



Competitive Energy Services Weekly Market Summary

December 24 - 28, 2018

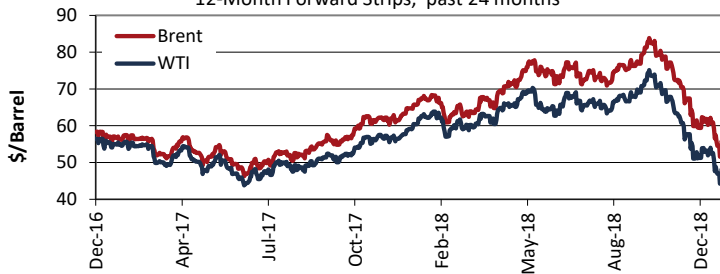
Synopsis of Last Week's Energy Markets

Crude oil wrapped up the year with another week of losses. Prompt month WTI saw a net loss of 25% for the year as OPEC and Russia veered from the production cut agreement for the second half of 2018. Natural gas prices slipped 11% last week as traders looked ahead to mild temperatures that could limit heating demand. U.S. production remains strong, but inventories are 19% below the 5-year average.

Oil Market

Crude Oil - WTI & Brent

12-Month Forward Strips, past 24 months

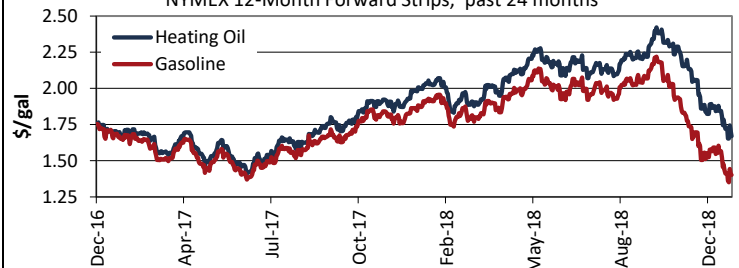


| NYMEX WTI | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/bbl | \$46.83 | \$46.90 | \$75.39 | \$43.82 |
| date | 12/28/18 | 12/21/18 | 10/3/18 | 6/21/17 |
| change from last close | | -0.2% | -37.9% | 7% |

| US STORAGE (in million bbls) | crude oil |
|--------------------------------|-----------|
| domestic stocks as of 12/21/18 | 441 |
| gain / loss from previous week | 0.0 |
| comparison to historic range | within |

Heating Oil & Gasoline

NYMEX 12-Month Forward Strips, past 24 months

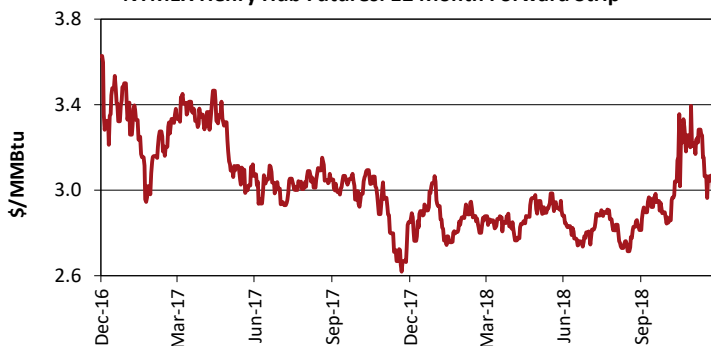


| NYMEX Heating Oil | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 month strip, \$/gal | \$1.67 | \$1.72 | \$2.43 | \$1.41 |
| date | 12/28/18 | 12/21/18 | 10/3/18 | 6/21/17 |
| change from last close | | -2.9% | -31% | 18% |

| US STORAGE (in million bbls) | distillate | propane | gasoline |
|--------------------------------|------------|---------|----------|
| domestic stocks as of 12/21/18 | 120 | 72 | 233 |
| gain / loss from previous week | 0.0 | -1.0 | 3.0 |
| comparison to historic range | within | within | above |

