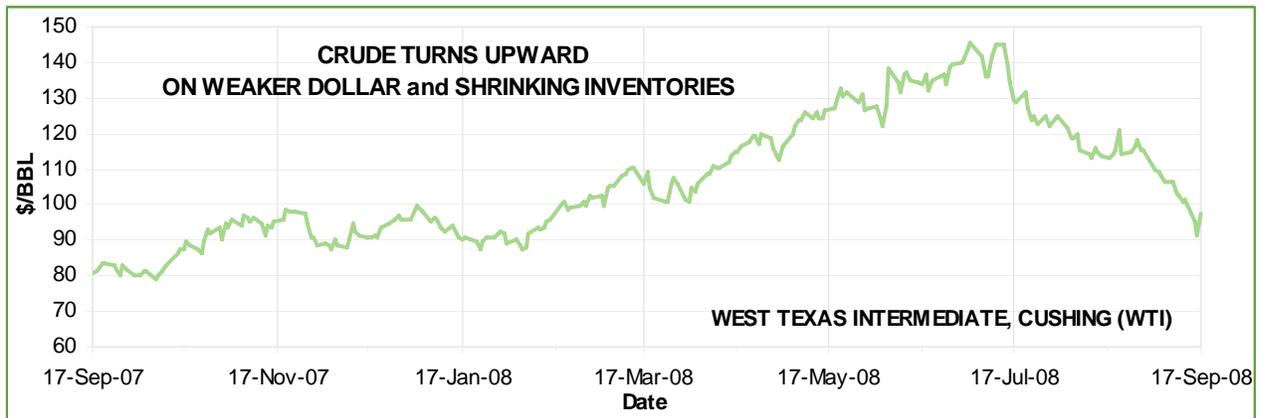


Crude Oil



After falling 37% from its July record high and sustaining its largest ever two-day decline, crude prices reversed direction yesterday as financial turmoil in the U.S. led to a decline in the dollar and crude inventories fell more than expected. Unrest in Nigeria and the renewed attraction of investing in commodities such as crude oil also contributed to the price increase. Prices are still 33% lower than July record highs. Wednesday's spot price was \$97.36. It is \$17 (21%) above last year. The 12 month strip closed Wednesday at \$97.48. This was \$21 (28%) higher than a year ago.

U.S. crude inventories were expected to fall by 3.7 million barrels this past week. Instead, they fell by 6.3 million. Over the past 18 weeks they have fallen by 34 million barrels. They are now 8.8% below last year and 3.4% below the five-year average.

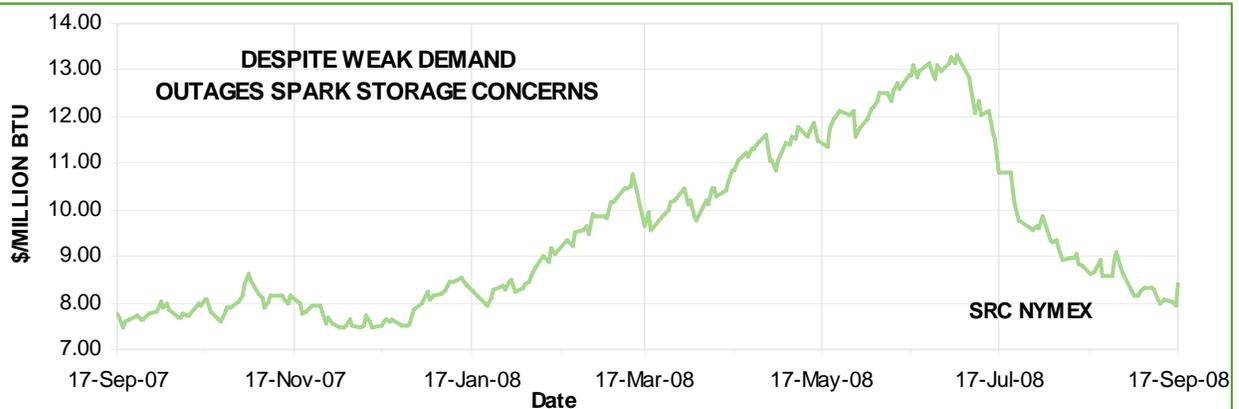


Natural Gas



Despite two major hurricanes disrupting natural gas production, through Tuesday, futures prices had fallen by 41% since hitting a record high on July 3rd. Falling crude oil prices, weaker demand, and an improved storage outlook had all contributed to the price decline. The financial turmoil in the U.S. and the weakening dollar have led to what is probably only a brief upturn in prices yesterday. Wednesday's price was \$8.401, 8% higher than a year ago. The spot price peaked at \$13.31 on July 2nd and has since fallen to \$7.82, 23% higher than a year ago.

Although production has been affected by Gustav and Ike, this week managed to show a higher than expected inventory build of 63 BCF, only 23% lower than the 5 year average. Current inventories have improved to 4.6% less than last year and are 2% above the 5 year average. With decreased demand and increased production, cumulative storage injections this year are 3% above the five year average and gas inventories should reach adequate levels by the start of the heating season.



