
Competition Analysis

BWMQ can also perform market power analyses in cases that do not involve market-based rates applications. Dr. Gallick and Dr. Ogur each have over 25 years of experience conducting economic analyses, investigations, and studies on a wide variety of antitrust issues. For example, we can analyze a contemplated merger between natural gas pipeline companies or storage companies. We can perform an initial market power analysis to determine whether a contemplated merger is likely to be challenged. BWMQ has extensive experience in the analytical approach used by the antitrust authorities, which includes defining relevant markets, evaluating market shares and seller concentration, and assessing other factors, such as entry conditions, excess capacity, and pricing. We can also perform a more rigorous market power analysis in the event the merger is opposed in a litigated proceeding. We can provide analysis to the merging firms to support the merger or to interveners to oppose the merger.

In addition to merger analysis, BWMQ can perform market power analyses to determine whether a regulated natural gas pipeline has the ability and the incentive to exercise market power. We have experience in evaluating competition between pipelines and their firm transportation customers and in assessing the impact of relationships between pipelines and their affiliates on competition in unregulated gas markets. These affiliates include gas marketers and gathering companies.

We also have experience in analyzing affiliate abuse issues. We can evaluate claims that a regulated pipeline is giving preferential treatment to, cross-subsidizing, or otherwise favoring its unregulated gas-marketing affiliates.

In addition, BWMQ can evaluate the competitive and economic-efficiency issues that arise in contractual disputes. For example, we have experience in facilitating the settlement of disputes over pipeline interconnections by providing interpretations and applications of FERC's Panhandle Eastern criteria that further the Commission's goal of increasing economic efficiency in natural gas markets. We can also evaluate exclusive dealing, nonprice payments, and other contractual arrangements to determine whether the contractual provision is or is not anticompetitive.