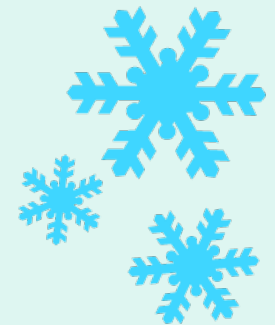
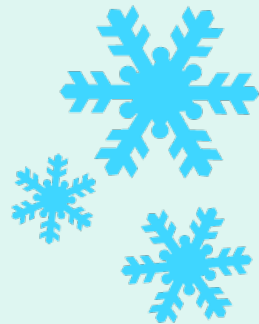
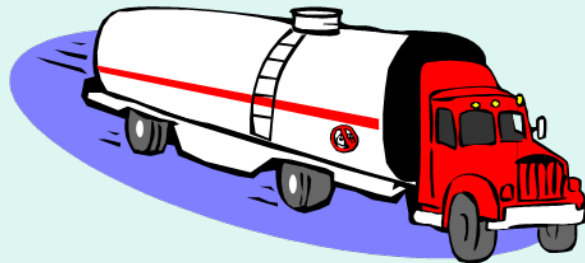
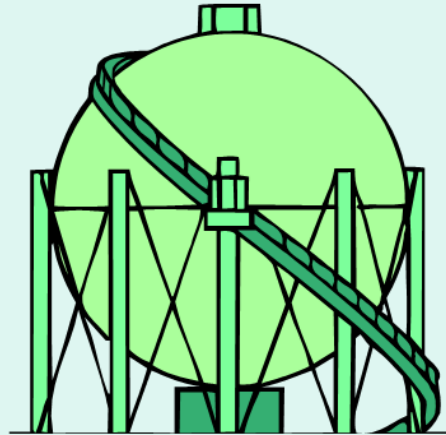
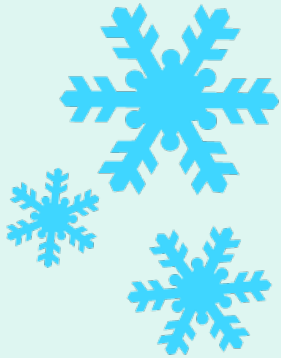


