

UTILITY FINANCE & ACCOUNTING WEBINARS

CPE and CLE Credit in most states

Learn how utilities make money. Our unique webinars explain why **accounting is more important at utility companies**. Using accounting in setting rates is not taught in college!

The **NON-FINANCIAL PROFESSIONALS** webinar is for people who work for or with regulated utility companies but do not have a finance or accounting background.

The more advanced **FINANCIAL PROFESSIONALS** webinar is for people who work in finance, accounting or rates.

Over 40,000 people from 1,000+ companies have taken these courses taught by Dr. Joel Berk. See 2,500+ testimonials on our website.

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UTILITY FINANCE & ACCOUNTING WEBINARS LIVE ON WEB USING ZOOM

fai **UTILITY FINANCE & ACCOUNTING** *Ask for CPE Credit*

for Non-Financial Professionals

July	13-16, 2020	January	18-21, 2021
August	3-6, 2020	March	15-18, 2021
October	5-8, 2020	May	17-20, 2021

fai **UTILITY FINANCE & ACCOUNTING** *Ask for CPE Credit*

for Financial Professionals

July	28-31, 2020	January	25-28, 2021
August	24-27, 2020	March	22-25, 2021
October	19-22, 2020	May	24-27, 2021

www.financialaccounting.com

"This course helped me to better understand what goes into rates and to operating a utility. Thanks, Joel! I would highly recommend this course!"
Jennifer Zelko-Schlueter, Dir Gov & Community Affairs, Hawaiian Electric

"Joel Berk is a known and valued commodity at our company." One of the seminar's strong points is "the big picture context which gives the mechanics and definitions meaning. I thought all the info was great." Stephen D. Nigloschy, Vice President Finance, National Grid.

"I liked the topics and the group participation activities. Great training. Very informative and Joel makes it fun." Pam Temte, Technical Analyst, Wyoming Public Service Comm.

"Great approaches to unraveling a problem in explaining ideas and concepts. Examples really help internalize materials." Konn Lam, IT Advisor, Tax, Southern California Edison

"I really enjoyed the note taking. It helps us feel more engaged. The chat rooms were exciting. I thought overall - this was one of the best webinar/courses I've taken."
Jennifer Altieri, VP Public Affairs, Atmos Energy

"Strong points: The humor, stories and projects. Having us break into groups and think through the issues really reinforces the material. The humor & stories break up the more difficult material to keep us engaged." Angela Alday, Accountant, Hawaii Gas.

"One of the best & most engaging seminars I have attended in 10+ years; reminds me of my Master's Degree seminars." Robert Lukosh, Telecom Engineer, NW Natural Gas.

UTILITY FINANCE & ACCOUNTING WEBINAR FOR NON-FINANCIAL PROFESSIONALS

A comprehensive, four day, live webinar, held as a Zoom meeting. Using Zoom allows for questions from the group at any time, breakout rooms for small group projects each day and networking with others in the utility business. The webinar is designed for non-financial professionals or financial professionals who are new to the utility industry and who need to understand a) how the utility makes money b) the unique language of utility ratemaking, finance & accounting, c) the key aspects of the utility's four sets of books d) how to understand & "read" a utility's financial statements e) learn where the numbers come from on the balance sheet & income statement and f) how the regulators set rates & the various features of ratemaking.

Program level: Basic. Recommended CPE Credits 22

Schedule: 11 AM – 5 PM Eastern Time each day (with breaks and 1 hour for lunch)

OUTLINE OF TOPICS

DAY ONE:

Basic Accounting Concepts

Learning Objective: Understanding of where the numbers come from that we use at the utility to run the company (managerial accounting), prepare the financial statements, set rates and prepare the company's tax return. This leads to gaining the insight needed to use accounting information to create shareholder value.

Balance Sheet
Income Statement

Financial Statement Analysis

Learning Objective: Mechanics of the calculations, relation to the accounting numbers used and the relation to the allowed ROE and Shareholder Value.

