

NEWSLETTER

8100 Wyoming Boulevard NE # 228 Albuquerque, NM 87113 Volume 17, Issue 3 Winter 2005

President's Message

John Wiedmayer, CDP



John Wiedmayer, President
Society of Depreciation Professionals

This is the season for giving thanks and for counting one's blessings for the many fortunate things that have been bestowed upon us. While 2005 was again a terrific year for the Society, it was a tragic year for others,

particularly the citizens of New Orleans (site of our 2002 annual meeting) and other cities along the Gulf Coast. The images of New Orleans after Hurricane Katrina struck will be long remembered and shows us just how fragile life is and to appreciate each day. I want to start out by wishing Happy Holidays to all the Society's current and prospective members, all officers and committee chairs as well as sponsors and supporters of SDP and all of your families.

I would like to reflect on some of our accomplishments this year. But first I would like to say thank you to each of you who participated during the past year and provided support and encouragement to me during my tenure as president. It takes contributions from many people to continue to have a Society like

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2006 SDP Officers

The following persons were elected to serve as Society of Depreciation Professionals officers during 2006 at the 2005 SDP Annual Conference.



Bob Welsh
President



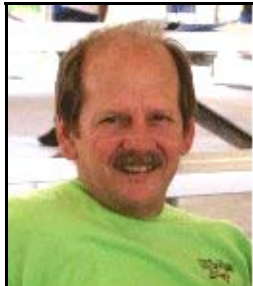
Dane Watson
Vice-President



Chris Harris
Secretary



Dale Urban
Treasurer



Brian Caldwell
At-Large Director



Laura Rockenberger
At-Large Director



John Wiedmayer
Past President

SDP EXECUTIVE BOARD**Officers**

President	John Wiedmayer Gannett Fleming, Inc (610) 650-4071
Vice-President	Robert Welsh Welsh Group, LLC (703) 450-0845
Treasurer	Dale Urban Epcor Utilities, Inc. (780) 412-3238
Secretary	Jacob Ransom BellSouth (205) 977-8932
At-Large Director	John Lacey California State University (562) 985-4576
At-Large Director	Dane Watson Alliance Consulting Group (214) 473-6771
Past President	Rhonda Watts Deloitte & Touche, LLP (214) 840-7358

Committee Chairmen

Certification and Testing	Susan Jensen Surface Transportation Board (202) 565-1536
Coordinating	Steve Barreca BCRI, Inc. (205) 943-6710
Current Issues	John Ferguson (972) 699-8214
Depr. Education & Training	Susan Jensen Surface Transportation Board (202) 565-1536
Ethics and Standards	Richard Clarke Gannett Fleming, Inc. (702) 242-3250
Journal	Anthony Flesch Verizon (972) 718-5934
Membership	Dale Urban Epcor Utilities, Inc. (780) 412-3238
Newsletter	Jacob Ransom BellSouth (205) 977-8932
Program	Robert Welsh Welsh Group, LLC (703) 450-0845
Web Page	Louis Walters Verizon (972) 718-7350
Newsletter Publisher	Rod Daniel Phone: (505) 867 - 9513 FAX: (505) 867 - 0917 Email: sdp@his.com

President's Message*Continued from Page 1*

ours and to accomplish the goals we would like to achieve from an organization like this. Fortunately, we have members who are willing and have contributed their time and talents to make SDP a worthwhile and meaningful organization. I encourage all members, especially newer members to take an active role and volunteer your services to SDP in 2006 and beyond. You'll benefit from getting to know a great group of talented and knowledgeable people in your field more closely and the satisfaction of assisting the organization and profession. I know that I have personally benefited from meeting many SDP members that, absent the Society, I would not have met. Anyone wanting to contribute may call me or any of the board members. To all those volunteers, committee members, officers, trainers, administrators, etc. I want to say thanks for a job well done in 2005.

We had a wonderful meeting this year in San Antonio. The famed San Antonio Riverwalk was just a short stroll from our hotel and provided an array of activities to enjoy with other members in a relaxed, social setting. Our private tour of the Alamo shrine was very interesting and a somber reminder of those who gave their lives in pursuit of liberty and freedom from oppression. In addition, the meeting agenda was filled with many terrific speakers who shared their knowledge on a wide variety of topics with our members. I received many positive comments from those that attended. I want to personally thank Bob Welsh for the wonderful job he did arranging this meeting and the program of speakers.

