



SAVE THE DATE!

32ND ANNUAL CONFERENCE & TRAINING IN PHILADELPHIA

SEPTEMBER 15 – 20

Wyndham Philadelphia

Historical District

Philadelphia, PA

MESSAGE FROM THE INCOMING PRESIDENT

Greetings! I hope you have been enjoying yourself and are ready for the upcoming Holidays. I want to thank those members who were able to attend the 2018 SDP Conference and Training in Indianapolis. We had near-record attendance at the Conference, and for the first time in SDP history, over 100 trainees attended the training sessions. I hope that you all found the speakers and topics as enjoyable as I did. And for those who attended the extended training sessions, I expect that you found the material to be thorough and educational, providing you with a better understanding of this complex world of depreciation that we are all involved with.

We are living in exciting and interesting times that will bring major changes to each of the industries to which our membership belongs. The impact of technological changes, aging infrastructure, environmental issues, and business changes will continue to result in challenges and opportunities for the electric, gas, water, railroad and telecommunications industries. To shed some light on these issues, the SDP Board of Directors has been discussing bringing back SDP Publications, including the Current Issues Letter and the SDP Journal. If anyone has any ideas for topics or would like to contribute an article, please contact me at president@depr.org.

I'm excited for the coming year and to serve as your President. As we announced in Indianapolis, the 2019 Conference and Training will be in Philadelphia, PA, September 15-20. I am confident that our incoming Vice-President, Amber De Lucenay, will assemble an outstanding collection of speakers to deliver key insight on a variety of interesting topics. If you would like to suggest a topic or speaker, please reach out to Amber at admin@depr.org.

I look forward to seeing many friends and colleagues, and making new ones, at the 2019 Conference and Training in Philadelphia. I hope you will be there.

Thank you for your continued support of the Society and for your help in making our organization successful!

Sincerely,
Brian Andrews, CDP
president@depr.org

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WYNDHAM PHILADELPHIA HISTORICAL DISTRICT
PHILADELPHIA, PA

OVERVIEW

Join SDP for our 32nd Annual Conference and Training in Philadelphia, Pennsylvania! Our highly-rated program is comprised of three parts: a day-long training on Sunday featuring two courses, a one and a half day conference on Monday and Tuesday featuring depreciation related topics and speakers, and a four-day extended training for a deeper dive.

Specific information on the conference and training will be made available soon.

HOTEL



Wyndham Philadelphia Historic District is a hotel in downtown Philadelphia, with an inviting mix of high-tech spaces and contemporary décor that reflects the Old City charm. Explore all that the city has to offer from this premier location. From the Liberty Bell and the cobblestone streets of Old City to the towering skyscrapers and exciting nightlife, Philadelphia is a juxtaposition of hip urban culture and America's treasured history. The City of Brotherly Love is home to legendary landmarks and attractions like Independence Hall, the National Constitution Center,

Penn's Landing and the Philadelphia Museum of Art. Enjoy summer concerts on Rittenhouse Square, see a Philadelphia Eagles game at Lincoln Financial Field, and get wild at the Philadelphia Zoo. Whether you want to immerse yourself in history, embrace the arts, or indulge in the cuisine, there are endless things to do in downtown Philadelphia and beyond. Additionally, the Philly cheesesteaks are foodie heaven.

A dedicated website is now available for your attendees to book their hotel rooms online. [CLICK HERE](#) to make your reservation at our reduced group rate of \$189/night.

SDP TRAINING

DR. SUSAN JENSEN, CDP, TRAINING CHAIR

We are pleased to report that in 2018 SDP training had **record attendance**. For the **first time** since training began in 2003, we had **over 100 trainees**.

“Very knowledgeable, helpful experts as instructors. Excellent info and well-done training materials & organization.”

Trainees consistently give SDP training high praise for its excellent courses taught by recognized leaders in the field of depreciation. In fact, **over 95%** of the evaluation responses **rated our courses “good” or**

“excellent” AND indicated they would return to training!

SDP’s expert faculty have extensive experience that they share in courses with real-world applications. The skills acquired in training are readily transferable to the workplace and provide good preparation for the CDP exam.

“Great class! Very applicable to my job.”

“Great training, unavailable anywhere else! Will be back with more reps from my team!”

“Appreciate the trainers’ experience and wealth of knowledge which you cannot get from instruction manuals.”

SDP faculty include more than a dozen experts in their field with hundreds of years of combined experience. The ratio of trainees to faculty is 8 to 1, giving trainees the best learning experience in the industry.

“Having two instructors was effective in breaking up the presentation. Gave a great complement of views.”

“Combo of trainers made for a very informative and entertaining class.”