Return on Equity
Total Shareholder Return

The Utility's Four "Sets of Books" Part 1

Learning Objectives: Understanding of why we end up with different accounting methods and different accounting estimates for the four major uses of accounting.

GAAP
Tax
Managerial
Rates
Rate Cases
Cost of Service Regulation
Rate Base, Operating Expenses, Allowed Return
Above-the-line versus Below-the-line Expenses

DAY TWO:

The Utility's Four "Sets of Books" Part 2

Modifications to Rate of Return Regulation

Learning Objective: To see the many different regulatory mechanisms which are possible and the implications of alternative regulatory frameworks.

Adjustment Clauses and Cost Recovery Rates
Decoupling
Formula Ratemaking

Present Value Analysis and Exercise

Learning Objective: Be able to calculate the present value of a series of cash flows.

Shareholder Value Maximization

Learning Objective: Learn how to make decisions in order to increase the stock price.

Theory
Measurement Techniques
Risk Measurement
Relationship to Accounting Performance Measures
Financing Decisions, Operating Decisions & Investing Decisions

DAY THREE:

Accounting for Utility Plant

Learning Objective: Appreciation of the fact that there is ambiguity in whether costs should be capitalized or expensed and the implications of the choice.

Capitalization Versus Expense
Methods of Capitalizing More or Less; Which is Better for the Utility
Retirement Units of Property
Straight Line Depreciation
Accelerated Depreciation

Shareholder Value Exercise

Accounting for Income Taxes

Learning Objective: Understanding the accounting for tax-book differences and normalization versus flow through for ratemaking in cash occurrence.

Temporary Differences

DAY FOUR:

Cost of Capital

Learning Objective: To be able to calculate the two different weighted average cost of capital figures for the company, one which is used for ratemaking and the other for capital budgeting.

Cost of Debt and Preferred
Cost of Equity
Comparable Companies
Weighted Average Cost of Capital

Capital Project Analysis Review Case

Learning Objective: Learn to do a present value analysis using incremental cash flows as impacted by the four sets of books

Identify Incremental Cash Flows as Opposed to Accrual Figures
Selecting the Appropriate Discount Rate
Use a Spreadsheet Approach
Incorporate Into the Analysis Tax and Ratemaking Impacts on Cash Flows
Shareholder Value Measurement

As a group project we will prepare a spreadsheet to see whether a capital project should be done. The groups will present answers to questions which come up in the analysis. The 1 hour and 45 minute project and the one hour of presentations of answers is a comprehensive hands-on review of much of the material in the seminar.

Conclusions

UTILITY FINANCE & ACCOUNTING WEBINAR FOR FINANCIAL PROFESSIONALS

An in-depth four day live webinar, held as a zoom meeting. Using zoom allows for questions from the group at any time, breakout rooms for small group projects each day and networking with others in the utility business. The webinar is designed for financial professionals who work in the area of accounting, finance or rates and who wish to enhance their understanding of critical finance and accounting issues including GAAP for utilities, capitalization versus expense, accounting for income taxes and other unique accounting topics at rate regulated utility companies.

Course prerequisites: Completion of FAI's Course for Non-Financial Professionals or a position in the finance, accounting or the rates area or an educational background including at least three classes in accounting.

Program level: Intermediate. Recommended CPE Credits: 22

Schedule: 11 AM – 5 PM Eastern Time each day (with breaks and 1 hour for lunch)

OUTLINE OF TOPICS

DAY ONE:

Calculation of ROE for the Utility and Parent Company

Learning Objective: Mechanics of the calculation and relation to the allowed ROE.

Rate of Return Regulation

Learning Objectives: Understanding of Cost of Service Regulation and why we end up with different accounting methods and different accounting estimates for the four major uses of accounting.

