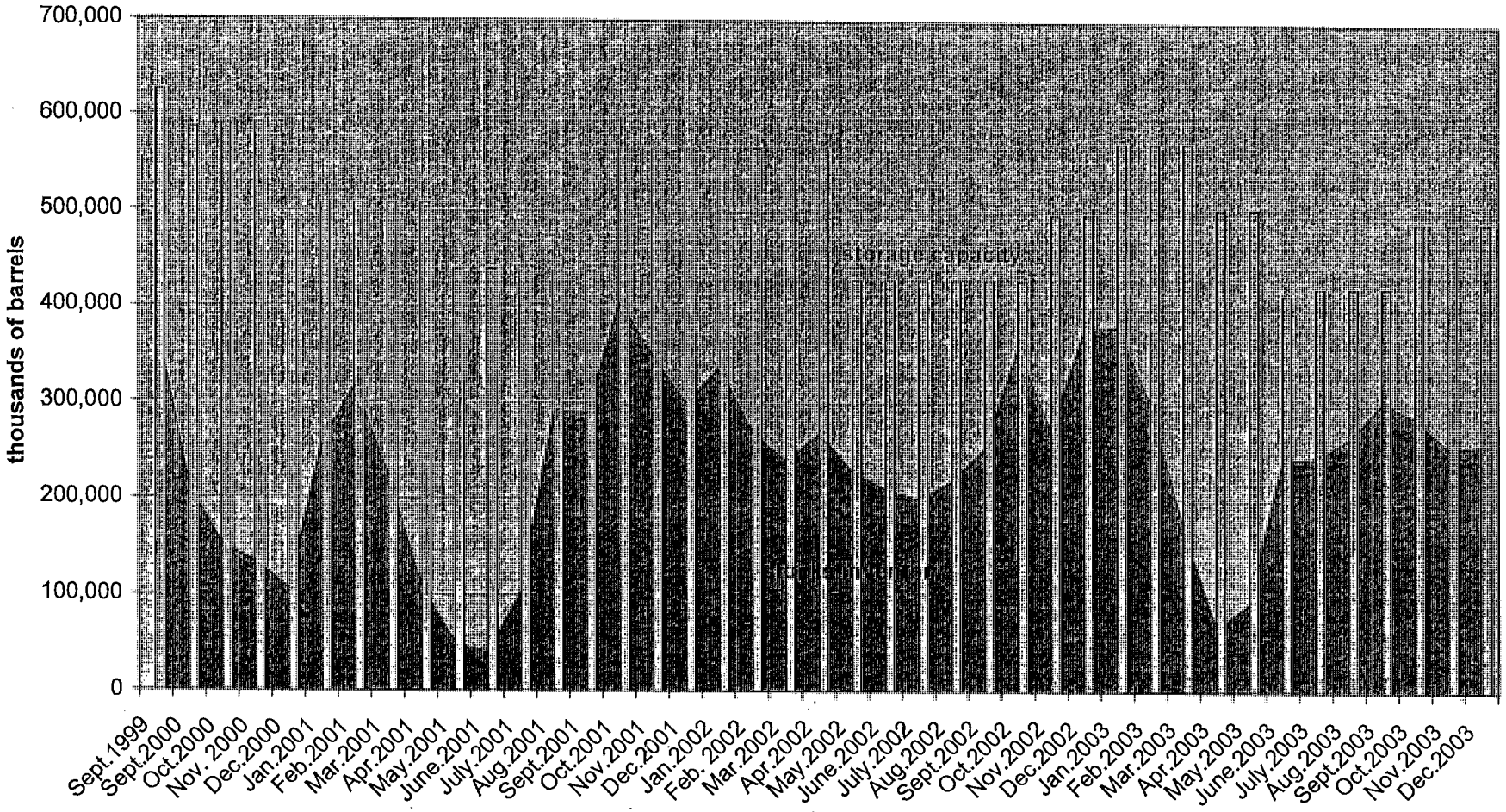
According to 1995 SPO data, 39,607 Maine households, or 8.3% of the population, heats with kerosene. In Maine the use of kerosene, or No.1 heating oil, is popular for space heating and monitor heaters. Purchased quantities are often smaller than for No.2 heating oil or propane. Because the kerosene market has shrunk in Maine, the residential sector that relies on kerosene as its primary heating fuel is the most vulnerable of any Maine home heating population. Kerosene users may be well advised to consider having back-up systems, which are not subject to kerosene supply disruptions.

Based on the information that SPO has received from Primary Terminal Operators this year, November 2002 and 2003 kerosene inventories were comparable in the 250-270 milllion barrel range. At 53% percent of storage filled, December 2003 kerosene inventories were significantly lower than December 2002 when storage was filled to 76% of capacity. December 2003 found kerosene storage at the same 500 million barrel statewide storage capacity level but with 23% less stock in storage. September 2003 was the most robust month for kerosene stocks when Maine held 300 million barrels and was filled to 72% of storage capacity.

Currently, only Sprague, Irving, Global, Webber Energy and Webber Tanks (half-owned by Dead River) supply kerosene in Maine. Tankage is not always a consistent indicator of inventory capacity. Often a tank, which was allocated for one product, may be used the next year for a more marketable alternative. Many tanks in Maine are used for multiple purposes. The same tank may be used half the year for gasoline and half the year for heating oil or some other distillate. Maine's storage capabilities fluctuate from month to month, but it appears that our capacity to store kerosene has diminished over the past couple of years. In September 2003 Maine's kerosene storage capacity was just over 400 million barrels. This volume falls short of what Maine held for storage capacity in September 1999 which, at 625 million barrels, was at the highest point since SPO has been tracking this data.

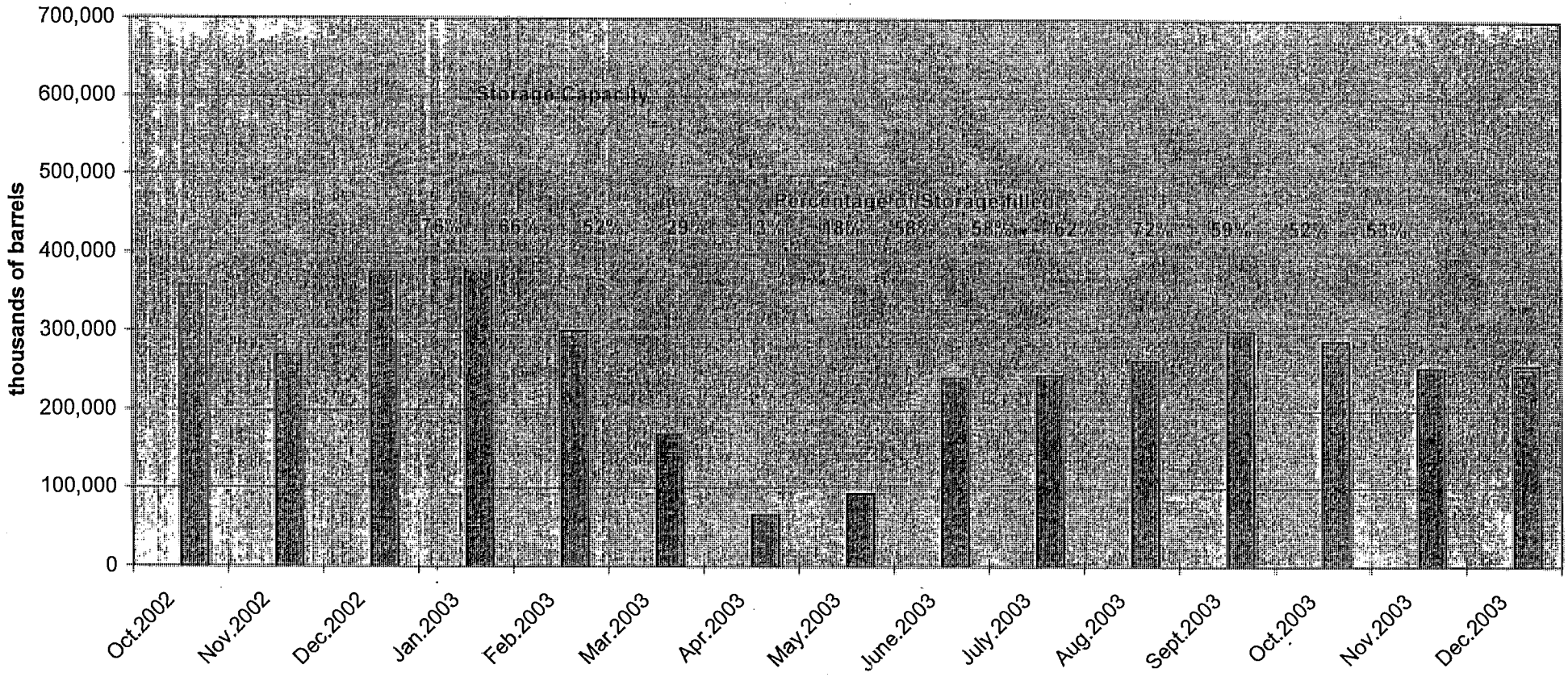
Maine Kerosene Stocks Inventories in Relation to Storage Capacity 1999-2003

Maine State Planning Office Jan. 2004



Maine Kerosene Stocks Inventories

Maine State Planning Office January 2004



Monthly Oil Transfer Trends

The charts on pages 18-20 give information, from the Department of Environmental Protection, on the volumes of taxed kerosene and distillate fuels that arrived on Maine shores during the past several years. Distillate includes No.2 heating oil and diesel data combined. (See Appendix 2 for raw data). Both the kerosene and distillate data does not yet include December 2003.

