



Competitive Energy Services Weekly Market Summary

August 8 - 12, 2016

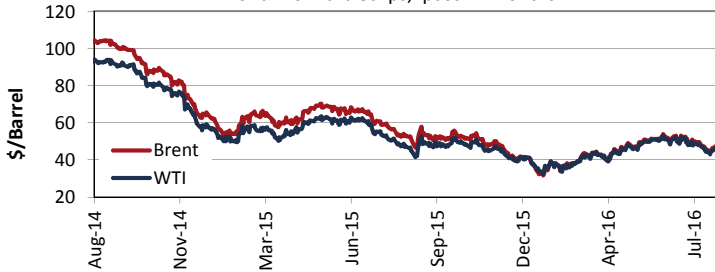
Synopsis of Last Week's Energy Markets

Crude oil traded up last week. OPEC members, including Saudi Arabia, once again floated the idea of a joint production rate freeze in response to oil prices having trended down since early June. Natural gas prices slid last week, falling for six straight days between August 4 and August 11. Peak demand for air conditioning is expected to be over, allowing for gas stocks to build before the start of the heating season.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

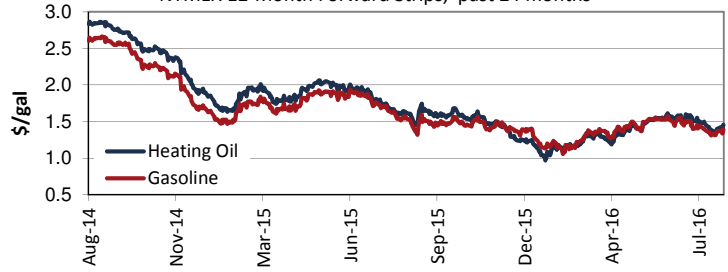


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$47.53	\$45.07	\$93.93	\$32.40
date	8/12/16	8/5/16	8/15/14	1/20/16
change from last close		5.4%	-49.4%	47%

WTI STORAGE (in million bbls)	crude oil
domestic stocks as of 8/5/16	523.6
gain / loss from previous week	1.1
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	\$1.48	\$1.40	\$2.86	\$0.97
date	8/12/16	8/5/16	8/27/14	1/20/16
change from last close		5.7%	-48%	52%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 8/5/16	151.2	91.9	235.4
gain / loss from previous week	-2.0	2.0	-2.8
comparison to historic range	above	above	above

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

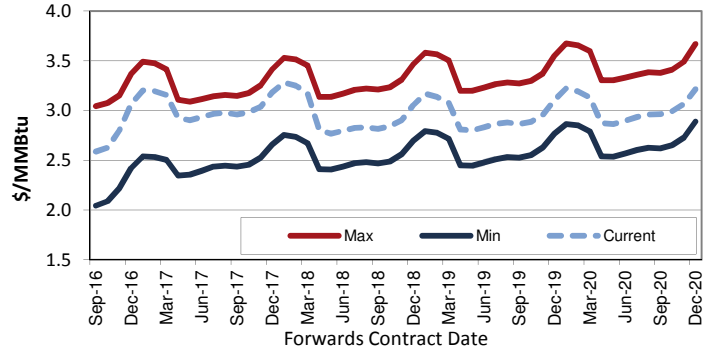


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.95	\$3.08	\$4.05	\$2.11
date	8/12/16	8/5/16	11/20/14	2/25/16
change from last close		-4.4%	-27%	40%

CES SCORE	
12 month	31
18 month	31
24 month	35
36 month	41

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)	\$2.95	\$3.00	\$2.97	\$2.96

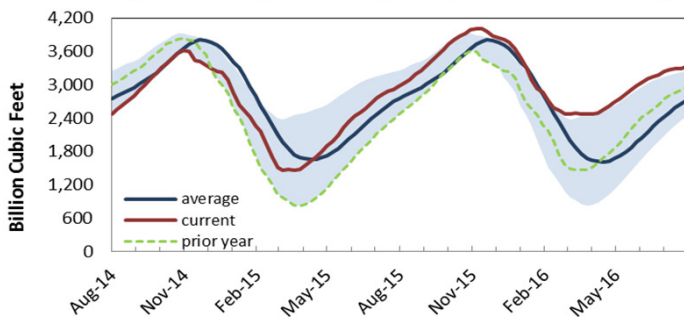
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward month on the 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	7/29/16	3,288	
Most Recent Stock Level	8/5/16	3,317	
Year-ago Stock Level		2,956	12%
5-Year Average Stock Level		2,877	15%
Most Recent Net Change	8/5/16	29	
Year-Ago Net Change		57	
5-Year Average Net Change		53	

