



Colleagues,

The Organisation of Caribbean Utility Regulators (OOCUR) is pleased to announce its Utility Finance Workshop on the theme "Integrating Financial, Economic and Policy Perspectives in Utility Regulation" which would be held on 23-25 May 2007 in Trinidad and Tobago. The Regulated Industries Commission (RIC) of Trinidad and Tobago is our host.

This Workshop would be facilitated by Mr. Ian Rowson of IMR Solutions an independent policy advisor to sector regulators, governments, regulated companies and investors. Mr. Rowson is a Chartered Accountant and advisor on economic regulatory policy in utility and transport sectors. Since the early 1990's he has worked on regulatory policy issues with governments, regulators and companies, mainly in the United Kingdom & Ireland and he was the Director of Regulation during the course of the 1999 price control review carried out by Ofwat.

This workshop would provide in dept analysis and review of such Utility Finance issues as Regulatory Asset Base (RAB, RAV and RCV), Valuation of RAB, Interaction with Competition, Depreciation, Cost of Capital and Financeability, Regulatory Financial Modeling and Regulated Company Reporting.

The Workshop would be of interest to staff of regulatory bodies, Commissioners of these bodies, Utility Providers and Government Ministries involved in policy setting for regulatory bodies.

Enclosed are the Workshop Agenda Outline, OOCUR Registration Form and the Hotel Reservation Form, which would assist you in planning your participation. We look forward to seeing you in Trinidad and Tobago on 23-25 May 2007.

Yours Sincerely

Rita Persaud-Kong
Secretary General



5th OOCUR Workshop 23-25 May 2007, Port-of-Spain, Trinidad

“Utility Finance-Integrating Financial, Economic and Policy Perspectives in Utility Regulation”

Facilitator: Mr. Ian Rowson, IMR Solutions

Programme Outline

1. Objective-based regulation

- What are we regulating for?
- Economic, political and other objectives
- Duties and powers of the regulator
- Governance models and impact on regulation: public & private sector, commercial and not-for-profit

2. Price cap calculation overview

- The 'standard utility model'
- An example calculation (using a spreadsheet model)
- Discounting and allowed return calculations

3. Accounting and financial

- Regulatory perspective on balance sheets, costs and revenues
- definition of the 'till', accounting separation, ring-fencing
- Transfer pricing and cost allocations

4. Regulating using a Regulatory Asset Base (RAB, RAV, RCV, etc.)

- How this meets the objectives
- Financial Capital Maintenance principle, maintaining the net present value of investor contributions
- Incentives: operating efficiency, investment, delivery of services
- Recognition of weaknesses in regulation

5. Interaction with competition

- Broader regulatory strategy for a sector
- Access pricing and price discrimination

6. Valuation of the RAB

- Initial valuation: accounting methods, balance of interests customer vs. investors vs. other possible objectives
- Rolling forward: consistency
- 'Stranded assets', 'claw backs', 'disallowed investments', incentive adjustments

7. Depreciation

- Depreciation: cost reflectivity and revenue profiling
- Economic and accounting purposes
- Investor and customer perspectives
- Potential incentive issues
- Calculation methodologies, including indexation, historical cost, replacement cost, modern equivalent asset and continuing cost methodologies
- Appeal from a practitioner: keep things simple – “depreciation should be driven by policy, not a driver of it”
- Clarity of principle and purpose is more important than ‘clever’ calculations

8. Cost of capital and financeability

- Relevance to investor confidence and incentives to invest
- Methodology: CAPM & others
- CAPM explained
- Weighted Average Cost of Capital calculations
- Impact of country risk premia
- Impact of gearing and risk
- Topical issues in recent reviews
- Risk analysis and risk assessment
- Financeability: economics, indicators and getting the ‘risk story’ right
- Managing perceptions, investor sentiment and information advantage

9. Regulatory financial modeling

- Business modeling: cost, output and efficiency projections
- Financial modeling: modeling the consequences for business finance
- Risk modeling: modeling uncertainty
- Policy modeling: modeling the impact of policy on policy objectives

10. Regulatory impact assessment

- Assessing and documenting the justification for policy decisions

11. Reaching and reporting conclusions

- Quality of analysis and quality of explanation
- Information management: from information request to implementation
- Explaining what’s happened: variance analysis, ‘waterfall diagrams’, ‘yield tables’
- Consultation and process