The DEP data indicates that during most of 2003 distillate volumes that were transferred into Maine tracked higher than 2002, except in the months of February and May. During most years, heating oil supplies follow a seasonal cycle with the highest volumes of heating oil arriving during the months of December, January, February and March. Generally, in 2003 distillate followed the seasonal pattern of being at maximum capacity in January and February and diminishing during most of the summer months.

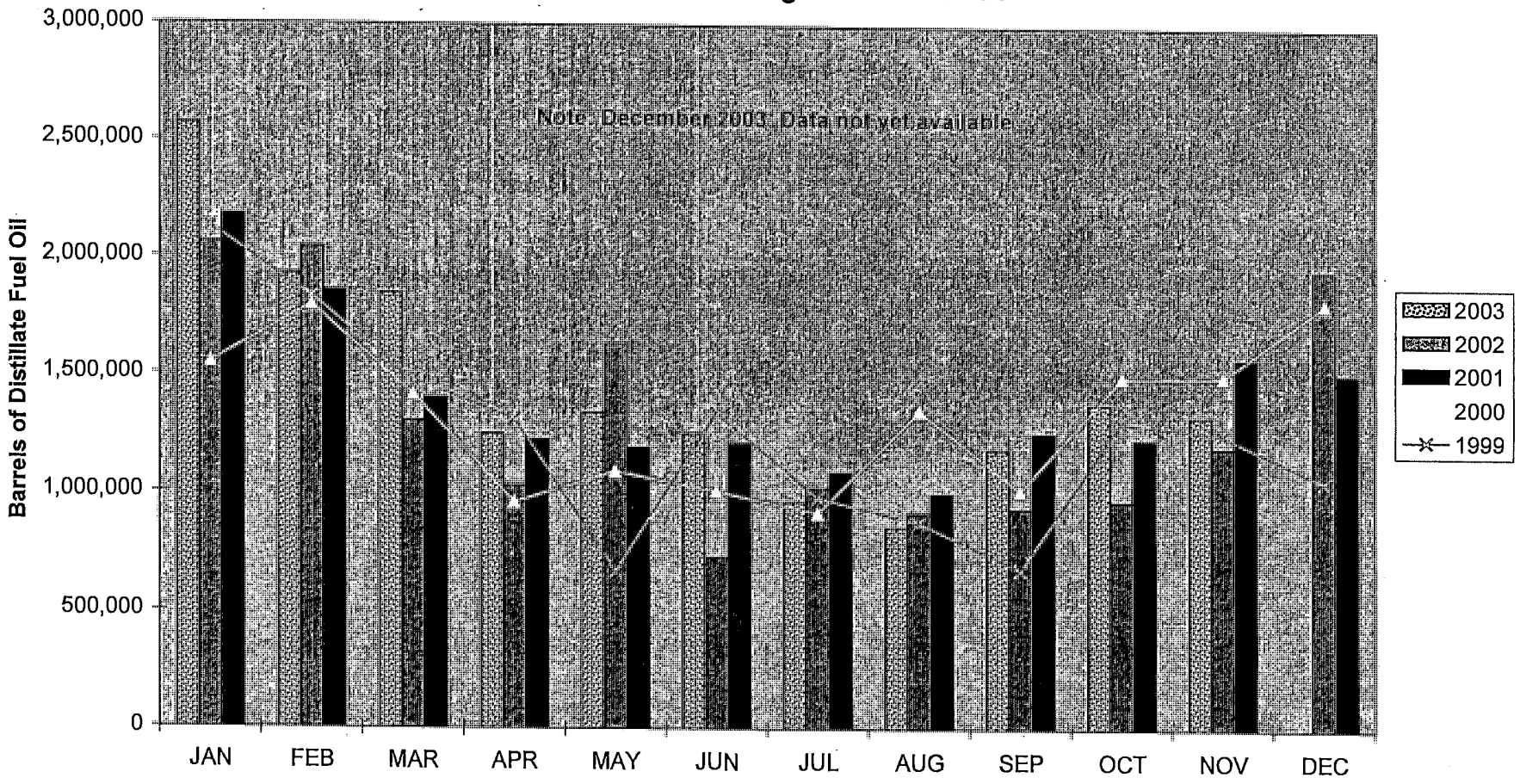
According to the data, the highest volumes of kerosene that arrived in Maine during 2003 were in February and June. In the previous year, there was a paucity of kerosene in the Maine market in the crucial heating month of February 2002. This contrasts with 1999-2000 when volumes of kerosene brought to Maine increased when you would expect them to, that is during the prime heating months of November through February.

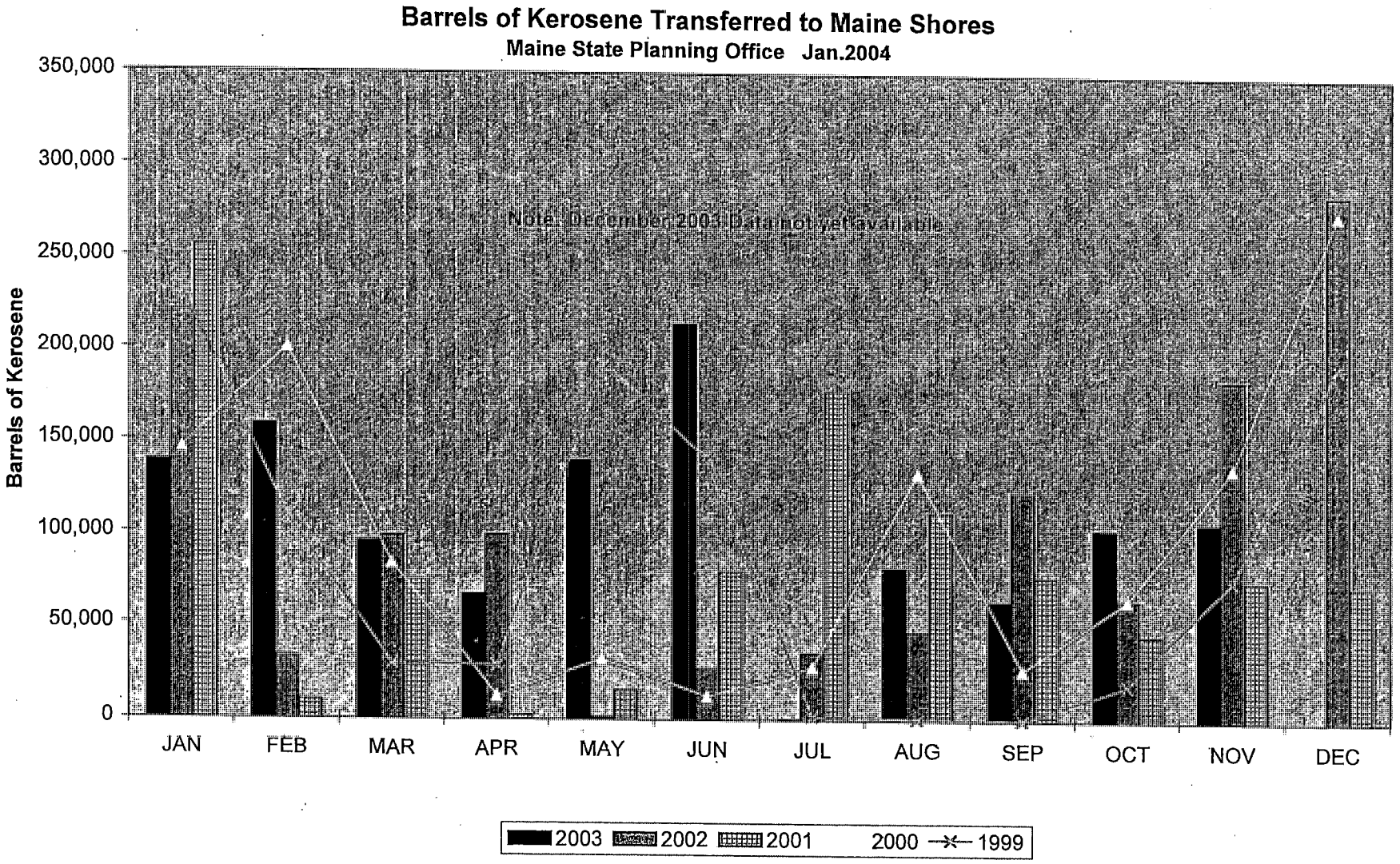
Maine Consumer Heating Fuels Price Issues

