

Morgan Lewis

dedicated to success

energy

results



responsive to all of your energy business needs

morgan lewis fast facts

firmwide

More than 1,500 lawyers in 22 offices throughout the world

Ranked as the top law firm in *Corporate Counsel* magazine's 2008 listing of "Who Represents America's Biggest Companies?"

Ranked among the top 10 U.S. law firms with the best growth prospects in BTI Consulting Group's survey (2008)

Ranked as one of the "Most Prestigious Firms" in *Vault Guide to the Top 100 Law Firms* (2008)

14 Morgan Lewis lawyers representing energy industry clients included in *Chambers USA: America's Leading Business Lawyers* (2008)

representative clients

energy

Alliant Energy
Ameren
Citigroup
ColumbiaGrid
Dominion Energy
Duke Energy Corp.
Energy Corporation
E.ON Climate and Renewables North America
Exelon Corporation
First Wind
Florida Power & Light Company
Marathon Oil Company
Midwest Reliability Organization
Morgan Stanley
Occidental Petroleum Corporation
Pinnacle West Capital Corporation
ProLiance Holdings LLC
Solar Systems Pty Ltd.
Southern California Edison Company
TECO Energy, Inc.
USEC Inc.

responsive to your needs

A full-service energy practice dedicated to serving clients in every major energy market

Our energy practice is the largest of its kind in the United States, with more than 100 lawyers dedicated to providing a broad range of corporate, financial, transactional, regulatory, and litigation services to the energy industry. We represent clients in every major segment of the energy market – electric, nuclear, oil and natural gas, renewable energy, and water.

Our clients include:

- investor-owned utilities
- power marketers
- independent power producers, including nuclear generating plant owners/operators
- regional transmission providers and organizations
- distribution service providers
- emerging energy technology companies
- financial institutions
- underwriters
- private equity firms
- project developers
- Department of Energy contractors
- manufacturing companies
- healthcare and academic institutions
- uranium enrichment companies
- fabricators of nuclear fuel
- international nuclear industry participants
- independent producers of natural gas
- natural gas refiners and retailers
- marketers and Liquefied Natural Gas importers
- pipeline companies
- gas distribution companies
- water utilities



in the last 3 years, we have represented more than 100 energy companies and handled:

more than
150
energy-related transactions

more than
50
energy audits and investigations

more than
75
nuclear/energy employment cases

more than
60%
of existing nuclear power plants

you have questions.

are there new methods for financing large, extraordinary expenses of utility companies?

Yes. A number of states have adopted legislation enabling the securitization of utility ratepayer charges relating to the recovery of large extraordinary costs, such as stranded costs, hurricane recovery costs, environmental costs, and deferred fuel and purchased power expenses. Morgan Lewis attorneys work closely with utilities to draft the enabling legislation and obtain orders from public utility commissions authorizing the issuance of securitization bonds. Our attorneys represent the utilities and underwriters in establishing the special purpose entities that issue the bonds and in all aspects of the financing transactions. The bonds generally bear interest rates lower than those otherwise available to the utility, which results in substantial savings to the utility and its customers.

my company is interested in developing renewable energy resources. what are the critical issues we will need to address?

You will need to address the full range of renewable energy project development, finance, tax, contractual, and regulatory issues. Additionally, the development of new transmission necessary to deliver renewable resources has become an increasingly important part of the equation. Morgan Lewis can help in all these areas. We advise utilities, project developers, and investors on financing and contractual arrangements, regulatory approvals, tax strategies, intellectual property protection, environmental, and real estate issues. We help utilities meet renewable portfolio standards, and we assist clients with the development and/or acquisition of transmission necessary to access renewable energy resources.

how should my company organize its resources to respond to an investigation by federal regulators?

