



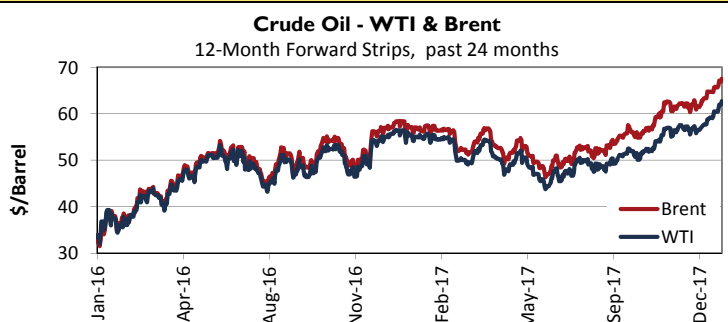
Competitive Energy Services Weekly Market Summary

January 8 - 12, 2018

Synopsis of Last Week's Energy Markets

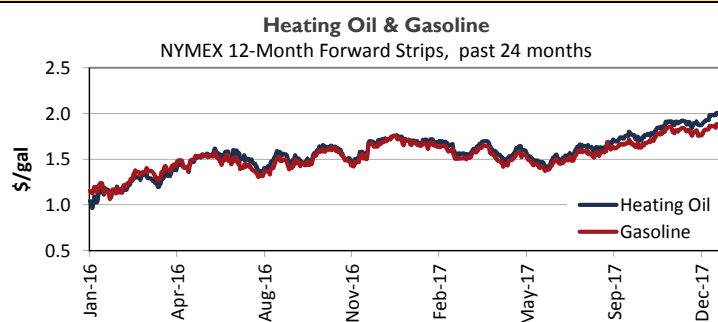
Crude oil rallied all five days last week. The effects of OPEC's ongoing production cuts coincided with a drop in US production due to a freeze-off of production wells, and global economic indicators point to rising demand for crude. Natural gas prices surged by 14% last week as the EIA reported the largest storage withdrawal in history. Frigid temperatures leading up to and during the "bomb cyclone" sent heating demand to record highs and curbed production.

Oil Market



NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$62.67	\$60.42	\$62.67	\$32.40
date	1/12/18	1/5/18	1/12/18	1/20/16
change from last close		3.7%	0.0%	93%

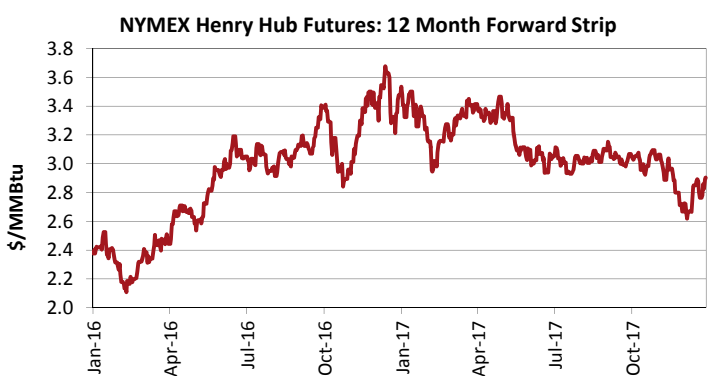
US STORAGE (in million bbls)	crude oil
domestic stocks as of	1/5/18
gain / loss from previous week	-4.9
comparison to historic range	within



NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.04	\$2.00	\$2.04	\$0.97
date	1/12/18	1/5/18	1/12/18	1/20/16
change from last close		1.9%	0%	110%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of	1/5/18		
gain / loss from previous week	4.3	-6.3	4.1
comparison to historic range	within	within	within

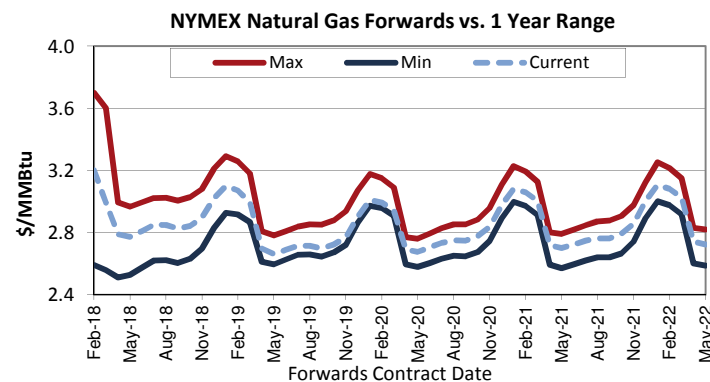
Natural Gas Market



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$2.91	\$2.76	\$3.70	\$2.11
date	1/12/18	1/5/18	12/28/16	2/25/16
change from last close		5.4%	-21%	38%

CES SCORE	
12 month	47
18 month	52
24 month	58
36 month	58

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.



FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBTu)	\$2.91	\$2.88	\$2.86	\$2.85

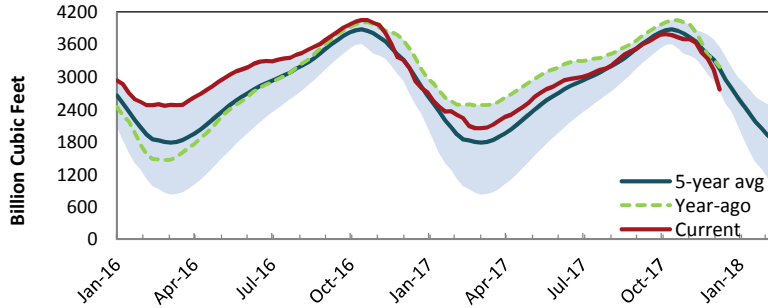
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	12/29/17	3,126	
Most Recent Stock Level	1/5/18	2,767	
Year-ago Stock Level		3,182	-13.0%
5-Year Average Stock Level		3,149	-12.1%
Most Recent Net Change	1/5/18	-359	
Year-Ago Net Change		-136	164%
5-Year Average Net Change		-169	112%

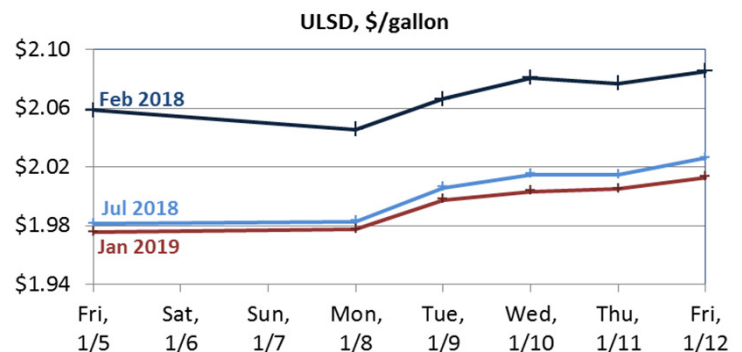
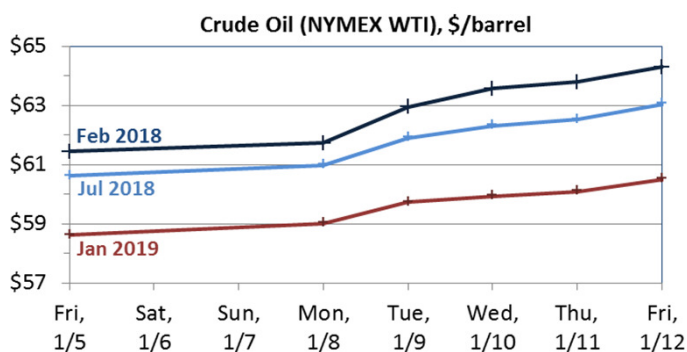
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

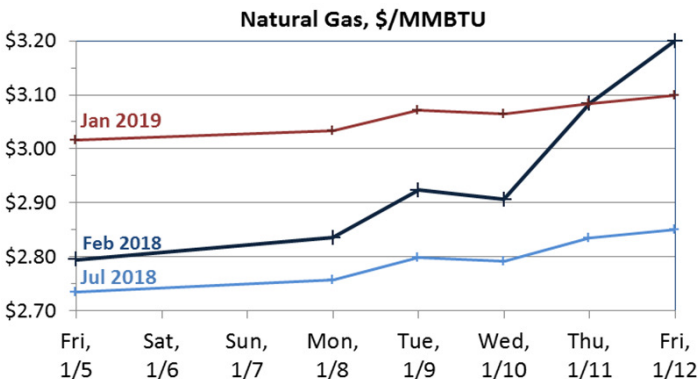
NYMEX Futures Summary Statistics

	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	\$64.30	Jan-19	\$60.50	\$60.48
Heating oil	Jan-18	12/29/17	\$2.08	Feb-18	\$2.09	Feb-18	\$2.09	Jan-19	\$2.01	\$2.01
Natural gas	Jan-18	12/27/17	\$2.74	Feb-18	\$3.20	Feb-18	\$3.20	May-18	\$2.77	\$3.02

