



RATE CASE AND ROE MANAGEMENT

THE PURPOSE-BUILT SOLUTION FOR RATE CASE SUPPORT

VALUE DELIVERED

Revenue Recovery

- Optimize revenue by closely monitoring and analyzing underlying financial factors
- Improve cost recovery planning with improved data forecasting and visibility
- Strategically manage business and initiate rate cases by monitoring achieved and forecasted rates of return

Respond Faster and at Lower Cost

- Streamline data flow with automated data extracts from PowerPlan and any ERP solution
- Reduce rate case cycle times with adjustment tracking that remains connected to actuals and multiple scenarios
- Save time and effort by efficiently assigning and allocating costs to jurisdictional views with the Visual Allocator
- Ensure compliance with consistent, repeatable methodologies configured by jurisdiction

Reduce Risk

- Eliminate error prone spreadsheets and manual processes with auditable automation
- Strengthen policy positions with improved data analysis and standard reporting
- Improve data integrity with standardized integration for financial reconciliation, revenue requirement calculation and reporting
- Apply the same automated calculation engine for regulatory filing and monthly reporting, yielding more consistent and auditable results and controls

Enabling the complete automation of your rate case and visibility of regulatory analytics...

Credibility and detailed data are the keys to successful regulatory outcomes. Preparing for a rate case takes companies thousands of staff hours, outside consulting and extensive patience to extract and explain the necessary data required by regulators. Companies struggle with how to automate this process to ensure optimal compliance and visibility while maintaining the flexibility necessary to respond to changing regulatory requirements.

The PowerPlan Rate Case suite transforms financial data into a fully integrated regulatory ledger with a rich set of analytics, enhancing visibility for all stakeholders and enabling optimal revenue recovery. With the Rate Case module, companies can trace financial returns to regulatory returns, providing the management team with complete visibility to make strategic decisions on how investments will impact all stakeholders. Executives will have the visibility needed to understand the effectiveness of individual recovery mechanisms as well as base rates. Special drill-down analysis can also help pinpoint regulatory issues including inadequate return on CWIP/AFUDC. Furthermore using robust case structure, the impact of multiple adjustments and scenarios can be quickly analyzed enabling companies to more effectively and fairly help their companies recover costs and pinpoint the optimum time to initiate a rate case.

...with comprehensive data support for revenue requirement analysis.

Data is key to prepare and support any regulatory filing and to respond quickly to interrogatories. PowerPlan's rich data and integrated asset accounting functionality allows companies to improve automation, while eliminating the need for complicated ad-hoc queries, spreadsheets and manual processes that burden most regulated entities. The PowerPlan Rate Case suite provides data structures specific to your regulatory accounting needs and includes robust transformation tools from the original source data. It includes built-in, drill-down reporting capabilities that create unique visibility into regulatory accounts. In addition, purpose-built logic and functionality handles regulatory adjustments, known and measurable changes, and specific jurisdictional methodologies, for example working capital or deferred taxes. Multi-tiered separations or allocations are visually built and applied to the regulatory ledger to produce results by jurisdiction. Then, each jurisdiction can be configured with unique methodologies and adjustments. Special recovery clauses and associated costs can be further segregated within jurisdictions. Allocations can be dynamic and provide for class cost of service in addition to jurisdictional cost of service analysis.

In addition, the Regulatory Collaboration Engine allows you to export any regulatory case into a fully linked and formula functioning Microsoft Excel workbook allowing you to share a working model of your rate case with third parties such as commission staffs or interveners.

RATE CASE AND ROE MANAGEMENT – KEY FEATURES

Flexibility

PowerPlan is designed to provide maximum flexibility and nimbleness with best-in-class automation. When methodology, adjustments, presentation, jurisdictions, classes or general ledger accounts change, the user can respond with changes or new ideas quickly, without having to make programming changes.

Monitoring

Monitoring empowers management to: Make optimal strategic rate decisions; Prepare for new rate filings by analyzing historical data to determine the effectiveness of current rates and clauses; Identify and track differences between financial equity returns and jurisdictional returns; and Compare actual revenues, expenses and rate base with the most recently filed or approved rate case with full drillback capability.

Automated Data Integration

Key monthly data is automatically integrated into the Regulatory Ledger from the other PowerPlan modules, or from other ERP and planning systems. The system maintains automatic reconciliation to historical actuals while separately storing and tracking manual adjustment and scenarios for the full reconciliation picture.

User-Defined Regulatory Accounts

Regulatory accounts collect key data from various points throughout the PowerPlan suite to support regulatory processes. For example, assets and depreciation balances and activity are collected from the PowerPlan Fixed Assets module, giving regulatory rollups with a drilldown path to details.

Case Management

Cases are critical to the regulatory process and can be quickly created using the jurisdictional- specific templates that exist in the Rate Case suite. Comparisons and analyses between cases enable efficient variance reporting and what-if scenarios. Multiple users can work on the same case and track any modifications, and changes can be optionally locked or partially locked by users to prevent inadvertent changes.

Separations/Allocations

Multi-tiered allocations are used to help determine jurisdictional and class-of-service costs and revenue requirements. The solution supports multi-tiered allocations, dynamic allocations and specific assignments for separations. Clauses, rider assets and expenses, balancing accounts and special recoveries are also supported.

Transformations and Adjustments

PowerPlan allows manual and automated transformations for adjustments for rate cases and monitoring e.g. working capital, fuel inventory, disallowed items, annualizations, new depreciation rates, storm costs, interest synchronization, etc. Adjustments are calculated and presented pre and post separations, with and without their specific income tax impacts.

Test Periods

Historic and forecasted test periods provide the ability to leverage the rich historic and budget data provided in the PowerPlan suite and in planning systems. Multi-year cases can support step-up, formula and performance-based rates. Actual-to-forecast variances are monitored for consistency.

Reporting and Query

The Rate Case suite comes with a complete inventory of on-line and batch reports, and a report engine for data gathering enables easy reporting and schedule production including Microsoft Excel and Adobe Acrobat formats.

Dashboards

Analytic dashboards simplify management reporting. The dashboards and graphics highlight key metrics for accounting as well as regulatory departments and provide drilldown features for immediate access to supporting data and schedules.

Regulatory Collaboration Engine

The engine allows you to share any regulatory case with third parties, by exporting your rate case information into a fully functional Microsoft Excel workbook. This dynamic engine protects formula cells to reduce the risk of errors and updates automatically to incorporate jurisdictional changes like a new tracker or allocation methodology without the need for IT intervention. In addition, the tool is preconfigured to allow users to add adjustments and allocation factors, or change requested ROE, tax rates, or allocation percentages.



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