

Morgan Lewis

dedicated to success

energy

results



responsive to all of your energy business needs

## morgan lewis fast facts

### firmwide

Some 1,300 lawyers in 22 offices in the United States, Europe, and Asia

One of three firms in the nation named to BTI Consulting Group's "Client Service Hall of Fame" (2011)

Ranked as the top law firm in *Corporate Counsel* magazine's listing of "Who Represents America's Biggest Companies?" (2011)

Ranked in the *Vault Guide to the Top 100 Law Firms* (2011)

24 Morgan Lewis Energy and Energy Transactions lawyers are included in *Chambers USA: America's Leading Lawyers for Business* (2011)

## representative clients

### energy

Ameren  
Citigroup  
ColumbiaGrid  
ConocoPhillips  
Dominion Energy  
EDF  
Edison Mission Energy  
Entergy  
E.ON Climate & Renewables North America  
Exelon  
First Wind  
Marathon Oil Corporation  
Morgan Stanley  
NextEra Energy Inc.  
Occidental Petroleum Corporation  
Pinnacle West Capital Corporation  
SCANA Corporation  
Solar Systems PTY LTD  
Southern California Edison Company  
STP Nuclear Operating Company  
TECO Energy, Inc.  
USEC Inc.  
Xcel Energy

## responsive to your needs

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

We have 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
- nuclear power plant owners and operators
- regional transmission providers and organizations
- distribution service providers
- emerging energy technology companies
- financial institutions
- underwriters
- private equity firms
- project developers
- governments evaluating nuclear power programs
- Department of Energy contractors
- manufacturing companies
- healthcare and academic institutions
- uranium enrichment companies
- fabricators of nuclear fuel
- independent producers of natural gas and oil
- refiners and retailers
- marketers and Liquefied Natural Gas importers
- pipeline companies





# you have questions.

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

To achieve a successful response to an investigation, your company should develop a plan that (1) ensures that the regulators receive and consider all the facts; (2) protects its rights and its employees' rights; (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 our eData Practice for a well-equipped 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.

## 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, sometimes including electric transmission costs, 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, resulting 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, as well as 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 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 works actively with clients in all phases of compliance 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.

## In the aftermath of 9/11 and the more recent events at Japan's Fukushima Dai-ichi reactors, is nuclear still a viable energy source?

Yes. The NRC's regulatory response to address physical security and cybersecurity concerns following 9/11 has largely stabilized, and the new requirements are well understood by the industry and have been effectively integrated into operating plants and new plant designs. Similarly, the NRC

# we have answers.

has taken a step-wise approach to the events in Japan – analyzing available data, scrutinizing its regulatory framework, and ensuring future safe plant operations.

As more information becomes known about the accident at Fukushima Dai-ichi, it seems likely that additional measures to deal with station blackout, flooding, spent fuel management, and spent fuel pool cooling will be required and that multiunit site issues, plant emergency procedures, and plant command and control will be further scrutinized. Through our close relationship with industry groups and individual plant operators and in combination with our close examination of regulatory developments, we are well positioned to assist clients grappling with these issues.

## What are four key regulatory policies that will affect the natural gas industry in the near term?

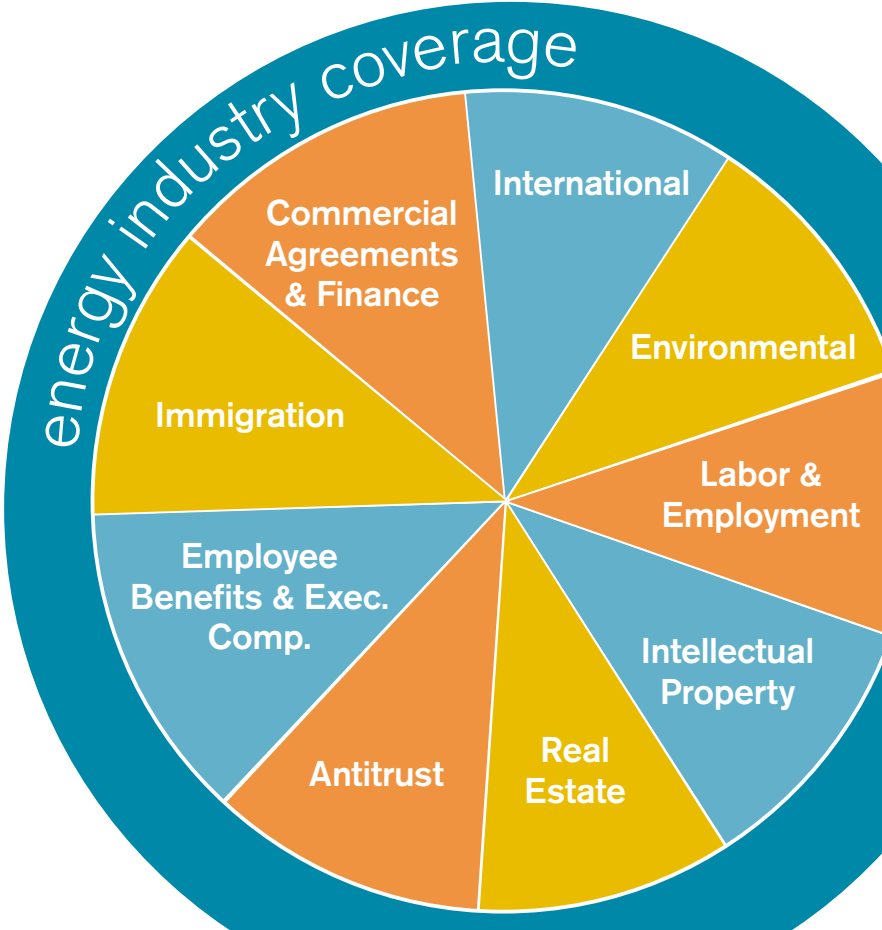
Expect FERC to continue to expand vigorous enforcement of rules prohibiting natural gas market manipulation. Market transparency will also be a primary focus, as new regulations regarding reporting of natural gas sales and purchases take effect. Infrastructure development is likely to remain a key priority. Finally, we can anticipate an increase in state and federal regulation of hydraulic fracturing, particularly on matters such as chemical disclosure and the use and disposal of water resources.

