



Competitive Energy Services Weekly Market Summary

December 4 - 8, 2017

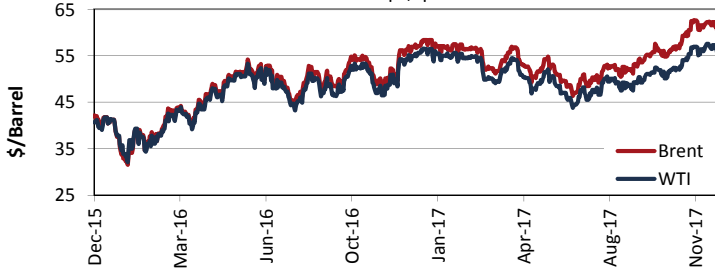
Synopsis of Last Week's Energy Markets

Crude oil saw an overall decrease last week, mostly due to a steep drop on Wednesday. A large gain in domestic gasoline stocks sent prices downward. In addition, the US production rate remains close to historical highs. Natural gas prices fell 9% last week following a surprising net storage injection that is uncharacteristic for early December. The news weighed on the markets despite expectations that cold weather will sweep across the Eastern U.S. this week and boost heating demand.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

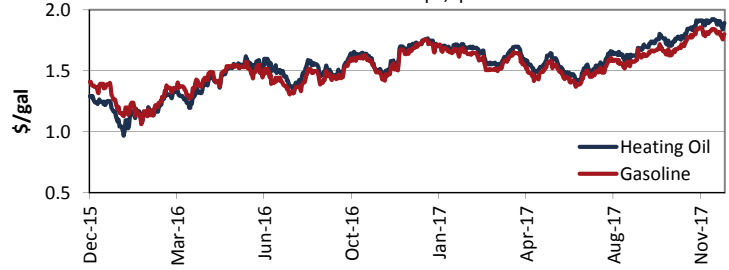


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$56.09	\$57.24	\$57.06	\$32.40
date	12/8/17	12/1/17	11/9/17	1/20/16
change from last close		-2.0%	-1.7%	73%

US STORAGE (in million bbls)	crude oil
domestic stocks as of 12/1/17	448
gain / loss from previous week	-5.6
comparison to historic range	within

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

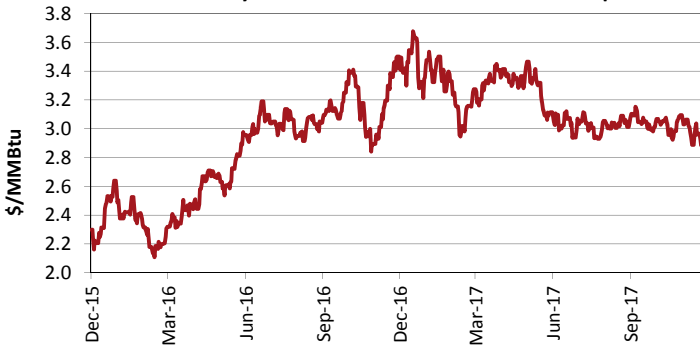


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$1.89	\$1.91	\$1.92	\$0.97
date	12/8/17	12/1/17	11/24/17	1/20/16
change from last close		-0.8%	-2%	95%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of 12/1/17	129	74	221
gain / loss from previous week	1.7	1.3	6.8
comparison to historic range	within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip

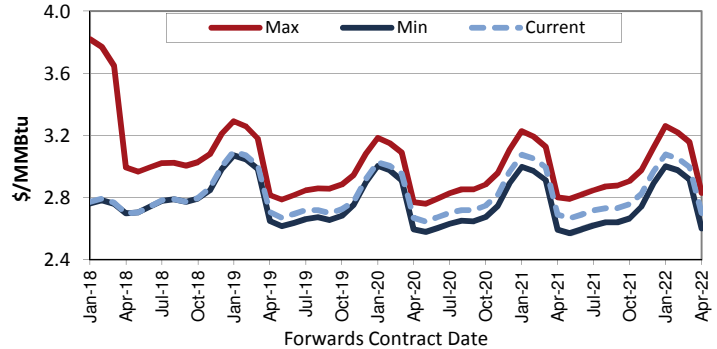


NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBtu	\$2.79	\$2.96	\$3.70	\$2.11
date	12/8/17	12/1/17	12/28/16	2/25/16
change from last close		-5.9%	-25%	32%

