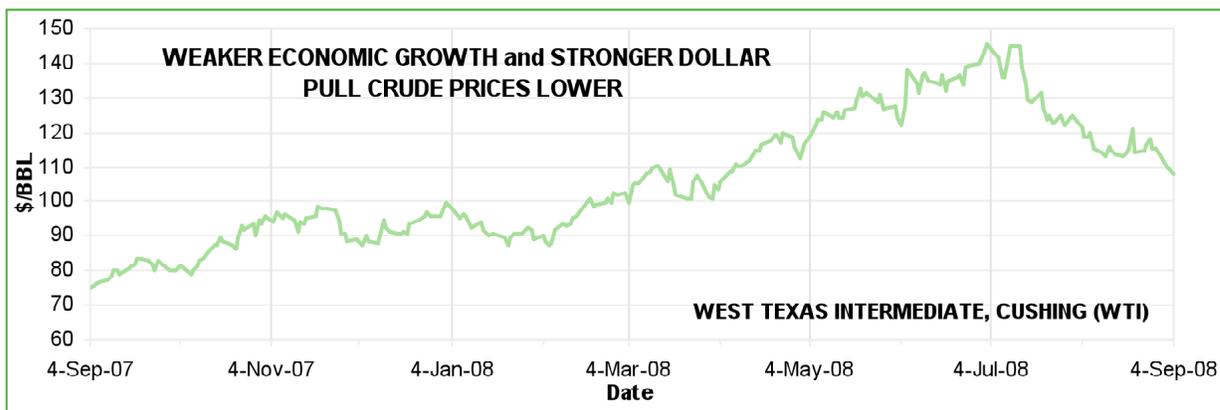


Crude Oil



A stronger dollar, weak economic growth, and only minor damage from Gustav caused crude prices to fall to Spring 2008 levels. Prices have fallen more than \$36 below July record highs. Yesterday's spot price was \$107.96. It is \$36 (50 %) above last year. The 12 month strip closed yesterday at \$110.20. This was \$38 (53 %) higher than a year ago. U.S. crude inventories were expected to rise by 0.5 million barrels this past week. Instead, they fell by 1.9 million. They are now 8.1 % below last year and 1.9 % below the five-year average.



Natural gas



Natural gas futures prices have fallen by 38 % since hitting a high of \$13.334 per million BTU on July 3rd. Falling crude oil prices, falling commodities prices in general, weaker demand, and an improved storage outlook have all contributed to the decline. Yesterday's price was \$8.222. It is 12 % (\$0.886) higher than a year ago. The spot price peaked at \$13.310 on July 2nd. It has since fallen to \$7.240. It is 35 % (\$1.890) higher than a year ago. This week's gas storage report showed a build of 90 billion cubic feet (BCF), 52 % higher than the 5-year average and the largest ever for this time period. Current inventories have improved to 4.9 % less than last year and 3.7 % above the five-year average. Since the end of the heating season, storage injections are 6 % above the 5 year average. Storage injections have been aided by a cooler summer, which has decreased gas demand for electric generation. A weaker economy has decreased industrial demand. With gas production up by 7 % over last year, gas storage should reach adequate levels by the start of the heating season.

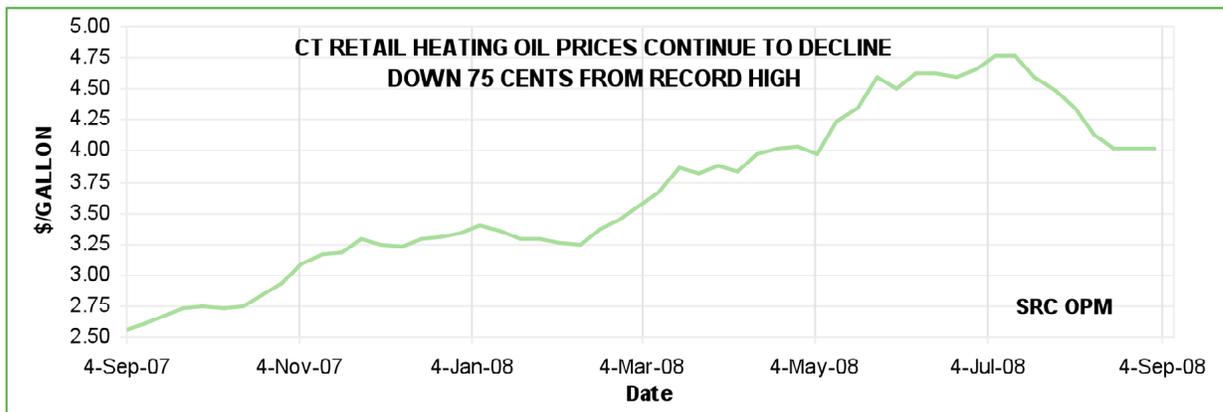


Heating oil



Distillate (heating and diesel) inventory levels fell by 413,000 barrels this past week compared to an expected gain of 1.1 mil. barrels. At 132 mil. barrels, inventories are now only 0.1 % above last year and 0.4 % above the 5-year average. Heating oil prices have stayed elevated because of worldwide demand for diesel fuel. The 12 month strip for heating oil has followed crude oil. With crude oil prices repeatedly setting new record highs, heating oil prices reached a record high on July 3rd when the 12 month strip hit 4.195/gal. It is now \$3.098, \$1.052 (51 %) higher than a year ago.

