



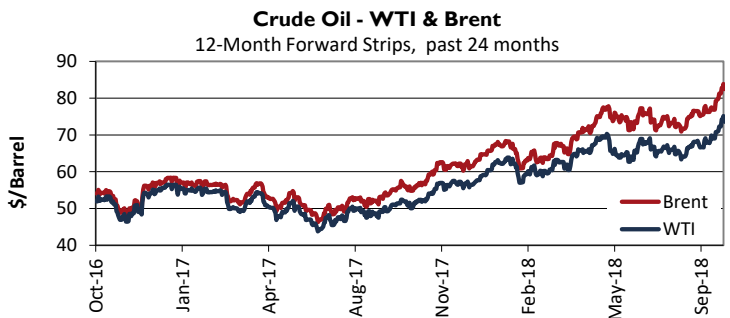
Competitive Energy Services Weekly Market Summary

October 1 - 5, 2018

Synopsis of Last Week's Energy Markets

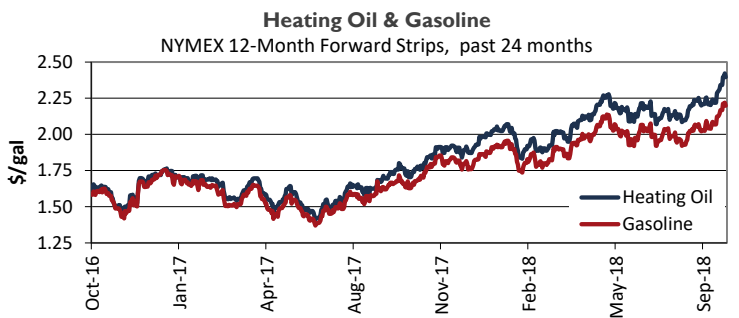
Over the past four weeks, crude oil contracts for the next twelve months have gained 10-15%. Markets overlooked bearish factors last week, instead continuing to anticipate the loss of supply due to the US sanctions against Iran. Natural gas prices rose 4% last week with forecasted gains in seasonal demand. Storage remains on track to end the injection season at 15-year lows despite a surprisingly strong weekly build.

Oil Market



NYMEX WTI	last close	previous week	24-month high	24-month low
12 month strip, \$/bbl	\$73.64	\$72.31	\$75.39	\$43.82
date	10/5/18	9/28/18	10/3/18	6/21/17
change from last close		1.8%	-2.3%	68%

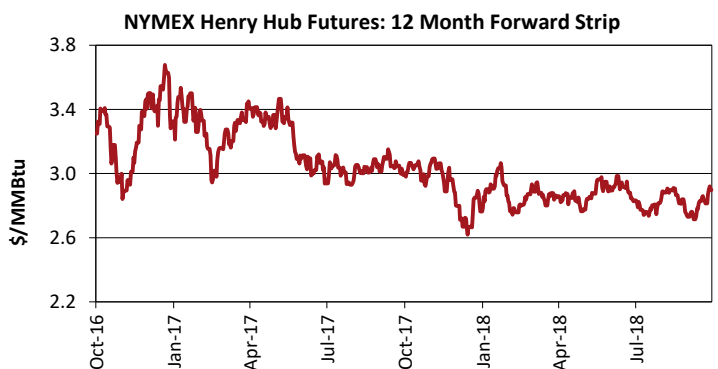
US STORAGE (in million bbls)	crude oil
domestic stocks as of	9/28/18
	404
gain / loss from previous week	8.0
comparison to historic range	within



NYMEX Heating Oil	last close	previous week	24-month high	24-month low
12 month strip, \$/gal	\$2.38	\$2.34	\$2.43	\$1.41
date	10/5/18	9/28/18	10/3/18	6/21/17
change from last close		1.8%	-2%	69%

US STORAGE (in million bbls)	distillate	propane	gasoline
domestic stocks as of	9/28/18		
	136	79	235
gain / loss from previous week	-1.8	2.4	-0.5
comparison to historic range	within	within	above

