



Center  
for Public  
Utilities

# THE BASICS

PRACTICAL  
REGULATORY  
TRAINING

ELECTRIC INDUSTRY

HYBRID EVENT

MAY 15-19, 2023

SHERATON UPTOWN • ALBUQUERQUE, NM  
LIVE ONLINE VIA ZOOM

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

- Industry Technology, Structure, and Regulation
- Revenue Requirements
- Class Cost-of-Service
- Rate Design
- Renewable Energy
- EV's, Green Tariffs, & Zero Carbon Resources
- Rate Case Procedures

REGISTER  
ONLINE!

[cpu.nmsu.edu](http://cpu.nmsu.edu)

ENDORSED BY:



The National Association  
of Regulatory Utility  
Commissioners



PLEASE NOTE: This course will not be recorded.

# COURSE AGENDA

**PLEASE NOTE:** This course will not be recorded. Electronic copies of the course material will be provided.  
**In-person attendees:** Bring a device to work in-class problems and follow along with the presentation.

## MONDAY, MAY 15

6:30 a.m. **REGISTRATION BEGINS**

8:00 – 10:00 **INTRODUCTION TO THE TECHNOLOGY INSTITUTIONS AND HISTORY OF THE ELECTRIC INDUSTRY**  
**INSTRUCTOR: Larry Blank/Cindy Blume**

- Electricity, Generation Technologies, Network Components
- System Operations, Ancillary Services & Interconnected Utilities
- The Basic Structure of Electric Utility Regulation
- Key Federal Statutes Affecting the Industry and FERC Orders 888 & 2000
- Wholesale & Retail Restructuring – Regional Differences in Industry Structure
- Distribution-Only Utilities vs. Vertically Integrated Utilities

10:15 – 11:45 **INTRODUCTION** (continued)  
**INSTRUCTOR: Blank/Blume**

1:00 – 3:00 **OVERVIEW OF REVENUE REQUIREMENTS**  
**INSTRUCTORS: Gary Duncan/Bill Steele**

- Components of Revenue Requirements – Rate Base, Expenses, Taxes, Depreciation and Net Operating Income
- The Components of the Weighted Average Cost of Capital/ Overall Rate of Return (ROR)
- What triggers a Rate Case and who are the Players?
- The Book Data, Uniform System of Accounts & FERC Form 1
- Adjusted Test-Year Revenue Requirements at Present and Proposed Rates

3:15 – 5:15 **OVERVIEW OF REVENUE REQUIREMENTS** (continued)  
**INSTRUCTORS: Gary Duncan/Bill Steele**

5:30 – 7:00 **WELCOME RECEPTION**

## TUESDAY, MAY 16

8:00 – 12:00 **REVENUE REQUIREMENTS PROBLEM**  
**INSTRUCTORS: Duncan/Gegax/Steele**

1:00 – 2:15 **REVENUE REQUIREMENTS PROBLEM** (continued)  
**INSTRUCTORS: Duncan/Gegax/Steele**

2:30– 5:15 **OVERVIEW CLASS COST OF SERVICE STUDIES**  
**INSTRUCTORS: Doug Gegax/Bill Steele**

- Average Demand
- Coincidental Peak Demand (1CP, 3CP, 4CP, 12CP)
- Non-Coincidental Peak Demand
- Average–Excess Demand
- Non-Fuel and Fuel Base Revenues
- Cost Functionalization
- Cost Classification
- Cost Allocation at Equalized ROR
- Cost Allocation with Class Rate Increase Constraints/Bands

## WEDNESDAY, MAY 17

8:00 – 11:00 **OVERVIEW OF CCOS STUDIES** (continued)  
**INSTRUCTORS: Gegax/Steele**

11:00 – 12:00 **RATE DESIGN**  
**INSTRUCTOR: Larry Blank**

- Development of Base Rates for Different Customer Classes
- Billing Determinants • Customer, Energy and Demand Charges
- Block Rate Design • Time-of-Use Rates

1:00 – 7:00 **TRIP TO NEW MEXICO'S STATE CAPITAL - SANTA FE, NM**

## THURSDAY, MAY 18

8:00 – 12:00 **RATE DESIGN** (continued)  
**INSTRUCTOR: Larry Blank**

- Interruptible Rates • Demand Response Options
- Demand Ratchets • Riders & Trackers
- Terms & Conditions of Service and Non-Base Rates

1:00 – 4:00 **RENEWABLE ENERGY AND REGULATORY POLICY**  
**INSTRUCTORS: Joan E. Drake/Ed Rilko**

- Types of Renewable Generation Technologies
- Utility Scale: Power Purchase Agreements, Rate Base Investments
- Renewable Portfolio Standards & Renewable Energy Credits
- Storage • Electric Vehicle (EV) Charging Tariffs • Green Tariffs
- Voluntary Renewable Programs • Community Solar
- Distributed Generation • Net Metering
- Regulatory Treatment of Small Net Metering Customers: Cost Allocation & Rate Design Issues

