

NYSDERDA WEEKLY HEATING FUELS REPORT

October 25, 2004

Highlights

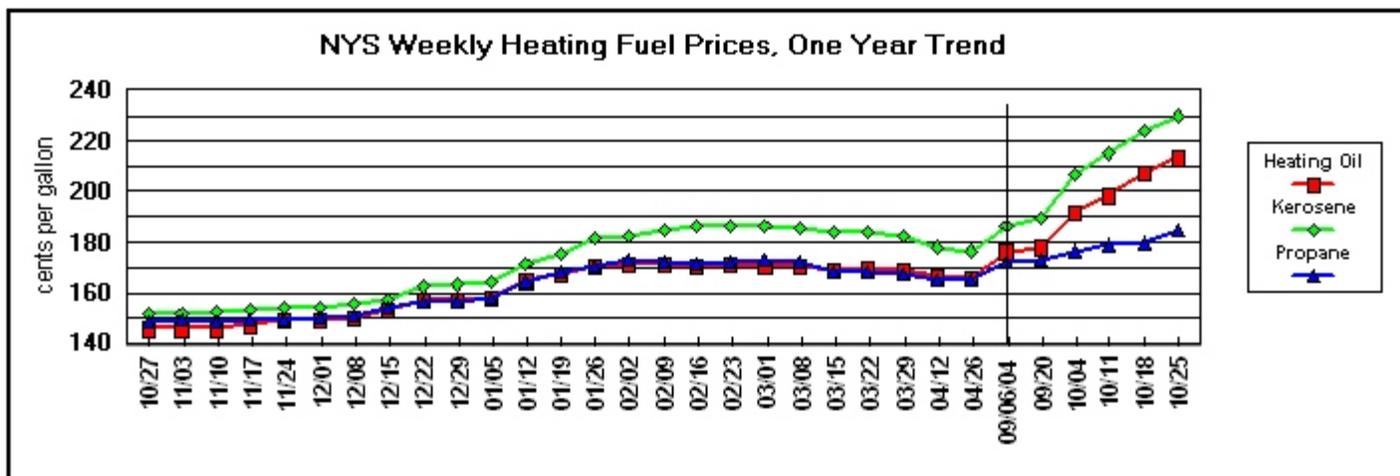
- The US Minerals Management Service reports 19.53% of Gulf of Mexico crude oil production and 9.98% of natural gas production remains shut-in following Hurricane Ivan. Restoration activities continue.
- Mid-Atlantic #2 heating oil and diesel stocks are below both year-ago and 5-year trend (graph on last page).

Retail Petroleum Prices - On a Statewide basis this week, prices increased 5.8¢/gallon (2.8%) for heating oil, 5.5¢/gallon (2.5%) for kerosene, and 4.2¢/gallon (2.3%) for propane. Both heating oil and kerosene are at all-time NYS highs. Compared to the year-earlier, prices have risen 67.7¢/gallon (46.4%) for heating oil, 77.6¢/gallon (51.1%) for kerosene, and 35.5¢/gallon (23.9%) for propane. High crude oil prices continued to drive the cost of all refined petroleum products higher.

Crude Oil Prices - For the week ending 10/22/04, West Texas Intermediate (WTI) crude oil spot prices averaged \$54.43/bbl, an increase of \$0.31/bbl, or 0.6%, from the week-ago level of \$54.12/bbl. Prices are now \$24.26/bbl, or 80.4%, higher than the year-earlier weekly average of \$30.17/bbl.

Natural Gas Prices - For the week ending 10/22/04, Henry Hub natural gas spot prices averaged \$6.687 per million Btu (mmBtu), an increase of \$1.087/mmBtu, or 19.4%, from the week-ago rate of \$5.60/mmBtu. Prices are now \$1.941/mmBtu, or 40.9% higher than the year-earlier weekly average of \$4.746/mmBtu.

Central Atlantic Stocks - Regionally, only diesel fuel inventories recorded a decline in the past week (2.7%). Increases were recorded for heating oil (0.5%), propane (2.0%), and residual fuel oil (9.0%). While the heating oil gain is welcomed, volumes are still well below the year-ago (-22.9%) and the 5-year trend (-23.1%). Propane and residual fuel both show storage volumes above both the year-ago and 5-year average. At the national level, weekly stocks of natural gas rose 0.8%, and are higher than both a year-ago (4.1%) and the 5-year average (6.9%). Crude oil inventories increased during the week to 283.4 million barrels (1.4%) however, volumes remain below both the year-ago and the 5-year trend.



Central Atlantic Region, Weekly Inventories (million barrels)

| Fuel Type | 10/22/04 | 10/15/04 | % Change vs Last Week | 10/24/03 | % Change vs Last Year | 5-Year Average | % Change vs 5-Year Avg |
|-----------------|----------|----------|-----------------------|----------|-----------------------|----------------|------------------------|
| No. 2 Fuel Oil | 18.6 | 18.5 | 0.5 | 24.1 | -22.9 | 24.2 | -23.1 |
| Diesel Fuel | 7.9 | 8.1 | -2.5 | 10.3 | -23.3 | 8.8 | -10.2 |
| Propane | 2.522 | 2.473 | 2.0 | 1.889 | 33.5 | 2.07 | 21.8 |
| #6 Residual Oil | 10.9 | 10.0 | 9.0 | 10.2 | 6.9 | 10.7 | 1.9 |
| US Natural Gas | 3,249 | 3,223 | 0.8 | 3,121 | 4.1 | 3,039 | 6.9 |
| US Crude Oil | 283.4 | 279.4 | 1.4 | 291.8 | -2.9 | 295.2 | -4.0 |

