



Competitive Energy Services Weekly Market Summary

January 1 - 5, 2018

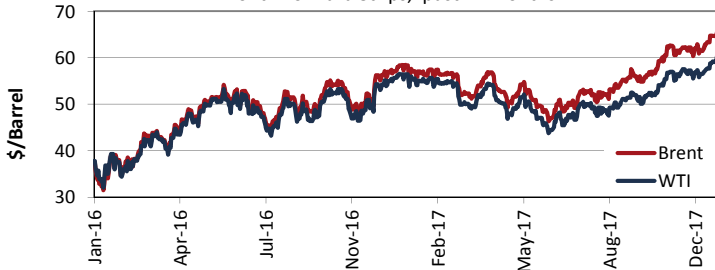
Synopsis of Last Week's Energy Markets

Crude oil prices rose last week, briefly surpassing \$62 for WTI and \$68 for Brent. Domestic crude stocks shrunk for a seventh consecutive week and anti-government protests grew in Iran, OPEC's third largest producer. Natural gas prices fell 5.4% last week, retreating after strong gains during the New Year's cold snap. Demand is forecasted to decline from record highs as temperatures ease in the East through mid-January.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

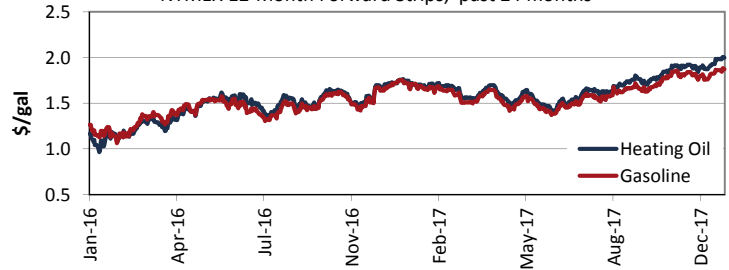


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$60.28	\$59.14	\$60.53	\$32.40
date	1/5/18	12/29/17	1/4/18	1/20/16
change from last close		1.9%	-0.4%	86%

US STORAGE (in million bbls)	crude oil
domestic stocks as of 12/29/17	424
gain / loss from previous week	-7.4
comparison to historic range	within

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	\$2.00	\$1.99	\$2.01	\$0.97
date	1/5/18	12/29/17	1/3/18	1/20/16
change from last close		0.5%	-1%	106%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 12/29/17	139	68	233
gain / loss from previous week	8.9	-0.7	4.8
comparison to historic range	within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



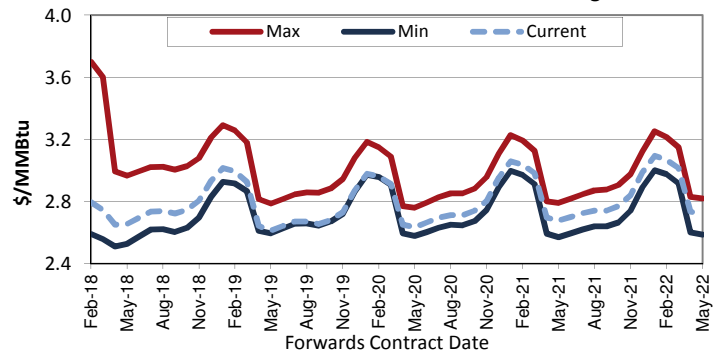
NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.77	\$2.85	\$3.70	\$2.11
date	1/5/18	12/29/17	12/28/16	2/25/16
change from last close		-2.8%	-25%	31%

CES SCORE

12 month	73
18 month	78
24 month	82
36 month	79

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)	\$2.77	\$2.76	\$2.76	\$2.77

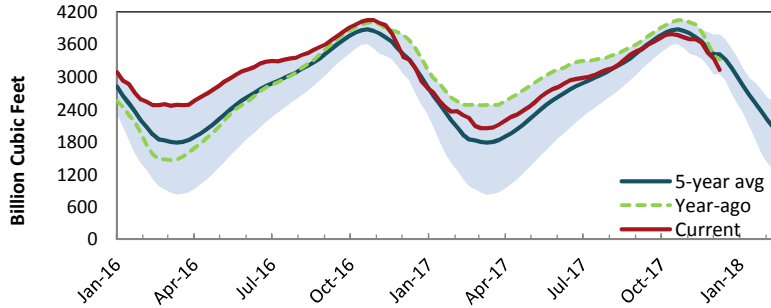
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	12/22/17	3,332	
Most Recent Stock Level	12/29/17	3,126	
Year-ago Stock Level		3,318	-5.8%
5-Year Average Stock Level		3,417	-8.5%
Most Recent Net Change	12/29/17	-206	
Year-Ago Net Change		-76	
5-Year Average Net Change		-99	

