

IECA

INTERNATIONAL ENERGY CREDIT ASSOCIATION

IECA 84th Annual Fall Conference

October 5-8, 2008 • Camelback Inn • Scottsdale, AZ



STANDARD & POOR'S ROME CORPORATION

Moody's | K·M·V

BMO Capital Markets

PSE
Pacific Summit
Energy LLC

FINANCIAL
OBJECTS

GLOBAL CREDIT SERVICES

Spark Energy
GAS & ELECTRICITY

NECC
North American Energy
Credit and Clearing Corp

Board of Directors Meetings

Saturday, October 4
Tuesday, October 7

8:00 a.m. - 4:00 p.m.
3:00 p.m. - 5:00 p.m.

Pre-Conference Activities

Saturday, October 4

7:00 p.m. - 9:00 p.m. Early Registration

7:00 p.m. - 9:00 p.m. Early Bird Reception (name tags are required)

10:00 a.m. - 5:00 p.m.

Registration

Day

1

Sunday,
October 5

Afternoon Concurrent Sessions

1:00 Credit Provisions for Contract Management

Panel Speakers: **Nicole Russell**, VP & Internal Counsel, Mitsui & Co Energy Risk Management; **Phillip Robinson**, VP of Credit, Constellation New Energy; **Jay Hoellen**, Credit Manager, Tenaska Marketing Ventures; **Jeremy Weinstein**, Law Offices of Jeremy Weinstein PC and moderated by **Fran Lawall**, Attorney at Law with Pepper Hamilton LLP.

Understanding and using the right contract credit provisions can make the difference between an efficient and enforceable agreement and one which is not much better than the paper it is written on. A panel of experienced business and legal professionals will examine a broad array of sophisticated contract provisions and share drafting tips as well as the legal implications of how they can impact your transaction. This is designed to be an advanced interactive session for seasoned credit professionals.

2:30 Break

2:45 Examining Liquidity Adequacy

Speaker: **Justin Bowersock**, Director, Fitch Ratings

This interactive session will cover factors affecting liquidity for different types of energy counterparties. Participants will also be introduced to methodology for liquidity analysis and various types of stress scenarios for determining liquidity adequacy.

4:15 Break

1:00 Beyond the Fundamentals of Financial Analysis – Part I

Speaker: **George Gallinger, Ph.D.**, Associate Professor, Arizona State University

This session offers participants an opportunity to learn various techniques for enhancing their knowledge and skill level for analyzing financial statement data. Primary focus will be on quality of earnings, which will include a case study. The discussion will cover interpretation of earnings announcements, review of 10-Qs and 10-Ks, and monitoring of interim announcements. Additional topics will include analysis of off balance sheet items, contingencies and footnotes. This session is meant for the new credit analyst and will serve as a great refresher for the more seasoned credit professionals that want to broaden their skill sets.

2:30 Break

2:45 Beyond the Fundamentals of Financial Analysis – Part II

Speaker: **George Gallinger, Ph.D.**, Associate Professor, Arizona State University

This will be a continuation of the 1:00 p.m. session.

4:15 Break

1:00 Credit Metrics – Potential Future Exposure and CVAR

Speaker: **Khalid Abedin**, Senior Vice President, Constellation Energy Commodities Group

This session will consist of (1) the composition of market risk and how to measure potential future exposure (PFE), (2) how PFE can help credit professionals in managing and mitigating credit risk, (3) how to look into risk adjusted return based on PFE, and (4) how PFE can be used to measure liquidity risk on a company or a portfolio.

2:30 Break

2:45 National Gas Distributors- Is the Sky Really Falling?

Speaker: **Patti Prewitt**, Senior Counsel, Locke Lord Bissell & Liddell, LLP

This topic will focus on the National Gas Distributors case, currently pending on appeal, which brings into question the status of swap agreements and forward contracts and their treatment under the Bankruptcy Code. This presentation will include an overview of the case, the behind the scene dynamics which fueled the case and developments in the safe harbor provisions in and outside of bankruptcy.

4:15 Break

Evening Activities

5:00 p.m. - 6:00 p.m.

6:00 p.m. - 9:00 p.m.

