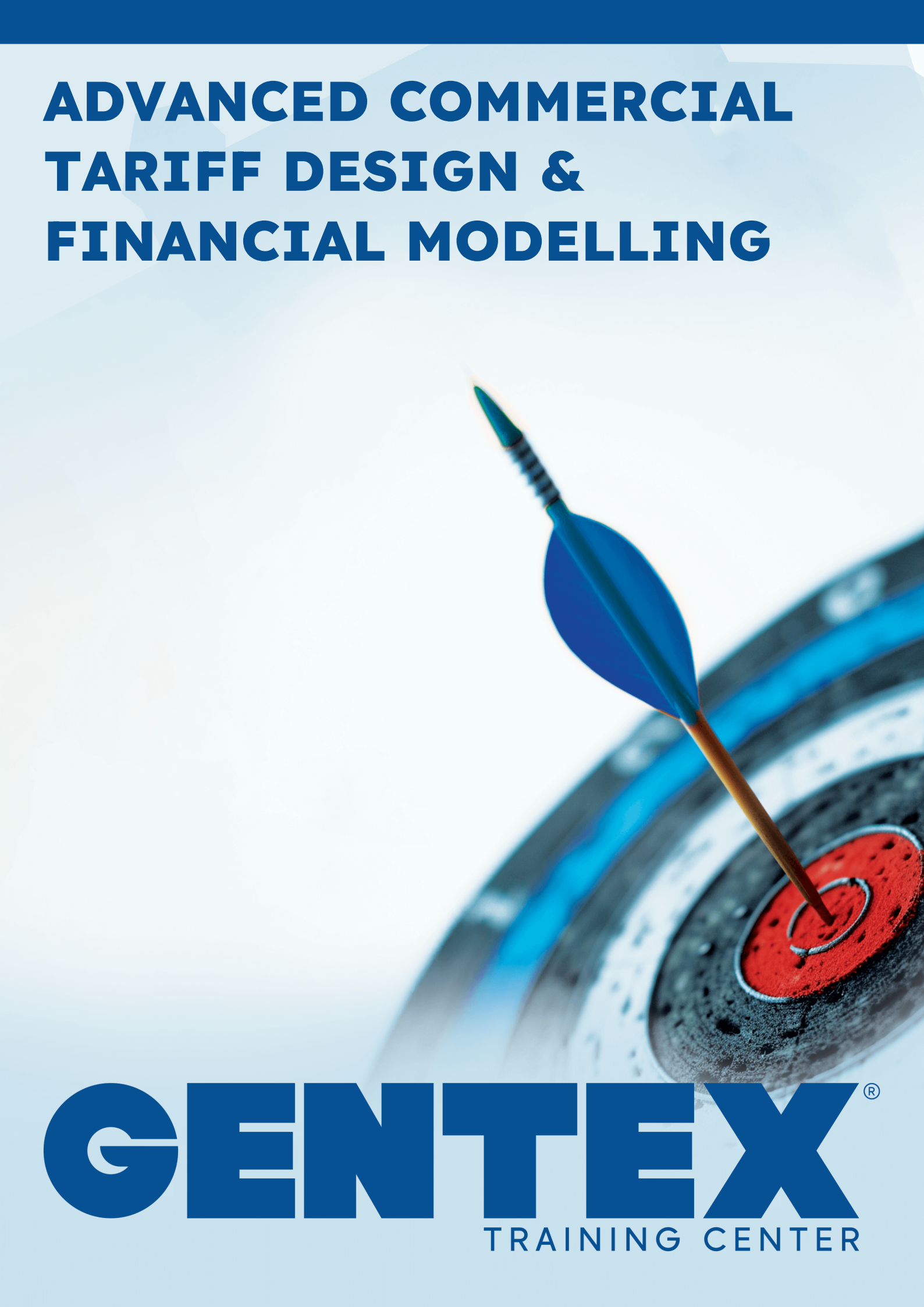
ADVANCED COMMERCIAL TARIFF DESIGN & FINANCIAL MODELLING



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TRAINING CENTER

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Introduction

Advanced Commercial Tariff Design & Financial Modelling Training Course builds the analytical capability that pricing decisions in regulated and infrastructure businesses demand. Tariffs carry both commercial and political weight. Set them too high and demand or goodwill suffers; set them too low and the business cannot fund the service it provides. This course covers the full design chain. It explains cost of service, revenue requirement, and tariff structures. Furthermore, it applies price elasticity, tariff benchmarking, revenue modelling, and scenario analysis. In addition, it covers regulatory submissions, stakeholder consultation, and financial model construction. As a result, participants design tariffs that are defensible commercially and financially.

Advanced Commercial Tariff Design & Financial Modelling Course Objectives

- Explain cost-of-service principles and revenue requirement determination.
- Build a regulatory asset base and calculate the allowed return.
- Design tariff structures including flat, block, and time-of-use tariffs.
- Apply marginal cost and average cost pricing approaches.
- Estimate price elasticity and model demand response.
- Model revenue under different tariff structures and customer segments.
- Build integrated financial models with income statement, cash flow, and balance sheet.
- Apply scenario, sensitivity, and Monte Carlo analysis to tariff outcomes.
- Prepare regulatory tariff submissions and supporting evidence.
- Assess affordability, cross-subsidy, and stakeholder impact.

Course Methodology

- Interactive lectures with real tariff and regulatory case studies.

- Cost-of-service and revenue requirement calculation workshops.
- Tariff structure design and elasticity modelling exercises.
- Integrated financial model building and stress testing practice.
- Structured peer review with facilitator feedback on tariff proposals.

