



Competitive Energy Services Weekly Market Summary

August 14 - 18, 2017

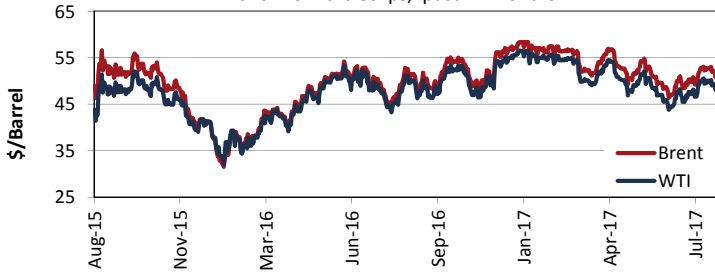
Synopsis of Last Week's Energy Markets

Crude oil appeared to be heading for a large drop last week only to jump 3% on Friday, erasing most of the week's losses. Indicators for crude oil demand for the US and China were bearish on prices, but a drop in the active oil rig count sent prices upward on Friday. Natural gas prices declined 3% last week, retreating from the previous week's rally amid mixed weather forecasts. Prices fell every day except Thursday, when the EIA reported that the storage surplus has narrowed to 1.8% to the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

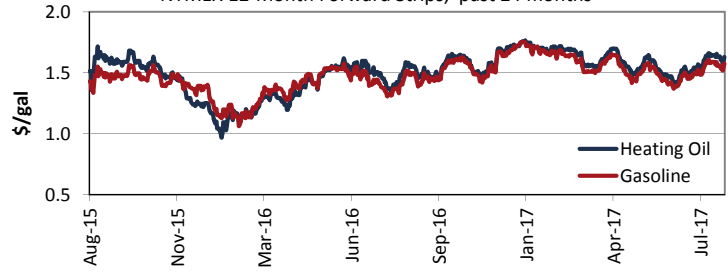


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$49.04	\$49.30	\$56.70	\$32.40
date	8/18/17	8/11/17	1/6/17	1/20/16
change from last close		-0.5%	-13.5%	51%

US STORAGE (in million bbls)		crude oil
domestic stocks as of	8/11/17	466
gain / loss from previous week		-8.9
comparison to historic range		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	\$1.63	\$1.63	\$1.76	\$0.97
date	8/18/17	8/11/17	1/2/17	1/20/16
change from last close		-0.5%	-8%	68%

US STORAGE (in million bbls)		distillate	propane	gasoline
domestic stocks as of	8/11/17	148	69	231
gain / loss from previous week		0.7	1.6	0.0
comparison to historic range		within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

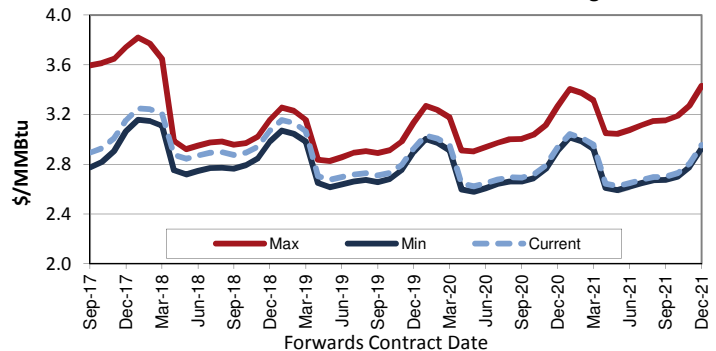


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$3.01	\$3.05	\$3.70	\$2.11
date	8/18/17	8/11/17	12/28/16	2/25/16
change from last close		-1.6%	-19%	43%

CES SCORE	
12 month	67
18 month	61
24 month	63
36 month	71

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)	\$3.01	\$3.01	\$2.95	\$2.89

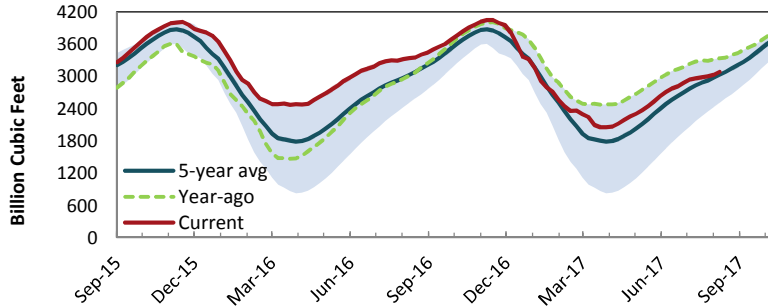
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 months.



