

# FERC ACCOUNTING 101

## *The Basics of the Uniform System of Accounts (USofA) for Electric and Gas Utilities*

July 17-18, 2019

Doubletree by Hilton Houston by the Galleria  
Houston, TX

“EUCI provided accountants and non-accountants alike an amazing opportunity to hear a professional in the industry and their experiences. The environment was warm and engaging, and I really enjoyed my time here.”

Accountant Associate,  
El Paso Electric Company

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EUCI is authorized  
by IACET to offer  
1.1 CEUs for the  
course



EUCI is authorized  
by CPE to offer  
11.5 credits for the  
course

## OVERVIEW

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The overriding purpose of the Uniform System of Accounts (USofA) is to ensure uniformity and consistency in the reporting of the accounting transactions in the books and records of electric and gas utilities. Uniformity and consistency are important not only for regulators, but also for other parties requiring accounting information, such as utility management, shareholders, creditors and other parties to rate proceedings. Therefore, it is beneficial to anyone whose work involves public utilities to have a basic understanding of the FERC USofA since it is applicable both at the federal and state level.

This training in the basics of the FERC USofA will contain several modules, each one capsulizing a key component of the USofA. The course will highlight the development of the accounting system prescribed by FERC for electric and gas utilities. It will focus on the role of the USofA, the components of the USofA, and the role of USofA in the ratemaking (setting utility prices) process. To provide the attendees hands-on experience with the USofA, the final module in the course will contain classroom problems for the attendees to calculate using USofA accounts for the numerical impact of early retirement of utility plant as well as, calculating a utility's revenue requirement from USofA account balances.

## LEARNING OUTCOMES

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Upon completion of this course, participants will be able to successfully:

- Define public utilities and how their accounting system are unique
- Describe government agencies' regulatory authority over public utilities and how they apply the USofA to electric and gas utilities
- Explain the role of accounting in public utilities
- Demonstrate the structure and usage of the FERC Uniform System of Accounts for electric and gas utilities
- Investigate Balance Sheet Accounts
- Identify major categories of plant investments
- Examine Income Statement Accounts
- Explain the accounting for utility property process and depreciation accounting
- List major categories of expenses
- Classify the concepts of capital versus expense
- Review USofA Financial Statements in the FERC Form No. 1 for electric utilities and the FERC Form No. 2 for gas utilities
- Explain the work order process and project accounting
- Examine the key concepts of Public Utility Depreciation
- Review Construction Work in Progress (CWIP) and Allowance of Funds Used During Construction (AFUDC)
- Discuss early retirement of utility plant and its associated accounting impacts
- Define the impairment of utility assets
- List key differences between USofA accounting and Generally Accepted Accounting Principles (GAAP)
- Define the role of the USofA in the ratemaking process

## WHO SHOULD ATTEND

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This course is designed for anyone who wishes to obtain a basic understanding of the FERC USofA prescribed for electric and gas utilities.

- Commissioners
- Economists
- Rate analysts
- Accountants
- Attorneys
- Engineers
- Public information officers
- Administrative law judges
- Utility personnel
- Consultants
- Consumer advocates

TO REGISTER, CALL 201 871 0474 OR [CLICK HERE](#)

# AGENDA

WEDNESDAY, JULY 17, 2019

**8:00 – 8:30 am Registration and Continental Breakfast**

**8:30 – 8:45 am Course Introductions and Objectives**

**8:45 – 9:45 am Reviewing Public Utilities Regulations**

- Development of Public Utility Regulation
- What is a Public Utility and What Makes their Accounting System Unique?
- Regulating Public Utilities and the Impact on their Accounting Systems
  - o Books and records
  - o Accounting entries for requested transactions
    - Sales
    - Acquisitions
    - Gains
    - Losses
    - Refunds
    - Cost assignment and allocation (CAAM)
- The role of accounting in Public Utilities
  - o Transparency
  - o Uniformity between utilities for regulatory review

***Bill Steele, President, Bill Steele and Associates, LLC***

**9:45 – 10:00 am Morning Break**

**10:00 am – 12:00 pm Understanding FERC Uniform System of Accounts (USofA): Electric and Gas Utilities**

- Development of the USofA
- FERC USofA
- Definitions
- Instructions
  - o General instructions
  - o Plant instructions
  - o Operating expense instructions

