UF | Public Utility Research Center
Warrington College of Business Administration
UNIVERSITY *of* FLORIDA

Energy Pricing Course

July 28 - August 2, 2013
Gainesville, Florida
USA

What are the challenges and best practices in energy pricing? What are the innovative ideas for addressing efficiency and environmental issues? This course answers these questions and more as participants learn core principles and engage in a case study in energy pricing from start to finish. Join us!

After completing this course, *you* will be able to:

- Prepare for and perform price reviews
- Develop economic incentives appropriate for utilities in small economies
- Evaluate market competition and develop remedies for market failure
- Analyze financial statements for rate setting and evaluating sector performance
- Develop innovative price structures that create incentives for consumers and producers to behave in a manner consistent with your utility policy

This energy course features 18 different teaching modules across five-and-one-half days, beginning Sunday, July 28 at 2 p.m. local time. Topics are presented in a manner that emphasizes their interrelationships. You will learn how to obtain relevant financial information, determine the cost of capital, adjust financial statements, and assess the financial effects of regulatory policies, allocate costs across the utility and build rate structures necessary to recover those costs. The purpose, content, enforcement, analysis, and confidentiality of utility reports are emphasized. Topics include identifying necessary data, understanding the context of the market, understanding the standards for cost recovery, allocating costs by function and by customer class, forecasting load, and principles of rate design.

Energy Pricing Course Fee is US $4,900

The fee includes:

- Program tuition
- Hotel accommodations for six (6) nights (arrival Sunday, July 28, departure Saturday, August 3)
- Meals (Monday-Friday) breakfast, refreshment breaks, lunches, and 4 dinners
- Reading and classroom material

Find more information about this course through the Advanced Program listing under Training and Development on the PURC homepage, www.purc.ufl.edu or contact us at purcadmin@warrington.ufl.edu or +1 (352) 392 - 6148.

This course is part of the PURC Advanced International Practices Program. Other courses available in 2013 include a Benchmarking Infrastructure Operations course, and a Telecom Policy and Regulation for Next Generation Networks (Aug. 5-8, 2013).

The application process opens March 15, 2013 on the PURC website - www.purc.ufl.edu.

PURC Advanced International Practices Program – Energy Pricing
July 28 – August 2, 2013 - Gainesville, Florida

Sunday, July 28

Session 1 *2:00 -4:30pm*

Economics of Pricing Introduction

Refresh of the principles of market economics in English; non-technical explanation of economic concepts used during the program; overview of Rate of Return, Price Caps and Revenue Caps

Monday, July 29	Tuesday, July 30	Wednesday, July 31	Thursday, August 1	Friday, August 2
Session 2 *9:00 -10:30* ***Introduction, Purpose and Objectives*** Description of the cost allocation methods and pricing models to be used throughout the course	*Session 6* *9:00 – 10:30* ***Establishing the Revenue Requirement*** Choosing methods of regulation; analyzing investments; asset valuation; moving from financial statements to revenue requirement	*Session 10* *8:30 -10:15* ***Case Study in Adjusting Financial Statements*** Identifying trends and inconsistencies; comparing financial results with operating facts; analyzing financial performance; cross sector lessons	*Session 14* *8:30 -10:15* ***Case Study on Investor and Public Reactions to a Pricing Decision*** Use and perils of information relevation; understanding public perceptions; managing predictability and legitimacy; best practices in announcing decisions	*Session 18* *8:30 -10:15* ***Taking a Balcony Point of View Revisited*** Impacts of unexpected events; mapping impacts to stakeholder interests; strategies for engaging stakeholders
Session 3 *11:00 – 12:30* ***Energy Markets*** Structure of the electric and natural gas industries	*Session 7* *11:00 – 12:30* ***Demand and Load Forecasting*** Purpose of demand and load forecasting; identifying load drivers; forecasting techniques and applications	*Session 11* *10:30 – 12:00* ***Cost of Service Approaches in Energy*** Determine customer classes; identifying costs and assignment methods; policy and social considerations; introduction of case study	*Session 15* *10:30 – 12:00* ***Economics of Rate Design*** Calculating multi-part tariffs; developing a menu of tariff options; pricing by time and/or location; distributed generation tariffs in an island system (also includes DSM deployment); accounting for incentives for efficiency and conservation; rate design considerations for renewable energy	*Session 19* *10:30 - 12:00* ***Organizational Challenges and Price Reviews*** Identifying challenges with price reviews; small group exchange of ideas; small group presentations
Session 4 *1:30 – 3:00* ***Setting the Base for Regulating Monopoly Prices and Sector Performance: Analyzing and Using Financial Statements*** Establishing and enforcing uniform systems of accounts; establishing accounting separations procedures; priorities in auditing and review financial statement; examples of problems	*Session 8* *1:30 – 3:00* ***Adjusting Financial Statements for Ratemaking*** Standards for accepting investment, revenue and expense data for ratemaking purposes; cases and examples of regulatory decisions; setting investment benchmarks; making financial adjustments; introduction of energy case study	*Session 12* *1:00 - 2:30* ***Challenges in Environmental Issues*** Impacts of regulation on renewable energy use and energy efficiency; example policies for renewable energy and efficiency; policy options and impacts of climate change issues	*Session 16* *1:00 – 2:30* ***Team Exercise in Electric Rate Design*** Teams complete their decisions and calculations for case study and report their results; teams must consider revenue sufficiency of tariffs; teams must consider cross-subsidies and potential consequences	*Session 20* *1:00 - 2:30* ***Action Plans*** Develop individual Action Plans; think strategically about your relationships; develop a system of accountability; give and receive critical feedback
Session 5 *3:15 – 5:00* ***Taking a Balcony Point of View*** Seeing beyond your vision in stakeholder perceptions; stepping back while staying in the action; mapping stakeholder interests; understanding players' pressures and responses	*Session 9* *3:15 – 5:00* ***Thinking Strategically About a Price Review*** Identifying relationships with stakeholders; developing and implementing stakeholder strategies; understanding the roles and perspectives of those in authority; staying independent while engaging the stakeholders	*Session 13* *2:45 – 4:30* ***Team Exercise in Electric Cost of Service*** Teams work with model cost of service study; determine appropriate cost allocators; determine proper cost categories; allocate costs between customer classes	*Session 17* *2:45 - 4:30* ***Electric Case Study Debriefing*** Group discussion of electricity study results; compare and contrast different rate designs	*Session 21* *2:45 – 4:30* ***Tying the Pieces Together and Key Lessons***