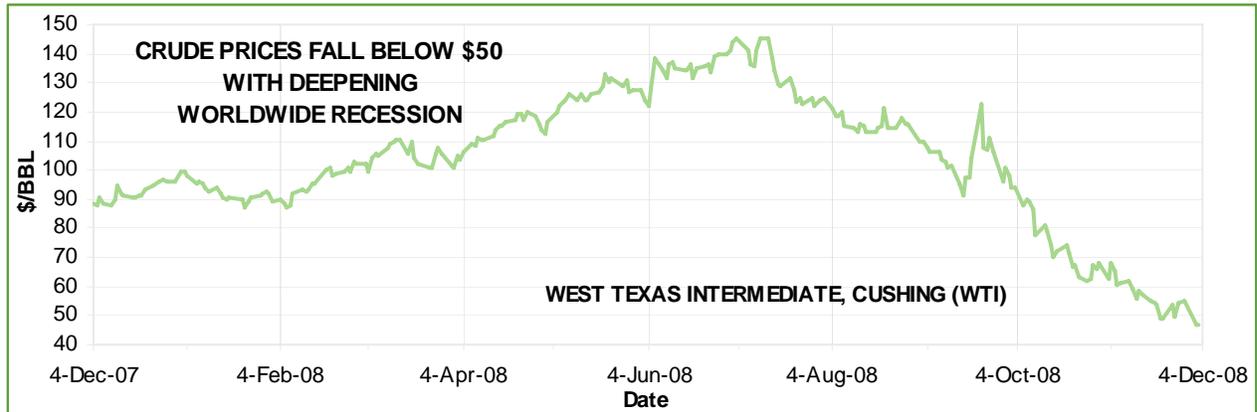


Crude Oil



Crude oil spot prices have fallen to their lowest levels since May of 2007 as world economic conditions continue to deteriorate. The U.S. is now officially in a recession and has been in one since December of 2007. Japan is also in a recession. Chinese economic growth continues to weaken. Although OPEC has officially cut production by 2 million barrels per day, its members have been slow to comply to their new quotas. 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 \$54.00 on Wednesday. It is now \$33.71 (38%) lower than a year ago. Spot prices closed at \$46.76/bbl, \$42.56 (48%) lower than last year.

Crude inventories grew by 0.5 million barrels this past week compared to an expected increase of 1.4 to 1.8 million. Inventories have improved to 3.7% above the five-year average and now exceed year ago levels by 4.2%.

