

Natural Gas Working Group



California Energy Commission

June 5, 2008

Electricity Analysis Office

Generation Fuels Unit

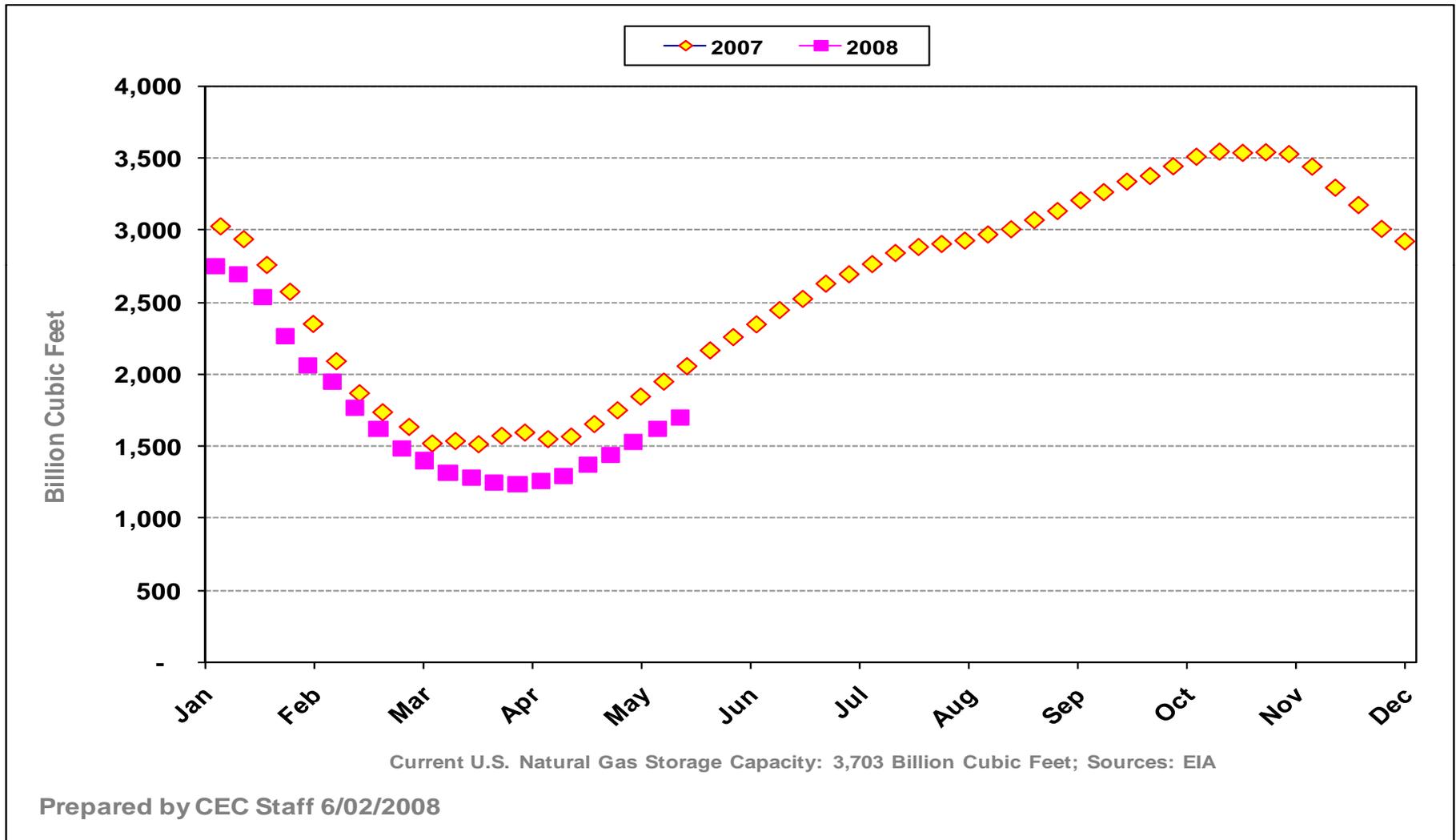
Natural Gas Market Assessment

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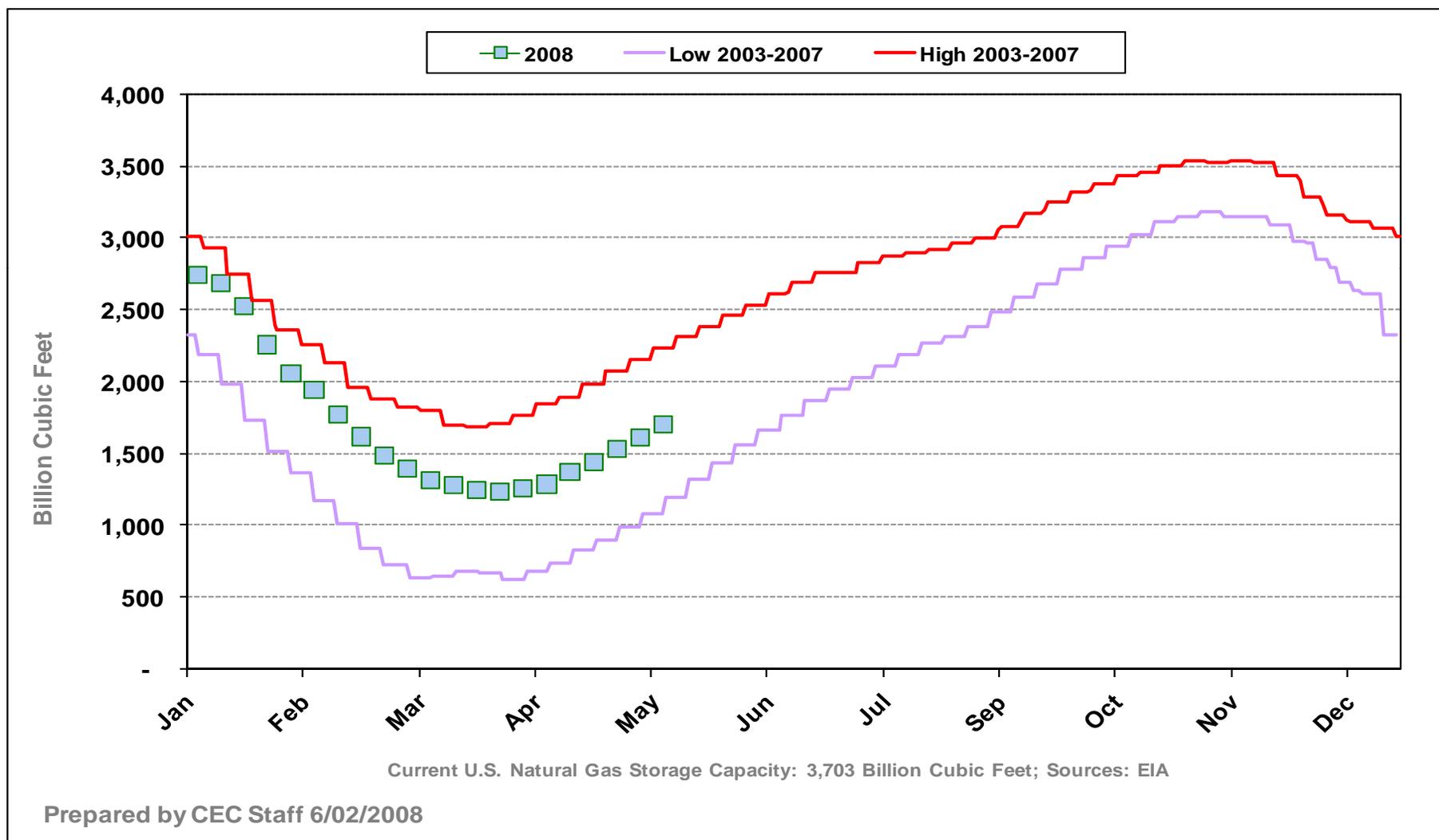


