

Greetings from Tampa Florida!

Dear Depreciation Professionals,

Many thanks to our members who attended the 2023 SDP Conference and Training in Ohio. Your continued support helps us further our mission to provide the community, resources, and education that Depreciation Professionals in business need to thrive.



Our Vice-President Rebecca Richards did a fantastic job organizing the agenda. The diverse topics presented and informative panel discussions provided us with a better understanding of this multifaceted world of depreciation in which we are all involved.

An interesting future awaits us due to innovation, investment, and industry legislation. As a result, we will continue to face challenges and opportunities for the electric, gas, water, railroad, and telecommunications industries.

I want to thank the 2023 Board of Directors and Committee Chairs (Rebecca Richards, Melissa Howard, Rich Bennett, Tammi Goldstein, Amanda Nori, Gerrilynn Wolfe, Dr. Karen Ponder, Stephen Barreca, and Dr. Susan Jensen), and Account Coordinator Mollie Heithoff for their amazing support during this year. It has been a pleasure to serve with all of you.

A special thanks to our esteemed trainers who lend their expertise to provide the best depreciation training available. I deeply appreciate the support of our SDP Sponsors: Alliance Consulting Group, Concentric Energy Advisors, Gannett Fleming Valuation and Rate Consultants, Regulated Capital Consultants (RCC), and PowerPlan! Your support enables the SDP to continue to provide excellent programming.

Our entire leadership team appreciates SDP members' continued support and commitment to our organization! If you have questions about the Society or are interested in becoming involved in our activities or governance, please contact an officer or committee chair.

To suggest a topic or speaker for next year's conference, please reach out to Amanda Nori at conference@depr.org. If you have suggestions for training classes, please contact Dr. Susan Jensen at training@depr.org.

Sincerely,

Marianella Hensley

Marianella Hensley
Marianella Hensley, SDP President

2023 ANNUAL CONFERENCE

Rebecca Richards, CDP, SDP Vice-President

The 2023 Annual Conference took place in Cincinnati on September 17-19, 2023. The Annual Conference began with a reception Sunday evening (sponsored by Concentric Advisors) and continued through Tuesday morning.

Monday's outstanding lineup of presenters and panelists included:

- Mark Cicchetti, Florida Public Service Commission
- Hon. Branko Terzic, Berkeley Research Group LLC
- Ned Allis, CDP and Bryan Berry, Gannett Fleming
- Rick Fisher, CDP, PowerPlan and Dustin Madsen, CDP, Emrydia Consulting Corporation
- Rebecca Richards, CDP, Alliance Consulting Group
- Amanda Nori, CDP and Larry Kennedy, CDP, Concentric Advisors

Tuesday we benefited from the excellent presentations of:

- Bill Stout, CDP, PE, Gannett Fleming
- Larry Kennedy, CDP, Concentric Advisors and Bryan Berry, Gannett Fleming
- Rick Fisher, CDP, PowerPlan

Topics covered over the two days included:

- Depreciation in Ratemaking
- Climate Change and Uncertainty in Depreciation
- Decarbonization and Adapting to Change
- Depreciation Perspectives Panel: Utility, Customer, and Regulator
- ALG in an IFRS World
- Getting It Right in Recent Depreciation Studies
- Net Salvage -- A Different Approach
- New Technology Impacting Depreciation
- Utility Industry Data Trends



2023 ANNUAL CONFERENCE - *CONTINUED*

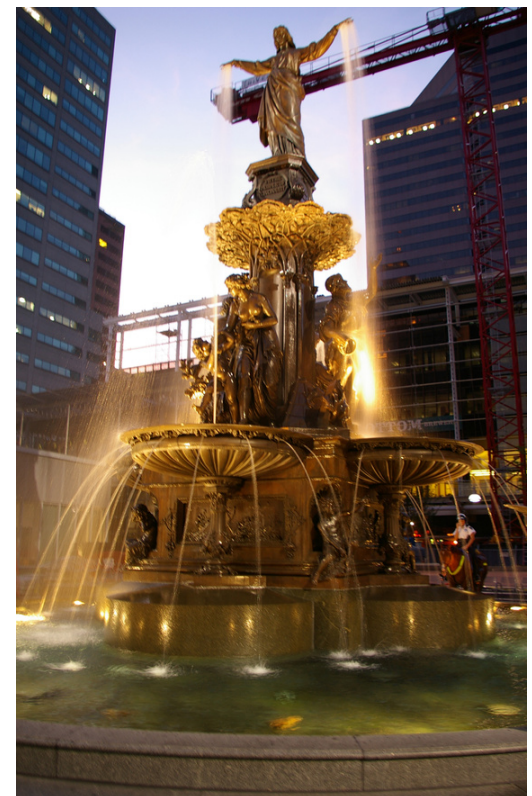
On behalf of all Society members and attendees who joined us at this year's meeting in Cincinnati, a big thanks to our speakers for all your efforts in making our Annual Conference a great success.

