



Competitive Energy Services Weekly Market Summary

February 5 - 9, 2018

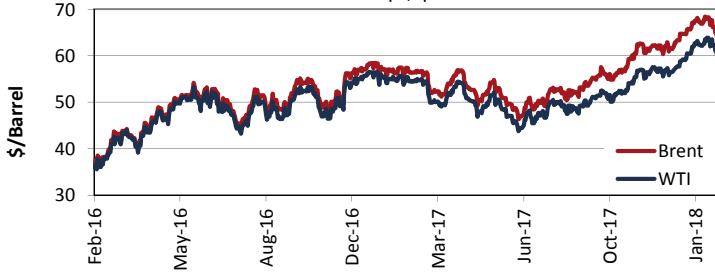
Synopsis of Last Week's Energy Markets

Crude oil declined for six straight trading days between February 2nd and 9th, with the prompt month falling 10%. Near-term fundamentals were bearish; domestic production rose to a record high, and active oil rigs also climbed. The drop in the equities market also brought down commodities. Natural gas prices declined for the second week in a row as forecasts for a frigid February faded. Last week's storage withdrawal fell short of typical early-February draw, but inventories remain at a 16% deficit to the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

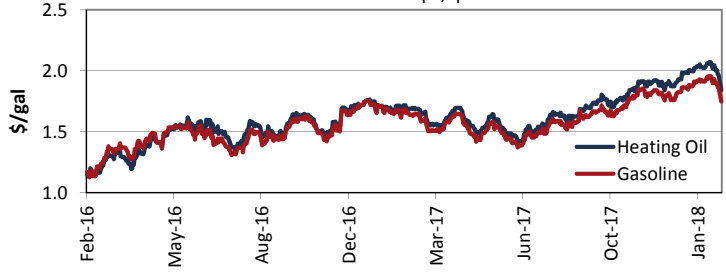


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$57.21	\$63.49	\$63.86	\$33.63
date	2/9/18	1/24/18	1/26/18	2/11/16
change from last close		-9.9%	-10.4%	70%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	2/2/18
gain / loss from previous week	420
comparison to historic range	1.9
	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	\$1.84	\$2.06	\$2.07	\$1.08
date	2/9/18	1/24/18	1/26/18	2/11/16
change from last close		-10.5%	-11%	71%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of	2/2/18	142	49
gain / loss from previous week	3.9	-4.1	3.4
comparison to historic range	within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

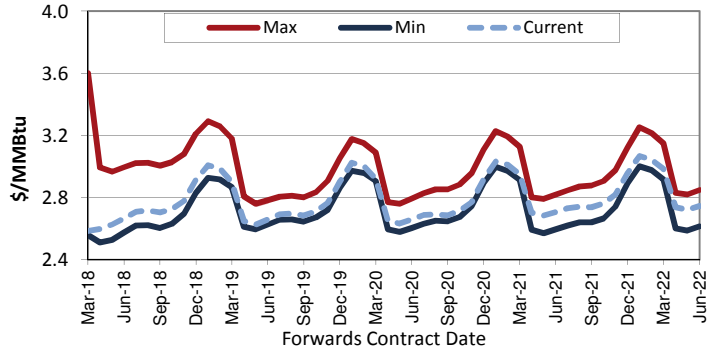


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.75	\$2.99	\$3.70	\$2.11
date	2/9/18	1/24/18	12/28/16	2/25/16
change from last close		-7.9%	-26%	31%

CES SCORE	
12 month	80
18 month	80
24 month	79
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



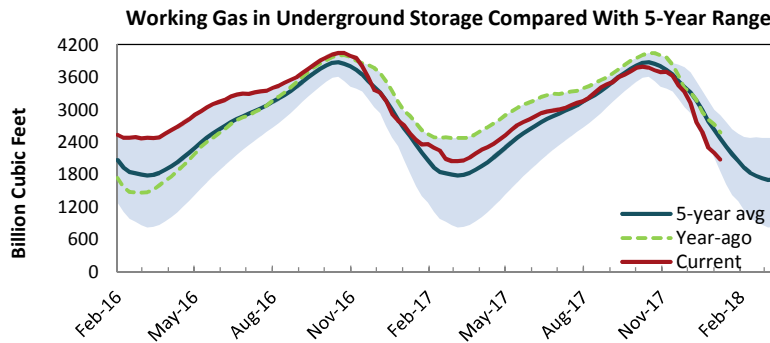
FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.75	\$2.74	\$2.76	\$2.77

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.



