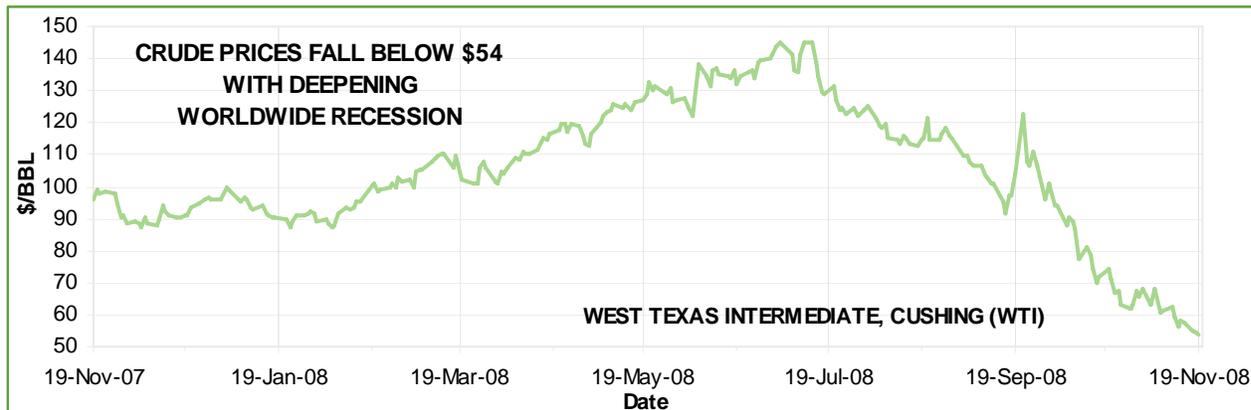


## Crude Oil



Crude oil prices have fallen to their lowest levels since January of 2007 despite two cuts in output by OPEC and economic stimulus packages in the U.S., Europe, and China. A stronger dollar, a larger than expected crude inventory build, and flagging demand have combined to send crude prices lower. With the global economic outlook continuing to worsen, Japan has now joined the list of countries that have slipped into recession, prices could go even lower. After reaching record highs in July in the mid \$140's, crude prices have fallen by more than 60%. The 12 month strip fell to \$58.19 on Wednesday. It is now \$32.09 (36%) lower than a year ago. Spot prices closed at \$53.61/bbl, \$42.14 (44%) lower than last year.

Crude inventories grew by 1.6 million barrels this past week, twice the 0.8 million barrels that some analysts had expected. Inventories have improved to 0.4% above the five-year average and now lag year ago levels by only 0.1%.