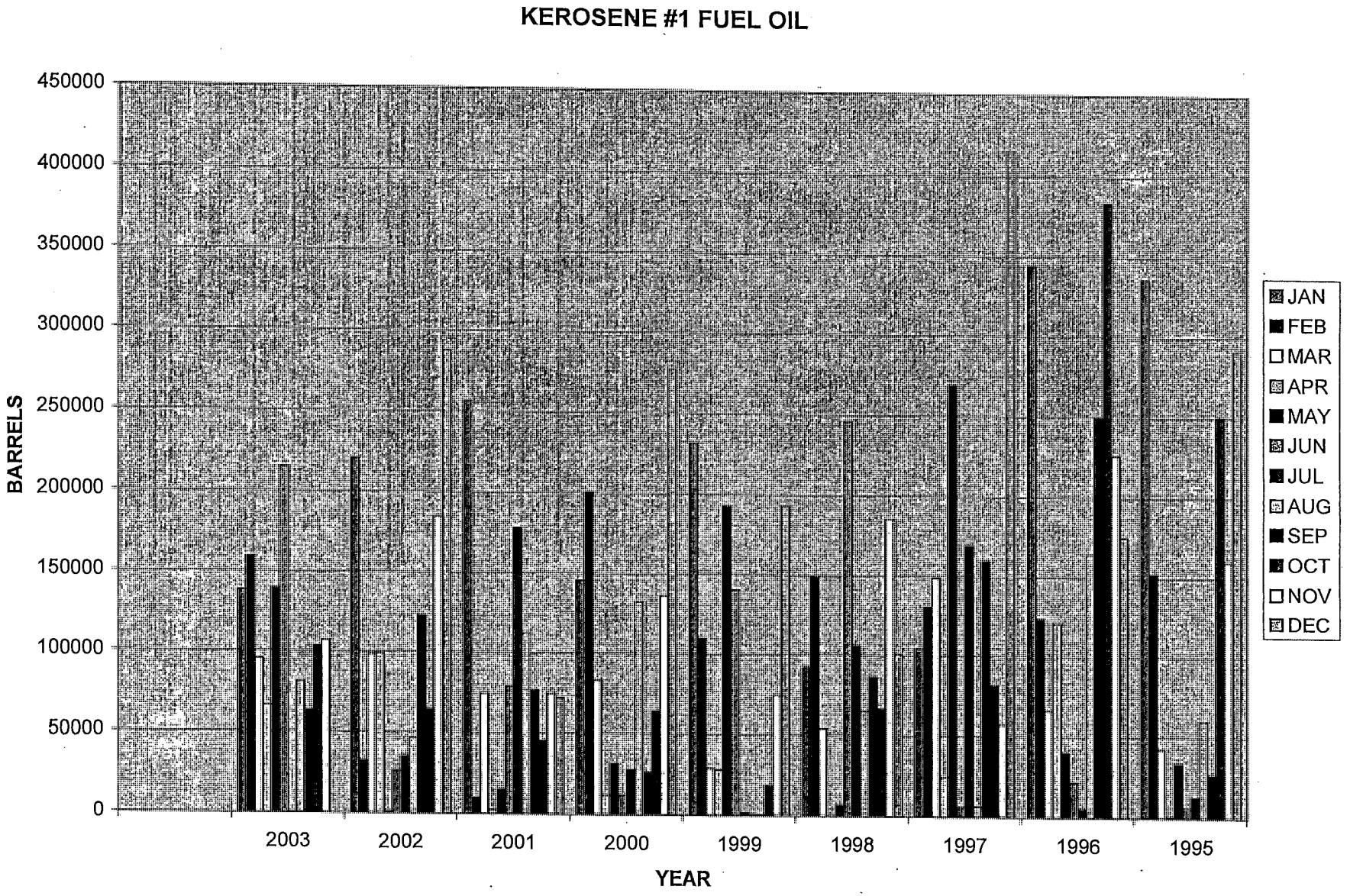
Maine's energy profile is unique relative to the national average. While coal and natural gas dominate the rest of the nation's home heating energy supply profile, until now they have played a minimal role in Maine's energy mix. Maine is very dependent on oil and the choices of the Maine energy consuming public have long been dictated by oil prices and the economic influences which drive price in the petroleum marketplace. While great strides have been made to diversify our energy mix over the past three decades, Maine is still highly dependent on petroleum products. Both consumption of oil and use of renewable energy grew dramatically during the 1980's. Total oil consumption in Maine increased by almost 30 percent during that decade, mostly because of increased use of gasoline and diesel fuel for transportation.

As oil prices subsided through the eighties and the national economy flourished, energy demand in Maine grew rapidly. By 1989, Maine was using more oil than ever before in its history. When the state and region entered into a recession in 1990, energy consumption dropped and the demand for energy did not surpass the 1989 peak until 1994 as the economy began to flourish again. 1994 heating oil prices were between seventy and eighty cents per gallon. With the passing of a decade leading up to now, heating oil prices have increased to a statewide average price as high as $1.78 per gallon. This season heating oil prices have ranged between $1.30 and $1.56 per gallon. This sustained high price level is often difficult for the consuming public to tolerate.

Barrels of Distillate
(No.2 Fuel Oil and Diesel Combined)
Transferred into Maine 1999-2003
Maine State Planning Office Jan.2004




Barrels of Kerosene Transferred to Maine Shores
Maine State Planning Office Jan.2004
Note: December 2003 Data not yet available
Barrels of Kerosene
350,000
300,000
250,000
200,000
150,000
100,000
50,000
0
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC
2003
2002
2001
2000
1999


KEROSENE #1 FUEL OIL
BARRELS
450000
400000
350000
300000
250000
200000
150000
100000
50000
0
2003
2002
2001
2000
1999
1998
1997
1996
1995
YEAR
JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC

Propane

Propane is the primary heating fuel for roughly 26,245 Maine households or 5.5% of the population. Propane is comprised of crude oil with natural gas additives, so propane prices correspond to those of crude oil and natural gas. When natural gas prices soared during winter 2000-01, propane prices also increased, tracking the inflated natural gas prices. Propane is subject to the same market forces as other products described in the analysis of heating oil. Propane demand is highly seasonal, but fresh supply is not. Forty percent of the natural gas stream is propane, which is extracted during production. It is very expensive to store because it is under pressure. Propane stocks provide a primary means of crop drying in the mid-west, often using up 8-12% of U.S. propane supplies.

New England receives propane in three ways. Algerian and Middle Eastern propane comes via *sea-going terminals* in Providence, Rhode Island and Portsmouth, New Hampshire. The TEPPCO (Texas Eastern Products Pipeline Company) pipeline from Texas to Albany, New York provides more supply, and outsourced Canadian propane arrives in Maine via railroad. Seventy percent of Maine's propane arrives by rail to a depot in Auburn, Maine. The product comes from refineries in Canada and is provided by an affiliate of Duke Energy Field Services (DEFS). The affiliate of Duke Energy, entitled Duke Energy NGL Services, acquired Gas Supply Resources (GSR) in May 2001 and integrated GSR's propane terminal operation into its existing import facility in Providence, Rhode Island. Duke Energy is the largest supplier of propane in New England and is a diversified multi-national energy company with an integrated network of energy assets and expertise. Duke Energy manages a dynamic portfolio of natural gas and electric supply, delivery and trading businesses. DEFS was formed in a merger of Duke Energy and Phillips Petroleum natural gas gathering and processing operations. It is a premier North American midstream energy company that is among the nation's leaders in gathering, processing, transportation, marketing and storage of natural gas and natural gas liquids (NGLs). The Denver-based company is also a general partner of the TEPPCO pipeline.

In mid-October 2001, DEFS opened its sixth propane New England terminal in Montpelier, Vermont. This additional terminal contributes to New England supply along with Duke's existing northeast network in other locations including, Albany, New York, Westfield, Massachusetts, York, Pennsylvania and two in Maine located in Auburn and Bangor. The Auburn facility has an on-site storage capacity of 120,000 gallons and Duke operates a joint venture with R.H. Foster in Bangor with a storage capacity of 60,000 gallons. At first blush, one might surmise that Auburn provides two-thirds and Bangor one-third of Maine's propane supply. However, due to more significant capabilities for rail delivery in Auburn, it actually is the distribution source of three-quarters of Maine's propane supply. Duke Energy Services has a dedicated rail-fleet to bring product to New England. They have firm, guaranteed, long-term contracts with major producers and because Duke is a neutral wholesaler, which distributes broadly across the market, they offer stability, flexibility and reliability.

Strategic Petroleum Reserve

The Strategic Petroleum Reserve (SPR) is the U.S. government's 599 million barrel emergency supply of crude oil. This oil is stored at four sites near the Texas and Louisiana Gulf Coast in over fifty salt caverns. Each cavern is 2,000 to 4,000 feet below the earth's surface with a total capacity of 700 million barrels. The artificially created, underground caverns offer advantages over above-ground storage tanks, including higher security and significantly lower storage costs. Additionally, their location near the Gulf Coast offers the advantage of close proximity to the nation's commercial oil network of pipelines, ships, barges and refineries.

The U.S. government is the landowner of the U.S. Outer Continental Shelf and is entitled to one-sixth royalty on all oil and gas production. Producing companies usually pay cash to royalty holders on the value of the wellhead revenues but sometimes pay "in-kind" rather than in cash. Under the "royalty-in-kind" (RIK) program, the government takes possession of the physical barrels and stores them in the SPR.

Reserves in the SPR have been used on several occasions over the past seven years to address short-term supply situations that have arisen at various points in the chain of distribution. Rather than an outright sale of stock in the SPR, these transactions have been in the form of exchanges. The most significant occurred in the fall of 2000, shortly after President Clinton announced plans to establish the Northeast Home Heating Oil Reserve (NHHOR) in response to a relatively low stock of heating oil. Over 2.8 million barrels of crude oil were exchanged for 2 million barrels of heating oil and the one-year use of storage facilities in the Northeast. Also in 2000, the President authorized the exchange of up to 30 million barrels to help avert the potential for fuel shortages in the winter. This 30 million barrel oil exchange required the companies that received oil from the SPR to return the same quantity, plus an additional amount, to the SPR in the fall of 2001.