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



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	1/26/18	2,197	
Most Recent Stock Level	2/2/18	2,078	
Year-ago Stock Level		2,581	-19.5%
5-Year Average Stock Level		2,471	-15.9%
Most Recent Net Change	2/2/18	-119	
Year-Ago Net Change		-142	-16%
5-Year Average Net Change		-151	-21%

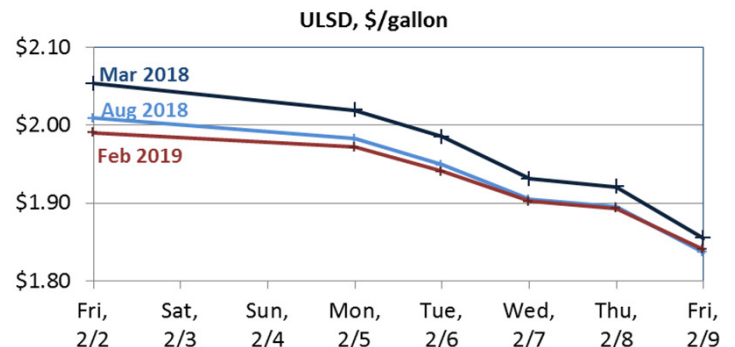
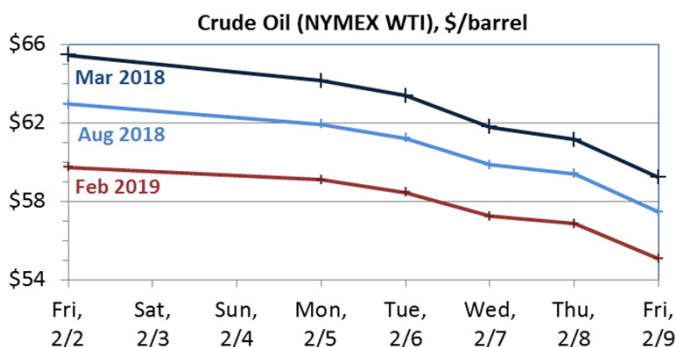
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

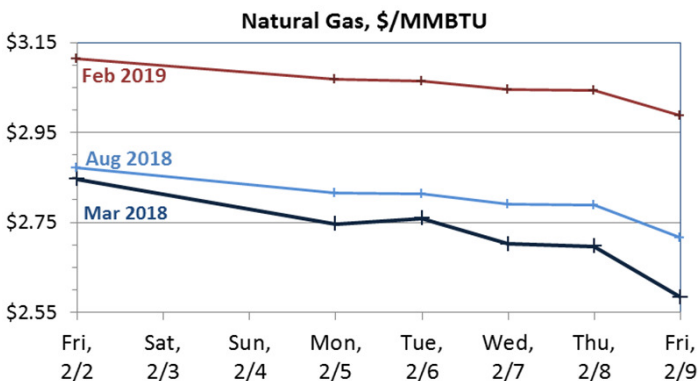
NYMEX Futures Summary Statistics

	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	\$59.20	Mar-18	\$65.45	Feb-19	\$55.06	\$55.44
Heating oil	Feb-18	1/31/18	\$2.07	Mar-18	\$1.86	Mar-18	\$1.86	Aug-18	\$1.84	\$1.84
Natural gas	Feb-18	1/29/18	\$3.63	Mar-18	\$2.58	Jan-19	\$3.01	Mar-18	\$2.58	\$2.92

NYMEX End-of-Day Settlements



Crude oil tumbled last week; futures contracts for the next twelve months lost 8-10%. By the end of the week, even the prompt month (the most expensive contract) was under \$60. Last week's rout in the equities market pulled commodities down with it. In addition, the EIA reported mid-week that domestic production rose to a record high of 10.25M barrels per day for the week-ended February 2. On Friday, Baker Hughes reported that active oil rigs in the US climbed by 26, the largest one-week jump in almost 5 years. Refineries are heading into maintenance season, and analysts are expecting to see gains in crude stocks in the coming weeks.



