

2004 ENERGY PRICES CONTINUE THEIR UPWARD SPIRAL

*Is deregulation working here? Where is the lower cost electricity?
What's going on inside ERCOT?*

7th Annual TEXAS INDUSTRIAL ENERGY CONFERENCE

October 28-29, 2004

Hyatt Regency on Town Lake
Austin, Texas

- ◆ Find out what is driving volatile energy prices
- ◆ Learn what to look for in selecting a Retail Electric Provider
- ◆ Find out the status of gas supply and deliverability in the US and Texas

Natural gas and electricity prices continue their upward movement. Many end users are purchasing electricity on a wholesale index price waiting for prices to return to "normal". We are seeing record drilling activity, although domestic reserves and deliverability continue to decline. LNG (liquefied natural gas) projects are being approved on the Texas Coast. In its seventh year, the Texas Industrial Energy Conference continues to provide valuable

information to assist end users in the procurement of energy. The goal of the conference is to inform energy users of new purchasing strategies available to them and to learn of other ways to contain or reduce energy costs.

- ◆ When is the best time to buy?
- ◆ Will prices remain high?
- ◆ What else can I do to conserve energy?

Sponsored by:

Fowler Energy Company and the Texas Energy Associations Cooperative

Hear from the top energy regulators, Public Utility Commissioner Barry Smitherman and Railroad Commissioner Charles Matthews

Discuss wide variations in electricity pricing for end users inside and outside of ERCOT

Learn the status of proposed new LNG projects and what effects they will have

Learn several natural gas and electricity pricing mechanisms that have helped end users to avoid price spikes

WHY YOU SHOULD ATTEND

From the list of topics and speakers to the presentation order, it is clear that this conference was designed for Texas energy consumers. Evolution in the way companies buy energy and skyrocketing prices make energy procurement of vital interest to everyone. Background information on energy procurement will be presented along with an overview of the current energy market and a vision of the future Texas energy marketplace. Question and answer

sessions will allow you to interact with the presenters and ask your own specific questions.

All of the speakers are Texas energy experts. They are directly involved with the Texas and national energy marketplace today and with shaping the marketplace of tomorrow.

AGENDA

Thursday, October 28, 2004

11:00 a.m. to 1:00 p.m. *Registration*

1:00 p.m. to 1:10 p.m.
Conference Overview
P.D. Leonard, Senior Vice President, Fowler Energy

1:10 p.m. to 1:40 p.m.
Electric Pricing – Is Competition Working?
Bob Pohl, VP Electrical Engineering, Fowler Energy

1:40 p.m. to 2:25 p.m.
Transmission Project
Ken Donohoo, Electric Reliability Council of Texas

2:25 p.m. to 2:40 p.m. *Break*

2:40 p.m. to 3:00 p.m.
Who You Gonna Call?
Ruben Olvera, Customer Service Engineer, AEP

3:00 p.m. to 3:45 p.m.
Are Deregulated Areas Competitive?
Michael McCluskey, Senior VP, Austin Energy

3:45 p.m. to 4:00 p.m. *Break*

4:00 p.m. to 4:30 p.m.
Consumer Issues in the Evolving ERCOT Market
*Tom Payton, Director Power Purchasing
Occidental Energy Ventures Corporation*

4:30 p.m. to 4:45 p.m.
*Commissioner Barry T. Smitherman
Public Utility Commission of Texas*

4:45 p.m. to 5:00 p.m.
Panel Discussion

5:00 p.m. to 6:30 p.m.
Reception

Friday, October 29, 2004

7:30 a.m. to 8:00 a.m. *Breakfast Buffet*

8:00 a.m. to 8:10 a.m.
Introduction to Gas Issues
P.D. Leonard, Senior Vice President, Fowler Energy

8:10 a.m. to 8:30 a.m.
Natural Gas Basics
Bill Thompson, VP Marketing, Fowler Energy

8:30 a.m. to 8:55 a.m.
Boiler Fuel Alternatives
*Raymond Ganga, P.E., Sales/Development Engineer
The McBurney Corporation*

8:55 a.m. to 9:10 a.m. *Break*

9:10 a.m. to 9:55 a.m.
Natural Gas Supply, Demand and Price
*Dr. Jim Duncan, Manager- Gas Marketing Strategy and
Research, ConocoPhillips*

9:55 a.m. to 10:15 a.m.
Gas Procurement
P.D. Leonard, Senior Vice President, Fowler Energy

10:15 a.m. to 10:30 a.m. *Break*

10:30 a.m. to 11:15 a.m.
Natural Gas Prices – Where Are They Going?
*Larry Marshall, Publisher
Resource Natural Gas Weekly Report*

11:15 a.m. to 11:30 a.m.
*Commissioner Charles Matthews
Texas Railroad Commission*

11:30 a.m. to 11:45 a.m.
Panel Discussion

11:45 a.m.
Conference Adjourns

SPEAKERS

Charles R. Matthews, a former Mayor of the City of Garland and a Texas Railroad Commissioner since 1994, has a broad perspective in how the energy business in Texas works. He is an advocate for reducing the size and cost of state government. Nationally, he is a key player in interstate oil and gas regulation and represents Texas on the Interstate Mining and Compact Commission.

