



# Competitive Energy Services Weekly Market Summary

June 8 - 12, 2015

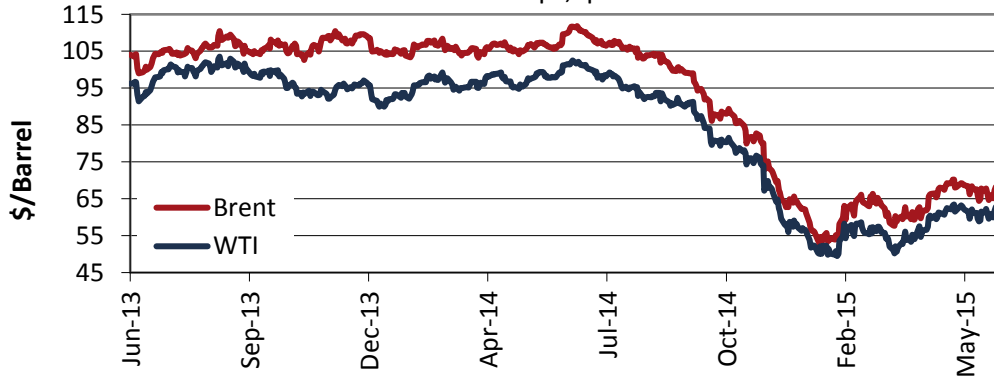
## Synopsis of Last Week's Energy Markets

Last week saw a small increase in the prices of WTI and Brent. The global supply glut shows no sign of easing as OPEC members continue to produce more than the quota. Domestically, oil rigs continue to decline and stocks saw a higher-than-projected decrease. Natural gas futures capped the largest weekly gain in six weeks as forecasts called for above-average temperatures. The EIA expects US production during July to be the most on record, and estimates that demand from power generators will grow 13.7% in 2015.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

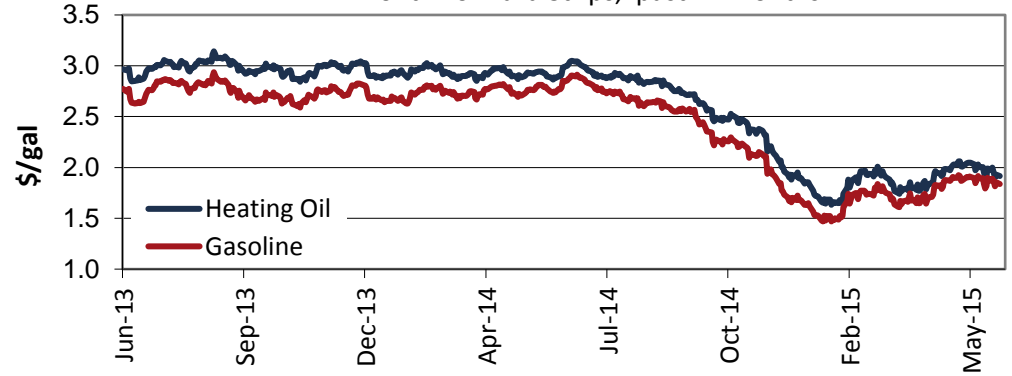


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$61.44	\$60.90	\$103.53	\$49.48
date	6/12/15	6/5/15	8/28/13	1/28/15
change from last close		0.9%	-40.7%	24%

WTI STORAGE (in million bbls)	crude oil
domestic stocks as of 6/5/15	470.6
gain / loss from previous week	-6.8
comparison to historic range	above

