



EUCI presents a course on:

UTILITY ACCOUNTING AND FINANCIAL ANALYSIS

THE IMPACT OF REGULATORY INITIATIVES ON ACCOUNTING AND CREDIT METRICS

January 30-31, 2012 • InterContinental Magnificent Mile • Chicago, IL



EUCI is authorized by IACET to offer 0.8 CEUs for this program.



This course has been approved for 10.0 CPEs.

January 30-31, 2012

OVERVIEW

This 1.5-day course covers fundamentals of utility accounting and financial analysis of utilities for regulators, managers, and analysts who need to understand how accounting, financial analysis, and regulatory decisions interact for a utility. The course will cover the basics of utility accounting with an emphasis on items unique to utilities and will discuss how regulatory initiatives flow through the accounting system to impact income, cash flow, and credit metrics. During the course, participants will learn how FERC's uniform system of accounts interacts with the company's GAAP accounts and how to recognize the impact of a regulatory initiative on cash flow, income, and credit metrics.

WHO SHOULD ATTEND

- Regulatory management and analysts at utilities that have had limited experience with accounting and financial measures
- Regulatory commission staff and legal counsel involved in the regulatory process but with limited exposure to utility accounting
- Accounting personnel and management that are new to the utilities' accounting requirements

INSTRUCTOR

Bente Villadsen, Principal, The Brattle Group

Bente Villadsen is a principal at *The Brattle Group's* Cambridge office and has more than 12 years of experience advising utility clients on finance and accounting matters, as well as six years of teaching experience in accounting. Dr. Villadsen is an expert in regulatory finance and accounting and has advised electric, gas, pipeline, water, wastewater, and other utilities on finance and accounting issues with a focus on cost of capital and the impact of regulation on financial performance and credit worthiness. She has published on regulatory finance and accounting issues in academic journals and trade publications and has written reports for EEl. She holds a Ph.D. from Yale University with a concentration in accounting and an M.S. and B.S. from Aarhus University in Denmark.

CPE



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 addressed to the

National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. Web site: www.nasba.org.

CPE CREDITS

Upon successful completion of this event, program participants interested in receiving CPE credits will receive a certificate of completion.

CPE – 10.0. There is no prerequisite for this course.

Program Level: Beginner

Delivery Method: Group-Live

Advanced Preparation: None

IACET



EUCI has been approved as an

Authorized Provider by the International Association for Continuing Education and Training (IACET), 1760 Old Meadow Road, Suite 500, McLean, VA 22102. In obtaining this approval, EUCI has demonstrated that it complies with the ANSI/IACET Standards, which are widely recognized as standards of good practice internationally.

As a result of their Authorized Provider membership status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standards.

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Requirements for Successful Completion of Program

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

PowerPoint presentations, classroom discussions, and question-and-answer sessions will be used in this course.

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PROGRAM AGENDA

MONDAY, JANUARY 30, 2012

7:30 – 8:00 a.m. Registration and Continental Breakfast

8:00 – 8:30 a.m. Course Overview

8:30 – 10:00 a.m. Essential Accounting Statements

- Balance sheet
- Income statement
- Statement of cash flow

The discussion will cover utility-specific items such as regulatory assets, stranded costs, CWIP, and the treatment of goodwill or acquisition premium.

10:00 – 10:30 a.m. Networking Break

10:30 a.m. – 12:00 p.m. Financial Statement Analysis Applied to Utilities

- Return on equity
- Return to common
- Book value and market value
- Free cash flow
- Risk considerations
- Key financial ratios: calculation, interpretation, and use including key factors credit rating agencies look to

This section will emphasize how utilities are evaluated using accounting figures from a shareholder perspective, a regulatory perspective, and a credit rating perspective.

12:00 – 1:00 p.m. Group Luncheon

1:00 – 2:00 p.m. Group Exercise/Discussion: Using Financial Statement Analysis to Evaluate Regulated Utilities

2:00 – 3:00 p.m. Accounting for Utility Plants

- Depreciation (methods and impact)
- Capitalization vs. expensing (including AFUDC)
- How does depreciation affect the utility's financial statements and metrics?
- What happens if the life of a plant is extended?

