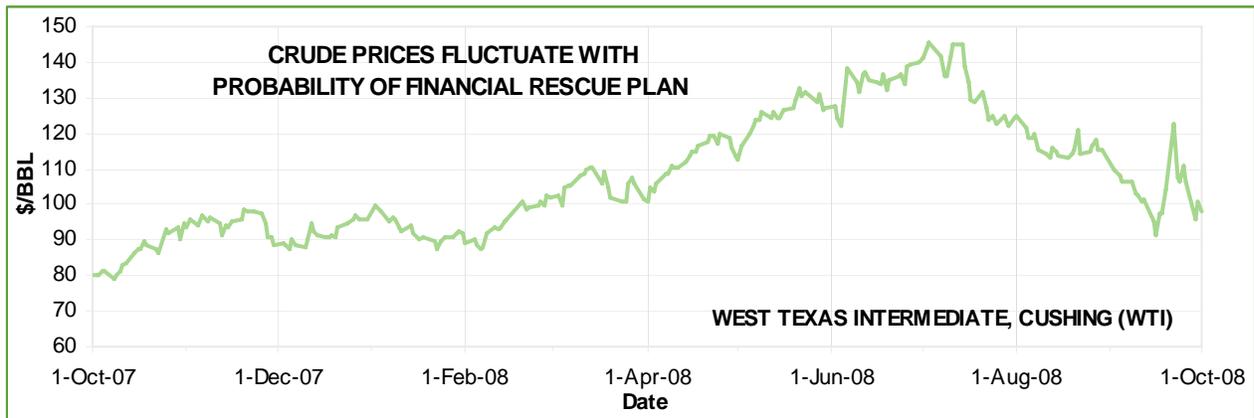


Crude Oil



Crude oil prices have been erratic as expectations from the benefits of the proposed U.S. financial rescue package do battle with declining demand from the faltering world economies. After reaching record highs in July in the mid \$140's, crude fell by 37% to the low \$90's. Prices returned to triple digits before declining again. Weak demand and a stronger dollar have also helped to bring down prices. The 12 month strip closed Wednesday at \$99.02. This was \$22 (29%) higher than a year ago. Spot prices closed at \$98.23, \$18 (22%) above last year.

Because of weak demand, U.S. crude inventories were expected to increase by 2.4 million barrels this past week. Instead, they rose by 4.3 million, reflecting weak demand and increased imports. Over the past 20 weeks they have fallen by 31 million barrels. They are now 8.4% below last year and 2.3% below the five-year average.

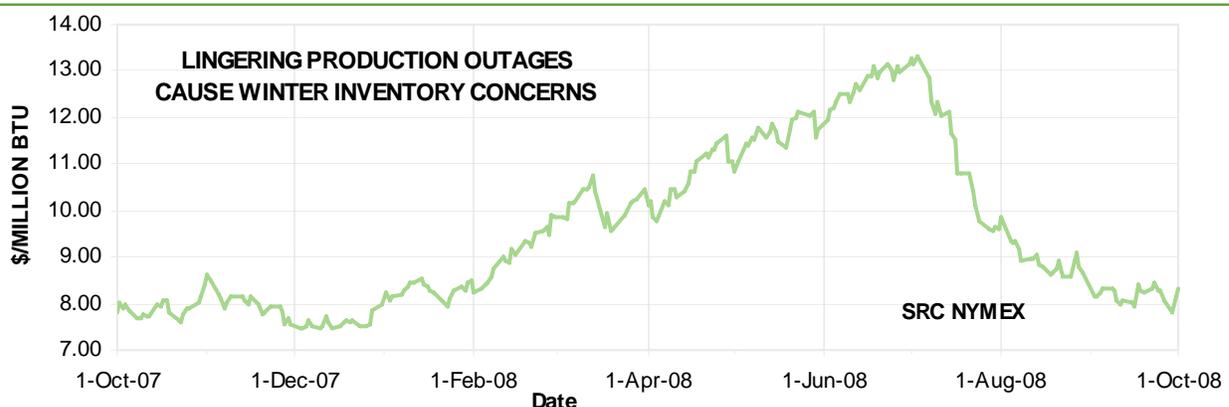


Natural Gas



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 2% to \$8.32, 7% higher than a year ago. The spot price peaked at \$13.31 on July 2nd and has since fallen to \$7.41, 15% higher than a year ago. Favorable price differentials between current prices and winter prices have caused an upturn in prices in the past few days as gas was purchased to put into storage.

Although production continues to be limited by the aftereffects of Gustav and Ike, this week managed to show an unexpectedly robust inventory build of 87 BCF. This is 21% higher than the 5 year average and much higher than the 72 that was expected. Inventories are 4.2% less than last year but 1.6% above the 5 year average. This week's larger than expected inventory gain should have a depressing effect on natural gas prices.