Natural Gas Market

NYMEX Henry Hub Futures: 12 Month Forward Strip



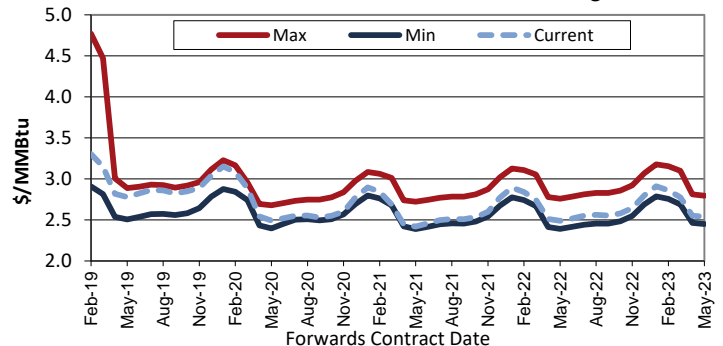
| NYMEX PRICING | last close | previous week | 24-month high | 24-month low |
|------------------------|------------|---------------|---------------|--------------|
| 12 mo. strip, \$/MMBtu | \$2.95 | \$3.07 | \$3.62 | \$2.61 |
| date | 12/28/18 | 12/21/18 | 1/2/17 | 12/21/17 |
| change from last close | | -4.0% | -19% | 13% |

CES SCORE

| | |
|----------|----|
| 12 month | 33 |
| 18 month | 40 |
| 24 month | 50 |
| 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) | \$2.95 | \$2.86 | \$2.81 | \$2.74 |

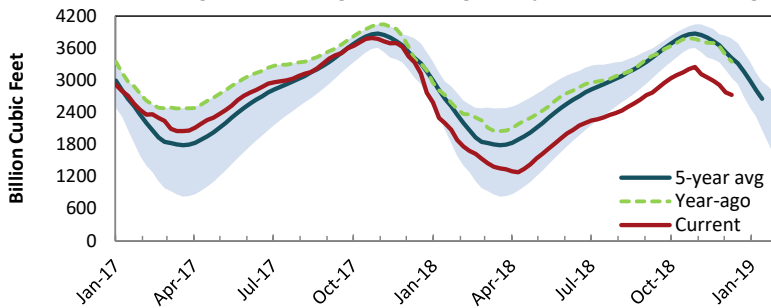
Natural gas futures are useful for both natural gas and electricity consumers because they drive electricity pricing in many U.S. markets. This chart compares the current natural gas price for each forward month on the NYMEX exchange to the highest and lowest prices for the same month over the past 12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



The information set forth herein is a compilation of public and internal information and is presented solely for the convenience of CES customers. CES does not make any representation or warranties, express or implied, with respect to the accuracy or completeness of the information contained herein. CES shall not have any liability to any person or entity resulting from the use of this information in any way.

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 | 12/14/18 | 2,773 | |
| Most Recent Stock Level | 12/21/18 | 2,725 | |
| Year-ago Stock Level | | 3,348 | -18.6% |
| 5-Year Average Stock Level | | 3,417 | -20.3% |
| Most Recent Net Change | 12/21/18 | -48 | |
| Year-Ago Net Change | | -122 | |
| 5-Year Average Net Change | | -121 | |

