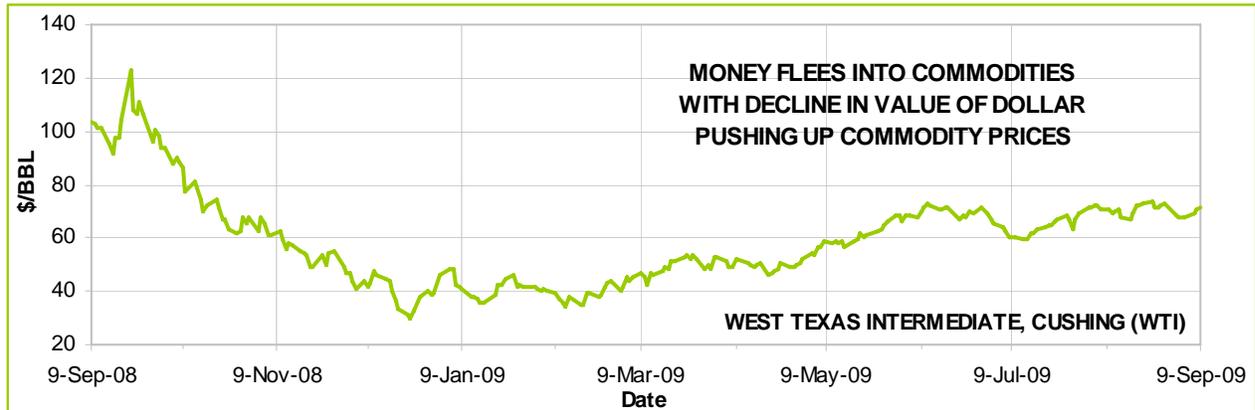


## Crude Oil



Crude inventories fell by 5.9 million barrels this week, far greater than the expected 1.5 million decline. Decreased imports and increased inputs to refineries lead to the larger decline. Crude oil stocks have maintained their 12.9% margin over last year but have worsened to only 8.8% above the 5-year average. The current inventory is at its highest level for this date since 1993.

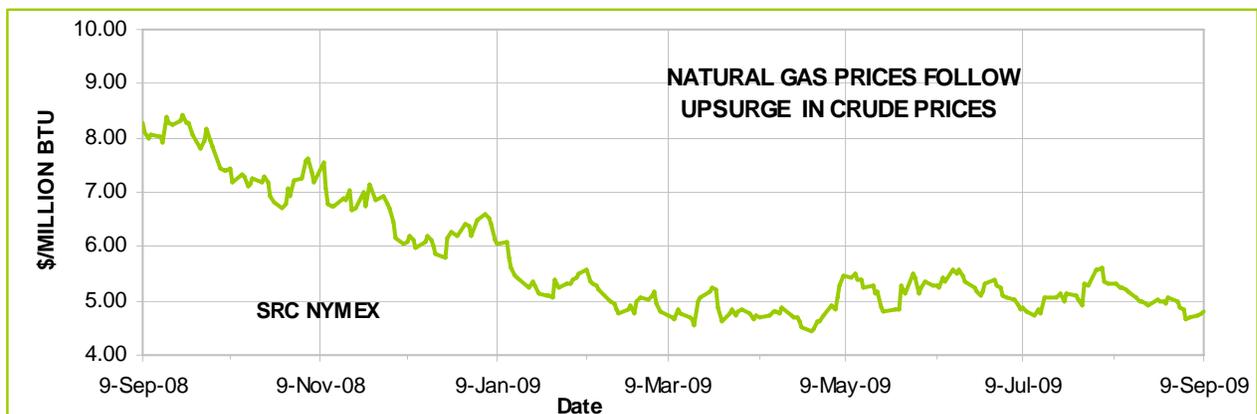
After falling by \$3.35/bbl last week, crude spot prices rose \$3.24 this week as sharp declines in the dollar led investors to put their money into commodities to protect against inflation. Lower product demand and lower price forecasts by the Energy Information Administration limited what might have been even higher price increases. OPEC's decision to maintain current production levels has also limited price increases. The spot price settled at \$71.24 yesterday, \$31.96 (31%) less than last year and 51% lower than last year's peak price. Futures prices closed yesterday at \$73.60, \$31.37 (30%) lower than a year ago and 50% below 2008's peak price.