4:00 - 5:00 **RESOURCE PLANNING TOWARD ZERO CARBON**  
**INSTRUCTOR: Bruno Carrara**

5:30 – 7:00 **FAREWELL SOCIAL**

## FRIDAY, MAY 19

(Combined Session for LDC and Electric)

8:00 – 12:00 **STEP-BY-STEP PROCESS AND PROCEDURES OF A RATE CASE**  
**INSTRUCTORS: Larry Blank/Cydney Beadles**

- 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 and Ex Parte Communication

**TOPICS AND/OR INSTRUCTORS SUBJECT TO CHANGE**

**ALL TIMES ARE SHOWN IN MOUNTAIN TIME ZONE**

## WHO SHOULD ATTEND

Attendees with less than one year's experience in the regulatory arena and anyone wishing to obtain a basic understanding of the principles involved should attend this course. Commissioners, economists, rate analysts, accountants, attorneys, engineers, public information officers, administrative law judges, consultants, and consumer advocates will all benefit from the basic skills acquired in this course.

## WHY SHOULD EMPLOYEES ATTEND THIS RATEMAKING COURSE

The issues confronting Electric and Natural Gas Industries can be very complex and confusing to the employee with newly acquired responsibilities in the area of rates and regulation. These two separate courses will give attendees practical analytical skills needed to understand the topics covered as well as an integrated framework showing how they fit together. Through a combination of lectures, discussion and integrated problems, these courses will give the attendees the analytical skills necessary to be more productive in the changing utility environment.

Each week-long course covers the basics of industry technology, industry structure and regulation, revenue requirements, cost allocation, rate design and rate-case procedures. The electric course is applicable to both vertically integrated utilities, as well as distribution-only electric companies, and the natural gas course is focused on local distribution companies (LDCs).

## FACULTY

The Center for Public Utilities is fortunate to have outstanding course instructors, with each having many years of practical experience in the regulatory arena. Not only are these instructors experts in their fields, they have extensive teaching experience and are extremely approachable. Many of these instructors have been with the Center for Public Utilities for over 16 years. The CPU course instructors work collectively as a team and are continually re-evaluating and refining their individual set of materials as well as the overall organization and flow of the entire course. Each member is fully aware of how their own set of materials fits into the overall picture of the course. In this way, each of the week-long courses is truly integrated, which results in the best possible product for the attendees.

**Larry Blank**, Associate Director, CPU, New Mexico State University

**Cydney Beadles**, Senior Staff Attorney, Western Resource Advocates

**Cindy Blume**, Director, Center for Public Utilities

**Bruno Carrara**, PE, NM PRC Utility Division Director & EE Bureau Chief, Retired

**Joan E. Drake**, Attorney, Modrall Sperling

**Gary Duncan**, Program Manager - Revenue Requirements, Montana Public Service Commission

**Doug Gegax**, Director Emeritus, CPU, New Mexico State University

**Ed Rilkoff**, Utility Division Director, New Mexico Public Regulation Commission

**Bill Steele**, Consultant, Steele & Associates LLC

The Center for Public Utilities (CPU) has been housed in the College of Business at New Mexico State University (NMSU) and has been conducting training courses since 1978. The National Association of Regulatory Utility Commissioners (NARUC) officially sanctions the programs offered by the CPU. 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 Electric, Natural Gas LDC, Natural Gas Pipeline 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, Telecommunications and Water Industries;
- Is completely self-funded through the conference fees it charges for its programs and by industry sponsorships;
- Averages about 450 conference attendees per year, who come from all 50 states as well as many foreign countries.



## **CPU STAFF:**

### ***CINDY BLUME***

**CPU Director & Assistant Professor**

**CONTACT INFORMATION:** [cblume@nmsu.edu](mailto:cblume@nmsu.edu), (575) 646-4876

### ***LARRY BLANK***

**Professor, Department of Economics, NMSU; Associate Director, CPU**

Larry Blank has over 20 years of practical field experience in the area of public utility policy and regulation. He is currently an Associate Professor in the Department of Economics, and Associate Director with the Center for Public Utilities, at New Mexico State University. Larry teaches graduate and undergraduate economics and public utility classes at NMSU. He previously served as the Manager of Regulatory Policy & Market Analysis with the Public Utilities Commission of Nevada (PUCN) and as an Economist with the National Regulatory Research Institute. As a consultant, Larry has served government agencies, utility companies, and utility customer clients. He has helped draft extensive rules and regulations and has served as an expert in over 150 rate cases.

