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Friday, September 25, 2009

## Americans roll dice on heating oil

As winter approaches and the price of crude continues to be unpredictable, millions of Americans are wondering if they should commit on their home heating oil at today's price with a pre-buy contract. Bob Moon reports.

*TEXT OF STORY*

**STEVE CHIOTAKIS:** Millions of Americans are faced with rolling the dice on whether they should lock in the price of heating oil to keep warm this winter. And with the price of crude going up and down so much, that doesn't make the decision any easier. Here's Marketplace's Bob Moon.



Tanks of heating oil  
([discountheatingoil.com](http://discountheatingoil.com))

**BOB MOON:** Suddenly, there are millions of armchair oil speculators, wondering if they should commit on their home heating oil at today's price with a "pre-buy" contract:

**MATT COTA:** It's never a guarantee of what you're going to save. It's a guarantee of what you're going to pay.

Matt Cota heads the Vermont Fuel Dealers Association. He concedes pre-buys ended up burning a lot of consumers who guessed wrong at the end of last summer:

**COTA:** The price of heating oil was \$4.25 a gallon, whereas it dipped down to \$2 or even less when the bubble burst.

This year, oil analyst Stephen Schork reckons prices should head even lower, but nowhere near as much as last year:

**STEPHEN SCHORK:** You can try and trade this market and get another 20 cents out, and I'm not pooh-poohing that. But given the volatility, you know what? This market moves 20 cents in any given day.

Matt Cota tells Vermont Public Radio the odds have favored the early buyer for 13 of the last 15 years:

**COTA:** If you bought in the summer, the price was less than if you bought in the winter. We've had two years where the opposite has happened, which is not a bad record.

But this year, with oil cheap and expected to stay that way, analyst Stephen Schork suggests it's a safe bet either way:

**SCHORK:** Compared to last year, you're ahead of the game.

I'm Bob Moon for Marketplace.

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