



Competitive Energy Services Weekly Market Summary

August 27 - 31, 2018

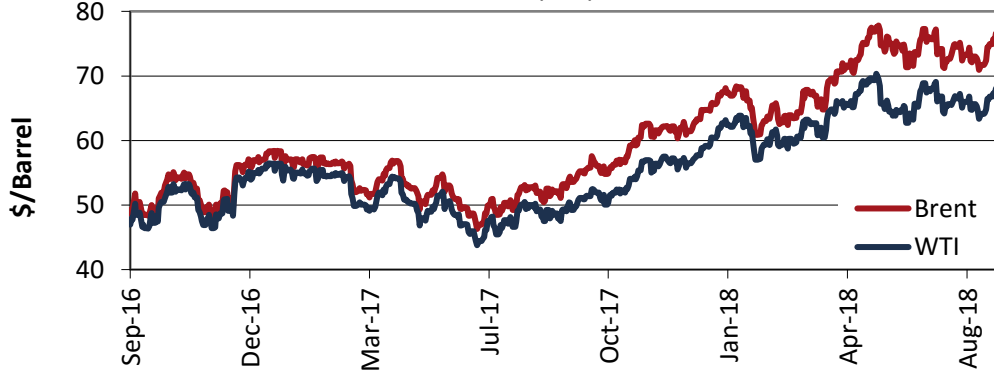
Synopsis of Last Week's Energy Markets

Crude prices rose for the second straight week after the EIA reported another drop in US crude stocks. Prices are also climbing as Tropical Storm Gordon is headed toward the Gulf Coast, which will impact oil production in the region. Natural gas prices saw little change week-over-week amid lingering summer heat, continued rising production, and a persistent inventory deficit of 19% compared to the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

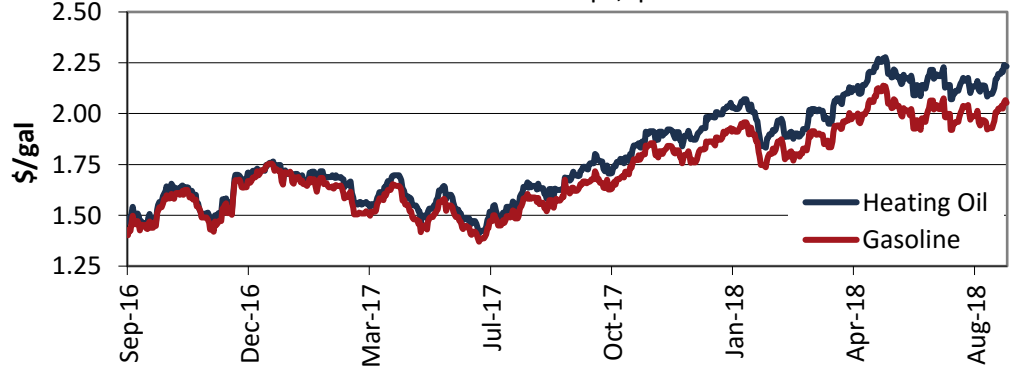


NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$68.01	\$66.80	\$70.12	\$43.82
date	8/31/18	8/24/18	5/21/18	6/21/17
change from last close		1.8%	-3.0%	55%

US STORAGE (in million bbls)		crude oil
domestic stocks as of	8/24/18	406
gain / loss from previous week		-2.6
comparison to historic range		within

