

Saber Partners' CEO Joseph S. Fichera to Speak at Society of Utility Regulatory Financial Analyst Conference

(New York, New York March 28, 2019) The [Society of Regulatory Utility and Financial Analysts](#) (SURFA) announced that [Joseph Fichera](#) will speak at its 51st annual meeting. The meeting will be held on Thursday April 4-5, 2019 in New Orleans, Louisiana. Attendees include utility regulators, members of the financial community, utility executives and academia. This year's conference will address "*Charting a Course Through Changing Utility Industry Conditions.*" Mr. Fichera will lead a distinguished panel of experts to discuss investor-owned utility securitization.

"Utility securitization" is a complex Wall Street financing tool sometimes called "ratepayer-backed bonds." The bonds being issued for utility cost recovery are unlike typical utility bonds. This type of bond allows electric utilities to raise low-cost funds from investors as an alternative to their traditional bonds and equity. Utility securitization can directly lower the costs to customers and help avoid onerous electricity rate increases.

The SURFA panel will discuss the need for a strong degree of financial and regulatory expertise to ensure that ratepayers will benefit from the lowest financing costs. The securitization process is very different from traditional rate making.

As part of the securitization process, regulators will need to forego their future regulatory oversight of the special securitization charges to enable the sale of the highest quality bond. However, standard incentives for a utility to minimize customer costs are not present because the securitized bonds are not direct obligations of the sponsoring utility and do not impact the utility's debt coverage. Credit rating agency concerns play a critical role throughout the legislative, regulatory and securitization financing processes. While utility securitization can provide significant cost savings over traditional forms of recovery, these savings are not automatic.

Since 2001, utilities have raised \$31 billion through securitization from private investors. As CEO of Saber Partners, Mr. Fichera has led the advisory teams that have participated in 13 global utility securitization bond offerings. They have advised [five state regulatory commissions](#) overseeing the raising of [\\$9.02 billion](#) from investors involving 8 utilities.

At a public meeting of the Florida Public Service Commission, the state's ratepayer representative (Office of the People's Counsel) described Saber Partners' work in overseeing [a \\$1.294 billion securitization](#), as "[without question, instrumental in saving many millions of dollars](#) for the customers in current and future costs through their dogged and [expert advocacy to achieve the optimum lowest cost](#) for customers at the outset."

Today, legislators, regulators, consumers and environmental groups are discussing using securitization for new purposes like:

- Paying for utility wildfire costs in California;
- [Accelerating the conversion of coal plants to clean energy in the West and mid-West](#);
- Repairing hurricane damage to the electrical grid in the Carolinas.

The National Regulatory Research Institute (NRRI) also published an "[Insights](#)" paper in January, 2019 on securitization by Mr. Fichera.

Mark Cicchetti, President of SURFA and the Bureau Chief of Finance, Tax and Cost Recovery of the Florida Public Service Commission will moderate the discussion. The panel also includes **Steven C. McNeal**, Vice President of Finance at Entergy Corporation and **James Hempstead**, Managing Director, Global Project & Infrastructure Finance of Moody's investors Services.

[SURFA](#) is a non-profit corporation, founded in 1977 by financial analysts representing a cross-section of the regulatory process. These financial analysts representing government, the financial community, industry and academia founded the National Society of Rate of Return Analysts (NSRRA).

To register for the SURFA conference, click [here](#).