

MIDWEST INFORMATION OFFICE
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AVERAGE ENERGY PRICES IN THE DETROIT AREA – MARCH 2012

Detroit area consumers paid prices more than the U.S. city average for electricity (21.3 percent) in March, as measured by the Consumer Price Index (CPI), the U.S. Bureau of Labor Statistics reported today. Prices for utility (piped) gas service and gasoline in Detroit were close to their U.S. averages in March. Regional Commissioner Charlene Peiffer noted that the percent differential between local and national prices for electricity widened over the year as Detroit area prices rose while national prices were unchanged. Local gasoline prices rose faster than the national average, while area utility (piped) gas prices declined more slowly. (See table A. Data in this release are not seasonally adjusted; accordingly, over-the-year analysis is used throughout.)

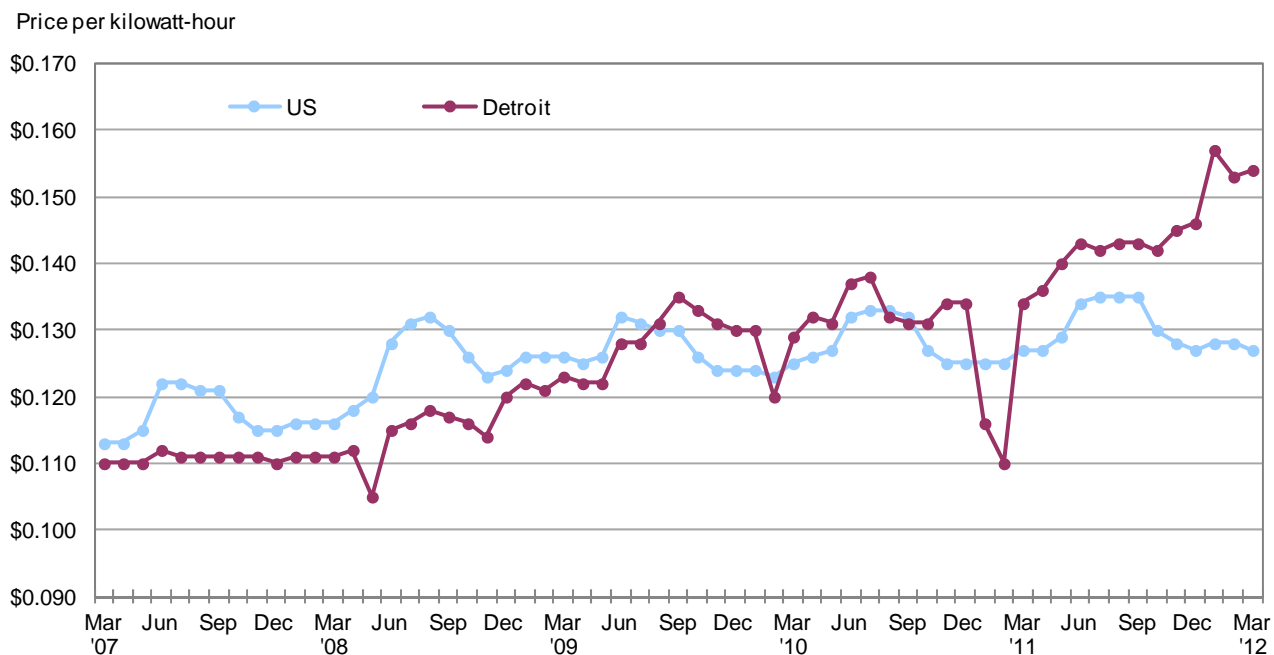
Table A. Average prices for electricity, gasoline and utility (piped) gas, United States and Detroit area, March 2011 and March 2012

	March 2011			March 2012		
	United States	Detroit area	Percent difference	United States	Detroit area	Percent difference
Electricity (per kWh)	\$0.127	\$0.134	5.5	\$0.127	\$0.154	21.3
Gasoline per gallon	\$3.594	\$3.517	-2.1	\$3.918	\$3.927	0.2
Utility (piped) gas per therm	\$1.077	\$1.010	-6.2	\$0.978	\$0.956	-2.2

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

A kilowatt-hour (kWh) of electricity cost Detroit area consumers \$0.154 in March 2012, 14.9 percent more than one year earlier. Nationwide, electricity prices were unchanged over the year at \$0.127. Since August 2009, electricity prices in Detroit have exceeded the nation in all but five months. (See chart 1.)

