



Competitive Energy Services Weekly Market Summary

January 29 - February 2, 2018

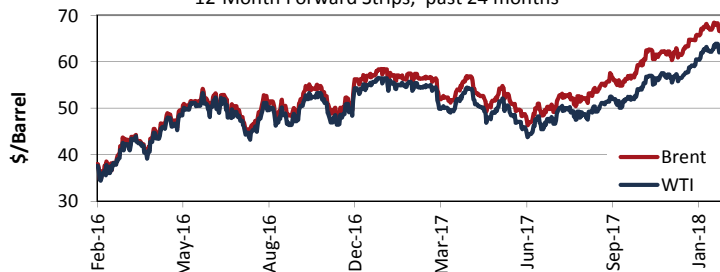
Synopsis of Last Week's Energy Markets

WTI and Brent moved down last week as the EIA reported that November domestic production exceeded 10M barrels per day. Furthermore, US stocks saw the first weekly gain in 11 weeks and OPEC production rose in January. Natural gas prices slipped 10% this week as forecasts for frigid weather in mid-February turned milder. The EIA reported a lower-than-average storage withdrawal this week, bringing inventory levels back within the historical 5-year range.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

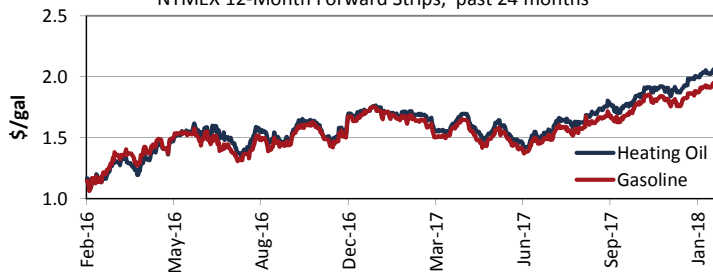


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$62.65	\$63.49	\$63.86	\$33.63
date	2/2/18	1/24/18	1/26/18	2/11/16
change from last close		-1.3%	-1.9%	86%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	1/26/18
gain / loss from previous week	418
comparison to historic range	6.8
	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	\$2.01	\$2.06	\$2.07	\$1.08
date	2/2/18	1/24/18	1/26/18	2/9/16
change from last close		-2.2%	-3%	87%

US STORAGE (in million bbls)	distillate	propane	gasoline	
domestic stocks as of	1/26/18	138	53	242
gain / loss from previous week	-1.9	-0.9	-2.0	
comparison to historic range	within	within	within	

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

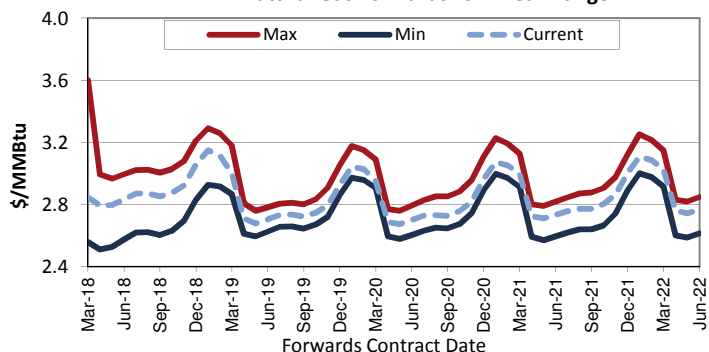


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.92	\$2.99	\$3.70	\$2.11
date	2/2/18	1/24/18	12/28/16	2/25/16
change from last close		-2.4%	-21%	38%

CES SCORE	
12 month	42
18 month	45
24 month	49
36 month	52

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)	\$2.92	\$2.86	\$2.87	\$2.85

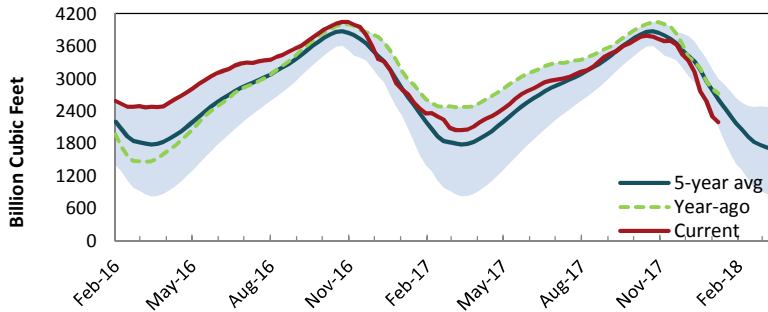
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.



