



State Utility Commission

LDC Pipeline Capacity Release Audit

FERC Order 712 Has Changed The Rules

When FERC Order 712 became effective August 1, 2008, it enabled pipeline capacity holders, such as LDCs, to sell their capacity into the market for above maximum rates. In just the first quarter under the new rules, an additional \$284 Million in profit has been generated in above maximum rate capacity release transactions.

Are the LDCs in your jurisdiction capitalizing on this new opportunity? Does this impact your crediting or sharing mechanism for capacity release as it relates to ratepayers? How do your LDCs capacity release transactions benchmark against the market? Will Order 712 require any changes to your ratemaking approval process?

Every Public Utilities Commission should perform an LDC Capacity Audit. Order yours today!

Capacity Release Audit includes:

- ✓ Evaluation of LDC capacity release effectiveness
- ✓ Total capacity contracted for by LDC on each pipeline, including price paid for the capacity
- ✓ 1 year historical data of capacity release transactions for each pipeline
- ✓ Sale price, volume and terms of each capacity transaction
- ✓ Benchmark average sale price of other similar or comparable transactions during same period
- ✓ Positive and/or negative difference(s) between LDC sale price(s) and benchmark market sale price(s)
- ✓ LDC capacity release portfolio analysis depicting positive or negative values against benchmark market prices
- ✓ LDC Released capacity by month as a percentage of total contracted capacity
- ✓ Total value received for LDC released capacity compared to total value paid for all LDC contracted for capacity by month
- ✓ Identity of the LDCs capacity release counterparties

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We Do All The Work

- We automate the entire data collection process
- No staff required to collect or analyze information
- No LDC data requestor paperwork required
- We will query our database for specific LDCs, transactions and market information
- Our experts will analyze the data and write the audit report
- Upon completion, we will visit the Commission and conduct one or more meetings with designated staff and/or committees to review the findings of the audit report

We are the only company with the complete historical database of every capacity release transaction on all 53 pipelines!

Steven Taylor
Business Development
T: 714.965.0381/ F: 714.965.0811
staylor@capacitycenter.com

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