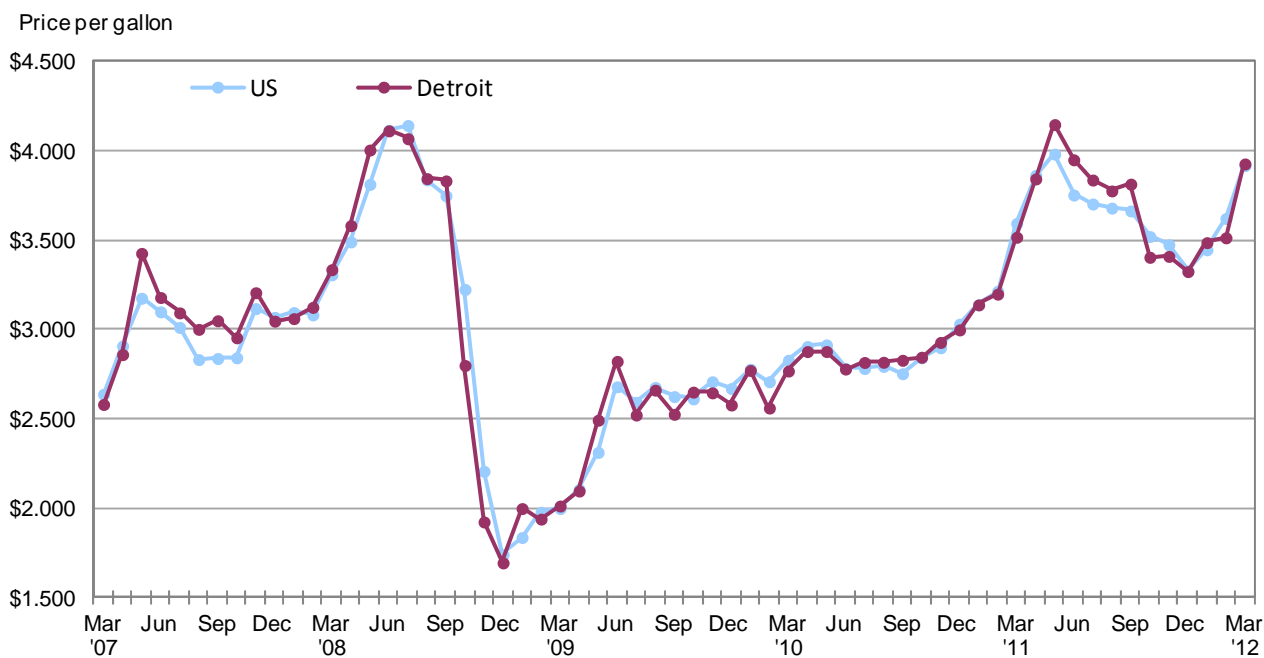
Chart 1. Average prices for electricity, United States and Detroit area, March 2007–March 2012



Source: U.S. Bureau of Labor Statistics

In March 2012, a gallon of gasoline averaged \$3.927 in the Detroit area, comparable to the national average of \$3.918. Over the year, the local price of gasoline rose 11.7 percent, while nationwide prices increased 9.0 percent. Local and national prices have largely moved in tandem over the last five years. (See chart 2.)

