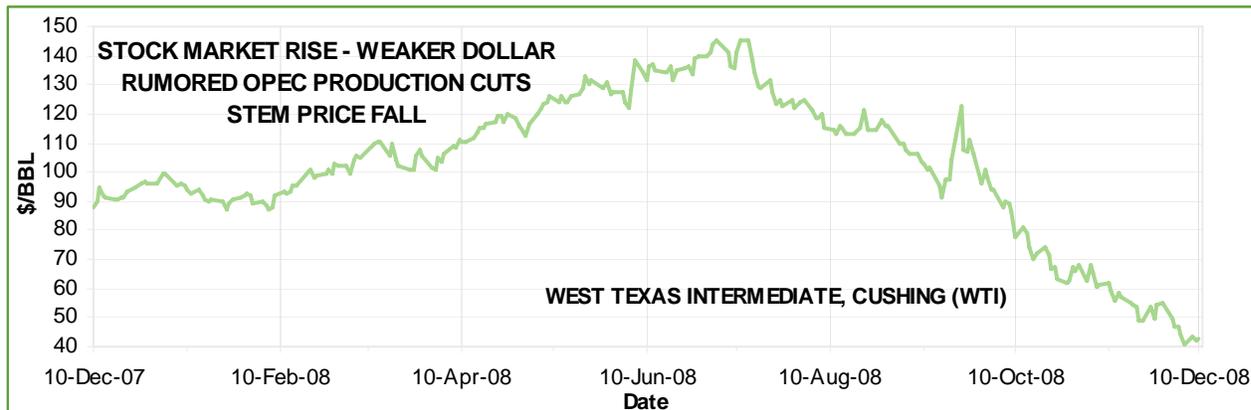


Crude Oil



Crude oil spot prices fell to almost \$40/bbl this past week, their lowest level since January of 2005, as world economic conditions continue to deteriorate. An upturn in the U.S. stock market, a weaker dollar, and an expectation of another OPEC production cut have temporarily halted the decline. Although OPEC has already officially cut production by 2 million barrels per day, its members have been slow to comply with their new quotas and weaker demand has already offset the production decline. After reaching record highs in July in the mid \$140's, crude prices have fallen by more than 65%. The 12 month strip settled at \$51.09 on Wednesday. It is now \$35.81 (41%) lower than a year ago. Spot prices closed at \$43.07/bbl, \$44.80 (51%) lower than last year. Crude inventories grew by only 0.4 million barrels this past week compared to an expected increase of 2.7 million. Inventories have improved to 4.5% above the five-year average and now exceed year ago levels by 5.3%.

