



Competitive Energy Services Weekly Market Summary

January 22 - 26, 2018

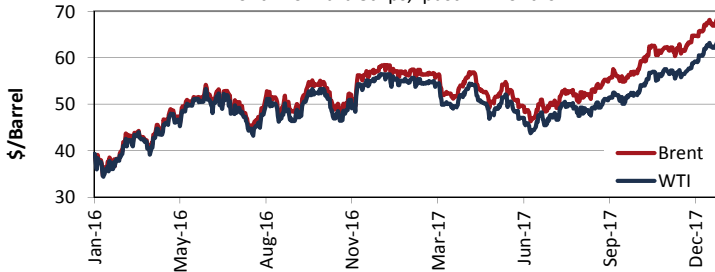
Synopsis of Last Week's Energy Markets

WTI and Brent climbed last week as US crude oil in storage continues to decline, although the domestic production rate is closing in on the 10M barrel per day mark. Crude prices are also being bolstered by a three-year low in the US dollar index. Natural gas prices advanced 10% last week amid cooler forecasts for February and declining inventory levels. This week's high storage withdrawal followed high heating demand and exports and left stocks at a 17.5% deficit to the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

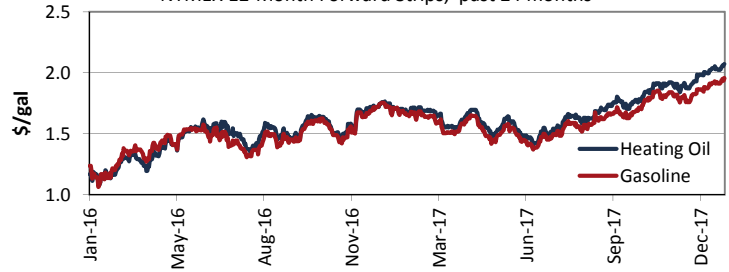


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$63.86 | \$62.13 | \$63.86 | \$33.63 |
| date | 1/26/18 | 1/19/18 | 1/26/18 | 2/11/16 |
| change from last close | | 2.8% | 0.0% | 90% |

| US STORAGE (in million bbls) | crude oil |
|--------------------------------|-----------|
| domestic stocks as of 1/19/18 | 412 |
| gain / loss from previous week | -1.1 |
| 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 | \$2.07 | \$2.02 | \$2.07 | \$1.08 |
| date | 1/26/18 | 1/19/18 | 1/26/18 | 2/9/16 |
| change from last close | | 2.3% | 0% | 92% |

| US STORAGE (in million bbls) | distillate | propane | gasoline |
|--------------------------------|------------|---------|----------|
| domestic stocks as of 1/19/18 | 140 | 54 | 244 |
| gain / loss from previous week | 0.6 | -4.0 | 3.1 |
| comparison to historic range | within | within | within |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

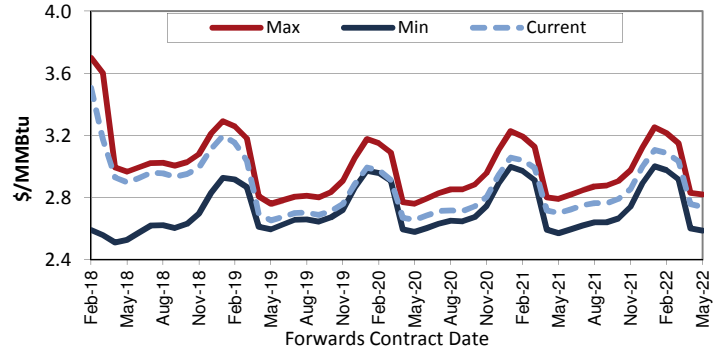


| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBtu | \$3.04 | \$2.91 | \$3.70 | \$2.11 |
| date | 1/26/18 | 1/19/18 | 12/28/16 | 2/25/16 |
| change from last close | | 4.8% | -18% | 44% |

| CES SCORE | |
|-----------|----|
| 12 month | 21 |
| 18 month | 33 |
| 24 month | 44 |
| 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) | \$3.04 | \$2.97 | \$2.92 | \$2.88 |

