



# Competitive Energy Services Weekly Market Summary

June 22 - 26, 2015

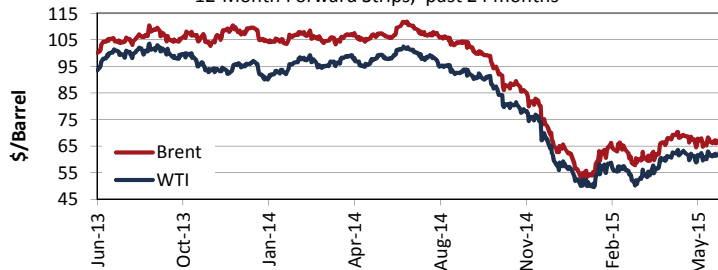
## Synopsis of Last Week's Energy Markets

WTI for August fell last week as global and domestic inventories remain high and domestic production remains close to record levels. Brent rose slightly last week but was trading below \$62 per barrel on Monday. Natural gas futures fell last week, despite news of the first below-average storage report of the injection season. Below-average temperatures are expected to limit cooling demand through the first week of July.

## Oil Market

### Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

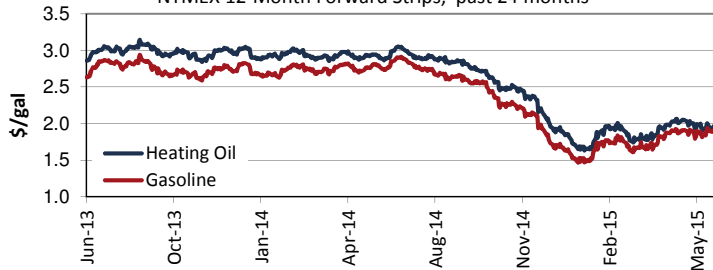


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$61.05	\$61.27	\$103.53	\$49.48
date	6/26/15	6/19/15	8/28/13	1/28/15
change from last close		-0.4%	-41.0%	23%

WTI STORAGE (in million bbls)	crude oil
domestic stocks as of 6/19/15	463
gain / loss from previous week	-4.9
comparison to historic range	above

### Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

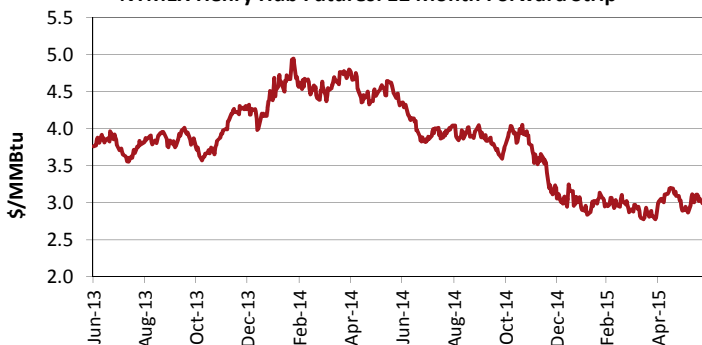


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.92	\$1.93	\$3.14	\$1.63
date	6/26/15	6/19/15	8/28/13	1/20/15
change from last close		-0.1%	-39%	18%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 6/19/15	135.4	82.0	218.5
gain / loss from previous week	1.8	1.3	0.7
comparison to historic range	within	above	within

## Natural Gas Market

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

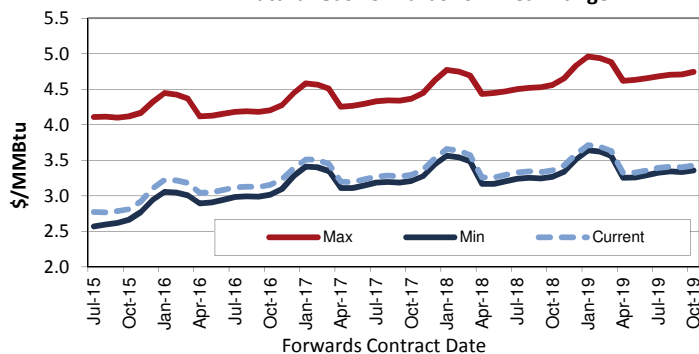


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$3.00	\$3.06	\$4.95	\$2.78
date	6/26/15	6/19/15	2/21/14	4/27/15
change from last close		-1.9%	-39%	8%

