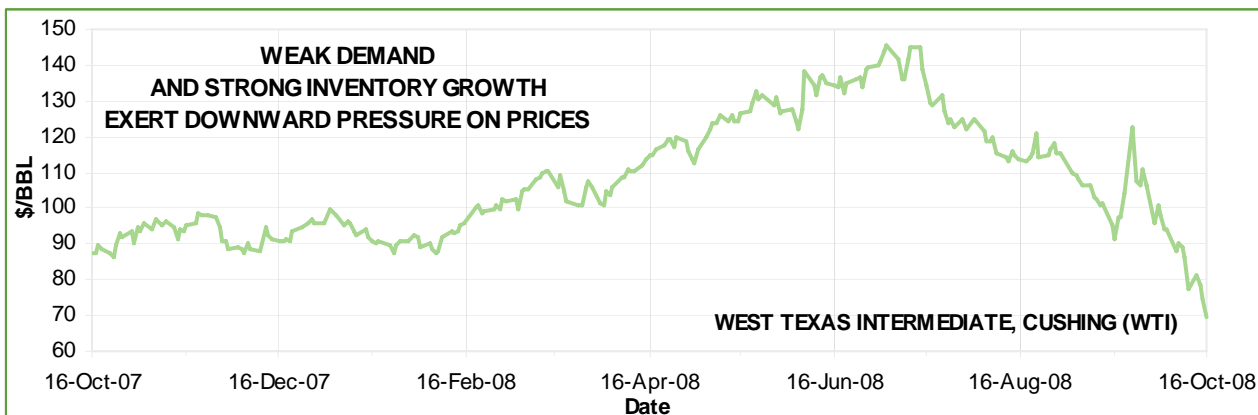


Crude Oil



Weakening demand, the specter of a serious worldwide recession, and stronger than expected inventory gains continue to pressure crude prices. After reaching record highs in July in the mid \$140's, crude prices have fallen to around \$70/barrel. The 12 month strip closed Thursday at \$72.37. This was \$10.84 (13%) lower than a year ago. Spot prices closed at \$69.78, \$17.84 (20%) below last year. These are the lowest crude oil spot prices since August of last year.

Crude inventories grew by 5.6 million barrels this week compared to an expected increase of between 2.4 and 3.1 million. Weak demand and hurricane impaired production coming back on line helped generate the higher than expected gain. Inventories are now 0.6% above last year, the first year-to-year increase since May 9th.



Natural Gas



Futures prices reached a record high of \$13.33 on July 3rd. Despite two major hurricanes disrupting natural gas production, weak demand, a surprisingly strong inventory outlook, and increases in non-Gulf production have driven prices down to below this time last year. Thursday's futures prices closed at \$7.336, 7.8% lower than a year ago. The spot price peaked at \$13.31 on July 2nd and has since fallen to \$6.650, 8.5% less than a year ago. Because prices have fallen so low, demand for natural gas is expected to rise, pulling up prices.

Although this week managed to show another large inventory build of 79 BCF, 26% higher than the 5 year average, it was less than expected and futures prices began to rise. Inventories are only 2.6% less than last year and they are 2.7% above the five-year average.



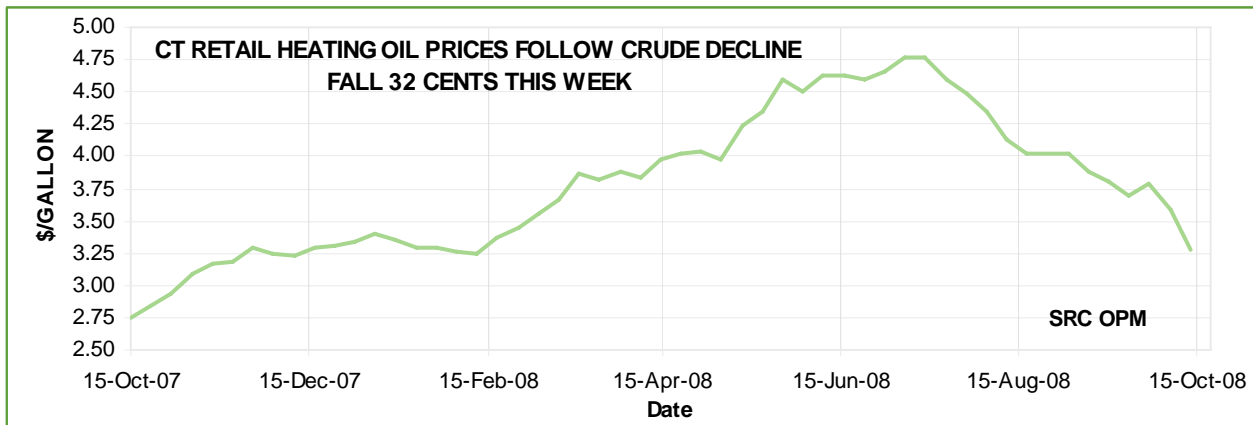
Heating oil



Distillate inventory levels fell by 0.5 million barrels this past week compared to an expected gain of 0.8 million. Inventories are 10.2% lower than last year and they are 7.1% below the five-year average. The 12 month strip for heating oil continues to track crude oil prices. After setting record highs on July 3rd, prices have fallen by more 48%. The 12 month strip is now \$2.188/gal, 10 cents (4%) lower than a year ago. The spot price is now \$2.135/gal, 19 cents (8%) below this time last year.