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

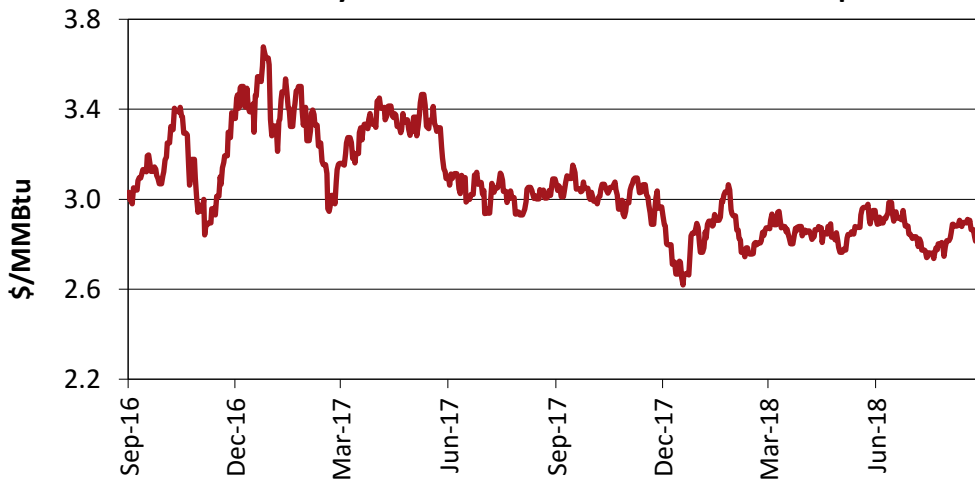


NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.23	\$2.19	\$2.28	\$1.41
date	8/31/18	8/24/18	5/23/18	6/21/17
change from last close		1.5%	-2%	58%

US STORAGE (in million bbls)		distillate	propane	gasoline
domestic stocks as of	8/24/18	130	71	233
gain / loss from previous week		-0.8	2.6	-1.6
comparison to historic range		within	within	within

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



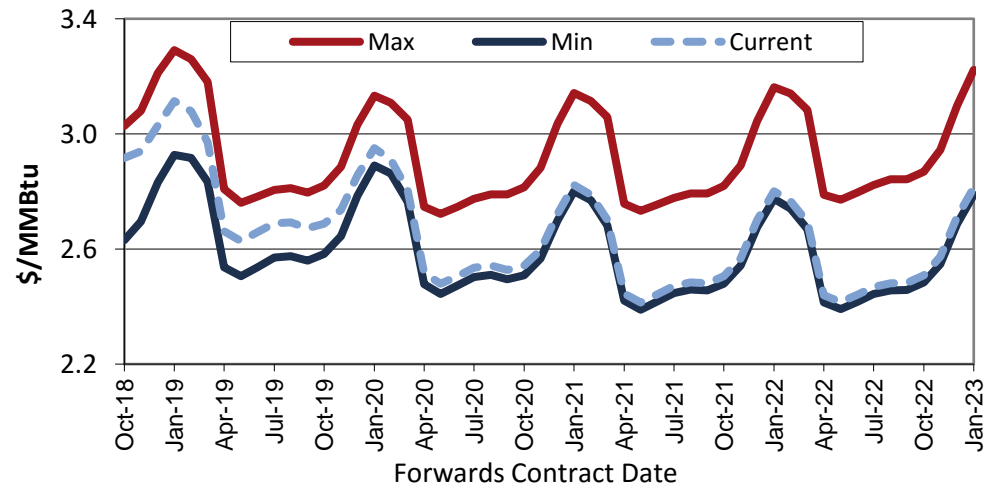
NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$2.84	\$2.86	\$3.70	\$2.61
date	8/31/18	8/24/18	12/28/16	12/21/17
change from last close		-1.0%	-23%	9%