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

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)	\$3.00	\$3.06	\$3.13	\$3.22

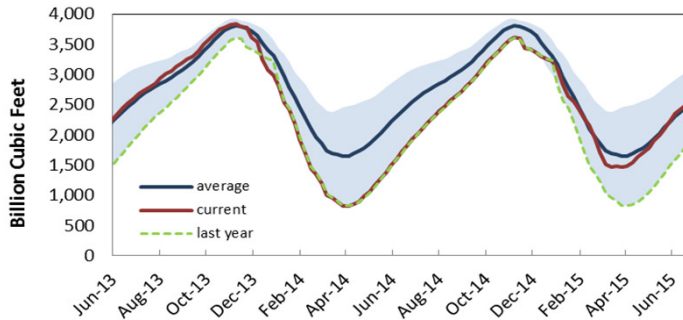
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the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



The information set forth herein is a compilation of public and internal information and is presented solely for the convenience of CES customers. CES does not make any representation or warranties, express or implied, with respect to the accuracy or completeness of the information contained herein. CES shall not have any liability to any person or entity resulting from the use of this information in any way.

### 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	6/12/15	2,433	
Most Recent Stock Level	6/19/15	2,508	
Year-ago Stock Level		1,813	38.3%
5-Year Average Stock Level		2,473	1.4%
Most Recent Net Change	6/19/15	75	
Year-Ago Net Change		110	
5-Year Average Net Change		86	

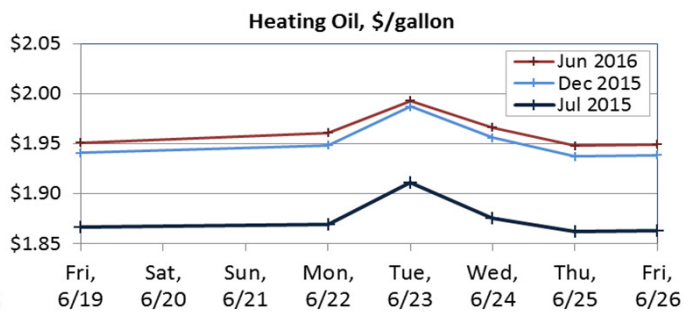
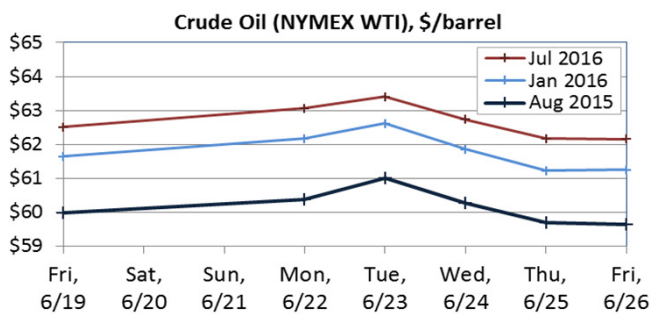
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