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 | 10/25/04 | 10/18/04 | This Week % change | 10/20/03 | Year Ago % change |
| Long Island | 223.4 | 217.4 | 2.8 | 159.5 | 40.1 |
| New York City | 228.7 | 223.5 | 2.3 | 161.2 | 41.9 |
| Lower Hudson | 222.5 | 216.6 | 2.7 | 149.1 | 49.2 |
| Upper Hudson | 211.9 | 207.4 | 2.2 | 139.3 | 52.1 |
| Capital District | 205.0 | 199.2 | 2.9 | 133.2 | 53.9 |
| North Country | 202.8 | 196.9 | 3.0 | 140.2 | 44.7 |
| Central | 200.0 | 193.9 | 3.1 | 133.5 | 49.8 |
| Western | 198.6 | 191.3 | 3.8 | 140.0 | 41.9 |
| Statewide | 213.6 | 207.8 | 2.8 | 145.9 | 46.4 |
| New York State Retail Propane Posted Credit Prices (cents per gallon) | | | | | |
| Long Island | 204.8 | 199.6 | 2.6 | 186.8 | 9.6 |
| Mid-Hudson | 187.8 | 182.8 | 2.7 | 147.2 | 27.6 |
| Capital District | 207.2 | 202.3 | 2.4 | 154.9 | 33.8 |
| North Country | 185.2 | 180.0 | 2.9 | 151.5 | 22.2 |
| Central | 175.8 | 172.5 | 1.9 | 141.4 | 24.3 |
| Western | 168.0 | 165.4 | 1.6 | 138.1 | 21.7 |
| Statewide | 184.3 | 180.1 | 2.3 | 148.8 | 23.9 |
| New York State Retail Kerosene Posted Credit Prices (cents per gallon) | | | | | |
| Mid-Hudson | 241.0 | 236.3 | 2.0 | 157.7 | 52.8 |
| Capital District | 230.8 | 225.3 | 2.4 | 147.1 | 56.9 |
| North Country | 222.6 | 217.6 | 2.3 | 151.4 | 47.0 |
| Central | 220.3 | 215.6 | 2.2 | 143.8 | 53.2 |
| Western | 223.7 | 215.1 | 4.0 | 154.1 | 45.2 |
| Statewide | 229.4 | 223.9 | 2.5 | 151.8 | 51.1 |

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.

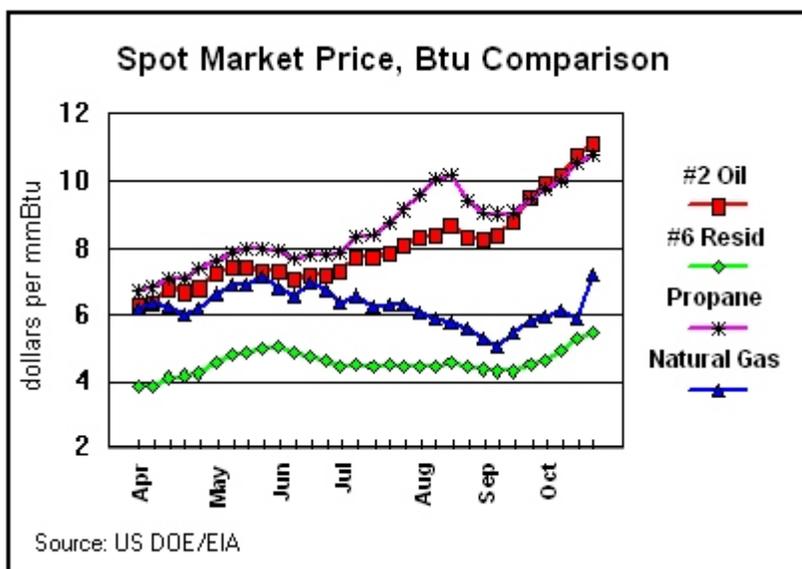
Heating Degree Days - On a statewide basis during the past week, the number of heating degree days (119) were 8.5% less than last year (130), but 17.8% greater than normal (101). On a cumulative basis, current year heating degree days (279) trail a year-ago (325) by 14.2% and the normal trend (306) by 8.8%.

| New York State Heating Degree Day Information, Weekly & Cumulative | | | | | | |
|--|----------------------|------------|------------|------------------------------------|------------|------------|
| Region | Week Ending 10/23/04 | | | October 2, 2004 - October 23, 2004 | | |
| | 2004 | 2003 | Normal | 2004 - 05 | 2003 - 04 | Normal |
| Albany | 135 | 160 | 116 | 351 | 416 | 351 |
| Buffalo | 127 | 145 | 110 | 348 | 409 | 339 |
| Massena | 172 | 197 | 138 | 437 | 509 | 439 |
| NYC | 91 | 92 | 64 | 160 | 192 | 175 |
| Syracuse | 139 | 151 | 114 | 331 | 403 | 355 |
| Statewide | 119 | 130 | 101 | 279 | 325 | 306 |

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 | 10/22/04 | Year-Ago | % Change |
| Low-Sulfur Diesel | 157.71 | 81.31 | 94.0 |
| #2 Fuel Oil | 154.64 | 81.88 | 88.9 |
| #6 Residual 1.0% | 81.41 | 61.45 | 32.5 |
| Propane | 93.19 | 55.22 | 68.8 |
| Natural Gas | 7.167 | 5.228 | 37.1 |

note: Fuel in ¢/gallon, natural gas (\$/mmBtu)=NYcitygate



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 (22.9%) and the 5-year trend (23.1%). 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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