GAAP
Tax
Rates -- Rate Cases and Regulatory Lag
Managerial

Role Playing Exercise -- Rate Case

Learning Objective: See how different parties to the rate case are able to effectively argue their positions such that the utility can never be sure their position will prevail.

Interveners -- Consumer Group, Industrial Ratepayers
Rate Case Steps
Above-the-Line and Below-the-Line Issues

Modifications to Rate of Return Regulation

Learning Objective: To see the many different regulatory mechanisms which are possible and the implications of alternative regulatory frameworks.

Adjustment Clauses and Cost Recovery Rates
Decoupling
Formula Ratemaking

DAY TWO:

GAAP For Utilities

Learning Objective: Understanding the applicability of ASC 980 and why its provisions make sense.

Why and How GAAP differs from non-regulated operations
Utility Specific GAAP - ASC 980
Regulatory Assets and When to Remove Them

Energy Adjustment Clause

Learning Objective: To see how adjustment mechanisms work and reduce risk at the utility.

Theory of these Ratemaking Adjustments
Examples of Fuel, Gas and Weatherization Normalization Clauses
Implications for Making Management Decisions

Capitalization Versus Expense

Learning Objective: Mastering the theory of capitalization versus expense and the motivations of managers and top management with respect to the issue.

Influences and Motivations
Financial Reporting, Tax Accounting, Ratemaking, Managerial Accounting
Problems in Recovery of Plant Costs
Retirement Units of Property

Plant Issues

Learning Objective: Appreciation of the significance of the ratemaking estimates of the life and removal costs and how under normal conditions errors in the estimates are corrected through accumulated depreciation.

Accounting for Plant Retirement
Risks of a Reserve Deficiency

DAY THREE:

Asset Retirement Obligations

Learning Objective: Understanding of the difference between GAAP accounting for ARO's and Rate treatment of these ARO's.

GAAP Accounting for ARO's

Project – Solar Home

Accounting for Income Taxes

Learning Objective: Understanding the accounting for tax-book differences and normalization versus flow through for ratemaking.

Permanent Differences
Temporary Differences
Excess Deferred Taxes

DAY FOUR:

A Problem of Definition – Net Income, Operating Income and Cash Flow

Learning Objective: To recognize the different terminology used by the utility industry and by Wall Street.

Statement of Cash Flows
Different Definitions for the Same Terms

CWIP AND AFUDC

Learning Objective: Understanding how the utility recovers its construction financing costs from the ratepayers.

AFUDC versus Interest Capitalization

Conclusions

CUSTOMIZE A WEBINAR FOR YOUR UTILITY

- **Proven Professional Development.** Over 40,000 people from over 1,000 companies have attended our courses. Accounting is the language of business. Importantly, at utilities, accounting data drive revenues! Every employee should understand how utilities make money.
- **Best Teacher in the Business.** Joel Berk has taught for hundreds of companies. His entertaining style, clear explanations and deep industry knowledge combine to make a traditionally dry topic engaging.
- **Customized for YOUR Utility's Circumstances.** Financial statements and rate case documents from your company will be integrated in the webinar. Joel uses a variety of teaching techniques including discussion, historical examples, group projects, and lots of Q&A.
- **Two Levels of Webinars.** Our "Accounting and Finance 101" webinar for non-financial professionals would benefit all employees. Our webinar for employees with accounting and finance experience covers advanced topics.
- **Convenient for You.** No need to send employees to one of a few public webinars. We handle the preparation, the materials and presentation at a time of your choosing.
- **Lower Cost per Attendee.** Your group of 30 people would be about 1/2 the cost.
- **CPE, CLE or CEU Credit Available.**

See **2,500+** testimonials from past attendees at:
FinancialAccounting.com

Contact: Linda Ross at:
LRoss@financialaccounting.com

JOEL BERK HAS CUSTOMIZED AND TAUGHT INHOUSE PROGRAMS FOR:

