

Advanced Utility Cost of Service & Retail Rate Design

Course Length: 1.5 Days

This hands-on course takes attendees through a traditional, fully allocated exercise to obtain practical experience and knowledge of the issues faced during a cost of service study. The course builds upon the concepts learned in APPA's Basic Utility Cost of Service & Retail Rate Design course and focuses on developing unbundled cost of service studies.

Course Highlights

- Developing revenue requirements on the “utility basis” and “cash basis” of ratemaking
- Identifying minimum rate adjustments to meet requirements in bond ordinances and developing a plan to move toward recommended targets for net income and cash balances
- Developing rates for customers served at various voltage levels (secondary, primary, substation and transmission)
- Using marginal costs in economic development rates and developing rate designs for customers
- Developing cost allocators that closely resemble how costs are incurred
- Developing a long-term rate track and methods to move customers closer to the cost of service
- Using unbundled rates in the rate design process
- Identifying cost differences in serving out-of-city customers
- Working with boards and city councils in developing plans for rate adjustments

Who Should Attend

This course is designed for utility staff involved in costing and pricing electric services who desire advanced knowledge of the cost of service and ratemaking process. Participants need a basic understanding of the cost allocation process through experience or attendance at APPA's Basic Utility Cost of Service & Retail Rate Design course, as this advanced course begins each section with only a brief overview of the basics of cost of service and ratemaking and quickly builds on the concepts and applications.

- Understanding Cost of Service and Rate Design for Board Members – 4 hours
- Retail Costing & Pricing of Electricity (For Public Service Commissioners) – 2 hours
- Wholesale Costing and Pricing of Electricity (For Public Service Commissioners) - 2 hours