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Natural Gas Storage

Working Gas in Underground Storage Compared With 5-Year Range



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	8/4/17	3,029	
Most Recent Stock Level	8/11/17	3,082	
Year-ago Stock Level		3,336	-7.6%
5-Year Average Stock Level		3,027	1.8%
Most Recent Net Change	8/11/17	53	
Year-Ago Net Change		23	
5-Year Average Net Change		50	

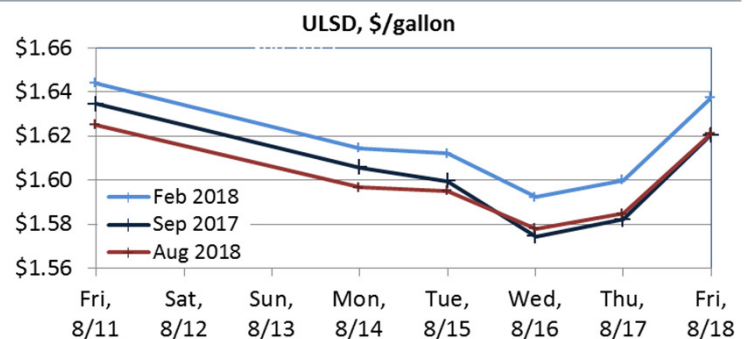
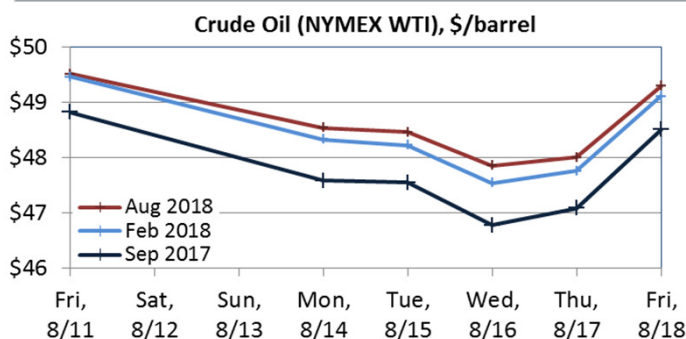
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

NYMEX Futures Summary Statistics

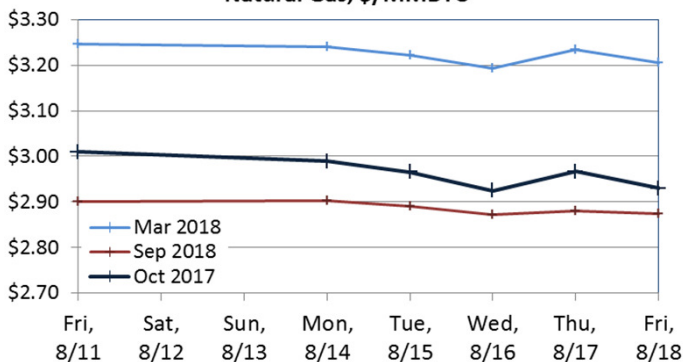
	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Next Winter Avg (Nov17-Mar18)
Crude oil	Aug-17	7/20/17	\$46.79	Sep-17	\$48.51	Aug-18	\$49.29	Sep-17	\$48.51	\$49.01
Heating oil	Aug-17	7/31/17	\$1.65	Sep-17	\$1.62	Feb-18	\$1.64	Jun-18	\$1.62	\$1.63
Natural gas	Aug-17	7/27/17	\$2.97	Sep-17	\$2.89	Jan-18	\$3.25	May-18	\$2.84	\$3.17

NYMEX End-of-Day Settlements



The crude oil market trended downward for the first half of last week, largely ignoring the EIA storage report showing a slide of a 9M barrels (2%) in US crude stocks. The focus appeared more on a modest increase in the US production rate and also a jump in imports. US production is currently at a 2-year high; meanwhile, compliance from members of the OPEC-led production cuts is weakening and exempt members Libya and Nigeria are offsetting the cuts. Domestic demand for crude oil products is expected to slow come Labor Day weekend, the traditional end of the summer driving season. Demand from China is also bearish for crude, with refineries operating at a slower-than-normal pace in July. On Friday, Baker Hughes Inc. reported that the number of active oil rigs fell by 5, boosting prices at the end of the week.