## Natural gas



Natural gas inventories grew by 69 BCF this past week, 2.9% above the five-year average growth for this time of year. Cumulative injections since the end of the heating season are 13.3% above the five-year average. At 3,392 BCF, current inventory levels are at their highest level ever for this time of year. They are 17.1% higher than a year ago and 17.4% above the five-year average. There are concerns that despite the already 56% cutback in gas drilling rigs over the past year, as we near the end of the injection season, the industry will run out of storage capacity. Prices would drop precipitously and further production cutbacks would be required. While futures prices fell 3.4 cents this past week, spot prices were more heavily influenced by the surge in crude prices and rose by 46 cents. Market fundamentals are still weak. There are record high inventories, weak industrial demand, and low cooling demand. The 12-month strip settled at \$4.793 per million BTU, 42% lower than a year ago. Futures prices are at December 2003 levels. The spot price rose to \$2.700 per million BTU, 63% lower than a year ago. The spot price is now at a seven and one-half year low.

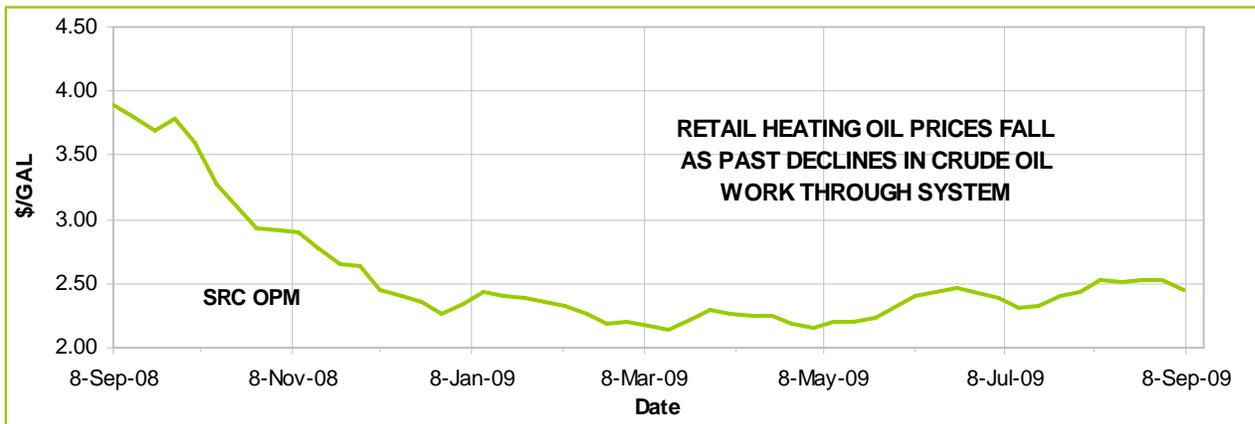


# Heating oil



A 51% gain in distillate imports and increased production this past week, combined with lower demand, lead to a 2.0 million barrel growth in inventories. This greatly exceeded the projected gain of only 0.7 million. Inventories have increased by 25.9 million barrels in the past 20 weeks, an increase of 18.6%. Inventories are 26.7% above year ago levels and 24.1% above the five-year average. Heating oil futures and spot prices were higher this past week as they followed the upward path of crude oil. The 12 month strip is now at \$1.935/gal, \$1.05 (35%) lower than a year ago. The spot price is at \$1.754/gal, \$1.11 (39%) below this time last year.

Average retail heating oil prices fell by 0.4 cents/gal last week. Prices fell another 6.7 cents this week as earlier declines in crude oil prices worked their way through the system. At \$2.457, prices are \$1.43 (36.8%) below a year ago. Prices are 5.8% below September 2007 and 4.6% below September 2006. The highest price in this week's survey was \$2.999 and the lowest was \$1.849. According to census data, 52.4% 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
8-Sep-08	4.080	4.749	3.849	3.884	4.299	3.399	3.879	4.099	3.569
24-Aug-09	2.705	2.999	2.490	2.490	2.999	1.999	2.537	2.740	2.379
31-Aug-09	2.694	2.999	2.490	2.506	2.999	2.099	2.523	2.710	2.339
7-Sep-09	2.617	2.999	2.399	2.418	2.999	1.849	2.433	2.710	2.169
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
8-Sep-08	3.769	3.999	3.450	3.942	4.199	3.650	3.763	3.849	3.650
24-Aug-09	2.525	2.669	2.399	2.529	2.599	2.400	2.449	2.549	2.309
31-Aug-09	2.517	2.669	2.399	2.549	2.599	2.400	2.466	2.599	2.390
7-Sep-09	2.479	2.599	2.349	2.509	2.599	2.400	2.423	2.599	2.300
	NEW HAVEN								
	AVG	HIGH	LOW						
8-Sep-08	3.829	4.140	3.138						
24-Aug-09	2.469	2.739	2.209						
31-Aug-09	2.442	2.679	2.159						
7-Sep-09	2.384	2.590	2.059						

