

# 38<sup>th</sup> Western NARUC Utility Rate School

May 15-19, 2017 | San Diego, California

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## Program Agenda



### Sunday

5:00-5:30 pm

Early Registration

5:30-6:30 pm

**Welcome Reception and Registration***Cosponsored by NARUC and the National Association of Water Companies*

### Monday

7:00-8:00 am

**Registration & Continental Breakfast** (*provided each morning*)

8:00-8:30 am

**Welcome, Introductions, and Instructions**

30 min.

Comm. Mary-Anna Holden, New Jersey BPU & Chair, NARUC Water Committee  
 Janice Beecher, Director, Institute of Public Utilities, MSU  
 Tommy Oliver, Deputy Director, Div. of Utility Accounting & Finance, Virginia SCC

8:30-9:30 am

**The Economic Basis for Public Utility Regulation**

60 min.

Janice Beecher, Director, Institute of Public Utilities, MSU

9:30-9:45 am

Mid-Morning Break

9:45-10:30 am

**The Legal Basis for Public Utility Regulation**

45 min.

Christine Hoover, Sr. Assistant Consumer Advocate, PA OCA

10:30-10:45 am

Mid-Morning Break

10:45-11:30 am

**Basics of Utility Rate Setting**

45 min.

John F. Guastella, Guastella Associates, Inc.

11:30-12:15 pm

**Mock Rate Case Panel: Prefiling Briefing for the Case**

45 min.

Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee  
 Utility: Walton Hill, Sr. V.P., Regulatory Relations (Retired), Suez North America  
 Consumer Advocate: Christine Hoover, Sr. Asst. Consumer Advocate, PA OCA  
 Staff: Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

12:15 -1:30 pm

Lunch (on your own)

1:30-1:45 pm

**Choosing the Test Year for Revenue Requirements**

15 min.

Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

1:45-3:15 pm

**Developing the Rate Base**

90 min.

Stephen Genzer, Partner, Saul Ewing, LLP  
 David Spacht, VP, CFO, & Treasurer, Artesian Water Company, Discussant  
 Paul Schulz, Utility Rate Analyst, MT Consumer Counsel

3:15-3:45 pm

**Mock Rate Case: Getting Started and Sample Adjustments**

30 min.

John Tomac, Manager, Rates and Regulatory Support, WV American Water

3:45-5:15 pm

**Small Group Session**

90 min.

Getting Started on the Case

**Tuesday**

<b>8:15-8:45 am</b> 30 min.	<b>Balance Sheets and Income Statements</b> ▶⑥ John Tomac, Manager, Rates and Regulatory Support, WV American Water
<b>8:45-9:45 am</b> 60 min.	<b>Small Group Session</b> Rate Base
9:45-10:00 am	Mid-Morning Break
<b>10:00-11:00 am</b> 60 min.	<b>Operating Expenses, Depreciation, Taxes, and Trackers</b> Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
11:00-11:15 am	Mid-Morning Break
<b>11:15-12:15 am</b> 60 min.	<b>Operating Expenses, Depreciation, Taxes, and Trackers</b> (continued) Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
12:15 -1:30 pm	Lunch (on your own)
<b>1:45-5:00 pm</b> 195 min.	<b>Small Group Session</b> Rate Base and Income Statement

**Wednesday**

<b>8:15-9:30 am</b> 75 min.	<b>Industry Perspectives on Current Issues</b> Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee Water: Grace D. Soderberg, Director of State Regulatory Relations, NAWC Energy: Thomas Brill, Special Counsel and Director, Sempra Energy
9:30-9:45 am	Mid-Morning Break
<b>9:45-10:45 pm</b> 60 min.	<b>Corporate Finance, Cost of Capital, and Capital Structure</b> Tommy Oliver, Deputy Director, Div. of Utility Accounting & Finance, Virginia SCC David Spacht, VP, CFO, & Treasurer, Artesian Water Company, Discussant
10:45-11:00 am	Mid-Morning Break
<b>11:00-12:15 pm</b> 75 min.	<b>Corporate Finance (continued)</b> Tommy Oliver, Virginia SCC, Moderator Utility: David Spacht, VP, CFO, & Treasurer, Artesian Water Company Consumer Advocate: Paul Schulz, Utility Rate Analyst, MT Consumer Counsel
12:15-1:30 pm	Lunch (on your own)
<b>1:30-5:00 pm</b> 210 min.	<b>Small Group Sessions</b> Return on Equity

