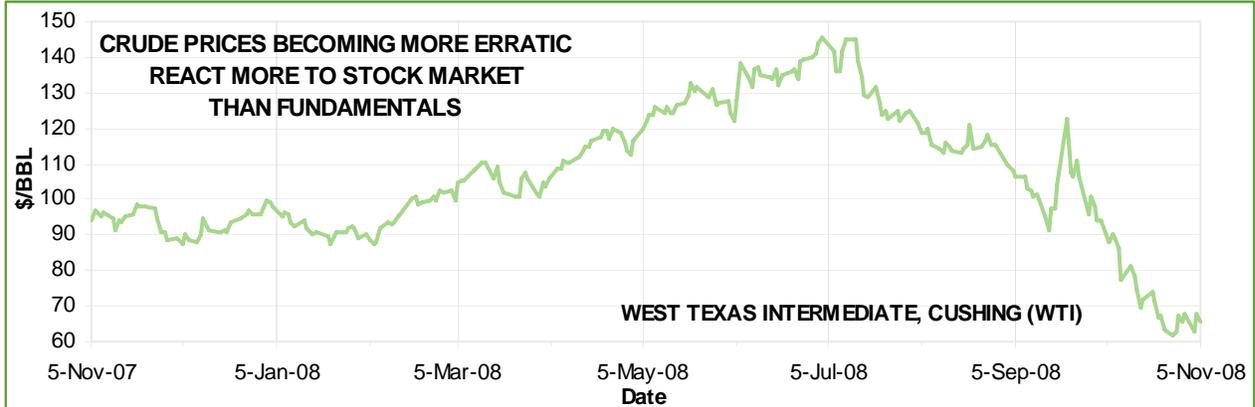


## Crude Oil



Spot prices have been fluctuating between \$62 and \$68 with no clear sense of direction. Daily changes in stock prices, interest rates, inventory changes, economic growth expectations, and OPEC output are all having an impact on prices. After reaching record highs in July in the mid \$140's, crude prices have fallen more than 50%. The 12 month strip dropped again to below \$70 on Wednesday. At \$69.86/bbl it was \$19.63 (22%) lower than a year ago. Spot prices closed at \$65.41/bbl, \$28.58 (30%) lower than last year.

Crude inventories remained basically flat this past week, growing by only 54,000 barrels. This was much less than the 1.1 million barrel growth that some analysts had expected. Inventories are now only 0.6% above the five-year average and lag year ago levels by 0.1%.



## Natural Gas



Futures prices reached a record high of \$13.334 on July 3<sup>rd</sup>. Despite two major hurricanes disrupting natural gas production, weak demand, a surprisingly strong inventory outlook, and increases in non-Gulf production have pushed futures prices down 43% below their July 2008 peak. Wednesday's futures prices closed at \$7.610, 7.2% lower than a year ago. The spot price peaked at \$13.310 on July 2<sup>nd</sup> and has since fallen to \$6.940, 2% higher than a year ago. Weather related demand has caused recent increases in spot prices.

Despite the continued impairment of Gulf production, this week managed to show another inventory build. This week grew by only 12 BCF, 61% lower than the five-year average. Inventories are 3.7% less than last year but they are 2.3% above the five-year average. Inventories are now at 3,405 BCF, comfortably above the five-year average of 3,352 for the start of the heating season.



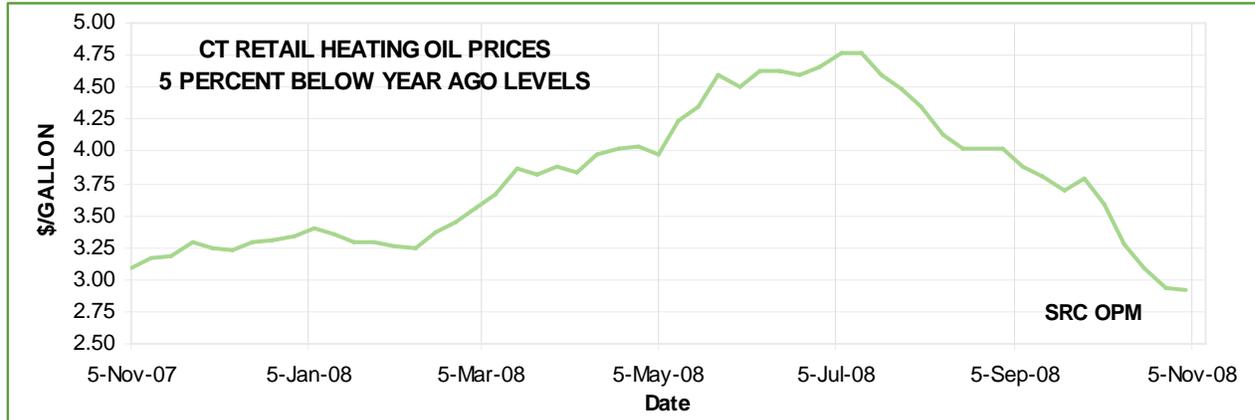
# Heating oil



Distillate inventory levels rose by 1.2 million barrels this past week, marginally less than the expected increase of 1.3 million. Inventories are 5.6% lower than last year and they have improved to only 0.8% below the five-year average. The 12 month strip for heating oil continues to track crude oil prices. After setting record highs on July 3<sup>rd</sup>, prices have fallen by 49%. The 12 month strip is now \$2.146/gal, 29 cents (12%) lower than a year ago. The spot price is now \$2.042/gal, 49 cents (19%) below this time last year.

