



ATLANTIC STORM ALERT

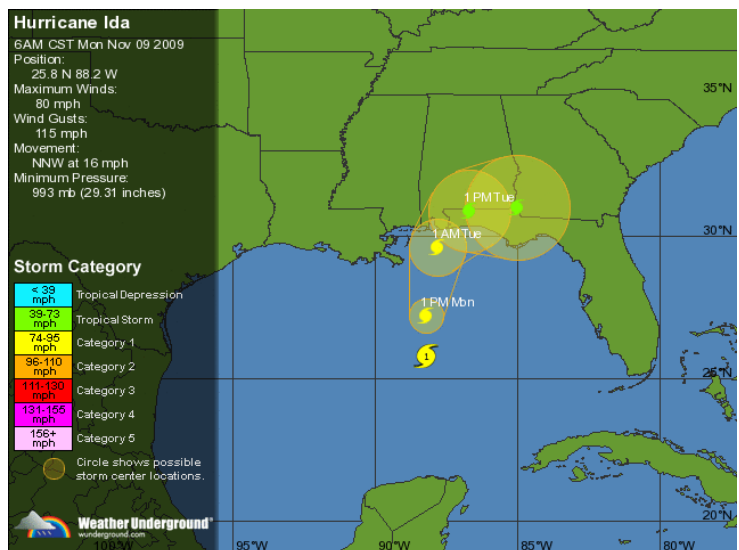
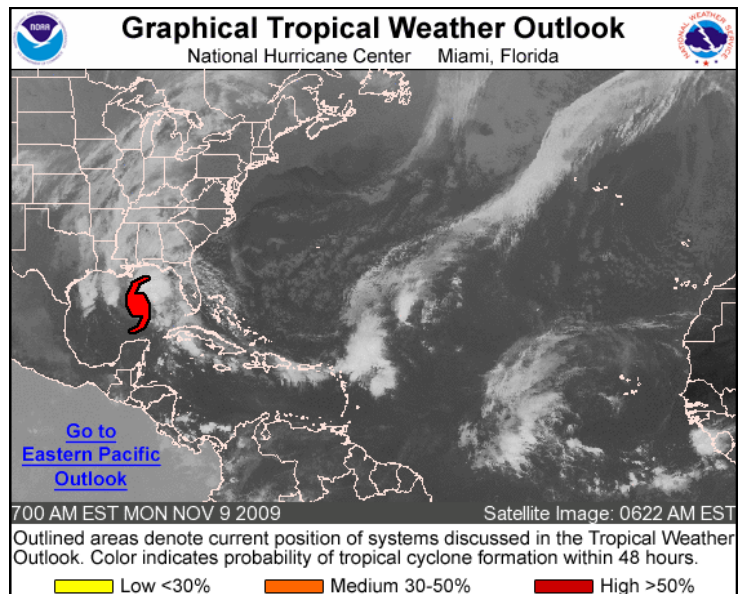
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General Overview: Hurricane Ida may cause some production shut-ins but her impact isn't expected to be significant. Don't panic buy based on Ida. After Ida ends, we're just 2-1/2 weeks away from the end of the hurricane season.

Last week, we indicated in our *Weekly Edition* that Hurricane Ida could resurface in the Gulf of Mexico by this week and she has – but not as a tropical storm but as a Hurricane. Ida has reached Category 2 hurricane status, but is expected to weaken to tropical storm status by the time it makes landfall on Tuesday. Right now, Ida is on a path to strike land between Southeast Louisiana and the Florida Panhandle. Ida will likely encounter some drier air which could hinder intensification. Plus, there have been some strong upper-level winds from the southwest which is also slowing development.

Ironically, natural gas prices could care less about Ida. The December 2009 natural gas NYMEX contract fell on Friday by \$.19 and continues to be weak in early Monday morning trading. The fact that prices have not reacted is probably because (1) it is unusual to have a major storm at this time of the season, so the industry isn't overly concerned that the development of Ida means an active end to what has been a very slow season of tropical storm activity and (2) there is so much natural gas in storage and that is leading to operational flow orders (OFOs) which can prompt involuntary production shut-ins, so potential shut-ins caused by Ida may relieve some of the OFOs.





