

Advanced Workshop in Regulation and Competition

25th Annual Eastern Conference

Skytop Lodge
Skytop, Pennsylvania, May 17–19, 2006

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

- Strategies under Competition and Regulation
- Transmission
- Reliability
- Risk & Uncertainty
- Market Response & Dynamics
- Pricing

Who should attend:

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

Dinner Speakers:

CRRI is happy to welcome **Thomas G. Day** (Senior Vice President, USPS) and **Allen M. Freifeld** (Commissioner of the Maryland Public Service Commission)

CENTER FOR
RESearch IN
REGULATED
INDUSTRIES

THE STATE UNIVERSITY OF NEW JERSEY
RUTGERS

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
www.crri.rutgers.edu

Rutgers Business School ● 180 University Avenue ● Newark, NJ 07102-1897
973-353-5761 ● 973-353-1348 (fax)

25th ANNUAL EASTERN CONFERENCE

Wednesday, May 17, 2006

3:00 - 4:00	Registration	<i>Pine Room</i>
4:00 - 6:00	Welcome to Conference: Michael A. Crew	<i>West Evergreen Ballroom</i>
	Sheldon Switzer: Utility Outdoor Lighting Service – Why Regulate a Competitive Service as if it were a Monopoly?	
	Howard Spinner: A Response to Two Recent Studies that Purport to Calculate Electric Utility Restructuring Benefits Captured by Consumers	
6:00 - 9:00	Cocktail Hour	<i>South Porch</i>
	Dinner & Speech: Thomas G. Day , Senior Vice President – Government Relations, USPS	<i>Dinner Westwindsor</i>

Thursday, May 18, 2006

8:15 - 9:50	<i>Concurrent Sessions</i>	<i>Evergreen Ballroom</i>
RELIABILITY	<i>West Evergreen</i>	TELECOM <i>Central Evergreen</i>
Chair: Spencer Yang		Chair: Saikat Sen
Discussants: Marc A. Smith & Stratford Douglas		Discussants: Victor Glass
Alfredo Garcia & E. Stacchetti: Investment Dynamics in Electricity Markets		Emanuele Giovannetti & Alessio D'Ignazio: "Unfair" Discrimination in two-sided Peering? Evidence from LINX
Malcolm Ainspan: Electricity System Reliability as a Club Good		Herbert Thompson & Christopher Garbacz: Mobile, Fixed and Internet Service Effects on Global Productive Efficiency
Timothy Mount & Steen Videbeck: Testing Alternative Market Designs for Energy and VARs in a Deregulated Electricity Market		Kent Currie: Communications Equipment Prices and Productivity – Wisconsin Case Study
9:50 - 10:10	Coffee Break	
10:05 - 11:45	<i>Concurrent Sessions</i>	
TRANSMISSION	<i>West Evergreen</i>	PRICING I <i>Central Evergreen</i>
Chair: Craig Glazer		Chair: Jessica Lowrance
Discussants: Colin Loxley		Discussants: William Deehan & Stratford Douglas
John Kelly: Rates of Return for Transmission Investment: Old Controversies and New Pleadings – How Much is Enough?		Smith, Taylor, Schwarz & Cochell: Predicting a Generalized Threshold for Extreme Values in Electricity Price Distribution
Peter H. Griffes: Incentives for Transmission Expansion – the Case of the Irish Electricity Market		Lide Li: Valuations and Risk Managements of Load Following Contracts
Spencer Yang: Why is Transmission not Getting Built?		J. Popova, A. Egorov, & S. Douglas: Storage and the Electricity Forward Premium
11:45 - 1:00	Lunch Break	<i>Main Dining Room</i>
1:00 - 2:30	<i>Concurrent Sessions</i>	
DEMAND RESPONSE	<i>West Evergreen</i>	PRICING II <i>Central Evergreen</i>
Chair: Richard Steeves		Chair: Lee Huffman
Discussants: James W. Brown & Catherine T. McDonough		Discussants: Greg Dawson & James E. Cochell
Eric Ackerman & Tim McClive: Update on Demand Response		Carl R. Peterson & Karl McDermott: The Role of Market Processes in the Design of Dynamic Incentives
Peter Cappers, Bernie Neenan & Henry Yoshimura: Improving Linkages between Wholesale and Retail Markets		Emmett Rand Costich: Customized Pricing – One-on-One Negotiation or Anonymous Menus of Tariffs?
J. Riley Allen: Demand Response Implied Price Effect (DRIPE)		Richard E. Schuler & Kenneth Walwyn: Comparative Analysis of Retail Competition
2:30 - 3:30	<i>Concurrent Sessions</i>	
VERTICAL RELATIONSHIPS	<i>West Evergreen</i>	SECURITY & INVESTMENT <i>Central Evergreen</i>
Chair: James W. Brown		Chair: Marc A. Smith
Discussants: Michael A. Crew & Herbert Thompson		Discussants: Emanuele Giovannetti & Menahem Spiegel
Agustin Ros, William Taylor & Jose Maria Rodriguez: The Economics of Mobile Termination		Alfredo Garcia & Barry Horowitz: Optimal Investment in Internet Security
James D. Reitzes: Downstream Price-Cap Regulation and Upstream Market Power		Silvio Flaim, Alexander Outkin, & Douglas Mitarotonda: Agent-Based Models of Electricity Industry
3:30	Exercise Break	
6:00 - 9:00	Cocktail Hour	<i>South Porch</i>
	Dinner & Keynote Speech: Allen M. Freifeld , Commissioner of the Maryland Public Service Commission	<i>Dinner Westwindsor</i>

