

At A Glance

Oil and Gas Pipelines

Overview

For over half a century, NERA's oil and gas experts have been applying economic principles on behalf of oil and gas pipeline companies and other energy clients throughout the world. From NERA's founding in 1961, we were instrumental in forming the rules underlying North America's uniquely competitive gas market. We were also at the vanguard of pipeline privatization moves throughout the world after the privatization wave began in the UK in the 1980s. Our experts deliver independent, unbiased findings, providing analysis, expert testimony, and regulatory insight in complex litigation, regulation, and economic consulting engagements.

NERA has substantial expertise with all types of pipelines, including crude oil, refined product, natural gas liquid and gas pipelines, as well as the product markets that ship on these pipelines. We work with oil and gas pipelines, energy producers, exploration companies, and marketers on all aspects of market development, regulation, pricing, and competitive entry. We have unparalleled industry and economic expertise, aiding clients in competition analysis; traditional rate settings; cases involving restructuring; and civil, bankruptcy, and arbitration proceedings involving economic damages and valuation of pipeline and storage capacity.

Focus Areas

Regulatory Economics and Competition Analyses

We have extensive experience representing energy companies regarding oil and gas pipeline matters before the US Federal Energy Regulatory Commission (FERC), Canadian National Energy Board (NEB), US Federal Trade Commission, US District Courts, and state and provincial regulators. In particular, we offer independent economic expert opinions that are grounded in the application of clear economic principles and an understanding of the institutions underpinning oil and gas regulation. These companies have issues such as market-based rates, tolling methodologies, negotiated rates, cost of service rates, market manipulation

claims, cost definition, incentive mechanisms, cost of capital, benchmarking, competition analyses for mergers and acquisitions, environmental analysis (GHGs), and economic impact assessments.

We have considerable experience analyzing oil transportation competition with other pipelines, as well as intermodal competition with railroads, waterborne carriers, and trucking transportation providers. This work is completed to receive FERC authorization to charge market-based rates and for other purposes. NERA maintains delivered price test models and netback models to use



in these analyses. NERA has been actively involved in the development, adoption, and assessment of index-based tariff rate regulation of oil pipelines by the FERC, as well as the development of economic analyses supporting reliance on index-based tariff rate regulations. We have experience in settlement and hearing proceedings before Administrative Law Judges at the FERC.

Litigation and Commercial Arbitration

NERA provides economic support to lawyers and pipeline companies in litigation and commercial arbitration cases, including international arbitration. We establish the fundamental economic and regulatory principles of the case, offer reasoned interpretation of the commercial intent of contracts, anticipate and appraise the arguments offered by parties to the case, write expert witness statements, and appear as witnesses, as required.

In addition, NERA has been involved in the quantification of economic damages and valuation analyses when providing independent expert opinions for defendants and claimants in the US and internationally for many years, drawing on our breadth and depth of experience in many practice areas. NERA's experts have achieved favorable outcomes for our clients in cases involving breach of contract, antitrust, other types of claims involving transportation and energy product contracts for crude oil, refined products, natural gas, and natural gas liquid pipelines.

Macro-Economic Analysis, Environmental Emissions Impact Assessments, and Economic Analysis of Oil Spills Claims

NERA's work includes sophisticated energy market and macroeconomic modeling that can be used to estimate the full array of economic benefits (GDP, jobs, labor income, and taxes) resulting from energy infrastructure projections. NERA has substantial expertise in a range of techniques

used to assist clients with analyses of greenhouse gas and other environmental emissions impacts associated with the combustion of oil and gas in downstream energy markets. NERA evaluates life cycle emissions impacts from the development of energy infrastructure, including questions of spills and environmental hazards.

In addition, NERA provides analyses of claims in litigation that may result following a major oil spill or other environmental hazard. We specialize in analyzing, forecasting, and valuing personal injury, property damage, loss of income, business interruption, commercial damages, and environmental claims.

About NERA

NERA Economic Consulting (www.nera.com) is a global firm of experts dedicated to applying economic, finance, and quantitative principles to complex business and legal challenges. For more than six decades, we have been creating strategies, studies, reports, expert testimony, and policy recommendations for government authorities and the world's leading law firms and corporations. We bring academic rigor, objectivity, and real-world industry experience to issues arising from competition, regulation, public policy, strategy, finance, and litigation.

NERA's clients value our ability to apply and communicate state-of-the-art approaches clearly and convincingly, our commitment to deliver unbiased findings, and our reputation for quality and independence. Our clients rely on the integrity and skills of our unparalleled team of economists and other experts backed by the resources and reliability of one of the world's largest economic consultancies. Continuing our legacy as the first international economic consultancy, NERA serves clients from major cities across North America, Europe, and Asia Pacific.



Oil and Gas Pipelines AAG Contact Sheet

FERC and NEB Regulatory and Commercial Disputes



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