

# FERC NATURAL GAS 101

September 21-22, 2020  
Online | Central Time



*“Excellent insights into the inner workings of FERC and legal process of rate cases.”*

Director, Fuels & Business Support, APS

## EUCI ONLINE COURSE

EUCI is pleased to offer this course on our online interactive platform. Enjoy a valuable learning experience with a smaller impact on your time and at reduced cost. You will gain new knowledge, skills, and hands-on experience from the comfort of your remote location.



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EUCI is authorized by IACET to offer 1.0 CEUs for the online course

# OVERVIEW

FERC Natural Gas 101 provides a comprehensive overview of the agency’s impact on the natural gas and LNG industries. This day and a-half course is for those seeking a basic knowledge of FERC’s natural gas and LNG policies and regulations, those desiring a look at the setting of transportation and storage rates, those wanting a refresher course, and those who want to learn about the current hot topics at the agency.

# LEARNING OUTCOMES

- Discuss fundamentals of natural gas regulation
- Review jurisdictional reach of and limits on FERC’s power
- Explain how FERC’s exercise of that power affects the regulated entities that it oversees
- Evaluate FERC policies and decisions on issues such as capacity management, secondary markets, and certification of projects; ratemaking, including developing cost-of-service rates and market-based rates; storage; standards of conduct and enforcement; LNG; as well as other timely issues
- Identify future challenges

# WHO SHOULD ATTEND

Traders, marketers, natural gas utilities employees, power generation employees that utilize natural gas supply, managers, members of the financial community, compliance function employees, in-house and law firm attorneys, and anyone else interested in or who has a need to know about the laws governing FERC and its rules, policies, and procedures that affect the natural gas and LNG industry. The course will benefit those seeking a basic knowledge of FERC, those desiring a refresher course or a broader context of FERC knowledge, and those seeking insight on current agency proceedings involving natural gas and LNG.



***“This was well worth the time and money for me!”***

Audit Manager,  
Koch Industries



***“EUCI offers the best course for general overview on how FERC operates.”***

FERC Compliance Analyst, Enbridge



***“.. This course is great for those that are brand new to the industry.”***

Electric Generation System Specialist I,  
California Energy Commission

# AGENDA

MONDAY, SEPTEMBER 21, 2020 - CENTRAL TIME

**8:45 – 9:00 am**      **Log In and Welcome**

**9:00 am – 4:00 pm**      **Course Timing**

**12:00 – 12:30 p.m.**      **Lunch Break**

## **FERC from a Historical Perspective – Evolution of an Agency**

- FPC/FERC
- Growth and increased oversight
- Current organization and divisional responsibilities
- Prospective changes

## **FERC Jurisdiction and Regulatory Overview – How FERC Regulates the Natural Gas Industry**

- FERC responsibilities and oversight – what does FERC regulate
- Interstate facilities- pipelines and storage
- Production?
- Different docket classifications
- Interactions with other federal agencies and state regulators
- Current FERC objectives (LNG)
- Enforcement and brief overview of compliance

## **Major Orders and Regulations Impacting the Natural Gas Industry**

- Key terms
- Regulatory initiatives
- Open access
- Recent major orders
- Regulatory trends for the future

## **Pipeline Tariffs - How FERC Regulates Interstate Pipelines and Storage**

- Purpose
- Structure and components
- Rate design

## **Capacity Transactions- How Gas Flows and is Regulated by FERC**

- Capacity- what is it?
- Market transparency
- Capacity releases – primary regulations and posting and bidding requirements;
- Secondary market transactions and oversight - shipper must have title; prohibition on buy/sell arrangements; anti-tying policy; flipping
- Asset management agreements

## **FERC Enforcement – Increased Oversight and Penalties**

- Jurisdiction over natural gas activities
- Penalties authority/penalty guidelines
- FERC enforcement's current areas of focus
- Market manipulation
- Trends and overview of recent investigations and penalties
- Compliance

# AGENDA

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MONDAY, SEPTEMBER 21, 2020 - CENTRAL TIME (CONTINUED)

**The Impact of Natural Gas/Electric Coordination**

- FERC's role
- Impact of fracking production
- Regional supply and flow changes
- Increased reliance of power generation on natural gas

