

FERC ACCOUNTING 101

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

October 19-20, 2020
Online | Central Time

EUCI ONLINE COURSE

EUCI is pleased to offer this virtual course on its online interactive platform. Enjoy a valuable learning experience with a smaller impact on your time and budget. You will gain new knowledge, skills, and hands-on experience from the convenience of your remote location.

“

“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 1.0 CEUs for the course



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

OVERVIEW

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

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

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

AGENDA

MONDAY, OCTOBER 19, 2020 – CENTRAL TIME

8:45 – 9:00 am **Log In and Welcome**

9:00 am – 4:00 pm **Course Timing**

12:00 – 12:30 pm **Lunch Break**

Short breaks will be taken during each session

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

Understanding FERC Uniform System of Accounts (USofA): Electric and Gas Utilities

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

Lunch Break



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

Business Analyst, NV Energy

AGENDA

MONDAY, OCTOBER 19, 2020 – CENTRAL TIME (CONTINUED)

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

- Schedule M Timing – Temporary and Permanent Differences
- Other

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

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



“This was a great course for those new to the functionality of the FERC and the US of A. Very helpful!”

Sr. Accountant, ITC



“An excellent overview for anyone who is employed to work with FERC – it’s not just for accountants!”

Senior Accountant I, Liberty Utilities



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

Analyst, Salt River Project

AGENDA

TUESDAY, OCTOBER 20, 2020 – CENTRAL TIME

8:45 – 9:00 a.m. Log In and Welcome

9:00 a.m. – 12:00 p.m. Course Timing

Short breaks will be taken during each session

Accounting for Utility Plant

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

Ratemaking Process and Role of the USofA

- Historical Cost and Ratemaking
- Revenue Requirements
- Problem-solving using USofA
 - Calculating the revenue requirement for electric and gas utilities using the USofA accounting records

Questions and Concluding Remarks



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

Business Coordinator, NV Energy

INSTRUCTOR



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 financial 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.

INSTRUCTIONAL METHODS

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

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 1.0 CEUs for the course

ONLINE COURSE DELIVERY & PARTICIPATION DETAILS

We will be using Microsoft Teams to facilitate your participation in the upcoming event. You do not need to have an existing Teams account in order to participate in the broadcast – the online course will play in your browser and you will have the option of using a microphone to speak with the room and ask questions, or type any questions in via the chat window and our on-site representative will relay your question to the instructor.

- You will receive a meeting invitation which will include a link to join the meeting.
- Separate meeting invitations will be sent for the morning and afternoon sessions of the online course.
 - o You will need to join the appropriate meeting at the appropriate time.
- If you are using a microphone, please ensure that it is muted until such time as you need to ask a question.
- The remote meeting connection will be open approximately 30 minutes before the start of the online course. We encourage you to connect as early as possible in case you experience any unforeseen problems.

REQUIREMENTS FOR SUCCESSFUL COMPLETION

You must be logged in for the entire presentation and send in the evaluation after the online course is completed.

To Register Click Here, or

Mail Directly To:

PMA Conference Management
405 Highview Rd
Englewood NJ 07631
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PLEASE SELECT

- FERC ACCOUNTING 101 ONLINE COURSE:** OCTOBER 19-20, 2020:
US \$1,195 (Single Connection)
- PACK OF 5 CONNECTIONS:** US \$4,780 (20% Discount)
- PACK OF 10 CONNECTIONS:** US \$8,365 (30% Discount)
- PACK OF 20 CONNECTIONS:** US \$14,340 (40% Discount)

Online course Delivery & Participation Details

See page 7 for information

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

Print Name

Job Title

Company

Address

City

State/Province

Zip/Postal Code

Country

Phone

Email

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 September 19, 2020 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 offices. EUCI reserves the right to alter this program without prior notice.