



ENERGY AND UTILITIES DEPARTMENT

The EUD is looking for a REGULATORY FINANCIAL CONSULTANT

(for more details, please see the Terms of Reference Below)

TERMS OF REFERENCE

Job Title	Regulatory Financial Consultant
Project	TCI Multi-Sector Legislation
Contracting Authority	Energy & Utilities Department, TCI
Immediate Supervisor	Mr. Delano R. Arthur – Energy & Utilities Commissioner
Date of Issue	August 24 th 2023
Date of Deadline	September 15 th 2023
Duration	Twelve (12) months
To Apply	<p>Individual consultants and/or firms are invited to apply for this opportunity:</p> <p>Request for Consultancy Services:</p> <ol style="list-style-type: none">1. Technical Proposal inclusive of the following:2. Cover letter/overview of the consultant3. Curriculum Vitae4. References of previous work completed that is similar to the TOR5. Contact information for three (3) references.6. Detailed Hourly Rate for the works outlined in the TOR <p>Please send any clarification questions and proposal submissions to: eud@gov.tc</p>

1. BACKGROUND

The Government of the Turks & Caicos Islands is seeking to improve its socio-economic standing which is outlined in a national vision that provides guidance and strategies for the effective operation of its public sector.

The Energy & Utilities Department was created to provide regulatory governance for the energy, petroleum, water, and sewage utility providers. The creation, modification, and



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adaptation of legislation and policies provides compliance oversight of the sector and a pathway to achieving the 2040 vision of the TCI Government.

The regulation of the utility sector will also consider the future state of global trends by identifying new technologies and methodologies to improve and sustain the country's competitive standing.

2. OBJECTIVE

The Energy & Utilities Department and TCI Government will require support in creating Regulatory Utility Agreements along with a multisector legislation framework for all regulated utilities within its sector. The project will focus on researching, drafting and fully executing a framework that will provide an independent, transparent, and comprehensive level of utility standards within the defined legal ordinances for its customers.

By extension, the implementation of a Regulatory body (name to be determined) outlined in the framework will be established to provide strategic governance and compliance for the sector. This project when actioned, will require the expertise of a veteran utility and regulatory Financial Consultant.

The objective will be achieved through the implementation of the below tasks;

1. Review of current TCI legislation, regulations, and all Utility licenses.
2. Review of Kairos consultant proposal.
3. An extensive review of Utility financials and business operations.
4. Review of best practices and other utility frameworks in the region.
5. Provide recommendations to the TCI government regarding amendments, modifications, or creation of legislation and administrative services required to achieve its mandate.
6. Modelling of rates and projected rate of return for the utilities and impact on customer base.
7. Assist with drafting laws, regulations, and statutes required to establish the regulatory framework and institution.
8. Assist in Drafting the Regulatory Framework between Regulated Utilities, the Government, and the newly formed Regulatory Body.

1. SCOPE OF WORK

- **Review of Current Ordinances**



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- The Financial Consultant (FC), in conjunction with the Legal Advisor and Project / Change Administrator, will thoroughly review Ordinances, licensee agreements, and other applicable legal documentation to the utility sector.
 - **Review the current state of utility financials and operations**
- The FC will review and provide an analysis of the audited financial statements and business operations of Utilities. This will include but is not limited to a review of the debt-to-equity ratio, depreciation of assets, customer base and load factors, future strategic plans and investments, and O&M costs.
 - **Review of Regional Regulatory Frameworks**
- The FC will review the most relevant regulatory agreements in the region and provide an analysis of lessons learned, best practices, and how the TCI government should move forward.
 - **Review of Rate Setting Mechanisms**
- The FC will review and formulate reports and analyses that will assist in the development/modification of the rate-setting mechanisms for the utility sector. This will include a Cost-of-service study, depreciation analysis, tariff rate setting and analysis, revenue requirement, annual return, and rate base calculations. Provide options regarding alternative tariff schedules and methods by which an increase in tariffs can be managed with minimal impact on customers e.g.: deferring returns, timing of expansions, adjustments to license agreements, etc.
 - **Analysis of Utilities Fuel Charge Calculations**
- The FC will review and provide a formula that accurately depicts the actual fuel costs and provide a practical and theoretical approach to separate the base rate and fuel costs moving forward.
 - **Provide administrative & financial strategic support to the EUD Commissioner**
- The FC will offer strategic administrative counsel and support regarding utility regulatory reporting and oversight, regulatory contracts and definitions, review/prepare correspondence for the regulated utilities, offer financial analysis on regulated utilities, and validation of current formulas and reports along with cost savings recommendations. Outline areas of potential concerns and ways to mitigate them and offer a financial review on the operation and funding of the Regulatory Bodys' day-to-day operations.
 - **Quality of service review**
- The FC will review and clarify the current allocation of utility responsibilities as it relates to quality and customer service standards - monitoring, reporting, and enforcement of those standards and best practices. Review customer and operations reports to identify areas of improvement and develop sanctions for non or poor performance.

DELIVERABLE/OUTPUT



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- To assist EUD with the formation of a Regulatory Utility Agreement between selected Utilities, the Government, and the new regulatory body.
- To assist EUD with the reviewing and drafting of the Utility Multisector Policy and Language.
- To assist EUD with reviewing, drafting, and implementing the Utility Multisector Legislation.
- Create a financial review that will encompass existing regulatory/ordinance review, regulatory needs assessment and modifications, proposed regulatory framework plan, and recommendations.
- Review existing tariff structure review, tariff modeling predictions, proposed tariff schedule, and changes.

SCHEDULE AND WORK PLAN

The EUD recognizes that the FC must liaise with the Regulatory Framework Legal Advisor and the Project / Change Administrator to ensure all items are properly addressed and synchronized between all parties. Section 3 & 4 outlines the expectations and deliverables and the FC is responsible for providing a detailed work plan and schedule of events with anticipated due dates and timelines for completion.

6. PROJECT DURATION

This project is expected to last approximately Twelve (12) months. Extension of the contract will be considered based on need, and performance of the consultant.

7. RESOURCES

The EUD recognizes that the FC will collaborate with the Regulatory Framework Legal Advisor and Project / Change Administrator to achieve the objective outlined in Section 2. The EUD will also provide support and resources as necessary to assist the team with requested documentation and guidance during the review process. It is also understood that from time to time the team will coordinate/liaise with the Attorney General's office and local counsel during the review process.

8. QUALIFICATIONS

- Candidates must have a bachelor's degree (or higher) from an accredited college or university degree in Accounting, Finance, Economics, or a finance-related field.
- A CPA with an excess of 15 years as a Utility and/or Regulatory professional.
- A minimum of 20 years of Utility and/or Regulatory professional experience with an understanding of regulatory standards and compliance requirements.
- Must have experience in developing Regulatory Framework for Electrical or Water Utilities



Ministry of Public Safety and Utilities
Turks and Caicos Islands Government
Providenciales, Turks and Caicos Islands



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- Ability to strategize, problem-solve, and provide sound business recommendations.
- Financial and economic modelling experience in particular building rate case scenarios and developing budgets and strategy plans.
- Excellent verbal, analytical, organizational, written, and critical thinking skills with presentation and facilitation skills.

=====**End**=====