



Competitive Energy Services Weekly Market Summary

November 12 - 16, 2018

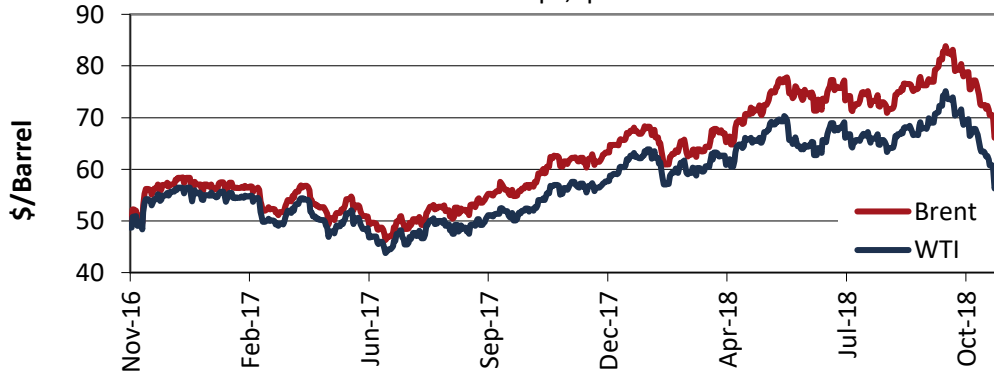
Synopsis of Last Week's Energy Markets

Crude oil prices fell again; by the end of the week, the prompt month had fallen 26% since a peak on October 3rd. OPEC and Russia released production numbers showing large increases from September, offsetting lost production from Iran. On the other hand, natural gas prices soared last week as November cold threatened to strain inventories that are already at 15-year seasonal lows. December futures saw a 15% weekly gain.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

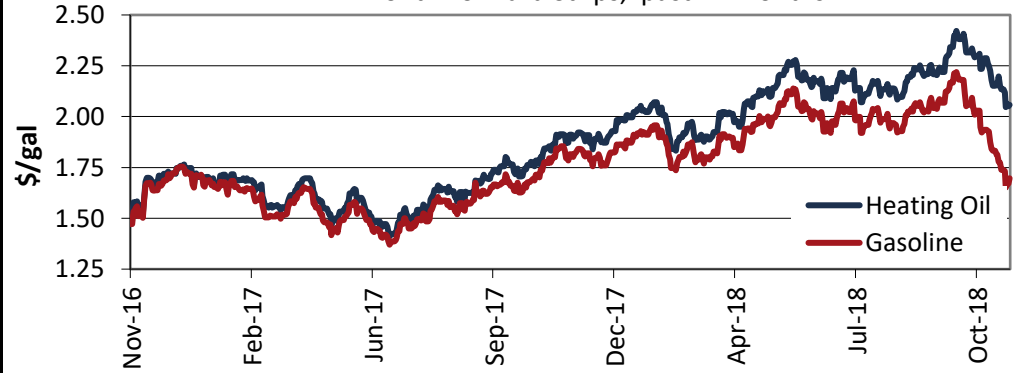


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$57.37 | \$60.77 | \$75.39 | \$43.82 |
| date | 11/16/18 | 11/9/18 | 10/3/18 | 6/21/17 |
| change from last close | | -5.6% | -23.9% | 31% |

| US STORAGE (in million bbls) | | crude oil |
|--------------------------------|---------|-----------|
| domestic stocks as of | 11/9/18 | 442 |
| gain / loss from previous week | | 10.3 |
| 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 | \$2.05 | \$2.13 | \$2.43 | \$1.41 |
| date | 11/16/18 | 11/9/18 | 10/3/18 | 6/21/17 |
| change from last close | | -4.0% | -16% | 45% |

| US STORAGE (in million bbls) | | distillate | propane | gasoline |
|--------------------------------|---------|------------|---------|----------|
| domestic stocks as of | 11/9/18 | 119 | 84 | 227 |
| gain / loss from previous week | | -3.6 | -0.8 | -1.4 |
| comparison to historic range | | within | within | above |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



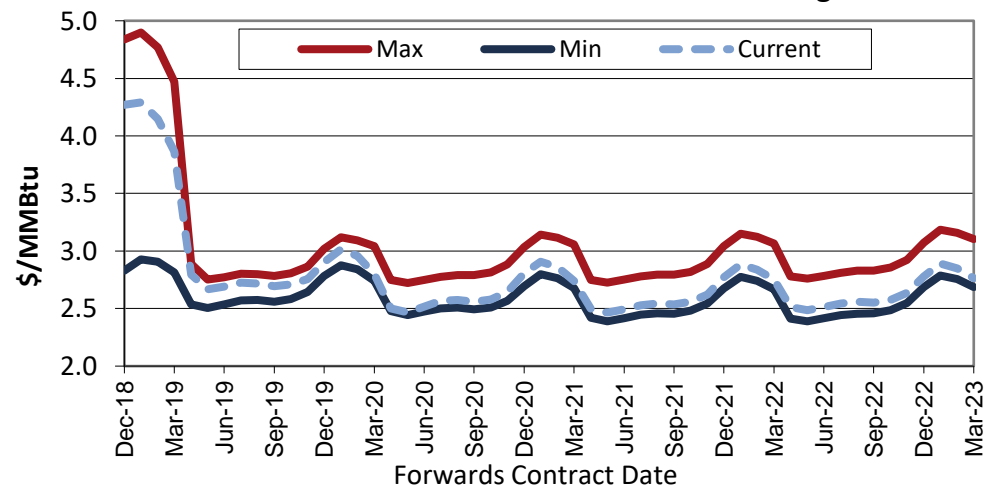
| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBtu | \$3.19 | \$3.04 | \$3.70 | \$2.61 |
| date | 11/16/18 | 11/9/18 | 12/28/16 | 12/21/17 |
| change from last close | | 5.0% | -14% | 22% |

CES SCORE

| | |
|----------|----|
| 12 month | 36 |
| 18 month | 47 |
| 24 month | 55 |
| 36 month | 61 |

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



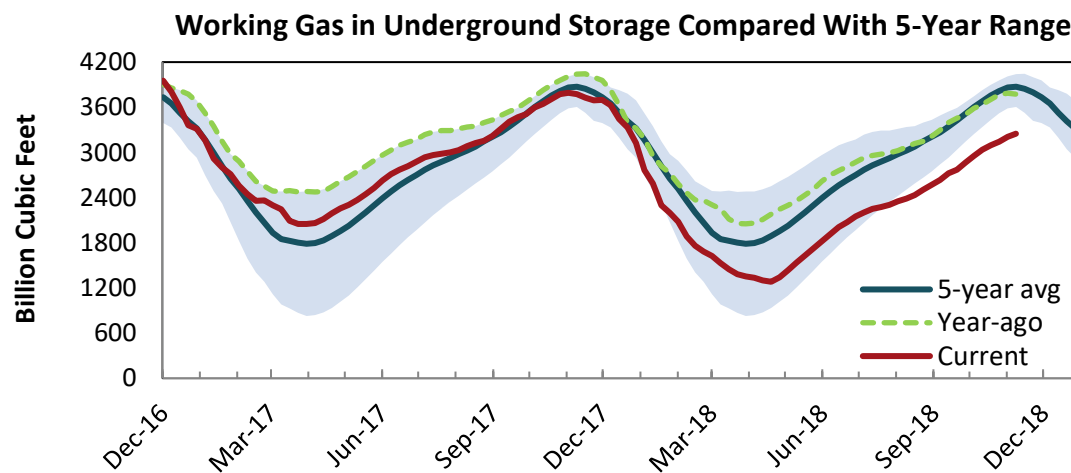
| FORWARDS | 12 month | 18 month | 24 month | 36 month |
|------------------|----------|----------|----------|----------|
| strip (\$/MMBtu) | \$3.19 | \$3.05 | \$2.93 | \$2.83 |

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 | 11/2/18 | 3,208 | |
| Most Recent Stock Level | 11/9/18 | 3,247 | |
| Year-ago Stock Level | | 3,775 | -14.0% |
| 5-Year Average Stock Level | | 3,873 | -16.2% |
| Most Recent Net Change | 11/9/18 | 39 | |
| Year-Ago Net Change | | -13 | -400% |
| 5-Year Average Net Change | | 19 | 105% |

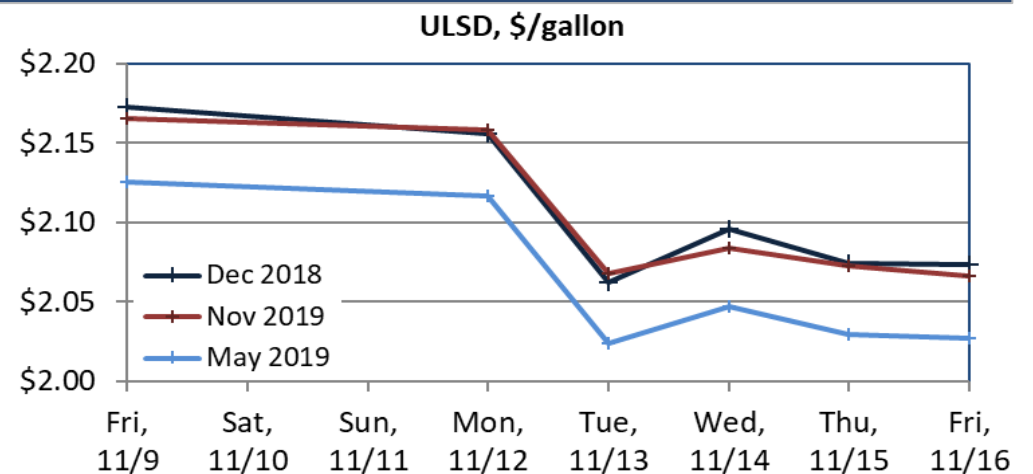
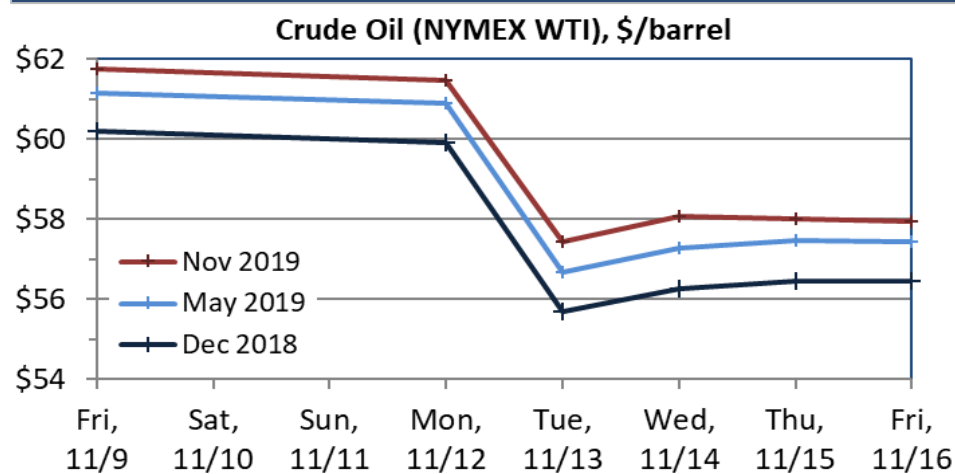
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

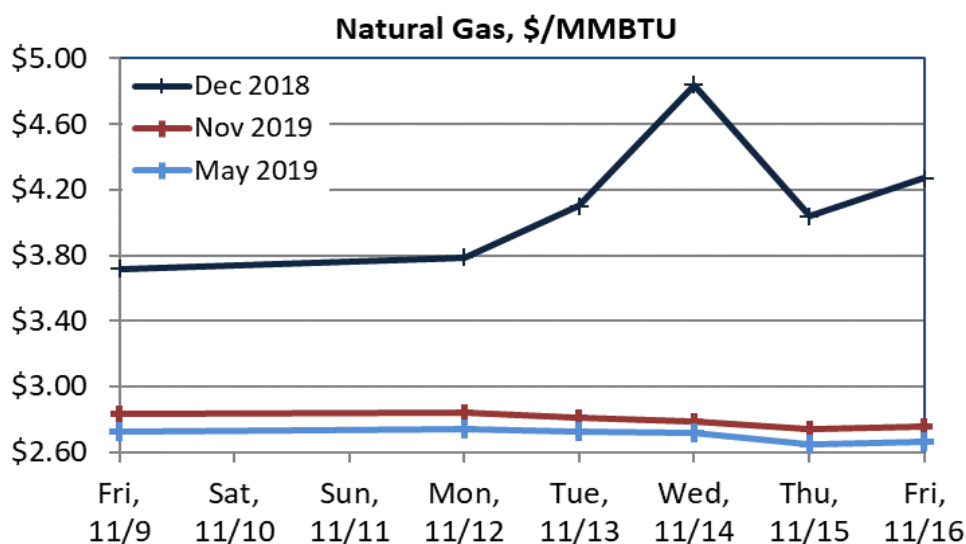
NYMEX Futures Summary Statistics

| | 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 | Nov-18 | 10/22/18 | \$69.17 | Dec-18 | \$56.46 | Nov-19 | \$57.94 | Dec-18 | \$56.46 | \$57.91 |
| Heating oil | Nov-18 | 10/31/18 | \$2.26 | Dec-18 | \$2.07 | Dec-18 | \$2.07 | Jun-19 | \$2.02 | \$2.07 |
| Natural gas | Nov-18 | 10/29/18 | \$3.19 | Dec-18 | \$4.27 | Jan-19 | \$3.72 | May-19 | \$2.72 | \$2.93 |

NYMEX End-of-Day Settlements



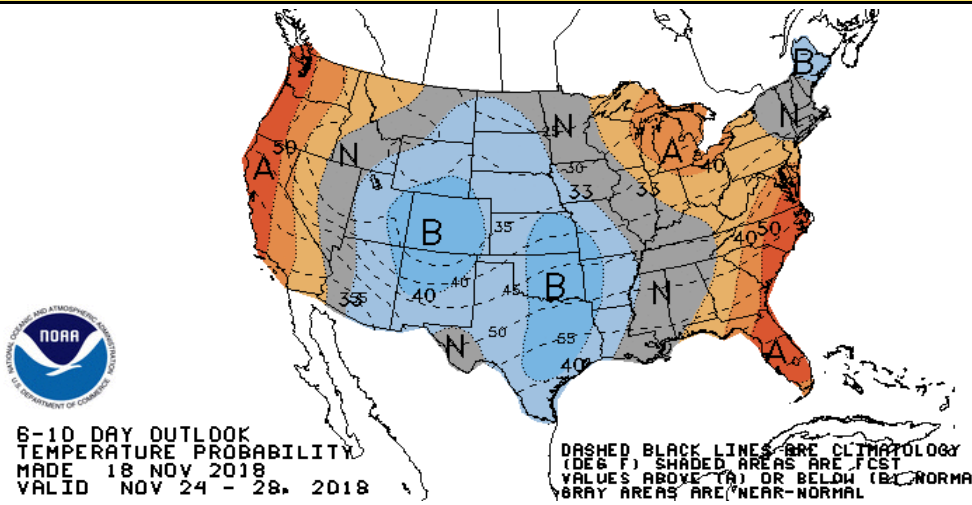
Crude oil saw the largest one-day decline in three years on Tuesday as near-term prices tumbled 7% for the day and 6% for the week. Domestically, the EIA reported that crude oil in storage gained roughly three times projections, and US production climbed to 11.7M barrels per day, adding to already-record high rates. Internationally, OPEC published its production numbers for October, showing that production from Russia, Saudi Arabia, and the United Arab Emirates climbed 320,000 barrels per day in total from September, easily offsetting Iran's 156,000 barrels per day decline. OPEC's next meeting is scheduled for December 6, where the group may opt to restore production cuts in response to falling prices.



Natural gas futures for this winter soared and volatility rose with growing concern that storage would be tight this winter. Front-month contracts gained more than 70 cents in a flurry of trading on Wednesday that sent futures to nearly \$5/Dth in intraday trading but was more than reversed on Thursday. Prices rebounded on Friday to close at \$4.27/Dth, a 15% gain over the previous week. These gains are contained to the winter strip – April 2019 futures, for instance, were nearly flat week-over-week. This week's relatively high injection did little to close the over 600-Bcf (16%) storage deficit, and next week's report is expected to show an unseasonable triple-digit withdrawal due to last week's strong heating demand.

The National Weather Service near-term forecast calls for below-average temperatures for the central part of the US, above-normal temps for the West, and a mixed forecast for the East. The natural gas market scores on page 1 declined drastically 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



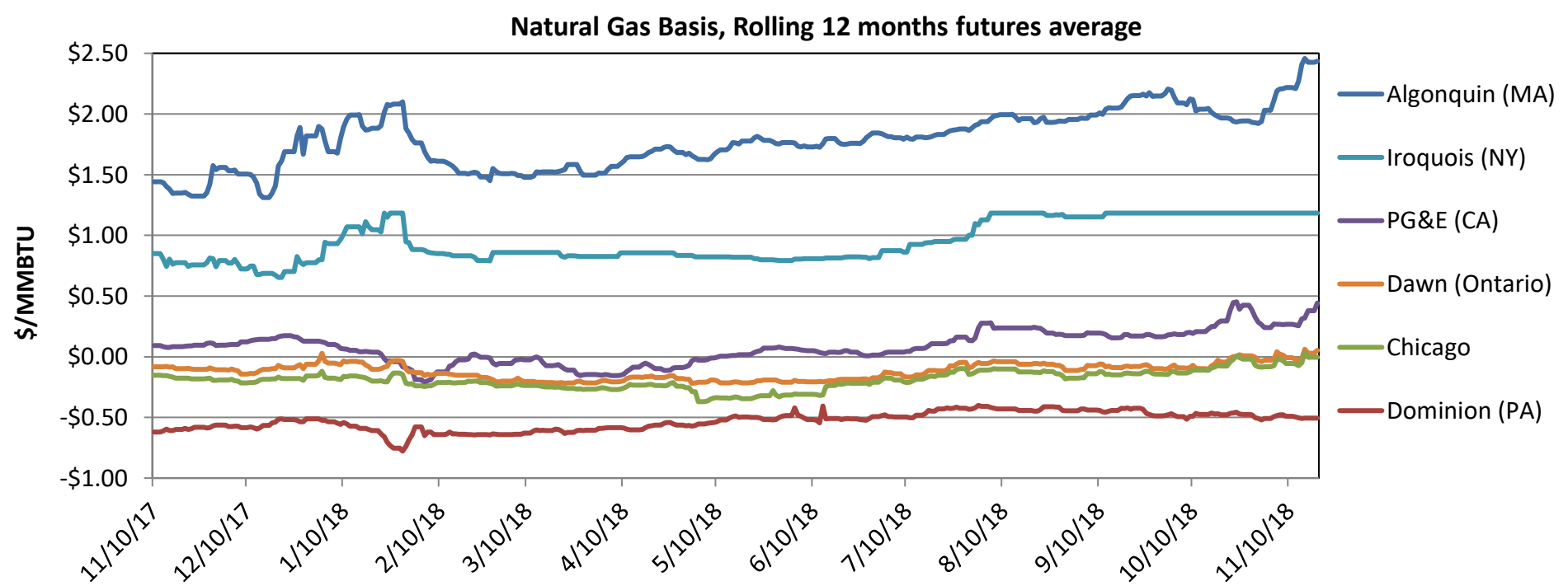
6 - 10 Day Forecast for Nov 24 - 28

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

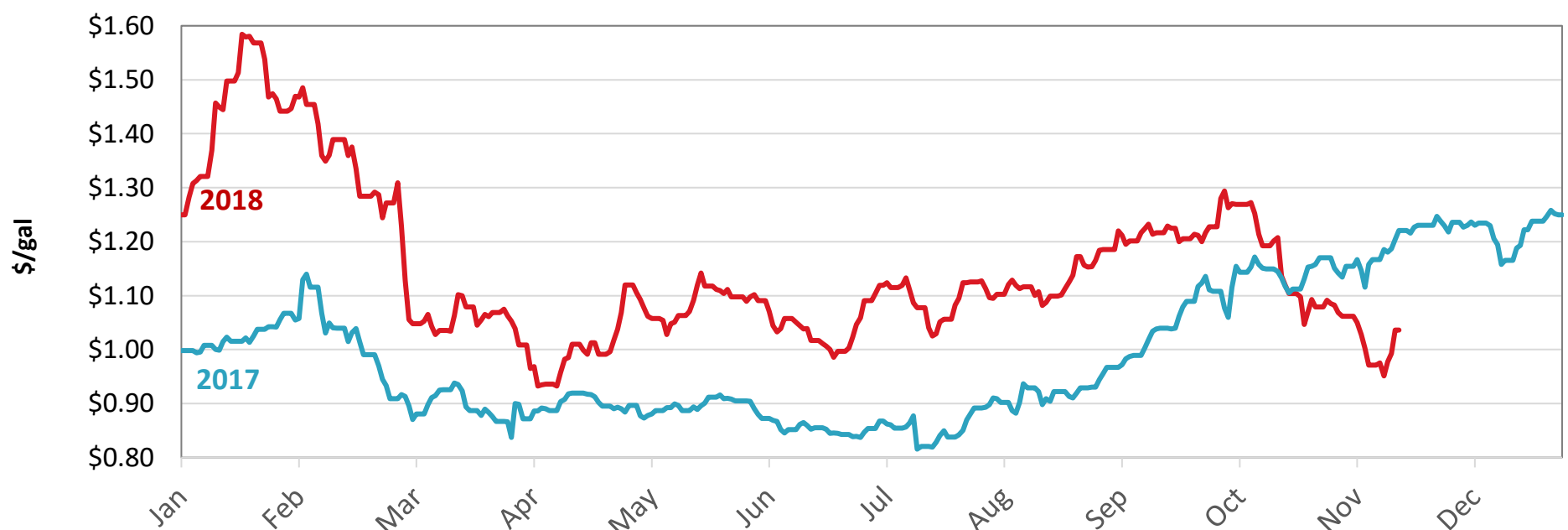
Natural Gas Basis Futures

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.



Propane

Spot propane price for Northeast US



Spot Prices

| | | New England ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg | |
|-----------------------------|-----------------------------|---|---|----------|----------|----------|----------|----------|------------|------------|
| | | 11/12/18 | 11/13/18 | 11/14/18 | 11/15/18 | 11/16/18 | 11/17/18 | 11/18/18 | | |
| Power (\$/MWh) | Maine RT On Pk | 52 | 49 | 28 | 104 | 76 | | | 62 | |
| | Maine RT Off Pk | 27 | 30 | (13) | 31 | 90 | 60 | 81 | 44 | |
| | NH RT On Pk | 53 | 54 | 51 | 104 | 77 | | | 68 | |
| | NH RT Off Pk | 28 | 32 | 12 | 52 | 90 | 62 | 81 | 51 | |
| | Vermont RT On Pk | 52 | 55 | 64 | 102 | 77 | | | 70 | |
| | Vermont RT Off Pk | 28 | 33 | 28 | 66 | 88 | 60 | 80 | 55 | |
| | Connecticut RT On Pk | 52 | 55 | 72 | 101 | 75 | | | 71 | |
| | Connecticut RT Off Pk | 28 | 33 | 37 | 72 | 88 | 60 | 77 | 57 | |
| | Rhode Island RT On Pk | 52 | 55 | 73 | 103 | 76 | | | 72 | |
| | Rhode Island RT Off Pk | 28 | 34 | 37 | 74 | 91 | 61 | 79 | 58 | |
| | NE Mass RT On Pk | 53 | 57 | 83 | 104 | 78 | | | 75 | |
| | NE Mass RT Off Pk | 28 | 34 | 48 | 83 | 91 | 62 | 81 | 61 | |
| | SE Mass RT On Pk | 52 | 55 | 75 | 104 | 77 | | | 73 | |
| | SE Mass RT Off Pk | 28 | 34 | 38 | 75 | 91 | 61 | 80 | 58 | |
| | WC Mass RT On Pk | 52 | 55 | 73 | 103 | 76 | | | 72 | |
| | WC Mass RT Off Pk | 28 | 34 | 38 | 74 | 90 | 62 | 79 | 58 | |
| | | New York ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg | |
| | | 11/12/18 | 11/13/18 | 11/14/18 | 11/15/18 | 11/16/18 | 11/17/18 | 11/18/18 | | |
| Natural Gas \$/MMBtu | Capital RT On Pk | 42 | 39 | 47 | 94 | 67 | | | 58 | |
| | Capital RT Off Pk | 28 | 34 | 29 | 44 | 89 | 37 | 31 | 42 | |
| | Central RT On Pk | 41 | 38 | 45 | 88 | 63 | | | 55 | |
| | Central RT Off Pk | 26 | 33 | 26 | 41 | 84 | 26 | 27 | 38 | |
| | Hudson RT On Pk | 43 | 40 | 48 | 94 | 67 | | | 58 | |
| | Hudson RT Off Pk | 28 | 34 | 28 | 44 | 88 | 35 | 30 | 41 | |
| | Mohawk RT On Pk | 41 | 38 | 46 | 90 | 64 | | | 56 | |
| | Mohawk RT Off Pk | 26 | 33 | 26 | 42 | 85 | 26 | 28 | 38 | |
| | Milwood RT On Pk | 43 | 40 | 48 | 94 | 67 | | | 59 | |
| | Milwood RT Off Pk | 28 | 34 | 28 | 44 | 88 | 35 | 30 | 41 | |
| | NYC RT On Pk | 44 | 39 | 49 | 94 | 68 | | | 59 | |
| | NYC RT Off Pk | 28 | 35 | 29 | 44 | 88 | 35 | 30 | 41 | |
| | | | PJM Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg |
| | | | 11/12/18 | 11/13/18 | 11/14/18 | 11/15/18 | 11/16/18 | 11/17/18 | 11/18/18 | |
| | Natural Gas \$/MMBtu | Eastern Hub On Pk | 52 | 52 | 54 | 66 | 66 | | | 58 |
| | | Eastern Hub Off Pk | 45 | 30 | 34 | 53 | 53 | 53 | 53 | 46 |
| Western Hub On Pk | | 48 | 43 | 48 | 52 | 52 | | | 49 | |
| Western Hub Off Pk | | 29 | 28 | 32 | 37 | 37 | 37 | 37 | 34 | |
| PPL Zone On Pk | | 35 | 27 | 38 | 53 | 53 | | | 42 | |
| PPL Zone Off Pk | | 24 | 26 | 26 | 38 | 38 | 38 | 38 | 33 | |
| AEP RT On Pk | | 51 | 43 | 51 | 56 | 56 | | | 51 | |
| AEP RT Off Pk | | 33 | 28 | 34 | 38 | 38 | 38 | 38 | 36 | |
| Chicago RT On Pk | | 50 | 42 | 49 | 49 | 49 | | | 48 | |
| Chicago RT Off Pk | | 27 | 27 | 29 | 18 | 18 | 18 | 18 | 22 | |
| New Jersey Hub On Pk | | 38 | 37 | 42 | 57 | 57 | | | 46 | |
| New Jersey Hub Off Pk | | 26 | 28 | 28 | 39 | 39 | 39 | 39 | 34 | |
| | | California ISO Real Time Power Pricing (\$/MWh) | | | | | | | Avg | |
| | | 11/12/18 | 11/13/18 | 11/14/18 | 11/15/18 | 11/16/18 | 11/17/18 | 11/18/18 | | |
| Natural Gas \$/MMBtu | | SoCal Edison RT On Pk | 43 | 51 | 53 | 63 | 64 | | | 55 |
| | | SoCal Edison RT Off Pk | 55 | 47 | 45 | 49 | 49 | 51 | 50 | 49 |
| | Henry Hub, LA | 3.96 | 4.10 | 4.57 | 4.69 | 4.30 | | | 4.32 | |
| | TZ6, MA | 4.56 | 8.58 | 7.98 | 5.30 | 6.61 | | | 6.61 | |
| | Algonquin, MA | 4.54 | 7.86 | 10.34 | 5.48 | 6.79 | | | 7.00 | |
| | Chicago Hub, IL | 4.04 | 4.05 | 4.58 | 4.48 | 4.24 | | | 4.28 | |
| | New York, NY | 3.80 | 4.13 | 5.11 | 4.34 | 4.46 | | | 4.37 | |
| | Dominion South, PA | 3.74 | 3.88 | 4.41 | 4.16 | 4.06 | | | 4.05 | |
| | Opal Hub, WY | 3.89 | 4.10 | 4.85 | 4.62 | 4.52 | | | 4.40 | |
| | PG&E Citygate, CA | 4.26 | 4.46 | 5.30 | 5.56 | 5.38 | | | 4.99 | |