

# 45<sup>th</sup> Eastern NARUC Utility Rate School

October 23-27, 2017 | Clearwater Beach, Florida

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## Program Agenda - DRAFT



### 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  
 Comm. John **"Butch" Howard, S.C.** PSC & Chair, NARUC Education 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.

11:30-12:00 pm Mock Rate Case Panel: Prefiling Briefing for the Case  
 30 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)

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

1:30-3:00 pm Developing the Rate Base  
 90 min. Stephen Genzer, Partner, Saul Ewing, LLP  
 David Spacht, VP, CFO, & Treasurer, Artesian Water Company  
 Paul Schulz, Utility Rate Analyst, MT Consumer Counsel

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

3:30-5:00 pm  
90 min. Small Group Session  
Getting Started on the Case

### Tuesday

8:15-8:45 am  
30 min. Balance Sheets and Income Statements ►►Ⓢ  
John Tomac, Manager, Rates and Regulatory Support, WV American Water

8:45-9:45 am  
60 min. Small Group Session  
Rate Base

9:45-10:00 am  
Mid-Morning Break

10:00-11:00 am  
60 min. Operating Expenses, Depreciation, Taxes, and Trackers  
Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

11:00-11:15 am  
Mid-Morning Break

11:15-12:15 am  
60 min. Operating Expenses, Depreciation, Taxes, and Trackers (continued)  
Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

12:15 -1:30 pm  
Lunch (on your own)

1:45-5:00 pm  
195 min. Small Group Session  
Rate Base and Income Statement

### Wednesday

8:15-9:30 am  
75 min. 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  
Energy: TBD

9:30-9:45 am  
Mid-Morning Break

9:45-10:45 pm  
60 min. 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

10:45-11:00 am  
Mid-Morning Break

11:00-12:15 pm  
75 min. 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)

1:30-5:00 pm  
210 min. Small Group Sessions  
Return on Equity

### Thursday

8:00 and 8:30 am  
30 min. MRC Team Solution Review  
Check schedule

9:00-10:15 am  
75 min. Rate Design Theory, Principles, and Concepts  
Janice Beecher, Director, Institute of Public Utilities, MSU

10:15-10:30 am  
Mid-Morning Break

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|---------------------------|--|
| 10:30-11:30 am<br>60 min. | Cost-Allocation Methods<br>David Sheard, Senior Economic Analyst, Ruekert/Mielke |
| 11:30-11:45 am            | Mid-Morning Break  |
| 11:45-12:45 pm<br>60 min. | Rate-Design Methods<br>Jennie Lingo, Economic Analyst, Florida PSC               |
| 12:45-2:00 pm             | Lunch (on your own)  |
| 2:00-5:00 pm<br>180 min.  | Small Group Sessions<br>Rate Design  |
| 6:00-8:00 pm              | Reception and Buffet Dinner  |

### Friday

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|-----------------------------|--|
| 8:15-8:45 am<br>30 min.     | Evaluating Regulation and Regulatory Alternatives<br>Janice Beecher, Director, Institute of Public Utilities, MSU  |
| 8:45-9:30 am<br>45 min.     | Mock Rate Case Panel: Closing Arguments of the Parties ►►<br>Comm. Mary-Anna Holden, New Jersey BPU, NARUC Water Committee<br>Utility: Walton Hill, Sr. V.P., Regulatory Relations (Retired), Suez North America<br>Industrial Customers: Stephen Genzer, Partner, Saul Ewing, LLP<br>Consumer Advocate: Christine Hoover, Sr. Asst. Consumer Advocate, PA OCA<br>Staff: Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC |
| 9:30-9:45 am<br>15 min.     | Analysis and Discussion of Group Solutions<br>Jennie Lingo, Economic Analyst, Florida PSC<br>David Sheard, Senior Economic Analyst, Ruekert/Mielke   |
| 9:45-10:00 am               | Awarding of Program Certificates<br>Tommy Oliver, Deputy Director, Div. of Utility Accounting & Finance, Virginia SCC<br>Comm. Mary-Anna Holden, New Jersey BPU & Chair, NARUC Water Committee<br>Comm. John <b>"Butch" Howard, S.C.</b> PSC & Chair, NARUC Education Committee  |
| 10:00 am                    | Adjourn  |
| 10:15 – 11:00 am<br>45 min. | Bonus Session: Pricing Water Reuse<br>Jennie Lingo, Economic Analyst, Florida PSC  |

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

The instructional hours for the program are indicated on the agenda and an attendance form that you can use to certify your attendance for continuing education purposes. If you would like IPU-MSU to document your hours, please submit the form to us 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 (CCRE). 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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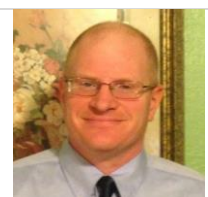


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45<sup>th</sup> Eastern NARUC Utility Rate School  
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