



34TH INTERNATIONAL TRAINING PROGRAM UTILITY REGULATION AND STRATEGY



A COLLABORATION BETWEEN
THE PUBLIC UTILITY RESEARCH CENTER
AT THE UNIVERSITY OF FLORIDA
AND THE WORLD BANK

JUNE 10 - 21, 2013
GAINESVILLE, FLORIDA

UF UNIVERSITY of
FLORIDA

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Dear Utility Professional:

On behalf of PURC at the University of Florida and The World Bank, it is our pleasure to extend to you a special invitation to participate in the 34th International Training Program on Utility Regulation and Strategy, June 10 - 21, 2013.

As a senior decision maker, you are well aware of the many challenges infrastructure development and regulation present for regulatory agencies, service providers, investors, and governments. As countries place utility operations on a commercial basis and open infrastructure markets to competition, governments are creating new agencies or adapting existing regulatory institutions to the new operating environment. This also creates new rules on how companies may pursue these markets. To ensure that operators are able to thrive, infrastructures are developed, regulation is sustainable, and benefits are delivered to customers. It is essential that both industry and those responsible for implementing regulatory policies understand the strengths and limitations of various incentive regimes, market reforms, and regulatory decision-making processes.

This course is designed to enhance the economic, financial, and strategic skills of a select group of senior utility regulators and regulatory strategists from around the world. About 70 utility regulators and government officials will be in attendance. Approximately 15 mid-to senior-level staff from regulatory strategy groups and private infrastructure companies will also participate in the course, providing additional insights on the implementation of different types of incentive regulation.

This intensive program represents an exciting and significant opportunity to enhance the professional competence of utility regulators and senior company staff. Over 150 countries have been represented during the 33 programs held since 1997, during which participants have learned about ongoing infrastructure reform programs, heard from some of the world's leading authorities, and offered their own insights on regulatory policies. During the 34th program scheduled for June 2013, you will learn methods of translating principles into practice in your own country from a world-class faculty by using sector-specific cases and exercises, studying cross-country comparisons, and sharing your expertise and experiences with other participants. Presentations on the fundamental principles of regulatory design, economic decision-making, and financial analysis will establish a framework for the development of regulatory policies appropriate for different situations.

This collaborative effort between PURC and The World Bank will contribute to improved regulatory performance in the electricity, telecommunications, water, and gas industries. Please take a moment to learn more about our program by reading our application packet.

We look forward to hearing from you soon!

Sincerely yours,



Mark Jamison
Director



Marisela Montoliu Munoz
Senior Adviser, FEU
Head, Spatial and Local Development Team
Acting Manager, Economics Team
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UTILITY REGULATION AND STRATEGY



Introduction

Recent decades have seen a worldwide shift in the provision of electricity, telecommunications, water, and gas utility infrastructure. Greater private participation, commercialization, and liberalization have led countries to place new emphasis on their ability to establish sustainable regulatory arrangements that carry credibility with investors, are perceived as legitimate and fair in the eyes of the public, and deliver greater efficiency for the economy as a whole.

Many countries are responding to these challenges by creating utility regulatory agencies or adapting existing institutions so they function more effectively. Newly appointed regulators play a critical role in this new environment: their ability to effectively perform regulatory functions at the interface among government, the private sector, the public, and other interest groups

is a key factor influencing the implementation of reforms and the sustainability of regulatory arrangements. At the same time, the introduction of new functions has increased the demand for professional training for utility regulators.



Purpose and Opportunity

The World Bank and the Public Utility Research Center (PURC) at the University of Florida are collaborating to deliver a two-week international training program for a select group of mid- to senior-level utility regulators and regulatory strategy staff from utility operators.

This course offering provides an exciting opportunity to learn problem-solving techniques while facilitating an international exchange of ideas and experiences. It offers an international forum for the dissemination of relevant best practices and research and is specifically tailored to the professional requirements of utility regulators and service provider regulatory strategy staff. The course is designed to enhance the economic, technical, and policy skills required for implementing policies and managing sustainable regulatory systems for infrastructure sectors.

