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).

### Sunday, July 28

**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

<table>
<thead>
<tr>
<th>Session 2</th>
<th>9:00 - 10:30</th>
<th>Session 6</th>
<th>9:00 – 10:30</th>
<th>Session 10</th>
<th>8:30 - 10:15</th>
<th>Session 14</th>
<th>8:30 - 10:15</th>
<th>Session 18</th>
<th>8:30 -10:15</th>
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<tr>
<td><strong>Introduction, Purpose and Objectives</strong></td>
<td></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 revelation; understanding public perceptions; managing predictability and legitimacy; best practices in announcing decisions</td>
<td><strong>Taking a Balcony Point of View Revisited</strong></td>
<td>Impacts of unexpected events; mapping impacts to stakeholder interests; strategies for engaging stakeholders</td>
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<tr>
<td><strong>Energy Markets</strong></td>
<td>11:00 – 12:30</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>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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<td><strong>Setting the Base for Regulating Monopoly Prices and Sector Performance: Analyzing and Using Financial Statements</strong></td>
<td>1:30 – 3:00</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>Action Plans</strong></td>
<td>Develop individual Action Plans; think strategically about your relationships; develop a system of accountability; give and receive critical feedback</td>
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<td><strong>Taking a Balcony Point of View</strong></td>
<td>3:15 – 5:00</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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### Tuesday, July 30

11:00 – 12:30

**Case Study on Cost of Service Approaches in Energy**
Determine customer classes; identifying costs and assignment methods; policy and social considerations; introduction of case study

### Wednesday, July 31

**Case Study in Adjusting Financial Statements**
Identifying trends and inconsistencies; comparing financial results with operating facts; analyzing financial performance; cross sector lessons

### Thursday, August 1

**Case Study on Investor and Public Reactions to a Pricing Decision**
Use and perils of information revelation; understanding public perceptions; managing predictability and legitimacy; best practices in announcing decisions

### Friday, August 2

**Taking a Balcony Point of View Revisited**
Impacts of unexpected events; mapping impacts to stakeholder interests; strategies for engaging stakeholders