



# Tariff Rate Strategies and Cost Recovery Requirements: Implications for Regulators and Utilities

November 5-16, 2018 | Washington, DC (6.0 CEUs)

## Course Description

Although ratemaking has evolved into a complex science involving many useful and creative methodologies, the essence of tariff design is a thorough understanding of how to establish a revenue requirement for a regulated utility, translate that overall revenue requirement into a rate design that customers will pay, and use a cost of service study that will aid participants in translating the former into the latter. Accomplishing this requires an understanding of how to determine reasonable investments and costs in providing service.

This two-week-long course, designed by the Institute for Public-Private Partnerships, A Tetra Tech Company (IP3), will review various ways to design tariffs. Case studies will demonstrate how regulated service providers and their regulators have used cost of service studies and other methodologies to design effective tariffs.

### Course Offering

Dates: November 5-16, 2018      CEUs: 6.0  
 Location: Washington, DC      Tuition: \$5,500  
 Code: 5003-WA

## Learning Outcomes

By successfully completing this course, participants will be able to:

- Explain how to set a revenue requirement and translate it into a tariff design
- Identify the role of a cost of service study in translating a revenue requirement into a rate design
- Describe the role of the regulator in the tariff-setting process, methodologies, and relationships with service providers
- Describe the role of the service provider in collecting and analyzing data to reduce costs and improve service
- Compare case study experiences on how to determine and adjust prices and the implications
- Demonstrate how to decouple tariff policies from social and political objectives
- Illustrate how to calculate, analyze, and adjust tariff structures
- Visit a regulatory commission rate hearing and participate in a mock rate hearing
- Design a detailed, strategic action plan to apply learning outcomes on the job

## Become a Specialist

IP3 is an accredited provider of Continuing Education Units (CEUs) as sponsored by the International Association for Continuing Education and Training (IACET).



Successful completion of this course will award 6.0 CEUs.

## Who Should Attend

- Directors and key staff of regulatory authorities
- Directors and key managers of state-owned enterprises and investor-owned utilities that are subject to regulation
- Officials from ministries of finance, energy, water, and telecommunications
- Staff of bilateral and international organizations
- Managers and staff of business and trade associations

## Course Tuition Includes

- All training sessions/materials
- Presentations
- New computer for each participant
- Web-based course content/software
- High-speed internet access
- Receptions and tours
- Daily refreshments and lunch voucher
- Enrollment in professional certification program
- Professional certification counseling

## Course Contents



### Principles of Ratemaking

- Basic principles and methodologies as employed by regulators and service providers in various countries and sectors
- The historic development and use of various methodologies in ratemaking
- Pros and cons of alternative ratemaking principles and methodologies

### The Role of the Regulator in Tariff Design and Evaluation

- Regulatory objectives with respect to tariff design
- Regulatory frameworks and functions
- Regulatory responsibilities and authority

### Data Collection and Analysis

- Typical practices in data collection and analysis by service providers and regulators
- Auditing by the regulator of financial and operating data and management performance
- The uses of cost and investment data in ratemaking procedures

### Analyzing Cost Data to Achieve More Cost-Efficient Service

- The trade-offs between the least-cost and best-cost approaches
- The concept of prudently incurred costs

### Communicating Pricing and Regulatory Issues to Consumers and Utilities

- Regulatory communication best practices
- Regulators' communication check-list
- Stakeholders – who needs to know what and when?

### Preparing and Presenting a Sample Rate Case

- Sample rate case analysis as viewed by the regulator, service provider, and various stakeholder groups
- Participant-led mock rate hearing, including instructor intervention, open discussion, and outcome analysis

### Site Visit

### Action Planning

## About IP3

IP3 is a leading, global provider of PPP consulting and capacity building services. IP3 provides institutional support to public and private sector entities engaged in PPP projects around the world, helping mobilize private sector expertise and resources to enhance the quality and availability of infrastructure for public services.

IP3 has trained more than 35,000 officials from over 175 countries on PPP programs and opportunities, regulation operations and management initiatives, competitive utility management reform, and public policy and good governance.

Our experts have worked with more than 600 government agencies, ministries, and organizations, including some of the world's most influential institutions.



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