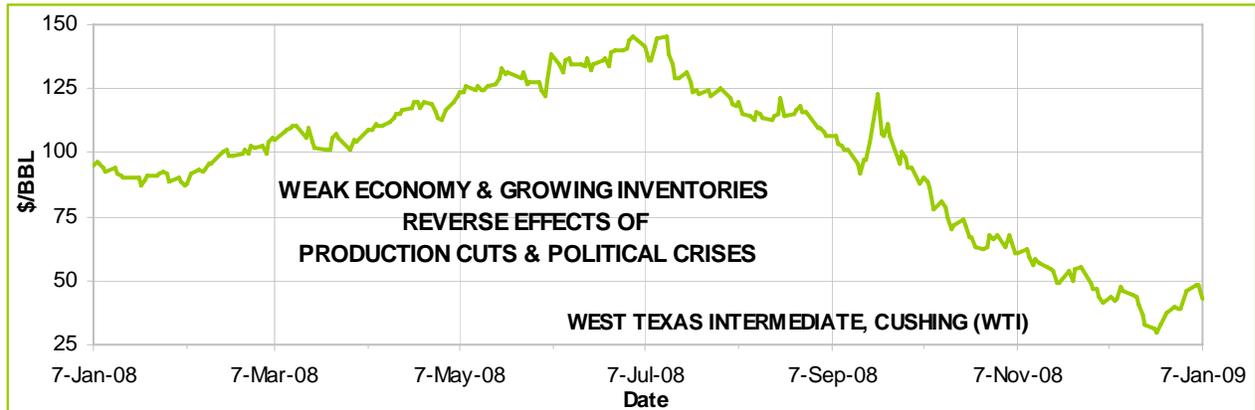


## Crude Oil



After rising by \$14.42/bbl over the previous 7 sessions, the crude oil 12 month strip fell by \$4.54 on Wednesday as the worsening worldwide recession and rising inventories offset the impacts of OPEC production cuts and political crises. After reaching record highs in July 2008 in the mid \$140's, crude prices have fallen by more than 60%. The 12 month strip settled at \$53.73 on Wednesday. It is now \$39.52 (42%) lower than a year ago. Spot prices closed at \$42.72/bbl, \$52.38 (55%) lower than last year.

Crude inventories grew by 6.7 million barrels this past week, far exceeding an expected gain of between 0.9 and 1.5 million. Inventories have improved to 9.8% above the five-year average and now exceed year ago levels by 14.3%. Inventories have risen in 13 of the past 15 weeks, reflecting the growing weakness in world petroleum demand.



## Natural Gas



Futures prices reached a record high of \$13.334 on July 3<sup>rd</sup>. Weak demand, a strong inventory outlook, and increases in non-Gulf production have pushed futures prices down 52% below their July 2008 peak. Wednesday's futures prices closed at \$6.415, 22% lower than a year ago. The spot price peaked at \$13.310 on July 2<sup>nd</sup> and has since fallen to \$5.880, 22% lower than a year ago. Lower crude prices, ample inventories, and anticipated weaknesses in commercial and industrial demand have limited increases in futures prices from normal seasonal heating demand.

This week inventories fell by only 47 BCF compared to an expected decline of between 59 and 85. The decline was 40 percent less than the five-year average of 78. Inventories are the third highest ever for this time period. They are 1.1% above last year and they are 3.2% above the five-year average. The strong storage numbers will continue to temper future price increases.

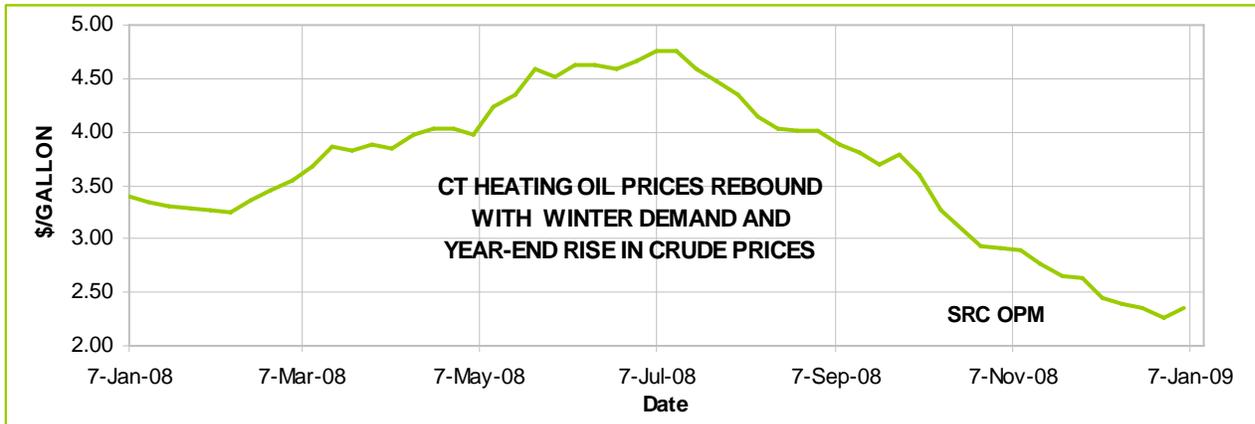


# Heating oil



Distillate inventory levels rose by 1.8 million barrels this past week, more than double the expected 0.7 million gain. The inventory deficit compared to last year has reversed itself and there is now a surplus of 7.5%. Inventories are now 5.2% above the five-year average after being 1.9% below it only five weeks ago. After setting record highs on July 3<sup>rd</sup>, futures prices have fallen by 61%. The 12 month strip is now \$1.639/gal, 90 cents (36%) lower than a year ago. The spot price is now \$1.540/gal, \$1.045 (40%) below this time last year. Connecticut retail heating oil prices rose by 8.2 cents this past week after haven fallen by \$1.53 over the past 13 weeks. Year-end 2008 crude oil price gains and cold weather contributed to the price increase. At \$2.348/gal, this week's average price is \$2.42 (51%) below the July 14<sup>th</sup> peak price. Prices are now 31% (\$1.06) lower than a year ago. The highest price in this week's survey was \$3.490 and the lowest was \$1.793.

