

NYSERDA WEEKLY HEATING FUELS REPORT

October 18, 2004

Highlights

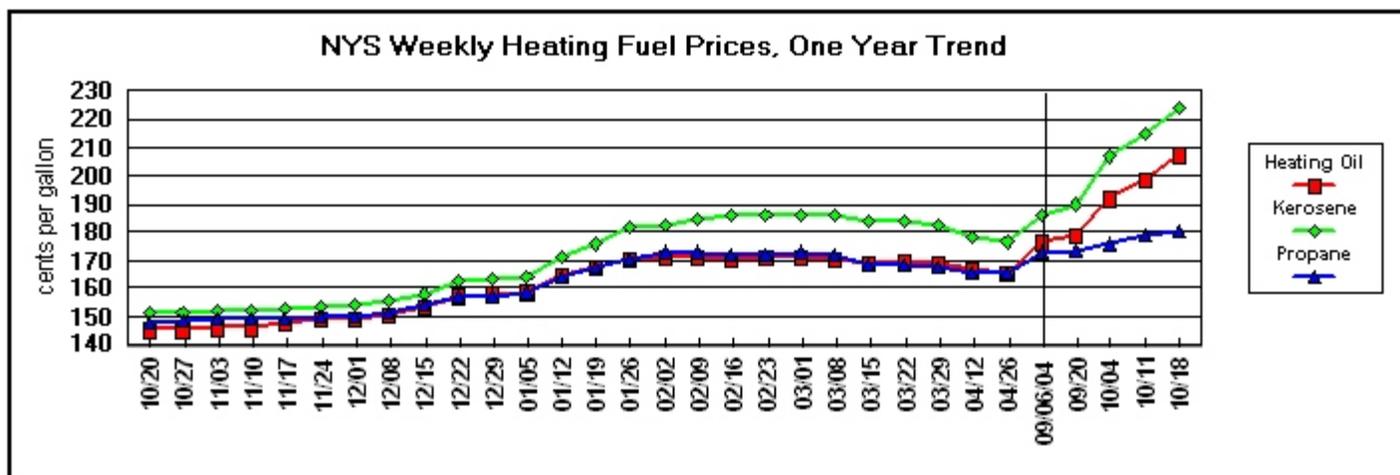
- The US Minerals Management Service reports 25.22% of Gulf of Mexico crude oil production and 12.55% of natural gas production remains shut-in following Hurricane Ivan. Restoration activities continue.
- Mid-Atlantic #2 heating oil and diesel stocks are below both year-ago and 5-year trend (graph on last page).

Retail Petroleum Prices - On a Statewide basis this week, prices increased 9.2¢/gallon (4.6%) for heating oil, 9.2¢/gallon (4.3%) for kerosene, and 1.4¢/gallon (0.8%) for propane. Both heating oil and kerosene are at an all-time NYS highs. Compared to the year-earlier, prices have risen 62.0¢/gallon (42.5%) for heating oil, 72.7¢/gallon (48.1%) for kerosene, and 32.4¢/gallon (21.9%) for propane. High crude oil prices continued to drive the cost of all refined petroleum products higher.

Crude Oil Prices - For the week ending 10/15/04, West Texas Intermediate (WTI) crude oil spot prices averaged \$54.12/bbl, an increase of \$2.35/bbl, or 4.5%, from the week-ago level of \$51.77/bbl. Prices are now \$22.63/bbl, or 71.9%, higher than the year-earlier weekly average of \$31.49/bbl.

Natural Gas Prices - For the week ending 10/15/04, Henry Hub natural gas spot prices averaged \$5.60 per million Btu (mmBtu), a decline of \$0.263/mmBtu, or 4.5%, from the week-ago rate of \$5.863/mmBtu. Prices are now \$0.75/mmBtu, or 15.5% higher than the year-earlier weekly average of \$4.85/mmBtu.

Central Atlantic Stocks - Regionally, only diesel fuel inventories recorded a decline in the past week (4.7%). Increases were recorded for heating oil (2.2%), propane (0.7%), and residual fuel oil (16.3%). While the heating oil gain is welcomed, volumes are still well below the year-ago (-23.9%) and the 5-year trend (-24.2%). Only propane shows storage volumes above both the year-ago and 5-year average. At the national level, weekly stocks of natural gas rose 2.0%, and are higher than both a year-ago (5.1%) and the 5-year average (7.4%). Crude oil inventories increased during the week to 279.4 million barrels (0.4%) however, volumes remain below both the year-ago and the 5-year trend.



