



**IPU Advanced Regulatory
Accounting and Auditing Course**
October 31-November 2, 2023
INSTITUTE OF PUBLIC UTILITIES

MICHIGAN STATE

UNIVERSITY

About the IPU-MSU

- Institute of Public Utilities
 - ▶ Serving the regulatory policy community since 1965
 - ▶ Thousands of domestic and international program alumni
 - ▶ A national network of experienced experts in regulation
 - ▶ Financially self-sustaining at Michigan State University

- IPU's mission
 - ▶ To support informed, effective, and efficient economic regulation of electricity, natural gas, water, and broadband

- Integrative educational programs and research
 - ▶ A principled approach to regulatory practice
 - ▶ An empirical approach to regulatory analysis
 - ▶ A reasoned approach to regulatory reform

- We teach the “ideal” of economic regulation in the public interest
 - ▶ Interdisciplinary theory, regulatory institutions and culture, and critical thinking
 - ▶ Commitment to lifelong learning and appreciating what we do not know
 - ▶ Our purpose is not to formulate answers – but to help form good questions
 - ▶ Objective – but not unopinionated

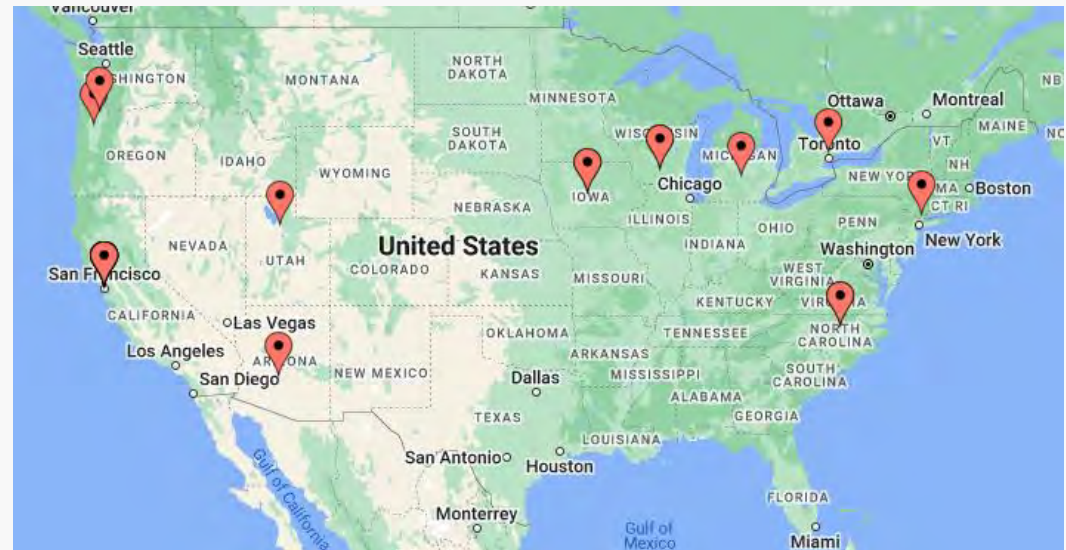


Welcome!

- Welcome to this live online learning experience
 - ▶ Thanks for being part of our community and joining us today
 - ▶ We recommend closing other screens and turning off notifications
 - ▶ Enjoy the relaxed dress code and remember to stretch, stand, and hydrate!
- We hope to give you a positive and interactive experience
 - ▶ Feel free to raise your hand to ask a question (clarifying or otherwise) at any time
 - ▶ Use the chat function for questions or comments during the program
 - ▶ For help, contact Erin West via the Q&A, erinwest@msu.edu, or 517-355-1876
- A few program notes
 - ▶ Accessing course materials
 - ▶ Polls and practical exercises
 - ▶ Certificates of attendance
 - ▶ Course evaluation forms
 - ▶ Continuing education credits
 - ▶ Opening code word: _____
- Schedule
 - ▶ From 10 am to 5 pm Eastern Time Zone Tu-Th (ending at 3:20 pm Thursday)
 - ▶ Four 80-min. modules with lunch from 1-2 pm and 20-min. breaks at 11:20 and 3:20

Poll 1: Where do you work?

- State commissions and agencies
- Federal commissions and agencies
- Consumer and environmental advocates
- Public utility providers – investor-owned
- Public utility providers – public or cooperative
- Law and consulting firms
- Universities
- Other



Q. Use the **chat** function to introduce yourselves – who and where are you?

Poll 2: What is your role?

- Commissioner
- Accountant or financial analyst
- Economist or policy analyst
- Engineer or technical analyst
- Attorney or law judge
- Manager
- Advisor
- Consultant
- Educator
- Other

Program learning objectives

- To review the purpose, methods, and issues of regulatory rate case accounting and auditing for capital and operating expenses.
- To review the purpose, methods, and issues of specialized audits regulated utilities, including cost adjustments and management practices.
- To understand the role of asset depreciation and valuation in regulatory accounting.
- To consider the intersection between contemporary regulatory policies and the principles and practices of regulatory accounting.
- To gain an advanced understanding of regulatory accounting and auditing through examples and interactive exercises

Q. Use the **chat function to tell us what you hope to learn – what is your “burning issue” when it comes to utility ratemaking?**

Introduction to the course

- **Tuesday, October 31** 10:00 am - 5:00 pm (Eastern)
 - ▶ Rate case auditing I (Danny Kermode)
 - ▶ Utility asset depreciation and retirement (Dane Watson)

- **Wednesday, November 1** | 10:00 am - 5:00 pm (Eastern)
 - ▶ Rate case auditing II (Danny Kermode)
 - ▶ Regulatory treatment of income taxes (Tim Zeldenrust with Danny Kermode)

- **Thursday, November 2** | 10:00 am – 3:20 pm (Eastern)
 - ▶ XBRL for regulators and utilities (Danny Kermode)
 - ▶ Methods for the valuation of utility assets (John Mastriacchio with Steven McDonald)
 - ▶ Regulatory policy and accounting practice (J. Beecher and D. Kermode) – *please submit questions in advance!*

Program faculty

- About the instructors and our community of participants
 - ▶ Janice Beecher, Ph.D., Professor and Resident Fellow, Michigan State University
 - ▶ Danny Kermode, CPA, Washington Utilities and Transportation Commission (retired)
 - ▶ John Mastracchio, Vice President, Raftelis Financial Consultants, Inc.
 - ▶ Steven McDonald, Chief Economics, Raftelis Financial Consultants, Inc.
 - ▶ Dane Watson, Managing Partner, Alliance Consulting Group
 - ▶ Tim Zeldenrust, Vice President Strategic Consulting, PowerPlan



Upcoming IPU Programs

IPU Advanced Cost Allocation and Rate Design: November 28-December 1, 2023