9:00 p.m. - Midnight

New Member & First Time Attendees' Reception
Networking Reception/Dinner
Hospitality Suites

Day

2

Monday,
October 6

7:00 a.m. - 8:00 a.m. Continental Breakfast & IECA Trade Show

7:30 a.m. - 8:00 a.m. Late Registration

8:00 Call to Order - Opening Ceremonies

President's Opening Remarks – **Kevin Belknap**
Advisory, Nominations and Elections Report – **Ed Veith**

Peer Recognition Awards
Outstanding New Member Awards
Sponsor Recognition

8:30 Key Note Presentation – The Economic Fallout of the Financial Shock

Speaker: **Dr. Mark Zandi**, Chief Economist, Moody's Economy.com

The economy is reeling from fallout from the subprime financial shock which hit over a year ago. Mortgage foreclosures are surging, bank failures are mounting, and the economy is arguably in recession. How long will the crisis and economic downturn continue? How bad could conditions get? What will be the catalysts for future growth? What role should policymakers play in all of this?

9:45 Break

Day

2

Monday,
October 6

Concurrent Breakout Sessions

10:00 When the Music Stops: Key Considerations in Termination and Close-Out

Panel Speakers: **Jonathan Guy**, Partner, Creditors Rights & Bankruptcy Litigation, Orrick, **Randall Osteen**, Associate General Counsel, Constellation Energy Resources, **Ed Zabrocki**, Executive Director & Counsel, Morgan Stanley & Co., moderated by **Zack Starbird**, Chair, Legal Subgroup.

This thought-provoking session will offer insight into the key considerations involved when terminating and closing-out contracts due to counterparty default.

11:45 Break

10:00 S&P Proposal for Revised Approach to Capital Adequacy

Speaker: **Swami Venkataraman**, Director, Standard & Poor's

During this presentation you will hear Standard & Poor's proposal for a revised approach to capital adequacy for commodity traders. The new approach borrows criteria from financial institutions, factors in working capital needs and incorporates revised measures for credit, market, and operating risk.

11:45 Break

10:00 Keys to Assessing the Credit Quality of Municipalities

Speaker: **Randy S. Baker**, Senior Consultant, R.W. Beck Consulting

During this presentation you will hear some of the most prevalent credit metrics for assessing the credit quality of municipalities, the use of credit ratings, a recent history of defaults and common debt obligations.

11:45 Break

Afternoon Activities

12:30 p.m. Golf, Tennis and Selected Tours: Desert Jeep Tour, Scenic Fun-Water Float and a Shopping Spree

Evening Activities

On your own – there are no scheduled IECA evening activities

Day

3

Tuesday,
October 7

7:00 a.m. - 8:30 a.m. Continental Breakfast & IECA Trade Show

8:30 Key Note Presentation – The Changing Landscape of Geopolitics of Energy

Speaker: **Dominick Chirichella** – Partner, Energy Management Institute

The surging oil price is dominating today's news and actions by various governments around the world. Geopolitical events, the ups and downs of the US dollar, the activity of the speculative and investment community as well as the normal traditional market fundamentals are all working together to create an oil price environment that is unprecedented. How one interprets and integrates all of the dynamic price drivers will be crucial for any company with energy exposure. Join Dominick Chirichella of the Energy Management Institute for a comprehensive discussion on the current state of the international energy markets. What are the main drivers and how are they all working together and impacting price. Where are the energy markets headed for the rest of the year and beyond and what will the price and volatility environment do to companies with energy exposure? Will the push to alt fuels impact prices of traditional fuels anytime soon?

