Present

ADVANCED

Regulatory Training in
Financial Planning, Strategies and Accounting Issues
for Publicly and Privately Owned
WATER AND WASTEWATER UTILITIES

This advanced course is specifically designed to capture the nuances of the water and wastewater industry and includes the following topics and more!

Look inside to see full agenda

• Technology & Operations
• Utility Accounting
• Rate Methodologies Models
• Measures of Value
• Cost of Financial Capital
• Cost of Service
• System Acquisitions
• Original Cost Study
• Cash Working Capital
• Five Year Financial Plans
• Process & Procedures of a Rate Case

May 13–18, 2012
SHERATON UPTOWN
Albuquerque, NM

REGISTER ONLINE
cpu.nmsu.edu
## PROGRAM OUTLINE

### SUNDAY, MAY 13
6:30 – 8:00: Registration and Reception

### MONDAY, MAY 14
8:00 – 10:00 **Technology and Operations**
- Production
- Treatment
- Pumping
- Distribution

10:15 – 12:00 **Utility Accounting**
- Privately Owned Utilities
- Publicly Owned Utilities
  - NARUC
  - Cash v. Accrual
  - Uniform Systems of Accounts

1:30 – 3:00 **Rate Methodologies Models**
- Rate Base Rate of Return
  - Recovery of and Return on Investment
- Costs Plus Coverage

3:00 – 5:00 **Measures of Value**
- Fixed Capital Assets
- Book Depreciation
- Calculated Depreciation
- Tax Depreciation
- Cash Working Capital
- Unamortized Balances
- Service Life Studies

### TUESDAY, MAY 15
8:00 – 12:00 **Cost of Financial Capital**
- Publicly vs. Privately Owned Utilities
- Judicial Standard of Fair Rate of Return
- Weighted Average Cost of Capital
  - Cost of Capital
    - Actual
    - Hypothetical
  - Senior Capital Rates
    - Long-Term Debt
    - Preferred Stock
  - Cost Rate of Common Equity
    - Efficient Market Hypothesis
    - Methodologies - Common Equity Cost Rate Models
    - Pressures on Common Equity Cost Rate

1:30 – 5:00 **Cost of Service**
- Allocation of Revenue Requirements to Customer Class
- Base / Extra Capacity Determinations
- Fire Protection
- Special Contracts
- Resale
- Wastewater:
  - Capacity v. Flows Allocations
  - Capacity Requirements
  - Treatment Costs

### WEDNESDAY, MAY 16
8:00 – 10:00 **System Acquisitions**
- Case Study
- Publicly Owned
- Privately Owned
- Business Enterprise Valuations
  - Income Approach
  - Cost Approach
  - Market Approach

10:15 – 12:00 **Original Cost Study**
- Current Historical Value of Fixed Assets
  - Asset Inventory/Surviving Plant
  - Historical Cost Pricing

1:00 – 7:00 **Optional Trip to Santa Fe**

### TRANSPORTATION:
Albuquerque International Sunport (“ABQ”) is approximately 9 miles from the Sheraton Uptown. Taxis, rental cars and Sunport Shuttle Service (Fees and reservations at www.sunportshuttle.com) are available at the airport.

### COST:
- **COMPANY REPRESENTATIVES:** $1,395
- **CENTRAL SPONSORS AND GOVERNMENT AGENCIES:** $1,125

The registration fee covers all instructional materials presented, receptions, transportation to Santa Fe, and coffee breaks. The registration fee does not include travel, hotel accommodations or meals.

### CANCELLATION POLICY:
- Full refund five days prior to the program and $100 service charge per person after that time.
- No refunds will be made after the start of the program.
- Registration fees may be applied to future programs.
- Substitutions are accepted at any time.

### CLE or CPE CREDIT:
Individuals are responsible for applying for CLE or CPE credit in their own state. Attendees must sign in every day and will receive a Certificate of Completion for the course at the end of the week to include in their application packets in their individual state.

### REGISTRATION MUST BE MADE IN ADVANCE:
To reserve a space:
- **Online at  [http://cpu.nmsu.edu](http://cpu.nmsu.edu)**
- **Fax registration form to 575-646-6025**
- **Call 575-646-4876**
- **Mail in completed registration form to address provided**
- **E-mail registration form to cpustaff@nmsu.edu**

Registration and payment online is preferred.

### FOR MORE INFORMATION CONTACT:
- The CPU at 575-646-4876
- cpustaff@nmsu.edu or cblume@nmsu.edu

Anyone looking to advance their understanding of the principles of the Water and Wastewater Industry regulation and related cost-of-service thereof should attend this course. This course teaches attendees ratemaking skills to meet today’s business challenges and provides a unique opportunity for senior staff to practice developing strategies to address an increasingly complex set of financial and technical challenges.
THURSDAY, MAY 17

8:00 – 12:00  **Cash Working Capital Analysis**
   Lead/Lag Study

1:30 – 5:00  **Five Year Financial Plans - (Public v. Private)**
   Revenue Requirement Cash Flow Modeling
   - Development of Annual Revenue Requirements
   - Identifies Needed Rate Increases

FRIDAY, MAY 18  **(Combined Session with Electric, LDC, and Water)**

8:00 – 11:00  **Step-by-Step Process and Procedures of a Rate Case**
   The Utility Application, Building the Record, Discovery, Written Testimony
   Cross Examination, Settlement vs. Contested Hearing
   The Final Order and Grounds for Appeals
   Open Meeting Laws, *Ex Parte* Communications

**GENERAL INFORMATION**

**TRANSPORTATION:** Albuquerque International Sunport (“ABQ”) is approximately 9 miles from the Sheraton Uptown. Taxis, rental cars and Sunport Shuttle Service (Fees and reservations at www.sunportshuttle.com) are available at the airport.

