DERIVATIVES ACCOUNTING FOR POWER AND ENERGY COMPANIES: AN ACCOUNTING COURSE ON DERIVATIVE INSTRUMENTS, HEDGING ACTIVITIES, AND FAIR VALUE

August 10-11, 2016
Millennium Knickerbocker Hotel Chicago
Chicago, IL

EUCI is authorized by IACET to offer 1.0 CEUs for the course.
EUCI is authorized by CPE to offer 12 credits for this program.
OVERVIEW

Achieving hedge accounting has proven to be difficult in almost all industries because of the complexities in the accounting rules and infrastructure necessary to document, test, and track all the hedging relationships. In the energy and power industries, hedge accounting is especially hard in the best of times, but with the recent volatility in the energy markets — coupled with the uncertainty surrounding the capital markets — it has become even more difficult to apply.

This one and a half day seminar addressing these critical issues is tailored to controllers, accounting and audit managers, credit/risk/portfolio analysts and front/mid/back office accounting personnel in the energy and power industries. It provides attendees with an opportunity to learn about the application of FASB Accounting Standards Codification (ASC) Topic 815, Derivatives and Hedging (formerly FAS 133), and related amendments and disclosures. This course will also cover FASB Accounting Standards Codification (ASC) Topic 820, Fair Value Measurements and Disclosures (formerly FAS 157), including a discussion of strategies for determining fair values for hard-to-value energy and power contracts. Finally, the course will include an overview of recently issued accounting standards on Revenue Recognition and Leases. An overview will include a summary of the standard itself, changes from existing accounting practices and a discussion of how these standards are expected to impact energy companies.

WHO SHOULD ATTEND

PERSONNEL FROM THE FRONT, MIDDLE, AND BACK OFFICES, INCLUDING:

• Accountants
• Auditors
• Controllers
• Treasurers
• Financial analysts
• Asset and liability managers
• Credit derivatives
• Risk
• Structured credit
• Credit risk
• Portfolio managers
• Traders
• Front office
• Middle office
• Back office

AND INCLUDING THE FOLLOWING INDUSTRIES

• Integrated electric utilities
• Market operators and transmission companies
• Public power
• Generation companies
• Retail power marketers
• Wholesale power trading and marketing companies
• Gas utilities and distribution companies
• Retail gas marketers
• Wholesale gas trading and marketing companies

This course is open to utilities, power and energy industry operating companies (see above), software vendors, consumer groups, and regulators only. Registrations received from other tax, accounting and consulting practitioners will be evaluated on a case-by-case basis and may not qualify for attendance. Any determination as to the fulfillment of a registration to attend this program shall reside solely with EUCI.

LEARNING OUTCOMES

Attendees will receive instruction and cover materials that will allow them to:

• Apply their understanding of ASC 815 (FAS 133) requirements and its application to the energy industry
• Review the latest disclosure requirements for derivatives and hedging activities
• Discuss and evaluate application of fair value measurements
• Assess the implications of recently issued standards, Revenue from Contracts with Customers (ASC 606) and Leases (ASC 842)
AGENDA

Wednesday, August 10, 2016

8:00 – 8:30 a.m.  Registration and Continental Breakfast
8:30 a.m. – 4:30 p.m.  Course Timing
12:00 – 1:00 p.m.  Group Luncheon

Overview of ASC 815 Requirements for Energy and Power Companies
• Definition of a derivative
• Embedded derivatives
• Hedge accounting documentation requirements

Cash Flow Hedging Overview and Case Study
• Review the documentation requirements for cash flow hedges
• Effectiveness testing requirements

Fair Value Hedging Overview and Case Study
• Review the documentation requirements for fair value hedges
• Effectiveness testing requirements

Specialized Energy Transacting Issues
• When is a power purchase agreement a derivative?
• Other common derivative instruments

Overview of Disclosure Requirements

Tuesday, August 11, 2016

8:00 – 8:30 a.m.  Continental Breakfast
8:30 – 11:30 a.m.  Course Timing

Updates on Recent Accounting Rule-Making Activity on Revenue Recognition and Lease Accounting Impacting the Sector, including
• Timeline on when standards become effective and transition
• Overview of accounting and disclosure requirements
• Impacts to your organization