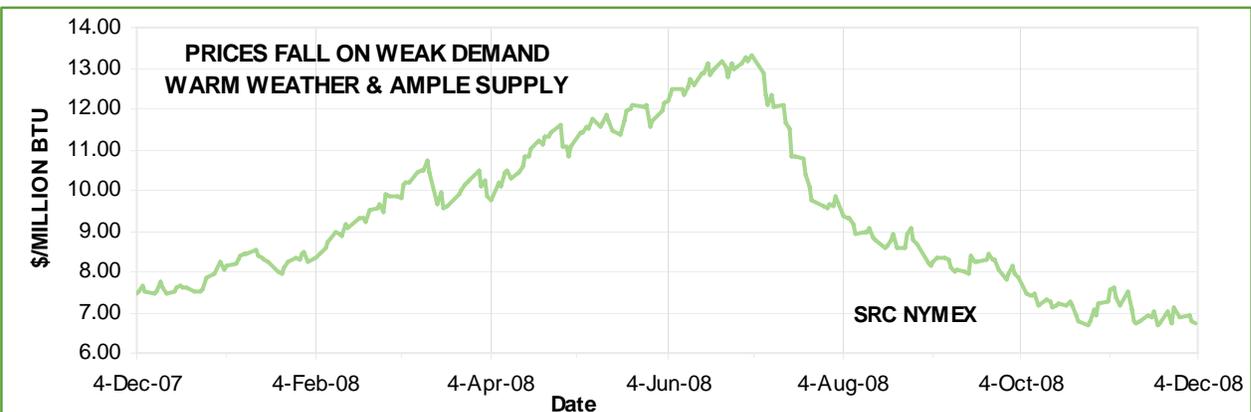


Natural Gas



Futures prices reached a record high of \$13.334 on July 3rd. Despite two major hurricanes disrupting natural gas production, weak demand, a strong inventory outlook, and increases in non-Gulf production have pushed futures prices down 50% below their July 2008 peak. Wednesday's futures prices closed at \$6.711, 10% lower than a year ago. The spot price peaked at \$13.310 on July 2nd and has since fallen to \$6.49, 7% lower than a year ago. Falling crude prices, ample inventories, 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 decline in inventories of 64 BCF was less than expected. Inventories are the third highest ever for this date, only 3.1% less than last year's record high, and they are 2.1% above the five-year average.

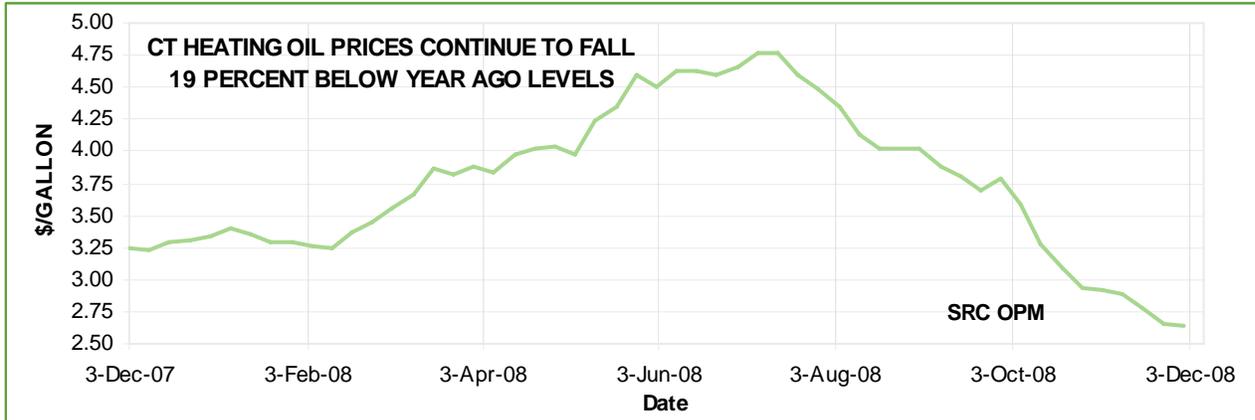


Heating oil



Distillate inventory levels fell by 1.7 million barrels this past week compared to an expected gain of 0.3 million. The inventory deficit compared to last year has worsened to 5.3% and the deficit to the five-year average has grown to 2.8%. The 12 month strip for heating oil continues to track crude oil prices. After setting record highs on July 3rd, prices have fallen by 59%. The 12 month strip is now \$1.703/gal, 70 cents (29%) lower than a year ago. The spot price is now \$1.560/gal, 99 cents (39%) below this time last year.

After falling by an average of 14 cents per week over the past two months, Connecticut retail heating oil prices declined by only 2 cents this past week. Prices have fallen by \$1.16 over the past 9 weeks. At \$2.635/gal, this week's average price is \$2.13 (45%) below the July 14th peak price. Prices are now 19% (60 cents) lower than a year ago. The highest price in this week's survey was \$3.490 and the lowest was \$1.926.