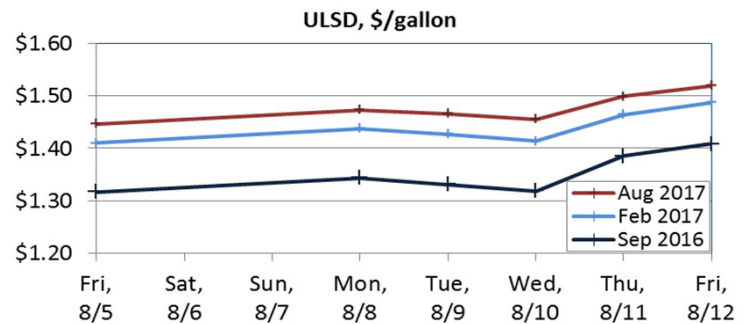
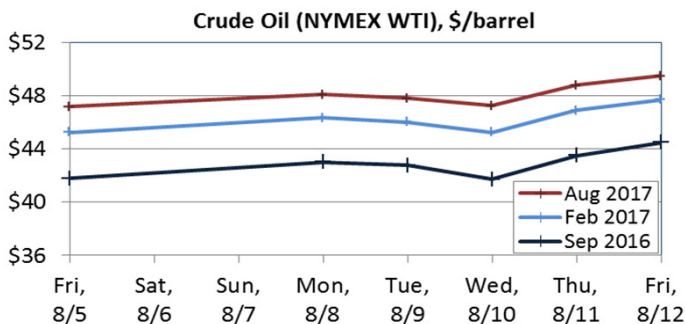
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

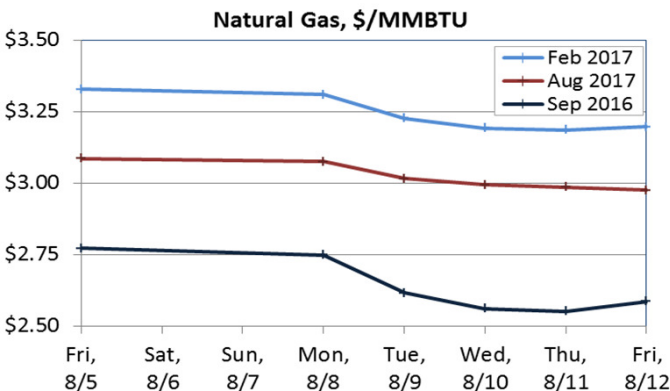
NYMEX Futures Summary Statistics

	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Average (Nov16-Mar17)
Crude oil	Aug-16	7/20/16	\$ 44.94	Sep-16	\$ 44.49	Aug-17	\$ 49.49	Sep-16	\$ 44.49	\$47.10
Heating oil	Aug-16	7/29/16	\$ 1.28	Sep-16	\$ 1.41	Aug-17	\$ 1.52	Sep-16	\$ 1.41	\$1.47
Natural gas	Aug-16	7/27/16	\$ 2.67	Sep-16	\$ 2.59	Jan-17	\$ 3.20	Sep-16	\$ 2.59	\$3.09

NYMEX End-of-Day Settlements



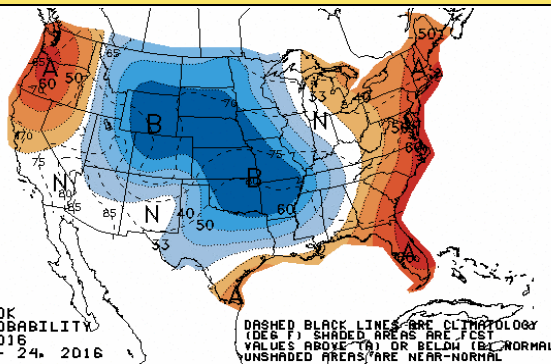
Crude oil rose last week as OPEC states renewed rumblings of a concerted action in response to falling crude oil prices. Crude oil has been on a downward trend since early June, with the prompt month falling from a high of \$51.23 on June 8 to a low of \$39.51 on August 2. OPEC is set to meet next month in Algeria. The International Energy Agency (IEA) projected that increased refining will draw down the global supply glut in the second half of 2016; however, it also reduced demand projections for 2017 due to economic factors. Domestically, the EIA reported an unexpected increase in crude oil stocks and Baker Hughes reported that oil rigs jumped by 15 last week, giving the crude oil market some relief from the OPEC news. Rigs have increased by 80 (25%) since June 3.



Natural gas tumbled last week as supplies are expected to build in the coming weeks. The heating season ended in April at a whopping 54% surplus to the 5-year average stock level; despite a summer of below-average builds, stock levels remain at a double-digit surplus to the 5-year average and year-ago levels. Demand for gas-fueled electricity generation is expected to wane as the peak cooling season gives way to late summer temperatures, allowing gas stocks to build at a faster rate. On Thursday, the EIA reported a net injection into stockpiles that was higher than projected, but prices managed to bounce on Friday as a heat wave moved through the eastern US.