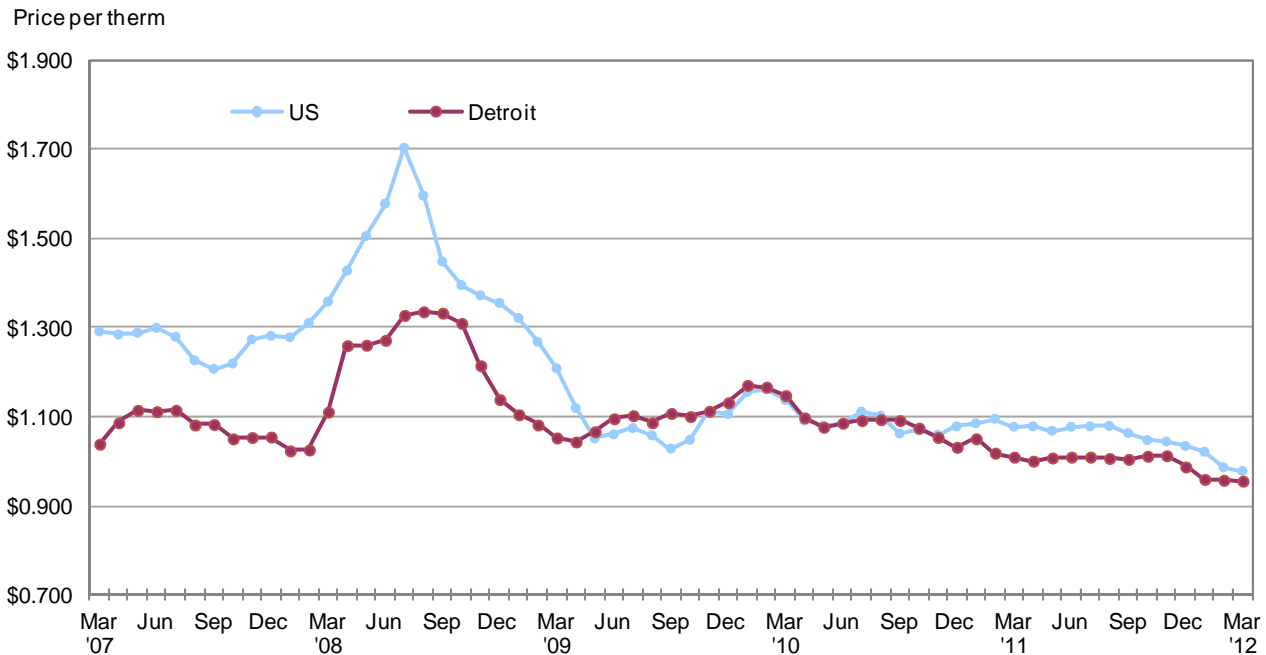
Chart 2. Average prices for gasoline, United States and Detroit area, March 2007–March 2012



Source: U.S. Bureau of Labor Statistics

A therm—a measure of constant heating value—of utility (piped) gas, commonly referred to as natural gas, averaged \$0.956 in the Detroit area in March 2012, declining \$0.054 (or 5.3 percent) from a year ago. Nationwide, a therm averaged \$0.978 in March 2012, down 9.2 percent over the year. Detroit area prices for utility (piped) gas in March 2012 were the lowest recorded in the last five years. (See chart 3.)

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



Source: U.S. Bureau of Labor Statistics

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

Additional Information

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

For personal assistance or further information on CPI data, as well as other Bureau data, contact the Midwest Information Office at 312-353-1880 from 9:00 a.m. to 5:00 p.m., Eastern Time.

Technical Note

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

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

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

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

Year and Month	Electricity per kWh		Gasoline per gallon		Utility (piped) gas per therm	
	United States	Detroit area	United States	Detroit area	United States	Detroit area
2011						
March	\$0.127	\$0.134	\$3.594	\$3.517	\$1.077	\$1.010
April	0.127	0.136	3.863	3.843	1.078	1.001
May	0.129	0.140	3.982	4.147	1.068	1.008
June	0.134	0.143	3.753	3.950	1.077	1.010
July	0.135	0.142	3.703	3.837	1.078	1.010
August	0.135	0.143	3.680	3.776	1.079	1.007
September	0.135	0.143	3.664	3.814	1.063	1.005
October	0.130	0.142	3.521	3.405	1.047	1.012
November	0.128	0.145	3.475	3.410	1.044	1.013
December	0.127	0.146	3.329	3.325	1.034	0.988
2012						
January	0.128	0.157	3.447	3.487	1.021	0.960
February	0.128	0.153	3.622	3.514	0.986	0.958
March	0.127	0.154	3.918	3.927	0.978	0.956