



Competitive Energy Services Weekly Market Summary

March 12 - 16, 2018

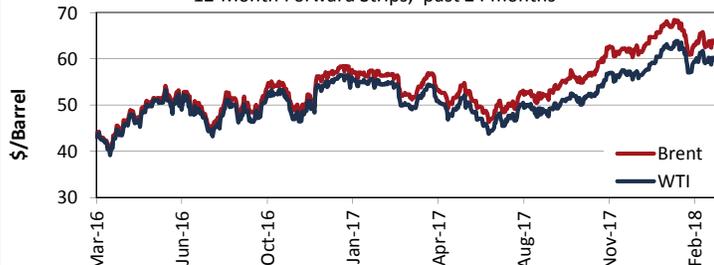
Synopsis of Last Week's Energy Markets

WTI and Brent both rose for a second straight week due in large part to a jump on Friday. US production is projected to top 11M barrels per day by the end of 2018, and domestic crude stocks gained more than projected the previous week. Natural gas prices fell 2% this week despite lingering cold weather in the North and East. Last week's storage withdrawal was lower than normal but inventories remain 16% below the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

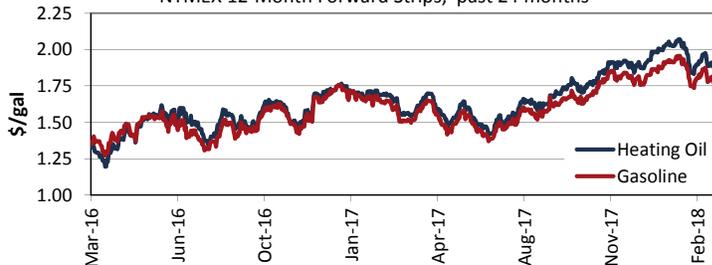


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$60.71 | \$63.49 | \$63.86 | \$39.24 |
| date | 3/16/18 | 1/24/18 | 1/26/18 | 4/5/16 |
| change from last close | | -4.4% | -4.9% | 55% |

| US STORAGE (in million bbls) | crude oil |
|--------------------------------|-----------|
| domestic stocks as of | 3/9/18 |
| gain / loss from previous week | 431 |
| comparison to historic range | 5.0 |
| | 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 | \$1.93 | \$2.06 | \$2.07 | \$1.19 |
| date | 3/16/18 | 1/24/18 | 1/26/18 | 4/5/16 |
| change from last close | | -6.5% | -7% | 62% |

| US STORAGE (in million bbls) | distillate | propane | gasoline |
|--------------------------------|------------|---------|----------|
| domestic stocks as of | 3/9/18 | 133 | 39 |
| gain / loss from previous week | 245 | -4.4 | -2.3 |
| comparison to historic range | within | within | within |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



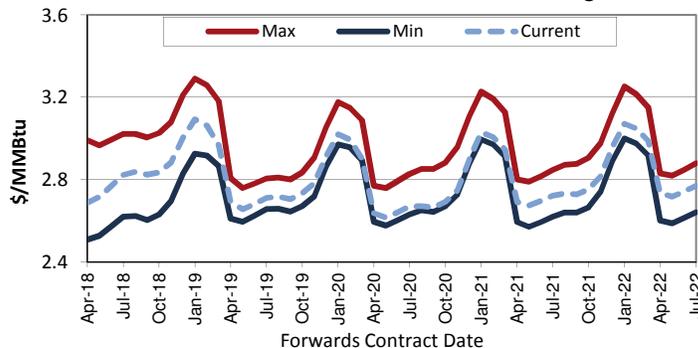
| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBtu | \$2.88 | \$2.99 | \$3.70 | \$2.32 |
| date | 3/16/18 | 1/24/18 | 12/28/16 | 3/23/16 |
| change from last close | | -3.7% | -22% | 24% |