2008 - 09 Winter Fuels Outlook

September 30, 2008

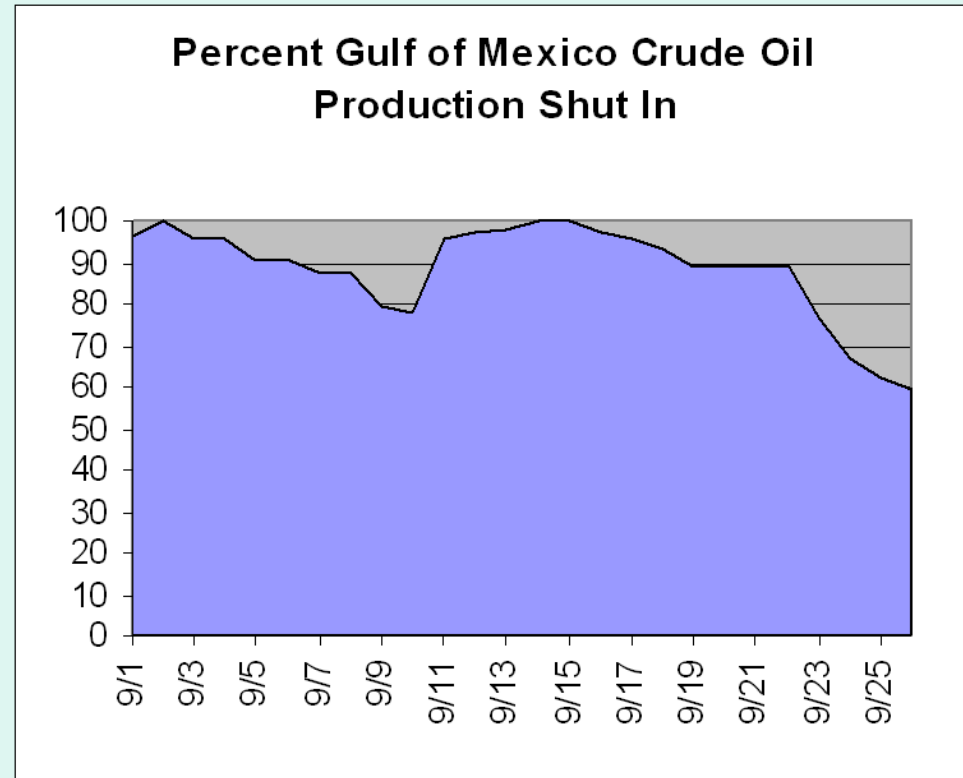


Hurricane Gustav (9/1/08) & Ike (9/13/08) Impact Review

Charles Wesley
NYSERDA

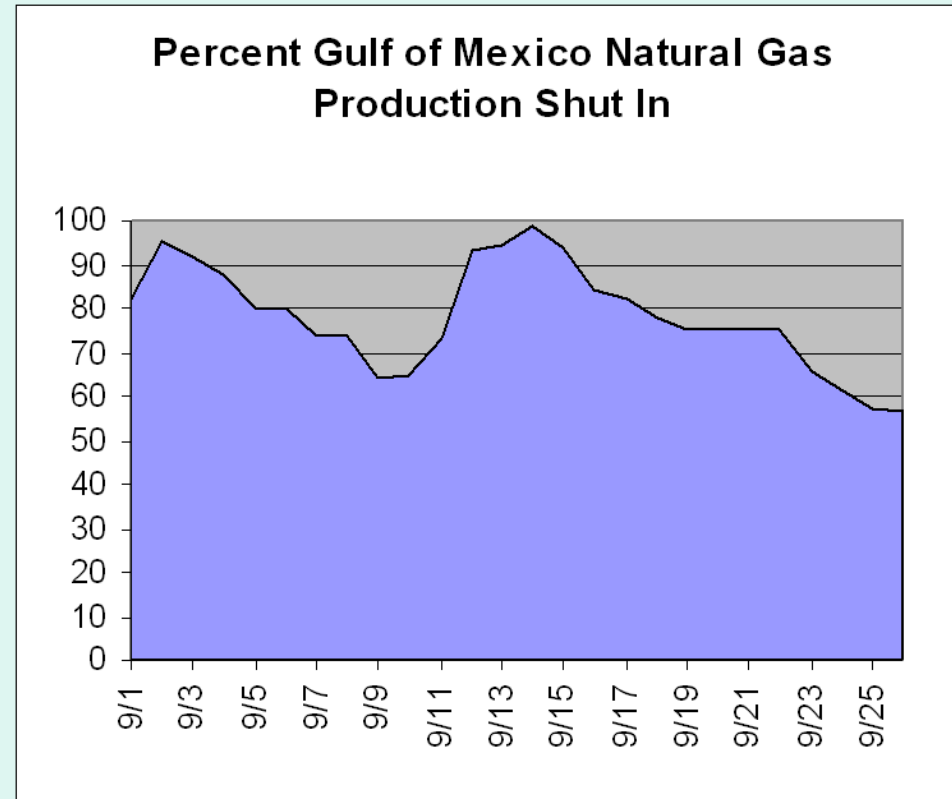
Crude Oil Impacts

- Pre-event GOM crude oil production 1.3 million b/d
- 9/26 770,408 b/d shut in (59%)
- 9/26 estimated lost production 30 million barrels (10% of typical US operational inventories)
- 9/26 Five refiners have used 3.9 mmbbls of crude oil from the SPR
- 1,450 platforms exposed to hurricanes:
 - 53 confirmed destroyed
 - 62 will take 1 to 6 months to restore
 - 179 of 694 manned GOM production platforms remain evacuated



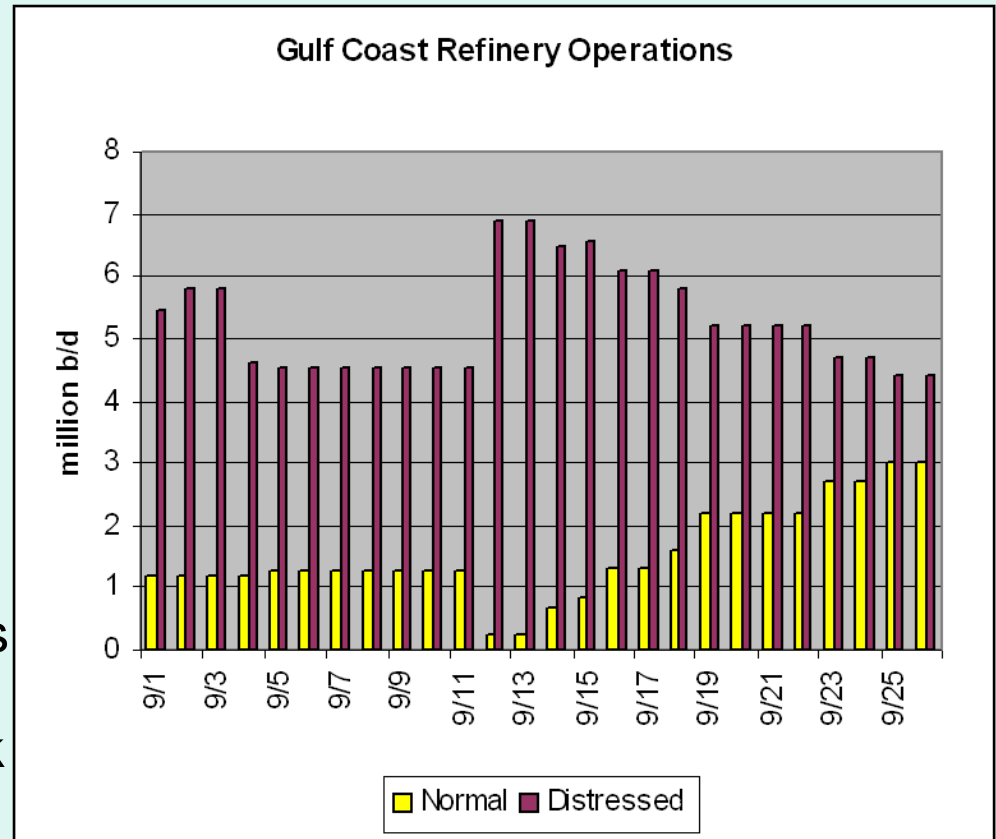
Natural Gas Impacts

- Pre-event GOM natural gas production 7.4 billion cf/d
- 9/26 4.175 Bcf/d shut in (56%)
- 9/26 estimated lost production 150 billion cf (2 weeks of typical summer storage injection)
- 7 of 26 major Gulf Coast area natural gas pipelines report complete shut in
- 7 of 39 major natural gas processing plants down



Refinery Operations & Fuel Supply Impacts

- 7.5 mmb/d Gulf Coast refinery capacity
- At peak 6.9 million b/d (92%) either shut in or operated at reduced rates as precaution
- As of 9/26 3.0 mmb/d back to normal (40%)
- 9/26 3.5 mmb/d operating at reduced rate (50%)
- 3 refineries 0.8 mmb/d shut in
- Estimated lost production 60+ million bbls or 2.5 *billion* gallons
- Refined product pipelines are operating at reduced rates; lack of refined products to ship



