NYSERDA HEATING FUELS REPORT March 21, 2011

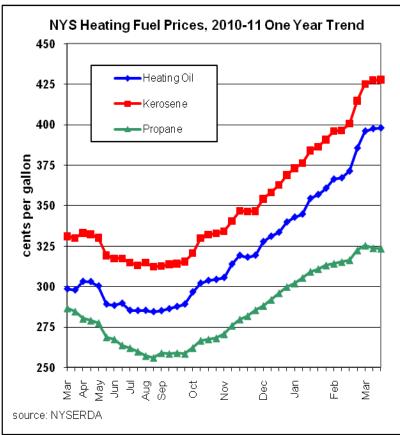
Highlights:

- The weekly average WTI crude oil price decreased to \$99.79/bbl; 3.8% less than the previous week but remains 22.5% above last year's price. The weekly average price for Brent crude oil decreased 1.6% to \$112.67/bbl.
- Crude oil markets remain volatile with the recent earthquake and tsunami in Japan and unrest in the Middle East.
- Statewide average retail heating oil and kerosene prices increased while the propane price decreased from the previous survey period.

Retail Petroleum Prices – On a statewide basis since the last survey on March 14^{th} , prices increased 0.4 ¢/gallon (0.1%) to 397.9 ¢/gallon for heating oil, 0.3 ¢/gallon (0.1%) to 427.9 ¢/gallon for kerosene, and decreased 0.2 ¢/gallon (0.1%) to 323.6 ¢/gallon for propane. Compared to a year earlier, prices increased 99.4 ¢/gallon (33.3%) for heating oil, 96.8 ¢/gallon (29.2%) for kerosene, and 36.9 ¢/gallon (12.9%) for propane.

Crude Oil Prices – For the week ending 3/18/11, WTI crude oil spot prices averaged \$99.79/bbl, a decrease of \$3.95/bbl (3.8%) from the week-ago average of \$103.74/bbl. WTI prices are now \$18.35/bbl (22.5%) above the year-ago weekly average of \$81.44/bbl. The all-time weekly average high of \$142.52/bbl occurred on 7/03/08.

Spot Natural Gas Prices – For the week ending 3/18/11, Henry Hub natural gas spot prices averaged \$3.874 per million Btu (mmBtu), an increase of \$0.076/mmBtu (2.0%) from the prior week level of \$3.798/mmBtu. Prices are currently \$0.392/mmBtu (9.2%) below the year-earlier weekly average of \$4.266/mmBtu.



Residential Natural Gas Prices – The NYS

average price in December 2010 was \$1.174/therm, a decrease of \$0.173/therm (12.8%) from the prior month of \$1.347/therm, and was \$0.186/therm (13.7%) lower than the year earlier average of \$1.360/therm.

Middle Atlantic Stocks – Current and historic heating fuel inventory data is presented in the table below.

| Middle Atlantic Region, Weekly Inventories (million barrels) | | | | | | | |
|--|---------|---------|---------------------------|----------|---------------------------|-------------------|----------------------------|
| Fuel Type | 3/18/11 | 3/11/11 | % Change vs. Last Week | Year Ago | % Change vs. Last Year | 5-Year Average | % Change vs. 5-Year Avg |
| Highway Diesel (0-15 ppm) | 9.4 | 9.5 | -1.1% | 9.3 | 1.1% | 4.3 | 118.6% |
| Non-road Diesel (15-500 ppm) | 2.7 | 2.6 | 3.8% | 3.2 | -15.6% | 4.9 | -44.9% |
| Home Heating Oil (>500 ppm) | 18.4 | 19.2 | -4.2% | 22.5 | -18.2% | 16.0 | 15.0% |
| Propane | 0.722 | 0.895 | -19.3% | 0.676 | 6.8% | 0.790 | -8.6% |
| #6 Residual Oil | 8.7 | 8.6 | 1.2% | 11.1 | -21.6% | 11.0 | -20.9% |
| US Natural Gas | 1,612 | 1,618 | -0.4% | 1,624 | -0.7% | 1,578 | 2.2% |
| US Crude Oil | 352.8 | 350.6 | 0.6% | 344.0 | 2.6% | 335.4 | 5.2% |

