Advanced Workshop in Regulation and Competition

16th Annual Western Conference

Hyatt Islandia, in San Diego, California, on June 25–27, 2003

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

- Risk Management
- Innovations in Pricing and Technology
- Providing Resources
- Strategies under Competition and Deregulation
- Telecom Meltdown

Who should attend:

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

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 over twenty-five 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)
### Wednesday, June 25, 2003

<table>
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| 3:00 - 4:00 | Registration  
Islands Ante Room |
| 4:00 - 6:00 | Welcome to Conference: Michael A. Crew  
Islands John Jurewitz: Emerging Issues in the Regulation of Utility: Power Procurement in Restructured Electricity Markets  
Robert Michaels: Market Monitoring in Electricity: What can We Learn from the Economics of Regulation? |
| 6:00 - 9:00 | Cocktail Hour, Dinner, and Keynote Speech: Jan Schori, General Manager, S.M.U.D.  
Regency C |

### Thursday, June 26, 2003

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<th>Time</th>
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| 8:00 - 9:45 | Concurrent Session  
WHOLESALE  
Islands A  
Chair: Nainish Gupta  
Discussants: Ralph Zarumba & Kevin O'Meara  
Valeria Termini & Laura Cavallo: Market design and market power in electricity markets  
Toru Hattori: A Simulation Analysis of the Potential for Market Power in Japanese Electricity Market  
Kevin Woodruff: Re-Restructuring the Electricity Industry: Identifying Roles for the Private & Public Sectors  
RISK MANAGEMENT I  
Islands B  
Chair: Sandra Burns  
Discussants: Lewis Evans & Menahem Spiegel  
Victor Niemeyer: How Long Will the Glut Last? A demonstration of the application of stochastic process models to load forecasting  
Marian Brown, Ziyad Awad & Michael V. Williams: Energy Efficiency Programs as a Tool for Mitigating Risk in Wholesale Electricity Markets  
Frank Monforte: Two Stage Dynamic Learning Algorithm for Very Short-term Load Forecasting |
| 9:45 - 1:00 | Lunch Break  
 Concurrent Sessions  
 PRICING  
Islands A  
Chair: Ed Fong  
Discussants: Michael Alexander, Dennis Keane & Johannes Van Lierop  
Ahmad Faruqui: Dynamic Pricing Revisited  
Stephen Holland & Severin Borenstein: Investment Efficiency in Competitive Electricity Markets with and without Time-Varying Retail Prices  
Joseph Eto & Leora Lawton: Characteristics and Trends in a National Study of Customer Outage Costs  
TELECOMMUNICATIONS MELTDOWN I  
Islands B  
Chair: Stephen Levinson  
Discussants: Julie Kelly & Richard Burdette  
James Alleman & Scott Savage: Financial Recovery of the Technology, Media, and Telecommunications Sector  
Brenda Kahn: Why Cook the Books - WorldCom Style?  
Jino Kim: Issues concerning the Recent Downturn in the Telecommunications Sector |
| 1:00 - 2:30 | Concurrent Sessions  
RBOC RESTRUCTURING  
Islands A  
Chair: Georgina Martinez  
Discussants: Stephen Levinson  
Michael Crew, Paul Kleindorfer & John Sumpter: Bringing Competition to Telecommunications: A Proposal for Divestiture by the RBOCs  
Stephen Pociask: Disconnecting the Phone Company: Structural Separation and Its Effect on Consumers  
Hal Singer, Robert Crandall, Allan Ingraham: Do Unbundling Policies Discourage CLEC Facilities-Based |
| 2:30 - 4:00 | Concurrent Sessions  
ENVIRONMENTAL/EMPIRICAL  
Islands A  
Chair: Mathew Robinson  
Discussants: Steven Ostrover & Anne-Marie Bellárd  
Lorna Greening: Harmonizing US Energy and Environmental Policies for the US Electrical Sector  
Faye Steiner: Diversification and Performance in the Electricity and Natural Gas Supply Industries  
Massimiliano Piacenza & Davide Vannoni: Scope and Scale Economies in Multi-Utilities: Evidence from Gas, Water and Electricity Combinations  
ELECTRICITY ISSUES  
Islands B  
Chair: Glenn Vail  
Discussants: Jasmin Ansar & David Gamson  
Robert Entriken & Steve Wan: Agent-Based Simulation of an Automatic Mitigation Procedure  
John Kelly: Public Power Systems in California and the State's Energy Crisis  
Exercise Break |
16th Annual Western Conference

Friday, June 27, 2003

8:45 - 10:40  **Concurrent Sessions**  
**TELECOMMUNICATIONS MELTDOWN II**  
Chair: Dennis Stevens  
Discussants: Menahem Spiegel  
**Gregory Duncan:** The Telecommunications Meltdown: Causes, Consequences and Cautions  
**Richard Clarke:** Moving Off the RBOC Grid: Transitioning CLECs to their own facilities  
**Lewis Evans & Graeme Guthrie:** Asset Stranding is Inevitable in Competitive Markets

10:40 - 11:00 Coffee Break

11:00-12:55  **RESOURCE ADEQUACY**  
Chair: Jeremy Bloom  
Discussants: Robert Levin & Steven Ostrover  
**Gary Stern:** Resource Adequacy in Competitive Electricity  
**Cliff Rochlin:** Resource Adequacy Has No Clothes  
**Timothy Brennan:** Understanding Capacity Requirements

12:55 - 1:00 Closing Remarks–Michael A. Crew

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**Speakers, Discussants & Chairs (Cont)**