Enjoying Cincinnati

Society members and attendees at our 36th Annual Conference and Training enjoyed the convenient location and historic culture of Cincinnati, Ohio.

Monday evening we were treated to a walking tour of Cincinnati's historical underground lager tunnels. The tour started from the Knox Joseph Distillery, where we enjoyed refreshments and dinner while playing cornhole and networking with friends.

There was a variety of restaurants, shopping, sports venues, and historical attractions to take advantage of during the week – all within walking distance of our conveniently located conference hotel.



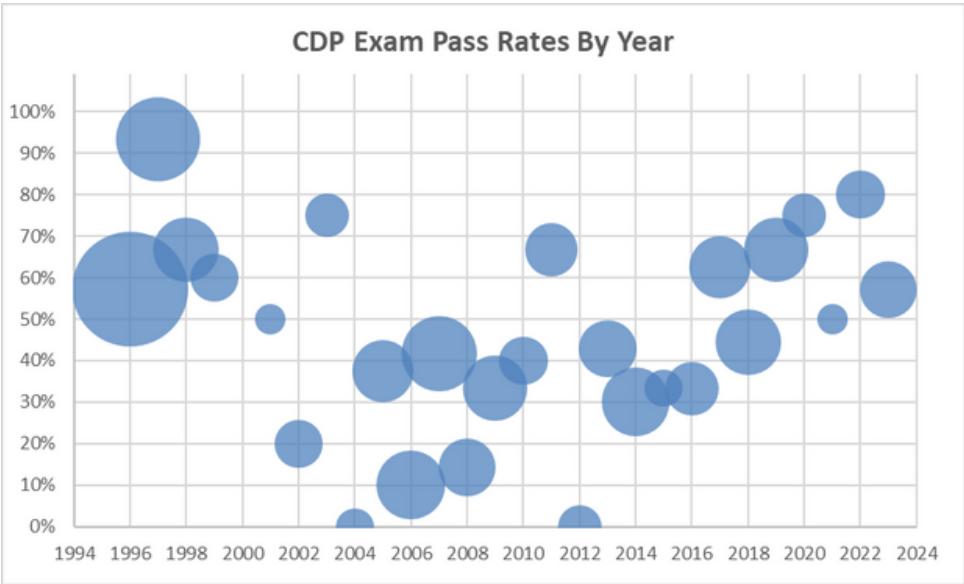
CERTIFIED DEPRECIATION PROFESSIONAL (CDP) EXAM

Steve Barreca, ASA, CDP, PE

In the first few years the CDP Exam was offered, those taking the test were typically highly experienced and educated in utility regulation. As expected, they tended to score high on the CDP Exam. In later years, the experience level declined as did test scores. Another reason for the declining scores was the practice of some people to take the test to see what areas they needed to study further to be better prepared to take the test a second time.

To address the declining scores, circa 2015 the Certification & Testing Committee began an effort to review the CDP Exam in relation to SDP Training. The objective was to ensure that the CDP Exam questions were clear and consistent with the required knowledge for a professional depreciation analyst. The Certification & Testing Committee Chair and the Training Director worked together to eliminate trick questions and ensure that all areas being tested were adequately covered in training. Additionally, non-SDP members were no longer allowed to take the CDP Exam.

Of the total 202 people who have taken the CDP Exam since it was first offered in 1996, 99 professionals have passed the test (49% overall pass rate). The annual pass rates shown in the chart CDP Exam Pass Rates by Year reflect that the review efforts were successful at raising the annual pass rates. The CDP Exam will continue to be reviewed in relation to training and changes will be made as needed.



Note: Circle size indicates the number of students.

