

Crude Oil



Crude oil inventories fell unexpectedly by 0.8 million barrels this past week compared to an anticipated increase of between 1 and 2 million barrels. OPEC production cuts and an increase in refinery utilization rates were the main factors. Despite the decline in this week's inventory levels, stocks still show an increase of 60.4 million barrels (20.8%) over the previous 23 weeks. Inventories are 13.8% above the five-year average and exceed year ago levels by 14.5%.

In response to the inventory decline, further growth in gasoline demand, a proposed stimulus package in China, and a possibility of additional OPEC production cuts, spot prices have risen by \$5.21/gal in the past two days. They are now at \$45.25/bbl, \$54.27 (55%) lower than last year at this time. Futures prices rose by \$3.86/bbl in the past two days, settling above \$50 per barrel. At \$50.18/bbl, they are 49% (\$47.44) less than last year.



Natural gas



Natural gas inventories fell by only 102 BCF this past week, slightly greater than the expected decline of 96 BCF, but 15% less than the 120 BCF average decline for this time of year. Current inventory levels are the third highest ever for this time of year. Inventories have soared to 17.8% higher than a year ago and they have improved to 13.8% above the five-year average. The strong storage numbers will continue to exert downward pressure on prices.

Prices reached record highs in July of 2008 but have since fallen by more than 60%. Over the past 8 sessions futures prices have risen by 8% as crude oil prices have turned upward and the stock market showed some strength yesterday. However, the strong inventory numbers and forecasts of warmer weather will continue to limit price increases. Yesterday's futures prices closed at \$5.158 per million BTU, 47% lower than a year ago. The spot price is at \$4.210, 54% lower than a year ago.

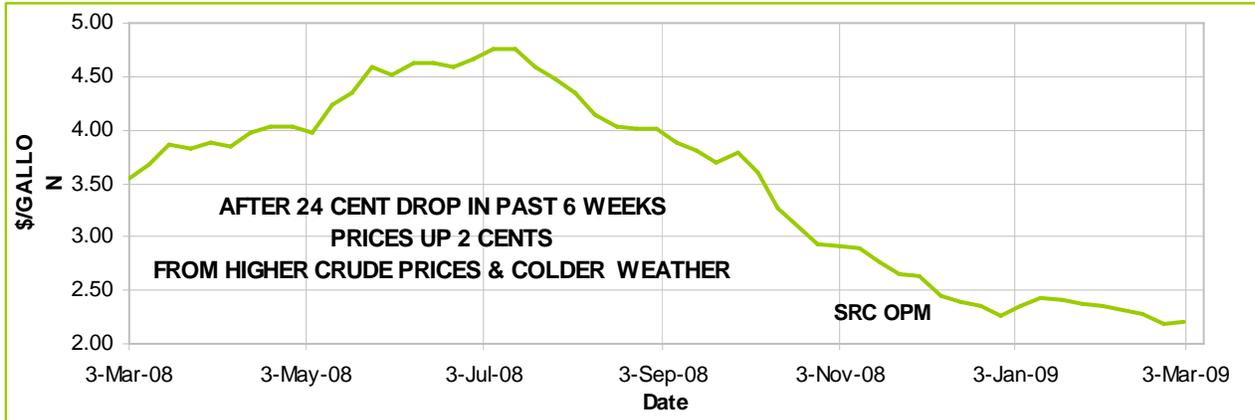


Heating oil



Distillate inventories grew by 1.7 million barrels this past week compared to an expected decline of 1.4 million. The inventory surplus compared to last year has risen to 21.1%. Inventories have improved to 20.2% above the five-year average. After setting record highs on July 3rd, futures prices have fallen by 68%. The 12 month strip is now \$1.354/gal, \$1.39 (51%) lower than a year ago. The spot price is now \$1.205/gal, \$1.61 (57%) below this time last year.