To achieve a successful response to an investigation, the company should develop a plan that (1) ensures that the regulators receive and consider all the facts; (2) protects the rights of the company and its employees; (3) minimizes disruption to the organization, harm to employee morale, and adverse publicity; and (4) demonstrates to the agency the company's cooperation. Morgan Lewis has experience

in all aspects of responding to investigations by federal regulators, including determining the relevant facts, providing counsel to affected employees, and developing appropriate responsive action. For large-scale document production efforts, we can call upon Morgan Lewis Resources for an experienced team of attorneys and technical experts who have been involved in multiple energy industry matters and who can provide a timely response.

how can I ensure that my company complies with the new, mandatory reliability standards?

Morgan Lewis has worked with North American Electric Reliability Corporation (NERC) and the Regional Entities to develop NERC's Compliance Monitoring and Enforcement Program, including the settlement and hearing procedures. As a result, we are intimately familiar with the enforcement process, and we work with clients to develop proactive reliability compliance programs, resolve compliance issues, and mitigate potential penalties.

what are the special issues that a company must consider when engaging in a financing, merger, or acquisition, or an internal corporate restructuring involving nuclear assets?

Nuclear Regulatory Commission (NRC) approval is required for any direct or indirect transfer of control of an NRC license, including taking a security interest or creating a new legal entity (including an intermediary holding company) to hold the license. We assist clients in getting approvals or in using alternative structures that avoid transfer of control issues.

how can my company meet Federal Energy Regulatory Commission (FERC) requirements on Regulatory Compliance Programs?

Proper compliance planning involves more than glossy brochures and good intentions. The key elements of an effective compliance plan are senior management support and effective ongoing compliance monitoring. Morgan Lewis has extensive experience in all phases of compliance

we have answers.

plan development, design, implementation, and review, in addition to investigation and enforcement litigation. We help you create and implement a plan designed specifically for your company.

what are three key regulatory policies that will affect the natural gas industry in the near term?

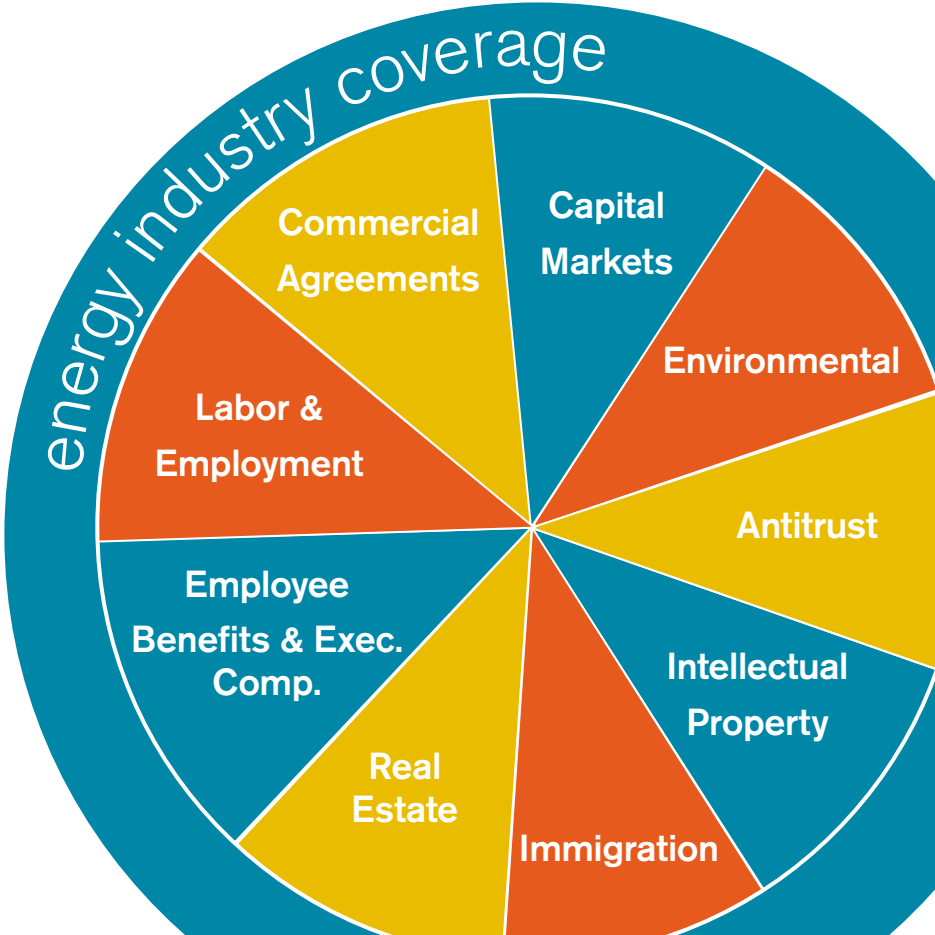
Expect FERC to continue to expand vigorous enforcement of rules prohibiting natural gas market manipulation. Market transparency will also be a primary focus, as new regulations regarding reporting of natural gas sales and purchases take effect. Infrastructure development is likely to remain a key priority.

