

NORTHEAST PUBLIC POWER  
ASSOCIATION

# PUBLIC UTILITY ACCOUNTING



**JUNE 17- 18, 2024**

**2-Day In-Person Course from APPA**

**Location: NEPPA Training Center  
200 New Estate Road  
Littleton, MA 01460**



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17 - 18

NORTHEAST PUBLIC POWER ASSOCIATION

# PUBLIC UTILITY ACCOUNTING

## **Public Utility Accounting** *from American Public Power Association (APPA)*

### **Course Dates:**

Monday, June 17, 2024 to Tuesday, June 18, 2024

### **Course Hours**

8:30 am – 3:30 pm

### **Location**

NEPPA Training Center  
200 New Estate Road  
Littleton, MA 01460

### **Course Level & Prerequisites**

Basic: This course does not have prerequisites, nor does it require advance preparation.

### **Who Should Attend**

This course is designed for personnel who are new to utility accounting practices or unfamiliar with the FERC accounting structure. It is also for experienced accountants, management, technical personnel and policymakers looking to understand how accounting processes impact employees and operations will also benefit.

- Auditors
- Accounting Managers
- Billing/Accounting Clerks





## Course Overview

Electric utility accounting isn't taught in schools, yet the industry has numerous unique factors that affect how to handle its finances. Especially if you are new to the industry, you might be looking for information to help you in your day-to-day work, and in particular, will want to know about the Federal Energy Regulatory Commission's Uniform System of Accounts, or USoA.

Join this course to learn the basics of how the electric utility business works, get a grasp on the ins-and-outs of FERC accounting, and review practical examples of how you can use the FERC USoA. Get up-to-speed on how to use the language of the FERC USoA for accounting, how the system is organized, and how it can serve as a reference guide for your work.

This course uses a combination of instructor presentations, videos, practical exercises, discussions, and quizzes to reinforce the lessons and appeal to a variety of learning styles.

## Supplemental Materials

Attendees will receive a copy of APPA's Public Utility Accounting Guidebook publication.

## Course Topics

- Electricity basics and costs
- How the electric utility business is organized
- Introduction to the FERC Uniform System of Accounts
- Similarities and differences between governmental accounting standards board (GASB) and the FERC Uniform System of Accounts (USoA)
- Detailed walk-through and examples of the FERC Uniform System of Accounts – Assets, Liabilities, Revenues, and Expenses
- Capital vs. maintenance (and why it matters)
- Fixed asset accounting
- Recording labor costs
- A year in the life of a utility accountant (classifying invoices and building financial statements)
- Building financial statements
- Conducting financial analysis
- Determining when your utility needs to increase rates





## Learning Outcomes

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

- Discuss the basics of the electric business and the fundamentals of how electric utility accounting works.
- Define the accountant's role as a service provider to internal and external customers and describe how those customers use the data provided
- Correctly explain the structure and usage of the FERC Uniform System of Accounts and how it tells the story of your utility.
- Accurately differentiate between the FERC balance sheet, revenue and expense accounts and describe how these fit the utility business model.
- Define the key concepts and basic tools of utility construction accounting.
- Explain how to build and analyze a financial statement.
- Discuss the process for evaluating financial results and potential rate increases.

## About the Instructors

### Russ Hissom, CPA



Russ is a consultant for Baker Tilly and principal of Utility Accounting & Rates Specialists. Russ has over 35 years of power and utilities, accounting and finance experience. He provides utility accounting, cost of service, rates, financial analysis consulting, and expert witness testimony for rate cases and accounting matters. His goal is to help your organization deliver effective and reliable utility services to your customers by maximizing the efficiencies in your accounting, rates, and business processes. He has authored dozens of articles on power and utilities accounting and rates issues and co-authored industry financial and governance-related textbooks.

Russ is an instructor for several APPA Academy courses and a frequent speaker at national industry conferences.

### Bethany Ryers, CPA, MAS



Bethany is a Partner in Baker Tilly's energy practice with a focus on assurance and advisory services for power and utility organizations. Bethany has helped some of the country's largest public power systems implement the latest governmental accounting standards. She is involved with a number of state electric, water and wastewater organizations and is also a member of the American Institute of Certified Public Accountants (AICPA) and several state accounting associations. Bethany is co-author of the APPA Advanced Public Utility Accounting publication and is a frequent speaker at industry events.



## Agenda

*Agenda subject to change.*

### **Day 1: Monday, June 17**

- 8:30 a.m. Introduction
- Instructor and participant introductions
  - Course overview and expectations
  - Learning objectives
- 8:45 a.m. Sections 1-5
- How does electricity get to my home and business?
  - What does it cost when you turn on the lights?
  - How the electric business is organized
  - Information users
- 9:45 a.m. Break
- 10 a.m. Sections 6-8
- Introduction to FERC Uniform System of Accounts
  - Similarities and differences between GASB and FERC
  - Why numbers matter: FERC chart of accounts
  - FERC USoA definitions and terms
- 11:30 a.m. Lunch
- Noon Sections 9-10
- Assets: walk through of major asset accounts, definitions, and uses
  - Assets - plant in service: overview of FERC accounts for capital assets)
- 1:30 p.m. Break
- 1:45 p.m. Sections 11-12
- Capital vs. maintenance: why capital maintenance accounting is important and how it impacts customer rates
  - Fixed asset accounting: basic construction accounting, how information flows from source records
- 2:45 p.m. Sections 13-14
- Fixed asset accounting: materials management & inventory
  - Assets and your balance sheet: showing how assets are classified on a financial statement
- 3:15 p.m. Recap and Q&A
- 3:30 p.m. Adjourn for the Day

**Day 2: Tuesday, June 18**

- 8:30 a.m. Sections 1-3
- Overview of Day 2 topics
  - Liabilities: Walk through of liability accounts, definitions, and uses
  - Revenues: Walk through of revenue accounts, definitions, and uses
  - Expenses: Overview of expense categories
- 9:45 a.m. Break
- 10:00 a.m. Sections 4-5
- Expenses
  - Discussion of each expense category and how they are used
  - Discussion of how labor is charged
- 11:30 a.m. Lunch
- 12 Noon Sections 6-8
- A year in the life of a public power accountant
  - Classify invoices
  - Build the balance sheet and income statement
  - What are the cash flows of the utility?
- 1:30 p.m. Break
- 1:45 p.m. Sections 9-11
- A year in the life of a public power accountant (*continued*)
  - Financial analysis of the utility
  - How much of a rate increase is needed
  - The final exam
- 3:15 p.m. Recap, Q&A, Course Evaluation
- 3:30 p.m. Course Adjourns

**Registration**

Registration fees include coffee and lunch each day. If you have any dietary or other restrictions, please note them on your registration.

**Members \$ 925**

**Non-Members \$1,850**

Cancellations are accepted until Monday, June 3, 2024 (two weeks prior to the start of the class). Substitutions may be made at any time prior to the start of the class.

