

**Booking Form**

Please reserve ..... place(s) on the [Periodic Review Training](#) course to be held on 14th and 20th May 2008 at Watermen's Hall, London, EC3R 8EF.

Delegate name 1: .....

Position: .....

Tel: .....

Email: .....

Delegate name 2 .....

Position: .....

Tel: .....

Email: .....

Company: .....

Address: .....

.....Postcode: .....

(please tick one of the following options)

I enclose a cheque made payable to 'First Economics Limited' for the sum of £1,095 plus £191.63 VAT per delegate

Please invoice me for the sum of £1,095 plus £191.63 VAT per delegate

This form may be returned by fax to **01235 512537**, or by post to:

First Economics Limited, Events Department,  
 Barn End, 5 Upper Cross Lane, East Hagbourne, Oxon, OX11 9NE

For further information, please email [justine\\_goodenough@first-economics.com](mailto:justine_goodenough@first-economics.com).

Please note that no refunds can be given after the booking has been processed. However, a change of delegate will be acceptable with our prior agreement. Please ensure that any changes are notified to First Economics as early as possible.

# Periodic Review Training



## An Advanced, Two-Day Course in Economic Regulation

Watermen's Hall, London  
 14th and 20th May 2008

## Course Outline

### The challenge

20 years after economic regulation was first introduced in the UK, the analysis that regulators conduct when setting price limits continues to grow in complexity and sophistication. To participate fully in the periodic review process, stakeholders must now possess at least a basic grasp of economics, finance, econometrics and accounting, and be able to relate the latest thinking in these areas to debates about efficiency targets, cost of capital, investment and incentives.

### Course objectives

Our **Periodic Review Training Course** aims to help professionals working in utility/infrastructure industries stay equipped with the knowledge they need in order to engage effectively in these debates. It takes the more advanced economic concepts that regulators and companies encounter during periodic reviews and explains clearly the underlying principles behind them, demystifying the jargon and showing the value of the insights they can add to the price-setting process. It also looks at the impact that new ideas and techniques have had in recent determinations – and the role they are set to play in future reviews.

Designed specifically for those individuals who are to have close involvement with a periodic review, the course will help to expand and refresh skills, enabling participants to answer questions such as:

- how do regulators calculate a firm's price limits?
- how might a regulator judge what scope there is for the leading companies within an industry to go on cutting costs?
- what tools may be used to measure the cost of capital?
- why might a firm's market valuation help a regulator decide what rate of return to allow in price limits?
- what do regulators mean by financeability? Why might a company not be financeable?
- what is the link between incentives, risk and reward?

### Approach

Held over two separate days, the programme comprises a combination of teaching sessions, round-table discussion and practical exercises. In each case, the emphasis is on open interaction among the course participants and on learning from recent experiences in each of the different regulated sectors.

#### Who should attend?

Economists, directors, managers and analysts from:

- regulated companies
- regulators' offices
- government
- customer representatives
- lenders, investors and rating agencies

#### You will benefit from:

- expert training in advanced economic techniques
- in-depth analysis of the latest empirical research
- up-to-date insights into recent regulatory determinations
- a look ahead to the key themes for future reviews

## Provisional Programme

Day One Wednesday 14th May	Day Two Tuesday 20th May
<p>9:30–9:45 <b>Welcome and Course Objectives</b></p>	<p>9:30–11:15 <b>Financeability</b> Why some regulators have allowed firms additional revenue for reasons of 'financeability'</p>
<p>9:45–11:00 <b>Introduction</b> The key issues in regulation today</p>	<p>11:15–11:30 <b>Morning Coffee</b></p>
<p>11:00–11:15 <b>Morning Coffee</b></p>	<p>11:30–12:45 <b>Efficiency II</b> How can benchmarking evidence inform debates about the scope for future efficiency improvements?</p>
<p>11:15–12:45 <b>Efficiency I</b> How 'top-down' analysis of productivity and efficiency trends is used to set efficiency targets</p>	<p>12:45–13:30 <b>Lunch</b></p>
<p>12:45–13:30 <b>Lunch</b></p>	<p>13:30–14:45 <b>Cost of Capital II</b> Why might a company's market-to-asset ratio reveal useful information to a regulator?</p>
<p>13:30–15:00 <b>Cost of Capital I</b> The approaches used by regulators to measure the cost of capital</p>	<p>14:45–15:00 <b>Afternoon Tea</b></p>
<p>15:00–15:15 <b>Afternoon Tea</b></p>	<p>15:00–16:00 <b>Round-table Discussion</b> Involving all course participants</p>
<p>15:15–16:15 <b>Round-table Discussion</b> Involving all course participants</p>	<p>16:00–16:45 <b>Round-up of Recent Periodic Reviews and Look Ahead</b></p>
<p>16:15–17:15 <b>Risk Allocation and Incentives</b> When and how are companies allowed to share risk with customers?</p>	<p>16:45–17:00 <b>Conclusions</b></p>
<p>17:15–17:30 <b>Conclusions</b></p>	

First Economics reserve the right to change this programme

### Teaching

The course is led by experienced consultants who have had extensive involvement in reviews in the communications, energy, transport and water sectors.

Examples of First Economics' work can be found at [www.first-economics.com](http://www.first-economics.com).