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

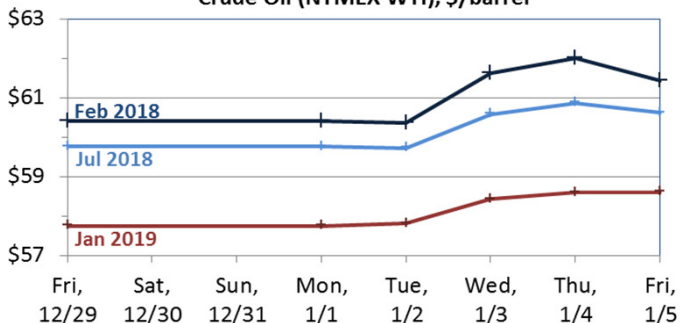
Market Assessment

NYMEX Futures Summary Statistics

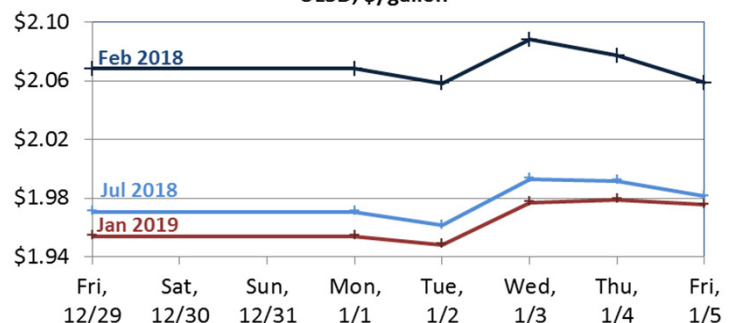
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Next Winter Avg (Nov18-Mar19)
Crude oil	Jan-18	12/19/17	\$57.46	Feb-18	\$61.44	Feb-18	\$61.44	Jan-19	\$58.61	\$58.60
Heating oil	Jan-18	12/29/17	\$2.08	Feb-18	\$2.07	Feb-18	\$2.06	Oct-18	\$1.98	\$1.97
Natural gas	Jan-18	12/27/17	\$2.74	Feb-18	#REF!	Jan-19	\$3.02	Apr-18	\$2.65	\$2.94

NYMEX End-of-Day Settlements

Crude Oil (NYMEX WTI), \$/barrel

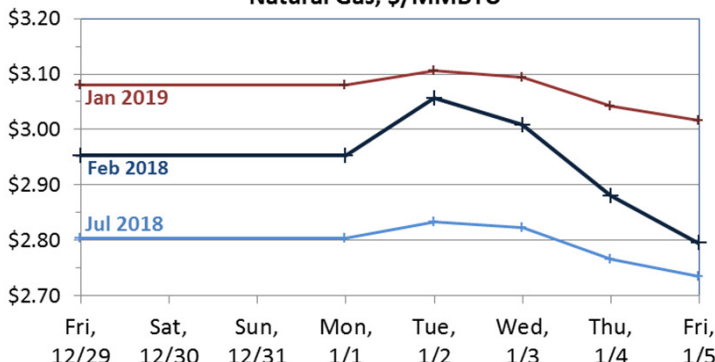


ULSD, \$/gallon



Crude oil climbed for the third straight week, with prompt month WTI closing at \$62 for the first time since December 2014. The EIA's Wednesday storage report showed that domestic stocks of crude oil fell 7.4M barrels, exceeding projections. Stocks have fallen 7.5% over the past seven report weeks. Adding to the bullish sentiment, stocks at the NYMEX hub in Cushing, Oklahoma, have fallen 22% over the same period. Internationally, anti-government protests erupted in Iran at the end of December and are continuing. Although there is no immediate impact to oil production, US oil prices could be impacted if economic sanctions against Iran are reinstated. The Iran nuclear deal must be re-certified by President Trump by January 15.