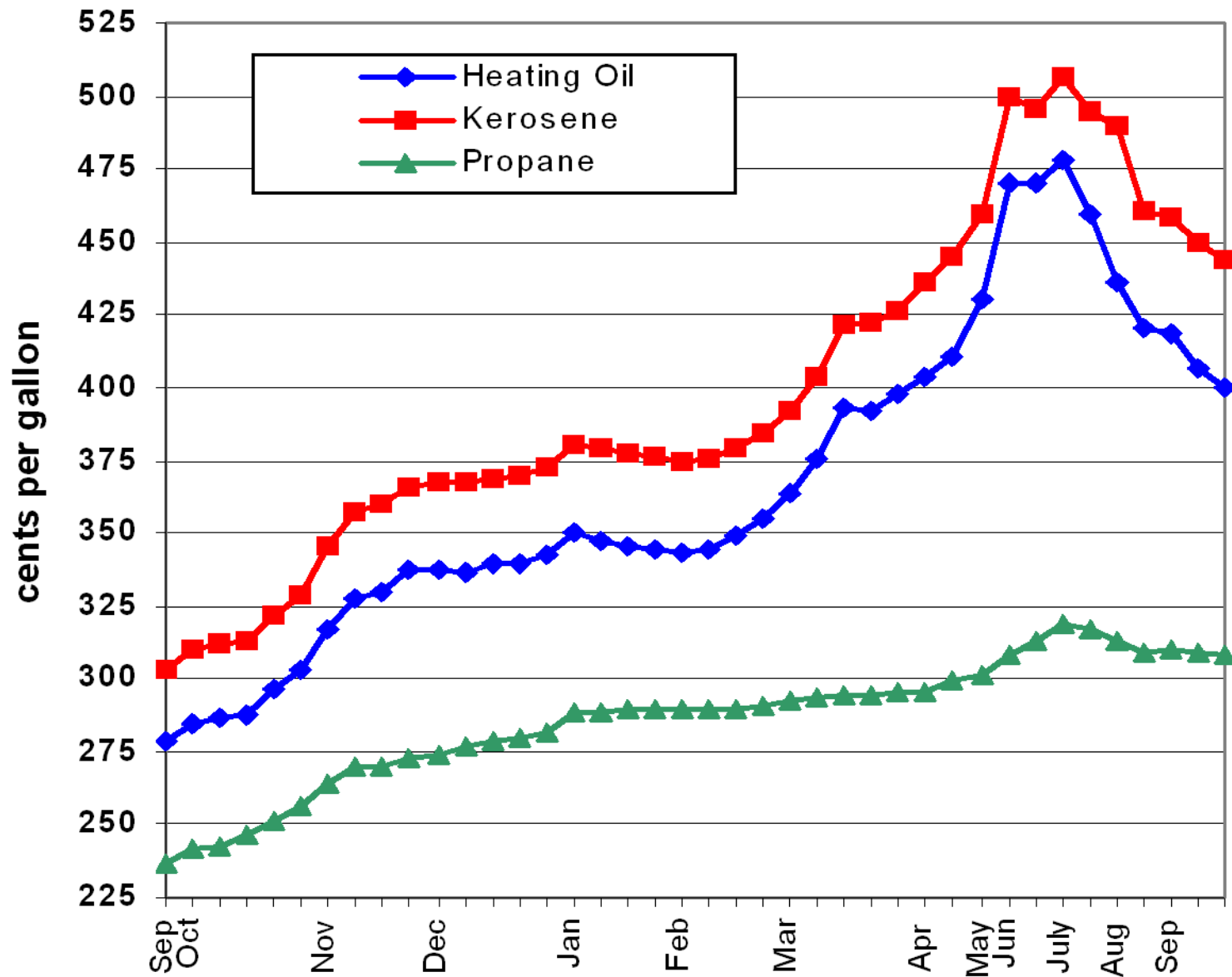
Winter Petroleum Fuels Outlook

Crude Oil

Home Heating Oil

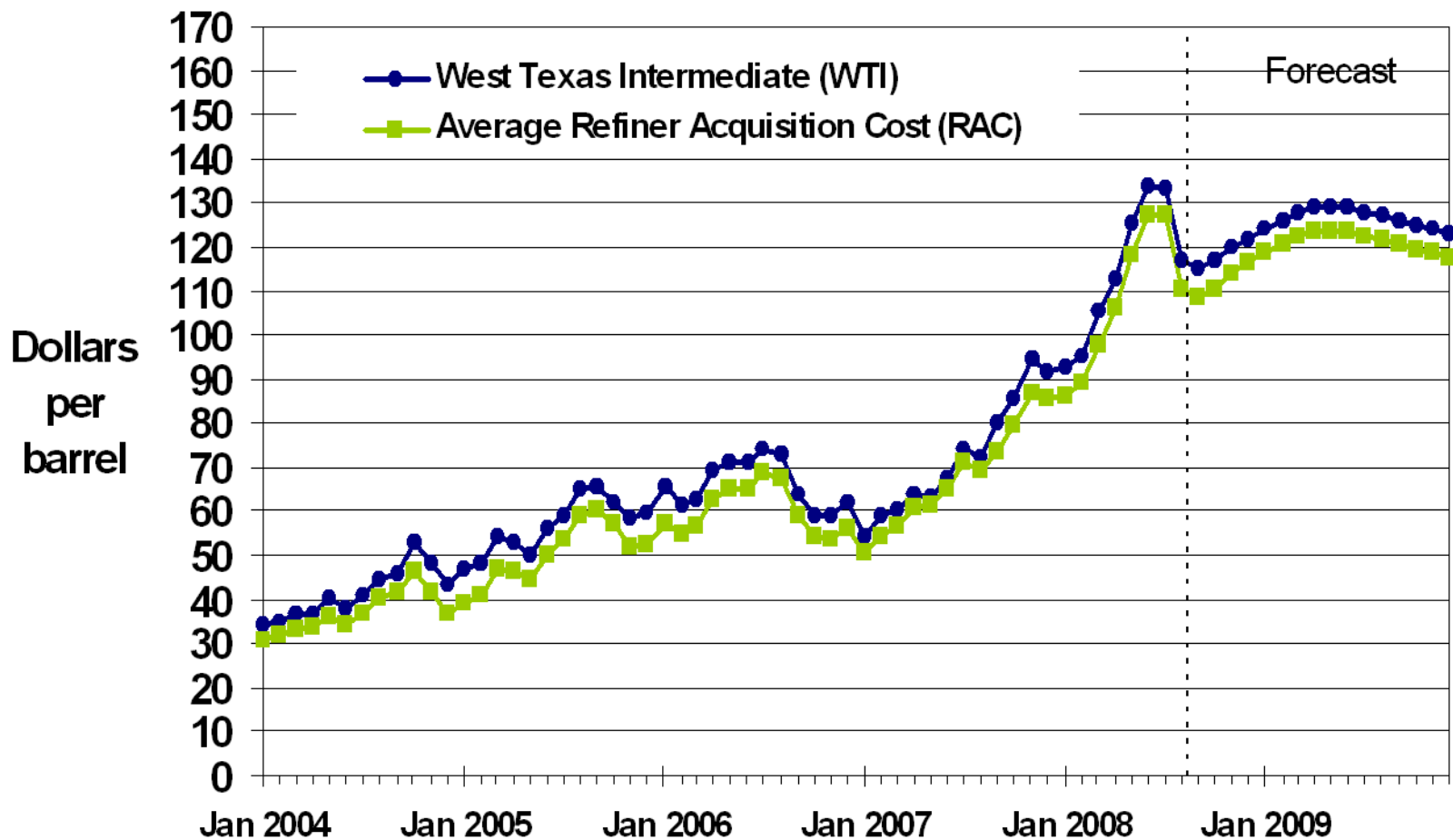
Propane

NYS Heating Fuel Prices, 2007-08 One Year Trend