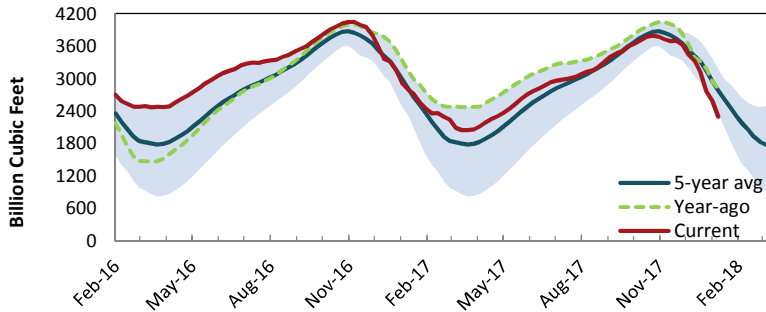
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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 | 1/12/18 | 2,584 | |
| Most Recent Stock Level | 1/19/18 | 2,296 | |
| Year-ago Stock Level | | 2,815 | -18.4% |
| 5-Year Average Stock Level | | 2,782 | -17.5% |
| Most Recent Net Change | 1/19/18 | -288 | |
| Year-Ago Net Change | | -137 | 110% |
| 5-Year Average Net Change | | -164 | 76% |

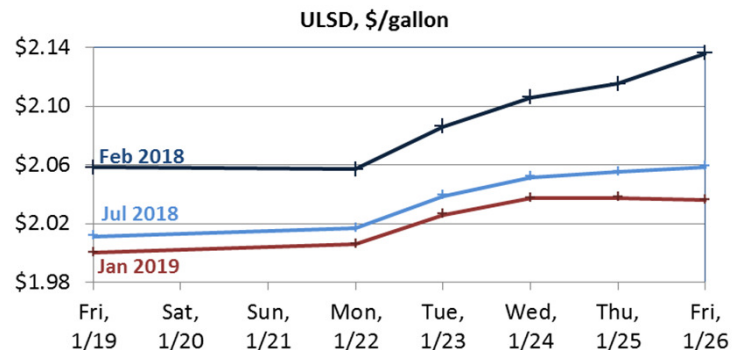
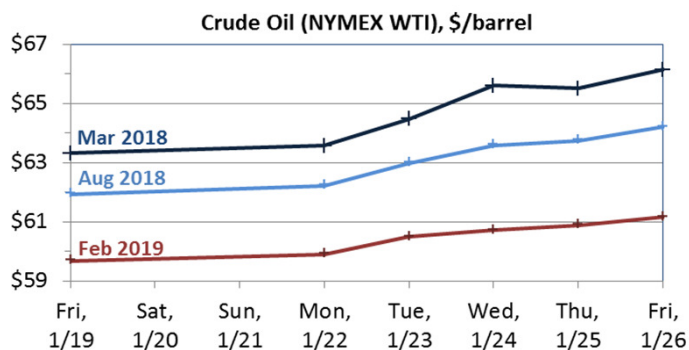
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

