

Crude Oil



2009 crude oil spot prices have averaged in the low \$40's as OPEC has sought to use production cuts to offset the effects of a weak economy and softening demand on world crude oil prices. After reaching record highs in July 2008 in the mid \$140's, crude prices have fallen by more than 65%. The 12 month strip settled at \$49.87 on Wednesday. It is now \$39.55 (44%) lower than a year ago. Spot prices closed at \$40.24/bbl, \$49.78 (55%) lower than last year at this time.

Crude inventories grew by 7.2 million barrels this past week, far exceeding an expected gain of between 2.5 and 3 million. Inventories improved to 14.6% above the five-year average and now exceed year ago levels by 16.1%. Inventories have risen in 17 of the past 19 weeks, reflecting the growing weakness in world petroleum demand. Inventory growth has continued to be strong because of the weak demand for refined petroleum products.



Natural Gas



Higher than average inventory levels, increased non-Gulf production, and weak industrial demand continue to limit the impact of colder than normal weather on natural gas prices. Prices reached record highs in July 2008 but have since fallen by more than 60%. Wednesday's futures prices closed at \$5.403 per million BTU, 35% lower than a year ago. The spot price has fallen to \$5.010 per million BTU, 34% lower than a year ago.

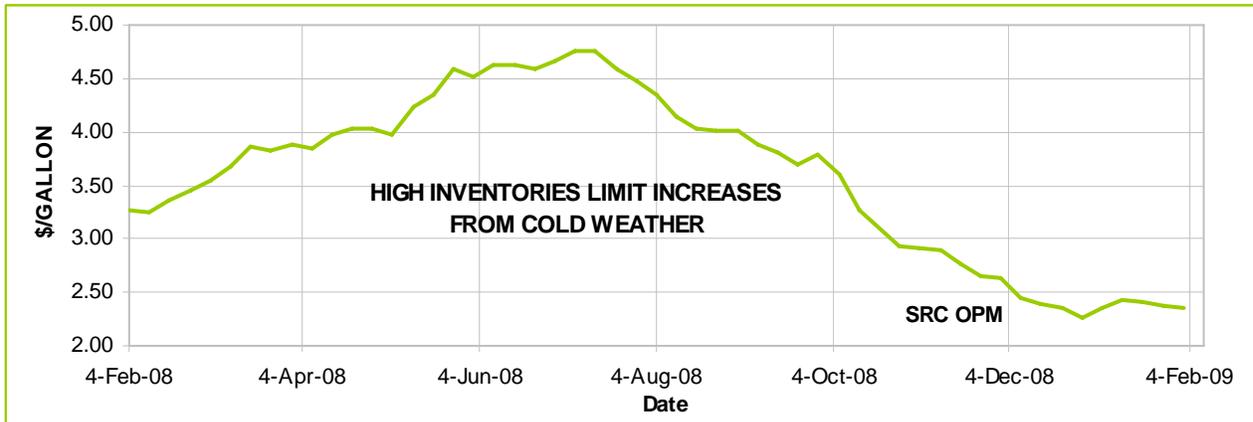
This week's inventory report showed storage falling by 195 BCF, right in the middle of the expected range of between 185 and 205 BCF. The weekly decline was 6.4 percent above the five-year average of 183 BCF. Current inventory levels are the fourth highest ever for this time of year. They have improved to 2.8% above last year and they are 0.8% above the five-year average. The strong storage numbers will continue to temper future price increases.



