



Competitive Energy Services Weekly Market Summary

March 19 - 23, 2018

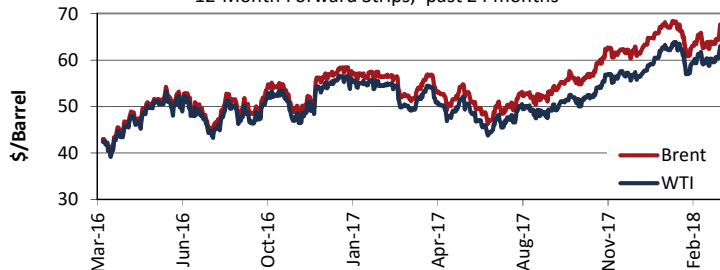
Synopsis of Last Week's Energy Markets

Crude oil jumped last week. The EIA weekly storage report was largely bullish, and Trump's hawkish appointments last week caused concern that he may scrap the Iran nuclear deal, which would constrain its crude output. Natural gas prices retreated for a second week as the cold of the heating season begins to dissipate. Prices fell 4% despite a large storage withdrawal that brought inventories to a 19% deficit to the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

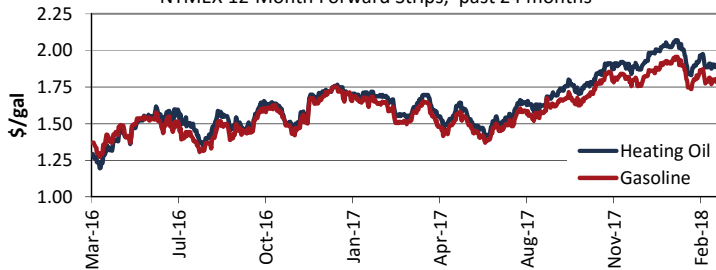


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$63.31 | \$63.49 | \$63.86 | \$39.24 |
| date | 3/23/18 | 1/24/18 | 1/26/18 | 4/5/16 |
| change from last close | | -0.3% | -0.9% | 61% |

| US STORAGE (in million bbls) | crude oil |
|--------------------------------|-----------|
| domestic stocks as of | 3/16/18 |
| gain / loss from previous week | 428 |
| comparison to historic range | -2.6 |
| | within |

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

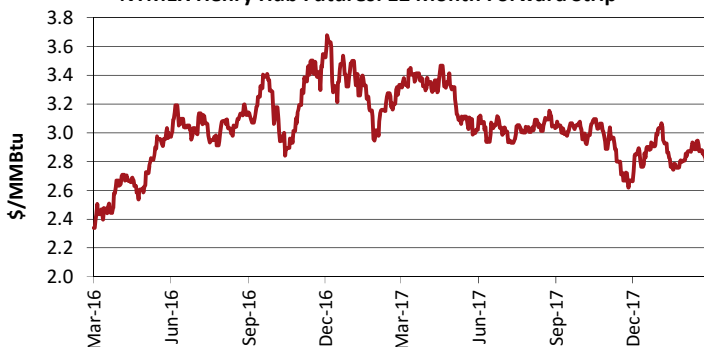


| NYMEX Heating Oil | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/gal | \$2.03 | \$2.06 | \$2.07 | \$1.19 |
| date | 3/23/18 | 1/24/18 | 1/26/18 | 4/5/16 |
| change from last close | | -1.7% | -2% | 71% |

| US STORAGE (in million bbls) | distillate | propane | gasoline |
|--------------------------------|------------|---------|----------|
| domestic stocks as of | 3/16/18 | 131 | 37 |
| gain / loss from previous week | 243 | -2.0 | -2.1 |
| comparison to historic range | -1.7 | within | within |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

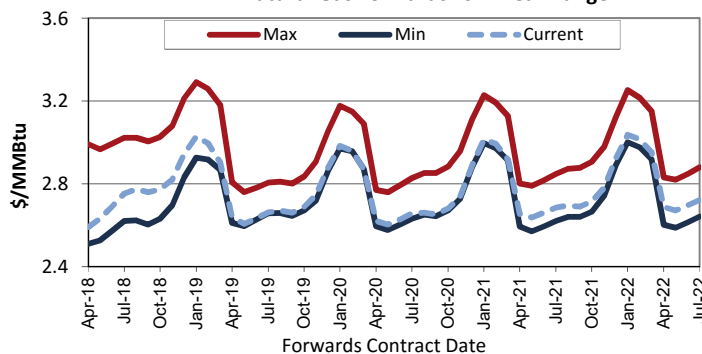


| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBtu | \$2.81 | \$2.99 | \$3.70 | \$2.34 |
| date | 3/23/18 | 1/24/18 | 12/28/16 | 3/25/16 |
| change from last close | | -6.1% | -24% | 20% |

| CES SCORE | |
|-----------|----|
| 12 month | 72 |
| 18 month | 79 |
| 24 month | 82 |
| 36 month | 86 |