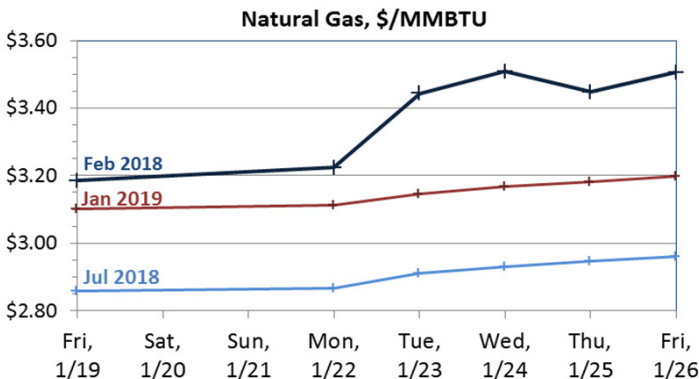
NYMEX Futures Summary Statistics

| | 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 | Feb-18 | 1/22/18 | \$63.49 | Mar-18 | \$66.14 | Mar-18 | \$66.14 | Jan-19 | \$61.66 | \$61.65 |
| Heating oil | Jan-18 | 12/29/17 | \$2.08 | Feb-18 | \$2.06 | Feb-18 | \$2.14 | Jan-19 | \$2.04 | \$2.03 |
| Natural gas | Jan-18 | 12/27/17 | \$2.74 | Feb-18 | \$3.19 | Feb-18 | \$3.51 | May-18 | \$2.90 | \$3.10 |

NYMEX End-of-Day Settlements



Prompt month WTI reached the \$65 per barrel mark last Wednesday and has stayed above it since, while London-traded Brent-crude, the international benchmark, is now in the \$71-72 range. The EIA reported on Wednesday that domestic crude stocks have declined for 10 straight weeks. Although US production rates have increased with the price of WTI and are projected to soon surpass the current record from 1970, exports have worn down storage levels to 3-year lows. The ban on crude oil exports was lifted in December 2015 and shipments began the next month. Also boosting commodity prices is the US dollar index, currently at a three-year low. On the bearish side, Baker Hughes reported on Friday that US oil rigs jumped by 12 last week.



Natural gas prices climbed 32 cents this week, driven by a 22-cent surge in February contracts on Tuesday alone. Weather forecasts indicate that February cold could arrive sooner than previously expected. The Midwest in particular could see lower-than-average temperatures that would boost heating demand. This alongside projections for a significant storage withdrawal put upward pressure on the markets early in the week. The EIA reported a 288 Bcf storage withdrawal on Thursday; this draw is tied for the second-highest on record and leaves storage inventories below the historical 5-year minimum. One-month futures closed at \$3.505 on Friday afternoon, a 10% gain over the previous week.

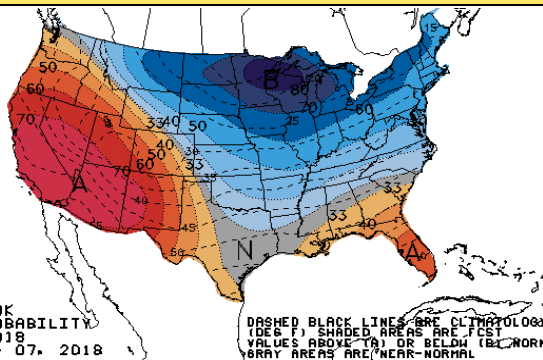
The National Weather Service near-term forecast calls for cooler-than-normal temperatures for the northern US from Maine to Washington state. The natural gas market scores on page 1 declined from the previous week. Clients with electricity or natural gas contracts expiring in 2018 should consult with a CES representative for customized guidance.

National Weather Service Forecast

6 - 10 Day Forecast for Feb 3 - 7



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 28 JAN 2018
VALID FEB 03 - 07, 2018