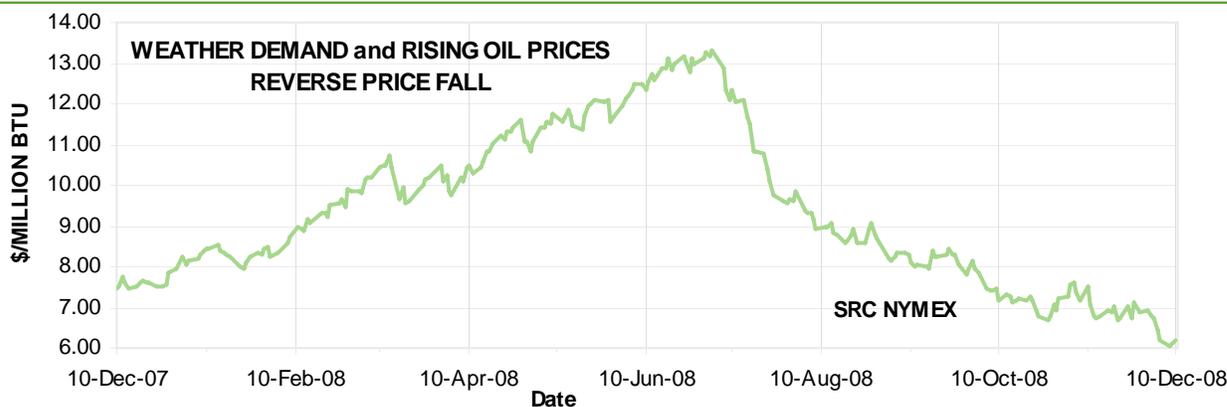


Natural Gas



Futures prices reached a record high of \$13.334 on July 3rd. Despite two major hurricanes disrupting natural gas production, weak demand, a strong inventory outlook, and increases in non-Gulf production have pushed futures prices down 53% below their July 2008 peak. Wednesday's futures prices closed at \$6.208, 17% lower than a year ago. The spot price peaked at \$13.310 on July 2nd and has since fallen to \$5.680, 19% lower than a year ago. Lower crude prices, ample inventories, and anticipated weaknesses in commercial and industrial demand have tempered increases in futures prices from normal seasonal heating demand.

Despite the continued impairment of Gulf production, this week's decline in inventories of 67 BCF was less than the expected 85 BCF withdrawal and much less than the five-year average of 108. Inventories are the third highest ever for this date. They have improved to only 1.3% less than last year's record high and they are now 3.5% above the five-year average. The strengthening storage numbers will temper future price increases.

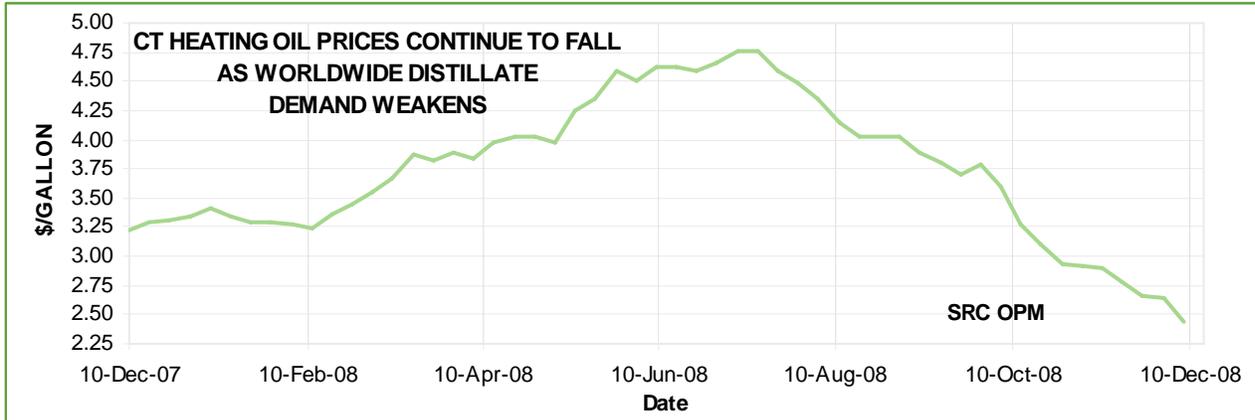


Heating oil



Distillate inventory levels rose by 5.6 million barrels this past week compared to an expected decline of 1.6 million. The inventory deficit compared to last year has improved to only 0.9%. Inventories are now 1.1% above the five-year average after being 2.8% below it only a week ago. The 12 month strip for heating oil continues to track crude oil prices. After setting record highs on July 3rd, prices have fallen by 63%. The 12 month strip is now \$1.555/gal, 85 cents (35%) lower than a year ago. The spot price is now \$1.368/gal, \$1.10 (45%) below this time last year. Lower world demand for distillates (diesel fuel and heating oil) has led to the falling prices and rising inventories. Connecticut retail heating oil prices declined by 19 cents this past week and have fallen by \$1.35 over the past 10 weeks. At \$2.444/gal, this week's average price is \$2.32 (49%) below the July 14th peak price. Prices are now 24% (78 cents) lower than a year ago. The highest price in this week's survey was \$3.490 and the lowest was \$1.959.