The information set forth herein is a compilation of public and internal information and is presented solely for the convenience of CES customers. CES does not make any representation or warranties, express or implied, with respect to the accuracy or completeness of the information contained herein. CES shall not have any liability to any person or entity resulting from the use of this information in any way.

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	1/19/18	2,296	
Most Recent Stock Level	1/26/18	2,197	
Year-ago Stock Level		2,723	-19.3%
5-Year Average Stock Level		2,622	-16.2%
Most Recent Net Change	1/26/18	-99	
Year-Ago Net Change		-92	8%
5-Year Average Net Change		-160	-38%

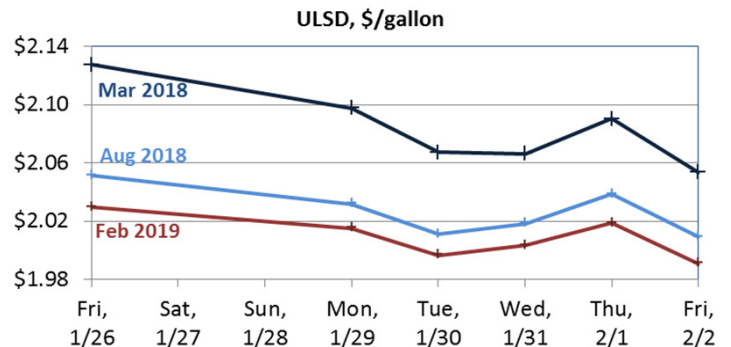
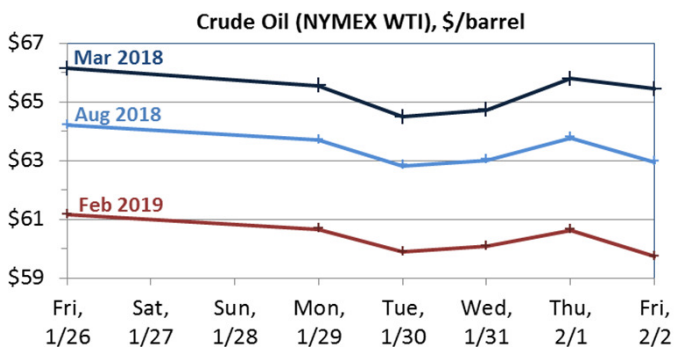
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

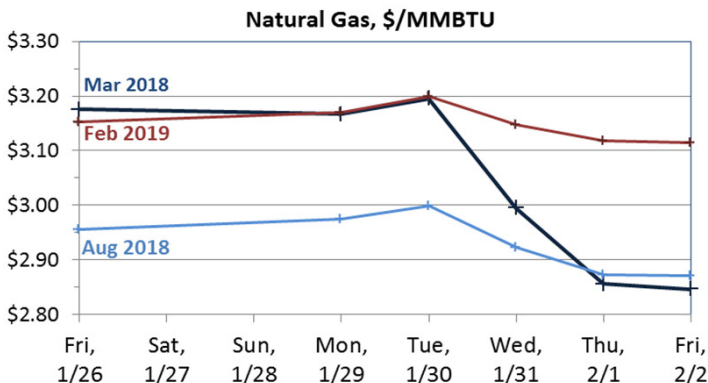
NYMEX Futures Summary Statistics

	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	\$65.45	Mar-18	\$65.45	Feb-19	\$59.73	\$60.24
Heating oil	Feb-18	1/31/18	\$2.07	Mar-18	\$2.05	Mar-18	\$2.05	Feb-19	\$1.99	\$1.99
Natural gas	Feb-18	1/29/18	\$3.63	Mar-18	\$2.85	Jan-19	\$3.15	Apr-18	\$2.79	\$3.05

NYMEX End-of-Day Settlements



Crude oil prices came down last week after rising to three-year highs the previous week. The EIA reported in its *Petroleum Supply Monthly* that November domestic production was 10.038M barrels per day (bpd), just shy of the all-time record of 10.044M bpd set in November of 1970. The EIA projects that production will average 10.3M bpd in 2018 and 10.8M bpd in 2019. The weekly storage report was also on the bearish side; stocks rose by 6.8M barrels after 10 straight weeks of decline. On the bullish side, Goldman Sachs raised its 2018 price forecast for Brent and WTI, partially due to the collapse of crude output from Venezuela.



