

NARUC UTILITY RATE SCHOOL

SPONSORED BY THE COMMITTEE ON WATER OF THE
NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS

29th Annual Western School, May 11-16, 2008 · San Diego, CA – *almost full!*

36th Annual Eastern School, October 26-31, 2008 · Clearwater Beach, FL



About the Program

The basics of utility ratemaking are presented by program faculty members from state public utility commissions, utility companies, and the legal, consulting, and academic communities. Participants work in teams to learn the fundamentals of establishing revenue requirements and rate setting by working through a hypothetical “mock” water utility rate case. The program also provides insight into current issues affecting the water and other utility industries.

You will learn the fundamentals of the utility rate setting process, including how to establish revenue requirements and the basic concepts of rate design.

Who Should Attend

The Rate School is an intensive “hands-on” learning experience appropriate for anyone involved with utility rate setting. Including but not limited to:

- Regulatory commissioners, members of water boards, and other public officials
- Staff members of state public utility commissions and environmental agencies
- Public utility consumer advocates
- Utility company personnel and investors
- Attorneys, accountants, engineers, and other professionals
- Consultants and others involved in setting or regulating utility rates

Continuing Education Credits

IPU arranges continuing education credits (CLE/CPE) for attorneys and accountants. For either type of credit, please indicate your interest in receiving continuing education credits on the registration form. The Institute of Public Utilities is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37210-2417. Web site: www.nasba.org.

What People Say

“I felt that the school was a tremendous learning experience for me, especially as a new Commissioner. The interaction with staff and other participants was extremely beneficial ... a totally worthwhile experience.” Mary Bray, *Commissioner, Rhode Island Public Utility Commission*

“Being a lawyer and big picture policy driven, it was great to attend the rate school to see how the nuts and bolts work and see the interaction of policy makers with technical staff. It was a great experience with strong, confident and renowned faculty. All policy advisors or policy makers should attend.” Manuel Arisso, *Advisor to Commissioner, Florida Public Service Commission*

“The Rate School is not just about learning the mechanics of ratemaking, but, more importantly, gives attendees an opportunity to understand the perspectives of the various players involved in setting utility rates. The effective mix of presentations by expert speakers and the use of group exercises resulted in an outstanding learning experience.” Thomas M. Bruns, *Vice President and Regional Manager, Aqua Indiana, Inc.*

Registration

The registration fee (\$750 for the public sector and \$775 for the private sector) includes the mock rate case and the program materials for all sessions, continental breakfast and refreshment breaks each day, and the Thursday evening buffet dinner. The rate case will be emailed to attendees prior to the program. The registration check-in reception will be on Sunday from 5:30-6:30 pm, where you may pick up all course materials and meet the faculty. You may also check-in and pick up your course materials on Monday between 7:00 am and 8:00 am. Cancellation policy: A full refund less an administrative fee of \$100 will be issued upon receipt of written request by April 16, 2008 (California), and September 24, 2008 (Florida). No refunds will be issued after that date, but substitution of attendees may be made at any time. What to bring: Casual to business casual attire is recommended, including a sweater or jacket (the meeting rooms can be cool). Bring a calculator; portable computers are optional.

NARUC UTILITY RATE SCHOOL 2008

PROGRAM AGENDA

SUNDAY

5:30-6:30 pm Welcome Registration & Reception

MONDAY

7:00-8:00 am Continental Breakfast - *provided each morning*
8:00-8:20 am Welcome, Introductions, & Overview
8:20-9:00 am Water Industry Perspectives
9:00-9:45 am Legal Framework of Utility Regulation
10:00-10:45 am Basics of Utility Rate Setting
10:45-noon Accounting Framework of Utility Regulation & Choosing the Test Year
Noon-1:15 pm Lunch (*on your own*)
1:15-1:30 pm Further Test Year Considerations
1:30-2:45 pm Developing the Rate Base
2:45-5:15 pm Small Groups: Test Year and Rate Base

TUESDAY

8:15-9:00 am The Water Industry Compared
9:00-10:00 am Small Group Session: Finalize the Rate Base
10:15-12:15 pm Income Statement: Expenses, Adjustments, Depreciation, & Taxes
12:15 -1:30 pm Lunch (*on your own*)
1:30-5:00 pm Small Groups: Develop the Income Statement