Connecticut retail heating oil prices continued their decline this week. After falling by 20 cents last week, prices fell another 32 cents this week. At \$3.272/gal, prices are \$1.50 (31%) below the July 14th peak price. They are 52 cents (19%) more than a year ago. The highest price in this week's survey was \$3.990 and the lowest was \$2.510.

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
15-Oct-07	2.869	3.199	2.699	2.731	2.999	2.499	2.809	2.950	2.729
29-Sep-08	3.952	4.299	3.749	3.737	4.199	3.299	3.775	3.999	3.579
6-Oct-08	3.768	4.149	3.490	3.561	3.999	3.089	3.567	3.899	3.249
13-Oct-08	3.489	3.899	3.199	3.211	3.990	2.799	3.199	3.399	2.979
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
15-Oct-07	2.759	2.849	2.610	2.743	2.799	2.699	2.713	2.799	2.649
29-Sep-08	3.681	3.799	3.490	3.857	3.999	3.690	3.663	3.849	3.570
6-Oct-08	3.417	3.599	3.290	3.704	3.999	3.370	3.459	3.599	3.350
13-Oct-08	3.193	3.399	2.990	3.360	3.749	3.000	3.129	3.299	3.000
	NEW HAVEN								
	AVG	HIGH	LOW						
15-Oct-07	2.688	2.849	2.510						
29-Sep-08	3.794	4.150	3.479						
6-Oct-08	3.575	4.150	2.822						
13-Oct-08	3.247	3.750	2.510						

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 October 13, 2008. Figures reflect per gallon prices without discount.

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

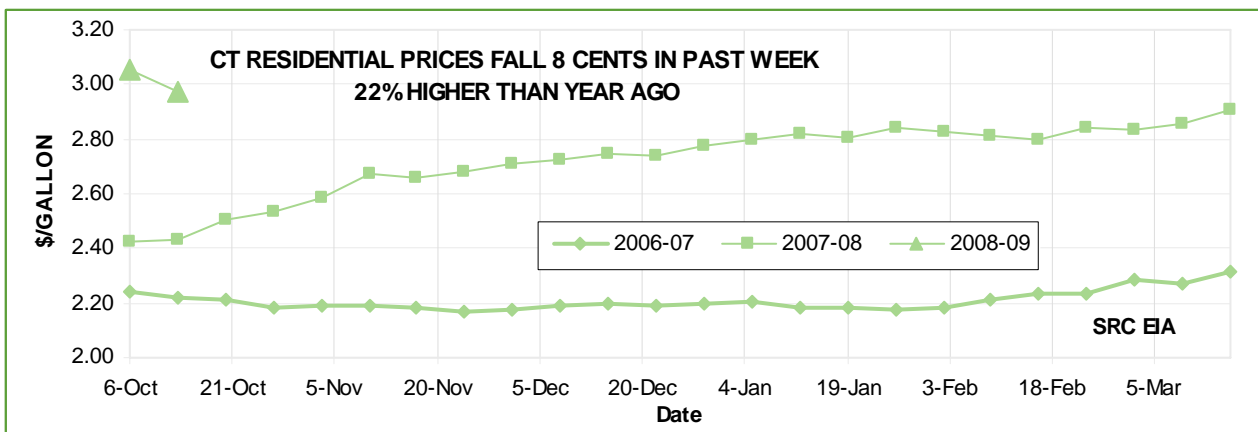
Propane



Unlike crude oil, gasoline, and distillates, propane inventories have been steadily rising. Propane inventories have increased for the 28th consecutive week as the seasonal decline in the heating market has lessened demand. Inventory growth was only 0.3 million barrels this past week, but inventories are above last year's level by 1.3%. Inventories are 8.6% below the five-year average however.

OPM's residential propane price survey this week showed a price decline of 8 cents from the previous week. At \$2.976/gal, prices are 22% (54 cents) greater than last year at this time. With the continue decline in propane spot prices it is likely that retail prices will also continue to fall.

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



Gasoline



Continued weak demand and improving refinery utilization rates have led to another strong gain in gasoline inventories. They grew by 7 million barrels compared to an expected gain of 3.2 million. Despite strong gains in the past three weeks, inventories are 0.6% below last year and are 2.8% below the five-year average. They are at their lowest levels since before 1991. Gasoline production continues to suffer from the effects of Gustav and Ike.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$1.32 to \$3.068. This is 19 cents (7%) higher than a year ago. Prices continue to fall as high prices crimp demand. Connecticut prices have been affected much less by the hurricanes than those of many other areas of the country. Normally, Connecticut prices are among the top five in the nation. On Friday Connecticut again ranked 22nd. While Connecticut prices spiked by up to 10 cents because of the storms, other states saw their prices go up by 40 to 50 cents/gal.