25th ANNUAL EASTERN CONFERENCE

Friday, May 19, 2006

8:45 - 10:30

PLENARY SESSION

Evergreen Ballroom

Chair: William J. Hausman

Discussants: Dale Schoenberger

Alain de Fontenay & Jonathan Liebenau: Innovation in Telecommunications; the Judicial Process and the Economics of Costing, Transactions and Pricing

Alan E. Finder & Robert L. Bergbauer: The Changing Regulatory Climate for Utility Mergers and Acquisitions

Timothy J. Tardiff: The Implications of Changes in Industry Structure and Technological Convergence for Telecom Competition and Regulation

10:30 – 10:50 Coffee Break

10:50 - 12:30

PLENARY SESSION

Evergreen Ballroom

Chair: Hung-Po Chao

Discussants: Pradip Chattopadhyay & Guillermo Israilevich

Craig Glazer: Retail and Wholesale Markets: The Intersection of Two Moving Objects

Mario DePillis: Lessons Learned in New England Capacity Markets and Available Solutions

Timothy Mount & Surin Maneevitjit: Paying for Reliability in Deregulated Electricity Markets

12:30 - 12:45 Concluding Remarks – Michael A. Crew

12:45 - Lunch

Main Dining Room

SPEAKERS DISCUSSANTS & CHAIRS

Eric T. Ackerman, Manager, Regulatory Policy, Edison Electric Institute

Malcolm Ainspan, Senior Economist - Licensing and Industry Restructuring, Israel Public Utilities Authority

J. Riley Allen, Economist, Vermont Department of Public Service

James W. Brown, Manager of Energy Resource Planning, Green Mountain Power Corporation

Peter Cappers, Director, Neenan Associates, a Utilipoint company

Hung-Po Chao, Director, Market Monitoring, ISO New England, Inc.