CES SCORE

| | |
|----------|----|
| 12 month | 54 |
| 18 month | 57 |
| 24 month | 61 |
| 36 month | 69 |

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



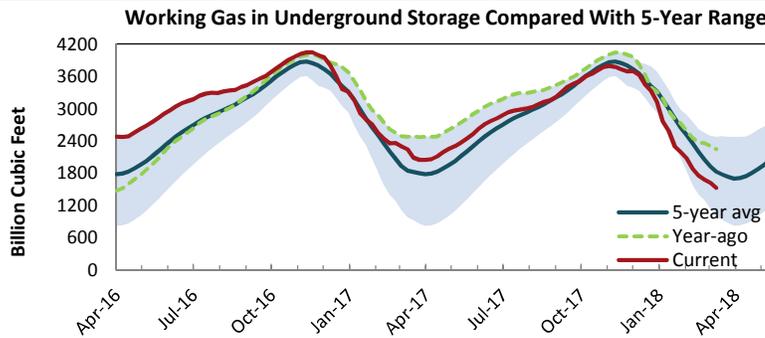
| FORWARDS | 12 month | 18 month | 24 month | 36 month |
|------------------|----------|----------|----------|----------|
| strip (\$/MMBtu) | \$2.88 | \$2.82 | \$2.83 | \$2.81 |

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 | 3/2/18 | 1,625 | |
| Most Recent Stock Level | 3/9/18 | 1,532 | |
| Year-ago Stock Level | | 2,250 | -31.9% |
| 5-Year Average Stock Level | | 1,828 | -16.2% |
| Most Recent Net Change | 3/9/18 | -93 | |
| Year-Ago Net Change | | -55 | 69% |
| 5-Year Average Net Change | | -97 | -4% |

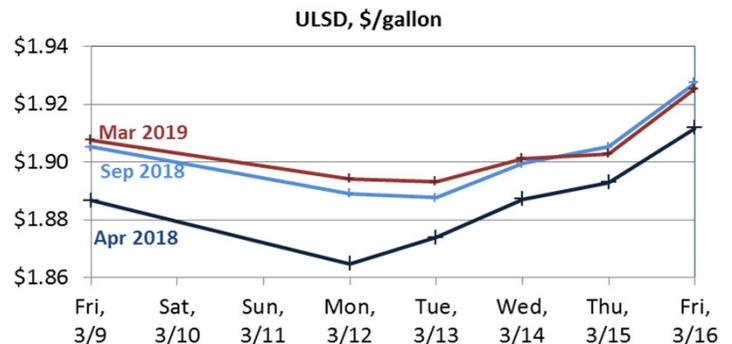
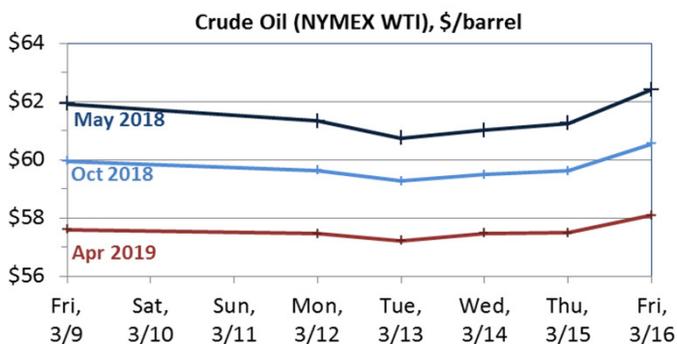
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