**COST:**
- **COMPANY REPRESENTATIVES:** $1,395
- **CENTER SPONSORS AND GOVERNMENT AGENCIES:** $1,125

The registration fee covers all instructional materials presented, receptions, transportation to Santa Fe, and coffee breaks. The registration fee does not include travel, hotel accommodations or meals.

**CANCELLATION POLICY:** Full refund five days prior to the program and $100 service charge per person after that time. No refunds will be made after the start of the program. Registration fees may be applied to future programs. Substitutions are accepted at any time.

**CLE or CPE CREDIT:** Individuals are responsible for applying for CLE or CPE credit in their own state. Attendees must sign in every day and will receive a Certificate of Completion for the course at the end of the week to include in their application packets in their individual state.

**REGISTRATION MUST BE MADE IN ADVANCE:** To reserve a space:
- Online at http://cpu.nmsu.edu
- Call 575-646-4876
- E-mail registration form to cpustaff@nmsu.edu

*Registration and payment online is preferred.*

**FOR MORE INFORMATION CONTACT:**
- The CPU at 575-646-4876  
- cpustaff@nmsu.edu or cblume@nmsu.edu

**WHO SHOULD ATTEND**

Anyone looking to advance their understanding of the in the public or private sectors of the Water and Wastewater Industry regulation and related cost-of-service thereof should attend this course. This course teaches attendees ratemaking skills to meet today’s business challenges and provides a unique opportunity for senior staff to practice developing strategies to address an increasingly complex set of financial and technical challenges.
GARY SHAMBAUGH is a Principal & Director of AUS Consultants and has over 37 years of experience as a consultant in the public utility field. He is a nationally recognized expert in numerous ratemaking disciplines, including valuation, depreciation, cost of service and accounting. He has testified as an expert witness before regulatory agencies, state common pleas courts and federal bankruptcy courts. Mr. Shambaugh’s expertise encompasses rate base/measures of value determinations, capital recovery, utility plant inventories, cash working capital studies, original cost studies, regionalization studies, fixed capital asset and business enterprise valuations and financial due diligence related to sales and acquisition of utility systems.

PAULINE M. AHERN, CRRA, is a Principal with AUS Consultants. She joined the firm in 1988. Ms. Ahern has testified as an expert witness on cost of capital and related financial issues in nearly two hundred cases before twenty-six state regulatory commissions. She has appeared on behalf of investor-owned utilities, municipalities, utility associations and has represented electric, natural gas distribution, steam heating, chilled water, telephone, water and wastewater utilities.

INSTRUCTORS FOR THE FRIDAY, MAY 18 COMBINED SESSION
LARRY BLANK, Associate Director, CPU, New Mexico State University
BILL STEELE, Principal Financial Analyst, Colorado Public Utilities Commission
KAREN WHITE, ESQ., Staff Attorney, Air Force Utility Law Field Support Center

The Center for Public Utilities (CPU) has been housed in the College of Business at New Mexico State University (NMSU) and conducting training courses since 1978. The CPU:

• Produces practical training courses, instruction/training materials and out-reach programs directed towards the needs of professional staff at federal and state commissions, utility companies and other stakeholders in the Electricity, Natural Gas LDC, Pipeline, Telecommunications and Water Industries;
• Produces issues conferences directed towards the needs of upper management and professional staff at federal and state commissions, utility companies and other stakeholders in the Electricity, Natural Gas LDC, Pipeline, Telecommunications and Water Industries;
• Is completely self-funded through the conference fees it charges for its programs and by industry sponsorships;
• Averages about 450 attendees per year, who come from all 50 states as well as many foreign countries.

For further information regarding CPU activities, please feel free to contact the following CPU staff members or visit our website at http://cpu.nmsu.edu.

Larry Blank, Associate Director  Cindy Blume, Program Manager
larryb@nmsu.edu • 575.642.6148  cblume@nmsu.edu • 575.646.4876
HOTEL INFORMATION

LOCATION: Sheraton Uptown Albuquerque
2600 Louisiana, NE
Albuquerque, NM

CONFERENCE HOTEL RATES (includes full breakfast):
• $135 single and $150 double.
• Reservations cut-off date: April 27, 2012

SHERATON UPTOWN HOTEL RESERVATIONS:
• CENTRAL RESERVATIONS • 1-800-325-3535:
  You must mention the NMSU Public Utility Basics
  OR
• RESERVE ONLINE: A direct link to the Sheraton Uptown’s Conference Rate can be found on the
  CPU website at http://cpu.nmsu.edu under the “Upcoming Programs” link. Click on the conference
  you will be attending or go to the Sheraton Uptown’s website at:

Rates cannot be changed at check-in or checkout time for guests who fail to identify their affiliation at the time the reservation is requested. Rooms will need to be guaranteed to a major credit card at the time the reservation is made. This is for guarantee purposes only; your credit card will not be charged until you check-out. Please be advised that for any reservation, in which there is a no-show, the first night’s room rate and tax will be charged to the form of payment and the entire reservation will be cancelled. Reservations may be cancelled up to 48 hours prior to arrival without penalty.

WATER COURSE REGISTRATION FORM

REGISTRATION FEE:
$1,325: Company Representatives
$1,125: Center Sponsors and Government Agencies

ONLINE:
Click here to go to the CPU registration page

BY CHECK:
Payable to: New Mexico State University

Mail Check to:
Center for Public Utilities
MSC 3MPD
NMSU
PO Box 30001
Las Cruces, NM 88003-8001