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Public Utility Symposium

September 26, 2007

The Good, The Bad, and The Future: A Review of the Rate-Making Process



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Facilitates innovation, understanding, and education in public utility policy issues

The Good, The Bad, and The Future:

A Review of the Rate-Making Process

Rate-making remains a major influence on the business strategies and operations of U.S. public utilities. Regulators want a rate adjustment process that is deliberate while being fair to all parties. Industry emphasize that the process should allow for a rate of return that is sufficient to attract new capital, satisfy operating costs, and allow for new infrastructure investment. Consumers emphasize the importance of affordability and quality of service in any decisions regarding rate adjustment. Rapidly changing demographic and technological factors further add to the challenges of designing a responsive and fair regulatory process.

The 2007 Symposium examines three important issues related to the public utility rate-making process. The first is an assessment of the current process. Included in this discussion will be a review of what constitutes an effective regulatory process, what elements of the current process is working well, and what aspects require change. The second issue focuses on what might constitute an alternative to or a correction of the current rate-making process that has the potential to facilitate capital flow for industry infrastructure modernization, enhance regulatory responsiveness, and improve overall customer satisfaction. The final issue is an analysis of present trends in rate-making and speculation of what the future might hold for utility rate-making.

Join us for a full day of discussion and debate as we review the good, the bad and the future of the rate-making process.



Dr. Steve Ferris
Dr. Stephen Ferris
Director, FRI

Symposium Program

REGISTRATION 8:30 a.m. – 9:30 a.m.

WELCOME 9:30 a.m. – 9:45 a.m.

Dr. Stephen Ferris, Professor of Finance, James Harvey Rogers Chair of Money, Credit and Banking, and Director of the Financial Research Institute, University of Missouri – Columbia

Commissioner Michael Moffet, Kansas Corporation Commission

Dr. Bruce J. Walker, Lansford Professor of Leadership and Dean, College of Business, University of Missouri – Columbia

Jim Jenkins, Vice President, Finance, American Water Central Region and Chair, Financial Research Institute Advisory Board



Stephen Ferris



Michael Moffet



Bruce J. Walker



Jim Jenkins

MORNING ADDRESS 9:45 a.m. – 10:20 a.m.

Purpose Driven Rate-Making: What Are We Trying To Accomplish?



Commissioner **Jim Kerr** has served the North Carolina Utilities Commission since 2001 following his partnership in the law firm Smith, Anderson, Bount, Dorsett, Mitchell & Jernigan. He is also the NARUC President through 2007 and is a member of its Executive Committee, Board of Directors, and Electricity Committee.

PANEL DISCUSSION I 10:30 a.m. - 11:45 a.m.

Assessing the Rate-Making Process



The discussion reviews what constitutes an effective regulatory process, what elements of the current process are working well, and what aspects require change.

Moderator: **Chairman John Norris**,
Iowa Utilities Board

Panelists:

Commissioner **Daryl Bassett**,
Arkansas Public Service Commission

Ken Costello, Senior Institute Economist, National Regulatory
Research Institute, The Ohio State University

Paul Foran, Vice President - Regulatory Programs,
American Water

Paul Freemont, Managing Director, Jefferies & Company

Tom Schroedter, Executive Director, Oklahoma Industrial
Energy Consumers and Attorney, Hall Estill



Daryl Bassett



Ken Costello



Paul Freemont



Tom Schroedter

Luncheon and Comments 12:00 p.m. – 1:15 p.m.

Rate-Making During and After Global Climate Change Legislation



Mr. **David L Sokol** is chairman and chief executive officer of MidAmerican Energy Holdings Company. MidAmerican has \$36 billion in assets and is a subsidiary of Berkshire Hathaway. He earned his Bachelor of Science degree in civil engineering from the University of Nebraska, Omaha and holds an honorary doctorate degree from Bellevue University, Bellevue, Nebraska.

PANEL DISCUSSION II: 1:15 p.m. – 2:30 p.m.

Alternatives and Changes to the Rate-Making Process



This panel focuses on what might constitute an alternative to the existing rate-making process and what kind of changes would improve responsiveness, fairness and effectiveness in utility rate-making.

Moderator: Commissioner **Denise Bode**,
Oklahoma Corporation Commission

Panelists:

Commissioner **Larry Landis**,
Indiana Utility Regulatory Commission

Steve Fetter, President, Regulation UnFettered

Joe McGoldrick, Senior Vice President – Finance and
Regulatory Affairs, CenterPoint Energy

Dr. Karl McDermott, Vice President, National Economic
Research Association

Harold McLean, Florida Consumer Advocate (retired 2006)



Larry Landis



Steve Fetter



Joe McGoldrick



Karl McDermott

PANEL DISCUSSION III: 2:45 p.m. – 4:00 p.m.

Current Trends and Future Promise



This panel describes current trends in rate-making, the implication of demographic and technological forces on rate-making, and what rate-making might be like in the future.

Moderator: Chairman **Jeff Davis**,
Missouri Public Service Commission

Panelists:

Commissioner **Robert Lieberman**, Illinois Commerce Commission

Brent Gale, Senior Vice President, Regulation and
Legislation, MidAmerican Energy Holdings Company

Robert Hornick, Senior Vice President US Power and Gas,
Fitch Ratings

Mark Newton Lowry, PhD Partner, Pacific Economics Group

John Perkins, Iowa Consumer Advocate



Robert Lieberman



Mark Newton Lowry



John Perkins

CLOSING COMMENTS: 4:00 p.m. – 4:15 p.m.

Commissioner **Michael Moffet**
Jim Jenkins, FRI Advisory Board Chair

For More Information:

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573.882.3800

williamstif@missouri.edu

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Name: _____
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To receive the early registration discount you must register by July 31, 2007.

Standard registration fee applies to registration received on or after August 1, 2007.

	Early Registration By July 31, 2007	Standard After August 1, 2007
Corporate Participants:	\$180	\$200
Commission, State Employees, and Academics:	\$100	\$110

Total Registration Fee: _____

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573-884-0674

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Complete the attached registration form and mail with payment to:

FRI
404 Cornell Hall
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Columbia, MO 65211-2600

No refunds issued after August 31, 2007.

Accommodation

A limited number of rooms have been reserved at the Holiday Inn Executive Center at a special rate.

When booking mention "FRI." Book early!

Holiday Inn, 2200 I-70 Drive SW, Columbia, MO.

Reservations 1-888-465-4329

<http://www.ichotelsgroup.com>

Parking

Parking is included in the registration fee and is available at Turner Avenue Parking Garage (directly across from the Reynolds Alumni Center). A parking pass will be mailed to you in September.

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