Storage: United States and California

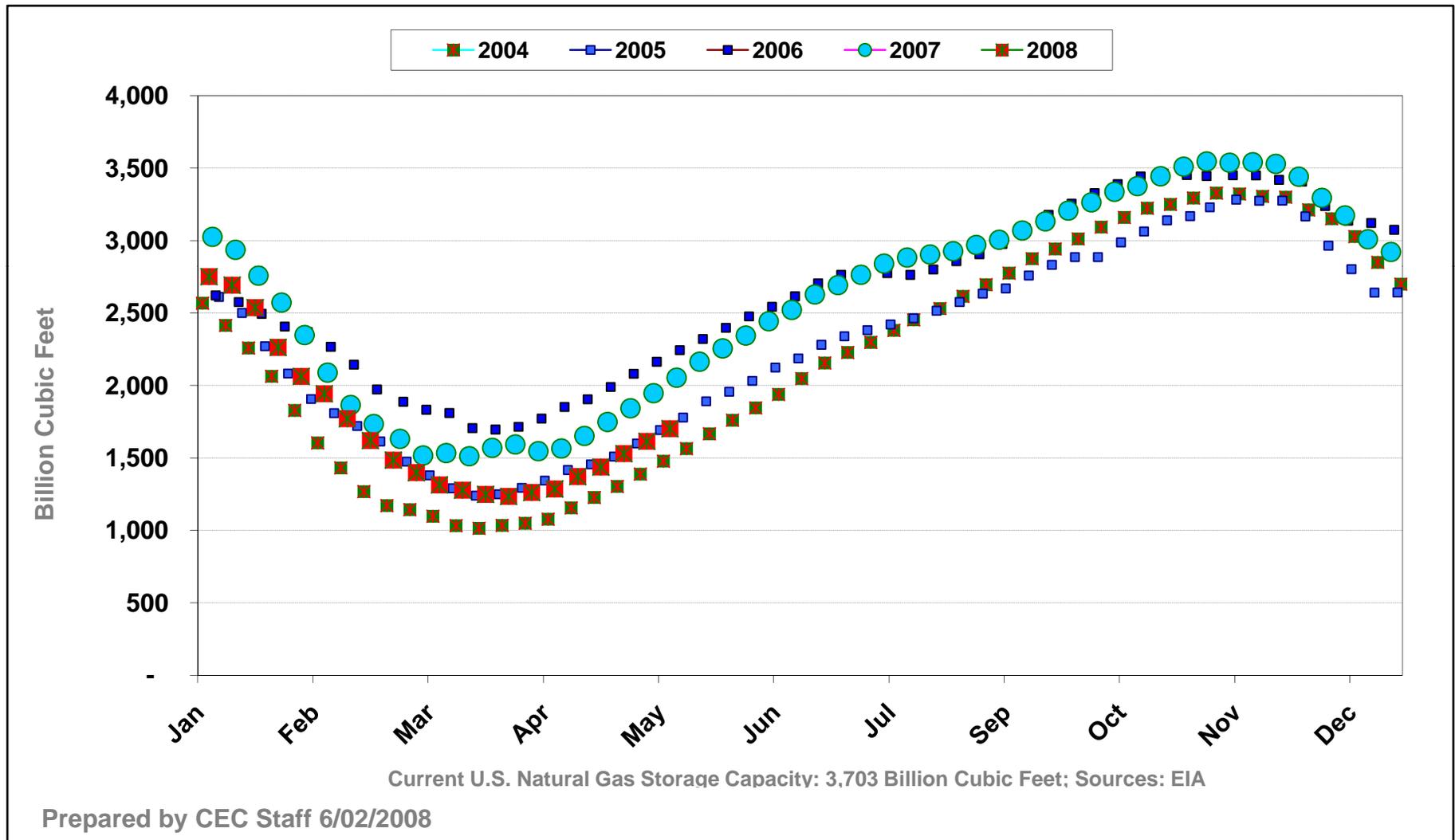
U.S. Storage Monthly Inventory



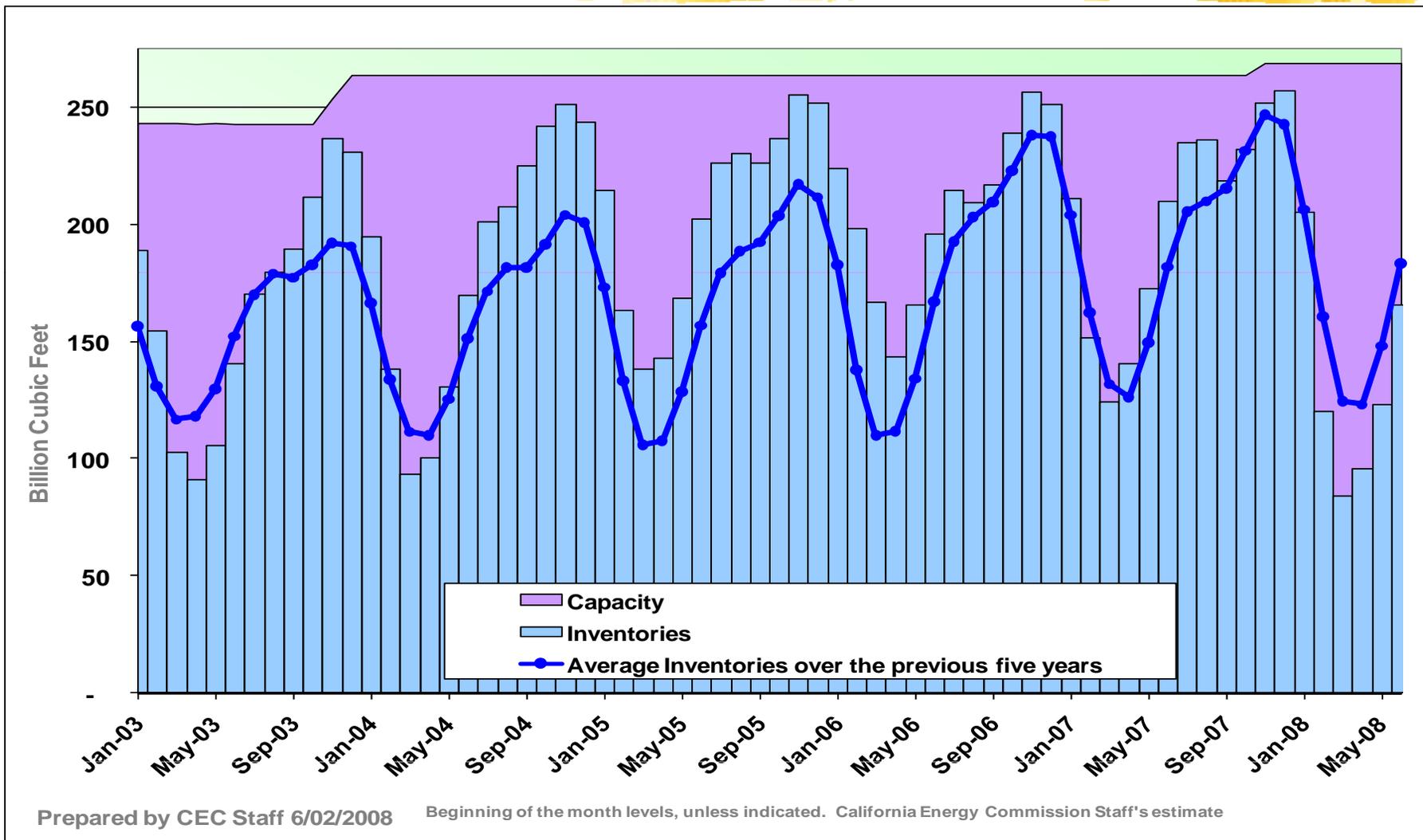
U.S. Storage Monthly Inventory



U.S. Storage Monthly Inventory



CA Storage Capacity and Utilization



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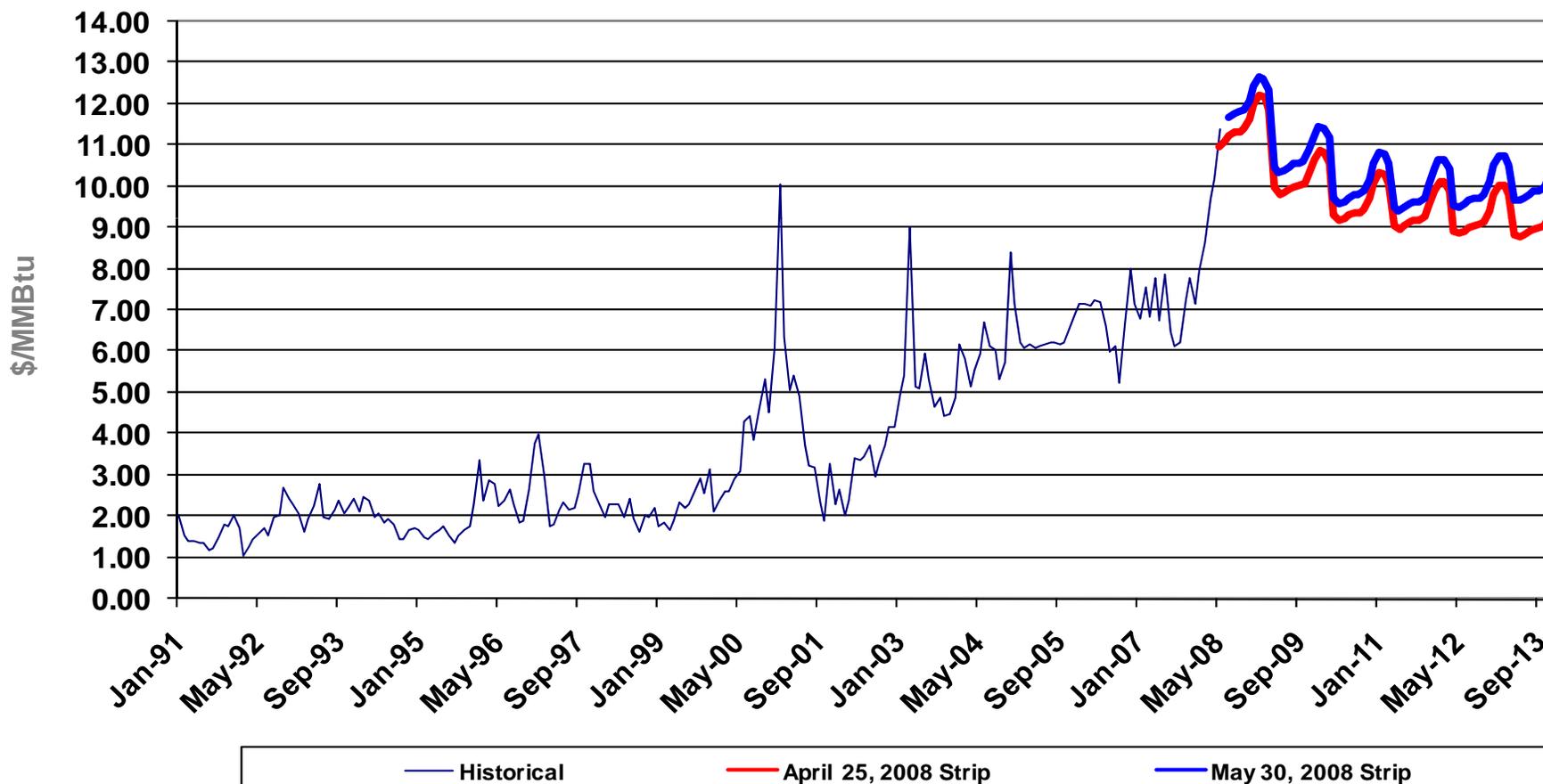


