

## Accounting for Energy Derivatives Seminar

The seminar is intended to provide an advanced overview and update of the accounting rules for energy contracts and the related derivatives electric and gas companies use to manage their business. Accounting for energy contracts is complex and sometimes an arduous task. The goal of the seminar is to provide a better appreciation of the types of energy contracts used to manage the business, differences and similarities between the electric and gas markets, and how to account for these contracts using derivative and hedge accounting.

### Seminar Highlights:

- Coverage of the types of energy contracts – including forwards, swaps, options, capacity contracts, swing contracts, transportation, and full requirements contracts
- FASB Statement 133 advanced topics
- Hedge measurements / ineffectiveness
- Coverage of IFRS rules
- Derivative legislation update
- Valuation techniques
- Impact of FASB Statements No. 157 and 161
- Derivative tax update

## DRAFT AGENDA

### **Thursday, March 25, 2010**

7:30 AM – 8:30 AM

Breakfast

8:30 AM – 5:00 PM

Introduction Comments

#### Market Discussion

- Understanding the Energy Markets
- Understanding Physical and Financial Instruments traded
- Understanding Hedge Strategies

#### FASB Statement 133 Advanced Topics

#### Hedge Measurements/Ineffectiveness

- Understanding various methods to assess effectiveness
- Correlations, Regressions and Dollar-offset method

#### Accounting for Energy Contracts

- Understand how to analyze and account for various energy contracts

#### Key Note Speaker

- Andrea Kramer – Partner, McDermott Will & Emery LLP  
"Major Legislative and Regulatory Changes on the Horizon for Derivative Transactions: Enough Information to Anticipate Likely Changes without Totally Losing Your Appetite"

#### IFRS – Impact on Financial Instruments

- Understand the current timetable
- Understand similarities and differences amongst IFRS and US GAAP
- Discussion of Power Purchase Agreements, Purchase and Supply contracts in regards to IFRS vs US GAAP

#### FASB Discussion

- The Future of FASB 133

#### Valuation Techniques

- Understand how to value various instruments such as swaps, options, forwards and physical contracts

#### Hot Topics/Panel discussion

- Renewable Energy Credits
- IRS attacks on Energy Trading and Hedging
- FASB 167 and Energy Contracts
- The Future of Energy

5:30 – 6:30 PM      Reception

### **Friday, March 26, 2010**

7:30 AM – 8:30 AM

Breakfast

8:30 AM – 12:00 PM

FASB Statement 157, Fair Value Measurement

- Overview of the statement
- Understand how to measure credit and non-performance risk

FASB Statement 161, Disclosures about Derivative Instruments and Hedging Activities

- Overview of the statement
- Trends related to disclosures

Derivative Tax Update