

Society of Utility and
Regulatory Financial Analysts



51st FINANCIAL FORUM

*Charting a Course Through Changing
Utility Industry Conditions*

April 4 - 5, 2019



Bourbon Orleans Hotel
New Orleans, LA

March 19, 2019

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March 19, 2019

Dear Members of the Financial Analyst Community:

I am pleased to announce the 51st Financial Forum of the Society of Utility and Regulatory Financial Analysts (SURFA). We will hold this year's Forum on April 4 and 5, 2019, at the Bourbon Orleans Hotel in downtown New Orleans, Louisiana.

Our 51st forum features a group of distinguished speakers and moderators. The topics that will be addressed include:

- Recent updates to the Federal Energy Regulatory Commission's methodology for determining the required rate of return on common equity;
- Funding large-scale capital costs through the issuance of securitized bonds; and,
- Establishing appropriate proxy groups for applying models used to determine the required rate of return.

We are again privileged to have John Lonski of Moody's Analytics present an analysis of economic conditions as well as a panel of renowned Wall Street analysts who will discuss the condition of, and outlook for, the utility industry.

As in the past, the Forum will provide a better understanding of current cost of capital issues affecting the regulated utility industry and is appropriate for attorneys, utility company staff, investors, regulatory commissioners and staff, as well as consumer advocate agencies and consultants.

The CRRA exam (late registration ending February 15) takes place on Wednesday April 3 from 12-5 PM – prior to the Forum. Please visit our website <http://www.surfamembers.com> for more information.

Please pass along this brochure to any associates whom you think may be interested in joining us in New Orleans.

I look forward to seeing you and your colleagues April 4-5, 2019.

Very truly yours,

Mark Cicchetti, CRRA
President

<http://www.surfamembers.com>



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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Wednesday, April 3, 2019</p> <p>NOON – 5:00 p.m.</p>	<p style="text-align: center;">CRRA Certification Exam St. Mary Salon (Rusty Maddox / Dave Parcell)</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Thursday, April 4, 2019</p> <p>7:30 – 8:10 a.m.</p>	<p style="text-align: center;">SURFA Forum Registration and Breakfast Orleans Ballroom Foyer</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Thursday, April 4, 2019</p> <p>8:10 – 8:30 a.m. Orleans Ballroom</p>	<p>Introduction Mark Cicchetti, CRRA, SURFA President</p> <p>Welcome address Andrew "Drew" Marsh Executive Vice President and Treasurer Entergy Corporation</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Thursday, April 4, 2019</p> <p>PANEL 1 The State of the Economy</p> <p>Course Level: Intermediate</p> <p>8:30 – 10:15 a.m. Orleans Ballroom</p>	<p>Moderator Jim Hempstead Managing Director, Global Project & Infrastructure Finance, Moody's Investor Services</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Thursday, April 4, 2019</p> <p>8:30 – 10:15 a.m. Orleans Ballroom</p>	<p>Presenter John Lonski, Managing Director – Moody's Analytics Chief Capital Market Economist</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Thursday, April 4, 2019</p> <p>10:15 – 10:30 a.m.</p>	<p style="text-align: center;">BREAK – Orleans Ballroom Foyer</p>



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Thursday April 4, 2019	PANEL 2	Moderator Ed Kaufman, CRRA Indiana Office of Utilities Consumer Counsel
	Establishing Alternative Proxy Groups	Panelists Randall Woolridge, Ph.D. Penn State University
	Course Level: Intermediate	Panelists Dylan D'Ascendis, CRRA ScottMadden, Inc.
	10:30 – 12:15 p.m. Orleans Ballroom	Panelists Greg Gordon, CFA Evercore ISI
	WORKING LUNCH	Orleans Ballroom Foyer
	12:15 – 2:00 p.m.	
	PANEL 3	Moderator Tommy Oliver, CRRA RGC Resources
	Wall Street's View of the Utility Industry	Panelists Greg Gordon, CFA Evercore ISI
Course Level: Intermediate	Panelists Mike Gaugler Janney Montgomery Scott	
2:00 – 4:00 p.m. Orleans Ballroom	Panelists John Kiani Cove Key Management LP	
5:30 – 8:30 p.m. Orleans Ballroom	RECEPTION & DINNER: Introduction: Mark Cicchetti, CRRA Keynote speaker: Branko Terzic, Managing Director, Berkeley Research Group LLC & former FERC Commissioner	
7:30 – 8:15 a.m.	SURFA Forum Registration and Breakfast	



