

Advanced Workshop in Regulation and Competition

24th Annual Eastern Conference

Skytop Lodge
Skytop, Pennsylvania, May 18–20, 2005

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

- & Strategies under Competition and Regulation
- % Governance
- & Shareholder/Investor Issues
- % Risk & Uncertainty
- & Market Response & Dynamics
- % Market Innovation

Who should attend:

- & Industry Economists
- % Marketing and Regulatory Managers
- & Consultants
- % Regulatory Commission Staff

Dinner Speakers:

CRRI is happy to welcome **Wendell Holland** (Chairman – Pennsylvania Public Utility Commission) and **Michael Kelleher** (Senior Vice President, National Grid USA)

CENTER FOR
RESearch IN
REGULATED
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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 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*.

crri@andromeda.rutgers.edu
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Rutgers Business School 180 University Avenue Newark, NJ 07102-1897
973-353-5761 973-353-1348 (fax)

Wednesday, May 18, 2005

- 3:00 - 4:00 Registration *Pine Room*
- 4:00 - 6:00 Welcome to Conference: Michael A. Crew *West Evergreen Ballroom*
- John Mayo & David L. Kaserman:** The Role of Antitrust in a De-Regulating Telecommunications Industry - the Economic Fallacies of Trinko
- Karl McDermott and Carl R. Peterson:** Mergers and Acquisitions in the Electric Industry
- 6:00 - 9:00 Cocktail Hour *South Porch*
- Dinner Speech: **Wendell F. Holland**, Chairman – Pennsylvania Public Utility Commission *Dinner Westwindsor*

Thursday, May 19, 2005

- 8:00 - 9:40 *Concurrent Sessions* *Evergreen Ballroom*
- DEMAND RESPONSE** *West Evergreen*
- Chair: George Campbell
- Discussants: John Kelly & George Pleat
- James W. Brown:** Impact of DSM Expenditures on Cost and Availability of Capital
- William J. Deehan:** Long Term Demand Response and Administration of Marginal Cost Time-Differentiated Pricing
- Catherine McDonough, Chuck Goldman, & Bernard Neenan:** How Customers Adapt to Default RTP Service
- 9:40 - 10:00 Coffee Break
- 10:00 - 11:40 *Concurrent Sessions*
- TRANSMISSION** *West Evergreen*
- Chair: Colin Loxley
- Discussants: Marija Ilic
- Andrew N. Kleit & James Reitzes:** Build Transmission or Build Generation? The Case of the New England ISO
- Timothy J. Brennan:** Inadequate Transmission Capacity: Vertical Separation as Cure or Cause?
- Robert A. Levin:** Recent Developments in Energy Trading Markets
- 11:40 - 1:00 Lunch Break *Main Dining Room*
- 1:00 - 2:30 *Concurrent Sessions*
- CONSUMER PREFERENCE** *West Evergreen*
- Chair: J. Riley Allen
- Discussants: Colin Loxley & George Pleat
- Timothy J. Brennan:** Consumer Preference Not to Choose: Methodological and Policy Implications
- Richard Schuler, Jr.:** Comparison of Retail Customer Switching Behavior
- Michael Plunkett & Jessica Dauer:** Acquisition Mail and the Lifetime Customer Value
- 2:30 - 4:00 *Concurrent Sessions*
- WHOLESALE RESTRUCTURING** *West Evergreen*
- Chair: Rajnish Barua
- Discussants: Craig Glazer & Howard Spinner
- Sheldon Switzer & Mary M. Straub:** The Benefits of Electric Industry Restructuring - It's not Your Grandfather's Utility
- Jonathan Lesser, David DeRamus, & Guillermo Israilevich:** Assessing Vertical Market Power in Electricity Markets
- Gary Newell:** Assessing the Success of the PJM RTO by Using the Experiences of Wholesale Customers as a Guide
- 4:00 Exercise Break
- 6:00 - 9:00 Cocktail Hour *South Porch*
- Dinner & Keynote Speech: **Michael J. Kelleher**, Senior Vice President, National Grid USA *West Windsor*
- SURVIVAL IN TELECOM** *Central Evergreen*
- Chair: Thomas Sharkey
- Discussants: Stephen Friedlander, Mark Lemler & Victor Glass
- David J. Roddy:** VOIP – Quantitative Economic Analysis of the FCC's Current Policy Options
- Subhendu Roy:** How Sustainable Is The Universal Service Fund?
- Timothy Tardiff:** Prevention and Detection of Price Squeezes Nine Years After the Telecommunications Act
- CROSS SUBSIDY** *Central Evergreen*
- Chair: Michael Plunkett
- Discussants: Lorna Greening & Dennis Stevens
- John Sawkins & Scott Reid:** The Measurement & Regulation of Cross Subsidy – the Case of the Scottish Water Industry
- Pradip Chattopadhyay & Maureen Sirois:** Cross Subsidy in Electricity Tariffs and Viability – Time-variant Approach
- Ralph Zarumba & Carl Peterson:** Power Sector Reform in Bosnia and Herzegovina - Tariff Methodology
- MARGINAL COST** *Central Evergreen*
- Chair: Jeremy T. Guenter
- Discussants: Rand Costich, Chris Graves, & Marc Smith
- David J. Salant & Thomas Hazlett:** The Marginal Value of New Unlicensed Bands
- Debra Aron & Ana C. Danies:** The Proper Treatment of Spare Network Capacity in Regulatory Cost Models
- Richard Schuler, Sr. and Nodir Adilov:** Optimal Market Grain Over Space and Time
- NETWORKS & DEMAND** *Central Evergreen*
- Chair: Michael A. Crew
- Discussants: Victor Glass & Dale Schoenberger
- Carolyn Gideon & David Gabel:** Retail Prices, Rebalancing, and Facility-Based Entry into the Telecommunications Market
- Christopher Garbacz & Herbert Thompson:** Demand for Telecommunications Services in Developing Countries
- Christiaan Hogendorn & Alain Bourdeau de Fontenay:** Entry and Vertical Disintegration in Networks

