

Gas Mart 2007

Anatomy of a Gas Buyer's Portfolio: Marketing a "Win-Win" to the Purchaser

Deb McDermid

General Manager – C & I Gas

IntegrYS Energy Services, Inc.

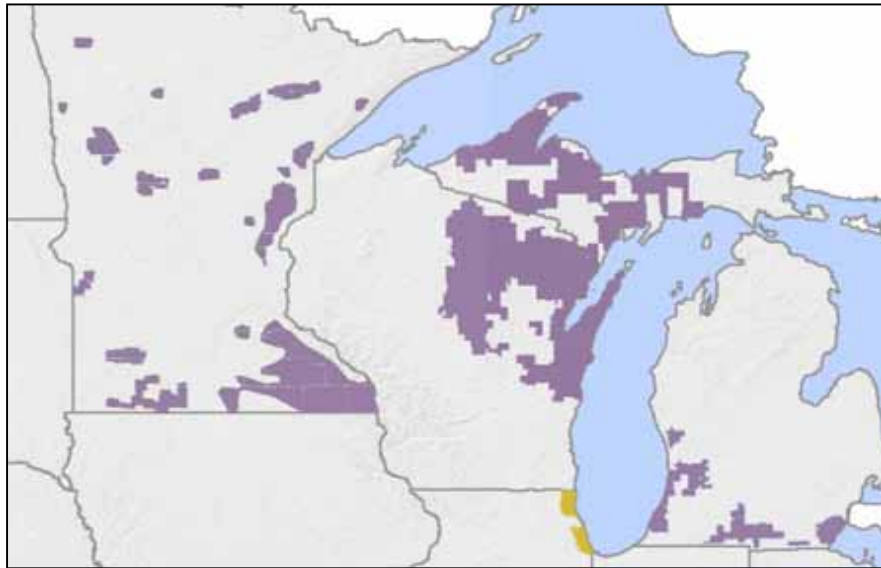
Better Data, Better Decisions



Today's Agenda

- Our Profile
- Customer's Desire from a Marketer
 - ◆ Value and Service Offerings
 - ◆ Customer Choice Alternatives
- Market Impacts
 - ◆ Customer Considerations

