

Winter Fuels Outlook Summary

This winter is expected to be 4 percent colder than last winter, but still 2 percent warmer than 30-year average.

Source: National Oceanic and Atmospheric Administration

Charles Wesley

Key Wildcards for the Oil Market Forecast



**OPEC
Production
Decisions**

**Non-OPEC
Supply Growth**

Iran

Weather

Iraq

Venezuela

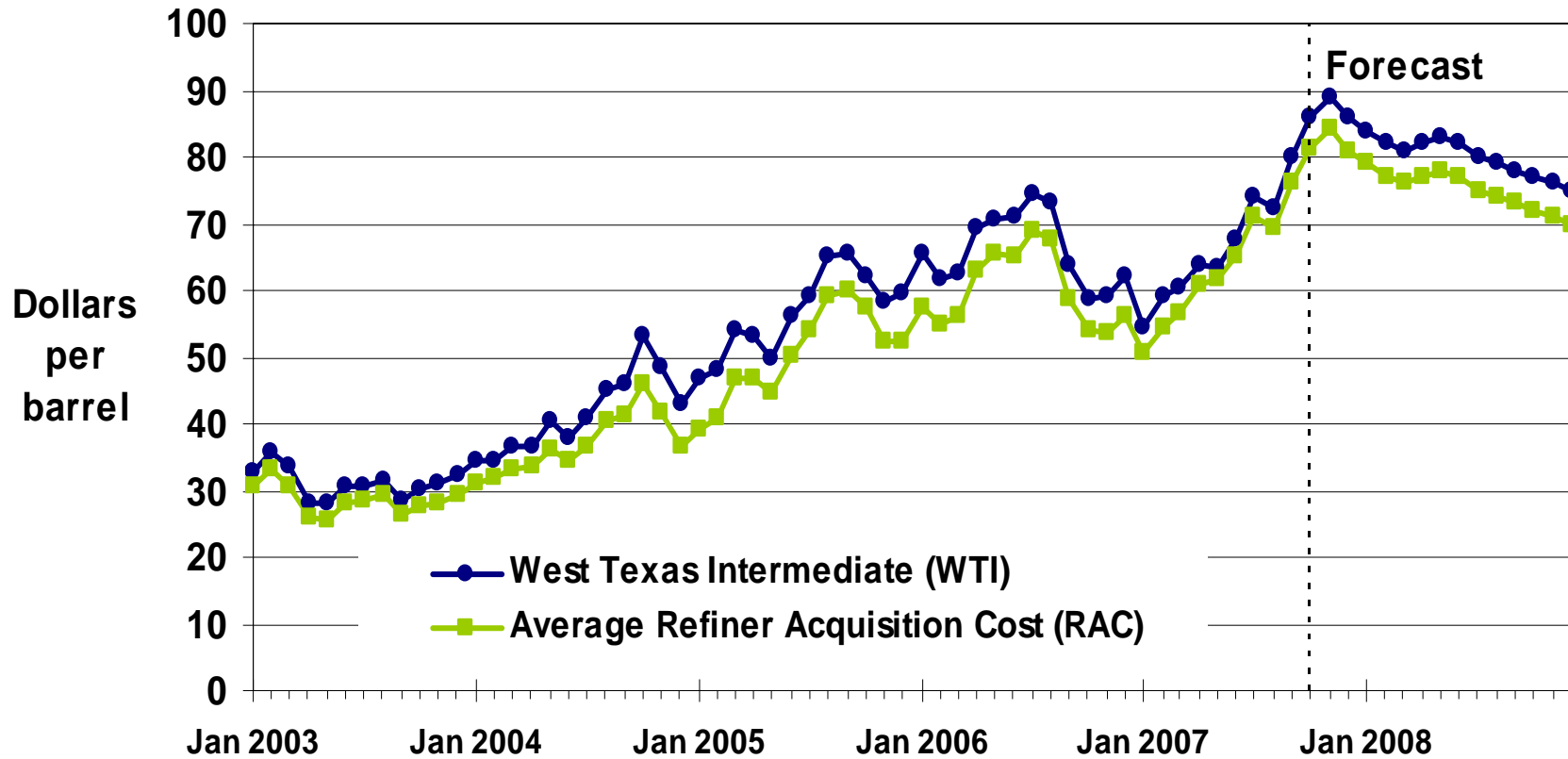
**Economic
Growth**

**Refinery
Outages**

**Value of
U.S. Dollar**

Nigeria

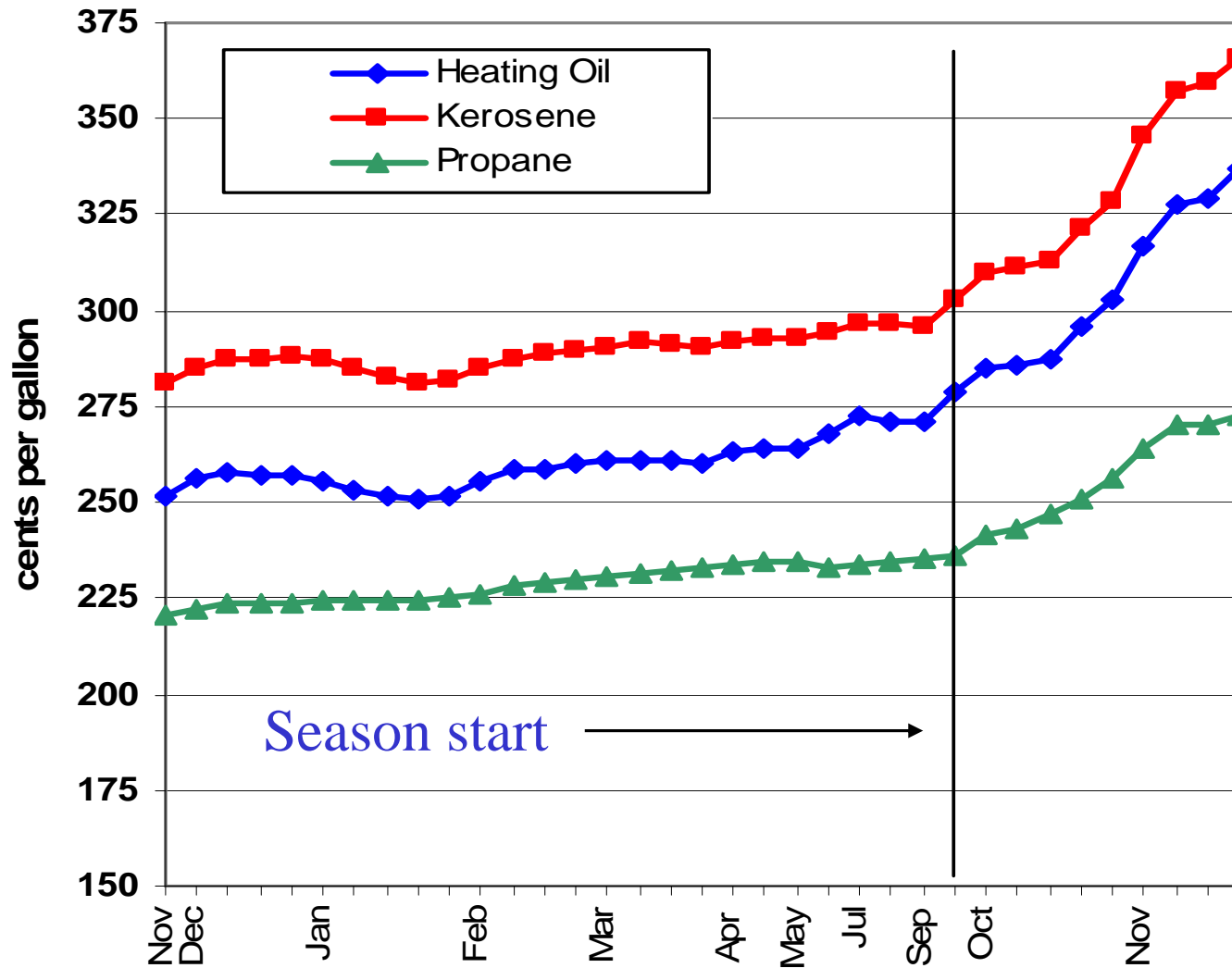
Crude Oil Prices



Distillate Fuels

