

Competitive Energy Services Weekly Market Summary

July 7 - 11, 2014

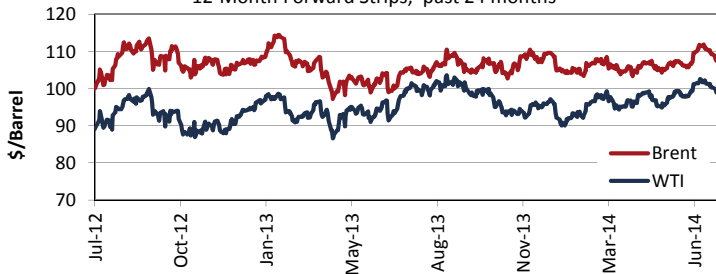
Synopsis of Last Week's Energy Markets

WTI and Brent both saw a third consecutive week of decline, with the WTI prompt month price falling \$6 per barrel over this period. The ISIS offensive in Northern Iraq has had little impact on crude oil production, and the EIA reported a gain in stocks at Cushing, Oklahoma. Natural gas futures fell to a six month low last week as moderate cooling demand and subsiding concerns about winter gas storage levels continued to put downward pressure on prices. Futures fell Monday through Thursday, but increased on Friday on the outlook for warmer temperatures this week.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

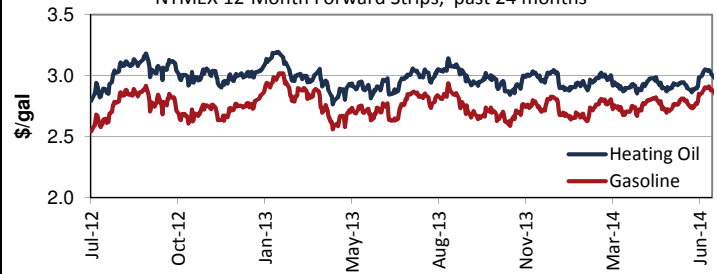


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$97.78	\$100.27	\$103.53	\$86.57
date	7/11/14	7/4/14	8/28/13	4/17/13
change from last close		-2.5%	-5.6%	13%

WTI STORAGE (in million bbls)	crude oil
domestic stocks as of 7/4/14	384.9
gain / loss from previous week	-2.3
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	\$2.89	\$2.95	\$3.19	\$2.76
date	7/11/14	7/4/14	2/14/13	4/17/13
change from last close		-2.0%	-9%	5%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 7/4/14	121.5	56.2	213.7
gain / loss from previous week	0.3	3.8	0.6
comparison to historic range	within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

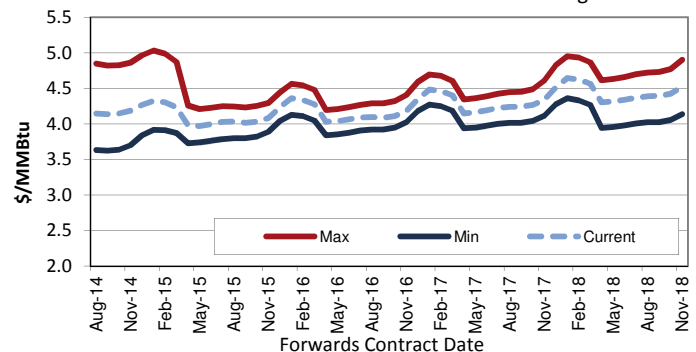


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$4.14	\$4.32	\$4.95	\$3.11
date	7/11/14	7/4/14	2/21/14	8/28/12
change from last close		-4.2%	-9%	5%

CES SCORE	
12 month	57
18 month	55
24 month	53
36 month	53

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)	\$4.14	\$4.14	\$4.14	\$4.17

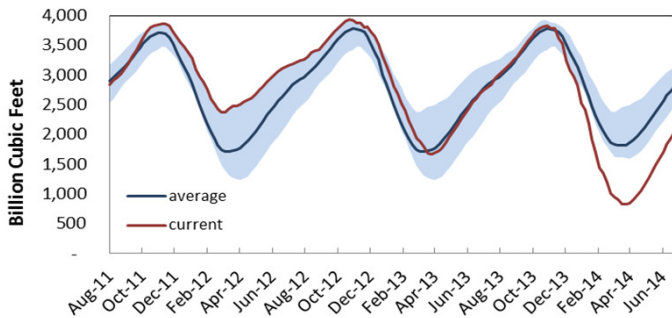
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the 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	6/27/14	1,929	
Most Recent Stock Level	7/4/14	2,022	
Year-ago Stock Level		2,675	-24.4%
5-Year Average Stock Level		2,791	-27.6%
Most Recent Net Change	7/4/14	93	
Year-Ago Net Change		80	
5-Year Average Net Change		72	