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



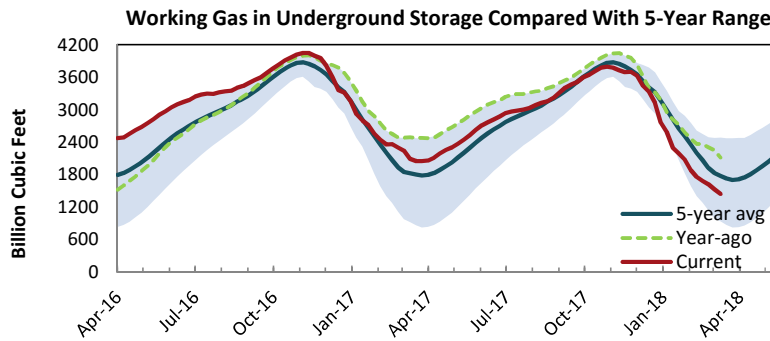
| FORWARDS | 12 month | 18 month | 24 month | 36 month |
|------------------|----------|----------|----------|----------|
| strip (\$/MMBtu) | \$2.81 | \$2.75 | \$2.78 | \$2.77 |

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.



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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 | 3/9/18 | 1,532 | |
| Most Recent Stock Level | 3/16/18 | 1,446 | |
| Year-ago Stock Level | | 2,113 | -31.6% |
| 5-Year Average Stock Level | | 1,775 | -18.5% |
| Most Recent Net Change | 3/16/18 | -86 | |
| Year-Ago Net Change | | -137 | -37% |
| 5-Year Average Net Change | | -53 | 62% |

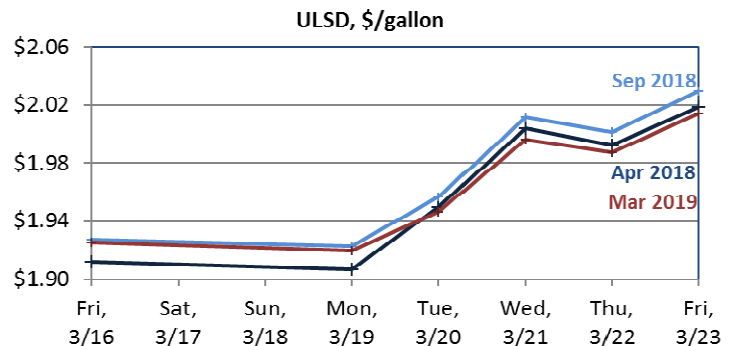
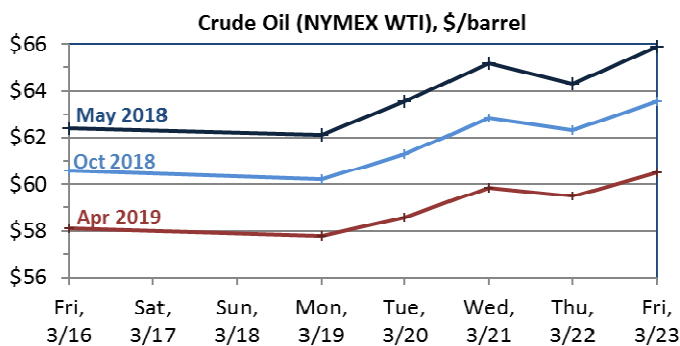
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

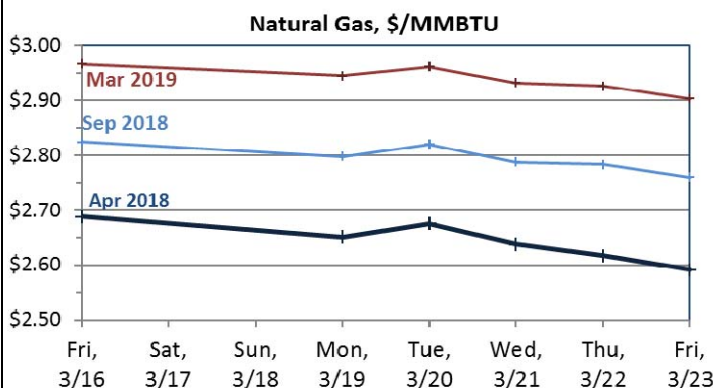
NYMEX Futures Summary Statistics

| | 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 | Apr-18 | 3/20/18 | \$63.40 | May-18 | \$65.88 | May-18 | \$65.88 | Apr-19 | \$60.50 | \$61.99 |
| Heating oil | Mar-18 | 2/28/18 | \$1.91 | Apr-18 | \$2.02 | Oct-18 | \$2.03 | Mar-19 | \$2.01 | \$2.03 |
| Natural gas | Mar-18 | 2/26/18 | \$2.64 | Apr-18 | \$2.59 | Jan-19 | \$3.03 | Apr-18 | \$2.59 | \$2.94 |