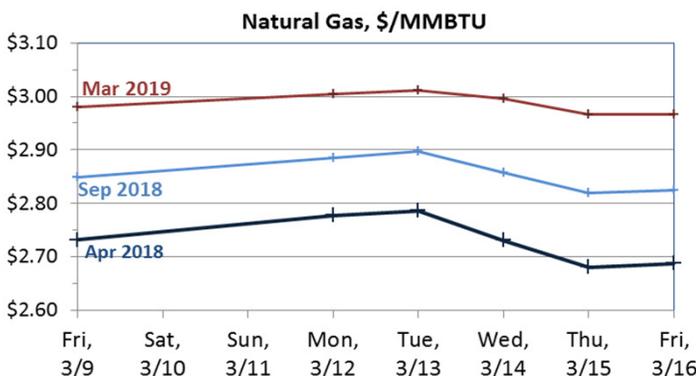
NYMEX Futures Summary Statistics

| | 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 | \$62.34 | May-18 | \$62.41 | Mar-19 | \$58.47 | \$59.29 |
| Heating oil | Mar-18 | 2/28/18 | \$1.91 | Apr-18 | \$1.91 | Jan-19 | \$1.93 | Apr-19 | \$1.91 | \$1.93 |
| Natural gas | Mar-18 | 2/26/18 | \$2.64 | Apr-18 | \$2.69 | Jan-19 | \$3.09 | Apr-18 | \$2.69 | \$3.00 |

NYMEX End-of-Day Settlements



Crude oil appeared to be headed for a weekly decline for much of the week. The International Energy Agency released projections showing that US production would exceed 11M barrels per day later this year, which would make it the top producer above Saudi Arabia and Russia. On Wednesday the EIA reported that domestic crude stocks rose by 5M barrels the previous week, more than double expectations. Brent and WTI jumped on Friday, bringing the week to a net gain. US equities rose and markets were concerned that Trump's firing of Secretary of State Rex Tillerson would jeopardize the Iran nuclear deal. Renewed economic sanctions would impact crude supply from Iran, pushing prices up.



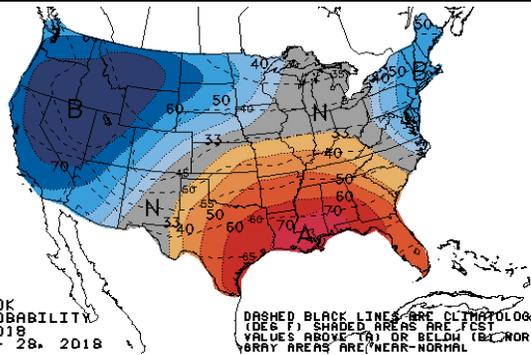
Natural gas prices declined last week, ending a streak of four consecutive weekly gains. While temperatures could remain below average across the East Coast, strong dry production is expected to keep storage withdrawals in check. April futures made gains early in the week on forecasts for accelerated demand amid this week's cool temperatures, but retreated with the news of a small storage withdrawal. The EIA-reported draw of 93 Bcf was lower than analyst predictions and fell short of the typical 97-Bcf drop. Inventories remain below typical levels, however, at a 16% deficit to the 5-year average. One-month futures fell just under 4.5 cents to settle at \$2.688 on Friday afternoon.

The National Weather Service near-term forecast calls for warmer-than-normal temperatures the Northeast and much of the West. 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 18 MAR 2018
VALID MAR 24 - 28, 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 24 - 28