SDP BOARD OF DIRECTORS

2024 OFFICERS

President Rebecca Richards, CDP Senior Consultant Alliance Consulting Group	At Large Director Tammi Goldstein, CPA Capital Recovery Principal Pacific Gas and Electric Company
Vice President Amanda Nori, CDP Project Manager Concentric Advisors	At Large Director Karen Ponder, PhD, CDP Senior Consultant Alliance Consulting Group
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Secretary Rich Bennett, CDP Senior Manager Utility Consulting Group	

2024 COMMITTEE CHAIRS

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Current Issues Letter Vacant	Tammi Goldstein, CPA Capital Recovery Principal Pacific Gas and Electric Company
Education & Training Director Training@depr.org Susan Jensen, PhD, CDP Surface Transportation Board	Newsletter Claude Robertson, CDP Senior Capital Recovery Analyst Arkansas Public Service Commission
Conference Program Director Conference@depr.org Amanda Nori, CDP Project Manager Concentric Advisors	Social Media Marianella Hensley Supervisor, Regulatory Plant Accounting TECO EMERA Tampa Electric and Peoples Gas Co.

Click [Here](#) for the Volunteer Interest Form

The SDP congratulates our new Certified Depreciation Professionals!

Jason Powery, CDP

Mr. Powery is a Senior Analyst for Gannett Fleming Valuation and Rate Consultants, LLC. He joined the firm in 2018 after graduating from the Wharton School of Business with a B.S. in Economics. He has performed several depreciation studies for electric, gas, water, and wastewater utilities in every region of the country.



In addition to performing depreciation studies, Jason has led projects in revenue requirement and bill impact forecasting studies, Reproduction Cost New Less Depreciation (RCNLD) valuations, demand forecasting studies, and asset age studies. He is also responsible for training depreciation staff at Gannett Fleming and developing solutions for technical issues related to his firm's proprietary depreciation software.

Mr. Powery passed the CDP Test in 2022 and became a CDP in August 2023 after he had worked in depreciation for the required five years.

Paul Chastant, JD, CPA, CM&AA, CDP, CRRA

Mr. Chastant is the VP of Project Development at the Sisung Group. Paul holds a Bachelor of Science in Accounting with a Minor in History from Louisiana State University. He also holds a Juris Doctor from Tulane University Law School. While at Tulane, he served as a Managing Editor of the Tulane Environmental Law Journal, and he was published on issues involving The Outer Continental Shelf Lands Act.



Mr. Chastant is a member of both the State Board of Certified Public Accountants of Louisiana and the Louisiana State Bar. He is a Certified Mergers and Acquisition Advisor and a member of the Alliance of Merger & Acquisition Advisors. He is also a Certified Rate of Return Analyst and member of the Society of Utility Regulatory and Financial Analysts.

Zachary Wright, CDP, ASA

Mr. Wright joined NewGen Strategies and Solutions, LLC (NewGen) in April 2015. Zachary performs appraisals, depreciation studies, financial planning, and rate analysis projects. Before joining NewGen, he worked as a Commercial Credit Analyst and has



experience in corporate finance, proforma financial analysis, financial modeling, underwriting, banking, and strategic and capital planning.

Over the past five years, Mr. Wright has administered, reviewed, and performed analyses of depreciation studies of utility assets. In March 2021, he became an Accredited Senior Appraiser (ASA) by the American Society of Appraisers. He has worked on over 65 appraisal and valuation studies and is listed as a significant contributor in reports for studies that he did not sign as primary Appraiser. Mr. Wright is President of the Middle Tennessee Chapter of the American Society of Appraisers.

SUSAN JENSEN RECEIVES SDP'S LIFETIME ACHIEVEMENT AWARD

The Society of Depreciation Professionals presented the SDP Lifetime Achievement Award to Susan Jensen, PhD, CDP at the 2023 SDP Conference in Cincinnati. This is only the second time SDP has awarded its highest honor since the founding of SDP in 1987. SDP created the award to recognize members who have dedicated themselves to SDP through education and instruction; spent a significant portion of their career in depreciation, utility regulation, and economics; and are recognized leaders.

Dr. Jensen has held every SDP Board office and has been its Director of Training since the development of one-day training in 1999 and Extended Training in 2003. She directed the development of SDP's Certified Depreciation Professional program and CDP Exam. She served as chair of the Accounting Committee for the American Railway Engineering and Maintenance-of-Way Association and as an author and editor of the text Public Utility Depreciation Practices for the National Association of Regulatory Utility Commissioners (NARUC). Susan is a Board Member of the American Institute for Stuttering and has served on a Butler University Board, where she has endowed a scholarship.



