



# Regulatory

## Strategic Advisory, Financial Resilience and Business Transformation Services

Regulated utilities continue to be a dynamic market with a confluence of ongoing and emerging needs for services. Aging infrastructure, evolving regulatory landscape, increasing costs and funding adequacy continue to drive the need for services. Utilities continue to face many critical needs including effective asset management, financial resilience and rate stability, customer affordability and customer demands for enhanced service levels and access to information. We understand the complex and changing problems that utilities face.

Our goal is to help utilities manage the interplay of competing and dynamic needs. At Black & Veatch

Management Consulting, LLC (Black & Veatch), we define adaptive strategic pathways, enable performance-driven management and support long-term financial viability. Our experience allows us to offer integrated solutions that address capital program funding and resource management, program optimization, financial capacity and stakeholder engagement. A holistic framework integrates a utility's program needs with actionable financial, regulatory, customer and management approaches and to balance our client's mission-critical services to their customers.

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# The Black & Veatch Value

As a team of highly experienced global professionals, we provide utilities with the ability to develop flexible and actionable financial and business solutions. We do this by combining our broad and versatile expertise in engineering, asset management, regulatory policy, utility technologies and stakeholder facilitation. Our professionals have authored industry best practice manuals and bring that synergy of multi-dimensional expertise and global experience to address your specific needs and circumstances.



## An Unparalleled Level of Experience in Utility Rate Cases and Other Regulatory Proceedings

We provide a wide range of accounting, rate-making, and regulatory support in utility rate cases and other regulatory proceedings. These services also include rate case planning, cost of service analysis, accounting and tax issues, cost of capital determination, depreciation and valuation studies, inter-affiliate relations and transfer pricing and competitive market analyses. Our consultants have presented and supported expert testimony before numerous regulatory bodies in North America and they possess a high degree of professional credibility and expertise.

## Business Areas

### Utility Rates & Regulatory Services

Our specialists are experienced in managing and advising on regulatory policy, revenue requirement, pricing design and cost of service issues. For decades, we have been a market leader in providing expert testimony for rate and regulatory legal proceedings. The value of our consulting expertise in financial, regulatory and market economics allows us to provide comprehensive planning services to utilities.

### Stormwater Utility Consulting Services

The expert stormwater consulting advisors provide a complete solution to meet the “concept to launch” needs of stormwater managers. As a market leader in rate design and expert testimony for rate and regulatory legal proceeding our consultants provide exceptional value to our utility clients.

### Business Transformation & Advisory Services

We provide a wide range of consulting expertise that are outside the traditional utility rates and regulatory domain. Business operations transformation uses a strategic roadmap approach that spans current state evaluation, desired state visioning and outcomes as well as gap analysis, prioritization of initiatives and implementation roadmaps. We use this comprehensive approach to assist utilities with their transformational planning at a functional level, department level and enterprise-level scale. We support utilities with custom assistance program design, impact analysis and implementation planning. Our affordability analysis includes utility financial capability analysis (FCA) and consent decree negotiation support, and low-income affordability analysis in the context of establishing assistance programs and affordable rate structures.



## Financial Planning & Cost of Service Rate Studies

Our financial consultants help utilities address five core areas:

- Prioritization of program needs and costs
- Capital and operations program financial planning
- Equitable cost recovery from customers through the cost of service analysis
- Innovative rate structure and pricing
- Stakeholder engagement

Our structured rate services framework aligns with industry best practice fiscal policies and helps utilities build an actionable financial roadmap.

## Rate Case Management Support Services

We provide all levels of support for utility rate cases including strategy, rate case process management, financial and accounting issues, document management and other evidentiary-related services.

## Innovative Pricing Support Services

Our professionals have extensive experience in providing utilities and customers with expanded options for pricing methods for new products and services.

## Expert Testimony and Regulatory Consulting

Our professionals have testified in most regulatory jurisdictions in North America in numerous proceedings addressing a wide range of electric, natural gas, water, telecommunications and district energy issues.

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*Black & Veatch continues to be a trusted business partner to Columbia Water and the City of Columbia. They have always been responsive and provided practical solutions to our complex challenges for us to better serve our customers and the residents of the City of Columbia.”*

– Joey Jaco  
Director of Utilities, Columbia Water

## Client Case Study



Harford County, Maryland has been a client since 2013. Our services are focused on financial advisory services. Since 1996, the County had been increasing its rates based on CPI leading to a looming financial deficit. We integrated eight distinct work items into a holistic framework, developed a pragmatic five-year financial plan and cost of service-based rate schedules. With our recommendations, the County successfully implemented its first-ever five-year financial plan for fiscal year (FY) 2016 through 2020.

We continued to provide services to the County and helped to develop their next five-year financial plan for the forecast period of FY 2021 through FY 2025. In these studies, our consultants developed and delivered a robust and user-friendly rate model with financial planning, cost of service, rate design, and capacity fee analysis modules.

An important highlight of this project is not only the technical analysis but also the series of workshops we conducted with both the County Administration Executives and the County Council. Based on the compelling case we made, the County Council approved the second five-year plan with annual rate increases of 4.49% for the periods FY 2021 through FY 2025.

*Our expertise and assistance have helped the County's water and sewer utilities to continue the journey towards building long-term financial resilience.*

# Building a World of Difference.®

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