

OMB Control No. 1902-0203  
Expires March 30, 2004

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Price Discovery in Natural Gas and )  
Electric Markets )

Docket No. PL03-3-003

**SECOND SURVEY CONCERNING REPORTING OF ENERGY TRADE DATA**

Instructions

This survey seeks information concerning your company's (1) role and use of price indices in the energy marketplace, (2) transactions eligible for inclusion in price indices, and (3) current price reporting practices. It is related to the Commission's *Policy Statement on Natural Gas and Electric Price Indices*, 104 FERC ¶ 61,121, *clarified in* 105 FERC ¶ 61,282 (2003). A copy of the Policy Statement and the order on clarification of the Policy Statement is enclosed for your reference.

Provide a response to this survey by March 30, 2004. To facilitate your response, an electronic copy of the survey is available from the Commission's eLibrary at <http://ferris.ferc.gov/idmws/search/fercgensearch.asp>, under Docket No. PL03-3. Your response may be submitted in any of three ways:

1. As an attachment to an email to [PowerGasMonitoringCenter@ferc.gov](mailto:PowerGasMonitoringCenter@ferc.gov);
2. By facsimile to 202-502-6449; or
3. By express delivery to:

Office of Market Oversight and Investigation  
Federal Energy Regulatory Commission  
888 First Street, NE, Room 5C-02  
Washington, DC 20426  
Att'n: Energy Trade Data Reporting Survey

Note that survey responses should NOT be filed with the Secretary of the Commission. Moreover, due to the delay in handling of First-Class mail addressed to government offices, we request that email, facsimile, or express delivery only be used, and that your response be received at the Commission offices no later than March 30, 2004.

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You should provide a company-wide response to the survey if at all possible. If a company-wide response is not feasible, provide separate responses for those affiliates or subsidiaries active in buying and selling natural gas or electricity in wholesale markets.

Be sure to review these instructions and definitions as well as notes corresponding to the questions before responding. Where applicable, respond by marking the best answer from the options displayed. Do not leave any survey question unanswered unless it is not applicable to your company.

Please note that there is an additional section of questions dealing with transactions other than next-day natural gas, next-day electricity, and bid-week transactions (defined below). It will be helpful for the Commission to learn more about forward fixed price transactions and other reported natural gas and electricity transactions. These questions have been separated from the survey questions for convenience and clarity.

If you feel that the survey did not allow you to represent your trading and reporting activity fully or accurately, attach a supplemental description of the situation not fully captured by your survey responses.

### Confidentiality

This survey may require you to provide information that you believe is privileged or confidential. You may request confidential treatment for your response to any question by: (1) indicating at the end of a specific response that it contains privileged or confidential information that should be withheld from the public; (2) attaching a brief statement explaining the confidential nature of the information provided; (3) boldly indicating on the front page of the survey response the following: “**Contains Privileged Information—Do Not Release;**” and (4) providing the name, title, telephone number, e-mail address, and facsimile information of the person to be contacted regarding your request for privileged treatment. If you follow the above steps, it is not necessary to supply redacted paper copies of your survey response. See 18 C.F.R. § 388.112 for more information.

### Definitions

The definitions used in this survey are as follows:

- “*Bid week*” refers to the last five business days of each month.
- “*Next-day gas transactions*” refers to negotiated, non-affiliate fixed-price physical gas transactions on the last trading day before the day of flow. Transactions done on Friday usually are for flow on Saturday, Sunday and Monday inclusive.

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Trading patterns may vary in the case of holidays or the end of a month that occurs on a weekend.

- “*Bid-week transactions*” refers to negotiated, non-affiliate (1) fixed-price transactions executed during bid week, for gas to flow each day of the coming month, and (2) physical basis transactions for gas to flow each day of the coming month in which the basis value is negotiated on one of the first three days of bid-week and the final price is set by adding the basis value to the final settlement price for the NYMEX gas-futures contract for the delivery month.
- “*Next-day electricity transactions*” include negotiated, non-affiliate fixed-price transactions for physical, pre-scheduled, on-peak, next-day electricity. (Note that physical transactions in this definition include transactions that would flow but are “booked-out” and therefore do not go to delivery.)
- “*Forward fixed price transactions*” include any other monthly or weekly natural gas or electricity transactions with delivery periods beginning at a time more remote from the transaction execution date and/or with a delivery duration longer than the next-day or bid week transactions described above.
- “*Other Reported Natural Gas or Electricity Transactions*” includes any other natural gas or electricity transactions for which information is provided to Index Developers.
- “*Index Developer*” refers to an entity that collects transaction level information in accordance with the Commission’s recommended standards in a timely manner to calculate and make publicly available price indices using information collected by them from market participants that actively or passively (such as through electronic transactions or clearing) supply trade data for inclusion in a published index.
- “*Reporting.*” For purposes of this survey, a company is “reporting” if it conducts some or all of its qualifying transactions on an electronic platform or through electronic clearing services that capture all trade data for use in price indices, or actively provides information from some or all relevant natural gas and/or electricity transactions to one or more Index Developers.