Prices: United States and California

U.S. Natural Gas Futures Prices

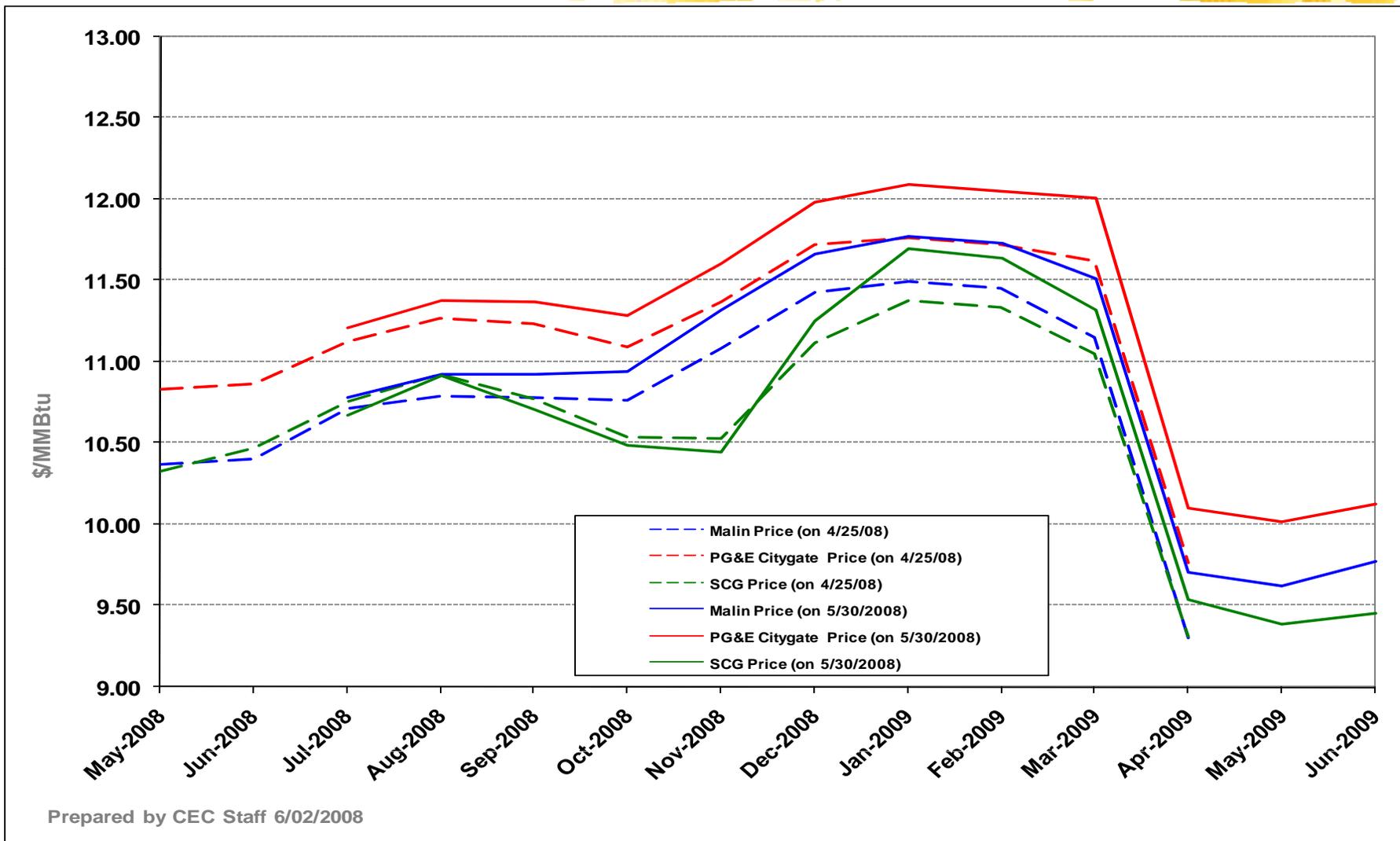


Historical & Forward NYMEX Settlements

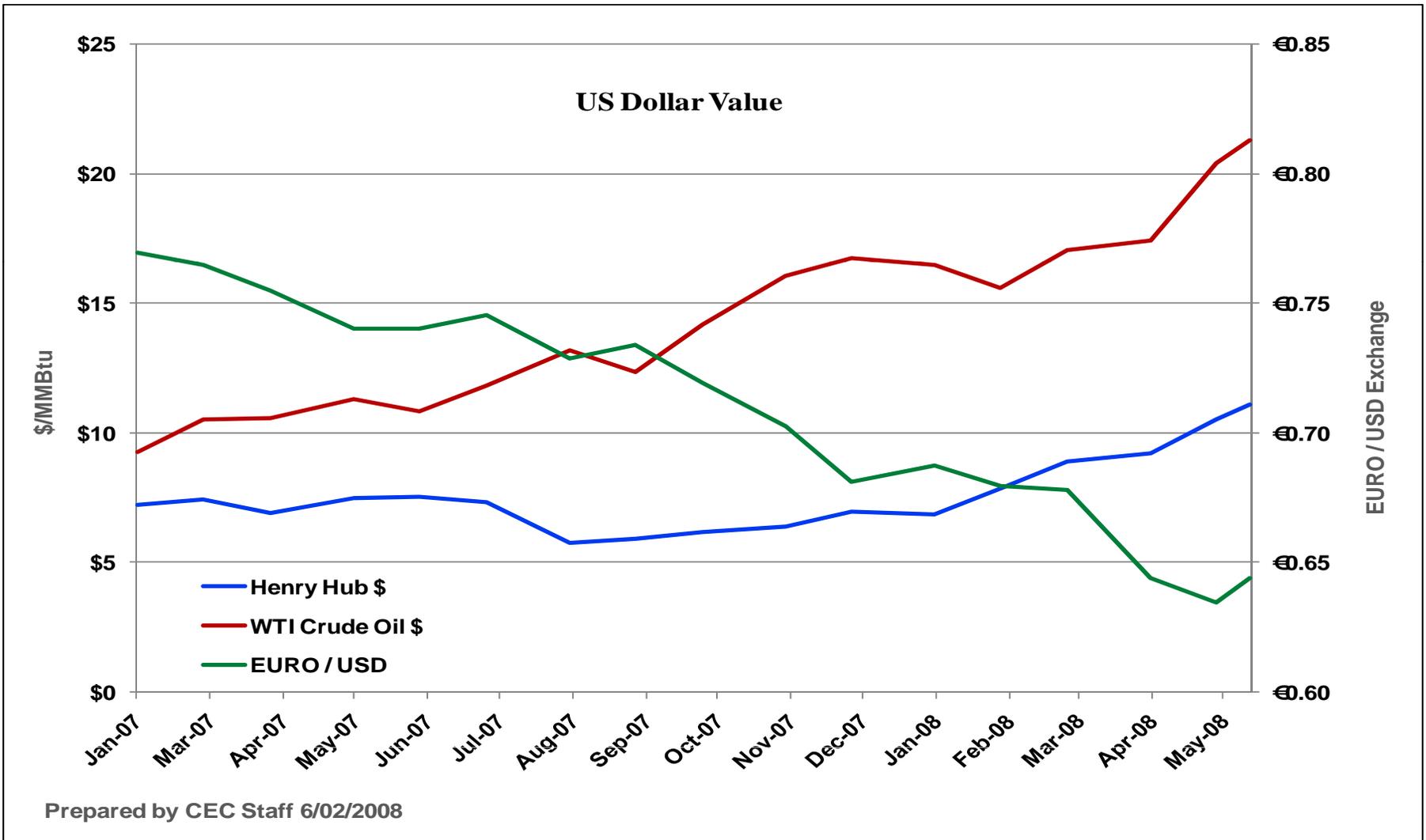


Prepared by CEC Staff 6/02/2008

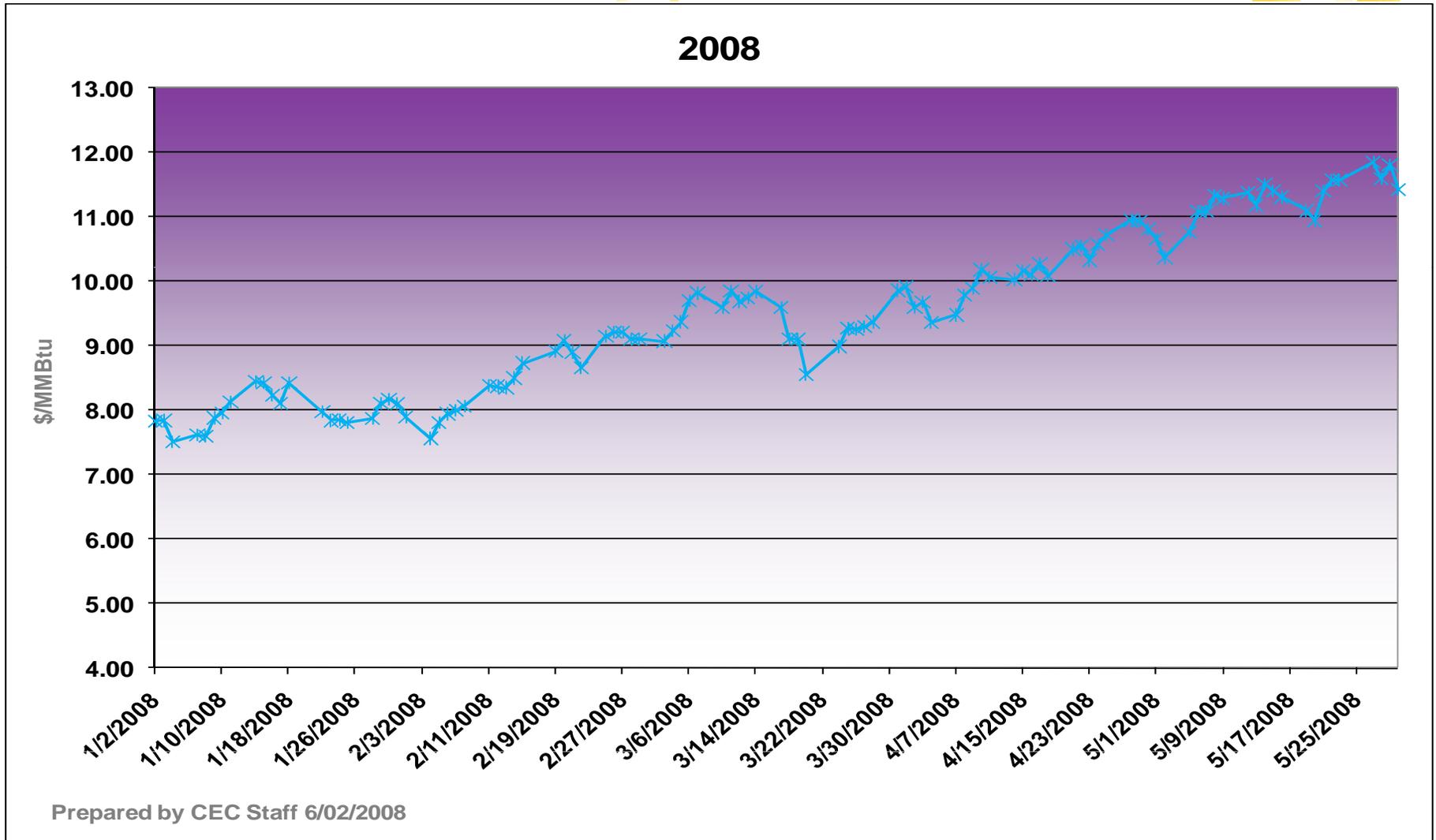
CA Storage Capacity and Utilization



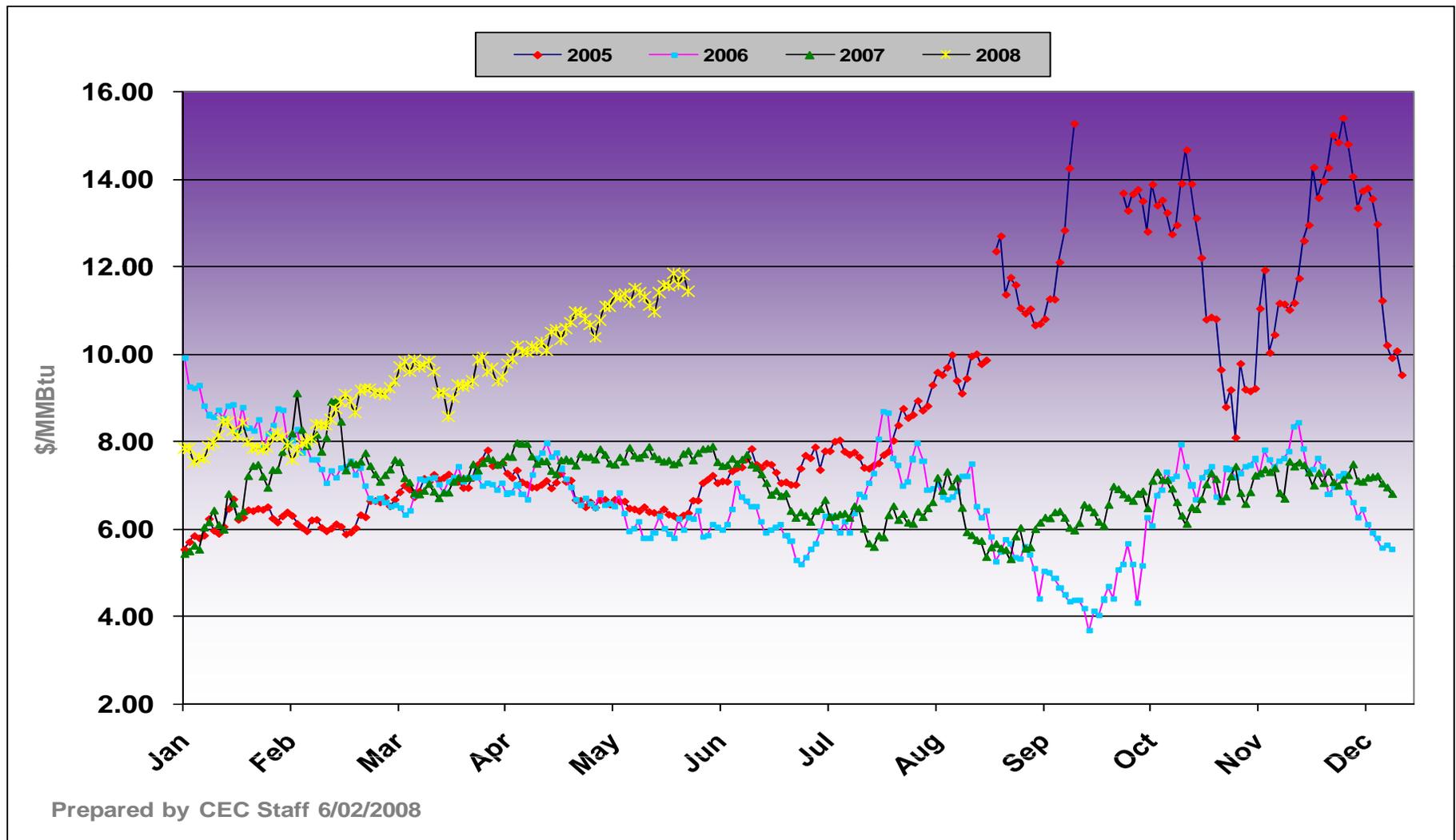
Natural Gas & Oil Spot Prices



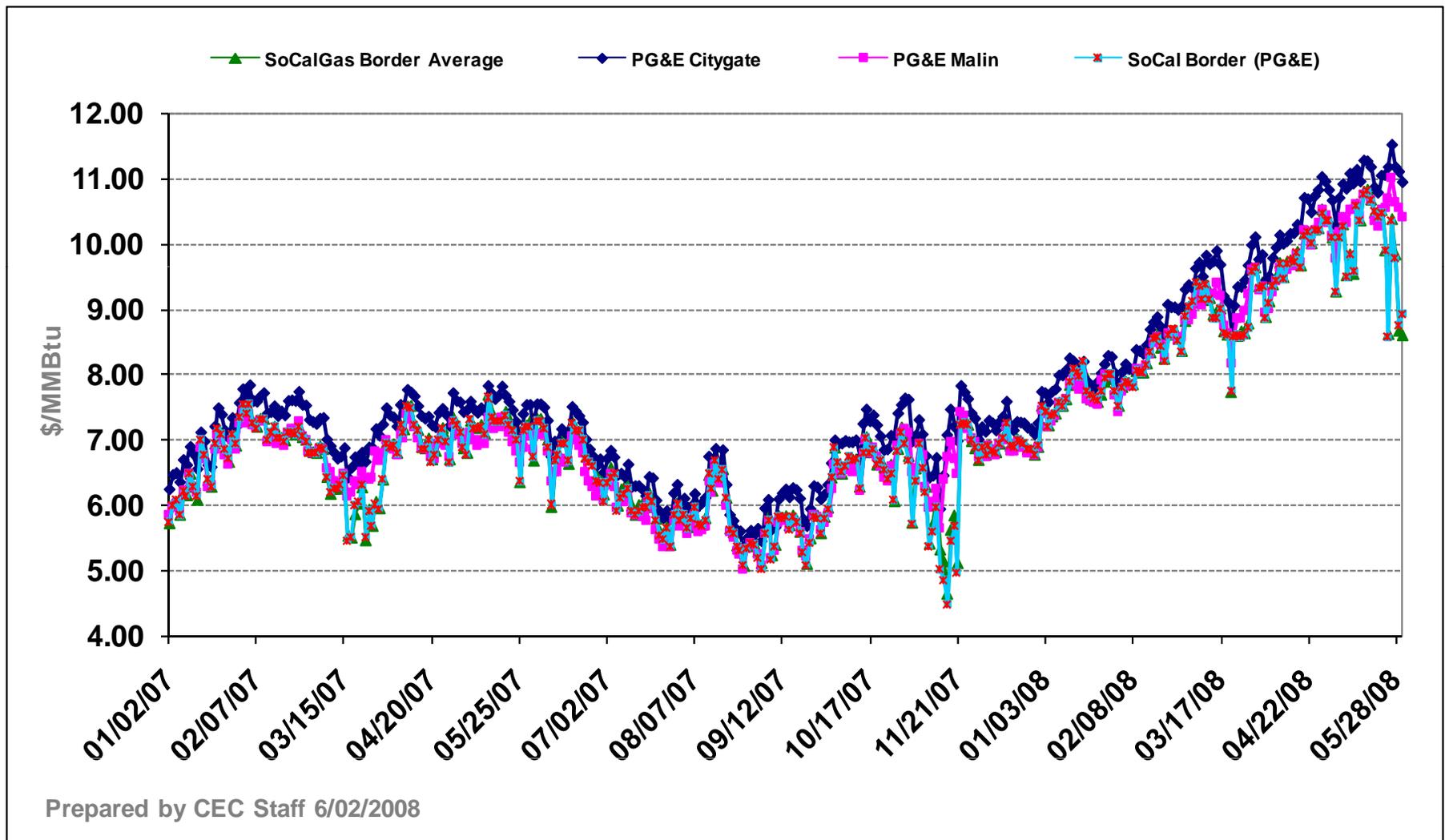