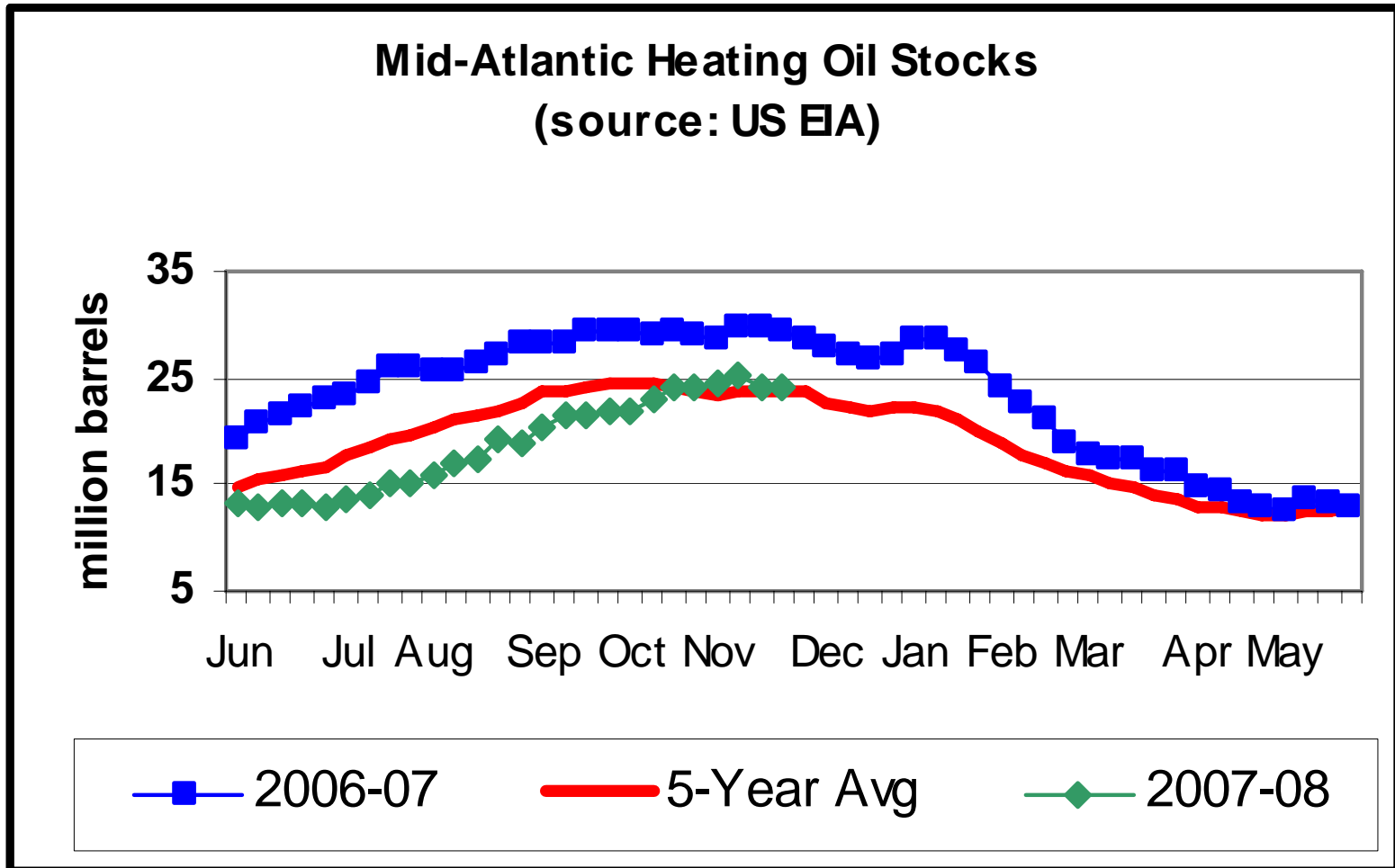
- Heating Oil
- Diesel
- Kerosene
- Ultra Low Sulfur versions
- Inventories good
- Tertiary (homeowner) stocks in question
- How robust will stock resupply effort be?
- No one wants stocks at end of season
- What happens if prices fall?