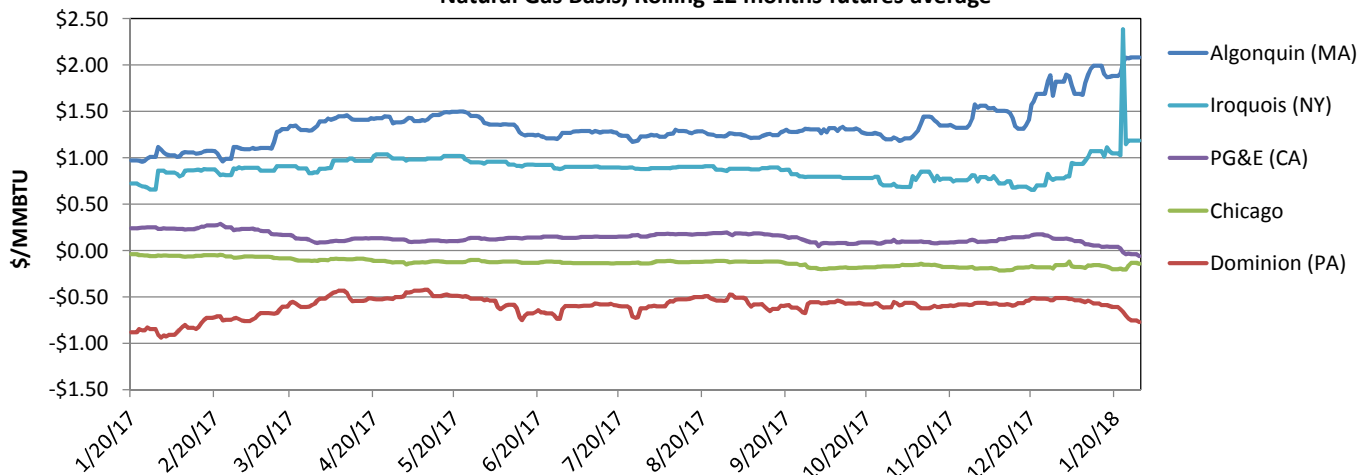
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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) | | | | | | | |
|--|--|---|---------|---------|---------|---------|---------|---------|------------|
| | | 1/22/18 | 1/23/18 | 1/24/18 | 1/25/18 | 1/26/18 | 1/27/18 | 1/28/18 | Avg |
| Power (\$/MWh) | Maine RT On Pk | 47 | 55 | 43 | 94 | 58 | | | 59 |
| | Maine RT Off Pk | 9 | 55 | 13 | 79 | 62 | 47 | 25 | 41 |
| | NH RT On Pk | 47 | 57 | 49 | 102 | 59 | | | 63 |
| | NH RT Off Pk | 10 | 57 | 18 | 87 | 64 | 49 | 28 | 45 |
| | Vermont RT On Pk | 47 | 56 | 49 | 101 | 58 | | | 62 |
| | Vermont RT Off Pk | 9 | 57 | 22 | 90 | 65 | 48 | 28 | 46 |
| | Connecticut RT On Pk | 47 | 56 | 50 | 103 | 59 | | | 63 |
| | Connecticut RT Off Pk | 10 | 57 | 22 | 92 | 66 | 49 | 28 | 46 |
| | Rhode Island RT On Pk | 47 | 56 | 50 | 105 | 60 | | | 64 |
| | Rhode Island RT Off Pk | 10 | 57 | 23 | 93 | 67 | 50 | 29 | 47 |
| | NE Mass RT On Pk | 47 | 57 | 50 | 105 | 60 | | | 64 |
| | NE Mass RT Off Pk | 10 | 57 | 22 | 92 | 66 | 50 | 29 | 47 |
| | SE Mass RT On Pk | 47 | 57 | 50 | 106 | 60 | | | 64 |
| | SE Mass RT Off Pk | 10 | 57 | 26 | 96 | 67 | 50 | 29 | 48 |
| | WC Mass RT On Pk | 47 | 57 | 50 | 105 | 60 | | | 64 |
| | WC Mass RT Off Pk | 10 | 58 | 22 | 92 | 67 | 50 | 29 | 47 |
| | New York ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | | |
| | Capital RT On Pk | 30 | 39 | 37 | 34 | 35 | | | 35 |
| | Capital RT Off Pk | 21 | 19 | 18 | 25 | 19 | 40 | 32 | 25 |
| | Central RT On Pk | 28 | 29 | 35 | 30 | 23 | | | 29 |
| | Central RT Off Pk | 20 | 13 | 16 | 23 | 18 | 12 | 23 | 18 |
| | Hudson RT On Pk | 30 | 38 | 38 | 33 | 32 | | | 34 |
| | Hudson RT Off Pk | 21 | 18 | 18 | 25 | 19 | 32 | 30 | 23 |
| | Mohawk RT On Pk | 28 | 30 | 36 | 30 | 24 | | | 30 |
| | Mohawk RT Off Pk | 20 | 14 | 17 | 24 | 18 | 13 | 23 | 18 |
