

Basic Cost of Service & Key Financial Concepts

Recommended CEUs .6/PDHs 6/CPEs 7.2

Field of Study: Specialized Knowledge and Applications

Monday, May 5

8:30 a.m. Introductions, Agenda Items, Learning Outcomes

- Course Overview and Expectations

8:45 a.m. Section One

- Definition of Cost of Service and Objectives
- Information Gathering for a COS
- Defining Revenue Requirements

10:15 a.m. Break

10:30 a.m. Section Two

- Key Financial Targets
- Detailed Calculations
- Setting Minimums and Industry Standards

Noon Lunch (on your own)

1:30 p.m. Section Three

- Cost of Service Terminology
- Overview of Functionalization, Classification and Allocation
- Basic COS Results / Using COS Results
- Current Rate Structures Compared to COS results

3 p.m. Break

3:15 p.m. Section Four

- Rate Adjustments Assessments
- Primer for Strategic Rate Design Class
- How to Explain Rate Changes to End User, Board, and Council

4:15 p.m. Wrap up, Q&A, Course Evaluation

4:30 p.m. Course Adjourns

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Upon completion of this course, participants will be able to successfully:

- Recognize the objectives of a cost of service (COS) study
- Identify data needed for a COS and how it is used
- Outline revenue requirements
- Identify and review key financial targets that help determine rate changes
- Define and understand common Cost of Service terminology
- Utilize COS results to identify rate structure applications to your utility
- Develop best rate practices
- Explain rate changes to the end user, board, or council

Dawn Lund, Vice President Utility Financial Solutions, LLC

Dawn Lund is the vice president of Utility Financial Solutions, a consulting practice that specializes in financial planning, cost of service, and rate-setting for public power utilities. Dawn has over 25 years of experience in financial analysis for utility systems. She specializes in providing financial assessments, cost of service studies and financial plans for utilities throughout the country, Canada, Guam and the Caribbean. She teaches a variety of financial planning courses and regularly speaks at conference and industry events for APPA and other organizations across the nation.



About Utility Financial Solutions LLC

Utility Financial Solutions specializes in electric, water, wastewater, telecommunications and gas cost of service studies, unbundling studies, competitive rate designs, financial projections and special financial analysis. They are one of the largest providers of financial services to utilities across the United States. Their team of professionals includes engineers, accountants and economists that have completed hundreds of cost of service studies, rate studies, and financial projections for utilities in 39 states, Canada, Guam, and the British Grand Cayman Island. They also teach a variety of in-depth financial planning courses and speak at events across the country, providing expert insights on key industry topics and trends.