Henry Hub Daily Spot Prices



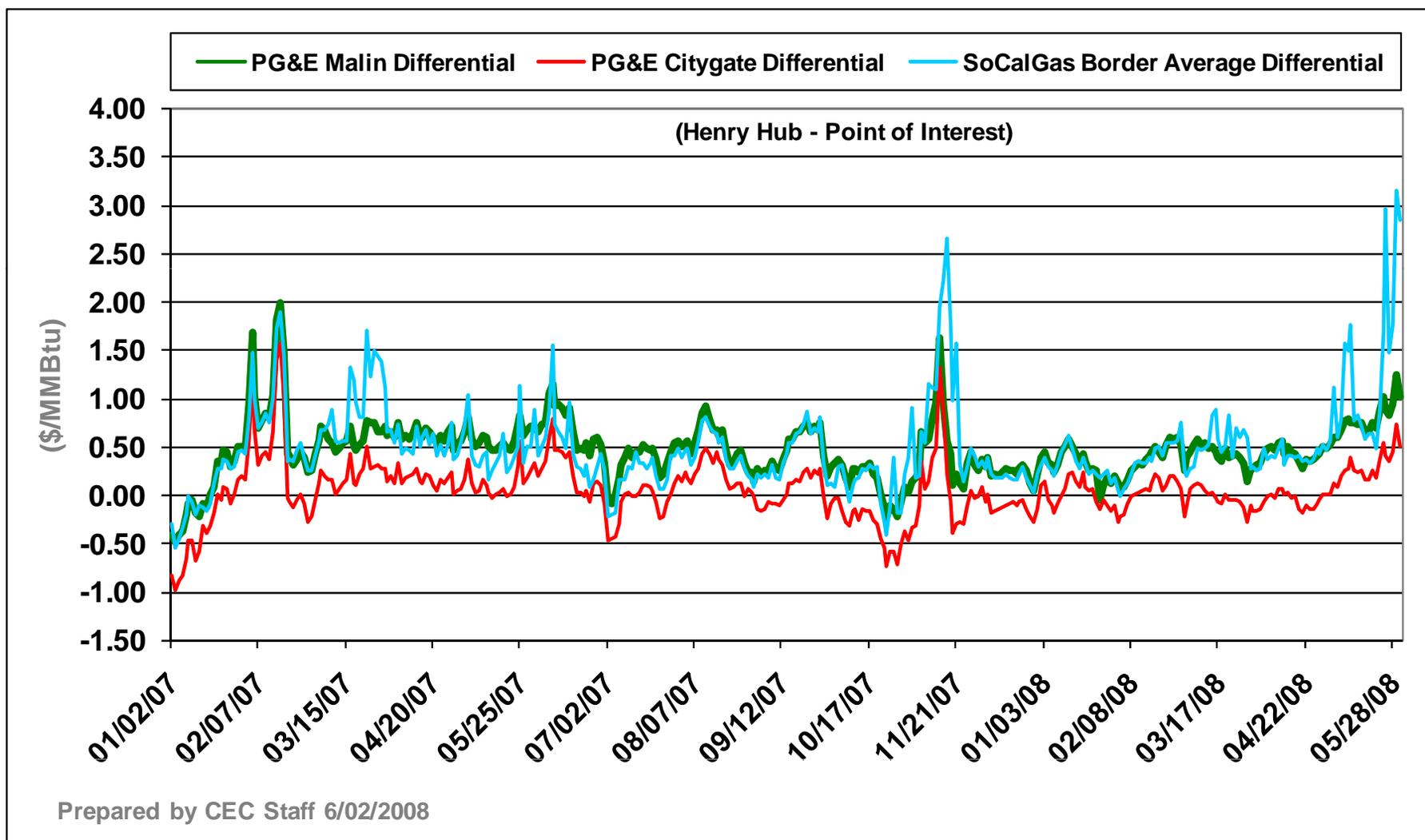
Henry Hub Daily Spot Prices



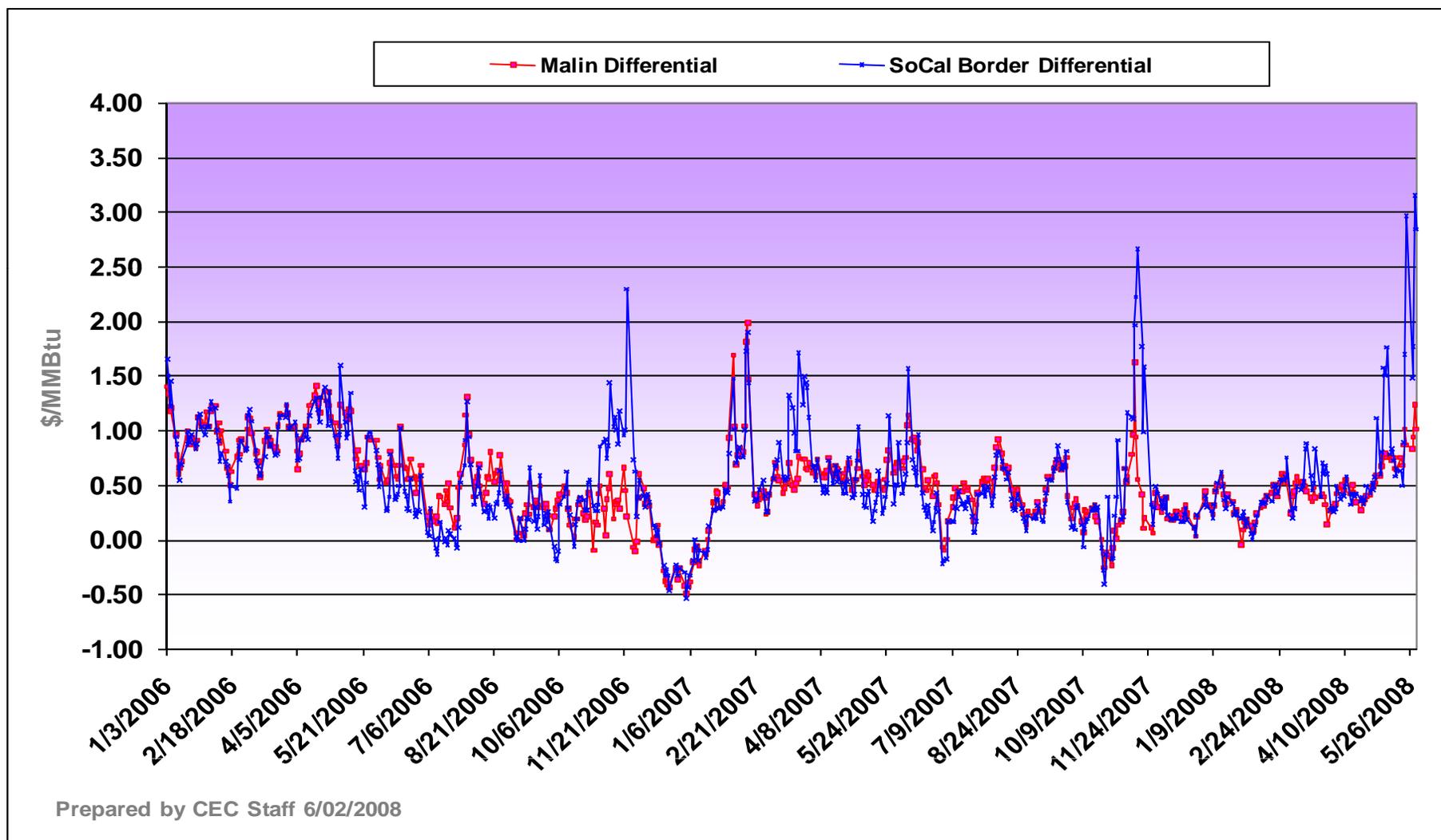
CA Natural Gas Spot Prices



Henry Hub Daily Spot Prices Differential



Henry Hub Daily Spot Prices 3-Year Differential



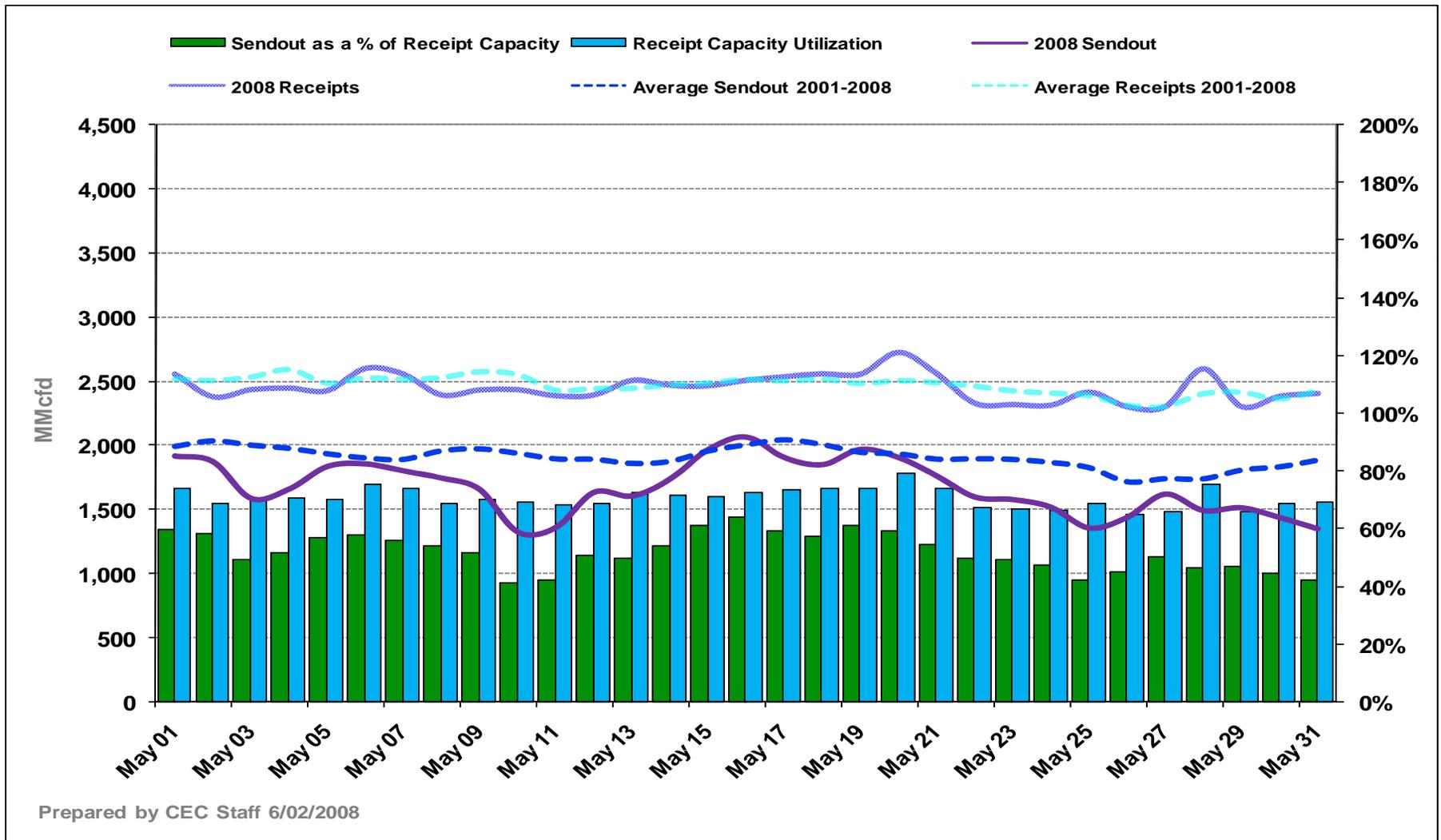
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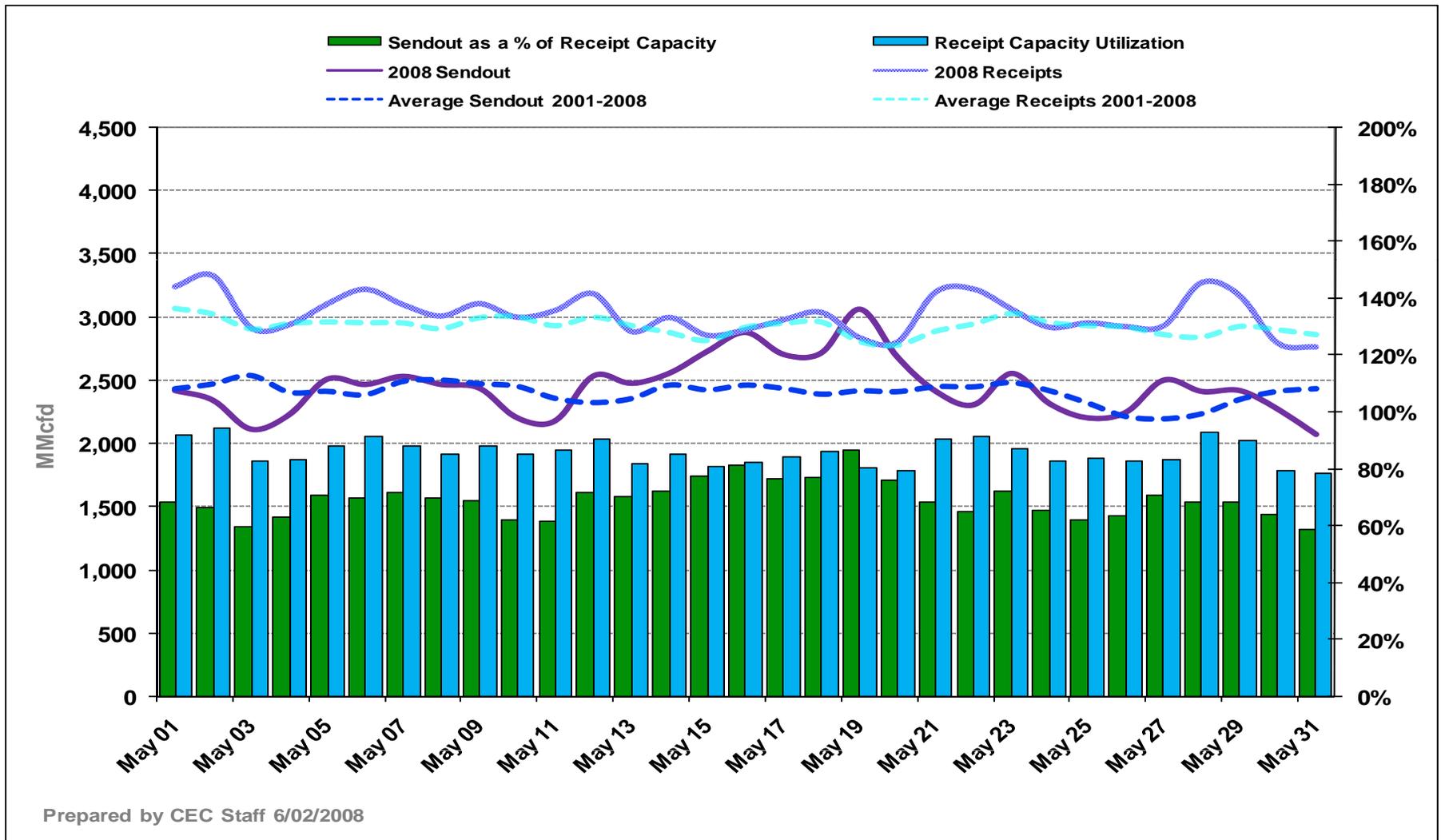
Infrastructure and Operations