Dr. Jensen developed and implemented depreciation policy and procedures for U.S. freight railroads on behalf of the Interstate Commerce Commission (ICC) and its successor agency, the Surface Transportation Board. At these Federal agencies, Susan made final determinations on issues in depreciation studies submitted by Class I railroads and analyzed engineering evidence in other types of cases.

Susan's academic career began at Butler University, where she graduated summa cum laude with High Honors in Mathematics and was honored as one of Butler's Top Ten Students in her Junior and Senior years. After earning an M.A. in Mathematics at Western Michigan University (WMU), she was appointed its Assistant Dean of the College of Engineering and Applied Sciences. While at WMU, she taught utility regulation in Dr. Chet Fitch's Depreciation Programs, Inc. and had the good fortune to work with Mr. Robley Winfrey, the prime developer of the Iowa Curves and author of Bulletin 125 and Bulletin 155, and his able assistant Mr. Jean Hempstead. Susan then went on to earn a doctorate in Engineering Valuation at Iowa State University where she was asked to be an Assistant Professor of Engineering.

Susan considers it a privilege to be SDP's Training Director with the opportunity to work with its twelve stellar trainers. She appreciates the assistance of her tireless Training Committee members Dr. Karen Ponder, CDP and Bill Stout, PE, CDP, who were invaluable in helping create the Trainer Development Program to ensure the continuity of SDP's essential depreciation training. Susan looks forward to seeing you at SDP's 2024 Conference and Training!

SDP TRAINING

Susan Jensen, PhD, CDP, Director of Training

SDP trainers and trainees gathered in Cincinnati in September 2023 for another round of excellent training courses. The valuable networking and sharing afforded by meeting in person were appreciated by all.

There were fun and beneficial networking opportunities outside of class, too, where we interacted in a relaxed setting. One of our receptions was just steps away from our hotel that overlooked busy Fountain Square. Our other reception featured an opportunity to enjoy craft beers and cornhole before some members were off to watch a match between our women's national soccer team and South Africa.

Our training again exceeded our expectations. Trainers added to course content by including case study experiences they had during a busy 2023. The ratio of trainees to faculty is 7 to 1, giving trainees the best learning experience in the industry.

“Knowledgeable, helpful experts as instructors. Excellent info. Well-done training materials & organization.”

Two or more trainers often co-teach a course to give trainees different perspectives, thus setting us apart from “sole trainer” offerings. And to help ensure the longevity of our training, SDP Training Interns assisted in most of our training courses this year.

“Having two instructors was effective in breaking up the presentation. Gave a great complement of views.”

SDP courses apply depreciation methodologies to real-world data, thus making the skills acquired readily transferable to the workplace.

“Combo of trainers made for a very informative and entertaining class.”

During our week of training, we offered the exam for the credential that depreciation professionals want – the **Certified Depreciation Professional** (CDP) credential. SDP's training is the best preparation for the CDP exam.

“Great class! Very applicable to my job.”

This year we offered a variety of courses, from two courses before the SDP Conference to three courses following the Conference, as discussed below.

SUNDAY COURSES

Introduction to Depreciation

On Sunday before the Conference, this course provided trainees with an overview of depreciation topics and preparation for the CDP Exam.

“Intro classes were effective and provided a good background.”

Depreciation and Ratemaking

This more advanced course included classes on revenue requirements, rate of return, and testifying. Then a panel of experts discussed current regulatory issues, including decarbonization, electric vehicles, and other climate change issues.

“Great training, unavailable anywhere else! Will be back with more reps from my team!” “Appreciate the trainers’ experience and wealth of knowledge which you cannot get from instruction manuals.”

SDP TRAINING - *Continued*

EXTENDED TRAINING COURSES

Depreciation Fundamentals

Due to the high number of registrants in this course, we again offered two sections to enhance your training experience. This overview of depreciation topics is excellent preparation for the CDP Exam. At your request, we again offered the class ***Evolution of the Iowa Curves***.

Depreciation Fundamentals is beneficial for professionals preparing depreciation studies as well as managers wanting an overview of the segments of a depreciation study.

“All classes were very helpful for a novice in the field. I look forward to taking classes in the future.”

“Excellent presenter - very enthusiastic, engaging, and easy to follow.” “Class exercise was super engaging, fun, and relevant.”