### Market Assessment

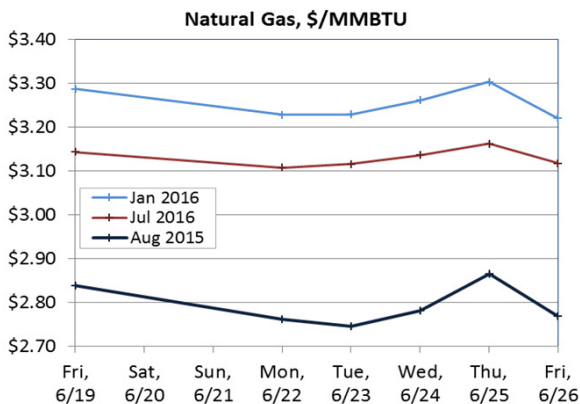
NYMEX Futures Summary Statistics

	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	Jul-15	6/22/15	\$ 59.68	Aug-15	\$ 59.63	Jul-16	\$ 62.15	Aug-15	\$ 59.63	\$61.18
Heating oil	Jun-15	5/29/15	\$ 1.96	Jul-15	\$ 1.86	Feb-16	\$ 1.96	Jul-15	\$ 1.86	\$1.95
Natural gas	Jul-15	6/26/15	\$ 2.77	Aug-15	\$ 2.77	Jan-16	\$ 3.22	Aug-15	\$ 2.77	\$3.13

NYMEX End-of-Day Settlements



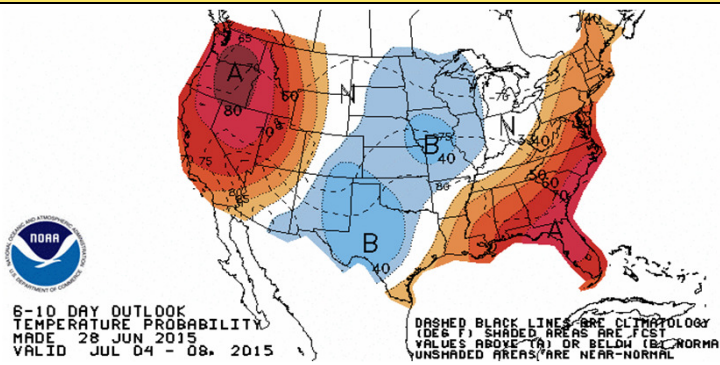
WTI rose Monday and Tuesday but came off during the latter half of the week after the EIA report. US inventories fell 4.93 million barrels over the week ended June 19, but levels are currently 84 million barrels above the five-year average for this time of the year. Supplies at Cushing, Oklahoma, fell 1.87 million barrels. U.S. production rose to 9.6 million barrels a day, just shy of the 9.61 million barrel-a-day record set the week ended June 5, since EIA weekly data began in 1983. Baker Hughes reported a drop of 3 active oil rigs for the week ended June 26, for the 29th consecutive weekly drop. Brent prices dropped below \$62 on Monday morning on the Greek financial crisis and the potential for the easing of economic sanctions against Iran. The spread between Brent and WTI ended at \$3.63 at the end of the week.



Natural gas futures fell last week as declines on Friday erased gains from Wednesday and Thursday. Prompt month gas fell Monday and Tuesday on forecasts for below-average temperatures that would limit cooling demand. Prices then climbed Wednesday and Thursday on the speculation and then confirmation of the first below-average storage report of the injection season. The EIA reported an injection of 75 billion cubic feet (Bcf) for the week ended June 19, increasing storage levels to 2.508 trillion cubic feet (Tcf). This was below the respective five-year average gain of 86 Bcf, lowering the surplus to the five-year average levels to 1.4% from 1.9% a week earlier. The injection was also lower than analysts' projections; the median analyst estimate for the week was 79 Bcf. The July contract rose 9.1 cents on Thursday to \$2.85 per MMBtu, then expired at \$2.77 on Friday. The now prompt-month contract of August also fell to \$2.77 on Friday, dropping 9.6 cents on forecasts for below-normal temperatures in the middle of the country through the first full week of July.

The National Weather Service near-term forecast calls for above-average temperatures for the East and West, and below-average temperatures through the middle of the country. The natural gas market scores have increased from the previous week. 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 Jul 4 - 8, 2015**