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- Orleans Ballroom Foyer	
Friday, April 5, 2019 PANEL 4 FERC Methodology for Determining the Required Return on Equity Course Level: Intermediate 8:15 – 10:15 a.m. Orleans Ballroom	Moderator Rita Scuris, CFA Utilities Principal Finance Specialist Connecticut Public Utilities Regulatory Authority
	Panelists Robert Keyton FERC Randall Woolridge, Ph.D. Penn State University Mike Gorman Brubaker & Associates, Inc. Paul Hunt, Ph.D. Southern California Edison Company
10:15 – 10:30 a.m.	BREAK – Orleans Ballroom Foyer
PANEL 5: Securitization Course Level: Intermediate 10:30 – 12:00 p.m. Orleans Ballroom	Moderator Mark Cicchetti, CRRA Florida Public Service Commission
	Panelists Joe Fichera Saber Partners Jim Hempstead Moody’s Investor Services Steve McNeal Entergy Corporation



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Who Should Attend the 51st Financial Forum?

The SURFA Financial Forum offers a program that will interest accounting, finance and non-finance professionals with an interest in utility regulation, energy, water, and telecommunication issues including:

Utility Company Personnel	Commissioners
Investment Analysts	Commission Staff
Public Advocates	Accountants
Consultants	Attorneys

A corporate financial background and working knowledge of utility ratemaking is a prerequisite in order to receive CPE credit. There is no advanced preparation required. After completion of the Forum you should be able to:

- Identify key issues affecting the utility industry;
- Understand how certain cost of capital estimation methods work;
- How a utility's cost of capital affects investor perceptions;
- Identify recent developments in utility consolidation; and
- List current regulatory issues impacting the utility industry.

SURFA's History

The Society was founded in 1977 by a cross-section of financial analysts who recognized the need for increased dialogue on the subject of rate of return. SURFA, originally organized to study public utilities and their cost of capital, is now broader in scope. The Society focuses on the general concept of risk and its impact on the financial viability and market cost of capital for regulated entities. SURFA also sponsors the Certified Rate of Return Analyst (CRRA) program, an educational service covering cost of capital concepts. The Objectives of the Society are:

- To discuss and disseminate concepts and practices in the application of utility financial issues;
- To promote the education and understanding of rate of return analysis;
- To promote the highest level of ethics in the discharge of members' duties; and,
- To develop fellowship among members.

Membership Information

Financial forums are held annually in the spring. Membership includes regulators, regulated utility personnel, consultants, attorneys, academicians as well as other members of the financial community. Refer to the next page for further information on how to join SURFA.

Hotel Information

Bourbon Orleans Hotel
717 Orleans Street
New Orleans, LA 70116
504-523-2222 or 866-513-9744

**Daily Rates: \$161 (single) \$161 (double) plus tax
(for the dates of April 3, 4, 5)**

Prevailing Federal Per Diem rate will apply

Reserved rate **cut-off date is March 12, 2019**



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<https://reservations.travelclick.com/77701?groupID=1980294#/guestsandrooms>

SURFA Forum Refund and Complaint Resolution Policy

Forum fees are fully refundable if registration is cancelled by March 20. A \$50 fee will be charged for cancellations received March 10 through April 1. No refunds will be made for cancellations received after April 1. It is SURFA's policy to resolve questions and complaints with its members on a case-by-case basis. For more information on the refund policy, or if you have a complaint, please contact Mark Cicchetti, CRRA, President, at **850.508.4141** or Mark.Cicchetti@psc.state.fl.us.



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SURFA 51st Financial Forum April 4 & 5, 2019 REGISTRATION & MEMBERSHIP DUES

Registration for the 51st Forum & memberships is online only*

**IF YOU HAVE NOT PURCHASED / RENEWED YOUR MEMBERSHIP
YOU WILL HAVE THE OPPORTUNITY TO DO SO WHEN REGISTERING FOR THE FORUM**

Please visit <http://www.surfamembers.com> to register for the 51st Financial Forum.

Registration Fees (excluding \$100 membership dues)

SURFA Government Members	\$400 (Excludes membership dues)
If registering prior to March 12, 2019	\$370 (Excludes membership dues)
SURFA Corporate Members	\$500 (Excludes membership dues)
If registering prior to March 12, 2019	\$470 (Excludes membership dues)
Nonmembers	\$700

Multiple Registration Discount for Members

- Two SURFA members from the same organization may take a \$50 discount per person.
- Three or more SURFA members from the same organization may take a \$100 discount per person.

