



# Utility Management Training

## MODULE 7: UTILITY ECONOMICS AND REGULATION (UER)

### Institutional Partners



### UER Module Team

#### Trainers:

Sylvia Dimova, Ivaylo Kastchiev, Rado Russev

#### Competence Partner:

Faculty of Economics and Business Administration (FEBA), Sofia University

#### Utility Partner:

Examples from various utilities in the region



## UER Module Logistics

**Format and Venue:** online  
**Module timeline:** August – October 2022

**Core training week:** 19 - 23 September (three days within the week)



## UER Module Outline

The previous six modules of the UMT gradually covered most core functions in a water company – from highly technical areas such as network operations and plant management to finance to customer service and metering. Now that the in-house perspective has been, more or less, covered, it is time to give a look at the wider economic, regulatory and social environment in which water operators live.

The **Utility Economics and Regulation (UER)** module aims to provide some wider economic context. It looks at water utilities from a couple of complementary perspectives.

The operators are business entities subject to **regulation**. The very concept of regulation deserves a historic overview – what made it necessary, how regulation evolved – globally, within Europe and, in recent years, in the Danube Region. Considerations are given to related topics such as policy making, utility governance, planning and supervision at central, regional and municipal level.

A very specific topic, close to regulation, is **tariffing**. The UER gets deeply into tariffs: key components of tariffs – assets, customers, water volumes and cost-vs-revenue structures, links

between financial statements and tariffs, different approaches to tariff structuring and approval process. Within this section of the module a detailed tariff model will be reviewed and some simplified sensitivity analyses will be played out. Some aspects of utility financing will be included in this section as well.

Another related topic is the **contractual model** that specifies what utilities should do with the public assets they operate. This section elaborates the various models known in the region – management contracts, concessions, country-specific models and, not least, informal ways of providing the WSS services.

The UER module will provide some short introductions to other related sub-topics such as EU water regulations and their evolution, European stakeholders and their role in the sector, contractual and economic novelties, etc.

This rather short module aims to cover a wide variety of complex economic, contractual and regulatory topics in an interconnected way so participants are encouraged to reflect on the complex environment that sets rules and regulations for the water utilities.

### Competence Partners



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