

## EIA revamps price survey

After testing and an initial comment period, the Energy Information Administration (EIA) has decided to revamp a proposed method for collecting information on the price paid and volume used by residential gas consumers in the post-deregulation market.

EIA made the changes in an effort to address concerns that traditional sources of price and consumption information were drying up as residential customers flocked to choice programs.

The agency initially focused on the idea of getting the information from billing providers that service both distributors and marketers through a "monthly natural gas biller survey." But questions arose over whether the billing companies owned that data and could supply it to the government.

The comments EIA received regarding that initial proposal centered on the data ownership question, as well as the general burden reporting requirements would place on marketers, noted EIA's Roy Kass, who is spearheading the effort.

The form is now being revamped. One key question will be whether to seek information by distributor or by state. Reporting the information by state is a way to reduce the burden on marketers, Kass said, but is more technically difficult for EIA.

"We hope to have a revamped form in four weeks, but that may be hopelessly optimistic," Kass said. Once the form is retooled, another comment period will be held.

Kass said the first round garnered comments by the National Energy Marketers Assn., the American Gas Assn., as well as individual marketers and marketer attorneys.

Some respondents wanted a different method for pursuing the information and suggested the data could be collected from existing state reports and from distribution companies. Kass has two staffers working on that idea already. "We might have to reconsider the survey entirely if that's true," he added. SGS

## Shell, IFC team up on fuel cells

Shell Hydrogen US and International Fuel Cells (IFC), a subsidiary of United Technologies, will join forces to develop, manufacture and market fuel processors for the emerging fuel cell and hydrogen fuel business, the companies said this week.

According to the memo of agreement between the two companies, the 50-50 partnership will focus on fuel cell devices in cars, buses and power generators. Distributed hydrogen fueling applications at retail or commercial filling stations, convenience stores and individual homes are another project on the drawing board. In addition, Shell will market IFC fuel cell power systems for certain stationary power applications. VM

October injection, he said.

Gas futures moved lower in busy trading yesterday on the NYMEX. Local and short-term traders scurried to get in front of trade and commercial accounts as prices began to slither downward in a slew of profit-taking during the morning session.

October NYMEX pricing opened at \$5.34 and at first seemed to be gaining strength, climbing quickly to a morning high of \$5.375. Reluctant upward momentum indicators showed themselves during mid-morning trading, and traders responded to market weakness by cashing in on higher prices. That resulted in contacts dropping to a low of \$5.28.

Throughout the afternoon, prices continued trading within a narrowly tight range around the \$5.30 mark. At settlement, October futures lost 4.5¢ to \$5.318. — Market staff reports

## MarketLink seeks OK for phases ... (from page 1)

sary to meet the timing requirements of the market," said Gary Lauderdale, senior vice president and general manager of Transco. "Williams will file to construct additional phases of the project as shippers finalize their arrangements."

Transco now proposes to develop the project in two initial phases involving the addition of 296,000 dth/d of firm capacity. Phase one customers would have an in-service date of Nov. 1, 2001, while customers on the second leg of the expansion would go onstream one year later. The company now anticipates final completion of the project by November 2004.

In support of its amendment, MarketLink filed service agreements with seven shippers, including marketers, power developers and a local distribution company. Lauderdale stressed that MarketLink customers had not wavered in their support for the project.

"This filing clearly demonstrates strong market support for the project," he said, adding that Transco is "committed to constructing the project in a conscientious and environmentally sensitive manner."

Transco won approval to construct and operate MarketLink as a stand-alone project back in April, when FERC decoupled the project from Independence Pipeline. In granting certificate approval, FERC ordered Transco, which had lined up precedent agreements for 100% of the project's firm capacity, to submit binding contracts for that capacity. NH

## Governors warn of winter crisis ... (from page 1)

IOGCC chairman Knowles said. "We have the solution to this challenge in our own hands. We can meet this demand to produce enough gas for American families by providing access to gas and by removing barriers, such as regulatory and geographic challenges."

The summit called on the United States to be prepared for a looming energy crisis. "Our first step is to help consumers, both residential and industrial, develop strategies to address the rising natural gas costs we will face this winter," Taft said. "It is critical that the states take the lead in making sure our low and fixed-income citizens are assured of affordable supplies to heat their homes in the winter months." This forum should help to educate decision-makers and to promote ideas for expanding supply options, he added.

Speaking to attendees, Enron Chairman and CEO Kenneth Lay warned officials not to overreact to the recent price spike and urged them to encourage utilities to do what they can to protect their consumers against price volatility.

"The gas resource base remains robust, and today's prices will self-correct over time," he said, referring to the NYMEX futures market that shows gas prices falling over the next two years.

"The natural gas market has delivered more than \$174 billion in savings to consumers since the market was opened to competition in 1984." Even customers who are not protected against price changes this winter will pay less per unit of gas in real terms than they did in the early 80s, he added.

In light of burgeoning electricity demands from the digital economy, Lay also recommended that government officials lift restrictions on frontier gas supplies. VM

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