12. Regulated company reporting

- Regulatory accounting and reporting
- Transparency of performance information
- Information for the regulator
- Information for company governance
- Information for other participants in the sector, customers, the public and the media



5th OOCUR Workshop
**Utility Finance - "Integrating Financial, Economic and
Policy Perspective in Utility Regulation"**
23- 25 May 2007, Port-of-Spain, Trinidad

Host
REGULATED INDUSTRIES COMMISSION



VENUE INFORMATION

Hotel Accommodation:

The Workshop will be held at the:



The Normandie Hotel & Conferences
10 Nook Avenue
St. Ann's
Trinidad, West Indies

Rates:

Special accommodation rates have been arranged at the Normandie Hotel as follows:

- Standard Guest Room: US\$152.00 per night (*inclusive of all taxes*)
- Standard room rates include: Daily Breakfast, Lunch Buffets and Morning & Afternoon snacks.

Hotel Reservation Forms should be faxed to the hotel as follows:

Ms. Kim Stephen

The Normandie Hotel
10 Nook Avenue, St. Ann's
Trinidad, West Indies

Fax: (868) 624-0137 **Phone :**(868) 624-1181 **Email:** sales@normandiectt.com

AND to facilitate coordination of your Form please also fax to:

Ms. Michele Smith

Executive Assistant
Regulated Industries Commission (RIC)
1st and 3rd Floors, Furness House
Cor. Wrightson Road and Independence Square, Port-of-Spain

Fax: (868) 624-2027 **Phone:** (868) 627-7820 x 302

The **deadline** for hotel reservation is **May 8th 2007** but reservations should be made early to ensure that room selection is available.

Transportation:

Transportation to and from the Airport and the Hotel will be provided and is included in the registration cost. **Please provide accurate travel arrival/departure information on the Hotel and Workshop Reservation Forms and submit by May 8th 2007.**

Trinidad and Tobago



Motto: "Together we aspire, together we achieve"

Welcome to Trinidad and Tobago, a unique Caribbean paradise. There is no place in the world quite like this tiny twin island republic of 1.3 million ethnically diverse people. Bursting with spirit and a heady mix of cultural activities, beautiful people, eco adventure and culinary delights. Located just off the tip of Venezuela, Trinidad, the larger and livelier of the islands, is an industrial giant boasting exciting nightlife, a robust energy sector and growing manufacturing industry.



If Trinidad is the energetic heart of these islands, Tobago is its serene soul. Just two hours away from Port-of-Spain by fast ferry, or 15 minutes by air travel, Tobago offers the weary traveler a change of pace. Blessed with warm azure blue seas that lap against pale pink sands of secluded beaches, Tobago is the perfect place to relax in the embrace of lingering, golden sunsets. For the nature lover, Tobago is home to the oldest protected rainforest in the Western Hemisphere and, for those with an adventurous spirit, the waters surrounding the island hosts stunning coral reefs teeming with marine life.

Home of Carnival, the greatest show on earth, Trinidad and Tobago has also given the humanity Steel pan and world-class athletes, including record breaking cricketer Brian Lara and star football striker Dwight Yorke, the Soca Warriors, Ato Boldon and Hasely Crawford.

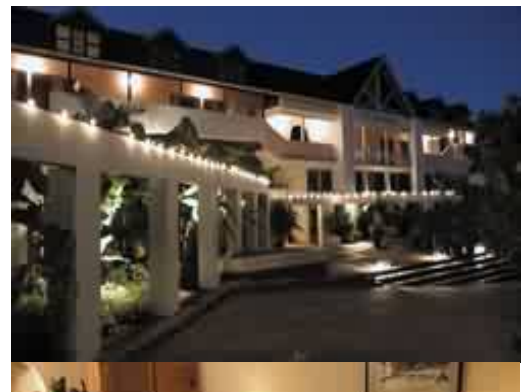
Weather:

Trinidad and Tobago, well within the tropics, both enjoy a generally pleasant maritime tropical climate influenced by the northeast trade winds. In Trinidad the annual mean temperature is 26°C, and the average maximum temperature is 33°C. The humidity is high, particularly during the rainy season, when it averages 85 to 87 percent.

