



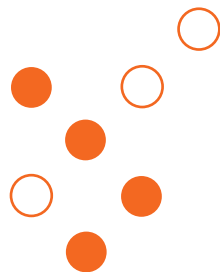
ESSENTIALS OF REGULATORY FINANCE

UNDERSTAND AND APPLY COST OF CAPITAL PRINCIPLES
IN THE ELECTRIC POWER SECTOR

February 28-March 1, 2011
Atlanta, Georgia

June 9-10, 2011
Washington, D.C.

October 18-19, 2011
Denver, Colorado



ESSENTIALS OF REGULATORY FINANCE

It takes more than a general understanding of corporate finance to successfully navigate in the complex utilities sector. *Essentials of Regulatory Finance* gives you the foundational knowledge you need to understand cost of capital and finance specific to regulated electric utilities. You'll get two days of graduate-level instruction on the theories and application of capital, risk and return in the utility space, under the guidance of one of the country's most highly respected authorities.

WHAT YOU'LL TAKE AWAY

- A thorough understanding of the issues in cost of capital calculations, allocation frameworks and alternative structures
- Familiarity with the key metrics for assessing risk and performance
- The advantages, drawbacks and impact of common capital raising instruments
- Knowledge of equity performance measures, including EVA and cash flow ROI
- Exposure to the ways utilities use hedging and other risk management practices
- A grasp of the effects of regulation and rate cases on a company's financial decision making and outlook

INSTRUCTORS:

Lead: Dr. Roger Morin : Distinguished Professor of Finance for Regulated Industry at Georgia State University. His depth of experience has made him a valuable consultant to over 125 corporate and Wall Street clients.

Adding the regulator's perspective is Ron Knecht, Economist, Resource and Market Analysis Division, Public Utilities Commission of Nevada. Mr. Knecht brings economic, legal and engineering expertise to his analysis of financial and technical regulatory submissions.

CONTINUING EDUCATION CREDITS

- **CFA Institute** - 12 hours of Continuing Education Credit
- **National Association of State Boards of Accountancy** - 14.5 hours of CPE Credit

Complete details are available at www.snlcenter.com/ERF

REGISTRATION

www.snlcenter.com/ERF
(434) 951-7786

Program Fee : \$1,795 Includes all conference materials, plus continental breakfast, lunch and refreshment breaks.

DAY ONE

Registration with continental breakfast opens at 8:30 a.m. Program begins at 9:00 a.m.

THE REGULATORY FRAMEWORK: OVERVIEW AND KEY ISSUES

Cost of service, revenue requirements and rate cases • Computation of revenue requirements • Rate base and rate of return • Rate case issues in the current regulatory environment

CAPITAL ALLOCATION AND ECONOMIC VALUE CREATION

Net Present Value (NPV) vs. revenue requirements

UNDERSTANDING FINANCIAL STATEMENTS AND PERFORMING RISK ANALYSIS

Accounting vs. economic metrics • Essential ratios for measuring risk and performance and the impact of business risk and competition • Risk profile of utilities • Influence of unregulated activity and the current financial environment

DETERMINING CREDIT RATINGS: A CASE STUDY

RATE OF RETURN AND VALUE CREATION: THE VALUE MOVEMENT

COST OF CAPITAL AND CAPITAL STRUCTURES

Understanding risk and return in capital markets • Modern portfolio theory and the asset pricing models • Cost of equity methodologies • Practical applications illustrated through case study • Divisional cost of capital – unbundling risk and return across segments: generation vs. transmission vs. distribution

CAPITAL STRUCTURE ISSUES

Appropriate capital structures in a restructured regulatory environment • Optimal capital structure simulation model • Double leverage • Case Study: Florida leverage formula

Session ends at approximately 5:00 p.m.

DAY TWO

Continental breakfast opens at 8:00 a.m. Program begins at 8:30 a.m.

UTILITY APPLICATIONS AND CUTTING EDGE TECHNIQUES

Contemporary rate of return techniques • New performance metrics applied to utilities • Cutting edge techniques in capital allocation • Case studies

PERFORMANCE-BASED REGULATION: ALTERNATIVES TO TRADITIONAL RATEMAKING

Focused vs. integrated rate of return incentives • Price cap regulation • Market basket ratemaking • Innovative rate mechanisms

THE REGULATOR'S PERSPECTIVE

Key issues in the current economic environment • The financial capabilities commissions are expecting from utilities now • How regulators judge value/performance metrics • The role of cost of capital issues

Program concludes at approximately 4:00 p.m.