Ken Donohoo's 17 years with Texas utilities provided invaluable experience in all forms of transmission and distribution analysis. This experience has been enhanced during his tenure at the ERCOT Independent System Operator, where his work includes determining available transfer capacity, transmission losses and transmission planning for the Texas electric grid.

Bill Thompson has spent the past 22 years in the energy business, with 14 of those years working for Southern Union Company. His experience includes negotiating intrastate and interstate transportation contracts, supply contracts and pipeline bypass development projects. With Fowler Energy Company, his primary responsibility has been to help lower the gas costs of Texas clients.

Larry Marshall is an experienced market analyst and publisher of a weekly letter to his consulting clients entitled the *Resource Natural Gas Weekly Report*. Mr. Marshall has written the widely read letter each week since early 1995. Subscribers to the letter include: major natural gas marketing companies, municipalities and a number of Fortune 500 companies. In addition to his consulting practice, he has been an active commodity trader for 26 years and has academic degrees in Economics (B.A.), Finance (M.S.), and Law (J.D.).

Ruben Olvera, is employed by American Electric Power (AEP) as a Customer Service Engineer with account management responsibilities for hospitals, universities, school districts and cities in AEP's Texas Central Company headquartered in Corpus Christi, Texas. Ruben received his BS in Electrical Engineering from Texas A&M University, his MBA from Laredo State University and is a licensed Professional Engineer.

Dr. Jim Duncan is Manager, Gas Marketing Strategy and Research for ConocoPhillips Company, a division of ConocoPhillips Inc. He is responsible for developing the strategic direction for ConocoPhillips natural gas trading operations. Using mathematical modeling and market analysis, he continually evaluates the market looking for targets of opportunity to maximize value for the company, its stockholders, and its customers. Dr. Duncan has been a manager in the crude and petrochemical industry for over 20 years where he has held positions in R&D, marketing, and business development.

Barry T. Smitherman was appointed to the Public Utility Commission as a Commissioner in April 2004. Before joining the PUC, he served as a Harris County assistant district attorney. Prior to joining the district attorney's office, Barry amassed 16 years of experience as a public finance investment banker, including positions as head of J.P. Morgan's Houston office and managing director and national head of tax-exempt origination at BankOne Capital Markets in Chicago. He is a former adjunct professor of public administration at the University of St. Thomas in Houston.

Michael McCluskey is Senior Vice President of Wholesale and Retail Markets for Austin Energy, the city's community-owned electric utility. His responsibilities include fuel purchases, power sales and purchases, and real-time energy operations. He developed and implemented Austin Energy's financial risk management program to manage fuel and purchased power costs and directed the creation of the utility's Qualified Scheduling Entity (QSE), which manages the transactions related to the Texas wholesale deregulated market.

Tom Payton is responsible for arranging electric supply for Occidental's Oil and Gas and Chemical operations in Texas and at other Eastern U.S. locations. Tom is also responsible for marketing wholesale power from Occidental's cogeneration facilities in Texas and for operation of Occidental's self-serve Retail Electric Provider in ERCOT. Since 1989, Tom has been a member of Occidental's energy management group where he has been intimately involved in the evolving electric market over the last decade, especially in PJM, New York and Texas.

Bob Pohl is the Vice President, Electrical Engineering at Fowler Energy Company. He has been with Fowler Energy for five years. Prior to that, he spent 30 years in electrical engineering at both the distribution and transmission levels for Gulf States Utilities, a major investor owned utility along the Gulf Coast. He has six additional years of experience managing the electric utility for College Station, a large municipally owned utility in Texas.

Raymond Ganga is the Sales/Development Engineer and International Sales Manager for The McBurney Corporation. He has been with The McBurney Corporation since 1980 and his functions include marketing and sales of steam and power facilities to industrial and utility customers, both domestically and overseas. He also travels extensively overseas to support McBurney Energy Systems, Ltd., McBurney's international partner based in England.

P.D. Leonard plays a pivotal role at Fowler Energy in generating substantial savings in natural gas costs for industrial gas users by developing procurement alternatives to lower delivery costs and obtaining competitively priced natural gas through bid solicitations. As a former Air Force base commander, his experience included substantial utility cost reduction measures and rate negotiation.

