

John Ferguson



CAREER HIGHLIGHTS

Consultant

Deloitte & Touche LLP

Middle West Service Company

Allis-Chalmers Manufacturing Company

- Principal
- Senior Vice President
- Application Engineer

EDUCATIONAL BACKGROUND

B.S. Oregon State University, Mechanical Engineering

M.B.A. University of Wisconsin, Finance

PROFESSIONAL AFFILIATIONS

Mr. Ferguson is a Licensed Professional Engineer, and is certified as a Depreciation Professional by the Society of Depreciation Professionals and, until recently, as an Accredited Senior Appraiser by the American Society of Appraisers.

He is a Member of the American Society of Mechanical Engineers, the National Society of Professional Engineers, and the Texas Society of Professional Engineers, is a Senior Member of the American Society of Appraisers and the Society of Depreciation Professionals (SDP), and currently serves as Editor of the SDP Current Issues newsletters. Mr. Ferguson is a past member of the Institute of Management Consultants and was certified by the Institute as a Certified Management Consultant.

Mr. Ferguson is a past member of the American Gas Association (A.G.A.) Accounting Services, Depreciation, Plant Accounting and Rate Committees, and of the Edison Electric Institute (EEI) Depreciation Accounting and Property Accounting and Valuation Committees. He has served as Chairman of the Depreciation Subcommittee of the A.G.A. Plant Accounting and EEI Property Accounting and Valuation

Committees, and as Chairman and Vice Chairman of the Depreciation Fundamentals and Applications Project Committee and of the Principles and Education Project Committee of the A.G.A. Depreciation and EEI Depreciation Accounting Committees.

CAREER EXPERIENCE

Until his retirement in 1995, Mr. Ferguson was a Principal with the Deloitte & Touche regulatory consulting group and a firm-designated Public Utility Industry Specialist. He now functions as an independent consultant. He has more than 40 years of utility consulting experience, having carried out numerous management, accounting, financial, economic, valuation, depreciation, cost of service, and rate design studies for clients having electric, gas, pipeline, railroad, steam, telecommunication, and water property located in more than 40 states and in several foreign countries. As a result, he is knowledgeable of utility organization, regulation, accounting, finance, operations and information systems, and of regulatory economics as it affects utilities and their customers. He has presented expert testimony before Federal, State, and Municipal regulatory bodies on subjects that include cost of service, rate design, rate of return, depreciation, valuation, fixed asset accounting, and management and organization, and before courts on appraisals.

Mr. Ferguson's valuation activities have included appraisals for independent engineer certification, condemnation, rate base, insurance, tax depreciation, financial statement disclosure, acquisition, merger, sale and stranded cost estimation, and the development and use of special pricing and costing procedures and procedures for inspection of utility properties. He is familiar with the cost, market and income approaches to appraisals, with standard appraisal techniques such as sampling and unit pricing, and with the use and testing of trending procedures. Mr. Ferguson is particularly familiar with the significance of price regulation to the value of the property and operations of regulated entities and was instrumental in the development of appraisal procedures that incorporate cost of service techniques.

His rate related activities have included rate design as well as cost of service studies for purposes of jurisdictional separation, determination of rate of return by class of service, testing rate price level and calculating contributions for service extensions. Mr. Ferguson authored the Middle West Service Company Cost Allocation Manual, and has utilized it for training client personnel in how to plan and carry out cost of service studies.

Mr. Ferguson is well known in the depreciation accounting field for carrying out property mortality studies that support depreciation rates whose implementation will ensure capital recovery in a manner consistent with the accounting principles and regulatory rules applicable to depreciation. He has conducted such studies covering a wide variety of property of electric, gas distribution, steam, and water utilities, pipelines, railroads, and telecommunication companies.

His fixed asset accounting activities have included evaluation and implementation of capitalization policy, review and evaluation of depreciation and project accounting practices, development of unitization procedures, and determination of original costs.

Mr. Ferguson has lectured at numerous public utility seminars, accounting and engineering conferences, and training courses, and was a contributing author to the text, Accounting for Public Utilities, by Hahne and Aliff.

Prior to association with Deloitte & Touche in 1980, he was employed by Middle West Service Company, where he had various degrees of responsibility for a wide range of consulting engagements.

Prior to joining Middle West Service Company in 1962, Mr. Ferguson served as an Application Engineer in the Thermal Power Department of the Allis-Chalmers Manufacturing Company, where he had responsibility for the application and conceptual design of power plant equipment to industrial, marine, and utility operations.