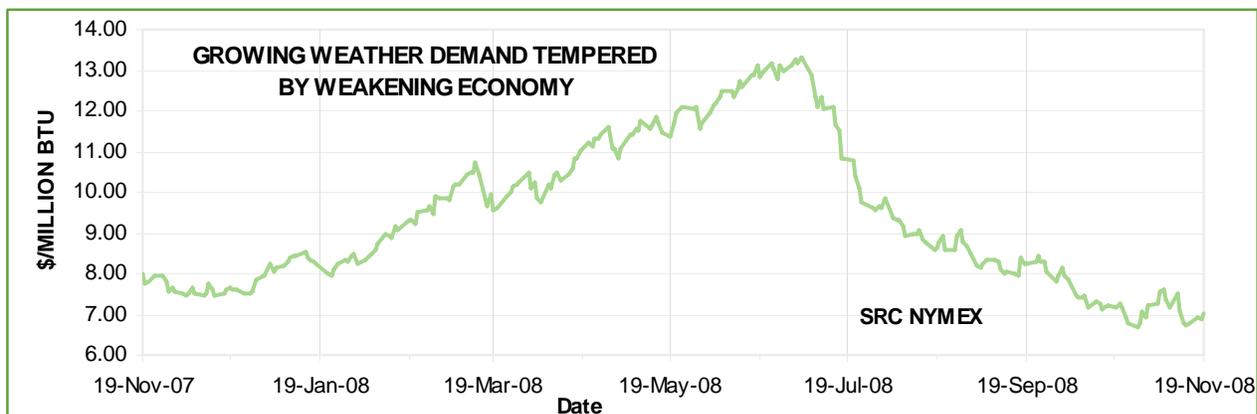


## Natural Gas



Futures prices reached a record high of \$13.334 on July 3<sup>rd</sup>. 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 47% below their July 2008 peak. Wednesday's futures prices closed at \$7.023, 12% lower than a year ago. The spot price peaked at \$13.310 on July 2<sup>nd</sup> and has since fallen to \$6.76, 8% lower than a year ago. Falling crude prices 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 injection of 16 BCF was the highest ever for this time period and compares to the five-year average of a 2 BCF withdrawal. Inventories are the second highest ever for this data, only 1.4% less than last year's record high, and they are 4.2% above the five-year average.

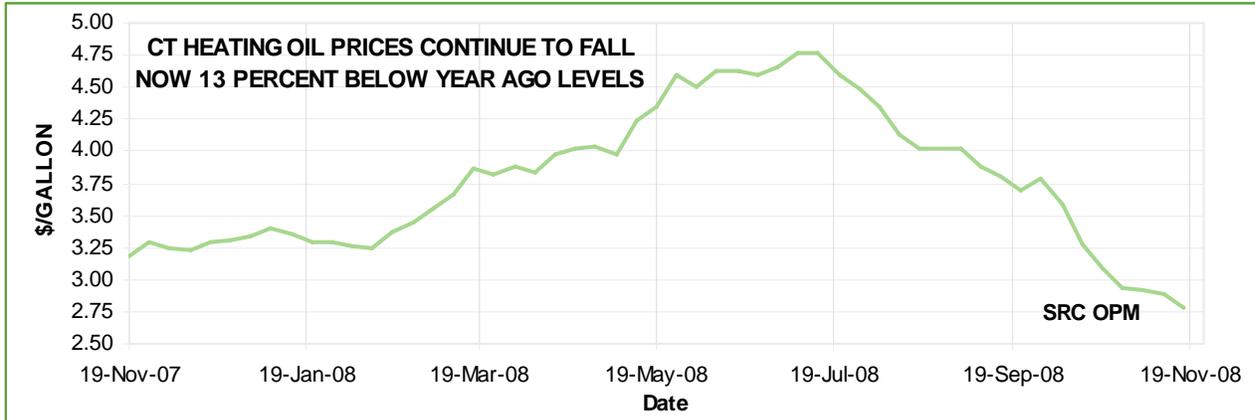




Distillate inventory levels fell by 1.5 million barrels this past week compared to an expected gain of 0.6 million. Inventories have lessened their deficit compared to last year to 3.7% but they have worsened to only 0.1% above the five-year average. The 12 month strip for heating oil continues to track crude oil prices. After setting record highs on July 3<sup>rd</sup>, prices have fallen by 56%. The 12 month strip is now \$1.834/gal, 65 cents (26%) lower than a year ago. The spot price is now \$1.762/gal, 83 cents (32%) below this time last year.

Connecticut retail heating oil prices fell by more than 12 cents this past week. Prices have fallen by \$1.02 over the past 7 weeks. At \$2.773/gal, this week's average price is \$1.99 (42%) below the July 14<sup>th</sup> peak price. Prices are now 13% (41 cents) lower than a year ago. The highest price in this week's survey was \$3.449 and the lowest was \$2.031.