The spot price set a record high of \$4.079/gal. It is now \$2.992, \$0.976 (48 %) above last year. In April, Connecticut's retail heating oil price broke \$4/gal. Except for one week, it has been above \$4 ever since, setting a record high of \$4.767/gal on July 14th. Following the decline in crude prices, heating oil prices have fallen by 75 cents (16 %). At \$4.019 per gallon, prices are \$1.457 (57 %) higher than a year ago.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
4-Sep-07	2.655	2.899	2.499	2.573	2.799	2.399	2.565	2.740	2.359
18-Aug-08	4.285	4.999	3.999	4.027	4.490	3.399	3.939	4.199	3.649
25-Aug-08	4.237	4.849	3.999	4.009	4.399	3.549	3.955	4.199	3.679
1-Sep-08	4.219	4.849	3.849	3.984	4.399	3.599	3.993	4.199	3.729
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
4-Sep-07	2.557	2.699	2.340	2.591	2.649	2.510	2.535	2.599	2.439
18-Aug-08	3.943	4.299	3.700	4.114	4.399	3.720	3.857	3.999	3.700
25-Aug-08	3.939	4.299	3.700	4.106	4.399	3.780	3.883	3.999	3.770
1-Sep-08	3.969	4.299	3.800	4.106	4.399	3.780	3.869	3.999	3.799
	NEW HAVEN								
	AVG	HIGH	LOW						
4-Sep-07	2.490	2.659	2.280						
18-Aug-08	3.935	4.399	3.262						
25-Aug-08	3.951	4.449	3.302						
1-Sep-08	3.963	4.199	3.669						

OPM conducts a weekly survey of retail heating oil prices in Connecticut. These figures reference the most recent results of that survey for reporting day Tuesday, September 2, 2008. **Figures reflect per gallon prices without discount.**

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

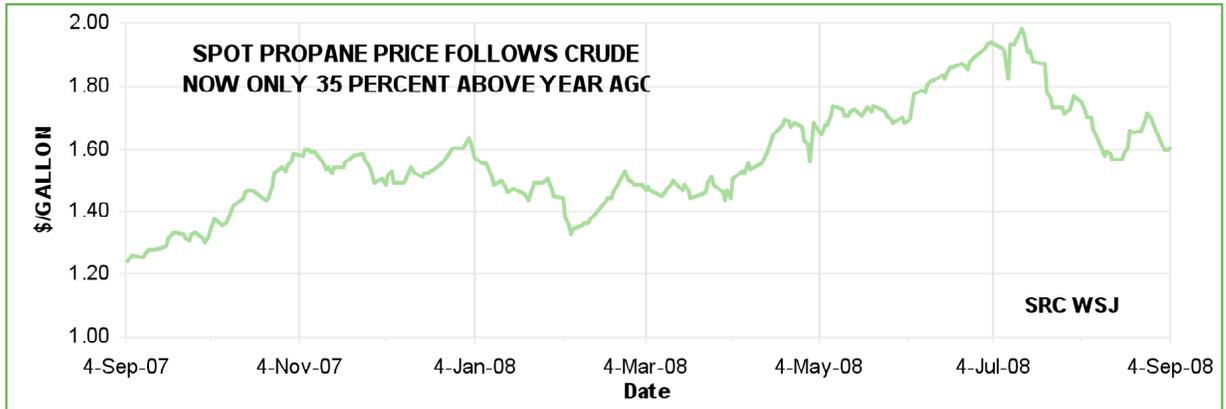
Propane



Inventories grew by 0.9/mil barrels this past week. Inventories are now 4.1 % lower than last year and 13 % below the 5 year average.

Propane spot prices generally follow crude oil prices. Spot prices are now at \$1.605/gal compared to \$1.188 a year ago, an increase of 44 %.

According to census data, 2.4 % of dwelling units in Connecticut are heated by propane.



Gasoline



Gasoline inventories have declined by over 10 % in the past six weeks, falling by 22.7mil barrels. Because of weak consumer demand, refiners have not been able to pass on costs to consumers and so they have cut production. Inventories are now 1.5 % above last year compared to being 6.5 % above last year only a month ago. Six weeks ago they were 4.1 % above the 5-year average, now they are 1.7 % below. The spot price hit a record high of \$3.41 on June 12th. Because of falling demand, the spot gasoline price has since fallen to \$2.866, 79 cents (38 %) higher than a year ago. Swept upward by soaring crude prices, the 12 month strip reached a record high of \$3.611 on July 14th. It has since fallen to \$2.793/gal. It is now \$0.768 (38 %) higher than last year. On July 9th, Connecticut retail unleaded regular prices hit a record high of \$4.390/gal. Declines in demand from the weak economy and high prices have caused prices to decline by 58 cents to \$3.810. This is 92 cents (32 %) higher than the previous year.