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

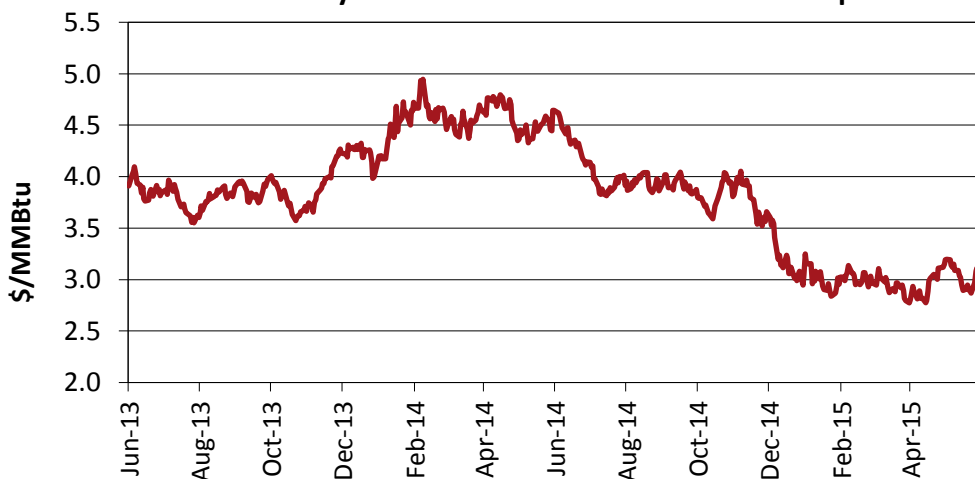


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.95	\$1.93	\$3.14	\$1.63
date	6/12/15	6/5/15	8/28/13	1/20/15
change from last close		1.1%	-38%	20%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 6/5/15	133.5	78.8	217.4
gain / loss from previous week	0.9	1.7	-2.9
comparison to historic range	within	above	within

## Natural Gas Market

### NYMEX Henry Hub Futures: 12 Month Forward Strip

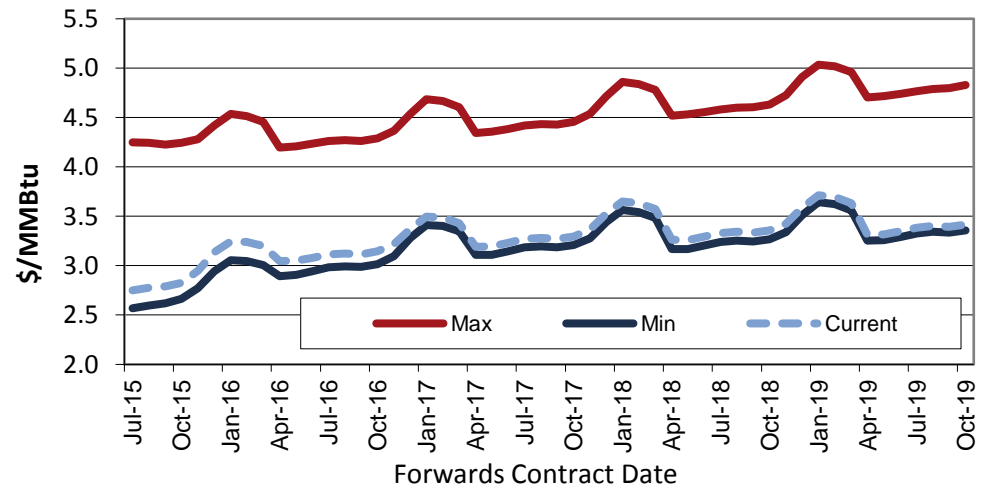


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$3.01	\$2.87	\$4.95	\$2.78
date	6/12/15	6/5/15	2/21/14	4/27/15
change from last close		4.9%	-39%	8%

CES SCORE	
12 month	88
18 month	89
24 month	90
36 month	91

The Score provides a measure of how current prices compare to their 52-week range. A score close to 0 indicates that current prices are close to their 52-week highs; a score close to 100 indicates that current prices are close to their 52-week lows.

### NYMEX Natural Gas Forwards vs. 1 Year Range



FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$3.01	\$3.07	\$3.13	\$3.22

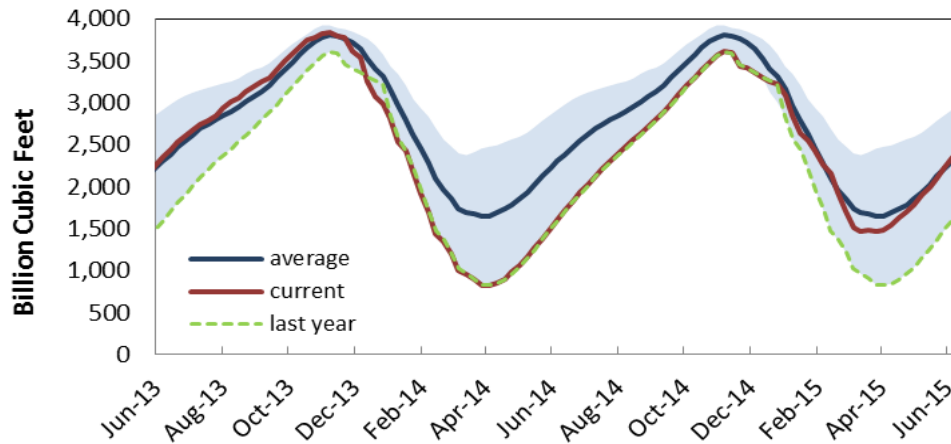
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.