how can I maximize my company's use of financial incentives for new nuclear plants?

Congress provided a number of economic incentives for development of new nuclear power plants, ranging from loan guarantees to production tax credits. Achievement of maximum advantage involves meeting project milestones and staying abreast of the pace of other projects. Additional climate change legislation in the next Congress may create additional incentives for non-carbon-emitting generation sources. We assist clients in assessment of need for power, plant siting, technology selection, development of license applications, and structuring the project and schedule so as to maximize the benefit of the available incentives.

complete industry coverage, comprehensive advice

More than 100 domestic and international energy companies count on Morgan Lewis to help them meet their legal and business challenges and achieve strategic objectives in areas that affect their business. Our clients know that we understand the energy industry and that we bring sophisticated and practical insights to the legal issues they confront today. In addition to the attorneys in our energy practice, clients of Morgan Lewis have access to attorneys with energy industry knowledge in other practice areas, including capital markets, commercial agreements, labor and employment, employee benefits and executive compensation, real estate, immigration, intellectual property, antitrust, and environmental.



Electric Energy	Nuclear Energy	Energy Finance and Transactions	Oil and Natural Gas	Energy Litigation	Renewable Energy/Climate Change	Water
<p>Comprehensive regulatory, transactional, and litigation services</p> <ul style="list-style-type: none"> • compliance investigations and audits • transmission access and pricing • corporate restructuring • market and cost-based rates • interconnection issues • federal and state regulation <p>And a wide array of electric industry participants as clients</p>	<p>Industry leader in advising clients on critical issues</p> <ul style="list-style-type: none"> • new plants • nuclear power plant transactions • current nuclear plant regulation • enrichment and fuel cycle • nuclear waste management and decommissioning • inbound nuclear investment • nuclear-related employment issues • DOE contractor nuclear operations 	<p>Decades of capital markets, finance, and worldwide transactional experience with energy companies</p> <ul style="list-style-type: none"> • public offerings and private placement of debt, equity, and hybrid securities • banking transactions • structured finance • legislative securitizations • acquisitions and dispositions of energy assets • utility mergers and acquisitions • project finance • ring fencing • restructuring 	<p>All aspects of FERC and state regulatory issues, including</p> <ul style="list-style-type: none"> • compliance audits and investigations • acquisitions and dispositions of natural gas and oil pipeline assets • certification of new facilities • ratemaking and tariff design • trial and appellate litigation • exports and imports • rulemaking proceedings 	<p>High-stakes commercial and regulatory litigation, including</p> <ul style="list-style-type: none"> • alternative dispute proceedings • power purchase agreement disputes • litigation affecting the oil and natural gas industry • nuclear generating plant litigation • high-profile government and internal investigations • whistleblower litigation • government contracts litigation • renewable energy litigation • derivative and class action claims 	<p>Innovative solutions to emerging challenges</p> <ul style="list-style-type: none"> • development and procurement of renewable energy • project finance • transmission • tax strategies • mergers, acquisitions, and corporate activity • environmental compliance • real estate • emerging energy technologies • climate change issues and opportunities 	<p>Comprehensive representation of water utilities</p> <ul style="list-style-type: none"> • rate application • complaint • rulemaking and certificate proceedings • acquisitions, privatizations, and divestitures

results

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