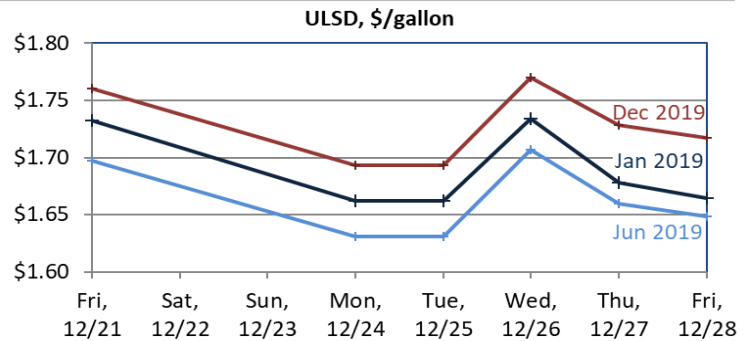
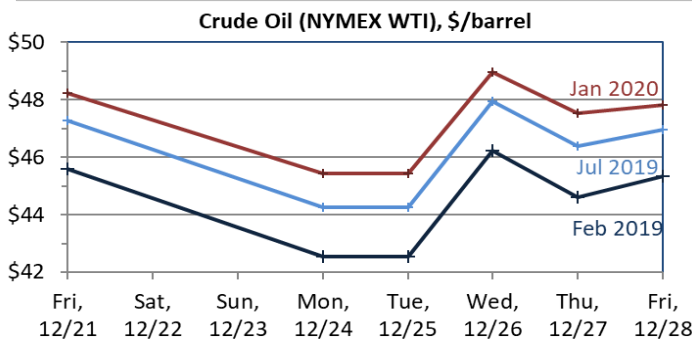
Data Source: EIA <http://tonto.eia.doe.gov/oog/info/ngs/ngs.html>

Market Assessment

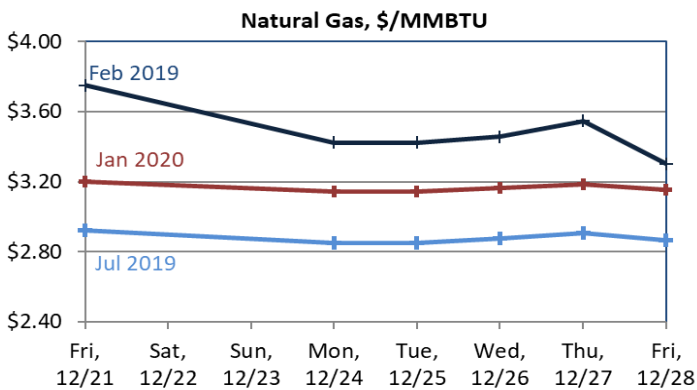
NYMEX Futures Summary Statistics

| | 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 | Jan-19 | 12/19/18 | \$45.33 | Feb-19 | \$45.33 | Jan-20 | \$47.82 | Feb-19 | \$45.33 | \$47.82 |
| Heating oil | Dec-18 | 11/30/18 | \$1.85 | Jan-19 | \$1.66 | Dec-19 | \$1.72 | Apr-19 | \$1.64 | \$1.72 |
| Natural gas | Jan-19 | 12/27/18 | \$3.64 | Feb-19 | \$3.30 | Feb-19 | \$3.30 | May-19 | \$2.78 | \$3.01 |

NYMEX End-of-Day Settlements



Prompt month crude oil hovered in the low \$40s range last week. Prices plunged along with global equities on Christmas Eve, and the prompt month ended the day at \$42.53, a low since mid-2017. London-traded Brent oil, the international benchmark, traded similarly. Oil began the year around \$60 per barrel and has fallen about 25% over 2018. Prices climbed to a high in early October as the November 4th deadline for renewed sanctions against Iran loomed. However, Russia and Saudi Arabia ramped up production for the second half of 2018 despite the production cut agreement. In December, the "OPEC+" group renewed their production cut agreement for the first three months of 2019, but with global equities in turmoil, oil prices have taken a hard hit in the last quarter of 2018.

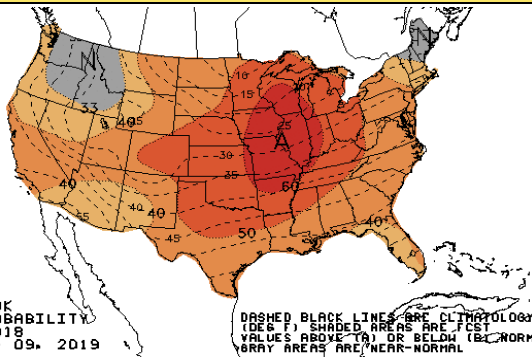


Natural gas prices slipped 11% last week as traders looked ahead to mild temperatures in after the first week in January that could limit heating demand. Prices continue to trade on weather forecasts as the major factor impacting the storage balance: while production remains at record-highs, any sign of deep cold is seen as a potential threat to already low domestic inventories. The EIA reported a modest storage withdrawal of 48 Bcf that fell far short of the typical 121-Bcf draw, which nevertheless left stocks 19% below the 5-year average. January contracts expired at \$3.64/MMBtu on Thursday, and February contracts lost 11% week-over-week, falling to \$3.30/MMBtu by Friday afternoon.