9:45 Break

Concurrent Credit Education Group Sessions

Commercial Credit Education Group (CCG)

10:00 Using Credit Default SWAPS (CDS) to Mitigate Risk; Trade Receivable Protection (TRIPs) – A Tailored Solution to Protecting Trade Receivable Risk

Speaker: **David D. Tawil**, Director of Leverage Finance, Credit Suisse
This two-part session will offer attendees the opportunity to learn about two specific risk mitigation techniques. During the first part of the session you will learn about the CDS product and market. You will also hear how the CDS unwind and credit event termination process works. Specifically, how to exit a CDS transaction and what occurs post default from notification to payment. The second part of this session will cover an in-depth discussion on trade receivable put options. Specifically, (i) an explanation of the

Crude Oil & Refined Products Credit Education Group (CORPS)

10:00 Basic Economics of Refining

Speaker: **Dominick Chirichella**, Partner, Energy Management Institute
In this presentation you will hear an update and general overview of refining market sector. The majority of the presentation will be focused on economics of refining, such as the economic drivers behind refining, factors that impact price & supply, and discussion on margins and their strategic role within the overall strategy of integrated oil companies. In addition, there will be discussion around specific items a credit analyst should be concerned about when analyzing the risk of doing business/trading with a specific refinery.

11:30 Lunch Break & Trade Show

Gas Liquids & Electricity Credit Education Group (GLE)

10:00 Credit Risk Implications of Carbon Markets

Speaker: **Pat Connessi**, Partner, Deloitte & Touch
This session will introduce the fundamental concepts and credit risk implications of Carbon Markets. The discussion will specifically center around (i) compliance options (ii) evolving markets (iii) potential credit risk to offset counterparties and (iv) credit implications to energy counterparties.

11:30 Lunch Break & Trade Show

1:30 Market Dynamics of Coal and Nuclear

Speakers: **Robert Borland**, Fuel Manager, First Energy Corp; **Brad Leach**, VP NYMEX; **John Matthews**, Counsel, Morgan, Lewis & Bockius

This two part session will cover the evolving

Day 3

Tuesday,
October 7

product (ii) the history and current landscape of the market (iii) a comparison of put options to trade receivable insurance and CDS and (iv) specific examples of the use of the product. You will also learn about pricing methodology and risk-assessment from the underwriter's perspective.

11:30 Lunch Break & Trade Show

1:30 Assessing the Credit Quality of Financial Institutions

Speaker: **Christopher Cook**, Risk & Policy AVP, Federal Reserve Bank

The SEC is looking at the liquidity of investment banks they supervise and has pushed them to increase their capital and liquidity levels. The US lawmakers remain concerned over how investment banks should be regulated. A Senate Banking Committee is holding a hearing to examine underwriting practices at some of the top investment banks. In the midst of this credit crisis this session will help provide insight into deconstructing a financial institution's financial statements and applying the CAMEL model to help one gain your own insight in this distressed market.

3:00 Afternoon Break

3:15 IFRS vs. GAAP

Speaker: **Sherman Myers**, Director Standard & Poors

In the era of globalization, the adoption of a single accounting language, such as International Financial Reporting Standards (IFRS), is increasingly desirable as it can provide greater comparability of financial information across countries. IFRS is currently mandatory for all 7000 European Union (EU) public companies (including some 2000 in the United Kingdom alone). Outside the EU several other significant regions have adopted IFRS. In this session find out how IFRS differs from GAAP and what the ramifications are of adopting IFRS for US companies in the near future.

4:45 Break

1:30 A Comparison of UCP, ISP98, and RRG (current and proposed revisions)

Speaker: **Glenn Ransier** – Global Trade Operations Manager, American Express Bank

Evolution in the global trade industry is ongoing. UCP was overhauled and revision 600 came into effect July 1, 2007. The Uniform Rules for Demand Guarantees are currently being redrafted. This session will provide an overview of these trade publications that govern letters of credit, Standby LC's and Guarantees, highlight the key approach differences taken and reflect the practical impacts to beneficiaries and applicants alike.

3:00 Afternoon Break

3:15 The Changing Landscape of Physical Oil Trading Documentation

Speaker: **Randy Tuurie**, Master Agreement Specialist, BP Energy Company

This joint session provided in conjunction with the Legal Sub-Group and CORPS will provide an overview of current industry initiatives to standardize oil and refined products trading documentation. The primary focus will be on the LEAP Master Agreement and ISDA Oil Annex. Each document's history, scope, key terms, companion supplements (including the LEAP Canadian Addendum and a proposed Marine Annex) and related agreements (such as General Terms and Conditions) will be discussed. The benefits and drawbacks of using one or the other to reduce credit, legal, and operational risk will be reviewed.

