

Crude Oil



Crude inventories shrank by 4.7 million barrels this week, almost twice as much as the expected 2.4 million decline, as crude oil imports fell by 2.1%. Despite the weekly decline, crude oil stocks have increased their margin over last year to 13.7% and have improved to 9.1% above the five-year average. The current inventory is at its highest level for this date since 1993.

After rising by \$3.24/bbl last week, crude spot prices rose again this week by \$1.23. Favorable economic news and declines in the dollar led to the increase in prices. The potential demand drag from increases in finished products inventories limited what might have been even higher price increases. The spot price rose to \$72.47 yesterday, only \$18.99 (21%) less than last year but 50% lower than last year's peak price. Futures prices closed yesterday at \$74.79, \$17.33 (19%) lower than a year ago and 49% below 2008's peak price.



Natural Gas



Natural gas inventories grew by 66 BCF this past week, 19.5% below the five-year average. Cumulative injections since the end of the heating season are 11.6% above the five-year average. At 3,458 BCF, current inventory levels are at their highest level ever for this time of year. They are 16.7% higher than a year ago and 16.4% 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. Futures prices have risen sharply. Since September 3rd they are up 16%. While market fundamentals remain weak, there is growing optimism about the economy. That and a short-covering rally have pulled prices upward. The 12-month strip settled at \$5.420 per million BTU, 32% lower than a year ago. Futures prices are at February 2004 levels. Since falling to an 8 year low before the Labor Day weekend, the spot price has surged by 75% to \$3.280 per million BTU, 58% lower than a year ago. The spot price is at a seven and one-half year low.

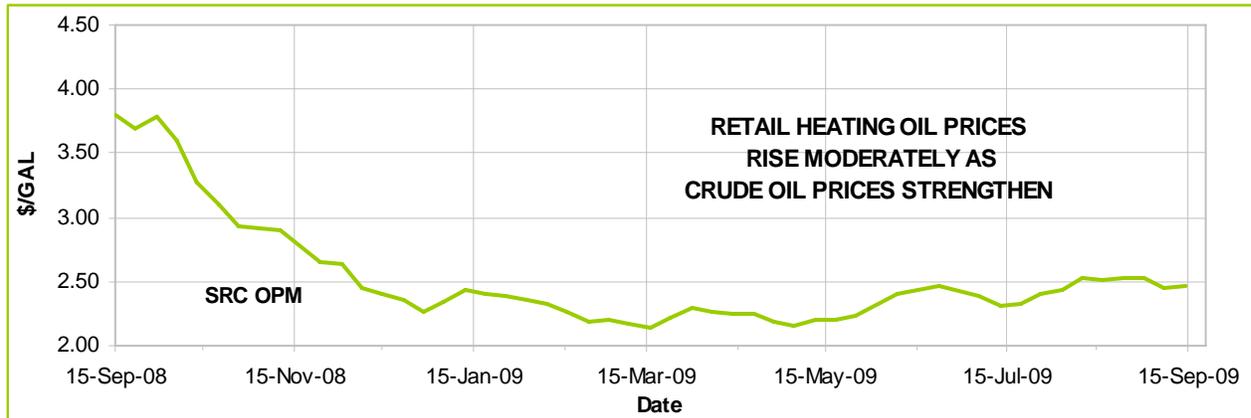


Heating oil



Although distillate imports fell, increases in production and lower demand lead to a 2.2 million barrel growth in inventories, higher than the 1.3 million that was expected and almost twice the five-year average gain. Inventories have increased by 28.2 million barrels in the past 22 weeks, 13% above the normal increase. Inventories are 29.3% above year ago levels and 24.7% 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 \$1.953/gal, 79 cents (29%) lower than a year ago. The spot price is at \$1.792/gal, 95 cents (35%) below this time last year.