ppm = parts per million sulfur content

Notes: Natural Gas in billion cubic feet (Bcf), Middle 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 | 3/21/11 | 3/14/11 | % Change vs. Prior Survey | Year Ago | % Change vs. Last Year | |
| Long Island | 404.5 | 404.5 | 0.0% | 309.6 | 30.7% | |
| New York City | 413.3 | 409.2 | 1.0% | 315.7 | 30.9% | |
| Lower Hudson | 402.1 | 403.8 | -0.4% | 301.9 | 33.2% | |
| Upper Hudson | 393.0 | 393.1 | 0.0% | 290.7 | 35.2% | |
| Capital District | 391.2 | 390.9 | 0.1% | 286.9 | 36.4% | |
| North Country | 394.9 | 394.7 | 0.1% | 299.6 | 31.8% | |
| Central | 388.3 | 388.6 | -0.1% | 285.0 | 36.2% | |
| Western | 383.5 | 383.5 | 0.0% | 284.3 | 34.9% | |
| Statewide | 397.9 | 397.5 | 0.1% | 298.5 | 33.3% | |
| New York | State Retail Propar | ne Posted Credit Pri | ces - 1,100 gallon us | sage category (cents | per gallon) | |
| Long Island | 338.5 | 342.8 | -1.3% | 337.0 | 0.4% | |
| Mid-Hudson | 320.8 | 319.7 | 0.3% | 287.9 | 11.4% | |
| Capital District | 370.8 | 370.8 | 0.0% | 305.7 | 21.3% | |
| North Country | 373.5 | 376.0 | -0.7% | 319.0 | 17.1% | |
| Central | 297.6 | 298.1 | -0.2% | 266.5 | 11.7% | |
| Western | 289.6 | 288.1* | 0.5% | 257.2 | 12.6% | |
| Statewide | 323.6 | 323.8* | -0.1% | 286.7 | 12.9% | |
| New York State Retail Kerosene Posted Credit Prices (cents per gallon) | | | | | | |
| Mid-Hudson | 434.1 | 433.8 | 0.1% | 344.4 | 26.0% | |
| Capital District | 431.0 | 430.8 | 0.0% | 326.8 | 31.9% | |
| North Country | 422.2 | 422.1 | 0.0% | 332.2 | 27.1% | |
| Central | 427.9 | 428.4 | -0.1% | 320.9 | 33.3% | |
| Western | 417.3 | 416.5 | 0.2% | 319.9 | 30.4% | |
| Statewide | 427.9 | 427.6 | 0.1% | 331.1 | 29.2% | |
| New York State Average Residential Natural Gas Prices (\$/therm) | | | | | | |
| REGION | December 2010 | November 2010 | % Change vs. Prior Month | December 2009 | % Change vs. Last Year | |
| Statewide | 1.174 | 1.347 | -12.8% | 1.360 | -13.7% | |

^{*} Revision

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

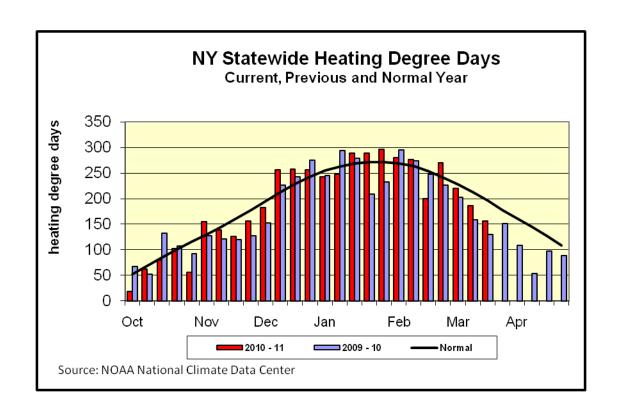
- Heating oil highest price 477.8¢/gallon on 7/14/08, lowest price 87.6¢/gallon on 9/08/98.
- Propane highest price 325.4¢/gallon on 3/7/11, lowest price 107.2¢/gallon on 9/20/99.
- Kerosene highest price 506.8¢/gallon on 7/14/08, lowest price 130.9¢/gallon on 9/09/02.

Residential Natural Gas Prices: Statewide average prices are derived from US EIA most currently available data. NYS gas utility specific prices can be found on the NYS DPS website at http://www.dps.state.ny.us/TypicalBills.htm#GasRes.

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.