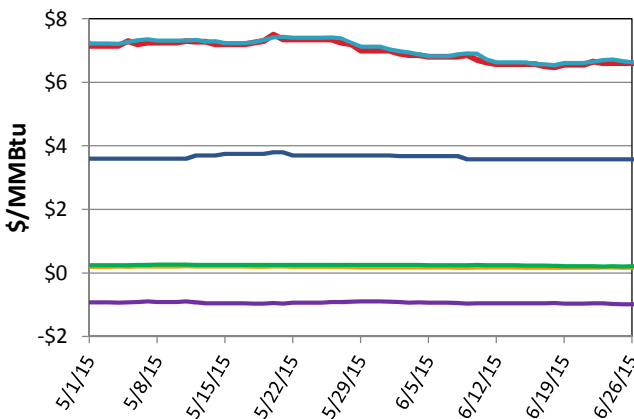
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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)

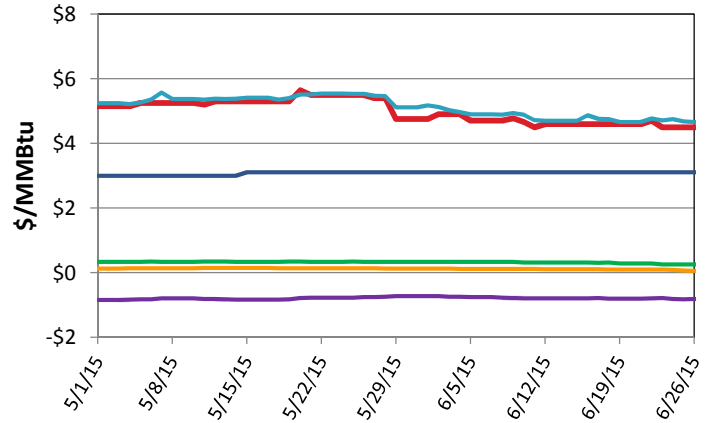
**Natural Gas Basis Futures**

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**



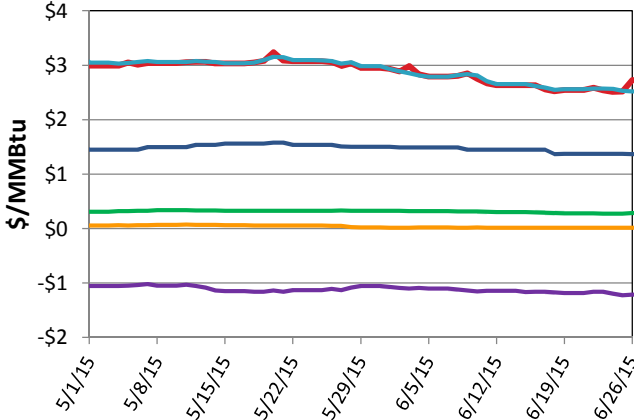
**November 2016 - March 2017**



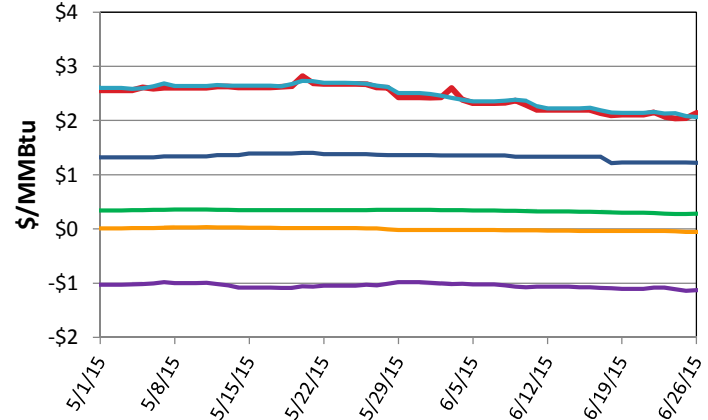
- TZ6, MA
- Algonquin, MA
- Chicago Hub, IL
- New York, NY
- Dominion South, PA
- PG&E Citygate, CA