PG&E System Operations

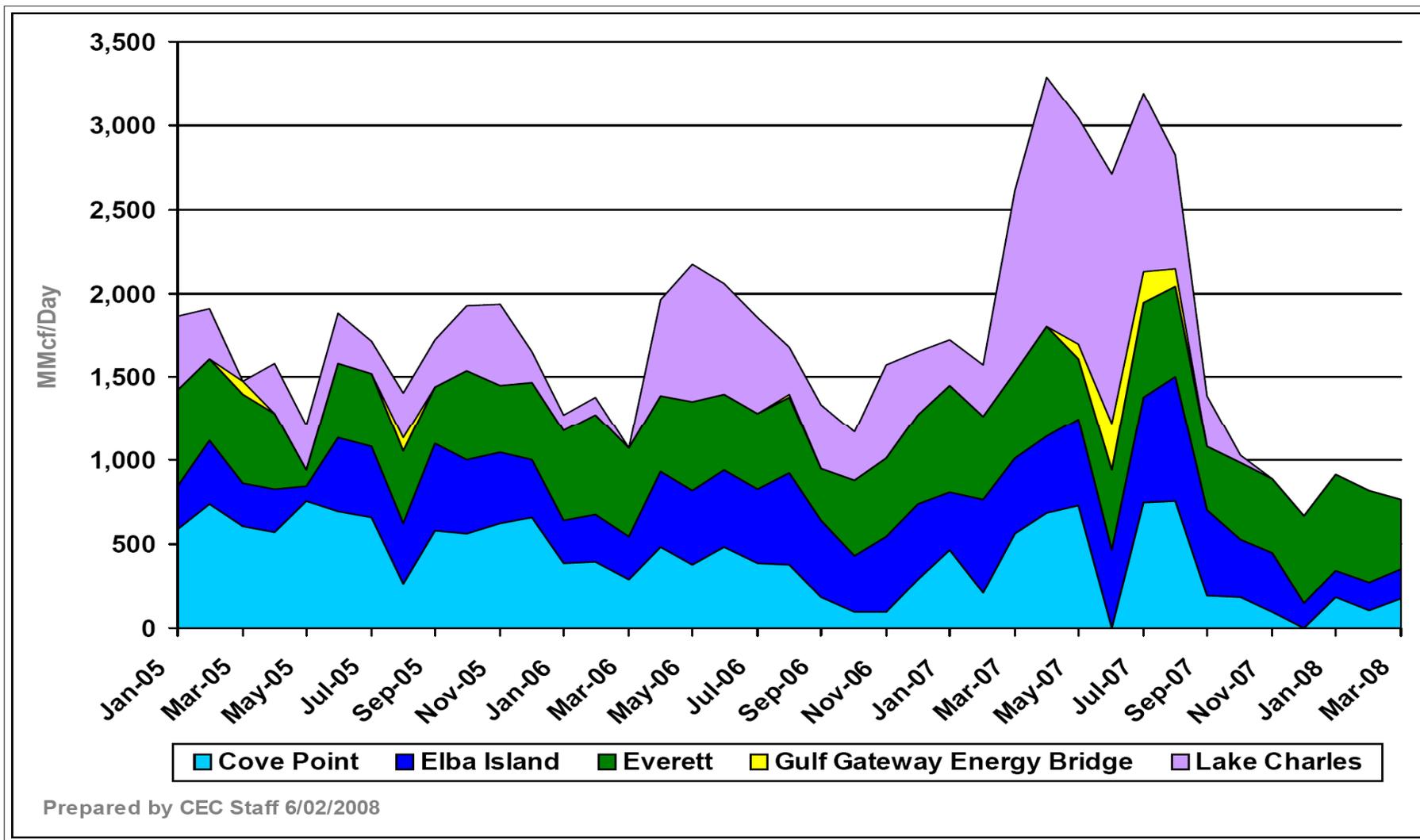


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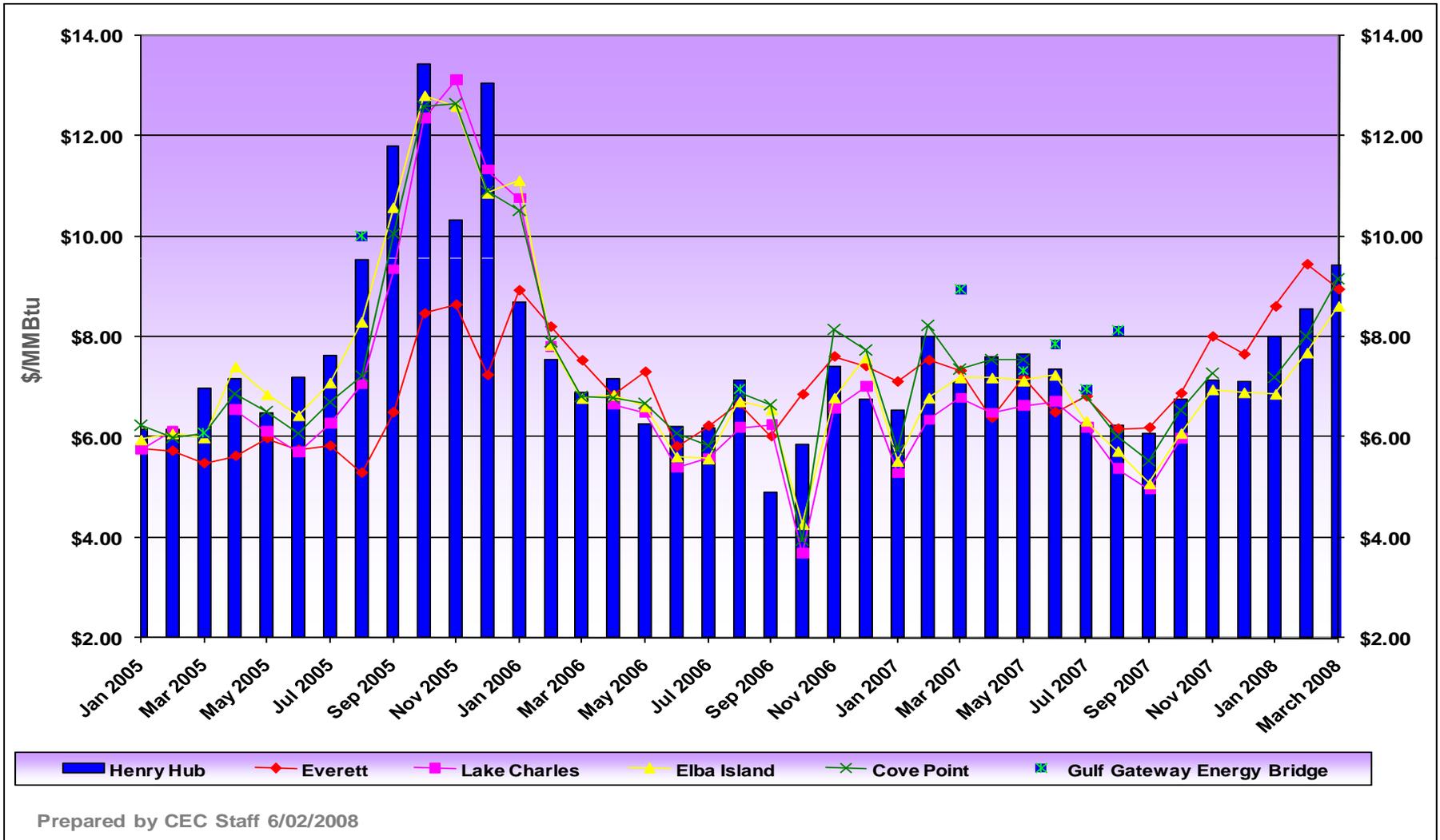
SCG System Operations



