

## Crude Oil



Crude inventories fell less than expected this past week, by only 0.4 million barrels instead of between 0.6 to 0.9, as import growth offset increased inputs to refineries. Crude oil stocks have increased their margin over year ago levels to 12.9% and they have improved to 9.1% above the 5-year average. The current inventory is at its highest level for this date since 1993.

After falling by \$1.16/bbl last week, crude prices fell another \$3.35 this week. Declines in stock prices, a stronger dollar, and crude oil production increases helped push prices lower. Weak product demand and concerns about the economic recovery continue to weigh on the market. The spot price settled at \$68.00 yesterday, \$41.60 (38%) less than last year. Futures prices closed yesterday at \$71.18, \$41.25 (37%) lower than a year ago and 51% below 2008's peak price.



## Natural gas



Natural gas inventories grew by 65 BCF this past week, 1.2% above the five-year average growth for this time of year. Cumulative injections since the end of the heating season are 13.8% above the five-year average. At 3,323 BCF, current inventory levels are at their highest level ever for this time of year. They are 17.2% higher than a year ago and 17.8% 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. Both futures prices and spot price fell again this past week. Futures were down by 16 cents and spot prices by 53 cents. Prices continue to fall because of record high inventories, weak industrial demand, and low cooling demand. The 12-month strip settled at \$4.827 per million BTU, 41% lower than a year ago. Futures prices are at December 2003 levels. The spot price fell to \$2.240 per million BTU, 73% lower than a year ago. The spot price is now at a seven and one-half year low.

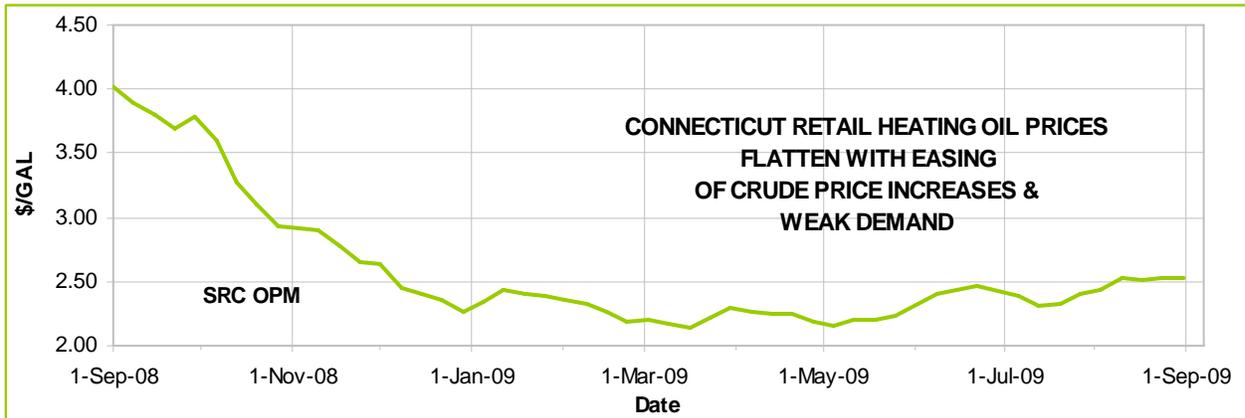


# Heating oil



Distillate imports and production rose this past week helping to offset increases in distillate product supplied. As a result, inventories rose by 1.2 million barrels, exceeding a projected gain of only 0.8 million barrels. Inventories have increased by 23.9 million barrels in the past 20 weeks, an increase of 17.1%. Inventories are 24.1% above year ago levels and 23.4% above the five-year average. After falling the week before, both futures and spot prices fell again this past week as they followed the downward path of crude oil. The 12 month strip is now at \$1.877/gal, \$1.28 (40%) lower than a year ago. The spot price is at \$1.713/gal, \$1.36 (44%) below this time last year.