TUESDAY, SEPTEMBER 22, 2020 - CENTRAL TIME

**8:45 – 9:00 am**      **Log In and Welcome**

**9:00 am – 12:00 pm**      **Course Timing**

**FERC Ratemaking Authorities**

- Section 7 of the Natural Gas Act
- Section 5 of the Natural Gas Act (Burden of Proof-Remedies)
- Section 4 of the Natural Gas Act (Burden of Proof-Mechanics)

**FERC Pipeline Rates - The Procedure**

- Filing
- Participants
- Settlements
- Litigation

**FERC "Just & Reasonable" Rates – Cost of Service**

- Base period, adjustment period, test period
- Operating expenses
- Administrative & general expenses
- Rate base
- Return on Investment

**FERC "Just & Reasonable" Rates – Allocation & Rate Design**

- Transportation, storage, incremental facilities
- Allocation factors
- Billing determinants
- Firm vs. interruptible rates
- Discounted and negotiated rates
- FERC pipeline rate walkthrough (example and sample problem)

# INSTRUCTORS



## Kenneth Sosnick

**Senior Director / FTI Consulting**

Ken Sosnick is a Senior Director in the Power and Utilities practice at FTI Consulting and is based in Boston. Mr. Sosnick has more than 15 years of experience with electric utility, natural gas pipeline and crude/product pipeline industry matters before the Federal Energy Regulatory Commission (FERC). Prior to joining FTI Consulting, Mr. Sosnick spent over five years as a consultant, extensively engaged in the natural gas, crude/product and electricity markets. His work included analysis of natural gas pipeline and crude/product pipeline cost of service rates, levelized rates, market-based rates, discounted and negotiated rates, incremental vs. rolled-in project costs, initial certificate rates, allocation of corporate overhead costs, master-limited partnership income taxes, throughput/system rate design quantities, fuel recover mechanisms, NGA Section 5 rate complaints, return on equity calculations under the discounted cash flow/risk premium/capital asset pricing model/expected earnings methods, depreciation rate and negative salvage rate calculations, asset retirement obligations, FERC Form 1 and 2 filing requirements as well as being proficient in the application of FERC's uniform system of accounts.

Mr. Sosnick has prepared expert testimony for proceedings at FERC, prepared expert reports assessing and quantifying damages in civil litigation, conducted strategic analysis for a large energy company considering alternatives for its existing pipeline and storage portfolio, written a whitepaper on the impacts of the Tax Cuts and Jobs Act on FERC regulated assets as well as a whitepaper on the impacts of FERC Orders in SFPP, LP Docket No. IS08-390 related to Master Limited Partnerships and other pass-through entities income tax allowance. In addition, he has conducted confidential buy-side valuations and assessments of regulated electric and natural gas utilities in the U.S.

Before working as a consultant, Mr. Sosnick spent 10 years at FERC and spent two years as an auditor in the Office of Enforcement and eight years as an expert witness and a lead technical staff negotiator on major electric utility, interstate natural gas pipeline and crude/product pipeline proceedings in the Office of Administrative Litigation. Mr. Sosnick's insights were incorporated into the revision of the FERC Form 2 in Docket No. RM07-9-000, which led to the FERC-initiated Section 5 natural gas pipeline proceedings from 2009 to today.

Mr. Sosnick currently teaches an executive FERC Natural Gas 101 course for EUCI and previously taught Practical and Regulatory Training for the Natural Gas Interstate Pipeline Industry at the New Mexico State University Center for Public Utilities, specifically addressing FERC requirements for determining "just and reasonable" rates. Mr. Sosnick holds a B.S. in Accounting from the Indiana University of Pennsylvania. He is a member of the Energy Bar Association, FERC Liquids Committee, FERC Natural Gas Pipeline Committee and FERC Practice Committee.



*"Great presenters, key real-world experience, candid conversations."*

Sr. Business Analyst,  
DTE Energy



*"Both instructors did an excellent job disseminating a huge amount of knowledge in a very digestible way. Great course overall."*

Engineering Inter, Williams

# INSTRUCTORS



## Bill Rappolt

**Partner / SheppardMullin**

Bill Rappolt is a partner in the firm's Washington, D.C. office. He is a member of the Energy Industry Team and Real Estate, Land Use and Environmental Practice Group.