CES SCORE	
12 month	98
18 month	91
24 month	89
36 month	82

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)	\$2.79	\$2.82	\$2.80	\$2.80

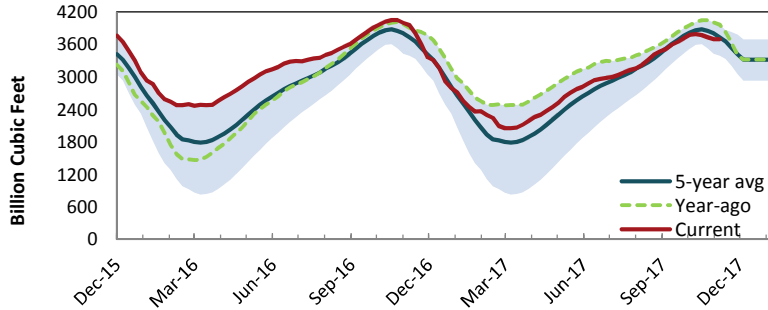
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12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



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Natural Gas Storage

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	11/24/17	3,693	
Most Recent Stock Level	12/1/17	3,695	
Year-ago Stock Level		3,959	-6.7%
5-Year Average Stock Level		3,731	-1.0%
Most Recent Net Change	12/1/17	2	
Year-Ago Net Change		-43	
5-Year Average Net Change		-69	

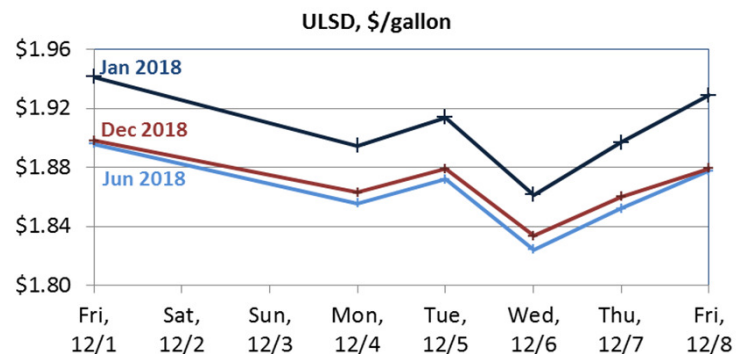
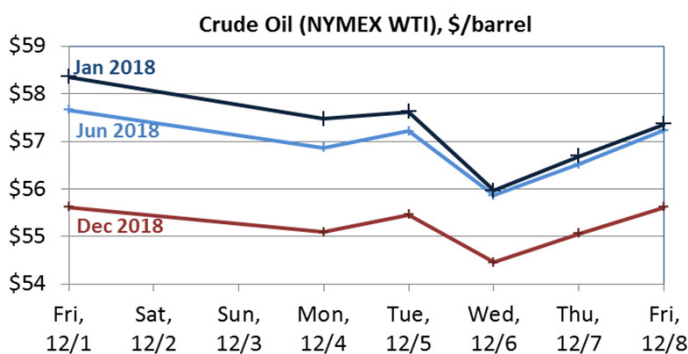
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