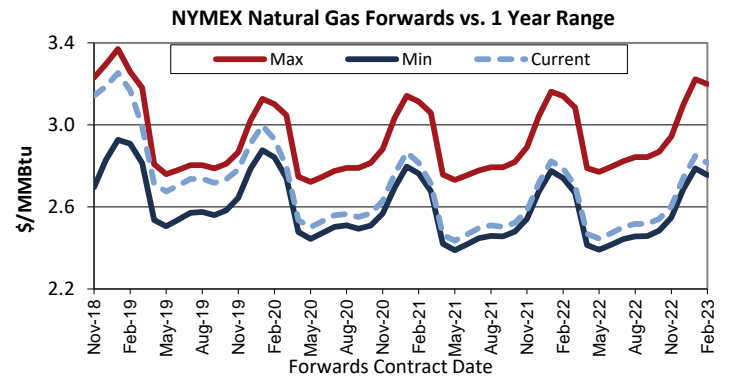
Natural Gas Market



NYMEX PRICING	last close	previous week	24-month high	24-month low
12 mo. strip, \$/MMBTu	\$2.90	\$2.81	\$3.70	\$2.61
date	10/5/18	9/28/18	12/28/16	12/21/17
change from last close		2.9%	-22%	11%

CES SCORE	
12 month	31
18 month	41
24 month	50
36 month	62

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.



FORWARDS	12 month	18 month	24 month	36 month
strip (\$/MMBTu)	\$2.90	\$2.87	\$2.79	\$2.73

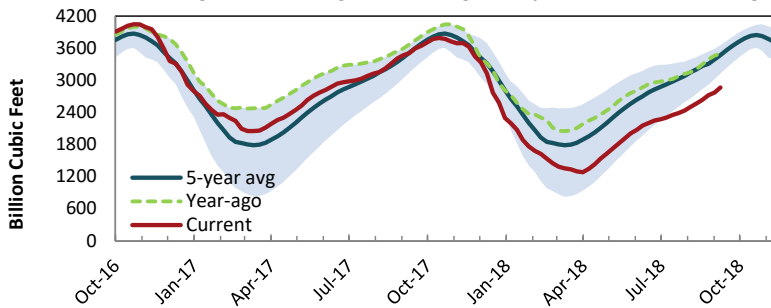
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12 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	9/21/18	2,768	
Most Recent Stock Level	9/28/18	2,866	
Year-ago Stock Level		3,502	-18.2%
5-Year Average Stock Level		3,473	-17.5%
Most Recent Net Change	9/28/18	98	
Year-Ago Net Change		44	123%
5-Year Average Net Change		84	17%

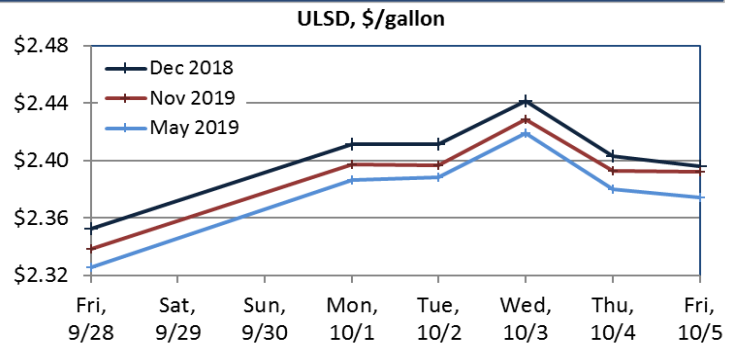
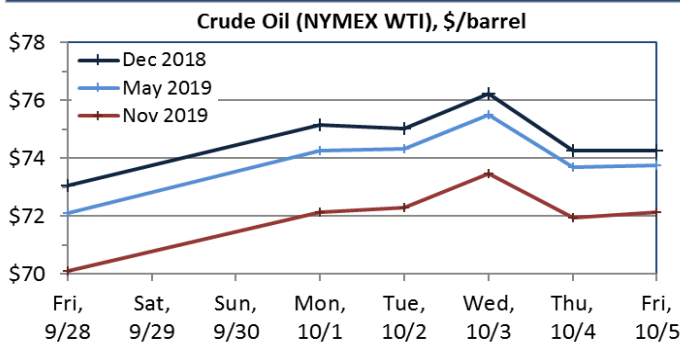
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