The National Weather Service near-term forecast calls for above-average temperatures for the East and below-normal temperatures for the central US. The natural gas market scores on page 1 improved from the previous week. Clients with electricity or natural gas contracts expiring in 2016 and 2017 should consult with a CES representative for customized guidance.

National Weather Service Forecast



6 - 10 Day Forecast for August 20 - 24, 2016

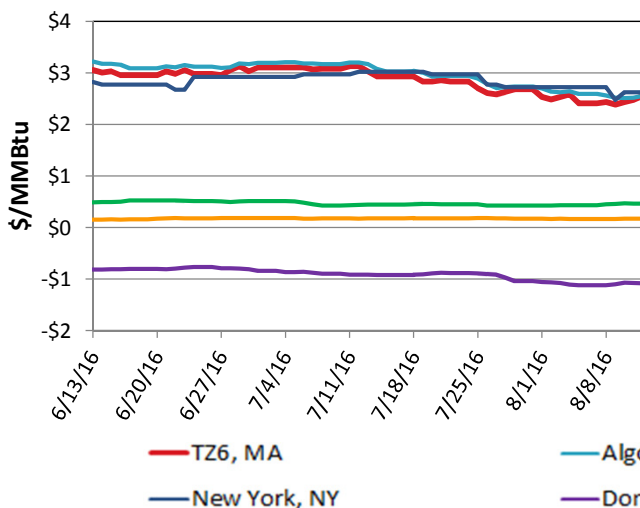
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction Center www.cpc.ncep.noaa.gov

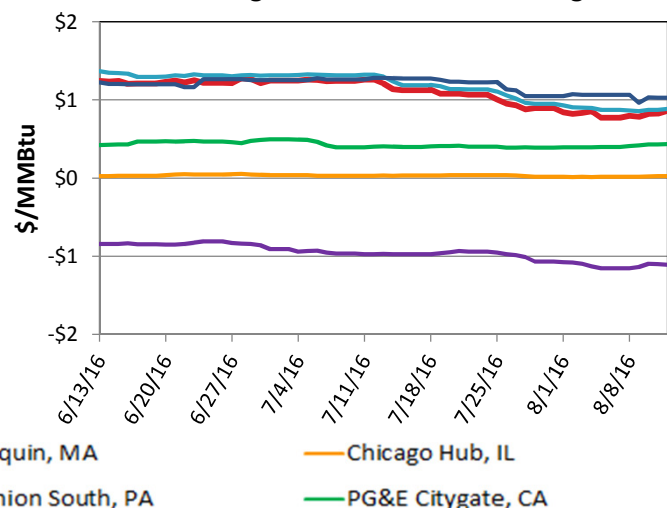
Natural Gas Basis Futures

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 2016 - March 2017

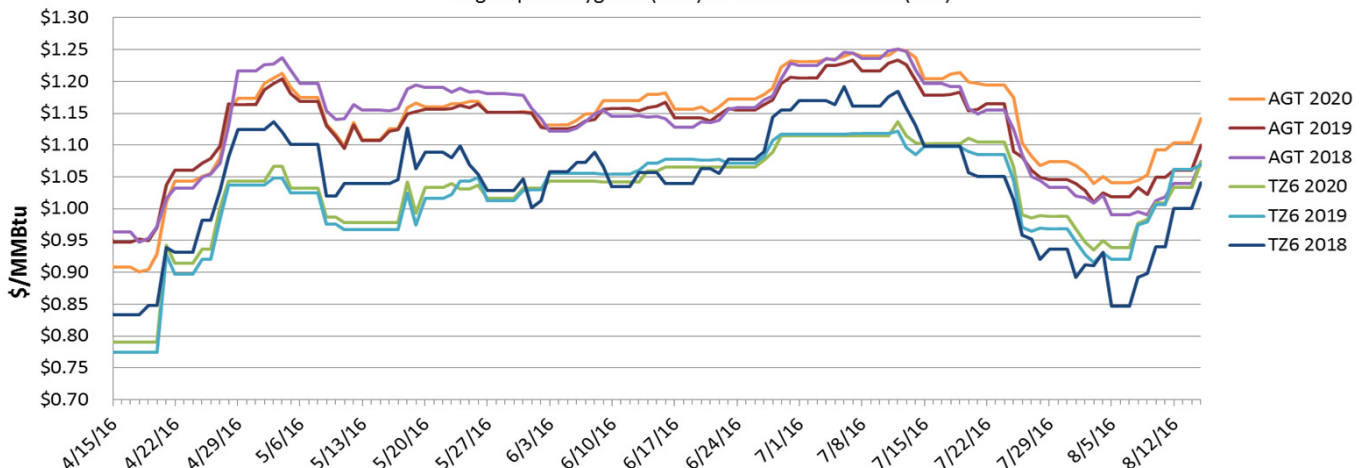


Rolling Forward 12-month Average



New England Basis, calendar year averages

Algonquin Citygates (AGT) & Tennessee Zone 6 (TZ6)