**CONTACT INFORMATION:** [Larryb@nmsu.edu](mailto:Larryb@nmsu.edu), (575) 642-6148

### ***DOUG GEGAX***

**Professor Emeritus, Department of Economics, NMSU**

Doug Gegax is Professor Emeritus in the Department of Economics at New Mexico State University – where he started working in 1984. Doug also served as the CPU's Director until July, 2021. He has over 30 years of extensive experience in the areas of revenue requirements, cost-of-service analysis and rate design as well as integrated resource planning, market structure analysis and electricity restructuring. Doug has provided written and oral testimony for federal and state regulatory agencies, as well as legislative committees, on topics such as electric industry restructuring, cost-of-service analysis and rate design.

**CONTACT INFORMATION:** [dgegax@nmsu.edu](mailto:dgegax@nmsu.edu), (575) 993-9865

# CENTER FOR PUBLIC UTILITIES SPONSORS

The CPU Sponsors provide invaluable support to the Center. A Center Sponsor assists in covering expenses associated with conducting courses and conferences. As a sponsor, a designee of their company becomes a member of the CPU Advisory Council; and, they are given the opportunity to provide input on the topics and agenda for the Current Issues conference. If you are interested in becoming a Center Sponsor or would like more information, please contact Jeanette Walter at [jeawalte@nmsu.edu](mailto:jeawalte@nmsu.edu)

## WE WISH TO THANK OUR CENTER SPONSORS LISTED BELOW.

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Xcel Energy

## HOTEL INFORMATION

### SHERATON UPTOWN ALBUQUERQUE 2600 LOUISIANA, NE, ALBUQUERQUE, NM

#### CONFERENCE HOTEL RATES (includes full breakfast):

- \$190 single and \$205 double.
- Reservations cut-off date: April 15, 2023

#### HOTEL RESERVATIONS:

- CENTRAL RESERVATIONS • 1-800-325-3535
- You must mention the NMSU Public Utility Basics  
— or —

A direct link to the Sheraton Uptown's Conference Rate can be found on the CPU website at:

<http://cpu.nmsu.edu> under "Upcoming Regulatory Courses" or follow this link:

<https://www.marriott.com/event-reservations/reservation-link.mi?id=1671744663198&key=GRP&app=resvlink>

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 canceled. Reservations may be canceled up to 48 hours prior to arrival without penalty.



**Sheraton**<sup>®</sup>  
**Albuquerque**  
UPTOWN

# GENERAL INFORMATION

**TRANSPORTATION:** Albuquerque International Sunport ("ABQ") is approximately 9 miles from the Sheraton Uptown. Taxis, rental cars, and ride shares are available at the airport.

## COST:

- Company Representatives: **\$1,395**
- Center Sponsors and Government Agencies: **\$1,195**

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.

**CLE and CPE CREDIT:** It is the responsibility of the individual to apply 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. Each individual planning to apply for CLE or CPE credits should contact their state board individually prior to the course and notify the CPU if there are special requirements.

## REGISTRATION MUST BE MADE IN ADVANCE:

Registration and payment online is preferred. To reserve a space choose one of the following:

- Online: [cpu.nmsu.edu](http://cpu.nmsu.edu) or <https://cpunmsu.irisregistration.com/Form/basicsMay23>
- Call 575.646.4876
- Email registration form to Cindy Blume at [cblume@nmsu.edu](mailto:cblume@nmsu.edu)
- Mail in completed registration form to the address on the form.

**CANCELLATIONS:** Full registration fee refund if notification of cancellation is received before access to course materials are made available. No refunds, registration transfers, or substitutions after access to materials are made available.

## FOR MORE INFORMATION CONTACT THE CPU AT:

Cindy Blume at [cblume@nmsu.edu](mailto:cblume@nmsu.edu) - Call or text Cindy at 575-644-0458  
Email: [cpustaff@nmsu.edu](mailto:cpustaff@nmsu.edu) - Call 575-646-4876

**May 15-19, 2023**

Electronic copies of the material will be provided before the course.  
IN-PERSON: A laptop or similar device is recommended for this course.

Name \_\_\_\_\_

Name on Badge \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

Payment enclosed  PO # \_\_\_\_\_

MC  Visa

Discover  American Express

CC # \_\_\_\_\_ Exp \_\_\_\_\_

I will attend the electric industry course via:

In-person  Live online via Zoom

## REGISTRATION FEE:

- \$1,395: Company Representative
- \$1,195: Center Sponsors and Government Agencies

## ONLINE:

<https://cpunmsu.irisregistration.com/Form/basicsMay23>

NMSU accepts Master Card, Visa, American Express, & Discover

**BY CHECK:** Payable to: NEW MEXICO STATE UNIVERSITY

## MAIL CHECK TO:

NMSU Center for Public Utilities  
MSC- 3MPD  
P.O. Box 30001  
Las Cruces, NM 88003-8001

## ONLINE BY CHECK:

### ACH Payments:

<https://cpunmsu.irisregistration.com/Form/basicsMay23>