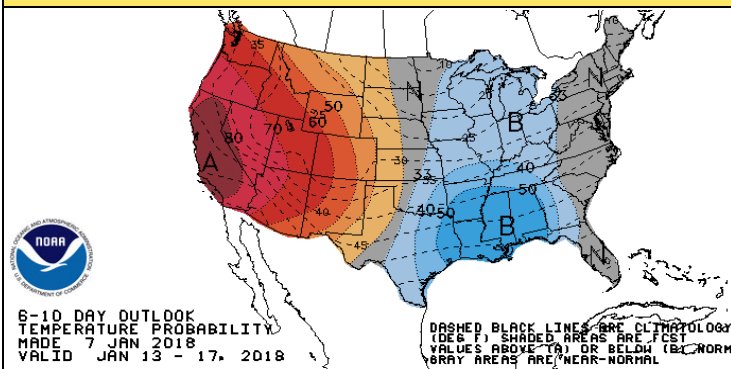
Natural Gas, \$/MMBTU



Natural gas prices reached one-month highs last Tuesday but fell steadily through the rest of the week, weighed down by forecasts for milder weather in the Eastern US and recovery of domestic production following last week's freeze-outs. Output has rebounded from early-month lows but at 75 Bcf/d continues to fall short of late-2017 levels. Meanwhile, demand has fallen from New Year's highs and should continue to do so as temperatures rise across the U.S. This week's storage withdrawal of 206 Bcf was more than double the average draw but lower than most projections and brought inventory levels to 5.8% below the 5-year average. February futures fell \$0.16 over the week to close at \$2.795 on Friday afternoon.

The National Weather Service near-term forecast calls normal or below-normal temperatures for the eastern half of the US and warmer-than-normal temperatures for the western half. The natural gas market scores on page 1 improved from the previous week. Clients with electricity or natural gas contracts expiring in 2018 should consult with a CES representative for customized guidance.

National Weather Service Forecast



6 - 10 Day Forecast for Jan 13 - 17

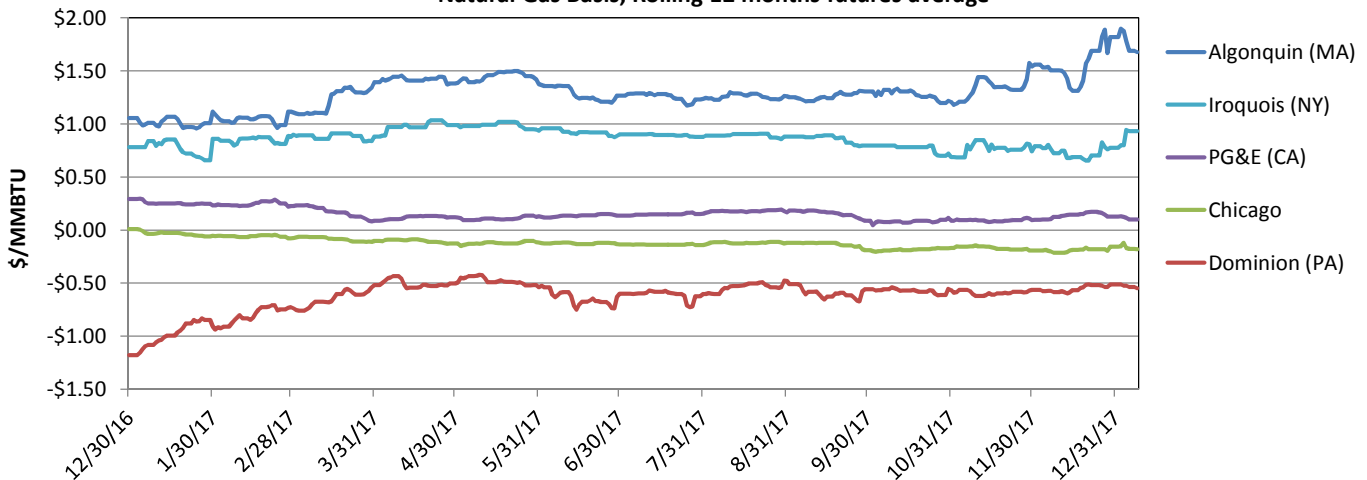
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

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.

