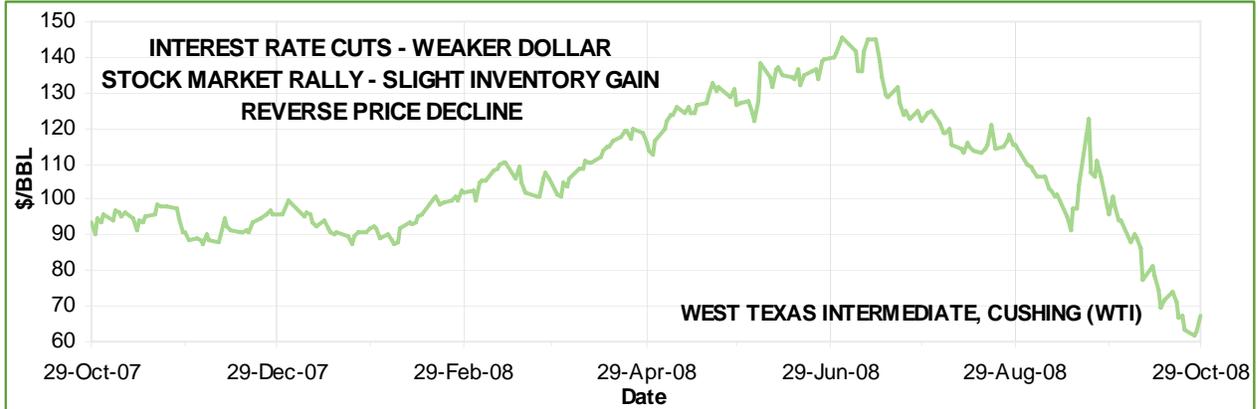


Crude Oil



Optimism that interest rates cuts in the U.S. and China would spur global economic recovery reversed the sharp decline in crude prices. Production cuts by OPEC, a weaker dollar, a stock market rally, and meager inventory gains also helped buoy crude prices. After reaching record highs in July in the mid \$140's, crude prices have fallen more than 50%. The 12 month strip rose Wednesday to \$70.30 after 4 of the previous 5 sessions closed below \$70. Wednesday's price was \$18.93 (21%) lower than a year ago. Spot prices closed at \$67.50, \$26.03 (28%) below last year. These are the lowest crude oil spot prices since June of 2007.

Crude inventories grew by only 0.5 million barrels this week, less than the 1.4 million that was expected. Increased percent utilization of refinery capacity limited the crude oil inventory build. Inventories are now 1.1% above the five-year average.

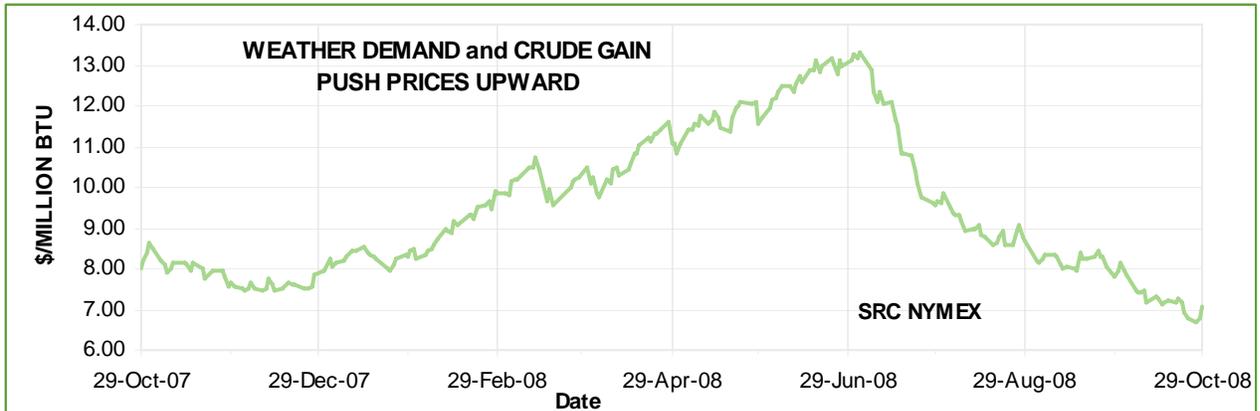


Natural Gas



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, futures prices are down below prices from the autumn of 2007. Wednesday's futures prices closed at \$7.091, 11.6% lower than a year ago. The spot price peaked at \$13.310 on July 2nd and has since fallen to \$6.590, 1.9% lower than a year ago. Weather related demand has caused spot prices to begin to rise but milder temperature forecasts for early November are expected to cause prices to fall again.

Despite the continued impairment of Gulf production, this week managed to show another above average inventory build of 46 BCF, 8% higher than the five-year average. Inventories are only 2.8% less than last year and they are 2.9% above the five-year average. Inventories are expected to eventually reach 3,470 BCF, comfortably above the five-year average of 3,352 for the start of the heating season.