As a result of summer 2002's solicitations, the SPR awarded contracts to the same terminals as before. The SPR issued one-year contracts with options to extend the contracts annually for four years. In mid-November 2002 and several times since then, SPR has conducted tests of its on-line heating oil bidding platform. Prior to late December 2002, SPR delayed deliveries into the reserve due to developments in Venezuela. The strike in Venezuela held world market exports at one-fifth below normal levels and brought U.S. inventories of crude oil to their lowest levels in 26 years. Shortly after January 1, 2003 the U.S. DOE extended the delivery date to September 30, 2003 for 3.1 million barrels of crude oil to be returned to the SPR. Oil companies pay in-kind interest on deferred deliveries, and an increased volume of oil will be placed in SPR storage when returns are accomplished.

Northeast Home Heating Oil Reserve (NHHOR)

After experiencing extreme price volatility and having the prospect of spot shortages for home heating oil in the northeast, the NHHOR was established in 2000 as part of the SPR. As its name suggests, the NHHOR stock is refined product stored in the northeast region. It was established as a temporary measure to ensure that adequate supplies of heating oil would be available

for the winter of 2000-01, but the NHHOR has become a fixed component of the nation's energy preparedness effort. The two million barrel storage capacity of the NHHOR was determined to be critical as an emergency buffer to supplement commercial fuel supplies should the oil dependent northeast region be hit by a severe heating oil supply disruption. The stock in the NHHOR is stored at four locations; two in Connecticut, one in New Jersey and one in Rhode Island. Each location holds the stock in privately-owned, surface tanks contracted for by the Department of Energy. The NHHOR oil is a ten-day supply for the 5.3 million households in the northeast that use the product and takes ten days to ship from the Gulf of Mexico to New York Harbor.

The Energy Policy and Conservation Act of 2000 sets conditions for the release of the Northeast Home Heating Oil Reserve at the discretion of the President who **may** make the requisite finding of a *severe energy supply interruption* for the sale of product under the following two conditions: (1) if there is a *dislocation* in the heating oil market, or (2) a circumstance exists (other than the defined dislocation) that is a regional supply shortage of significant scope and duration and the Reserve's release would significantly reduce its adverse impact. The law deems a *dislocation* to have occurred only when *the price differential between crude oil and No. 2 heating oil increases by over 60% over its five-year rolling average for the months of mid-October through March, and continues for seven consecutive days; and the price differential continues to increase during the most recent week for which price information is available.*

Existing Maine Storage Potential

The fact that oil prices can rise and fall very quickly has caused wholesale and retail dealers to become increasingly averse to the risks, as well as the costs, associated with maintaining inventories at levels which may have been typical a couple of decades ago. More stringent environmental regulations for oil storage have influenced their decision to reduce actual storage capacity at the wholesale, retail and end-use levels. Although sufficient capacity appears to be available throughout New England at the terminal level, SPO's 1990 survey of Maine oil dealers revealed that, on average, a typical company has gross storage capacity which, if full, would provide only six percent of its yearly sales volumes, far less than an entire heating season's supply.

Because oil storage is expensive, there has been a growing dependence on through-put and just in time inventory, rather than pre-season stockpiling to meet winter heating oil needs. As a result, both wholesale and retail oil dealers are less likely to capture higher than normal profit levels during a widespread price run-up. They are also less likely to suffer losses should prices decline. Maine's retail oil industry has become unwilling, because of the associated risks, and unable, due to the lack of sufficient storage capacity, to maintain enough of an inventory cushion to protect Maine consumers from exposure to price volatility and supply disruptions in upstream markets. Maine's consumers are now more exposed to price volatility.

It should be noted that Maine prices often fall faster and farther than the rest of New England, in part because Maine appears to have a more diverse and competitive retail oil industry.

However, many rural regions of Maine do not enjoy this price phenomenon because dealers in those areas depend more on their own expensive bulk storage than dealers in close proximity to the major wholesale terminals in Southern and Central Maine (South Portland and Searsport).

Maine storage capacities are underutilized. The Maine Department of Transportation, Maine Emergency Management Agency, Maine Department of Revenue Services and the Maine Fire Marshall's Office have all provided the SPO with data on storage capacity throughout the State. This information is available in SPO's Maine Heating Fuels Inventory 2000, Appendices 8-13.

SPO's research into Maine storage capacities revealed that the statewide tank capacity in use for No. 2 heating oil is 52,900,000 gallons. The Maine Department of Transportation did an analysis in 2000 which indicated that an additional 47,800,000 gallons could be stored at Loring (10,000,000 gallons) and Searsport (37,800,000 gallons). A summary of the Maine Emergency Management Agency (MEMA) data indicates that Maine's distribution network of company storage facilities is capable of storing the following fuel types and volumes.

No.2 heating oil	149 facilities	57,010,097 gallons maximum	22,988,205 gallons average
Kerosene	144 facilities	17,990,494 gallons maximum	9,742,847 gallons average
Propane	68 facilities	2,822,515 gallons maximum	2,200,718 gallons average

According to MEMA data, the network of Maine end-user storage facilities (schools and large industrial and commercial storage tanks) is capable of storing the following fuel types and volumes.

No.2 heating oil	483 facilities	10,046,057 gallons maximum	5,003,323 gallons average
Kerosene	12 facilities	1,698,784 gallons maximum	988,357 gallons average
Propane	190 facilities	1,751,169 gallons maximum	1,222,035 gallons average

Anticipated Reductions, Curtailments or Shortfalls in product deliveries or storage inventories in the coming months

If the SPO determines that there may be a significant shortfall in heating oil supply inventories or anticipated deliveries into the State, it shall issue a report including;

- information suggesting a supply shortfall
-SPO recommendations for State action in response to the supply shortfall.

SPO information indicates adequate volumes of Maine heating fuels are in storage this year. Oil and gas companies have increased their security measures since the September 11th attacks and this heightened state of awareness persists. The wholesale kerosene market has shrunk in Maine and consumers should be aware of this in planning for winter. Maine has only four terminals which distribute kerosene including; Irving, Sprague, Webber Oil and Webber Tanks.

The Maine Emergency Management Agency (MEMA), in conjunction with the SPO and representatives from other departments, conducted a series of meetings during 2000-01 to analyze the logistics and details of how an energy crisis might unfold, including highly unlikely and extreme situations in which the Governor could use his emergency powers. A State of Maine Energy Emergency Plan was developed by MEMA and SPO in coordination with a stakeholder group of Maine State agencies and submitted to DOE in 2002. The State's response to an energy crisis would employ the same emergency systems, which are applied in any other hazard situation. MEMA believes that any fuel supply emergency would be a slowly emerging situation (compared to less predictable disasters such as a flood or hurricane) wherein existing local and county response plans would be utilized before the situation developed into an event requiring state response.

Recommendation to Repeal State Petroleum Set-aside Law

Under 5 MRSA §3307-D, the Governor of Maine has the power to declare an emergency and direct oil suppliers to set aside a percentage of the amount of petroleum products they expect to deliver to consumers in the State for distribution by the State Planning Office to meet emergency and hardship needs. The set-aside system established pursuant to this law would go in to effect when 1) The Federal Government terminates, suspends or fails to implement a national set-aside program; and 2) The Governor finds that a set-aside system is necessary to manage an energy shortage within the State which threatens the continuation of essential services and the needs of priority users.

The release of petroleum set-aside would occur to meet the emergency and hardship requirements of all consumers within the State. In order to facilitate relief of hardship and emergency requirements of consumers, the State Planning Office may direct that a wholesale purchaser-reseller supply the wholesale purchaser consumer experiencing the emergency. At any time after the Governor declares the set-aside emergency, the director of the State Planning Office may order the release of part or all of the prime supplier's set-aside volume through the prime supplier's normal distribution system in the State.

Currently the Governor would direct the State Planning Office to implement only that portion of the state set-aside program necessary to prevent and alleviate any energy hardship shortages. The director of the State Planning Office would notify each prime supplier of the monthly set-aside percentage, not to exceed 5%, applicable to each product subject to the set-aside program. The set-aside volume available to the State Planning Office for a particular month is the sum of the amounts calculated by multiplying the state set-aside percentage level by each prime supplier's estimated portion of its total supply for that month which will be sold into the State's distribution system for consumption within the State. The set aside for a particular month may not be accumulated or deferred, but shall be made available from stocks of prime supplies whether directly or through their wholesale purchaser-resellers. The director shall calculate the set-aside volume for a particular month based on the supplier's monthly report. From time to time, the director of the SPO may designate certain geographical areas within the State as suffering from an intrastate supply imbalance. At any time during a declared set-aside emergency, the director of the SPO may order some or all of the prime suppliers with purchasers within such

geographical areas to release part or all of their set-aside volume through their normal distribution systems to increase allocations of all the supplier's purchasers located within the areas. Additionally, the State Planning Office is required to promulgate rules governing applications for assignments within the set-aside system, including criteria for approving and disapproving applications and an appeal process. This rule-making by SPO has not taken place nor has there been an instance, since 1967 when this law was first enacted, when the set-aside provisions have been applied.