NYMEX End-of-Day Settlements



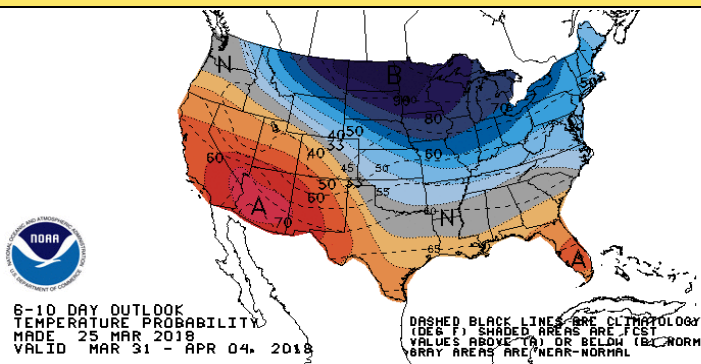
Crude oil prices soared last week on bullish market news. The EIA storage report showed an unexpected drop in US stocks; imports, distillate stocks, and gasoline stocks also fell. President Trump's hiring of Mike Pompeo as Secretary of State and John Bolton as National Security Advisor indicated that the status of the Iran nuclear deal may be in jeopardy. The reinstatement of economic sanctions would reduce access to Iran's oil. Adding to the bullish sentiment, Saudi Arabia's Oil Minister said that the joint production cuts could be extended into 2019. In related market news, China started its own crude futures product this week on the Shanghai International Energy Exchange.



Natural gas prices slipped last week as cold temperatures eased, signaling that the heating season could be winding down. Last week's inventory drop of 86 Bcf was larger than normal following a cold snap that left stocks 18.5% below the 5-year average. The storage withdrawal and widening deficit did little to support prices, however, as shale output continues to push production to all-time highs. Temperatures could be typical or below average at the start of April, particularly across the North, but are not seen as the major driving storage balance going into spring. April futures fell nearly ten cents week-over-week, settling at \$2.59 on Friday afternoon.

The National Weather Service near-term forecast calls for cooler-than-normal temperatures the Northern US and warmer-than-normal temperatures for the Southwest. 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 Forecast for Mar 31 - Apr 4

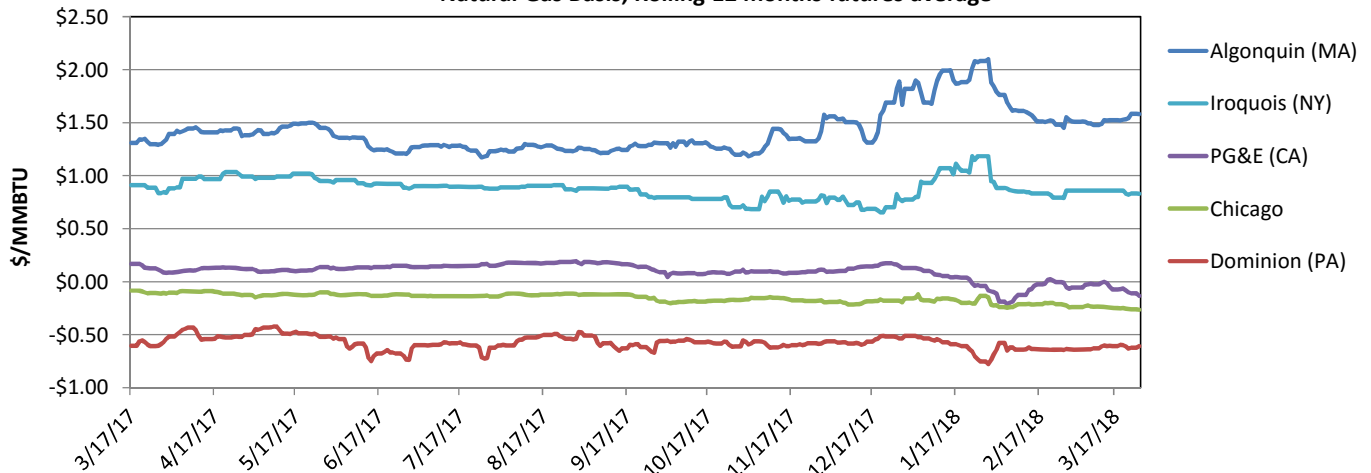
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase 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) | | | | | | | | | |
|-----------------------------|------------------------|---|--|---------|---------|---------|---------|---------|------------|------------|------------|
| | | 3/19/18 | 3/20/18 | 3/21/18 | 3/22/18 | 3/23/18 | 3/24/18 | 3/25/18 | 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 | | |
| | | | 3/19/18 | 3/20/18 | 3/21/18 | 3/22/18 | 3/23/18 | 3/24/18 | 3/25/18 | 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 | | |