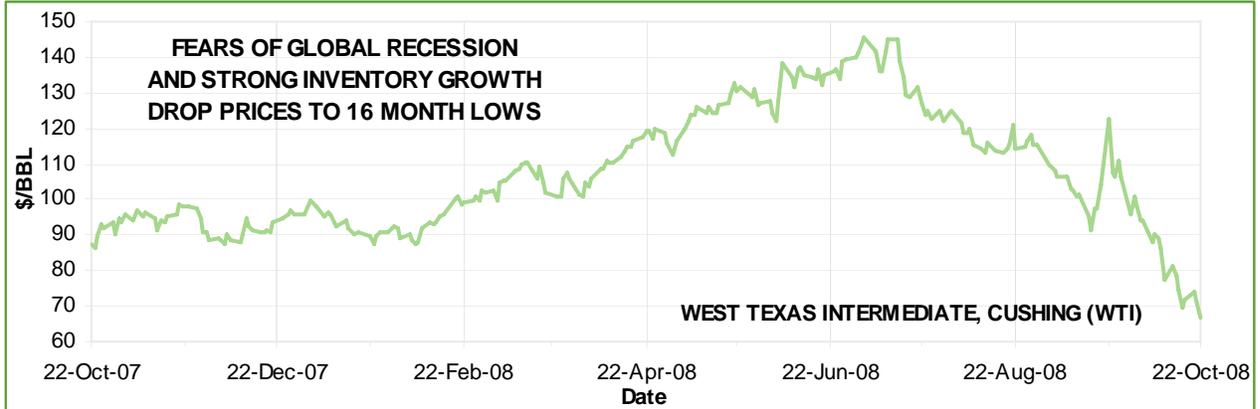


Crude Oil



Fears that the world economy is headed for a deep recession and stronger than expected inventory gains continue to pressure crude prices. The dollar's hitting a two-year high against the Euro also contributed to the crude's fall. After reaching record highs in July in the mid \$140's, crude prices have fallen more than 50% to under \$70/barrel. The 12 month strip closed Wednesday at \$69.42. This was \$13.66 (16%) lower than a year ago. Spot prices closed at \$66.89, \$20.68 (24%) below last year. These are the lowest crude oil spot prices since June of last year.

Crude inventories grew by 3.2 million barrels this week, greater than the 2.6 million that was expected. Weak demand and hurricane impaired production coming back on line continue to generate higher than expected gains. Inventories are now 1.5% above the five-year average.

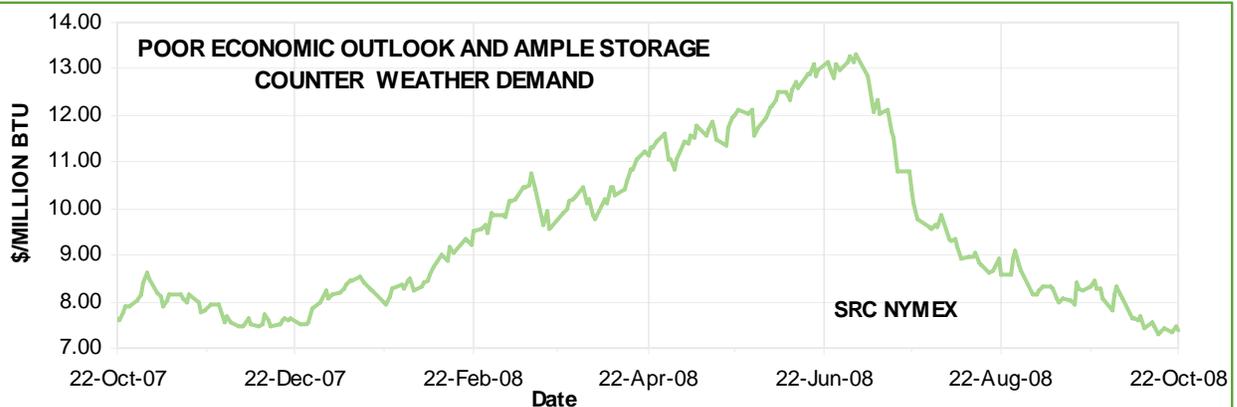


Natural Gas



Futures prices reached a record high of \$13.334 on July 3rd. Despite two major hurricanes disrupting natural gas production, weak demand, a surprisingly strong inventory outlook, and increases in non-Gulf production have driven futures prices down to below this time last year. Wednesday's futures prices closed at \$7.375, 3.6% lower than a year ago. The spot price peaked at \$13.310 on July 2nd and has since fallen to \$6.940, 6.9% higher than a year ago. Weather related demand has caused spot prices to begin to rise.

Despite the continued impairment of Gulf production, this week managed to show another above average inventory build of 70 BCF, 14% higher than the five-year average. Because it was less than the 80 BCF that was expected, futures prices will probably began to rise. Inventories are only 2.2% less than last year and they are 2.9% above the five-year average. Inventories are expected to eventually reach 3470 BCF, comfortably above the five-year average of 3352 for the start of the heating season.



