

Rate Design Fundamentals

Recommended CEUs .3/PDHs 3.2/CPEs 3.8
Field of Study: Specialized Knowledge

All times below are **Eastern Standard Time**.

Thursday, July 22

Noon

Section One

- Course introduction and overview
- Industry rate design challenges
- Why our current rate structures exist
- Developing rate design objectives

12:30 p.m.

Section Two

- Understanding residential rate structures
- Pros and cons of inclining, declining, and inverted block rate structures
- The cost-based theory for customer charges
- Pros and cons of increasing customer charges
- Conservation pricing vs. utility financial stability
- Impacts on low income customers

1 p.m.

Break

1:10 p.m.

Section Three

- Small, medium, and large general service rate design strategies
- Rate options for key accounts
- Commercial electric vehicle rate structures
- Economic development rates
- Power cost adjustment strategies

2:15 p.m.

Break

2:25 p.m.

Section Four

- Power cost adjustment strategies (*continued*)
- How to obtain and explain rate changes to customers, board and councils

3:20 p.m.

Wrap Up, Q&A, Course Evaluation

3:30 p.m.

Course Adjourns

LEARNING OUTCOMES

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

1. Discuss different types of rate structures used for residential customers
2. Explain how commercial EV rates are established
3. Define what costs a customer charge is designed to recovery
4. Discuss the importance of properly designed power cost adjustments
5. Explain the types of rates used for general service customers
6. Discuss how to establish economic development rates
7. Identify strategies to explain rate changes to customers, board and councils

Mark Beauchamp, President Utility Financial Solutions, LLC

Mark Beauchamp is the president of Utility Financial Solutions, LLC and has over 30 years of experience in financial analysis, cost of service, and rate design for utility systems. Mark has completed cost of service, rate design and financial assessments for utilities throughout the U.S., Canada, Guam, and the Caribbean.



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.