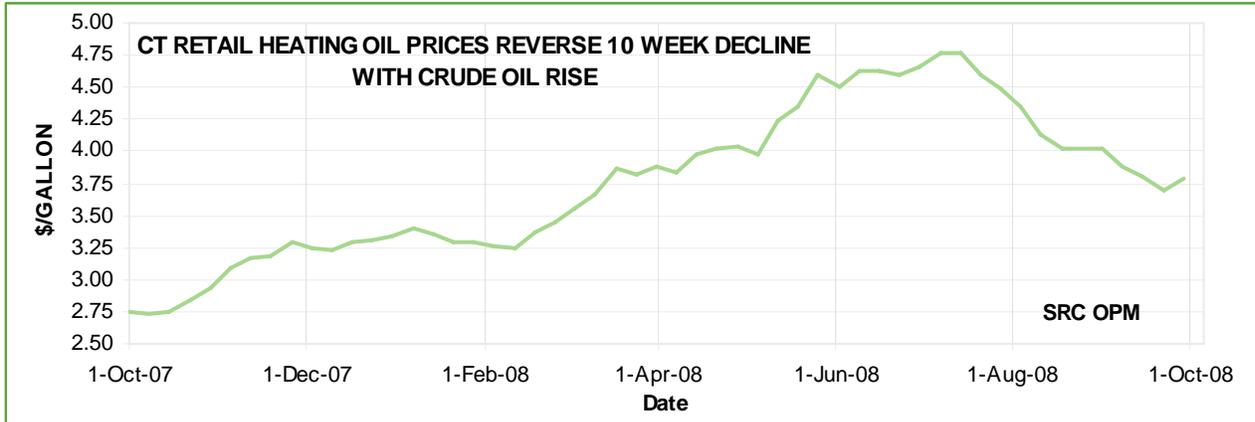
Heating oil



Distillate inventory levels fell by 2.4 million barrels this past week, twice the 1.2 million decline that was expected. Inventories are 9.6% below last year and they are 8.8% 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 than 30%. The 12 month strip is now \$2.893/gal, 75 cents (35%) higher than a year ago. The spot price is now \$2.818/gal, 66 cents (31%) above this time last year.

After falling \$1.066 over a 10 week period, the average retail heating oil price reversed direction and rose by 9 cents this past week. This reflected the recent increases in crude oil and spot heating oil prices. At \$3.792/gal, it is 97 cents (20%) below the July 14th peak price. It is \$1.05 (38%) above a year ago. The highest price in this week's survey was \$4.299 and the lowest was \$3.299.

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
1-Oct-07	2.841	3.099	2.699	2.723	2.899	2.479	2.785	2.950	2.699
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
29-Sep-08	3.952	4.299	3.749	3.737	4.199	3.299	3.775	3.999	3.579
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
1-Oct-07	2.751	2.849	2.610	2.741	2.799	2.699	2.725	2.760	2.669
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
29-Sep-08	3.681	3.799	3.490	3.857	3.999	3.690	3.663	3.849	3.570
	NEW HAVEN								
	AVG	HIGH	LOW						
1-Oct-07	2.683	2.840	2.500						
15-Sep-08	3.758	4.099	3.090						
22-Sep-08	3.680	4.040	3.087						
29-Sep-08	3.794	4.150	3.479						

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 29, 2008. Figures reflect per gallon prices without discount.

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

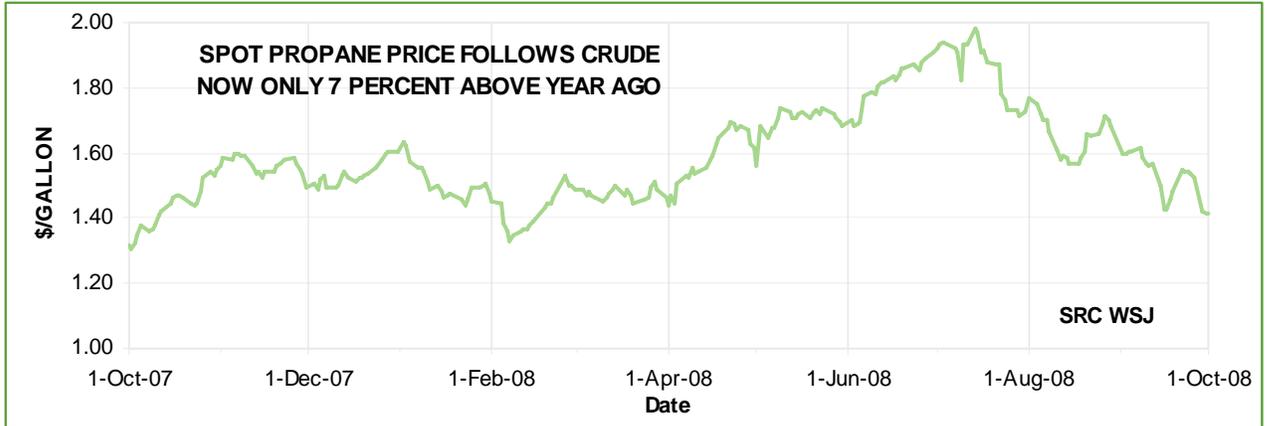
Propane



Unlike crude oil, gasoline, and distillates, propane inventories have been steadily rising. Propane inventories have increased for the 26th consecutive week as the seasonal decline in the heating market has lessened demand. After growing by only 0.1 million barrels last week, stocks grew by 2.4 million barrels this past week. Inventories are now only 1.7% lower than last year and 12% below the five year average.

Propane spot prices generally follow crude oil prices. Spot prices are now at \$1.416/gal compared to \$1.318 a year ago, an increase of 7%.

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



Gasoline



After declining by 18% over the previous nine weeks, falling by 38 million barrels, inventories grew by an unexpected 0.9 million barrels this past week. A decline of 1.6 million was forecast. Inventories are 6.1% below last year and are 10.4% below the five year average. They are at their lowest levels since 1967. 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 76 cents to \$3.629. This is 75 cents (26%) 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. Today Connecticut again 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.