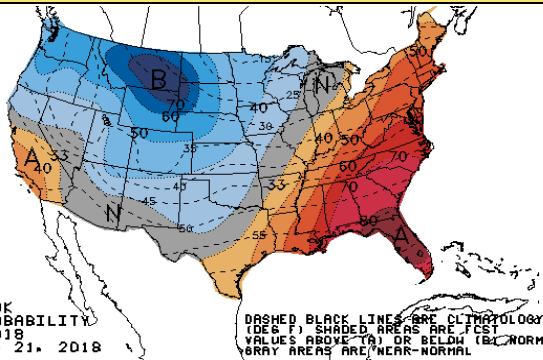
Natural gas prices dropped 9% last week, marking a second consecutive week of declines that have reversed gains made since late December 2017. Forecasts for February indicate that temperatures could be warmer than expected across the eastern U.S. and parts of the South, which could hold down heating demand later this month. Recent storage withdrawals been lower than typical draws for this time of year; inventory levels remain at a 16% deficit to the 5-year average, however, and this week's report could show a large withdrawal following cold weather earlier this month. Prompt month futures fell 26 cents to close at \$3.58 on Friday afternoon.

The National Weather Service near-term forecast calls for warmer-than-normal temperatures for the East. 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 11 FEB 2018
VALID FEB 17 - 21, 2018



DASHED BLACK LINES ARE CLIMATOLOGY (DEG F). SHADED AREAS ARE (1) VALUES ABOVE (A) OR BELOW (B) NORMAL (GRAY AREAS ARE NEAR-NORMAL)