One of the goals we have been working on for a couple of years was to expand our training and through the excellent leadership and dedication of Dr. Susan Jensen we accomplished this goal. This is the third year in which an expanded training session has been offered subsequent to the annual meeting. The expanded training session has been positively received and has brought a new, vibrant dynamic to the Society. In 2005, we added an advanced course to go along with the basic and intermediate courses. The number of attendees at the training sessions keeps growing each year which speaks volumes about the quality of the sessions and the

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Membership Dues

Bob Welsh, CDP

The SDP Board of Directors voted to raise membership dues from \$40 to \$50 per year, effective March 1, 2006. Although the Board has worked hard to keep the cost of running the Society down, the cost of the Society's administrative costs (Newsletter, Journal, printing, telephone, etc.) have increased significantly. Each year we target the annual meeting and the training to be self funding and to make a small contribution toward the general administrative expense of the Society. Fortunately both the annual meetings and training have been in the black and their contributions have allowed us to keep the membership fee flat since January 2001. However, we now need to increase the dues. We are sure if you compare our membership dues to other professional organizations you would agree that it is a great bargain. You will be receiving a renewal notice before the end of December, 2005. If you pay the dues before March 1st you can renew your membership at the lower amount. All membership renewals and new memberships after March 1st will be \$50 per year.

Certified Depreciation Professional (CDP) Certification and Testing

Susan Jensen, PhD

In 2005, two SDP members earned the CDP credential, bringing our total to 29 CDPs. To become certified, a qualified member must pass the CDP test. The test is given at each SDP Annual Meeting and also by appointment in Washington, DC and Albuquerque, NM. Because the test fee entitles you to take the test twice, you may want to take the test once to determine areas needing further study and a second time to become certified.

To retain the CDP designation, every 5 years each CDP must submit evidence of professional growth through continuing education and/or participation in professional

activities. Alternatively, a CDP may retake the CDP test to accumulate 75% of the Professional Development Credits (PDCs) required for recertification. In 2005, two members were recertified.

We encourage you to visit the SDP web site (www.depr.org) for information regarding certification and recertification as well as applications. If you are a CDP, we encourage you to maintain the necessary records needed for recertification and submit your recertification application well in advance of your CDP expiration date. Please contact us if you have any questions about certification or your expiration date.

SDP 2005 Training Enjoys Record

Attendance

Susan Jensen, PhD

A record 60 trainees participated in the SDP training immediately following the 2005 Annual Meeting in San Antonio, TX. Participants chose one of three concurrent courses: (1) a **basic overview of depreciation**, (2) an in-depth study of **life analysis models**, and (3) a higher level overview course focusing on **preparing and defending a depreciation study**. This higher level course was for depreciation professionals involved in preparing depreciation studies as well as managers wanting to know more about the work for which they are responsible.

All courses provided hands-on experience in performing the calculations that underpin a depreciation study. Additionally, ample opportunity was provided during class and at informal evening receptions to ask questions of the expert instructors and network with fellow attendees from utilities, State and Federal commissions, and consulting firms. Because the Society is a member of the National Registry of CPE Sponsors, each student received up to 22 CPE credits.

Training will again be offered

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SDP 2005 Training Enjoys Record

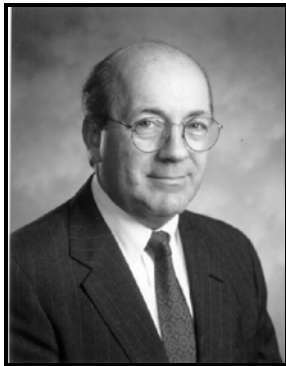
Attendance

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following the 2006 Annual Meeting in Long Beach, CA. Courses will begin at 1:00 PM Tues., Sept. 19, 2006 and conclude by noon Fri., Sept. 22, 2006. We plan to offer the basic overview course along with other courses that meet your needs. Please forward your suggestions for course topics to Dr. Susan Jensen, Chair of Education and Training, at drsdjensen@aol.com. As we develop the courses, we will update our website www.depr.org. *We may need to limit class size, so if you plan to attend in 2006, please consider registering early.*

Who is Rod Daniel?

Rod Daniel



Rod Daniel

So who is that guy that answers the phone when you call the Society of Depreciation Professionals? It's me, Rod Daniel. I have been working with the Society of Depreciation Professionals since 1995, half of the Society's nearly 20 year history. I have an association management company (Daniel Management Services, Inc) that works with non-profit associations, providing board development, conference planning, membership development and other services as needed.

