Advanced Workshop in Regulation and Competition

26th Annual Eastern Conference


The Conference features some of the latest developments in the telecommunications and energy sectors, including:

➤ Performance and Reliability
➤ Market Structure
➤ Policy and Regulatory Issues
➤ Telecommunications
➤ Demand Response

Who should attend:

➤ Industry Economists
➤ Marketing and Regulatory Managers
➤ Regulatory Commission Staff

Dinner Speakers:

The Center for Research in Regulated Industries, located at Rutgers University, aims to further study of regulation in economics, finance, and institutions. Its publications, seminars, workshops, and courses make available the latest advances to academics, managers, and regulatory commission staff. The Center has twenty-eight years of experience providing research, instruction, conferences, courses, seminars, and workshops in economics of network industries. The Center’s Journal of Regulatory Economics is an international scholarly bi-monthly publication intended to provide a forum for the highest quality research in regulatory economics. Other research from the Center’s programs has been published in the book series Topics in Regulatory Economics and Policy.

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973-353-5761 ● 973-353-1348 (fax)
26th ANNUAL EASTERN CONFERENCE

WEDNESDAY, MAY 16, 2007
3:00 - 4:00  Registration  Pine Room
4:00 - 6:00  Welcome to Conference: Michael A. Crew

Karl McDermott:  The Essential Facility Doctrine – Core Concept or Mere Epitaph

Michael A. Crew & Paul Kleindorfer:  Privatization of the United States Postal Service – Real Reform instead of Papering over the Cracks

6:00 - 7:00  Cocktail Hour  South Porch
Dinner & Keynote Speech:  Mark Acton, Commissioner, U.S. Postal Regulatory Commission  Westwindsor

THURSDAY, MAY 17, 2007
8:00 - 9:40  Concurrent Sessions  West Evergreen

Restructuring
Chair: Jessica Dauer Lowrance
Discussants: Alan Finder & Dave Lamont
Carl Peterson:  Efficiency in the US Electric Industry – Transaction Costs, Deregulation, and Governance Structures
Sheldon Switzer & Jeffrey Trout:  The ‘Optimal’ Structure of the Deregulated Electric Utility Industry

9:40 - 10:00  Coffee Break

10:00 - 11:40  Concurrent Sessions  West Evergreen

Electric Market Trends
Chair: Ming Mui
Discussants: Colin Loxley & Menahem Spiegel
Eric Ackerman:  Energy Efficiency Initiative
Karen Shea:  Resource Adequacy and the New Wholesale Market Redesign – Policy Issues in California and the West
Howard Spinner:  On the Mixing (Pooling) of Public Relations and Econometrics - A Tale of Two Models

11:45 - 1:00  Lunch Break

1:00 - 2:30  Concurrent Sessions  West Evergreen

Transmission I
Chair: Dale Schoenberger
Discussants: Craig Glazer
Lisa Cameron & Gregory Duncan:  Transmission Utilities and Rights of Way Pricing Policy on Tribal Trust Lands
Joseph Doucet, Andrew Kleit & Serkan Fikirdanis:  Managing Hydro and Transmission – Lessons from BC
Timothy Mount & Jaeuk Ju:  Auctions for Transmission Congestion Credits – a Market or a Money Machine?

2:30 - 4:00  Concurrent Sessions  West Evergreen

Transmission II
Chair: Craig Glazer
Discussants: Lisa Cameron & Menahem Spiegel
Malcolm Ainspan:  Electricity System Reliability as a Club Good
Howard Haas:  PJM’s Challenge – Scarcity Pricing in the Context of Least Cost, Security Constrained Dispatch
John Kelly:  Economic Costs and Locational Marginal Prices – What They May and May not Have in Common

4:00  Exercise Break

6:00 - 9:00  Cocktail Hour  South Porch
Dinner & Keynote Speech:  Linda A. Kingsley, Senior Vice President – Strategy and Transition, USPS  Westwindsor

Evergreen Ballroom

Telecom Competition  Central Evergreen
Chair: Saikat Sen
Discussants: Fred Barney & Victor Glass
Timothy Brennan:  Skating Toward Deregulation – Recent Canadian Developments
Richard Schuler:  Pricing Strategies for Competitive Inter-Modal Telecommunications Markets
Timothy Tardiff & Harold Ware:  Facilities-Based Entry and Predatory Pricing Allegations – Lessons from Iowa