## 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) consent 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 developing alternative structures that avoid transfer of control issues.

# complete industry coverage, comprehensive advice

More than 100 energy companies count on Morgan Lewis to help them meet their legal and business challenges and achieve strategic objectives. Our clients know that we understand the energy industry and that we bring sophisticated and practical insights to the legal issues confronting the energy industry today. In addition to our Energy Practice attorneys, clients of Morgan Lewis have access to attorneys with energy-specific industry knowledge in other practice areas, including commercial agreements, finance, labor and employment, employee benefits and executive compensation, real estate, immigration, intellectual property, international, 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"> <li>• compliance investigations and audits</li> <li>• reliability compliance, including cybersecurity</li> <li>• transmission access and pricing, including incentive rates</li> <li>• mergers, acquisitions, and corporate restructuring</li> <li>• market and cost-based rates</li> <li>• interconnection agreements</li> <li>• federal and state regulation</li> <li>• FCC matters</li> <li>• environmental permitting and enforcement</li> </ul>	<p>Global leader on critical issues</p> <ul style="list-style-type: none"> <li>• new plant licensing and design</li> <li>• current plant regulation</li> <li>• power plant transactions</li> <li>• enrichment and fuel cycle</li> <li>• nuclear waste management and decommissioning</li> <li>• license renewal</li> <li>• cybersecurity</li> <li>• nuclear-related employment and SCWE issues</li> <li>• DOE contractor nuclear operations</li> <li>• emerging nuclear programs and projects abroad</li> <li>• export and import controls</li> <li>• nuclear materials</li> <li>• plant performance</li> <li>• power uprates</li> </ul>	<p>A long history of transactional experience</p> <ul style="list-style-type: none"> <li>• public offerings and private placement of debt, equity, and hybrid securities</li> <li>• banking transactions</li> <li>• structured finance</li> <li>• securitizations</li> <li>• acquisitions and dispositions of energy assets</li> <li>• mergers and acquisitions</li> <li>• project finance</li> <li>• ring fencing</li> <li>• restructuring</li> <li>• commercial agreements, including EPC agreements</li> <li>• real estate issues</li> <li>• environmental due diligence</li> </ul>	<p>Regulatory and litigation issues</p> <ul style="list-style-type: none"> <li>• compliance audits and investigations</li> <li>• acquisitions and dispositions of natural gas and oil infrastructure projects</li> <li>• acquisition, development, and marketing of shale gas production</li> <li>• certification of new facilities</li> <li>• ratemaking and tariff design</li> <li>• trial and appellate litigation</li> <li>• exports and imports</li> <li>• rulemaking proceedings</li> <li>• CFTC matters</li> <li>• environmental permitting and enforcement</li> <li>• pipeline safety regulation</li> </ul>	<p>High-stakes commercial and regulatory litigation</p> <ul style="list-style-type: none"> <li>• alternative dispute proceedings</li> <li>• power purchase agreement disputes</li> <li>• litigation affecting the oil and natural gas industry</li> <li>• nuclear generating plant litigation</li> <li>• high-profile government and internal investigations</li> <li>• whistleblower litigation</li> <li>• government contracts litigation</li> <li>• renewable energy litigation</li> <li>• derivative and class action claims</li> <li>• radiation and NORM litigation</li> <li>• environmental enforcement</li> </ul>	<p>Innovative solutions to emerging challenges</p> <ul style="list-style-type: none"> <li>• development and procurement of renewable energy</li> <li>• project finance</li> <li>• transmission and interconnection agreements</li> <li>• tax strategies</li> <li>• mergers, acquisitions, and corporate activity</li> <li>• environmental compliance</li> <li>• real estate</li> <li>• emerging energy technologies</li> <li>• climate change issues and opportunities</li> </ul>	<p>Comprehensive representation of water utilities</p> <ul style="list-style-type: none"> <li>• rate applications</li> <li>• complaints</li> <li>• rulemaking and certificate proceedings</li> <li>• acquisitions, privatizations, and divestitures</li> </ul>

# results

## contacts

### **Kathryn M. Sutton**

Partner, Practice Group Leader  
202.739.5738  
ksutton@morganlewis.com

### **Mary Ann K. Huntington**

Senior Counsel, Marketing Manager  
202.739.5622  
mhuntington@morganlewis.com

**As business opportunities grow in size and complexity, relationships built on trust and respect are more important than ever. Close working relationships define the Morgan Lewis culture and service philosophy.**

This communication is provided as a general informational service to clients and friends of Morgan, Lewis & Bockius LLP. It should not be construed as, and does not constitute, legal advice on any specific matter, nor does this message create an attorney-client relationship. Attorney advertising. Please note that the prior results discussed in the material do not guarantee similar outcomes.