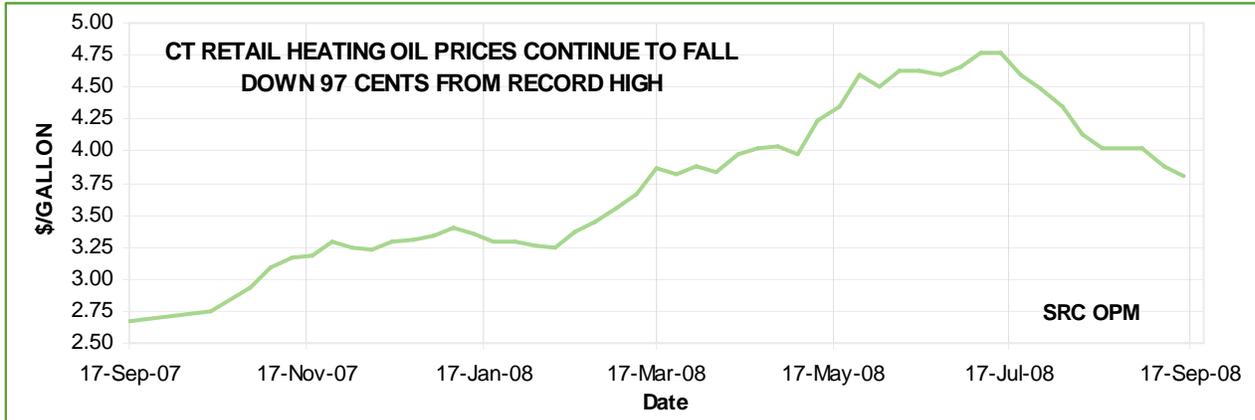
Heating oil



Distillate inventory levels fell by 0.8 million barrels this past week, less than the 1.7 million decline that was expected. Inventories are 4% below last year and they are also 4% 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 32%. The 12 month strip is now \$2.850/gal, 68 cents (32%) higher than a year ago. The spot price is now \$2.788/gal, 58 cents (26%) above this time last year.

The average retail heating oil price continues to fall. At \$3.801/gal, it is 97 cents below the July 14th peak price. It is \$1.125 (42%) above a year ago. The highest price in this week's survey was \$4.699 and the lowest was \$3.090.

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-Sep-07	2.722	2.999	2.499	2.689	2.899	2.429	2.733	2.930	2.659
25-Aug-08	4.219	4.849	3.849	3.984	4.399	3.599	3.993	4.199	3.729
1-Sep-08	4.080	4.749	3.849	3.884	4.299	3.399	3.879	4.099	3.569
8-Sep-08	3.965	4.699	3.699	3.760	4.199	3.350	3.783	4.099	3.529
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
10-Sep-07	2.701	2.799	2.520	2.705	2.749	2.680	2.645	2.679	2.579
25-Aug-08	3.969	4.299	3.800	4.106	4.399	3.780	3.869	3.999	3.799
1-Sep-08	3.769	3.999	3.450	3.942	4.199	3.650	3.763	3.849	3.650
8-Sep-08	3.823	4.099	3.659	3.854	4.099	3.620	3.651	3.819	3.449
	NEW HAVEN								
	AVG	HIGH	LOW						
10-Sep-07	2.608	2.799	2.400						
25-Aug-08	3.963	4.199	3.669						
1-Sep-08	3.829	4.140	3.138						
8-Sep-08	3.758	4.099	3.090						

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 Monday, September 15, 2008. Figures reflect per gallon prices without discount.

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

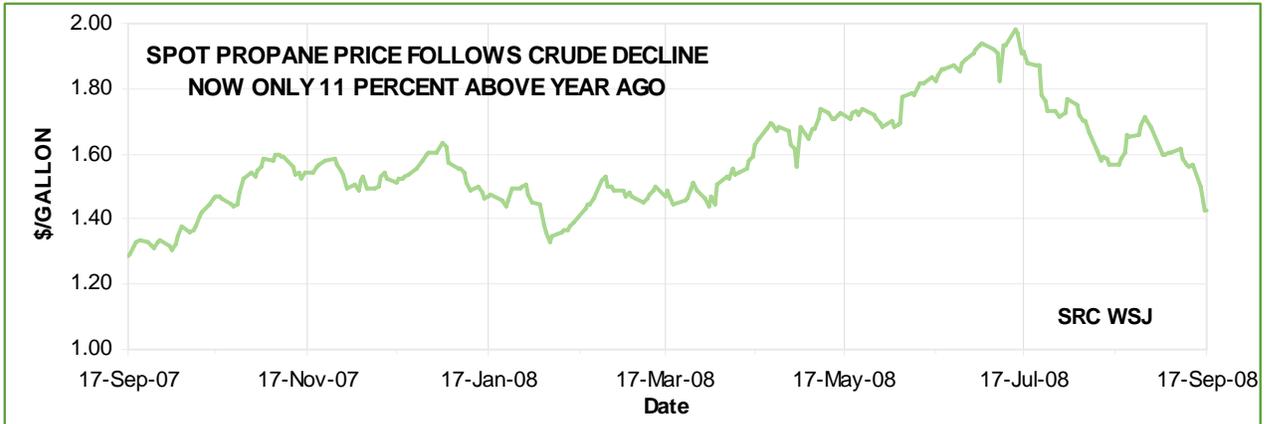
Propane



Unlike crude oil, gasoline, and distillates, propane inventories increased again this past week. Propane inventories have increased for the 24th consecutive week as the seasonal decline in the heating market has lessened demand. Inventories grew by 1.1 million barrels this past week. Inventories are now 4.4% lower than last year and 12.7% below the five year average.

Propane spot prices generally follow crude oil prices. Spot prices are now at \$1.429/gal compared to \$1.285 a year ago, an increase of 11%.

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



Gasoline



Gasoline inventories have declined 15% in the past eight weeks, falling by 32.5 million barrels. This past week's inventories fell by 3.3 million compared to an expected 3.6 million decline. Inventories have worsened to 3.2% below last year and are 6.6% below the five year average.

Gasoline prices are affected by seasonal demand patterns, fluctuations in crude oil prices, and the impact of refinery outages. There is also a time-lag between changes in crude prices, wholesale gasoline prices, and retail gasoline prices. As a result, gasoline prices do not strictly follow the same path as crude oil prices.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by 56 cents to \$3.833. This is 94 cents (33%) higher than a year ago.