6 - 10 Day Forecast for Feb 17 - 21

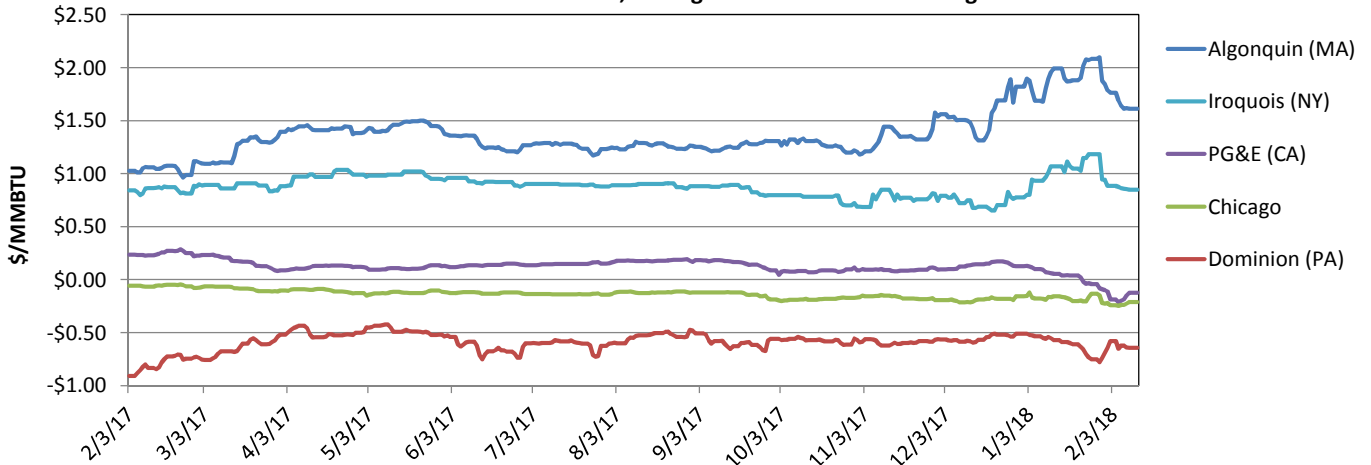
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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)								
		2/5/18	2/6/18	2/7/18	2/8/18	2/9/18	2/10/18	2/11/18	Avg	
Power (\$/MWh)	Maine RT On Pk	41	81	61	50	50			57	
	Maine RT Off Pk	40	63	48	44	48	33	30	44	
	NH RT On Pk	44	81	63	51	51			58	
	NH RT Off Pk	47	64	49	46	48	34	30	45	
	Vermont RT On Pk	45	81	63	51	51			58	
	Vermont RT Off Pk	47	64	49	46	48	33	29	45	
	Connecticut RT On Pk	45	81	63	52	50			58	
	Connecticut RT Off Pk	47	64	49	46	48	33	29	45	
	Rhode Island RT On Pk	45	81	63	52	51			58	
	Rhode Island RT Off Pk	48	65	49	47	49	33	29	46	
	NE Mass RT On Pk	45	81	63	52	51			58	
	NE Mass RT Off Pk	47	64	49	46	49	34	30	46	
	SE Mass RT On Pk	45	81	63	52	51			58	
	SE Mass RT Off Pk	47	64	49	46	49	33	29	45	
	WC Mass RT On Pk	45	82	63	52	51			59	
	WC Mass RT Off Pk	48	65	49	46	49	34	30	46	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
Power (\$/MWh)	Capital RT On Pk	36	35	30	31	37			34	
	Capital RT Off Pk	44	32	31	31	32	26	23	31	
	Central RT On Pk	32	33	28	28	34			31	
	Central RT Off Pk	16	29	27	28	30	24	20	25	
	Hudson RT On Pk	36	36	31	31	37			34	
	Hudson RT Off Pk	35	32	31	31	33	26	22	30	
	Mohawk RT On Pk	33	34	29	29	35			32	
	Mohawk RT Off Pk	16	29	29	28	31	25	20	25	
	Milwood RT On Pk	36	36	31	31	38			34	
	Milwood RT Off Pk	35	32	31	31	33	26	23	30	
	NYC RT On Pk	50	51	41	40	47			46	
	NYC RT Off Pk	35	32	31	31	33	32	28	32	
			PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Power (\$/MWh)	Eastern Hub On Pk	29	37	31	30	30			31
Eastern Hub Off Pk		25	33	27	28	28	28	28	28	
Western Hub On Pk		39	49	37	32	32			38	
Western Hub Off Pk		26	71	72	30	30	30	30	41	
PPL Zone On Pk		27	34	29	28	28			29	
PPL Zone Off Pk		23	31	26	26	26	26	26	27	
AEP RT On Pk		30	37	30	29	29			31	
AEP RT Off Pk		25	30	25	28	28	28	28	27	
Chicago RT On Pk		28	36	30	29	29			30	
Chicago RT Off Pk		24	29	24	27	27	27	27	26	
New Jersey Hub On Pk		28	35	30	30	30			31	
New Jersey Hub Off Pk		24	32	27	27	27	27	27	27	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
Natural Gas \$/MMBtu		SoCal Edison RT On Pk	38	23	24	36	33			31
	SoCal Edison RT Off Pk	18	19	26	23	24	35	45	27	
			2/5/18	2/6/18	2/7/18	2/8/18	2/9/18	2/10/18	2/11/18	Avg
	Henry Hub, LA	2.85	2.78	2.73	2.72	2.66				
	TZ6, MA	3.50	9.24	8.75	3.56	3.34				5.68
	Algonquin, MA		9.44		6.25	3.11				6.27
	Chicago Hub, IL	2.74	2.70	2.68	2.73	2.59				2.69
	New York, NY	2.79	2.86	4.15	2.86	2.45				3.02
	Dominion South, PA	2.49	2.51	2.48	2.45	2.24				2.43
	Opal Hub, WY	1.98	2.09	2.15	2.25	2.33				2.16
	PG&E Citygate, CA	2.48	2.52	2.55	2.54	2.54				2.53