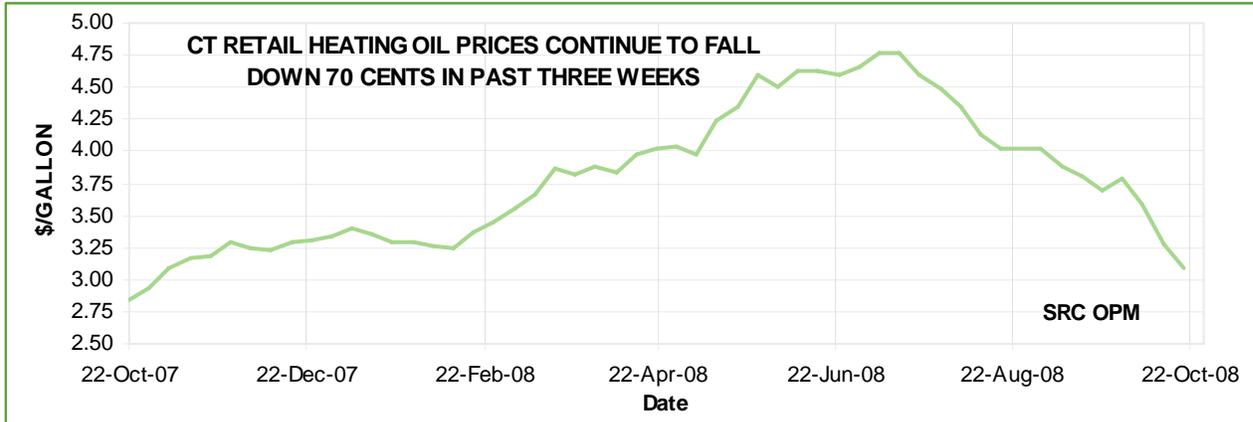
Heating oil



Distillate inventory levels rose by 2.2 million barrels this past week, well above the expected gain of 0.1 million. Inventories are 7.9% lower than last year and they are 4.7% 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 49%. The 12 month strip is now \$2.124/gal, 14 cents (6%) lower than a year ago. The spot price is now \$2.040/gal, 26 cents (11%) below this time last year.

Connecticut retail heating oil prices continued to decline this past week. They fell another 17.5 cents and have fallen by 70 cents over the past three weeks. At \$3.097/gal, prices are \$1.67 (35%) below the July 14th peak price. They are 25 cents (9%) more than a year ago. The highest price in this week's survey was \$3.999 and the lowest was \$2.300

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
22-Oct-07	2.942	3.199	2.799	2.834	2.999	2.599	2.873	3.070	2.769
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
20-Oct-08	3.295	3.699	2.999	3.068	3.999	2.670	3.031	3.199	2.859
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
22-Oct-07	2.879	2.979	2.710	2.862	2.899	2.810	2.815	2.850	2.749
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
20-Oct-08	2.933	3.219	2.590	3.296	3.699	2.890	2.917	3.099	2.750
	NEW HAVEN								
	AVG	HIGH	LOW						
22-Oct-07	2.770	2.949	2.540						
6-Oct-08	3.575	4.150	2.822						
13-Oct-08	3.247	3.750	2.510						
20-Oct-08	3.057	3.750	2.300						

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 20, 2008. Figures reflect per gallon prices without discount.

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

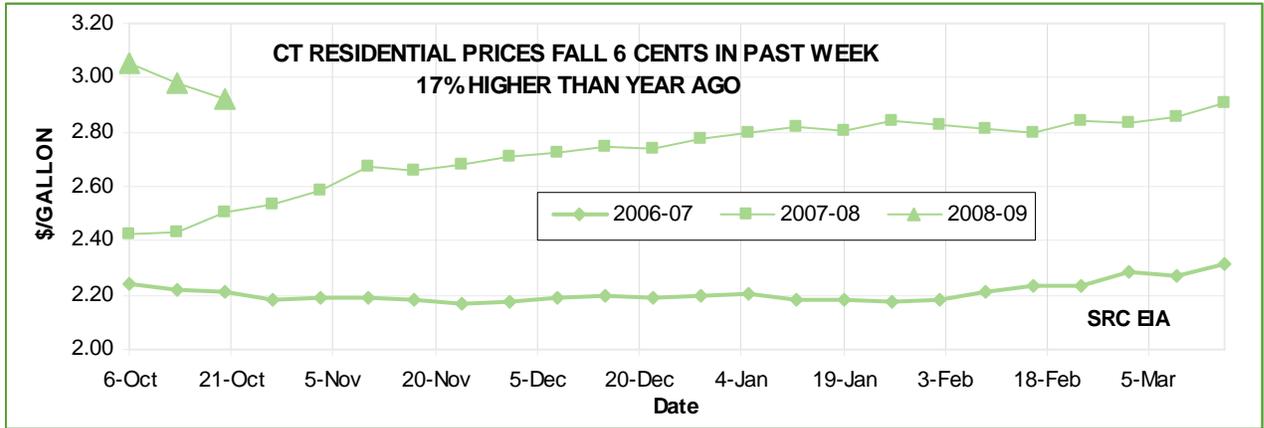
Propane



Propane inventories experienced their first decline in 29 weeks as seasonal demand picked up and production remains constrained. Although inventories fell by 42,000 barrels this past week, they are above last year's level by 0.2%. Inventories are 9% below the five-year average.

OPM's residential propane price survey this week showed another weekly price decline of 6 cents. At \$2.924/gal, prices are 17% (42 cents) greater than last year at this time. With the continue weakness in petroleum 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 gain in gasoline inventories. They grew by 2.7 million barrels, marginally less than the expected gain of 2.8 million. Gains in the past three weeks have totaled 16.9 million compared with the five-year average of a 1.4 million decline for the time period. Inventories have improved to 1.1% greater last year and are now only 1.3% below the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$1.53 to \$2.861. This is 5.5 cents (2%) lower than a year ago. Prices continue to fall as high prices crimp demand and crude prices continue their decline. 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 19th.

