

## Basic Cost of Service & Key Financial Concepts

Recommended CEUs .6/PDHs 6/CPEs 7.2  
Field of Study: Specialized Knowledge

### Day 1

**8:30 a.m. Introduction**

- Instructor and participant introductions
- Course overview and expectations
- Learning objectives

**8:45 a.m. Section One**

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

**10:00 a.m. Break**

**10:15 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

**3:00 p.m. Break**

**3:15 p.m. Section Four**

- Rate Adjustments Assessments
- Best Practices
- How to Explain rate changes to End User and Board and Council

**4:15 p.m. Closing remarks, course evaluation, and Q & A**

- Recap and Q & A
- Course evaluation

**4:30 p.m. Course Adjourns**

## **Basic Cost of Service: Concepts and Rate Planning**

Recommended CEUs .6/PDHs 6/CPEs 7.2

Field of Study: Specialized Knowledge

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

1. Recognize the objectives of a cost of service (COS) study
2. Identify data needed for a COS and how it is used
3. Outline revenue requirements
4. Identify and calculate key financial targets that help determine rate changes
5. Define and understand common Cost of Service terminology
6. Classify Functionalization, Classification, and Allocation methods
7. Utilize COS results to identify rate structure applications to your utility
8. Develop best rate practices
9. Explain rate changes to the end user, Board, or Council

# About the Instructor

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## **Dawn Lund, Vice-President Utility Financial Solutions, LLC**

Dawn Lund is vice president of Utility Financial Solutions and has over 20 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 financial planning courses and regularly speaks at conferences 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.