FERC NATURAL GAS 101

February 22-23, 2017
Royal Sonesta Houston
Houston, TX
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.

“The EUCI FERC 101 class provided an introductory explanation of what type of projects are governed by FERC and their role as a regulatory agency.”

Staff Engineer, Williams

“Perfect general view of FERC’s natural gas processes and methodology.”

Sr. Gas Supply Representative, Black Hills Energy
AGENDA

WEDNESDAY, FEBRUARY 22, 2017

8:00 – 8:30 am  Registration and Continental Breakfast

8:30 am – 5:00 pm  Course Timing

12:00 – 1:00 pm  Group Luncheon

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

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
AGENDA

THURSDAY, FEBRUARY 23, 2017

8:00 – 8:30 am  Continental Breakfast
8:30 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 Project Manager, Concentric Energy Advisors, Inc.

Kenneth A. Sosnick is a Senior Project Manager at Concentric Energy Advisors, Inc. He has over 10 years of experience with natural gas, electric and oil industry matters before the Federal Energy Regulatory Commission. During Mr. Sosnick’s 10 years at FERC, he spent two years (2003-2004) as an auditor in the Office of Enforcement and eight years (2005-2013) in the Office of Administrative Litigation as an expert witness and one of the lead technical staff negotiators in more than 15 major interstate natural gas pipeline, oil pipeline, and electric utility proceedings.

While in the Office of Administrative Litigation, Mr. Sosnick applied his expertise to a variety of complex issues relating to utility ratemaking. He has concentrated on natural gas pipeline and oil/product pipeline cost of service rates, levelized rates, incremental vs. rolled-in project costs, allocation of corporate overhead costs, master-limited partnership income taxes, throughput/system rate design quantities, cost allocation and rate design, fuel recovery mechanisms, extraordinary events surcharge trackers, NGA Section 5 rate proceedings, depreciation rate calculations, Return on Equity calculations under Discounted Cash Flow methodology as well as electric formula rates and Order No. 1000 cost allocations.

After leaving FERC in 2013, Mr. Sosnick joined MRW & Associates LLC as a Senior Project Manager. As a consultant, Mr. Sosnick
constructed cost of service models and evaluated cost allocation and rate design proposals in natural gas pipeline proceedings. Mr. Sosnick has specifically worked on developing the cost of service model and/or rate design model for Southern Star Central Pipeline, El Paso Natural Gas Company, Transcontinental Pipeline, Sea Robin Pipeline, Portland Natural Gas Transmission System, Inc., Florida Gas Transmission, Northern Natural Gas Company, Kinder Morgan Interstate Gas Transmission, Tennessee Gas Pipeline, Tuscarora Gas Transmission Company, and Wyoming Interstate Company.

He contributed to the multi-office taskforce for the revision of the FERC Form 2, Docket No. RM07-9-000 and served on the panel at the Open Commission meeting addressing the FERC Commissioners and any related questions.

Mr. Sosnick has previously taught at the New Mexico State University Center for Public Utilities Practical and Regulatory Training for the Natural Gas Interstate Pipeline Industry specifically addressing FERC requirements for determining “Just and Reasonable” rates.

Mr. Sosnick received his B.A. from Indiana University of Pennsylvania in 2003.

Brian S. Heslin
Partner, Moore & Van Allen PLLC

Brian Heslin is a partner at the law firm, Moore & Van Allen PLLC. His varied and considerable experiences in civil, criminal, and administrative courtrooms have evolved into a practice dedicated to representing clients operating within the expanding energy sector.

A significant portion of Brian’s practice focuses on the representation of companies and public utilities in the natural gas and other regulated energy industries. Over the past decade, he has developed a thorough understanding of the nuances and intricacies of these regulatory environments, including rate-making and design, natural gas procurement, energy transactions, pipeline transportation, storage and secondary capacity markets. His representation includes regular appearances before state public service commissions and the Federal Energy Regulatory Commission. Brian also provides FERC and CFTC Dodd-Frank compliance assistance to numerous companies attempting to navigate these enhanced regulatory environments.

In addition, Brian devotes his time to defending clients and corporations under investigation and indictment by state and federal authorities, conducting internal and external investigations, and representing clients in civil matters including allegations of fraud, embezzlement and other civil causes of action. He leverages his experience as a prosecutor, defense appellate attorney, and civil trial attorney to provide his clients with comprehensive counsel in complex and high-exposure situations. He has defended clients and negotiated significant outcomes with regulatory and enforcement agencies such as FERC, CFTC, U.S. Department of Justice, various state and federal prosecutors’ offices, and other federal and state agencies.

The two segments of Mr. Heslin’s practice often intersect. For example, he represents energy companies involved in formal and informal investigations by regulatory agencies. In addition to representing energy clients in regulatory dockets and proceedings, he serves those same clients as litigation counsel, employing his comprehensive knowledge of those companies to pursue successful dispositions and outcomes in state and federal courts.

Brian writes extensively about the rapidly changing energy sector, particularly on topics including the growing interdependency between natural gas and electric power generation, hydraulic fracturing and natural gas production, natural gas transportation and flow reversals, LNG exports, and other industry trends.

Prior to joining Moore & Van Allen, Mr. Heslin was a trial attorney with the United States Department of Justice, defending departmental and regulatory federal agencies in various civil matters. In addition, he served as a prosecutor and defense attorney in the United States Army Judge Advocate General’s Corps.
REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

INSTRUCTIONAL METHODS

PowerPoint presentations will be used in this course.

PROCEEDINGS

The proceedings of the course will be published, and one copy will be distributed to each registrant at the course.

EVENT LOCATION

A room block has been reserved at the Royal Sonesta Houston, 2222 West Loop S, Houston, TX 77027, for the nights of February 21-23, 2017. Room rates are $199 plus applicable tax. Call 1-800-766-3782 for reservations and mention the EUCI event to get the group rate. The cutoff date to receive the group rate is January 31, 2017 but as there are a limited number of rooms available at this rate, the room block may close sooner. Please make your reservations early.

IACET CREDITS

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 AN-SI/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 AN-SI/IACET Standard.

EUCI is authorized by IACET to offer 1.0 CEUs for this course.

REGISTER 3, SEND THE 4TH FREE

Any organization wishing to send multiple attendees to these courses may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.

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

Electric Generation System Specialist I, California Energy Commission
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FERC NATURAL GAS 101 COURSE
FEBRUARY 22-23, 2017: US $1395,
Early bird on or before February 3, 2017: US $1195

How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)
Print Name
Job Title
Company
What name do you prefer on your name badge?
Address
City
State/Province
Zip/Postal Code
Country
Phone
Email
List any dietary or accessibility needs here

CREDIT CARD INFORMATION
Name on Card
Account Number
Billing Address
Billing City
Billing State
Billing Zip Code/Postal Code
Exp. Date
Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx)

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 January 20, 2017 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 at (201) 871-0474.