



NEWSLETTER

8100 Wyoming Boulevard NE # 228 Albuquerque, NM 87113 Volume 17, Issue 2 Summer 2005

President's Message

John Wiedmayer, CDP



John Wiedmayer, President
Society of Depreciation Professionals

I hope everyone is enjoying their summer and finding time to pursue your favorite summertime activities. For those of us from locales that experience cold, snowy winters, summers are the time to get outdoors and enjoy your surroundings. Another surrounding that I expect most will enjoy is San Antonio, Texas, our host city for the 2005 annual meeting. I encourage all our members to make plans to attend this year's meeting since we have a terrific meeting planned and San Antonio is a great city

to visit, a popular convention destination and one that you will thoroughly enjoy.

Attending the annual meeting is an excellent way to keep current with issues facing those in our profession and a good forum to exchange views with all your colleagues and friends in the Society. Also 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. Attending the meeting also affords an excellent opportunity to build professional relationships and share ideas with others in our industry. We have a fantastic site selected at the La Mansion Del Rio Hotel in beautiful downtown San Antonio overlooking the famed San Antonio River Walk. The program committee chaired by Bob Welsh is putting the finishing touches on another outstanding agenda and Dr. Susan Jensen is leading a terrific group of instructors offering depreciation training following the conclusion of the annual meeting.

I would like to take a moment and

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Annual SDP Meeting

Bob Welsh, CDP

Get ready for the Society's 19th Annual Meeting in San Antonio. Early registration ends August 15. We are working hard to make this the best ever and it will even be better if you are there! We have some great speakers lined up and have a wonderful location - La Mansion Del Rio Hotel which is on the famed River Walk (Paseo Del Rio). The meeting will kick off with our Welcome reception Sunday evening (September 11). The reception is a nice opportunity to say hello to old friends and make some new ones. Monday will be a full day starting with a continental breakfast and ending with a great reception on the river walk. As a special event, we have arranged a private walking tour of the Alamo before the reception. Tuesday



La Mansion Del Rio Hotel

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President's Message*Continued from Page 1*

address the Training we are planning to offer at our annual meeting. Dr. Susan Jensen has done an outstanding job of putting together a training package that addresses some of the most significant areas of depreciation. Our training agenda offers courses that will help the novice as well as aid those who have been in the business for some time. This training is relatively inexpensive and will provide an ideal venue for those involved in depreciation on a daily basis as well as those who are looking to get a better overview of the depreciation study process. I would recommend you take a look at the training schedule in this newsletter or on our web site and if it's not for you, pass it along to someone in your company that it would help.

Once in San Antonio, you'll see why it is a popular destination. The influence of Spain and Mexico will be apparent in the city's historic architecture, cuisine and cultural attractions. Our hotel and meeting room accommodations are first rate and the location is outstanding as it is close to the major historical and cultural attractions within San Antonio. Our hotel is within easy walking distance to the Alamo where our group will receive a private one-hour tour of the mission on Monday evening followed by an evening reception at the hotel. There is more information, along with the agenda and meeting registration form in this edition of the newsletter and on our website at www.depr.org. I would encourage you to make plans now to attend this year's annual meeting in San Antonio.

Nominations for next year's officers are being considered. Rhonda Watts is heading the nomination committee. If you are interested in pursuing an active role in your Society, please let us know. With the Society, as with all good things in life, you get out of it what you put into it.

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.

See you in San Antonio!

Annual SDP Meeting

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will begin with a continental breakfast and end about noon after the Open Forum.

We are fortunate this year to have a return visit by Don Reynolds the noted economist and futurist. Some of you may remember him and his presentation at the annual meeting in Albuquerque, New Mexico. Don is a dynamic professional speaker who is known for his spontaneous humor and rapid fire Q & A's. It will be interesting to hear his take on things five years later.

This year for the first time we are having a break out session for Canadian members. The session will allow them to discuss issues that may be missed in the regular sessions. We are also bringing back the open forum at the end of the meeting, something a number of members have requested and all enjoy. To obtain a full list of speakers please check the agenda on the web site (www.sdp.org).

SDP Executive Board

Rhonda Watts, CDP

The SDP is looking for members with innovation and energy to fill open positions on the SDP Executive Board. Each year we need to nominate individuals who will bring ideas and donate their time in conducting the business of the SDP and accomplishing the goals we set to make our organization better. If you are interested at any level, please contact Rhonda Watts at (214) 840-7358 or email rhwatts@deloitte.com. The success of the SDP is dependent upon the contribution of its members, so don't hesitate to participate!

