

Society of Utility and
Regulatory Financial Analysts

SURFA
Society of Utility and Regulatory
Financial Analysts

49th FINANCIAL FORUM

Cost of Capital in a Changing Utility Landscape

April 20-21, 2017

plus

April 19 site visit to a solar facility



Bourbon Orleans Hotel
New Orleans, LA

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February 2, 2017

Members of the Financial Analyst Community:

I am pleased to announce the 49th Financial Forum of the Society of Utility and Regulatory Financial Analysts (SURFA). We will hold this year's Forum on April 20 and 21, 2017, at the Bourbon Orleans Hotel in downtown New Orleans, Louisiana.

Prior to the conference, on the afternoon of April 19, we have organized a tour of a solar facility with SURFA providing transportation between the hotel and the facility.

Returning this year by popular demand will be our plenary speaker, John Lonski, Managing Director – Chief Capital Market Economist at Moody's Analytics with a look back at the past year giving us his views of the coming year. We will also have a panel discussing how a potential change in taxation will impact utilities, a panel of equity and debt analysts that will discuss how industry consolidation has impacted utilities, the regulatory compact and the cost of capital.

Our other panels will explore less traditional cost of equity estimation models such as the Fama-French model and their use in regulatory proceedings as well as a panel exploring whether utilities should hedge fuel costs and if so, how.

As in the past, the Forum will provide a better understanding of current cost of capital issues affecting the regulated utility industry for attorneys, utility company staffs, regulatory commissioners and staff as well as consumer advocate agencies and individual rate of return practitioners.

Please pass along this brochure to any associates whom you think may be interested in joining us in New Orleans.

I look forward to seeing you and your colleagues in April.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bente Villadsen".

Bente Villadsen
President



49th Financial Forum

Wednesday, April 19, 2017

NOON – 6:00 P.M.

CRRA Certification Testing – St. Mary Salon

AFTERNOON

Tour of Solar Facility in New Orleans
(Transportation to be provided)

Departure from Hotel: 2:00 pm
Arrive at Facility: 2:30 pm
Facility Tour: 3:00 pm
Depart Facility 4:30 pm

Return to Hotel: 5:00pm

NOTES:

Light refreshments will be provided on the bus.

Please wear comfortable walking shoes – gravel walkway – so walking shoes. Avoid high heels, sandals or open toe footwear.

Casual clothing is great for the tour and please check the weather in New Orleans.

Thursday, April 20, 2017 (Orleans Ballroom)	7:30 – 8:15 a.m.	SURFA Conference Registration – Ballroom Foyer		
	8:15 – 8:30 a.m.	Welcome Bente Villadsen, SURFA President		
	PANEL 1 A Look Back with an Eye Towards the Future Course Level: Intermediate 8:30 – 10:15 a.m. Orleans Ballroom	Moderator	Jim Hempstead, Managing Director Global Project & Infrastructure Finance Moody's Investors Services	
		Panelists	John Lonski, Managing Director – Moody's Analytics Chief Capital Market Economist	
			Bill Tilles Portfolio Manager (Ret.) / Equity Analyst	
	10:15 – 10:30 a.m.	BREAK – Ballroom Foyer		
	PANEL 2 Tax Reform and the Impact on Utility Financials Course Level: Advanced 10:30 a.m. – 12:15 p.m. Orleans Ballroom	Moderator	Douglas Carlisle, CRRA, Economist South Carolina Office of Regulatory Staff	
		Panelists	Robin Miller Partner, US Power & Utilities Tax Leader, PwC	
			John Quackenbush President, JQ Resources LLC (former Chair, MI Public Service Commission)	
	LUNCH 12:15 – 2:00	Roux on Orleans		
PANEL 3: Newer Cost of Equity Estimation Methods Course Level: Advanced 2:00 – 4:00 p.m. Orleans Ballroom	Moderator	Enrique Bacalao, CRRA Economist, Public Service Commission of Wisconsin		
	Panelists	Partha S. Moharam, Professor, Rotman School of Management, University of Toronto (invited)		
		Paul Hunt, Director, Regulatory Finance and Economics Southern California Edison Company		
5:30 – 7:30 p.m.	Cocktail Reception: TBD			



49th Financial Forum

Friday, April 21, 2017 (Orleans Ballroom)	7:30 - 8:15 a.m.	SURFA Conference Registration – Ballroom Foyer		
	PANEL 4 Industry Consolidation, Holding Companies, and the Regulatory Compact Course Level: Intermediate 8:15 – 10:00 a.m. Orleans Ballroom	Moderator	Pauline Ahern, CRRA Executive Director, ScottMadden	
		Panelists	Julien Dumoulin-Smith Executive Director, UBS Securities Ryan Wobbrock Vice President, Moody’s Investor Services Len Hyman, CFA Energy Resource Capital LLC	
	10:00 a.m. – 10:15 a.m.	BREAK – Ballroom Foyer		
	PANEL 5 Should Regulated Utilities Hedge Fuel Costs and if so, How? Course Level: Intermediate 10:15 a.m. – 12:00 p.m. Orleans Ballroom	Moderator	Mark Cicchetti, CRRA, Chief of Finance, Tax & Cost Recovery, Florida Public Service Commission	
Panelists		Mike Gettings Senior Partner, RiskCentrix Bente Villadsen Principal, The Brattle Group		

Who Should Attend the 49th Financial Forum?