AGL Resources	CoGen Technologies	FortisBC	National Fuel Gas	Pacific Power Utah Power	Sprint
Alabama Public Service Comm.	Columbia Energy	GPU	National Grid	Pacific Telesis	Swidler Berlin Shereff Friedman
Alder Pollock & Sheehan	Columbia University Exec. Prog.	Grant Thornton	NICEL	Panhandle Eastern Corp.	SWWC
Allegheny Power	Connectiv	Great Lakes Gas Transmission	NEI	Paul, Weiss, Rifkin	Tampa Electric
AltaLink	Consolidated Edison	GTE of California	New England Electric System	Pennsylvania Electric	TC Energy
Ameren	Consolidated Gas Transmission	GTE of the South	New England Telephone	Pennsylvania Power & Light	Texas PUC
American Gas Association	Consolidated Natural Gas	Guess & Rudd	NJ Div. of Ratepayer Advocate	PECO Energy	Texas RRC
American Water Works	Constellation Energy	Gulf Power	NJ American Water	PHI	Three Cities Research
Aqua America	Consumers Gas Company	Hawaii Electric Light Company	New Mexico PSC	Philadelphia Suburban Water Co.	Toledo Edison
Arizona Public Service	Contel	Houston Lighting & Power	New York Telephone	PJM Interconnection Assoc.	TransAlta Utilities
AT&T Communications	CRTC	Idaho One	Newfoundland Power	Portland General Electric	TransCanada Pipelines
Atlantic Electric	Delaware PSC	Indiana Utility Regulatory Comm.	NICOR	Potomac Electric Power Company	Tucson Electric Power
Atmos Energy	Delmarva Power	Illinois Commerce Commission	NISource	Prudential-Bache Securities	TVA
Avangrid	Detroit Edison	Illinois Power	North Central Electric League	Prudential Capital Utility Group	UBS Warburg
Avista	District of Columbia PSC	Indiana Gas Company	NorthWestern Energy	PSE&G	UGI Utilities
Babcock & Wilcox	Dept. of Energy-U.S.	Indiantown Cogen	Nova Scotia Power	PSEG Long Island	United Illuminating
Baltimore Gas & Electric	Dominion Resources	Integrus	NYNEX	PSI Energy	University of Georgia-PULP
BELLSOUTH	Donaldson, Lufkin & Jenrette	Iroquois Pipeline	NYSEG	Public Service Co. of Colorado	University of Idaho-PUEC
Black Hills Energy	Drexel Burnham Lambert	ITC	Northern States Power	Public Service Co. of NM	U.S. Generating Company
Bonneville Power	Duke Power	Johnson & Higgins	Northeast Utilities	Public Service of Vermont	U.S. Dept. of Energy
Brands	Duquesne Light	Jones Intercable	Northwest Central Pipeline	Qwest	U.S. State Dept.-Omsk, Russia
Bridgeport Hydraulic	ECO Resources	J.P. Morgan Chase	Northwest Territories Power Corp.	RUS	US West
British Columbia Telephone	E.F. Hutton	Keyspan Energy	Nuclear Energy Institute	Rutgers Executive Mgmt. Program	Utilicorp
Brooklyn Union Gas	Edison Electric Institute	KPMG Peat Marwick	NV Energy	Salt River Project	Vermont Dept. of Public Service
Carolina Power & Light	Edison Mission Energy	L.F. Rothschild	NW Natural	Santee Cooper	Vermont Public Service Board
Carolina Telephone & Telegraph	Edmonton Power	Liberty Utilities	Old Dominion Electric Coop.	Sarnoff Corporation	Virginia Power
CenterPoint Energy	Electric Council of New England	LILCO	Oklahoma Gas & Electric	SAWS	We Energies
Central Vermont Public Service	Energy East	MCI	Omaha Public Power District	SDG&E	Wisconsin Electric
Century Telephone	Energy	Manufacturers Hanover Utility Grp.	ONEOK	Sempra Energy	Wisconsin Public Service Corp.
CGCU	Etobicoke Hydro	McGuireWoods	ONE Gas	Sharyland	WUTC
Chase Securities, Inc.	Eversource	Metropolitan Edison	Ontario Power Generation	Sierra Pacific Power	Xcel Energy
Chelan County PUD	FERC	Middle South Utilities	Orange & Rockland Utilities	South Central Bell	Yankee Energy
Chemical Bank Utility Group	Fireman's Fund	Minnesago	Orlando Utilities Commission	South Dakota PUC	
Chugach Electric Association	FirstEnergy	Minnesota Power	Otter Tail Power	Southern California Edison	
Cincinnati Gas & Electric	Florida Power Corporation	Minnesota PSC	Pacific Bell	Southern California Gas	
CINergy	Florida Power & Light	Montana Dakota Utilities	Pacific Gas & Electric	Southern Company	
Cleco	Florida PSC		PacificCorp	Southwestern Bell	