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### Natural Gas Storage

Working Gas in Underground Storage Compared With 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest, lowest, and average amounts in the past 5 calendar years.

EIA Storage Data	date	Bcf	+/-
Previous Stock Level	5/29/15	2,233	
Most Recent Stock Level	6/5/15	2,344	
Year-ago Stock Level		1,591	47.3%
5-Year Average Stock Level		2,300	1.9%
Most Recent Net Change	6/5/15	111	
Year-Ago Net Change		109	
5-Year Average Net Change		89	

Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

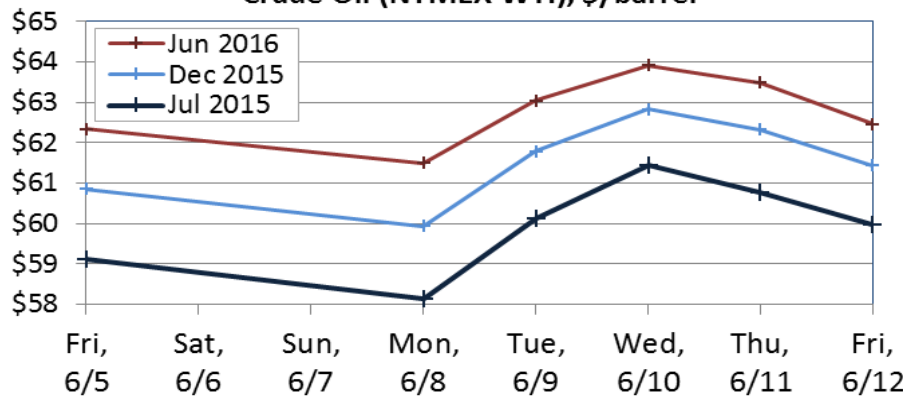
### Market Assessment

#### NYMEX Futures Summary Statistics

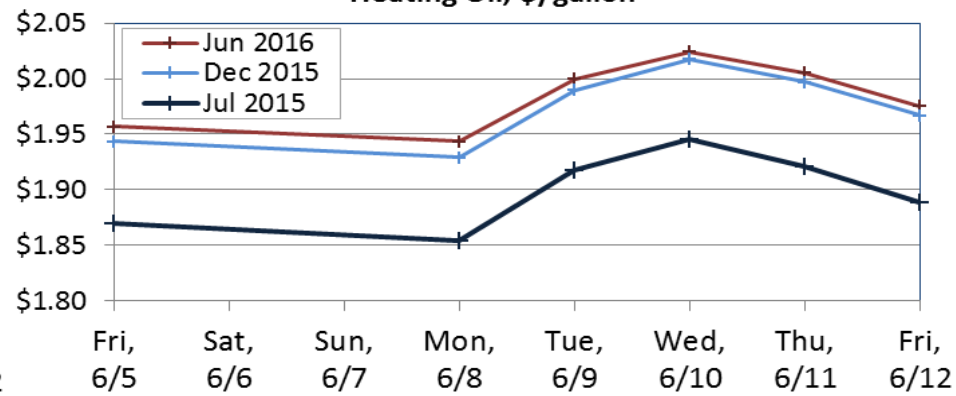
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Average (Nov15-Mar16)
Crude oil	Jun-15	5/19/15	\$ 57.26	Jul-15	\$ 59.96	Jun-16	\$ 62.46	Jul-15	\$ 59.96	\$61.64
Heating oil	Jun-15	5/29/15	\$ 1.96	Jul-15	\$ 1.89	Feb-16	\$ 1.99	Jul-15	\$ 1.89	\$1.97
Natural gas	Jun-15	5/27/15	\$ 2.82	Jul-15	\$ 2.75	Jan-16	\$ 3.24	Jul-15	\$ 2.75	\$3.15