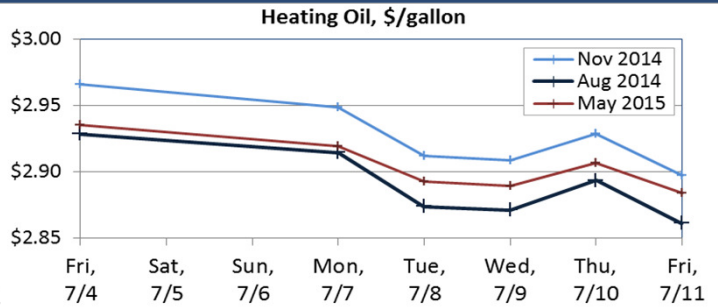
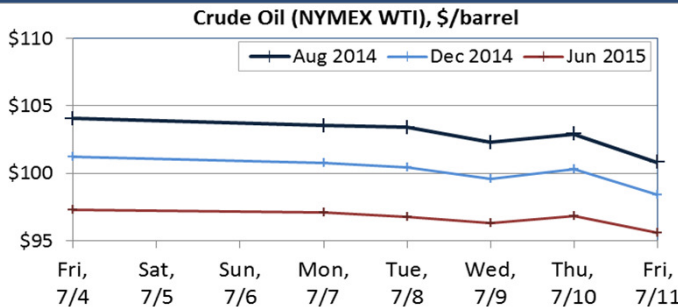
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

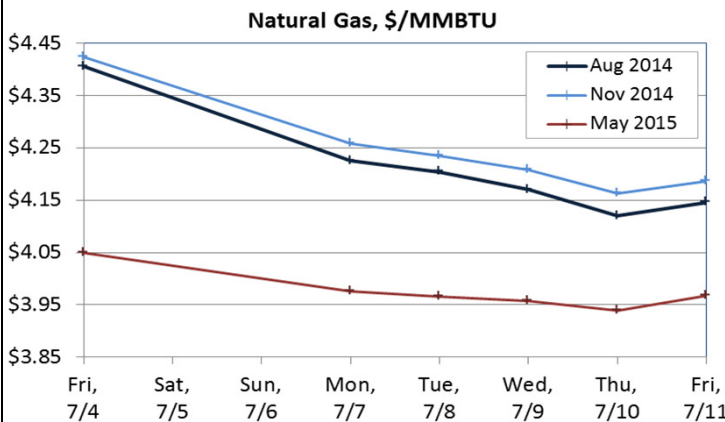
NYMEX Futures Summary Statistics

	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Next Winter Average (Nov14-Mar15)
Crude oil	Jul-14	6/20/14	\$ 107.26	Aug-14	\$ 100.83	Aug-14	\$ 100.83	Jul-15	\$ 95.07	\$97.92
Heating oil	Jul-14	6/30/14	\$ 2.97	Aug-14	\$ 2.86	Jan-15	\$ 2.92	Aug-14	\$ 2.86	\$2.91
Natural gas	Jul-14	6/26/14	\$ 4.40	Aug-14	\$ 4.15	Jan-15	\$ 4.32	May-15	\$ 3.97	\$4.26

NYMEX End-of-Day Settlements



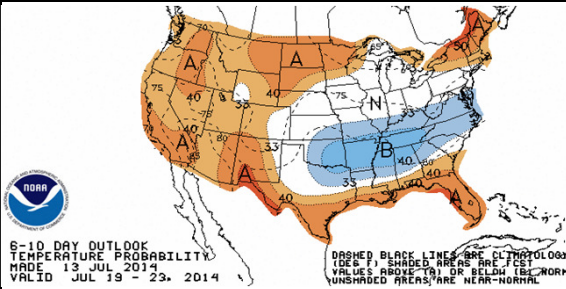
Brent and WTI both crested on June 20 as the militant group known as ISIS advanced through Northern Iraq, but initial concerns about the impact to oil exports have since been allayed as production from Iraq has continued without disruption. In Libya, crude oil exports resumed from two major terminals that have been controlled by rebels for the past year. Domestically, the EIA reported that gasoline consumption is down 4% from this time last year, production is still at a 28-year high, and storage levels at Cushing, Oklahoma rose by 447,000 barrels for the report week. The spread between Brent and WTI has narrowed as Brent has fallen more steeply over the past three weeks—at the close of last week’s trading, prompt month Brent ended at a \$5.83 premium to WTI.



Natural gas futures saw the largest one-day drop in four months last Monday on speculation that inconsistent heat may limit cooling demand. The August contract dropped 18.1 cents to \$4.23 per MMBtu, the lowest daily settlement since January 10. Prices continued to fall, reaching a low of \$4.12 per MMBtu on Thursday, as moderate cooling demand and above-average inventory gains continue to lessen concerns surrounding winter inventory levels. Analysts were predicting a gain of about 90 billion cubic feet (Bcf) for the week ended July 4. Thursday’s EIA report brought news of an above-estimated gain of 93 Bcf, increasing inventories to 2.022 trillion cubic feet (Tcf) and cutting the deficit to the five year average to 27.6%. This was the twelfth consecutive gain larger than the respective five year average injection. On Friday, futures rose on speculation that above average forecasts for this week will increase cooling demand. The August contract ended the week at \$4.15 per MMBtu.

