
Depreciation

Public utilities perform specialized, statistically based depreciation and negative salvage studies due to the significant impact of capital recovery timing on service prices. Brown Williams has the tools, data, experience and knowledge to perform these studies for the assets employed in the energy industry. Although the art and science of depreciation is largely underappreciated by the lay person, few other rate case and accounting topics have a more profound effect on each utility's finances. Depreciation expense cost recovery, as permitted by regulators in regulatory proceedings, affects the entity's cash flows, timing of investment recovery, risk, property and income taxes, rate base and the net present value of energy assets. Using specialized software, energy resource information, and statistical data about past retirement patterns and the outlook for the future, Brown Williams performs long-term capital recovery forecasts in compliance with regulatory requirements, considering your capital recovery philosophy.