CES SCORE

12 month	49
18 month	56
24 month	64
36 month	74

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



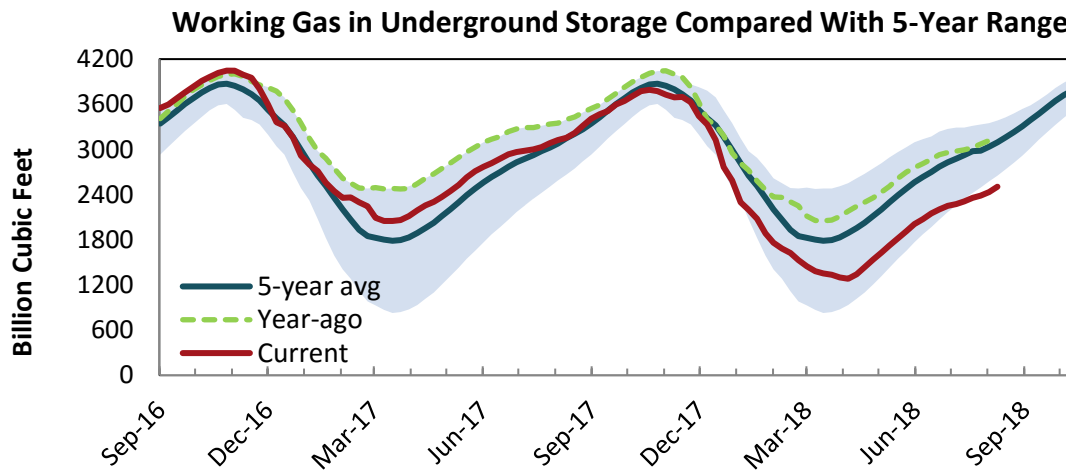
FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBTu)	\$2.84	\$2.83	\$2.75	\$2.69

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	8/17/18	2,435	
Most Recent Stock Level	8/24/18	2,505	
Year-ago Stock Level		3,151	-20.5%
5-Year Average Stock Level		3,093	-19.0%
Most Recent Net Change	8/24/18	70	
Year-Ago Net Change		32	119%
5-Year Average Net Change		59	19%

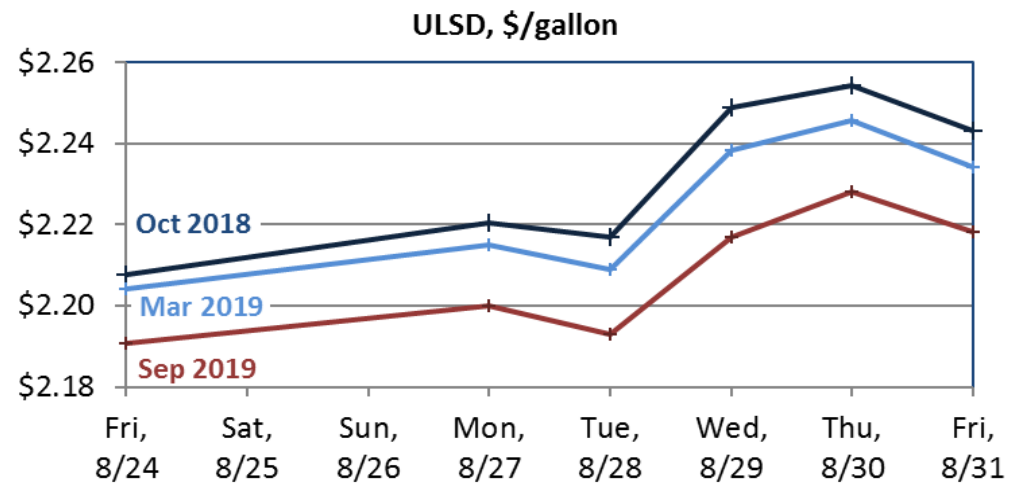
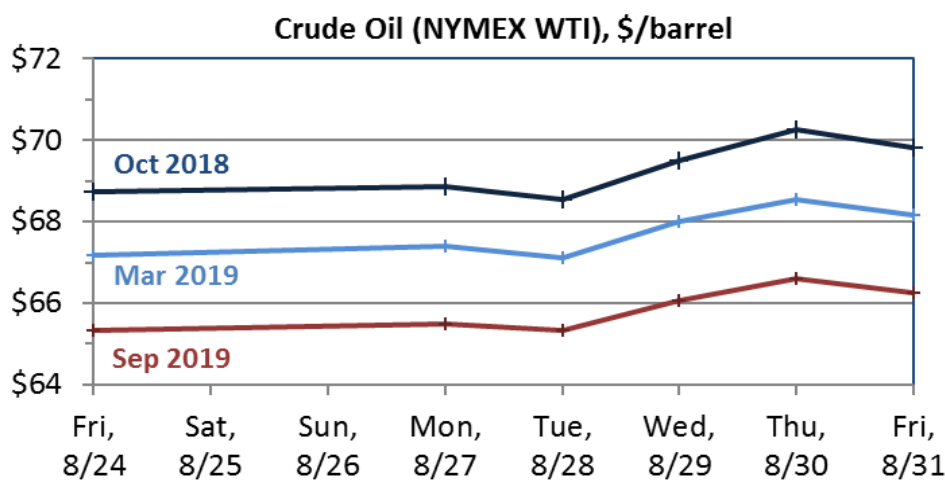
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

