

Finance and Accounting Division

The Business Services and Finance Division is part of EEI's Business Operations Group. This division provides the leadership and management for advocating industry policies and technical research and enhancing the capabilities of individual members through education and information sharing. The division's leadership is used in areas that affect the financial health of the shareholder-owned electric utility industry, such as finance, accounting, taxation, internal auditing, investor relations, risk management, budgeting and financial forecasting. If you need research information about these issue areas, please contact an EEI Business Services and Finance Division staff member (listed in this section). Under the direction of both the Finance and the Accounting Executive Advisory Committees, the division provides staff representatives to work with issue area committees. These committees give member company personnel a forum for information exchange and training and an opportunity to comment on legislative and regulatory proposals.

Publications

Quarterly Financial Updates

A series of financial reports on the shareholder-owned segment of the electric utility industry. Quarterly reports include stock performance, dividends, credit ratings, construction, rate case summary, business segmentation, income statement, balance sheet, and cash flow statement, with other financial topics being developed.

Financial Review

An annual report that provides a review of the financial performance of the shareholder-owned electric utility industry. The report also includes a policy overview section giving an update on legislative, state regulatory, environmental, and other related developments.

EEI Index

Quarterly stock performance of the U.S. shareholder-owned electric utilities. The index, which measures total return and provides company rankings for one- and five-year periods, is widely used in company proxy statements and for overall industry benchmarking.

Introduction to Depreciation and Net Salvage of Public Utility Plant and Plant of Other Industries

(textbook copyright 2003—scheduled to be updated in 2008)

This book gives a basic primer on the concepts of depreciation accounting including fundamental principles, life analysis techniques, salvage and cost of removal analysis methods and depreciation rate calculation formulas and examples.

Introduction to Public Utility Accounting *(textbook copyright 2001)*

This textbook contains a basic explanation of the fundamentals and practices of electric and gas utility accounting. The completion of an updated revision is scheduled for 2008. With current accounting standards, regulatory requirements and industry trends, the revised textbook will include new chapters on Asset Retirement Obligations (ARO) and Internal Control & Reporting Requirements (Sarbanes-Oxley Act of 2002).

Industry directories published by the Finance and Accounting Division:

- Electric Utility Investor Relations Executives Directory
- Chief Accounting Officers Directory
- Accounting and Internal Audit Executives Directory

For more information, please visit the EEI website at: www.eei.org.

Conference Highlights

Annual Financial Conference

This three-day conference is the premier annual fall gathering of utilities and the financial community; it is attended by more than 1,200 senior executives, including many utility CEOs and CFOs, investment analysts, and commercial and investment bankers. The General Sessions cover topics of strategic interest to the financial community. Contact Debra Henry for more information.

International Financial Conference

This three-day conference, held each winter in London, provides a forum for global utility executives, security analysts, and other investors to meet in a common area for the purpose of information exchange on industry issues and competitive strategies across multiple markets. Contact Debra Henry for more information.

Annual Finance Meeting

This meeting is held in the spring in New York City. Attendance is limited to member company utility executives and Wall Street security analysts. Topics revolve around emerging industry issues and their financial implications. The meeting facilitates investors meeting with utility executives on an individual basis. Contact Debra Henry for more information.

Investor Relations Meeting

This one-day meeting is held in the spring in New York City. It is a forum for utility investor relations executives that provides key information on evolving industry issues and identifies best practices within and outside the electric utility industry. Contact Debra Henry for more information.

Financial Analysts Seminar

This two-day seminar is held every other year. It is for financial and security analysts new to the industry. Contact Debra Henry for more information.

Accounting Leadership Conference

This annual meeting covers current accounting and management issues for the chief accounting officers of EEI member companies. Contact David Stringfellow for more information.

Tax School

Provides tax professionals a forum to discuss developing tax issues impacting our member companies. This two and half day training is held every other year. Contact Roger Kranenburg for more information.