source: NY SERDA

Crude Oil Prices

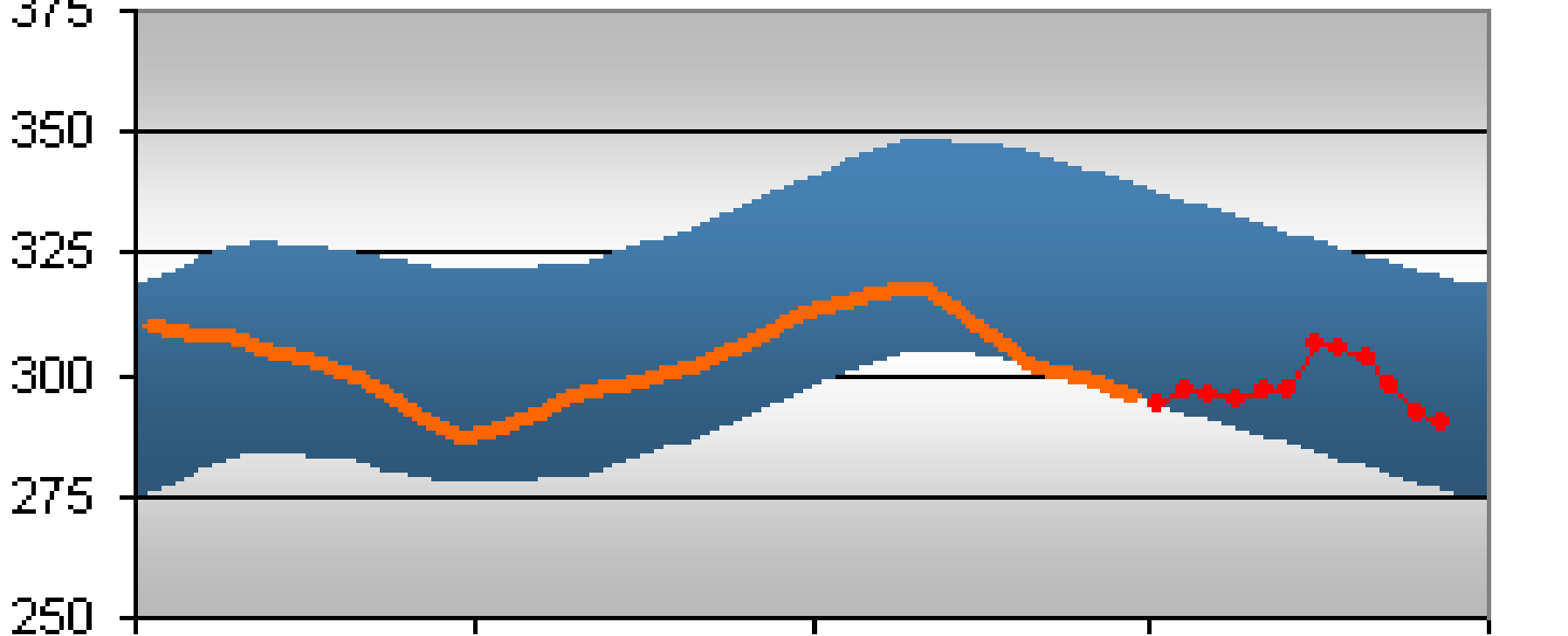


Short-Term Energy Outlook, September 2008



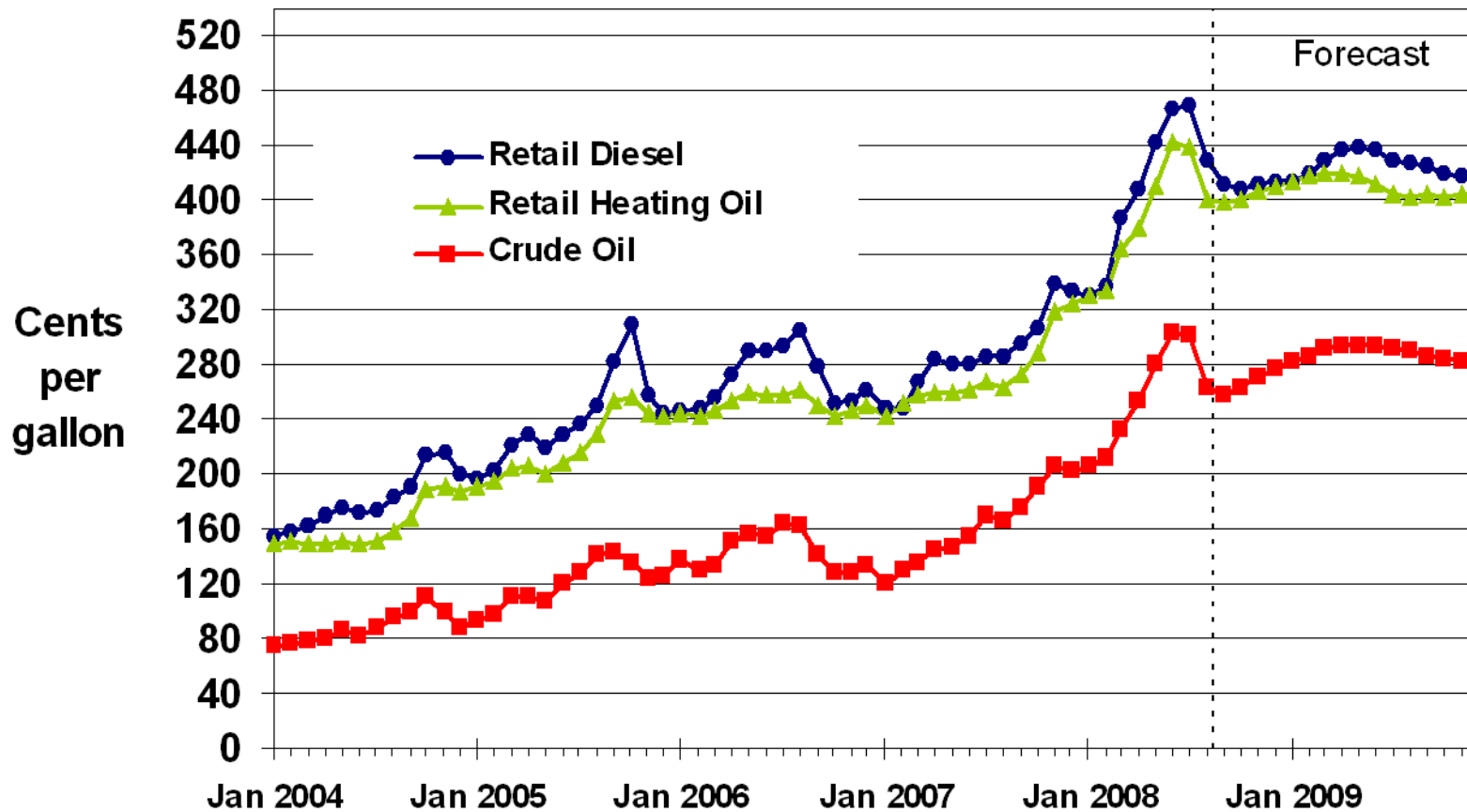
U.S. Crude Oil Stocks

Million Barrels