NYS Heating Fuel Prices, One Year Trend

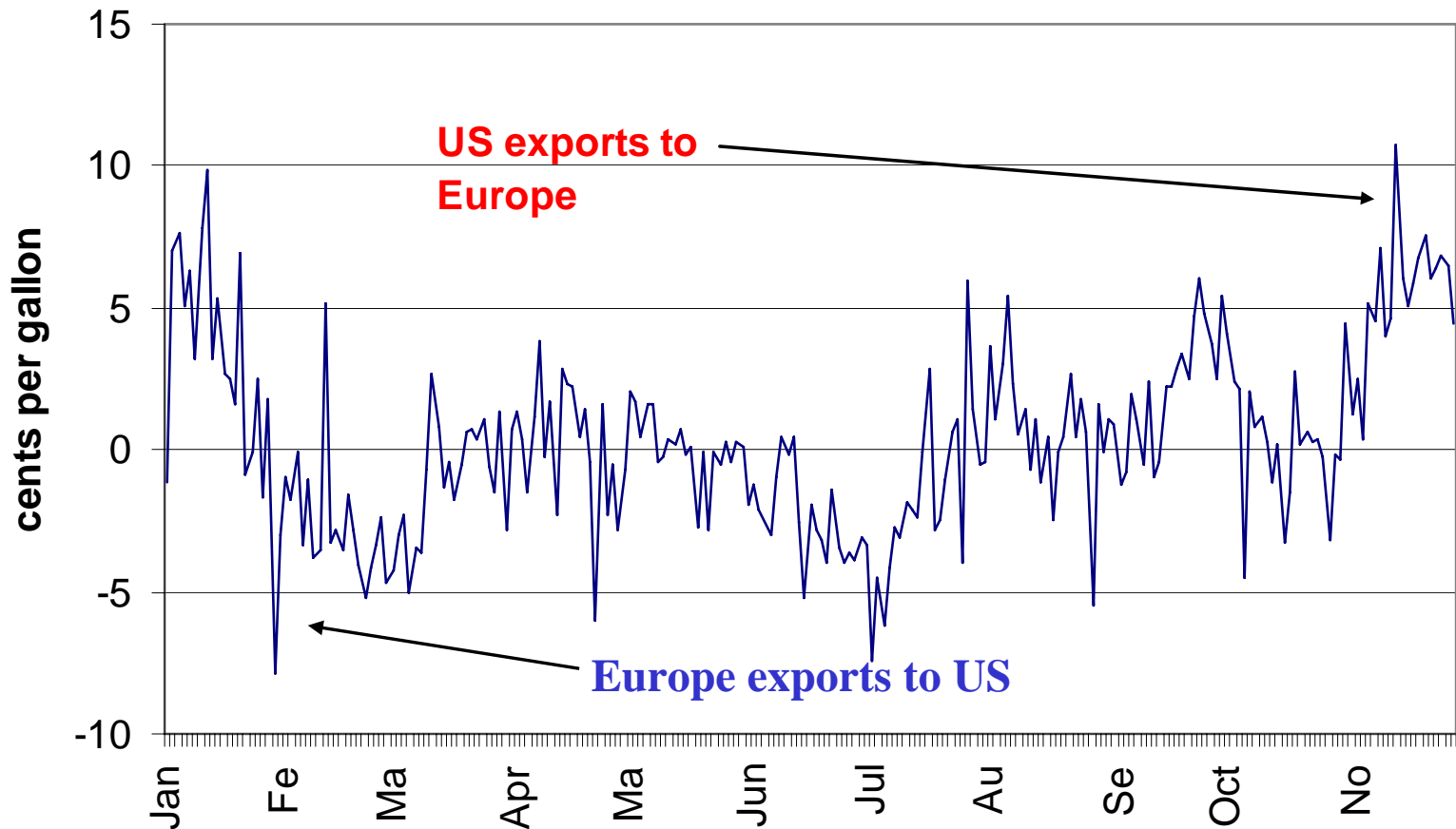


source: NYSERDA

Mid-Atlantic Heating Oil Stocks At 5-Year Average



Trans-Atlantic Arbitrage, Distillate Oil Rotterdam vs. New York Harbor



Consumer Prices and Expenditures – Heating Oil (Northeast)

	2004- 2005	2005- 2006	2006- 2007	2007- 2008
	Actual	Actual	Actual	Forecast (est.)
Consumption (gals.)	641	593	599	632
Average Price	\$1.93	\$2.45	\$2.50	\$3.02*
Expenditures	\$1,237	\$1,453	\$1,499	\$1,909*