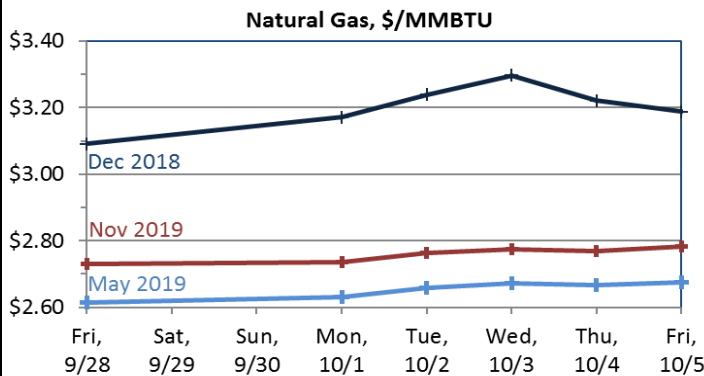
NYMEX Futures Summary Statistics

	Last Expired Contract	Exp. Date	Price	Prompt Month	Price	Most Expensive Next 12 Months	Price	Least Expensive Next 12 Months	Price	Next Winter Avg (Nov19-Mar20)
Crude oil	Oct-18	9/20/18	\$70.80	Nov-18	\$74.34	Nov-18	\$74.34	Oct-19	\$72.45	\$71.43
Heating oil	Oct-18	9/28/18	\$2.35	Nov-18	\$2.39	Jan-19	\$2.40	Jun-19	\$2.37	\$2.39
Natural gas	Oct-18	8/29/18	\$3.02	Nov-18	\$3.14	Jan-19	\$3.24	May-19	\$2.68	\$2.88

NYMEX End-of-Day Settlements



Crude oil prices rose for a fourth straight week as the November 4 deadline for Iran sanctions looms. The sanctions are projected to curb roughly 1.5M barrels per day of Iran's production. On the bearish side, it was revealed last week that Saudi Arabia and Russia made a private agreement in September to increase production, which helped to bring down prices on Thursday. The two have an estimated 1.2M barrels per day of spare capacity. Markets also ignored a very bearish storage report on Wednesday. The EIA reported that crude stocks jumped by 8M barrels, the largest weekly gain since March 2017. Crude prices have trended up since mid-August and are now at 4-year highs.



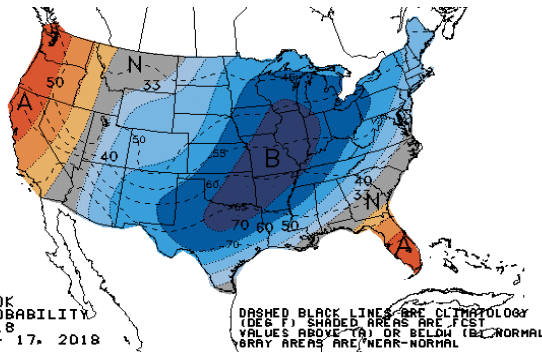
Natural gas prices rose 13 cents last week with the close of the injection season approaching and no expectation that record-high production will diminish the domestic storage deficit. Markets advanced early in the week as forecasts indicate that demand will rise as regional temperatures fall but lingering warmth in the East fuels late-season cooling demand. Prices retreated on Thursday after the EIA released their weekly inventory estimates, which showed an uncharacteristically strong storage build. Nonetheless, stocks remain 18% behind the 5-year average and could end the injection season at the lowest levels since 2003 following strong demand for generation and exports this summer. November futures closed at \$3.14/Dth on Friday afternoon but surged on Monday morning, approaching \$3.30/Dth in intraday trading.

The National Weather Service near-term forecast calls for below average temperatures throughout the Midwest and along the Eastern Seaboard. The natural gas market scores on page 1 declined from the previous week. Clients with electricity or natural gas contracts expiring in 2018 and 2019 should consult with a CES representative for customized guidance.