#### NYMEX End-of-Day Settlements

Crude Oil (NYMEX WTI), \$/barrel

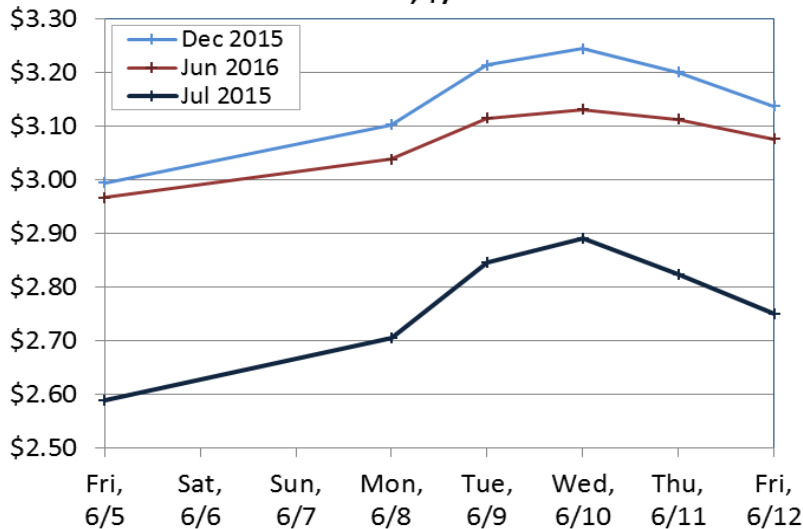


Heating Oil, \$/gallon



Prompt month WTI has traded around the \$60 mark since the beginning of May as international factors are keeping a ceiling on WTI and Brent. The International Energy Agency reported that Saudi Arabia, Iraq, and the UAE set monthly production records in May. Furthermore, negotiations regarding Iran's nuclear program are due to conclude at the end of June, which could result in an easing of the economic sanctions against the OPEC member. Domestic signs are a little more bullish on price. The EIA reported that crude stocks fell 6.8 million barrels, in contrast to a projection of 1.5 million barrels. Stocks are Cushing fell 1 million barrels. Production was steady for the week ended June 5 but the Baker Hughes rig count continued to fall. The company reported a drop of 7 oil rigs for the week ended June 12, a sign that the count has yet to reach a bottom.

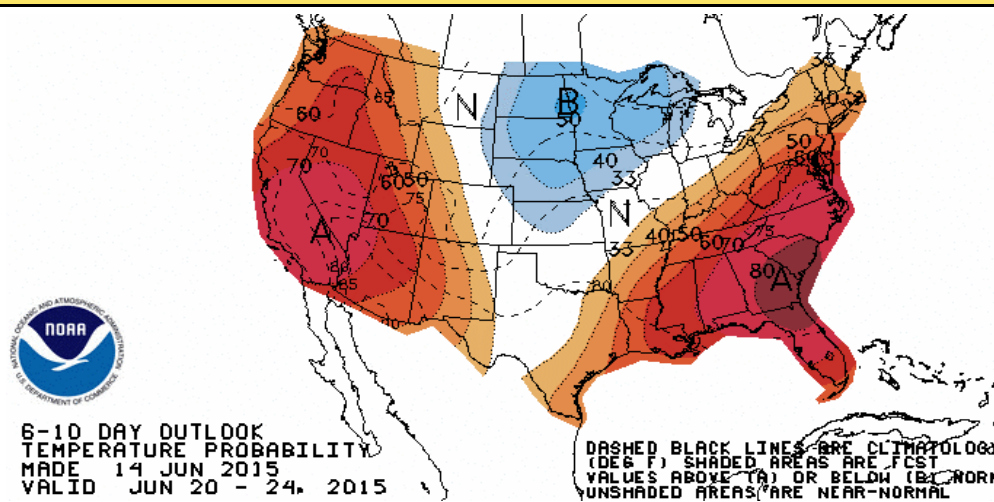
Natural Gas, \$/MMBTU



Natural gas futures rose 6.2% last week due to large gains between Monday and Wednesday on forecasts for above-average temperatures for the eastern third of the US. The July contract rose 30.1 cents over those three days, reaching \$2.89 per MMBtu on Wednesday. On Thursday, the EIA reported an inventory gain of 111 billion cubic feet (Bcf) for the week ended June 5, increasing the surplus to the five-year average storage levels to 1.9%. Futures fell on Thursday and Friday on this news, with the July contract ending the week at \$2.75 per MMBtu. The EIA released its monthly Short-Term Energy Outlook on Tuesday, in which it reduced its estimate for 2015 gas production from its May report. The EIA is expecting US gas production during the month of July to surpass the monthly record reached in December, however, with much of that growth due to new pipelines coming out of Marcellus to markets in Northeast. Gas deliveries to electricity generators were up 20% from a year ago on June 9, and the EIA expects demand from power plants to grow 13.7% in 2015.

