

# SDP Newsletter

Volume 14, Issue 2, Summer 2001

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## A Message From Your President

*Anthony "Tony" Flesch*



Greetings! I hope everyone is enjoying a fun-filled summer and taking some time for relaxation and summer vacations! A great way to extend the summer is to make plans to attend this year's annual meeting in sunny Tucson. Attending the annual meeting is an excellent way to keep in touch and exchange views with all your friends in the Society. We have a fantastic site selected at the Sheraton El Conquistador and the program committee is putting the finishing touches on another outstanding agenda.

This year will mark our 15th annual meeting. In the last newsletter, I offered some reflections on what the Society had accomplished and where "we had been" in our first fifteen years. As I stated, many people thought that regulated depreciation would be a moot topic by 2000. But, as we have seen, our skills are just as important as ever, even though the focus may have shifted somewhat. With all the innovations and advancements in technology, and the rapidly emerging competitive environment, the role of the depreciation analyst continues to become even more complex and diverse. Most of today's assets will face competitive or technological obsolescence long before they physically wear-out. The depreciation analyst must be able to consider all factors in determining adequate depreciation rates to ensure that the assets will be recovered over their "useful" lives. Although many states no longer require the "traditional" voluminous depreciation studies to set regulated book depreciation rates, depreciation has become a vital, and contested, issue in establishing prices for cost of service filings such as Unbundled Network Elements (UNE) and Universal Service (USF). I am sure that similar types of cost of service filings will also take the forefront in the Energy sector as we continue toward more deregulation in that area. The depreciation professional plays an

increasingly important role in determining the appropriate financial depreciation rates for the company. The skills of the depreciation analyst are also a valuable tool in the valuation and property tax arena. That being said, in my opinion, there will be a need for the skills of our profession for many years to come. And, one of the best ways to keep current on developments and skills in depreciation is through membership in the SDP and by attending the annual meeting and training. The Society provides an excellent vehicle to keep abreast of our evolving industry and to build professional relationships.

The annual meeting affords an opportunity to not only hear what's going on in your particular industry, but to find out what's going on in other industries. It provides a professional forum to discuss the diverse interests and viewpoints of our members. Attending the meeting also affords an excellent opportunity to build professional relationships and share ideas with others in our industry. There is more information, along with the agenda and meeting registration form in this edition of the newsletter. I would encourage you to make plans now to attend this year's annual meeting in Tucson.

I would like to thank all of the officers and committees for their continued support, and I would encourage anyone that is interested in participating on a committee to call the appropriate committee chair and volunteer your services. Please feel free to email or phone me anytime with any questions or comments.

Thanks, Tony

### **Membership Report – Dale Urban, Chair**

In the last issue of our newsletter I noted several possible areas where we, as a society, could expand our membership. Continuing in this vein, an area that is not well represented is municipal utilities (including water, public works and so on). Municipalities are asset intensive with the new financial reporting requirements coming into place. The Society offers these entities many benefits including a strong and varied peer group with substantial experience in asset reporting, asset accounting, etc. It is my intent, over the summer months to develop a recruiting campaign for municipal utilities and to start actively recruiting in the fall of this year. This campaign will aim at municipal utilities in both the U.S. and Canada. At the same time the society will more closely explore expanding our membership to countries other than Canada and the U.S.

### **SDP Canadian Membership Grows**

Our northern neighbors continue to connect with the Society of Depreciation Professionals and are increasing their percentage of SDP membership. Currently, we have 29 Canadian members, representing railroad industry, telecommunications, power and gas, and consultants. The Canadian membership broadens our discussion of depreciation issues on both state and provincial levels. Dale Urban with EPCOR will chair a session on electric deregulation issues in Alberta as part of the Annual Meeting

agenda in Tucson. We welcome our friends from Canada. If you know of individuals who could benefit by learning more about the Society of Depreciation Professionals, please share that information with Dale Urban, Membership Chair, or the SDP office.

### **Welcome to our Newest Members**

Jack Romanow, Telesat Canada, Ontario, Canada

Brenda Marie Kautz, City of Edmonton, Alberta, Canada

### **Professional Development Through Training**

The 2001 Training will be somewhat different this year, based on input from evaluations over the past few years. Most training participants felt that too much information was being shared in too short a period of time. So, this year training sessions will be a full day on Sunday, September 9th, with a final session, Technology Forecasting, presented on Tuesday afternoon from 2:30 - 4:30. The Tuesday afternoon session will allow more time for instruction without feeling rushed. Topics for training will include Life Analysis, Forecasting, Salvage, Accrual Calculation, Simulated Analysis and Accounting

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.

