

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 works 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 traditional rate settings; cases involving restructuring; and civil, bankruptcy, and arbitration proceedings involving the 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 Agency (FERC), Canadian National Energy Board (NEB), US Federal Trade Commission, US District Courts, and state and provincial regulators. In particular, we offer advice, grounded in the application of clear economic principles and an understanding of the institutions underpinning oil and gas regulation, to companies on tolling methodologies, cost definition, incentive mechanisms, cost of capital, benchmarking, and competition analyses for mergers and acquisitions and market-based rate authority.

We have considerable experience analyzing oil transportation competition with other pipelines, as well as

intermodal competition with railroads, waterborne traffic, and trucking transportation modes. NERA has been actively involved in the development, adoption, and assessment of index-based regulation of oil pipelines by the FERC, as well as the development of economic analyses supporting reliance on index-based regulations.

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 any 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 damage and valuation analyses supporting 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 contracts for oil, gas, and natural gas liquid pipelines, as well as energy contracts including crude oil, natural gas, and refined products.

Economic Analysis of Oil Spills and Other Environmental Emissions Impacts

NERA has 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 also has vast experience in the evaluation of life cycle emissions impacts from the development of energy infrastructure, including questions of spills or environmental hazards. Our work includes sophisticated energy market and macroeconomic modeling that can be combined in a manner recognized by the leading climate energy policy forum as most appropriate for climate policy analysis.

Analysis of claims in litigation is one of NERA's core consulting businesses and our experts have extensive experience with the array of claims 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.

Publications

NERA's experts have published important scholarly and peer-reviewed contributions to the study of pipeline matters. Recent publications of note include the following:

J.D. Makhholm, "The Interaction of Pipelines and Geography in Support of Fuel Markets," in *The Handbook on Geographies of Technology*, ed. B.L. Warf, Edward Elgar Publishing, Cheltenham, UK, 2017, pp. 347–361.

J.D. Makhholm and L.T.W. Olive, "The Politics of US Oil Pipelines: The First Born Struggles to Learn from the Clever Younger Sibling," *Energy Law Journal*, 11 November 2016, pp. 409–427.

J.D. Makhholm, *The Political Economy of Pipelines: A Century of Comparative Institutional Development*, The University of Chicago Press, Chicago and London, 2012. Chinese-language edition published by the Petroleum Industry Press, Beijing, 2016.

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 over half a century, NERA's economists 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 bear on 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. With its main office in New York City, NERA serves clients from more than 25 offices across North America, Europe, and Asia Pacific.

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