DEFINITIONS AND 2009 STORM ACTIVITY

Tropical Wave: An elongated area of relatively low air pressure, oriented north to south, which move from east to west across the tropics causing areas of cloudiness and thunderstorms. Tropical waves are generally carried westward by the prevailing easterly winds.

Tropical Disturbance: An area of organized convection, originating in the tropics and occasionally the subtropics, that maintains its identity for 24 hours or more. It is often the first developmental stage of any subsequent tropical depression, tropical storm, or hurricane.

Tropical Depression: A tropical cyclone in which the maximum sustained surface winds are 38 mph or less. Characteristically having one or more closed isobars, it may form slowly from a tropical disturbance or an easterly wave which has continued to organize.

Tropical Storm: A tropical cyclone in which the maximum sustained surface wind speed (using the U.S. 1-minute average) ranges from 39-73 mph. When a storm reaches tropical storm status, it is given a name.

Hurricane: A severe tropical cyclone with wind speeds in excess of 74 mph. A hurricane is classified in five categories based on the average wind speed it is able to sustain for 1-minute.

Category 1 Hurricane: Wind speed of 74-95 mph. Minimal damage. Storm surges 4-5 feet above normal. Damage is primarily to shrubbery, trees and foliage.

Category 2 Hurricane: Wind speed of 96-110 mph. Moderate damage. Storm surges 6-8 feet above normal. Considerable damage to shrubbery. Damage to roofing materials of buildings, some window damage. Evacuation of some shoreline residences and low-lying areas required.

Category 3 Hurricane: Wind speed of 111-130 mph. Extensive damage. Storm surges 9-12 feet above normal. Large trees blown down. Some structural damage to small buildings. Mobile homes destroyed. Serious flooding. Flat terrain 5 feet or less above sea level flooded inland 8 miles or more. Evacuation of low-lying residences within several blocks of shoreline possibly required.

Category 4 Hurricane: Wind speed of 131-155 mph. Extreme damage. Storm surges 13-18 feet above normal. Shrubs and trees blown down. Extensive damage to roofing materials, windows and doors. Flat terrain 10 feet or less above sea level flooded inland as far as 6 miles. Major erosion of beaches. Massive evacuation of all residences within 500 yards of shore possibly required, and of single-story residences within 2 miles of shore.

Category 5 Hurricane: Wind speed of 156 mph or more. Catastrophic damage. Storm surges greater than 18 feet. Severe and extensive damage to windows and doors. Failure of roofs on many residences and industrial buildings. Shattering of glass in windows and doors. Some complete building failures. Major damage to lower floors of all structures less than 15 feet above sea level within 500 yards of shore. Massive evacuation of residential areas on low ground within 5 to 10 miles of shore possibly required. Storm surge generally greater than 18 feet.

2009 Atlantic Storm Activity

Below is a listing of Atlantic-Basin tropical storm activity thus far this year. In addition to the name of the storm, the timeframe and the maximum wind speed is listed. The maximum wind speed represents the average wind speed that the storm was able to sustain for 1 minute.

Tropical Storm Ana

08/15-08/17: Max winds of 40 mph

Hurricane Bill (Category 3)

08/15-8/24: Max winds of 135 mph

Tropical Storm Claudette

08/16-08/17: Max winds of 50 mph

Tropical Storm Danny

08/26-08/29: Max winds of 60 mph

Tropical Storm Erika

09/01-09/03: Max winds of 60 mph

Hurricane Fred

09/07-09/12: Max winds of 120 mph

Tropical Storm Grace

10/05-10/06: Max winds of 70 mph

Tropical Storm Henri

10/06-10/08: Max winds of 50 mph

Hurricane Ida

11/04-?: Max winds of 105 mph