

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of a Working Docket to Address)
the Hedging Practices of Electric Utilities)
used to Mitigate the Rising Costs of Fuel) **File No. EW-2013-0101**

**STAFF'S NOTICE OF FILING OF AGENDA
FOR SECOND STAKEHOLDER MEETING**

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission"), by and through counsel, and respectfully states:

1. On September 5, 2012, the Commission issued a *Notice Opening File* and an *Order Directing Notice and Directing Filing*, which opened this docket to review electric companies' hedging programs, and directed Staff to file a schedule for workshops to discuss this issue. An initial stakeholder workshop was held on November 14.

2. A second stakeholder workshop has been scheduled for January 31, 2013, beginning at 10:00 a.m. in Room 470 at the Governor's Office Building, 200 Madison Street, Jefferson City, Missouri 65102.

3. The complete agenda for the January 31 workshop is attached here as Appendix A and incorporated by reference.

4. As explained in Appendix A, the agenda for the January 31 workshop includes a brief presentation by Staff covering the recent history and current trends of the natural gas market.

5. After Staff's presentation, the attendees will conduct a roundtable discussion on current hedging practices in light of market conditions. The roundtable discussion will focus on the list of questions included in the attached agenda.

WHEREFORE, Staff submits the agenda for the second hedging practices workshop to be held on January 31, 2013 attached here as Appendix A.

Respectfully Submitted,

**STAFF OF THE MISSOURI
PUBLIC SERVICE COMMISSION**

/s/ John D. Borgmeyer

John D. Borgmeyer

Legal Counsel

Missouri Bar No. 61992

Attorney for the Staff of the
Missouri Public Service Commission
P.O. Box 360
Jefferson City, Missouri 65102
Telephone: (573) 751-5472
Fax: (573) 751-9285
Email: john.borgmeyer@psc.mo.gov

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing were served electronically to all counsel of record this 21st day of December, 2012.

/s/ John D. Borgmeyer

Hedging Practices Workshop
File No. EW-2013-0101
Second Workshop Agenda

Docket Purpose: “[T]o review the policies or procedures with regard to electric companies’ hedging programs that will hopefully assist the utilities with developing effective hedging programs that serve the public interest by mitigating the rising costs of fuel.”

Workshop Outcome: Staff will file a report with the Commission summarizing the workshop discussions and will submit any handouts or presentations to the file.

Agenda
January 31, 2013
Governor’s Office Building Rm. 470

10:00 am	Welcome, Opening Remarks
10:15 am – 10:30 am	Staff presentation on recent changes in natural gas market
10:00 am – 12:00 pm/ 1:00 pm - 3:00 pm	Roundtable discussion on the following questions:

1. What is a hedge?
2. In the market we just discussed, why is it important to hedge?
3. What are the goals of your hedging program?
4. Are those goals still relevant in the current market?
5. Should the utility’s hedging goals change in response to predictions about the future market?
6. Should hedging gains and losses even out over time?
7. How predictable are volumes to be hedged?
8. Is there a matching between the physical supply volume under contract and the hedge instrument volumes and prices?
9. Is a “buy and hold” strategy the prevailing practice? Is it optimal?
10. What methods are employed to test “hedge effectiveness”?
11. Should utility’s shareholders have some risk in the success or failure of a utility’s hedging program?
12. Should utilities have a written hedging plan?