The National Weather Service near-term forecast calls for above average temperatures for the Western US and parts of the East coast, with below average to normal temperatures for parts of the Midwest and the middle of the East coast. The natural gas market scores have increased from the previous week. Clients with electricity or natural gas contracts expiring in 2014, 2015, and 2016 should consult with a CES representative for customized guidance.

Weather Forecast



National Weather Service 6 - 10 Day Forecast for July 19 - 23, 2014

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 reporting any Atlantic cyclone activity at this time.
Source: Chart from the National Weather Service Climate Prediction Center
www.cpc.ncep.noaa.gov

Spot Prices

		New England ISO Real Time Power Pricing By Zone (\$/MWh)								
		7/7/14	7/8/14	7/9/14	7/10/14	7/11/14	7/12/14	7/13/14	Avg	
Power (\$/MWh)	Maine RT On Pk	48	47	39	27	30			38	
	Maine RT Off Pk	27	31	22	25	21	33	41	29	
	NH RT On Pk	51	51	42	29	32			41	
	NH RT Off Pk	28	33	23	26	22	34	42	30	
	Vermont RT On Pk	50	51	42	29	32			41	
	Vermont RT Off Pk	29	34	24	27	22	34	41	30	
	Connecticut RT On Pk	52	52	43	29	33			42	
	Connecticut RT Off Pk	29	34	24	27	22	35	42	30	
	Rhode Island RT On Pk	50	51	42	28	32			41	
	Rhode Island RT Off Pk	29	34	23	26	22	34	41	30	
	NE Mass RT On Pk	51	52	43	29	32			42	
	NE Mass RT Off Pk	29	34	23	27	22	35	42	30	
	SE Mass RT On Pk	51	52	42	29	32			41	
	SE Mass RT Off Pk	29	34	23	26	22	34	41	30	
	WC Mass RT On Pk	54	52	42	29	32			42	
	WC Mass RT Off Pk	29	34	24	26	22	35	42	30	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							
			Avg							
Power (\$/MWh)	Capital RT On Pk	54	44	32	33	44			41	
	Capital RT Off Pk	30	28	19	26	27	46	38	31	
	Central RT On Pk	52	42	32	33	45			41	
	Central RT Off Pk	29	27	19	25	26	44	37	29	
	Hudson RT On Pk	56	57	41	35	47			47	
	Hudson RT Off Pk	31	31	20	27	28	47	40	32	
	Mohawk RT On Pk	52	43	33	33	44			41	
	Mohawk RT Off Pk	29	28	19	25	26	45	37	30	
	Milwood RT On Pk	57	59	43	35	47			48	
	Milwood RT Off Pk	31	31	20	27	28	47	40	32	
	NYC RT On Pk	57	59	43	37	49			49	
	NYC RT Off Pk	32	31	20	27	28	48	40	32	
		PJM Real Time Power Pricing By Zone (\$/MWh)								
		Avg								
Power (\$/MWh)	Eastern Hub On Pk	61	104	41	45	45			59	
	Eastern Hub Off Pk	25	31	30	26	26	26	26	27	
	Western Hub On Pk	56	40	37	42	42			44	
	Western Hub Off Pk	24	28	26	25	25	25	25	25	
	PPL Zone On Pk	56	58	39	43	43			48	
	PPL Zone Off Pk	24	28	26	25	25	25	25	26	
	AEP RT On Pk	43	35	36	42	42			39	
	AEP RT Off Pk	23	26	25	24	24	24	24	24	
	Chicago RT On Pk	47	32	36	41	41			40	
	Chicago RT Off Pk	23	26	24	24	24	24	24	24	
	New Jersey Hub On Pk	58	82	43	44	44			54	
	New Jersey Hub Off Pk	24	29	27	26	26	26	26	26	
		California ISO Real Time Power Pricing (\$/MWh)								
		Avg								
Power (\$/MWh)	SoCal Edison RT On Pk	42	49	53	41	35			44	
	SoCal Edison RT Off Pk	36	38	35	15	8	17	43	27	
		7/7/14	7/8/14	7/9/14	7/10/14	7/11/14	7/12/14	7/13/14	Avg	
Natural Gas (\$/MMBtu)	Henry Hub, LA	4.25	4.16	4.15	4.11	4.08	4.08	4.08	4.13	
	TZ6, MA	4.07	3.41	3.14	2.75	2.82	2.82	2.82	3.12	
	Algonquin, MA	4.16	3.43	2.96	2.76	2.59	2.59	2.59	3.01	
	Chicago Hub, IL	4.34	4.25	4.25	4.23	4.17	4.17	4.17	4.23	
	New York, NY	3.60	3.03	2.64	2.31	2.23	2.23	2.23	2.61	
	Dominion South, PA	3.17	2.77	2.36	2.29	2.08	2.08	2.08	2.40	
	Opal Hub, WY	4.20	4.14	4.13	4.10	4.05	4.05	4.05	4.11	
	PG&E Citygate, CA	4.89	4.80	4.82	4.79	4.74	4.74	4.74	4.79	
	Kern River Deliveries	4.55	4.45	4.44	4.42	4.38	4.38	4.38	4.43	