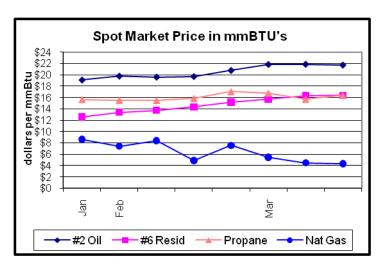
Heating Degree Days – On a statewide basis during the past week, the number of heating degree days (156) was 20.0% above the year-ago level of (130) and 20.4% below the normal trend (196). On a cumulative basis, current year heating degree days (4,798) are ahead of the year-ago level (4,635) by 3.5% and trail the normal trend (4,907) by 2.2%.

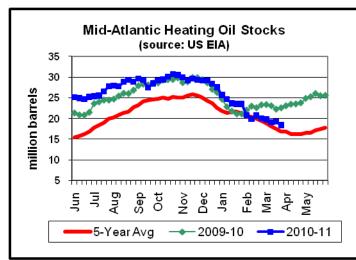
| New York State Heating Degree Day Information, Weekly & Cumulative | | | | | | | |
|--|----------------------|------|--------|---------------------------|---------|--------|--|
| | Week Ending March 19 | | | Cumulative From October 1 | | | |
| Region | 2011 | 2010 | Normal | 2010-11 | 2009-10 | Normal | |
| Albany | 166 | 136 | 201 | 5,520 | 5,100 | 5,242 | |
| Binghamton | 192 | 140 | 225 | 5,724 | 5,427 | 5,679 | |
| Buffalo | 192 | 161 | 217 | 5,434 | 5,224 | 5,297 | |
| Glens Falls | 200 | 147 | 228 | 6,086 | 5,501 | 6,012 | |
| Massena | 203 | 151 | 254 | 6,268 | 5,828 | 6,478 | |
| NYC | 119 | 98 | 161 | 3,759 | 3,734 | 3,968 | |
| Rochester | 181 | 144 | 217 | 5,443 | 5,226 | 5,329 | |
| Syracuse | 183 | 133 | 217 | 5,495 | 5,168 | 5,422 | |
| Watertown | 195 | 159 | 239 | 5,996 | 5,689 | 6,030 | |
| Statewide | 156 | 130 | 196 | 4,798 | 4,635 | 4,907 | |

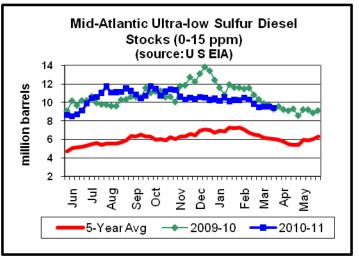


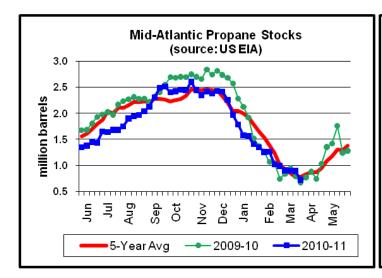
Btu Price Equivalents – The Btu graph equates the spot market price, in table below, for NY Harbor #2 heating oil and 1.0% sulfur low pour #6 residual fuel, Mont Belvieu propane, and the New York City gate natural gas price on a dollar per million Btu (mmBtu) basis.

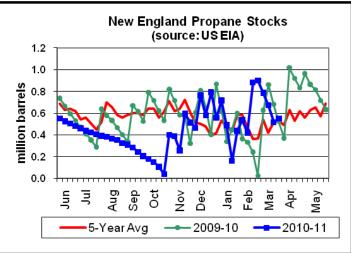
| New York Spot Prices, Weekly Average | | | | | | |
|---|---------|----------|----------|--|--|--|
| Fuel | 3/18/11 | Year Ago | % Change | | | |
| Ultra LS Diesel | 311.6 | 216.2 | 44.1% | | | |
| #2 Fuel Oil | 301.0 | 208.8 | 44.2% | | | |
| #6 Residual 1.0% | 245.0 | 170.6 | 43.6% | | | |
| Propane | 141.3 | 112.1 | 26.0% | | | |
| Natural Gas | 4.343 | 4.551 | -4.6% | | | |
| Note: Fuel in ¢/gallon, natural gas (\$/mmBtu)=NYcitygate | | | | | | |











Additional historic <u>regional specific prices and supply information</u> is available at NYSERDA's website. For more information please contact Charlie Wesley at (518) 862-1090 ext. 3364, e-mail <u>cmw@nyserda.org</u>.