



AGENDA

EDUCATION INSTITUTE

Intermediate Cost of Service: Implementation and Best Practices

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

Tuesday

8:30 a.m.	Introductions
9:00 a.m.	Roles of Rates and a Cost of Service Study
9:30 a.m.	Importance of a Rate Study
10:00 a.m.	Break
10:15 a.m.	Concepts of Rate Design (<i>Cookie Rate Group Exercise</i>)
11:30 a.m.	Cost of Service Process and Approach
Noon	Lunch (<i>on your own</i>)
1:00 p.m.	Study Preparation
1:30 p.m.	COS Model Introduction (<i>Exercise 1 and 2</i>)
2:30 p.m.	Revenue Requirements (<i>Exercise 3</i>)
3:00 p.m.	Break
3:15 p.m.	Functionalization of Expenses and Ratebase
4:00 p.m.	Classification Procedures
5:00 p.m.	Adjourn for the Day

(over)

Wednesday

8:30 a.m.	COS Model Classification and Minimum System (<i>Exercise 4</i>)
9:00 a.m.	Develop Allocation Factors
10:15 a.m.	Break
10:30 a.m.	Load Data Development
11:30 p.m.	Load Factor and COS Model (<i>Exercise 5</i>)
Noon	Lunch (<i>on your own</i>)
1:00 p.m.	Allocation Techniques
2:30 p.m.	COS Model Set-up Allocators (<i>Exercise 6</i>)
3:00 p.m.	Break
3:15 p.m.	Summarizing Results
4:00 p.m.	COS Model Summaries
4:30 p.m.	Rate Design
5:00 p.m.	Adjourn for the Day



LEARNING OUTCOMES

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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



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