Advanced Workshop in Regulation and Competition

COMPETITIVE CHALLENGE IN NETWORK INDUSTRIES

13th Annual Western Conference

The Doubletree Hotel Monterey, California  July 5–7, 2000

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

- Future of Distribution
- Innovations in Pricing and Technology
- Market Structure
- Strategies under Competition and Deregulation
- Incentive Regulation

Who should attend:

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

Center for Research in Regulated Industries

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 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.

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School of Management  180 University Avenue  Newark, NJ 07102-1897
973-353-5761  973-353-1348 (fax)
**THIRTEENTH ANNUAL WESTERN CONFERENCE**

**Wednesday, July 5, 2000**

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<td>3:00 - 4:00</td>
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| 4:00 - 4:30 | Welcome to Conference–Michael Crew  
Dennis Weisman: The Efficient Component Pricing Rule: Friend or Foe? |
| 4:30 - 6:00 | William Kovacic: The Microsoft Case: Its Implications for Network Industries |
| 6:00 - 9:00 | Cocktail Hour, Dinner & Speech: Portola  
Kurt E. Yeager  
President, EPRI |

**Thursday, July 6, 2000**

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| 8:00 - 9:45 | Concurrent Sessions  
**TELRIC**  
Chair: Steve Levinson  
Discussants: Kent Currie and John Waller |
|         | **Fred Barney**: Options for Statistical Evaluation of Parity Models |
|         | **David Mandy**: Telric Pricing with Vintage Capital                |
|         | **Edward Fagerlund**: Beyond the TELRIC Cost Model                  |
|         | **ROLE OF DISTRIBUTION COMPANY II**  
Chair: Michael Ambrosio  
Discussants: Larry Blank, Colin Loxley, and Anne Selting              |
|         | **Steven Ostrover**: The Role of Distribution within Competitive Power Markets: Evidence from International Utility Sales |
|         | **Eric Ackerman, Michael A. Crew and Paul Kleindorfer**: Strategic Positioning For Utility Distribution Companies |
|         | **Robert Michaels**: Default Supply in Restructured Electricity Markets |
| 9:45 - 10:00 | Coffee Break                                                        |
| 10:00 - 11:45 | Concurrent Sessions  
**MARKET STRUCTURE I**  
Chair: Ray Williams  
Discussants: Cliff Rochlin, Gary Stern, and Robin Walther |
|         | **Dan Berry**: Market Power Mitigation in Electricity Load Pockets |
|         | **Lewis Evans and Terence Arnold**: The Law and Economics Basis of Enforcing Governance of Private Joint Venture Network Markets: the Case of NZEM |
|         | **Hung Po Chao and Charles R. Plott**: A Competitive Mechanism for the Distribution of Electric Power through a Network and the Determination of Network Capacity |

**Distribution Pricing/Unbundling II**

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<td>11:45 - 1:00</td>
<td>Lunch Break</td>
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| 1:00 - 2:30 | Concurrent Sessions  
**LOCAL TELEPHONE COMPETITION I**  
Chair: John Sumpter  
Discussants: Richard Simnett, Christopher Garbacz, and Bob Kargoll  
Gary Biglaiser and Patrick DeGraba: The Economics of BOC Long Distance Entry when Access Rates are Above Costs  
Michael Ward, Glenn A. Woroch and Fariza Ahmad: Do Wireless and Wireline Service Compete |
| 2:30 - 4:00 | Concurrent Sessions  
**MARKET STRUCTURE II**  
Chair: Debi Le Vine  
Discussants: Robert Graniere, Nainish Gupta, and Pradeep K. Sircar  
James Hendry: Electric Restructuring in California - Two Years Later  
David Sosa and John H. Landon: Explaining Merger Benefits in Newly Deregulated Network Industries  
Rudi Hakvoort: Liberalization of the Power Sector: What does it Mean? |
**DISTRIBUTION COMPETITION II**
Chair: Pete Ewen
Discussants: Jasmin Ansar and David Gamson

**Wendy Keilani and Michael Schneider:**
Distributed Generation: How Customers and Utilities Benefit from Distributed Generation - Overcoming the Barriers

**Dennis Keane:** Emerging Distribution Competition in California

**Ahmad Faruqui and Kelly Eakin:** Bundling Value-Added Services with Electricity Commodity in Retail Product Design

**Friday, July 7, 2000**

8:45 - 10:40 **Concurrent Sessions**

**BROADBAND I**
Chair: David Pitcher
Discussants: Bob Jacob, Julie Kelly, and Tim Sullivan

**Eric Helland:** Regulated Prices as Collective Goods: The Case of New York Cable Systems

**Sandy Marble:** The New Bandwidth Markets: Dealing with Basic Issues in a Low-Regulation Environment

**Tim Brennan:** Policy Federalism and Regulating Broadband Internet Access

**STRATEGIES II**
Chair: Michael Schneider
Discussants: Carl Danner and Bob Lane

**Mark Sweeney:** Communication Opportunities for Energy Companies

**Burk Kalweit, Terry Kades and Gary Cook:** An Innovative Approach to Building Business Strategy for the Evolving Energy Enterprise

