



# Energy News

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**May 2009**

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*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.*

## **CES and MidAmerican Expand Their Retail Gas-Electric Relationship—Customers in Texas Can Now Purchase Electricity Through CES**

CenterPoint Energy Services is expanding its relationship with Mid-American Energy Company's unregulated retail services division to offer Texas businesses new, competitive electric rates that will complement the outstanding natural gas products and reliable customer service CES is already known for. The companies are building on an already successful gas-electric relationship in Illinois. Since 2006, hundreds of Illinois businesses have purchased electricity from MidAmerican through CES.

"We're proud to work with MidAmerican because they're a great fit for us and our customers," said Eric Sullivan, CES division vice president. "Their financial strength allows them to offer long-term, fixed-price contracts that will enable our customers to lock-in low market prices. Even more importantly, MidAmerican's relentless commitment to customer service is a perfect match for our own."

With just one call, CES can now put together complete, customized energy solutions for commercial and industrial businesses. Call your CES Account Executive for a rate quote and start saving today.

## **Attention Customers: FERC Extends Deadline on Filing Form 552**

***Did your company purchase more than 2.2 BCF of natural gas in 2008? This may apply to you:***

The Federal Energy Regulatory Commission (FERC) has extended the deadline for filing Form 552 from May 1 to June 1, 2009. Under FERC Order 704-B, any market participant that engaged in "reportable" sales or purchases of more than 2,200,000 MMBtus of natural gas in 2008 must report data related to such transactions to FERC. The Commission has developed Form 552 as a means to report this information.

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A copy of Form 552 is available on the FERC website at <http://www.ferc.gov/docs-filing/eforms/form-552/form-552.pdf>.

FERC staff has also prepared a Frequently Asked Questions document for Form 552, which is also available on the FERC website at <http://www.ferc.gov/docs-filing/eforms/form-552/form-552-faq.pdf>.

You may contact Michelle Reaux with FERC at 202-502-6497 or your Account Executive with questions regarding this form.

## EDS to Increase Credit Card Transaction Fees – Effective June 1, 2009

The Credit Card transaction fees for paying your CES invoices will be increased from \$60.00 to \$175.00. EDS is a third party credit card processing company and it is EDS that is increasing fees, not CES.

## Regional Reports

### Gulf Coast Louisiana/Mississippi/Texas

#### Stabilization in Chemical Sector?:

There are some signs that demand may be stabilizing among chemical companies. According to *Gas Daily*:

- Chemical manufacturers account for as much as 36% of gas demand within the industrial sector
- Most petrochemical production is located along the coast between Houston and Baton Rouge
- Demand swings can directly impact Houston Ship Channel (HSC) and Henry Hub prices
- In February, HSC prices responded to significant industrial demand destruction due to refineries going down for maintenance and chemical plants going offline

Some analysts believe January and February marked the bottom for the chemical sector and that gas prices could begin recovering as early as mid-summer.

### Midwest Iowa/Minnesota/South Dakota/Wisconsin

#### MN Regulators OK Power Line Project:

Plans for three 345-kilovolt power lines touching four different states will move forward after Minnesota regulators ruled there's a need for additional transmission capacity in the region. The transmission lines are the main component of the CapX2020 project, an initiative led by Xcel Energy and Great River Energy to upgrade and expand the electric transmission grid. The decision by the state Public Utilities Commission is the first major step in a regulatory process that's expected to take at least another 18 months. The lines must also get Minnesota permits for their routes and face regulatory hurdles in North Dakota, South Dakota and Wisconsin. *As reported by the Associated Press on StarTribune.com.*

#### Wisconsin Updates: Rules Sought on Siting Wind Power:

A bill to create uniform siting standards for wind power projects across Wisconsin is being introduced in the state legislature. The hope is for the Wisconsin Public Service Commission (WSPSC) to set guidelines so individual wind development projects can compete on equal terms rather than being subject to a wide ranging set of local ordinances. While wind farms have been built in the state after receiving approval from the WSPSC local ordinances have been restrictive causing some projects not to be built. A project in Manitowoc County was the subject of court challenges and then was finally rejected by the County Board of Adjustment.

#### WE Energies Credits Power Users:

WE Energies customers are set to receive \$18.5 million in credits partly due to the sharp drop in natural gas prices. The utility's projected fuel costs are included in rates and if the actual costs are 2% above or below, the utility must ask the WSPSC for an adjustment in rates.

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## Regional Reports (continued)

### North Central Illinois/Indiana

#### IL Governor Approves Stricter Marketer Oversight:

A bill that provides more safeguards to Illinois' residential gas consumers was signed last month by Governor Pat Quinn. The bill was praised by consumer advocates who said the rules have been sorely needed.

The legislation resulted from consumer complaints that some alternative gas suppliers did not provide the savings promised to consumers.

The new law:

- prohibits third-party suppliers from using misleading marketing promises or false statements to lure customers
- allows consumers to rescind a service agreement within 10 business days after the first bill
- limits termination fees to \$50
- protects against unauthorized switching of gas suppliers without a customer's permission.

Should an alternative gas supplier violate the new law, the Illinois Commerce Commission can impose stiff fines and even stop the company from doing business.

### Northeast Pennsylvania

#### Increased Shale Drilling:

Range Resources CEO John Pinkerton recently said they will increase Marcellus drilling despite sub — \$4/MMBTu gas prices noting the economics are still good at that level. The 2009 plans include:

- Drilling 50-60 wells compared to 25-30 wells in 2008
- Doubling the number of rigs Range employs to six

#### Water Troubles:

On April 15, the Susquehanna River Basin Commission (SBRC) took enforcement action against gas drilling company Belden & Blake for allegedly using water without SBRC approval to hydraulically fracture the Marcellus shale formation in Bradford County, Pennsylvania. SBRC said that "withdrawing or using any amount of water to develop wells in the Marcellus and Utica shales within the Susquehanna watershed must have approval from the commission." Belden & Blake allegedly violated this by using 600,000 gallons of water in February to extract gas from an existing Marcellus well it drilled in 1995.

## Customer Corner

### Rice University



On September 23, 1912, seventy-seven students and twelve faculty members assembled in a new building on a treeless, swampy plain beyond the outskirts of Houston as the first entering class of a new tuition-free university with great ambitions, the Rice Institute.

In less than 100 years, the Rice Institute became Rice University, one of the world's leading research universities, situated on a leafy campus in the heart of the nation's fourth largest city. And although the school is no longer tuition-free, Rice University is widely recognized as being one of the nation's greatest educational bargains.

When President Kennedy challenged our nation in 1962 from a podium at Rice Stadium to send a man to the moon, he appropriately chose to do so at a university and in a city both known for thinking big.

Today, Rice University is a recognized center of excellence in fields as diverse as the sciences, music, architecture, and engineering. As Rice enters its second century as a leading research university with a distinctive commitment to undergraduate education, it aspires to path-breaking research, unsurpassed teaching, and contributions to the betterment of our world by cultivating a diverse community of learning and discovery that produces leaders across the spectrum of human endeavor.

Rice University has been a CenterPoint customer for many years and Larry Mundt 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: 717-520-3670  
Fax: 717-520-3674

Call today 800-495-9880 or visit our website, [CenterPointEnergy.com/ces](http://CenterPointEnergy.com/ces)

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### 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.



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