

## Financial Planning for Economic Recovery Webinar Series *(4 webinars)*

### Series Description

COVID-19 has upended utilities operations and planning from many angles—shifting and shrinking load, increasing expenses, and delaying or putting long-term projects into doubt. From an economic standpoint, utilities are faced with the double-sided quandary of needing to focus on revenue recovery and support affordability for customers facing similar challenges.

This series offers utilities practical financial planning guidance that ensures short-term solutions don't disrupt long-term stability. Hear about alternative revenue recovery options, how to determine a fair payment to the city, and how other utilities are addressing the affordability issue.

The series, recorded in 2020, includes four webinars:

- Financial Planning Amid Uncertainty
- Rethinking Revenue Beyond Rates
- Balancing Risk in Balancing the City's Budget
- Rate Design and Communicating Value

### Speakers



Dawn Lund is the Vice President of Utility Financial Solutions

Dawn has 25 years of experience in financial analysis for utility systems. She provides financial assessment, cost of service studies and financial plans for utilities throughout the country, Canada, Guam and the Caribbean and teaches a variety of financial planning courses for APPA.

### Contact Us

Have questions? Contact [EducationInfo@PublicPower.org](mailto:EducationInfo@PublicPower.org)

## **Webinar #1: Financial Planning Amid Uncertainty**

**Recording length: 1 hour and 10 minutes**

### **Webinar Description**

Utility financial planning is never an easy endeavor—and has become even more challenging in a time marked by uncertainty. With an economic downturn likely on the horizon, utilities might decide to delay rate adjustments in an effort to keep customers' bills low. Any such decision should keep the utility's long-term financial health in mind—especially if a utility has recently delayed a rate increase.

Learn about key financial targets that help ensure a utility's long-term stability, how to assess current financial conditions, and how to minimize the impact of potential rate changes on customers. Also review how to keep your cash reserve from becoming a vulnerable target for subsidizing other enterprise funds.

### **Topics**

- Impacts of an economic downturn on utility financial stability
- Key financial targets
- Identify alternative revenue sources
- Determine and protect minimum cash
- Communicate the message to board, councils and ratepayers

## **Webinar #2: Rethinking Revenue Beyond Rates**

**Recording length: 59 minutes**

### **Webinar Description**

In lean times, it is more important than ever for utilities to re-evaluate all potential sources of revenue—especially if it means generating revenue from ways other than raising regular rates. Learn how strategies such as economic development rates, line extension fees, miscellaneous fees, and allocation studies can provide a helpful revenue boost if reimaged for a time of need.

### **Topics**

- Evaluate current revenue sources
- Overview of line extension fees and economic development rates
- Update miscellaneous fee schedules
- Determine a proper allocation of administrative cost

## **Webinar #3: Balancing Risk in Balancing the City's Budget**

**Recording length: 1 hour**

### **Webinar Description**

As state and local governments look for ways to avert or rebound from financial downturn, utilities may be under increased pressure to transfer funds to the city to help balance the budget. Learn a methodology that utilities use to determine a fair transfer amount that minimizes exposure to future rate challenges. Get a breakdown of the justification of a transfer, what is considered in the PILOT transfer formula, and the challenges utilities face in setting a proper formula. Hear how cities with a large “non-taxable” customer base (such as educational institutes and hospitals) found creative ways to boost revenues, thereby reducing the pressure to make exorbitant transfers from the electric fund.

### **Topics**

- Transfer methodologies
- Defendable methods
- Non-cash transfers
- Determining fair and justifiable PILOT formulas
- Creative ways to boost city revenues outside of enterprise funds

## **Webinar #4: Rate Design and Communicating Value**

**Recording length: 1 hour and 3 minutes**

### **Webinar Description**

Affordability has become a heightened concern during an economic downturn. But a slowdown in the economy doesn't keep infrastructure from aging nor your capital investment needs from increasing. Hear how other utilities are balancing pricing decisions with equity as well as efficiency, and educating and communicating the value of electricity to key stakeholders. Review the pros and cons of various rate structures and their impacts on customers. Hear ideas for how to communicate your message and the importance of ongoing education on the value of electricity.

### **Topics**

- How the pressure to keep rates low has affected affordability perception
- The perceived value of services provided
- Balancing pricing decisions with equity and efficiency
- Potential issues with affordability programs, best practices, review current programs and ways to provide educational/service programs
- Moving toward equitable rates
- Communicating the message