Accounting Courses

Introduction to Public Utility Accounting (2 offerings-spring/summer)

Provides utility personnel with the fundamentals of public utility accounting. Directed toward recently hired staff in the accounting, auditing, and financial areas. Contact Isetta Harmon for more information.

Advanced Public Utility Accounting

Concentrates on specific advanced accounting topics and complex accounting issues affecting companies in the new competitive environment. Contact Isetta Harmon for more information.

Utility Internal Auditor's Training Course

Provides utility staff auditors and directors with the fundamentals of public utility auditing and specific utility audit/accounting issues including advanced internal auditing topics. Contact Isetta Harmon for more information.

The EEI Business Services And Finance Division Staff

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Edison Electric Institute Schedule Of Upcoming Meetings

To assist in planning your schedule, here are finance-related meetings that may be of interest to you. For further details, please contact either Debra Henry at 202/508-5496 or Charnita Garvin at 202/508-5057.

2008 MEETINGS OF INTEREST

May 20 EEI Investor Relations Group Meeting

(Closed meeting, admittance by invitation only)

Waldorf=Astoria
New York, New York

May 21 EEI Annual Finance Committee Meeting

Waldorf=Astoria
New York, New York

November 9-12 43rd EEI Financial Conference

Marriott Desert Ridge
Phoenix, Arizona

December 4 Electric Utility Investor Relations Group Planning Meeting

(Closed meeting, admittance by invitation only)

Omni Berkshire Place
New York, New York

EEI Treasury Task Force

(Closed meeting, admittance by invitation only)

Omni Berkshire Place
New York, New York

December 5 Finance Executive Advisory Committee Meeting

(Closed meeting, admittance by invitation only)

Omni Berkshire Place
New York, New York

2009 MEETINGS OF INTEREST

March 8-11 EEI International Utility Conferenc

London Hilton on Park Lane
London, United Kingdom

May 19 EEI Investor Relations Group Meeting

(Closed meeting, admittance by invitation only)

Waldorf=Astoria
New York, New York

May 20 EEI Annual Finance Committee Meeting

Waldorf=Astoria
New York, New York

November 1-4 44th EEI Financial Conference

Westin Diplomat Resort & Spa
Hollywood, Florida

December 3

**Electric Utility Investor Relations
Group Planning Meeting**

*(Closed meeting, admittance by
invitation only)*

Omni Berkshire Place
New York, New York

EEI Treasury Task Force

*(Closed meeting, admittance by
invitation only)*

Omni Berkshire Place
New York, New York

December 4

**Finance Executive Advisory
Committee Meeting**

*(Closed meeting, admittance by
invitation only)*

Omni Berkshire Place
New York, New York

Earnings Twelve Months Ending December 31

U.S. SHAREHOLDER-OWNED ELECTRIC UTILITIES

(\$ Millions)	2007	2006r
Earnings Excluding Non-Recurring and Extraordinary Items	29,912	30,555
Non-Recurring Items (pre-tax)		
Gain on Sale of Assets	5,259	983
Other Non-Recurring Revenues	129	250
Asset Write-downs	(230)	(2,203)
Other Non-Recurring Expenses	(1,404)	(631)
Total Non-Recurring Items	3,754	(1,601)
Extraordinary Items (net of taxes)		
Discontinued Operations	504	2,194
Change in Accounting Principles	(158)	15
Early Retirement of Debt	—	—
Other Extraordinary Items	(79)	—
Total Extraordinary Items	267	2,209
Net Income	33,933	31,163
Total Non-Recurring and Extraordinary Items	4,021	608
<i>Average Shares Used to Calculate Basic EPS</i>	<i>12,785</i>	<i>12,868</i>