The National Weather Service near-term forecast calls for above-average temperatures for both coasts and below-average temperatures for parts of the Midwest. The natural gas market scores have decreased from the previous week, but remain around 90. Clients with electricity or natural gas contracts expiring in 2015 and 2016 should consult with a CES representative for customized guidance.

**National Weather Service Forecast**



**6 - 10 Day Forecast for Jun 20 - 24, 2015**

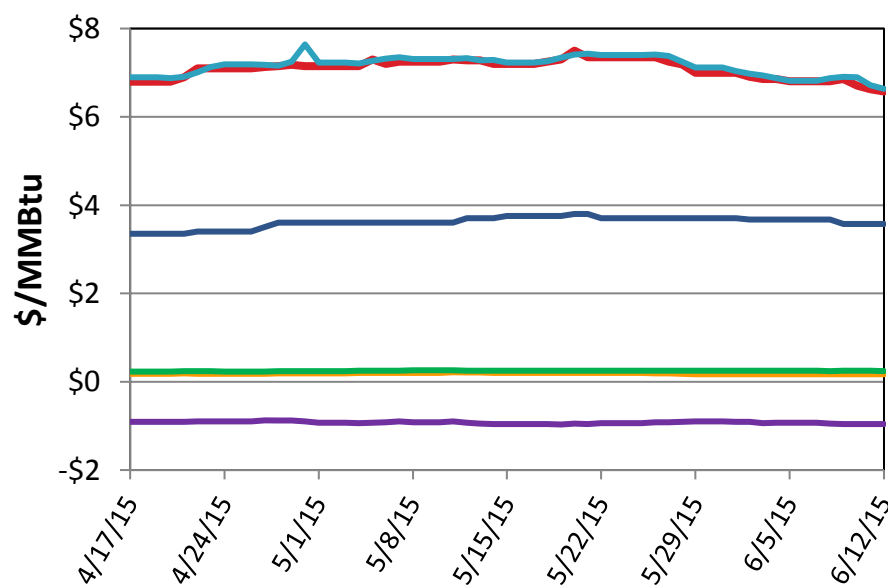
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity. The National Hurricane Center is not tracking any Atlantic cyclone activity at this time.

Source: Chart from the National Weather Service Climate Prediction Center [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

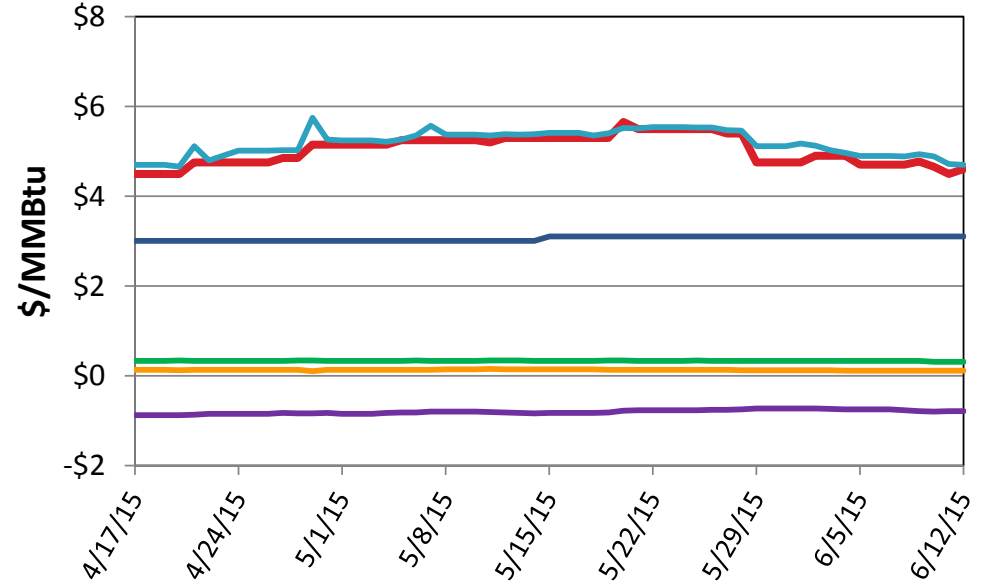
**Natural Gas Basis Futures**

Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated by adding the basis price for the appropriate liquidity point to the NYMEX futures contract. Basis prices can be negative (indicating that natural gas at a liquidity point is cheaper than at the Henry Hub) or positive (indicating that natural gas at a different liquidity point is more expensive than at the Henry Hub). Basis prices are a key component of regional electricity and natural gas costs.