WEDNESDAY

8:15-9:15 am Ratemaking Issues for Electric & Gas Utilities
9:15-11:00 am Debt, Equity, and Cost of Capital
11:00-1:00 pm Small Groups: Cost of Capital
1:00-2:00 pm Lunch (*on your own*)
2:00-3:30 pm Small Groups: Cost of Capital (continued)

THURSDAY

8:15-9:00 am Introduction to Utility Rate Design
9:00-10:00 am Cost-Allocation Methods
10:15-11:00 am Rate-Design Alternatives
11:00-12:15 pm Case Summation Panel
12:15-1:30 pm Lunch (*on your own*)
1:30-5:00 pm Small Groups: Cost Allocation
6:00-9:00 pm Reception and Buffet Dinner

FRIDAY

8:15-8:45 am The Future of Commission Regulation
8:45 -9:15 am Evaluating Regulatory & Ratemaking Options
9:15-9:45 am Integrated Water Resource Management
9:45-10:45 am Analysis and Discussion of Group Solutions
10:45-11:00 am Course Certificates Awarded
11:00-1:00 pm Optional Session
CA Operator Certification Program (Western)

PROGRAM FACULTY

- James L. Ade, P.L.
- Janice A. Beecher, Ph.D., Director, IPU-MSU
- The Hon. John W. Betkoski, III, Vice Chair, Connecticut DPUC and Chair, NARUC Education & Research Committee
- Gail P. Brady, CPA, President, G.B. Consulting Services
- The Hon. Frederick F. Butler, Commissioner, New Jersey BPU and First Vice President, NARUC
- Judith Koch Carlson, Former Fixed Utility Manager Pennsylvania PUC
- Thomas Chesnutt, Ph.D., Pres., A & N Technical Services
- David Ellis, Consultant, U.S. ITC and West Virginia PSC
- Paul Foran, VP, Regulatory Programs, American Water
- Sharon Gascon, Deputy Executive Director, National Association of Water Companies
- William C. Gedney, Water Quality and Environmental Manager, Region 3, Southern California Water Company
- Stephen B. Genzer, Esq., Saul Ewing, LLP
- John F. Guastella, President, Guastella Associates, Inc.
- The Hon. Wendell F. Holland, Chairman, Pennsylvania PUC and Treasurer, NARUC
- Christine Hoover, Senior Assistant Consumer Advocate, Pennsylvania Office of Consumer Advocate
- The Hon. David King, Commissioner, New Mexico PRC and Chair, NARUC Committee on Water
- Carol A. Kozloff, Executive Policy Manager for Chairman Wendell F. Holland, Pennsylvania PUC
- Denise Kruger, Vice-President, Southern California Water Co.
- Carl Lesney, Director, Bureau of Audits, Pennsylvania PUC
- Frances J. Lingo, Economic Analyst, Florida PSC
- Bill Lowe, CPA, Consultant, Tallahassee, FL
- The Hon. John Marks, Mayor of Tallahassee and Managing Partner, Adorno & Yoss
- Cynthia Menhorn, Director, State Regulatory Affairs, Allegheny Energy
- Lawrence Oliver, Assistant Director, Economics and Finance, Virginia SCC
- Kathy L. Pape, President, Pennsylvania American Water Co.
- David Sheard, Assistant Administrator, Div. of Water Compliance & Consumer Affairs, Wisconsin PSC
- Arthur Sirkin, Esq., Principal, Golden Valley Consulting Group
- Richard E. Sobolewski, Supervisor of Technical Analysis, Connecticut Office of Consumer Counsel
- David Spacht, VP, CFO, and Treasurer, Artesian Water Co.
- Wilbur J. Stiles, II, Sr. Regulatory Consultant, Tampa Electric
- Bryan Keith Switzer, Special Projects/Tariff Manager, Regulatory Affairs Department, Southern California Water Co.
- John S. Tomac, MBA, John S. Tomac Consulting LLC.
- John Williams, Director, Governmental Affairs, Utilities Inc.

The Institute of Public Utilities at Michigan State is proud to be the university sponsor of the NARUC Utility Rate School.

For additional and up-to-date information, please visit: ipu.msu.edu/urs or write to ipu@msu.edu.

For logistical support, please contact Program Coordinator Jack Mozley at jmoz@earthlink.net.

Register online (ipu.msu.edu) or by mail or fax (download .pdf)

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