Bill represents clients in the natural gas, electric and oil/liquids industries in commercial transactions and before federal agencies, including the Federal Energy Regulatory Commission (FERC), state utility commissions and appellate courts. Bill often represents natural gas pipelines and storage providers, electric generators, power marketing and trading companies, commercial class electric customers, electric utilities, independent electric transmission providers and oil/liquids pipelines and storage providers. He has worked across the renewable energy sector, including on wind, solar and biomass projects, and on electric battery storage projects.

Bill aids clients with rate-making issues involving cost of service, return on equity and rate design. He also advises and represents energy industry participants regarding tariff-related issues, natural gas pipeline certificates, Department of Energy (DOE) export and import authorizations, market-based rate authorizations, compliance with energy market rules and regulations, standards of conduct, interconnection rules and negotiations, and purchases and sales of energy facilities and companies. Prior to practicing law, Bill was an energy industry analyst in the Federal Energy Regulatory Commission's (FERC) Office of Administrative Litigation. In this role, he worked on numerous natural gas, oil/liquids and electric matters dealing with utilities' rate making issues, interconnection requests and complaints concerning tariff compliance. He was responsible for developing and presenting positions on regulatory issues set for hearing before administrative law judges at FERC.

On a pro bono basis, Bill represents victims of domestic violence seeking Civil Protection Orders and victims of employer based discrimination in violation of Title VII of the Civil Rights Act, the Americans with Disabilities Act (ADA), District of Columbia Human Rights Act (DCHRA) and the District of Columbia Family and Medical Leave Act (DCFMLA).

## INSTRUCTIONAL METHODS

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This program will use PowerPoint presentations and group discussions, as well as active participation.

## REQUIREMENTS FOR SUCCESSFUL COMPLETION

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You must be logged in for the entire presentation and send in the evaluation after the online course is completed.

## IACET CREDITS

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EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

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## ONLINE COURSE DELIVERY & PARTICIPATION DETAILS

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We will be using Microsoft Teams to facilitate your participation in the upcoming event. You do not need to have an existing Teams account in order to participate in the broadcast – the online course will play in your browser and you will have the option of using a microphone to speak with the room and ask questions, or type any questions in via the chat window and our on-site representative will relay your question to the instructor.

- You will receive a meeting invitation which will include a link to join the meeting.
- Separate meeting invitations will be sent for the morning and afternoon sessions of the online course.
  - You will need to join the appropriate meeting at the appropriate time.
- If you are using a microphone, please ensure that it is muted until such time as you need to ask a question.
- The remote meeting connection will be open approximately 30 minutes before the start of the online course. We encourage you to connect as early as possible in case you experience any unforeseen problems.

## COURSE RECORDING

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A recording of this program will be available for three days from either the end of the program (or three days from the date of purchase, if you purchase the recording after the session ends). It is presented in four-hour sessions and can be watched an unlimited number of times for three days (for the registrant). There is no additional cost beyond the registration fee.

To Register Click Here, or

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# ENERGIZE WEEKLY

Energize Weekly is EUCI's free weekly newsletter, delivered to your inbox every Wednesday. We provide you with the latest industry news as well as in-depth analysis from our own team of experts. Subscribers also receive free downloadable presentations from our past events.

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## PLEASE SELECT

- FERC NATURAL GAS 101 ONLINE COURSE**  
SEPTEMBER 21-22, 2020: US \$1195 (Single Connection)
- PACK OF 5 CONNECTIONS:** US \$ 5,375
- PACK OF 10 CONNECTIONS:** US \$8,965

### Online Course Delivery & Participation Details

See page 7 for information

How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name

Job Title

Company

Address

City

State/Province

Zip/Postal Code

Country

Phone

Email

### CREDIT CARD INFORMATION

Name on Card

Billing Address

Account Number

Billing City

Billing State

Exp. Date

Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx)

Billing Zip Code/Postal Code

**OR** Enclosed is a check for \$ \_\_\_\_\_ to cover \_\_\_\_\_ registrations.

#### Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before July 17, 2020 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices . EUCI reserves the right to alter this program without prior notice.