Earnings Per Share (EPS) Twelve Months Ending December 31

U.S. SHAREHOLDER-OWNED ELECTRIC UTILITIES

	2007	2006r
EPS Excluding Non-Recurring and Extraordinary Items	\$2.34	\$2.37
Non-Recurring Items (pre-tax)		
Gain on Sale of Assets	\$0.41	\$0.08
Other Non-Recurring Revenues	\$0.01	\$0.02
Asset Write-downs	\$(0.02)	\$(0.17)
Other Non-Recurring Expenses	\$(0.11)	\$(0.05)
Total Non-Recurring Items	\$0.29	\$(0.13)
Extraordinary Items (net of taxes)		
Discontinued Operations	\$0.04	\$0.17
Change in Accounting Principles	\$(0.01)	\$0.00
Early Retirement of Debt	—	—
Other Extraordinary Items	\$(0.01)	—
Total Extraordinary Items	\$0.02	\$0.17
Net Income	\$2.65	\$2.42
Total Non-Recurring and Extraordinary Items	\$0.31	\$0.05

r = revised Note: Totals may reflect rounding. Source: SNL Financial and EEI Finance Department

U.S. Shareholder-Owned Electric Utilities

(At 12/31/07)

Allegheny Energy, Inc.
Allete, Inc.
Alliant Energy Corporation
Ameren Corporation
American Electric Power Company, Inc.
Aquila, Inc.
Avista Corporation
Black Hills Corporation
CenterPoint Energy, Inc.
Central Vermont Public Service Corporation
CH Energy Group, Inc.
Cleco Corporation
CMS Energy Corporation
Consolidated Edison, Inc.
Constellation Energy Group, Inc.
Dominion Resources, Inc.
DPL, Inc.
DTE Energy Company
Duke Energy Corporation
Duquesne Light Holdings, Inc.
Edison International
El Paso Electric Company
Empire District Electric Company
Energy East Corporation
Energy Future Holdings Corp.
(formerly TXU Corp.)[^]
Entergy Corporation
Exelon Corporation
FirstEnergy Corporation
FPL Group, Inc.
Great Plains Energy, Inc.
Green Mountain Power Corporation

Hawaiian Electric Industries, Inc.
IDACORP, Inc.
IPALCO Enterprises, Inc.
Integrys Energy Group, Inc. (TEG)*
*Kentucky Utilities ***
KeySpan Corporation (KSE)
*Louisville Gas and Electric ***
Maine & Maritimes Corporation
MDU Resources Group, Inc.
MGE Energy, Inc.
MidAmerican Energy Company
Niagara Mohawk Power Corporation
NiSource, Inc.
Northeast Utilities
NorthWestern Corporation
NSTAR
OGE Energy Corporation
Otter Tail Corporation
Pepco Holdings, Inc.
PG&E Corporation
Pinnacle West Capital Corporation
PNM Resources, Inc.
Portland General Electric Company***
PPL Corporation
Progress Energy, Inc.
Public Service Enterprise Group Inc.
Puget Energy, Inc.
SCANA Corporation
Semptra Energy
Sierra Pacific Resources
Southern Company
TECO Energy, Inc.
UIL Holdings Corporation

UniSource Energy Corporation
Unitil Corporation
Vectren Corporation
Westar Energy, Inc.
Wisconsin Energy Corporation
Xcel Energy, Inc.

Note: Includes the 61 publicly traded electric utility holding companies plus an additional 9 electric utilities (shown in italics) that are not listed on U.S. stock exchanges for one of the following reasons - they are subsidiaries of an independent power producer; they are subsidiaries of foreign-owned companies; or they were acquired by other investment firms.

*WPS Resources Corporation became Integrys Energy Group, Inc. on February 21, 2007.

**Kentucky Utilities and Louisville Gas and Electric, both subsidiaries of E.ON, were added to the EEI coverage universe effective January 1, 2007. EEI's historical industry financial data now includes their results.

***Portland General Electric transitioned from private ownership to become a publicly traded company on April 3, 2006. The EEI Index includes Portland General beginning on January 1, 2007.

[^]TXU (now Energy Future Holdings Corp.) was acquired by the Texas Energy Future Holdings Limited Partnership (TEF) on 10/10/2007. TEF was formed by a group of investors led by Kohlberg Kravis Roberts and Texas Pacific Group to facilitate the merger.