



Competitive Energy Services Weekly Market Summary

February 19 - 23, 2018

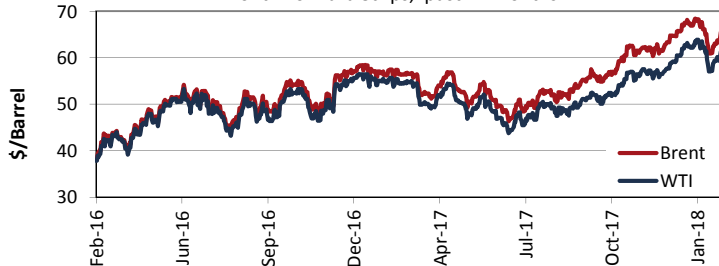
Synopsis of Last Week's Energy Markets

Crude oil climbed last week. The domestic production rate stalled after 5 straight weeks of gains, and stockpiles at Cushing, Oklahoma, are at the lowest since December 2014. Exports jumped last week, and the current rate is double that of a year ago. Natural gas prices gained 3% last week, halting the steep price slide that began in early February. Forecasts for March show a possible return to colder temperatures that could boost late-season demand erode inventories.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

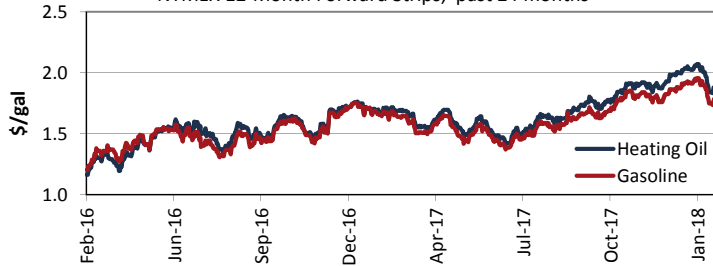


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$61.34 | \$63.49 | \$63.86 | \$37.76 |
| date | 2/23/18 | 1/24/18 | 1/26/18 | 2/26/16 |
| change from last close | | -3.4% | -3.9% | 62% |

| US STORAGE (in million bbls) | crude oil |
|--------------------------------|-----------|
| domestic stocks as of | 2/16/18 |
| gain / loss from previous week | 420 |
| comparison to historic range | -1.6 |
| | 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 | \$1.96 | \$2.06 | \$2.07 | \$1.16 |
| date | 2/23/18 | 1/24/18 | 1/26/18 | 2/26/16 |
| change from last close | | -4.7% | -5% | 69% |

| US STORAGE (in million bbls) | distillate | propane | gasoline | |
|--------------------------------|------------|---------|----------|-----|
| domestic stocks as of | 2/16/18 | 139 | 43 | 249 |
| gain / loss from previous week | -2.4 | -2.5 | 0.3 | |
| comparison to historic range | within | within | within | |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



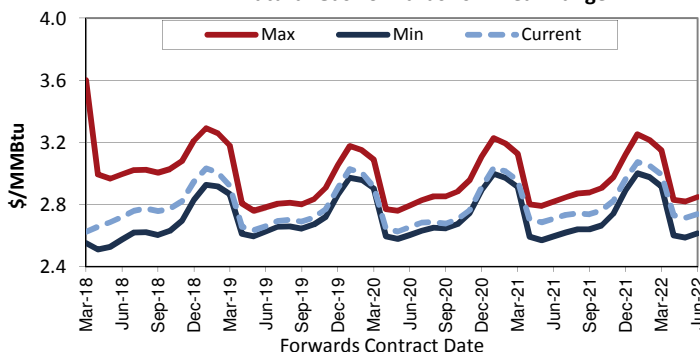
| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBTu | \$2.80 | \$2.99 | \$3.70 | \$2.11 |
| date | 2/23/18 | 1/24/18 | 12/28/16 | 2/25/16 |
| change from last close | | -6.4% | -24% | 33% |

CES SCORE

| | |
|----------|----|
| 12 month | 69 |
| 18 month | 71 |
| 24 month | 72 |
| 36 month | 75 |

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



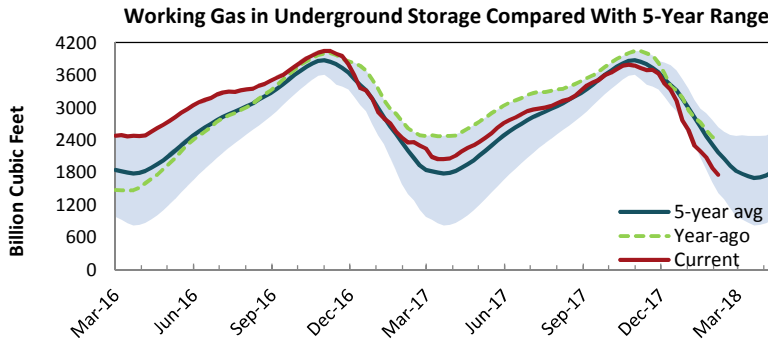
| FORWARDS | 12 month | 18 month | 24 month | 36 month |
|------------------|----------|----------|----------|----------|
| strip (\$/MMBTu) | \$2.80 | \$2.77 | \$2.79 | \$2.79 |

