

# ***2015 Power and Utilities Training Seminars***

Prepare for What's  
Coming

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# **Sign Me Up**

## **Registration Information**

To register for the courses, please visit the 2015 power and utilities training seminars website at:

<https://meetpwc.event.com/2015PandUSeminars>

When registering, you will be asked to include:

- Name of individual attending ;
- Course(s) you would like to attend;
- Name and address of your company ;
- Phone number and email address where you can be reached; and
- Credit card for payment.

A confirmation letter, with seminar particulars, will be sent to each participant in advance of the course.

Seminar fees will be charged to your organization upon registration. A full refund is available up to 90 days after the payment for the seminar is made.

## **Team Discounts**

The company's first seminar registrant for each course pays full price. The second company's registrant for the same seminar will receive a 10% discount and each additional registrant receives a 20% discount. Please call Chris Lorenz at 678.419.2049 for information pertaining to course discounts.

## **Attire**

Business casual is appropriate.

## **Accommodations**

Participants are responsible for their travel and accommodations. We would be happy to recommend nearby hotels if you are unfamiliar with the area.

## **Other**

If you have any questions about registration, compliance, cancellation policies or for further information about the seminars, please contact:

### **Chris Lorenz**

PwC

1075 Peachtree Street, Suite 2600

Atlanta, Georgia 30309-3851

678.419.2049

christopher.l.lorenz@us.pwc.com

# **About our 2015 Power and Utilities Training Seminars**

## **Seminar Overview**

PricewaterhouseCoopers LLP (PwC) is offering three power and utilities training seminars focused on the ratemaking process and market fundamentals. With the significant increase in ratemaking activity by utility companies over the last several years, knowledge of ratemaking is critical to professionals working in the utility industry. These seminars emphasize the unique aspects of the regulatory process and market fundamentals as well as the related effect on accounting, financial reporting and income taxes. The courses are delivered in two ways: (1) through open-registration seminars at specific locations on specific dates; or (2) for particular companies at locations and dates chosen by those companies.

The three courses offered in 2015 are:

- Utility Income Taxes (2 days)
- Power Markets and Contract Review (2 days)
- The Rate Case Experience (4.5 days)

Summary agendas for each seminar are included within this brochure.

The traditional rate base/rate of return form of utility regulation continues in virtually all jurisdictions, with an increase in such activity occurring in recent years. The industry has been further complicated with continued transformation and changes in energy markets, including changes in market rules with Independent System Operators (ISOs) and Regional Transmission Organizations (RTOs). Further, transmission and distribution activities remain regulated in the traditional fashion—even in jurisdictions where generation has been deregulated.

With a return to traditional regulation and changes in the markets, it is important that those involved in the process have an understanding of what to expect. PwC's three seminars emphasize the traditional ratemaking process and market fundamentals to help familiarize personnel with historical positions and provide fundamental knowledge that will be applicable to a utility company's future operations.

Chris Lorenz, a PwC Managing Director with significant experience developing and conducting such seminars, will be pleased to answer any questions related to course content, special sessions or other seminar details. You can reach Chris at 678.419.2049 or [christopher.l.lorenz@us.pwc.com](mailto:christopher.l.lorenz@us.pwc.com).

All seminars will be conducted by PwC partners, directors and managers with extensive utility accounting, tax and ratemaking experience.

We encourage early registration. Multiple individuals from the same company will receive discounted registration fees.

## **Special Sessions for Individual Companies**

These power and utilities courses are available on an open registration basis on the dates and at the locations described herein. They are also available as a special session organized on a regional, state or individual company basis. When presented as a special session, the content and objectives can be tailored to a specific company situation or to specific jurisdictional practices by organizing a seminar for your employees at your premises (or another site of your choosing), you reduce the transportation and lodging cost of sending individual employees to a distant seminar. You also allow yourself the flexibility to select the time and meeting place most convenient for your company and staff.

Inquires about special sessions should be directed to Chris Lorenz at 678.419.2049 or email to [christopher.l.lorenz@us.pwc.com](mailto:christopher.l.lorenz@us.pwc.com).