**Thursday**

<b>8:00 and 8:30 am</b> 30 min.	<b>MRC Team Solution Review</b>
<b>9:00-10:15 am</b> 75 min.	<b>Rate Design Theory, Principles, and Concepts</b> Janice Beecher, Director, Institute of Public Utilities, MSU
10:15-10:30 am	Mid-Morning Break

<b>10:30-11:30 am</b> 60 min.	<b>Cost-Allocation Methods</b> David Sheard, Senior Economic Analyst, Ruekert/Mielke
11:30-11:45 am	Mid-Morning Break
<b>11:45-12:45 pm</b> 60 min.	<b>Rate-Design Methods</b> Jennie Lingo, Economic Analyst, Florida PSC
12:45-2:00 pm	Lunch (on your own)
<b>2:00-5:00 pm</b> 180 min.	<b>Small Group Sessions</b> Rate Design
6:00-8:00 pm	Reception and Buffet Dinner
<b>Friday</b>	
<b>8:15-8:45 am</b> 30 min.	<b>Evaluating Regulation and Adaptive Methods</b> Janice Beecher, Director, Institute of Public Utilities, MSU
<b>8:45-9:30 am</b> 45 min.	<b>Mock Rate Case Panel: Closing Arguments of the Parties »</b> Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee Utility: Walton Hill, Sr. V.P., Regulatory Relations (Retired), Suez North America Industrial Customers: Stephen Genzer, Partner, Saul Ewing, LLP Consumer Advocate: Christine Hoover, Sr. Asst. Consumer Advocate, PA OCA Staff: Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
<b>9:30-9:45 am</b> 15 min.	<b>Analysis and Discussion of Group Solutions</b> Jennie Lingo, Economic Analyst, Florida PSC David Sheard, Senior Economic Analyst, Ruekert/Mielke
<b>9:45-10:00 am</b>	<b>Awarding of Program Certificates</b> Tommy Oliver, Deputy Director, Div. of Utility Accounting & Finance, Virginia SCC Comm. Mary-Anna Holden, New Jersey BPU & Chair, NARUC Water Committee Comm. John "Butch" Howard, South Carolina PSC, NARUC Education Com.
10:00 am	Adjourn
<b>10:15 – 11:15 am</b> 60 min.	<b>Bonus Session: Special Issues in California Water Policy</b> Thomas Chesnutt, A&N Technical Services, Inc.

**Additional program faculty members:** Tonya Baer, Texas OPUC; Sue Daly, OH PUC; Jim Jenkins, American Water; Kim Joyce, Aqua America; Patti Lucarelli, RI PUC; Cathy Pedemonti, CT PURA; Steve Olea, Arizona CC (retired).

*Notice: The Mock Rate Case and materials provided at the NARUC Utility Rate School are instructional tools intended only for use by registered attendees of the course. The Utility Rate School is not prescriptive and practitioners are encouraged to consult additional resources on utility ratemaking. The views and opinions of individual program faculty members do not necessarily represent the views, opinions, or policies of NARUC, NARUC member commissions, or the Institute of Public Utilities.*

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## Program Notes



### Internet access

Free internet access is available in the meeting rooms. Marriott rewards members will have free access in their rooms and attendees are eligible for a 50% discount. Please check with the hotel for details.

### Accessing program materials

Presentations and supplemental materials are available to all attendees. Please navigate to the attendee link on the NARUC Utility Rate School program web page and enter the program password:

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### Submitting questions during the program

Program attendees are encouraged to ask clarifying questions at any time. To queue up a question for speakers from your phone, tablet, or computer, visit [www.sli.do](http://www.sli.do) and enter event code # \_\_\_\_\_. Downloading the sli.do app is optional.

### Continuing education credits

If you would like us IPU-MSU to certify your attendance for continuing education purposes, please complete the personal attendance form and turn it in at the conclusion of the program. IPU programs are NASBA approved for Continuing Professional Education (CPE) credits in accounting. For Continuing Legal Education (CLE) credits and others, attendees must submit application materials to their certifying body. IPU will provide a confirmation letter and certificate based on reported attendance and program hours.

Attendees from the public and nonprofit sectors will also earn credit toward IPU's Certificate of Continuing Regulatory Education. Please visit [ipu.msu.edu/ccre](http://ipu.msu.edu/ccre) for details.

### Evaluation forms

NARUC and IPU are committed to continuous improvement and your feedback is very important to us. Please complete the daily and overall evaluation forms, which can be accessed through the attendee link on the NARUC Utility Rate School program web page.

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