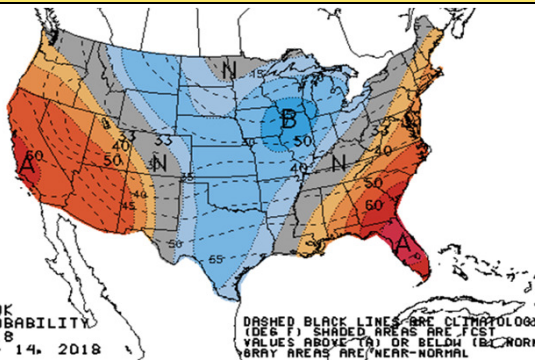
Natural gas prices dropped this week as revised weather forecasts showed the Eastern U.S. could experience milder midmonth temperatures than previously expected. March futures tumbled from Tuesday's high of \$3.20, losing 33 cents over the week to close at \$2.85 on Friday afternoon. February futures settled at \$3.63 on Monday before the downturn in prices. On Thursday the EIA reported that storage fell just 99 Bcf, modest compared to the average 160-Bcf draw, following milder weather and muted demand through late January. Stocks had previously fallen to 5-year lows after record-setting high withdrawals during last month's cold snaps, but last week's report shows inventory levels back within the historical 5-year range.

The National Weather Service near-term forecast calls for cooler-than-normal temperatures for the middle of the country and above-normal temperatures for the coasts. 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 OUTLOOK
TEMPERATURE PROBABILITY
MADE 4 FEB 2018
VALID FEB 10 - 14, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE FCST VALUES ABOVE (A) OR BELOW (B) NORMAL. GRAY AREAS ARE NEAR-NORMAL.