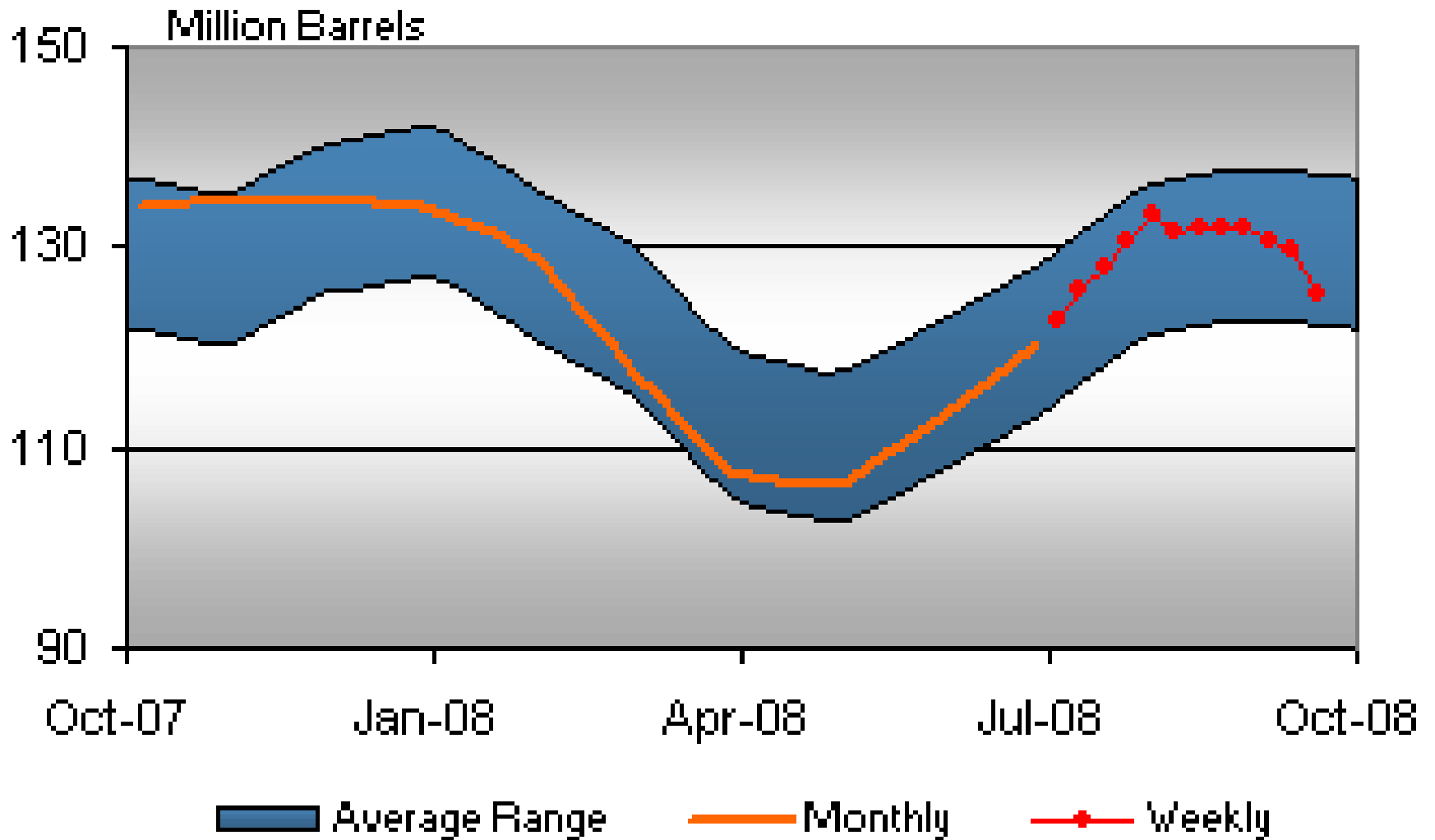
■ Average Range — Monthly —● Weekly

U.S. Distillate Fuel Prices



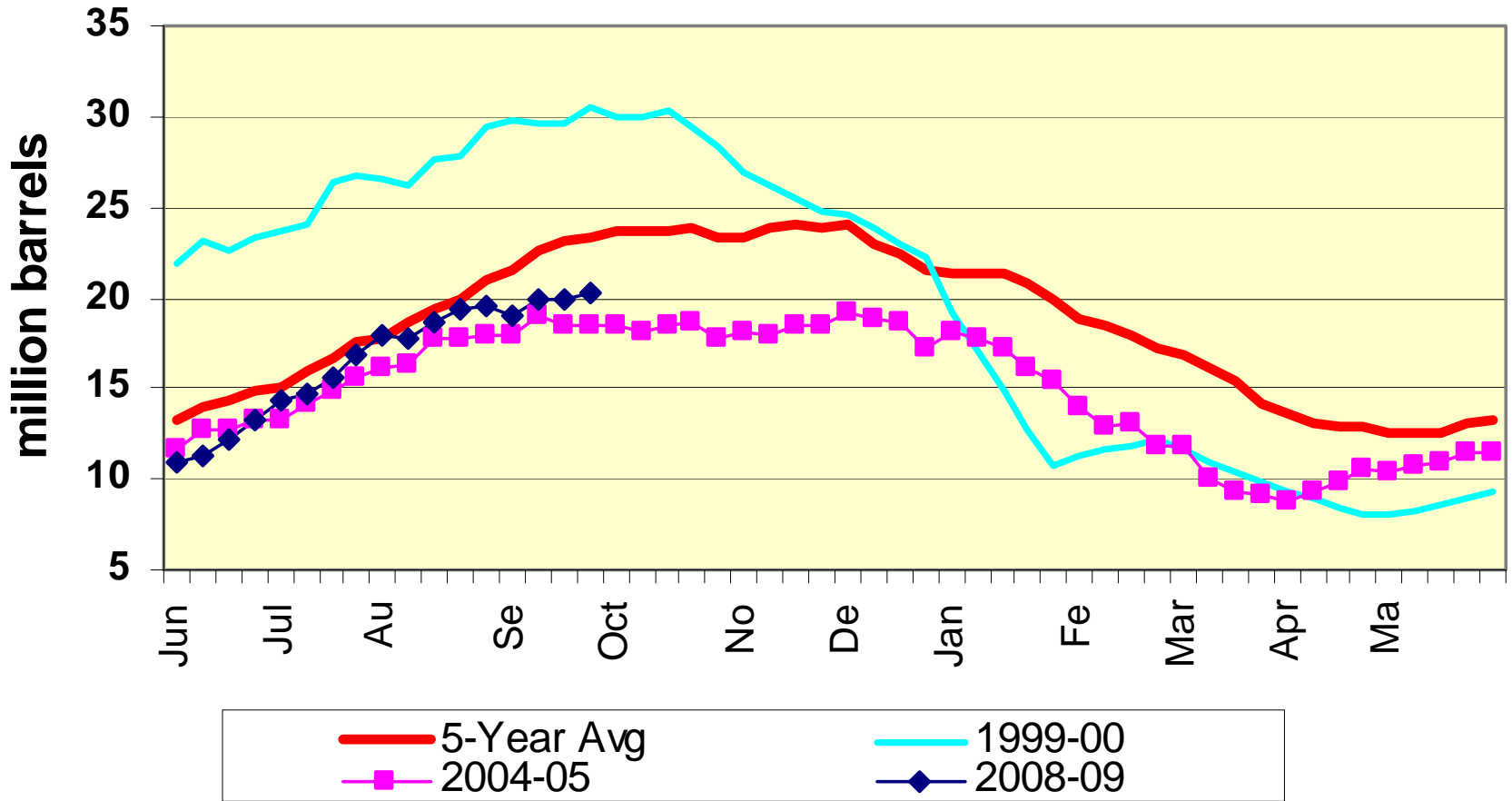
Retail prices include State and Federal taxes