IntegrYS Energy Group Regulated Energy Companies

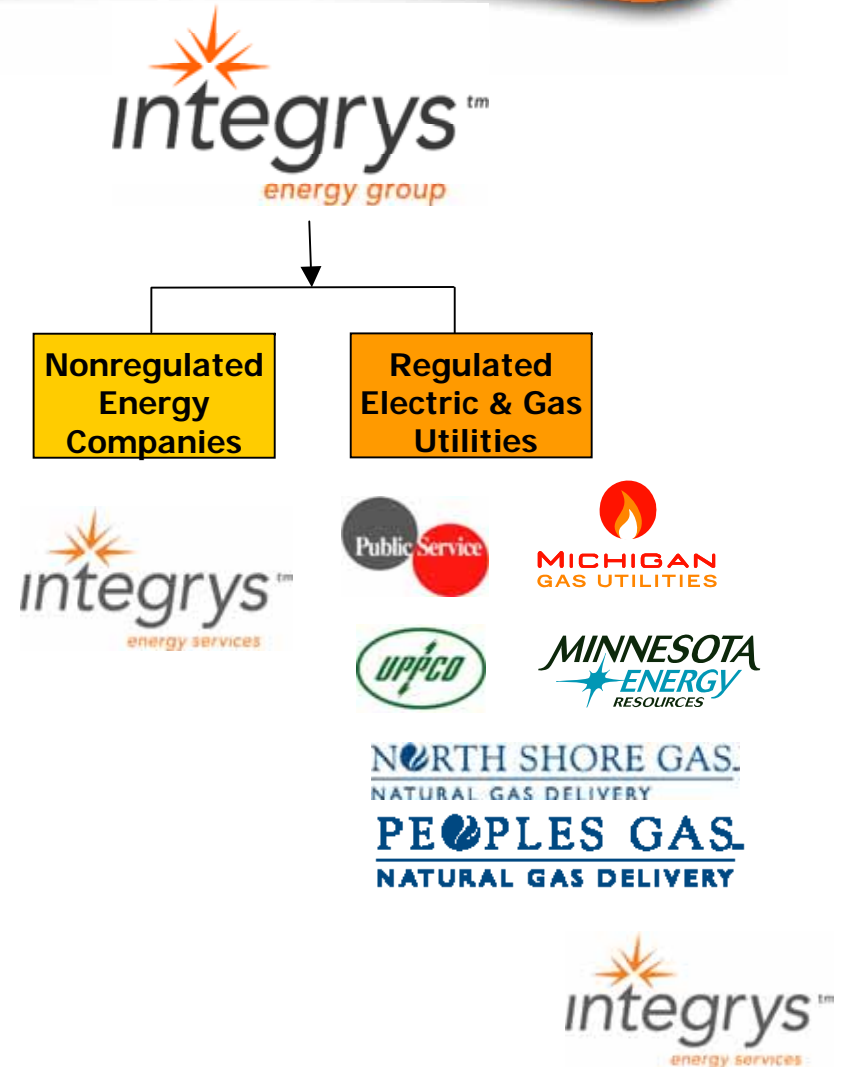


Integrys Energy Group

Nonregulated Energy Companies

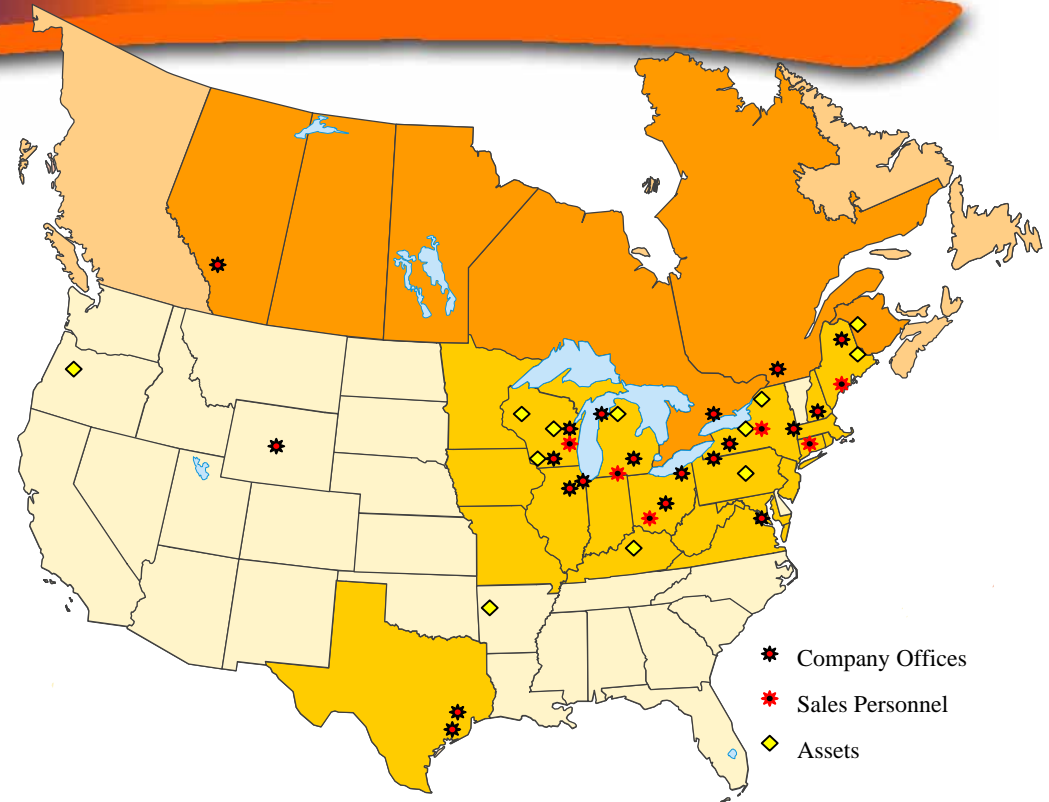
Integrys Energy Services, Inc.

- Established in 1994
- Nonregulated energy supply and services subsidiary
- 500+ employees
- MastioGale: Among the top rated companies in customer service
- KEMA: Among the top support to agents and third-party supply
- Website: www.integrysenergy.com



Integrys Energy Services, Inc. Background Information

- **Serve 140,000 customers**
 - 23 states & 5 Canadian provinces
 - 32 pipelines
 - 6 electric markets
- **Service Center locations**
 - US: CO, IL, KY, ME, MI, OH, NH, NY, TX, VA & WI
 - Canada: AB, ON & QC
- **Annual Sales Data - 2006**
 - Revenue: \$6.1 billion
 - Gas Sales: 734 BCF, 3.3% of United States consumption
 - Electric Sales: 7.4 GWhr
 - EIA: 2006 sales were 1.0% of U.S. nonregulated sales



