



REGULATORY STRATEGY: Evolving from Tactical and Reactive to Strategic and Proactive



In today's environment of increasing capital requirements and decelerating demand, organizations face complex challenges of rising operating costs coupled with industrywide pressure on rates. It is more important than ever for executives to align regulatory with financial and operational strategies across the organization.

Companies must pull volumes of disparate data into regulatory models for analysis and filings, making rate filing difficult, as well as internal planning for investment and maintenance. Having a solution to support strategic analysis, monitoring and filings to reduce lag is critical to improving financial and operational performance.

How PowerPlan Helps Organizations Evolve Their Regulatory Strategy

PowerPlan's Rate Case and ROE Management suite was designed to help executives optimize their regulatory process and strategy amidst a complex and dynamic environment. PowerPlan leverages existing systems for efficient and accurate data integration, jurisdiction and functional segmentation, analysis, and monitoring. By breaking down the silos between departments, monitoring regulatory performance on-demand and enabling scenario analysis for informed decision-making, PowerPlan helps organizations move from a tactical rate case process to a proactive, strategic regulatory plan.

Three key factors inhibit the regulatory process:

1. Limited Time for Analysis and Decision-Making

Organizations spend a significant amount of time gathering and reconciling data, often leaving little time for analysis. Additionally, with data managed in spreadsheets, it is difficult or impossible to run scenarios to test variables and assumptions. PowerPlan provides a solution that allows organizations to quickly evaluate alternatives to assess risk on various business, regulatory and financial scenarios. This helps executives determine the best filing scenario, pursue settlement options, and prioritize litigated arguments.

2. Inconsistent or Untimely Performance Monitoring

Organizations struggle to frequently and accurately monitor actuals and budgets against regulatory cases, making it difficult to identify where costs change faster than expected and align operational decisions with regulatory performance. Clients also tell us they have limited ability to assess impacts of alternative rate mechanisms such as trackers or riders, or proactively identify the optimal time to go in for a rate case.

PowerPlan provides organizations on-demand visibility into historical and forecast regulatory data to enable organizations to be more proactive in their decision-making.

3. Regulatory Data Is Fragmented and Managed in Silos

Financial and operational systems do not effectively store, aggregate and model regulatory data at a jurisdictional, functional or customer class level. Regulatory information is typically captured and managed by individual departments using spreadsheets and other manual processes. Preparing a rate case requires multiple teams to track down, consolidate and reconcile data inconsistencies amongst the departments. Not only does this take significant time, but it increases the risk of error, which can ultimately damage credibility. As one utility executive explained, "Credibility is my only currency with the regulator." PowerPlan is an integrated solution that provides a single source of consolidated regulatory data by multiple levels of business segmentation, effectively eliminating the manual handoffs and ongoing reconciliations.



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