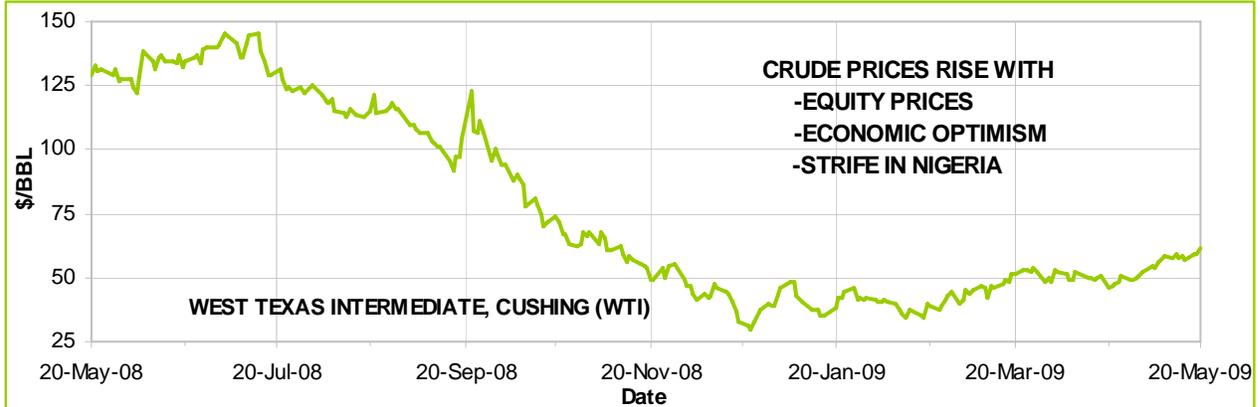


Crude Oil



After rising over the previous 9 weeks, crude oil inventories declined for the second consecutive week. Inventories fell by 2.1 million barrels compared to expectations of a fall of only between 0.7 and 1.5. Declining imports again more than offset record low refinery utilization rates. Crude oil stocks still exceed year ago levels by 14.7% and they are 12.2% above the five-year average. Crude inventories are still at their highest level for this date since 1990 and that is not even taking into account an estimated 50 to 100 million barrels stored at sea on tankers.

Spot prices rose by \$3.43/bbl this past week as the market reacted to the growth in equity markets, the fall in inventories, expectations that the worst of the recession is over, and strife in Nigeria. The market continues to ignore the market fundamentals of weak demand and the highest inventory levels in 19 years for this time period. Futures prices closed at \$64.90, \$64.80 (50%) lower than a year ago. The spot price was \$61.40, \$67.68 (52%) less than last year.



Natural gas



Natural gas inventories grew by 103 BCF this past week, the second largest increase ever for this time of year and 22% greater than the five-year average growth. Cumulative injections since the end of the heating season are also 22% above the five-year average. Current inventory levels are the highest ever for this time of year. Inventories are 32.1% higher than a year ago and 22.4% above the five-year average. This is despite the gas rig count being 50% lower than a year ago.

Prices reached record highs in July of 2008. Futures prices have since fallen by 61% and spot prices are down by 72%. Futures prices fell by 22 cents this past week and the spot price fell by 62 cents as the reality of weak demand and near record storage levels overcame the hope that the anticipated economic recovery will eventually raise demand. The 12-month strip is now at \$5.186 per million BTU, 56% lower than a year ago. The spot price is at \$3.770, 66% lower than a year ago.



Heating oil



Despite declining production, the lack of heating demand and weak diesel demand resulted in an additional 0.7 million barrel gain in inventories this past week, slightly lower than the normal gain of 0.9 million for this time of year. Distillate inventories are 37.6% above year ago levels and are 33% above the five-year average. After setting record highs on July 3rd, prices have fallen by 60%. The 12 month strip is now \$1.696/gal, \$2.12 (56%) lower than a year ago. The spot price is now \$1.515/gal, \$2.25 (60%) below this time last year. After falling by 13.4 cents over the previous 5 weeks, Connecticut retail heating oil prices were flat this past week. At \$2.199/gal, this week's average price is \$2.57 (54%) below the July 14th peak price. Prices are now 49% (\$2.15) lower than a year ago. Prices are also 12% and 16% lower than in 2007 and 2006. The highest price in this week's survey was \$2.759 and the lowest was \$1.749. Prices continue to be at their lowest levels since before Katrina. According to census data, 52.4 percent 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
19-May-08	4.549	4.999	4.299	4.292	4.559	3.999	4.359	4.530	4.179
4-May-09	2.416	2.699	2.149	2.115	2.690	1.749	2.129	2.299	1.919
11-May-09	2.449	2.699	2.149	2.151	2.690	1.799	2.191	2.330	1.999
18-May-09	2.460	2.759	2.149	2.153	2.490	1.749	2.177	2.360	1.899
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
19-May-08	4.295	4.489	4.040	4.360	4.400	4.250	4.289	4.400	4.120
4-May-09	2.119	2.249	1.949	2.219	2.399	2.049	2.044	2.249	1.939
11-May-09	2.195	2.299	1.999	2.229	2.399	2.099	2.094	2.299	1.979
18-May-09	2.163	2.299	1.999	2.219	2.399	2.099	2.079	2.299	1.929
	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 May 18, 2009. Figures reflect per gallon prices without discount. For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information					
	AVG	HIGH	LOW						
19-May-08	4.300	4.399	4.079						
4-May-09	2.082	2.299	1.709						
11-May-09	2.126	2.349	1.850						
18-May-09	2.124	2.359	1.870						

Propane



Propane inventories rose by 1.8 million barrels in this week's inventory report, slightly less than the normal gain of 1.9 million for this time of year. Inventories have grown by 10.9 millions barrels over the past 9 weeks, 65% higher than the five-year average gain of 6.6 million. Despite the lower than normal weekly gain, current storage levels exceed last year's levels by 42.7%. Inventories are now 37.8% above the five-year average. Weak demand, especially in the petrochemical feedstock sector, has been the main driver of the inventory gain. Spot propane prices were 72.7 cents per gallon yesterday, 58% lower than a year ago and 63% lower than their peak price of \$1.979/gal this past July. Spot prices rose by 3 cents/gal this past week after also rising by 3 cents/gal the previous week. Prices are 29% above their December 9, 2008 low of 56 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



Gasoline



Gasoline inventories were expected to fall by 1.0 million barrels this past week. Instead, they fell by 4.3 million. Continued declines in imports and additional production cutbacks more than offset weak consumer demand. Inventories are now 2.7 percent below last year and are 1.1% below the five-year average. Spot prices and futures prices are about 50% below their July 2008 peaks. The spot price is at \$1.755/gal, \$1.42 (45%) less than a year ago. The 12-month strip, at \$1.713/gal, is 47% (\$1.51) less than last year. After peaking at \$4.390/gal on July 9th, retail prices have fallen by \$1.94 (44%) to \$2.455/gal. Current retail prices are \$1.60 (39.4%) lower than a year ago. Since bottoming out on January 2, 2009 at \$1.729/gal, Connecticut retail prices have risen by 73 cents, about 42%. Connecticut retail prices have risen 6 cents in the past week and 22 cents in the past two weeks. The latest price increases have been supported by expectations that drivers will take advantage of the relatively low current gasoline prices and boost their Memorial Day driving for the first time in four years.