| | Milwood RT On Pk | 30 | 38 | 38 | 34 | 32 | | | 34 |
| | Milwood RT Off Pk | 21 | 18 | 18 | 26 | 19 | 32 | 30 | 24 |
| | NYC RT On Pk | 44 | 58 | 51 | 39 | 48 | | | 48 |
| | NYC RT Off Pk | 21 | 18 | 18 | 26 | 20 | 35 | 33 | 24 |
| PJM Real Time Power Pricing By Zone (\$/MWh) | | | | | | | | | Avg |
| | Eastern Hub On Pk | 23 | 25 | 35 | 40 | 35 | | | 31 |
| | Eastern Hub Off Pk | 17 | 21 | 23 | 31 | 48 | 29 | 26 | 28 |
| | Western Hub On Pk | 23 | 25 | 37 | 39 | 32 | | | 31 |
| | Western Hub Off Pk | 17 | 21 | 25 | 31 | 35 | 29 | 25 | 26 |
| | PPL Zone On Pk | 22 | 24 | 33 | 38 | 30 | | | 30 |
| | PPL Zone Off Pk | 17 | 21 | 22 | 30 | 32 | 28 | 25 | 25 |
| | AEP RT On Pk | 22 | 24 | 38 | 37 | 27 | | | 30 |
| | AEP RT Off Pk | 17 | 21 | 25 | 31 | 28 | 28 | 25 | 25 |
| | Chicago RT On Pk | 21 | 24 | 34 | 31 | 22 | | | 26 |
| | Chicago RT Off Pk | 16 | 20 | 24 | 28 | 17 | 26 | 24 | 22 |
| | New Jersey Hub On Pk | 26 | 25 | 34 | 39 | 30 | | | 31 |
| | New Jersey Hub Off Pk | 19 | 22 | 23 | 30 | 33 | 31 | 26 | 26 |
| California ISO Real Time Power Pricing (\$/MWh) | | | | | | | | | Avg |
| | SoCal Edison RT On Pk | 33 | 29 | 38 | 30 | 30 | | | 32 |
| | SoCal Edison RT Off Pk | 34 | 29 | 30 | 34 | 29 | 35 | 22 | 31 |
| Natural Gas \$/MMBtu | | 1/22/18 | 1/23/18 | 1/24/18 | 1/25/18 | 1/26/18 | 1/27/18 | 1/28/18 | Avg |
| | Henry Hub, LA | 3.14 | 3.35 | 3.54 | 3.63 | 3.58 | | | |
| | TZ6, MA | 6.19 | 8.99 | 8.76 | 8.85 | 5.07 | | | 7.57 |
| | Algonquin, MA | 3.28 | 11.48 | | 9.64 | 4.63 | | | 7.26 |
| | Chicago Hub, IL | 2.91 | 3.10 | 3.26 | 3.12 | 3.25 | | | 3.13 |
| | New York, NY | 2.83 | 3.49 | 4.49 | 3.27 | 3.10 | | | 3.44 |
| | Dominion South, PA | 2.49 | 2.67 | 2.79 | 2.74 | 2.78 | | | 2.69 |
| | Opal Hub, WY | 2.76 | 2.79 | 2.97 | 2.92 | 2.85 | | | 2.86 |
| | PG&E Citygate, CA | 2.90 | 2.95 | 3.02 | 3.05 | 3.00 | | | 2.98 |