Colder weather and higher crude oil prices caused a 2 cents rise in Connecticut retail heating oil prices this past week after haven fallen by 24 cents over the previous 6 weeks. At \$2.205/gal, this week's average price is \$2.56 (54%) below the July 14th peak price. Prices are now 38% (\$1.35) lower than a year ago. The highest price in this week's survey was \$3.490 and the lowest was \$1.779. Prices are 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
3-Mar-08	3.722	3.999	3.449	3.557	3.799	3.339	3.515	3.660	3.359
16-Feb-09	2.504	2.799	2.299	2.259	3.490	1.899	2.211	2.449	1.939
23-Feb-09	2.432	2.799	2.249	2.193	3.490	1.750	2.113	2.299	1.929
2-Mar-09	2.475	2.799	2.299	2.218	3.490	1.820	2.157	2.299	2.029
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
3-Mar-08	3.553	3.699	3.339	3.538	3.729	3.450	3.479	3.549	3.400
16-Feb-09	2.125	2.199	2.000	2.359	2.499	2.149	2.118	2.349	2.019
23-Feb-09	2.021	2.099	1.850	2.189	2.499	1.999	2.001	2.199	1.900
2-Mar-09	2.063	2.169	1.850	2.219	2.399	1.999	2.013	2.199	1.949
	NEW HAVEN								
	AVG	HIGH	LOW						
3-Mar-08	3.475	3.699	3.000						
16-Feb-09	2.218	2.499	1.859						
23-Feb-09	2.157	2.399	1.759						
2-Mar-09	2.139	2.499	1.779						

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 March 2, 2009. Figures reflect per gallon prices without discount.

For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

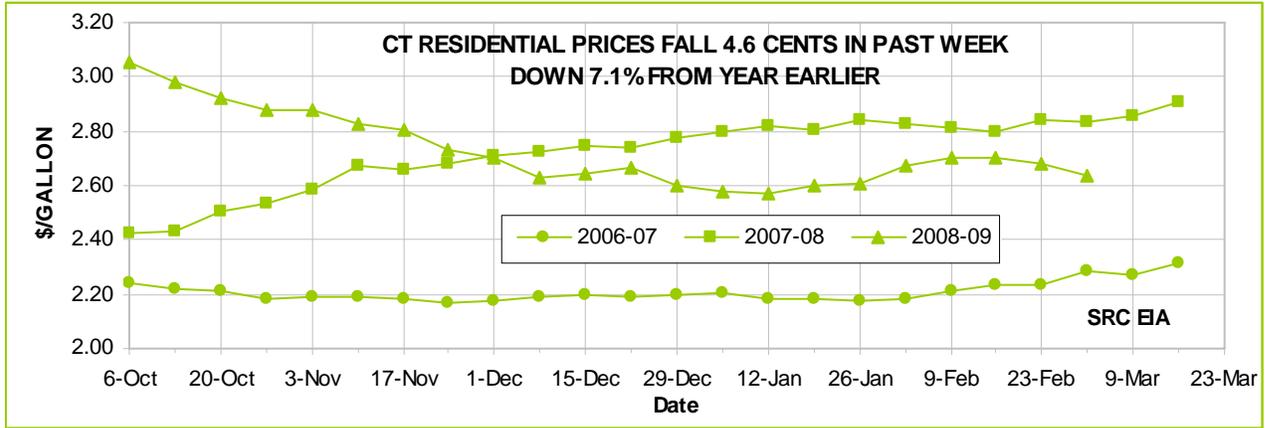
Propane



Propane inventories fell by 1.1 million barrels in this week's inventory report, much less than the normal 1.9 million decline for this time of year. The EIA inventory report showed inventories exceeding last year's level by 29.1% compared to 22.1% last week. Inventories are now 23.8% above the five-year average compared to only 20.1% in last week's report.

In the weekly residential price survey that OPM performs for the EIA, Connecticut retail propane prices fell by 4.6 cents after falling by 2.5 cents last week. Prices had risen by 13.6 cents/gal in the previous five weeks. Prices are \$2.634/gal. Prices have fallen by 42 cents/gal (14%) since October 6th and they are 7.1% (20 cents) less than last year at this time.

According to census data, 2% of homes in Connecticut are heated by propane.



Gasoline



Gasoline inventories were expected to fall by between 0.5 and 1.0 million barrels this past week. Instead, they grew by 0.2 million as refinery utilization rates rose by 1.7 percentage points. Inventories have worsened to 7.8% less than a year ago and they are 2.4% below the five-year average. Spot prices and futures prices remain more than 60% below their July 2008 peaks. The spot price is at \$1.309/gal, \$1.06 (45%) less than a year ago. The 12-month strip, at \$1.337/gal, is 46% (\$1.13) less than last year.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$2.36 (54%) to \$2.026/gal. Current retail prices are \$1.28 (39%) lower than a year ago. Connecticut retail prices are now at March 2005 levels. Since bottoming on January 2, 2009 at \$1.729/gal, Connecticut retail prices have risen by 30 cents, about 17%. Higher crude prices and increases in gasoline demand have led to the resurgence in retail prices.

