Scope and Purpose: Regulation touches nearly every aspect of the natural gas industry. This course is designed to explore the practice and policy of Federal and state regulation of the industry and provide practical guidance for developing rate practices by exploring the economic, financial, and accounting issues raised in ratemaking along with the planning, procurement, and pricing issues. Students will leave with a better understanding of the ratemaking process and practical tips for addressing issues raised in ratemaking.

Conference Location: University of Chicago, Gleacher Center, 450 North Cityfront Plaza, Chicago, Illinois. The Gleacher Center is located just north of the Chicago River and one block east of North Michigan Avenue. Dress code is business casual.

Who should attend? The rates school is ideal for new rates analysts at utilities and public service commissions, those who need a refresher or an introduction to natural gas ratemaking, and managers who want to understand the pricing of public utility services.

Registration: To register please visit the Center’s homepage at www.uis.edu/cbam/cbr and click on the 2015 AGA Rates School link.

Registration Fees: $1,350 for AGA member companies and $1,620 for non-members. Registration fee includes tuition, daily breakfast and lunch, opening welcome reception on Monday evening, course materials, and access to Wi-Fi.

Cancellations: Prior to July 1, 2015 cancellations can be made at no charge by contacting the Center for Business and Regulation. After July 1, 2015 cancellations are subject to a $100 processing fee. No cancellations can be accepted after July 20, 2015. Substitutes are encouraged and will be accepted at any time prior to the event by contacting CBR. If the program is not held for any reason CBR’s liability is limited to a refund of registration fees.

Accommodations: Participants are responsible for their own accommodations.

Continuing Professional Education (CPE): credits are available for attendance at this AGA event. In accordance with the standards of the National Registry of CPE Sponsors and based on the preliminary agenda, 30 hours of CPE credits are available.

For more information please visit the Center for Business and Regulation web site: www.uis.edu/cbam/cbr
Monday July 27, 2015

7:30 am Registration and Continental Breakfast

8:15 am Overview of the Course
Karl McDermott, Director
Center for Business and Regulation

8:30 am Legal Foundations of Regulation
John Rooney, Partner
Rooney, Rippie & Ratnaswamy, LLP, Chicago

9:30 am Accounting Issues
Joel Berk, Director
Financial Accounting Institute

- Basic utility accounting concepts and transactions
- Sample transaction worksheet
- Financial statement preparation

10:30 am Morning Break

10:45 am Accounting Issues (continued)

12:30 pm Lunch

1:45 pm Regulation and Rate-making
Amy E. Watson, President
Watson & Associates

- Characteristics of regulated companies and regulatory bodies
- Rate-making objectives and formulas
- Revenue requirement concepts

3:00 pm Afternoon Break

3:15 pm Workshop on Cost of Service Issues
Amy E. Watson, President
Watson & Associates

- Determining Revenue Requirement
- Typical Rate Case Adjustments
- Class Exercises

4:45 pm Introduction to Pipeline and LDC Case Studies
Russ Feingold, Vice President
Black & Veatch
Rick Smead, Managing Director, Advisory Services
RBN Energy LLC

5:00 pm Welcome Reception
Midway Club, Fifth Floor, Gleacher Center

6:00 pm Dinner
On your own

Tuesday July 28, 2015

7:30 am Continental Breakfast

8:15 am Utility Pricing Fundamentals
Carl Peterson, Faculty
Center for Business and Regulation

Karl McDermott, Director
Center for Business and Regulation

- Characteristics of good pricing
- Costing and pricing principles
- Price elasticity

10:00 am Morning Break

10:15 am Risk and Rate of Return
Karl McDermott, Director
Center for Business and Regulation

- Cost of capital
- Capital structure
- Return on equity calculations

12:15 pm Lunch

1:30 pm Traditional and Unbundled LDC Cost of Service and Rate Design
Russ Feingold, Vice President
Black & Veatch

- The LDC rate design process
- Costing allocation concepts and principles
- Traditional and unbundled rate design
- PGAs and other adjustment mechanisms

3:15 pm Afternoon Break

3:30 pm Pipeline Rate Design
Rick Smead, Managing Director, Advisory Services
RBN Energy LLC

- Pipeline Cost allocation
- Straight-fixed variable rate design
- Interruptible rate design issues

5:00 pm Dinner
On your own

Wednesday July 29, 2015

7:30 am Continental Breakfast

8:15 am Case Study Presentations
Russ Feingold, Vice President
Black & Veatch
Rick Smead, Managing Director, Advisory Services
RBN Energy LLC

- Illustrative rate case issues
- Positions of parties to case
- Practical ratemaking solutions

10:15 am Morning Break
Course of Study

Regulation
Regulation touches nearly every aspect of the natural gas industry. This course will consider the policy and practice of state and federal regulation of the industry and the legal foundation upon which the regulatory process is based.

Finance and Accounting
Regulation depends crucially on accounting and finance to determine reasonable profits and rates. This course will provide the student with a basic understanding of the key principles utilized to determine a utility’s total revenue requirement, including the assessment of business risk and the determination of a utility’s rate of return on equity.

Economics
Economic theory provides the basic foundation for the utility ratemaking process. This course covers the basic concepts and the applications of those concepts to utility ratemaking.

Gas Supply Planning and Procurement
The planning and acquisition of gas supplies by a local distribution utility continues to play a key role in serving the requirements of both its sales and transportation service customers. This session will cover the fundamentals of gas supply planning and procurement, including planning objectives, demand forecasting, resource portfolio concepts, hedging techniques, and capacity resource optimization.

Innovative Costing and Ratemaking
The natural gas distribution industry is facing a fundamental change in the consumption pattern of consumers. Revenue stability, proper pricing signals, service unbundling alternatives, and the costing/ratemaking methods used by natural gas utilities will be explored in depth.

Energy Efficiency and Conservation
With the dramatic increase in natural gas prices in the past decade, regulators, consumers, and utilities are exploring ways to promote efficient consumption choices. This section of the course will explore ways to efficiently promote conservation efforts that align the interests of consumers and natural gas utilities.

Interactive Case Studies
The case studies provide an opportunity for team problem solving activities addressing the key ratemaking issues, the positions of parties, the nature of the evidentiary content, practical ratemaking solutions, and the regulatory process. Two separate case studies will be presented with students having the opportunity to select the case study that best complements their current work responsibilities.

Thursday July 30, 2015

8:15 am Continental Breakfast
9:00 am Panel Discussion: Future Developments in the Natural Gas Industry
Moderator:
Karl McDermott, Director
Center for Business and Regulation

Panelists:
Brad Burton, Manager of Federal Regulatory Affairs
Questar Gas Company
Gary Smith, Director-Rates and Regulatory Affairs
Atmos Energy Corporation
Kristin Munsch, Director of Policy and Senior Attorney
Illinois Citizens Utility Board

10:15 am Morning Break
10:30 am Panel Discussion: Future Developments in the Natural Gas Industry (continued)

11:45 am Concluding Remarks
Karl McDermott, Director
Center for Business and Regulation
Carl Peterson, Faculty
Center for Business and Regulation

12:00 pm Box Lunch and Adjournment

Interactive Case Studies
Two separate case studies will be presented with students having the opportunity to select the case study that best complements their current work responsibilities.