Average retail heating oil prices bottomed out at \$2.309 on July 13<sup>th</sup>. Prices have risen by 21.5 cents in the 7 weeks since then. They fell by 0.4 cents this past week to \$2.523/gal. This is \$1.50 (37.2%) below a year ago. Retail prices have flattened as crude oil price increases have eased. The highest price in this week's survey was \$2.999 and the lowest was \$2.099. 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
1-Sep-08	4.219	4.849	3.849	3.984	4.399	3.599	3.993	4.199	3.729
17-Aug-09	2.709	2.999	2.490	2.470	2.999	1.999	2.523	2.740	2.309
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
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
1-Sep-08	3.969	4.299	3.800	4.106	4.399	3.780	3.869	3.999	3.799
17-Aug-09	2.501	2.659	2.399	2.539	2.649	2.350	2.456	2.579	2.309
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
	NEW HAVEN								
	AVG	HIGH	LOW						
1-Sep-08	3.963	4.199	3.669						
17-Aug-09	2.451	2.689	2.199						
24-Aug-09	2.469	2.739	2.209						
31-Aug-09	2.442	2.679	2.159						

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 August 31, 2009. Figures reflect per gallon prices without discount.

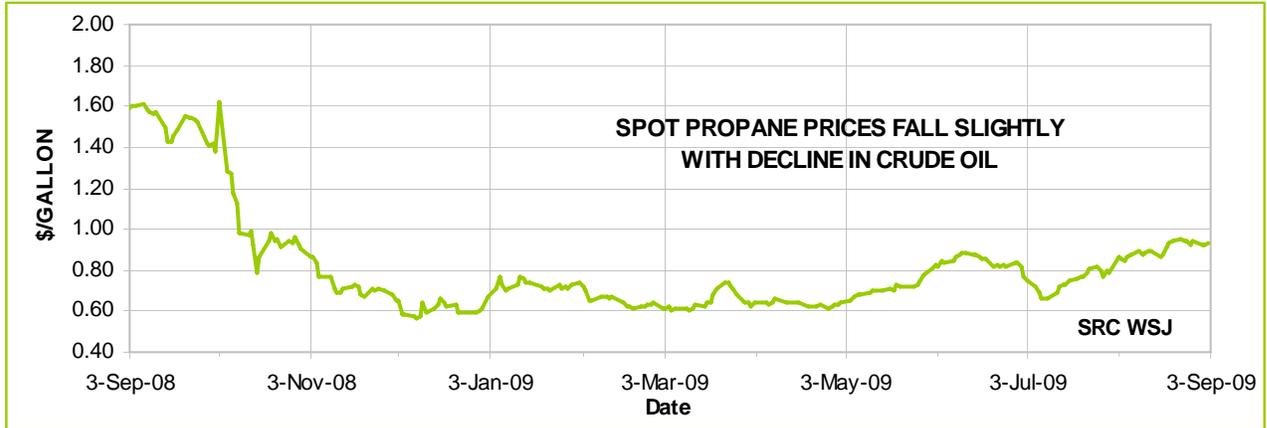
For more information, see [www.ct.gov/OPM](http://www.ct.gov/OPM) > Energy Management > Energy Price and Supply Information

# Propane



Propane inventories fell unexpectedly by 1.5 million barrels this week. This compares to a normal gain of 0.9 million for this time of year. This was the first decline since the middle of March. Inventories have grown by 32.0 million barrels since the end of the heating season, 5% higher than the five-year average gain. Current storage levels exceed last year's levels by 31.0% and are now 17.5% above the five-year average.

After rising by 3 cents per gallon last week, spot prices fell by 1 cent this week. Spot prices settled at 93.0 cents per gallon yesterday, 41.7% lower than a year ago and 53% lower than their peak 2008 price. Prices are 65% 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 declined sharply this past week, by 3.0 million barrels compared to an expected drop of only 0.9 million, as increases in product supplied and decreased imports offset increased production. Inventories levels worsened to only 5.4% above last year and 3.4% above the five-year average. In the past 12 weeks inventories have grown by 1.7% compared to a normal decline of 5.1% for the time period. 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 \$1.846/gal, \$1.02 (36%) less than a year ago. The 12-month strip, at \$1.896/gal, was 33% (93 cents) less than last year. Connecticut retail price increases have eased as crude prices have weakened. Retail prices were up 2.1 cents/gal this week after increasing by 0.6 cents the week before. While they have gone up by \$1.11 (64%) since the beginning of the year, at \$2.835/gal, they are 97 cents (26%) lower than a year ago and 35% below last year's peak. Retail prices are now at April 2007 levels.

