



Competitive Energy Services Weekly Market Summary

February 26 - March 2, 2018

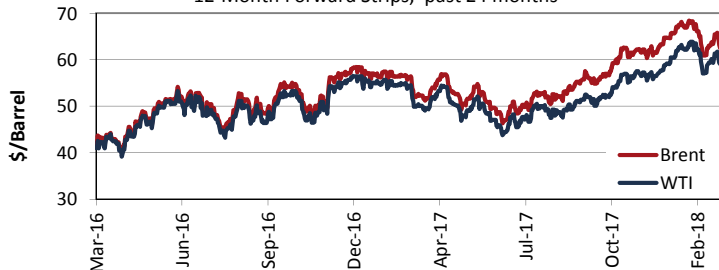
Synopsis of Last Week's Energy Markets

Crude oil prices dipped last week. The EIA reported a new record for US production on a weekly basis, and gasoline inventories saw an unexpectedly large jump. President Trump's proposed steel tariff was also bearish for crude. In contrast, natural gas prices gained 1% last week, rising for the second week in a row as forecasts indicate that March could see cold weather. The storage deficit stands at 18% despite last week's small withdrawal.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

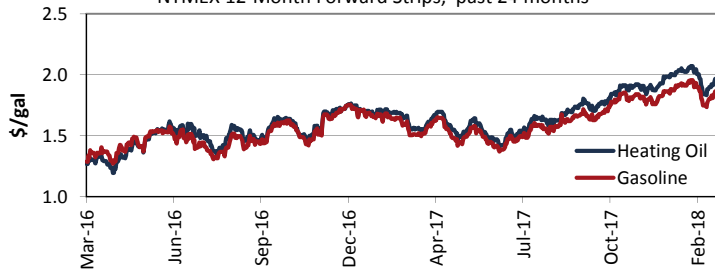


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$59.16	\$63.49	\$63.86	\$39.24
date	3/2/18	1/24/18	1/26/18	4/5/16
change from last close		-6.8%	-7.4%	51%

US STORAGE (in million bbls)	crude oil
domestic stocks as of	2/23/18
gain / loss from previous week	423
comparison to historic range	3.0
	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	\$1.88	\$2.06	\$2.07	\$1.19
date	3/2/18	1/24/18	1/26/18	4/5/16
change from last close		-8.6%	-9%	59%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of	2/23/18	138	43
gain / loss from previous week	252	-1.0	-0.4
comparison to historic range	2.5	within	within
	within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

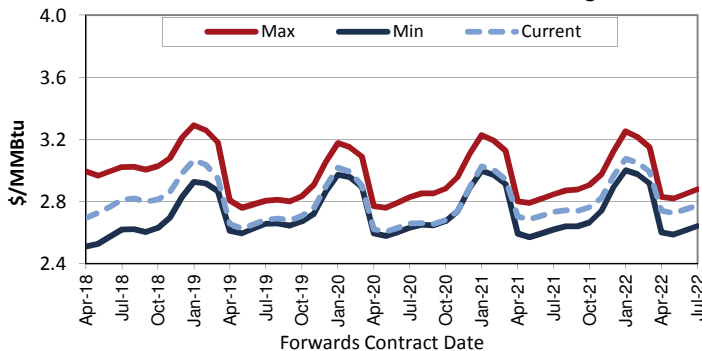


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.86	\$2.99	\$3.70	\$2.20
date	3/2/18	1/24/18	12/28/16	3/7/16
change from last close		-4.2%	-23%	30%

CES SCORE	
12 month	58
18 month	66
24 month	70
36 month	77

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



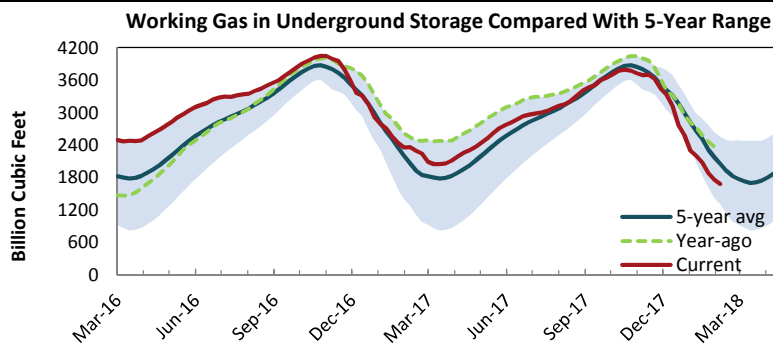
FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBtu)	\$2.86	\$2.80	\$2.82	\$2.80

