

# 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 Principles  
**May 5:** 4:00 – 4:45 Team Meetings  
**May 10 – 14:** Class and Team Sessions

### 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**  
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**  
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** 45 min **Operating Expenses, Depreciation, Taxes, and Trackers (continued)**  
Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC

1:45 -2:00pm

Break

**2:00 – 3:00pm**

**Questions, Review and Prep for Income Statements**

Patrick Carr, Deputy Director, Utility Accounting and Finance, Virginia SCC  
Charisse Cephas, Director, Regulatory Services, American Water  
Cathy Pedemonti, Utilities Examiner, Connecticut Public Utilities Regulatory Authority

3:00 – 3:15pm

Break

**3:15 – 5:00pm**

105 min.

**Team Working Session**

Income Statement

## Wednesday \* May 12

**10:00 – 11:00am**

60 min

**Corporate Finance, Cost of Capital, and Capital Structure - Part 1**

Tommy Oliver, Vice President, Regulatory Affairs and Strategy, Roanoke Gas Company  
David Spacht, VP, CFO, & Treasurer, Artesian Water Company

**11:00 – 11:15am**

Break

**11:15 - 12:15pm**

60 min.

**Corporate Finance, Cost of Capital, and Capital Structure - Part 2**

Q & A from Part 1  
Tommy Oliver

12:15 – 12:30pm

Break

**12:30 – 1:15pm**

45 min.

**Corporate Finance, Cost of Capital, and Capital Structure - Part 3**

David Spacht  
**Q&A from Part 2**

1:15 – 1:45pm

Lunch break

**1:45 – 2:15pm**

30 min.

**Consumer Perspective on Corporate Finance**

Paul Schulz, Utility Rate Analyst, MT Consumer Counsel

2:15 – 2:30pm

Break

**2:30 - 3:15pm**

**Kahoot Competition!** Using an interactive and competitive game, students will compete answering Rate School questions. Prizes to be awarded!

*Hosted by Hon. Sarah Freeman, Indiana*

**Plus Review the day and how it all fits  
(what you need to know for Team Working Session)**

3:15 – 3:30pm

Break

**3:30 – 5:00pm**

90 min.

**Team Working Session**

Return on Equity

## Thursday \* May 13

**10:00 – 10:45am**

**Team Working Session**

Mock Rate Case Team Solution Review  
Go to Team Links

- 10:45 – 11:00am Break
- 11:00 - 11:45am** **Cost-Allocation Methods**  
45 min. John F. Guastella, President, Guastella Associates, Inc.
- 11:45 – 12:00pm Break
- 12:00 – 1:30pm** **Rate-Design Methods**  
90 min Steve Olea, Arizona Corporation Commission
- 1:30 – 2:00pm Lunch Break
- 2:00 – 5:00pm** **Team Working Session Rate Design**  
135 min.

**5:15 – 6:15 pm** **FAMILY FRIENDLY FUN MAGIC HOUR!**  
***Everyone is invited! Bring the whole family! Adults and children will 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, Analysis and Awards**
- 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.
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**Analysis and Discussion of Team Solutions PLUS Team Awards!**  
Steve Olea, Arizona Corporation Commission