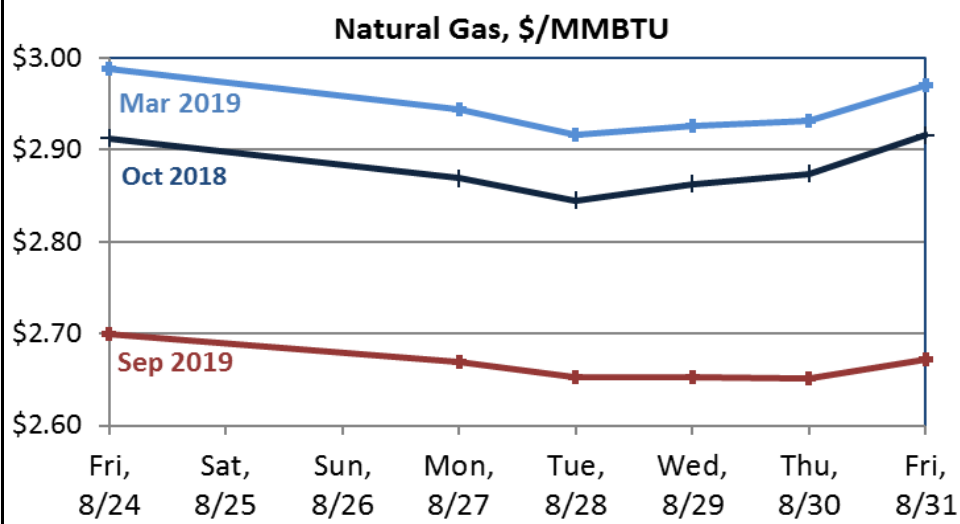
NYMEX Futures Summary Statistics

	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	Sep-18	8/21/18	\$67.35	Oct-18	\$69.80	Oct-18	\$69.80	Sep-19	\$66.25	\$68.77
Heating oil	Sep-18	8/31/18	\$2.24	Oct-18	\$2.24	Jan-19	\$2.25	Jun-19	\$2.21	\$2.24
Natural gas	Sep-18	8/29/18	\$2.90	Oct-18	\$2.92	Jan-19	\$3.11	May-19	\$2.63	\$3.04

