



IPU's Advanced Studies Program

ACCOUNTING, FINANCE, AND EVALUATION

Sep. 30 – Oct. 4, 2019 | Kellogg Center, MSU | East Lansing, MI

Intensive, interactive, and technical workshops emphasizing analytical methods and issues relevant to public utility ratemaking.

Program Agenda

Sunday

- 1:00-5:00 pm Pre-program workshop – Room 105
Introduction to public utility regulation [Beecher]
 Note: This pre-program module provides an introduction to and refresher on public utility regulation and ratemaking. Separate registration required.
- 3:00-5:00 Early Registration – Vista Room Hallway

Monday

- 7:30-8:30 am **Registration and breakfast**
 A full breakfast is provided daily at 7:30 am in the Vista Room Hallway. Breaks daily at 10:00 am and 3:00 pm, lunch at noon (adjusted as needed).
- 8:30-12:00 pm Concurrent Sessions (180 Min.)
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|--|---|--|
| Room 105
GAAP, Life-Cycle, and Regulatory Accounting [Zeldenrust]
Fixed asset overview, FERC accounts for asset life cycle; construction process; work in progress calculations; CWIP to in service; asset retirements. | Room 104
Financial Statement Analysis [Dharan]
Analyzing information in financial reports; capital structure; effect of leverage on the return on assets; risk of default. | Room 103
Forecasting for Resource Planning [Gotham]
Forecasting techniques; projecting peak demand from energy forecasts; determining capacity needs from demand forecast; incorporating load management and conservation measures. |
|--|---|--|
- 12:00-1:30 pm Lunch Break
- 1:30-5:00 pm Concurrent Sessions (180 Min.)
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|--|--|---|
| Room 105
Regulatory Treatment of Income Taxes [Zeldenrust]
Ratemaking impacts of income and other taxes; deferred income taxes; accounting for tax reform; tax repairs. | Room 104
Utility Credit Markets and Ratings [Chapman]
Capital market overview; role of credit rating agencies; credit rating systems for corporate and municipal utilities. | Room 103
Econometric Forecasting Methods [Upton]
Nonstationary series and spurious regression; time series decomposition; stochastic time series generation; review of regression analysis; constructing a forecast. |
|--|--|---|
- 5:15-7:00 pm **Welcome Reception – Big 10 C**

Tuesday

8:30-12:00 pm Concurrent Sessions (180 Min.)

Room 105
Utility Asset Depreciation [Watson]
 Depreciation and why it matters; depreciation analysis.

Room 104
Mergers, Acquisitions, and Affiliate Transactions [Edmonds]
 Merger and acquisition fundamentals and trends; types of mergers; merger and acquisition terms.

Room 103
Cost-Benefit Evaluation in Regulation [Upton]
 Conceptual foundations; time value of money, uncertainty and sensitivity analysis; accounting for externalities.

12:00-1:30 pm Lunch Break

1:30-5:00 pm Concurrent Sessions (180 Min.)

Room 105
Utility Asset Retirement [Watson]
 [continued]

Room 104
Regulatory Compliance and Cyber Security Risk Management [Gribbin]
 Cost management and modernizing strategies: cybersecurity, regulatory compliance, necessary technology upgrades.

Room 103
Economics of Energy Resource Options [Upton]
 Market developments; profiles, advantages, and disadvantages of alternatives; evaluation criteria.

Wednesday

8:30-12:00 pm Concurrent Sessions (180 Min.)

Room 105
Rate-case Auditing for Capital Costs [Donlon]
 Planning the audit process; data sources; prudence review; discovery power.

Room 104
Utility Performance Benchmarking [Fenrick]
 Measuring utility performance; influencing factors; economic balance; applications in PBR

Room 103
Pricing, Behavior, and Demand Response [Anderson]
 Price elasticity of demand for utilities; how prices to shape demand; nonprice methods and synergies; behaviors and preferences.

12:00-1:30 pm Lunch Break

1:30-5:00 pm

Concurrent Sessions (180 Min.)

Room 105

Rate-case Auditing for Operating Costs [Hunsaker]

Rate case auditing process; adjustments to test year revenues and expenses; corporate allocations.

Room 104

Incentive-Focused Regulation [Hemphill]

Performance incentives for utilities; profit and other incentives; multi-year ratemaking; formula rates; PBR models and experience; issues in implementation and monitoring.

Room 103

Net Metering Methodologies [Ozar]

Foundations of net metering; cost-of-service; onsite usage modeling; economic and payback analysis.

Thursday

8:30-12:00 pm

Concurrent Sessions (180 Min.)

Room 105

Cost Allocation and Rate Design: Energy [Peterson]

Cost of service studies and modeling; functionalization, classification, and allocation; rate design for energy utilities.

Room 104

Cost Allocation and Rate Design: Water [Burnham]

Cost-of-service studies for water, wastewater, and stormwater; metering; capacity factors; system development; fire protection; conservation; reuse; implementing changes in rates.

Room 103

Energy Efficiency Program Evaluation [Steiner]

Overview of energy efficiency evaluation; emerging trends.

12:00-1:30

Lunch Break

1:30-5:00 pm

Concurrent Sessions (180 Min.)

Room 105

Cost Allocation and Rate Design: Energy (continued)

Room 104

Cost Allocation and Rate Design: Water (continued)

Room 103

Planning and Implementing Pilot Programs [Cappers]

Pilot program design, implementation, and evaluation; costs and benefits; case studies.

Friday

8:30-12:00 pm

Concurrent Sessions (180 Min.)

Room 104

Utility Rates and Affordability [Beecher]

Measuring affordability; rate and other methods; customer assistance programs; implementation considerations.