Connecticut retail heating oil prices fell only slightly this past week, declining by only one cent. Prices had fallen by 86 cents over the previous four weeks. At \$2.920/gal, this week's average price is \$1.85 (39%) below the July 14<sup>th</sup> peak price. Prices are now 5.4% lower than a year ago. The highest price in this week's survey was \$3.699 and the lowest was \$2.274.

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
5-Nov-07	3.220	3.599	2.999	3.086	3.299	2.900	3.115	3.300	2.989
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
3-Nov-08	3.124	3.499	2.899	2.856	3.450	2.499	2.859	2.999	2.629
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
5-Nov-07	3.069	3.199	2.890	3.064	3.149	2.999	3.037	3.079	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
3-Nov-08	2.773	2.899	2.490	3.149	3.699	2.850	2.801	2.999	2.650
	NEW HAVEN								
	AVG	HIGH	LOW						
5-Nov-07	3.006	3.269	2.660						
20-Oct-08	3.057	3.750	2.300						
27-Oct-08	2.859	3.199	2.149						
3-Nov-08	2.874	3.199	2.274						

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 November 3, 2008. Figures reflect per gallon prices without discount.

For more information, see [www.ct.gov/OPM](http://www.ct.gov/OPM) > Energy Management > Energy Price and Supply Information

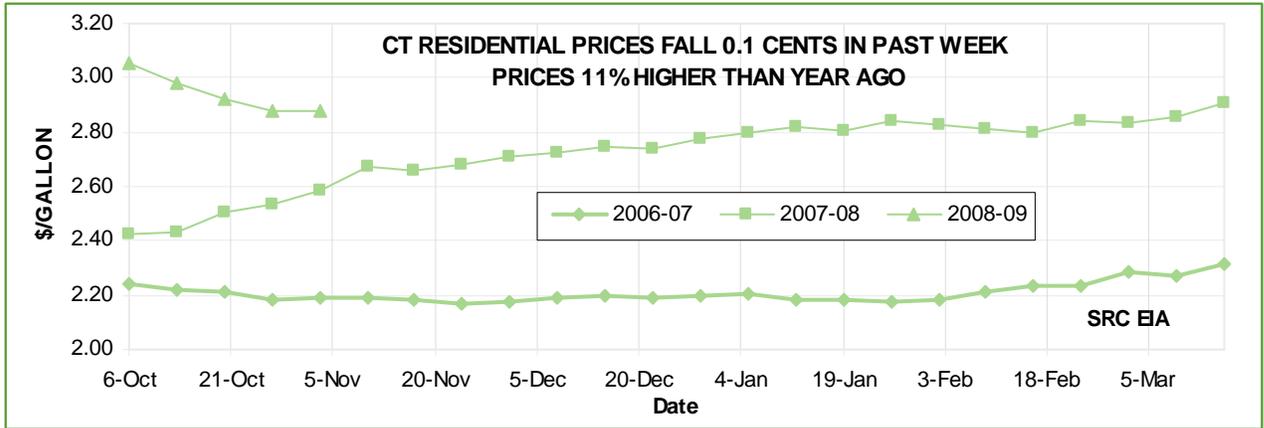
# Propane



After falling for the previous two weeks, propane inventories grew by 6,000 barrels according to this week's EIA inventory report. Inventories trail last year's level by 1.8% and they are 10.6% below the five-year average.

Similar to the results of OPM's residential heating oil price survey, retail propane prices showed virtually no change from the prior week. This week showed a weekly price decline of only 0.1 cents after seeing the price drop by 18 cents during the previous three weeks. At \$2.876/gal, prices are 11% (29 cents) greater than last year at this time.

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



# Gasoline



Despite falling prices, which have been major disincentives to increase or even hold inventories, and declining margins which have discouraged production, inventories managed to grow by 1.1 million barrels this past week compared to an expected decline of 1.0 million. Continued declines in demand and increased imports contributed to the inventory growth. Inventories are now 0.8% greater than last year and have improved to 1.0% below the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9<sup>th</sup>. They have since fallen by \$1.92 to \$2.472/gal. This is 65 cents (21%) lower than a year ago. Prices continue to fall because of continued week consumer gasoline demand despite the much lower prices. 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 17<sup>th</sup>.

