

# NARUC Utility Rate School Agenda

## All times are set in the Eastern Time Zone

### Important Dates



- April 21:** 3:00 – 4:00 Orientation
- April 28:** 3:00 – 3:45 Rate School Basic Accounting (optional)
- May 5:** 4:00 – 4:45 Team Meetings\*
- May 10 – 14:** Class and Team Sessions

\* This date may change based on team member availability

### Monday \* May 10

- 10:00 - 10:10 am** 10 min. **Welcome, Introductions, Instructions and What to expect on Monday.**
- 10:10 - 10:55am** 45 min. **Basics of Utility Rate Setting**  
John F. Guastella, President, Guastella Associates, Inc.
- 10:55 – 11:10pm Break
- 11:10 - 11:55pm** 45 min. **Financial Statements (formerly Balance Sheets and Income Statements)**  
John Tomac, Sr. Dir. Rates and Regulations, Eastern Div., American Water
- 11:55 – 12:10pm Break
- 12:10 -12:45pm** 35 min. **Choosing the Test Year for Revenue Requirements**  
Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
- 12:45 - 1:15pm Lunch Break
- 1:15 – 2:45pm** 90 min. **Developing the Rate Base Part**  
Stephen Genzer, Partner, Saul Ewing, Arnstein, & Lehr LLP  
David Spacht, VP, CFO, & Treasurer, Artesian Water Company
- 2:45 – 3:00pm Break
- 3:00 – 3:30pm** 30 min. **Mock Rate Case: Getting Started and Sample Adjustments**  
John Tomac, Sr. Dir. Rates and Regulations, Eastern Div., American Water
- 3:40 - 5:40pm** 120 min. **Team Working Session**  
Getting Started: Rate Base

### Tuesday \* May 11

- 10:00- 11:30am** 90 min **Team Working Session: Wrapping up Rate Base**  
Go directly to Team Links
- 11:30 – 11:45am Break
- 11:45 -12:30pm** 45 min. **Operating Expenses, Depreciation, Taxes, and Trackers**  
Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
- 12:30 – 1:00pm Lunch Break
- 1:00 - 1:45pm** **Operating Expenses, Depreciation, Taxes, and Trackers (continued)**

45 min	Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC
1:45 -2:00pm	Break
<b>2:00 – 3:00pm</b>	<b>Questions, Review and Prep for Income Statements</b>
3:00 – 3:15pm	Break
<b>3:15 – 5:00pm</b> 105 min.	<b>Team Working Session</b> Income Statement

## Wednesday \* May 12

<b>10:00 – 11:00am</b> 60 min	<b>Corporate Finance, Cost of Capital, and Capital Structure - Part 1</b> Tommy Oliver, Vice President, Regulatory Affairs and Strategy, Roanoke Gas Company David Spacht, VP, CFO, & Treasurer, Artesian Water Company
<b>11:00 – 11:15am</b>	Break
<b>11:15 - 12:15pm</b> 60 min.	<b>Corporate Finance, Cost of Capital, and Capital Structure - Part 2</b> Q & A from Part 1 Tommy Oliver
12:15 – 12:30pm	Break
<b>12:30 – 1:15pm</b> 45 min.	<b>Corporate Finance, Cost of Capital, and Capital Structure - Part 3</b> David Spacht <b>Q&amp;A from Part 2</b>
1:15 – 1:45pm	Lunch break
<b>1:45 – 2:15pm</b> 30 min.	<b>Consumer Perspective on Corporate Finance</b> Paul Schulz, Utility Rate Analyst, MT Consumer Counsel
2:15 – 2:30pm	Break
<b>2:30 - 3:15pm</b>	<b>Kahoot Competition! Using an interactive and competitive game, students will compete answering Rate School questions. Prizes to be awarded!</b>  <b>Plus Review the day and how it all fits (what you need to know for Team Working Session)</b>
3:15 – 3:30pm	Break
<b>3:30 – 5:00pm</b> 90 min.	<b>Team Working Session</b> Return on Equity/Completing Team Mock Rate Case Solution

## Thursday \* May 13

<b>10:00 – 10:45am</b>	<b>Team Working Session</b> Mock Rate Case Team Solution Review Go to Team Links
10:45 – 11:00am	Break

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- 11:00 - 11:45am**  
45 min.      **Cost-Allocation Methods**  
John F. Guastella, President, Guastella Associates, Inc.
- 11:45 – 12:00pm      Break
- 12:00 – 1:30pm**  
90 min      **Rate-Design Methods Part 1 (Presentation)**  
Steve Olea, Arizona Corporation Commission
- 1:30 – 2:00pm      Lunch Break
- 2:00 – 2:30pm**  
30 min      **Rate-Design Methods Part 2 (QA and what you need to know to get started)**  
Steve Olea, Arizona Corporation Commission
- 2:30 – 2:45pm      Break
- 2:45 – 5:00pm**  
135 min.      **Team Working Session Rate Design**
- 5:15 – 6:15 pm**      **FAMILY FRIENDLY FUN MAGIC HOUR!**  
*Bring the whole family to watch and enjoy the magic of Rich Hurley. Rich regularly performs at the world-famous Magic Castle in Hollywood. His illusions twist reality into wondrously magical moments. He will perform mind-blowing interactive magic that breaks the screen barrier!*

## Friday \* May 14

- 10:00 – 12:30**      **Rate School Review, Relevance and Analysis**
- Electric, Gas and Performance Based Ratemaking**  
*This session will give students insight into the differences of electric and gas rate cases.*
- Nick Wagner, Commissioner Emeritus Iowa, NARUC Past President  
Currently Vice President, Colorado Regulatory Affairs & Policy, Black Hills Corp.
- Don't Lose the Forest for the Trees**  
This week Rate School Students learned about the ratemaking process and have calculated some detailed adjustments. *Now what?* This **interactive** session will explain the significance of the bigger picture, such as consideration of utility policy issues and commission precedents as well as answer any questions you may have.
- Whether you are advocating for a party or advising a commission, you need to understand how ratemaking works to better understand the issues at hand. Parties to a utility rate proceeding come with different perspectives and objectives, but in the end all parties are interested in knowing what can and will be included in rates, at what level, and why. Come prepared to ask your questions for the Rate School Team to answer.
- Analysis and Discussion of Team Solutions PLUS Team Awards!**  
Steve Olea, Arizona Corporation Commission
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