PricewaterhouseCoopers LLP 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. Website: [www.nasba.org](http://www.nasba.org)

# **Course 1: Utility Income Taxes**

## **Course Overview**

This two day seminar is for individuals with an interest in the mechanics and theory supporting income tax accounting for rate-regulated enterprises. The course addresses income tax accounting under ASC 740 (formerly FAS 109), including ASC 740-10 (formerly FIN 48). Emphasis is given to unique accounting and regulatory issues, including the need for regulatory assets and liabilities when the ratemaking provision for income taxes is different than required under ASC 740. Typical Schedule M items, investment tax credit, accelerated depreciation and the normalization requirements of the Internal Revenue Code are discussed. Current issues relating to regulated enterprises such as 50% and 100% bonus depreciation, changes in tax rates, "excess" deferred taxes and treatment of prior flow-through are discussed. In addition, a brief discussion is provided on tax accounting issues created by some of the new alternative energy stimulus provisions provided by various federal and state governmental authorities.

Each section is introduced, discussed and tested through problem solving. A comprehensive case study begins in the afternoon of the second day, permitting participants the opportunity to work with the concepts previously discussed. In this case study, basic tax and financial information is provided and income tax provisions/accruals are computed for a series of years. The years covered in the case problem include income tax computations prior to ASC 740, adoption of ASC 740, changes in tax rates and computations in subsequent periods.

## **Participant Level**

This seminar is geared toward individuals with a basic understanding of accounting and the ratemaking process. Middle accounting and income tax personnel without accounting backgrounds may also benefit as they will appreciate the interrelationship between accounting, tax return and ratemaking.

## **Faculty**

The course will be conducted by PwC partners, directors and managers with extensive experience in accounting, income tax compliance and ratemaking.

## **Course Information**

Open registration session:

Chicago, Illinois

May 12 - 13, 2015

Times:

9:00—5:00 each day

## **Registration Information**

The registration fee for the 2 day seminar is \$700. This fee includes the seminar, lunches and seminar materials. Discounts are available to companies registering more than one participant.

## **Special Sessions**

If you are considering a special session for your company at your location, the cost of instructor time and course materials is \$14,000 for a maximum of 40 participants. You will also be billed for the actual out-of-pocket costs of facilities and travel (if any).

For more details or to discuss special sessions contact:

Chris Lorenz

Phone: 678.419.2049

Email: [Christopher.l.lorenz@us.pwc.com](mailto:Christopher.l.lorenz@us.pwc.com)

## **Course Particulars**

Delivery method: Classroom

Program level: Basic

Prerequisites: None

Advanced preparation: None

## **CPE Credit**

Those attending the seminar are eligible for approximately 14 hours of Continuing Professional Education credit. We will award a certificate of completion to each successful course participant. See additional CPE information on page 4.

# ***Course 1: Utility Income Taxes***

## Summary Agenda:

- Theory of accounting for income taxes
- ASC 740 basic principles, including uncertain tax positions
- Income tax accounting for changes in tax rates
- Probability assessment for tax assets
- Overview of the ratemaking process and its effect on income taxes
- Ratemaking treatment of deferred taxes:
  - Flow-through vs. normalization
  - Ratemaking impact of changes in tax rates
  - Normalization requirements in the Internal Revenue Code
- Investment tax credit accounting
- ASC 740 – utility impacts
- Schedule M items – book/tax differences impacting utilities
- True-up of tax provision to tax return
- Current issues:
  - Alternative energy stimulus provisions
  - Bonus depreciation (and interaction with NOL's)
  - Consolidated tax adjustments

# **Course 2: Power Market and Contract Review**

## **Course Overview**

Independent System Operators (ISOs) and Regional Transmission Organizations(RTOs) play a vital role in the U.S. electric power system, ensuring the reliability of electric power supply. Because of the significant interaction and number of transactions that many electric utility companies have with ISOs and RTOs, it is important to have a basic understanding of those transactions and the impact that they may have on the company's financial statements. This seminar starts with a discussion of the organization and operation of a typical ISO, including terminology, billing and the importance of ISO/RTO SSAE 16 reports.