Hotel Description:

Located in the lush hills above Port of Spain, Trinidad's capital, the beautiful and charming Normandie is a centre of activity. Featuring 53 spacious rooms, most overlooking the pool, you are sure to have a relaxing, enjoyable time during your stay in Trinidad. The Normandie's location is only minutes away from lovely beaches, tropical rainforests filled with flora & fauna, exciting nightlife, the central business district, most government buildings (including Whitehall, the Prime Minister's office, Parliament's "Red House", and the various Ministries) and many of the countries unique historic and cultural landmarks.

Enjoy an exquisite dinner under the romantic starlit sky on the terrace of The Normandie's popular fine dining restaurant, *Ciao Vidalia*, and enjoy a delicious breakfast & lunch in our quaint *Trinidad Cafe*. Take a dip in the refreshing crystal waters of our courtyard pool surrounded by lush gardens, and then visit our unique local *Market Shoppes*, all part of our indoor mall.



Language & Currency:

English is the official language and the Trinidad and Tobago Dollar (TTD) is the official currency of the Islands.



5th OOCUR Workshop
“Utility Finance-Integrating Financial, Economic and Policy Perspectives in Utility Regulation”
23-25 May, 2007 in Port of Spain, Trinidad and Tobago

REGISTRATION FORM

Participant /Presenter/Sponsor (Print in Capital Letters, will appear as stated in badges etc.)

Mr./Mrs./Ms:

First Name

Middle Name

Last Name

Organization:

Position/Title:

Mailing Address:

Postal Code

City/State

Country:

Tel:

Fax:

E-mail:

Arrival:

Airline Name

Flight #

Date &Time

Departure:

Airline Name

Flight#

Date &Time

REGISTRATION FEES:

OOCUR Members:

Registration US\$600.00 _____

NON-OOCUR Members:

Registration US\$1,200.00 _____

Method of Payment: by certified cheque or cash on the day of Registration, May 23-25, 2007

PLEASE FAX/EMAIL COMPLETED REGISTRATION FORM TO:

Mrs. Rhoda Maharaj

Regulated Industries Commission (RIC)

Port of Spain, Trinidad and Tobago

Fax: 868-624-2027 Phone: (868)-624-9168, 742-1092 or 726-0503 email: maharajr@ric.org.tt

And by email attachment to Secretary General at: secretariat@oocur.org

HOTEL RESERVATION FORM

GROUP NAME: Organisation of Caribbean Utility Regulators – OOCUR
 RESERVATION DATES: **May 22nd to 26th, 2007**
PLEASE COMPLETE
& FAX TO: The Normandie Hotel at: Fax: 868-624-0137
 Phone: 868-624-1181 Email: sales@normandiett.com

PREFERRED GROUP RATE:

The Normandie Hotel's Standard Guest Room: US \$152.00 per room per night *inclusive of all Taxes*
Room Rates include: Daily Breakfast, Lunch Buffets, Midmorning and Afternoon Breaks

CUTOFF DATE:

The Normandie Hotel agrees to hold the full block of guestrooms until May 08th 2007. All blocked rooms remaining unreserved at the cut-off date shall be released for resale and delegate reservations accepted on a first-come first-serve basis, at the prevailing rack rate.

DEPOSIT REQUIREMENT:

Guests must guarantee their room reservation with a credit card that can be presented upon check-in to the hotel. Please provide details of the credit card to which you authorize the Normandie Hotel to hold against your room.

Check in time is at 1:00 pm

Check out time is at 11:00am

Please provide the following information. **Please complete one Reservation Request Form for each room you will be reserving.**

Arrival Date (MM/DD/YY): __/__/__ Departure Date (MM/DD/YY): __/__/__

Guest 1: Last Name: _____ First Name: _____

Guest 2: Last Name: _____ First Name: _____

Billing Address: _____

City: _____ State: _____ Zip Code: _____

Country: _____ Tel: () _____ - _____ Fax: () _____ - _____

Credit Card Detail (Note that this card must belong to one of the above-mentioned guests.)

Credit Card Type: _____ Credit Card Number: _____ - _____ - _____ - _____

Exp. Date: _ _____

Authorized Signature: _____ Date: _____ E-mail: _____