

## **Public Utility Accounting**

January 15 - 16, 2019

This course highlights the development of a utility accounting system that is compatible with Federal Energy Regulatory Commission (FERC) guidelines. It examines accounting theory, the role of accounting in public utilities, FERC accounting procedures, the uniform systems of accounts, and utility accounting subsystems.

### *Who Should Attend?*

This course is designed for personnel who are new to utility accounting practices or unfamiliar with the FERC accounting structure.

### **Course Details:**

- Date: January 15 - 16, 2019
- Time: 8:30 A.M. - 4:30 P.M.
- Capacity: 50 students
- Provider: American Public Power Association (APPA)

### **Estimated Enrollment Fee**

#### **In-House @ SCPPA**

- \$760/ per person (assuming 15 attendees), or
- \$250/ per person (assuming 50 attendees)



# AMERICAN PUBLIC POWER ASSOCIATION

## In-house Training

**Class:** Public Utility Accounting

**Timing:** 2 days (typically 8:30 a.m. – 4:00 p.m. each day)

**Accreditation:** Recommended CEUs 1.3/PDHs 13/CPEs 15.6; Field of Study: Accounting

### COURSE OVERVIEW

This course highlights the development of a utility accounting system that is compatible with Federal Energy Regulatory Commission (FERC) guidelines. It examines accounting theory, the role of accounting in public utilities, FERC accounting procedures, the uniform systems of accounts, and utility accounting subsystems.

### COURSE TOPICS

- Accounting for operating revenues and expenses
- Introduction to utility property and plant accounting
- Introduction to FERC uniform system of accounts
- Applicability of generally accepted accounting principles to public utilities
- Financial statement structure and presentation
- Capital vs. expense determination
- Allocation of indirect or common costs
- Accounting for unbundled services

### COURSE LEVEL

**Basic Level.** No prerequisites; no advance preparation.

### SUPPLEMENTAL MATERIAL

Participants will receive a link to APPA's [Public Utility Accounting](#) publication.

### WHO SHOULD ATTEND

This course is designed for personnel who are new to utility accounting practices or unfamiliar with the FERC accounting structure. Experienced accountants and accounting managers who want to enhance their knowledge of utility accounting practices can also benefit from this course.

### INSTRUCTOR

**Jerry McKenzie** is a senior associate with MGT of America, Inc. and is the author of three APPA publications: *Unbundling Electric Distribution-Related Services*, *Costing Electricity Generation in a Competitive Environment: Principles & Procedures*, and *Public Utility Accounting*. He has an extensive 30-plus year background in cost accounting concepts and practical applications. Having worked in both the private electric utility sector and the municipally owned environment, Jerry brings a broad and somewhat unique perspective to this session. He has extensive knowledge of the Federal Energy Regulatory Commission's (FERC) statutes and regulations and has taught on a

variety of subjects dealing with Public Utility Accounting, including cost of service, rate design, benchmarking, and financial forecasting.



## **SAMPLE AGENDA**

### **Day 1**

- 8:30 a.m. Section One**
- Course Introduction and Objectives
  - Chapter One – Introduction of Uniform System of Accounts
  - Incorporating FERC into Utility Chart of Accounts
- 10 a.m. Break**
- 10:15 a.m. Section Two**
- Chapter Two – Accounting Information for Public Power Systems
  - Accounting Requirements
  - Users of Accounting Information
- Noon Lunch**
- 1 p.m. Section Three**
- Chapter Three – FERC USOA: Instructions
  - Definitions
  - General Instructions
  - Electric Plant Instructions
  - Operating Expense Instructions
- 2:30 p.m. Break**
- 2:45 p.m. Section Four**
- Balance Sheet Accounts
- 4 p.m. Adjourn for the Day**

### **Day 2**

- 8 a.m. Section Five**
- Chapter Five – Income Statement Accounts
  - Revenue and Expense Classifications
  - Operating Income
  - Other Income Statement Items
- 10 a.m. Break**
- 10:15 a.m. Section Six**
- Chapter Six – Introduction to Accounting Applications
  - Allocations of Indirect Costs
- Noon Lunch**



- 1 p.m. Section Seven**
- Chapter Seven – Introduction to Accounting for Utility Property
  - Work Order System
  - Continuing Plant Inventory
  - Depreciation Accounting
- 2:30 p.m. Break**
- 2:45 p.m. Section Eight**
- Chapter Eight – Basic Rate Design and Funding Concepts
  - Base Rates
  - Fuel Adjustment or Power Cost Adjustment Charges
  - Funding PILOT and Transfers
- 4 p.m. Course Adjourns**

### **LEARNING OUTCOMES**

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

1. Explain the structure and usage of the Code of Federal Regulations and the FERC Uniform System of Accounts.
2. Define the accountant's role as a service provider to internal and external customers and describe how those customers use the data provided.
3. Identify the sources of GAAP and where to research questions.
4. Identify the key elements of a plant accounting system.
5. Differentiate between capital vs. operating vs. maintenance expenses.
6. Identify the difference between regulatory and unregulated accounting procedures.
7. Define the key concepts, approaches and mechanisms associated with utility rate design and other funding methods.