Analyzing the Life of Real-World Property

This course provides hands-on experience analyzing the life of real-world property in small groups. The course also probes the engineering reasons that cause assets to fail or be replaced and any resulting removal cost. At your request, this year we added a class taking us beyond the life analyses to ***Forecasting Life Using Life Analysis Results***. We also added a class that used life estimates to calculate depreciation and showed different weighting methods for remaining lives.

“Instructor did a great job. Really appreciate when she shared her real-life experiences.”

Analyzing Net Salvage in the Real World

In 2023 we welcomed back this popular course. The attendees learned how gross salvage and cost of removal are recorded to accumulated depreciation, analyzed using statistical techniques, estimated (for mass and life-span properties), reflected in the accrual rate, and impacted by the retired asset's age and inflation.

“Instructor did an excellent job. Great conversational teaching style. Plenty of time to answer questions. Net salvage is a very timely topic. Highly recommend this course.”

Preparing and Supporting a Depreciation Study

In 2024, we plan to bring back our capstone course, which brings together the info learned in our previous courses. The course is intended for depreciation professionals who prepare depreciation studies as well as managers seeking an overview of the depreciation study process. The course focuses on developing life and salvage estimates and depreciation rates that reflect company and technology impacts. Trainees work in small groups giving them ample attention from the instructors. The course also addresses preparing and supporting the depreciation study report.

“Great training, very informative. I look forward to next year's training.”

SDP TRAINING - *Continued*

We have trained over 1,500 professionals since Extended Training began in 2003. For additional info about our courses, please visit www.depr.org. We look forward to seeing you at our **2024 Conference and Training!**

***“One of the best trainings I have attended.”
“I enjoyed the instructors. A ton of knowledge and they presented it well. Very patient with others and a real pleasure to learn from.”***



SDP 2023 Trainers and Interns

Row 2: Rick Fisher, Melissa Howard, John Wiedmayer, Bill Stout, Amanda Nori, Susan Jensen, Larry Kennedy

Row 1: Jason Powery, Karen Ponder, Ned Allis

Not Pictured: Rich Bennett, John Lacey, Branko Terzic, Dane Watson

SDP TRAINER DEVELOPMENT PROGRAM

Susan Jensen, PhD, CDP, Chair

Karen Ponder, PhD, CDP

Bill Stout, PE, CDP

To ensure the continuation of SDP's training, in 2023 the SDP initiated the Trainer Development Program (Program) and accepted three Training Interns into the Program: **Amanda Nori, CDP** of Concentric Advisors and **Melissa Howard, CDP, PE** and **Jason Powery, CDP** of Gannett Fleming. Each Training Intern participated in several courses to enable the Intern to demonstrate a broad knowledge of depreciation.

Intern participation this year included observing the primary trainer, assisting students during workshops, and delivering a portion of the lecture using materials provided by the trainer. Trainers evaluated the Interns at the conclusion of the training.

SDP intends that participation of each Training Intern would increase, thus helping the Intern become a primary trainer. SDP also plans to gradually increase the number of Interns. This succession planning will allow current faculty to reduce their teaching workload.

To be considered for this Program, potential trainers must be nominated by an SDP Trainer and have a current SDP Trainer as a sponsor/mentor. The application that is submitted to the SDP Education and Training Committee must demonstrate that the potential trainer satisfies the following requirements:

- 1) is an active SDP member;
- 2) has worked in depreciation during at least five of the most recent ten years;
- 3) has given at least one presentation at an annual SDP Conference;
- 4) is a Certified Depreciation Professional (CDP); and
- 5) has effective communication skills.

For additional information, please contact our Training Director Dr. Susan Jensen, CDP at Training@depr.org.



Capital Recovery Requires Executive Attention

Hon. Branko Terzic

A major component of any public utility's annual expenses is that of depreciation, the recovery of capital. Yet, it does not receive the attention it should from utility management. Most utility managements rely on a periodic review of their depreciation rates every four to six years by independent depreciation consultants. This is not adequate monitoring of the investor's assets on the balance sheets. EEI members companies reported \$ 1.7 Trillion in assets in 2021.

When engaged for a periodic study depreciation consultants look for changes in the economic lives of the owned assets as well as changes from prior periods in cost of removal and salvage values. The estimation of service lives and net salvage is also required for assets containing newly acquired technologies such as various chemical batteries, renewable energy sources and unique assets such as gravity battery storage.