REGISTRATION FORM: TEXAS INDUSTRIAL ENERGY CONFERENCE

Registration form must be received by October 20, 2004

Name: _____

Company: _____

Title: _____

Address: _____

City: _____ State: _____

Zip: _____ Phone: (_____) _____

Email: _____ Fax: (_____) _____

Credit Card #: _____ MC Visa

Name on Card: _____ Exp. Date: _____

Signature: _____

Please register by mail or fax:

Texas Industrial Energy Conference
4520 Spicewood Springs Road
Austin, Texas 78759

Fax: (512) 502-0008

Phone: (512) 502-0101

Attendance by invitation only. Please make checks payable to Texas Industrial Energy Conference. Faxed registration will be accepted if payment is received by October 20th. Substitutions may be permitted at any time. Registration fee refunds are available only if notice of cancellation is received, in writing by October 20th.

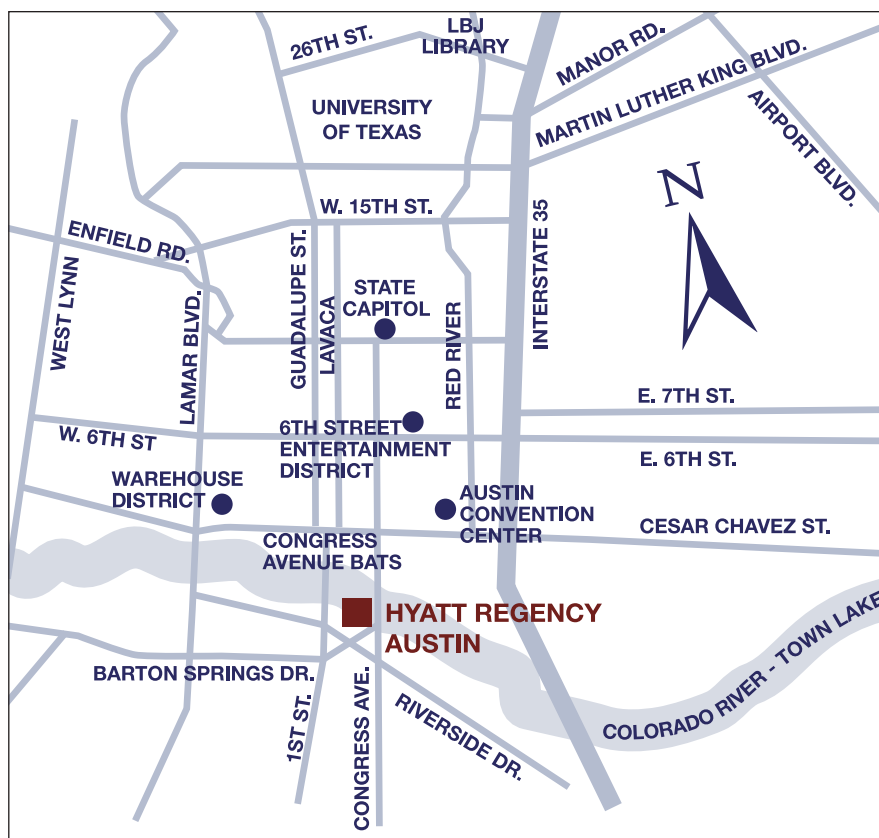
Seminar Fee:

Number of attendees x \$395 = \$ _____

CONFERENCE LOCATION AND ACCOMMODATIONS

The conference will be held at the Hyatt Regency on Town Lake. A block of rooms has been reserved at discounted rates of \$119 for single or \$144 for double per night. Make your reservations by calling the hotel directly at (512) 477-1234 no later than October 11th. If you have special needs that may affect your participation in this conference, please send a statement along with your registration form explaining your needs. You will be contacted to discuss accommodations.

Hyatt Regency Austin
On Town Lake
208 Barton Springs Road
Austin, Texas 78704



Sponsors:

Fowler Energy Company has been in business for 19 years here in Texas. Fowler works directly for producers and end users specializing in reducing transportation rates and other utility charges. Fowler handles procurement and develops engineered alternatives in both the electricity and natural gas areas to assist clients. **Texas Energy Associations Cooperative (TxEAC)** is an Electric Aggregator in Texas that was established to help Texas producers to combine their electric loads in order to obtain better pricing under electric deregulation. TxEAC is made up of 4 oil and gas associations – The Permian Basin Petroleum Association, Panhandle Producers and Royalty Owners Association, Texas Oil and Gas Association and the Texas Alliance of Energy Producers.