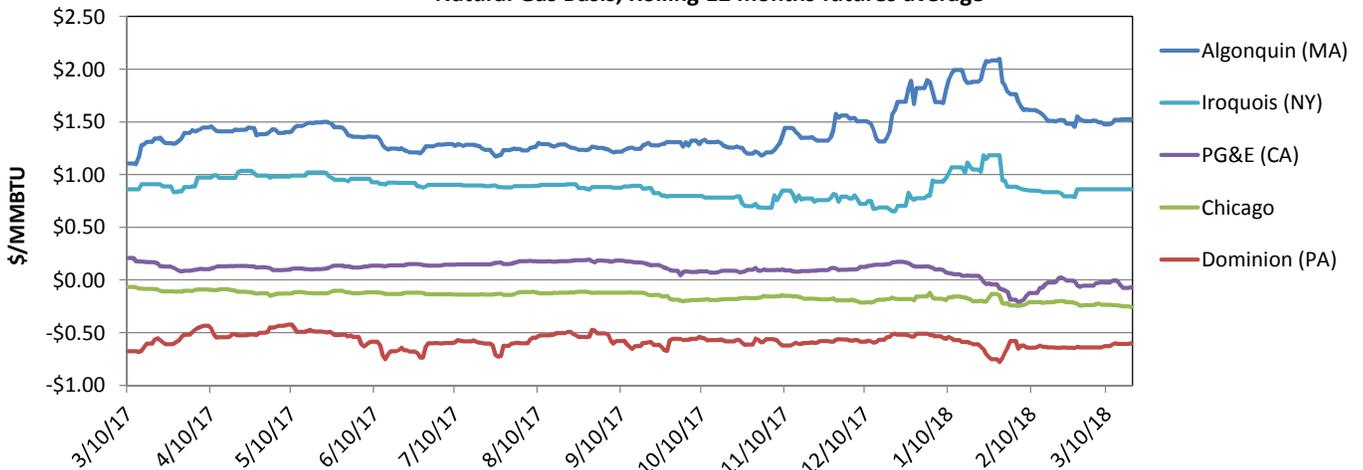
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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) | | | | | | | | | |
|-----------------------------|------------------------|---|--|---------|---------|---------|---------|---------|------------|------------|------------|
| | | 3/12/18 | 3/13/18 | 3/14/18 | 3/15/18 | 3/16/18 | 3/17/18 | 3/18/18 | Avg | | |
| Power (\$/MWh) | Maine RT On Pk | 32 | 31 | 77 | 36 | 46 | | | 45 | | |
| | Maine RT Off Pk | 26 | 26 | 32 | 38 | 37 | 44 | 40 | 35 | | |
| | NH RT On Pk | 32 | 33 | 79 | 37 | 49 | | | 46 | | |
| | NH RT Off Pk | 26 | 26 | 33 | 39 | 38 | 47 | 41 | 36 | | |
| | Vermont RT On Pk | 32 | 33 | 78 | 37 | 48 | | | 46 | | |
| | Vermont RT Off Pk | 26 | 26 | 33 | 39 | 38 | 46 | 41 | 35 | | |
| | Connecticut RT On Pk | 32 | 33 | 78 | 37 | 49 | | | 46 | | |
| | Connecticut RT Off Pk | 26 | 27 | 33 | 39 | 38 | 47 | 41 | 36 | | |
| | Rhode Island RT On Pk | 32 | 33 | 79 | 37 | 50 | | | 46 | | |
| | Rhode Island RT Off Pk | 26 | 27 | 34 | 39 | 39 | 48 | 42 | 36 | | |
| | NE Mass RT On Pk | 33 | 33 | 80 | 37 | 50 | | | 47 | | |
| | NE Mass RT Off Pk | 26 | 27 | 33 | 39 | 38 | 48 | 42 | 36 | | |
| | SE Mass RT On Pk | 32 | 33 | 80 | 37 | 50 | | | 47 | | |
| | SE Mass RT Off Pk | 26 | 27 | 34 | 39 | 39 | 48 | 42 | 37 | | |
| | WC Mass RT On Pk | 33 | 33 | 79 | 37 | 50 | | | 46 | | |
| | WC Mass RT Off Pk | 26 | 27 | 33 | 39 | 39 | 48 | 42 | 36 | | |
| | | | New York ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg | |
| Power (\$/MWh) | Capital RT On Pk | 39 | 32 | 34 | 17 | 10 | | | 26 | | |
| | Capital RT Off Pk | 25 | 25 | 25 | 23 | 18 | 25 | 24 | 23 | | |
| | Central RT On Pk | 37 | 30 | 21 | 16 | 9 | | | 23 | | |
| | Central RT Off Pk | 25 | 24 | 23 | 16 | 8 | 21 | 22 | 20 | | |
| | Hudson RT On Pk | 39 | 33 | 31 | 17 | 10 | | | 26 | | |
| | Hudson RT Off Pk | 26 | 25 | 25 | 22 | 15 | 25 | 24 | 23 | | |
| | Mohawk RT On Pk | 37 | 30 | 22 | 16 | 9 | | | 23 | | |