NYMEX End-of-Day Settlements



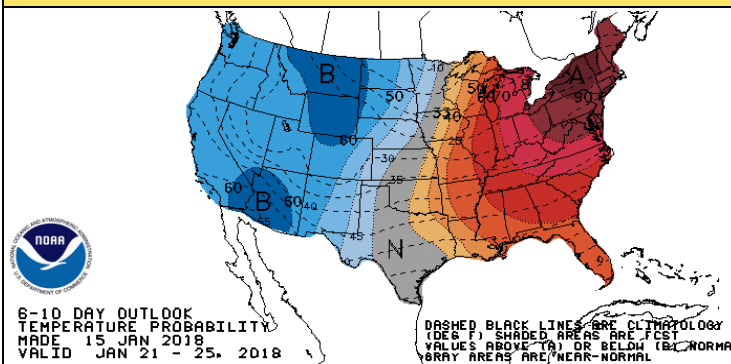
Near-term WTI crude futures have risen 18 out of the past 21 trading days. Brent crude, the international benchmark, climbed over the \$70 mark last week, a high of more than three years. OPEC and Russia's joint production limits are slowly whittling away at the global supply glut, while China boosted imports in response to rising demand. Domestically, the early January cold snap literally froze production; the EIA report showed a distinct dip in the domestic production rate for the week-ending January 5, which had been trending upward since October. US crude stocks fell for an eighth straight week, and supplies at the NYMEX storage hub in Cushing, Oklahoma, are close to three-year lows.



Natural gas prices climbed last week as inventory levels plummeted to 12% below the typical figure for this time of the year. Last week's withdrawal totaled 359 Bcf, the largest withdrawal on record by 71 Bcf. The previous record was set during the particularly chilly winter of 2013-14. This year's early-January cold snap stoked heating demand while dropping temperatures caused production freeze-outs. High demand was met by withdrawals from storage and increased imports from Canada. The higher-than-expected withdrawal and forecasts for cold over the holiday weekend kept prices strong through the end of the week: February futures gained 41 cents to close at \$3.20 on Friday afternoon.

The National Weather Service near-term forecast calls for warmer-than-normal temperatures for the eastern half of the US and cooler-than-normal temperatures for the western half. The natural gas market scores on page 1 declined 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 21 - 25