NYMEX End-of-Day Settlements



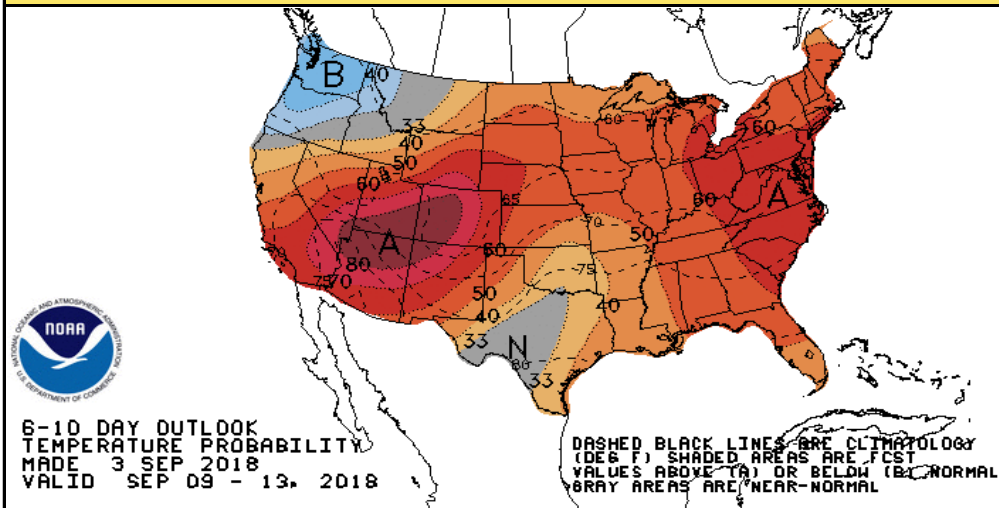
Crude oil prices climbed last week, jumping mid-week after the EIA reported a decline of 2.6M barrels in crude stocks. Stocks had fallen almost 6M barrels in the previous week's report, and domestic production seems to have hit a plateau of 11M barrels per day. In combination, this painted a picture of limited supply and on Thursday the prompt month WTI contract ended the day above \$70 for the first time since July. Crude prices climbed above \$71 in Tuesday intraday trading as workers evacuated oil platforms in the Gulf of Mexico ahead of Tropical Storm Gordon, which is expected to strengthen to hurricane status and reach the Gulf region Tuesday evening.



Natural gas prices slipped early last week but recovered losses by Friday afternoon. A late-summer heatwave across the North- and Southeast raised concerns that high demand would suppress forthcoming storage injections; meanwhile, rising production continued to set records at over 80 Bcf/d, according to Platts. As a result, the persistent storage deficit, now 19% compared to the 5-year average, has done little to raise prices outside of a roughly 30-cent range. Exports are expected to continue rising as pipeline and LNG infrastructure expands, despite uncertainty in North American trade negotiations and potential Chinese tariffs on U.S. LNG shipments. October futures were little changed week-over-week, closing on Friday afternoon at \$2.92/MMbtu.

The National Weather Service near-term forecast calls for above-normal temperatures for the continental US except the Pacific Northwest. 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 Sep 9 - 13

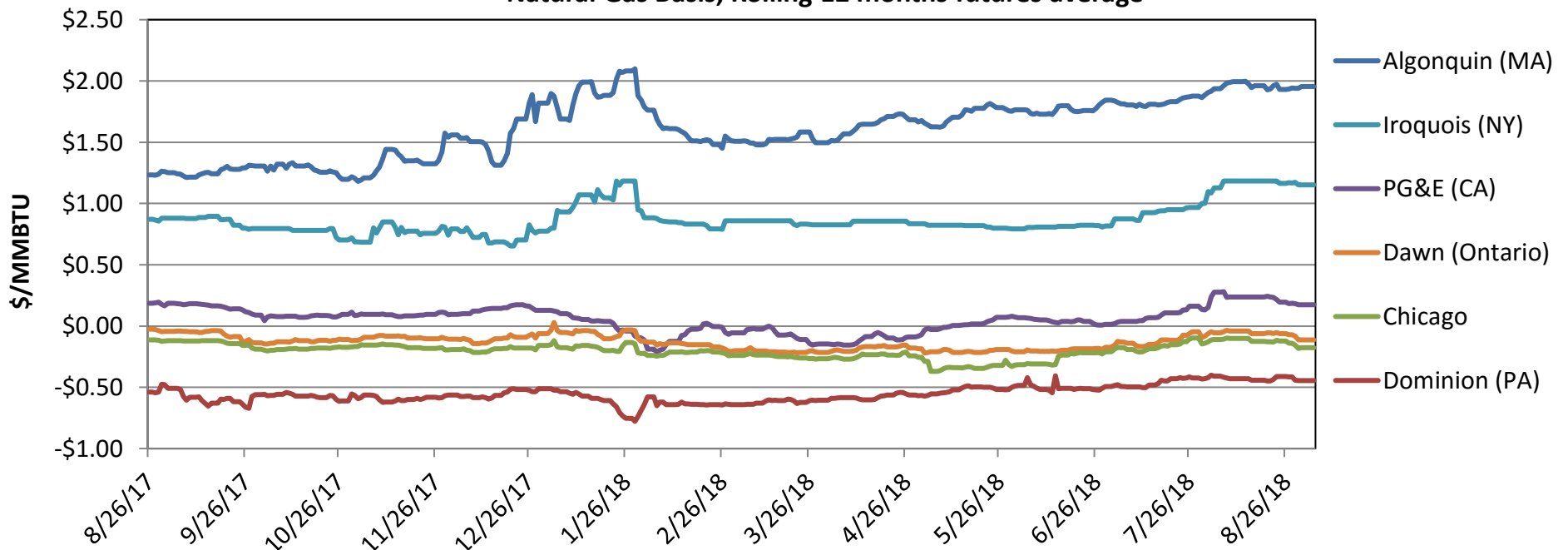
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

