



Annual Hedge Plan Check-in Meeting

July 01, 2021, 9:00 AM to 10:00 AM

Presenters: Devin McGreal

In attendance: Mark Sellers-Vaughn, Brian Robertson, Devin McGreal, Ashton Davis, Chris Robbins, Eric Wood, Carolyn Stone, Art Gelber (G&A), Daniel Meyers (G&A) & Shomik Sen (G&A)

Minutes: Carolyn Stone

Opening Comments:

Devin stated he would like to use this meeting to go through “edit by edit” comments received on the Annual Plan. He wants to go through the entire document, touch on each edit and have a conversation on each to settle them in order to produce a final document. The deadline to get this document to Regulatory is 7/23, so he said we need to keep moving on it.

Appendices – Section XI:

- ❖ Devin stated he has not gotten an updated Appendices section saved. He will update the Retrospective report (he said to Eric) with Staff participation. He asked if it is possible to go through the trades covered, from 4/2020 thru 3/2021 and populate this section with trades stating whether they are programmatic, market driven, or risk based.
- ❖ Eric said he didn’t track those trades in the past, moving forward he uses the Market Guidance from G&A and assigns a type to them.
- ❖ Devin asked if Eric can populate all the trades and I can go through and see which ones fall in the categories based on the Market Guidance.
- ❖ Eric said I can go through that with you and going forward we will be OK.

Program Goals – Section I, Page 3:

- ❖ Devin said good change from Mark regarding phrasing.

Organizational Structure – Section II, Page 3:

- ❖ Devin said there are 2 things to note here:
 - Color coding, Devin asked Mark if that applied to confidential items, Mark said “Yes!”
 - Mark went on to say anything confidential should be in “greyscale”. Mark mentioned he needs to update Chris Robbins in this structure also.

Hedge Program – Section III, Page 8:

- ❖ Daniel’s comment regarding the graph being distorted.
- ❖ Devin asked should we not introduce this here (program ladder), should we remove this figure here and put it into the making changes portion or leave it here?
- ❖ Daniel said he has no problem with the Hedge Ladder being there. May be confusion because the change doesn’t come up until later in the document.
- ❖ Devin said, either way is OK with him, he’s OK with leaving it...he asked for comments from anyone else?

- ❖ Daniel suggested a paragraph with the Hedge Ladder and another paragraph below it interrupts the flow, maybe flip them.
- ❖ Devin said, “This is good”. It goes from top level then to the detail.
- ❖ Daniel said that it flows better to have it together. The other thing is, where to place the material change section in general. Might be a little confusion – more cohesive later in document...?
- ❖ Devin said, yes, let’s consider it for later.

Hedge Program – Section III, Page 9:

- ❖ Devin mentioned Mark’s comment on Page 9, put the figure in the document?
- ❖ Mark said every year there is confusion here by Staff, how it is structured. He is fine with it and said let’s leave it as it is.
- ❖ Devin said the Appendix will clarify this and can always ask Staff and go with their guidance.

Hedge Program – Section III, Page 10 & 11:

- ❖ Mark commented here that the paragraph implies a power that the RPT does not possess.
- ❖ Devin agreed, we do not have that power. This is a good edit.
- ❖ Chris agreed, edit is good.
- ❖ Devin said we were trying to accomplish with this figure the Risk Planning process, updates to hedge book, then have monthly meetings, then the guidance is distributed. Then the RPT goes back into Gas Supply. Do you have specific differences in phrasing you’d like here?
- ❖ Chris said it is two separate things, then it is combined, seems confusing (RPT vs GS).
- ❖ Devin said, should we reference figure #6 here? We do say that RPT is within Gas Supply. The object is to show them broken out, but we do have a collaborative relationship.
- ❖ Chris asked, where the separation is, in the chart?
- ❖ Mark said RPT, Gas Control and Gas Supply – I struggle with this too!
- ❖ Chris asked, is RPT part of the 2nd box?
- ❖ Devin said “Yes!” Convening explanation that RPT is within the Gas Supply Department. You’ve got this separate group with Marketing Guidance and folded in with Gas Supply.
- ❖ Chris said who’s meeting with G&A, RPT or Gas Supply in coordination or another organizational unit? Everyone including RPT or just Gas Supply with Eric...who is participating?
- ❖ Eric said “me and Chris”.
- ❖ Chris said this is confusing – RPR plus Gas Supply or not?
- ❖ Devin said RPT is not typically included in the meeting but is always available!
- ❖ Chris said, if the RPT only is involved, it should say on the graph.
- ❖ Mark said put the Resource Planning Analyst in 2nd box... and share it with Gas Supply
- ❖ Devin said that makes sense to him.
- ❖ Chris said, more detail separation of subsets, when RPT is included with Gas Supply on the charts. If included, then it is a big confusing.
- ❖ Mark said the 3rd box said Gas Supply & RPT meets with....
- ❖ Relationship here is confusing.
- ❖ Devin said I like adding “analyst” to the 1st box. Box 2 says “Gas Supply including RP”. I will incorporate changes. Other thoughts? I will fix this unclear language.