| | Mohawk RT Off Pk | 24 | 24 | 23 | 16 | 8 | 22 | 23 | 20 | | |
| | Milwood RT On Pk | 39 | 33 | 31 | 17 | 10 | | | 26 | | |
| | Milwood RT Off Pk | 26 | 25 | 25 | 22 | 15 | 25 | 24 | 23 | | |
| | NYC RT On Pk | 43 | 39 | 51 | 32 | 23 | | | 37 | | |
| | NYC RT Off Pk | 26 | 28 | 26 | 24 | 15 | 30 | 25 | 25 | | |
| | | | PJM Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg | |
| | Power (\$/MWh) | Eastern Hub On Pk | 51 | 31 | 26 | 23 | 23 | | | 31 | |
| | | Eastern Hub Off Pk | 38 | 26 | 26 | 22 | 22 | 22 | 22 | 26 | |
| | | Western Hub On Pk | 66 | 34 | 32 | 26 | 26 | | | 37 | |
| | | Western Hub Off Pk | 38 | 29 | 27 | 27 | 27 | 27 | 27 | 29 | |
| PPL Zone On Pk | | 52 | 31 | 26 | 21 | 21 | | | 30 | | |
| PPL Zone Off Pk | | 36 | 26 | 26 | 21 | 21 | 21 | 21 | 25 | | |
| AEP RT On Pk | | 65 | 41 | 36 | 31 | 31 | | | 41 | | |
| AEP RT Off Pk | | 33 | 34 | 28 | 35 | 35 | 35 | 35 | 34 | | |
| Chicago RT On Pk | | 45 | 32 | 27 | 29 | 29 | | | 33 | | |
| Chicago RT Off Pk | | 22 | 21 | 24 | 18 | 18 | 18 | 18 | 20 | | |
| New Jersey Hub On Pk | | 50 | 31 | 25 | 21 | 21 | | | 30 | | |
| New Jersey Hub Off Pk | | 37 | 25 | 26 | 21 | 21 | 21 | 21 | 25 | | |
| | | California ISO Real Time Power Pricing (\$/MWh) | | | | | | | Avg | | |
| Natural Gas \$/MMBtu | | SoCal Edison RT On Pk | 34 | 39 | 27 | 21 | 25 | | | 29 | |
| | | SoCal Edison RT Off Pk | 30 | 26 | 28 | 71 | 33 | 28 | 23 | 34 | |
| | | | | 3/12/18 | 3/13/18 | 3/14/18 | 3/15/18 | 3/16/18 | 3/17/18 | 3/18/18 | Avg |
| | | Henry Hub, LA | 2.78 | 2.78 | 2.69 | 2.70 | 2.62 | | | 2.71 | |
| | TZ6, MA | 4.35 | 5.25 | 5.70 | 7.73 | 6.80 | | | 5.97 | | |
| | Algonquin, MA | | | 6.10 | 7.35 | 6.96 | | | 6.80 | | |
| | Chicago Hub, IL | 2.64 | 2.64 | 2.55 | 2.54 | 2.45 | | | 2.56 | | |
| | New York, NY | 3.03 | 3.25 | 2.75 | 2.88 | 2.63 | | | 2.91 | | |
| | Dominion South, PA | 2.58 | 2.59 | 2.48 | 2.49 | 2.45 | | | 2.52 | | |
| | Opal Hub, WY | 2.32 | | 2.17 | 2.18 | 2.13 | | | 2.20 | | |
| | PG&E Citygate, CA | 2.89 | 2.94 | 2.83 | 2.80 | 2.70 | | | 2.83 | | |