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
7-Jan-08	3.569	3.899	3.299	3.374	3.599	3.199	3.391	3.490	3.239
22-Dec-08	2.619	2.849	2.399	2.341	3.499	1.930	2.281	2.499	2.099
29-Dec-08	2.521	2.799	2.249	2.256	3.499	1.890	2.165	2.379	1.979
5-Jan-09	2.565	2.799	2.299	2.335	3.490	1.999	2.343	2.599	2.129
	LITCHFIELD			MIDDLESEX			TOLLAND-WINDHAM		
	AVG	HIGH	LOW	AVG	HIGH	LOW	AVG	HIGH	LOW
7-Jan-08	3.411	3.539	3.290	3.393	3.499	3.299	3.341	3.399	3.300
22-Dec-08	2.153	2.299	1.900	2.449	2.599	2.150	2.173	2.549	2.040
29-Dec-08	2.077	2.199	1.900	2.359	2.599	2.099	2.074	2.399	1.900
5-Jan-09	2.199	2.299	2.099	2.389	2.599	2.150	2.206	2.499	2.099
	NEW HAVEN			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 January 5, 2009. Figures reflect per gallon prices without discount.  For more information, see <a href="http://www.ct.gov/OPM">www.ct.gov/OPM</a> > Energy Management > Energy Price and Supply Information					
	AVG	HIGH	LOW						
7-Jan-08	3.346	3.540	3.000						
22-Dec-08	2.324	2.599	1.959						
29-Dec-08	2.236	2.499	1.909						
5-Jan-09	2.303	2.539	1.793						

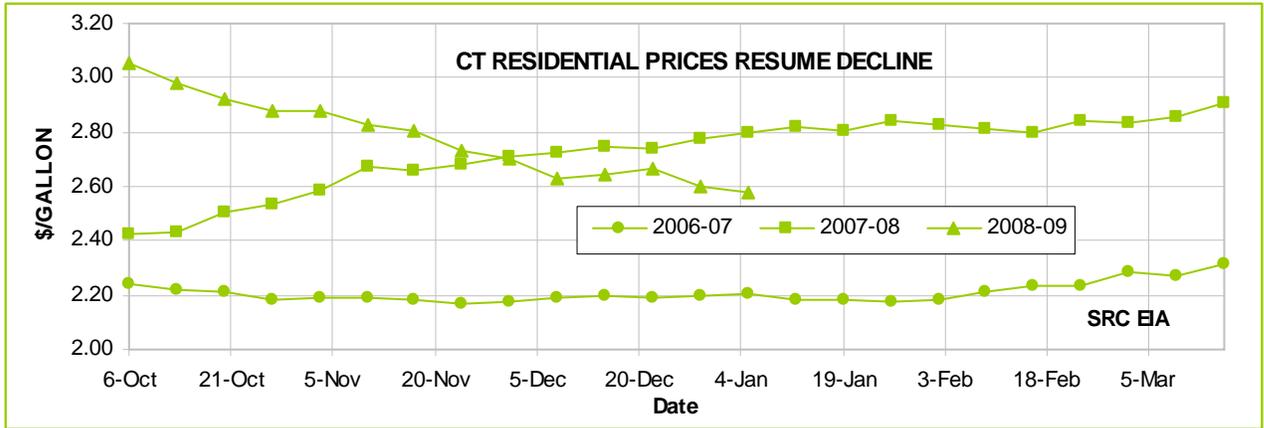
# Propane



Propane inventories rose by 0.5 million barrels this past week compared to the average decline of 3.0 million for this time of year. The EIA inventory report showed this week's inventories exceeding last year's level by 8.1%. Inventories are now 2.7% above the five-year average.

In this week's residential price survey that OPM performs for the EIA, retail propane prices fell by 2.3 cents/gal. Prices have fallen by 48 cents/gal (16 percent) since October 6<sup>th</sup> and they are 7.9% (22 cents) less than last year at this time.

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



# Gasoline



Despite low gasoline prices which have been a major disincentive to increase or even hold inventories, gasoline inventories continue to grow. They have increased in 10 of the past 11 weeks. They rose by 3.3 million barrels this past week compared to an expected gain of only 1.6 million. Because of the very weak demand for gasoline, the spot price of crude oil has actually been higher than the spot price of gasoline. Inventories are 0.1% below last year but are 0.6% above the five-year average.

Connecticut retail prices peaked at \$4.390/gal on July 9<sup>th</sup>. They have since fallen by \$2.582 (59%) to \$1.808/gal. They are now \$1.475 (45%) lower than a year ago. Connecticut retail prices are now at April 2004 levels. After falling steadily since peaking in July, prices for the past 4 days have risen by 8 cents.

