



Energy News

In this Issue:

July 2009

Satisfaction Survey Results Are In

Regional Reports: 2-3

Gulf Coast

Midwest

North Central

Northeast

Customer Corner 3

North-Central Energy Cooperative

Regional Offices 4

This publication is not to be construed as an offer to sell or a solicitation of an offer to buy any of the commodities or futures options referenced herein. Reliance upon information in this publication is at the sole risk of the reader.

Satisfaction Survey Results Are In

The 2009 Customer Satisfaction Survey was sent out to all CenterPoint Energy Services (CES) customers in May of this year. Our annual survey provides the opportunity for customers to anonymously report comments and concerns regarding services offered by CES. We had a strong response rate and will use the knowledge gained to seek ways to continually improve.

Survey questions ranged from 'rate your overall opinion of CES' to 'how can we improve our website and publications'. Overall, customers are very satisfied with CES and its products and services. Eighty-six percent (86%) of customers rated CES as excellent or good and ninety-four percent (94%) are very likely or likely to recommend CES to someone else. In addition, the CES invoice and publications received rave reviews in terms of accuracy, understandability, and general usefulness.

Looking to the future, CES plans on improving awareness of CES Online. Surprisingly, sixty-eight percent (68%) of customers have never accessed or are not signed up for this tool. The CES Online website allows customers to view their accounts, billing information, usage history, industry trends, and more. Since the survey, over 100 customers have signed up for access to CES Online.

The 2009 Customer Satisfaction Survey has helped CES provide a more competitive and efficient service for all of its customers. We look forward to continuing to provide you with the personal service your company needs.

Save the Date: 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!*

Energy News

Regional Reports

Gulf Coast

Louisiana/Mississippi/Texas

Abundance of Supply:

Between current storage levels and new LNG coming online, there is an abundance of supply in the Gulf Coast/Producing Region. With maximum storage capacity thought to be approximately 1.2 Tcf (trillion cubic feet), the producing region already has just under 1.0 Tcf in storage, 265 Bcf (billion cubic feet) above the 5-Year Average. The natural gas storage injection season typically runs through the end of September. If record levels of weekly injections continue, there is a possibility that the region will reach its maximum storage capacity before the end of the injection season.

In addition, RBS/Sempra is scheduled to have its Cameron LNG terminal commercially operational by the middle of July.

- 1.5 Bcf/d initial send-out capacity
- Located in Louisiana
- Supply agreement with RasGas (Qatar) for up to 50 cargoes during term (8/2009-12/2010)
- First cargo arrived on Sunday, June 21

Midwest

Iowa/Minnesota/South Dakota/Wisconsin

Feds Send Minnesota \$21 Million for Energy Projects:

Federal officials announced that Minnesota will receive \$21.7 million to pay for renewable energy and energy efficiency projects in the state. The money is the latest installment in \$54 million of federal stimulus funds the state is slated to get for energy projects. The state is to use the money to pay for grants to businesses that will design and build energy efficiency improvements and retro-fitted equipment. It also will administer grants to utility programs to provide low-interest loans and grants to their customers to boost energy

efficiency. Nationwide, the stimulus package earmarked \$3.1 billion to state energy programs.

As reported on StarTribune.com.

Wisconsin Updates:

Wisconsin Jobless Numbers Lower:

According to the Bureau of Labor Statistics the Wisconsin unemployment rate, at 8.7%, is lower than others in the North Central Region. The others clustered with Wisconsin are Illinois, Indiana, Michigan and Ohio. What those states have in common is automotive manufacturing with Michigan being affected the worst with an unemployment rate of 13.9%. Nearby states, with lower unemployment and presumably less affected by the depressed auto industry are Iowa with a 5.4% unemployment rate and Minnesota at 7.8%. The national average is 9.1%. The bad news for Wisconsin is that employers dropped more than 133,000 jobs in the last year, a 4.6% drop, the biggest in 50 years.

American Transmission (ACT) to Build Dane County Power Line:

The Public Service Commission of Wisconsin has approved a 32-mile, 345kV power transmission line through Dane County between Middleton and Christiana. Construction is scheduled to begin in summer of 2011 and the line is expected to be in service by 2013. Cost is estimated at \$215 million.

Northeast Pennsylvania

Proposed Regulation of Hydraulic Fracturing:

Four democrats from Pennsylvania, New York and Colorado have introduced companion Senate and House bills known as the FRAC Act (the Fracking Responsibility and Awareness of Chemicals Act) to regulate the practice of hydraulic fracturing, often called fracking.