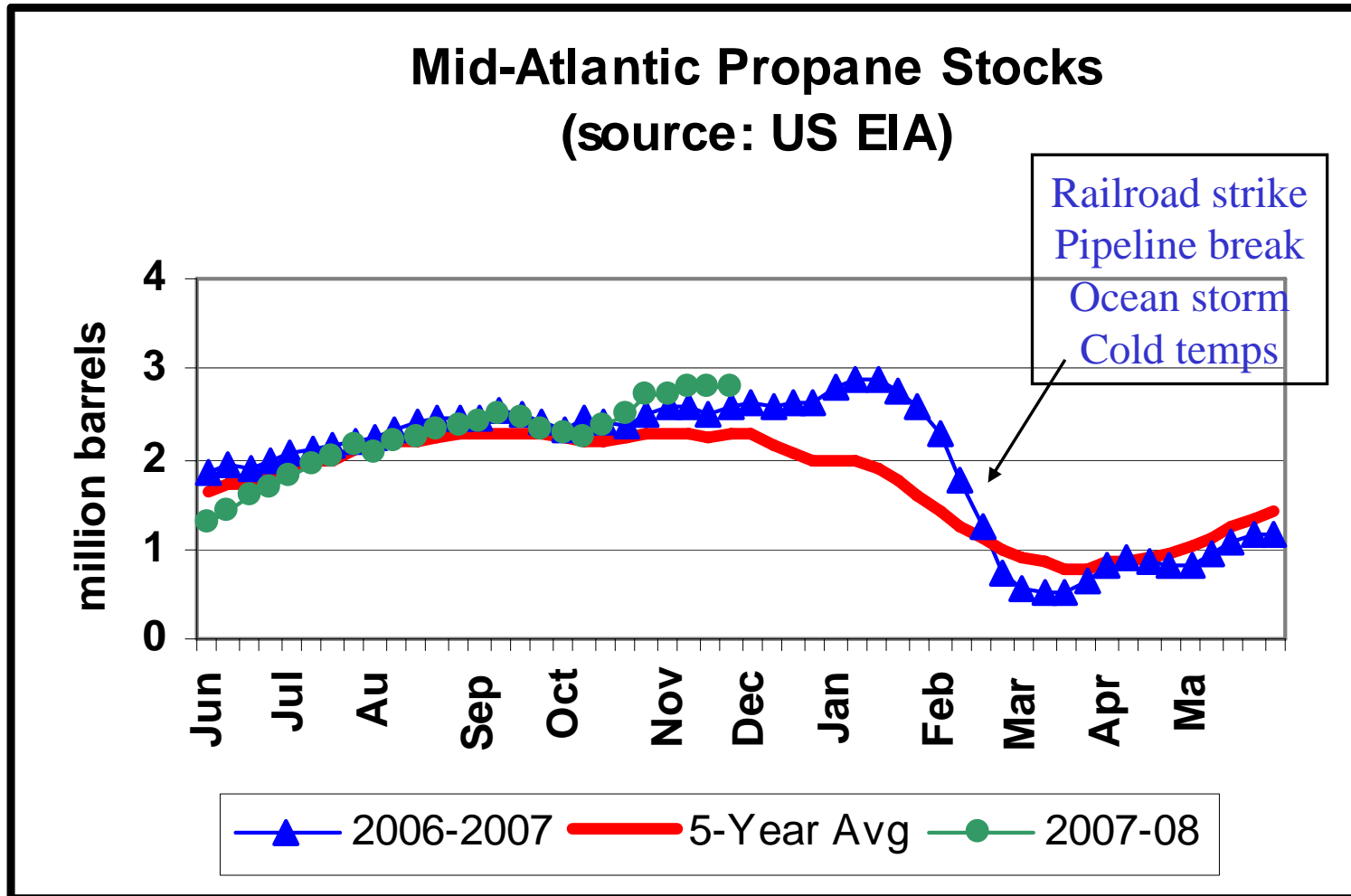
Sources: EIA, Short-Term Energy Outlook

* NYSERDA, Sept. – Nov. 26

Propane

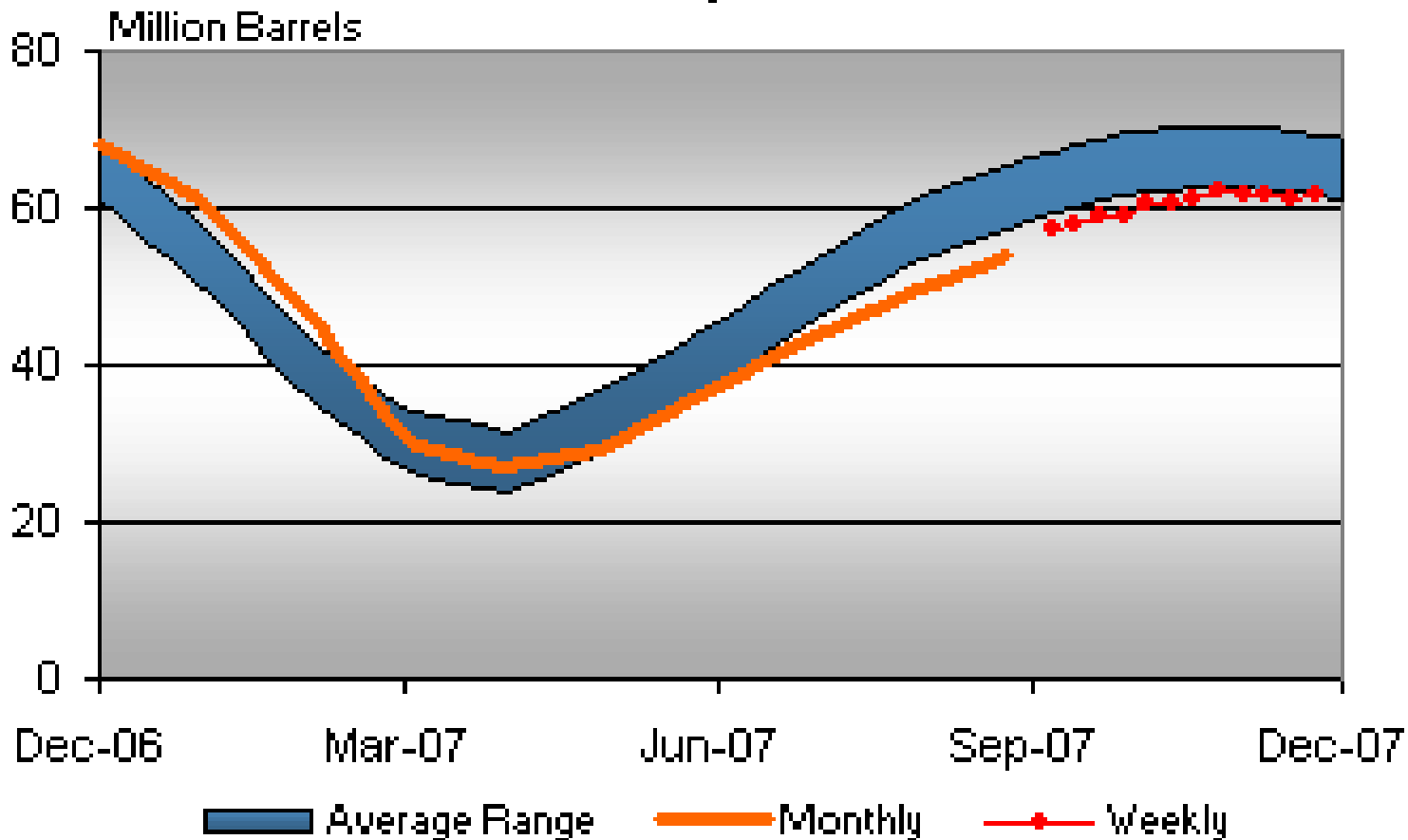
- Natural gas prices are holding propane prices in check...so far
- Gulf Coast inventories below normal
- Tertiary stocks assumed low
- Overall price concerns
- Resupply later this winter a concern