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



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 | 2/9/18 | 1,884 | |
| Most Recent Stock Level | 2/16/18 | 1,760 | |
| Year-ago Stock Level | | 2,369 | -25.7% |
| 5-Year Average Stock Level | | 2,172 | -19.0% |
| Most Recent Net Change | 2/16/18 | -124 | |
| Year-Ago Net Change | | -92 | 35% |
| 5-Year Average Net Change | | -145 | -14% |

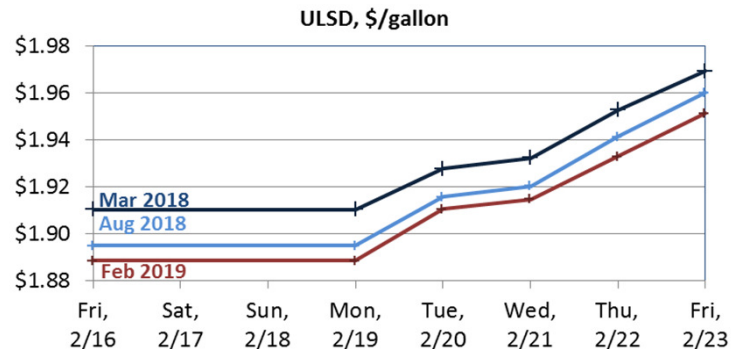
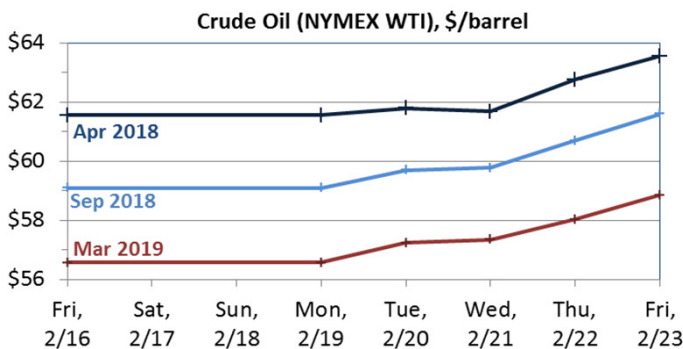
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

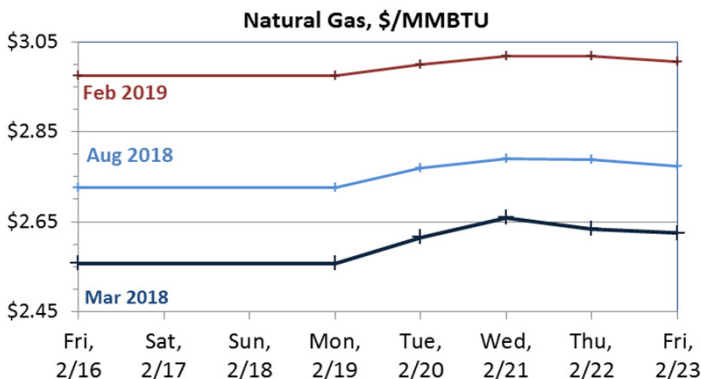
NYMEX Futures Summary Statistics

| | 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 | Mar-18 | 2/20/18 | \$61.90 | Apr-18 | \$63.55 | Apr-18 | \$63.55 | Feb-19 | \$59.26 | \$59.70 |
| Heating oil | Feb-18 | 1/31/18 | \$2.07 | Mar-18 | \$1.97 | Apr-18 | \$1.97 | Feb-19 | \$1.95 | \$1.95 |
| Natural gas | Feb-18 | 1/29/18 | \$3.63 | Mar-18 | \$2.63 | Jan-19 | \$3.03 | Mar-18 | \$2.63 | \$2.95 |

NYMEX End-of-Day Settlements



Oil prices rose for a second week. Stocks at the NYMEX storage hub at Cushing, Oklahoma, have plummeted since November. A weeks-long outage on the Keystone pipeline into Cushing severely impacted stocks; meanwhile pipeline capacity flowing out of the hub has increased and US crude oil exports are at a record high. The weekly EIA report showed that the export rate jumped 55% to 2M barrels per day, or 20% of US production. The drawdown of stocks at Cushing has narrowed the price differential between NYMEX-traded WTI and London-traded Brent crude (the international benchmark). Brent has traded at a premium to WTI since 2011.