The seminar will also discuss various transactions that occur with both ISOs and RTOs as well as with other counterparties. These transactions include a variety of contracts such as power purchase agreements, tolling agreements, windfarm construction and output, pipeline capacity and congestion products. The discussions will focus on the complex accounting implications of these types of contracts with a specific focus on lease consolidation and derivative accounting.

## **Participant Level**

This seminar is for individuals with an interest in gaining a more complete understanding of the ISO and RTO markets as well as the related accounting complexities. The seminar is geared toward individuals with a basic understanding of accounting and power markets.

## **Faculty**

The course will be conducted by PwC partners, directors and managers with extensive experience in ISO/RTO markets, trading strategies and related contract accounting.

## **Course Information**

Open registration sessions:

Los Angeles, California  
March 24- 25 2015

or

Chicago, Illinois  
August 18 - 19, 2015

Times:  
9:00–5:00 each day

## **Registration Information**

The registration fee for the 2 day seminar is \$700. This fee includes the seminar, lunches and seminar materials. Discounts are available to companies registering more than one participant.

## **Special Sessions**

If you are considering a special session for your company at your location, the cost of instructor time and course materials is \$14,000 for a maximum of 40 participants. You will also be billed for the actual out-of-pocket costs of facilities and travel (if any).

For more details or to discuss special sessions contact:

Chris Lorenz  
Phone: 678.419.2049  
Email: [Christopher.l.lorenz@us.pwc.com](mailto:Christopher.l.lorenz@us.pwc.com)

## **Course Particulars**

Delivery method:	Classroom
Program level:	Basic
Prerequisites:	None
Advanced preparation:	None

## **CPE credit**

Those attending the seminar are eligible for approximately 14 hours of Continuing Professional Education credit. We will award a certificate of completion to each successful course participant. See additional CPE information on page 4.

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## ***Course 2: Power Market and Contract Review***

### **Summary Agenda:**

- ISO/RTO:
  - Basics of ISO/RTO organizations and how they manage electric utility markets
  - Unique terms and concepts
  - Components of ISO/RTO bills
  - Importance and consideration of ISO/RTO SSAE 16 reports
- Trading markets — types of instruments used and trading strategies employed
- Accounting framework for contract reviews:
  - Lease accounting
  - Derivative accounting and disclosures
  - Cash flow and fair value hedge accounting
  - Consolidations
- Valuation considerations

# ***Course 3: The Rate Case Experience***

## **Course Overview**

A traditional rate filing may be near (to comply with regulatory statutes, consumer challenges to current rates, return to basics, transition to/from alternative regulation) for some utility companies who have not filed a traditional rate case for some time. Others in your organization may not have been exposed to the rate making process and could benefit from a deeper knowledge of the regulatory and rate-making framework. This week-long seminar provides accountants, tax professionals, engineers, attorneys, internal auditors, analysts and others with an understanding of the requirements and mechanics of a traditional rate case, including the underlying concepts of rate base, rate of return and allowable operating expenses.

This seminar consists of classroom lectures and a workshop that revolves around a mock rate filing with the seminar participants divided into teams representing the utility company, regulatory commission staff and/or interveners. The teams work separately and each files a basic revenue requirement case complete with direct testimony by each participant supporting the positions taken. A hearing is held on Day 4 before a Commissioner (a PwC partner), where each participant receives the opportunity to defend his or her position under cross-examination. A commission order is issued on the last day. The mock rate case is preceded and supplemented by discussions of various topics, including typical rate case participants and procedures, key elements of a rate case including operating expenses, rate base, pro forma adjustments, rate of return, income tax concepts, recent FASB pronouncements, alternative ratemaking approaches and current rate case trends.