Mid-Atlantic Propane Stocks Above 5-Year Average



Lowest US total since 2002

U.S. Propane Stocks



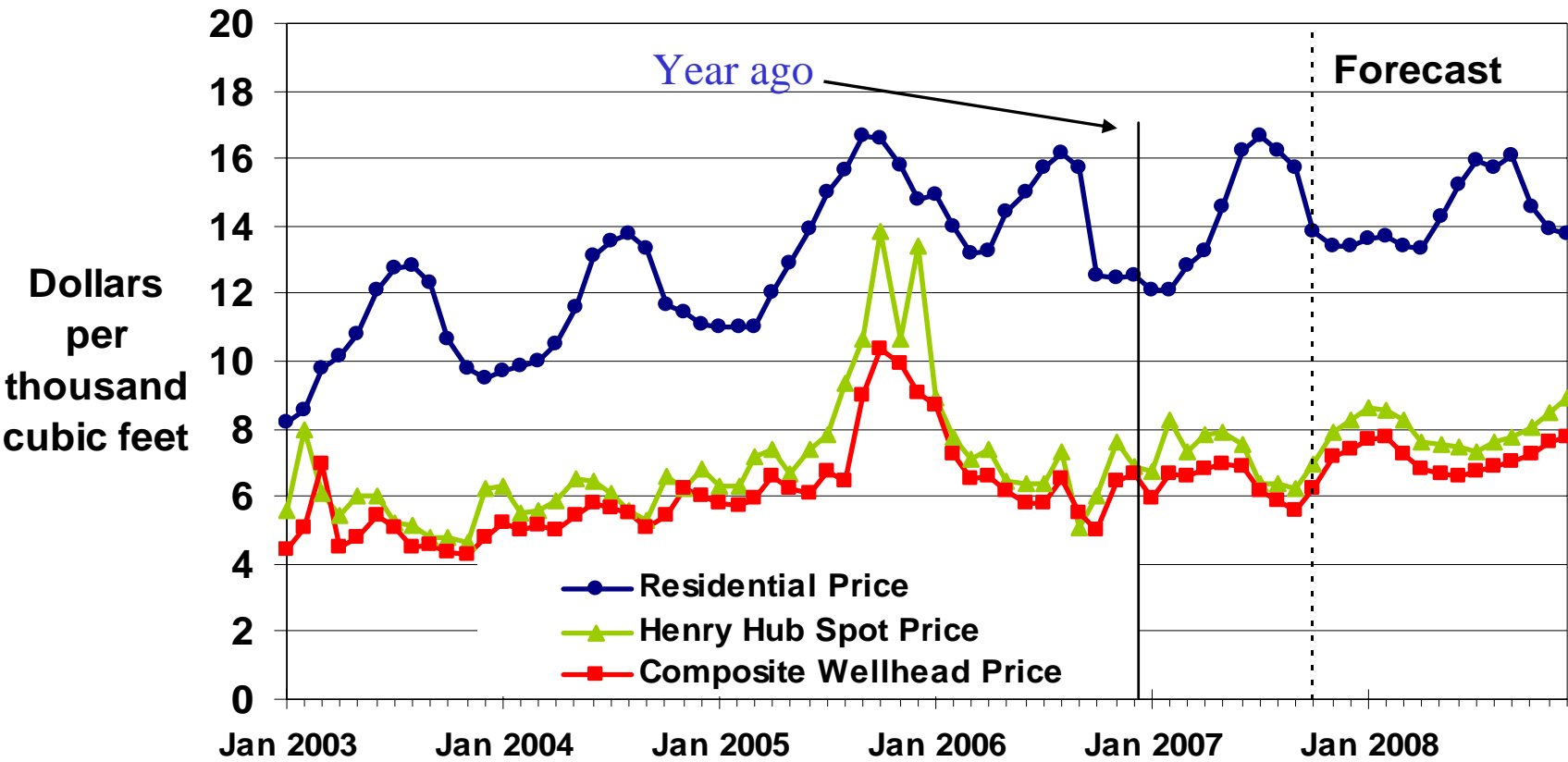
Consumer Prices and Expenditures – Propane (Northeast)

	2004- 2005	2005- 2006	2006- 2007	2007-2008
	Actual	Actual	Actual	Forecast (est.)
Consumption (gals.)	869	808	816	859
Average Price	\$1.87	\$2.20	\$2.29	\$2.53*
Expenditures	\$1,629	\$1,774	\$1,870	\$2,173*