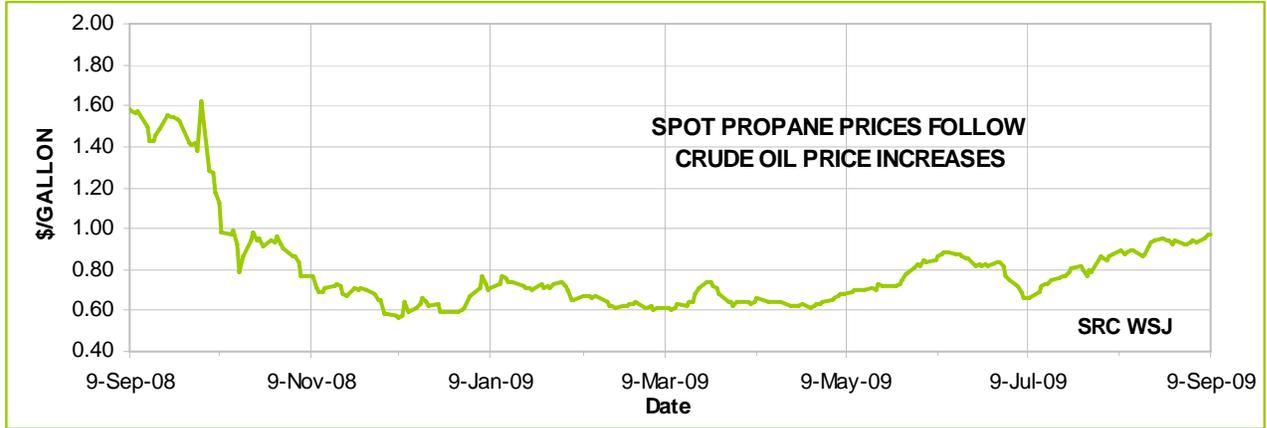
OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for the reporting week beginning September 7, 2009. Figures reflect per gallon prices without discount.

For more information, see [www.ct.gov/OPM](http://www.ct.gov/OPM) > Energy Management > Energy Price and Supply Information

# Propane



After falling unexpectedly by 1.5 million barrels last week, propane inventories rose by 1.6 million barrels this week, 6% above the five-year average. Increased production and imports coupled with lower demand lead to the inventory growth. Inventories have grown by 33.6 million barrels since the end of the heating season, 6% higher than the five-year average gain. Current storage levels exceed last year's levels by 30.4% and are now 17.9% above the five-year average. After falling by 0.9 cents per gallon last week, spot prices rose by 4.2 cents this week as propane prices followed the rise in crude oil. Spot prices settled at 97.2 cents per gallon yesterday, 38.7% lower than a year ago and 50.9% lower than their peak 2008 price. Prices are 72.5% above their December 9, 2008 low of 56.3 cents/gal. According to census data, 2% of homes in Connecticut are heated by propane.



# Gasoline



Gasoline inventories rose sharply this past week, by 2.1 million barrels, compared to an expected fall of 1.4 million. A decline in demand and increased imports and production lead to the inventory growth. Inventories levels have grown to 9.7% above last year and 5.6% above the five-year average. In the past 13 weeks inventories have grown by 2.7% compared to a normal decline of 6.2% for the time period. Inventories are at their highest level for this date since 1991. Although gasoline prices are lower than a year ago, the recession has seriously affected automobile usage and gasoline demand has fallen. Yesterday's spot price was \$1.858/gal, 90 cents (33%) less than a year ago. The 12-month strip, at \$1.940/gal, was 28% (75 cents) less than last year. Connecticut retail price fell by 1.3 cents/gal this past week, reflecting earlier declines in crude oil prices. While prices have gone up by \$1.09 (63%) since the beginning of the year, at \$2.822/gal, prices are 96 cents (25.5%) lower than a year ago and 36% below last year's peak. Retail prices are now at April 2007 levels.