Based on research conducted by the State Planning Office in fall of 2003, there are no states that currently employ set-aside allocation plans anymore. Security issues in the current marketplace and the risk averse, *just-in-time* operations of oil dealers no longer make such a scheme practical. Current thinking about how to resolve a petroleum supply emergency involves guidance on anticipating and proactively remediating potential supply vulnerabilities prior to an event and not reacting to an energy emergency after the fact. There is a program in Massachusetts which provides incentives to businesses to store for customers that do not have pre-buy or price-cap programs. The Maine Oil Dealers Association has been consulted about the possibility of providing special terms for LIEHEAP customers to pre-buy or cap at certain rates during the summer or non-heating months.

It is the recommendation of SPO that the set-aside law be repealed. The 1989 statute, 5 MRSA § 3307-D, transferred this program from the Office of Energy Resources to the State Planning Office and required SPO to promulgate rules establishing a set aside program. The rules were not drafted nor were they needed during the time that has elapsed since 1967. The Secretary of State pronounced the old rules invalid and SPO believes that the market has changed sufficiently to make this program outdated. Additionally, the Governor has the power to declare an energy emergency when an actual or impending acute shortage in energy resources threatens citizens through 37-B MRSA § 742(2). In such a case the Governor can implement allocation and conservation programs, regulate business hours and temperature settings and regulate the storage, distribution and consumption of home heating oil. This statute gives the Governor sufficient authority in the event of a real or expected petroleum shortage and is more workable that the set-aside program currently on the books.

Additionally, proactive remediation of potential supply vulnerabilities could be accomplished through other more effective and modern means. Providing tax or other incentives to motivate oil dealers to assist the State in an energy crisis is one way. Providing incentives to oil dealers to assist in a supply hedge at their own surplus bulk storage in locations where significant populations reside is another. Negotiation of special rates and terms for this surplus heating oil to be distributed to needy customers at times when business volumes are low, like in the summer, is another concept. Additionally, negotiation for Maine to get some of the NHHOR supplies is another approach worth pursuing.

Recommendation to Modify State Planning Office Petroleum/Heating Fuels Inventory Reporting Requirements prescribed by L.D. 2668

Instead of preparing an annual report on the state of Maine oil inventories, which is already outdated by the time the Committee reads it, it might be more meaningful for SPO to report to the Utilities and Energy Committee periodically during the heating season. SPO could provide information on statewide storage inventories of No.2 heating oil and kerosene on a monthly basis during the period of highest demand. Anticipated reductions, curtailments or shortfalls in product deliveries or storage inventories in the coming month would be reported at this time. If the SPO anticipates that there may be a significant shortfall in heating oil supply inventories or anticipated deliveries into the State, it shall indicate this in its monthly report. At the end of the heating season, SPO could provide a succinct report documenting the historic trends of statewide storage inventories.

State Interagency Energy Planning Team

Throughout the years 2000-01, oil supply and price issues were a focus of concern for agencies throughout Maine State Government. In fall 2000 the State initiated a coordinated effort to insure preparedness in the event of an energy supply crisis that winter. The State's initiatives included the creation and coordination of a State Interagency Energy Planning Team. The Team brings together over 25 staff from thirteen State agencies to address contingency plans in the event of heating fuel shortages or other potential energy emergencies. It also serves to inform and educate the public about ways to help themselves and who to contact when seeking LIHEAP or other assistance at the State level. The Energy Team is coordinated by the Governor's Office and the Maine State Planning Office and is designed to respond effectively to public needs as they arise. It offers a wide array of services and expertise, which fall into five categories listed below. (See Appendix 3 for a listing of the agency contacts and their essential information/phone numbers and e:mail addresses)

Marketing and Education - Chair: Peter Wintle- MSHA
Infrastructure / Emergency Planning - Chair: Dick Thompson-DAFS
Regional and Industry Outreach - Chair: Richard Davies-Governor's Office
Regulations - Chair: David Maxwell - DEP
Data Collection and Management - Chair: Betsy Elder - SPO

Each of these sub-teams is designed to focus on a particular area and to bring the necessary and available expertise to facilitate service to the public. The agencies bring a host of resources to the table and are participating in the following areas.

Financial Resources - PUC, SPO, MEMA
Human Resources - MEMA, DEP
Printed Conservation/Other Educational Materials - DECD, MSHA, PUC, AG, OPA

Data and Information - SPO, DOT, DEP, PUC, AG
Information Outlets/Mailing Lists - DEP, PUC, OPA, MSHA
Physical Resources- DAFS and DOT (storage) MEMA (meeting space, phone banks and emergency war room)

The Bundle Me Up Web Site (www.bundlemeup.org) and Program was designed to inform and educate consumers about energy options and conservation tips. A toll free help line, (1-866-HEATTIP), a Maine State Housing Authority hotline (1-800-452 -4668) and Attorney General Consumer Mediation Hotline (207-626-8849) are all available to assist the consumer. These services were made available without expending any tax dollars. Maine State Government has launched its own *in-house* Bundle Me Up campaign to raise awareness and reduce energy consumption in the workplace.

Conclusions, Recommendations

As a matter of State energy policy, there are several ways in which Maine can work to become more self-sufficient and resilient relative to current volatile oil markets. The most important of these is a renewed commitment within the State to conservation and energy efficiency initiatives. Reducing overall energy demand continues to be the most effective hedge against future energy uncertainty. Encouragement of technologies which reduce our own dependence on combustible fuels is sensible. Practical thinking about renewable and alternative energy technologies could increase Maine's energy independence. Promoting strategies to consumers, which insulate them from price and supply volatility is a challenge in the open market. Government wants to inform the consumer of supply problems but it does not want to create public anxiety or a panic buy-up of product. Purchasing most of one's oil supplies during the off-season to allow heating oil customers to take advantage of seasonal price swings and increasing personal, residential tank storage are both proactive measures to increase Maine's resiliency against price swings and supply disruptions.

Consumers may benefit from the many budget payment plans currently offered by the industry. Many programs allow customers to pay for their heating season needs using equal monthly payments and avoiding the stress of major cash expenditures during the heating season. Many budget plans are based on the cash price at the time of delivery and therefore place no additional costs or conditions on the consumer. Comparative shopping and reading of the fine print is recommended. While budget plans do not guarantee protection against seasonal price fluctuation, they do minimize the financial shocks, which accompany wholesale price volatility. Many dealers have budget plan arrangements available which facilitate bulk pre- or post-season purchases.

It is the recommendation of SPO that the set-aside law be repealed. SPO believes that the market has changed sufficiently to make this program outdated. Additionally, the Governor has the power to declare an energy emergency when an actual or impending acute shortage in energy resources threatens citizens through 37-B MRSA § 742(2).

It is the recommendation of SPO that the State Planning Office Heating Fuels Inventory Reporting Requirements prescribed by L.D. 2668 be modified. Instead of preparing an annual report on the state of Maine oil inventories, which is already outdated by the time the Committee reads it, it might be more meaningful for SPO to report to the Utilities and Energy Committee periodically during the heating season. SPO could provide information on statewide storage and inventories of No.2 heating oil and kerosene on a monthly basis during the period of highest demand on them.

SPO will continue to track inventories during the rest of this heating season and throughout the entire year. We will report again next year and will continue to be in communication with terminal operators, our sister agencies in State government and with energy planning counterparts in the northeast region.

APPENDICES

APPENDIX 1
SPO Raw Data on Heating Oil and Kerosene Inventories

Month/Year	Stocks Inventory	Storage Capacity	percentage of storage filled	
Sept.1999	994,432	1,594,480	62%	No.#2
Sept.2000	752,009	1,594,033	47%	
Oct.2000	715,365	1,595,753	45%	
Nov. 2000	820,424	1,594,753	51%	
Dec.2000	748,831	1,644,753	45%	
Jan.2001	1,059,931	1,644,753	64%	
Feb.2001	761,564	1,734,981	44%	
Mar.2001	564,503	1,734,981	32%	
Apr.2001	554,761	1,734,981	33%	
May.2001	567,180	1,734,981	32%	
June.2001	369,882	1,734,981	21%	
July.2001	658,964	1,634,561	40%	
Aug.2001	949,341	1,634,561	58%	
Sept.2001	1,028,013	1,634,561	63%	
Oct.2001	975,702	1,507,561	65%	
Nov.2001	1,078,703	1,507,561	61%	
Dec.2001	1,143,744	1,607,981	71%	
Jan.2002	1,085,082	1,617,753	67%	
Feb. 2002	914,682	1,607,981	57%	
Mar.2002	952,181	1,507,561	63%	
Apr.2002	687,776	1,507,561	46%	
May.2002	832,447	1,507,561	55%	
June.2002	933,092	1,507,561	62%	
July.2002	986,726	1,507,561	65%	
Aug.2002	1,136,075	1,507,561	75%	
Sept.2002	1,103,676	1,754,561	63%	
Oct.2002	1,016,711	1,754,561	58%	
Nov.2002	874,044	1,754,561	50%	
Dec.2002	966,766	1,754,561	55%	
Jan.2003	866,103	1,754,561	49%	
Feb.2003	726,860	1,754,561	41%	
Mar.2003	513,693	1,754,561	29%	
Apr.2003	399,445	1,781,561	22%	
May.2003	351,640	1,781,561	20%	
June.2003	623,778	1,781,561	35%	
July.2003	971,343	1,754,561	55%	
Aug.2003	1,091,947	1,754,561	62%	
Sept.2003	1,014,312	1,781,561	57%	
Oct.2003	1,196,345	1,781,561	67%	
Nov.2003	1,095,149	1,781,561	61%	
Dec.2003	960,062	1,781,561	54%	