Prior to starting my business, I retired after 20 years in the army. During my years in the service, I completed a PhD in education

administration. I taught for some years with the Washington DC public schools and the American University before going full time with the association management company. I still do regular consulting work with school systems and help in creating specialized magnet schools in particularly challenged school systems.

After 30 years living in Washington DC, I uprooted and moved to the Land of Enchantment, New Mexico. I now live and work in Placitas, New Mexico, a little village between Albuquerque and Santa Fe. I find a good deal of pleasure working through the issues that face non-profits, working with boards of directors, and helping to pull together the many details in producing a conference and training classes. The Society has been blessed over the years with a wealth of talented individuals who have stepped up to serve on the SDP Executive Board and to serve as committee chairs. The positive energy that has come from the boards of directors has helped the Society become recognized internationally as a leading authority in the field of depreciation.

As the Society prepares to celebrate its 20th Anniversary, I hope we all have the time to look back at the accomplishments of the founders and past members. And, I hope that many members will look to the future and consider ways to help strengthen the Society for the next 20 years.

New SDP Telephone Numbers

Rod Daniel

Please note that the office numbers for the Society of Depreciation Professionals have changed. The new numbers are:

Voice: 505/867 - 9513

Fax: 505/867 - 0917

President's Message

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instructors that are presenting the courses. The training sessions are an excellent venue for introducing the Society to new members. Plus, it serves a vital function of keeping our members informed about depreciation theory and issues of the day. I also want to thank Susan for the outstanding job she did this year as well as the instructors for the many hours they spent in developing their courses.

Our meeting for next year will be in Long Beach, CA, about 20 minutes south of Los Angeles (LAX) airport. Long Beach, CA will be another outstanding venue, located along the Pacific Ocean and near to the many Southern California attractions. In addition to the expanded training we have planned for next year, we will continue to provide our members with speakers, panels, and discussions on the latest and most current issues facing depreciation and accounting in the utility industry. Plus, sunny Southern California will provide a terrific atmosphere to socialize with your SDP friends, so mark your calendars for 2006. The meeting in Long Beach will be held starting on Sunday, September 17 and ending on Tuesday, September 19. The training sessions will begin on Tuesday, September 19 and will conclude on Friday, September 22.

I really enjoyed working with everyone this year. I would like to extend a special thanks to Rod Daniel for all his support which made my job easier. Rod does much to keep the organization running smoothly and is a tremendous asset to SDP. I know the incoming president Bob Welsh has several new ideas to improve the organization and will do an excellent job in 2006 and I look forward to working with him and the board in the future.

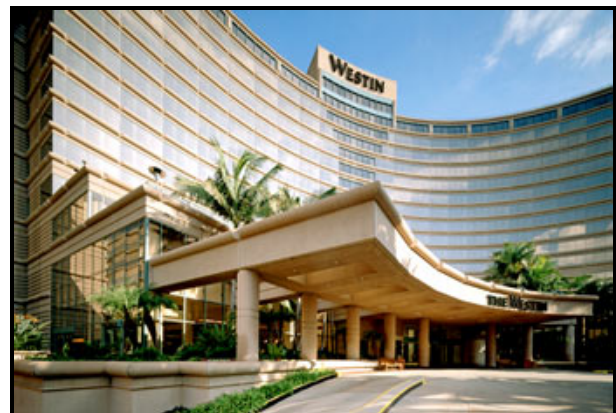
Best Wishes for a Happy and Safe Holiday Season!!

2006 SDP Conference

Rod Daniel

Mark your calendars for the 2006 SDP Annual Conference and Training, to be held in Long Beach, California, September 17-22, 2006. The conference and training will be held at Westin Long Beach. Located midway between Los Angeles International and Orange County airports, and adjacent to the Long Beach Convention and Entertainment Center, the Westin Long Beach is as conveniently situated as it is beautiful. Guests of the hotel will find themselves just one mile from the beach and only minutes from the new Aquarium of the Pacific. Numerous shops, restaurants and clubs are within an easy stroll. For more information on the hotel, you can visit their web site at: www.westin.com. Or for more information on Long Beach, visit www.visitlongbeach.com.

The Annual Meeting will again begin with a Sunday evening welcome reception. The Annual Meeting will get under way with an opening session on Monday, September 18th, and continue through noon on Tuesday, September 19th. The SDP Depreciation Training classes will begin at 1:00pm on Tuesday, September 19th, and continue through Friday noon, September 22nd. As details become available for both the Annual Meeting and Training classes, that information will be posted on the SDP Web Site (www.depr.org).