Natural Gas Basis, Rolling 12 months futures average



Propane

Spot propane price for Northeast US



Spot Prices

		New England ISO Real Time Power Pricing By Zone (\$/MWh)								
		1/1/18	1/2/18	1/3/18	1/4/18	1/5/18	1/6/18	1/7/18	Avg	
Power (\$/MWh)	Maine RT On Pk	150	153	161	213	301			196	
	Maine RT Off Pk	122	135	135	122	147	216	188		
	NH RT On Pk	153	156	165	250	331			211	
	NH RT Off Pk	126	139	140	126	167	245	202		
	Vermont RT On Pk	153	158	164	245	322			208	
	Vermont RT Off Pk	127	139	141	126	162	246	205		
	Connecticut RT On Pk	154	157	164	250	332			212	
	Connecticut RT Off Pk	128	139	142	126	168	252	207		
	Rhode Island RT On Pk	156	156	167	256	337			214	
	Rhode Island RT Off Pk	130	142	144	128	171	255	209		
	NE Mass RT On Pk	155	157	166	253	337			213	
	NE Mass RT Off Pk	128	140	142	127	170	254	207		
	SE Mass RT On Pk	155	156	166	254	337			214	
	SE Mass RT Off Pk	129	141	142	127	171	256	211		
	WC Mass RT On Pk	155	158	166	253	335			213	
	WC Mass RT Off Pk	129	141	143	128	170	253	207		
	New York ISO Real Time Power Pricing By Zone (\$/MWh)									Avg
		Capital RT On Pk	193	198	170	249	381			238
		Capital RT Off Pk	148	156	158	120	156	272	260	
		Central RT On Pk	113	94	151	113	174			129
		Central RT Off Pk	74	136	146	108	119	226	211	
		Hudson RT On Pk	172	171	169	212	325			210
		Hudson RT Off Pk	128	153	158	118	148	265	251	
		Mohawk RT On Pk	121	101	159	121	183			137
		Mohawk RT Off Pk	80	144	153	113	124	237	221	
		Milwood RT On Pk	174	172	169	214	328			212
		Milwood RT Off Pk	129	154	158	118	149	266	253	
		NYC RT On Pk	174	208	194	213	329			224
	NYC RT Off Pk	129	156	160	119	149	280	254		
PJM Real Time Power Pricing By Zone (\$/MWh)									Avg	
	Eastern Hub On Pk	139	157	147	221	221			177	
	Eastern Hub Off Pk	202	203	199	83	83	83	83	134	
	Western Hub On Pk	110	118	127	163	163			136	
	Western Hub Off Pk	133	155	158	72	72	72	72	105	
	PPL Zone On Pk	131	150	137	214	214			169	
	PPL Zone Off Pk	189	183	180	78	78	78	78	123	
	AEP RT On Pk	88	121	105	144	144			121	
	AEP RT Off Pk	111	172	160	66	66	66	66	101	
	Chicago RT On Pk	64	60	75	97	97			79	
	Chicago RT Off Pk	65	55	41	46	46	46	46	49	
	New Jersey Hub On Pk	133	147	139	211	211			168	
	New Jersey Hub Off Pk	191	186	184	79	79	79	79	125	
California ISO Real Time Power Pricing (\$/MWh)									Avg	
	SoCal Edison RT On Pk	32	36	109	55	83			63	
	SoCal Edison RT Off Pk	45	30	42	41	30	30	30		
Natural Gas \$/MMBtu		1/1/18	1/2/18	1/3/18	1/4/18	1/5/18	1/6/18	1/7/18	Avg	
	TZ6, MA			22.65					22.65	
	Algonquin, MA			33.83		28.64			31.24	
	Chicago Hub, IL		8.95		6.77	3.69			6.47	
	New York, NY		17.26	46.53	96.04	19.65			44.87	
	Dominion South, PA		5.26	5.85	4.37	2.75			4.56	
	Opal Hub, WY		5.48			2.47			3.98	
	PG&E Citygate, CA		3.42	3.08	3.06	2.79			3.09	