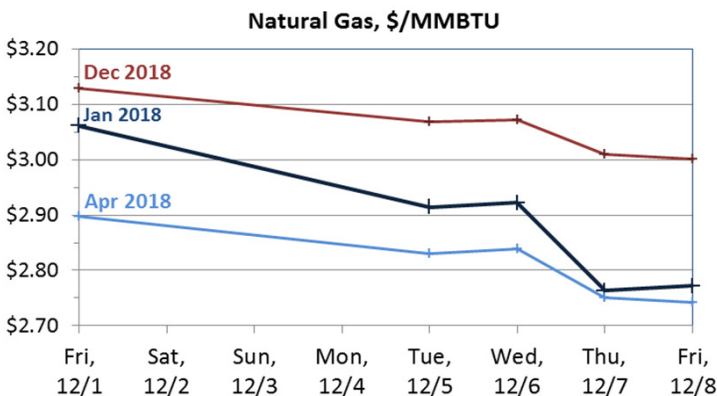
NYMEX Futures Summary Statistics

	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Winter Avg (Jan-Mar18)
Crude oil	Dec-17	11/20/17	\$56.09	Jan-18	\$57.36	Mar-18	\$57.46	Dec-18	\$55.62	\$57.42
Heating oil	Dec-17	11/30/17	\$1.89	Jan-18	\$1.93	Jan-18	\$1.93	Aug-18	\$1.87	\$1.93
Natural gas	Dec-17	11/28/17	\$3.07	Jan-18	\$2.77	Dec-18	\$3.00	Apr-18	\$2.70	\$2.78

NYMEX End-of-Day Settlements



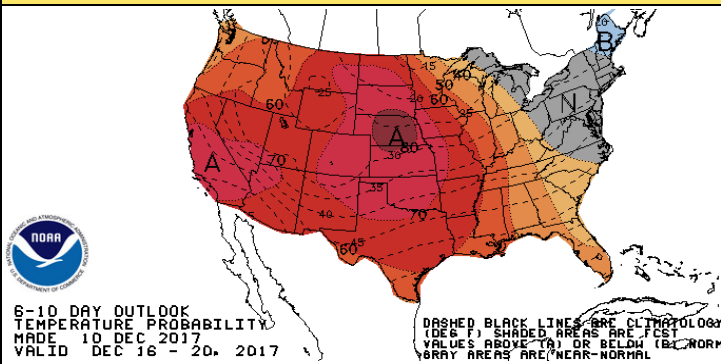
Crude oil saw some volatility last week. Prompt month WTI fell 3% on Wednesday alone, the biggest one-day decline in 3 months. The EIA reported that the US added almost 7M barrels in gasoline stocks for the week-ending December 1, the largest weekly gain since January. Meanwhile, domestic production is at 9.7M barrels per day, close to the record high rates reached October-December 1970 around 10M barrels per day. Oil prices erased Wednesday's losses late in the week as a large union of oil workers in Nigeria threatened to strike and China reported that the crude oil import rate for November was the second highest ever. China will soon surpass the United States as the world's largest crude oil importer.



Natural gas prices plummeted last week after the EIA's report of a late-season storage injection. January contracts fell 16 cents on Thursday alone following the news that inventories expanded by 2 Bcf at a time when storage typically sees a 69 Bcf withdrawal. This is the first time storage has grown this late in the year since 2012. This injection reflects mild heating demand through late November paired with accelerating production in the Northeast. The storage deficit, which has been slowly growing for weeks, has narrowed to 1% compared to the 5-year average. One-month futures lost 29 cents by the end of the week, closing on Friday afternoon at \$2.77.

The National Weather Service near-term forecast calls for warmer-than-normal for much of the continental US except for the Northeast. The natural gas market scores on page 1 improved dramatically 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 Dec 16 - 20

