



**IPU Advanced Cost Allocation and Rate Design
Course**

November 14-17, 2022

INSTITUTE OF PUBLIC UTILITIES

**MICHIGAN STATE
UNIVERSITY**

About the IPU-MSU

- Institute of Public Utilities
 - ▶ Serving the regulatory policy community since 1965
 - ▶ Thousands of domestic and international program alumni
 - ▶ A national network of experienced experts in regulation
 - ▶ Financially self-sustaining at Michigan State University

- IPU's mission
 - ▶ To support informed, effective, and efficient economic regulation of electricity, natural gas, water, and broadband

- Integrative educational programs and research
 - ▶ A principled approach to regulatory practice
 - ▶ An empirical approach to regulatory analysis
 - ▶ A reasoned approach to regulatory reform

- We teach the “ideal” of economic regulation in the public interest
 - ▶ Interdisciplinary theory, regulatory institutions and culture, and critical thinking
 - ▶ Commitment to lifelong learning and appreciating what we do not know
 - ▶ Our purpose is not to formulate answers – but to help form good questions
 - ▶ Objective – but not unopinionated

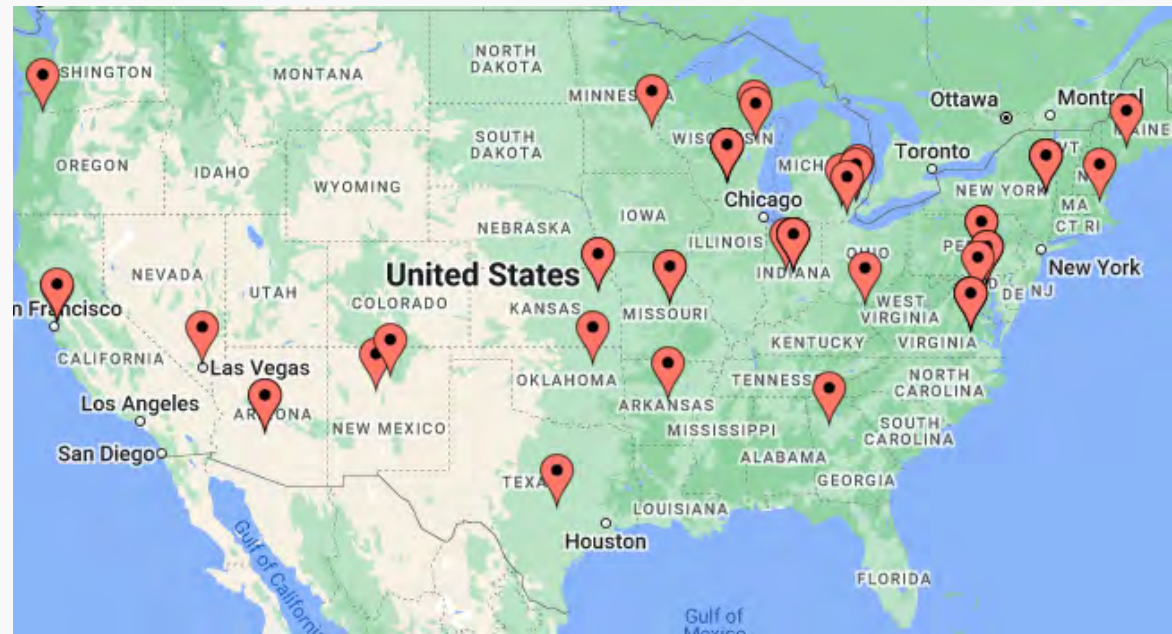


Welcome!

- Welcome to this live online learning experience
 - ▶ Thanks for being part of our community and joining us today
 - ▶ We recommend closing other screens and turning off notifications
 - ▶ Enjoy the relaxed dress code and remember to stretch, stand, and hydrate!
- We hope to give you a positive and interactive experience
 - ▶ Feel free to raise your hand to ask a question (clarifying or otherwise) at any time
 - ▶ Use the chat function for questions or comments during the program
 - ▶ For help, contact Erin West via the Q&A, erinwest@msu.edu, or 517-355-1876
- A few program notes
 - ▶ Accessing course materials
 - ▶ Polls and practical exercises
 - ▶ Certificates of attendance
 - ▶ Course evaluation forms
 - ▶ Continuing education credits
 - ▶ Opening code word: _____
- Schedule
 - ▶ Today from 2 pm to 5 pm; Tu-Th 10 am to 5 pm Eastern Time Zone
 - ▶ Four 80-min. modules with lunch from 1-2 pm and 20-min. breaks at 11:20 and 3:20

Poll 1: Where do you work?

- State commissions and agencies
- Federal commissions and agencies
- Consumer and environmental advocates
- Public utility providers – investor-owned
- Public utility providers – public or cooperative
- Law and consulting firms
- Universities
- Other



Q. Use the **chat** function to introduce yourselves – who and where are you?

Poll 2: What is your role?

- Commissioner
- Accountant or financial analyst
- Economist or policy analyst
- Engineer or technical analyst
- Attorney or law judge
- Manager
- Advisor
- Consultant
- Educator
- Other

Program learning objectives

- To review the core principles and concepts of cost allocation and rate design for public utilities
- To learn the generally accepted methods of cost allocation and rate design
- To compare and contrast ratemaking practices in the water, electricity, and natural gas sectors
- To gain a detailed understanding through examples and interactive exercises
- To consider contemporary ratemaking objectives and policy issues

Q. Use the **chat** function to tell us what you hope to learn – what is your “burning issue” when it comes to utility ratemaking?

Your learning objectives

- An increased understanding of Cost Allocation
- Better insights into COSS
- Better understanding of rate design
- Continuing education
- COSS and ratemaking interactivity
- Cost Allocation and COS studies
- Details on different rate design models
- Enhanced understanding and knowledge
- Further my knowledge of the regulatory industry.
- Good understanding of COSS and rate
- Greater understanding of cost allocation/rate design
- Learn about range of possible rate design options
- Learn rate design

Q. Use the **chat** function to tell us what you hope to learn – what is your “burning issue” when it comes to utility ratemaking?

Introduction to the course

- **Monday, November 14** | 2:00 pm – 5:00 pm (Eastern)
 - Overview (Jan Beecher)

- **Tuesday, November 15** | 10:00 am - 5:00 pm (Eastern)
 - Water Sector (Andy Burnham, Bill Zieburtz, and Deb Kloeckner)

- **Wednesday, November 16** | 10:00 am - 5:00 pm (Eastern)
 - Electricity sector (Chris Mickelson)

- **Thursday, November 17** | 10:00 am – 5:00 pm (Eastern)
 - Natural Gas sector (Carl Peterson)

Program faculty

- About the instructors and our community of participants
 - ▶ Janice Beecher, Ph.D., Professor and IPU Director, Michigan State University
 - ▶ Andy Burnham, V.P. Management & Technology Consulting, Stantec Consulting Services
 - ▶ William Ziebertz, Director, Stantec Consulting Services
 - ▶ Deborah Kloeckner, Consultant, Stantec Consulting Services
 - ▶ Christopher Mickelson, MBA, Regulatory Affairs Manager, Cascade Natural Gas
 - ▶ Carl Peterson, Ph.D., Professor, University of Illinois Springfield