And our training is set apart from other training because we often combine trainers in a course to give trainees different perspectives.

Trainees registered for our **Sunday Training** (two concurrent courses) and/or **Extended Training** (four concurrent courses after the Conference for the remainder of the week).

On **Sunday**, the **Introduction to Depreciation** course provided trainees with an overview of depreciation topics

SDP BOARD OF DIRECTORS 2019 OFFICERS

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Kevin Easterling, CDP
Manager, Property Accounting
CSX Corporation

Past President

Ned Allis, CDP
Project Manager, Depreciation and Technical Development
Gannett Fleming Valuation and Rate Consultants, LLC

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Vacant

Nominations

Ned Allis, CDP
Project Manager, Depreciation and Technical Development
Gannett Fleming Valuation and Rate Consultants, LLC

“Intro classes were effective and provided a good background. Thanks!”

and preparation for the CDP Exam. The **Depreciation and Ratemaking Issues** course was comprised of new and updated topics, including the new tax law and current issues. The new class on testifying techniques and pitfalls included real-

world examples from experts with considerable testifying experience.

As would be expected in a year of record attendance, we reached **capacity enrollment** in three of our four

Extended Training courses,

including our new course

Analyzing Net Salvage in the

Real World, offered in response to

your requests for a course focused

on net salvage. Returning trainer

Bill Stout, former Chairman of

the Board and CEO of Gannett

Fleming, developed this course

with assistance from other trainers,

including Dr. John Lacey, who

returned to our training after

a 2-year hiatus. This course

examined how gross salvage and

cost of removal are recorded to accumulated depreciation,

analyzed using statistical techniques, estimated (for mass

and life-span properties), reflected in the accrual rate, and

impacted by the retired asset's age and inflation.

“Instructor did an excellent job. Great conversational teaching style. There was plenty of time in the schedule to answer questions and discuss topics. Net salvage is a very timely topic now. Highly recommend this course.”

“All classes were very helpful for a novice in the field. I look forward to taking classes in the future.”

Depreciation Fundamentals provided an overview of depreciation topics and preparation for the CDP Exam. This course is beneficial for professionals preparing depreciation studies as well as managers seeking an overview of the segments of a study.

“Great training, very informative. I look forward to next year's training.”

Analyzing the Life of Real-World Property provided hands-on experience analyzing the life of real-world property in small groups using computers. The course also included a class discussing the engineering reasons that cause assets to fail or be replaced and any resulting removal cost.

“Excellent presenter - very enthusiastic, engaging, and easy to follow.”

“Very easy to follow, fun class, liked the classwork.”

“Course was great and relevant.”

“Instructor did a great job. Really appreciate when she shared her real-life experiences.”

“I enjoyed training. The instructors were all very good.”

“Class exercise was super engaging, fun, and relevant.”

“I enjoyed the instructors. A ton of knowledge and they presented it well. Very patient with others and a real pleasure to learn from.”

Preparing and Supporting a Depreciation Study, our capstone course, is intended for depreciation professionals who prepare depreciation studies as well as managers seeking an overview of the depreciation study process. The course focused on developing life and salvage estimates and depreciation rates that take into consideration company and technology impacts. The course then addressed preparing and supporting the study report.

“Dane and Dick are phenomenal teachers. This is a great course. I'm glad I took it.”

But it's not all work! Trainees and instructors gathered at informal receptions that provided valuable networking opportunities. One reception offered stunning panoramic views of downtown Indy and the other reception was along Indy's scenic Canal Walk.

“One of the best trainings I have attended, thank you!”

We have trained over 1,200 professionals since our training began in 2003. We encourage you to register early for SDP's exceptional training in Philadelphia in 2019 **before** your chosen course is sold out!



MEET YOUR BOARD



AMBER DE LUCENAY

Manager Regulatory Plant Accounting

EMPLOYMENT

TECO Energy: 4 years
Department: Utility Accounting

EDUCATION

BS Accounting – Oglethorpe
University, Atlanta, GA
BA Spanish – Oglethorpe

University, Atlanta, GA

MBA – University of South Florida, St. Petersburg, FL

PROFESSIONAL ASSOCIATIONS

Edison Electric Institute – 2007

Vice Chair Property Accounting – 2017-present

Society of Depreciation Professionals – 2016

EXPERIENCE

Amber joined TECO Energy, an Emera Company, in 2014 as the Manager of Regulatory Plant Accounting. Her team is responsible for Plant Accounting support for both Tampa Electric and Peoples Gas, both subsidiaries of TECO Energy. This includes facilitating regulatory objectives through the management of cost recovery of plant investments, rate case responsibilities and other rate/recovery assignments. In addition, she is responsible for the compilation and review of depreciation study requirements, including review of useful

lives, cost of removal, salvage, dismantlement and reserve analysis. She manages the delivery of actual and forecasted plant accounting information for use in business planning and strategic models and surveillance reports.