Participants

The training program is designed for a select group of about 70 mid- to senior-level utility regulators from the Organization for Economic Cooperation and Development (OECD) and non-OECD countries, plus about 15 regulatory strategy executives from utility companies, in the telecommunications, electricity, gas, and water industries who are currently undertaking infrastructure reforms.

- The overall number of participants is limited in order to give individuals substantial opportunities to interact with faculty and peers during lectures and small group discussions.
- Participants will be selected according to their experience and with the goal of achieving sectoral and regional balance (see the Application and Payment section for deadlines and notification).
- Language: the sessions will be conducted in English, so participants should have a good command of the English language.
- A Certificate of Completion will be presented to all participants recognizing their training experience and commitment to continued learning.

Here are some of the comments that we received from previous programs:

This course is a must for all involved in utility regulation. It is balanced, well thought out in its content and presented by an excellent faculty and very experienced consultants. Regulator-Africa

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I benefited immensely from interacting with world class speakers, and enjoyed sharing experiences with attendees from all over the world. If you are involved with utilities and regulation, you can't afford to miss this forum. Executive-Asia

This course puts the most important regulatory issues in perspective and provides excellent background for present and future regulators. Regulator-Europe

For a policy-maker, the seminar provides a rich overview of the challenging requirements of a regulatory environment. It provides principles and practical tools for dealing with the complex demands of the everyday business of a regulatory agency. Regulator-Latin America

The program provided an excellent opportunity for learning regulation techniques. I strongly recommend the program for all who are engaged in the regulatory process. Regulator from the Middle East

Program Focus

Based on discussions with representatives from regulatory institutions in more than 100 countries and a continuous needs assessment, The World Bank and PURC have identified seven broad topics that will be covered during this two-week training course:

I. Market Reform and Regulation of Network Industries

Why are countries reforming their utility sectors? What are the basic approaches? What are the constraints to introducing competition in network industries? What are key economic and legal principles for ensuring their sound implementation? How should the interface between monopoly and competition be regulated? What are the impacts of different forms of vertical separation and service unbundling on competition and regulation?

II. Financial Analysis for Utility Regulation

What principles and practices of cost accounting can be applied to the treatment of operating costs, capital expenditures, depreciation, and taxes of utility companies? How can regulators determine the cost of capital and assess the projects, particularly in countries with scarce or unreliable cost information? How do regulatory practices affect risk for investors and customers? What are the information requirements for regulators? How can regulators improve data quality and minimize information rents?

III. Principles and Application of Incentive Regulation

What should be the extent of regulation? What are the trade-offs between flexibility and predictability of regulatory arrangements? What has been the experience with alternative schemes of incentive regulation? What incentive rules promote competition, efficiency, and innovation? What are the strengths and limitations of alternative forms of price regulation? How does the choice of regulatory scheme affect the system's overall credibility, efficiency, and legitimacy? What has been the experience with conducting price reviews under alternative incentive systems?

IV. Non-Price Aspects of Utility Regulation

What rationale and methods are used for introducing performance standards and incentives related to quality of service, health, safety, and environmental factors? How can regulators develop and implement systems for improving service to the poor? What are effective regulatory strategies for monitoring performance and enforcing compliance?

V. Managing the Introduction of Competition in and for the Market

Where can competitive forces be introduced or strengthened? What policies hinder competition and which promote competition? When should regulators intervene in market structure? What has been the experience with different types of market mechanisms for unbundled utility services? How should regulators apply competition rules and antitrust principles?



VI. Rate Structure

What are key considerations in rate design? What rate design options create win-win opportunities for customers and investors? How do the joint and common costs associated with network industries affect pricing rules? How does the introduction of competition affect decisions about tariff rebalancing, cross-subsidization, and funding of social obligations? How does regulation affect providers' investment and service strategies? How should universal service obligations be developed and funded?