Power and Energy Industry Examples and Case Studies on the following Accounting Issues
• How to get a hedge out of Accumulated Other Comprehensive Income (AOCI)
• Cash flow hedging for options
• Example of disclosure(s)
• Structured deals (embedded derivative examples)
• Changes in hedge documentation/de-designation
• Bookout examples

Illustrate Various Contracts, Such as Operating Leases, Tolling Agreements, FTRs
• Overview of ASC 820 Requirements and Application Issues
• Examine the requirements of ASC 820
• Assess the difficulties and hurdles of applying the standard as financial markets remain volatile
• Evaluate the disclosure requirements of the standard and recent amendments

Power and Energy Industry Examples of Accounting Issues Associated with:
• Consideration of counterparty risk in valuation
• Commodity pricing and forecast modeling as it relates to derivatives accounting
• Reporting issues associated w/power markets (ISO/RTO) trading
• Illustrative examples of hierarchy levels (1, 2, 3)
• Financial transmission and congestion revenue rights (FTRs and CRRs)

"Presenters were very knowledgeable and willing to answer all questions and very helpful."
– Financial Services Coordinator, City of Garland

“This course is a must-have for all areas of derivative accounting and risk.”
– Senior Accountant, First Choice Power

I'm new to this industry and the course was an excellent opportunity to accelerate my transition. Thank you!
– Accounting Manager, Liberty Power
INSTRUCTORS

Marc Hunter / Senior Manager – Financial Accounting & Valuation Services Practice / Deloitte & Touche LLP

Marc Hunter is a Senior Manager in Deloitte & Touche’s Financial Accounting and Valuation Services practice with some 10 years of energy and resources industry experience. While specializing in the power and utilities sector, his experience in treasury and commodity risk management spans several industries. His energy experience ranges from domestic electric and gas utility companies and merchant generators to asset optimization divisions of oil majors to international gas marketing companies, stemming from his four years serving within Deloitte’s UK practice. Mr. Hunter is an accountant by training and has specialized experiences related to the governance, processes, and reporting related to the energy industry and to risk management activities. He has served on or led various projects, including those that focused on the process and control environment, application of financial reporting framework, and application of accounting standards to complex transactions. Mr. Hunter’s experience in this sector includes accounting and reporting aspects related to power purchase arrangements, impairment considerations, RTO operations, acquisition accounting, financing related transactions and transactions that qualify for derivative accounting.

Irfan Khan / Advisory Manager – Accounting & Reporting Transformation Group / Deloitte & Touche LLP

Irfan Khan is an Advisory Manager in Deloitte & Touche’s Accounting & Reporting Transformation (A&RT) group, specializing in financial accounting and reporting, accounting policy development, including adoption of emerging guidance and conversions between accounting standards framework, commodity trading, marketing and risk management, business valuation, business processes and controls. He possesses more than nine years of public accounting experience through a global career based in the United States, Dubai, and Pakistan. He has gained strong exposure to the accounting, control environment, management functions prevailing in various multi-national and multi-cultural organizations and has acquired deeper understanding of both the local regulatory and operational framework relating to various industries as well as application of various U.S. GAAPs & IFRSs. In his current role, Mr. Khan provides advisory, accounting consultation, and audit support services on complex and technical accounting issues to Deloitte audit teams as well as non-attest relationship clients.

Deloitte & Touche LLP

The course instructors are senior energy industry specialists from Deloitte & Touche LLP’s Commodity Trading & Risk Management (CTRM) practice. Consisting of over 200 professionals, this group provides specialist consulting services to the world’s leading energy companies and institutions in the areas of energy transacting and risk management. Leveraging deep industry experience, unsurpassed business acumen, and broad technical skills, Deloitte’s CTRM practice provides an integrated suite of services that encompass risk strategy, technology and operations, regulatory compliance, credit advisory, accounting, and quantitative analytics.