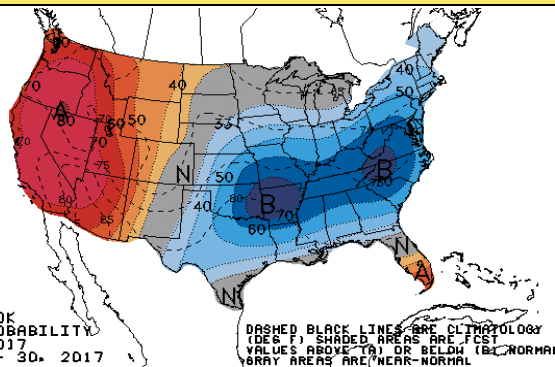
Natural Gas, \$/MMBTU



Last week's drop in natural gas prices reversed part of the previous week's gains. Forecasts indicated that weather would be cooler than normal throughout the central U.S., suppressing late-summer cooling demand. Expectations for the weekly storage injection also weighed on pricing as mild temperatures from the past week were seen to pull down demand for generation. Despite a fairly typical injection of 53 Bcf, the EIA revised previous storage levels downward, resulting in an unexpected narrowing of the storage surplus and a boost in prices by the end of the day. Nevertheless, September futures fell 9 cents by the end of the week, closing on Friday at \$2.89.

The National Weather Service near-term forecast calls for below-normal temperatures for the eastern half of the US, while areas west of the Rockies should be warmer than normal. The natural gas market scores on page 1 improved from the previous week. Clients with electricity or natural gas contracts expiring in 2017 or 2018 should consult with a CES representative for customized guidance.

National Weather Service Forecast



6 - 10 Day Forecast for August 26 - 30, 2017

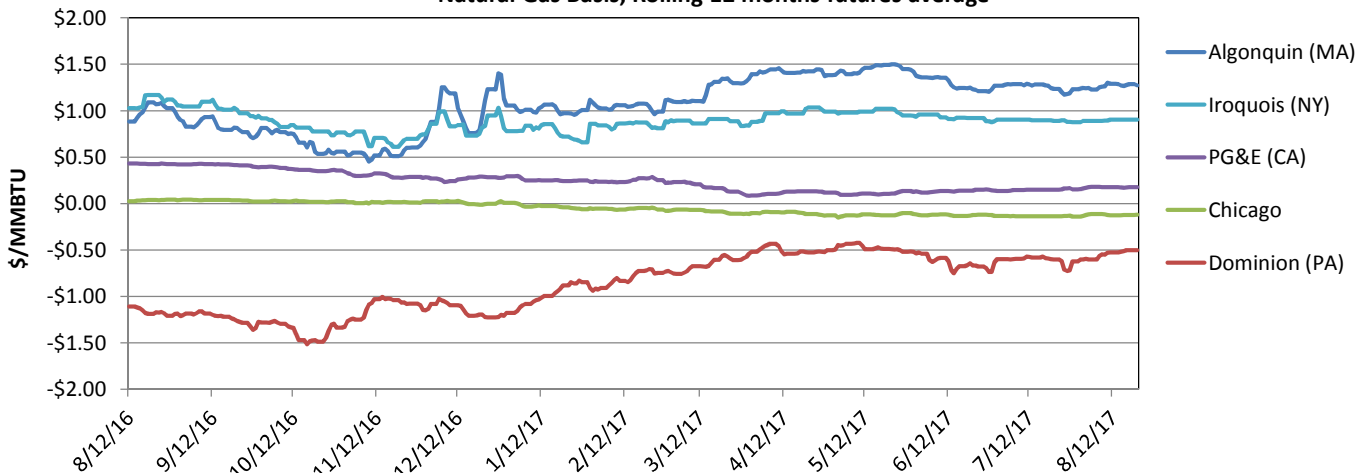
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase the price for natural gas, oil, and electricity.

Source: Chart from the National Weather Service Climate Prediction Center www.cpc.ncep.noaa.gov