Westin Long Beach

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

Current Issues

John Ferguson, CDP

Proposed decisions have been issued in two proceedings that have been addressed by Current Issues Committee letters.

For the California rulemaking proceeding addressing the treatment of gains and losses on sales of assets, the ALJ proposes to assign 75% of gains and losses to ratepayers when sales prices are \$50 million or less or when gains or losses are \$10 million or less. Transactions exceeding these thresholds are to be addressed individually. This proceeding is addressed by the October 14, November 10 and December 12, 2004 Committee letters, and the proposed decision will be addressed in more detail by the future Committee letter that may be distributed prior to this newsletter.

For the Michigan generic proceeding addressing SFAS 143 and the treatment of non-ARO cost of removal, the ALJ proposes to dismiss the proceeding. Dismissal of the proceeding is proposed, because the Commission intended that it "be considered a contested proceeding," and that this generic proceeding does not comply with the requirements of the Michigan Administrative Procedures Act for such a proceeding to be considered as a contested proceeding. The proceeding is addressed by the May 9, August 15, and November 7, 2005 Committee letters, and the proposed decision will be addressed in more detail by the future Committee letter.

The proposed decision is scheduled to be issued about now for Southern California Edison's 2006 General Rate Case in which the

treatment of net salvage was at issue, but was not available in time to be addressed by this newsletter. This proceeding is addressed by the October 3, 2005 Committee letter, and the proposed decision will be addressed by the future Committee letter.

SDP Journal News

Tony Flesch

The 2004-2005 SDP Journal was mailed in August. Hopefully, you found the articles useful and thought-provoking. On behalf of SDP, I would like to take this opportunity to thank the outstanding authors, and the generous sponsors, for their contribution to the Journal.

In order to continue to be a viable resource for our members, the SDP Journal needs your article; please consider contributing an article for the next edition. Some of the benefits of submitting an article include: Providing a resource of knowledge and research to the Society -- becoming a published author in a prestigious international professional journal -- enhancing credentials for your resume or testimony -- demonstrating your professional knowledge and skills to other members of the Society -- earning CDP recertification points -- becoming a contributing member of the Society -- and personal satisfaction!

Writing an article is not as hard as you think, it just requires some motivation and dedication. Article guidelines are listed on Page 5 of the current edition, and also on the SDP web page. Articles for the next edition are due by July 1, 2006 - So, don't delay - commit today! If you have an article to submit, or would like to discuss contributing an article please feel free to contact me with any questions - Tony Flesch, phone 972-718-5934 or email tony.flesch@verizon.com.

New Members

Rod Daniel

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

- Daniel Birkam - Michigan Public Service Commission, Lansing, MI
- Ellen Blumenthal - GDS Associates, Corpus Christi, TX
- Ed Diggs - Dominion Resources Services, Richmond, VA
- Sarah Ewell - Southern California Edison, Rosemead, CA
- Julie Fender - Allete, Duluth, MN
- Eric Fowler - Tucson Electric Power, Tucson, AZ
- Norma Gursky - FortisAlberta, Calgary, Alberta
- Tom Handley - Virginia State Corporation Commission, Richmond, VA
- Susannah Hannis - American Electric Power, Columbus, OH
- Nancy Hughes - R.W. Beck, Inc, Seattle, WA
- Gregory Kort - American Appraisal Associates, Dallas, TX
- Susan Larsen - Virginia State Corporation Commission, Richmond, VA
- Tom Mitchell - Arizona Public Service, Phoenix, AZ
- Gary Nordby - Pacific Gas & Electric, San Francisco, CA
- Kent Petersen - Virginia State Corporation Commission, Richmond, VA
- Bernadette Porter - Tucson Electric Power, Tucson, AZ
- Donna Smith - Newfoundland & Labrador Hydro, St. John's, Newfoundland
- Marc Tufaro - Virginia State Corporation Commission, Richmond, VA
- James Wagner - Dominion Resources Services, Richmond, VA
- Danny White - ONEOK / Oklahoma Natural Gas, Oklahoma City, OK, Phoenix, AZ

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, 2006 – DECEMBER 31, 2006

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 _____

*** Dues are \$40 if paid prior to March 1, 2006. Dues will be \$50 beginning March 1, 2006.**