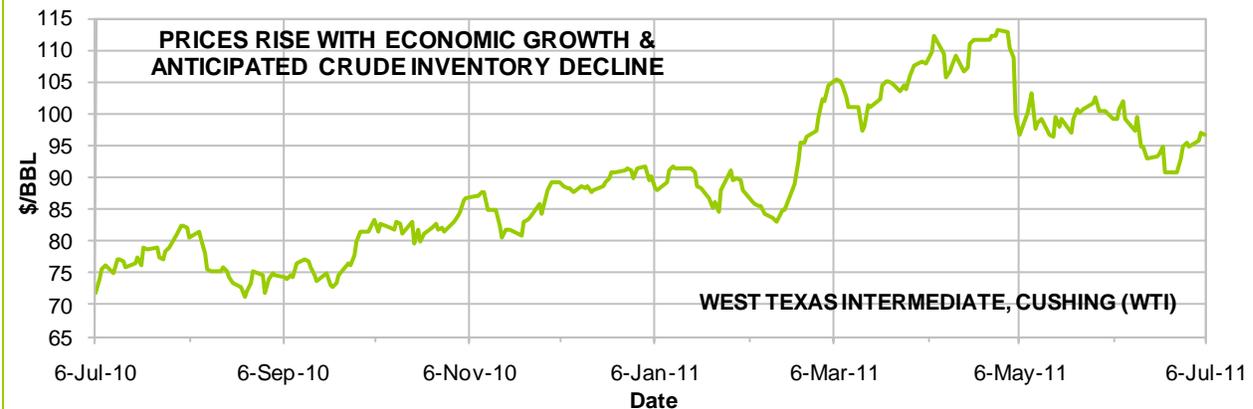


## Crude Oil



Although imports grew by 11%, a decline in production and an increase in crude inputs to refineries led to a 0.9 million barrel decline in inventories. However, this was only about one-third the expected decline as well as the 5-year average decline and it was only one-fifth the decline for this same week last year. Inventories have improved to 0.1% below last year and to 5.6% above the 5-year average. Inventories are at their 4<sup>th</sup> highest level ever for this date.

After falling by more than \$4/bbl with the release of oil from various countries' strategic oil reserves, prices have been increasing with more positive economic signals, inventory declines, and threats of OPEC production cuts. Futures prices settled at \$98.95, up \$1.73 for the week and \$24.23 (32.4%) higher than a year ago. Spot prices were at \$96.65, up \$1.82 for the week and \$24.71 (34.3%) higher than last year. Prices are about \$48 (33%) below their 2008 peaks.

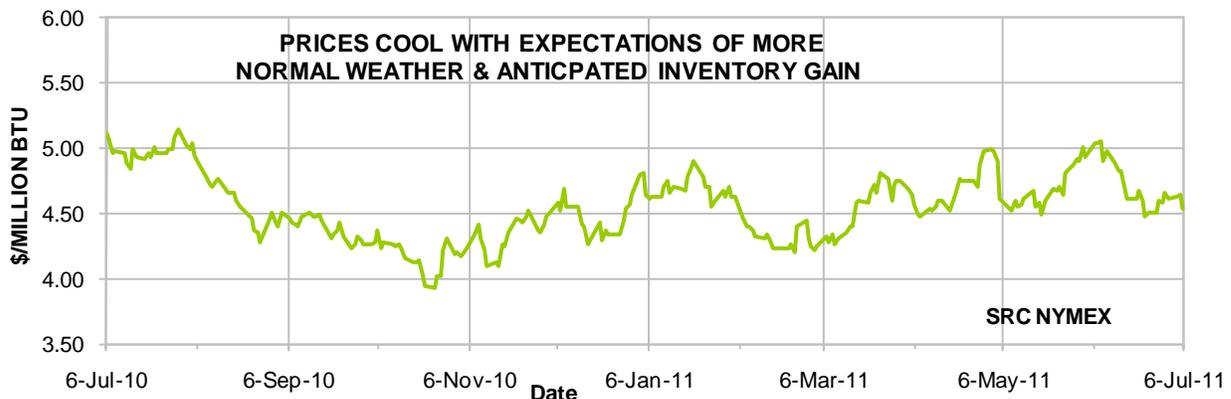


## Natural Gas



Natural gas inventories grew by 95 BCF this past week. This was 20% greater than the expected gain of 79 BCF as well as the 5-year average gain of 80 BCF. The gain was 26% higher than last year's gain of 75 BCF. As a result, this week's 2,527 BCF inventory level has improved to 8.1% below last year's level and to 1.9% below the 5-year average. Cumulative injections this year are running 13.7% below last year and 6.6% below the 5-year average.

Expectations of greater than normal inventory gains and a return to more normal summer weather pushed prices down this past week. Futures prices fell by 5.4 cents, settling at \$4.530 per million BTU. This was 58.3 cents (11.4%) lower than a year ago and 66.0% below the 2008 peak. Spot prices fell by 5 cents. They settled at \$4.34 per million BTU, 51 cents (10.5%) lower than a year ago. Spot prices are 67.4% below their 2008 peak. According to census data, 31% of dwelling units in Connecticut heat with natural gas.