***Bode Sanni, Office of the Administrative Law Judges and Dispute Resolution, Federal Energy Regulatory Commission***

**12:00 – 1:00 pm Group Luncheon**



***“Highly recommend for non-accountants in utility business!”***

Business Analyst, NV Energy



***“Gives a good detail/narrative on several topics.”***

Auditor, Railroad Commission of Texas

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# AGENDA

WEDNESDAY, JULY 17, 2019 (CONTINUED)

**1:00 – 1:15 pm**

**Differentiating between USofA Accounting and Generally Accepted Accounting Principles (GAAP)**

- Schedule M Timing – Temporary and Permanent Differences
- Other

**1:15 – 2:45 pm**

**Building Balance Sheet Accounts, Part 1**

- What are the Balance Sheet Accounts?
- Balance Sheet Accounts Classifications
- Major Categories of Utility Plant
  - o Electric plant
    - Intangible plant
    - Generation
    - Transmission
    - Distribution
    - General plant
  - o Gas plant
    - Intangible plant
    - Production plant
    - Natural gas storage and processing plant
    - Transmission
    - Distribution
    - General plant

**2:45 – 3:00 pm**

**Afternoon Break**

**3:00 – 4:30 pm**

**Building Balance Sheet Accounts, Part 2**

- FERC Form No 1 and No 2 Balance Sheets
- Creating Income Statement Accounts
  - o What are the Income Statement Accounts?
  - o How are revenue and expenses accounts classified?
  - o FERC Form No. 1 and No. 2 Income Statements
- Classifying Capital Versus Expense



***“Not only for the accountants of a business. Anyone in the organization can relate and learn something new.”***

Business Coordinator, NV Energy



***“Great learning. I have a better understanding of FERC account the different FERC numbers.”***

Analyst, Salt River Project

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# AGENDA

THURSDAY, JULY 18, 2019

**8:00 – 8:30 am**

**Continental Breakfast**

**8:30 – 10:15 am**

**Accounting for Utility Plant**

- Work Order Systems
  - o What is a work order?
  - o Work order content
  - o Initiating the work order
  - o Closing out the work order

**Bill Steele, President, Bill Steele and Associates, LLC**

- Records and Progress
  - o Continuing property records
    - What are Continuing Property Records (CPRs)?
    - What information is provided by a CPR system?
    - What are the uses of CPRs
  - o Public utility depreciation
  - o Construction work in progress (CWIP)
  - o Allowance of funds used during construction (AFUDC)
  - o Early retirement of utility plant
  - o Impairment of utility assets
    - Regulatory assets
    - Regulatory liabilities

**Bode Sanni, Office of the Administrative Law Judges and Dispute Resolution, Federal Energy Regulatory Commission**

**10:15 am – 10:30 am**

**Morning Break**

**10:30 am – 12:00 pm**

**Ratemaking Process and Role of the USofA**

- Historical Cost and Ratemaking
- Revenue Requirements
- Problem-solving using USofA
  - o Calculating the impact of an early retirement of utility property using USofA Financial Statements
  - o Calculating the revenue requirement for electric and gas utilities using the USofA accounting records

**12:00 – 12:15 pm**

**Wrapping Up: Questions and Concluding Remarks**



***“Very good introductory course.”***

Partner, Weaver & Tidwell, LLP

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# INSTRUCTORS



## Bode Sanni

**Office of the Administrative Law Judges and Dispute Resolution,  
Federal Energy Regulatory Commission**

Mr. Sanni is an Energy Industry Analyst in the Office of the Administrative Law Judges and Dispute Resolution (OALJDR) at FERC. He serves as a subject matter expert and advisor to the Administrative Law Judges on utility accounting and finance matters in hearings and settlement cases at the Commission. Prior to serving in the OALJDR, Mr. Sanni also worked as a regulatory accountant in the Office of Enforcement at FERC, leading various accounting projects that required applying professional accounting principles and techniques to solve complex accounting and financial reporting policy matters involving but not limited to acquisitions and dispositions of jurisdictional facilities; rate filings; and gas certificate applications.

Before coming to FERC, Mr. Sanni has previously served in various accounting and finance roles including the public accounting, consulting and energy industries. He has a Bachelor of Science Degree in Accounting and Business from the State University of New York at Plattsburgh and is also a licensed Certified Public Accountant in the State of New York.