Where information is requested concerning volumes, to assure consistency in reporting volume data, include both purchase and sales volumes. If a time period included both purchases and sales for a given transaction type, sum the volumes—for example, if October 2003 day-ahead fixed price gas transactions included purchases of 10,000 MMBtu/day and sales of 5,000 MMBtu/day, you should report 15,000 MMBtu. In this way, the aggregate report across all survey responses will be consistent and will converge toward reporting every transaction exactly twice—once for the purchase and once for the sale.

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Further information

If you have questions about responding to the survey, please contact Ted Gerarden at (202) 502-6187 or by email at [Ted.Gerarden@ferc.gov](mailto:Ted.Gerarden@ferc.gov), or Rafael Martinez at (202) 502-6336 or by email at [Rafael.Martinez@ferc.gov](mailto:Rafael.Martinez@ferc.gov).

**SURVEY**

1. Mark with an "X" ALL the choices that describe your company.

Producer  
 Marketer  
 Industrial Consumer  
 Electric Utility  
 Gas Utility  
 Generator  
 Other (describe) \_\_\_\_\_

2. Mark with an "X" the ONE choice in each applicable category that best describes your trading objectives.

a. Natural Gas

Trading in support of physical assets or production  
 Contract-based business (including trading without physical assets)  
 Purchase for resale to end users  
 Purchase for own consumption

b. Electricity

Trading in support of physical assets or production  
 Contract-based business (including trading without physical assets)  
 Purchase for resale to end users  
 Purchase for own consumption

3. In order to roughly gauge the size of your company's role in energy markets, mark with an "X" the range that most closely represents the *average daily physical volumes* traded during calendar year 2003. Include all daily, monthly, multiple month, spot and forward transactions, whether delivered or not.

Natural Gas		
Range in MMBtus/day	Sales	Purchases
0 to 1,000		
1,000 to 10,000		
10,000 to 100,000		
More than 100,000		

Electricity		
Range in MWhs/day	Sales	Purchases
0 to 10,000		
10,000 to 100,000		
More than 100,000		

4. Mark with an "X" which ONE of the following choices BEST approximates the total nominal volumes in your financial contracts<sup>1</sup> in relation to the total volumes in your physical contracts transacted (as opposed to settled) during calendar 2003.

\_\_\_\_\_ financial volumes are less than one third of the physical volumes  
 \_\_\_\_\_ financial volumes fall between one-third and three times physical volumes  
 \_\_\_\_\_ financial volumes are more than three times physical volumes

5. Do you currently purchase or sell ANY physical natural gas or settle financial natural gas transactions based on published price indices? Provide a response in each category. Circle "NA" for "not applicable" if you do not transact in natural gas markets.

a. physical Yes / No / NA  
 b. financial Yes / No / NA

6. Do you currently purchase or sell ANY physical electricity or settle financial electricity transactions based on published price indices? Provide a response in each category. Circle "NA" for "not applicable" if you do not transact in electricity markets.

a. physical Yes / No / NA  
 b. financial Yes / No / NA

<sup>1</sup> Financial contracts as referred to in this survey are those that are financially settled. Include only those financial contracts which payout is dependent on commodity prices, hence the need for a nominal volume. Do not include insurance, interest rate or currency derivatives, etc.

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7. Of the volumes referred to in question 3, mark with an "X" which one of the following ranges BEST approximates the percentage of your volumes priced "at index" during calendar 2003.
- a. Natural Gas    \_\_\_ 0 - 25%    \_\_\_ 25-50%    \_\_\_ 50-75%    \_\_\_ 75-99%    \_\_\_ 100%
- b. Electricity    \_\_\_ 0 - 25%    \_\_\_ 25-50%    \_\_\_ 50-75%    \_\_\_ 75-99%    \_\_\_ 100%
8. Evaluate the level of confidence you have that the current system of index construction represents market pricing. Circle one number between 1 and 10, with 10 being total confidence and 1 being no confidence. If so desired, provide a narrative in an attached page.
- 1      2      3      4      5      6      7      8      9      10
- No confidence Total confidence
9. Complete the following table for transactions in the *day-ahead* natural gas market. Include only those transactions that are "*Next-day gas transactions*" as defined above. For volumes, round up to the closest 10,000 MMBtu. If not applicable to your company, leave the table blank.