VII. Managing the Regulatory Process

What are key considerations for the establishment and functioning of regulatory institutions? How can the regulatory process promote legitimacy and credibility of regulatory decisions? What leadership practices improve regulators' effectiveness? What strategies are at the disposal of regulators to effectively manage complex and often politically sensitive negotiations involving government, investors, consumers, and other interest groups? What has been the experience with alternative mechanisms for consensus building and dispute resolution? What strategies can regulators use to effectively communicate with the public? How can regulators become more efficient and effective in accomplishing their tasks in different institutional settings?

A number of topics require a basic understanding of economic and financial analysis while others present an overview of comparative administrative law and rule-making procedures. Sectoral and country cases are used throughout the course.

Program Format and Teaching Method

The training program involves 10 full days of lectures, sector-specific case studies, practical exercises, and discussions with leading utility experts. A typical training day starts at 8:30 in the morning and finishes before dinner at 6:30 in the evening, featuring a combination of three to four plenary presentations and one to two break-out sessions for case studies and sector-specific applications. Short breaks between sessions as well as meal times provide additional opportunities for participants to share expertise and experience with one another.

The course features approximately 50 different teaching modules. Topics are presented in a manner that emphasizes their interrelationships. Lessons are drawn from cross-sectoral comparisons and national experiences.

Lectures: Plenary presentations will be used to illustrate fundamental principles in utility regulation and pro-competitive sector policies, showing the strengths and limitations of alternative approaches. A wide range of country and sectoral examples will highlight the experience in different regulatory jurisdictions. Active involvement by participants is encouraged.

Sector-specific sessions: Parallel break-out sessions for electricity, telecommunications, water, and gas give participants the opportunity to apply principles and techniques to sector-specific situations. Some sessions involve presentations by sector experts. Others are highly interactive and involve discussions to examine cross-country experiences.



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Case study teams: Participants are grouped into small, cross-sectoral and cross-regional teams. These teams work on specific regulatory assignments and develop recommendations.

Financial techniques: Participants learn how to get the right financial information, determine the cost of capital, adjust financial statements, and assess the financial effects of regulatory policies. The purpose, content, enforcement, analysis, and confidentiality of utility reports are emphasized.

Policy implementation skills: Participants explore how regulatory institutions can enhance the credibility and legitimacy of regulatory commitments. Effective regulation involves a well-defined rule-making process, identifying data requirements, collecting information, auditing information for accuracy and relevance, organizing hearings and consultations, establishing effective communication with the public on regulatory issues, and where applicable, resolving disputes among stakeholders.

Agency management: The effective management of regulatory institutions requires careful attention to internal procedures, including team management, staff development, funding, and contracting out of agency functions. Experienced regulators share their knowledge of effective administrative procedures with participants. Leadership experts explain how to help organizations and stakeholders adapt to new circumstances and policies.

International Faculty

The international faculty has been assembled from regulatory institutions, The World Bank, leading universities, infrastructure companies, financial institutions, and other international organizations. Presenters are selected on the basis of expertise, experience, and communication skills. Faculty for past programs included:

Isilio Arriaga, former Florida Public Service Commissioner/Consultant

Dr. Sanford Berg, Director, Water Studies, Public Utility Research Center, University of Florida

Franklin Brown, Economic Advisor, Public Utilities Commission, Bahamas

Sir Ian Byatt, Chairman, Water Industry Commission for Scotland, former Director General of Water Services, United Kingdom

Dr. Anton Eberhard, University of Cape Town and former Board Member, National Energy Regulator, South Africa

Javier Estrada, former Commissioner, Comision Reguladora de Energia, Mexico

Daniel W. L. Fessler, S.J.D., former Partner, Holland & Knight

Dr. Vivien Foster, Lead Economist, The World Bank

Dr. Raul Garcia, former President, Ente Nacional Regulador de Gas, Argentina

Dr. Katharina Gassner, Senior Economist, The World Bank

Leonardo Giacchino, Partner, Bates White, LLC

Ansord Hewitt, Senior Economist, Office of Utility Regulation, Jamaica

Dr. Mark Jamison, Director, Public Utility Research Center, University of Florida

