

NEWS

From GEORGIA TECH'S ENGINEERING EXPERIMENT STATION

Atlanta, Georgia 30332

Contact: Peggy Simcic Brønn/Ray Moore
(404) 894-3405

GEORGIA INDUSTRY SHOULD FEEL ONLY
"SOFT" EFFECT OF IRANIAN OIL CUTOFF

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For Immediate Release

ATLANTA, GA....The impact of the elimination of Iranian oil from the U. S. import picture should be a soft one on Georgia industry over the next year or so, says a researcher with the Georgia Tech Industrial Energy Extension Service.

Based on the following facts relating to No. 2 fuel oil, Dennis Coughlin says Georgia industry should have no problems weathering the cutoff from Iran. No. 2 fuel oil is the crude oil base product which has the greatest effect on industry.

Coughlin says that most small- and medium-sized industries use No. 2 fuel oil only as a second choice. Natural gas is their first choice and its supply picture looks pretty good.

For those industries that are curtailed from natural gas use during the winter, however, Coughlin believes there will be enough No. 2 fuel oil for their use. If not, he says propane is an alternative which has been used in the past and which remains available, although frequently at a higher cost.

For most large industries which use No. 2 oil, Coughlin says No. 6 oil offers an alternative which should be in good supply during the short term.

These speculations are strictly for the state of Georgia. Coughlin points out that some areas of the Northeast that have a heavy reliance on No. 2 and No. 6 fuel oils may have difficulties on a spot basis if there is a severe winter. Some of these areas are not supported by natural gas as either

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an alternate or primary fuel.

Coughlin adds that while supply is not a short-term problem with No. 2 fuel oil, the price will be. This, coupled with a new incremental pricing policy on natural gas which becomes effective Jan. 1, will mean higher fuel bills for everyone.

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