

Utility Ratemaking for Boards & Councils

Course Length: 4 Hours

Electric costs around the country are rising due to changes in power supply costs, aging infrastructure, significant capital improvements and pressure to increase city contributions. To ensure customer rates are structured correctly, boards and management must understand utility cost structure and use that information to send price signals to customers. This session will guide participants through a traditional cost of service study and discuss how the information can be used to design customer rates. We will cover the following topics:

1. Cost of service studies and the key information they provide to management and boards of directors
2. How marginal cost analysis can supplement traditional studies when developing electric rates
3. Using the cost of service study results to design rates and minimize customer impacts
4. Why rates vary by customer type
5. Which costs each rate component is designed to recover (facilities charge, energy, demand, etc.)
6. Using cost of service study results to develop new rate structures
7. The process of justifying and presenting rate adjustments to a governing body