Central Atlantic Region, Weekly Inventories (million barrels)							
Fuel Type	10/15/04	10/8/04	% Change vs Last Week	10/17/03	% Change vs Last Year	5-Year Average	% Change vs 5-Year Avg
No. 2 Fuel Oil	18.5	18.1	2.2	24.3	-23.9	24.4	-24.2
Diesel Fuel	8.1	8.5	-4.7	10.0	-19.0	8.4	-3.6
Propane	2.473	2.456	0.7	1.769	39.8	2.24	10.4
#6 Residual Oil	10.0	8.6	16.3	9.8	2.0	10.6	-5.7
US Natural Gas	3,223	3,159	2.0	3,066	5.1	3,002	7.4
US Crude Oil	279.4	278.2	0.4	288.2	-3.1	293.4	-4.8

Notes: Natural gas in billion cubic feet (Bcf), Central Atlantic is DE, DC, MD, NJ, NY, and PA Source: US DOE/EIA

New York State Retail #2 Heating Oil Posted Credit Prices (cents per gallon)					
REGION	10/18/04	10/11/04	This Week % change	10/13/03	Year Ago % change
Long Island	217.4	207.4	4.8	160.8	35.2
New York City	223.5	215.0	4.0	161.3	38.6
Lower Hudson	216.6	205.8	5.2	149.7	44.7
Upper Hudson	207.4	195.4	6.1	139.3	48.9
Capital District	199.2	188.8	5.5	132.9	49.9
North Country	196.9	189.8	3.7	138.9	41.8
Central	193.9	187.2	3.6	133.0	45.8
Western	191.3	186.5	2.6	138.1	38.5
Statewide	207.8	198.6*	4.6	145.8	42.5
New York State Retail Propane Posted Credit Prices (cents per gallon)					
Long Island	199.6	198.6*	0.5	179.6	11.1
Mid-Hudson	182.8	181.3	0.8	147.3	24.1
Capital District	202.3	201.8*	0.2	154.3	31.1
North Country	180.0	180.7	-0.4	150.6	19.5
Central	172.5	169.7	1.6	140.5	22.8
Western	165.4	163.5	1.2	136.7	21.0
Statewide	180.1	178.7*	0.8	147.7	21.9
New York State Retail Kerosene Posted Credit Prices (cents per gallon)					
Mid-Hudson	236.3	223.2	5.9	158.0	49.6
Capital District	225.3	213.2	5.7	146.5	53.8
North Country	217.6	210.3	3.5	150.0	45.1
Central	215.6	208.5	3.4	143.8	49.9
Western	215.1	211.7	1.6	152.4	41.1
Statewide	223.9	214.7	4.3	151.2	48.1

* = revised

Historic Retail Prices - Statewide average high and low prices since Sept. 1997 for #2 & propane & Sept. 2000 for kerosene.

- heating oil - highest price 207.8¢/gallon on 10/18/04, lowest price 87.6¢/gallon on 9/08/98.
- kerosene - highest price 223.9¢/gallon on 10/18/04, lowest price 130.9¢/gallon on 9/09/02.
- propane - highest price 184.8¢/gallon on 3/10/03, lowest price 107.2¢/gallon on 9/20/99.

New York State Regions: *Long Island:* Nassau and Suffolk *New York City:* Bronx, Kings, New York, Queens, and Richmond *Lower Hudson:* Dutchess, Putnam, Rockland, and Westchester *Upper Hudson:* Columbia, Greene, Orange, Sullivan, and Ulster *Capital District:* Albany, Fulton, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, and Washington *North Country:* Clinton, Essex, Franklin, Hamilton, Jefferson, Lewis, St. Lawrence, and Warren *Central:* Broome, Cayuga, Chenango, Cortland, Delaware, Herkimer, Madison, Oneida, Onondaga, Oswego, Otsego, Tioga, and Tompkins *Western :* Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates counties. **Propane & Kerosene:** *Mid-Hudson:* Columbia, Dutchess, Greene, Orange, Putnam, Rockland, Sullivan, Ulster, and Westchester counties.