(continued)

Energy News

Regional Reports (continued)

Continued from page 2

The bill would:

- Allow for regulation of fracking under the federal Safe Drinking Water Act
- Require the industry to disclose the chemicals used in the fracking process

Fracking is currently regulated at the state level and is a process used to open and increase the flow of fossil fuels by injecting fluids at high pressure into underground rock formations. Maurice Hinchey, one of the sponsors, said, "It's important that we have policies in place that will safeguard our drinking water supplies so we don't destroy one natural resource while pursuing another."

A funding bill which requests the EPA study the risks, if any, that fracking compounds have on drinking water supplies throughout the nation was passed out of the U.S. House Appropriations Committee.

Industry groups are widely opposed to such regulations, saying they are unnecessary at the federal level.

North Central Illinois/Indiana

Rate Hike Questioned:

According to an article in *Crain's*, the Illinois Commerce Commission's (ICC) staff has recommended that the state agency approve a fraction of the utility rate hike that Peoples and North Shore Gas are seeking. The request was the second time in two years Peoples Gas has asked for an increase.

Peoples' request:

- \$161.9 million increase (approximately an extra \$12 per month per customer)

North Shore's request:

- \$21.9 million increase

ICC's recommendation:

- Peoples \$36 million and North Shore \$10 million

The ICC is expected to issue its ruling on both utility's requests early next year.

We'll keep you updated of any new developments.

Customer Corner



Beginning September 1, 2004 the North-Central Energy Cooperative (N.E.C.) was formed through a Joint Service Agreement. The original membership included twenty-one school districts and has increased to thirty-one districts in Indiana.

The NEC is collaborating to manage and reduce energy costs through a cooperative agreement for the procurement of natural gas. NEC has contracted with CenterPoint Energy Services to achieve the following:

- Pool natural gas volumes to attract better rates & strategies
- Become better educated in the purchase of natural gas

- Employ purchasing strategies that minimize budget risks (avoid variable pricing spikes)
- Reduce natural gas expenditures
- Assure fair and sound contractual agreements
- Identify and correct billing errors

The NEC philosophy is to manage a diversified portfolio by:

- Utilizing storage taking advantage of the historical seasonal difference in prices
- Focusing and capitalizing on short-term buying opportunities
- Including long-term hedges for price stability
- Considering additional long-term hedges as historically solid opportunities arise

NEC has been a customer since Jan.'08 and they consume 10 million therms or 1 million mmbtus annually. John Zaharias serves as their account executive.

Note: If you'd like to feature your company here, contact your account executive.

Energy News

Regional Offices

Reliable service. People you trust.

Gulf Coast

Houston

1111 Louisiana Street—20th Floor
Houston, TX 77002
Phone: 713-207-3547
Fax: 713-207-0054

Dallas

14785 Preston Road, #550
Dallas, TX 75254
Phone: 972-789-5560
Fax: 972-789-5561

Louisiana (New Iberia)

2500 LA Highway 14
New Iberia, LA 70560
Phone: 337-373-5241
Fax: 337-373-5220

Midcontinent/Southeast

Little Rock

401 W. Capitol Avenue, #102
Little Rock, AR 72201
Phone: 501-377-4874

St. Louis

470 N. Kirkwood Road, #200
St. Louis, MO 63122
Phone: 314-991-7346
Fax: 314-991-7501

Shreveport

525 Milam, #242
Shreveport, LA 71101
Phone: 318-429-2577
Fax: 318-429-3059

Midwest

Madison

2810 Crossroads Drive, #2400
Madison, WI 53718
Phone: 608-240-2020
Fax: 608-240-2025
Toll Free: 800-893-8460

Minneapolis

800 LaSalle Avenue, #1725
Minneapolis, MN 55402
Phone: 612-321-5099
Fax: 612-321-5081
Toll Free: 800-495-9880

North Central

Chicago

3010 Highland Parkway, #525
Downers Grove, IL 60515
Phone: 630-241-1010
Fax: 630-241-1110
Toll Free: 800-423-2080

Merrillville

8585 Broadway, #851
Merrillville, IN 46410
Phone: 219-793-1000
Fax: 219-793-1001
Toll Free: 800-423-2080

Northeast

Hershey

2981 Elizabethtown Road, #200
Hershey, PA 17033
Phone: 877-666-3670
Fax: 717-520-3674

Call today 800-495-9880 or visit our website, CenterPointEnergy.com/ces

Newsletters

Our monthly newsletters can be found on our website under *News*

View your account/usage online

See our CES Online Access form at our website under *News*

View/Pay your bill online at our website

See our website for details under *Make a Payment*



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.



Always There.®