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	2/16/18	1,760	
Most Recent Stock Level	2/23/18	1,682	
Year-ago Stock Level		2,362	-28.8%
5-Year Average Stock Level		2,054	-18.1%
Most Recent Net Change	2/23/18	-78	
Year-Ago Net Change		-7	1014%
5-Year Average Net Change		-118	-34%

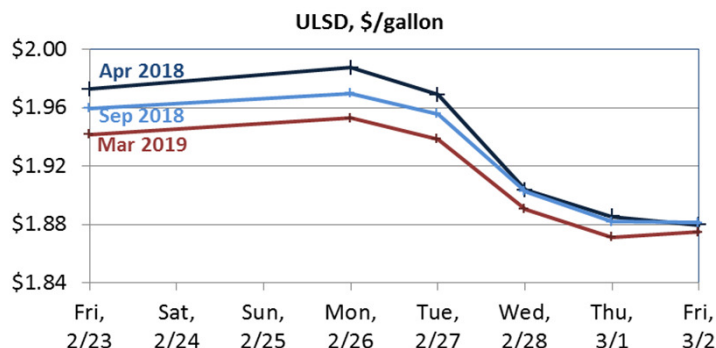
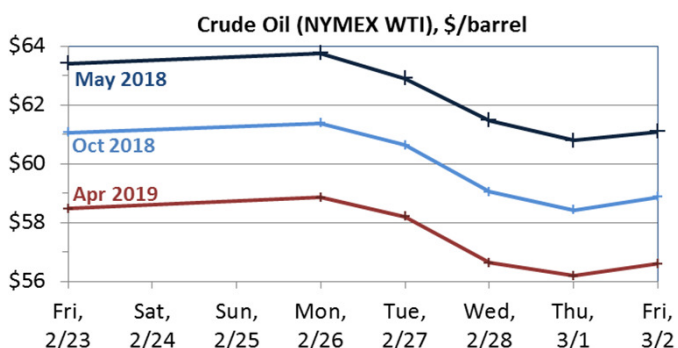
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

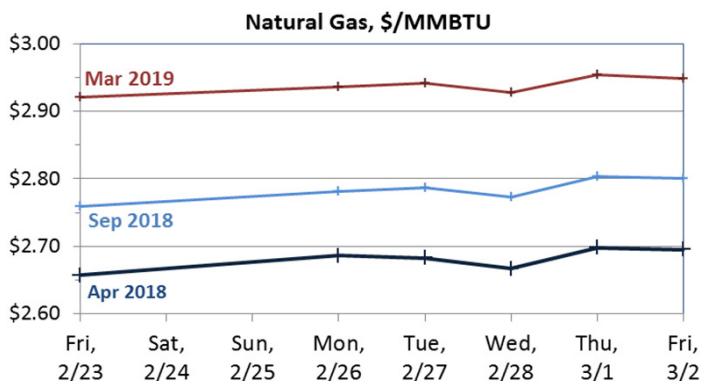
NYMEX Futures Summary Statistics

	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	\$61.25	Apr-18	\$61.25	Mar-19	\$56.93	\$57.67
Heating oil	Mar-18	2/28/18	\$1.91	Apr-18	\$1.88	Jan-19	\$1.89	Mar-19	\$1.87	\$1.88
Natural gas	Mar-18	2/26/18	\$2.64	Apr-18	\$2.70	Jan-19	\$3.07	Apr-18	\$2.70	\$2.98

NYMEX End-of-Day Settlements



Crude oil prices were met with bearish forces this week. In its weekly storage report, the EIA reported that US shale production increased to a new weekly record rate of 10.283M barrels per day. The EIA also tracks monthly production rates, which are more reliable than weekly data. Last week the EIA reported a revised total for November of 10.057M barrels per day, exceeding the previous monthly record of 10.044M barrels per day set in November 1970. Furthermore, gasoline inventories posted a larger-than-projected weekly gain. President Trump's plan to impose a new tariff on steel and aluminum caused equities to drop on Thursday, taking crude prices with them.