**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)								
		6/22/15	6/23/15	6/24/15	6/25/15	6/26/15	6/27/15	6/28/15	Avg	
Power (\$/MWh)	Maine RT On Pk	34	48	26	28	34			34	
	Maine RT Off Pk	16	21	20	19	20	14	7	17	
	NH RT On Pk	35	50	27	29	34			35	
	NH RT Off Pk	16	21	21	19	20	14	7	17	
	Vermont RT On Pk	36	50	27	28	34			35	
	Vermont RT Off Pk	16	21	21	19	20	14	7	17	
	Connecticut RT On Pk	37	52	28	29	35			36	
	Connecticut RT Off Pk	17	21	21	20	20	14	7	17	
	Rhode Island RT On Pk	36	50	27	28	33			35	
	Rhode Island RT Off Pk	16	21	21	19	19	14	7	17	
	NE Mass RT On Pk	36	53	27	29	34			36	
	NE Mass RT Off Pk	16	21	21	20	20	14	7	17	
	SE Mass RT On Pk	36	50	27	29	34			35	
	SE Mass RT Off Pk	16	21	21	20	20	14	7	17	
	WC Mass RT On Pk	36	51	27	29	34			35	
	WC Mass RT Off Pk	16	21	21	20	20	14	7	17	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							
			Avg							
		Capital RT On Pk	51	35	30	31	29			35
		Capital RT Off Pk	12	15	12	19	25	15	6	15
		Central RT On Pk	58	29	29	30	28			35
		Central RT Off Pk	12	19	12	19	25	15	6	15
		Hudson RT On Pk	81	108	31	33	30			56
		Hudson RT Off Pk	13	17	13	20	26	16	6	16
		Mohawk RT On Pk	52	34	29	30	28			35
		Mohawk RT Off Pk	12	16	12	19	25	15	6	15
		Milwood RT On Pk	87	119	31	33	30			60
		Milwood RT Off Pk	13	17	13	20	26	16	6	16
		NYC RT On Pk	99	128	37	35	31			66
		NYC RT Off Pk	17	20	14	20	27	16	6	17
			PJM Real Time Power Pricing By Zone (\$/MWh)							
			Avg							
		Eastern Hub On Pk	41	46	26	26	26			33
		Eastern Hub Off Pk	19	19	20	19	19	19	19	19
		Western Hub On Pk	50	35	29	31	31			35
		Western Hub Off Pk	21	24	21	19	19	19	19	20
		PPL Zone On Pk	40	30	26	24	24			29
	PPL Zone Off Pk	19	17	20	19	19	19	19	19	
	AEP RT On Pk	49	34	29	30	30			34	
	AEP RT Off Pk	21	23	21	19	19	19	19	20	
	Chicago RT On Pk	41	30	28	29	29			32	
	Chicago RT Off Pk	20	22	20	19	19	19	19	20	
	New Jersey Hub On Pk	41	32	32	25	25			31	
	New Jersey Hub Off Pk	19	18	20	19	19	19	19	19	
		California ISO Real Time Power Pricing (\$/MWh)								
		Avg								
	SoCal Edison RT On Pk	34	39	56	69	58			51	
	SoCal Edison RT Off Pk	26	29	28	31	32	30	40	31	
Natural Gas (\$/MMBtu)		6/22/15	6/23/15	6/24/15	6/25/15	6/26/15	6/27/15	6/28/15	Avg	
		Henry Hub, LA	2.78	2.83	2.77	2.79	2.77	2.77	2.77	2.78
		TZ6, MA	2.62	2.11	1.65	1.49	1.39	1.39	1.39	1.72
		Algonquin, MA	2.56	2.01	1.51	1.46	1.35	1.35	1.35	1.65
		Chicago Hub, IL	2.73	2.81	2.75	2.79	2.73	2.73	2.73	2.75
		New York, NY	1.70	1.50	1.34	1.23	1.28	1.28	1.28	1.37
		Dominion South, PA	1.52	1.39	1.27	1.14	1.18	1.18	1.18	1.26
		Opal Hub, WY	2.65	2.70	2.67	2.68	2.68	2.68	2.68	2.68
		PG&E Citygate, CA	3.04	3.13	3.13	3.17	3.15	3.15	3.15	3.13
		Kern River Deliveries	2.84	2.91	2.94	2.95	2.93	2.93	2.93	2.92