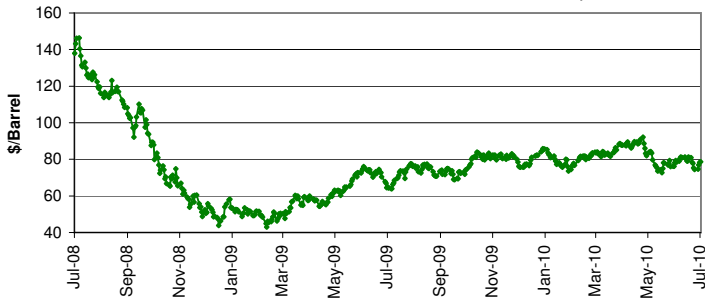


Oil Market

Crude Oil

NYMEX Crude Futures - 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$78.65	\$74.50	\$146.44	\$43.06
date	7/9/10	7/2/10	7/14/08	2/18/09
change from last close		5.6%	-46%	83%

STORAGE (in million bbls)	crude oil
domestic stocks as of 7/2/2010	358.2
gain / loss from previous week	-4.9
comparison to historic range	above

NYMEX #2 Heating Oil Futures - 12 Month Forward Strip

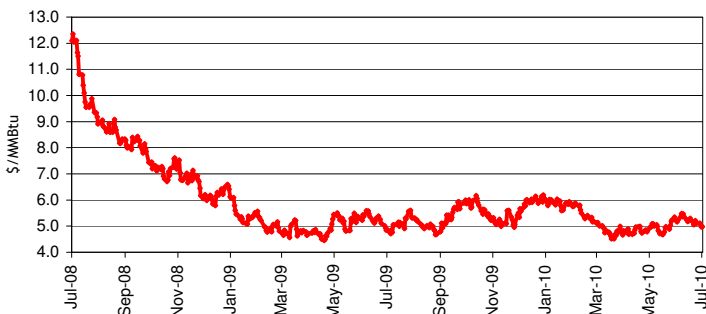


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.13	\$2.03	\$4.16	\$1.25
date	7/9/10	7/2/10	7/11/08	2/18/09
change from last close		5.1%	-49%	70%

STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 7/2/2010	159.7	49.7	219.4
gain / loss from previous week	0.3	1.9	1.3
comparison to historic range	above	within	above

Natural Gas Market

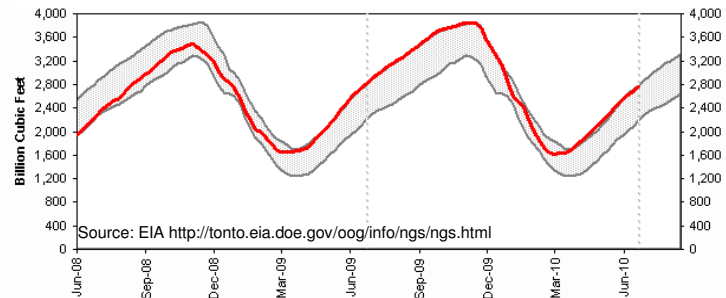
NYMEX Henry Hub Futures: 12 Month Forward Strip



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$4.98	\$5.11	\$12.35	\$4.45
date	7/9/10	7/2/10	7/10/08	4/27/09
change from last close		-2.6%	-60%	12%

Forward Strips	18 month	24 month	36 month	48 month
\$/MMBtu	\$5.17	\$5.27	\$5.46	\$5.60

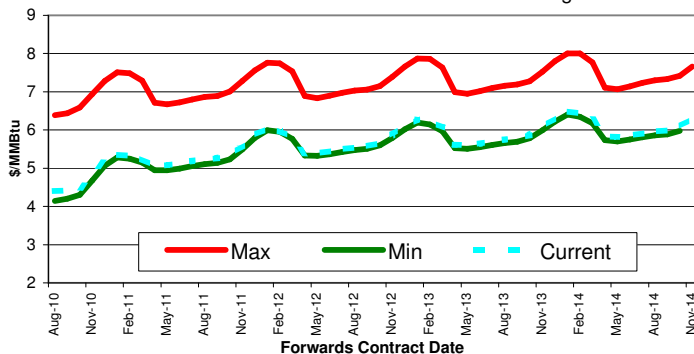
Working Gas in Storage Compared to 5-Year Range



This chart shows the amount of natural gas in storage at each point in time (red line) compared to the highest and lowest amounts in the past 5 calendar years. The record storage levels during 2009 now set the top of this range.