	Average Daily Volume (MMBtu)	Number of Transactions
<b>October 2003</b>		
<b>November 2003</b>		
<b>December 2003</b>		
<b>January 2004</b>		
<b>February 2004</b>		

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10. Complete the following table for transactions in the *bid-week* natural gas market. Include only those transactions that are "*Bid-week transactions*" as defined above. For volumes, round up to the closest 10,000 MMBtu. If not applicable to your company, leave the table blank.

	Average Monthly Volume (MMBtu)	Number of Transactions
<b>October 2003</b>		
<b>November 2003</b>		
<b>December 2003</b>		
<b>January 2004</b>		
<b>February 2004</b>		

11. Complete the following table for transactions in the *day-ahead* electricity market. Include only those transactions that are "*Next-day electricity transactions*" as defined above. For volumes, round up to the closest 10,000 MWh. If not applicable to your company, leave the table blank.

	Average Daily Volume (MWh)	Number of Transactions
<b>October 2003</b>		
<b>November 2003</b>		
<b>December 2003</b>		
<b>January 2004</b>		
<b>February 2004</b>		

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12. Complete the following table to indicate, for each of the day-ahead and bid-week natural gas markets and the day-ahead electricity market, the percent of business indicated in your responses to questions 9 through 11 above, *by average volume over the entire five month period*, that you executed through voice brokers, by direct bilateral transactions, or through electronic execution facilities. If your systems do not enable providing a precise answer, so note and provide a good faith estimate. If any category does not apply, enter "NA" as your response.

	<b>% of Volume Executed Through Voice Brokers</b>	<b>% of Volume Executed By Direct Bilateral Transactions</b>	<b>% of Volume Executed On Electronic Exchanges</b>
<b>Day-Ahead Gas</b>			
<b>Bid-Week Gas</b>			
<b>Day-Ahead Electricity</b>			

13. Are you currently reporting natural gas or electricity transaction data to one or more Index Developers?

Natural gas transactions

None / Some / All

Electricity transactions

None / Some / All

14. For what portion of the volumes reported in questions 9 through 11 did you submit price information directly to Index Developers (as defined above) during the survey period? Circle ONE answer for each category. If your price reporting policy has changed since September 30, 2003, so indicate, provide a narrative description of the change, and respond from the date of the change in your policy.

<b>Day-Ahead Gas</b>	<b>None / Few / Some / Most / All</b>
<b>Bid-Week Gas</b>	<b>None / Few / Some / Most / All</b>
<b>Day-Ahead Electricity</b>	<b>None / Few / Some / Most / All</b>
Notes: By number of transactions, <i>few</i> is less than 20%, <i>some</i> is between 20% and 50%, <i>most</i> is between 50% and 90%, and <i>all</i> is more than 90%.	

**If you answered "None" to ALL parts of question 14, skip to question 22.**

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15. If your answer to the previous question was “Few,” “Some,” or “Most,” provide a narrative explanation of the type or category of transactions that were not reported and the reason why they were not reported.
  
16. Specify the number of Index Developers to whom you regularly reported your transactional information.

<b>Day-Ahead Gas</b>	<b>None / 1 / 2 / 3 or more</b>
<b>Bid-Week Gas</b>	<b>None / 1 / 2 / 3 or more</b>
<b>Day-Ahead Electricity</b>	<b>None / 1 / 2 / 3 or more</b>
Notes: Do not include those to which you reported infrequently or sparingly	

Identify the Index Developers to whom you regularly report transaction information:

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17. Of those transactions you reported to Index Developers, indicate which of the following information you included. Circle ONE answer for each category, (a) through (g). See Policy Statement ¶ 34.3. If your policy changed since September 30, 2003, so indicate, provide a narrative description of the change, and respond from the date of the change in your policy.

## a. Natural Gas

<b>(a) price</b>	<b>Yes / No</b>
<b>(b) volume</b>	<b>Yes / No</b>
<b>(c) buy/sell indicator</b>	<b>Yes / No</b>
<b>(d) delivery/receipt location</b>	<b>Yes / No</b>
<b>(e) transaction date</b>	<b>Yes / No</b>
<b>(f) term</b>	<b>Yes / No</b>
<b>(g) counterparty</b>	<b>Yes / No</b>

## b. Electricity

<b>(a) price</b>	<b>Yes / No</b>
<b>(b) volume</b>	<b>Yes / No</b>
<b>(c) buy/sell indicator</b>	<b>Yes / No</b>
<b>(d) delivery/receipt location</b>	<b>Yes / No</b>
<b>(e) transaction date</b>	<b>Yes / No</b>
<b>(f) term</b>	<b>Yes / No</b>
<b>(g) counterparty</b>	<b>Yes / No</b>

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18. Was the reporting to Index Developers of the transactions covered in your response to this survey, and the related error resolution function, done by a department of the company independent from and not responsible for trading? See Policy Statement ¶¶ 34.2 and 34.4.