Prior to joining TECO Energy, Amber was the Sr. Training Manager for PowerPlan, Inc. In this role, she was responsible for both employee and client training on the PowerPlan application and functional use of the system. She worked with many other utilities across the US and Canada during her tenure with PowerPlan providing system and process improvement support.

Amber started her utility career at Progress Energy (now Duke Energy) in the Regulatory and Plant Accounting department. In this role she was responsible for supporting Power Generation and New Construction as well as all Plant Accounting related reporting. Amber served as the Business Project Manager on the PowerPlan upgrade and de-customization project. She also supported multiple rate cases and depreciation studies during this time.



KEVIN E. EASTERLING

Manager Property Accounting

EMPLOYMENT

CSX Service: 16 years 7 months
Department: Accounting
& Reporting – Property
Accounting
Current Position: 4 years 6
months

EDUCATION

BA Marketing – University of North Florida

BA Political Science – University of North Florida

PROFESSIONAL ASSOCIATIONS

Society of Depreciation Professionals – 2007

EXPERIENCE

Mr. Easterling currently manages \$43B in assets with over \$1.2B in annual depreciation expense. Approximately 85% of this portfolio uses group depreciation. Mr. Easterling was a key contributor in automating the depreciation expense calculation into Oracle Fixed Assets for group depreciation and forecasts the annual depreciation expense for CSX Transportation. He has been involved in three equipment and two road and track depreciation studies during his time in Property Accounting.

NEW CERTIFIED DEPRECIATION PROFESSIONALS

CONGRATULATIONS TO THE FOLLOWING INDIVIDUALS FOR OBTAINING THEIR CERTIFICATION AS A CDP!

THERE WERE SIX NEW CDPS ISSUED IN 2018:

- Lance Kaufman
- Kevin Easterling
- Carolyn Weber
- Brian Andrews
- Amanda Nori
- Gabriel Garcia

AS WELL AS TWO IN 2017:

- Roxie McCullar
- Sean Welsh

THE GOALS OF CDP PROGRAM

- Allow individuals to demonstrate their knowledge of depreciation.
- Provide an opportunity for members to be recognized as having met the requirements established by SDP.
- Elevate the practice of depreciation by establishing minimum standards.
- Keep members current and participating in the field.

REQUIREMENTS FOR CDP STATUS

- Active membership in the SDP.
- At least 5 years of full-time professional depreciation experience, at least 2 years of which must be in the area of depreciation administration. Three years' experience may be in related fields such as engineering, finance, planning, regulation, and regulatory consulting. Depreciation administration comprises any of the following activities: involvement or responsibility for the preparation of depreciation studies, the review of depreciation studies, development of depreciation analysis software systems, and instruction in depreciation analysis and procedures.
- College degree or its equivalent. Each year of practical depreciation experience equals 1 year of college equivalency. The Certification Committee recognizes career development and non-academic equivalency, e.g., courses, seminars, teaching, administrative/

supervisory positions, membership in professional organizations. Documentation of all academic and non-academic experience is mandatory and must be on file at the SDP office (e.g., copy of diploma, current letter from college, transcript).

- An application form (PDF) and an application fee of \$100 must be received by SDP 20 days prior to the exam date. If a candidate is unable to attend the scheduled exam, they must notify SDP 5 days prior to the exam date or a cancellation fee of \$50 may be assessed.

For more details on the exam, requirements, and related resources, please visit the Certification section on our website here: <https://depr.site-ym.com/page/Certification>.

EDUCATION FUND

The Society of Depreciation Professionals (SDP) is pleased to announce the formation of the SDP Education Fund (Fund) to further SDP's purpose as an educational institution. The Fund will help to further the SDP's objectives "... to promote the professional development and professional ethics of those practitioners in the field of depreciation; to collect and exchange information about depreciation engineering and analysis; to provide a national forum of programs and publications concerning depreciation."

We are also pleased to announce an opportunity for you to acquire one of the foremost depreciation textbooks, *Depreciation Systems* by Frank K. Wolf and W. Chester Fitch. *Depreciation Systems* is a highly regarded and widely cited textbook that covers, in detail, a range of depreciation topics, including survivor curves, net salvage concepts, depreciation systems, actuarial and simulation life analysis methods, and service life and salvage forecasting. Originally published in 1994, *Depreciation Systems* has been out of circulation in recent years, but SDP has obtained special publication rights. This book is our gift to you for a minimum donation of \$40 to the Fund.

You can donate to the fund via our website or [CLICK HERE](#) and receive a copy of *Depreciation Systems*.