The National Weather Service near-term forecast is showing above-normal temperatures for almost all of the continental US! The natural gas market scores on page 1 improved from the previous week. Clients with electricity or natural gas contracts expiring in 2019 should consult with a CES representative for customized guidance.

National Weather Service Forecast

6 - 10 Day Forecast for Jan 5 - 9



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



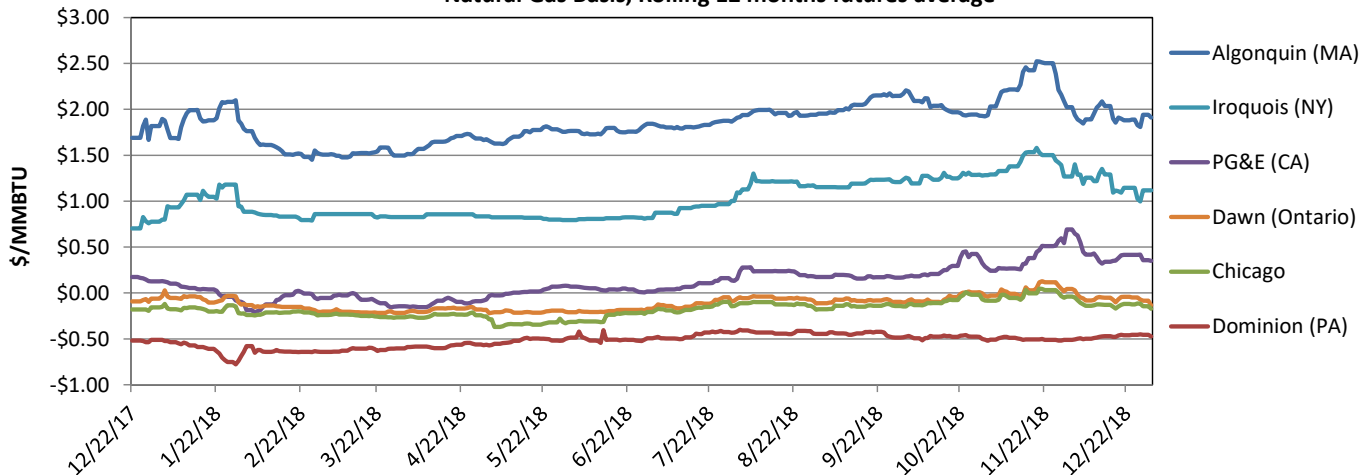
6-10 DAY OUTLOOK
TEMPERATURE PROBABILITY
MADE 30 DEC 2018
VALID JAN 05 - 09, 2019

DASHED BLACK LINES ARE CLIMATOLOGY (DEG F) SHADED AREAS ARE FCST (VALUES ABOVE OR BELOW 1ST NORMAL) GRAY AREAS ARE NEAR-NORMAL