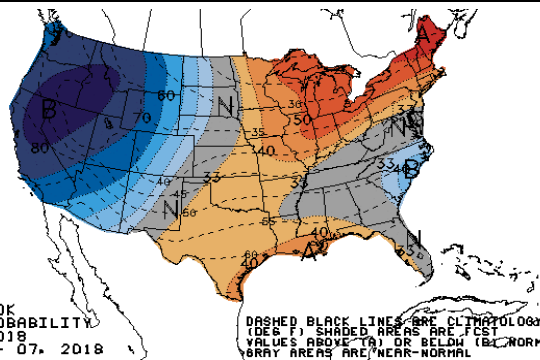


Natural gas prices advanced this week amid expectations for colder March weather across the northern and eastern regions of the US and the prospect of strengthened heating demand that could send storage further into a deficit. Inventories currently stand at a 19% deficit to the 5-year average despite last week's relatively low withdrawal of 124 Bcf, compared to the typical 145 Bcf decline. March futures rose 7 cents over the course of the week to close at \$2.63 on Friday afternoon; nevertheless, prices remain low in the contract's historical trading range as high production in the northeast and forecasts for a small withdrawal this week weigh on markets.

The National Weather Service near-term forecast calls for warmer-than-normal temperatures for the Northeast and Central US and cooler-than-normal temperatures for the West. 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 Mar 3 - 7



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



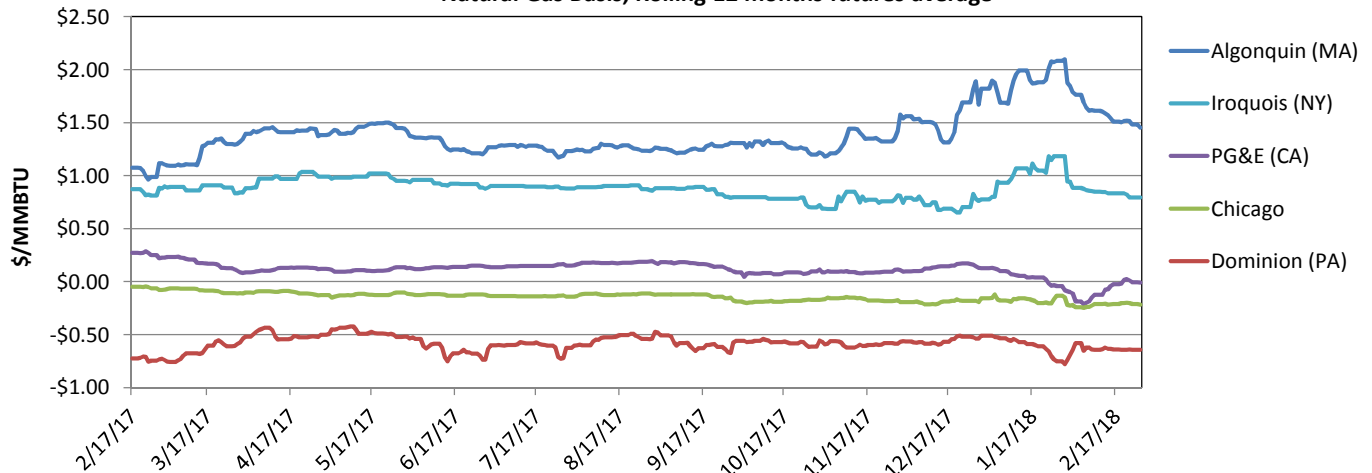
6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 25 FEB 2018
VALID MAR 03 - 07, 2018