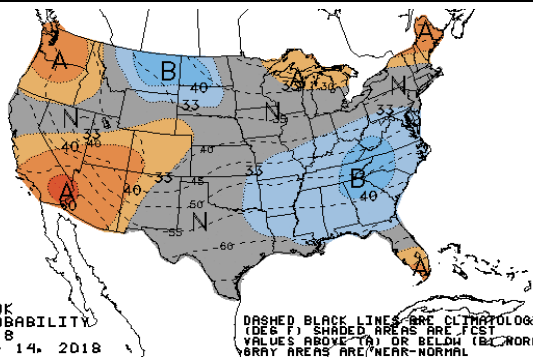
Natural gas prices rose last week buoyed by forecasts for lingering cold in March. These gains are modest compared to early February's precipitous drop: April contracts gained 3.8 cents, closing at \$2.70 on Friday; March futures settled last Monday at \$2.63. Storage withdrawals in the coming weeks are expected to reflect relatively strong heating demand through the end of the winter season. This would be a change from recent withdrawals, which have been relatively small. Last week the EIA reported a draw of just 78 Bcf, compared to the typical 118 Bcf decline. Inventories remain 18% below the 5-year average, however, and the deficit could grow if temperatures turn cold next month.

The National Weather Service near-term forecast calls for warmer-than-normal temperatures for Northern New England and cooler-than-normal temperatures for the Southeast. 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 OUTLOOK
TEMPERATURE PROBABILITY
MADE 4 MAR 2018
VALID MAR 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 Mar 10 - 14