Dr. Lawrence Kaufmann, Partner, Pacific Economics Group

Dr. Michael Klein, Director, Private Sector Advisory Services, The World Bank



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Theodore J. Kury, Director, Energy Studies, Public Utility Research Center, University of Florida
Patrick Masambu, Chief Executive, Uganda Communications Commission
J. Paul Morgan, former Director General, Office of Utilities Regulation, Jamaica
Ernest C. A. Ndukwe, CEO and Executive Vice Chairman, Nigerian Communications Commission
Dr. Paul Nomba Um, Lead Infrastructure Specialist, The World Bank
Jorge Ivan Ramirez, General Manager, Intransforming Consultants
Afonso Santos, former Secretary of Energy, Brazil
Dr. David Sappington, Professor, University of Florida
Dr. Don Stockdale, Economist, Federal Communications Commission
Rauf Tan, Commissioner, Energy Regulatory Commission, Philippines
Mostafa Terrab, former Director General, National Telecommunications Regulatory Agency, Morocco
Dr. Robert E. Thomas, Associate Professor, Department of Management and Legal Studies, University of Florida
Sophie Tremolet, Economist and Institutional Specialist, Tremolet Consulting
Tim Ward, Vice President, Intermedia Communications
Sudharma Yoonaidarma, Associate Professor/Commissioner, National Telecommunications Commission of Thailand

This program includes an excellent mix of faculty with relevant international, as well as hands-on experience. As a result, they were able to effectively combine theory and practice. Above all, excellent quality of discussion triggers the thought process to expose and expand frontiers of knowledge in utility regulation. Regulator from the Middle East

Our past presenters have extensive professional experience in over 70 countries. A comparable faculty will make presentations in June.

Venue

The training program will be held in Gainesville, Florida. The state of Florida is known worldwide for its beaches and wildlife, warm climate, and attractiveness to national and international business. Gainesville is located in north central Florida about halfway between the Atlantic Ocean and the Gulf of Mexico. The city is close to Orlando (Disney World), Tampa, Jacksonville, and the old Spanish town of St. Augustine.

PURC is part of the University of Florida, one of the largest universities in the nation with 50,000 students and a distinguished faculty of more than 4,000. The training program will be held at the Hilton University of Florida Conference Center Gainesville. The facility includes plenary rooms, break-out rooms, and study areas. Participants will be housed at the hotel for 13 nights.



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Cost

The total cost of the program is US \$6,700 for utility regulators and US \$7,900 for staff from private or public infrastructure companies. The fee covers:

- Program tuition
- Living accommodations for 13 nights (arrival Sunday, June 9, departure Saturday, June 22)
- Most meals (Monday-Friday) breakfast, refreshment breaks, lunches, and six dinners
- Welcome Reception and Awards Dinner
- Reading and classroom material
- Campus tour and transportation to a shopping area
- Basic Economic Training (June 9 2-5:30 pm)
- Plant visit