6 - 10 Day Forecast for Feb 10 - 14

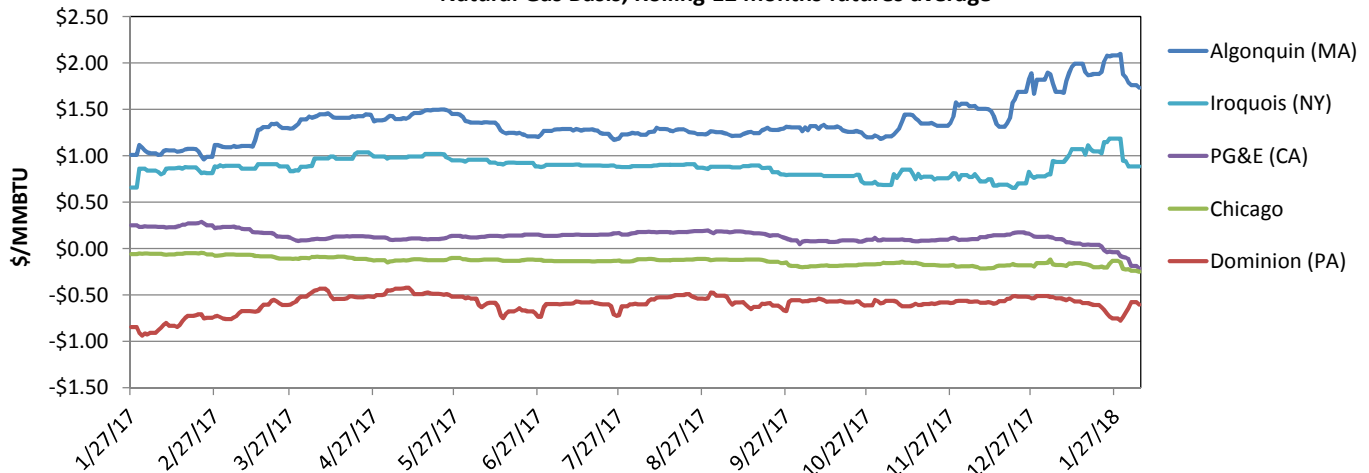
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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
		1/29/18	1/30/18	1/31/18	2/1/18	2/2/18	2/3/18	2/4/18	
Power (\$/MWh)	Maine RT On Pk	40	113	82	62	68			73
	Maine RT Off Pk	24	69	98	98	47	73	74	69
	NH RT On Pk	40	120	87	63	73			76
	NH RT Off Pk	25	72	112	100	53	76	79	74
	Vermont RT On Pk	39	118	86	62	72			75
	Vermont RT Off Pk	25	72	113	99	53	75	77	73
	Connecticut RT On Pk	39	119	86	62	75			76
	Connecticut RT Off Pk	25	73	114	100	53	76	79	74
	Rhode Island RT On Pk	39	121	88	62	75			77
	Rhode Island RT Off Pk	25	74	117	102	54	77	80	75
	NE Mass RT On Pk	39	121	87	63	75			77
	NE Mass RT Off Pk	25	73	115	101	54	77	80	75
	SE Mass RT On Pk	39	122	88	62	75			77
	SE Mass RT Off Pk	25	74	116	102	54	77	80	75
	WC Mass RT On Pk	39	121	87	63	75			77
	WC Mass RT Off Pk	25	73	116	102	54	77	80	75
	New York ISO Real Time Power Pricing By Zone (\$/MWh)								Avg
	Capital RT On Pk	36	44	44	32	92			50
	Capital RT Off Pk	30	34	34	54	26	43	34	36
	Central RT On Pk	34	39	39	25	45			37
	Central RT Off Pk	28	31	31	20	21	28	16	25
	Hudson RT On Pk	37	44	44	31	79			47
	Hudson RT Off Pk	30	34	34	44	24	40	29	34
	Mohawk RT On Pk	35	41	41	26	47			38
	Mohawk RT Off Pk	29	32	32	21	21	29	17	26
	Milwood RT On Pk	37	44	44	31	80			47
	Milwood RT Off Pk	30	34	34	48	25	39	30	34
	NYC RT On Pk	42	80	80	41	93			67
	NYC RT Off Pk	30	34	34	48	38	56	39	40
PJM Real Time Power Pricing By Zone (\$/MWh)								Avg	
	Eastern Hub On Pk	31	31	82	26	26			39
	Eastern Hub Off Pk	24	24	154	26	26	26	26	44
	Western Hub On Pk	33	33	67	27	27			37
	Western Hub Off Pk	24	24	87	28	28	28	28	35
	PPL Zone On Pk	30	30	54	25	25			33
	PPL Zone Off Pk	23	23	80	25	25	25	25	32
	AEP RT On Pk	32	32	40	24	24			30
	AEP RT Off Pk	23	23	59	24	24	24	24	29
	Chicago RT On Pk	31	31	26	22	22			26
	Chicago RT Off Pk	22	22	19	22	22	22	22	22
	New Jersey Hub On Pk	31	31	57	26	26			34
	New Jersey Hub Off Pk	23	23	87	26	26	26	26	34
California ISO Real Time Power Pricing (\$/MWh)								Avg	
	SoCal Edison RT On Pk	46	35	35	28	31			35
	SoCal Edison RT Off Pk	29	26	26	26	28	19	21	25
Natural Gas \$/MMBtu		1/29/18	1/30/18	1/31/18	2/1/18	2/2/18	2/3/18	2/4/18	Avg
	Henry Hub, LA	3.59	3.61	3.34	3.06	2.83			
	TZ6, MA	12.49	13.13	7.62	12.08				11.33
	Algonquin, MA	14.96	10.03	6.86		8.24			10.02
	Chicago Hub, IL	3.23	3.16	3.10	2.88	2.78			3.03
	New York, NY	5.95	4.86	3.65	7.60	3.91			5.19
	Dominion South, PA	3.02	3.05	2.96	2.88	2.59			2.90
	Opal Hub, WY	2.63	2.59	2.43	2.27	1.90			2.36
	PG&E Citygate, CA	2.88	2.85	2.73	2.69	2.47			2.72