Who Should Take This Course

- Tariff and pricing analysts in regulated industries.
- Regulatory affairs and compliance professionals.
- Financial modelling and corporate finance analysts.
- Utility, energy, water, and telecoms commercial managers.
- Budgeting and planning professionals.
- Consultants advising on tariff design and regulatory submissions.

Advanced Commercial Tariff Design & Financial Modelling Course Outlines

Day 1: Cost of Service and Revenue Requirement

- Tariff design objectives across commercial and regulatory goals.
- Cost-of-service principles and cost allocation methods.
- Regulatory asset base construction and asset revaluation.
- Weighted average cost of capital and allowed return.
- Operating expenditure forecasting and efficiency targets.
- Revenue requirement build-up and tariff-setting drivers.
- Case study: constructing a revenue requirement for a regulated service.

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Day 2: Tariff Structures and Pricing Approaches

- Flat rate, block, and two-part tariff structures.
- Time-of-use and seasonal tariff design.
- Capacity and demand-based charging.
- Marginal cost versus average cost pricing.
- Ramsey pricing and cross-subsidy considerations.
- Affordability, lifeline tariffs, and social protections.
- Workshop: designing tariff structures for customer segments.

Day 3: Demand, Elasticity, and Revenue Modelling

- Price elasticity concepts and estimation methods.
- Demand response modelling and load profiling.
- Customer segmentation and consumption analysis.
- Revenue modelling under alternative tariff structures.
- Bill impact analysis and revenue recovery testing.
- Revenue decoupling and volume risk mitigation.
- Workshop: modelling revenue and bill impact under scenarios.

Day 4: Integrated Financial Modelling

- Financial model architecture and best-practice design.
- Income statement, balance sheet, and cash flow integration.
- Debt scheduling, interest, and covenant modelling.
- Working capital, tax, and dividend modelling.
- Scenario, sensitivity, and reverse stress testing.

- Monte Carlo simulation basics for tariff outcomes.
- Workshop: building an integrated tariff financial model.

Day 5: Regulation, Consultation, and Delivery

- Regulatory submission structure and evidence pack.
- Tariff review cycles and price control mechanisms.
- Stakeholder consultation and impact assessment.
- Model documentation, audit trail, and version control.
- Governance and internal approval of tariff proposals.
- Implementation, metering, and billing considerations.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Advanced Commercial Tariff Design & Financial Modelling, participants will gain a thorough understanding of cost-of-service analysis, revenue requirement determination, tariff structure design, elasticity and demand modelling, integrated financial modelling, risk analysis, and regulatory submission. They will also acquire practical skills in revenue requirement calculation, tariff structure design and elasticity analysis, integrated financial modelling, and scenario testing and regulatory documentation. In addition, the course prepares them to propose tariffs that hold up commercially and under regulatory scrutiny. Gentex Training Center delivers this programme with a strong focus on applied modelling technique and defensible tariff decisions.

LEARN BOLD. **LEAD BEYOND**
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FAQs for Advanced Commercial Tariff Design & Financial Modelling course

Q1 What is the "Advanced Commercial Tariff Design & Financial Modelling" course about?

It is a five-day programme on designing tariffs and modelling their financial consequences. It covers cost of service, regulatory asset base and allowed return, tariff structures from flat to time-of-use, price elasticity and demand modelling, integrated financial models, scenario and Monte Carlo analysis, and regulatory submissions.

Q2 What are the key benefits of the "Advanced Commercial Tariff Design & Financial Modelling" course?

Participants produce tariff proposals that survive both commercial and regulatory challenge. The course improves cost allocation and revenue requirement accuracy, sharpens structure design against customer segments, strengthens demand and elasticity assumptions, connects tariff decisions to full financial statements, and reduces regulatory rejection risk through better evidence and modelling discipline.

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Q3 What skills will I gain from the "Advanced Commercial Tariff Design & Financial Modelling" course?

Participants gain cost-of-service and revenue requirement calculation, tariff structure design and elasticity analysis, integrated financial modelling across the three statements, and scenario testing, risk analysis and regulatory documentation. These four skills cover the practical core of tariff design and financial modelling.

Q4 What tools, methods, or standards are covered in the "Advanced Commercial Tariff Design & Financial Modelling" course?

The course covers cost-of-service principles and cost allocation methods, regulatory asset base construction and asset revaluation, weighted average cost of capital and allowed return calculation, operating expenditure forecasting and efficiency targets, revenue requirement build-up, flat rate, block and two-part tariff structures, time-of-use and seasonal tariffs, capacity and demand-based charging, marginal cost and average cost pricing, Ramsey pricing and cross-subsidy analysis, affordability and lifeline tariff design, price elasticity estimation, demand response and load profiling, customer segmentation and consumption analysis, bill impact analysis, revenue decoupling, financial model architecture, income statement, balance sheet and cash flow integration, debt scheduling, interest and covenant modelling, working capital, tax and dividend modelling, scenario analysis, sensitivity analysis, reverse stress testing, Monte Carlo simulation, regulatory submission structuring and evidence packs, price control mechanisms, stakeholder consultation and impact assessment, model documentation, audit trail and version control, and metering and billing considerations.

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Q5 How is the "Advanced Commercial Tariff Design & Financial Modelling" course applied in real-world practice?

Participants apply the methods to their own tariff reviews. They build the revenue requirement, calculate the allowed return, design structures for customer segments, estimate elasticity, model revenue and bill impacts, build integrated financial models, run scenario and stress tests, prepare regulatory evidence packs, document model assumptions, and support consultation and approval. Many leave with a revenue requirement model, a tariff structure comparison, and a scenario testing template ready to use.