



Fundamentals of Utility Tariffs: Determining Revenue Needs and Structuring Rates

June 11–July 27, 2018 | Online (3.0 CEUs)

Course Description

Setting rates is a critical function of regulators and utilities and a key factor in the success of utility operations. The Institute for Public-Private Partnerships, A Tetra Tech Company (IP3), offers this introductory online training course, *Fundamentals of Utility Tariffs: Determining Revenue Needs and Structuring Rates*, to address these important issues. Participants explore rate development and setting strategies and policies, as well as examples that illustrate how rates are calculated in different sectors and countries.

This course contains six modules conducted over a six-week period of time. Participants complete reading assignments, analyze case studies, actively participate in discussion boards and chat rooms with fellow participants and instructors, and complete an action plan.

Participants need access to a computer with internet connectivity. Course work is approximately 5 to 6 hours per module.

Learning Outcomes

- Understanding principles of developing rates
- Analyzing financial analysis techniques
- Evaluating the process of determining revenue needs for infrastructure services from the regulatory perspective
- Studying principles behind designing rates
- Analyzing emerging trends in tariff setting and utility finance
- Engaging in online group discussions with peers and experts from around the globe
- Creating a detailed, personalized strategic action plan to help you apply learning outcomes on the job

Course Offering

Dates: June 11–July 27, 2018

Location: Online

CEUs: 3.0

Code: 4005-OL

Tuition: \$1,100

About IP3's Online Courses

IP3's online courses deliver high-performance training at very low costs for your organization. IP3 participants appreciate the anytime access to course materials, minimal bandwidth requirements, and global audience reach that our online courses offer.

Participants who successfully complete the course requirements will receive a *Certificate of Achievement*.

Who Should Attend

Professionals with limited or little experience with tariff structuring and financial analysis from:

- National, regional, and local government agencies
- Utility and regulatory authorities
- Private sector organizations
- Universities
- Donor agencies
- Nonprofit organizations
- Banking entities

Course Tuition Includes

- All training materials
- Industry expert instructor
- 24 hour access to the learning management system
- One year of access to course materials
- ICT help desk
- Enrollment in professional certification
- Professional certification counseling
- International audience reach

Course Contents

Introduction to Rate Development and Current Trends

- Learning the basic tools
- Differences in rate setting for state-owned and privately owned utilities
- Strategies to transition to cost-recovery models
- Integrating government policies into rate design

Financial Analysis: Planning Requirements for Utilities

- Using financial statements: balance sheets, income statements, and statement of changes in cash condition
- Using ratio analysis to compare utility performance
- Using trend analysis to track a company's progress

Setting the Revenue Requirement

- Review of options: price cap, rate-of-return (ROR), cash needs, and revenue cap
- Understanding the strengths and weaknesses of each approach
- Determining utility input requirements and establishing the revenue requirement

Designing Rates: Strategies and Techniques

- Function of individual rates
- Establish rate design objectives
- Options for improving affordability and reducing subsidies
- Categorizing costs: customer costs, volumetric and demand/capacity costs



The Rate Change Process

- Designating the entity responsible for changing rates: options and impacts
- Establishing the frequency of rate changes
- Ensuring transparency in the process
- Developing modalities for public/stakeholder participation

Emerging Trends in Regulation and Rate Setting

- Understanding the drivers of change
- Understanding performance/incentive-based regulation and how to apply it
- Determining the impacts on different customer classes

All six modules include case study analysis and action planning

Benefits for Human Resource Departments

- Dramatic cost savings—no travel or per diem costs while maintaining work productivity
- 24/7 availability of course features—access from any internet connection at any time
- Scalability—one employee or one thousand can be trained at the same time at a low cost
- Collaboration and learning through interactive discussion boards and action planning
- Browser-based platform—no special computer skills needed, and courses work fine in low bandwidth

Benefits for Participants

- Instructor-led online training—flexible enough to be accessed anytime, anywhere, removing all the geographical barriers
- Collaborate and interact with fellow participants from around the world and our course facilitator in easy-to-use discussion boards, email, and chat room communication tools
- Take multiple courses towards professional certification while reducing costs and increasing office productivity



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