U.S. Distillate Stocks

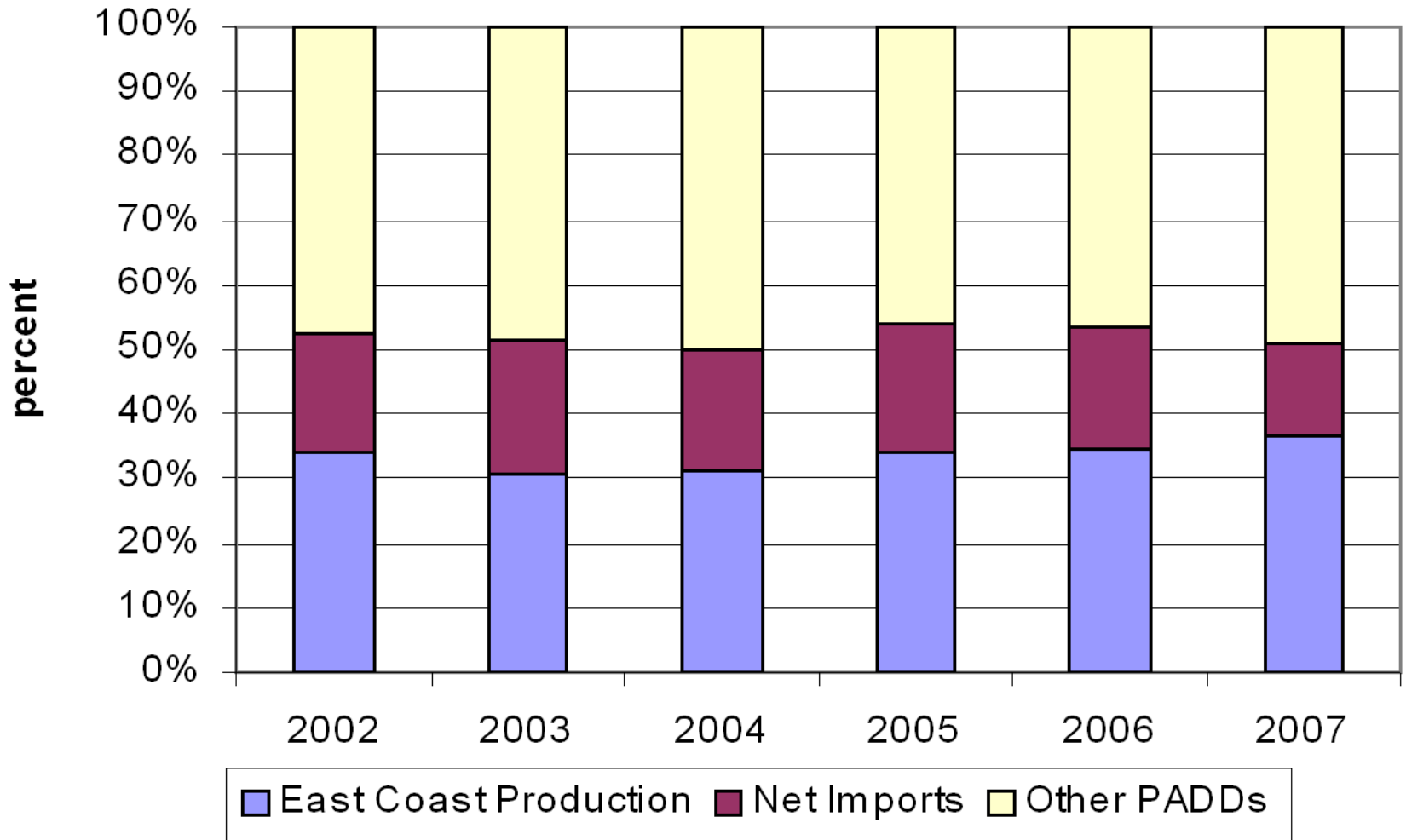


Mid-Atlantic Heating Oil Stocks

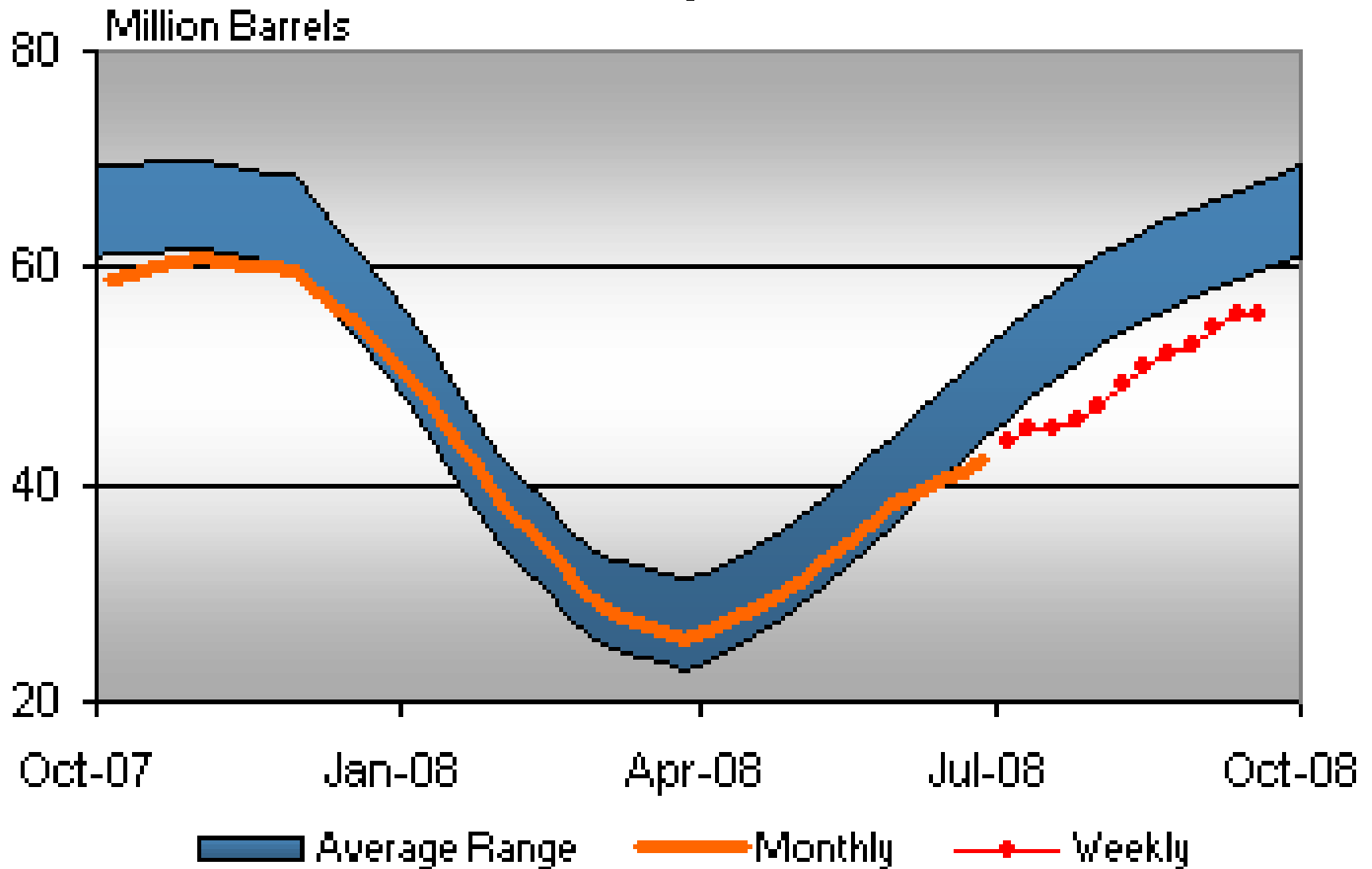