Natural Gas Basis Futures

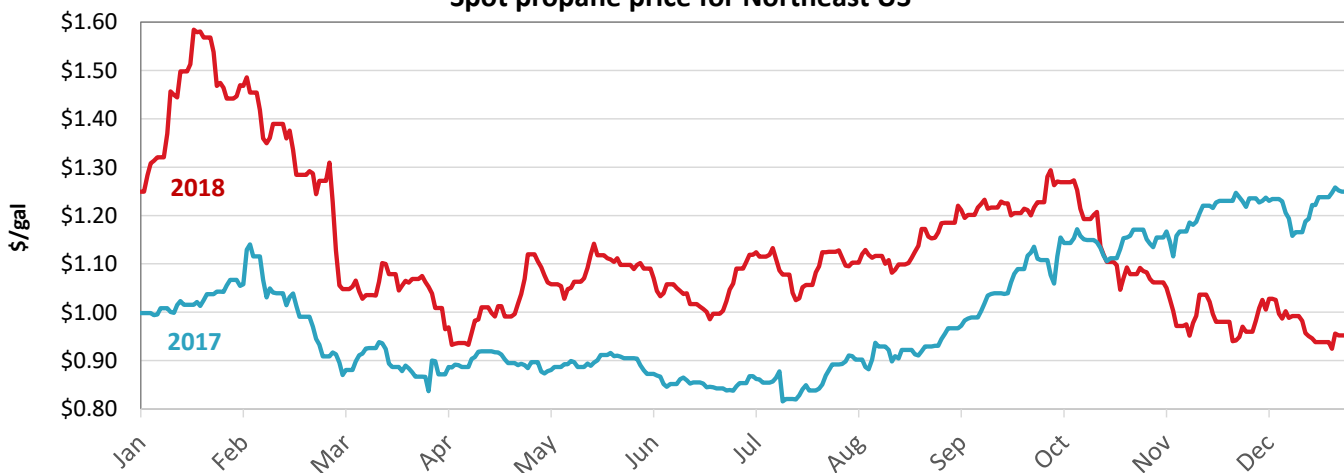
Basis is the price differential between Henry Hub, located in Erath, Louisiana, and the liquidity point closest to the end-user. Because Henry Hub is used as the delivery point for NYMEX natural gas futures contracts, the cost of using natural gas in any geographic region of the country can be approximated 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 | |
|----------------------|------------------------|---|--|----------|----------|----------|----------|----------|------------|------------|
| | | 12/24/18 | 12/25/18 | 12/26/18 | 12/27/18 | 12/28/18 | 12/29/18 | 12/30/18 | | |
| Power (\$/MWh) | Maine RT On Pk | 37 | 24 | 32 | 25 | 32 | | | 30 | |
| | Maine RT Off Pk | 28 | 24 | 22 | 20 | 22 | 11 | 24 | 21 | |
| | NH RT On Pk | 36 | 25 | 33 | 26 | 32 | | | 30 | |
| | NH RT Off Pk | 28 | 24 | 23 | 20 | 22 | 11 | 24 | 22 | |
| | Vermont RT On Pk | 36 | 24 | 32 | 25 | 31 | | | 30 | |
| | Vermont RT Off Pk | 28 | 24 | 23 | 20 | 21 | 11 | 23 | 21 | |
| | Connecticut RT On Pk | 36 | 25 | 32 | 25 | 31 | | | 30 | |
| | Connecticut RT Off Pk | 28 | 24 | 23 | 20 | 22 | 11 | 23 | 22 | |
| | Rhode Island RT On Pk | 35 | 25 | 32 | 25 | 32 | | | 30 | |
| | Rhode Island RT Off Pk | 28 | 25 | 23 | 20 | 22 | 11 | 23 | 22 | |
| | NE Mass RT On Pk | 36 | 25 | 33 | 25 | 32 | | | 30 | |
| | NE Mass RT Off Pk | 28 | 25 | 23 | 20 | 22 | 11 | 24 | 22 | |
| | SE Mass RT On Pk | 36 | 25 | 32 | 25 | 32 | | | 30 | |
| | SE Mass RT Off Pk | 28 | 25 | 23 | 20 | 22 | 11 | 23 | 22 | |
| | WC Mass RT On Pk | 36 | 25 | 32 | 25 | 32 | | | 30 | |
| | WC Mass RT Off Pk | 28 | 25 | 23 | 20 | 22 | 11 | 23 | 22 | |
| | | | New York ISO Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg |
| | | Capital RT On Pk | 41 | 27 | 33 | 24 | 47 | | | 34 |
| | | Capital RT Off Pk | 31 | 27 | 25 | 21 | 28 | 18 | 24 | 25 |
| | | Central RT On Pk | 10 | 24 | 30 | 19 | 15 | | | 20 |
| | | Central RT Off Pk | 21 | 20 | 16 | 20 | 23 | 17 | 22 | 20 |
| | | Hudson RT On Pk | 34 | 27 | 33 | 23 | 38 | | | 31 |