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
19-Nov-07	3.321	3.699	3.099	3.185	3.499	2.959	3.179	3.340	3.049
3-Nov-08	3.124	3.499	2.899	2.856	3.450	2.499	2.859	2.999	2.629
10-Nov-08	3.128	3.449	2.899	2.855	3.490	2.510	2.831	2.999	2.629
17-Nov-08	3.004	3.399	2.799	2.730	3.449	2.299	2.685	2.859	2.479
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
19-Nov-07	3.149	3.299	2.980	3.166	3.199	3.130	3.151	3.179	3.100
3-Nov-08	2.773	2.899	2.490	3.149	3.699	2.850	2.801	2.999	2.650
10-Nov-08	2.721	2.849	2.490	2.999	3.199	2.850	2.759	2.899	2.650
17-Nov-08	2.595	2.739	2.350	2.919	3.199	2.599	2.627	2.799	2.539
	NEW HAVEN								
	AVG	HIGH	LOW						
19-Nov-07	3.100	3.409	2.660						
3-Nov-08	2.874	3.199	2.274						
10-Nov-08	2.860	3.199	2.489						
17-Nov-08	2.740	3.099	2.031						

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 November 17, 2008. Figures reflect per gallon prices without discount.

For more information, see [www.ct.gov/OPM](http://www.ct.gov/OPM) > Energy Management > Energy Price and Supply Information

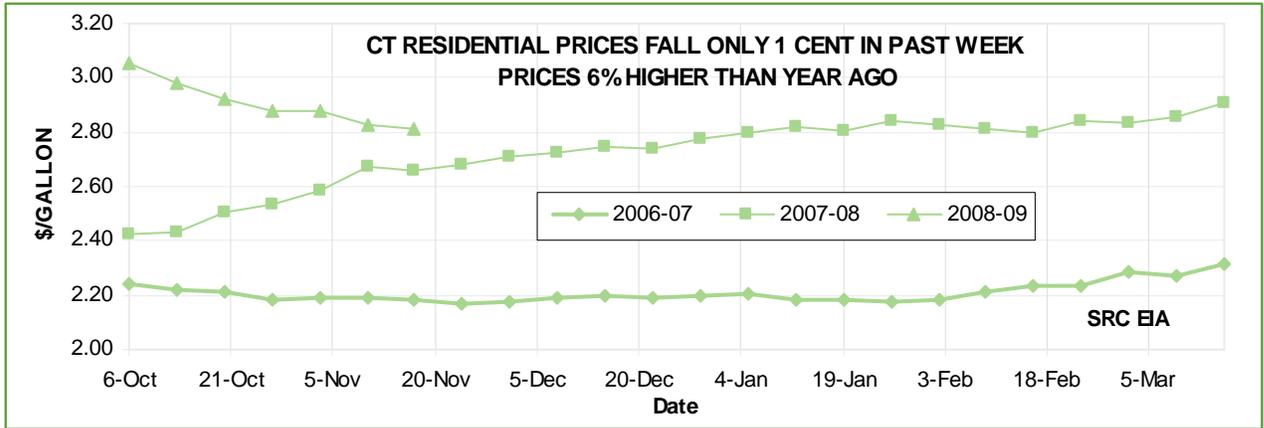
# Propane



Propane inventories grew by 139,000 barrels this past week after falling by 877,000 over the previous four weeks. The EIA inventory report showed this week's inventories trailing last year's level by 1.5% and they are 8.4% below the five-year average.

In this week's residential price survey that OPM performs for the EIA, retail propane prices fell by only 1 cent from the prior week. Prices had fallen by 24 cents during the previous six weeks. At \$2.815/gal, prices are 6% (16 cents) greater than last year at this time.

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



# Gasoline



Despite falling prices, which have been major disincentives to increase or even hold inventories, and declining margins which have discouraged production, inventories managed to grow by 0.5 million barrels this past week, slightly above an expected increase of 0.4 million. The continued decline in demand has been a big factor in the growth in inventories. Inventories are now 1.8% greater than last year and have improved to 0.3% above the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9<sup>th</sup>. They have since fallen by \$2.22 to \$2.166/gal. This is \$1.058 (33%) lower than a year ago. Prices continue to fall because of continued weak consumer gasoline demand despite the much lower prices. 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 Thursday, Connecticut ranked 13<sup>th</sup>.