(source: US EIA)



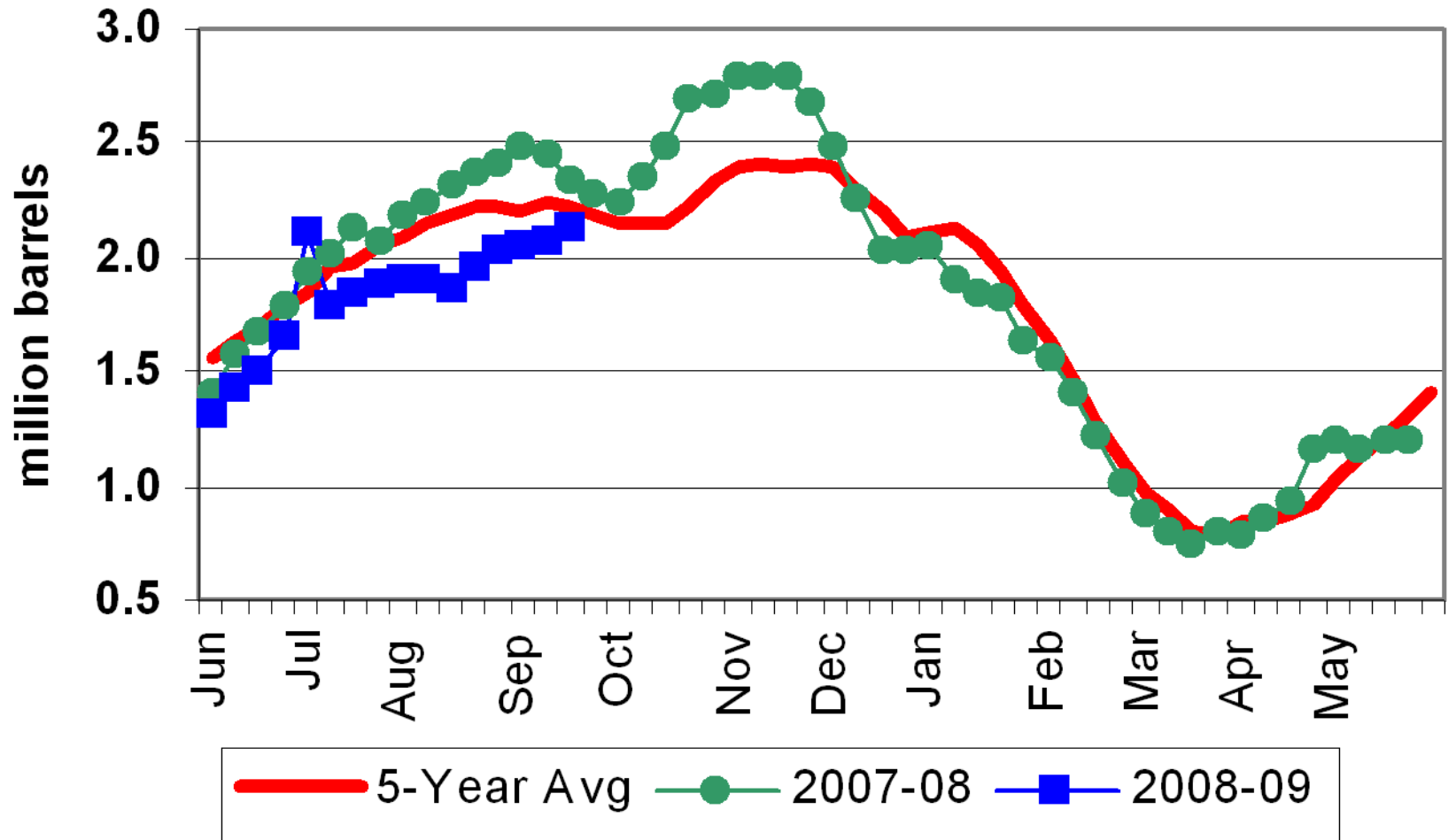
East Coast Distillate Fuel Supply Sources (source: US EIA)