## **Course Information**

Open registration sessions

Chicago, Illinois

September 14 - 18, 2015

Time:

Monday, Wednesday and Thursday: 9:00–5:00

Tuesday: 9:00–8:00 pm

Friday: 9:00–12:00

## **Registration Information**

The registration fee for the four and a half-day seminar is \$1,200. This fee includes the seminar, lunches, dinner on Tuesday night and seminar materials. Discounts are available to companies registering more than one participant.

## **Special Sessions**

This course, in particular, may benefit from a special session. It would be useful for utilities considering a rate filing to consider exposing personnel to the procedures and issues they will be facing. By bringing together individuals with different backgrounds and experience levels and informing them all of the unique effort required to prepare a rate filing, a greater appreciation of the coordination necessary to submit and present an actual case is obtained. In addition, the mock case study can be tailored to the type of utility and specific jurisdictional issues resulting in a more company specific learning.

Because of the format of this seminar, specifically the mock rate case role playing exercise, a minimum of 16 participants is recommended for the seminar.

If you are considering a special session for your company at your location, the cost of instructor time and course materials is \$27,000 for a maximum of 30 participants. You will also be billed for the actual out-of-pocket costs of facilities and travel (if any).

For more details or to discuss special sessions contact:

Chris Lorenz

Phone: 678.419.2049

Email: [Christopher.l.lorenz@us.pwc.com](mailto:Christopher.l.lorenz@us.pwc.com)

## ***Course 3: The Rate Case Experience***

### **Participant Level**

This seminar is for individuals needing a more complete understanding of the underlying economics of the ratemaking formula and the traditional ratemaking process. Excellent candidates for this seminar include witnesses or those supporting witnesses as well as many middle managers who would benefit from an understanding of traditional filing requirements and the rate making process. Some knowledge of accounting is helpful, but not required to accomplish the learning objectives. This course stresses the importance of rate case coordination as all elements of the process must come together to determine the revenue requirements.

### **Faculty**

The seminar will be conducted by PwC partners, directors and senior managers with extensive experience in utility ratemaking, accounting and financial reporting.

Note: It is recommended, but not required, to bring a laptop computer to this seminar to help facilitate the preparation of the mock testimony.

### **Course Particulars**

Delivery method:	Classroom
Program level:	Basic
Prerequisites:	None
Advanced preparation:	None

### **CPE Credit**

Those attending the seminar are eligible for approximately 40 hours of Continuing Professional Education credit. We will award a certificate of completion to each successful course participant. See additional CPE information on page 4.

## ***Course 3: The Rate Case Experience***

### Summary Agenda:

- Rate case participants and procedures
- The ratemaking formula
- Rate base/test year
- Rate of return
- Operating expense
- Income taxes
- Workshop on mock rate case:
  - Development of exhibits and direct testimony
  - Distribution of filings and preparation for cross-examination
  - Hearing before Commissioner
  - Opening statements by all sides
  - Cross-examination of witness
    - Begins with company witnesses on a particular issue (rate base, rate of return, test year, operating expenses), followed by cross examination of staff and intervener witnesses on the same issues. Cross-examination conducted by each side and by the Commissioner.
  - Closing arguments by all sides
- Current matters of interest relating to ratemaking
- Review and discussion of commission order

# **PwC's US Power and Utilities Leadership Team**

## **Industry leader**

Casey Herman	U.S. Power and Utilities Industry Leader	312-282-3122	michael.a.herman@us.pwc.com
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## **Line of service leaders**

Robert Keehan	Assurance	973-236-5733	robert.r.keehan@us.pwc.com
Robin Miller	Tax Services	312-298-2357	robin.d.miller@us.pwc.com
Jeremy Fago	Transactions Services	415-498-7031	jeremy.fago@us.pwc.com
Jim Hanlon	Internal Audit	630-217-3477	james.r.hanlon@us.pwc.com
Tim Schutt	Advisory	678-419-1472	tim.schutt@us.pwc.com

## **Power and utilities training leader**

Chris Lorenz	Power and Utilities Industry Training	678-419-2049	Christopher.l.lorenz@us.pwc.com
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**Visit our website at: [www.pwc.com/us/utilities](http://www.pwc.com/us/utilities)**