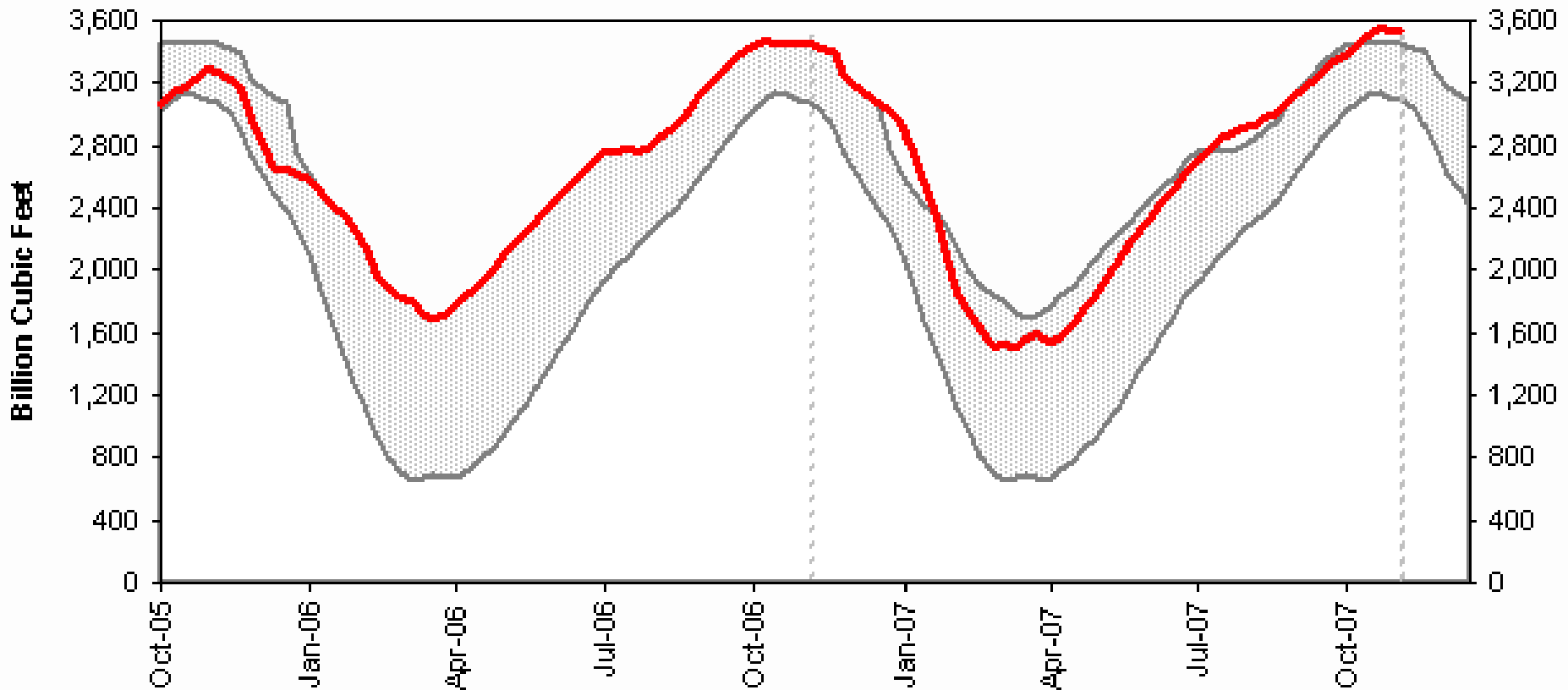
Source: EIA Short-Term Energy Outlook, October 2007.

* NYSERDA, Sept. – Nov. 26

Natural Gas Prices



Natural Gas Storage at Record High



Consumer Prices and Expenditures – Natural Gas (Northeast)

	2004-2005	2005-2006	2006-2007	2007-2008
	Actual	Actual	Actual	Forecast (est.)
Consumption (mcf)	79.7	73.8	74.7	78.9
Average Price	\$13.01	\$16.82	\$14.74	\$15.36
Expenditures	\$1,038	\$1,242	\$1,101	\$1,212

Sources: History: EIA; Projections: Short-Term Energy Outlook, October 2007.

We are watching gasoline!

U.S. Gasoline Stocks