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

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 |
|--|--|---|---------|---------|---------|---------|---------|---------|------------|
| | | 2/19/18 | 2/20/18 | 2/21/18 | 2/22/18 | 2/23/18 | 2/24/18 | 2/25/18 | |
| Power (\$/MWh) | Maine RT On Pk | 25 | 21 | 20 | 24 | 21 | | | 22 |
| | Maine RT Off Pk | 24 | 18 | 16 | 11 | 17 | 22 | 26 | 19 |
| | NH RT On Pk | 25 | 21 | 20 | 25 | 21 | | | 23 |
| | NH RT Off Pk | 24 | 18 | 16 | 12 | 17 | 22 | 27 | 19 |
| | Vermont RT On Pk | 25 | 21 | 20 | 25 | 21 | | | 22 |
| | Vermont RT Off Pk | 23 | 18 | 17 | 12 | 17 | 22 | 26 | 19 |
| | Connecticut RT On Pk | 25 | 21 | 21 | 24 | 21 | | | 22 |
| | Connecticut RT Off Pk | 24 | 19 | 17 | 12 | 17 | 23 | 27 | 20 |
| | Rhode Island RT On Pk | 25 | 21 | 21 | 24 | 21 | | | 22 |
| | Rhode Island RT Off Pk | 24 | 19 | 17 | 12 | 17 | 23 | 26 | 20 |
| | NE Mass RT On Pk | 25 | 21 | 21 | 24 | 21 | | | 22 |
| | NE Mass RT Off Pk | 24 | 19 | 17 | 12 | 17 | 22 | 27 | 20 |
| | SE Mass RT On Pk | 25 | 21 | 21 | 24 | 21 | | | 22 |
| | SE Mass RT Off Pk | 24 | 19 | 17 | 12 | 17 | 23 | 27 | 20 |
| | WC Mass RT On Pk | 25 | 21 | 21 | 24 | 21 | | | 22 |
| | WC Mass RT Off Pk | 24 | 19 | 17 | 12 | 17 | 23 | 27 | 20 |
| | New York ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | | |
| | Capital RT On Pk | 33 | 19 | 31 | 24 | 23 | | | 26 |
| | Capital RT Off Pk | 31 | 19 | 24 | 16 | 16 | 21 | 26 | 22 |
| | Central RT On Pk | 25 | 18 | 29 | 23 | 21 | | | 23 |
| | Central RT Off Pk | 14 | 15 | 5 | 16 | 15 | 17 | 8 | 13 |
| | Hudson RT On Pk | 32 | 20 | 32 | 25 | 24 | | | 26 |
| | Hudson RT Off Pk | 26 | 18 | 19 | 17 | 16 | 20 | 20 | 19 |
| | Mohawk RT On Pk | 25 | 18 | 29 | 23 | 21 | | | 24 |
| | Mohawk RT Off Pk | 15 | 15 | 5 | 16 | 15 | 17 | 8 | 13 |
| | Milwood RT On Pk | 32 | 20 | 32 | 25 | 24 | | | 26 |
| | Milwood RT Off Pk | 26 | 18 | 19 | 17 | 16 | 20 | 20 | 20 |
| | NYC RT On Pk | 35 | 25 | 35 | 27 | 27 | | | 30 |
| | NYC RT Off Pk | 26 | 18 | 19 | 17 | 17 | 21 | 21 | 20 |
| PJM Real Time Power Pricing By Zone (\$/MWh) | | | | | | | | | Avg |
| | Eastern Hub On Pk | 36 | 21 | 22 | 24 | 24 | | | 26 |
| | Eastern Hub Off Pk | 26 | 21 | 17 | 17 | 17 | 17 | 17 | 19 |
| | Western Hub On Pk | 28 | 23 | 25 | 26 | 26 | | | 26 |
| | Western Hub Off Pk | 20 | 24 | 18 | 19 | 19 | 19 | 19 | 20 |
| | PPL Zone On Pk | 27 | 20 | 19 | 24 | 24 | | | 23 |
| | PPL Zone Off Pk | 18 | 20 | 15 | 17 | 17 | 17 | 17 | 17 |
| | AEP RT On Pk | 29 | 24 | 29 | 26 | 26 | | | 27 |
| | AEP RT Off Pk | 20 | 24 | 20 | 20 | 20 | 20 | 20 | 21 |
| | Chicago RT On Pk | 29 | 24 | 29 | 24 | 24 | | | 26 |
| | Chicago RT Off Pk | 19 | 22 | 20 | 20 | 20 | 20 | 20 | 20 |
| | New Jersey Hub On Pk | 27 | 21 | 22 | 24 | 24 | | | 24 |
| | New Jersey Hub Off Pk | 19 | 21 | 16 | 17 | 17 | 17 | 17 | 18 |
| California ISO Real Time Power Pricing (\$/MWh) | | | | | | | | | Avg |
| | SoCal Edison RT On Pk | 64 | 85 | 38 | 61 | 148 | | | 79 |
| | SoCal Edison RT Off Pk | 37 | 44 | 39 | 40 | 74 | 50 | 24 | 44 |
| Natural Gas \$/MMBtu | | 2/19/18 | 2/20/18 | 2/21/18 | 2/22/18 | 2/23/18 | 2/24/18 | 2/25/18 | Avg |
| | Henry Hub, LA | | 2.63 | 2.67 | 2.64 | 2.58 | | | 2.63 |
| | TZ6, MA | | 2.47 | 2.92 | 2.52 | 2.38 | | | 2.57 |
| | Algonquin, MA | | 2.30 | 2.95 | 2.50 | 2.15 | | | 2.48 |
| | Chicago Hub, IL | | 2.56 | 2.57 | 2.53 | 2.40 | | | 2.52 |
| | New York, NY | | 2.14 | 2.35 | 2.24 | 2.05 | | | 2.20 |
| | Dominion South, PA | | 2.02 | 2.17 | 2.14 | 1.95 | | | 2.07 |
| | Opal Hub, WY | | 3.15 | 3.01 | 2.75 | 2.32 | | | 2.81 |
| | PG&E Citygate, CA | | 3.28 | 3.34 | 2.93 | 2.74 | | | 3.07 |