Room 103

Corporate Value, Risk, and Incentives [Kihm]

Understanding the role of risk; risk and the cost of capital; implications of shifting risk; what drives stock value; managerial incentives for performance

Program Notes

Internet access

Free internet access is available throughout the Kellogg Center using the login MSUnet Guest.

Accessing program materials

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

Continuing education credits

If you would like 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 for details.

Evaluation forms

IPU is 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 program web page.

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517.355.1876 | 517.355.1854 fax | ipu.msu.edu | ipu@msu.edu
















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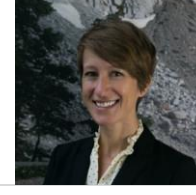
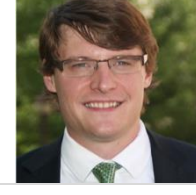

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Program Faculty Bios

	<p>Soren ANDERSON (sta@msu.edu) Associate Professor of Economics, Michigan State University Ph.D., Economics, University of Michigan www.linkedin.com/in/soren-anderson-857461105</p>
	<p>Janice BEECHER (beecher@msu.edu) Director, Institute of Public Utilities, Michigan State University Ph.D., Political Science, Northwestern University www.linkedin.com/in/janice-beecher-33a61810</p>
	<p>Andy BURNHAM (Andrew.burnham@stantec.com) Vice President, Financial Services, Stanec Consulting Services, Inc. B.S., Business Administration, Lake Superior State University https://www.linkedin.com/in/andy-burnham-ab5331b/</p>
	<p>Ted CHAPMAN (Theodore.Chapman@spglobal.com) Senior Director, Standard & Poor's MPA, Public Administration, University of Texas at El Paso https://www.linkedin.com/in/heytedudaman/</p>
	<p>Peter CAPPERS (pacappers@lbl.gov) Research Scientist, Lawrence Berkeley National Laboratory M.A., Applied Economics, Cornell University https://www.linkedin.com/in/peter-cappers-a8a847/</p>
	<p>Bala DHARAN (bdharan@law.harvard.edu) Managing Director, Berkeley Research Group LLC Ph.D., Accounting, Carnegie Mellon University www.linkedin.com/in/bgdharan</p>

	<p>Patrick DONLON (patrick@capitolpartnersohio.com) Director of Regulatory Affairs, Capitol Partners M.B.A., Franklin University https://www.linkedin.com/in/patrickjdonlon/</p>
	<p>Brian EDMONDS (bedmonds@psc.dc.gov) Policy Advisor to Commissioner Richard Beverly Public Service Commission of the District of Columbia J.D., Georgetown University Law Center</p>
	<p>Steve FENRICK (stevefenrick@gmail.com) Principal Consultant at Clearspring Energy Advisors M.S., Economics, University of Wisconsin-Madison www.linkedin.com/pub/steve-fenrick/24/7ba/684</p>
	<p>Douglas GOTHAM (gotham@purdue.edu) Director, State Utility Forecasting Group, Purdue University Ph.D., Electrical Engineering, Purdue University www.purdue.edu/discoverypark/energy/SUFG/bios_gotham.php</p>
	<p>Shari GRIBBIN (sgribbin@deloitte.com) Senior Manager, Cyber Governance, Regulatory & Risk, Deloitte & Touche, LLP J.D. Temple University School of Law www.linkedin.com/in/shari-gribbin-33311b17/</p>
	<p>Ross HEMPHILL (ross@rchemphill.com) President, RCHemphill Solutions LLC Ph.D., Resource Economics, The Ohio State University https://www.linkedin.com/in/ross-hemphill-387a9816/</p>
	<p>Teresa HUNSAKER (thunsaker@azcc.gov) Public Utility Analyst, Arizona Corporation Commission B.S., Accounting, University of Nevada</p>

	<p>Steven KIHM (skihm@slipstreaminc.org) Principal and Chief Economist, Slipstream D.B.A., University of Wisconsin-Whitewater www.ecw.org/aboutme.php?personid=28</p>
	<p>Robert OZAR (ozarr@michigan.gov) Assistant Director, Electric Reliability Division, Michigan PSC M.S., Chemical Engineering, Michigan State University www.linkedin.com/in/robert-ozar-46224a78</p>
	<p>Carl PETERSON (cpeter8@uis.edu) Visiting Assistant Prof. of Accountancy, Univ. of Illinois at Springfield Ph.D., Economics, University of Illinois at Chicago http://www.uis.edu/cbam/cbr/staff</p>
	<p>Jill STEINER (jsteiner@publicsectorconsultants.com) Director of Evaluation, Public Sector Consultants B.A., Economics, Michigan State University http://www.publicsectorconsultants.com/team/jill-steiner/</p>
	<p>Brittany L. TARUFELLI (btarufelli@lsu.edu) Assistant Professor-Research, Louisiana State University Ph.D., Economics, University of Wyoming https://www.linkedin.com/in/brittany-tarufelli/</p>
	<p>Greg UPTON (gupton3@lsu.edu) Asst. Prof.-Research, Center for Energy Studies, Louisiana State University Ph.D., Economics, Louisiana State University www.gregoryuptonjr.com</p>
	<p>Dane WATSON (dwatson@alliancecg.net) Managing Partner, Alliance Consulting Group M.B.A., Amberton University www.linkedin.com/pub/dane-watson/5/99a/35b</p>



Tim ZELDENRUST (tzeldenrust@pwrplan.com)
Vice President Strategic Consulting, PowerPlan
B.A., Accounting, Business Administration
www.linkedin.com/in/tim-zeldenrust-823b385



College of Social Science
MICHIGAN STATE UNIVERSITY