The Edison Electric Institute's 2021 Financial Review is a consolidated Annual Report of the U.S. Investor-Owned Electric utility Industry. The report compiles and Consolidate Income Statement and a Consolidated Balance Sheet for the 44 EEI member companies. The four components of a utility's annual expenses are operating and maintenance expenses, depreciation, taxes, and return on investment. For the industry the annual revenue requirement for 2021 would have looked like this (assuming an adequate achieved return.)

2021 EEI Consolidated

Operating & Maintenance Expense	\$210 B	
Depreciation	\$ 60 B	16%
Taxes	\$ 26 B	
Return	\$ 68 B	
2021 Annual Rev Requirement	\$364 Billion	

The annual depreciation expense here is 16% of the total revenue requirement. The key question: In between the periodic depreciation rate filings who is monitoring the regulatory, technological, economic, environmental, climate change and political factors and forces affecting the economic service lives and removal conditions of the \$1.7 trillion dollars of utility assets under regulation? Who is monitoring, on a daily basis, all those factors affecting the \$60 billion annually booked as depreciation expense?

As a founder of the Society of Depreciation Professionals (SDP) established in 1987 and long serving trainer at the SDP annual conference and training meetings I have a good understanding of number and quality of professionals in depreciation. The Society has fewer than 150 members from among utilities, regulatory agencies, and consulting firms.

Capital Recovery Requires Executive Attention- *Continued*

Many regulated utilities do not have full time staff devoted to depreciation monitoring. Neither do many regulators. I know because last year I wrote to state PSC chairman urging them to have someone enroll in the SDP and its training programs. I expect to do the same this year for utility CEO's.

The estimation of depreciation expense is not just used for annual revenue requirement in rate cases. The consequences of incorrect handling of depreciation can lead to stranded investment. New depreciation estimation is also required in the approval process for the addition of new assets to rate base under most regulatory agency Certificate of Public Convenience and Necessity (CPCN) proceedings. The wrong economic service life or incorrect net salvage estimates in the valuation of new projects, particularly with new technology or exotic material requirements, means that projects could be incorrectly ranked or approved due to incorrect assumptions.

Regulated utilities and the regulators are invited to send their best and brightest to join the Society of Depreciation Professionals (www.depr.org). It is necessary, not optional.

Member Spotlight

GOLF – A GOOD WALK, NOT SPOILED

John F Wiedmayer, Jr., CDP

SDP Faculty Member and Past President

In 2020, I rekindled my interest in golf after 25 years. During Covid, golf gave me a way to enjoy the outdoors with my son and socialize with friends and other golf enthusiasts during an otherwise bleak and socially isolating period. I joined the Frostbiters, a group of wacky golfers at a local golf club.

While most sensible golfers put their clubs away around Halloween, the Frostbiters are just hitting their stride. For them, winter golf means breaking out new golf apparel and equipment, such as golf mittens, ski caps, windbreakers, and electric hand warmers. For 20 years, this group of 25 to 40 golf enthusiasts tee it up each weekend that is free of snow on the greens. The harder and colder the weather conditions, the more enjoyment this wacky band of misfits seems to have.

When the clubhouse dining facility closes during January and February, we feast on burgers, hot dogs, and chili thanks to members' portable gas grills. Some days are downright miserable for golf, but the camaraderie and challenge of playing golf with friends during the winter months under sub-optimal conditions is oddly uplifting.



Member Spotlight - *Continued*

During my second season with the Frostbiters, I stepped up to the tee box on my favorite hole, complete with a meandering creek in front of the green and sand bunkers left and right. I am an average golfer who occasionally hits a good iron shot. It felt great when I made my swing--a solid hit. As the ball neared the green, it disappeared into the glare cast by the sun hitting the dew soaked green.

As I walked closer (yes, the Frostbiters walk the golf course), no one could see my ball. The pessimist in me assumed it had rolled off the back of the green, but my logical side said that would be too far for my typical 8-iron shot. I peeked into the cup expecting it to be empty but instead there was a ball with the label John Wiedmayer, Frostbiters (birthday present from my wonderful wife Martina.) A hole-in-one, and a thrilling result for a weekend player! I was happy to share the occasion with my fellow Frostbiters at the 19th hole and glad I had Hole-in-One insurance to cover the bar tab!

