

## Intermediate Cost of Service: Implementation and Best Practices

Recommended CEUs 1.3/PDHs 13/CPEs 15  
Field of Study: Specialized Knowledge and Applications

### Tuesday

<b>8:30 a.m.</b>	<b>Introductions</b>
<b>9:00 a.m.</b>	<b>Roles of Rates and a Cost of Service Study</b>
<b>9:45 a.m.</b>	<b>Break - Importance of a Rate Study</b>
<b>10:30 a.m.</b>	<b>Concepts of Rate Design</b> (Cookie Rate Group Exercise)
<b>11:30 a.m.</b>	<b>Cost of Service Process and Approach</b>
<b>Noon</b>	<b>Lunch</b> (on your own)
<b>1:00 p.m.</b>	<b>Study Preparation</b>
<b>1:30 p.m.</b>	<b>COS Model Introduction</b> (Exercise 1 and 2)
<b>2:30 p.m.</b>	<b>Revenue Requirements</b> (Exercise 3)
<b>3:00 p.m.</b>	<b>Break - Functionalization of Expenses and Ratebase</b>
<b>4:00 p.m.</b>	<b>Classification Procedures</b>
<b>5:00 p.m.</b>	<b>Adjourn for the Day</b>

### Wednesday

<b>8:30 a.m.</b>	<b>COS Model Classification and Minimum System</b> (Exercise 4)
<b>9:00 a.m.</b>	<b>Develop Allocation Factors</b>
<b>10:15 a.m.</b>	<b>Break - Load Data Development</b>
<b>11:30 a.m.</b>	<b>Load Factor and COS Model</b> (Exercise 5)

<b>Noon</b>	<b>Lunch</b> (on your own)
<b>1:00 p.m.</b>	<b>Allocation Techniques</b>
<b>2:30 p.m.</b>	<b>COS Model Set-up Allocators</b> (Exercise 6)
<b>3:00 p.m.</b>	<b>Break - Summarizing Results</b>
<b>4:00 p.m.</b>	<b>COS Model Summaries</b>
<b>4:30 p.m.</b>	<b>Rate Design</b>
<b>5:00 p.m.</b>	<b>Adjourn</b>

## **Intermediate Cost of Service: Implementation and Best Practices**

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Field of Study: Specialized Knowledge

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

1. Explain the role of rates and a cost of service study
2. Define and understand common Cost of Service terminology
3. Understand how to identify, collect, and organize costs
4. Explain how to functionalize utility assets and expenses
5. Outline how utility assets and expenses are classified
6. Develop and apply cost allocation factors
7. Define how customer allocation factors are determined
8. Identify methods used to collect load research data
9. Utilize utility load data to properly assign customer costs
10. Outline how to determine monthly customer facilities & billing costs
11. Explain cost components of your utility
12. Describe bundled and unbundled primary cost components
13. Specify cost components related to monthly customer charge
14. Implement rate adjustments based on study results
15. Utilize a functional cost of service model
16. Summarize study results for end user, Board, Commission or Council
17. Understand the limitations of a traditional cost-of-service model