Month/Year	Stocks Inventory	Storage Capacity	percentage of storage filled	
Sept.1999	384,223	625,000	61%	kerosene
Sept.2000	209,688	587,000	36%	
Oct.2000	150,457	591,000	25%	
Nov. 2000	133,619	592,000	23.00%	
Dec.2000	105,493	489,000	22%	
Jan.2001	258,574	508,246	51%	
Feb.2001	317,486	508,246	62%	
Mar.2001	222,219	508,246	44%	
Apr.2001	107,274	508,246	21%	
May.2001	49,881	439,000	11%	
June.2001	39,885	439,000	9%	
July.2001	103,166	438,000	24%	
Aug.2001	291,106	438,000	66%	
Sept.2001	288,880	438,000	66%	
Oct.2001	405,650	567,246	72%	
Nov.2001	347,582	567,246	61%	
Dec.2001	298,826	567,246	53%	
Jan.2002	336,596	567,246	59%	
Feb. 2002	269,162	567,246	47%	
Mar.2002	239,258	567,246	42%	
Apr.2002	268,274	567,246	47%	
May.2002	228,898	428,000	53%	
June.2002	210,397	428,000	49%	
July.2002	200,303	428,000	47%	
Aug.2002	218,451	428,000	51%	
Sept.2002	252,980	428,000	59%	
Oct.2002	357,757	428,000	83%	
Nov.2002	271,350	497,246	54%	
Dec.2002	377,309	497,246	76%	
Jan.2003	380,978	574,246	66%	
Feb.2003	300,651	574,246	52%	
Mar.2003	169,373	574,246	29%	
Apr.2003	66,022	505,000	13%	
May.2003	92,596	505,000	18%	
June.2003	242,961	416,000	58%	
July.2003	244,904	423,000	58%	
Aug.2003	264,706	423,000	62%	
Sept.2003	302,462	423,000	72%	
Oct.2003	288,508	492,246	59%	
Nov.2003	254,878	492,246	52%	
Dec.2003	258,936	492,246	53%	

APPENDIX 2

Active Primary Terminal Listings, Maine DEP

MDEP Raw Data Table for Barrels of Petroleum Products Transferred into Maine 1995 -November 2003

MDEP Data on Petroleum Exports 2003

ACTIVE TERMINAL FACILITIES

LICENSE STATUS	LIC #	COMPANY NAME	LOCATION	ST	CONTACT	CONTACT TELEPHONE
Active	324	COLDBROOK ENERGY, INC.	HAMPDEN	ME	PAUL GERALD	207-945-9465
		Coldbrook has not brought in any product by vessel since 1/98.				
Active	308	FPL ENERGY INC	YARMOUTH	ME	SANDRA LINDENBERG	207-846-8101
Active	341	FPL ENERGY INC	WISCASSET	ME	SANDRA LINDENBERG	207-846-8101
Active	310	GLOBAL COMPANIES, LLC	SOUTH PORTLAND	ME	MARCUS B. THOMPSON	781-398-4348
Active	300	GULF OIL LIMITED PARTNERSHIP	SOUTH PORTLAND	ME	STEPHEN R SOMERS	617-889-9079
Active	322	IRVING OIL TRANSPORTATION CO	SEARSPORT	ME	TAMMY SMITH	207-941-7316
Active	304	EXXON MOBIL CORPORATION	SOUTH PORTLAND	ME	KIRT MATHEWS (DALLAS)	214-658-3631
Active	307	MOTIVA	SOUTH PORTLAND	ME	KEVIN ERRINGTON (TERM OP)	207-799-3394
Active	299	MASTER STA ATL DETCH CUTLER	CUTLER	ME	NORMAN LABEGE	207-259-8211
		Cutler has not transferred any product into the state since 11/95				
Active	306	PORTLAND PIPE LINE CORP PIERII	SOUTH PORTLAND	ME	DAVID CYR	207-767-0450
Active	317	SPRAGUE ENERGY CORP	BUCKSPORT	ME	NATALIE HEBERT	603-430-7244
Active	319	SPRAGUE ENERGY CORP	SEARSPORT	ME	NATALIE HEBERT	603-430-7244
Active	302	SPRAGUE ENERGY CORP.	SOUTH PORTLAND	ME	NATALIE HEBERT	603-430-7244
Active	325	WEBBER OIL CO.	BANGOR	ME	CANDICE MORRILL	207-942-5501
Active	326	WEBBER TANKS, INC.	BUCKSPORT	ME	JEFFERY MURDY	207-469-3165
Active	327	WEBBER TANKS, INC.	BREWER	ME	DEBORAH DORR	207-469-3165
Active	455	BARRETT PAVING MATERIALS	BANGOR	ME		207-942-4681
		Barrett Paving has been transporting asphalt since 1987. I didn't put it into the original list because they don't				
		transport anything else.				

BARRELS OF PETROLEUM PRODUCTS TRANSFERRED INTO MAINE FROM JANUARY 1995 TO NOVEMBER 2003

KEROSENE #1FUEL OIL				CODE 01									TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	138,597	158,736	95,621	66,370	139,664	214,413	455	81,952	63,328	103,121	106,986		1,169,243
2002	220,159	32,731	98,430	99,089	1,334	26,714	35,327	46,712	123,125	64,375	184,926	287,744	1,220,666
2001	256,581	10,059	74,456	2,608	15,415	79,584	177,577	112,354	76,672	45,192	74,854	72,161	997,513
2000	145,744	200,685	83,526	12,263	31,811	12,376	27,804	132,927	26,589	64,034	136,836	277,242	1,151,837
1999	231,592	109,672	29,218	28,441	192,711	140,790	2,153	849	432	18,714	75,050	193,036	1,022,658
1998	92,893	148,598	53,862	521	6,973	246,087	106,074	65,139	87,170	66,370	185,640	100,961	1,160,288
1997	104,295	130,714	148,834	24,941	269,640	6,461	169,328	6,818	159,817	82,193	56,695	414,839	1,574,575
1996	344,510	123,683	65,866	120,810	40,376	22,082	5,836	164,299	250,009	384,308	225,671	174,881	1,922,331
1995	335,740	152,149	42,560	1,016	34,253	6,364	13,092	59,966	27,283	250,560	160,208	291,267	1,374,458
TOTALS	1,511,355	875,560	498,322	190,600	591,179	513,744	501,864	542,352	627,972	911,371	914,954	1,524,387	9,203,660

In July 2003, we split the codes to better represent the difference between Fuel Oil #2 and Diesel. Directly below are the figures for the combination of #2 Fuel Oil and Diesel from January 2003 to June 2003. Below that are the figures for #2 Fuel Oil for July 2003 to November 2003. Below that are the figures for Diesel for July 2003 to November 2003.

DIESEL FUEL OIL #2				CODE 02									TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	2,572,581	1,932,229	1,848,013	1,247,826	1,338,550	1,253,859							10,193,058
2002	2,060,921	2,045,078	1,303,910	1,031,973	1,639,388	723,684	1,025,118	918,334	935,071	969,340	1,798,632	1,959,712	16,411,161
2001	2,181,267	1,861,215	1,400,189	1,224,066	1,190,857	1,211,125	1,087,527	998,437	1,255,205	1,230,980	1,578,168	1,513,092	16,732,128
2000	1,551,329	1,797,347	1,412,866	959,420	1,088,971	1,008,113	915,934	1,353,014	1,013,911	1,497,617	1,501,367	1,820,043	15,919,932
1999	2,129,155	1,833,978	1,476,505	1,310,261	668,621	1,339,274	981,713	877,592	677,156	1,304,114	1,252,722	1,055,264	14,906,355
1998	1,537,883	1,516,543	1,762,564	1,130,530	1,381,618	1,025,603	669,537	832,148	1,181,664	966,794	1,147,478	1,794,952	14,947,314
1997	1,814,240	1,737,803	1,488,201	1,291,253	1,101,445	1,124,311	928,033	1,072,717	1,116,793	1,080,464	1,418,141	1,947,005	16,120,406
1996	1,996,845	1,290,458	1,188,863	1,148,338	1,158,512	835,030	544,806	922,849	885,870	1,574,031	1,408,299	1,628,494	14,582,395
1995	2,011,276	1,759,648	1,395,592	1,174,954	1,201,872	602,394	1,148,280	815,797	952,223	730,029	1,676,850	2,260,685	15,729,600
TOTALS	13,221,995	11,796,992	10,124,780	8,238,822	7,791,896	7,145,850	6,275,830	6,872,554	7,082,822	8,384,029	9,983,025	12,019,535	108,938,130

2003 FUEL OIL #2 ONLY				CODE 02									TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003							537,121	615,048	773,441	1,055,800	922,907		3,904,317

2003 DIESEL ONLY	CODE 29	TOTAL BY

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003							423,023	242,210	413,210	325,802	410,820		1,815,065