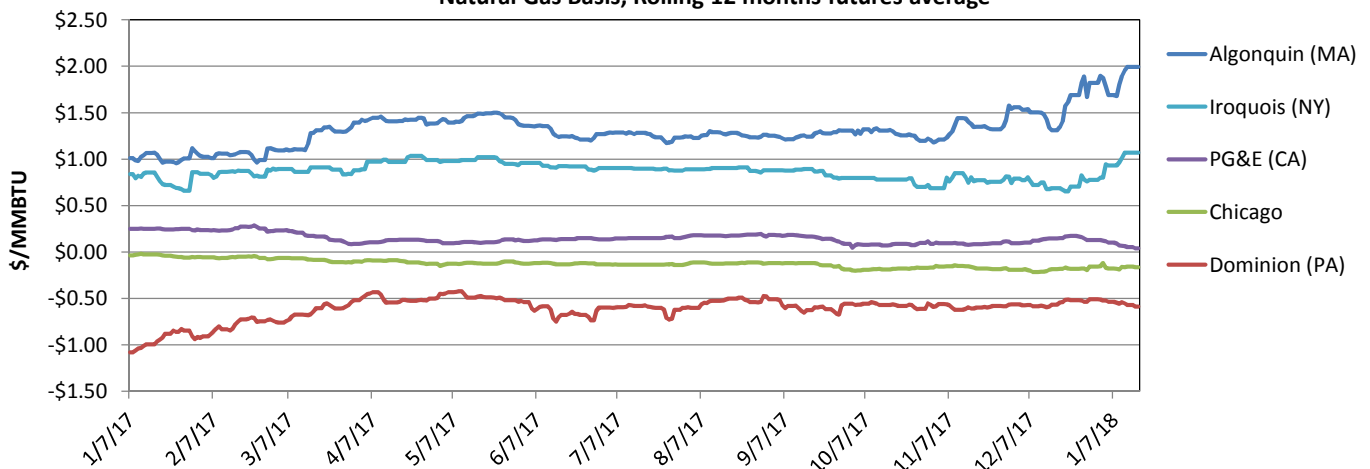
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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)							Avg	
		1/8/18	1/9/18	1/10/18	1/11/18	1/12/18	1/13/18	1/14/18		
Power (\$/MWh)	Maine RT On Pk	146	108	69	35	20			76	
	Maine RT Off Pk	142	139	65	38	12	89	147	91	
	NH RT On Pk	149	116	73	39	24			80	
	NH RT Off Pk	149	151	75	42	21	94	153	98	
	Vermont RT On Pk	149	115	72	38	23			79	
	Vermont RT Off Pk	149	150	74	41	20	93	154	97	
	Connecticut RT On Pk	151	117	72	39	24			80	
	Connecticut RT Off Pk	150	152	75	42	21	93	155	98	
	Rhode Island RT On Pk	151	118	73	39	24			81	
	Rhode Island RT Off Pk	152	153	76	43	21	94	156	99	
	NE Mass RT On Pk	151	118	73	39	24			81	
	NE Mass RT Off Pk	151	154	76	43	21	94	154	99	
	SE Mass RT On Pk	152	119	74	39	24			81	
	SE Mass RT Off Pk	152	155	76	43	21	94	155	99	
	WC Mass RT On Pk	151	118	73	39	24			81	
	WC Mass RT Off Pk	151	153	76	43	21	94	156	99	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
Power (\$/MWh)	Capital RT On Pk	176	80	37	33	34			72	
	Capital RT Off Pk	162	163	50	45	22	78	152	96	
	Central RT On Pk	41	50	27	26	32			35	
	Central RT Off Pk	43	30	42	23	18	72	119	50	
	Hudson RT On Pk	138	73	35	33	35			63	
	Hudson RT Off Pk	128	123	49	39	21	79	146	84	
	Mohawk RT On Pk	45	52	28	26	32			37	
	Mohawk RT Off Pk	48	33	44	23	17	75	125	52	
	Milwood RT On Pk	139	73	35	33	35			63	
	Milwood RT Off Pk	129	124	49	39	21	80	147	84	
	NYC RT On Pk	146	73	38	33	37			65	
	NYC RT Off Pk	129	123	49	39	21	80	150	85	
			PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Power (\$/MWh)	Eastern Hub On Pk	146	45	30	25	25			54
		Eastern Hub Off Pk	141	56	34	24	24	24	24	47
		Western Hub On Pk	110	42	34	25	25			47
		Western Hub Off Pk	96	52	30	23	23	23	23	39
PPL Zone On Pk		144	48	30	25	25			54	
PPL Zone Off Pk		119	55	33	23	23	23	23	43	
AEP RT On Pk		67	37	28	23	23			36	
AEP RT Off Pk		55	42	28	22	22	22	22	30	
Chicago RT On Pk		37	29	26	22	22			27	
Chicago RT Off Pk		28	35	22	20	20	20	20	24	
New Jersey Hub On Pk		151	54	37	25	25			58	
New Jersey Hub Off Pk		133	57	34	23	23	23	23	45	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
Natural Gas \$/MMBtu		SoCal Edison RT On Pk	69	37	27	30	28			38
		SoCal Edison RT Off Pk	26	20	21	26	25	31	27	25
				1/8/18	1/9/18	1/10/18	1/11/18	1/12/18	1/13/18	1/14/18
Natural Gas \$/MMBtu		Henry Hub, LA	2.89	2.93	3.16	3.30	4.06			
	TZ6, MA	8.53	10.61	4.78	4.71	13.31			8.39	
	Algonquin, MA	15.11	10.25		3.39	16.35			11.28	
	Chicago Hub, IL	2.84	2.84	3.03	3.23	3.86			3.16	
	New York, NY	3.34	3.44	3.15	3.06	14.52			5.50	
	Dominion South, PA	2.54	2.64	2.69	2.76	3.22			2.77	
	Opal Hub, WY	2.48	2.46	2.58	2.78	2.96			2.65	
PG&E Citygate, CA	2.85	2.85	2.88	2.89	2.92			2.88		