4:45 Break

market dynamics of two major fuel sources that have the topic of interest with oil prices at \$140 per barrel and natural gas prices at \$13 per MMBTU. Our speaker in the first session will provide a brief overview of the market drivers of coal and the growing presence of US coal in the global market place. In the second part of this session our distinguished panel will provide attendees with a wide range of nuclear knowledge from the mining process, to the hedging of fuel requirements, to the hurdles in getting a nuclear plant approved from a regulatory standpoint.

3:00 Afternoon Break

3:15 Hedge Fund Risk Assessment and Practices

Speaker: **Richard Bourgeois**, Partner, Fulbright & Jaworski

This session is a follow-up to the presentation covering the framework on Hedge Funds and related compliance issues which was presented at the Fall 2007 Conference. This session will address The Managed Funds Association's Sound Practices for Hedge Fund Managers. A comprehensive response to The President's Working Group on Financial Markets 2007 directive for formal policy. Practical issues for assessing risk metrics of Hedge Funds will also be covered. Among the topics to be discussed are:

- * Risky Hedge Fund Practices.
- * How Funds lose money for investors - case studies.
- * What procedures should be in place to limit risks.
- * The importance of process.
- * The Managed Funds Association's Sound Practices for Hedge Fund Managers.
- * What due diligence investors should perform prior to investing in Hedge Funds.

4:45 Break

Evening Activities (All)

5:00 p.m. - 6:00 p.m. Trade Show Reception & Drawing - Winner Must be Present to Win

6:00 p.m. - 7:00 p.m. Closing Reception

7:00 p.m. - 9:00 p.m. Buffet Dinner – Golf/Tennis Tournament Winners, Grand Prize Drawing

9:00 p.m. - 11:00 p.m. Musical Entertainment

8:30 IECA 2008 Leading Practice Survey

Speaker: **Kim Detiveaux**, Deloitte & Touche

Deloitte & Touche once again assisted the IECA in the execution of its annual leading practice survey. This presentation will give you insights into leading credit risk practices as reported by participants, recap major findings and trends identified from the survey results.

9:00 Farewell Breakfast Buffet

Committee Recognition, Installation of Officers & Directors, Selected Committee Reports, Door Prizes, and Invitation to 85th Annual IECA Conference to be held at the Ritz Carlton Resort in Orlando, Florida on October 11-14, 2009.

11:00 Adjournment

Day 4

Wednesday,
October 8

Conference Information

The 84th Annual IECA Fall Conference will be held at the Camelback Inn in Scottsdale, Arizona. Hotel check-in begins at 4:00 pm and check-out is at noon. Visit the hotel website for more information at www.camelbackinn.com. Conference attire is business casual.

How to Register

Complete the enclosed registration form and send with payment:

By Mail: Robert Raichle, IECA Executive Director
8325 Lantern View Lane,
St. John, IN 46373

By Fax: (219) 365-0327

On-line: www.ieca.net

Payment must accompany form; registration fees will not be billed. Co-workers may not be included in the Spouse/Guest category, but must register separately under the applicable member/non-member rate. Registration fee entitles attendance at all meeting and meal functions listed in the agenda.

Wire Transfer instructions:

Standard Bank
9323 Wicker Avenue
St. John, IN 46373
Routing # 071909363
Account # 3405302005

Early Registration Discount

Save \$50 if payment is received prior to August 22, 2008!

Hotel Reservations

PLEASE NOTE THAT CONFERENCE ATTENDEES ARE NOW RESPONSIBLE FOR BOOKING THEIR OWN HOTEL RESERVATIONS.

To make a reservation you may call toll free at 1800-24CAMEL (22635) or call direct at 1-480-948-1700. Please be sure to mention that you are attending the International Energy Credit Association ("IECA") Conference and the dates to receive the discounted room rate of \$209 plus (11.7%) tax. The discounted rate will be honored until **September 08, 2008** based on room availability. Also you may use the following online link to register: <http://marriott.com/phxcb?groupCode=intinta&app=resvlink> Use Group Code: **intinta**.

Please be sure to book early as it is anticipated that rooms may sell out over the event dates. Hotel check-in begins at 4:00 pm and check-out is at noon.

