

# UTILITY ACCOUNTING 101

**July 20-21, 2020**  
**Online | Central Time**

**RELATED EVENT:**

**UTILITY TAX ACCOUNTING**  
July 21-22, 2020 | Online

## EUCI ONLINE COURSE

EUCI is pleased to offer this virtual course on its online interactive platform. Enjoy a valuable learning experience with a smaller impact on your time and budget. You will gain new knowledge, skills, and hands-on experience in from the comfort of your remote location.

“

*Utility Accounting 101 is a nice introduction into accounting for regulated utilities. For those transitioning from non-regulated firms to the regulated utility industry, or those trying to better understand the accounting in their regulated operations, this is a helpful introduction.”*

Financial Analyst, Public Utilities Commission of Nevada



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EUCI is authorized by IACET to offer 1.0 CEUs for the course



EUCI is authorized by CPE to offer 11.5 credits for the course

## OVERVIEW

Utility Accounting takes fundamental accounting concepts around financial reporting and adds a layer of complexity through regulatory and compliance requirements. Public Utilities have rates set by State and Federal commissions to ensure that they recover prudently incurred costs and earn a reasonable rate of return that does not overly burden the ratepayer. However, state and federal environmental regulations put the electric and gas industries in the unenviable position of encouraging their customers to reduce power usage creating loss of traditional revenues. These regulatory and compliance nuances result in some very interesting accounting treatment.

This course will introduce you to these regulatory requirements, the generally accepted accounting principles (GAAP) unique to regulated entities, the capital intensive nature of the industry, which may result in an unconventional balance sheet presentation, and the challenge of complying with GAAP, State and Federal Commission rulings, and the Securities and Exchange Commission (SEC), effectively requiring maintenance of multiple sets of books to address variations in reporting requirements.

**We will use the Kahoot! App for several survey-type questions; please have it downloaded on your smartphone or tablet prior to the start of training on Monday, July 20, 2020.**

## LEARNING OUTCOMES

Upon completion of this course, participants will be able to successfully:

- Navigate the requirements of ASC 980: Regulated Operations
- Identify utility specific accounts in a set of financial statements
- Recognize utility specific disclosures in an annual 10-K filing with the SEC
- Define terms such as CWIP, CIAC, AFUDC, REC, DSM, REST, PPA and PPFAC
- Discuss accounting treatment for unbilled revenue, net-metering tariffs and cost recovery mechanisms
- Explain the difference between shareholder and ratepayer expenses
- Explain the concept of designing rates to recover prudently incurred costs and a reasonable return
- Review an ACC or FERC rate order for accounting implications
- List key differences between accounting for regulated and non-regulated entities
- Define the reporting variations between FERC, GAAP and SEC
- Navigate FASB, FERC, ACC (as an example of a State Commission) and SEC websites
- Discuss the changing outlook for the Utility industry and the possible accounting implications
- Identify financial reporting tools common to the Utility industry

## WHO SHOULD ATTEND

This course is primarily designed for accounting and finance personnel who may be new to the Utility Industry or transitioning into an accounting/finance role and wish to obtain a basic understanding of accounting for electric and gas utilities.

## INSTRUCTIONAL METHODS

This program will use Kahoot! App, PowerPoint presentations and group discussions, as well as active participation. Attendees will need to download the app to their smart phone before the course.

REGISTER TODAY! CALL 303-770-8800 OR VISIT [WWW.EUCI.COM](http://WWW.EUCI.COM)

# AGENDA

MONDAY, JULY 20, 2020 :: CENTRAL TIME

**8:30 – 9:00 am**

**Log In and Welcome**

**9:00 – 9:15 am**

**Course Introductions and Objectives**

- Benchmark Course Participants' Utility and Accounting Knowledge

**9:15 – 10:15 am**

**Utility Accounting in a Nutshell**

- Capital Intensive Industry
  - o Property, Plant and Equipment (PP&E) largest asset balance
  - o PP&E is the primary driver when determining rates
- Typical Revenue Streams – Vertically Integrated Utility
  - o Define vertically integrated
  - o Define “above the line”, “below the line”
  - o Retail revenue
  - o Wholesale revenue
  - o Other operating revenue
  - o Non-operating revenue
- Unbilled Revenue – Retail Rates
  - o Estimating revenue for usage since last bill date
- Net Metering
- Common Utility Terms
  - o Construction Work in Progress (CWIP)
  - o Contributions in Aid of Construction (CIAC)
  - o Allowance for Funds Used During Construction (AFUDC)
  - o Renewable Energy Credits (REC)
  - o Demand Side Management (DSM)
  - o Renewable Energy Standards Tariff (REST)
  - o Purchased Power Agreement (PPA)
  - o Purchased Power and Fuel Adjuster Clause (PPFAC)
- FERC vs. GAAP vs. SEC