The SURFA Financial Forum offers a program that will interest accounting, finance and non-finance professionals with an interest in utility regulation, energy, water, and telecommunication issues including:

Utility Company Personnel
Investment Analysts
Public Advocates
Consultants

Commissioners
Commission Staff
Accountants
Attorneys

A corporate financial background and working knowledge of utility ratemaking is a prerequisite in order to receive CPE credit. There is no advanced preparation required. After completion of this conference you should be able to:

- Identify key issues affecting the utility industry;
- Understand how certain cost of capital estimation methods work;
- How a utility's cost of capital affect investor perception;
- Identify recent developments in utility consolidation; and
- List current regulatory issues impacting the utility industry.

SURFA's History

The Society was founded in 1977 by a cross-section of financial analysts who recognized the need for increased dialogue on the subject of rate of return. SURFA, originally organized to study public utilities and their cost of capital, is now broader in scope. The Society focuses on the general concept of risk and its impact on the financial viability and market cost of capital for regulated entities. SURFA also sponsors the Certified Rate of Return Analyst (CRRRA) program, an educational service covering cost of capital concepts. The Objectives of the Society are:

- To discuss and disseminate concepts and practices in the application of utility financial issues;
- To promote the education and understanding of rate of return analysis;
- To promote the highest level of ethics in the discharge of members' duties; and,
- To develop fellowship among members.

Membership Information

Financial forums are held annually in the spring. Membership includes regulators, regulated utility personnel, consultants, attorneys, academicians as well as other members of the financial community. Refer to the next page for further information on how to join SURFA.

Hotel Information

Bourbon Orleans Hotel
717 Orleans Street
New Orleans, LA 70116
504-523-2222 or 866-513-9744

**Daily Rates: \$160 (single) \$160 (double) plus tax
(for the dates of April 18, 19, 20)**

Prevailing Federal Per Diem rate will apply

Reserved rate **cut-off date** is **March 20, 2017**

<https://reservations.travelclick.com/77701?groupID=1652266&hotelID=77701#/guestsandrooms>

SURFA Forum Refund and Complaint Resolution Policy

Forum fees are fully refundable if registration is cancelled by March 25. A \$50 fee will be charged for cancellations received March 25 through April 10. No refunds will be made for cancellations received after April 10. It is SURFA's policy to resolve questions and complaints with its members on a case-by-case basis. For more information on the refund policy, or if you have a complaint, please contact Bente Villadsen, President, at **617.234.5608** or bente.villadsen@brattle.com

SURFA 49th Financial Forum

April 20 & 21, 2017

REGISTRATION & MEMBERSHIP DUES

Registration for the 49th Forum & memberships is online only*

***** PLEASE PURCHASE/RENEW YOUR MEMBERSHIP *****
***** BEFORE REGISTERING FOR THE FORUM *****

Please visit www.surfa.com to register for the 49th Financial Forum.

Registration Fees

SURFA Government Members	\$400 (Plus Membership Dues; \$100)
SURFA Corporate Members	\$500 (Plus Membership Dues; \$100)
Nonmembers	\$700

Early Registration by March 15, 2017 will receive a \$30 discount
(SURFA will reimburse those that registered early but did not receive a discount)

Multiple Registration Discount for Members

- Two SURFA members from the same organization may take a \$50 discount per person.
- Three or more SURFA members from the same organization may take a \$100 discount per person.

Membership Renewals & New Memberships

Please visit www.surfa.com to renew or become a member.

Membership Dues: \$100

Student Membership Dues: \$25

Note that by becoming or renewing your SURFA membership, you save \$100 off of the Forum registration fee.

* Payment can be by credit card (you will receive a receipt via email) or by check (you will receive an invoice via email). Please email ipu@msu.edu or call 517-355-1876 with any questions concerning payment.

Continuing Education Credits

Certificate of Continuing Regulatory Education

For public and nonprofit sector employees, full attendance at the program will earn 20 credits toward a Certificate of Continuing Regulatory Education (CCRE) sponsored by the Institute of Public Utilities at Michigan State University and endorsed by the National Association of Regulatory Utility Commissioners. Credits may be earned for up to two programs hosted by the same professional organization and past attendance may be eligible. For program details, please visit www.ipu.msu.edu/CCRE or contact ipu@msu.edu.

CPE Credits

This conference provides a general overview of financial, accounting and economic issues impacting regulated utilities and their cost of capital. The conference presentation is group-live and the course level is intermediate. Prerequisite: Previous experience in utility ratemaking and regulatory proceedings or an understanding of the ratemaking process from an accounting, economic or financial perspective. There is no advanced preparation required. Conference participants can earn up to 10 CPE credits in Regulatory Ethics, Finance and Economics fields of study.

SURFA 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 the final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org



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