Natural Gas Basis Futures

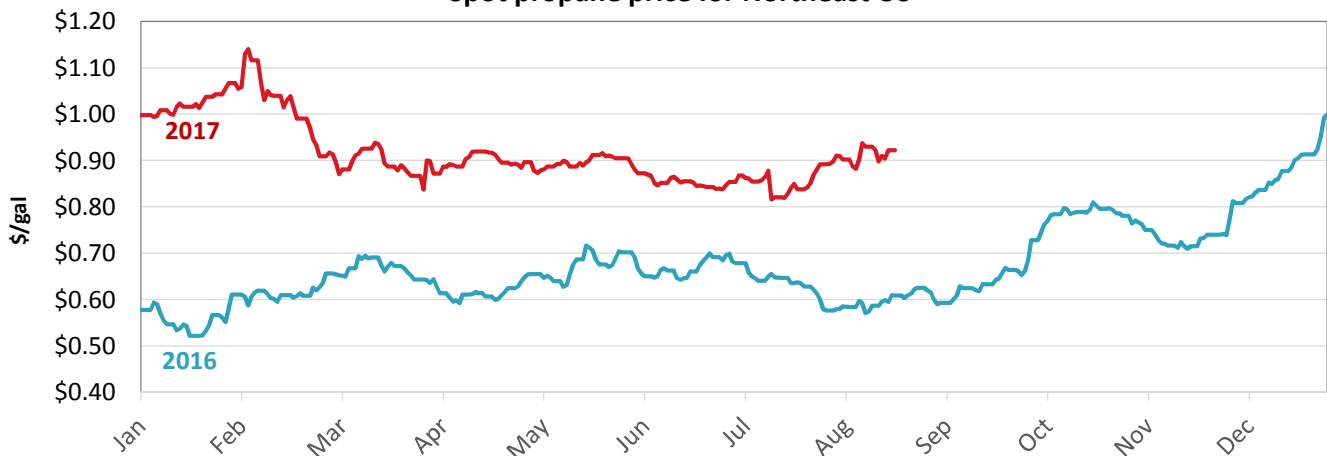
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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	
		8/14/17	8/15/17	8/16/17	8/17/17	8/18/17	8/19/17	8/20/17		
Power (\$/MWh)	Maine RT On Pk	25	21	20	22	49			28	
	Maine RT Off Pk	17	22	18	16	35	25	21	22	
	NH RT On Pk	26	21	22	23	49			28	
	NH RT Off Pk	17	23	18	16	35	26	21	22	
	Vermont RT On Pk	26	22	22	23	49			29	
	Vermont RT Off Pk	17	23	19	17	36	26	21	23	
	Connecticut RT On Pk	26	22	23	24	51			29	
	Connecticut RT Off Pk	18	23	19	17	36	26	21	23	
	Rhode Island RT On Pk	26	21	22	23	49			28	
	Rhode Island RT Off Pk	17	23	18	17	36	26	21	23	
	NE Mass RT On Pk	26	21	22	23	49			28	
	NE Mass RT Off Pk	17	23	18	16	35	26	21	22	
	SE Mass RT On Pk	26	21	22	23	49			28	
	SE Mass RT Off Pk	17	23	18	17	36	26	21	22	
	WC Mass RT On Pk	26	21	22	23	50			29	
	WC Mass RT Off Pk	18	23	19	17	36	26	21	23	
		New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg	
Power (\$/MWh)	Capital RT On Pk	28	25	26	28	42			30	
	Capital RT Off Pk	18	21	20	19	25	25	22	21	
	Central RT On Pk	27	25	26	27	42			29	
	Central RT Off Pk	17	20	19	18	24	25	20	20	
	Hudson RT On Pk	29	26	28	29	52			33	
	Hudson RT Off Pk	18	21	20	20	26	26	23	22	
	Mohawk RT On Pk	28	25	26	27	42			29	
	Mohawk RT Off Pk	17	20	19	19	24	25	21	21	
	Milwood RT On Pk	29	26	28	29	54			33	
	Milwood RT Off Pk	18	21	20	20	26	26	23	22	
	NYC RT On Pk	30	26	29	31	54			34	
	NYC RT Off Pk	19	22	21	21	27	37	24	24	
			PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Power (\$/MWh)	Eastern Hub On Pk	27	25	42	43	54			38
		Eastern Hub Off Pk	19	22	20	20	24	24	24	22
		Western Hub On Pk	29	32	34	43	51			38
Western Hub Off Pk		19	22	20	21	23	23	23	22	
PPL Zone On Pk		27	27	34	42	47			35	
PPL Zone Off Pk		18	21	19	18	23	23	23	21	
AEP RT On Pk		30	37	33	35	38			35	
AEP RT Off Pk		19	22	20	22	23	23	23	22	
Chicago RT On Pk		30	36	33	33	33			33	
Chicago RT Off Pk		19	21	19	21	22	22	22	21	
New Jersey Hub On Pk		27	25	34	42	46			35	
New Jersey Hub Off Pk		19	22	19	19	24	24	24	21	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
Natural Gas \$/MMBtu		SoCal Edison RT On Pk	79	55	49	39	43			53
	SoCal Edison RT Off Pk	24	29	25	44	25	27	49	32	
			8/14/17	8/15/17	8/16/17	8/17/17	8/18/17	8/19/17	8/20/17	Avg
	Henry Hub, LA	2.96	2.93	2.89	2.88	2.89			2.91	
	TZ6, MA	2.46	2.82	2.43	2.35	3.09			2.63	
	Algonquin, MA	2.60	2.77	2.52	2.34	3.04			2.65	
	Chicago Hub, IL	2.88	2.88	2.84	2.81	2.84			2.85	
	New York, NY	1.85	1.93	1.85	1.86	2.11			1.92	
	Dominion South, PA	1.80	1.85	1.79	1.79	1.78			1.80	
	Opal Hub, WY	2.66	2.59	2.55	2.57	2.59			2.59	
PG&E Citygate, CA	3.29	3.26	3.22	3.23	3.25			3.25		
Kern River Deliveries	2.78	2.69	2.66	2.69	2.70			2.70		