- Integrys Energy Services – U.S. States Served
- Integrys Energy Services – U.S. States Consulting Sales Only
- Integrys Energy Services of Canada Corp. – Provinces Served
- Integrys Energy Services of Canada Corp. – Provinces Not Served

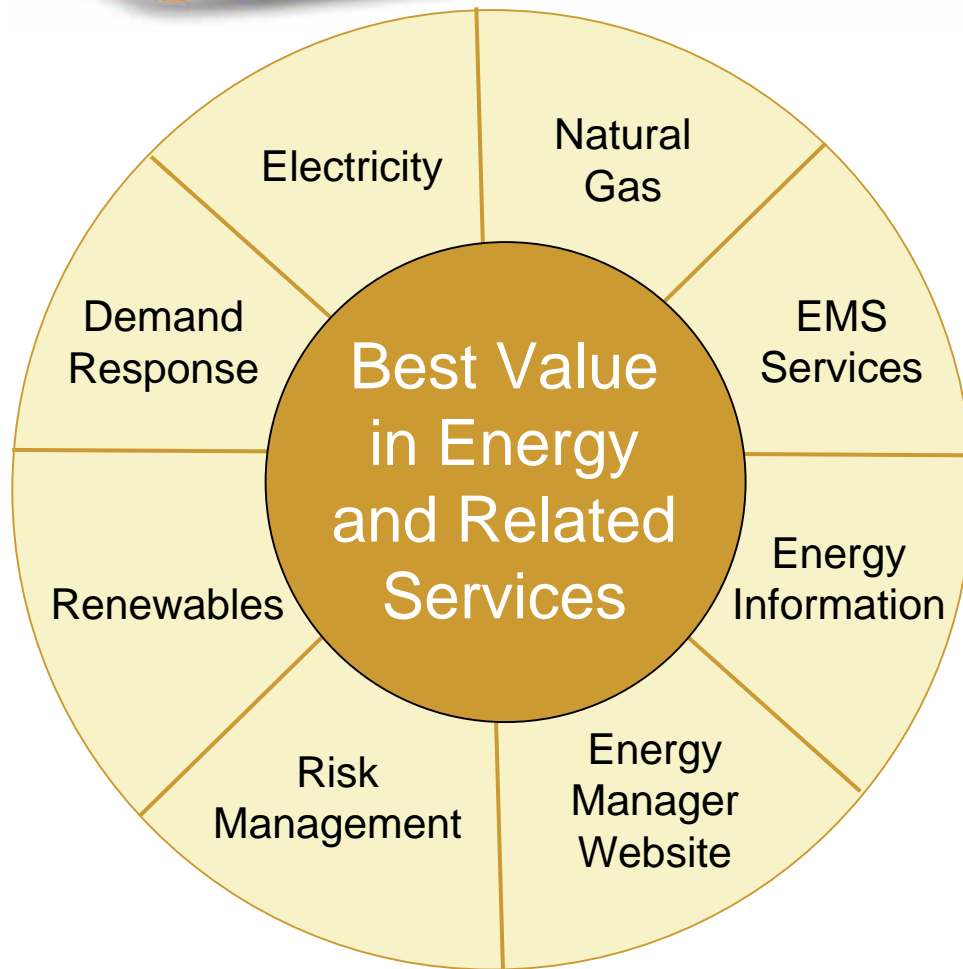


Customer Strategy Determines Reliability and Cost of Energy Supply



- Customers need an energy strategy that optimizes
 - ◆ Value
 - ◆ Reliability
 - ◆ Service
 - ◆ Convenience
 - ◆ Technology
- Considers myriad of choices
- Meets unique organizational circumstances

Value Integrys Brings to Customers



- The energy strategy should seek to optimize the customer's overall value
 - ◆ Natural gas
 - ◆ Electricity
- Power Supply Options
 - ◆ Bundled Products
 - ◆ Demand Response
 - ◆ Renewables
- Energy Advisor
 - ◆ Energy Information
 - ◆ Energy Manager Website
 - ◆ EMS Services
 - ◆ Risk Management