| | | Hudson RT Off Pk | 29 | 26 | 24 | 21 | 27 | 18 | 24 | 24 |
| | | Mohawk RT On Pk | 11 | 25 | 30 | 19 | 15 | | | 20 |
| | | Mohawk RT Off Pk | 22 | 21 | 17 | 20 | 24 | 17 | 22 | 20 |
| | | Milwood RT On Pk | 35 | 27 | 33 | 23 | 38 | | | 31 |
| | | Milwood RT Off Pk | 29 | 26 | 24 | 21 | 27 | 18 | 24 | 24 |
| | | NYC RT On Pk | 34 | 28 | 33 | 24 | 38 | | | 31 |
| | NYC RT Off Pk | 29 | 26 | 24 | 21 | 27 | 19 | 24 | 24 | |
| | | PJM Real Time Power Pricing By Zone (\$/MWh) | | | | | | | Avg | |
| | Eastern Hub On Pk | 25 | 25 | 27 | 23 | 23 | | | 25 | |
| | Eastern Hub Off Pk | 23 | 25 | 26 | 23 | 23 | 23 | 23 | 24 | |
| | Western Hub On Pk | 24 | 24 | 32 | 23 | 23 | | | 25 | |
| | Western Hub Off Pk | 22 | 24 | 26 | 22 | 22 | 22 | 22 | 23 | |
| | PPL Zone On Pk | 24 | 24 | 27 | 22 | 22 | | | 24 | |
| | PPL Zone Off Pk | 22 | 24 | 25 | 22 | 22 | 22 | 22 | 23 | |
| | AEP RT On Pk | 24 | 24 | 28 | 22 | 22 | | | 24 | |
| | AEP RT Off Pk | 22 | 24 | 25 | 22 | 22 | 22 | 22 | 23 | |
| | Chicago RT On Pk | 23 | 23 | 27 | 21 | 21 | | | 23 | |
| | Chicago RT Off Pk | 21 | 23 | 24 | 14 | 14 | 14 | 14 | 18 | |
| | New Jersey Hub On Pk | 24 | 24 | 27 | 23 | 23 | | | 24 | |
| | New Jersey Hub Off Pk | 22 | 24 | 25 | 22 | 22 | 22 | 22 | 23 | |
| | | California ISO Real Time Power Pricing (\$/MWh) | | | | | | | Avg | |
| | SoCal Edison RT On Pk | 24 | 24 | 32 | 36 | 33 | | | 30 | |
| | SoCal Edison RT Off Pk | 35 | 29 | 36 | 37 | 44 | 36 | 29 | 35 | |
| | | 12/24/18 | 12/25/18 | 12/26/18 | 12/27/18 | 12/28/18 | 12/29/18 | 12/30/18 | Avg | |
| Natural Gas \$/MMBtu | Henry Hub, LA | 3.57 | | 3.42 | 3.10 | 3.25 | | | 3.34 | |
| | TZ6, MA | | | 3.87 | 3.35 | 3.37 | | | 3.53 | |
| | Algonquin, MA | | | 3.75 | 3.49 | 3.45 | | | 3.56 | |
| | Chicago Hub, IL | 3.26 | | 2.96 | 2.97 | 3.06 | | | 3.06 | |
| | New York, NY | 3.29 | | 3.06 | 2.91 | 3.05 | | | 3.08 | |
| | Dominion South, PA | 3.09 | | 2.95 | 2.78 | 2.82 | | | 2.91 | |
| | Opal Hub, WY | 3.59 | | 4.07 | 3.72 | 3.75 | | | 3.78 | |
| | PG&E Citygate, CA | 4.09 | | 4.11 | 3.96 | 3.95 | | | 4.03 | |