## Bill Steele

**President, Bill Steele and Associates**

Mr. Steele has over 40 years of experience in public utility regulation in which he has acquired an extensive knowledge of electric, gas and telecommunications industries. Mr. Steele's has expertise in utility accounting, revenue requirements, cost allocation, class cost-of-service studies, rate design, cost-of-capital, alternative forms of regulation, mergers and acquisitions.

Prior to forming Bill Steele and Associates LLC in May of 2012, he spent 34 years with the Colorado Public Utilities Commission (CPUC) as an advisor to the Commissioners, Mr. Steele served as an advisor to the three Colorado Public Utilities Commissioners and the Commission's six Administrative Law Judges. Mr. Steele demonstrated his broad expertise in the areas of electricity and natural gas utility regulation, which included the areas of revenue requirements, cost-of-service analysis and rate design. He also served in the role as the Commission's subject matter expert in utility accounting and finance matters.

In addition, Mr. Steele's advisory responsibilities included the training of new Commissioners as well as conducting in-house training courses on various utility issues, such as how to apply traditional regulatory principles to emerging issues in public utility regulation.

Prior to becoming a commission advisor, Mr. Steele supervised the Financial Analysts' in the Commission's Fixed Utilities Section for 17 years. His duties in that role included the training of new financial analysts, supervising audits of utility accounting systems, management practices, special investigations, as well as, providing expert testimony in over 50 regulatory proceedings on policy issues concerning accounting, financial, and management issues.

On January 5, 2018, Colorado Governor Hickenlooper by Executive Order (A 2008 002) appointed Mr. Steele to serve as a representative of small business on the Utility Consumers Board (UCB). Mr. Steele as a board member of UCB, provides to the Office of Consumer Counsel general policy guidance on matters that involve utility regulation and legislative matters.

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## REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

## INSTRUCTIONAL METHODS

This program will use PowerPoint presentations and group discussions, as well as active participation.

## EVENT LOCATION

A room block has been reserved at the Hyatt Regency Orange County, 11999 Harbor Blvd., Garden Grove, California 92840, for the nights of July 16 – 17, 2019. Room rates are US \$139 plus applicable tax. Call **1-713-961-9000** for reservations and mention the EUCI event to get the group rate. The cutoff date to receive the group rate is June 16, 2019 but as there are a limited number of rooms available at this rate, the room block may close sooner. **Please make your reservations early.**

## IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

**EUCI is authorized by IACET to offer 1.1 CEUs for the course**

## CPE CREDITS



EUCI is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).

Upon successful completion of this event, program participants interested in receiving CPE credits will receive a certificate of completion. **EUCI is authorized by CPE to offer 11.5 credits for this course.**

There is no prerequisite for this course. **Program Level 1:** Beginner and Intermediate, **Delivery Method:** Group-Live, **Advanced Preparation:** None

## REGISTER 3, SEND THE 4TH FREE

Any organization wishing to send multiple attendees to this course may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.

TO REGISTER, CALL 201 871 0474 OR CLICK HERE

# To Register, Click Here, or

# EVENT LOCATION

**Mail Directly To:**

[PMA Conference Management](#)

[PO Box 2303](#)

[Falls Church VA 22042](#)

[register@pmaconference.com](mailto:register@pmaconference.com)

**p:201-871-0474**

**f:253-663-7224**

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## PLEASE REGISTER

- FERC ACCOUNTING 101 COURSE**  
JULY 17-18, 2019: US \$1395  
Early bird on or before June 28, 2019: US \$1195

## ENERGIZE WEEKLY

Energize Weekly is EUCI's free weekly newsletter, delivered to your inbox every Wednesday. We provide you with the latest industry news as well as in-depth analysis from our own team of experts. Subscribers also receive free downloadable presentations from our past events.

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How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name | Job Title

Company

What name do you prefer on your name badge?

Address

City | State/Province | Zip/Postal Code | Country

Phone | Email

List any dietary or accessibility needs here

### CREDIT CARD INFORMATION

Name on Card | Billing Address

Account Number | Billing City | Billing State

Exp. Date | Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx) | Billing Zip Code/Postal Code

**OR** Enclosed is a check for \$ \_\_\_\_\_ to cover \_\_\_\_\_ registrations.

#### Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before June 14, 2019 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our office. EUCI reserves the right to alter this program without prior notice.