“

*“Good overview course for non-accountant utility regulatory professionals!”*

Anonymous

**10:15 – 10:30 am**

**Morning Break**

**10:30 am – 12:00 pm**

**Regulatory Accounting, A Deeper Dive – Focus on GAAP**

- Review ASC 980 Provisions
  - o Requirements that allow application of guidance
  - o Regular evaluation of compliance
- Accounting for Regulatory Assets and Liabilities
  - o Cost deferral unique to regulatory accounting
  - o Deferral of gains and losses when retiring certain debt
- If Recovery is Probable but not Currently Approved in Base Rates
  - o Return of and return on”

“

*“Great class for beginners or experienced.”*

Auditor, Texas Railroad Commission

**12:00 – 1:00 pm**

**Group Luncheon**

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# AGENDA

MONDAY, JULY 20, 2020 :: CENTRAL TIME (CONTINUED)

**1:00 – 2:45 pm**

## Review SEC Form 10-K Financial Statements

- Identify Utility Specific Accounts and Disclosures
  - o What accounts are listed first on the Balance Sheet?
  - o Why are long-term assets listed before current assets?
  - o What is “the line” on the Income Statement?
  - o What is the primary information disclosed in the Regulatory footnote?
  - o What utility specific accounting treatment is referenced in the Accounts Receivable footnote?
  - o Where are AROs disclosed?

**2:45 – 3:00 pm**

## Afternoon Break

**3:00 – 4:30 pm**

## Environmental Compliance Changing the Industry

- Clean Energy Regulations
  - o Critics of coal-fired generation
    - State requirements may differ from Federal regulation
    - Renewable energy mandates
    - Energy efficiency programs – required to encourage less power usage through efficiency incentives, energy efficient appliances, SMART homes
- Customers Purchasing Solar Panels (Generating Portions of Their Own Power, Reducing Traditional Consumption Based Revenues)
- Accounting Consequences
  - o Early retirement of plant assets
    - Change in rate structure to include more fixed charges
    - Recovery mechanisms to address lost revenues
    - Pursuing more non-traditional revenues, possibly requiring FERC approval, and creating accounting research

TUESDAY, JULY 21, 2020

**8:30 – 9:00 am**

## Log In and Welcome

**9:00 – 10:15 am**

## Review Accounting Impacts from an Arizona Corporation Commission (ACC) Rate Order

- Rate Design vs. Revenue Requirement
  - o New tariffs or riders impacting customer billing
  - o Approval of new recovery mechanisms or amendments to existing mechanisms
  - o Requirements to defer recognition/recovery of certain costs
    - Significant one-time costs recovered over time (minimizes rate shock)
      - \* Amortize over Commission approved recovery period
    - Commission tables/defers approval to recover certain costs until the next rate case
      - \* No amortization
- Other Provision
  - o Merger conditions
    - Primary concern of State Commission is protecting the ratepayer
    - Merger costs, as one-time expenses, are typically not recoverable through based rates and not FERC recoverable – excluded when calculating transmission rates
    - Other provisions to limit inequitable benefit between shareholders/executives and ratepayers



**10:15 – 10:30 am**

## Morning Break

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# AGENDA

TUESDAY, JULY 21, 2020 (CONTINUED)

## 10:30 am – 12:00 pm Navigating Industry Websites and Common Accounting Tools

- Kahoot! Survey Questions
  - o Accounting system used
  - o Familiarity with Industry websites
  - o Company auditor
- Key Information on ACC, FASB, FERC and SEC Websites
- Auditor Accounting Resources – Deloitte Focus
  - o Deloitte Accounting Research Tool (DART)
    - GAAP guidance organized by the Accounting Standards Codification (ASC) topics
    - SEC reporting requirements
    - Roadmaps – interpretive guidance on specific topics

## 12:00 – 12:15 pm Wrapping Up: Questions and Concluding Remarks

# INSTRUCTOR

## Georgia S. Hale, CPA

**Financial Accounting Manager, Tucson Electric Power Company**  
**Mount Mercy University: B.S. in Accounting and Business Administration**

Ms. Hale is Manager of Financial Accounting at Tucson Electric Power Company (TEP). She has over 35 years of experience in accounting, spending her early career in public accounting and the last 12 years at TEP. TEP is the largest subsidiary of UNS Energy Corporation (UNS Energy), a wholly-owned subsidiary of Fortis, Inc. a St. John's, Newfoundland company that owns several Canadian utility companies as well as Central Hudson Energy in New York and ITC, headquartered in Michigan. UNS Energy provides gas and electric service to customers across the Tucson metropolitan area and parts of northern and southern Arizona.