Friday, May 20, 20058:45 - 10:40 **PLENARY SESSION**

Chair: Bill Bayard

Discussants: John Lesser & Joseph Schuh

*Evergreen Ballroom***Malcolm Ainspan:** Feed-in Mechanisms to Foster Competitive Entry - Can These Work**Eric Ackerman:** The New Era of Rate Cases**Timothy Mount & Hyungna Oh:** Testing the Effects of Holding Forward Contracts on the Behavior of Suppliers in an Electricity Auction

10:40 – 11:00 Coffee Break

11:00 - 12:40 **PLENARY SESSION**

Chair: Gregory Leonard

Discussants: Malcolm C. Harris, Sr. & Menahem Spiegel

*Evergreen Ballroom***Richard Michelfelder & Peter Jansson:** Reliability, Sustainability, and Investment in the U.S. Electric Power System**Chris Schlegel:** Along the Forward Curve, and Beyond! Risk in Forward Power Contracts across Time and Space**Paul R. Kleindorfer & Lide Li:** Hedging Instruments and Risk Management for Electric Power Generation Assets in the New Environment

12:45 - 12:55 Concluding Remarks – Michael A. Crew

12:55 - Lunch

*Main Dining Room***SPEAKERS DISCUSSANTS & CHAIRS****Eric T. Ackerman**, Manager, Regulatory Policy, Edison Electric Institute**Malcolm Ainspan**, Economist, Ramah Gvohah**J. Riley Allen**, Economist, Vermont Department of Public Service**Debra Aron**, Director, LECG**Rajnish Barua**, Energy Advisor to Chairman Wendell F. Holland, Pennsylvania Public Utility Commission**Bill Bayard**, Economist, New Hampshire Electric Cooperative, Inc.**Timothy J. Brennan**, Professor of Policy Sciences and Economics, University of Maryland Baltimore County**James W. Brown**, Manager of Energy Resource Planning, Green Mountain Power Corporation**George Campbell**, Manager - Power Marketing Group, South Carolina Electric & Gas Company**Pradip Chattopadhyay**, Utility Analyst – Electric Division, New Hampshire Public Utilities Commission**Emmett Rand Costich**, Attorney, Office of Consumer Advocate, Postal Rate Commission**Michael A. Crew**, Professor and CRRI Scholar, Rutgers University**Ana C. Danies**, Economist, LECG**Jessica Dauer**, Economist, United States Postal Service**William J. Deehan**, Vice President, Central Vermont Public Service Corporation**Stephen M. Friedlander**, Manager, Law and Government Affairs , AT&T**Christopher Garbacz**, Director, Economics & Planning Division, Mississippi Public Utilities Staff**Carolyn Gideon**, Assistant Professor, Fletcher School, Tufts University**Victor S. Glass**, Director of Demand Forecasting and Rate Development, National Exchange Carrier Association, Inc.**Craig Glazer**, Vice President – Government Policy, PJM Interconnection, LLC.**Chris Graves**, Associate Economist, New York Department of Public Service**Lorna Greening**, Economist, Energy and the Environment**Jeremy T. Guenter**, Assistant Director – CRRI, Rutgers University**Malcolm C. Harris, Sr.**, Manager, Market Intelligence & Analysis, United States Postal Service**Christiaan Hogendorn**, Visting Scholar, Columbia Institute for Tele-Information**Marija Ilic**, Professor of ECE and EPP, College of Engineering, Carnegie Mellon University**Guillermo Israilevich**, Senior Consultant, Bates White, LLC**John Kelly**, Director of Economics and Research, American Public Power Association**Paul R. Kleindorfer**, Professor, University of Pennsylvania**Andrew N. Kleit**, Visiting Scholar, Commodity Futures Trading Commission**Jonathan Lesser**, Principal, Bates White, LLC**Gregory Leonard**, Manager, Cornerstone Research**Mark Lemler**, Division Manager, AT&T**Robert A. Levin**, Senior Vice President, New York Mercantile Exchange**Colin Loxley**, Director-Resource Planning, PSE&G**John W. Mayo**, Professor of Economics, Georgetown University**Karl A. McDermott**, Vice President, NERA**Catherine McDonough**, Senior Strategic Planner, Niagara Mohawk Power Corporation**Richard A. Michelfelder**, Assistant Professor of Finance, Rutgers University, School of Business - Camden**Timothy Mount**, Professor, Cornell University**Bernard F. Neenan**, President, Neenan Associates**Gary Newell**, Partner, Thompson Coburn LLP**George Pleat**, Regulatory Affairs Manager, Constellation Energy Projects & Services Group, Inc.