

# Pricing page

## Fuel price commentary

The latest figures comparing the average annual cost of home heating show another welcome fall for homeowners using oil. The data, which is released each quarter by the Sutherland Tables, shows that in each of the last twelve quarters, the annual average cost of heating with oil has fallen – that's three years of continuously falling costs! Not surprisingly, the falling oil price has contributed to an increase in consumer confidence in oil heating, reflected in rising boiler sales and a generally more positive outlook for the oil heating industry.

From a high point in April 2013 when the cost for a typical three bedroomed

home in Great Britain using an oil condensing boiler reached £1,431 per annum, the average cost has fallen to just £676. Not surprisingly oil heating remains the cheapest fuel for home heating, around £317 per annum cheaper than mains gas and £758 cheaper than LPG, assuming all three use a condensing boiler. It is also substantially cheaper than any renewable option.

## How long will the low oil prices last?

An OPEC meeting in April ended without any agreement to reduce production and, with Iran keen to regain its former market share, there

seem some grounds for believing that the current world crude oil over-supply will continue. However, the low price has had some impact on production from fracking in the US and the recent forest fires in Canada are likely to hit production there too. Add in increasing demand from China and there could be enough pressure to set crude oil prices rising, though probably not to anything like the kind of levels we have seen in the recent past. The sustained fall in kerosene prices may be about to end and, since late-January, prices have risen slightly to just over 30ppl. However, there is good evidence to suggest that the heating oil price will remain low for the rest of 2016 at least, and quite possibly beyond.

## Comparative space and water heating costs for a three bedroom house

### GREAT BRITAIN

	Apr-13	Apr-16	Price change	% Difference
Anthracite Grains	1094	1162	68	6.22%
Electricity	1456	1588	132	9.07%
Gas (British Gas)	1079	1007	-72	-6.67%
LPG	2461	1755	-706	-28.69%
LPG (Condensing)	2020	1448	-572	-28.32%
Oil	1751	838	-913	-52.14%
Oil (Condensing)	1431	690	-741	-51.78%
Wood Pellets	1246	1388	142	11.39%
Air Source Heat Pump	1360	1447	87	6.40%

### NORTHERN IRELAND

	Apr-13	Apr-16	Price change	% Difference
Anthracite Grains	1033	1015	-18	-1.74%
Electricity	1498	1551	53	3.54%
Gas (Phoenix)	1036	885	-151	-14.58%
LPG	2542	1975	-567	-22.31%
LPG (Condensing)	2085	1624	-461	-22.11%
Oil	1668	733	-935	-56.06%
Oil (Condensing)	1364	605	-759	-55.65%
Wood Pellets	1038	1105	67	6.45%
Air Source Heat Pump	1390	1486	96	6.91%

### REPUBLIC OF IRELAND

	Apr-13	Apr-16	Price change	% Difference
Anthracite Grains	1297	1510	213	16.42%
Electricity	2086	2048	-38	-1.82%
Gas	1346	1320	-26	-1.93%
LPG	3479	2448	-1031	-29.63%
LPG (Condensing)	2853	2018	-835	-29.27%
Oil	2211	1046	-1165	-52.69%
Oil (Condensing)	1804	861	-943	-52.27%
Wood Pellets	1165	1345	180	15.45%
Air Source Heat Pump	1766	1797	31	1.76%

The tables above show the average annual costs for a range of heating options. Prices are shown in pounds sterling (£) for Great Britain and Northern Ireland, and Euros (€) for the Republic of Ireland. Figures are for a semi-detached three bedroom house, requiring 13,500 kWh space heating & 2,500 kWh DHW heating. Data from the Sutherland Tables.