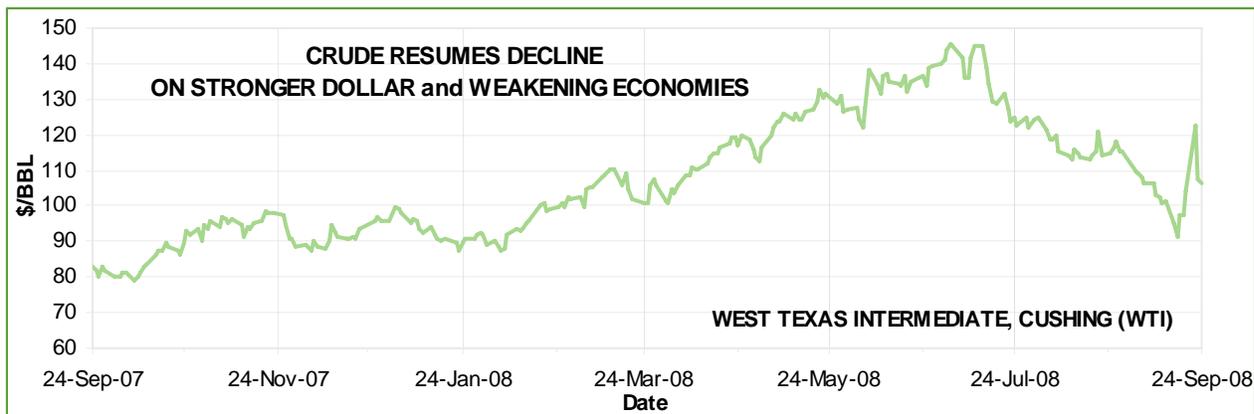


Crude Oil



Crude oil prices have been erratic, reflecting the financial and economic turmoil in the U.S. After reaching record highs in July in the mid \$140's, crude fell by 37% to the low \$90's. Prices have since returned to triple digits. After a huge one-day surge of \$18.56 which drove prices to \$122.58, spot prices have fallen to \$106.66, 29% above last year. Weak demand and a stronger dollar have also brought down the futures price. After reaching \$110.22 on Monday, the 12 month strip closed Wednesday at \$105.35. This was \$27 (34%) higher than a year ago.

Because of weak demand, U.S. crude inventories were expected to increase by 1.6 million barrels this past week. Instead, they fell by 1.5 million. Over the past 19 weeks they have fallen by 36 million barrels. They are now 9.3% below last year and 3.5% below the five-year average.

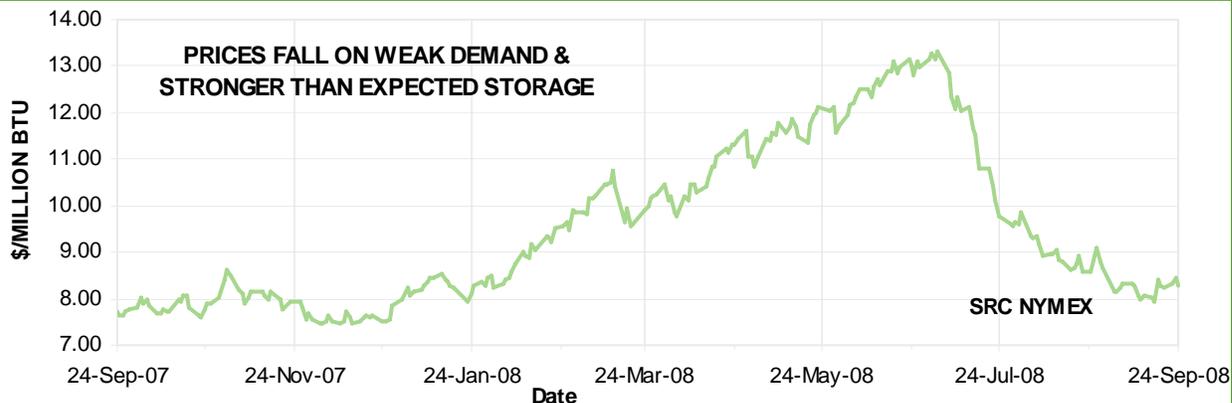


Natural Gas



Futures prices reached a record high of \$13.33 on July 3rd. By September 3rd, weak demand and an improving storage outlook had caused them to fall by 39% to \$8.17. Despite two major hurricanes disrupting natural gas production, through Wednesday, futures prices had risen by only 1% to \$8.27, 7% higher than a year ago. The spot price peaked at \$13.31 on July 2nd and has since fallen to \$8.13, 32% higher than a year ago.