**Gregory M. Duncan,** Senior Vice President National Economic Research Associates  
**Robert Entriken,** Manager Policy Analysis EPRI  
**Joseph H. Eto,** Staff Scientist, Lawrence Berkeley National Laboratory  
**Lewis Evans,** Professor of Economics - Executive Director New Zealand Institute for the Study of Competition and Regulation, Victoria University of Wellington  
**Ahmad Faruqui,** Vice President, Charles River Associates  
**Ed Fong,** Director – Measurement & Meter Reading, SDG&E  
**David Gamson,** Advisor of Commissioner Brown, California Public Utilities Commission  
**Lorna A. Greening,** Economist, Los Alamos, NM  
**Johanne Guillerminet,** C.R.E.D.E.N., Universite de Montpellier I  
**Nainish Gupta,** Director, National Utilities - Risk & Advisory Services/Information Risk Management, KPMG LLP  
**Frank W. Harris,** Financial Analyst, Southern California Edison  
**Tori Hattori,** Research Economist, Socio-economic Research Center, CRIEPI  
**Stephen Holland,** Visiting Research Associate, University of California Energy Institute  
**Allan Ingraham,** Vice President, Criterion Economics LLC  
**Mursaleena Islam,** Economist, Econ One Research, Inc.  
**John L. Juriewitz,** Director of Regulatory Policy, Southern California Edison  
**Brenda Kahn,** District Manager – Local Services and Access Management, AT&T  
**Dennis Keane,** Senior Analyst, Pacific Gas & Electric  
**John Kelly,** Director of Economics and Research, American Power Association  
**Julie Kelly,** Research Associate, Institute for Defense Analyses  
**Jino Kim,** Economist, ERCC  
**Leora Lawton,** Director of Consumer & Demographic Research, Population Research Systems  
**Robert Levin,** Principal Regulatory Analyst – Operations Revenue Requirements Department, Pacific Gas & Electric  
**Stephen Levinson,** Consulting Economist  
**Jeff Linam,** Financial Planning Manager, SDG&E  
**Georgina Martinez,** Consultant, National Economic Research Associates  
**Robert J. Michaels,** Professor of Economics, California State University at Fullerton  
**Mihee Moon,** Financial Analyst, Southern California Edison  
**Timothy Mount,** Professor, Cornell University  
**Frank Monforte,** Vice President, Forecasting, Itron  
**Victor Niemeyer,** Area Manager for Power Markets Research, EPRI  
**Steven Ostrover,** Senior Economist, Econ One Research, Inc.  
**Kevin O'Meara,** Senior Economist, Public Power Council  
**Massimiliano Piacenca,** Researcher, Institute for Economic Research on Firms and Growth Cersis-CNR  
**Stephen B. Pociask,** President, TeleNomic Research, LLC  
**Mathew Robinson,** Postal Rate and Classification Specialist, Postal Rate Commission  
**Cliff B. Rochlin,** Market Consultant. Southern California Gas Company  
**Scott Savage,** Assistant Professor, Colorado University  
**Jan Schori,** General Manager, S.M.U.D.  
**Dennis Stevens,** Principal Economist, United States Postal Service  
**Faye Steiner,** Professeur Assistante, Département de Stratégie et Politique d'Entreprise HEC  
**Gary A. Stern,** Director of Market Monitoring and Analysis, Southern California Edison  
**John Sumpter,** Vice President – Regulatory, Pac-West Telecomm, Inc.  
**Valeria A. Termini,** Deputy Chairman & Professor of Economics, Università degli Studi di Bologna  
**Glenn Vail,** Supervisor – Pricing Tarriffs, Southern California Edison  
**Johannes Van Lierop,** Director of Regulatory Strategy, Southern California Gas Company  
**Wesley W. Wilson,** Associate Professor, Department of Economics, University of Oregon  
**Kevin Woodruff,** Principal, Woodruff Expert Services  
**Marshall Yan,** Associate, Cornerstone Research  
**Ralph Zarumba,** Independent Consultant
ORGANIZING COMMITTEE

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HOTEL RESERVATIONS

Sufficient Rooms are reserved at the Hyatt Islandia for all of the Conference participants. Participants should register for the conference by returning registration forms to Hyatt Islandia. Reservations must be received by June 5, 2003. Hotel reservation forms can be downloaded from the internet at:
http://crri.rutgers.edu/ws/

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crri@andromeda.rutgers.edu (Jeremy Guenter)

REGISTRATION INFORMATION

To Register: Please complete and return the form to CRRI. Registrations are accepted by mail, email, fax, and telephone. Please confirm telephone registrations by sending in a completed and signed registration form. The deadline for registrations is May 18, 2003. Registrations received after May 18, 2003, will be admitted on a space available basis.

Volume discount: Second and subsequent applications received in the same envelope, fax, email, or made at the same time by phone will receive a 5% volume discount.

Payment Information: Make checks payable to “Rutgers University” and mail to the attention of Jeremy Guenter at the above address. Fees include prescribed learning materials, dinner on Wednesday night, June 25, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.

REGISTRATION FORM: 16th Annual Western Conference

Name
______________________________________________________________________________
Title:
______________________________________________________________________________
Company:
______________________________________________________________________________
Complete Address:
______________________________________________________________________________
______________________________________________________________________________
Telephone:        Fax:
______________________________________________________________________________
Email:
______________________________________________________________________________
Billing Information:
__ Payment enclosed $875.00 U.S. Dollars.
__ Send invoice to participant at above address.
__ Send invoice to__________________________
__ Credit Card: __ VISA __ MC    Exp. _____/_____  Card #__________________________
GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.
__ I would like to apply for the government rate of $475

CANCELLATION POLICY: Until May 18, 2003 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:  ____________________________________________________________________