The EIA (Energy Information Administration) reported that natural gas in storage was 2,762 Bcf as of Friday, July 2nd. This implies a net weekly injection of 78 Bcf, compared to a net injection of 80 Bcf for the 5-year average and 74 Bcf for the same report week last year. Gas in storage was 1% below last year's level but 12% above the 5-year average.

NYMEX Natural Gas Forwards vs. 1 Year Range

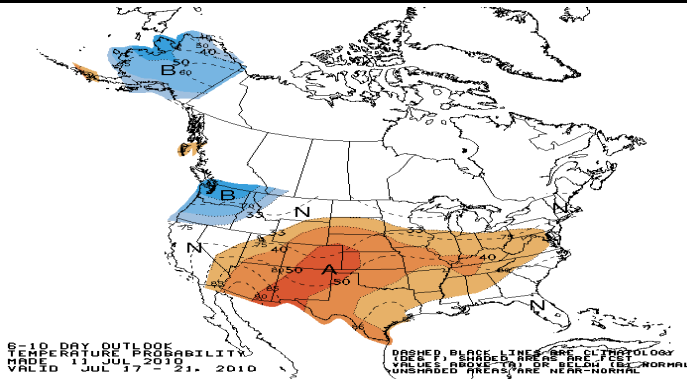


Natural gas futures are useful to monitor for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets including New England, Texas and, to a lesser extent, New York and the Mid-Atlantic. This chart compares the current natural gas price for each forward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

Forwards	Score
12 Month	93
24 Month	94
36 Month	94

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

Weather Forecast



For the period July 17 - 21, 2010

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.

At this time, the National Hurricane Center is reporting no tropical cyclones for the Atlantic Coast.

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

Market Assessment

Last week was a four-day trading week due to the July 4th holiday. Crude oil and heating oil prices were steady on Tuesday but then rose each day for the rest of the week. Crude oil prices began climbing on Wednesday as investors anticipated that the EIA weekly report would show a 2 million barrel drop in crude oil stocks over the previous week. On Thursday, the EIA reported a drop of 4.96 million barrels while fuel demand rose 3.2%. Also, the Labor Department reported that the number of first-time applicants for unemployment benefits last week fell more than projected. On Friday, oil climbed along with the Dow Jones Industrial Average and the S&P 500. As of Monday morning, oil prices were gaining as traders sold contracts to lock in profits from last week's jump in prices, and the US dollar was strengthening against the euro.

The July crude oil contract expired on June 22nd at \$77.21 per barrel, and August 2010 is the current prompt month. Crude oil contracts for delivery in the next twelve months starting August rose 5.6% on average last week. The August 2010 contract ended the week at \$76.09 per barrel, the lowest-priced crude oil contract with delivery in next 12 months. The most expensive contract in the next 12 months was July 2011 at \$80.76 per barrel. For NYMEX heating oil futures, the July contract expired on June 30 at \$1.98 per gallon, and August is the prompt month. Heating oil contracts for delivery in the next 12 months fell 9% on average last week. The August 2010 contract ended the week at \$1.98 per gallon, and the most expensive contract in the next 12 months was July 2011, which ended the week at \$2.18 per gallon.

Natural gas prices fell last week. Prices were steady on Tuesday but began to decline on Wednesday as forecasts called for mild mid-July weather in the Northeast, although at the time the Mid-Atlantic states were in the midst of a heat wave. Prices declined on Thursday and Friday after the EIA reported a 78 billion cubic feet injection into inventories, compared to a projected gain of 70 Bcf. Although this hurricane season is projected to be more active than usual, the current surplus in gas stocks is mitigating the effect on prices. Furthermore, the Baker Hughes gas rig count saw a net gain of 4 last week, the third consecutive weekly increase. Of this total, the number of horizontal rigs, which drill for onshore shale gas, rose by 14 rigs.

The July 2010 natural gas contract expired on June 28th at \$4.72 per MMBtu on the NYMEX. Natural gas contracts for the next 12 months starting August fell 2.7% on average last week, with the 3 upcoming contract months falling more than 6% each. August 2010, the lowest priced contract with delivery in the next 12 months, ended the week at \$4.40 per MMBtu. The highest priced contract in the next twelve months was January 2011 at \$5.35 per MMBtu.

The National Weather Service forecasts above-normal temperatures for the middle section of the United States (see chart above). The CES market score (see first page) increased from the previous week, and clients with electricity or natural gas contracts expiring in 2010 or 2011 should consult with a CES representative for customized guidance on executing a forward energy market hedge. As always, hedging decisions are very dependent on unique budgetary circumstances and goals.



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