

Officer, as soon as possible. The Commission is requesting that OMB make a determination on this information collection requirement by September 19, 2003.

ADDRESSES: Comments may be filed electronically via the eFiling link on the Commission's Web site at <http://www.ferc.gov>. Commenters unable to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street, NE., Washington, DC 20426. A copy of the comments should also be served on OMB: FERC Desk Officer, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10202 NEOB, 725 17th Street, NW., Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Ted Gerarden, Office of Market Oversight and Investigations, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, Ted.Gerarden@ferc.gov or (202) 502-6187; Rafael Martinez, Office of Market Oversight and Investigations, Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 20426, Rafael.Martinez@ferc.gov or (202) 502-6336.

SUPPLEMENTARY INFORMATION: This reporting requirement is intended to determine whether the Policy Statement on Natural Gas and Electric Indices, 104 FERC ¶ 61,121 (July 24, 2003), is having the desired effect of encouraging more voluntary reporting of energy trade data to support the formation of accurate, reliable and transparent prices for natural gas and electricity.

Price indices are widely used in bilateral natural gas and electric commodity markets to track spot and forward prices. Uncertainty over industry expectations and government regulatory guidelines, however, has inhibited the number of transactions voluntarily reported to index developers, resulting in a lack of confidence in the reliability of energy price indices. The Commission determined that steps were needed to strengthen confidence in the day-ahead, month-ahead and forward natural gas markets and the day-ahead and forward electricity markets by encouraging comprehensive reporting of energy transactions to price index developers and by encouraging price index developers to provide useful information about liquidity to the industry.

The Policy Statement provided the industry with the Commission's views on desirable characteristics of a price

index and the standards companies should use when reporting energy transactions to index developers. In addition, the Commission adopted a "safe harbor" provision for market participants. If the market participants adopt and follow the standards set out in the Policy Statement, the Commission will presume that transaction data submitted to index developers is accurate, timely and submitted in good faith, and the Commission will not penalize inadvertent errors.

The Policy Statement is intended to increase voluntary participation in the price formation process, with the expectation that greater participation in turn will give all industry participants more confidence in the liquidity and transparency of reported prices.

The Commission will monitor developments under the Policy Statement closely over the next several months and assess the degree to which voluntary reporting increases, as well as how index developers and data providers implement the Commission's recommended standards. If voluntary reporting does not increase to the point that indices are sufficiently robust to support a healthy market, or if the standards recommended by the Commission herein are not widely adopted, the Commission will consider further action to ensure accurate, dependable, and trustworthy wholesale price information.

The information collection will help the Commission understand whether the Policy Statement standards are being adopted by the industry and whether market participants are reporting bilateral energy transactions to any greater degree than before the Policy Statement was issued. The information reported will be of a general nature, concerning each respondent's practices with respect to reporting energy trade information. The survey will not seek specific trade data.

The information to be collected will assist the Commission to determine whether the Policy Statement is having a beneficial effect and, if not, what further steps the Commission can take to encourage voluntary participation in price formation or to mandate price reporting. This information will enable Commission staff to carry out the mandate of the Policy Statement to monitor price formation for natural gas and electricity.

The Commission needs to gauge reaction to the Policy Statement more quickly than this in order to determine whether further steps are needed to increase the accuracy, reliability and transparency of price indices before the

winter heating season. The industry has made it clear to the Commission that the issue of price formation is of critical importance and that time is of the essence in providing administrative guidance that will improve the current situation.

Nature of Information Collection: The survey will be sent to no more than 300 market participants. The participants selected will include producers, generators, marketers, industrial users, and commercial customers for natural gas and/or electricity. The companies will be sellers or purchasers of large quantities of energy likely to engage in multiple transactions at different locations to market natural gas and/or electricity or to serve their energy needs. The companies will be ones that engage in bilateral arm's length energy trades in the physical (cash) markets. Entities that trade in financial instruments only will not be included in the survey.

The survey consists of 20 questions, ten concerning current activity since issuance of the Policy Statement and ten parallel questions concerning activity before the Policy Statement. The survey seeks information about whether the participant engaged in bilateral energy trades and, if so, whether the participant trades in natural gas or electricity (or both). The survey asks the participant whether it is currently reporting trade data and, if not, why not, and whether few, some, many, or all trades were reported.

The survey asks how the participant reports trade data and what elements of trade information are reported. The survey asks the participant if they have adopted the guidelines for trade data reporters in the Policy Statement and, if so, to provide information to the Commission about the standards of conduct adopted. The survey consists primarily of "yes/no" questions or multiple choice questions, but respondents may also provide a narrative response to any question.

The Commission proposes to collect information from the surveyed market participants two times: an initial response due October 1, 2003 and a supplemental response due March 1, 2004. The supplemental response is to determine whether there have been any changes from the initial response. This followup is necessary to determine whether the Policy Statement is having the desired effect of encouraging more voluntary reporting of price information to price index developers.

Background: The Commission's statutory obligations under the Natural Gas Act (NGA), 15 U.S.C. 717, the Natural Gas Policy Act (NGPA), 15 U.S.C. 3301, and the Federal Power Act,