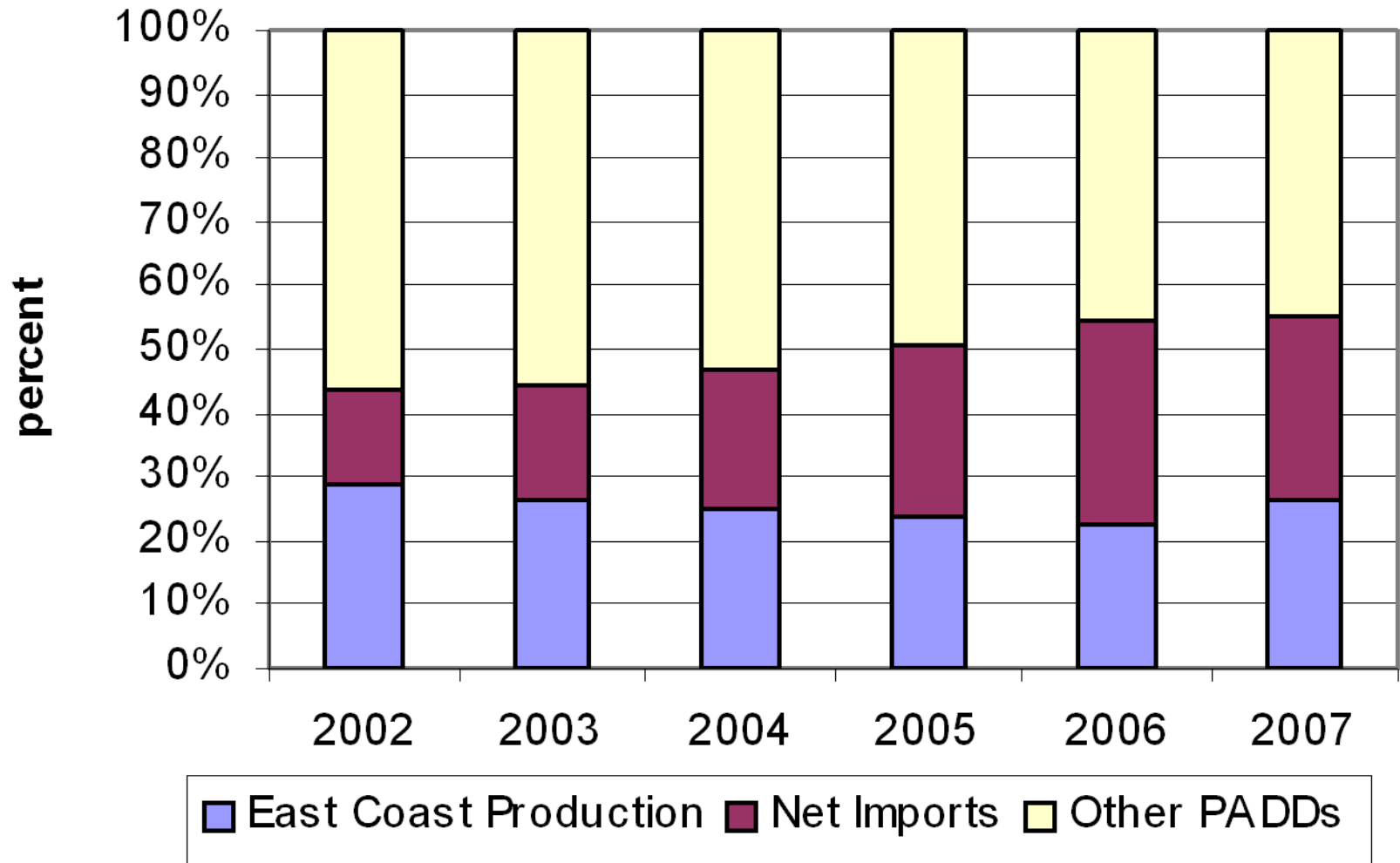
U.S. Propane Stocks



Mid-Atlantic Propane Stocks (source: US EIA)



East Coast Propane Supply Sources (source: US EIA)



Northeast Winter Heating Fuel Summary

Household	Actual		Forecast	
	<u>Avg. 02-07</u>	<u>07-08</u>	<u>08-09</u>	<u>% Change</u>
Heating Oil				
Consumption (gals)	626.2	600.4	629.3	4.8
Avg. Price (\$/gal)	\$1.93	\$3.31	\$4.13	24.9
Expenditures (\$)	\$1,211	\$1,987	\$2,602	30.9
Propane				
Consumption (gals)	856.4	820.0	859.4	4.8
Avg. Price (\$/gal)	\$1.90	\$2.78	\$3.01	8.5
Expenditures (\$)	\$1,626	\$2,276	\$2,588	13.7

Note: Individual household volumes, and so, expenditures will vary.

Note: Prices reflect Northeast average prices.

Source: EIA Short-Term Energy Outlook, September 2008

Winter Petroleum Fuels Outlook

- Price and Supply Determinants
 - Temperatures
 - Crude Oil Prices
 - Hurricane Impacts
 - Domestic Production
 - Import Availability
- Questions and Comments?