Although production has been affected by Gustav and Ike, this week managed to show an inventory build of 51 BCF, only 34% lower than the 5 year average. Although 57% of Gulf production is still offline, natural gas consumption is also lower because of hurricane outages and this has allowed inventories to continue to build. Inventories are 5.1% less than last year and 1.2% above the 5 year average. With decreased demand and increased production, cumulative storage injections this year are 2% above the five year average and gas inventories should reach adequate levels by the start of the heating season.



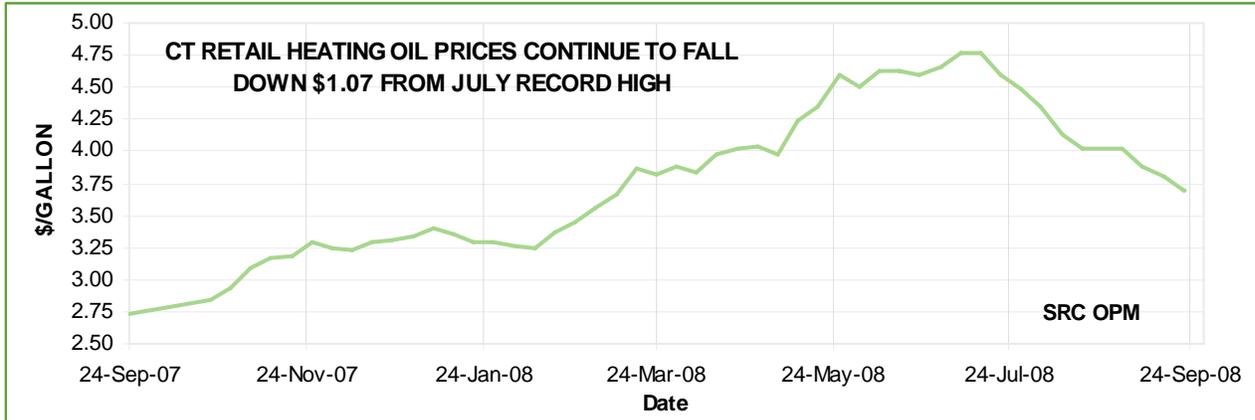
Heating oil



Distillate inventory levels fell by 4.2 million barrels this past week, much more than the 1.8 million decline that was expected. Inventories are 8.2% below last year and they are also 7.5% 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 28%. The 12 month strip is now \$3.036/gal, 83 cents (38%) higher than a year ago. The spot price is now \$2.986/gal, 77 cents (35%) above this time last year.

The average retail heating oil price fell another 10 cents this past week. At \$3.700/gal, it is \$1.07 below the July 14th peak price. It is 97 cents (36%) above a year ago. The highest price in this week's survey was \$4.299 and the lowest was \$3.087.

