

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Price Discovery in Natural Gas and Electric Markets	Docket No. PL03-3-005
Natural Gas Price Formation	Docket No. AD03-7-005
Aquila, Inc.	Docket No. ER03-1271-000
B-R Pipeline Company	Docket No. CP01-418-000
Colorado Interstate Gas Company	Docket No. CP03-7-001
Colorado Interstate Gas Company, <i>et al.</i>	Docket Nos. CP03-301-000
Kinder Morgan Interstate Gas Transmission LLC	Docket No. RP03-245-000
Natural Gas Pipeline Company of America	Docket Nos. RP99-176-089 and RP99-176-094
North Baja Pipeline LLC	Docket No. RP02-363-002
Northern Natural Gas Company	Docket No. RP03-398-000
Northern Natural Gas Company	Docket No. RP03-533-000
PG&E Gas Transmission, Northwest Corporation	Docket Nos. RP03-70-002 and RP03-70-003
Portland General Electric Company	Docket Nos. CP01-421-000 and CP01-421-001
Transcontinental Gas Pipe Line Corporation	Docket No. RP03-540-000
PacifiCorp	Docket No. ER04-439-001
	(Not consolidated)

NOTICE OF AGENDA FOR THE JUNE 25, 2004 CONFERENCE ON MARKET  
LIQUIDITY, ENERGY PRICE DISCOVERY, AND NATURAL GAS AND  
ELECTRICITY PRICE INDICES

(June 17, 2004)

As announced in the Notice of Conference issued May 14, 2004, the Federal Energy Regulatory Commission (Commission) will hold a Staff technical conference on Friday, June 25, 2004, from 9:00 a.m. to 5:00 p.m. EST (please note time change from the May 14 Notice), at the Commission's headquarters, 888 First Street, NE, Washington, DC, in the Commission's meeting room (Room 2C). The conference will be conducted by the Commission's Staff, and members of the Commission may be present for all or part of the conference. The Commodity Futures Trading Commission (CFTC) will participate. All interested parties are invited to attend. The Commission's summer dress code is business casual. There is no requirement to register and no cost for attending the conference.

The purpose of the conference is to discuss the adequacy of natural gas and electricity price formation, the level of reporting of energy transactions to price index developers, actions taken by price index developers to improve the information available to the market, the overall level of liquidity in wholesale natural gas and electricity markets, and the use of price indices in jurisdictional tariffs. More detail on the issues to be considered is contained in the May 14 Notice. Staff is interested in discussion of these issues, including specific recommendations made by Staff in the *Report on Natural Gas and Electricity Price Indices*, issued May 5, 2004, in Docket Nos. PL03-3-004 and AD03-7-004. We plan to hear from a variety of speakers representing all segments of the natural gas and electricity industries.

The conference agenda is appended to this Notice. The agenda includes four panels, each with a different emphasis on the issues to be considered. Panelists are encouraged to file prepared written statements addressing the issues on or before June 25. Such statements should be filed with the Secretary of the Commission. Speakers will be encouraged to use their allotted time to summarize their positions and views on the issues noted for their panel. Time will be reserved for questions by Staff and, at the end of the conference, for members of the audience.

As mentioned in the May 14 Notice, the conference will be transcribed. Those interested in acquiring the transcript should contact Ace Reporters at 202-347-3700 or 800-336-6646. Transcripts will be placed in the public record seven days after the Commission receives them. Also, Capitol Connection will broadcast this conference. Capitol Connection offers the opportunity for remote listening and viewing of the

conference. It is available for a fee, live over the Internet, by phone or via satellite. Persons interested in receiving the broadcast, or who need information on making arrangements, should contact David Reininger or Julia Morelli at Capitol Connection (703-993-3100) as soon as possible or visit the Capitol Connection website at <http://www.capitolconnection.org> and click on "FERC."

For additional information, please contact Ted Gerarden of the Office of Market Oversight & Investigations at 202-502-6187 or by email at [Ted.Gerarden@ferc.gov](mailto:Ted.Gerarden@ferc.gov).

Linda Mitry  
Acting Secretary

Attachment: Conference Agenda

**CONFERENCE AGENDA  
JUNE 25, 2004**

**WELCOME AND OPENING REMARKS**

**9:00 – 9:30 a.m.**

William Hederman, Director Office of Market Oversight & Investigations  
Stephen Harvey, Deputy Director, Market Oversight and Assessment  
Michael Gorham, Director, Division of Market Oversight, Commodity Futures Trading  
Commission

**PANEL 1—REACTION TO STAFF REPORT AND RECOMMENDATIONS FOR INDICES USED  
IN PIPELINE OR UTILITY TARIFFS**

**9:30 – 10:30 a.m.**

Panelists:

- Timothy Oaks, Manager Federal Regulatory Affairs & Contract Administration, UGI Utilities Inc. (American Gas Association)
- Eugene V. Rozgony, Vice President and Chief Risk Officer, AGL Resources
- Donald Santa, President, Interstate Natural Gas Association of America
- Dena Wiggins, Sutherland Asbill & Brennan (Process Gas Consumers)
- James Allison, Regional Risk Manager, ConocoPhillips

Issues:

- Should the Commission adopt Staff's recommendation that any index used in a tariff provide volume and number of transactions for each reported price? Should other data be required?
- Are Staff's recommended volumes (25,000 MMBtu/day or 4000 MWh/day) or transactions (five for daily, eight for weekly, ten for monthly indices) sufficient to indicate adequate liquidity?
- Should the Commission require all pipelines and utilities to amend their tariffs by a date certain if indices currently used in tariffs do not meet adopted criteria?
- What conclusions can be drawn from the responses to the Commission's surveys on price reporting?