SDP 2005 TRAINING

Susan Jensen, CDP

The SDP is pleased to offer the following three concurrent courses immediately following the 2005 Annual Meeting. The courses range from a basic overview of common depreciation

topics to an in-depth study of life analysis models to a higher level overview course intended for managers as well as depreciation professionals. Choose the level that best fits your background and needs.

"Basic Depreciation"

This hugely popular *Beginning Level* course includes an introduction to *Plant and Depreciation Accounting, Data Requirements and Collection, Simulation Life Analysis, Actuarial Life Analysis, Salvage and Cost of Removal Analysis, Depreciation Models, Life Cycle Analysis, and Technology Forecasting*.

"Life Analysis"

This *Intermediate Level* course includes in-depth study of the most popular life analysis models: *Actuarial Analysis (Retirement Rate), Simulation Analysis (Simulated Plant Record, Statistical Aging), Technology Forecasting and Obsolescence, and Life Cycle Analysis*. The prerequisite for this course is the "Basic Depreciation" course OR permission from Dr. Susan Jensen, Chair, Depreciation Education and Training.

"Preparing and Defending a Depreciation Study"

This *Advanced Level* seminar course includes *Developing a Depreciation Rate, Preparing a Depreciation Study Report, and Defending a Depreciation Study*. This course is intended not only for depreciation professionals involved in preparing depreciation studies but also for managers wanting to know more about the projects for which they are responsible. The prerequisite for this course is prerequisite for this course is the "Basic Depreciation" course OR the "Life Analysis" course OR permission from Dr. Susan Jensen, Chair,

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Depreciation Education and Training.

All courses begin at 1:00 PM Tuesday, September 13th, and end by noon Friday, September 16th. Ample opportunity will be provided during class and at informal evening receptions to talk with the expert instructors and network with fellow attendees from utilities, State and Federal commissions, and consulting firms.

Space is limited so be sure to register early! You will receive 22 CPE credits for each course. Below is a listing of the course fee, which includes a continental breakfast each morning and evening receptions Tuesday, Wednesday, and Thursday.

TRAINING FEE FOR EACH COURSE <i>(Use the lower rate if you are also attending the SDP Annual Meeting)</i>	
\$695/\$595	SDP Members*
\$895/\$795	Nonmembers*
\$595/\$495	State/Federal Commission*
\$50	Guest fee for the three evening receptions

* The higher amount is for the first registrant from the same company/commission. The lower amount is for additional registrants from the same company/commission.

Detailed information about the courses is available on our website at www.depr.org by clicking the Training button. You may also contact us at sdp@his.com or 505-792-4604 (voice) and 505-922-1495 (fax). We look forward to hearing from you.

New Members

Rod Daniel

The following individuals have recently become members of the Society of Depreciation Professionals.

- Jan Anderson - Consumers Energy, Jackson, MI

- Mino Bhujwalla - Entergy Services, Inc, New Orleans, LA
- Mary Ann Boyd - Verizon, San Angelo, TX
- Colin Burns - Gannett Fleming, Inc, Calgary, AB
- Virginia Eschman - Verizon, San Angelo, TX
- Tracy Greer - Salt River Project, Phoenix, AZ
- Rudy Hernandez - Salt River Project, Phoenix, AZ
- Sue Herndon - Verizon, San Angelo, TX
- David Hunt - Entergy Services, Inc, Little Rock, AR
- Jana Jeffries - Verizon, San Angelo, TX
- William Johnson - Illinois Commerce Commission, Springfield, IL
- Anthony Jost - Verizon, San Angelo, TX
- Katherine Koch - Chugach Electric Association, Inc, Anchorage AK
- Brenda Melendez - Cinergy, Cincinnati, OH
- Janna Rouse - Verizon, San Angelo, TX
- Terrance Smith - U.S. Postal Service, San Mateo, CA

And a “welcome back” to Ron Kalich, 4Convergence, San Ramon, CA

Current Issues

John Ferguson, CDP

The subjects addressed by the periodic Current Issues Committee letters are those I have stumbled across or have been made aware of by Society members. There are undoubtedly issues of significance to Society members that I never encounter or hear of. Therefore, I encourage members to make me aware of accounting and appraisal issues. I am particularly interested currently in hearing about FERC proceedings involving the ratemaking treatment of obligations qualifying for SFAS 143 and proposals for unconventional treatment of obligations not qualifying for SFAS 143.