INSTRUCTOR:

DR. JOEL BERK's stimulating and intensive "mini-MBA" courses for the utility industry incorporates lecture, discussion, individual and group work and homework. Dr. Berk was a professor for thirteen years at the Graduate School of Business, Columbia University. He also has taught in the EEI Rate Fundamentals Course, AGA Gas Rate Fundamentals Program, Columbia University's Columbia Institute for Tele-Information Training Workshop, the University of Idaho's Public Utility Executive Course, Rutgers Executive Management Program, and for the Southeast Electric Exchange and the US State Department.

A recipient of the William H. Newman Award for Teaching Excellence and Innovation, Dr. Berk's unique teaching style and abilities are endorsed by the thousands of industry professionals who have taken his courses as well as the over 200 utilities, investment banks, law firms, public utility commissions and other organizations for whom he has customized and taught on site programs.

Dr. Joel Berk will be teaching each webinar.

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WEBINAR REGISTRATION INFORMATION

Space is limited. Please register early.

Registration Fee: \$1995 This fee includes printed webinar notes which will be sent to you by FedEx and that you will use during the webinar.

Cancellations with full refund are accepted up to 3 weeks prior to the webinar date. For cancellation within 3 weeks, a colleague may attend in your place or you or a colleague may attend any future webinar or seminar. FAI is not responsible for any loss or damage as a result of a substitution, alteration or cancellation, postponement or rescheduling of a webinar other than the refund of your registration fee.

For further information, call: **201-568-0249** www.financialaccounting.com

"Joel provides in-depth training on fundamental issues in utility finance and accounting with a unique focus on timely subjects and does so in an enjoyable and engaging manner." John Caldwell, Director of Economics, Edison Electric Institute.

"Easy to follow, straightforward teaching on the unique and complex arena of rate-based accounting and the principles behind regulatory rate making." Tony Mitchell, Project Management Office, Spectra Energy.

"Excellent. Met my needs for my job-I work with capital decisions, ratemaking, PPAs for an IOU." Kevin M. Pera, Transmission Analyst, Xcel Energy.

"I came away feeling confident that I really understood the material & can apply it in my day to day work." Linda Thompson, Director Ethics, Compliance & Federal Regulatory, APS.

"The most worthwhile & beneficial course I have taken while on the job." Casey A. Tomasiak, Property Valuation Specialist, Florida Power & Light.

"Excellent resource for any employee. Should be mandatory for any new employees or those who manage Projects and Budgets." William Rochford, Section Manager IT Tech Operations, National Grid.

"Educational as well as entertaining. A great way to train new employees on basic utility accounting & finance. Instructor had an incredible amount of industry knowledge." David Thomason, Analysis & Reporting Manager, Pacific Gas & Electric.

"Joel Berk is the only accounting instructor I know who can make accounting interesting and fun for an engineer like me. Enjoyed the course immensely." James J. Bonner, Jr., Manager, National Grid.