**BREAK**

**10:30 – 10:40 a.m.**

**PANEL 2—PRICE REPORTING, CONFIDENCE IN INDICES, AND OPTIONS FOR FUTURE COMMISSION ACTION**

**10:40 a.m. – 12:15 p.m.**

Panelists:

- Scott Nauman, Manager, Americas Gas Marketing, ExxonMobil Gas & Power Marketing Company (Natural Gas Supply Association)
- Representative from the Electric Power Supply Association (invited)
- Timothy Oaks, Manager Federal Regulatory Affairs & Contract Administration, UGI Utilities Inc. (American Gas Association)
- Gerald Ballinger, Chief Executive Officer of the Public Energy Authority of Kentucky (American Public Gas Association)
- Jeff Walker, Senior Vice President and Chief Risk Officer, ACES Power Marketing (National Rural Electric Cooperative Association)
- Al Musur, Director, Energy and Utility Programs, Abbott Laboratories and Chairman of the Industrial Energy Consumers of America
- Alexander Strawn, Proctor & Gamble Company and Chairman of the Process Gas Consumers

Issues:

- What incentives will encourage companies to begin or increase price reporting?
- Are process improvements by reporting companies (public code of conduct, independent source, audit of processes) adequate or are there further improvements that can increase the accuracy of price indices?
- Has industry confidence in prices reported in indices increased to a satisfactory level?
- What steps can be taken to improve transparency of price indices?
- What further information should price indices provide to market participants?
- Has sufficient progress been made under the Policy Statement?
- Should the Commission adopt further requirements for price reporters and/or index developers? If so, what requirements are appropriate?
- Should some form of mandatory reporting be required? If so, what is the desirable scope of such reporting (Who should be required to report? Should reporting be to existing index developers, to an intermediary or depository, or to the Commission? What data should be required to be reported?)?
- Would mandatory reporting materially improve the quality of price data available to market participants?

**LUNCH BREAK**

**12:15 – 1:15 p.m.**

**PANEL 3—INDEX DEVELOPERS’ RESPONSE TO INDUSTRY VIEWS  
AND STAFF REPORT**

**1:15 – 2:45 p.m.**

Panelists:

- C. Miles Weigel, Senior Vice President, Argus Media, Inc.
- Brad Johnson, Global Energy Business Manager, Bloomberg
- Tom Waterman, Publisher, Btu/DTN
- Ernest Onukogo, Manager Newswire Indexes, DowJones
- Richard Sansom, Markets Editor, Io Energy LLC
- Bobette Riner, President, Powerdex
- Tom Haywood, Editor, Energy Intelligence Group
- Dexter Steis, Executive Publisher, Intelligence Press
- Chuck Vice, Chief Operating Officer, IntercontinentalExchange
- Larry Foster, Editorial Director, US Natural Gas, Platts

Issues:

- What improvements in data collection and price reporting have index developers seen since issuance of the Policy Statement?
- How have index developers responded to the call for greater transparency of indices?
- What plans do price index developers have to provide more information and more transparency to energy market participants?
- Do price index developers meet the standards of the Policy Statement? Did the Staff report accurately depict the extent to which index developers have adopted Policy Statement standards?
- Do price index developers support the criteria proposed by Staff for use of indices in jurisdictional tariffs?
- How can price index developers facilitate tariff compliance by pipelines and utilities?
- Will price index developers provide FERC with access to data in the event of an investigation of suspected false reporting or price manipulation?

**BREAK**

**2:45 – 2:55 p.m.**

**PANEL 4—MARKET LIQUIDITY**

**2:55 – 4:15 p.m.**

Panelists:

- Martin Marz, Compliance Manager, North American Gas and Power, BP America, Inc.
- Christopher Edmonds, Senior Vice President, ICAP Energy LLC (Energy Brokers Association)
- Representative of financial institution active in energy markets (invited)
- Mark Niehaus, Partner Energy Assurance, PriceWaterhouseCoopers
- Tom Jepperson, Division Counsel, Questar Market Resources, Inc
- Vince Kaminski , Managing Director, Sempra Energy Trading

Issues:

- Is there adequate trading activity at enough locations to develop reliable price signals for market participants?
- What are the characteristics that make for a good trading hub?
- What steps can the Commission take to encourage the development of active trading hubs?
- What role can electronic trading, confirmation/settlement, and clearing play in improving market liquidity?
- Can improvements in price indices restore confidence in price formation given the present levels of trading?

**AUDIENCE QUESTIONS AND COMMENTS**

**4:15 – 4:45 p.m.**

**CONCLUDING REMARKS**

**4:45 – 5:00 p.m.**