**Winter: November 2015 - March 2016**



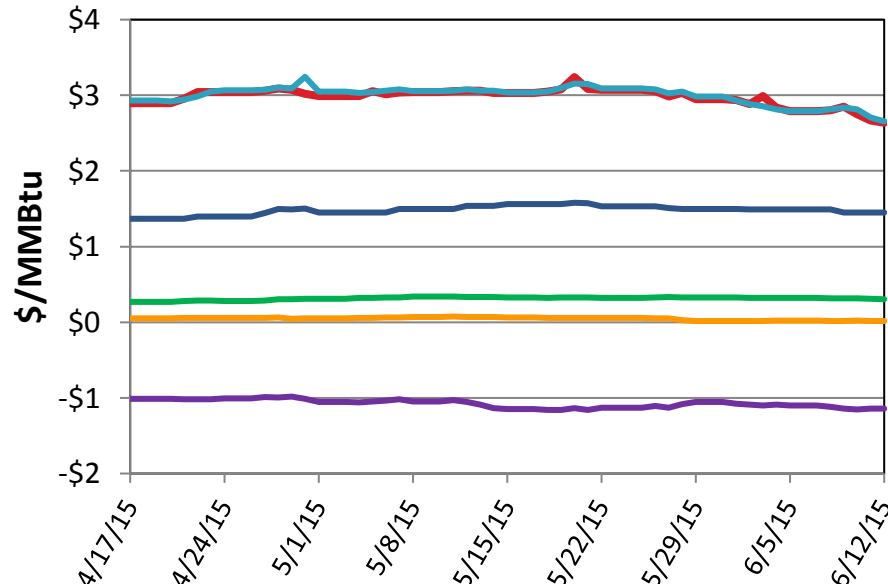
**November 2016 - March 2017**



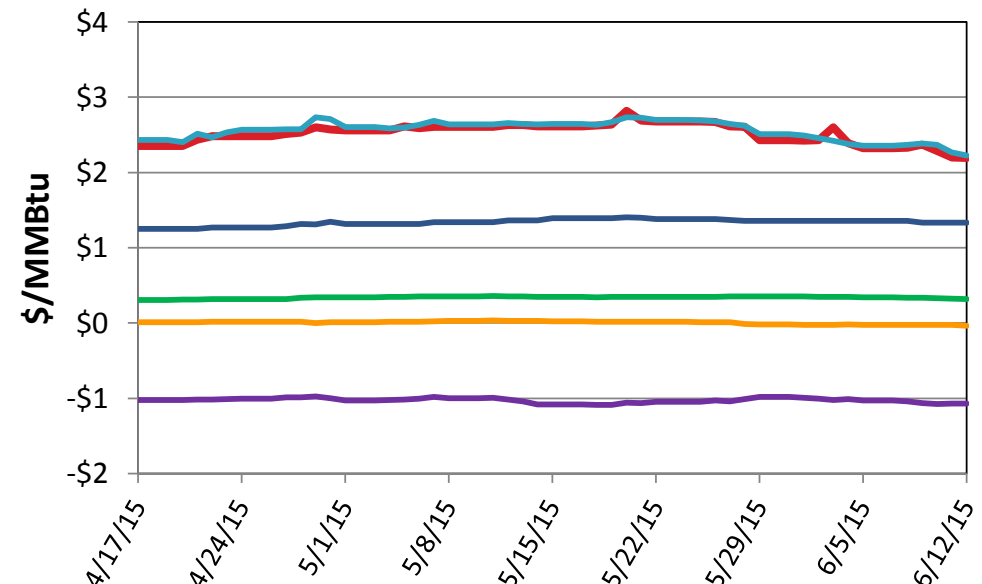
- TZ6, MA
- Algonquin, MA
- Chicago Hub, IL
- New York, NY
- Dominion South, PA
- PG&E Citygate, CA