National Weather Service Forecast



6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 7 OCT 2018
VALID OCT 13 - 17, 2018



6 - 10 Day Forecast for Oct 13 - 17

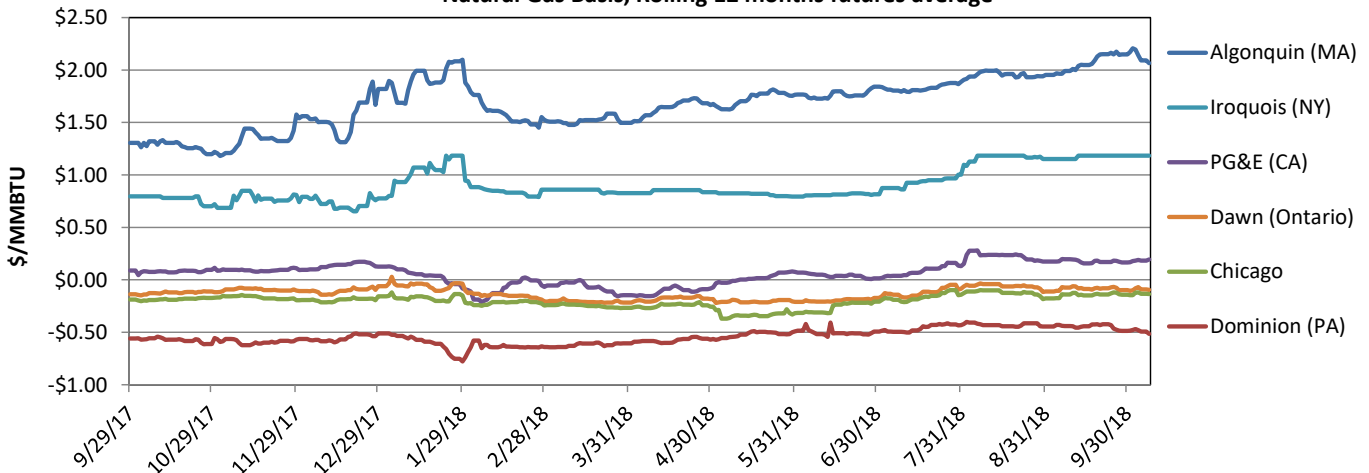
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

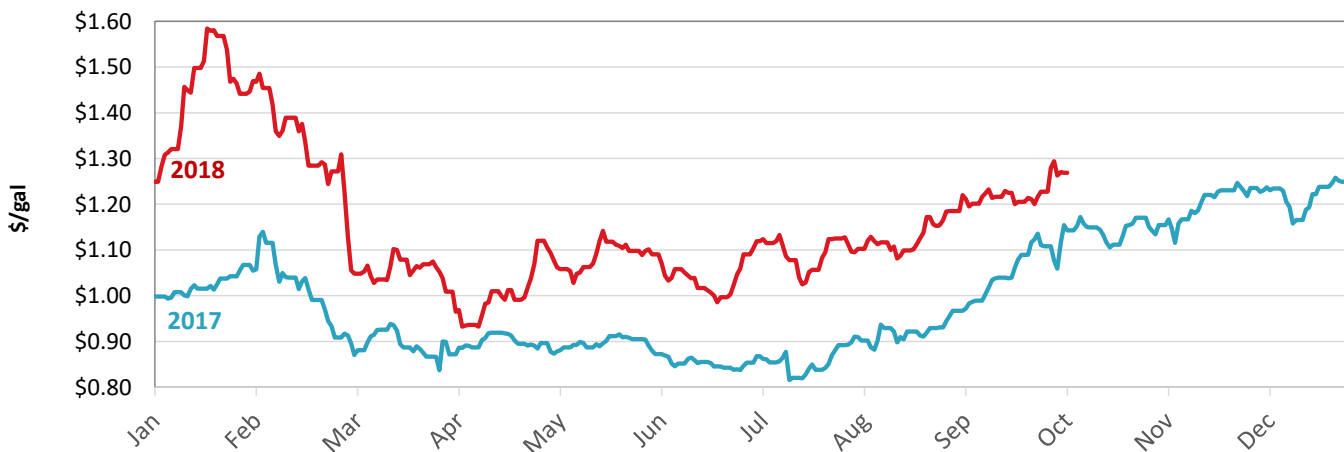
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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)								
		10/1/18	10/2/18	10/3/18	10/4/18	10/5/18	10/6/18	10/7/18	Avg	
Power (\$/MWh)	Maine RT On Pk	51	40	33	40	55			44	
	Maine RT Off Pk	32	42	25	27	32	50	36	35	
	NH RT On Pk	52	41	34	41	56			45	
	NH RT Off Pk	32	42	25	27	32	50	36	35	
	Vermont RT On Pk	51	40	33	39	53			43	
	Vermont RT Off Pk	31	41	24	26	31	48	35	34	
	Connecticut RT On Pk	50	40	33	40	53			43	
	Connecticut RT Off Pk	31	41	24	27	31	48	35	34	
	Rhode Island RT On Pk	51	41	33	40	54			44	
	Rhode Island RT Off Pk	31	41	24	27	32	48	35	34	
	NE Mass RT On Pk	52	41	34	41	56			45	
	NE Mass RT Off Pk	32	42	25	27	32	50	36	35	
	SE Mass RT On Pk	51	41	34	40	55			44	
	SE Mass RT Off Pk	32	42	25	27	32	49	35	35	
	WC Mass RT On Pk	51	41	33	40	54			44	
	WC Mass RT Off Pk	32	42	25	27	32	49	35	34	
			New York ISO Real Time Power Pricing By Zone (\$/MWh)							Avg
Power (\$/MWh)	Capital RT On Pk	116	45	21	30	34			49	
	Capital RT Off Pk	34	22	24	18	26	31	28	26	
	Central RT On Pk	30	15	19	29	33			25	
	Central RT Off Pk	32	16	21	17	25	29	26	24	
	Hudson RT On Pk	58	(4)	21	31	35			28	
	Hudson RT Off Pk	34	20	23	18	27	31	28	26	
	Mohawk RT On Pk	31	15	15	28	34			24	
	Mohawk RT Off Pk	32	16	21	18	26	29	27	24	
	Milwood RT On Pk	113	52	22	31	35			51	
	Milwood RT Off Pk	34	20	23	18	27	31	28	26	
	NYC RT On Pk	120	97	22	32	35			61	
	NYC RT Off Pk	34	21	24	19	27	31	28	26	
			PJM Real Time Power Pricing By Zone (\$/MWh)							Avg
	Power (\$/MWh)	Eastern Hub On Pk	37	44	43	51	51			45
		Eastern Hub Off Pk	39	28	34	27	27	27	27	30
Western Hub On Pk		33	31	32	33	33			33	
Western Hub Off Pk		20	22	22	28	28	28	28	25	
PPL Zone On Pk		30	29	27	29	29			29	
PPL Zone Off Pk		16	19	18	17	17	17	17	17	
AEP RT On Pk		47	41	45	40	40			43	
AEP RT Off Pk		21	25	26	24	24	24	24	24	
Chicago RT On Pk		29	34	31	24	24			28	
Chicago RT Off Pk		15	17	(5)	16	16	16	16	13	
New Jersey Hub On Pk		29	28	28	30	30			29	
New Jersey Hub Off Pk		18	22	19	22	22	22	22	21	
		California ISO Real Time Power Pricing (\$/MWh)							Avg	
Power (\$/MWh)		SoCal Edison RT On Pk	52	132	31	24	24			53
		SoCal Edison RT Off Pk	47	47	25	29	24	29	23	32
		10/1/18	10/2/18	10/3/18	10/4/18	10/5/18	10/6/18	10/7/18	Avg	
Natural Gas \$/MMBtu	Henry Hub, LA	3.14	3.15	3.26	3.39	3.28			3.24	
	TZ6, MA	3.35	3.48	3.49	3.32	2.77			3.28	
	Algonquin, MA	3.40	3.49	3.58	3.33	2.63			3.29	
	Chicago Hub, IL	2.89	2.98	3.17	3.03	2.85			2.98	
	New York, NY	1.26	1.61	2.45	2.27	1.43			1.80	
	Dominion South, PA	1.22	1.44	2.21	1.76	1.55			1.64	
	Opal Hub, WY	2.19	2.48	2.82	2.75	2.53			2.55	
	PG&E Citygate, CA	3.45	3.50	3.51	3.38	3.31			3.43	