**Yes / No**

19. Have you adopted a public code of conduct that your employees are required to follow in buying or selling natural gas or electricity and in reporting data to Index Developers? See Policy Statement ¶ 34.1.

**Yes / No**

20. Have you engaged or employed an auditor independent of the trading function to review at least once annually the implementation of and adherence to the data gathering and submission process adopted by your company? See Policy Statement ¶ 34.5.

**Yes / No**

21. If you report any transactions to Index Developers but answered “No” to any part of questions 18-20, provide a narrative description of any plans you have to adopt or otherwise comply with the standards of Policy Statement ¶34.

22. If you are not currently reporting *all* of your qualifying transactions to Index Developers, mark with an “X” the answer that BEST describes your intentions.

\_\_\_\_\_ No current plan to change reporting practices.

\_\_\_\_\_ Plan to begin or increase reporting, and expect to implement within the next three months.

\_\_\_\_\_ Intend to begin reporting or increase reporting, but anticipate at least a three-month delay before implementation.

If you indicated an intention to change your current reporting practices, provide a narrative description of your plans. Include a discussion of whether you plan to adopt or otherwise comply with the standards of Policy Statement ¶34.

**ADDITIONAL QUESTIONS**

The following questions ask for additional information on forward fixed price transactions (monthly or weekly natural gas or electricity transactions with delivery periods beginning at a time more remote from the transaction execution date and/or with a delivery duration longer than the next-day or bid week transactions) and other natural gas or electricity transactions for which information is provided to Index Developers.

23. Complete the following table for *forward fixed price* or *other reported natural gas transactions* as previously defined. (Round up to the closest 10,000 MMBtu). If not applicable to your company, leave the table blank.

	Average Daily Volume (MMBtu)	Number of Transactions
<b>October 2003</b>		
<b>November 2003</b>		
<b>December 2003</b>		
<b>January 2004</b>		
<b>February 2004</b>		

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24. Complete the following table for *forward fixed price electric* or *other reported electricity transactions* as previously defined. For volumes, round up to the closest 10,000 MWh. If not applicable to your company, leave the table blank.

	Average Daily Volume (MWh)	Number of Transactions
<b>October 2003</b>		
<b>November 2003</b>		
<b>December 2003</b>		
<b>January 2004</b>		
<b>February 2004</b>		

25. Complete the following table to indicate, for forward fixed price natural gas and electricity and other reported natural gas and electricity transactions, the percent of business indicated in your responses to questions 23-24 above, by *average volume over the entire five month period*, that you executed through voice brokers, by direct bilateral transactions, or through electronic execution facilities. If your systems do not enable providing a precise answer, so note and provide a good faith estimate. If any category does not apply, enter "NA" as your response.

	% of Volume Executed Through Voice Brokers	% of Volume Executed By Direct Bilateral Transactions	% of Volume Executed On Electronic Exchanges
<b>Forward Fixed Gas</b>			
<b>Other Reported Gas</b>			
<b>Forward Fixed Electricity</b>			
<b>Other Reported Electricity</b>			

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26. For what portion of the volumes reported in questions 23-24 did you submit price information directly to Index Developers (as defined above) during the survey period? Circle ONE answer for each category. If your price reporting policy has changed since September 30, 2003, so indicate, provide a narrative description of the change, and respond from the date of the change in your policy.

<b>Forward Fixed Price Gas</b>	<b>None / Few / Some / Most / All</b>
<b>Other Reported Gas</b>	<b>None / Few / Some / Most / All</b>
<b>Forward Fixed Price Electricity</b>	<b>None / Few / Some / Most / All</b>
<b>Other Reported Electricity</b>	<b>None / Few / Some / Most / All</b>
Notes: By number of transactions, <i>few</i> is less than 20%, <i>some</i> is between 20% and 50%, <i>most</i> is between 50% and 90%, and <i>all</i> is more than 90%.	

27. Specify the number of Index Developers to whom you regularly reported your transactional information reported in response to questions 23-24.

<b>Forward Fixed Price Gas</b>	<b>None / 1 / 2 / 3 or more</b>
<b>Other Reported Gas</b>	<b>None / 1 / 2 / 3 or more</b>
<b>Forward Fixed Price Electricity</b>	<b>None / 1 / 2 / 3 or more</b>
<b>Other Reported Electricity</b>	<b>None / 1 / 2 / 3 or more</b>
Notes: Do not include those to which you reported infrequently or sparingly	

Identify the Index Developers to whom you regularly report transaction information:

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**This ends the survey and additional questions. Attach any requested narrative response or applicable documents and complete the following attestation. You may also attach a supplemental response to any question. Thank you for your participation.**

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**ATTESTATION**

I hereby attest that the responses to the foregoing survey are accurate and representative of my company's activity related to the reporting of energy trade data.

Name of responding company: \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title