FUEL OIL #6				CODE 05/06									
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
2003	814,807	680,185	879,965	510,182	668,726	379,406	303,302	367,457	409,229	312,825	552,518		5,878,602
2002	561,322	424,359	678,848	234,151	540,592	73,291	420,564	357,518	596,345	467,590	554,656	748,202	5,657,438
2001	1,853,572	709,998	688,633	781,018	488,088	665,149	454,605	554,199	416,191	761,052	459,394	381,096	8,212,995
2000	865,565	1,064,545	872,104	595,002	777,595	849,898	590,784	732,732	609,163	869,457	973,809	904,945	9,705,599
1999	1,316,998	1,075,360	798,256	1,023,423	1,818,732	843,627	1,109,485	997,080	725,458	930,134	768,702	772,675	12,179,930
1998	1,249,707	1,137,952	706,162	854,666	1,179,586	812,953	1,163,204	815,988	864,476	813,788	936,763	1,389,390	11,924,635
1997	701,747	807,270	994,203	990,930	637,830	1,129,538	959,757	650,544	680,767	960,186	1,129,839	1,273,588	10,916,199
1996	1,085,792	1,230,600	659,869	561,974	938,742	882,291	583,699	780,106	401,183	863,964	612,189	1,328,493	9,928,902
1995	1,114,317	743,628	1,130,197	1,015,242	724,441	791,854	868,282	761,969	740,390	867,829	783,856	1,091,945	10,633,950
TOTALS	8,187,698	6,769,353	5,849,424	5,822,255	6,565,014	5,975,310	5,729,816	5,292,618	4,437,628	6,066,410	5,664,552	7,142,132	73,502,210

In July 2003, we split the codes to better represent the difference between Regular Unleaded Gasoline and Premium Unleaded Gasoline. Directly below are the figures for the combination of Regular Unleaded Gasoline and Premium Unleaded Gasoline from January 2003 to June 2003.
Below that are the figures for Regular Unleaded Gasoline for July 2003 to November 2003.
Below that are the figures for Premium Unleaded Gasoline for July 2003 to November 2003.

UNLEADED GASOLINE (REG & SUPER)						CODE 23							TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	1,851,606	1,320,322	1,938,520	1,119,890	2,040,650	1,808,976							10,079,964
2002	1,514,664	1,497,451	1,363,001	1,511,555	1,740,291	1,748,090	1,955,280	2,080,240	1,992,949	1,702,844	1,690,933	1,575,887	20,373,185
2001	1,787,386	1,399,102	1,349,104	1,785,844	1,861,408	1,473,969	2,276,213	1,679,808	1,993,294	1,502,992	1,231,203	1,686,825	20,027,148
2000	1,395,082	1,548,238	1,755,580	1,283,303	1,815,460	1,581,295	1,935,527	1,686,559	1,339,096	1,751,848	1,866,538	1,319,764	19,278,290
1999	1,916,828	1,972,722	1,209,419	1,497,951	1,489,033	1,806,547	1,742,579	2,016,255	1,497,275	1,863,747	1,546,261	1,512,427	20,071,044
1998	1,664,068	1,566,163	1,732,871	1,580,320	2,303,254	1,591,683	2,027,791	2,244,267	2,029,811	1,759,643	1,688,757	1,293,650	21,482,278
1997	1,823,312	1,378,965	1,869,550	1,665,044	1,895,978	2,030,352	1,878,268	2,026,039	2,016,811	2,119,723	1,963,260	1,607,125	22,274,427
1996	1,557,428	1,574,849	1,554,676	1,448,144	1,870,256	1,920,986	1,913,841	2,330,118	1,663,769	1,920,828	1,801,378	1,618,596	21,174,869
1995	1,643,804	1,778,853	1,433,309	1,681,322	1,567,849	1,759,187	1,971,520	1,942,232	1,340,400	1,903,718	1,067,035	1,751,484	19,840,713
TOTALS	11,787,908	11,218,892	10,904,509	10,941,928	12,803,238	12,164,019	13,745,739	13,925,278	11,880,456	12,822,499	11,164,432	10,789,871	144,148,769

REGULAR UNLEADED GASOLINE ONLY						CODE 23							TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR

2003							1,957,105	1,772,592	1,552,687	2,008,911	1,395,572		8,686,867

PREMIUM UNLEADED GASOLINE ONLY					CODE 28							TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003							244,046	154,243	191,906	61,395	30,503		682,093

AVIATION GASOLINE				CODE 24								TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	1,166	607	206	1,353	1,577	1,482	2,586	2,158	1,560	1,267	786		14,748
2002	1,143	207	803	2,091	2,123	1,143	40,563	2,320	3,494	1,675	882	861	57,305
2001	1,125	588	37,566	1,752	2,527	2,136	1,920	3,106	1,387	32,028	374	827	85,336
2000	900	1,036	1,185	1,098	2,961	2,313	2,239	3,110	2,641	1,853	1,208	1,197	21,741
1999	1,567	1,416	1,201	1,363	2,524	3,005	3,196	3,248	2,594	1,621	1,996	1,054	24,785
1998	985	1,320	1,373	2,012	2,844	1,863	4,286	4,006	2,686	1,980	1,535	1,125	26,015
1997	1,613	1,269	1,682	2,291	3,183	3,355	5,020	4,363	3,070	2,908	1,691	1,745	32,190
1996	1,652	1,390	2,315	2,079	2,756	3,589	4,355	4,814	2,752	4,032	2,027	1,410	33,171
1995	1,541	1,869	1,965	2,378	4,126	4,102	5,162	5,169	3,862	3,740	1,734	1,963	37,611
TOTALS	9,383	8,888	47,287	12,973	20,921	20,363	26,178	27,816	18,992	48,162	10,565	9,321	260,849

JET FUEL JP-1 & JET-A				CODES 26 & 27								TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	71,956	187,852	208,210	232,560	106,570	223,821	106,845	112,033	129,958	147,369	206,144		1,733,318
2002	167,271	40,375	191,734	141,310	37,939	103,504	136,427	117,790	110,679	36,991	170,564	97,033	1,351,617
2001	161,977	66,578	93,883	93,177	135,374	65,470	185,117	127,699	172,446	312,837	198,260	86,614	1,699,432
2000	103,601	45,412	121,023	20,788	207,635	158,585	113,013	125,981	166,132	47,975	73,237	237,505	1,420,887
1999	188,326	98,587	70,709	117,183	27,858	187,885	206,122	108,439	138,273	72,880	157,390	72,492	1,446,144
1998	90,654	15,566	86,221	21,494	22,125	157,865	37,319	194,857	95,802	96,512	110,579	167,356	1,096,350
1997	4,043	55,469	57,320	4,396	106,887	25,300	44,706	111,331	97,236	21,371	103,290	22,353	653,702
1996	104,142	40,015	21,230	96,031	58,127	88,263	94,434	67,746	88,795	82,688	3,597	83,634	828,702
1995	52,039	65,561	18,899	1,709	66,023	2,020	84,513	36,617	70,121	83,508	86,888	1,289	569,187
TOTALS	704,782	387,188	469,285	354,778	624,029	685,388	765,224	772,670	828,805	717,771	733,241	671,243	7,714,404

ASPHALT				CODE 41								TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	0	0	0	118,096	47,673	53,199	188,704	94,937	62,051	187,124	58,324		810,108
2002	0	0	0	226,540	128,342	90,043	183,813	79,285	181,080	46,740	25,664	0	961,507
2001	151,675	0	345	47,699	86,747	92,591	109,561	107,176	131,070	115,828	0	0	842,692

2000	0	0	0	134,170	163,722	79,809	268,561	225,233	69,462	123,954	14,477	48,107	1,127,495
1999	0	109,941	519	51,604	231,603	80,271	149,301	112,946	97,072	52,500	20,874	686	907,317
1998	0	85,208	60,504	5,578	32,664	177,357	162,571	107,301	180,654	171,752	35,432	2,751	1,021,772
1997	57,977	62,686	0	4,057	99,501	182,487	104,849	227,583	84,372	109,706	33,567	34,203	1,000,988
1996	38,914	0	256	6,062	41,164	33,709	133,593	79,941	60,327	45,822	35,207	0	474,995
1995	0	0	184	115,854	115,867	128,506	273,714	232,494	190,566	152,994	42,898	64,754	1,317,831
TOTALS	248,566	257,835	61,808	365,024	771,268	774,730	1,202,150	1,092,674	813,523	772,556	182,455	150,501	6,693,090
OTHER PETROLEUM PRODUCTS				CODE 81	EX: MINERAL OIL, HYDRAULIC FLUID								TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	2,234	1,792	3,189	1,693	2,758	2,016	2,463	2,878	2,960	5,284	2,085		29,352
2002	3,648	4,399	4,629	4,637	5,719	4,823	3,824	5,136	2,152	2,491	3,572	3,062	48,092
2001	406	380	4,523	5,388	5,138	5,492	3,864	5,290	3,062	4,200	5,026	4,837	47,606
2000	1,944	2,097	2,759	2,206	2,350	1,905	2,635	2,983	1,946	3,603	407	604	25,439
1999	1,103	315	470	947	954	791	1,573	1,417	786	1,270	1,414	2,469	13,509
1998	0	321	103	746	1,666	1,430	1,898	1,398	1,422	1,105	793	1,266	12,148
1997	503	660	160	771	593	1,312	473	1,240	314	4	160	665	6,855
1996	326	244	553	667	610	278	870	885	520	512	681	395	6,541
1995	346	905	531	637	577	796	734	594	616	408	477	390	7,011
TOTALS	4,628	4,922	9,099	11,362	11,888	12,004	12,047	13,807	8,666	11,102	8,958	10,626	119,109
CRUDE				CODE 61		PIPELINE THRU-PUT TO CANADA							TOTAL BY
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2003	12,777,873	10,742,680	16,788,586	13,577,261	11,410,420	13,712,174	14,924,755	13,632,449	12,028,665	14,577,800	13,633,733		147,806,396
2002	13,630,468	10,426,795	11,463,709	11,862,012	11,228,970	12,862,589	13,496,241	15,309,473	14,253,897	12,599,475	11,452,311	14,005,426	152,591,366
2001	13,373,676	13,333,578	15,415,801	11,158,371	16,423,318	12,086,637	12,823,708	11,960,189	13,303,409	14,648,533	10,161,458	10,818,366	155,507,044
2000	11,829,142	11,409,266	13,684,268	10,401,886	14,573,183	13,334,249	13,533,000	13,507,010	13,795,933	13,646,190	14,825,581	13,352,947	157,892,655
1999	7,996,559	5,309,500	6,582,461	7,717,109	9,089,730	9,181,055	10,865,274	9,499,576	8,363,895	10,812,360	11,269,562	10,585,049	107,272,130
1998	5,991,091	5,221,411	6,666,280	7,699,630	5,908,574	4,606,358	8,257,096	6,985,353	5,929,910	7,560,714	5,317,122	6,631,645	76,775,184
1997	7,681,131	5,672,832	5,993,909	4,917,603	5,939,245	5,600,136	6,873,751	6,712,070	4,763,434	8,184,223	5,873,311	7,163,487	75,375,132
1996	6,573,397	6,208,532	7,488,549	4,358,709	5,033,631	6,080,937	6,787,223	5,452,013	5,529,962	5,627,988	6,568,774	4,477,644	70,187,359
1995	5,059,005	4,044,813	6,174,478	3,241,233	4,962,913	4,463,751	5,631,592	6,017,187	6,618,864	5,100,081	6,433,673	3,620,761	61,368,351
TOTALS	58,504,001	51,199,932	62,005,746	49,494,541	61,930,594	55,353,123	64,771,644	60,133,398	58,305,407	65,580,089	60,449,481	56,649,899	704,377,855

