



DO THE MATH - Fuel costs the MTA about 40 cents per mile for a CNG bus, compared with costs of about 41 cents per mile for a diesel bus. The average bus travels 42,500 miles a year. PHOTO BY GAYLE ANDERSON

Spiraling Fuel Prices Could Impact MTA Operating Budget

By BILL HEARD, Editor

(Jan. 5) The price of diesel fuel and natural gas - vital commodities for the MTA's 2,300-bus fleet - has skyrocketed the past 12 months as demand has outrun supply during an unusually cold winter. The cost increases are being watched closely for their impact on the agency's budget.

Diesel fuel, which was holding fairly steady at a two-year average price of 55 cents a gallon in mid-1999 more than doubled to \$1.13 per gallon in late December after it peaked at \$1.40 in November. The MTA expects to buy more than 13 million gallons of diesel fuel this year.

The two-year average price of natural gas in mid-1999 was 31 cents per "therm." Late last month, the cost had risen to about 75 cents per therm. This year, the MTA will purchase between 26 million and 28 million therms of natural gas.

Meanwhile, gasoline - which is used by the MTA's non-revenue fleet - is costing the MTA \$1.19 per gallon, down from a peak of \$1.72.

Still within budget

The season's high prices have pushed MTA fuel costs beyond the expenditures planned for FY 2001, but they aren't budget busters.

"We feel we'll be able to manage these cost increases within the current authorized budget due to operating efficiencies we've realized throughout the year," said Carolyn Flowers, deputy executive officer, Finance. "We know they'll have an adverse impact and we'll be monitoring this component of the budget closely."

The MTA operates 1,133 CNG buses and expects to have 1,570 on the road by the end of the summer.

In fuel costs alone, it costs the agency about 40 cents per mile to operate a CNG bus, compared with costs of about 41 cents per mile to run a diesel bus, according to Jim Pachan, equipment maintenance manager.

These costs don't take into account other operating, maintenance or capital costs. The average bus travels 42,500 miles a year.

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