Membership Renewals & New Memberships

Please visit <http://www.surfamembers.com> to renew or become a member.

Membership Dues: \$100

Student Membership Dues: \$25

* Payment can be by credit card at our website (you will receive a receipt via email) or by check (you will receive an invoice via email). Please contact Rita Scuris at Rita.Scuris@ct.gov for check payment questions

<http://www.surfamembers.com>



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Continuing Education Credits

Certificate of Continuing Regulatory Education

For public and nonprofit sector employees, full attendance at the program will earn 20 credits toward a Certificate of Continuing Regulatory Education (CCRE) sponsored by the Institute of Public Utilities at Michigan State University and endorsed by the National Association of Regulatory Utility Commissioners. Credits may be earned for up to two programs hosted by the same professional organization and past attendance may be eligible. For program details, please visit www.ipu.msu.edu/CCRE or contact ipu@msu.edu.

CPE Credits

This Forum provides a general overview of financial, accounting and economic issues impacting regulated utilities and their cost of capital. Forum presentations are group-live and the course level is intermediate.

Prerequisite: Previous experience in utility ratemaking and regulatory proceedings or an understanding of the ratemaking process from an accounting, economic or financial perspective. There is no advanced preparation required. Forum participants can earn up to 10 CPE credits in fields of Regulatory Ethics, Finance and Economics.

The individual sessions CPE Credits, prerequisites and format are as listed on the next page

SURFA 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 the 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

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CPE Credits for the SURFA Forum:

Panel 1: A New Administration – The State of the Economy

Level: Intermediate
Time: 105 minutes (2 Credits)
Prerequisite: None
Field of Study: Economics - Technical
Delivery Method: Group Live

After the session, the participants are expected to know recent trends in interest rates and equity markets, as well as to be able to articulate the impact of interest rate changes on utilities' cash flow and cost of capital. The session will also enhance the participants' understanding of current and anticipated economic growth, of labor productivity, and of their impact on upcoming monetary policy decisions.

Panel 2: Establishing Alternative Proxy Groups

Level: Intermediate
Time: 105 minutes (2 Credits)
Prerequisite: A basic understanding of finance and regulation
Field of Study: Finance
Delivery Method: Group Live

After the session, participants should be familiar with key issues related to determining appropriate proxy groups for evaluating a regulated utility's required return on common equity. Participants should also be able to recognize the criteria necessary to properly evaluate risk and comparability between various publicly traded groups of companies.

Panel 3: Wall Street's View of the Utility Industry

Level: Intermediate
Time: 105 minutes (2 Credits)
Prerequisite: None
Field of Study: Finance
Delivery Method: Group Live

After the session, the participants will understand the investment evaluation process better in that participants will hear what factors go into the investment evaluation process. In addition, participants will understand the Wall Street analyst's views of the



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risks facing the utility sector and how such risks may impact the value and cost of capital of utilities.

Panel 4: FERC Methodology for Determining the Required Return on Equity

Level: Intermediate
Time: 105 minutes (2 Credits)
Prerequisite: A basic understanding of finance and regulation
Field of Study: Finance
Delivery Method: Group Live

After the session, participants are expected to know FERC's current methodology for analyzing the required return on common equity. The panel will enhance the participants ability to understand the cost of capital from the perspective of the FERC.

Panel 5: Securitization

Level: Intermediate
Time: 130 minutes (2.5 Credits)
Prerequisite: A basic understanding of finance and regulation
Field of Study: Finance and regulation.
Delivery Method: Group Live

After the session, participants should be aware of the intricacies associated with issuing securitized bonds from a financial and regulatory perspective. The panel will enhance participants understanding of the legal, financial, and regulatory hurdles that must be met to successfully issue securitized bonds.

Total Credits available for completing all sessions is 10.5 (Economics 4.0 and Finance 6.5).

In accordance with the standards of the National Registry of CPE Sponsors, CPE credits will be granted based on a 50-minute hour

CPE Credit eligibility requires you to sign-in and sign-out for each session. This must be done at the administrative table, which is monitored.

Following successful participation in the SURFA financial forum that is properly documented, you will be issued a certificate of completion.