Visit the hotel website for more information at www.camelbackinn.com

Non-Members may join IECA now and save!

Indicate that you would like to join the IECA on the registration form and register at the member rate! Save on your conference fees now and begin enjoying all the membership benefits right away. Dues are effective through December 31st, with automatic renewal billing in January.

Cancellations

Hotel cancellations must be in writing and made at least 72 hours prior to arrival. Conference registration cancellations must be in writing and will be subject to a \$50 processing fee. Cancellations received after **September 26, 2008** will not be eligible for refund.

Arrival Information

Directions from Phoenix Sky Harbor International Airport

- Exit airport North towards 44th Street
- Travel north on 44th Street
- Continue on 44th Street as it curves, pass McDonald Drive
- 44th Street becomes Tatum Boulevard
- Turn right onto Lincoln Drive
- Turn left into the resort

Golf

Join your fellow IECA Members for an afternoon of golf on Monday, October 6, 2008. We will have a Shotgun start at 12:30 p.m. The golf course is Indian Bend Course. This traditional links-style course has been

created in a breathtaking setting with magnificent mountain backdrops, lush palm and eucalyptus fairways, and scenic water holes. The 7,014 yard, par 72 course will be sure to test your skills while offering a friendly golf experience. The cost is \$95 per person, which includes green fees and cart. A box lunch will be included.

Tennis

An IECA tennis tournament will be held on the afternoon of Monday, October 6, 2008, at the Camelback Inn tennis courts. Participation in the tournament is free – simply sign up by marking the appropriate box on the registration form. A box Lunch will be included.

Selected Tours

Fun Water Float

The fun water float offers you a unique and exciting way to explore a part of Arizona few people have ever seen! Rafting the inviting waters of the Rio Verde offers you a secluded and unspoiled river environment, just 40 minutes away from Scottsdale. Discover migrating birds and towering saguaro cactus as you raft through the Tonto National Forest and into the Fort McDowell Indian Reservation, on a paddle raft with an experienced boatman. It is a relaxing way to enjoy your stay in the valley.

Date: Monday, October 6, 2008

Depart: 1:00 p.m.

Return: 5:00 p.m.

Count: 10 person minimum

Cost: \$128 per person

Includes: Transportation, guide and escort, box lunch, soft drinks and water on board, life jacket, guided river trip.

PLEASE BRING SHOES THAT CAN GET WET, A VISOR OR HAT, AND SUN-SCREEN. AGE MINIMUM IS 10 YEARS OLD. Note: This is a flat water river float.

Desert Jeep Tour

Join the adventure on a four-wheel drive expedition into the foothills of the Sonoran Desert, which boasts an abundance of plant and animal life like no other desert in the world. Experience the spectacular beauty up close with your own cowboy guide, who's knowledgeable in Arizona history and legend. Learn about the native plants, wildlife and Indian folklore indigenous to Arizona. Enjoy a leisurely entertaining and informative nature walk while your guide identifies the numerous varieties of cacti and explains how the native people learned to utilize these numerous natural resources. Keep an eye open for a glimpse of an eagle, coyote, jackrabbit or elusive javelin – there is no better way to experience the desert!

Date: Monday, October 6, 2008

Depart: 1:00 p.m.

Return: 5:00 p.m.

Cost: \$128 per person

Includes: Pickup at hotel, jeep tour with driver, box lunch, sodas and water on board, and desert hike.

PLEASE WEAR CLOSED TOED SHOES, A HAT OR VISOR, AND SUN-SCREEN. AGE MINIMUM IS TEN YEARS OLD.

Shopping Spree

No trip to the Valley is complete without a stop at the famous Old Town shops in downtown Scottsdale, offering a wide selection of southwestern specialty stores, unique boutiques and national art galleries. After browsing through Old Town, you may wish to include a stop at the Borgata, Arizona's answer to Rodeo Drive, featuring upscale, exclusive shopping for one-of-a-kind items.

Date: Monday, October 6, 2008

Depart: 1:00 p.m.

Return: 5:00 p.m.

Count: 15 person minimum

Cost: \$68 per person

Includes: Transportation, guide and escort, shopping at Old Town and the Borgata, box lunch, soft drinks and water on board.