Connecticut Regional Heating Oil Prices

	FAIRFIELD			HARTFORD			NEW LONDON		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
3-Dec-07	3.387	3.749	3.190	3.238	3.499	2.999	3.221	3.390	3.079
17-Nov-08	3.004	3.399	2.799	2.730	3.449	2.299	2.685	2.859	2.479
24-Nov-08	2.877	3.199	2.690	2.639	3.490	2.250	2.597	2.799	2.439
1-Dec-08	2.882	3.149	2.699	2.608	3.490	2.269	2.591	2.799	2.379
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
3-Dec-07	3.201	3.299	3.040	3.262	3.399	3.110	3.209	3.279	3.119
17-Nov-08	2.595	2.739	2.350	2.919	3.199	2.599	2.627	2.799	2.539
24-Nov-08	2.453	2.499	2.300	2.777	2.990	2.499	2.521	2.699	2.449
1-Dec-08	2.465	2.599	2.250	2.757	2.990	2.499	2.499	2.699	2.420
	NEW HAVEN								
	AVG	HIGH	LOW						
3-Dec-07	3.158	3.499	2.780						
17-Nov-08	2.740	3.099	2.031						
24-Nov-08	2.616	2.999	2.043						
1-Dec-08	2.576	2.999	1.926						

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 December 1, 2008. Figures reflect per gallon prices without discount.

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

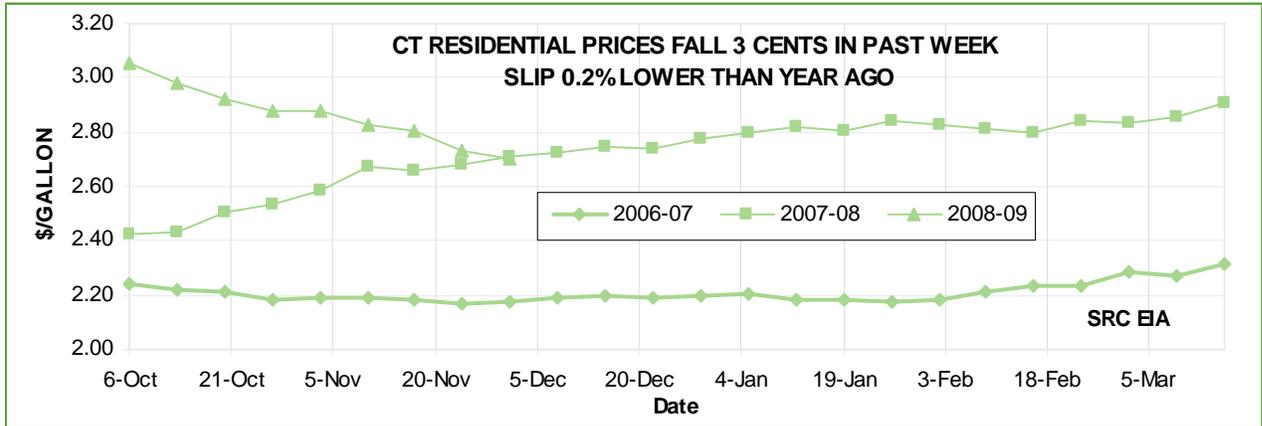
Propane



Propane inventories grew by 37,000 barrels this past week after falling by 123,000 the previous week. The EIA inventory report showed this week's inventories trailing last year's level by 1.3% and they are 8.2% below the five-year average.

In this week's residential price survey that OPM performs for the EIA, retail propane prices fell by 2.9 cents from the prior week. Prices had fallen by 35 cents during the previous 8 weeks. At \$2.704/gal, prices are 0.2% (0.7 cents) less than last year at this time. This is the first time that a week of this heating season has been less than the comparable period of the year before.

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



Gasoline



Falling gasoline prices have been a major disincentive to increase or even hold inventories. Declining margins have discouraged production. Because of the very weak demand for gasoline, the spot price of crude oil has actually been higher than the spot price of gasoline. As a result, inventories that were expected to grow by between 0.7 and 0.9 million barrels this past week fell unexpectedly by 1.5 million instead. Inventories have worsened to 0.3% less than last year and have dipped to 1.0% below the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9th. They have since fallen by \$2.44 to under \$2/gal. At \$1.951/gal they are \$1.289 (40%) lower than a year ago. Connecticut retail prices are now at their lowest levels since January of 2005. Prices continue to fall because of continued weak consumer gasoline demand despite the much lower prices.