**Jeremy Bloom:** Positioning EPRI for Effectiveness in the Deregulated Energy Industry: A New Business Venture

10:40 - 11:00 Coffee Break

11:00 - 12:55 **INCENTIVE REGULATION**

Chair: Howard Alenier
Discussants: Fred Curry, Yasuji Otsuka and Jutta Shaw

**Gregory Duncan:** Performance Parity Incentives for Competitive Local Telecommunications Markets

**Michael Crew and Paul R. Kleindorfer:** Regulate DoubleTree Hotel - Monterey

**Terry Schroepfer:** Performance Measures and Telecommunications Competition

12:55 - 1:00 Closing Remarks – Michael A. Crew
SPEAKERS, DISCUSSANTS, AND CHAIRS

Eric T. Ackerman, Manager, Regulatory Policy, Edison Electric Institute
Howard S. Alenier, International Finance Coordinator, United States Postal Service
Michael Ambrosio, Director of Energy & Telecommunications, Deloitte and Touche
Jasmin Ansar, Director, Pacific Gas & Electric
Fred Barney, Economistrianian I, NYS Department of Public Service
Dan Berry, Senior Analyst, Regulatory Affairs, California Power Exchange Corp.
Gary A. Biglaiser, Associate Professor, University of North Carolina
Larry Blank, President and Chief Consultant, TAHOEconomics, LLP
Jeremy A. Bloom, Business Unit Manager-Retail Market Tools & Services, EPRI
Timothy J. Brennan, Professor of Policy Sciences and Economics, University of Maryland-Baltimore County
Hung-Po Chao, Area Manager-Policy and Risk Analysis, EPRI
Martin Collette, Senior Economist, Econ One Research
Michael A. Crew, Professor, Rutgers University
Kent Currie, Associate Director, Cost Analysis and Regulatory, SBC Communications
Fred Curry, Chief, Water Advisory Branch, California Public Utilities Commission
Carl Danner, Director - Wilk & Associates/ECG
Gregory M. Duncan, Senior Vice President, National Economic Research Associates
Art Ekholm, Manager - Decision and Regulatory Support Services, TXU Electric & Gas
Lewis Evans, Professor of Economics - Executive Director, Victoria University of Wellington
Pete Ewen, Manager - Forecasting, Pinnacle West Capital
Edward Fagerland, Economist, Minnesota Department of Commerce
Ahmad Faruqui, Area Manager, EPRI
Esther Gal-Or, Professor of Business Administration and of Economics, University of Pittsburgh
David Garms, Commission Advisor, California Public Utility Commission
Christopher Garbacz, Director of Economics, Mississippi Public Utilities Staff
Robert Graniere, Senior Economist, National Regulatory Research Institute
Nainish Gupta, Senior Manager, Arthur Andersen, LLP
Rudi Halkvoort, Professor, Delft University of Technology
Eric Helland, Asst. Professor, Claremont McKenna College
James E. Hendry, Formerly Senior Energy Advisor to Commissioner, California Public Utilities Commission
Bob Jacob, Director of Market Analysis and Forecasting, Sprint
Burk Kalkweit, Project Manager, EPRI
Bob Kargoll, Regulatory Director, AT&T
Dennis M. Keane, Senior Analyst, Pacific Gas & Electric
Steve Kechn, Analyst, Regulatory Policy Analysis, Sempra Energy
John Kelly, Director of Economics and Research, American Public Power Association
Julie Kelly, Member-Research Staff, Institute for Defense Analysis
Stathis Kostopoulos, Senior Economist, Southern California Edison
William E. Kovacic, Professor, George Washington University
Bob Lane, Senior Analyst, Division of Strategic Planning, California Public Utilities Commission
Debi Le Vine, Director of Contract and Compliance, California Independent System Operators
Steve Levinson, Senior Economist, AT&T
Colin Luxley, Director-Resource Planning, PSE&G
David M. Mandy, Associate Professor, University of Missouri
Sandy Marble, Member of Technical Staff, Telecordia Technologies
Chris Mayer, Assistant General Manager, Modesto Irrigation District
Robert J. Michaels, Professor of Economics, California State University at Fullerton
Kevin O’Meara, Senior Economist, Public Power Council
Steve Ostrover, Senior Consultant, Econ One Research, Inc.
Yasujii Otsuka, Economist, Nevada Public Utility Commission
Carl Pechman, Managing Director, Power Economics
Lou L. Peters, President, Northwest Economic Research, Inc.
David Pitcher, Chief Economist, Bell Atlantic
Cliff Rochlin, Market Consultant, Southern California Gas Company
Larry Schelhorse, Policy Leader, Sempra Energy
Michael M. Schneider, Director of Business Analysis, San Diego Gas & Electric
Terrence J. Schroepfer, Manager, Southwestern Bell Telephone
Dewey Seeto, Senior Economist, Pacific Gas & Electric
Anne Selting, Consultant, National Economic Research Associates
Jutta Shaw, Economist, National Energy Board
Richard Simnett, Chief Scientist, Telecordia
Pradeep K. Sircar, Manager Resource Analysis, Nevada Public Utility Commission
David W. Sosa, Senior Associate, Analysis Group/Economics
Gary Stern, Director for Market Monitoring and Analysis, Southern California Edison
Tim Sullivan, Commission Advisor, California Public Utility Advisor
John Sumpter, Pac-West Telecom, Inc.
Mark P. Sweeney, Director of Business Development, Sempra Energy
Glenn Vail, Financial Analyst, Southern California Edison
Johannes Van Lierop, Director of Regulatory and Business Analysis, Southern California Gas Company
John Waller, Rate Analyst, United States Postal Rate Commission
Robin Walther, Project Manager, Southern California Edison
Michael Ward, Associate Professor of Economics, University of Illinois
Dennis Weissman, Professor, Kansas State University
Ray Williams, Manager - Hydro Divestiture, Pacific Gas & Electric

REGISTRATION FORM: 13th Annual Western Conference

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CANCELLATION POLICY: Until May 14, 2000 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: