



Competitive Energy Services Weekly Market Summary

November 26 - 30, 2018

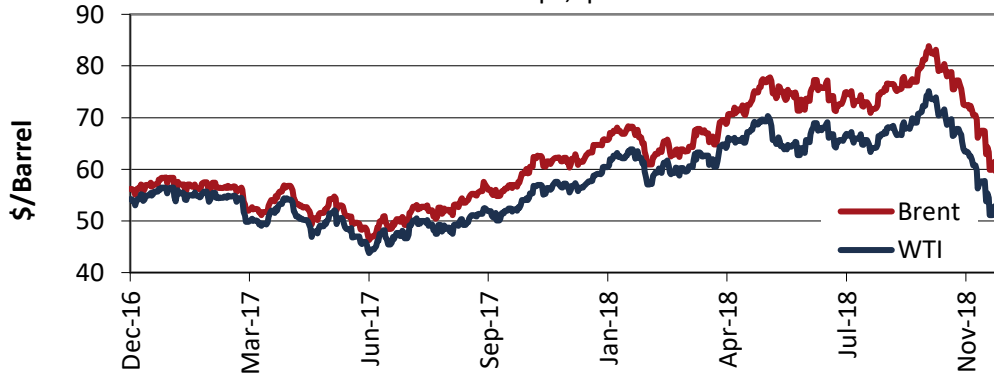
Synopsis of Last Week's Energy Markets

Crude oil prices saw a slight uptick for the first week since early October. WTI contracts for delivery during 2019 slid 30% between October 3 and the end of November but \$50 seems to be a support level for the prompt month, especially ahead of an OPEC+Russia meeting later this week. Natural gas prices rose 6% last week even as forecasts eased and production reached new highs. Concerns linger that with wide storage deficit, any winter cold could further strain inventories.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

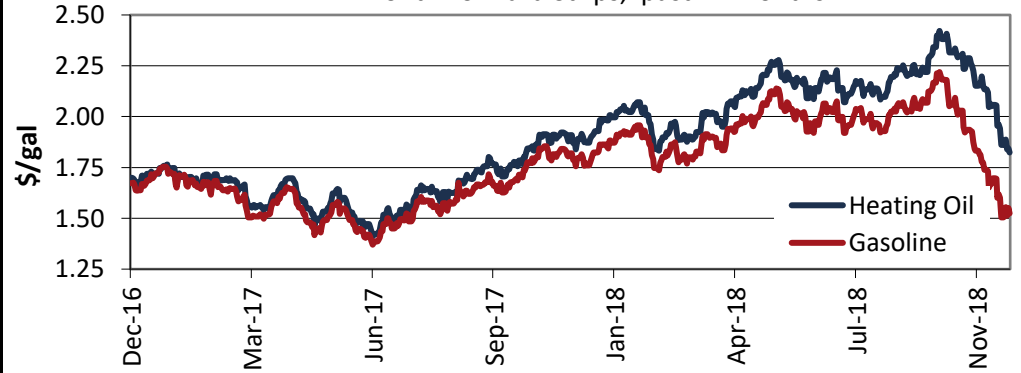


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$51.53 | \$51.08 | \$75.39 | \$43.82 |
| date | 11/30/18 | 11/23/18 | 10/3/18 | 6/21/17 |
| change from last close | | 0.9% | -31.6% | 18% |

| US STORAGE (in million bbls) | | crude oil |
|--------------------------------|----------|-----------|
| domestic stocks as of | 11/23/18 | 450 |
| gain / loss from previous week | | 3.6 |
| comparison to historic range | | within |

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

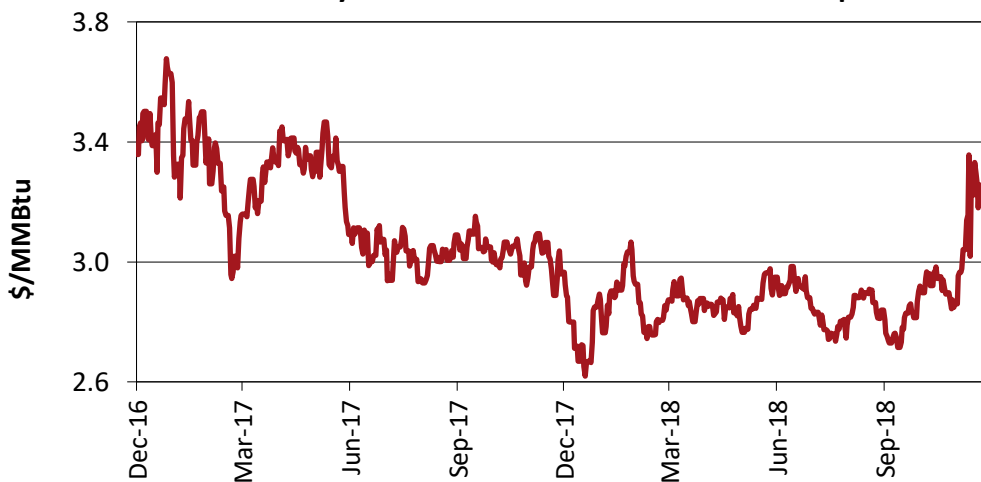


| NYMEX Heating Oil | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/gal | \$1.83 | \$1.86 | \$2.43 | \$1.41 |
| date | 11/30/18 | 11/23/18 | 10/3/18 | 6/21/17 |
| change from last close | | -1.6% | -25% | 30% |

| US STORAGE (in million bbls) | | distillate | propane | gasoline |
|--------------------------------|----------|------------|---------|----------|
| domestic stocks as of | 11/23/18 | 122 | 81 | 225 |
| gain / loss from previous week | | 2.6 | -0.6 | -0.8 |
| comparison to historic range | | within | within | above |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



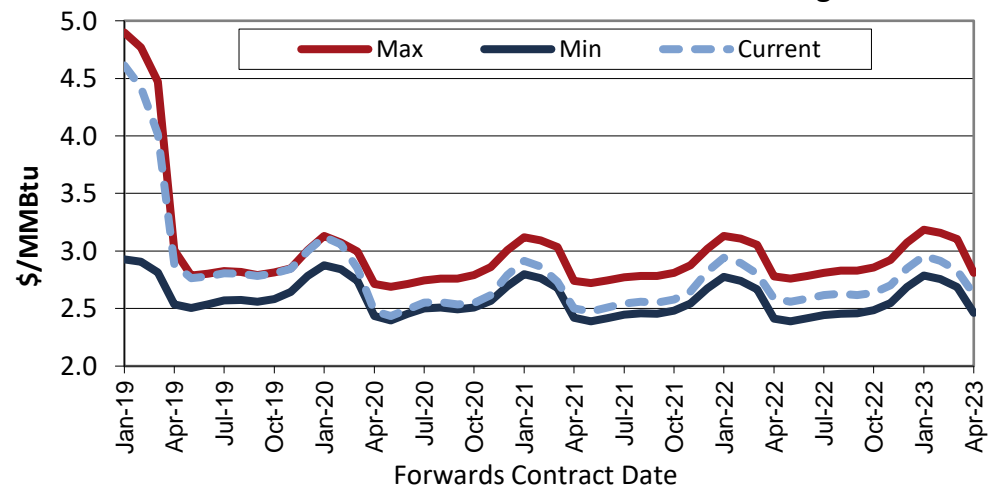
| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBtu | \$3.21 | \$3.26 | \$3.70 | \$2.61 |
| date | 11/30/18 | 11/23/18 | 12/28/16 | 12/21/17 |
| change from last close | | -1.4% | -13% | 23% |

CES SCORE

| | |
|----------|----|
| 12 month | 11 |
| 18 month | 25 |
| 24 month | 39 |
| 36 month | 50 |

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



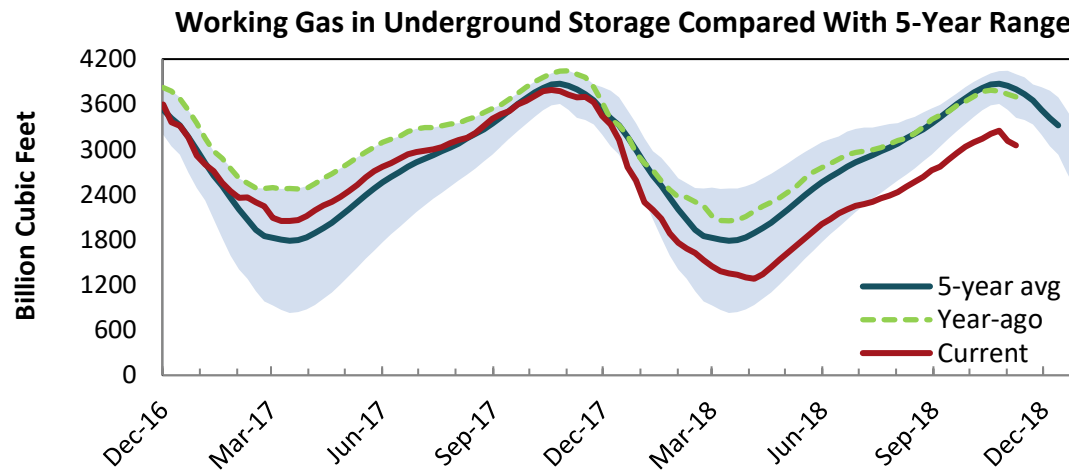
| FORWARDS | 12 month | 18 month | 24 month | 36 month |
|------------------|----------|----------|----------|----------|
| strip (\$/MMBtu) | \$3.21 | \$3.05 | \$2.94 | \$2.84 |

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 | 11/16/18 | 3,113 | | |
| Most Recent Stock Level | 11/23/18 | 3,054 | | |
| Year-ago Stock Level | | 3,698 | -17.4% | |
| 5-Year Average Stock Level | | 3,800 | -19.6% | |
| Most Recent Net Change | 11/23/18 | -59 | | |
| Year-Ago Net Change | | -35 | 69% | |
| 5-Year Average Net Change | | -49 | 20% | |

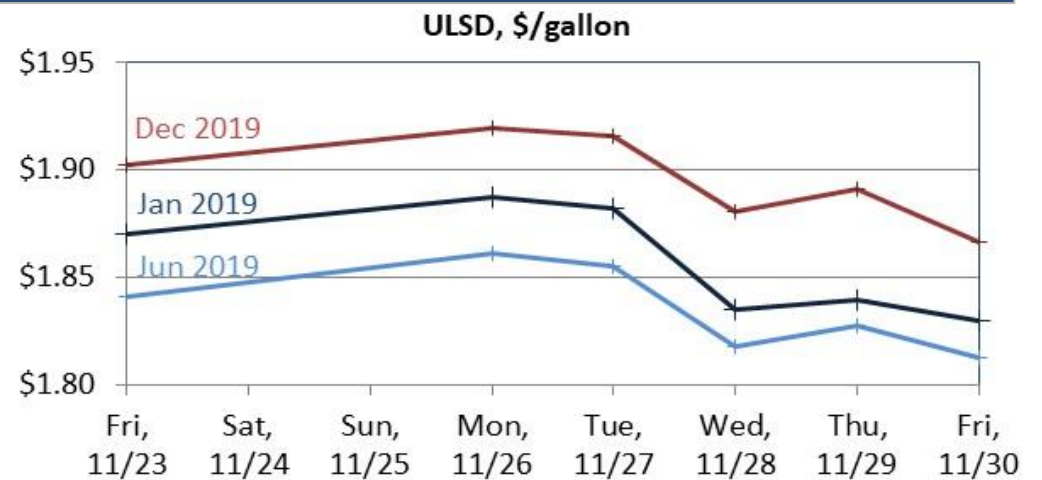
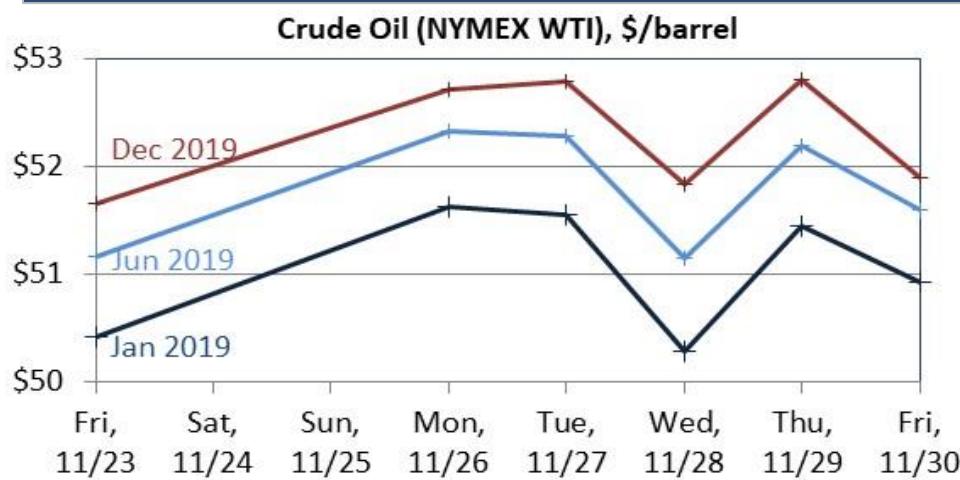
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

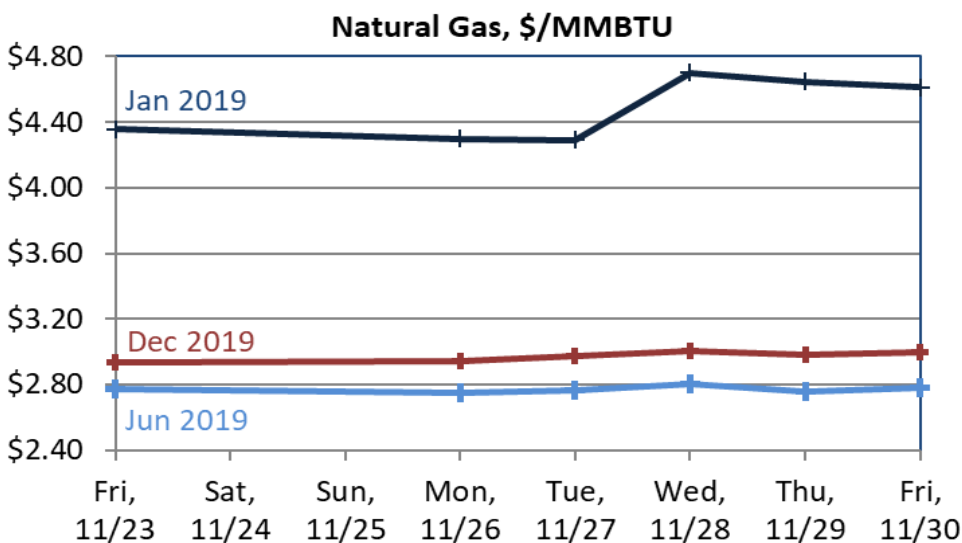
NYMEX Futures Summary Statistics

| | 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 | Dec-18 | 11/19/18 | \$56.76 | Jan-19 | \$50.93 | Dec-19 | \$51.89 | Jan-19 | \$51.09 | \$51.87 |
| Heating oil | Dec-18 | 11/30/18 | \$1.85 | Jan-19 | \$1.83 | Nov-19 | \$1.89 | May-19 | \$1.81 | \$1.87 |
| Natural gas | Dec-18 | 11/28/18 | \$4.72 | Jan-19 | \$4.61 | Jan-19 | \$4.61 | May-19 | \$2.76 | \$2.97 |

NYMEX End-of-Day Settlements



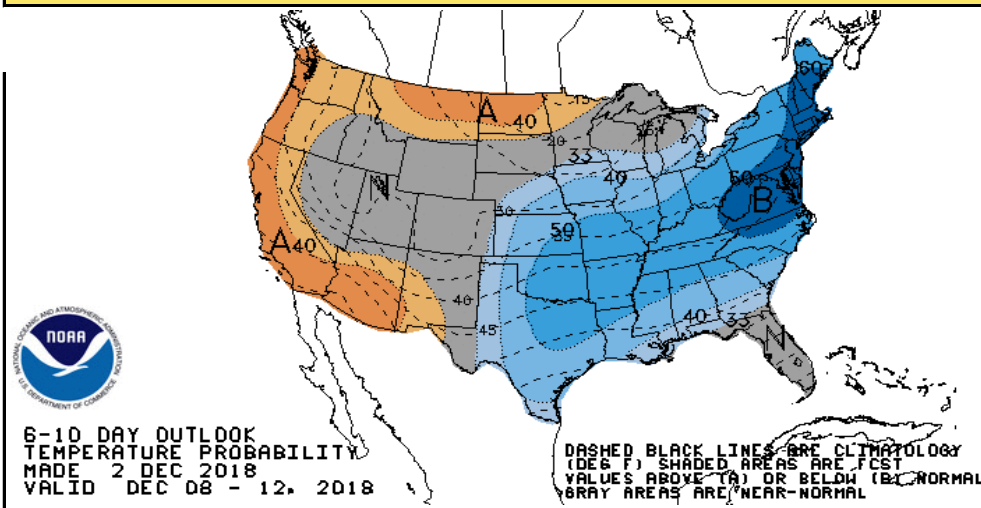
Crude oil climbed slightly overall last week. Oil prices started the week upward last Monday on speculation that Russia and Saudi Arabia would begin curbing production to rein in falling prices. However, by Wednesday WTI was tumbling again as the EIA reported a tenth straight weekly gain in domestic inventories. Prompt-month WTI briefly dipped below \$50 a barrel in intraday trading on Wednesday, but prices rebounded quickly to the \$51-52 range. OPEC and Russia will meet this Thursday, and talks could be contentious. Saudi Arabia signaled that it is ready to pull back production while Russia has been more hesitant; although they now seem to be in agreement, the size of the output cuts could be an issue.



Natural gas prices rose 6% last week, bolstered by a midweek jump in futures ahead of December contract's expiry. Futures for this winter have been volatile and sensitive both to shifting weather forecasts and storage reports, thanks to concern that high heating demand could strain inventories, which are nearly 20% behind the seasonal average. Prices slipped later in the week with forecasts for moderate temperatures across the central U.S., a bearish storage estimate from the EIA, and reports that domestic production continues to reach record-highs. December contracts expired at \$4.715/Dth, the highest settlement since spring 2014, and January contracts gained 26 cents to close at \$4.612/Dth – gains that were lost in trading on Monday morning alone.

The National Weather Service near-term forecast calls for below-average temperatures for the Eastern half of the country, especially the mid-Atlantic region. The natural gas market scores on page 1 declined again 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 Dec 8 - 12

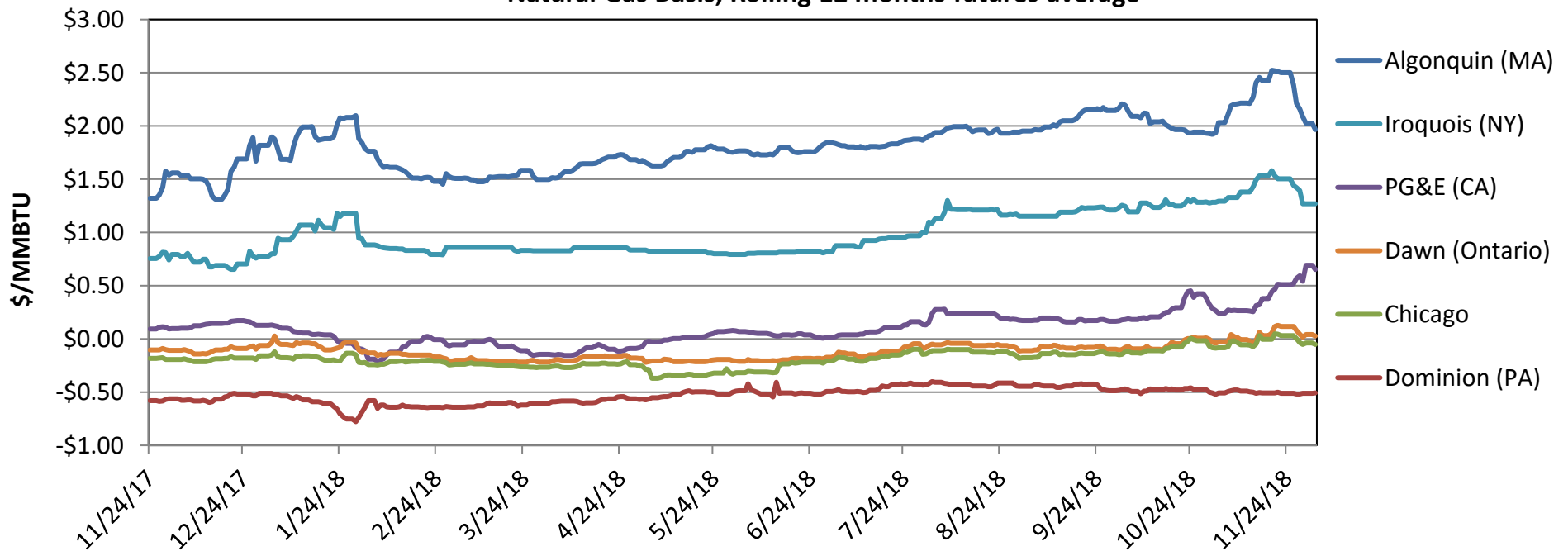
This map depicts forecasted temperatures for next week compared to the long term average. The blue/purple areas are forecast to be colder than normal, white areas are normal, and yellow/orange/red areas are warmer than normal. Abnormally hot weather in the summer and cold weather in the winter can increase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