The Deloitte U.S. firms provide Audit and Enterprise Risk services, Consulting services, Financial Advisory services, and Tax services for clients in a broad range of industries through 70,000 people in more than 90 U.S. cities. Deloitte serves approximately 97 percent of Fortune 500 energy companies.
INSTRUCTIONAL METHODS

Case studies and PowerPoint presentations will be used in the program.

REQUIREMENTS FOR SUCCESSFUL COMPLETION OF PROGRAM

Participants must sign in/out each day and be in attendance for the entirety of the course to be eligible for continuing education credit.

CREDITS

EUCI has been accredited as an Authorized Provider by the International Association for Continuing Education and Training (IACET). In obtaining this accreditation, EUCI has demonstrated that it complies with the ANSI/IACET Standard which is recognized internationally as a standard of good practice. As a result of their Authorized Provider status, EUCI is authorized to offer IACET CEUs for its programs that qualify under the ANSI/IACET Standard.

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CPE CREDITS

EUCI is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

Upon successful completion of this event, program participants interested in receiving CPE credits will receive a certificate of completion. EUCI is authorized by CPE to offer 12 credits for this program.

There is no prerequisite for this course.
Program Level: Beginner
Delivery Method: Group-Live
Advanced Preparation: None

PROCEEDINGS

The proceedings of the course will be published, and one copy will be distributed to each registrant at the course.

EVENT LOCATION

A room block has been reserved at the Millennium Knickerbocker Hotel Chicago, 163 E Walton Pl, Chicago, IL 60611, for the nights of August 9-10, 2016. Room rates are $179, plus applicable tax. Call 1-312-751-8100 for reservations and mention the EUCI program to get the group rate. The cutoff date to receive the group rate is July 19, 2016, but as there are a limited number of rooms available at this rate, the room block may close sooner. Please make your reservations early.

REGISTER 3 SEND 4TH FREE

Any organization wishing to send multiple attendees to these conferences may send 1 FREE for every 3 delegates registered. Please note that all registrations must be made at the same time to qualify.
**REGISTRATION INFORMATION**

Mail Directly To:

EUCI
4601 DTC Blvd., Ste. 800
Denver, CO 80237

OR, scan and email to: conferences@euci.com

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**PLEASE REGISTER THE FOLLOWING**

☐ DERIVATIVES ACCOUNTING FOR POWER AND ENERGY COMPANIES
AUGUST 10-11, 2016: US $1495
EARLY BIRD ON OR BEFORE JULY 22, 2016: US $1295

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How did you hear about this event? (direct e-mail, colleague, speaker(s), etc.)

Print Name                                                                 Job Title

Company

What name do you prefer on your name badge?                                                                            Address

City                                                                 State/Province                                                                 Zip/Postal Code                      Country

Telephone                                                                 Email

List any dietary or accessibility needs here

**CREDIT CARD**

Name on Card                                                                 Account Number

Billing Address                                                                 Billing City                                                                 Billing State

Billing Zip Code/Postal Code                                                                 Exp. Date                                                                 Security Code (last 3 digits on the back of Visa and MC or 4 digits on front of AmEx)

OR Enclosed is a check for $ ____________ to cover ____________ registrations.

Substitutions & Cancellations

Your registration may be transferred to a member of your organization up to 24 hours in advance of the event. Cancellations must be received on or before July 8, 2016 in order to be refunded and will be subject to a US $195.00 processing fee per registrant. No refunds will be made after this date. Cancellations received after this date will create a credit of the tuition (less processing fee) good toward any other EUCI event. This credit will be good for six months from the cancellation date. In the event of non-attendance, all registration fees will be forfeited. In case of conference cancellation, EUCI’s liability is limited to refund of the event registration fee only. For more information regarding administrative policies, such as complaints and refunds, please contact our offices at 303-770-8800. EUCI reserves the right to alter this program without prior notice.

EUCI's Energize Weekly e-mail newsletter compiles and reports on the latest news and trends in the energy industry. Newsletter recipients also receive a different, complimentary conference presentation every week on a relevant industry topic. The presentations are selected from a massive library of more than 1,000 current presentations that EUCI has gathered during its 28 years organizing conferences.

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