She joined TEP's Financial Accounting team in December 2007 and is responsible for administering the month-end close, preparing all internal financial statements, maintaining the general ledger in accordance with Generally Accepted Accounting Principles (GAAP) including staying current on technical guidance that impacts the financial statements. Review of any Arizona Corporation Commission and Federal Energy Regulatory Commission (FERC) rulings specifically impacting TEP or the Utility industry in general is also critical to her position.

Ms. Hale has expertise in financial reporting, GAAP research, auditing, SOX compliance and utility specific experience with FERC and SEC reporting.

In addition to her work at TEP, Ms. Hale is a member of the American Gas Association (AGA) and Edison Electric Institute (EEI), serving on their respective accounting committees since November 2012 as both chair and vice-chair; she is currently Chair of the AGA Accounting Services Committee.



*"Great class. A lot of good examples and speaker was awesome!"*

Project Controls Analyst, NV Energy



*"This is an excellent course for non-accountants in the utility field. It helped me understand key accounting concepts as they relate to the utility industry."*

Business Analyst, NV Energy

## IACET CREDITS



EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

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## CPE CREDITS



EUCI 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 submitted to the National Registry of CPE Sponsors through its website: [www.learningmarket.org](http://www.learningmarket.org).

Upon successful completion of this event, program participants interested in receiving CPE credits will receive a certificate of completion. **EUCI is authorized by CPE to offer 11.5 credits for the course**

## ONLINE COURSE DELIVERY & PARTICIPATION DETAILS

We will be using Microsoft Teams to facilitate your participation in the upcoming event. You do not need to have an existing Teams account in order to participate in the broadcast – the course will play in your browser and you will have the option of using a microphone to speak with the room and ask questions, or type any questions in via the chat window and our on-site representative will relay your question to the instructor.

- You will receive a meeting invitation which will include a link to join the meeting.
- Separate meeting invitations will be sent for the morning and afternoon sessions of the course.
  - o You will need to join the appropriate meeting at the appropriate time.
- If you are using a microphone, please ensure that it is muted until such time as you need to ask a question.
- The remote meeting connection will be open approximately 30 minutes before the start of the course. We encourage you to connect as early as possible in case you experience any unforeseen problems.

## REQUIREMENTS FOR SUCCESSFUL COMPLETION

Participants must login for the entirety of the course to be eligible for continuing education credit.

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# REGISTRATION INFORMATION

## Mail Directly To:

EUCI  
6400 S Fiddlers Green Cir., Suite 1620  
Greenwood Village, CO 80111  
OR, scan and email to: [conferences@euci.com](mailto:conferences@euci.com)

**WWW.EUCI.COM**

**p: 303-770-8800**

**f: 303-741-0849**

## ENERGIZE WEEKLY

Energize Weekly is EUCI's free weekly newsletter, delivered to your inbox every Wednesday. We provide you with the latest industry news as well as in-depth analysis from our own team of experts. Subscribers also receive free downloadable presentations from our past events.

Sign me up for Energize Weekly

## PLEASE SELECT

**BUNDLE PRICE: UTILITY ACCOUNTING 101 AND UTILITY TAX ACCOUNTING COURSES:** JULY 20-22, 2020: \$2195

**UTILITY ACCOUNTING 101 COURSE**  
JULY 20-21, 2020: US \$1195 (Single Connection)

**PACK OF 5 CONNECTIONS:** US \$5,375

**PACK OF 10 CONNECTIONS:** US \$8,965

**For volume discounts call +1.303.770.8800 for quote**

*\* all other discounts do not apply to license packs*

## Online Course Delivery & Participation Details

*See page 6 for information*

How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name

Job Title

Company

Address

City

State/Province

Zip/Postal Code

Country

Phone

Email

## CREDIT CARD INFORMATION

Name on Card

Billing Address

Account Number

Billing City

Billing State

Exp. Date

Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx)

Billing Zip Code/Postal Code

**OR** Enclosed is a check for \$ \_\_\_\_\_ to cover \_\_\_\_\_ registrations.

## Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before June 19, 2020 in order to be refunded and will be subject to a US \$195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of course cancellation, EUCI's liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices at 303-770-8800. EUCI reserves the right to alter this program without prior notice.