Heating oil



Distillate inventories declined by 1.4 million barrels this week, matching the anticipated decrease. Colder than normal weather and decreased refinery production levels were the main causes. The inventory surplus compared to last year has fallen to 12.2%. Inventories have improved to 10.9% above the five-year average after being 0.7% below it only 6 weeks ago. After setting record highs on July 3rd, futures prices have fallen by 66%. The 12 month strip is now \$1.446/gal, \$1.023 (41%) lower than a year ago. The spot price is now \$1.331/gal, \$1.15 (46%) below this time last year. Retail heating oil prices fell by 2 cents this past week. The stabilization of crude oil prices and colder than normal weather (heating degree days over the past 30 days are 13% above the ten-year average and 32% above last year) had contributed to January price increases. At \$2.361/gal, this week's average price is \$2.41 (50%) below the July 14th peak price. Prices are now 28% (91 cents) lower than a year ago. The highest price in this week's survey was \$3.490 and the lowest was \$1.820. 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
4-Feb-08	3.492	3.949	3.199	3.253	3.399	3.059	3.173	3.330	3.029
19-Jan-09	2.591	2.949	2.399	2.415	3.490	2.050	2.411	2.599	2.149
26-Jan-09	2.580	2.799	2.349	2.391	3.490	2.050	2.389	2.599	2.149
2-Feb-09	2.557	2.799	2.349	2.373	3.490	2.000	2.371	2.599	2.149
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
4-Feb-08	3.207	3.439	2.990	3.281	3.399	3.060	3.171	3.249	3.089
19-Jan-09	2.291	2.399	2.150	2.478	2.599	2.290	2.271	2.499	2.179
26-Jan-09	2.295	2.399	2.100	2.499	2.599	2.399	2.211	2.399	2.100
2-Feb-09	2.263	2.399	2.100	2.409	2.500	2.149	2.203	2.399	2.100
	NEW HAVEN								
	AVG	HIGH	LOW						
4-Feb-08	3.198	3.399	2.979						
19-Jan-09	2.352	2.599	2.059						
26-Jan-09	2.293	2.599	1.792						
2-Feb-09	2.291	2.599	1.820						

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

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

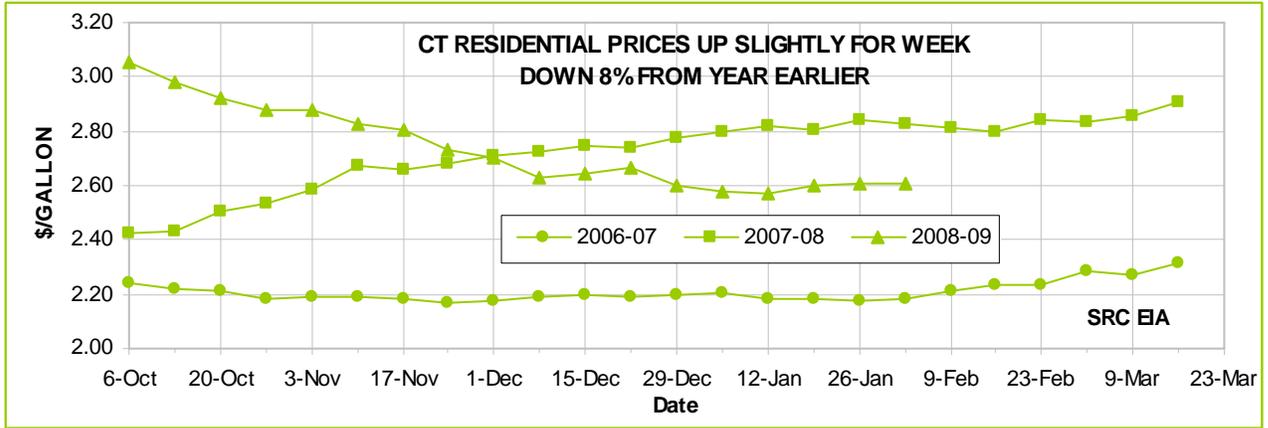
Propane



Propane inventories fell by 2.9 million barrels in this week's inventory report compared to an average decline of 3.4 million for this time of year. The EIA inventory report showed inventories exceeding last year's level by 12.6% compared to only 9.8% last week. Inventories are now 5.9% above the five-year average compared to 4.5% in last week's report.

In the weekly residential price survey that OPM performs for the EIA, retail propane prices were about the same as the week before, rising 0.2 cents to 2.610/gal. Prices have risen 4.2 cents/gal in the past three weeks. Prices have fallen by 45 cents/gal (15 percent) since October 6th and they are 7.6% (22 cents) less than last year at this time.

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



Gasoline



Gasoline inventories fell by 0.4 million barrels this past week compared to an anticipated gain of 1.0 million barrels. Because of very weak demand, refineries have been cutting back production in order to raise their margins to acceptable levels. Inventories levels have worsened to 2.8% less than a year ago and are now only 0.5% above the five-year average. Spot prices and futures prices are now more than 60% below their July 2008 peaks. The spot price is now \$1.396/gal, 94 cents (40%) less than a year ago. The 12-month strip, at \$1.295/gal, is \$1.07 (45%) less than last year.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$2.40 (55%) to \$1.985/gal. They are now \$1.20 (38%) 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 26 cents, about 15%.

