

Intermediate Cost of Service & Retail Rate Design

Course Length: 1.5 Days

In this course, participants complete a cost of service study using instructor-provided information and the cost of service model. The course walks participants through developing cost allocation factors and applying them to determine service costs for each customer class. This is a practical, hands-on course that provides participants with working knowledge of how to complete a cost of service study. We encourage participants to bring a laptop computer.

Course Highlights

- Identify information requirements for a cost of service study and how to verify the integrity of the information provided.
- Learn how to complete the study using both cash basis and utility basis methodologies.
- Identify techniques to obtain, develop and apply load research data.
- Discuss methods to allocate distribution and power supply costs to each customer class.
- Apply each allocation factor correctly within the study framework.
- Discuss bundled and unbundled costs.
- Learn how to determine each class's facility (monthly customer) charge.
- Identify the demand charge and energy charge for each customer class.
- Assess the results of the cost of service study and its application to the rate design process.

Who Should Attend

This is a mid-level course for utility staff and policymakers desiring to learn how utilities apply the cost of service. It is designed for those who wish to learn how to apply the basic concepts and methodologies for traditional cost of service allocations and retail rate design.