Energy Pricing Course
July 29 - August 3, 2012
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 29 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 29, departure Saturday, August 4)
• Meals (Monday-Friday) breakfast, refreshment breaks, lunches, and dinners
• Reading and classroom material

Find more information about this course through the upcoming events listing on the PURC homepage, www.purc.ufl.edu.

This course is part of the PURC Advanced International Practices Program. Other courses available in 2012 include a Benchmarking Infrastructure Operations course, and a Telecom Policy and Regulation for Next Generation Networks (Aug. 6-9, 2012).

Apply Now!
**PURC Advanced International Practices Program – Energy Pricing**

*July 29 – August 3, 2012 - Gainesville, Florida*

### Sunday, July 29

**Session 1**  
2:00 - 4:30pm  
**Economics in Pricing Introduction**  
Refresh of the principles of market economics in English; non-technical explanation of economic concepts used during the program

### Monday, July 30

<table>
<thead>
<tr>
<th>Session 2</th>
<th>8:30 - 10:00</th>
<th>Session 6</th>
<th>8:30 - 10:15</th>
<th>Session 10</th>
<th>8:30 - 10:15</th>
<th>Session 14</th>
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<tbody>
<tr>
<td><strong>Introduction, Purpose and Objectives</strong></td>
<td>Introduction of the cost allocation methods and pricing models to be used throughout the course</td>
<td><strong>Establishing the Revenue Requirement</strong></td>
<td>Choosing methods of regulation; analyzing investments; asset valuation; moving from financial statements to revenue requirement</td>
<td><strong>Case Study in Adjusting Financial Statements</strong></td>
<td>Identifying trends and inconsistencies; comparing financial results with operating facts; analyzing financial performance; cross sector lessons</td>
<td><strong>Case Study on Investor and Public Reactions to a Pricing Decision</strong></td>
<td>Use and perils of information relevance; understanding public perceptions; managing predictability and legitimacy; best practices in announcing decisions</td>
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<tr>
<th>Session 3</th>
<th>10:30 – 12:00</th>
<th>Session 7</th>
<th>10:30 - 12:00</th>
<th>Session 11</th>
<th>10:30 – 12:00</th>
<th>Session 15</th>
<th>10:30 – 12:00</th>
<th>Session 19</th>
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<tbody>
<tr>
<td><strong>Energy Markets and Incentive Regulation</strong></td>
<td>Structure of the electric and natural gas industries; overview of Rate of Return, Price Caps and Revenue Caps</td>
<td><strong>Demand and Load Forecasting</strong></td>
<td>Purpose of demand and load forecasting; identifying load drivers; forecasting techniques and applications</td>
<td><strong>Cost of Service Approaches in Energy</strong></td>
<td>Determine customer classes; identifying costs and assignment methods; policy and social considerations; introduction of case study</td>
<td><strong>Economics of Rate Design</strong></td>
<td>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</td>
<td><strong>Making Your Case</strong></td>
<td>Explaining decisions to the public, stakeholders and the press; answering tough and surprising questions; critiquing the effectiveness of engaging stakeholders and the press</td>
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<tr>
<th>Session 4</th>
<th>1:00 – 2:30</th>
<th>Session 8</th>
<th>1:00 – 2:30</th>
<th>Session 12</th>
<th>1:00 - 2:30</th>
<th>Session 16</th>
<th>1:00 – 2:30</th>
<th>Session 20</th>
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<tr>
<td><strong>Setting the Base for Regulating Monopoly Prices and Sector Performance: Analyzing and Using Financial Statements</strong></td>
<td>Establishing and enforcing uniform systems of accounts; establishing accounting separations procedures; priorities in auditing and review financial statement; examples of problems</td>
<td><strong>Adjusting Financial Statements for Ratemaking</strong></td>
<td>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</td>
<td><strong>Challenges in Environmental Issues</strong></td>
<td>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</td>
<td><strong>Team Exercise in Electric Rate Design</strong></td>
<td>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</td>
<td><strong>Organizational Challenges and Price Reviews</strong></td>
<td>Identifying challenges with price reviews; small group exchange of ideas; small group presentations</td>
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<th>Session 5</th>
<th>2:45 – 4:30</th>
<th>Session 9</th>
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<th>Session 13</th>
<th>2:45 – 4:30</th>
<th>Session 17</th>
<th>2:45 – 4:30</th>
<th>Session 21</th>
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<td><strong>Taking a Balcony Point of View</strong></td>
<td>Seeing beyond your vision in stakeholder perceptions; stepping back while staying in the action; mapping stakeholder interests; understanding players’ pressures and responses</td>
<td><strong>Thinking Strategically About a Price Review</strong></td>
<td>Identifying relationships with stakeholders; developing and implementing stakeholder strategies; understanding the roles and perspectives of those in authority; staying independent while engaging the stakeholders</td>
<td><strong>Team Exercise in Electric Cost of Service</strong></td>
<td>Teams work with model cost of service study; determine appropriate cost allocators; determine proper cost categories; allocate costs between customer classes</td>
<td><strong>Electric Case Study Debriefing</strong></td>
<td>Group discussion of electricity study results; compare and contrast different rate designs</td>
<td><strong>Tying the Pieces Together and Key Lessons</strong></td>
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**PURC Advanced International Practices Program (AIPP) – Energy Pricing**