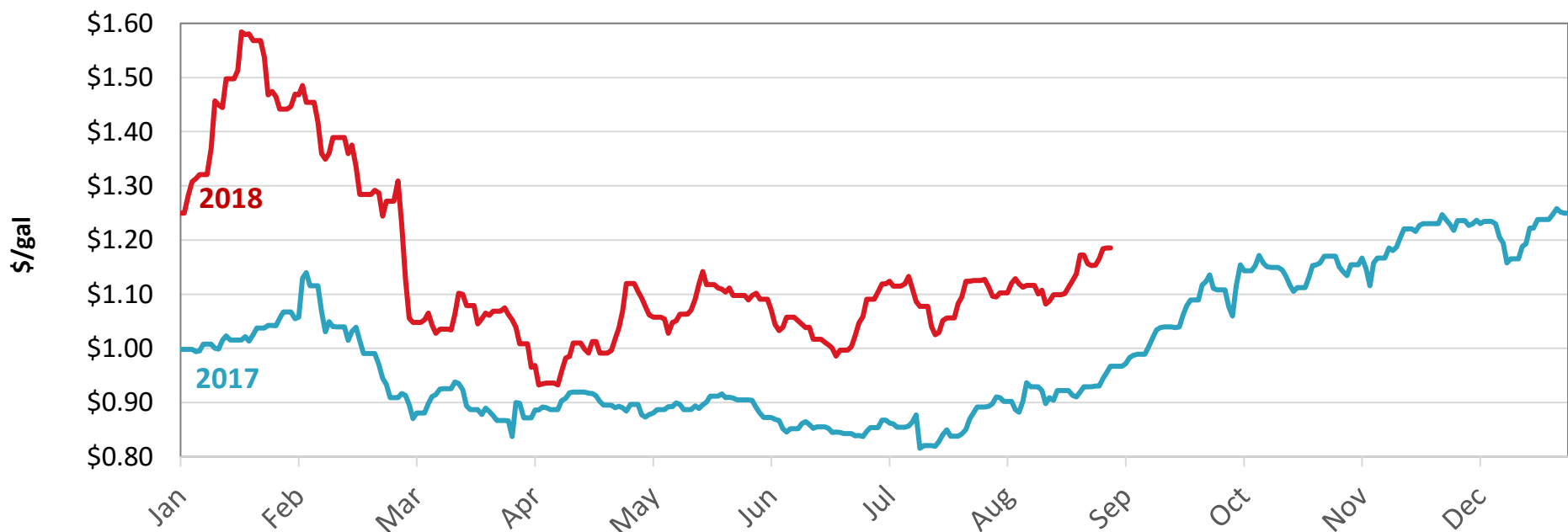
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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	
		8/27/18	8/28/18	8/29/18	8/30/18	8/31/18	9/1/18	9/2/18		
Power (\$/MWh)	Maine RT On Pk	70	114	90	50	36			72	
	Maine RT Off Pk	35	38	31	33	25	25	28	31	
	NH RT On Pk	72	121	93	51	36			75	
	NH RT Off Pk	36	39	35	34	26	26	29	32	
	Vermont RT On Pk	72	120	92	50	35			74	
	Vermont RT Off Pk	36	39	35	34	25	25	29	32	
	Connecticut RT On Pk	71	121	92	50	35			74	
	Connecticut RT Off Pk	36	38	35	34	25	25	28	32	
	Rhode Island RT On Pk	71	122	93	50	35			74	
	Rhode Island RT Off Pk	36	38	35	34	25	25	28	32	
	NE Mass RT On Pk	72	123	94	51	35			75	
	NE Mass RT Off Pk	36	39	35	34	26	26	29	32	
	SE Mass RT On Pk	72	123	94	51	35			75	
	SE Mass RT Off Pk	36	39	35	34	26	25	29	32	
	WC Mass RT On Pk	72	122	93	51	35			74	
	WC Mass RT Off Pk	36	39	35	34	26	26	29	32	
		New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg	
	Capital RT On Pk	61	95	56	33	32			56	
	Capital RT Off Pk	33	38	36	30	26	25	30	31	
	Central RT On Pk	59	89	54	30	31			52	
	Central RT Off Pk	31	39	34	28	24	23	27	29	
	Hudson RT On Pk	62	94	57	34	33			56	
	Hudson RT Off Pk	33	38	36	30	26	25	30	31	
	Mohawk RT On Pk	60	93	62	32	31			56	
	Mohawk RT Off Pk	32	42	35	29	25	23	28	31	
	Milwood RT On Pk	62	95	57	34	33			56	