The treatment of salvage and cost of removal remains a hot depreciation accounting topic, and regulatory proceedings currently in

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Thanks to These Contributing Members

SDP Sustaining Members

AUS Consultants
PowerPlan Consultants

Business Patron

E. Wotring Associates, Inc.

SDP Friends

Herbert Crowhurst, CDP
John Lamparello
Branko Terzic

progress assure continued discussion by future Committee letters. Of current interest is a Michigan generic proceeding that addresses the treatment of both legal asset retirement obligations and obligations that are not legal obligations. The May 27, 2005 Committee letter notes that the filing of Staff and intervener testimony was delayed to give the Staff more time to consider the FASB's Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, that was issued after the initial testimony was filed in the Michigan proceeding. The Staff and intervener testimony was filed on July 1, and is addressed by a Committee letter that may have been distributed prior to this newsletter. The Staff and intervener testimony contains little about the significance of Interpretation 47 to utilities subject to Michigan jurisdiction, but perhaps the rebuttal testimony scheduled to be filed on August 12 will.

Midnight Sun Marathon

Tony Flesch

SDP and the Newsletter would like to encourage its members to share personal stories and accomplishments. Having been part of SDP for many years, many of us look forward to our annual get-together at the meeting. Although some of us only see each other once a year, we have become friends over the years. In that spirit, I would like to share my latest accomplishment with you. Since many of you have known me for quite a few years, I received quite a few comments on my weight loss at last years meeting in DC. As I told people last year, I did it primarily through walking, exercise, and diet. Last fall, after SDP annual meeting, I started to run.

Little did I know that the first step out the door for a walk around the block in June 2003 would lead to running a marathon exactly two years later. Running a marathon was not even part of my wildest imagination.

On Father's Day weekend of 2003, various issues caused me to reassess my life path. Over the previous years, I had become very sedentary and gained a considerable amount of weight. That weekend, I decided to get fit and loose weight and began with a walk around the block (which left me huffing and puffing and breathing hard!). That first walk was kind of demoralizing, since it was such an effort, I contemplating giving up, after all, what was the use, I would never be able to walk a mile. I went one block, then two, at the same time, initiating an exercise program and a healthy diet. For the diet portion, I had the help and support of my friend and co-worker, and fellow SDP'er, Lou Walters. By the SDP meeting of 2004, I had lost about 90 pounds.

In the fall of 2004, I decided to include some light running and found a local running group, The Lake Grapevine Runners and Walkers (RAW). In October, RAW was having a 5k race (3.1 miles). Having never done a 5k race in my life, I decided to give it a try. I continued to include some local 5k's in my exercise plan. As I made friends in the running group, I started running with some friends that were training to run a marathon in Alaska in June 2005. I had absolutely no intention of running a marathon, just thought it would be good motivation to help increase my mileage and endurance. As my running developed in 2005, I added some longer races, 15k's (9.3 miles) and even a Half Marathon (13.1 miles) in May 2005. After the half, I realized

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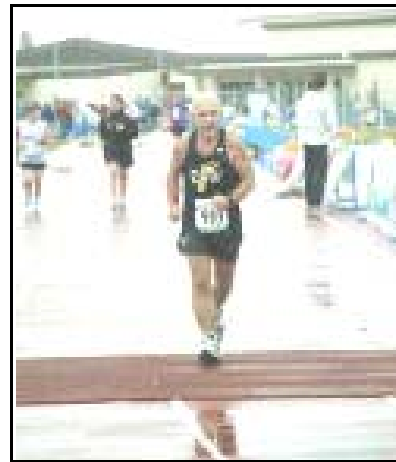
that yes, I could even run a Marathon with the training I was doing. Maybe it was fate, but the Marathon my friends were training for was exactly 2 years to the date that I had started my weight loss and exercise program.

June 16, 2005, I boarded a plane at DFW for Anchorage Alaska with some running friends to run the Midnight Sun Marathon. It is named the Midnight Sun Marathon because it occurs at the summer solstice, about 2 a.m. it turns to dusk for a few hours, but by 4 a.m. the sun is back high in the sky, it never gets dark.

The forecast called for rain on race day, and it was correct. It rained the entire day, temps were in the 50s, and it was windy. And yes, of course, the wind was blowing the cold rain in your face the entire way! The 26.2 Mile Marathon Course winds through Anchorage's award winning trail system to the foothills of the Chugach Mountains, with its scenic mountain vistas, to the steely waters of Cook Inlet and then back to Anchorage. The course was very challenging, running through the mountains along a dirt and stone military base for 10 miles, with the rain, it was now stone and mud. The entire first 13 miles was a gradual ascent up the mountain foothills, then a series of rolling hills for the next 10 miles, then one final steep hill, aptly named "insult hill", at mile 25 from Cook Inlet that lasted until about 200 yards from the finish line.

The adverse weather just makes the accomplishment that much more of a personal achievement!!! And, it makes for much more interesting story-telling. In his post-race speech, as they were handing out medals to all those that finished, the race director said in addition to the achievement of completing a marathon on a very challenging course, we earned extra "bragging rights" as he said: "Congratulations, you have just completed the Midnight Sun Marathon in the "toughest" weather conditions in the 32 year history of the event!"