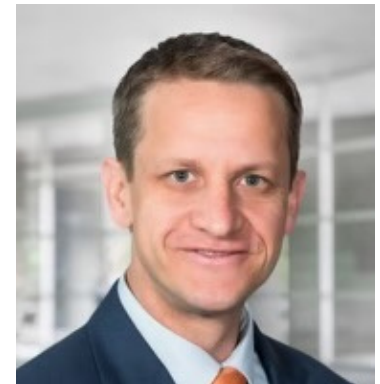
I recall the popular quote attributed to Mark Twain “golf is a good walk spoiled.” Today, as we spend more time in front of our laptops rather than with our loved ones and nature, golf, at least, is a walk with family and friends. And now I am off to the links

My Life as a Musician

Ned Allis, CDP

SDP Faculty Member and Past President

Prior to the start of his career as a depreciation consultant 17 years ago, Ned Allis began his professional life as a musician! He toured the eastern United States as lead guitarist in the band Tar Beach which he co-founded in 2000 at Lafayette College in Easton, Pennsylvania with five of his friends. Ned learned the guitar as a teenager, playing and writing songs in a high school garage band and performing with jazz bands in high school and college.



Tar Beach got its start locally and developed a sound and original material combining diverse influences from the Allman Brothers to Dave Matthews Band to Peter Gabriel to Van Morrison. After graduation, the group played shows throughout the Northeast and extending to Chicago, Atlanta, and New Orleans. At its peak, the group played 150 shows a year and released a full-length studio album, an EP, and an extended live album of primarily original material written and composed by Ned and his bandmates.

Ned still plays guitar and writes songs in his (albeit limited) spare time, including the occasional performance as a solo artist and with a local band around Harrisburg, Pennsylvania. He shares his love of music with his family, as his two girls both sing and play piano. In 2021, Ned released his first solo album What You Find recorded in his home recording studio and on which he sings and plays guitar, piano, and bass. His current music projects include a second solo album and a new Tar Beach album. We look forward to enjoying his music at future SDP Training!



A FEW RELEVANT REFERENCES

Bulletin 125: Statistical Analyses of Industrial Property Retirements

- Robley Winfrey, Iowa State University, 1935, Revised 1967 www.depr.org

Bulletin 155: Depreciation of Group Properties

- Robley Winfrey, Iowa State University, 1942 www.depr.org

Life Analysis of Utility Plant for Depreciation Accounting Purposes by the Simulated Plant Record Method

- Alex E. Bauhan, Presented at National Conference of Electric and Gas Utility Accountants, AGA-EEI, Buffalo, New York, 1947

Engineering Valuation and Depreciation

- Anson Marston, Robley Winfrey, and Jean C. Hempstead, Iowa State University, 1953

Forecasting and Management of Technology

- Porter, Roper, Mason, Rossini, and Banks, John Wiley and Sons, NY, 1991

The Estimation of Depreciation

- W. Chester Fitch, Frank K. Wolf, and B. H. Bissinger, Center for Depreciation Studies, Western Michigan University, 1975

Depreciation Systems

- Frank K. Wolf and W. Chester Fitch, Iowa State University, 1994 www.depr.org

Public Utility Depreciation Practices

- Depreciation Subcommittee; NARUC Finance and Technology Committee on Engineering; National Association of Regulatory Utility Commissioners; 1996 www.naruc.org

Introduction to Depreciation for Public Utilities and Other Industries

- American Gas Association (AGA) www.aga.org and Edison Electric Institute (EEI) www.eei.org, 2013

SDP Code of Ethics and Professional Standards

- www.depr.org/page/Constitution1

SDP

SOCIETY OF DEPRECIATION PROFESSIONALS



Coming soon...

Keep an eye out for info on the 2024 Annual Conference and Training!

CERTIFICATION AS A CDP

GOALS OF CDP PROGRAM

- Allow individuals to demonstrate their knowledge of depreciation.
- Provide an opportunity for members to be recognized as having met the requirements established by SDP.
- Elevate the practice of depreciation by establishing minimum standards.
- Keep members current and participating in the field.