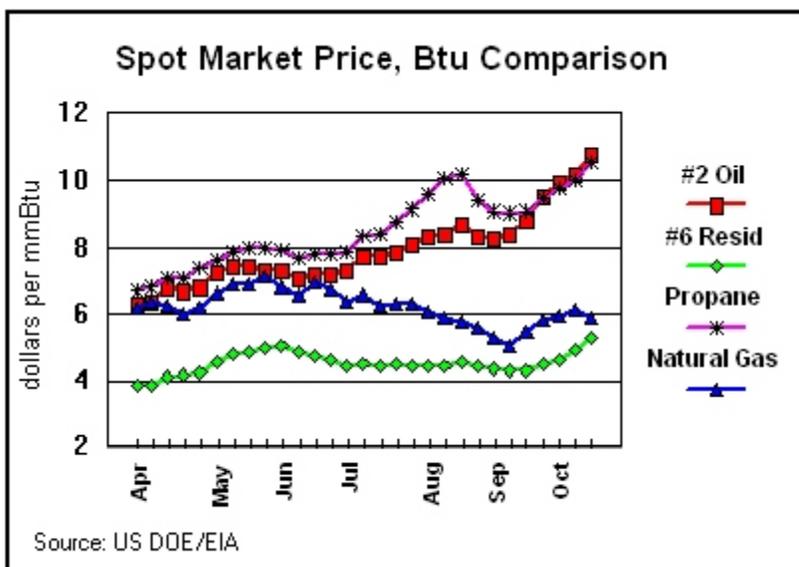
Heating Degree Days - On a statewide basis during the past week, the number of heating degree days (81) were 58.8% more than last year (51), but 4.7% lower than normal (85). On a cumulative basis, current year heating degree days (160) trail a year-ago (195) by 17.9% and the normal trend (205) by 22.0%.

New York State Heating Degree Day Information, Weekly & Cumulative						
Region	Week Ending 10/16/04			October 2, 2004 - October 16, 2004		
	2004	2003	Normal	2004 - 05	2003 - 04	Normal
Albany	94	71	98	216	256	235
Buffalo	110	59	93	221	264	229
Massena	105	85	120	265	312	301
NYC	47	19	50	69	100	111
Syracuse	93	69	98	192	252	241
Statewide	81	51	85	160	195	205

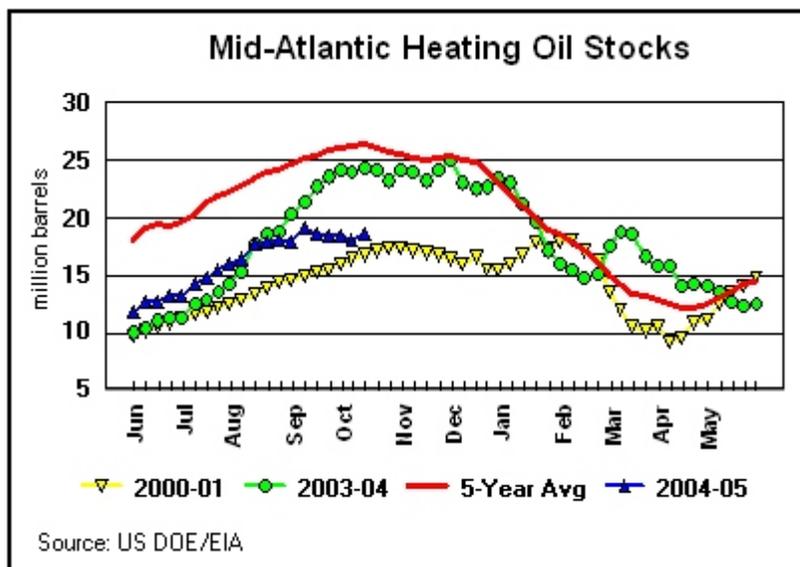
Btu Comparison - The Btu graph equates the spot market price, in table below, for NY Harbor #2 heating oil and 1.0% sulfur low pour #6 residual fuel, Mont Belvieu propane, and the New York city gate natural gas price on a dollar per million Btu (mmBtu) basis.

New York Spot Prices			
Fuel	10/15/04	Year-Ago	% Change
Low-Sulfur Diesel	155.3	83.74	85.5
#2 Fuel Oil	149.71	85.4	75.3
#6 Residual 1.0%	79.17	64.76	22.3
Propane	90.83	57.21	58.8
Natural Gas	5.867	5.223	12.3

note: Fuel in ¢/gallon, natural gas (mmBtu) is NY citygate



Heating Oil Inventories - Mid-Atlantic heating oil stocks, shown at right, traditionally peak during the middle weeks of October, although some years have had later peaks. From that point onward stocks decline as winter heating demand increases. However, this year stocks have not built to their normal pre-season level. Currently stocks are below both a year-ago (23.9%) and the 5-year trend (24.2%). The 2000 - 01 season is the historic low stock season.



Additional historic **regional specific** prices and supply information is available at NYSERDA's web site:

www.nyserdera.org/prices.html Also, heating oil and diesel inventory graphs at

www.nyserdera.org/nyepichart.pdf

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