My goal when I went was just to finish in the allotted 8 hour time limit. Based on my training runs, my secondary "wish" goal was to finish in slightly over 5 hours. I finished in 4 hours 29 minutes, which put me in the top 50% of all finishers. Two years prior, to the day, I had a goal to walk around the block and loose some weight. Exactly two years later, June 18, 2005, and over 120 pounds lighter, I finished the Midnight Sun Marathon running the entire 26.2 Mile distance. See you at the Meeting in September! Tony



Tony at the finish line

Society of Depreciation Professionals
8100 - M4 Wyoming Blvd NE #228
Albuquerque, NM 87113

SOCIETY OF DEPRECIATION PROFESSIONALS
8100 - M4 Wyoming Blvd NE #228 Albuquerque, NM 87113
INVOICE
MEMBERSHIP DUES JANUARY 1, 2005 – DECEMBER 31, 2005

Name _____
Professional Affiliation _____
Address _____
Telephone _____ FAX _____ E-Mail _____

Dues:

Member		\$40	\$ _____	New _____	Renewal _____
Sustaining Member	@	\$750	\$ _____	New _____	Renewal _____
Business Member	@	\$300	\$ _____	New _____	Renewal _____
Patron Donation	@	\$200	\$ _____	New _____	Renewal _____
Friends Donation	@	\$100	\$ _____	New _____	Renewal _____

Society of Depreciation Professionals
MEETING AND TRAINING REGISTRATION FORM

19th Annual Meeting, September 11-16, 2005
La Mansion del Rio, San Antonio, Texas 78205
Early Registration Deadline: August 15, 2005*

2005 ANNUAL MEETING REGISTRATION

The Annual Meeting will begin with a welcome reception Sun. evening, Sept. 11th, and end by noon Tues., Sept. 13th

	SDP Member	Nonmember	
Attendee	\$295	\$345	\$ _____
Guest (for receptions Sun. & Mon.)	\$ 50	\$ 50	\$ _____

MEMBERSHIP

2005 Dues	\$ 40	\$ 40	\$ _____
2006 Dues	\$ 40	\$ 40	\$ _____

TRAINING REGISTRATION

*Select **ONE** of the following three courses. Trainees may earn up to 22 CPEs per course. Please note that some courses have prerequisites. **Space is limited so early registration is recommended.***

- ___ **“Basic Depreciation”** (*Beginning Level*)
- ___ **“Life Analysis”** (*Intermediate Level*) (**Prerequisite:** prior attendance in “Basic Depreciation” course)
- ___ **“Preparing and Defending a Depreciation Study”** (*Advanced Level*) (**Prerequisites:** prior attendance in “Basic Depreciation” course & “Life Analysis” course)

(Use lower rate if you are also registering for Annual Meeting)

	SDP Member	Nonmember	
First registrant from a company/commission	\$695 / \$595	\$895 / \$795	\$ _____
Each additional registrant from same company/commission	\$595 / \$495	\$895 / \$795	\$ _____
Registrant from State/Federal Commission	\$595 / \$495	\$895 / \$795	\$ _____
Guest fee for three evening receptions	\$50	\$50	\$ _____

TESTING REGISTRATION

Certified Depreciation Professional Exam	\$100	\$100	\$ _____
* <i>Late Fee after August 15th</i>	\$ 25	\$ 25	\$ _____

TOTAL (Annual Meeting, Membership, Training, Testing)

\$ _____ .00

PAYMENT

Name: _____

Title: _____ Company: _____

Address/City/State/Zip/Country: _____

Phone: _____ FAX: _____ E-mail: _____

Check (payable in US dollars to: Society of Depreciation Professionals)

Visa/MasterCard/AmEx Card # _____

Exp. _____ Signature _____

Please check here if you need special assistance. Someone from the Society will contact you

Please identify any special dietary requirements _____

HOTEL INFORMATION

Location: La Mansion del Rio Hotel
112 College Street
San Antonio TX 78205

For room reservations, call the hotel directly (210/518-1000) and request the Society of Depreciation Professionals rate: **\$149.00.**

Hotel reservation deadline: Room availability at the conference rate is guaranteed until **August 15th**. After August 15th rooms will be available at the conference rate only if space is available at the hotel.

Return this form to:

SDP
8100-M4 Wyoming Blvd NE #228
Albuquerque, NM 87113

Fax: 505/922-1495, sdp@his.com

For information regarding refund, complaint and program cancellation policies, please contact our offices at 505/792- 4604.

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