

## Utility Price Reviews (November 12 -16, 2007, Lusaka)

### COURSE OUTLINE

	<u>Sun 11<sup>th</sup></u>	<u>Monday 12<sup>th</sup></u>	<u>Tuesday 13<sup>th</sup></u>	<u>Wednesday 14<sup>th</sup></u>	<u>Thursday 15<sup>th</sup></u>	<u>Friday 16<sup>th</sup></u>
Morning	<b>arrivals</b>	<ul style="list-style-type: none"> <li>• Issues and Trends in regulatory practice</li> <li>• Approaches to economic regulation</li> <li>• <i>Case Study:</i> Choosing regulatory mechanisms to achieve objectives</li> </ul>	<ul style="list-style-type: none"> <li>• Fundamental tools of rate-of-return regulation</li> <li>• Price cap and revenue cap regulation: Setting X-factors and Inflation indices</li> <li>• <i>Case Study:</i> Determining data needs; methods of obtaining data for ROR, PC, and RC regulation</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmarking techniques: Determining measures for potential efficiency gains</li> </ul> <p><i>Exercises:</i></p> <ol style="list-style-type: none"> <li>1. Determining Firm Efficiency and X-factors using Benchmarking Techniques</li> <li>2. Determining Revenue Requirement (ROR) and Initial Prices (PC/RC)</li> </ol>	<ul style="list-style-type: none"> <li>• Tariff Rebalancing and Pricing and Rate Design Fundamentals</li> <li>• <i>Exercise:</i> Allocating Costs and Designing rates to meet the Revenue Requirement, maintain cost reflectivity and implement Pro-Poor rates.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Model of the Regulated Firm.</li> </ul> <p><i>Exercise:</i> Checking the consistency of the Financial Model for consistency with Forecasts and for Over/Under-Earning</p> <p><i>Debriefing:</i> On Financial model exercise</p>
		<p><i>Case Study:</i> Debriefing and discussion</p>	<p><i>Case Study:</i> Debriefing and discussion</p> <ul style="list-style-type: none"> <li>• Hybrid Regulatory Mechanisms: Dealing with Imperfect/Asymmetric Information</li> </ul>	<p><i>Debriefing:</i> exercise on Determining Revenue Requirement (ROR) and Initial Prices (PC/RC)</p>	<p><i>Discussion:</i> Allocating Costs and Designing rates to meet the Revenue Requirement, maintain cost reflectivity and implement Pro-Poor rates.</p>	<ul style="list-style-type: none"> <li>• Course feedback and Assessment</li> <li>• Lessons learnt</li> <li>• Summing up</li> </ul>
Afternoon						
Evening	Welcome cocktail				Dinner	