Average retail heating oil prices increased by 0.3 cents/gal to \$2.460/gal this week. Prices are \$1.34 (35.3%) below a year ago and \$2.31 (48%) below the 2008 peak price. Prices are 8.1% below September 2007 and 2.3% below September 2006. The highest price in this week's survey was \$2.999 and the lowest was \$1.999. 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
15-Sep-08	3.965	4.699	3.699	3.760	4.199	3.350	3.783	4.099	3.529
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
14-Sep-09	2.641	2.999	2.399	2.434	2.999	1.999	2.411	2.620	2.179
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
15-Sep-08	3.823	4.099	3.659	3.854	4.099	3.620	3.651	3.819	3.449
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
14-Sep-09	2.463	2.549	2.349	2.501	2.599	2.400	2.413	2.599	2.309
	NEW HAVEN								
	AVG	HIGH	LOW						
15-Sep-08	3.758	4.099	3.090						
31-Aug-09	2.442	2.679	2.159						
7-Sep-09	2.384	2.590	2.059						
14-Sep-09	2.385	2.590	2.099						

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 14, 2009. Figures reflect per gallon prices without discount.

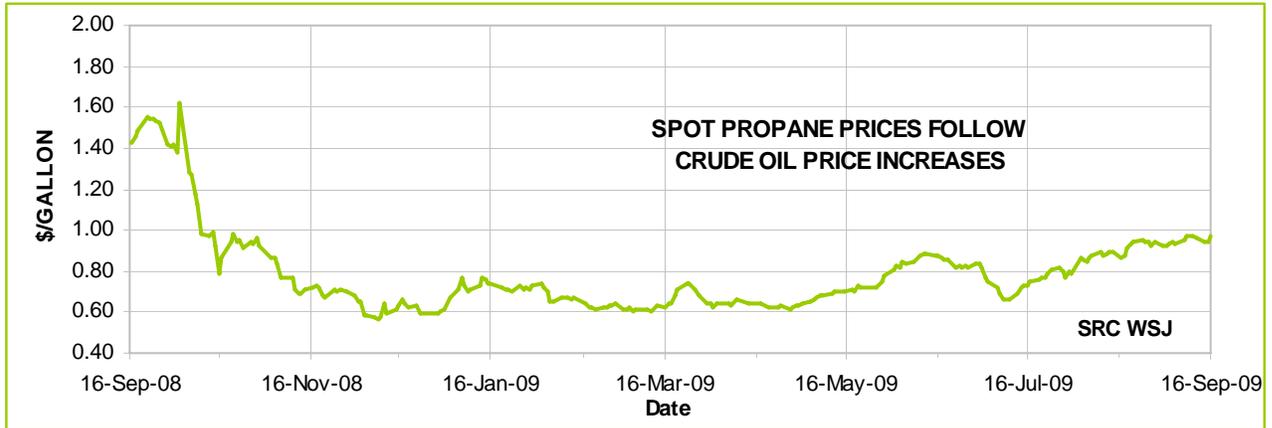
For more information, see www.ct.gov/OPM > Energy Management > Energy Price and Supply Information

Propane



With production down 4.3 % and imports falling by 43.9%, propane inventories fell unexpectedly by 47,000 barrels this week. It was only the second decline in the past 26 weeks. Inventories have grown by 33.6 million barrels since the end of the heating season, 2% higher than the five-year average gain. Current storage levels exceed last year's levels by 27.6% and are now 15.4% above the five-year average.

Although propane spot prices rose sharply yesterday as they followed the rise in crude oil prices, prices for the week were essentially flat, falling by 0.1 cents per gallon. Spot prices settled at 97.1 cents per gallon yesterday, 31.9% lower than a year ago and 51.0% lower than their peak 2008 price. Prices are 72.3% 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 by 0.5 million barrels, somewhat less than the expected increase of 0.7 million. Imports and production both declined but so did demand and a small inventory gain was eked out. Inventories levels have grown to 12.2% above last year and 6.2% above the five-year average. In the past 14 weeks inventories have grown by 3.0% compared to a normal decline of 6.5% for the time period. Inventories are at their highest level for this date since 1994. Although gasoline prices are lower than a year ago, the recession continues to affect automobile usage and gasoline demand has fallen. Yesterday's spot price was \$1.871/gal, 98 cents (34%) less than a year ago. The 12-month strip, at \$1.966/gal, was 18% (42 cents) less than last year. Connecticut retail price fell by 3.1 cents/gal this past week, reflecting earlier declines in crude oil prices and falling refinery margins. While prices have gone up by \$1.06 (61%) since the beginning of the year, at \$2.791/gal, prices are \$1.07 (27.7%) lower than a year ago and 36% below last year's peak. Retail prices are now at March 2007 levels.

