



Energy News

In this Issue:

August 2009

What's Up (and Down) with Natural Gas? 1-2

Regional Reports: 2

Gulf Coast

Midwest

Northeast

Customer Corner 3

CTB, Inc.

Regional Offices 3

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What's Up (and Down) with Natural Gas?

Consumption: Down

Total natural gas consumption is projected to decline by 2.3% in 2009 with an 8.2% drop among industrial users leading the way.

Inventories: Up

At mid-month, the Energy Information Administration (EIA) reported working natural gas in storage is 18.4% above the 5-year average. Through the first 3 months of the injection season (which begins April 1) the estimated inventory build was the largest increase for the period since 2001.

Production: Down

Total U.S. marketed natural gas production is expected to decline by 0.6% in 2009 and by 2.9% in 2010.

LNG Imports: Up

Liquefied Natural Gas (LNG) imports are expected to increase because of a combination of weak demand and growing supply in the global LNG market.

All these ups and downs are contributing to higher levels of volatility and risk in the natural gas market. The following chart shows the roller-coaster Henry Hub prices for natural gas over the last nine years.



continued

2009 Midwest Energy Conference

The 2009 Midwest Energy Conference will be held in two locations this year:

Sioux Falls, SD — Tuesday, August 11th
 Minneapolis, MN—Thursday, August 13th

Topics will include:

- Managing Energy - *Why is it important to have a plan in place?*
- Understanding Market Fundamentals - *The 4 Market Movers, how do they impact my price?*
- Implementing a Gas Strategy - *How to make the fundamentals work for you!*

Registration Deadline: August 6th

Energy News

continued from page 1

Companies are struggling to improve profits amid the recent economic crisis and a growing number are hedging their commodity exposure to mitigate price volatility.

A recent poll by a financial consultancy indicated 55% of companies in North America, Europe and Asia hedged their commodity exposure last year, up from 45% the year before. And more and more of these companies are elevating their final hedging decisions to their chief executive. Hedging decisions are involving senior executives because these transactions are on a par with other strategic corporate investments and acquisitions and can help level the dramatic profit and loss swings of recent years.

Contact your CenterPoint Energy representative to learn more about the way hedging your natural gas purchases can help reduce your exposure to market volatility.

Regional Reports

Gulf Coast

Louisiana/Mississippi/Texas

Summer Heat in the Gulf Coast

As anyone who lives here can attest, it has been hot in the Gulf Coast region this summer! We looked at Cooling Degree Days (CDDs) for the Texas Coast, Texas East and Southern Louisiana regions, represented by the weather stations at Bush IAH, East Texas Regional Airport in Longview and Lake Charles Regional Airport, respectively.

Below are some interesting statistics regarding the temperatures in June and July:

- June 2009 was the second warmest on record at Bush IAH with an average temperature of 85.6°
- The hottest June on record at Bush IAH was back in 1906 with an average temperature of 85.9°
- Bush IAH had seven consecutive triple digit days in June, another record
- Rainfall at Bush totaled .27", the 4th driest on record
- June and July had 20.75% and 19.23% more CDDs than the 10-year average at Bush IAH
- For Longview, June and July had 15.61% and 6.50% more CDDs than the 10-year average
- Lake Charles had 9.25% and 5.40% more CDDs in June and July than the 10-year average

While there has still been a supply glut, it was mitigated somewhat by the extreme heat, resulting in increased generation demands.

Midwest

Iowa/Minnesota/South Dakota/Wisconsin

Problems at new WPS Coal Power Plant

Wisconsin utility regulators are reviewing the extent of the steam generator tube problem at the \$773 million plant near Wausau which opened last year. The power plant experienced unexpected shutdowns late last year and early this year with more expected this year in an attempt to address the problem. An issue is whether WPS is eligible to pass along the cost of power it had to purchase last year when the plant was down. Apparently the steam generating tubes have a tendency to clog and they need to take measures to keep the pipes clean.

WI June Job Loss Worst Ever

Wisconsin employers shed 123,000 jobs since June 2008, the most June to June loss, even in percentage terms. However, the setback wasn't as severe as May. The manufacturing jobs dropped 10.8% compared with a 12.3% decrease nationally.

Northeast

Pennsylvania

UGI Penn Natural Gas (UGI PNG) Rate Case

- Filed on January 28, 2008, with the Pennsylvania Public Utility Commission (PUC)
- Scheduled to be settled on September 11, 2009
- New transport and balancing rules will go into effect on October 1, 2009
- Includes a restructuring as well as price increase for natural gas delivery service
- PNG proposing significant changes to the design of its unbundled transportation service making more customers eligible for transportation under the new rules
- Changes create redefined tariff rate categories which allow customers to choose services better suited to their pattern and volume of consumption
- Modifications encourage existing customers to choose transportation service and purchase potentially lower cost gas supplies from competitive natural gas suppliers
- Existing FTS customers can transfer to DS or LFD depending on load profile
- On average, delivery costs could increase 20-30% if eligible customers do nothing

Contact our CenterPoint Energy Services Pennsylvania office today at 1-877-666-3670 to obtain information on how you can better manage your gas supply needs going forward.

Energy News

Customer Corner



CTB, Inc. is a leading global designer, manufacturer and marketer of systems and solutions for the poultry, pig, egg production, and grain industries. Its products and services are "Helping to Feed a Hungry World®" through improved efficiency and air quality management in the care of poultry and livestock as well as in grain storage, handling, conditioning and drying.

Founded in 1952, CTB has been dedicated to "Leadership Through Innovation®" throughout its history.

The Company operates from multiple locations in various countries around the world and serves its customers through a worldwide network of independent dealers and distributors.

CTB's Milford, IN facility has been a customer of CenterPoint Energy since November 2007. Tim Klein out of the Merrillville, IN office serves as their account representative.

Regional Offices

Reliable service. People you trust.

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Northeast

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CenterPoint Energy is one of America's leading energy delivery companies. Our focus is helping customers achieve their business objectives by providing effective energy solutions.

CenterPoint Energy Services is our non-regulated energy marketing group delivering competitive options to commercial, industrial, and wholesale customers.



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