

SDP Newsletter

Volume 10, Issue 2, Summer 1997

Society of Depreciation Professionals Annual Meeting

September 21-24, 1997

Colorado Springs, CO

Preliminary Agenda

Sunday, September 21st, 4:30 - 6:30 pm, Registration and Reception

Monday, September 22nd, 8:00 - 8:30am, Continental Breakfast

8:30 - 9:00am Welcome and Opening Remarks, Bill Stout, SDP President

9:00 - 9:45am Keynote Speaker, Bruce Smith, Colorado Public Service Commission

9:45 - 10:00am Break

10:00 - 10:50am Forecasting in Depreciation

- Moderator: Steve Barreca
- Panelists: Ron White, Larry Vanston, Fatina Franklin, Angelo Rella

11:00-12:00pm Power Industry Restructuring

- Moderator: Janice Garrison
- Panelists: Dick Weingart, Sue Mara

12:00 - 1:00pm Lunch

1:00 - 1:50pm Stranded Plant

- Moderator: Bill Stout
- Panelists: Dane Watson, Tony Flesch, Larry Kennedy, Pat Lee

1:50 - 2:00pm Break

2:00 -3:30pm Concurrent Industry Discussions

- Telecommunications Leader: Dave Cunningham
- Electric & Gas Leaders: Terry Fowler, David Berquist
- Water & Wastewater Leader: Mark Shubert

3:45 - 5:00pm Open Forum Leader: Steve Barreca

5:00 - 5:45pm Annual Meeting and Election of Officers

6:00 - 7:30pm Reception

Tuesday, September 23, 1997, 8:30am- 4:30pm, Training

Wednesday, September 24, 1997, 8:00am - Noon, Certified Depreciation Professionals Examination

Annual Meeting

An Annual Meeting Registration Form is included in this Newsletter [look on this Web site under "Meetings" for the form]. Don't forget to make your hotel reservations by August 20th to be assured of the special room rate of \$95.00 per night. Call the Antlers Doubletree Hotel at 719/473-5600. If you have any questions about the meeting, please call the SDP office.

You can help underwrite the cost of the Annual Meeting.

The Annual Meeting Planning Committee is soliciting financial support from companies and individuals to help underwrite the cost of the Annual Meeting. Your financial support helps keep the cost of registration at a very affordable level for SDP members. Along with your support, we will publicize your name and company in program materials as well as displays during the Annual Meeting. For more information on support opportunities, please contact:
Steve Barreca, Program Chair, at 205/822-9901.

The Six Degrees of SDP

There is a strange but popular game going around called "The Six Degrees of Kevin Bacon." It is a trivia game where the object is to connect any actor with Kevin Bacon within six "moves." Take Warren Beatty, for example. Warren Beatty was in "Bonnie and Clyde" with Gene Hackman; Gene Hackman was in "Unforgiven" with Clint Eastwood; Clint Eastwood was in "The Bridges of Madison County" with Meryl Streep; and Meryl Streep was in "The River Wild" with . . . you guessed it, Kevin Bacon. Only four moves.

This trivia game is all about connections. How many connections have you developed as a result of your involvement with SDP? The Society of Depreciation Professionals provides you with connections to others in your profession that no other organization can provide. How many "moves" does it take to connect with other depreciation professionals that you have met through SDP? Probably a quick glance through the membership book is all it takes - one move. Even more valuable, however, is the Society's Annual Meeting. The Annual Meeting provides the opportunity for you to connect on a personal level with depreciation professionals from across the United States and Canada. These connections make your "moves" swift and effortless.

We hope you will review the agenda for the Annual Meeting in Colorado Springs and make your plans to attend. The program committee, chaired by Steve Barreca, has worked hard to provide presentations and panel discussions which represent the diversity of the Society. We think you will find the meeting and training to be very valuable. The connections you make will eliminate nearly all "moves" as you interact with others in your profession.

ELG Approved by Texas Commission

The Railroad Commission of Texas, in a decision dated May 20th, 1997, approved the use of the Equal Life Group (ELG) procedure to be used in the calculation of depreciation rates by Lone Star Gas Company and Lone Star Pipeline Company under Gas Utilities Docket No. 8664.

In its decision the Railroad Commission of Texas stated: "Because it provides a more accurate estimate of the actual consumption of property, the ELG procedure requested by Lone Star is reasonable." This decision was part of a contested hearing which is presently under appeal. However, this specific approval of ELG is not as contentious as other components of the decision and is not expected by the company to be over ruled.