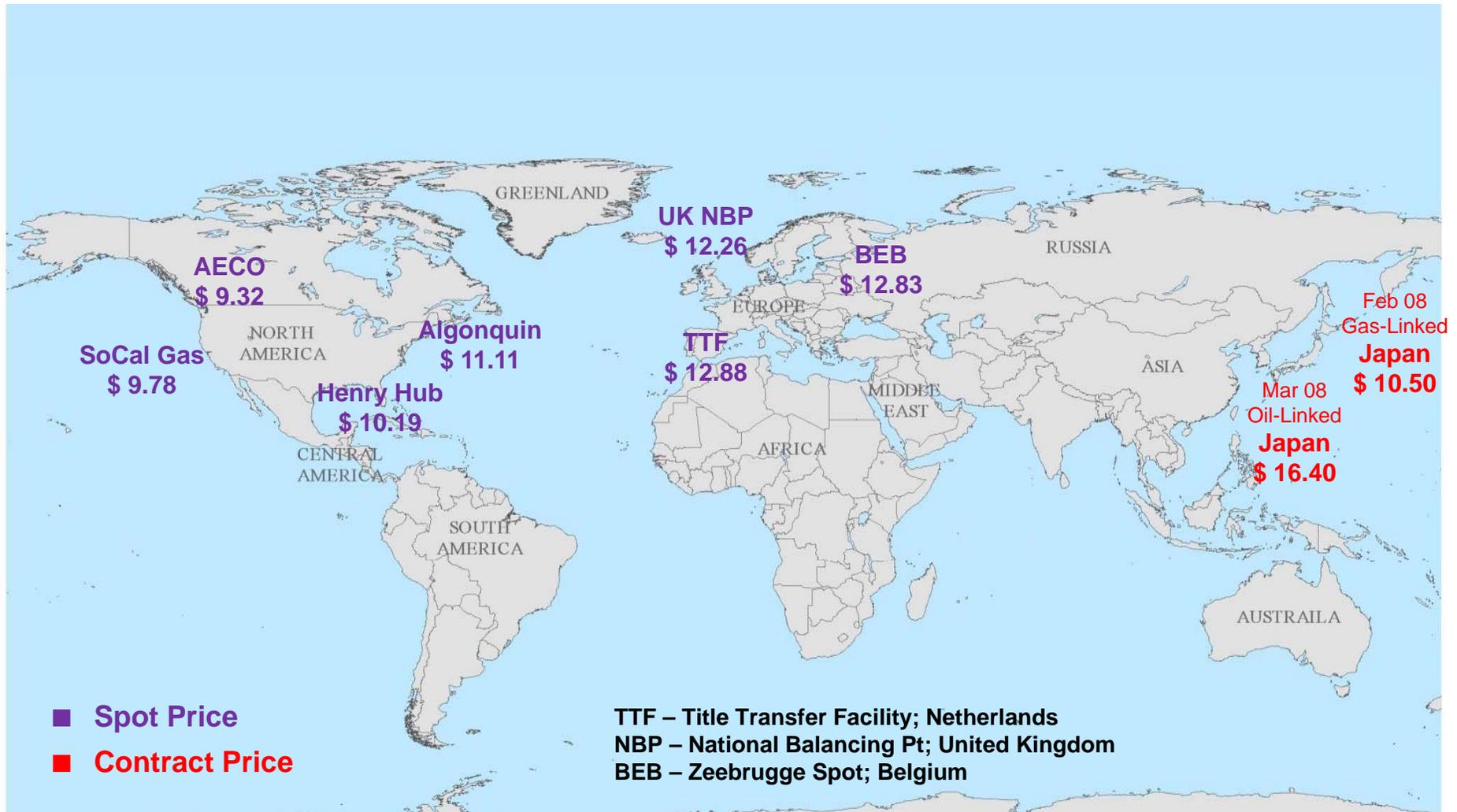
LNG Imports



Average Terminal LNG Import Price



World Natural Gas Prices for April 2008

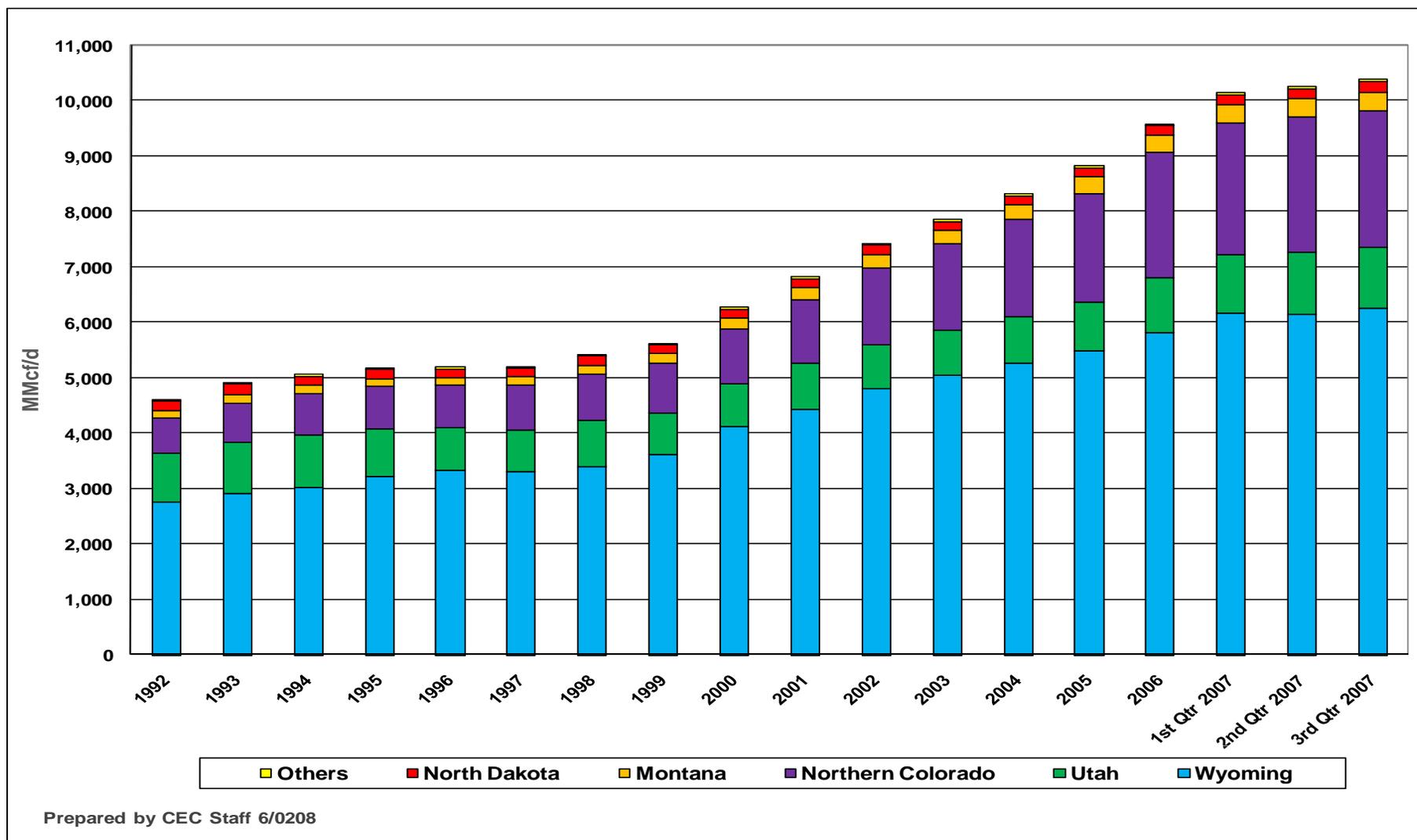


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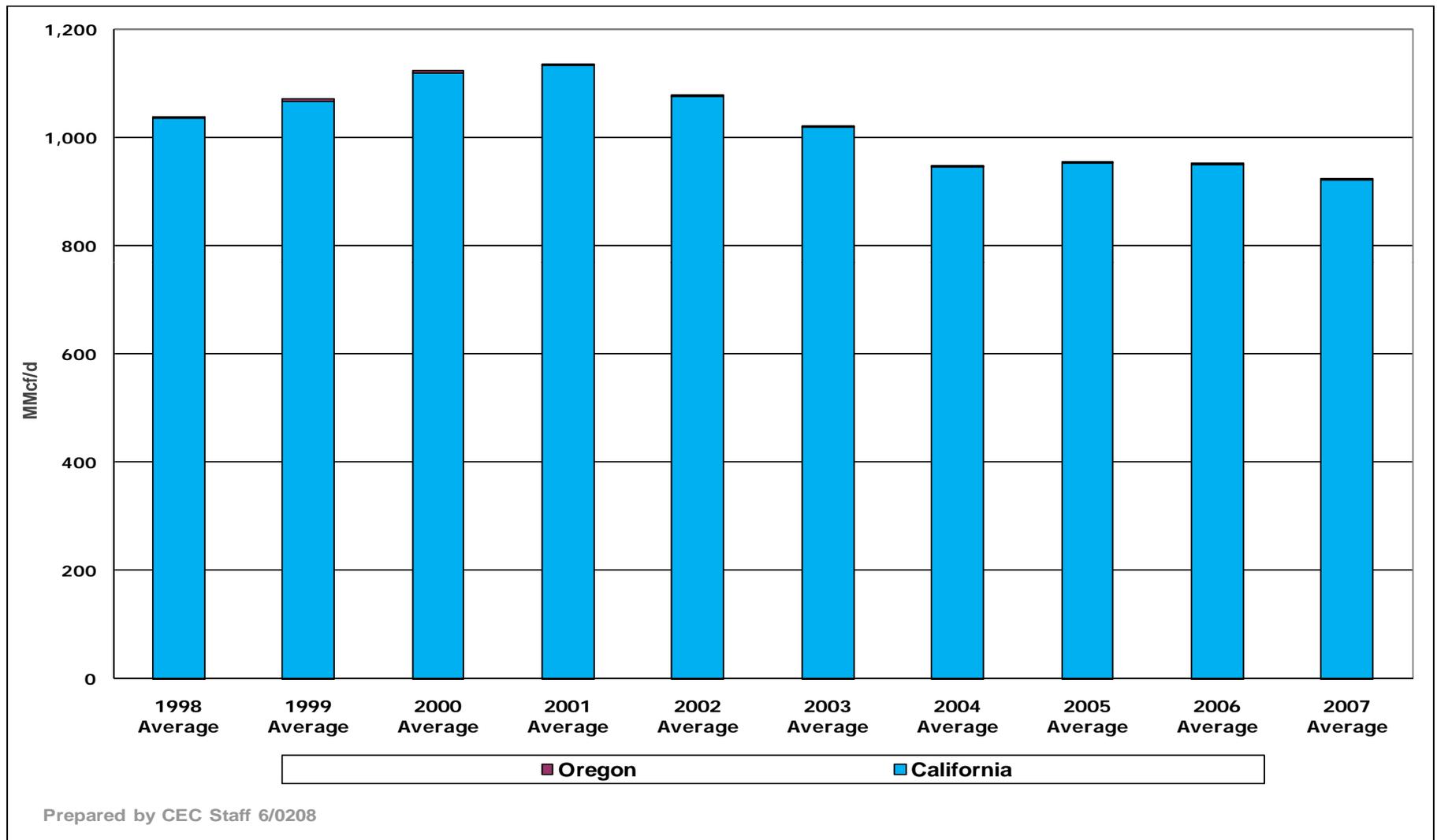
Supply Overview