### **Certified Depreciation Professional Examination**

If you have considered adding CDP (Certified Depreciation Professional) to your personal credentials, you can obtain an application by contacting the SDP office. The examination for Certified Depreciation Professional will be proctored on Wednesday, September 12th, at the Sheraton El Conquistador in Tucson. The SDP training that precedes the CDP examination is not designed specifically to prepare individuals for the examination. However, the training subject matter will be an excellent review for the topics covered in the examination.

### **Call for Newsletter Articles**

If you would like to write an article for the newsletter, submit it to Rhonda Watts at [rhwatts@dtus.com](mailto:rhwatts@dtus.com) by October 1, 2001.

### **Call for Journal Articles**

It's not too late, although it will be soon, to submit an article for the SDP Journal. Pat Lee, Chair of the Journal Committee, needs to know by the end of July if you plan to submit an article, and the articles must be submitted no later than August 30th. Please

contact Pat at PLEE@psc.state.fl.us if you plan to submit an article. Or, contact the SDP office for publication guidelines.

## **The CDP Re-Certification Process Has Begun**

*Larry Kennedy*

The SDP office has received recertification forms for the first of the Certified Depreciation Professionals who have completed the requirements of CDP recertification. With the receipt of these forms, the Recertification Committee, consisting of Dr. Susan Jensen, Mr. Jerry Wienart, and Mr. Larry Kennedy, will begin the review process.

The recertification process has been a topic of much discussion and review by the SDP for a number of years, resulting in the final recertification process documents being presented at last years Annual Meeting. All Certified Depreciation Professionals (CDP's) are required to submit evidence of professional growth through continuing education and professional activities in order to retain the CDP designation within 5 years following their certification or last recertification. Some of the easiest ways to earn a portion of the required 100 Professional Development Credits (PDC's) is to actively participate in the SDP.

PDC's are awarded for attendance at SDP Annual Meetings, serving as an SDP Officer, or serving as an SDP Committee Chairperson or Committee member. Additionally, PDC's are awarded for attendance or instructing at SDP sponsored training/refresher courses, presenting or serving as a panel member at an SDP meeting, or for publishing an article in the SDP Journal. CDP's can also earn the required credits through a variety of non-SDP related activities as indicated in the recertification form.

Certified Depreciation Professional's are strongly encouraged to review the recertification document and to maintain an on-going compilation of PDC's earned to date. Any questions or requests for additional copies of the recertification document can be made to any of the above Recertification Committee members or to Rod Daniel at the SDP office.

## **Web Page News**

*Lou Walters*

A tentative Agenda for this year's Annual Meeting has been posted on our Web Page by Jacob (Jake) Ransom. Be sure to occasionally access our site and review the Agenda, as it will be continually updated until finalized.

Jake volunteered to assist in managing our Web Page at last year's Annual Meeting. Jake developed the web site for his church at [www.saintpaulame.com](http://www.saintpaulame.com). He is a longtime CDP, having received it after testing at the 1996 Annual Meeting in Memphis at the Peabody

Hotel (anybody remember the ducks?), and has recently submitted his recertification paperwork.

If you don't know your officers by sight, you may want to check out the photo of the 2001 SDP Board of Directors on the "Photos !!!" page!

The SDP Directory and Jobs Listing page on our website are in a protected area that is restricted to SDP members only - you will be prompted for a User Name and Password. To gain access, User Name=society and the Password=society. The responses are case sensitive; "society" must be lowercase. Please take a moment to review your information in the SDP Directory. If it is incorrect, notify Rod Daniel so we can update our Directory.

Be sure to visit the SDP web page for current information and valuable links, including links to sites related to the location of this year's Annual Meeting.

The SDP web page address is [www.depr.org](http://www.depr.org) - see you there!

### **For Sale**

"Depreciation Systems" textbook, unused, by Wolf & Fitch 1994

First \$55 by check to:  
David Birenbaum  
209 Brook Lane  
St. Charles, MO 63304  
[dbirenba@mail.win.org](mailto:dbirenba@mail.win.org)

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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:

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