

Pre-Summit Workshop #2
Wednesday, September 23, 2009

Establishing an Energy Trading Compliance Program

8:50 – 9:00 **Welcoming Comments by Workshop Chair:**

Gary Fingerhut, *Senior Vice President*, AXENTIS

9:00–9:45 **Update on Market Manipulation Rules and Enforcement**

This presentation will provide an update on revisions to energy market manipulation rules and their potential impacts on enforcement procedures.

Ken Driver, *Partner*, JONES DAY

9:45-10:30 **FERC and CFTC: What the Evolving Regulatory Framework Means for Energy Trading Compliance Programs**

This presentation will examine the overlap and coordination between FERC and CFTC regarding energy trading, and how their priorities affect compliance.

Michael L. Spafford, *Partner*, MCKEE NELSON LLP

10:30-11:00 Morning refreshment & networking break

11:00- 11:45 **Differentiating Between Legitimate Price-Setting and Market Manipulation in Reporting**

Differentiating between legitimate risk-taking and market manipulation can be difficult in complex energy markets. What criteria can be used to determine whether price reflects supply and demand? This presentation will discuss how to protect your organization in the course of developing and reporting prices.

Geoffrey Aronow, *Partner*, BINGHAM MCCUTCHEN LLP
Charles Cerria, *Associate General Counsel - Trading*, HESS CORPORATION

11:45-1:15 Group Luncheon

1:15-2:00

Promoting Compliance With Anti-Manipulation Rules in Energy Markets: Practical Tips on Organizational Structures That Do and Don't Work

The organizational structure of a company and its affiliates can affect how federal agencies assess penalties for violations of rules prohibiting fraud and market manipulation. This presentation will provide examples of the types of organizational structures that can lead to compliance risks, including structures criticized in recent enforcement actions. The presenters also will discuss how to develop an organizational structure that promotes compliance and provide tips on best practices to ensure sufficient independence and compliance monitoring.

Ginger Menown, *Partner*, KPMG FORENSIC

Deborah Swanstrom, *Partner*, PATTON BOGGS LLP

2:00-2:45

Establishing Internal Review and Reporting Mechanisms for Trades

A critical first step in compliance is establishing a review function on the floor for trades. Who should perform this function? Who should verify communications between trading companies and market operators? This presentation will explore the options for leveraging existing risk management functions to meet FERC compliance requirements.

Antoine Cobb, *Manager, Federal Regulation*, ARIZONA PUBLIC SERVICE

2:45-3:15

Afternoon refreshment & networking break

3:15-4:15

Panel Discussion: Best Practices for Creating a Compliance System that Satisfies FERC Requirements

This panel will address how to develop a proactive process for compliance, and get buy-in across the organization. They will discuss how best to integrate internal review and reporting mechanisms into management systems, maintain appropriate documentation, and develop guidelines you should follow in assessing a trading organization's compliance management system.

Moderator:

Shellye Archambeau, *CEO*, MetricStream, Inc.

Panelists:

Andrew Katz, *Senior Counsel*, NORTHEAST UTILITIES

Kurt Krieger, *Assistant General Counsel*, NISOURCE CORPORATE SERVICES COMPANY

David Perlman, *Senior Vice President*, BRACEWELL & GIULIANI

4:15-5:00

Risk Assessment of Your Energy Trading Compliance Management System

This presentation will enable you to define the goals and scope for compliance system reviews, as well as identify critical risk factors. It will enable you to develop an approach for conducting regular self-audits and testing of the system and controls, and communicate the results.

Matthew A. Evans, *Vice President*, NERA ECONOMIC CONSULTING