Rocky Mountain Region



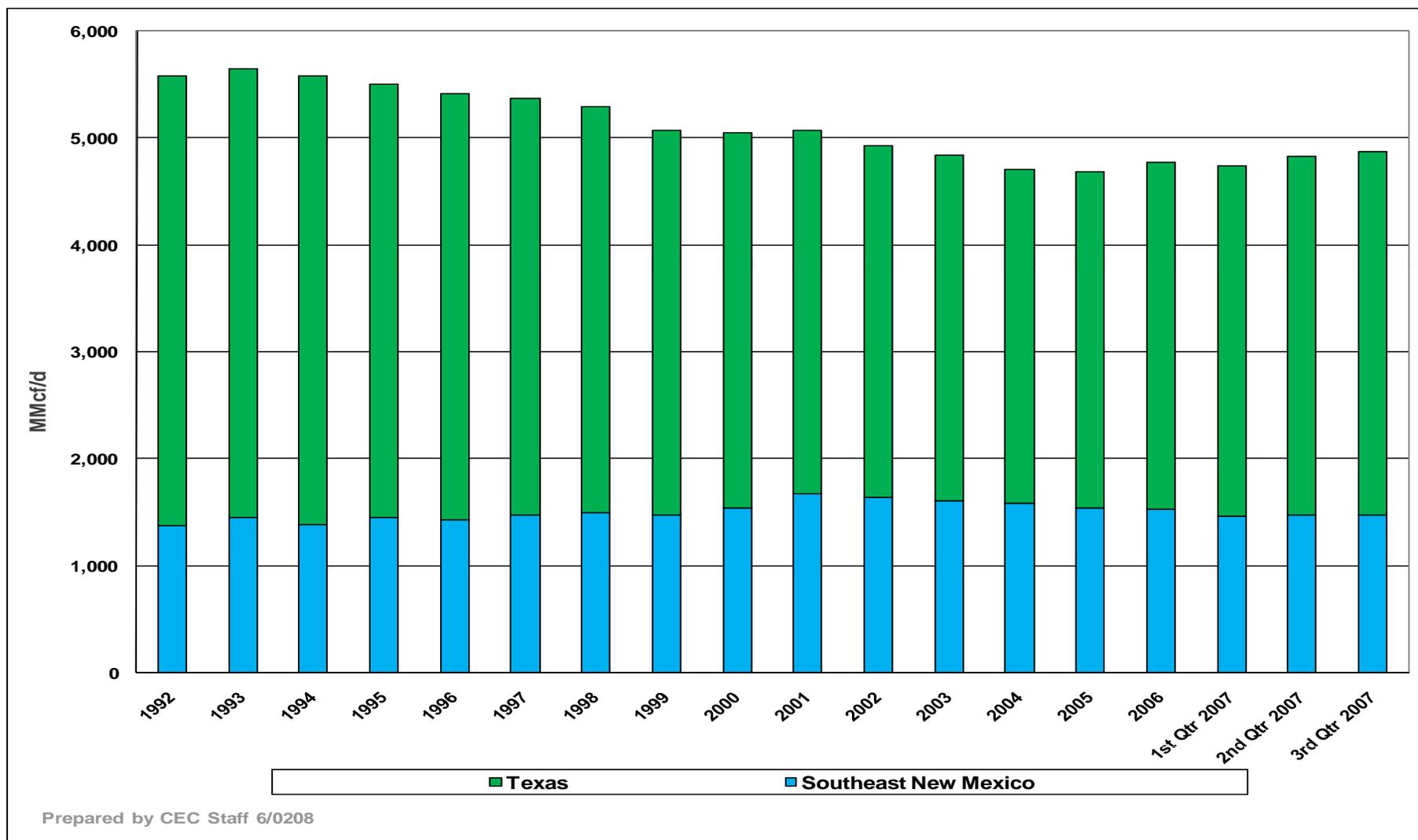
Prepared by CEC Staff 6/0208

West Coast

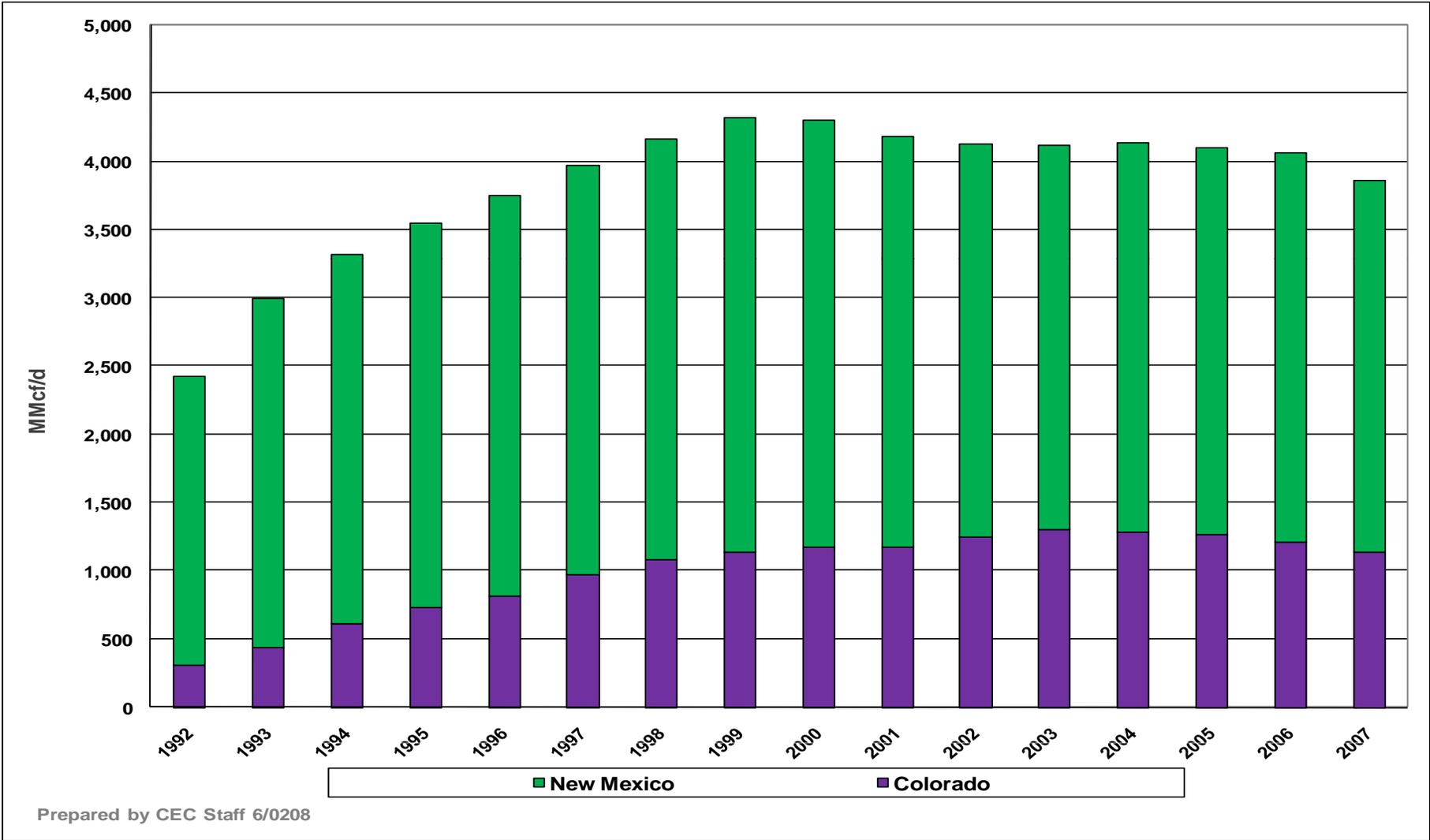


Prepared by CEC Staff 6/0208

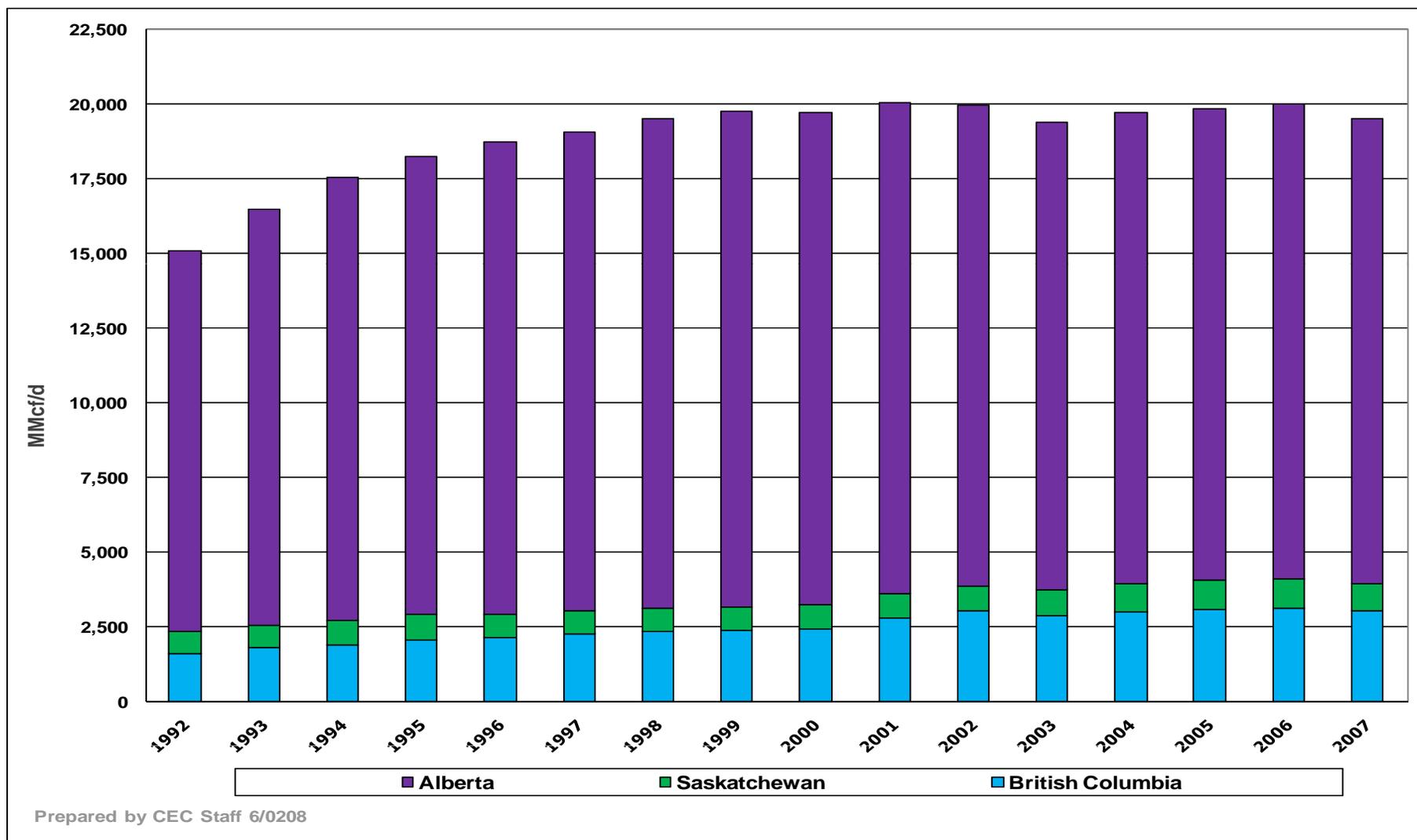
Permian Basin



San Juan Basin

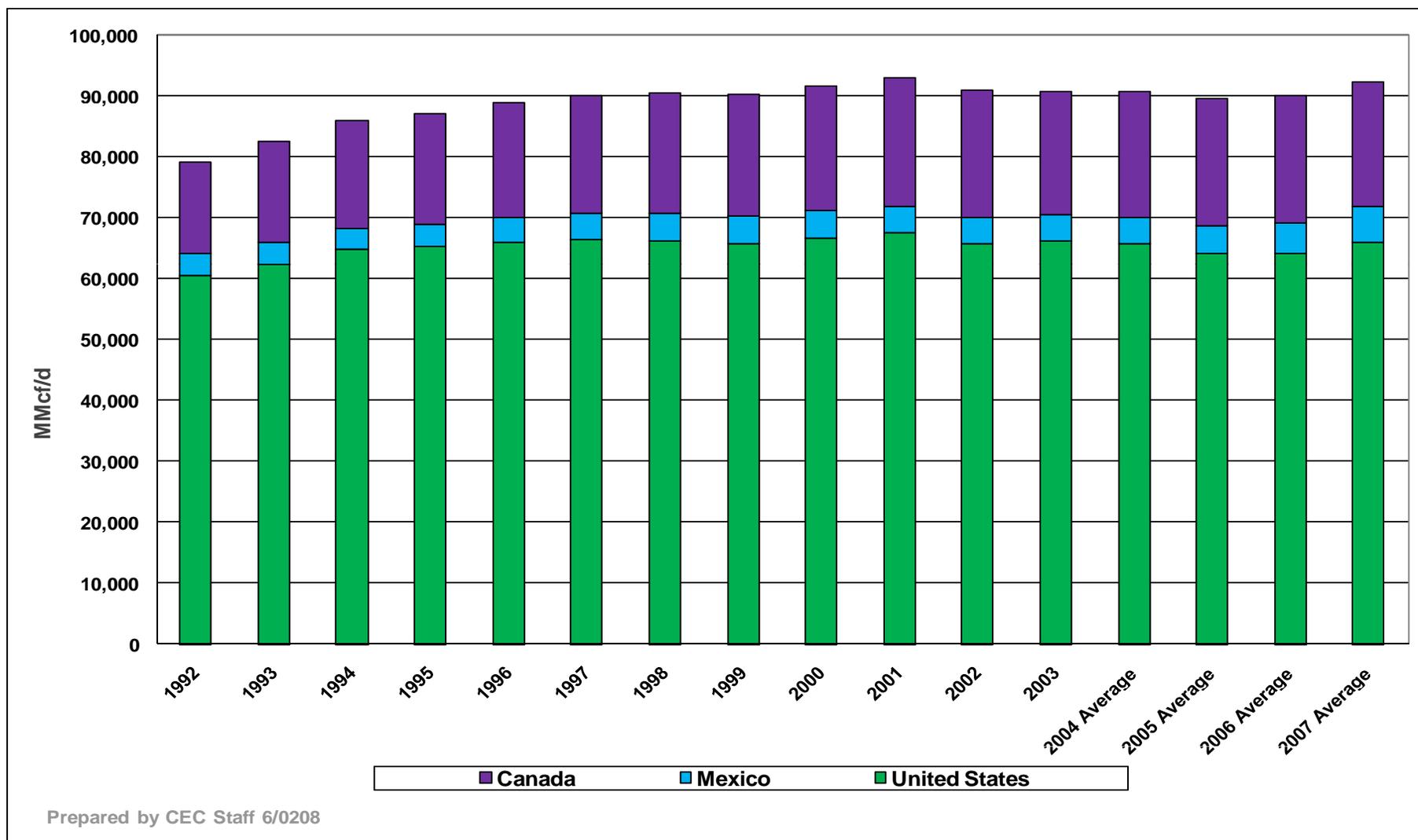


Western Canadian Sedimentary Basin



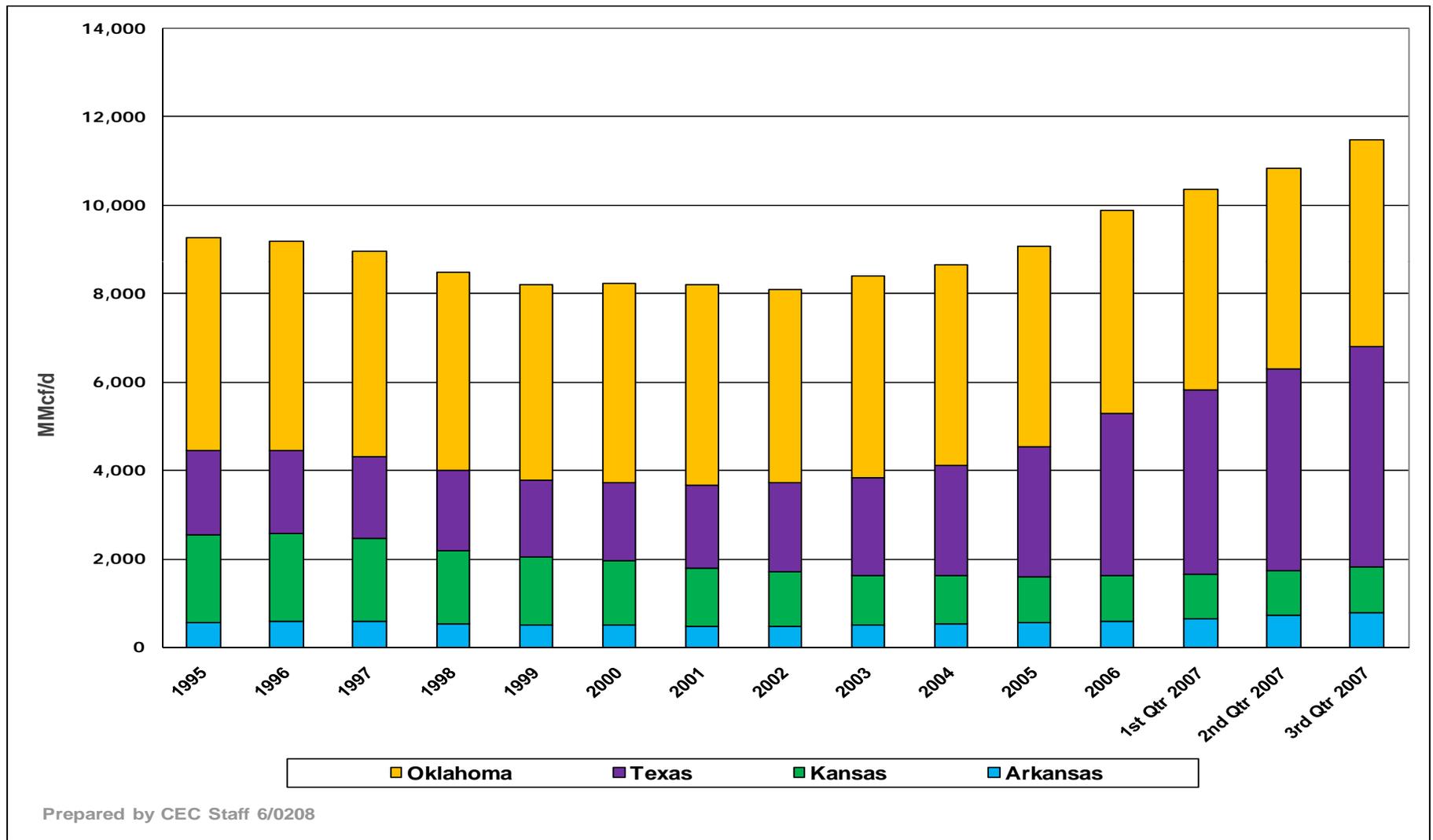
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North American Wellhead



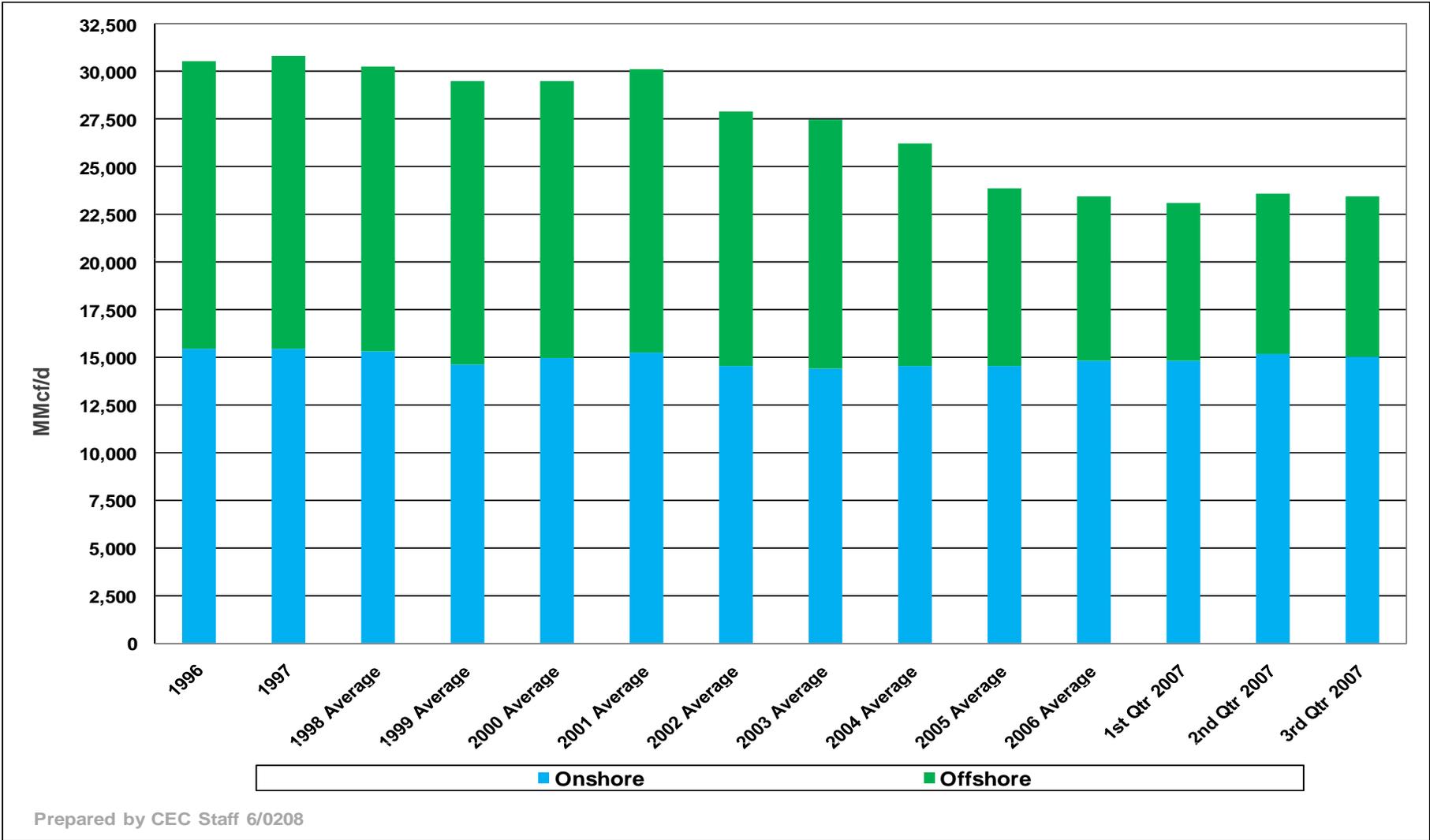
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Mid-Continent