Registration Form

IECA 84th Annual Fall Conference

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To Register

By Mail: Robert Raichle, IECA Executive Director
8325 Lantern View Lane, St. John, IN 46373

By Fax: (219) 365-0327

Online: www.ieca.net

Include any professional designations (CBA, CBF, CCE, CPA, Etc.)

Name _____

Company _____

Email _____

Title _____

Address _____

City/State/Zip _____

Phone _____ Fax _____

Are you a new IECA Member? (Joined IECA after 10/15/07) Yes No

Is this your first IECA Conference? Yes No

Non-members: Would you like to join the IECA and receive the member rate to the conference? Yes No

Conference Registration

- \$650 IECA Member
- \$950 Non IECA Member
- \$175 Spouse Name: _____
- \$95 Golf Tournament, includes green fees, transportation, cart, tax & prizes
Please indicate your handicap or average score _____
- \$45 Rental Clubs, please circle if needed: RIGHT or LEFT
- \$128 Desert Jeep Tour –includes transportation, guide, with box lunch and refreshments
- \$128 Scenic Fun Water Float – includes transportation, guide, with box lunch and refreshments
- \$68 Shopping Spree
- Tennis Tournament – No Fee
- Early Registration Discount: Register **before August 22, 2008** and save \$50 on conference registration fee.
Total fees to be paid: _____

Registration Payment

- Enclosed is a check for \$ _____, payable to IECA.
 - Wire Transfer in U.S. Dollars, include fees and attach confirmation (see Conference Information for instructions).
 - Please charge my credit card for my registration fees in the amount of \$ _____.
- Card Type: Visa MasterCard Discover
 American Express Diners Club

(ALL fields are required)

Card Number _____

Expir. Date _____ Security Code _____

Billing Address: Street _____

City _____ State _____ Zip _____

Signature _____ Date _____

Liability Waiver

I hereby indemnify, defend and hold harmless the IECA, its Officers & Directors, for any accident or mishap resulting from participation in these activities. I am aware of the risks and expectations associated with participation in these events. I certify that I am physically fit and able to partake in the designated activities. I will not hold IECA, its Officers or Directors liable for any lost or damaged articles, injury, illness or disruption affiliated with these activities.

Signature(s) _____ Date _____

Course Registration

Day One - Sunday, October 5

Afternoon Concurrent Sessions 1:00 p.m. – 2:30 p.m.

- Beyond the Fundamentals of Financial Analysis (Part I)
- Credit Provisions for Contract Management
- Credit Metrics – Potential Future Exposure and CVAR

Afternoon Concurrent Sessions 2:45 p.m. – 4:15 p.m.

- Examining Liquidity Adequacy
- Beyond the Fundamentals of Financial Analysis (Part II)
- Natural Gas Distributors – Is the Sky Really Falling?

Day Two - Monday, October 6

Keynote Presentation

- Economic Fallout of the Financial Shock

Concurrent Breakout Sessions (choose one) 10:00 a.m. – 11:45 a.m.

- Key Considerations for Termination & Close-Out
- S&P Proposal for a Revised Approach to Capital Adequacy
- Keys to Assessing the Credit Quality of Municipalities

Day Three - Tuesday, October 7

Keynote Presentation

- The Changing Landscape of Geopolitics of Energy

Credit Education Group Sessions 10:00 a.m. – 4:45 p.m.

- Commercial Credit Education Group (CCG)
- Crude Oil & Refined Products Credit Education Group (CORPS)
- Gas, Liquids & Electricity Credit Education Group (GLE)

Meals

Please indicate number attending (1, 2, etc.)

Sunday, October 5

- _____ New Member and First Time Attendee Only Reception
- _____ Opening Networking Reception/Dinner

Monday, October 6

- _____ Continental Breakfast & Break
- _____ Networking Event at Colibri Grille (cash bar)

Tuesday, October 7

- _____ Continental Breakfast & Break
- _____ Luncheon
- _____ Closing Reception and Dinner

Wednesday, October 8

- _____ Farewell Breakfast/Awards Ceremony

Special Requests: _____