**Michael Plunkett**, Manager, Pricing Strategy, United States Postal Service**David J. Roddy**, Managing Director - Telecom Practice, FTI Consulting**Subhendu Roy**, Senior Staff Consultant - Financial Planning and Analysis, Verizon**David J. Salant**, Special Consultant,**John W Sawkins**, Lecturer in Economics, Heriot-Watt University**Dale Schoenberger**, Research Staff, Institute for Defense Analyses**Chris M. Schlegel**, Risk Control, Southern Company**Joseph Schuh**, Lecturer, Rutgers University**Richard Schuler, Jr.**, Associate Economist, New York State Department of Public Service**Richard Schuler, Sr.**, Professor, Cornell University**Marc Smith**, Economist , United States Postal Service**Menahem Spiegel**, Associate Professor and Associate Director – CRRI, Rutgers University**Howard Spinner**, Director, Economics and Finance, Virginia State Corporation Commission**Dennis Stevens**, Principal Economist, United States Postal Service**Sheldon Switzer**, Director, Electric Pricing and Tariffs, Baltimore Gas & Electric Company**Timothy J. Tardiff**, Vice President, NERA**Ralph Zarumba**, Consultant

ORGANIZING COMMITTEE

Eric Ackerman (Edison Electric Institute)
 Michael A. Crew (Rutgers University)
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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 4, 2005. Hotel reservation can be made through:

Skytop Lodge
 One Skytop
 Skytop, PA 18357-1099
 Phone: 1-800-617-2389 or 1-570-595-7401
 Fax: 1-570-595-9691
 http: www.skytop.com

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REGISTRATION FORM: 24th Annual Eastern Conference

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Billing Information:

Payment enclosed \$885.00 U.S. Dollars.
 Send invoice to participant at above address.
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GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.
 I would like to apply for the government rate of \$460.00
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CANCELLATION POLICY: Until April 8, 2005 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: _____

CONFERENCE STAFF

Michael A. Crew, Director—CRRI
Conference Chair
 Menahem Spiegel, Associate Director—CRRI
Conference Co-Chair
 Jeremy T. Guenter, Administrative Assistant—CRRI,
Conference Administrator
 Address: Center for Research in Regulated Industries
 Rutgers Business School
 180 University Avenue
 Newark, NJ 07102-1897
 Phone: 973-353-5761
 Fax: 973-353-1348
 Email: mcrew@andromeda.rutgers.edu (Michael Crew)
crri@andromeda.rutgers.edu (Jeremy Guenter)
 Website: <http://crri.rutgers.edu>

REGISTRATION INFORMATION

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 completed and signed registration form. The deadline for registrations is April 8, 2005. Registrations received after April 8, 2005, 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, receptions and coffee breaks, but do not include lodging and meals. All persons that do not stay at the Skytop Lodge will be required to pay for meals separately. The government registration fee is available for government employees.