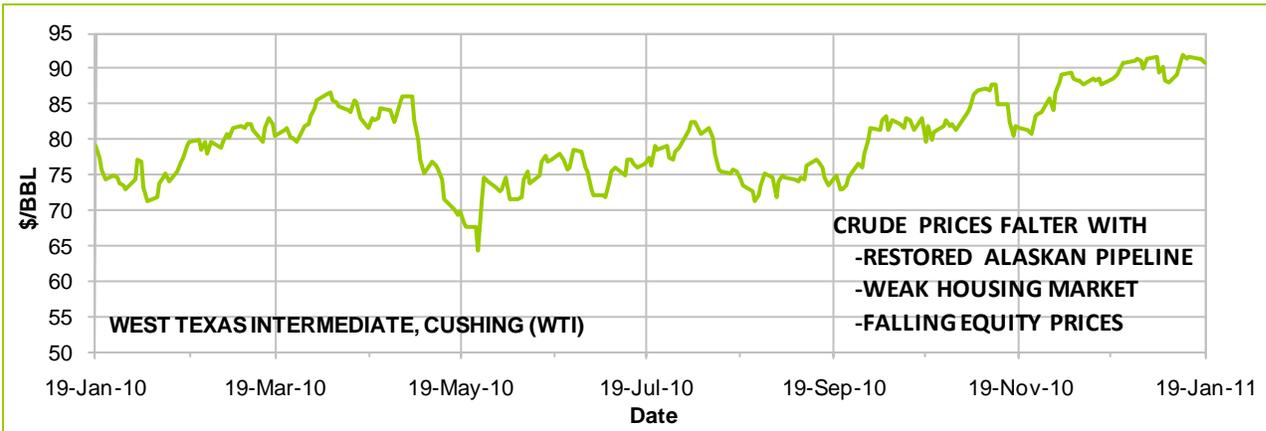


## Crude Oil



Crude inventories rose unexpectedly by 2.6 million barrels this week. This was 14.5% smaller than the 5-year average gain of 3.1 million but was in sharp contrast to the expected decline of 1.0 million. A decline in domestic production was offset by a decline in crude flowing to refineries and an increase in imports. Inventories have improved to 1.5% above last year and they are 5.4% above the 5-year average. They are at their highest level for this date since 1992.

Spot prices and futures prices both fell for the week as crude oil flow was restored on the Alaskan pipeline, equity prices fell, and there was a weak U.S. housing report. Futures prices were \$0.38 lower this week, settling at \$94.65. This was \$12.92 (15.8%) higher than a year ago. The spot price settled at \$90.83, \$11.88 (15.0%) higher than last year but \$1.00 lower than the week before. Both prices are about 36% below their 2008 peak prices.



## Natural Gas



Inventories fell this week by 243 BCF. This was the largest decline ever for this date. The inventory decline was slightly more than the expected decline of 224 BCF and far larger than the 5-year average decline of 133 BCF. At 2,716 BCF, this week's inventory level is the second highest ever for the time period. It trails 2007's record high of 2885 by 5.9%. It is 2.8% above last year and 1.9% above the 5-year average.

Futures prices were up 2.5 cents for the week as severe winter weather in much of the country and expectations of a larger than normal inventory draw sent prices to \$4.777 per million. This was \$1.088 (18.5%) lower than a year ago and 64.2% below the 2008 peak. Futures prices have risen by 40.8 cents over the past 4 weeks. Spot prices were 7 cents lower for the week, settling at \$4.480 per million BTU. They are \$1.040 (18.8%) lower than a year ago and 66.3% below their 2008 peak. Spot prices had risen by 54.0 cents over the previous three weeks.

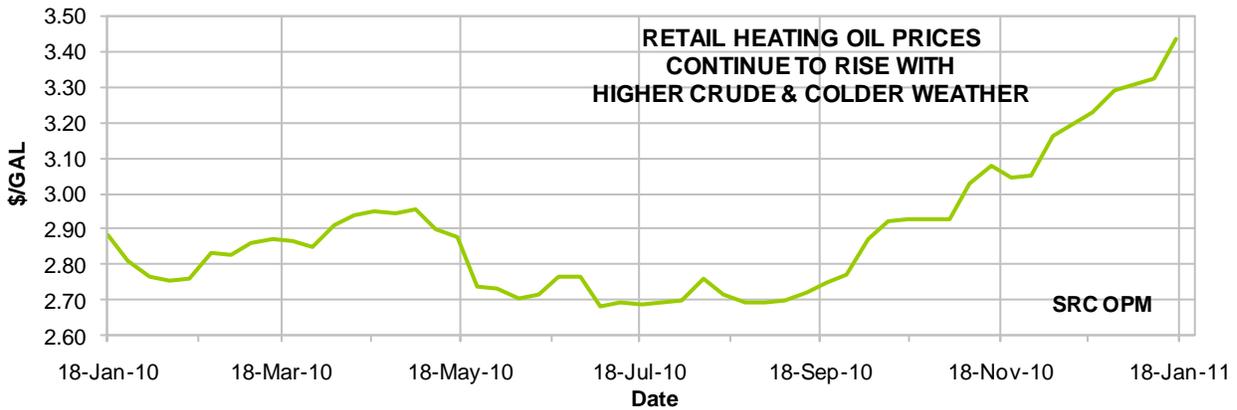


# Heating oil



Distillate stocks increased by 1.04 million barrels this week, slightly above an expect gain of 1.0 million gain and 3 times the five-year average gain of 0.36 million. Stocks are 5.2% above last year and they are the highest for this date since 1983, 17.0% above the five-year average.