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Gulf Coast



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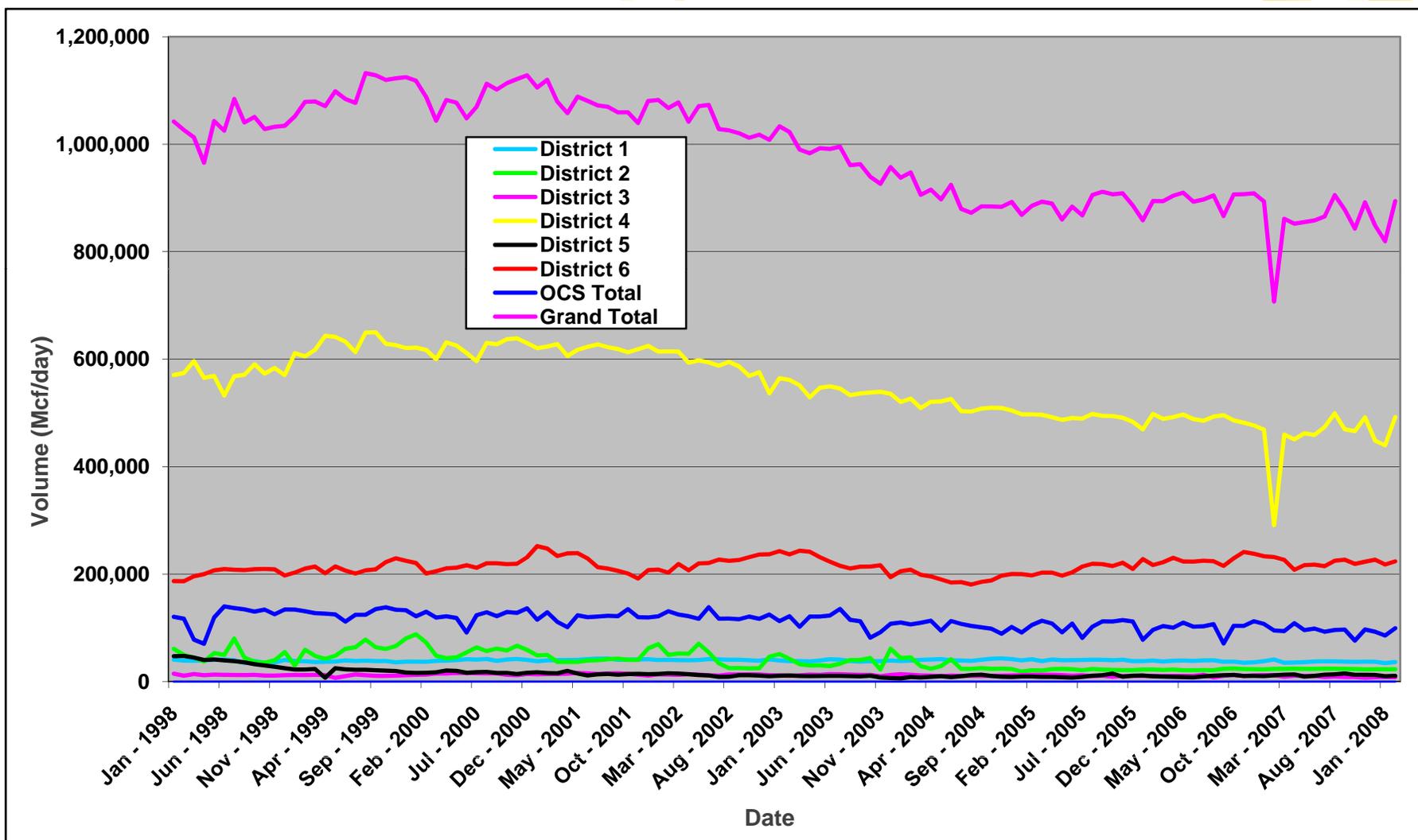
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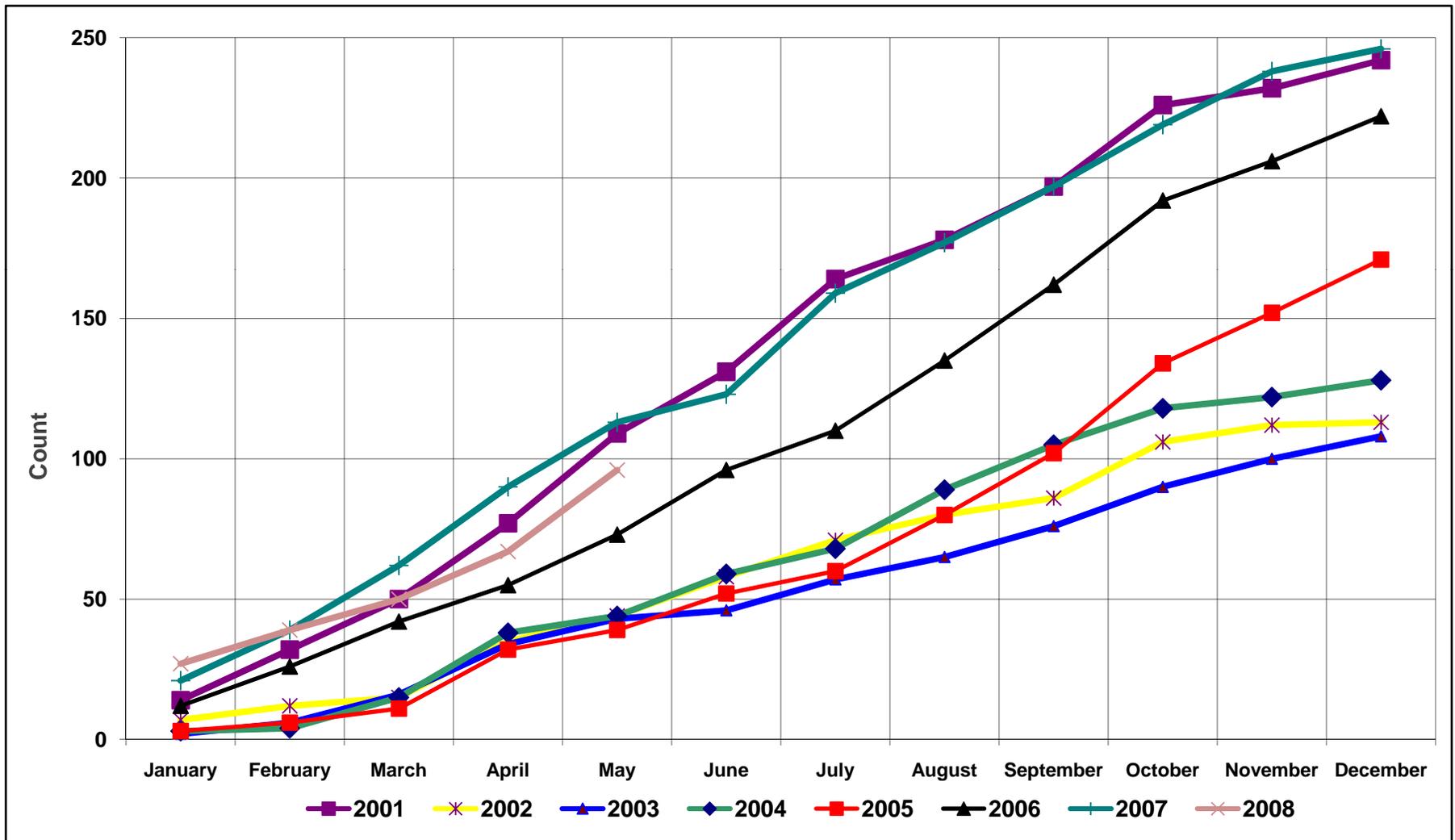
Jim Campion

Department of Conservation

CA Natural Gas Production



CA Drilling Permits for Sacramento Valley



Natural Gas Working Group



Richard Myers

California Public Utilities Commission

Natural Gas Working Group



California Public Utilities Commission Cases

Proceeding Number & Title	Description	Status
A.04-08-018 SoCalGas, access for natural gas provided by California gas producers	Establish the terms and conditions under which natural gas produced by California gas producers will be granted access to the SoCalGas operating system	Decision issued on 8/23/07. Implementation advice letter still on hold. On 10/4/07, SoCalGas filed petition for modification of decision regarding gas quality monitoring. CPUC decision on PFM expected summer 2008.
SoCalGas/SDG&E/Edison A.06-08-026 "Omnibus" proceeding: Edison and Continental Forge settlements and structural provisions	SoCalGas, SDG&E and Edison request approval of the Edison-Sempra settlement and Continental Forge settlement. Both settlements include numerous structural provisions. Border Price Spike investigation would be terminated	CPUC decision issued 12/6/07. Issues in one implementation advice letter still being debated. Several omnibus issues to be decided in BCAP. SoCalGas filed Pet for Modification in Jan 2008 on storage revenues sharing. CPUC denied PFM in April 2008.
A.06-12-009/06-12-010: SoCalGas and SDG&E General Rate Case	SoCalGas and SDG&E update of electric and gas revenue requirements and rates for test year 2008	Settlements filed on both revenue requirements and post-test year ratemaking. Comments and reply comments filed. Decision expected late spring or early summer 2008.
A.07-04-013 Sacramento Natural Gas Storage application for CPCN	Sacramento NGS seeks CPCN to construct and operate natural gas storage facility in Sacramento	Application filed April 2007. Main initial activity to be environmental. Environmental scoping report issued 1/8/08. PHC held 5/9/08. Some opposition from local parties.
A.07-08-031 SoCalGas and SDG&E file application for "Climate Action Initiative"	The Sempra utilities seek CPUC approval of various initiatives intended to reduce greenhouse gas emissions	Application filed 8/31/07, prehearing conference held 10/29/07. Proposed decision issued 1/29/08, dismissing application without prejudice. Comments filed February 2008. Decision has not been on CPUC agenda.

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California Public Utilities Commission Cases

Proceeding Number & Title	Description	Status
R.07-11-001: Rulemaking on Utility Procurement of LNG Supplies	CPUC seeks to determine whether and how utilities should procure LNG supply contracts	Rulemaking issued 11/5/07. Comments filed January 2008, reply comments filed March 2008.
A.07-12-006 Joint Application to reallocate gas public purpose program costs among customer classes	SoCalGas, SDG&E, PG&E jointly request approval to reallocate gas PPP costs among customer classes, based on equal percent of base revenues, rather than the current equal cents per therm	Application filed 12/11/07, PHC held 2/28/08, scoping memo issued 3/4/08. Intervenor testimony due 6/13/08. Hearings scheduled in July 2008.
A.07-12-021: PG&E request for approval of long-term gas contract on Ruby Pipeline and approval of affiliate transaction.	PG&E requests approval of a 15-year capacity rights contract on the proposed interstate Ruby Pipeline, from the Rockies to Malin. It also requests approval of an affiliate transaction because PG&E Corp holds interest in Ruby.	Application filed 12/21/07. Protests and comments filed 1/25/08. PG&E response filed 2/4/08. Prehearing conference held 2/29/08. Testimony by other parties filed May 2008, main opposition from GTN.
A.07-12-022: Southwest Gas General Rate Case, Test Year 2009	Southwest Gas requests an increase in its authorized revenue requirement for its three California service areas	Application filed 12/21/07. Only protest filed by CPUC Division of Ratepayer Advocates on 1/25/08. Prehearing conference held 2/7/08. DRA testimony due in June 2008.
A.08-02-001: SoCalGas and SDG&E Biennial Cost Allocation Proceeding	SoCalGas requests authority to allocate gas costs and design gas rates, and requests approval of numerous other issues: costs of backbone transmission, natural gas storage cost allocation and incentives, elimination of peaking rate, etc	Application filed 2/4/08. Protests filed March 2008 by numerous parties. PHC held April 2008, scoping memo issued 4/17/08. Proceeding split into two phases, the first dealing with storage issues, the second dealing with many other issues. Phase 1 intervenor testimony due 6/18/08. Hearings in July on Phase 1.

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Questions/New Issues