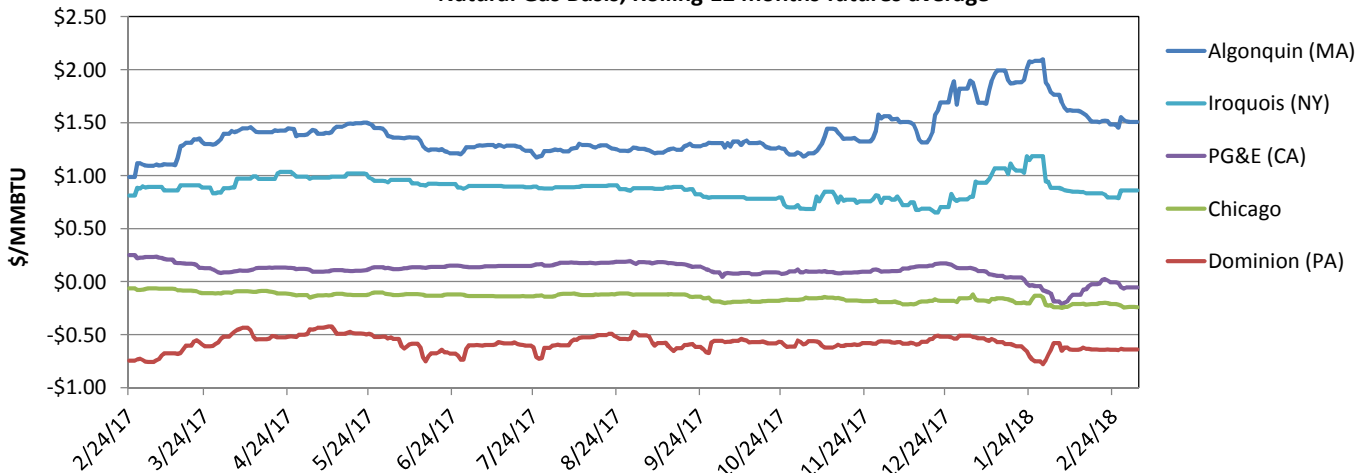
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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
		2/26/18	2/27/18	2/28/18	3/1/18	3/2/18	3/3/18	3/4/18	
Power (\$/MWh)	Maine RT On Pk	27	19	22	18	19			21
	Maine RT Off Pk	21	19	17	7	12	1	24	14
	NH RT On Pk	28	20	22	18	26			23
	NH RT Off Pk	21	20	17	7	13	14	25	17
	Vermont RT On Pk	28	19	21	18	30			23
	Vermont RT Off Pk	21	20	17	7	12	23	25	18
	Connecticut RT On Pk	28	20	22	18	30			24
	Connecticut RT Off Pk	21	20	18	8	13	23	25	18
	Rhode Island RT On Pk	28	19	22	18	31			24
	Rhode Island RT Off Pk	21	20	18	7	13	26	25	19
	NE Mass RT On Pk	28	20	22	18	34			24
	NE Mass RT Off Pk	21	20	18	7	13	30	25	19
	SE Mass RT On Pk	28	20	22	18	32			24
	SE Mass RT Off Pk	21	20	18	7	13	26	25	19
	WC Mass RT On Pk	28	20	22	18	31			24
	WC Mass RT Off Pk	21	20	18	8	13	24	25	18
			New York ISO Real Time Power Pricing By Zone (\$/MWh)						
	Capital RT On Pk	22	15	13	14	26			18
	Capital RT Off Pk	18	27	16	8	12	24	25	18
	Central RT On Pk	18	14	12	14	24			17
	Central RT Off Pk	10	22	12	7	10	23	18	15
	Hudson RT On Pk	22	16	13	15	27			18
	Hudson RT Off Pk	16	26	15	8	12	25	23	18
	Mohawk RT On Pk	18	14	12	14	25			17
	Mohawk RT Off Pk	10	22	12	7	10	23	19	15
	Milwood RT On Pk	22	16	13	15	27			18
	Milwood RT Off Pk	16	27	15	8	12	25	23	18
	NYC RT On Pk	24	18	15	21	43			24
	NYC RT Off Pk	16	27	16	10	12	27	32	20
		PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Eastern Hub On Pk	23	20	22	25	25			23
	Eastern Hub Off Pk	20	25	19	21	21	21	21	21
	Western Hub On Pk	25	22	24	30	30			26
	Western Hub Off Pk	22	25	19	22	22	22	22	22
	PPL Zone On Pk	20	19	21	24	24			22
	PPL Zone Off Pk	19	25	18	20	20	20	20	20
	AEP RT On Pk	27	23	25	30	30			27
	AEP RT Off Pk	23	25	20	23	23	23	23	23
	Chicago RT On Pk	25	17	24	25	25			23
	Chicago RT Off Pk	22	15	18	22	22	22	22	21
	New Jersey Hub On Pk	22	20	22	24	24			23
	New Jersey Hub Off Pk	20	25	18	21	21	21	21	21
		California ISO Real Time Power Pricing (\$/MWh)							Avg
	SoCal Edison RT On Pk	17	29	21	69	39			35
	SoCal Edison RT Off Pk	30	30	29	38	28	38	21	31
		2/26/18	2/27/18	2/28/18	3/1/18	3/2/18	3/3/18	3/4/18	Avg
Natural Gas \$/MMBtu	Henry Hub, LA	2.60	2.59	2.66	2.67	2.70			2.64
	TZ6, MA	2.73	2.34	2.49	2.78	3.20			2.71
	Algonquin, MA			2.30	2.86	2.91			2.69
	Chicago Hub, IL	2.42	2.36	2.41	2.41	2.43			2.41
	New York, NY	2.29	2.28	2.21	2.31	2.36			2.29
	Dominion South, PA	2.16	2.09	2.12	2.14	2.14			2.13
	Opal Hub, WY	2.39	2.22	2.27	2.27	2.32			2.29
	PG&E Citygate, CA	2.81	2.72	2.77	2.77	2.81			2.78