3:00 – 3:15 p.m. Afternoon Break

3:15 – 3:45 p.m. Accounting for Utility Plants (continued) and Deferred Taxes

- What are deferred taxes, and how do they relate to depreciation?
- Regulatory impact

3:45 – 4:30 p.m. Day 1 Summary and Review and Introduction to Day 2 Case Study

TUESDAY, JANUARY 31, 2012

7:30 – 8:00 a.m. Continental Breakfast

8:00 – 9:00 a.m. The Impact of Specific Regulatory Initiatives on Financial Statements, Cash Flow, and Credit Metrics: An Introduction

- Utility plant and rate base
- Allowed return on equity and income/cash flow
- Stranded costs and regulatory assets
- Decoupling and income/cash flow
- Riders and trackers
- Other initiatives

9:00 – 10:30 a.m. Case Study: How Key Regulatory Decisions Impact Financial Statements, Credit Metrics, and Cash Flow

10:30 – 10:45 a.m. Morning Break

10:45 – 11:15 a.m. Generating Cash Flow and Creating Shareholder Value

Using real-world examples, this session will discuss regulatory initiatives' impact on financial statements.

11:15 – 11:30 a.m. Class Wrap-Up and Review

PROCEEDINGS

The proceedings of the course will be published, and one copy will be distributed to each registrant at the course.

EVENT LOCATION

A room block has been reserved at InterContinental Chicago Magnificent Mile, 505 North Michigan Ave., Chicago, IL 60611, for the nights of January 29-30, 2012. Room rates are \$149, plus applicable tax. Call 312-944-4100 for reservations and mention the EUCI course to get the group rate. The cut-off date to receive the group rate is January 6, 2012, but as there are a limited number of rooms available at this rate, sometimes the room block will close sooner. **Please make your reservations early.**

REGISTRATION INFORMATION

REMEMBER, EVERY FOURTH REGISTRANT IS FREE

For instant registration, call (201) 871-0474 or fax the registration form to (253) 663-7224.

Register Three, Send Fourth Free!

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

All cancellations received on or before December 30, 2011 will be subject to a \$195 processing fee. Written cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event or publication. This credit will be good for six months. In case of event cancellation, Electric Utility Consultants' 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 offices at (201) 871-0474.

FIVE EASY WAYS TO REGISTER	
One: CALL (201) 871-0474	Two: FAX (253) 663-7224
THREE: E-MAIL register@pmaconference.com	FOUR: MAIL PMA P.O. Box 2303 Falls Church, VA 22042
Five: WEB SITE www.pmaconference.com	

PLEASE REGISTER THE FOLLOWING

- Utility Accounting and Financial Analysis, January 30-31, 2012: US \$1395
Early bird on or before January 20, 2012: US \$1195

ENERGIZE WEEKLY

EUCI's *Energize Weekly* e-mail newsletter compiles and reports on the latest news and trends in the energy industry. Newsletter recipients also receive a different, complimentary conference presentation every week on a relevant industry topic. The presentations are selected from a massive library of more than 1,000 current presentations that EUCI has gathered during its 24 years organizing conferences.

- Sign me up for *Energize Weekly***

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

Name _____ Job Title _____

Name Preferred for Badge _____ E-Mail _____

Company _____ Telephone _____

Address _____ City _____ State _____ Zip _____

Check here if you have any dietary or accessibility needs. We will contact you for more details.

PAYMENT METHOD Please make checks payable to "PMA"

Please charge my credit card: Visa MC AMEX

Visa and MC cards have a 3 digit code on the signature panel on the back of the card, following the account number. American Express cards have a 4 digit code on the front of the card, above the card number.

Name on Card _____ Signature _____

Account Number _____ Exp. Date _____

Card Holder Phone Number _____

Billing Address _____ Billing Zip Code _____

OR enclosed is a check for \$ _____ to cover _____ registrations.