Postal Act I  Central Evergreen
Chair: Stephen M. Kearney
Discussants: Charlie Crum & Phillip Tabbita
Thomas Day:  Outline of Challenges that may be encountered with the Implementation of the Postal Act
Ken Parmeele & Daniel Doonan:  Does U.S. Postal Reform Rein-in Labor
Robert Reisner, Lawrence G. Buc & Pierce Myers:  What the New U.S. Postal Reform Law Was Meant to Accomplish

Postal Act II  Central Evergreen
Chair: Robert Curry
Discussants: Alan Finder & Edward Pearsall
Michael D. Bradley, Jeffrey Colvin & Mary K. Perkins:  The Economic Structure of the Postal Act
Thomas Sharkey:  U.S. Postal Service – the New Price Cap Regime

Costs & Prices  Central Evergreen
Chair: Glenn Meyers
Discussants: John P. Kelley & Renee Sheehy
Emmett Rand Costich & Joseph E. Smith:  Measuring Postal Delivery Costs for Outside Work
Marc Smith:  A Framework for Determining the IT Marginal and Incremental Costs for Postal Services
Seth Blumsack, Marija Ilic & Lester B. Lave:  The Real Problem with Merchant Transmission
Friday, May 18, 2007

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<tr>
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<td>Coffee Break</td>
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<td>11:00 - 12:55</td>
<td>REGULATION</td>
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<td>12:55 - 1:00</td>
<td>Concluding Remarks – Michael A. Crew</td>
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**Evergreen Ballroom**

**PRICING**

- **Chair:** Bill Bayard  
  - Discussants: William Deehan
  - **Peter Cappers & Bernie Neenan:** Benefits of Time-Differentiated Default Electricity Service – a Case Study
  - **Catherine McDonough:** Is Time-differentiated Service the Way to Induce Price Response for Mass Market Customers
  - **Menahem Spiegel:** Efficient Real-time Pricing – a Spatial Approach

**REGULATION**

- **Chair:** Lide Li  
  - Discussants: James Brown
  - **James Reitzes:** Input Quality Sabotage and the Welfare Consequences of Parity Rules
  - **John Mayo & Larry Blank:** Endogenous Regulatory Constraints and the Emergence of Hybrid Regulation

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**Central Evergreen**

**RISK**

- **Chair:** Hung-Po Chao  
  - Discussants: Joseph Schuh
  - **Lide Li & Xiaobin Cai:** Modeling Electric Power Price - A New Approach
  - **Kevin Bassler & Chris Schlegel:** Are Regulated Utilities Truly Less Risky Than Other Industries
  - **Marc Vatter & Fred Barney:** The Need for Hedging in Retail Electric & Natural Gas Markets in New York State

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**Evergreen Ballroom**

**REGULATORY CHALLENGES**

- **Chair:** Nan McKenzie  
  - Discussants: Lawrence G. Buc & Edward Pearsall
  - **Michael Plunkett:** Assessing the Impact of Worksharing on USPS Volumes over Time
  - **Matthew Robinson, Margaret Cigno, & JP Klingenberg:** Negotiated Service Agreements in a Regulated Post
  - **Richard Michelfelder:** Stock Prices and Rate of Return Regulation

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**SPEAKERS DISCUSSANTS & CHAIRS**

<table>
<thead>
<tr>
<th>Name</th>
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<td>Eric T. Ackerman</td>
<td>Manager, Regulatory Policy, Edison Electric Institute</td>
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<td>Mark Acton</td>
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<td>Malcolm Ainspan</td>
<td>Senior Economist, Israel Public Utilities Authority</td>
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HOTEL RESERVATIONS

Sufficient Rooms are reserved at the Skytop Lodge for all of the
Conference participants. Participants should register for the
conference by returning registration forms to Skytop Lodge must
be received by April 2, 2007. Hotel reservation can be made
through:

Skytop Lodge
One Skytop
Skytop, PA 18357-1099

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To Register: Please complete and return the form below.
Registrations are accepted by mail, email, fax, and telephone.
Please confirm telephone registrations by sending in a
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Volume discount: Second and subsequent applications
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Payment Information: Make checks payable to “Rutgers
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__ I would like to apply for the government rate of $480.00

CANCELLATION POLICY: Until April 6, 2007 cancellation is allowed without penalty and refunds will be allowed in full. After
this date, the indicated fee is due in full whether or not the participant actually attends. Substitutions may be made at any time.

Signature of Participant: ___________________________