1/29/2004

Here are the totals for the petroleum products that are exported from Maine.
Remember that not all the requests for refunds for petroleum products exported from Maine are in for 2003. A few companies submit their request on a yearly basis;other companies submit quarterly; while most submit monthly.

Also, the products are grouped together as all gasoline and all other distillates rather than being broken down by product.

MONTH(S)	GASOLINE GALLONS	**GASOLINE (BARRELS)**	GAS FEE	$ GAS	FUEL GALLONS	**FUEL (BARRELS)**	FUEL FEE	$ FUEL	$ GAS & FUEL
Jan-03	11,783,223	**280,553**	0.58	$162,721	5,758,777	**137,114**	0.29	$39,763	$202,484
Feb-03	10,889,304	**262,396**	0.58	$152,190	5,216,825	**124,210**	0.29	$36,021	$192,950
Mar-03	11,526,120	**274,431**	0.58	$159,170	5,098,859	**121,401**	0.29	$35,206	$194,377
Apr-03	11,097,523	**264,227**	0.58	$153,252	3,017,172	**71,837**	0.29	$20,833	$174,084
May-03	13,393,078	**318,883**	0.58	$184,952	2,122,733	**50,541**	0.29	$14,657	$199,609
Jun-03	13,639,672	**324,754**	0.58	$188,357	1,996,382	**47,533**	0.29	$13,785	$202,142
Jul-03	12,268,642	**292,111**	0.58	$169,424	1,471,274	**35,030**	0.29	$10,159	$179,583
Aug-03	15,571,518	**370,750**	0.58	$214,372	2,037,813	**48,519**	0.29	$14,071	$228,442
Sep-03	10,060,535	**239,537**	0.58	$138,931	1,935,118	**46,074**	0.29	$13,362	$152,293
Oct-03	7,118,044	**169,477**	0.58	$98,297	1,122,664	**26,730**	0.29	$7,752	$106,049
Nov-03	5,596,766	**133,256**	0.58	$77,189	1,026,481	**24,440**	0.29	$7,088	$84,276
Dec-03	5,632,562	**134,109**	0.58	$77,783	1,202,871	**28,640**	0.29	$8,306	$86,089
	128,576,987	**3,064,483**		$1,776,637	32,006,969	**762,071**		$221,000	$2,002,377

APPENDIX 3
State Interagency Heating Fuel Planning Team

INTERAGENCY HEATING FUEL SWAT TEAM

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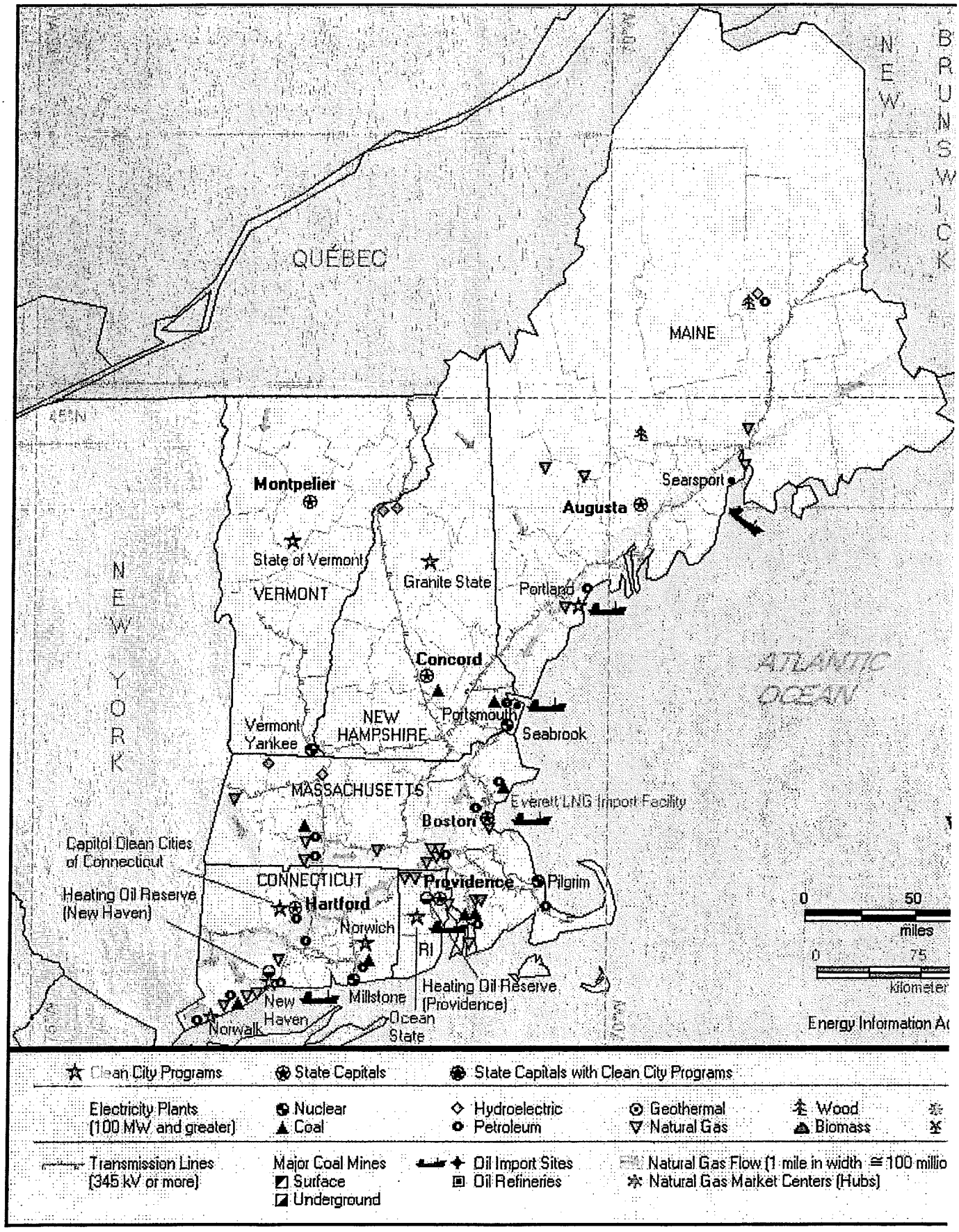
Last Update: February 5, 2004

APPENDIX 4
DOE/EIA Map of New England Energy Infrastructure


QUÉBEC
NEW BRUNSWICK
MAINE
Montpelier
Augusta
Searsport
State of Vermont
VERMONT
Granite State
Portland
NEW YORK
Concord
ATLANTIC OCEAN
Vermont Yankee
NEW HAMPSHIRE
Portsmouth
Seabrook
MASSACHUSETTS
Everett LNG Import Facility
Boston
Capitol Clean Cities of Connecticut
Heating Oil Reserve (New Haven)
CONNECTICUT
Hartford
Providence
Pilgrim
Norwich
RI
Millstone
Heating Oil Reserve (Providence)
New Haven
Ocean State
Norwalk
0 50
miles
0 75
kilometer
Energy Information Ad
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State Capitals
State Capitals with Clean City Programs
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Coal
Hydroelectric
Petroleum
Geothermal
Natural Gas
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Transmission Lines (345 kV or more)
Major Coal Mines
Surface
Underground
Oil Import Sites
Oil Refineries
Natural Gas Flow (1 mile in width ≅ 100 millio
Natural Gas Market Centers (Hubs)