

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov

In the matter of)	Docket No. 09-IEP-1J
)	
Preparation of the)	NOTICE OF COMMITTEE
<i>2009 Integrated Energy Policy Report</i>)	WORKSHOP RE: Natural Gas
)	Procurement by Utilities

Notice of Joint IEPR and Electricity & Natural Gas Committee Workshop on Natural Gas Core and Non-core Procurement

In support of the *2009 Integrated Energy Policy Report (2009 IEPR)*, the California Energy Commission (Energy Commission) will conduct a combined Integrated Energy Policy Report and Electricity and Natural Gas Committee workshop to discuss natural gas core and non-core procurement and regulatory mechanisms. Commissioner Jeffrey D. Byron is the Presiding Member and Vice Chair James D. Boyd is the Associate Member of the 2009 IEPR Committee and Electricity and Natural Gas Committee. Other Commissioners may attend and participate in this workshop. The workshop will be held:

TUESDAY, MARCH 10, 2009

9 a.m.

CALIFORNIA ENERGY COMMISSION
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California
(Wheelchair Accessible)

DOCKET	
09-IEP-1J	
DATE	_____
RECD.	FEB 25 2009

Remote Attendance

Webcast - Presentations and audio from this meeting will be broadcast over the Internet through Windows Media. For details, please go to:
www.energy.ca.gov/webcast/.

Conference Call - To participate in the meeting by phone, please call **888-566-5914** by 9 a.m. Passcode: **IEPR** Call Leader: **Lynette Esternon-Green**

Purpose

This workshop is to provide the Committee with a background on natural gas procurement by California utilities, current regulatory mechanisms that affect procurement, and the impacts of volatile natural gas market prices on the utilities and their ratepayers.

A draft staff paper will be posted online at [\[http://www.energy.ca.gov/2009_energypolicy/index.html\]](http://www.energy.ca.gov/2009_energypolicy/index.html) on February 26, 2009.

Background

Natural gas prices reached over \$13.00 per million British thermal units (MMBtu) at Henry Hub during the summer of 2008, prices which have not been seen since 2005. The Energy Commission seeks to more fully understand the impact of the market prices on the gas utilities, ratepayers and customers. Energy Commission staff has analyzed data, conducted a literature review, and interviewed staff from the gas utilities, California Public Utilities Commission (CPUC) and the Division of Ratepayer Advocates (DRA). Guest speakers from the utilities, CPUC, DRA, and other entities responsible for natural gas procurement have been invited to share their perspectives on natural gas procurement and market price effects.

The Committee invites public comment on the matter of natural gas procurement by utilities, and requests input on the following questions:

1. To what extent are the gas utilities and ratepayers exposed to natural gas market price fluctuations?
2. What options do utilities have for natural gas procurement and cost recovery?
3. What risk mitigation strategies are available to the utilities (for example, hedging)?
4. How are the risks of hedging balanced against the benefits of hedging?
5. How do regulatory incentive mechanisms function in the overall procurement process?

Written Comments

Written comments on the workshop topic must be submitted by 5:00 p.m. on March 18, 2009. Please include the docket number 09-IEP-1J and indicate "Natural Gas Procurement by Utilities" in the subject line or first paragraph of your comments. Please hand deliver or mail an original to:

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-IEP-1J
1516 Ninth Street
Sacramento, CA 95814-5512

The Energy Commission encourages comments by e-mail. Please include your name or organization's in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [\[docket@energy.state.ca.us\]](mailto:docket@energy.state.ca.us). **One paper copy** must also be sent to the Energy Commission's Docket Unit.

Participants may also provide an original copy at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Unit and become part of the public record in this proceeding.

Public Participation

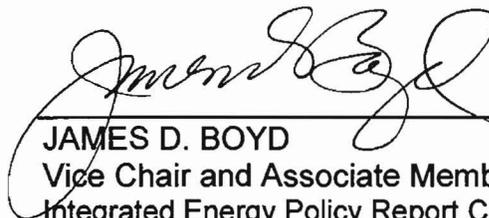
The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact Elena Miller, Public Adviser at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lou Quiroz at (916) 654-5146 at least five days in advance.

Please direct all news media inquiries to the Media Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.state.ca.us]. If you have questions on the technical subject matter of this forum, please call Lana Wong, Electric Generation System Specialist, at 916-654-4638 or by e-mail at [lwong@energy.state.ca.us]. For general questions regarding the IEPR proceeding, please contact Lynette Esternon-Green, IEPR project manager, by phone at (916) 653-2728 or by e-mail at [lesterno@energy.state.ca.us].

The service list for the 2009 IEPR is handled electronically. Notices and documents for this proceeding are posted to the Energy Commission website at [http://www.energy.ca.gov/2009_energyypolicy/index.html]. When new information is posted, an e-mail will be sent to those on the energy policy e-mail list server. We encourage those who are interested in receiving these notices to sign up for the list server through the website at [<http://www.energy.ca.gov/listservers/index.html>].



JEFFREY D. BYRON
Commissioner and Presiding Member
Integrated Energy Policy Report Committee
Electricity and Natural Gas Committee



JAMES D. BOYD
Vice Chair and Associate Member
Integrated Energy Policy Report Committee
Electricity and Natural Gas Committee

Mail Lists: Energy policy

Note: California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.