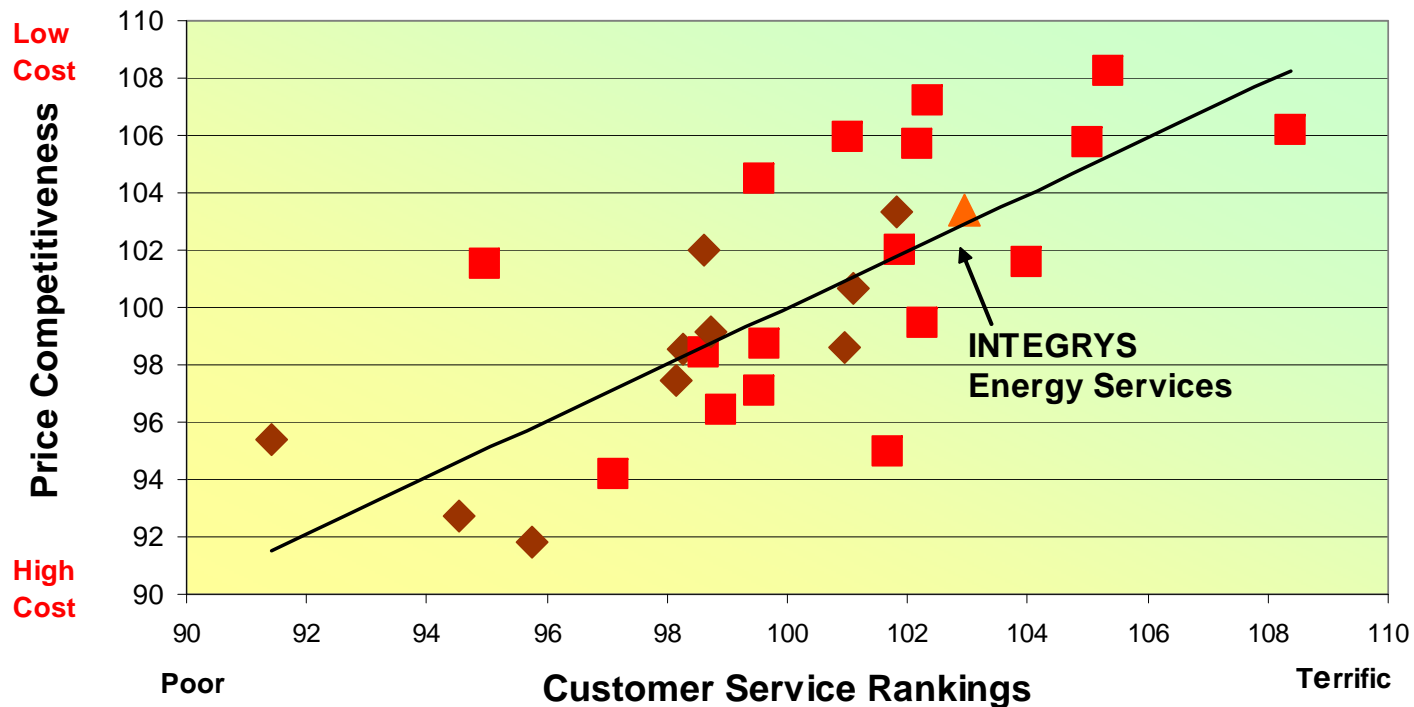
IntegrYS Customer Focus

- Fully Integrated Energy Company
 - ◆ Balanced Business Portfolio
 - ◆ Market Intelligence
- Retail Markets
 - ◆ C&I: Power & Gas
 - ◆ Aggregation Programs
 - ◆ Direct Mass Market
- Wholesale Markets
 - ◆ Wholesale Power & Gas
 - ◆ Producer Services
- Energy Assets
 - ◆ Power Plants
 - ◆ Gas & Oil Production



Customer Choice Alternatives

MastioGale Customer Value Survey
Price and Service Performance Rankings



TOP SERVICE = LOWER PRICE & BEST VALUE



Major Factors Impacting the Market

- Tight supply & demand
- Weather impacts prices
- International or world events
- Increased reliance on imports (LNG)
- Reduced consumption will be a theme

What Does This Mean For Customers...

- Evaluate energy saving alternatives
- Prices will be higher
 - ◆ \$3 to \$4 gas is gone
 - ◆ \$3 to \$4 price swings are here
- Volatility will continue
 - ◆ Be aware of market influences
 - ◆ Some factors are unknown & unknowable
- Develop a risk management strategy

IntegrYS Energy Services

Better Data, Better Decisions

- Help you achieve your business objectives and energy goals
 - ◆ Be your energy advisor
 - ◆ Provide better data to help you manage your energy supply
 - Gas & Electricity
 - Risk Management
 - Energy Information
- Thank you!