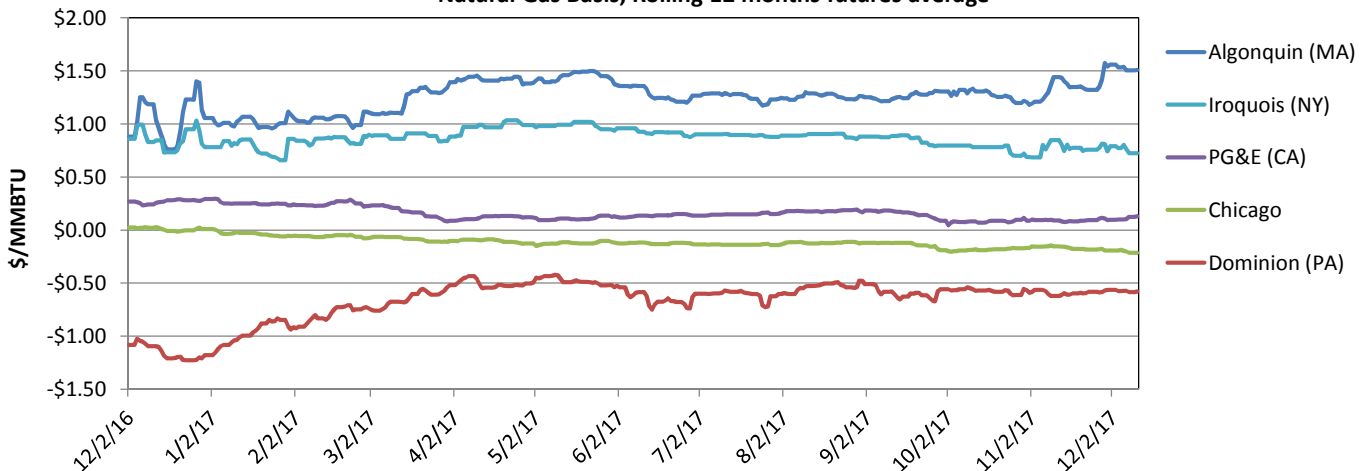
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

