

# INTRODUCTION TO LOCAL DISTRIBUTION COMPANIES: NATURAL GAS UTILITIES

September 26-27, 2017  
EUCI Offices  
4601 DTC Blvd.  
Denver, CO



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

## OVERVIEW

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This course is for professionals that work for and with natural gas local distribution companies (LDCs) and need a better understanding of them. The course will describe the role, infrastructure and operations of LDCs in the natural gas supply chain and their relationship to State Public Utility Commissions (PUCs), Federal Energy Regulatory Commission (FERC) and Pipeline & Hazardous Materials Safety Administration (PHMSA).

The agenda will include an overview of the domestic natural gas industry, supply chain with emphasis on pipelines, underground and surface storage and liquefied natural gas. Since LDCs actively purchase and transport wholesale natural gas to serve their retail customers, this course will discuss pipeline nominations, bidweek and daily markets, and how LDCs hedge their gas supply and price volatility.

The instructor of this course will also discuss general ratemaking and how FERC sets interstate pipeline and storage rates. Recent FERC rate making cases and their implications on LDCs will also be discussed. Finally, the instructor will discuss natural gas industry trends that are affecting LDCs; these include growing opposition to new natural gas pipelines, methane leaks, and new FERC, PHMSA and Trump Administration policies, regulations and executive orders.

## LEARNING OUTCOMES

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- Determine how local distribution companies (LDC's) fit in the natural gas supply chain
- Examine LDC activities in the physical natural gas markets, pricing mechanisms and how LDCs can hedge gas supply and price volatility
- Discuss pipeline transportation and the increased role of Asset Managers in managing LDC gas supply, delivery and pipeline capacity
- Review existing and new FERC and PHMSA requirements affecting LDCs

## WHO SHOULD ATTEND

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Any employee of a local distribution company including, but not limited to, those involved in state and federal regulatory affairs, legal matters, strategy, new managers, and schedulers of gas supply and pipeline transportation. Also, attorneys, asset management companies, power generators, industrial companies, consultants, and natural gas marketers will find this training valuable in understanding how LDC's function and operate.

## 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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# COURSE TIMING

TUESDAY, SEPTEMBER 26, 2017

<b>8:00 – 8:30 am</b>	<b>Registration and Continental Breakfast</b>
<b>8:30 am – 4:30 pm</b>	<b>Course Timing</b>
<b>12:00 – 1:00 pm</b>	<b>Group Luncheon</b>

# PROGRAM AGENDA

## Local Distribution Companies

- Mission and Function
- Types of LDCs and Sizes
- Infrastructure
- Customer Classes
- Delivery of Natural Gas to its End Point
- Components of Residential Natural Gas Prices
- Regulators- State PUCs, FERC, and PHMSA
- LDC Regional Growth Trends

## The Natural Gas Supply Chain

- Upstream, Midstream and Downstream Facilities and Activities
- Major Players and Who Regulates Them
- Important LDC Activities
- New Markets (CNG and LNG Vehicles) and Others

## State and Federal Jurisdictions

- Overview of State Regulation of LDCs
- FERC Regulation of LDCs
- FERC Regulation of Pipelines, Storage, LNG Terminals and LNG Peak Shaving Plants
- Overlapping State and Federal Jurisdictional Provisions under FERC, CFTC, PHMSA

## PHMSA Safety Regulations

- Framework of Federal Pipeline Safety Program
- Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 (PIPES)
- Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011

## Important FERC Forms for LDCs

- Form No. 549B - Index of Customers
- Form Nos. 2, 2A and 3-Q Major, Non-Major and Quarterly Reports of Natural Gas Pipelines
- Form No. 552 - Annual Report of Natural Gas Transactions
- Form No. 549D - Quarterly Transportation & Storage Report for Intrastate Natural Gas and Hinshaw Pipelines

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## PROGRAM AGENDA

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TUESDAY, SEPTEMBER 26, 2017 (CONTINUED)

### **FERC Ratemaking**

- Overview and Approach
- Section 4 and Section 5 Rate Cases
- Recent Cases with Implications for LDCs

### **Natural Gas Pipelines and Storage Facilities**

- Locations
- Top 10 Natural Gas Pipeline and Storage Companies
- Role of Shippers and Purchasers
- How Pipelines Operate, Nominating Gas
- LNG Peak Shaving- The Other Storage Option

### **Pipeline Capacity Releases and AMAs**

- Background and FERC Order 712
- Why Important
- Growth of Capacity Releases and AMAs
- 2014 Capacity Release Analysis Findings

## COURSE TIMING

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WEDNESDAY, SEPTEMBER 27, 2017

**8:00 – 8:30 am**      **Continental Breakfast**

**8:30 am – 12:30 pm**      **Course Timing**

## PROGRAM AGENDA

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### **Physical Natural Gas and Financial Gas Market**

- Overview
- Key Differences

### **Physical Natural Gas: Buying and Selling**

- NAESB Contracts
- Where can Physical Natural Gas be Bought and Sold
- Bidweek (Next Month Gas)
- Daily Gas
- Intraday
- Weekend Gas Markets