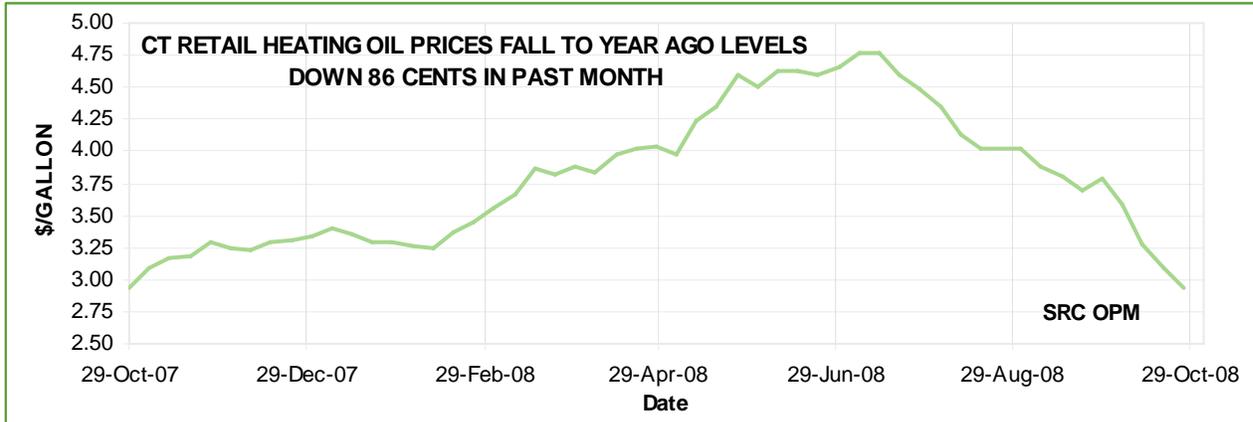




Distillate inventory levels rose by 2.3 million barrels this past week as increased imports pushed gains well above the expected increase of 0.8 million. Inventories are 6.2% lower than last year and they are 2.4% below the five-year average. The 12 month strip for heating oil continues to track crude oil prices. After setting record highs on July 3rd, prices have fallen by 50%. The 12 month strip is now \$2.104/gal, 31 cents (13%) lower than a year ago. The spot price is now \$2.038/gal, 42 cents (17%) below this time last year.

Connecticut retail heating oil prices declined again this past week. They fell another 17 cents and have fallen by 86 cents over the past four weeks. At \$2.932/gal, this week's average price was \$1.84 (39%) below the July 14th peak price. Prices are now even with levels of a year ago. The highest price in this week's survey was \$3.999 and the lowest was \$2.149.

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
29-Oct-07	3.041	3.349	2.899	2.933	3.090	2.699	2.959	3.150	2.789
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
27-Oct-08	3.131	3.599	2.899	2.929	3.999	2.480	2.837	2.999	2.599
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
29-Oct-07	2.941	2.999	2.890	2.942	2.999	2.899	2.895	2.949	2.849
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
27-Oct-08	2.745	2.899	2.590	3.159	3.499	2.899	2.787	2.949	2.700
	NEW HAVEN								
	AVG	HIGH	LOW						
29-Oct-07	2.853	2.980	2.540						
13-Oct-08	3.247	3.750	2.510						
20-Oct-08	3.057	3.750	2.300						
27-Oct-08	2.866	3.219	2.149						

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 27, 2008. Figures reflect per gallon prices without discount.

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

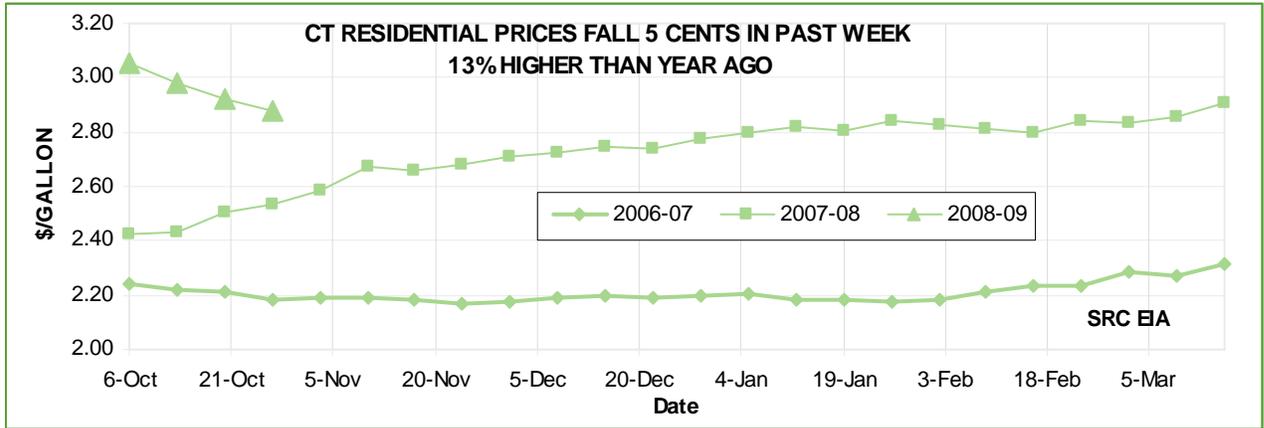
Propane



Propane inventories experienced a second weekly decline after 28 weeks of gains as seasonal demand for propane grows. Inventories fell by 707,000 barrels this past week and they trail last year's level by 2.5%. Inventories are 10.4% below the five-year average.

OPM's residential propane price survey this week showed another weekly price decline of 5 cents and over the past three weeks prices have fallen by 18 cents. At \$2.876/gal, prices are 13% (34 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



Gasoline inventories fell by 1.5 million barrels this past week compared to an expected gain of 1.2 million. Weak demand and falling prices have been major disincentives to increase or even hold inventories and declining margins discourage production. Inventories now only 0.1% greater than last year and have worsened to 1.7% below the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$1.76 to \$2.631/gal. This is 34 cents (12%) 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.