Spot Prices

		New England ISO Real Time Power Pricing By Zone (\$/MWh)								
		8/8/16	8/9/16	8/10/16	8/11/16	8/12/16	8/13/16	8/14/16	Avg	
Power (\$/MWh)	Maine RT On Pk	28	40	45	345	137			119	
	Maine RT Off Pk	18	18	26	27	31	36	53	30	
	NH RT On Pk	29	41	47	362	154			127	
	NH RT Off Pk	19	18	27	28	32	37	56	31	
	Vermont RT On Pk	29	41	48	364	174			131	
	Vermont RT Off Pk	19	18	27	28	33	39	56	31	
	Connecticut RT On Pk	30	41	48	369	184			134	
	Connecticut RT Off Pk	19	18	27	28	33	39	57	32	
	Rhode Island RT On Pk	29	30	47	368	187			132	
	Rhode Island RT Off Pk	19	18	27	28	32	38	57	31	
	NE Mass RT On Pk	29	62	47	370	192			140	
	NE Mass RT Off Pk	19	18	26	28	32	38	57	31	
	SE Mass RT On Pk	29	29	47	370	189			133	
	SE Mass RT Off Pk	19	18	26	28	32	38	57	31	
	WC Mass RT On Pk	29	35	47	368	185			133	
	WC Mass RT Off Pk	19	18	27	28	33	38	57	31	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
		Capital RT On Pk	34	37	63	158	90			76
		Capital RT Off Pk	19	18	28	32	34	42	22	28
		Central RT On Pk	33	36	62	150	79			72
	Central RT Off Pk	18	17	27	30	31	36	18	25	
	Hudson RT On Pk	35	38	65	163	169			94	
	Hudson RT Off Pk	19	18	29	34	34	88	35	37	
	Mohawk RT On Pk	34	37	63	154	91			76	
	Mohawk RT Off Pk	18	17	27	31	40	44	21	28	
	Milwood RT On Pk	35	38	65	164	182			97	
	Milwood RT Off Pk	19	19	29	34	34	95	37	38	
	NYC RT On Pk	36	38	68	167	182			98	
	NYC RT Off Pk	20	20	30	36	35	115	53	44	
		PJM Real Time Power Pricing By Zone (\$/MWh)							Avg	
	Eastern Hub On Pk	28	35	68	92	77			60	
	Eastern Hub Off Pk	14	14	20	29	26	57	39	29	
	Western Hub On Pk	38	35	67	81	69			58	
	Western Hub Off Pk	19	20	24	24	25	49	30	27	
	PPL Zone On Pk	28	32	60	88	70			56	
	PPL Zone Off Pk	14	14	20	23	25	50	31	25	
	AEP RT On Pk	38	46	53	65	47			50	
	AEP RT Off Pk	19	20	26	25	26	35	28	25	
	Chicago RT On Pk	38	46	54	70	32			48	
	Chicago RT Off Pk	19	19	18	21	26	29	26	22	
	New Jersey Hub On Pk	28	33	62	88	72			57	
	New Jersey Hub Off Pk	14	14	21	22	26	50	32	25	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
	SoCal Edison RT On Pk	38	63	34	45	41			44	
	SoCal Edison RT Off Pk	26	26	30	34	29	28	45	31	
Natural Gas (\$/MMBtu)		8/8/16	8/9/16	8/10/16	8/11/16	8/12/16	8/13/16	8/14/16	Avg	
		Henry Hub, LA	2.83	2.75	2.73	2.67	2.70	2.70	2.70	2.72
		TZ6, MA	2.89	2.94	3.70	3.58	3.34	3.34	3.34	3.30
		Algonquin, MA	2.96	2.96	3.80	3.80	3.80	3.80	3.80	3.56
		Chicago Hub, IL	2.74	2.72	2.68	2.66	2.66	2.66	2.66	2.68
		New York, NY	1.38	1.38	1.37	1.35	1.36	1.36	1.36	1.37
		Dominion South, PA	1.27	1.30	1.32	1.24	1.25	1.25	1.25	1.27
		Opal Hub, WY	2.68	2.62	2.57	2.51	2.58	2.58	2.58	2.59
		PG&E Citygate, CA	3.16	3.16	3.12	3.09	3.14	3.14	3.14	3.13
		Kern River Deliveries	2.87	2.75	2.72	2.70	3.03	3.03	3.03	2.88