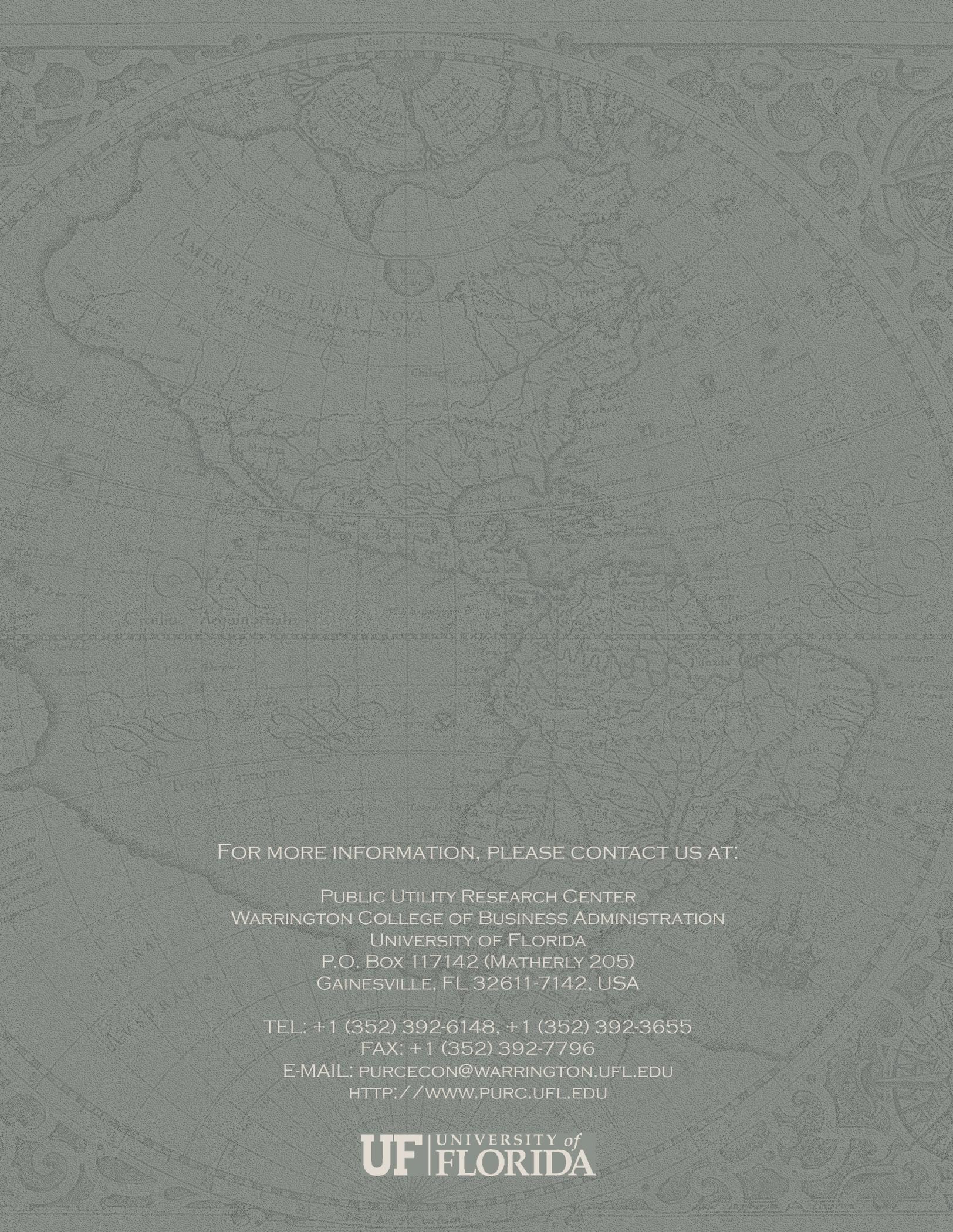
Note: A trip to Disney World will be organized during the middle weekend for interested participants. The cost is not included in the program fee.

Application and Payment

To be considered for the course, each applicant must submit a completed application form. The early application deadline is **Friday, April 12, 2013**. Selection of participants will be made by the program's Admissions Committee. Criteria for selection will be based on the applicant's current position, relevant professional expertise, and on achieving a balanced cross-sectoral, cross-regional, and national representation. Applicants will be informed of their status via e-mail.

Accepted applicants will be sent a notification letter and an information packet. The payment deadline is **Friday, April 26, 2013**. Full payment must be received by the payment deadline in order to guarantee your seat at the program. If full payment is received *after* the payment deadline and if there are seats available, this may result in alternate hotel accommodations arranged at the discretion of the PURC Program Committee. The cancellation deadline is **Friday, May 3, 2013**. Cancellations received after this date (in writing) will allow a refund of 70% of the registration fee.





FOR MORE INFORMATION, PLEASE CONTACT US AT:

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