

STATE MOTOR FUEL *connection*

A PUBLICATION FOR COMMONWEALTH FUEL PURCHASERS AND USERS

Spring 2013

Summer Gasoline Prices

Gasoline prices this summer are expected to be no higher than they were two years ago, according to the U.S. Energy Information Administration.

The forecast for the summer driving season (April-September) is for prices to be around \$3.63/gallon. This is down from last year's summer driving season average of \$3.69/gallon and the 2011 average of \$3.71/gallon. In 2010, however, the summer average was \$2.76 per gallon.

Crude oil prices are an important

factor in the lower prices and crude is expected to be lower in 2013 than 2012, due to increased production in the U.S. and Canada. Also, people are driving less and using more fuel efficient vehicles which is bringing consumption down.

Some analysts believe the retail price for a gallon of regular gasoline will drop below two dollars in some parts of the country.

Tom Kloza, Chief Oil Analyst for the Oil Price Information Service, said demand for oil has remained in check, even though the economy and consumers have been faring better. "There is a little wealth effect from the first quarter, but so far it is not resulting in more people hitting the road or consuming more fuel, so gas prices have been weak." With oil prices slumping, gasoline prices may fall further still, which will be welcome news for the motoring public.

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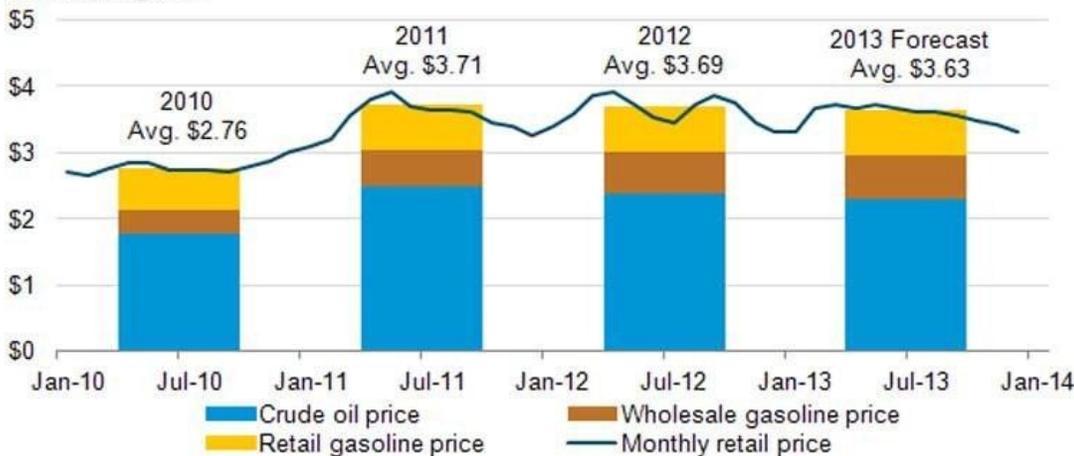
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Regular-grade gasoline retail price and summer average
dollars per gallon





Reminders

Voyager Fuel Card

If the primary contact on your Voyager account has changed, please complete a new MOC Contact Management Form with the updated information and return to Mansfield Oil Co. at:

Fuelcard@mansfieldoil.com. A new password and log-in will be assigned to the new primary contact in order to protect the security of your account.

Bulk Fuel

The bulk fuel contract, E194-781, defines a transport load of gasoline as 8000 gallons of gasoline or 7300 gallons of diesel. A tank wagon load is an amount less than 8000 gallons of gasoline and less than 7300 gallons of diesel. Transport and tank wagon pricing, for bulk fuel deliveries, can be found on the bulk fuel price list on our website at www.dgs.virginia.gov/fleet.

Working Together

As part of our stewardship of the SMFP, we will be surveying a random group of customers to gather feedback pertaining to vendor performance. If you receive an online questionnaire, please complete it as soon as possible. All customers are welcome to contact us with feedback at anytime.

By working together, we will continue to improve the State Motor Fuel Program.

Did you Know?

- There are 64 non-mandated Bulk Fuel accounts and 158 non-mandated Fuel Card accounts that “piggy-backed” on the contracts to save money and increase accountability.
- The SMFP is a three-year contract with seven (1) year optional renewals. The contracts for Bulk Fuel, Consignment Fuel, Fuel Card and Ferries went live on 10/6/2010.

The Colonial Pipeline

The Colonial Pipeline consists of 5500 miles of pipeline originating in Houston, Texas and traveling through Louisiana, Mississippi, Alabama, Georgia, South Carolina, North Carolina, Virginia, Maryland, Pennsylvania, New Jersey and ending in New York harbor.

The main lines are 60 inches and 36 inches in diameter.. One line carries gasoline, almost exclusively. The other line carries diesel, home heating oil, or jet fuel. The pipeline delivers a daily average of 100 million gallons of gasoline and other refined petroleum products. On average it takes 18.5 days for a batch to go from Houston to New York harbor.

Along the route are tank farms or oil depots that store petroleum products before they are sent to consumers or stores. There are fifteen tank farms associated with the Colonial Pipeline. They store more than 1.2 billion gallons of fuel and provide a 45 day supply for local communities.



Fuel Card Pricing

Major oil companies own about 4% of the 162,350 retail stations in the U.S. and operate less than half of the stations they own. As a result, most retail fuel outlets are owned or operated by small, independent retailers. Gas prices may differ from station to station, in the same area, due to factors that include varying overhead costs for the operators. By using the Voyager Fuel Card, from the State Motor Fuel Program, your agency/locality pays the regional state-contracted price for fuel on the day it is pumped, not retail, regardless of where the fuel is purchased. This allows the driver to fuel at the most convenient location, which saves time.

After making a fuel purchase with a Voyager card, the driver may notice that the price on the receipt is the retail price per gallon, not the state-contracted price. This is not an error. The SMFP vendor receives the purchase information from Voyager, removes the taxes and applies the state-contracted pricing, for the region, on that day. The correct price will be on the Mansfield Oil Co. invoice. It can be confirmed on our website; www.dgs.virginia.gov/fleet.



**For additional information on the SMFP contact:
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