2018 SPONSORS

Our sponsors provide generous monetary donations and donations-in-kind toward making our Annual Conference and Training the successful events that they are. These contributions go towards the many breakfasts, lunches and special events that conference and training attendees enjoy throughout the week.



Alliance Consulting Group is an international consulting firm formed in 2004 to provide professional and expert witness services to utilities. Since 2004, Alliance Consulting Group has conducted over 200 depreciation studies for regulated and non-regulated clients across nearly all utility segments. We have filed testimony more than 35 states as well as FERC. Alliance Consulting Group is led by Managing Partner Dane Watson who is actively involved in the day-to-day operations and is their primary Expert Witness. We currently have three full-time Senior Consultants, Dr. Karen Ponder, Ms. Rhonda Watts, and Ms. Rebecca Richards, as well as other support staff. Alliance Consulting Group is dedicated to providing quality consulting and expert services to the utility industry. Our professionals have over 115 years of combined experience around the utility industry, and we have been employed in the industry as utility employees, managers and consultants.



AUS Consultants has been delivering unsurpassed consulting services to the utility industry for decades. Our expertise includes all aspects of the utility regulatory and ratemaking arenas, as well as the valuation field. Because we focus exclusively on the utility industry, we have developed deep industry expertise and experience, which we pass on to our clients, providing first-rate services and ensuring our clients' success. Our consultants have decades of experience, are well respected throughout the industry, and understand the key strategic issues faced by today's utility professionals. All of our consultants are utility experts and have advised vertically integrated utilities as well as utilities operating in the restructured industry. AUS Consultants' valuation expertise includes utility asset valuation, as well as the valuation of intellectual property and intangible assets. AUS Consultants publishes two of the top utility reports in the industry: the AUS Monthly Utility Report and the AUS Telephone Plant Index.



PowerPlan software provides financial insight into how complex rules and regulations impact your organization – empowering you to make credible decisions that improve overall corporate performance. The integrated solution provides complete visibility starting with forecasting and monitoring to scenario planning and analytics while maintaining financial compliance. For more information, email info@powerplan.com or visit www.powerplan.com



Excellence Delivered As Promised

Founded in 1915, Gannett Fleming, is a global infrastructure firm that provides planning, design, technology, and construction management services for a diverse range of markets and disciplines. We have helped to shape infrastructure and improve communities through transportation, environmental, water, energy, and facility-related projects in more than 65 countries. Our firm embraces sustainability and innovation for all activities, finding the best solutions and the most efficient processes while being responsible stewards of the environment. Gannett Fleming Valuation and Rate Consultants, LLC provides consulting services to investor-owned and publicly-owned utilities and has successfully represented clients in public pricing policy and related matters before regulators and in courts of law. Our team of engineers, accountants and analysts has a broad experience base to meet your needs and is skilled in using computer-modeling techniques to customize studies and analysis. We combine the guiding traditional principles with innovative approaches to provide an understandable product that can stand the test of scrutiny.



Concentric Advisors, ULC is a new Canadian subsidiary of Concentric Energy Advisors, located in Calgary, Alberta. Concentric Advisors possesses expertise in numerous aspects of the power, natural gas, oil pipeline, telecom, water, and railway industries with a focus on depreciation and valuation



Regulated Capital Consultants was formed in 2010 with the purpose of providing rate-regulated and asset-intensive industries with a trusted advisor, offering accounting, tax, regulatory, and IT departments with systems advocacy services and internal resource support. RCC's consultants combine their knowledge of accounting, tax, and regulatory processes with deep technical expertise to provide customers with results that are accurate and actionable. With unparalleled experience in the industry, RCC's expert consultants add immediate value to every project.

RCC consultants specialize in providing solutions to meet the unique requirements of the rate-regulated and asset-intensive industries. From the west coast to the east coast, and just about all the investor-owned utilities, railroads and telecoms in between, RCC consultants have spent time consulting and creating, planning, managing and implementing no-nonsense data and process solutions. Along the way, RCC has had the opportunity to work side by side with great software innovators as well as industry leaders within an ever-changing economic, business, regulatory and technology environment.

RCC continues to focus on the capital asset lifecycle's impacts on fixed asset accounting, income tax compliance and accounting, rate-making, and technology. RCC believes in a cross-functional approach to enable clients to build a best-in-class accounting and systems process that meets customers' internal and external requirements. In order to maintain the high levels of service for which it is known, RCC continues to invest in attaining and retaining all the functional knowledge and technical skills required to plan and execute proven solutions for the most challenging situations.

FOR INFORMATION ON BECOMING A SPONSOR VISIT OUR WEBSITE DEPR.ORG