While ELG is a procedure that has been used in a number of depreciation studies, this decision represents one of the few approvals in recent years. Specific information regarding this proceeding can be obtained by contacting Don Roff of Deloitte and Touche, LLP.

SDP Welcomes Our Newest Member

Ronald Moreira, BellSouth Communications, Birmingham, AL

Have you paid your SDP Membership Dues for 1997?

If you see a red dot on your mailing label, then your dues have not been paid. Your membership dues help support the many programs of the Society, including the publication of the annual Journal. The Journal is provided at no cost to paid members. If you hope to see a Journal coming to you in the mail, please make sure your dues are current. If you have questions regarding your membership, feel free to call the SDP office.

Certified Depreciation Professional Examination

SDP is accepting applications for its Certified Depreciation Professionals examination. It will be given at its Annual Meeting in Colorado Springs on Wednesday, September 24, 1997 from 8:00AM to Noon. Applications can be obtained from the SDP Office.

CDP Requirements:

Candidates: Any member of the Society of Depreciation Professionals, who is a practicing depreciation professional or engaged in the depreciation profession, who wishes to become designated by the Society of Depreciation Professionals as a Certified Depreciation Professional may apply for such certification with the Society.

Certification Requirements:

Membership: The candidate must be an active member of the Society of Depreciation Professionals.

Experience: The candidate must have a minimum of five years of full time depreciation experience; at least two of the five years must be in the area of depreciation

administration.

Examination: The evaluation of a candidate's technical depreciation proficiency and acquaintance with the Society's requirements for certification, principles and basic precepts of the profession is accomplished by means of a written examination. A minimum passing score will be mandatory to qualify for Certification. The examination is constructed to reveal a candidate's knowledge, ability and expertise in depreciation matters. Areas covered in the examination include: Life analysis, grouping of property, service life calculation, net salvage analysis, historical experience vs. future expectation and SDP ethics.

A full day of training on Tuesday, September 23rd will focus on preparation for the examination. If you have questions please contact Clarence Moug, 608/267-0637.

Applications for Certified Depreciation Professional

If you plan to take the examination for Certified Depreciation Professional you need to submit an application and pay the CDP fee of \$100. The fee covers the cost of preparing the examination and the administrative costs associated with designating individuals as Certified Depreciation Professionals. Applications are available through the SDP office.

Training at the Annual Meeting Offers Professional Development

The 1997 Training, to be held Tuesday September 23rd following the Annual Meeting, is designed to prepare individuals to take the Certified Depreciation Professionals Examination. Topics for training will include:

- Life Analysis
- Forecasting
- Salvage
- Accrual Calculation
- Simulated Analysis
- Accounting

The training will last a full day, with in-depth coverage of all the topics listed above. Participation in this training is not limited to those taking the Certified Depreciation Professional Examination. The topics should be of value to most of us working in the depreciation profession. This year's training is coordinated by Dr. Susan Jensen.

SDP Journal Going to Print

Jerry Houck, Journal Committee Chair, is pleased to announce that the 1996-1997 SDP Journal is being prepared for final editing and printing. If all goes according to schedule, the Journal should be available at the Annual Meeting. The Journal is an added benefit to your membership. Additional copies of the Journal can be purchased for \$15.00. A full set of previous Journals can be purchased for \$45.00.

If you move fast (by August 27th) you can still place an advertisement in the 1996-1997 Journal. A \$100 check to SDP provides you with a listing in the front of the Journal along with an advertisement in the back, plus the satisfaction of supporting the important work of the Society.

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Support Your Society

There are four ways to support SDP. Companies may become Sustaining or Business Members. Individuals may become Patrons or Friends to SDP.

Sustaining Members \$750

Benefits: Recognition in the Journal and Newsletter and a Plaque at the Annual Conference.

Business Members: \$300

Benefits: Recognition in the Journal and Newsletter

Patrons \$200

Benefits: Recognition in the Journal and Newsletter.

Friends: \$100

Benefits: Recognition in the Newsletter.

Send your donation to:

SDP, 5505 Connecticut Ave, NW #280, Washington, DC 20015

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Please send your contributions to the Editor.

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SOCIETY OF DEPRECIATION PROFESSIONALS

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INVOICE

MEMBERSHIP DUES JANUARY 1, 1997 - DECEMBER 31, 1997

Name _____

Professional Affiliation:

Address: _____

Telephone: _____ FAX: _____ E-Mail _____

\$ _____ Dues: \$35 New ___ Renewal _____

\$ _____ Sustaining Member @ \$750

\$ _____ Business Sponsor @ \$300

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\$ _____ Total Enclosed