According to census data, 52% of housing units in Connecticut heat with oil.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
10-Dec-07	3.382	3.749	3.199	3.227	3.499	2.999	3.193	3.320	3.089
24-Nov-08	2.877	3.199	2.690	2.639	3.490	2.250	2.597	2.799	2.439
1-Dec-08	2.882	3.149	2.699	2.608	3.490	2.269	2.591	2.799	2.379
8-Dec-08	2.711	2.999	2.499	2.405	3.490	1.960	2.355	2.659	2.069
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
10-Dec-07	3.215	3.299	3.090	3.240	3.299	3.100	3.167	3.249	3.100
24-Nov-08	2.453	2.499	2.300	2.777	2.990	2.499	2.521	2.699	2.449
1-Dec-08	2.465	2.599	2.250	2.757	2.990	2.499	2.499	2.699	2.420
8-Dec-08	2.311	2.499	2.010	2.519	2.799	2.299	2.316	2.599	2.150
	NEW HAVEN								
	AVG	HIGH	LOW						
10-Dec-07	3.140	3.449	2.890						
24-Nov-08	2.616	2.999	2.043						
1-Dec-08	2.576	2.999	1.926						
8-Dec-08	2.406	2.599	1.959						

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 December 8, 2008. Figures reflect per gallon prices without discount.

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

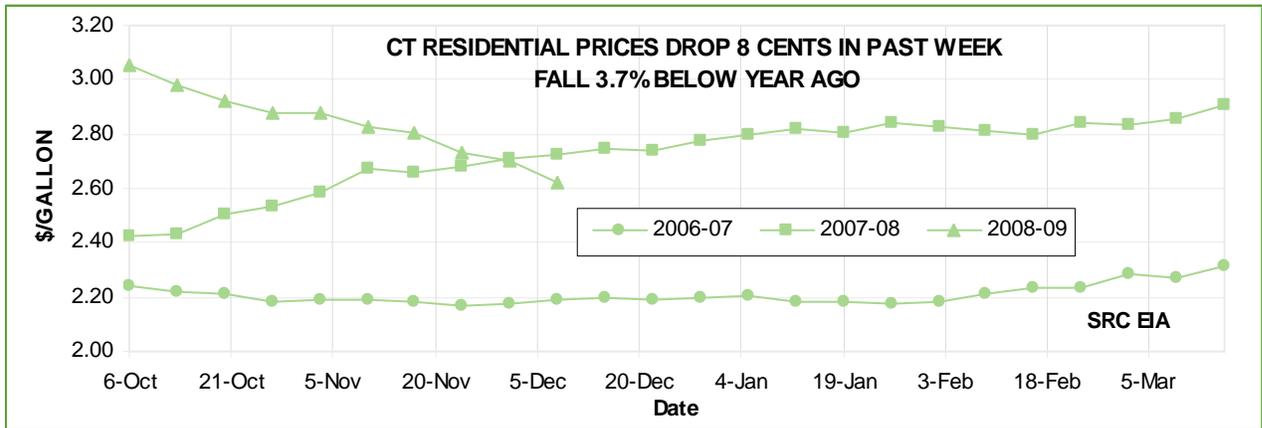
Propane



Propane inventories increased by 815,000 barrels this past week, up from last week's growth of only 37,000. The EIA inventory report showed this week's inventories exceeding last year's level by 1.9% compared to last week's deficit of 1.3%. Inventories are now only 5.3% below the five-year average.

In this week's residential price survey that OPM performs for the EIA, retail propane prices fell by 8.3 cents from the prior week. This is the largest weekly decline thus far this heating season. Prices have fallen 29 cents since March of 2008. At \$2.620/gal, prices are 3.7% (10 cents) less than last year at this time.

According to census data, 2% of homes in Connecticut are heated by propane.



Gasoline



Despite falling gasoline prices which have been a major disincentive to increase or even hold inventories, gasoline inventories rose by 3.7 million barrels this past week compared to an expected gain of only 1.4 million. Because of the very weak demand for gasoline, the spot price of crude oil has actually been higher than the spot price of gasoline. Inventories have now improved to 0.4% above last year and are now only 0.1% below the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$2.55 to \$1.845/gal. They are now \$1.381 (43%) lower than a year ago. Connecticut retail prices are at their lowest levels since May of 2004. Prices continue to fall because of the continued weak consumer gasoline demand despite the much lower prices.