Source: Chart from the National Weather Service Climate Prediction

Natural Gas Basis Futures

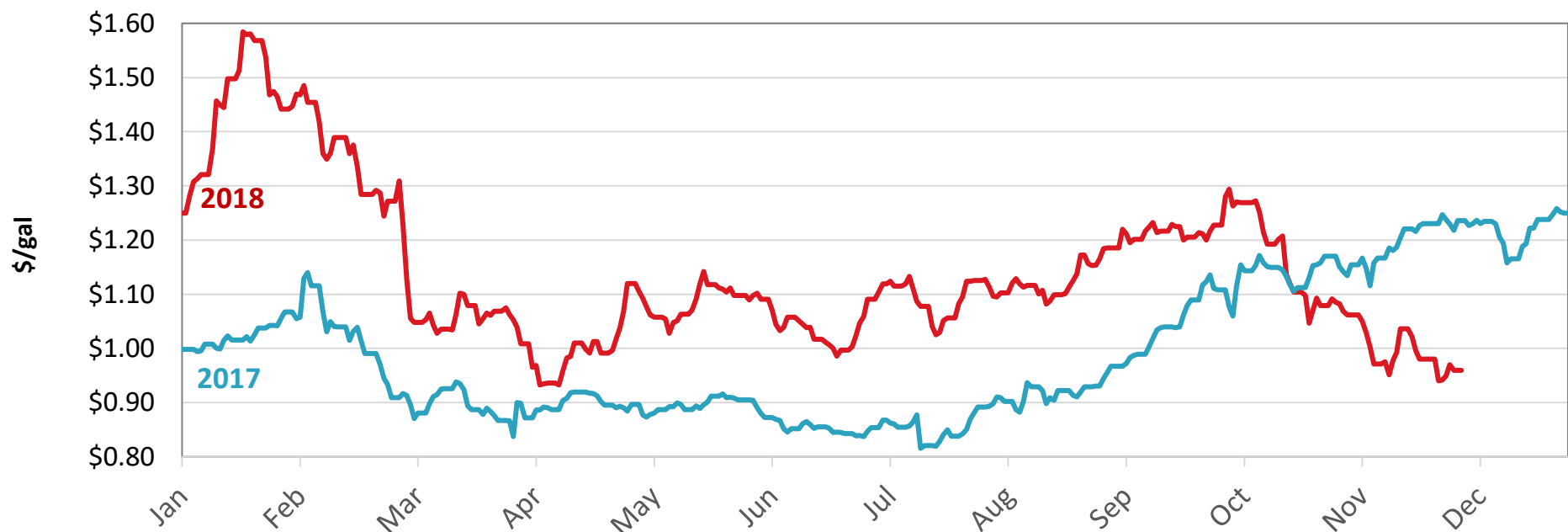
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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 | |
|-----------------------|------------------------|---|---|----------|----------|----------|----------|---------|------------|------------|
| | | 11/26/18 | 11/27/18 | 11/28/18 | 11/29/18 | 11/30/18 | 12/1/18 | 12/2/18 | | |
| Power (\$/MWh) | Maine RT On Pk | 77 | 56 | 54 | 55 | 85 | | | 65 | |
| | Maine RT Off Pk | 75 | 40 | 39 | 45 | 46 | 44 | 69 | 51 | |
| | NH RT On Pk | 77 | 57 | 54 | 56 | 85 | | | 66 | |
| | NH RT Off Pk | 75 | 41 | 40 | 47 | 47 | 44 | 69 | 52 | |
| | Vermont RT On Pk | 76 | 56 | 53 | 55 | 82 | | | 64 | |
| | Vermont RT Off Pk | 74 | 41 | 39 | 46 | 47 | 42 | 67 | 51 | |
| | Connecticut RT On Pk | 76 | 56 | 52 | 55 | 81 | | | 64 | |
| | Connecticut RT Off Pk | 74 | 41 | 39 | 46 | 46 | 42 | 67 | 50 | |
| | Rhode Island RT On Pk | 76 | 56 | 52 | 55 | 81 | | | 64 | |
| | Rhode Island RT Off Pk | 75 | 41 | 39 | 46 | 46 | 42 | 68 | 51 | |
| | NE Mass RT On Pk | 78 | 58 | 54 | 57 | 85 | | | 66 | |
| | NE Mass RT Off Pk | 76 | 41 | 40 | 47 | 47 | 44 | 69 | 52 | |
| | SE Mass RT On Pk | 77 | 57 | 53 | 56 | 83 | | | 65 | |
| | SE Mass RT Off Pk | 75 | 41 | 39 | 47 | 47 | 43 | 68 | 51 | |
| | WC Mass RT On Pk | 77 | 57 | 53 | 56 | 83 | | | 65 | |
| | WC Mass RT Off Pk | 75 | 41 | 40 | 47 | 47 | 43 | 68 | 52 | |
| | | New York ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg | |
| Power (\$/MWh) | Capital RT On Pk | 45 | 55 | 44 | 52 | 44 | | | 48 | |
| | Capital RT Off Pk | 25 | 43 | 20 | 36 | 36 | 38 | 39 | 34 | |
| | Central RT On Pk | 43 | 53 | 42 | 53 | 43 | | | 47 | |
| | Central RT Off Pk | 23 | 37 | 19 | 36 | 35 | 36 | 37 | 32 | |
| | Hudson RT On Pk | 46 | 56 | 45 | 53 | 45 | | | 49 | |
| | Hudson RT Off Pk | 25 | 42 | 20 | 37 | 36 | 38 | 40 | 34 | |
| | Mohawk RT On Pk | 44 | 53 | 43 | 51 | 43 | | | 47 | |