Futures prices and spot prices have risen by about 40 cents over the past 2 months from higher crude prices and colder weather. Futures prices settled at \$2.667/gal, 53.5 cents (25.1%) above last year but \$1.527 (36.4%) below 2008's peak. Spot prices are at \$2.651/gal, 62.3 cents (30.7%) above last year but \$1.429 (35.0%) below the 2008 peak. Retail prices rose by 10.7 cents this past week. They are now at \$3.436/gal, 55.1 cents (19.1%) above a year ago but \$1.331 (27.9%) below their 2008 peak. Prices have risen by 39.3 cents over the past 8 weeks. The highest price in this week's survey was \$3.999 and the lowest was \$3.050. Prices are at their highest level since October of 2008. According to census data, 49.1% of dwelling units in Connecticut heat with oil.



## Connecticut Regional Heating Oil Prices

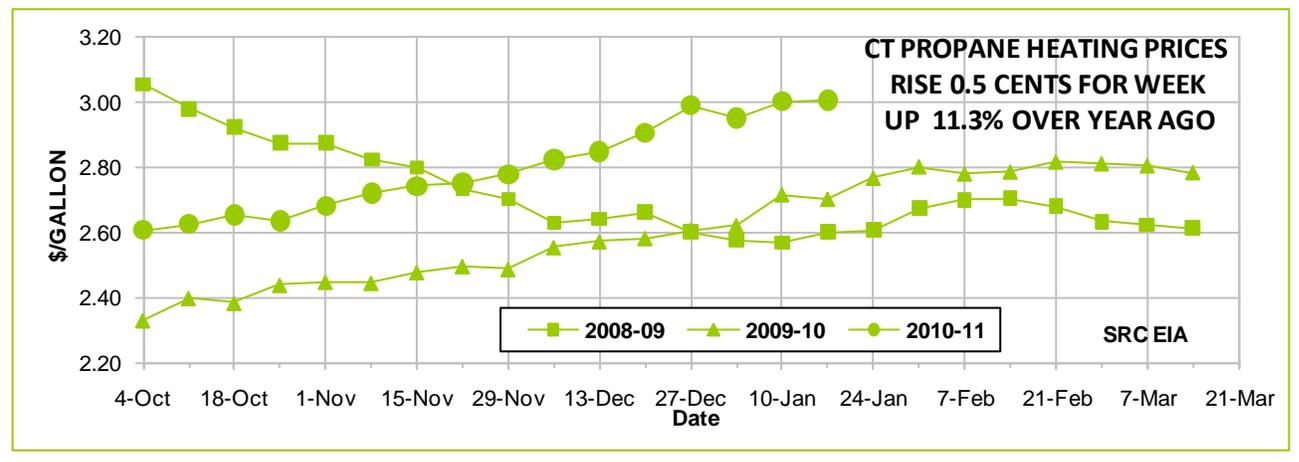
	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
18-Jan-10	3.027	3.499	2.600	2.842	3.049	2.599	2.898	3.299	2.679
3-Jan-11	3.435	3.899	3.040	3.345	3.690	3.099	3.261	3.390	3.050
10-Jan-11	3.466	3.999	3.100	3.360	3.690	3.149	3.251	3.400	3.050
17-Jan-11	3.562	3.999	3.240	3.470	3.890	3.199	3.363	3.500	3.140
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
18-Jan-10	2.875	2.999	2.799	2.941	3.099	2.790	2.809	2.899	2.700
3-Jan-11	3.347	3.499	3.259	3.303	3.499	3.140	3.248	3.319	3.129
10-Jan-11	3.357	3.499	3.279	3.322	3.549	3.140	3.263	3.359	3.160
17-Jan-11	3.455	3.599	3.369	3.441	3.649	3.240	3.393	3.459	3.330
	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 January 17, 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						
18-Jan-10	2.818	3.099	2.579						
3-Jan-11	3.215	3.399	2.990						
10-Jan-11	3.242	3.499	3.000						
17-Jan-11	3.344	3.599	3.050						

# Propane



Propane inventories fell by 5.4 million barrels this week. This compares to a 5-year average decline for the week of 3.2 million barrels. Current storage levels have worsened to 7.9% above last year and they lag the 5-year average by 9.7%.

Spot propane prices fell 1.6 cents this past week after increasing by 12.7 cents over the previous six weeks. At \$1.358 per gallon Wednesday, spot prices were 12.8 cents (10.4%) higher than a year ago but 31.4% lower than their peak 2008 price. Reflecting the slowing pace of propane wholesale price increases, the average Connecticut retail price for home heating rose by only 0.5 cents this week. At \$3.008/gal, it is 30.5 cents (11.3%) higher than a year ago. According to census data, propane is used to heat 2.7% of homes in Connecticut.



# Gasoline



Gasoline inventories rose by 4.4 million barrels this week as winter storms continue to curtail gasoline demand. Although imports fell, weaker demand and increased production lead to the greater than expected inventory gain. The 4.4 million increase was almost twice the expected gain of 2.3 million and 16% above the 5-year average of 3.8 million barrels. Inventories levels are 0.3% above last year and they have improved to 4.2% above the 5-year average.

Futures and spot prices grew by 1.7 and 2.5 cents/gal this past week. At \$2.525/gal, futures prices are 39.7 cents (18.7%) higher than last year. They are \$1.087 (30.1%) below their 2008 peak. Spot prices were at \$2.483/gal. This is 41.8 cents (20.2%) higher than a year ago. Spot prices are 27.2% (\$0.929) below their 2008 peak. Connecticut retail prices rose by 2.5 cents this week and by 33.4 cents over the past 11 weeks. At \$3.321, prices are 41.5 cents (14.3%) higher than a year ago but 24.4% (\$1.069) below 2008's peak.