### **Natural Gas Pricing**

- How is Natural Gas Priced?
- Role of Index Publishers and Price Discovery
- Natural Gas Indices and Fixed Price Deals
- Major Trends on How Sellers and Purchasers Price Physical Natural Gas
- Examples of Physical Natural Gas Purchases
- Recent FERC Concerns with Natural Gas Index Use and Liquidity

# PROGRAM AGENDA

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WEDNESDAY, SEPTEMBER 27, 2017 (CONTINUED)

## **Hedging with Natural Gas Supply, Transportation and Prices**

- What Hedging Really Is
- How LDCs Physically Hedge Natural Gas
- How LDCs Financially Hedge Natural Gas
- Examples of Hedging Natural Gas Purchases

## **Natural Gas Markets: Regulatory Perspectives**

- Who's Watching the Natural Gas Industry and Markets for Manipulation?
- FERC, Commodity Futures Trading Commission, States
- What gets FERC's Attention in the Natural Gas Markets
- FERC's Hotline
- Fines and Penalties Assessed by FERC

# INSTRUCTOR

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## Tom Russo

### **Principal, Russo on Energy LLC**

Tom Russo is an Energy and Environmental expert with unique regulatory skills in siting energy infrastructure, markets and physical/cybersecurity.

Prior to founding Russo on Energy LLC in May 2015, Mr. Russo worked for over 30 years as a Manager and Sr. Energy Industry Analyst at the Federal Energy Regulatory Commission (FERC). During that time he amassed experience in hydropower licensing, NEPA environmental impact assessment of energy projects, business process reengineering, and natural gas and crude oil market oversight. Mr. Russo thoroughly understands the Natural Gas Act, Natural Gas Policy Act, Federal Power Act and Energy Policy Act as they apply to natural gas and hydroelectric projects. He also assisted FERC's new Energy Infrastructure Security Office with understanding physical and cybersecurity threats and vulnerabilities to natural gas, oil and gas-fired power projects and physical natural gas and related futures and swaps.

In FERC's Office of Enforcement, he managed and led efforts on the development and implementation of FERC Order 704 and FERC's Form 552 Annual Natural Gas Transaction Report program from 2008 to 2015. He also has helped numerous energy companies address FERC compliance issues in the natural gas, LNG, and hydropower area, as well as natural gas market participants in achieving compliance with transactional issues related to natural gas indices and index formation.

Mr. Russo is a native of Brooklyn, New York. He earned a credential as a Certified Information Systems Security Professional (CISSP) in 2010. He also graduated with a MBA in Finance from the George Washington University and a MS in Biology from the University of Alabama.

## REQUIREMENTS FOR SUCCESSFUL COMPLETION OF PROGRAM

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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

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Case studies and PowerPoint presentations will be used in this program.

## PROCEEDINGS

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

## EVENT LOCATION

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### **EUCI Offices**

4601 DTC Blvd.  
Denver, CO 80237

## NEARBY HOTELS

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### **Hyatt Regency Denver Tech Center**

7800 E. Tufts Ave  
Denver, CO 80237  
Phone: 303-779-1234  
0.3 miles away

### **Hilton Garden Inn Denver Tech Center**

7675 E. Union Ave  
Denver, CO 80237  
Phone: 303-770-4200  
0.6 miles away

### **Denver Marriott Tech Center**

4900 S. Syracuse St  
Denver, CO 80237  
Phone: 303-779-1100  
0.7 miles away

### **Hyatt Place Denver Tech Center**

8300 E. Crescent Parkway  
Greenwood Village, CO 80111  
Phone: 303-804-0700  
0.9 miles away

## REGISTER 3, SEND THE 4TH FREE

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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.

# REGISTRATION INFORMATION

# EVENT LOCATION

**Mail Directly To:**

Electric Utility Consultants, Inc. (EUCI)  
4601 DTC Blvd., Ste. 800  
Denver, CO 80237  
OR, scan and email to: [courses@euci.com](mailto:courses@euci.com)

**WWW.EUCI.COM****p: 303-770-8800****f: 303-741-0849****EUCI Offices**

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View nearby hotels on page 6.

## PLEASE REGISTER

- INTRODUCTION TO LOCAL DISTRIBUTION COMPANIES: NATURAL GAS UTILITIES COURSE**  
SEPTEMBER 26-27, 2017: US \$1395  
Early bird on or before September 8, 2017: US \$1195

## ENERGIZE WEEKLY

EUCI's Energize Weekly e-mail newsletter compiles and reports on the latest news and trends in the energy industry. Newsletter recipients also receive a different, complimentary course presentation every week on a relevant industry topic. The presentations are selected from a massive library of more than 1,000 current presentations that EUCI has gathered during its 30 years organizing courses.

**Sign me up for Energize Weekly**

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

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Company

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**CREDIT CARD INFORMATION**

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Billing City

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**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 August 25, 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 303-770-8800. EUCI reserves the right to alter this program without prior notice.