	Milwood RT Off Pk	33	38	36	30	26	25	30	31	
	NYC RT On Pk	72	115	80	44	33			69	
	NYC RT Off Pk	33	39	42	36	33	26	32	34	
			PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
		Eastern Hub On Pk	70	64	50	38	38			52
Eastern Hub Off Pk		22	26	29	27	27	27	27	27	
Western Hub On Pk		49	63	48	37	37			47	
Western Hub Off Pk		22	26	28	26	26	26	26	26	
PPL Zone On Pk		48	62	48	37	37			46	
PPL Zone Off Pk		22	25	28	26	26	26	26	25	
AEP RT On Pk		46	53	37	34	34			41	
AEP RT Off Pk		22	25	26	24	24	24	24	24	
Chicago RT On Pk		40	37	30	33	33			35	
Chicago RT Off Pk		22	24	25	22	22	22	22	23	
New Jersey Hub On Pk		49	63	49	38	38			47	
New Jersey Hub Off Pk		22	26	29	27	27	27	27	26	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
		SoCal Edison RT On Pk	41	35	40	31	23			34
	SoCal Edison RT Off Pk	28	29	29	26	25	24	26	27	
		8/27/18	8/28/18	8/29/18	8/30/18	8/31/18	9/1/18	9/2/18	Avg	
Natural Gas \$/MMBtu	Henry Hub, LA	2.98	2.98	2.98	2.95	2.96			2.97	
	TZ6, MA	3.70	4.00	3.36	2.79	3.07			3.38	
	Algonquin, MA	3.83	4.08	3.57	2.84	3.12			3.49	
	Chicago Hub, IL	2.85	2.80	2.73	2.73	2.75			2.77	
	New York, NY	2.87	2.92	2.82	2.68	2.65			2.79	
	Dominion South, PA	2.65	2.67	2.68	2.64	2.53			2.63	
	Opal Hub, WY	2.31	2.34	2.31	2.31	2.30			2.31	
	PG&E Citygate, CA	3.14	3.15	3.19	3.16	3.14			3.16	