REQUIREMENTS FOR CDP STATUS

- Active membership in the SDP.
- At least 5 years of full time professional depreciation experience, at least 2 years of which must be in the area of depreciation administration. Three years experience may be in related fields such as engineering, finance, planning, regulation, and regulatory consulting. Depreciation administration comprises any of the following activities: involvement or responsibility for the preparation of depreciation studies, the review of depreciation studies, development of depreciation analysis software systems, and instruction in depreciation analysis and procedures.
- College degree or its equivalent. Each year of practical depreciation experience equals 1 year of college equivalency. The Certification Committee recognizes career development and non-academic equivalency, e.g., courses, seminars, teaching, administrative/supervisory positions, membership in professional organizations. Documentation of all academic and non-academic experience is mandatory and must be on file at the SDP office (e.g., copy of diploma, current letter from college, transcript).
- Successful passage of CDP Exam within five years prior to CDP application
- Completed Application and References

RECOMMENDED STUDY MATERIAL

SDP currently offers [Depreciation Systems](#), [Engineering Valuation and Depreciation](#), and [Bulletins 125 and 155](#) as a gift with donations to our Education Fund; see details on our website. Other resources may be found online, in libraries, or by reaching out directly to the publishing organizations listed.

CDP EXAM DETAILS

- A proctored, closed-book exam is given at each SDP Annual Meeting or remotely.
- When we offer the conference and training online, the exam may be taken remotely with permission from the Certification Chair and appropriate designation of a proctor. View the guidelines [here](#).
- The exam has two parts -- the Ethics part and the Technical part.
- Part I (Ethics portion) includes questions about the SDP Code of Ethics and the SDP Standards of Professional Conduct.
- Part II (Technical portion) includes questions in the following areas:
 - » Plant and Reserve Accounting
 - » Life Analysis Concepts
 - » Life Analysis Using Actuarial Models
 - » Life Analysis Using Simulation Models
 - » Salvage and Cost of Retiring Analysis
 - » Life Cycle Analysis
 - » Depreciation Calculations

TO PASS THE EXAM

- To pass the exam, a minimum score of 70% is required on the Ethics part of the exam. Additionally, a score of 70% is required on the Technical part of the exam OR on the Ethics and Technical parts combined.
- An applicant who has twice unsuccessfully taken the exam must wait a minimum of 1 year before retaking the exam.

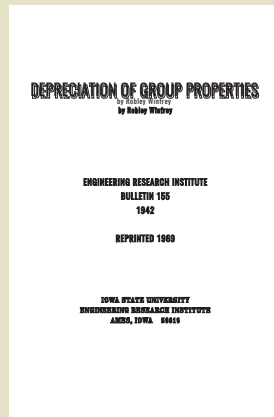
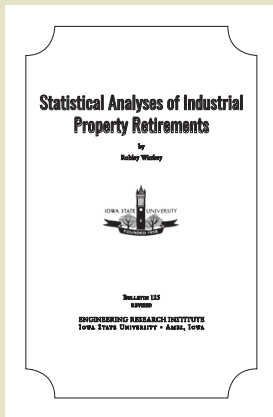
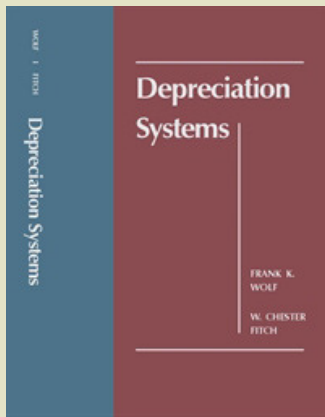
FEES AND FORMS

- \$200.00 CDP Exam Fee
- \$100.00 CDP Application for new CDP applicants
- \$50.00 CDP Re-certification for current CDPs

PUBLICATIONS FROM SDP EDUCATION FUND

The Society of Depreciation Professionals (SDP) formed the SDP Education Fund (Fund) in 2018 to further SDP's purpose as an educational institution. The Fund helps advance the SDP's objectives "... to promote the professional development and professional ethics of those practitioners in the field of depreciation; to collect and exchange information about depreciation engineering and analysis; to provide a national forum of programs and publications concerning depreciation."

The views expressed in the books provided through the Fund are those of the authors. These opinions do not necessarily reflect the views of the SDP.



- Depreciation Systems - **NOW SPIRAL BOUND** by Frank K. Wolf and W. Chester Fitch - \$50 donation
- Bulletin 125, Statistical Analyses of Industrial Property Retirements - \$35 Donation
- Bulletin 155, Depreciation of Group Properties - \$35 Donation
- Engineering Valuation and Depreciation by Anson Marston, Robley Winfrey, and Jean C. Hempstead - \$65 donation
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