2021 HEP Meeting and Final Recommendations – Section V, Page 14

- ❖ Devin’s comment about “redacting” language.
- ❖ Devin asked Mark what should be redacted here?
- ❖ Mark said, to redact from “Regarding....” thru “cap at 60%” in this paragraph on page 14.
- ❖ Devin asked if the chart should also be redacted?
- ❖ Mark said it should be.

2021 HEP Meeting and Final Recommendations – Section V, Page 15

- ❖ Devin asked if Figure #10 (Hedge Calculation Table) was public?
- ❖ Mark said “No”.
- ❖ Devin asked about the comment regarding “recovery language” in the last paragraph of this section.
- ❖ Mark said on Page 17, read it and make comments.... remove the highlighted items. He has no issue here.

Data Driven Hedging – Section VI, Page 16

VaR and Risk Calculations

- ❖ Devin asked about Mark’s comment about the proprietary nature of the language here.
- ❖ Mark said just needs clarification.... just asking if we are using ours or G&A’s?
- ❖ Devin said “ours” but Gelber gave us feedback – it was collaborative. The Core R function was built by Ashton.

Data Driven Hedging – Section VI, Page 18

VaR and Risk Calculations

- ❖ Devin mentioned the “discretionary hedges comment”, might add language here, after Retrospective Analysis – add what percentage is programmatic.

Procurement Strategies – Section VII, Page 18

Physical Supply

- ❖ Eric said this is all good

Retrospective Report of 2020 – Section VIII, Page 19

Figure 12 Hedge Plan Results

- ❖ Daniel said, if there are changes to make here we can get you an updated Summary based on the comments provided.
- ❖ Devin said the citations echo Mark’s comments, this is useful.
- ❖ Daniel said, some internal data we can find the public sources.
- ❖ Mark said this is not critical but give the references so we can confirm. If Staff has questions, they’ll let us know.

Market Summary – Section IX, Page 20

- ❖ Devin said grid related “symptoms”, Daniel will change that wording.

Conclusion – Section X, Page 21

- ❖ Consistency edit is OK. We don’t like to talk about VaR & Risk” in conclusion, the calculation is explained in detail.
- ❖ Daniel agreed, no new things in the conclusion. We changed the way VaR is being used and made changes to the Monthly Guidance process =- more of a group effort, good to talk about that – expanded from a year ago!
- ❖ Devin said “That’s all we’ve got”.
- ❖ Mark thanked everyone and said it was exciting to see everyone’s thoughts and comments. He thanked Chris for commenting on the charts.
- ❖ Mark thanked everyone again!

Remaining Schedule: (Devin McGreal)

- ❖ Devin said this was a good 2nd draft, he will take all edits provided and produce a final draft by mid-next week.
- ❖ The meeting on the 8th will be in case people still have concerns.
- ❖ Final approval will be on the 15th...but there is a National Emissions Meeting on that date.
- ❖ Devin asked if people have from 1 – 3:00 CT for that date?
- ❖ Daniel said he and Shomik can be available then...Art is on ET.
- ❖ Devin said he is hoping a quick meeting, maybe over email. We are rock solid on the plan so if there are only a few concerns we can just handle it via email.
- ❖ Devin wants that slot available in case we need it (on the 8th)
- ❖ He's not sure if there is a presentation due on the 22nd, he will coordinate with Mark on that.
- ❖ We are on pace to hit the delivery date of Friday 7/23!
- ❖ Are there any final comments/concerns?
- ❖ Art said he has discussed with some SWAP dealers the possibility of our obtaining a call option. He will keep the group updated. He asked, maybe Eric can reach out to our approved financial counterparties??
- ❖ Daniel said Devin and Eric will be looking at Hedge Guidance and Eric will send me updated trades. Could be a good opportunity to discuss option possibilities!
- ❖ Devin thanked everyone and said the input was "invaluable"!
- ❖ He will work with Eric on the Retrospective and will update the final draft by mid-next week!
- ❖ Daniel asked how the weather is in our area...it is very humid and rainy there.
- ❖ Devin mentioned our hot weather and wished everyone a safe and happy 4th of July!

The Meeting was Adjourned.