

TO: WIEB Natural Gas Core Team

FROM: Doug Larson/Tom Carr

DATE: September 23, 2004

SUBJECT: **Summary of September 23 Conference Call**

Joining the call were: Matthew Foss (AB); Thomas Brill (UT); David Brooks (NM); Terry Morlan (NWPPCC); Hal Chapelle, project consultant; Bruce Wilhelm (SK); Dick Burdette (NV); Jim Fore, Jairam Gopal, Mark DiGiovanna, Leon Brathwaite (CEC); Doug Larson, Tom Carr (WIEB); Phil Carver (OR); Mark Ellery (AZ); Greg Nothstein (WA) and Ines Piccinino (BC).

1. The CEC Modeling Team reported that they have prepared key inputs in the NARG model for the strawman reference case (supply data, model structure, demand data with minor changes, transportation data). An initial run of the model looked good but did not converge to yield preliminary results. The CEC Modeling Team anticipates having a convergence case and preliminary results in 10 days (Oct. 4) and presenting results to the Core Team by the next conference call (Oct. 7). The CEC Modeling Team also reported that:
 - a. The CEC will prepare a package of information on the NARG model and past NARG model forecasts.
 - b. Alberta reserve numbers were updated and resolved.
 - c. Alberta industrial demand numbers were reviewed and resolved.
 - d. The LNG analysis has been distributed to the Core Team.
 - e. The oil sands demand for natural gas forecast is still under review by the CEC Modeling Team. Major oil sand scenarios do not significantly diverge until after 2014, beyond the time horizon of this study.
 - f. The crude oil price forecast will be sent out tomorrow (Sept. 24).
 - g. A written description of the electricity generating mix (fuel) and capacity questions has not been completed.
 - h. A written description of the NARG Model structure will be completed by next Thursday or Friday (Sept. 30/Oct 1).

2. The discussion turned to the presentation of the modeling effort at the Vancouver workshop on Oct. 19. There was general agreement that the presentation should:
 - a. Focus on the modeling assumptions and framework, rather than preliminary model results;
 - b. Include a written discussion about the model and results, not just tables and numbers;

- c. Include preliminary results to provide a frame of reference for state/provincial participants but such results should have adequate caveats and warnings about the tentative nature of the findings;
 - d. Include a discussion of model results in past analyses and thereby enable a more informed discussion;
 - e. If possible, present alternate assumptions on big ticket items such as changes to oil prices or LNG imports.
- 3. The Core Team agreed to form a Subgroup that includes outside technical experts/stakeholders. The Subgroup will advise and make recommendations to the Core Team about the reference case, scenario development, and sensitivity analysis. The Core Team:
 - a. Adopted a charter for the Subgroup
 - b. Identified members that could participate in the Subgroup. Preliminary selections by region include:
 - i. Northwest -- Terry Morlan, Phil Carver, or Greg Nothstein;
 - ii. Southwest -- Mark Ellery;
 - iii. Rockies -- Thomas Brill;
 - iv. Provinces – Matthew Foss or Ines PiccininoPlease advise staff if other Core Team members are interested.
 - c. Agreed that the Subgroup will hold a workshop to address modeling issues. The workshop will be held in Sacramento tentatively for the dates of Oct. 12-13 pending confirmation by potential participants.
- **NEXT CALL: OCTOBER 7 AT 10:00 a.m. MDT/9:00 a.m. PDT. TO CONNECT TO THE CALL DIAL 312/461-0833. THE PASS CODE IS 383973.**