Pradip Chattopadhyay, Utility Analyst - Electric Division, New Hampshire Public Utilities Commission

James E. Cochell, Senior Economist, Duke Energy

Emmett Rand Costich, Attorney, Office of Consumer Advocate, U.S. Postal Rate Commission

Kent Currie, Associate Director - Cost Analysis & Regulatory, AT&T Services

Michael A. Crew, Professor and CRRI Scholar, Rutgers University

Greg Dawson, United States Postal Service

Thomas G. Day, Senior Vice President – Government Relations, USPS

Alain de Fontenay, Visiting Scholar and Senior Affiliated Researcher, Columbia Institute for Tele-Information (CITI)

William J. Deehan, Vice President – Power Planning & Regulatory Affairs, Central Vermont Public Service Corporation

Mario DePillis, ISO New England, Inc

Stratford Douglas, Associate Professor, West Virginia University

Alan E. Finder, Senior Manager, KPMG

Allen M. Freifeld, Commissioner of the Maryland Public Service Commission

Alfredo Garcia, Assistant Professor of Systems and Information Engineering University of Virginia

Emanuele Giovannetti, Project Coordinator for the CoCombine Research, University of Cambridge

Victor Glass, Director, National Exchange Carrier Association, Inc.

Craig Glazer, Vice President - Federal Government Policy, PJM Interconnection

Peter H. Griffes, Senior Manager, Deloitte & Touche LLP

William J. Hausman, Chancellor Professor of Economics, College of William and Mary

Lee Huffman, Associate General Counsel, New Mexico Public Regulation Commission

Guillermo Israilevich, Manager, Bates White LLC

John Kelly, Director of Economics and Research, American Public Power Association

Lide Li, Power Team, Exelon Corporation

Jessica Lowrance, United States Postal Service

Colin Loxley, Director-Resource Planning, PSE&G

Catherine T. McDonough, Senior Strategic Planner, National Grid USA

Surin Maneevitjit, Cornell University

Timothy Mount, Professor, Cornell University

Alexander Outkin, Technical Staff Member, Los Alamos National Laboratory

Carl R. Peterson, Consultant, NERA

Julia Popova, West Virginia University

James D. Reitzes, Principal, Brattle Group

Agustin J. Ros, Senior Consultant, NERA

Dale Schoenberger, Research Staff, Institute for Defense Analyses

Richard E. Schuler, Associate Economist, New York State Department of Public Service

Peter M. Schwarz, Professor of Economics, University of North Carolina at Charlotte

Saikat Sen, Director – Regulatory Planning & Policy, AT&T Services, Inc.

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

Richard W. Steeves, Principal Utilities Finance Specialist, Connecticut Office of Consumer Counsel

Sheldon Switzer, Director, Electric Pricing and Tariffs, Baltimore Gas & Electric Company

Timothy J. Tardiff, Vice President, NERA

Herbert G. Thompson, Assistant Professor, Ohio University

Steen Videbaek, Cornell University

Kenneth Walwyn, Senior Economist, New York State Department of Public Service

Spencer Yang, Manager, Bates White LLC

25th ANNUAL EASTERN CONFERENCE

ORGANIZING COMMITTEE

Eric Ackerman (Edison Electric Institute)
Michael A. Crew (Rutgers University)
William Deehan (Central Vermont Public Service Corp)
Christopher Garbacz (Mississippi Public Utility Staff)
Julie Kelly (IDA)
John Kelly (APPA)
Guillermo Israilevich (Bates & White)
Colin Loxley (PSE&G)
Tim McClive (Edison Electric Institute)
Mark Reeder (New York State Dept. of Public Service)
James Reitzes (Brattle Group)
Agustin Ros (NERA)
Richard E. Schuler Jr. (New York State Dept. of Public Service)
Richard Simnett (Telcordia Technologies)
Marc Smith (United States Postal Service)
Menahem Spiegel (Rutgers University)
Sheldon Switzer (Baltimore Gas & Electric)

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, 2006. 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



REGISTRATION FORM: 25th Annual Eastern Conference

Name: _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____ Fax: _____

Email: _____

Billing Information:

- Payment enclosed \$905.00 U.S. Dollars.
 Send invoice to participant at above address.
 Send invoice to _____
 Credit Card: VISA MC Exp. ____/____

GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.

I would like to apply for the government rate of \$460.00

Card # _____

CANCELLATION POLICY: Until April 7, 2006 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, Assistant Director—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@rutgers.edu (Michael Crew)
crri@rbs.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 7, 2006. Registrations received after April 7, 2006, 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.