

44TH EASTERN NARUC UTILITY RATE SCHOOL

October 24-28, 2016 | Clearwater, Florida

PROGRAM AGENDA



SUNDAY

5:30-6:30 PM **Registration & Welcome Reception**
Sponsored 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, & Overview**
 Comm. Mary-Anna Holden, New Jersey BPU, 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**
 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**
 Patti Lucarelli, Chief of Legal Services, Rhode Island PUC

10:30-11:15 AM **Basics of Utility Rate Setting**
 John F. Guastella, Guastella Associates, Inc.

11:15-12:00 PM **Mock Rate Case: Prefiling Briefing for the Case**
 Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee
 Utility: Walton Hill, Sr. V.P., Regulatory Relations (Retired), Suez North America
 Consumer Advocate: Paul Schulz, Utility Rate Analyst, MT Consumer Counsel
 Staff: Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

12:00 -1:15 PM Lunch (on your own)

1:15-1:30 PM **Choosing the Test Year for Revenue Requirements**
 Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

1:30-3:00 PM **Developing the Rate Base**
 Stephen Genzer, Partner, Saul Ewing, LLP
 Kathy Pape, President, Pennsylvania American Water
 Paul Schulz, Utility Rate Analyst, MT Consumer Counsel

3:00-3:30 PM **Mock Rate Case: Getting Started and Sample Adjustments**
 John Tomac, Manager, Rates and Regulatory Support, WV American Water

3:30-5:30 PM **Small Group Session**
 Getting Started on the Case

TUESDAY

- 8:15-8:45 AM** **Balance Sheets and Income Statements** ▶▶ ⑥
John Tomac, Manager, Rates and Regulatory Support, WV American Water
- 8:45-10:00 AM** **Small Group Session**
Rate Base
- 10:00-10:15 AM Mid-Morning Break
- 10:15-12:15 PM** **Operating Expenses, Depreciation, Taxes, and Trackers**
Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
- 12:15 -1:30 PM Lunch (on your own)
- 1:30-5:00 PM** **Small Group Session**
Rate Base and Income Statement

WEDNESDAY

- 8:15-9:15 AM** **Industry Perspectives on Current Issues**
Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee
Water: Grace D. Soderberg, Director of State Regulatory Relations, NAWC
Eric Ackerman, Director, Alternative Regulation, Edison Electric Institute
- 9:15-9:30 AM Mid-Morning Break
- 9:30-10:30 PM** **Corporate Finance, Cost of Capital, and Capital Structure**
Tommy Oliver, Deputy Director, Div. of Utility Accounting & Finance, Virginia SCC
David Spacht, VP, CFO, & Treasurer, Artesian Water Company, Discussant
- 10:30-10:45 AM Mid-Morning Break
- 10:45-12:15 PM** **Corporate Finance (continued)**
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)
- 1:30-4:30 PM** **Small Group Sessions**
Return on Equity
- 4:30 – 5:30** **Bonus Session: Flint Water Crisis**
Janice Beecher, Director, Institute of Public Utilities, MSU

THURSDAY

- 8:00 and 8:30 AM** **MRC Team Solution Review**
- 9:00-10:15 AM** **Rate Design Theory, Principles, and Concepts**
Janice Beecher, Director, Institute of Public Utilities, MSU
- 10:15-10:30 AM Mid-Morning Break

10:30-11:30 AM **Cost-Allocation Methods**
David Sheard, Senior Economic Analyst, Ruckert/Mielke

11:30-12:30 PM **Rate-Design Methods**
Jennie Lingo, Economic Analyst, Florida PSC

12:30-1:45 PM Lunch (on your own)

1:45-5:00 PM **Small Group Sessions**
Rate Design

6:00-8:30 PM Reception and Buffet Dinner

FRIDAY

8:15-8:45 AM **Evaluating Regulation and Adaptive Methods**
Janice Beecher, Director, Institute of Public Utilities, MSU

8:45-9:30 AM **Mock Rate Case Summation Panel: Positions of the Parties** ▶▶
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: Paul Schulz, Utility Rate Analyst, MT Consumer Counsel
Staff: Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

9:30-9:45 AM **Analysis and Discussion of Group Solutions**
Jennie Lingo, Economic Analyst, Florida PSC
David Sheard, Senior Economic Analyst, Ruckert/Mielke

9:45-10:00 AM **Awarding of Program Certificates**
Tommy Oliver, Deputy Director, Div. of Utility Accounting & Finance, Virginia SCC
Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee
Comm. John "Butch" Howard, South Carolina PSC, NARUC Education Com.

10:00 AM Adjourn

10:15 – 11:30 **Bonus Session: Special Issues in Rate Design**
Jennie Lingo, Economic Analyst, Florida PSC

Additional program faculty members: Sue Daly, OH PUC; Jim Jenkins, American Water; Kim Joyce, Aqua America; Steven Olea, AZ CC (ret.); Cathy Pedemonti, CT PURA.

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. Revised 10.17.2016.

▶▶ **Attendee materials:** ipu.msu.edu/urs-materials/index.

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