**Year-round Average Basis Prices**

**Rolling forward 12-month average**



**Rolling forward 24-month average**



## Spot Prices

		New England ISO Real Time Power Pricing By Zone (\$/MWh)								
		6/8/15	6/9/15	6/10/15	6/11/15	6/12/15	6/13/15	6/14/15	Avg	
Power (\$/MWh)	Maine RT On Pk	17	20	16	23	26			20	
	Maine RT Off Pk	10	12	(22)	18	23	25	29	14	
	NH RT On Pk	17	21	16	24	27			21	
	NH RT Off Pk	10	12	(23)	19	23	26	29	14	
	Vermont RT On Pk	16	20	16	24	27			21	
	Vermont RT Off Pk	10	12	(23)	19	23	25	29	13	
	Connecticut RT On Pk	17	21	17	32	34			24	
	Connecticut RT Off Pk	10	12	(23)	19	24	26	30	14	
	Rhode Island RT On Pk	16	20	16	24	27			21	
	Rhode Island RT Off Pk	10	12	(23)	19	24	26	29	14	
	NE Mass RT On Pk	17	21	16	24	28			21	
	NE Mass RT Off Pk	10	12	(23)	19	23	26	29	14	
	SE Mass RT On Pk	16	20	16	24	27			21	
	SE Mass RT Off Pk	10	12	(23)	19	24	26	29	14	
	WC Mass RT On Pk	17	21	16	24	28			21	
	WC Mass RT Off Pk	10	12	(23)	19	23	26	29	14	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
		Capital RT On Pk	22	17	13	18	26			19
		Capital RT Off Pk	6	11	8	14	27	31	29	18
		Central RT On Pk	21	16	13	20	27			19
		Central RT Off Pk	5	10	8	13	25	27	29	17
		Hudson RT On Pk	24	19	16	35	40			27
		Hudson RT Off Pk	6	11	9	15	28	32	33	19
		Mohawk RT On Pk	21	16	13	21	27			20
		Mohawk RT Off Pk	5	11	8	13	26	27	29	17
		Milwood RT On Pk	24	20	16	36	41			28
		Milwood RT Off Pk	6	11	9	15	28	32	34	19
		NYC RT On Pk	24	20	16	38	44			28
	NYC RT Off Pk	6	11	9	16	29	41	35	21	
		PJM Real Time Power Pricing By Zone (\$/MWh)							Avg	
	Eastern Hub On Pk	33	28	26	48	44			36	
	Eastern Hub Off Pk	15	19	8	19	25	45	30	23	
	Western Hub On Pk	36	33	33	48	43			38	
	Western Hub Off Pk	20	21	14	20	24	33	38	24	
	PPL Zone On Pk	33	25	25	45	41			34	
	PPL Zone Off Pk	16	19	8	19	24	27	29	20	
	AEP RT On Pk	36	33	34	38	35			36	
	AEP RT Off Pk	22	22	14	21	25	33	37	25	
	Chicago RT On Pk	33	29	35	29	20			29	
	Chicago RT Off Pk	7	13	13	19	13	27	32	18	
	New Jersey Hub On Pk	33	25	26	56	41			36	
	New Jersey Hub Off Pk	15	19	8	19	24	28	30	21	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
	SoCal Edison RT On Pk	211	50	(0)	30	33			65	
	SoCal Edison RT Off Pk	27	28	18	26	29	26	26	26	
Natural Gas (\$/MMBtu)		6/8/15	6/9/15	6/10/15	6/11/15	6/12/15	6/13/15	6/14/15	Avg	
		Henry Hub, LA	2.65	2.81	2.92	2.87	2.76	2.76	2.76	2.79
		TZ6, MA	1.81	2.60	3.13	2.47	1.55	1.55	1.55	2.09
		Algonquin, MA	1.55	2.53	3.12	2.24	1.55	1.55	1.55	2.01
		Chicago Hub, IL	2.63	2.79	2.86	2.83	2.69	2.69	2.69	2.74
		New York, NY	1.45	1.61	1.60	1.72	1.53	1.53	1.53	1.57
		Dominion South, PA	1.42	1.53	1.49	1.67	1.43	1.43	1.43	1.49
		Opal Hub, WY	2.48	2.66	2.75	2.66	2.56	2.56	2.56	2.61
		PG&E Citygate, CA	3.03	3.16	3.25	3.21	3.09	3.09	3.09	3.13
		Kern River Deliveries	2.65	2.84	2.93	2.83	2.71	2.71	2.71	2.77