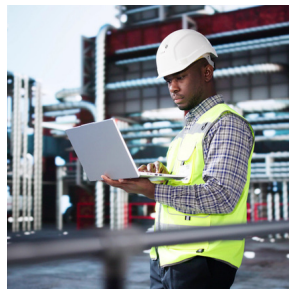




Course length: 2.5 hours
Subscription: 45 days
Cost: \$295 **Prerequisites:** None

An overview of how the electric and natural gas industries are regulated

Regulation greatly impacts how natural gas and electric utilities can operate, generate revenue, and earn profits. Understanding the basics of energy regulation is essential for those seeking a solid understanding of the energy business. Energy Regulation Fundamentals gives a thorough overview of who the energy regulators are, who regulates what on state versus federal levels, the purpose for energy regulation, how regulatory proceedings work, basics principles of regulation, an overview of the ratemaking process, and how regulation affects companies in deregulated markets. This course is appropriate for industry newcomers as well as those interested in details on the regulatory process.



WHO WILL BENEFIT FROM THIS COURSE?

- Experienced natural gas and electric company employees who have limited knowledge of regulation
- Experienced professionals moving into the energy industry
- Recent hires into regulatory positions in gas and electric companies
- Energy professionals from departments such as operations, engineering, information technology and customer services who are becoming active in regulatory proceedings or who have interaction with regulators
- Gas and electric company supervisors and managers who will oversee participants in regulatory proceedings or interact with regulators
- Finance, legal, public relations, and regulatory professionals needing a better understanding of gas and electric regulation
- Recent hires at state or federal regulatory agencies
- Recent ISO/RTO hires who need to understand the regulatory parameters under which ISOs operate

WHAT PARTICIPANTS WILL LEARN

- Who the regulators are
- Who regulates what on a state and national basis
- The purpose of regulation in the natural gas and electric industries
- How regulatory proceedings work
- The principles of regulation
- Why competitive markets require regulation
- The steps involved in setting rates
- The characteristics of well-functioning competitive energy markets

COURSE AGENDA

Basic Concepts of Natural Gas and Electricity Regulation

- The role of energy regulation
- What is regulation and why regulate?
- Natural monopolies
 - Characteristics
 - High initial capital investment
 - Economies of scale
 - Inefficiency of duplicative infrastructure
 - Essential services
 - Natural monopoly types (gas distribution companies, electric distribution companies, vertically integrated electric utilities, independent system operators)
- Essential facilities
 - Characteristics
 - Essential facility types (electric transmission lines, gas transmission pipelines, gas storage facilities, LNG terminals)
- Competitive market participants
 - Why they are regulated
 - Competitive market participant types (merchant generators, wholesale traders, financial services providers, retail marketers)
- Who are the regulators and who do they regulate?
 - Federal (FERC)
 - State
 - Local
- Multiple regulators for a single company
- The regulatory compact (federal and state)
- What does regulation do? (six functions)
- Who is impacted by regulation? (monopoly utilities, essential facilities, competitive companies, consumers)
- Six goals of regulators
 - Safe and reliable energy
 - Just and reasonable pricing





- Economic efficiency
- Consumer protection
- Public good
- Fair return on investment
- Potential regulatory conflicts
- How regulation is determined and examples of important legislation
- The ten steps of the regulatory process
- The reality of regulation

Introduction to Ratemaking

- What ratemaking is and what it does
- Various objectives that ratemaking must balance
- Why ratemaking is fundamental to a utility's financial stability and customer satisfaction
- Who regulates ratemaking
- The concept of cost-of-service ratemaking
- Principles behind setting rates
- Non-financial considerations for rates
- The ratemaking process including the general rate case

Regulatory Proceedings

- The purpose of a regulatory proceeding
- Who initiates proceedings (utilities and essential facilities, regulators, market participants)
- Participants in a regulatory proceeding (commissioners, presiding officer, commission staff, regulated energy companies, intervenors)
- Types of proceedings
 - Rulemaking
 - Certificate cases
 - Rate cases
 - Applications
 - Mergers and acquisitions
 - Complaints
 - Petitions

- Steps in the regulatory process
- Settlements
- Typical components of a regulatory decision

Regulation in Competitive Energy Markets

- What are competitive markets?
- Unbundling supply from delivery
 - Gas supply
 - Gas delivery
 - Electric supply
 - Electric delivery
- Why regulation is needed in competitive markets
- Features of a viable competitive market
 - Market liquidity
 - Lack of market power
 - Information transparency
 - Open access
 - Fair cost allocation
 - Safety and reliability oversight
 - Consumer protection
 - Provider of last resort
- Who regulates competitive markets
 - FERC and what it oversees
 - State commissions and what they oversee