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 |
| 24-Sep-07 | 2.774 | 2.999 | 2.599 | 2.728 | 2.899 | 2.499 | 2.785 | 2.950 | 2.699 |
| 8-Sep-08 | 4.080 | 4.749 | 3.849 | 3.884 | 4.299 | 3.399 | 3.879 | 4.099 | 3.569 |
| 15-Sep-08 | 3.965 | 4.699 | 3.699 | 3.760 | 4.199 | 3.350 | 3.783 | 4.099 | 3.529 |
| 22-Sep-08 | 3.876 | 4.299 | 3.649 | 3.672 | 4.099 | 3.349 | 3.653 | 3.799 | 3.479 |
| | LITCHFIELD | | | MIDDLESEX | | | TOLLAND-WINDHAM | | |
| | AVG | HIGH | LOW | AVG | HIGH | LOW | AVG | HIGH | LOW |
| 24-Sep-07 | 2.777 | 2.849 | 2.660 | 2.745 | 2.799 | 2.699 | 2.703 | 2.749 | 2.629 |
| 8-Sep-08 | 3.769 | 3.999 | 3.450 | 3.942 | 4.199 | 3.650 | 3.763 | 3.849 | 3.650 |
| 15-Sep-08 | 3.823 | 4.099 | 3.659 | 3.854 | 4.099 | 3.620 | 3.651 | 3.819 | 3.449 |
| 22-Sep-08 | 3.583 | 3.699 | 3.400 | 3.784 | 3.999 | 3.570 | 3.547 | 3.699 | 3.440 |
| | NEW HAVEN | | | | | | | | |
| | AVG | HIGH | LOW | | | | | | |
| 24-Sep-07 | 2.655 | 2.799 | 2.450 | | | | | | |
| 8-Sep-08 | 3.829 | 4.140 | 3.138 | | | | | | |
| 15-Sep-08 | 3.758 | 4.099 | 3.090 | | | | | | |
| 22-Sep-08 | 3.680 | 4.040 | 3.087 | | | | | | |

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 22, 2008. Figures reflect per gallon prices without discount.

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

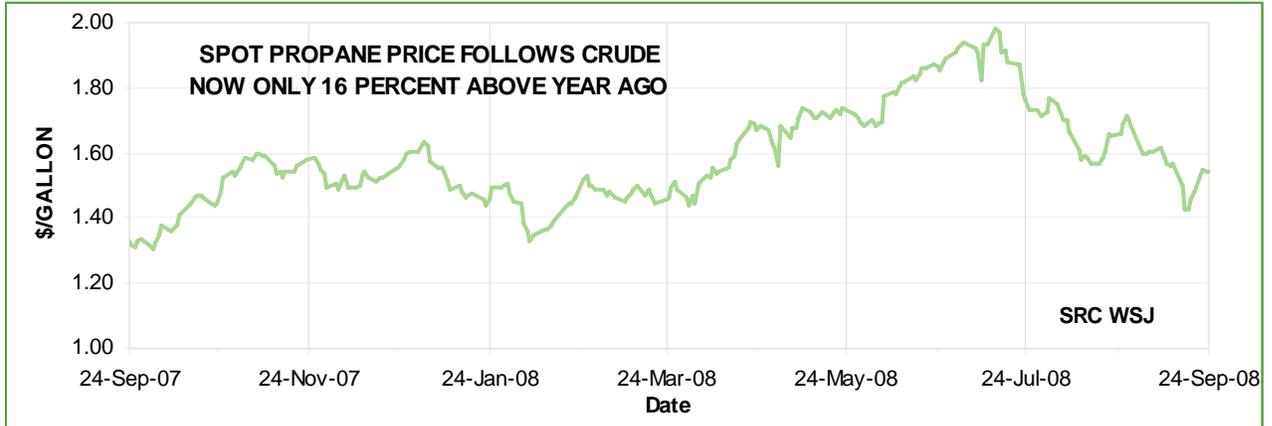
Propane



Unlike crude oil, gasoline, and distillates, propane inventories increased again this past week. Propane inventories have increased for the 25th consecutive week as the seasonal decline in the heating market has lessened demand. Inventories grew by only 0.1 million barrels this past week, the smallest weekly gain in three months. Inventories are now 5.6% lower than last year and 14.3% below the five year average.

Propane spot prices generally follow crude oil prices. Spot prices are now at \$1.541/gal compared to \$1.331 a year ago, an increase of 16%.

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



Gasoline



Gasoline inventories have declined 18% in the past nine weeks, falling by 38 million barrels. This past week's inventories fell by 5.9 million compared to an expected 5.1 million decline. Inventories have worsened to 6.5% below last year and are 10.3% below the five year average. They are at their lowest levels since 1967. Gasoline production has suffered from the effects of Gustav and Ike. Percentage usage of refinery capacity is at an all-time low of 66.71%. This time of year usually averages about 90%. Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by 66 cents to \$3.727. This is 83 cents (29%) higher than a year ago. Connecticut prices have suffered much less than those in many other areas of the country. Normally, Connecticut prices are in the top five in the nation. Today Connecticut ranked 18th. 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.