| | Mohawk RT Off Pk | 23 | 37 | 19 | 35 | 35 | 36 | 37 | 32 | |
| | Milwood RT On Pk | 46 | 56 | 45 | 53 | 45 | | | 49 | |
| | Milwood RT Off Pk | 25 | 42 | 20 | 37 | 37 | 39 | 40 | 34 | |
| | NYC RT On Pk | 47 | 56 | 45 | 54 | 45 | | | 49 | |
| | NYC RT Off Pk | 25 | 42 | 21 | 38 | 37 | 39 | 40 | 35 | |
| | | | PJM Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg |
| | Power (\$/MWh) | Eastern Hub On Pk | 44 | 45 | 77 | 70 | 70 | | | 61 |
| | | Eastern Hub Off Pk | 24 | 34 | 46 | 78 | 78 | 78 | 78 | 60 |
| | | Western Hub On Pk | 43 | 45 | 52 | 48 | 48 | | | 47 |
| Western Hub Off Pk | | 24 | 33 | 40 | 47 | 47 | 47 | 47 | 41 | |
| PPL Zone On Pk | | 43 | 42 | 54 | 51 | 51 | | | 48 | |
| PPL Zone Off Pk | | 23 | 31 | 59 | 47 | 47 | 47 | 47 | 43 | |
| AEP RT On Pk | | 44 | 59 | 57 | 46 | 46 | | | 50 | |
| AEP RT Off Pk | | 24 | 40 | 45 | 47 | 47 | 47 | 47 | 42 | |
| Chicago RT On Pk | | 42 | 46 | 46 | 41 | 41 | | | 43 | |
| Chicago RT Off Pk | | 23 | 37 | 38 | 33 | 33 | 33 | 33 | 33 | |
| New Jersey Hub On Pk | | 44 | 43 | 55 | 48 | 48 | | | 48 | |
| New Jersey Hub Off Pk | | 24 | 33 | 41 | 48 | 48 | 48 | 48 | 41 | |
| | | California ISO Real Time Power Pricing (\$/MWh) | | | | | | | Avg | |
| Natural Gas \$/MMBtu | | SoCal Edison RT On Pk | 51 | 57 | 55 | 150 | 53 | | | 73 |
| | SoCal Edison RT Off Pk | 50 | 46 | 52 | 50 | 63 | 76 | 61 | 57 | |
| | | | 11/26/18 | 11/27/18 | 11/28/18 | 11/29/18 | 11/30/18 | 12/1/18 | 12/2/18 | Avg |
| | Henry Hub, LA | 4.28 | 4.41 | 4.50 | 4.50 | 4.61 | | | 4.46 | |
| | TZ6, MA | 4.77 | 5.60 | 5.95 | 5.52 | 4.85 | | | 5.34 | |
| | Algonquin, MA | 4.52 | 5.74 | 5.99 | 5.11 | 5.12 | | | 5.30 | |
| | Chicago Hub, IL | 4.38 | 4.28 | 4.40 | 4.44 | 4.41 | | | 4.38 | |
| | New York, NY | 4.70 | 4.60 | 4.48 | 4.41 | 4.29 | | | 4.50 | |
| | Dominion South, PA | 3.99 | 4.05 | 4.22 | 4.17 | 4.19 | | | 4.12 | |
| | Opal Hub, WY | 5.85 | 5.68 | 6.22 | 6.24 | 6.68 | | | 6.13 | |
| PG&E Citygate, CA | 6.15 | 6.03 | 6.64 | 6.74 | 6.88 | | | 6.49 | | |