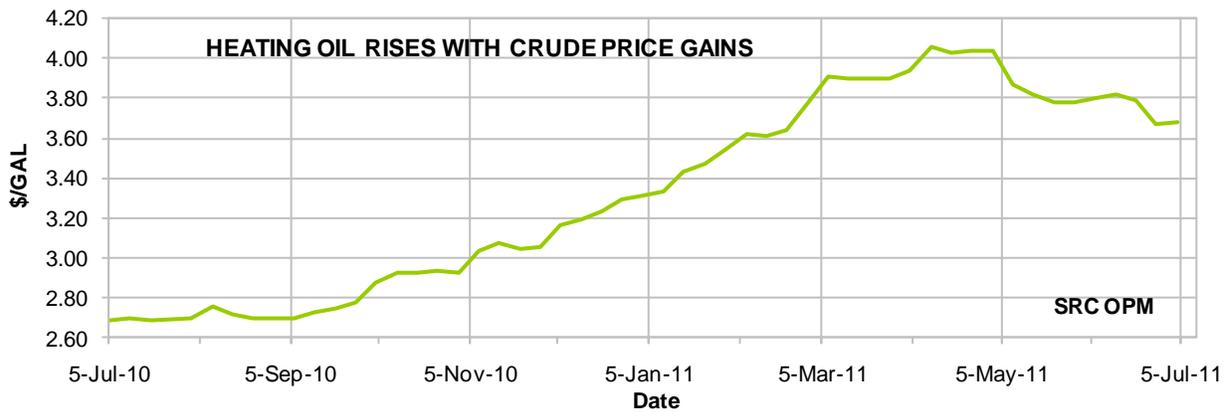


# Heating oil



Inventories fell by 0.2 million barrels this past week as a 5.4% increase in demand offset gains in production and imports. The weekly decline compares to an expected gain of 0.6 million and a 5-year average gain of 1.6 million. Inventories now trail last year by 11.0%. At 3.2% above the five-year average, they are still at their third highest level ever for this date.

Futures prices rose by 2.6 cents this week and settled at \$3.016/gal, \$0.991 (49.0%) above last year but \$1.178 (28.1%) below 2008's peak. Spot prices rose by 4.9 cents. They settled at \$2.953/gal, \$1.068 (56.6%) above last year but \$1.127 (27.6%) below their 2008 peak. Retail prices rose by 1.3 cents this week as they reacted to higher crude oil prices. Prices are now at \$3.683/gal, \$1.001 (37.3%) above a year ago. Prices are \$1.084 (22.7%) below their 2008 peak. The highest price in this week's survey was \$4.399 and the lowest was \$3.049. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



## Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
5-Jul-10	2.833	3.299	2.290	2.658	3.199	2.099	2.663	2.880	2.440
20-Jun-11	3.870	4.449	3.590	3.818	4.299	3.299	3.663	3.760	3.370
27-Jun-11	3.766	4.399	3.440	3.701	3.999	3.049	3.548	3.750	3.200
4-Jul-11	3.786	4.399	3.440	3.680	3.999	3.099	3.590	3.750	3.320
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
5-Jul-10	2.625	2.799	2.449	2.741	2.899	2.499	2.601	2.799	2.429
20-Jun-11	3.785	3.899	3.599	3.864	3.999	3.690	3.739	3.899	3.539
27-Jun-11	3.667	3.899	3.499	3.792	3.999	3.490	3.598	3.790	3.389
4-Jul-11	3.687	3.899	3.499	3.766	3.850	3.590	3.588	3.799	3.389
	NEW HAVEN			OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning July 7, 2011. Figures reflect per gallon prices without discount.  For more information, see <a href="http://www.ct.gov/OPM">www.ct.gov/OPM</a> > Energy Management > Energy Price and Supply Information					
	AVG	HIGH	LOW						
5-Jul-10	2.614	2.840	2.299						
20-Jun-11	3.721	3.999	3.359						
27-Jun-11	3.578	3.899	3.259						
4-Jul-11	3.631	3.899	3.299						

# Propane



A slight 0.9% increase in production, a 7.3% gain in imports, and a 10.1% decline in demand lead to a 2.3 million barrel increase in propane inventories this past week. This week's inventory growth was 26% greater than last year's gain of 1.8 million and 14% above the 5-year average weekly gain of 2.0 million barrels. As a result, inventories have improved to 16.1% less than last year and to 16.2% below the 5-year average.

Spot propane prices rose by 0.9 cents/gal this past week after falling by 5.7 cents the week before. At \$1.494 per gallon, spot prices are 52 cents (53.3%) higher than a year ago but they are 24.5% lower than their peak 2008 price. The usual reporting of Connecticut retail propane heating prices has been discontinued for the season but will resume in October. According to census data, propane is used to heat 2.7% of homes in Connecticut.



# Gasoline



After falling by 1.4 million barrels last week, inventories fell another 0.6 million this week. The 0.6 million decline compares to an expected gain of 1.0 million and a 5-year average gain of 1.4 million. Inventories have worsened to 3.1% below last year and to only 0.2% above the 5-year average.

Futures prices increased by 2.0 cents this past week. They are at \$2.863/gal, \$0.922 (47.5%) higher than last year but \$0.748 (20.7%) below their 2008 peak. Spot prices rose by 7.1 cents/gal to \$2.920/gal. They are \$1.021 (53.7%) higher than a year ago. Spot prices are 14.4% (\$0.491) below their 2008 peak. Although prices were 0.7 cents higher on Wednesday from an upturn in crude prices, Connecticut retail prices fell another 1.9 cents for the week and they have fallen by 35.7 cents over the past 8 weeks. At \$3.911, prices are \$1.038 (36.1%) higher than a year ago. Retail prices are 47.9 cents (10.9%) cents below their 2008 all time high of \$4.390.