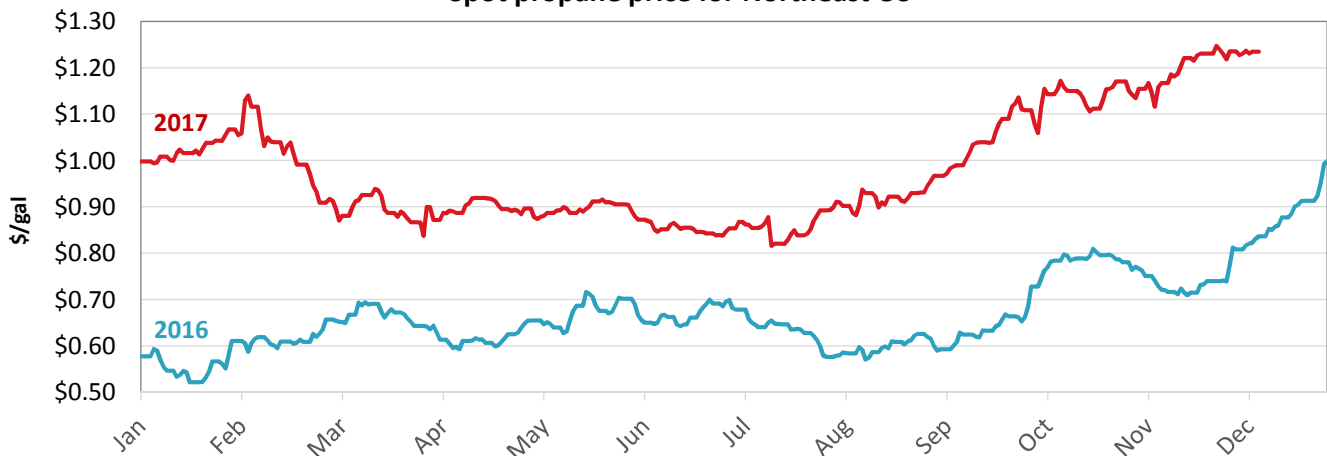
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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	
		12/4/17	12/5/17	12/6/17	12/7/17	12/8/17	12/9/17	12/10/17		
Power (\$/MWh)	Maine RT On Pk	60	22	35	30	43			38	
	Maine RT Off Pk	23	22	20	25	27	45	43	29	
	NH RT On Pk	28	29	41	30	44			34	
	NH RT Off Pk	26	22	25	25	28	45	44	31	
	Vermont RT On Pk	28	29	40	30	43			34	
	Vermont RT Off Pk	26	21	25	25	27	44	43	30	
	Connecticut RT On Pk	28	29	40	30	43			34	
	Connecticut RT Off Pk	26	22	25	25	27	44	44	30	
	Rhode Island RT On Pk	27	29	40	30	43			34	
	Rhode Island RT Off Pk	26	22	25	25	28	44	44	31	
	NE Mass RT On Pk	28	29	41	30	43			34	
	NE Mass RT Off Pk	26	22	25	25	28	45	44	31	
	SE Mass RT On Pk	28	29	40	30	43			34	
	SE Mass RT Off Pk	26	22	25	25	28	45	44	31	
	WC Mass RT On Pk	28	29	41	30	43			34	
	WC Mass RT Off Pk	26	22	25	26	28	45	44	31	
		New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg	
Power (\$/MWh)	Capital RT On Pk	27	28	36	44	37			34	
	Capital RT Off Pk	24	19	22	22	35	46	30	28	
	Central RT On Pk	25	25	33	42	36			32	
	Central RT Off Pk	23	5	8	11	31	43	24	21	
	Hudson RT On Pk	27	28	36	45	39			35	
	Hudson RT Off Pk	24	14	17	18	35	47	29	26	
	Mohawk RT On Pk	26	25	34	41	36			32	
	Mohawk RT Off Pk	23	6	8	11	31	45	25	21	
	Milwood RT On Pk	27	28	36	45	39			35	
	Milwood RT Off Pk	24	14	17	18	35	47	29	26	
	NYC RT On Pk	28	29	45	46	39			37	
	NYC RT Off Pk	24	14	17	18	35	47	29	26	
			PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Power (\$/MWh)	Eastern Hub On Pk	28	28	30	36	62			37
		Eastern Hub Off Pk	33	19	21	23	29	29	29	26
		Western Hub On Pk	26	28	33	37	36			32
Western Hub Off Pk		26	20	23	23	27	27	27	24	
PPL Zone On Pk		25	28	31	36	37			31	
PPL Zone Off Pk		26	19	21	23	28	28	28	24	
AEP RT On Pk		26	28	33	40	34			32	
AEP RT Off Pk		22	20	24	23	27	27	27	24	
Chicago RT On Pk		21	27	28	37	31			29	
Chicago RT Off Pk		12	19	23	22	24	24	24	21	
New Jersey Hub On Pk		26	28	29	35	37			31	
New Jersey Hub Off Pk		27	19	21	22	27	27	27	24	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
Natural Gas \$/MMBtu		SoCal Edison RT On Pk	33	42	37	42	47			40
		SoCal Edison RT Off Pk	30	27	31	32	30	29	34	31
			12/4/17	12/5/17	12/6/17	12/7/17	12/8/17	12/9/17	12/10/17	Avg
	Henry Hub, LA	2.90	2.86	2.92	2.80	2.75			2.85	
	TZ6, MA	3.69	4.70	6.09	5.04	7.72			5.45	
	Algonquin, MA	2.97	3.42	4.20	4.08				3.67	
	Chicago Hub, IL	2.86	2.89	2.91	2.70	2.64			2.80	
	New York, NY	2.42	2.63	2.77	2.66	2.94			2.68	
	Dominion South, PA	2.34	2.33	2.54	2.40	2.18			2.36	
	Opal Hub, WY	2.69	2.72	2.80	2.56	2.46			2.65	
PG&E Citygate, CA	3.03	2.94	2.97	2.86	2.87			2.93		
Kern River Deliveries	3.02	3.05	3.07	2.81	2.67			2.92		