

Advanced Workshop in Regulation and Competition

26th Annual Eastern Conference

Skytop Lodge, Skytop, Pennsylvania, May 16–18, 2007

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:

CENTER FOR
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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 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*.

crri@rbs.rutgers.edu
www.crri.rutgers.edu

Rutgers Business School ● 180 University Avenue ● Newark, NJ 07102-1897

973-353-5761 ● 973-353-1348 (fax)

WEDNESDAY, MAY 16, 2007

3:00 - 4:00	Registration	<i>Pine Room</i>
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	<i>Central Evergreen Ballroom</i>
6:00 - 7:00	Cocktail Hour	<i>South Porch</i>
Dinner & Keynote Speech: Mark Acton , Commissioner, U.S. Postal Regulatory Commission		<i>Westwindsor</i>

THURSDAY, MAY 17, 2007

8:00 - 9:40	<i>Concurrent Sessions</i>	<i>Evergreen Ballroom</i>
RESTRUCTURING	<i>West Evergreen</i>	TELECOM COMPETITION <i>Central Evergreen</i>
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		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
9:40 - 10:00	Coffee Break	
10:00 - 11:40	<i>Concurrent Sessions</i>	<i>Evergreen Ballroom</i>
ELECTRIC MARKET TRENDS	<i>West Evergreen</i>	POSTAL ACT I <i>Central Evergreen</i>
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		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 Parmelee and 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
11:45 - 1:00	Lunch Break	<i>Main Dining Room</i>
1:00 - 2:30	<i>Concurrent Sessions</i>	<i>Evergreen Ballroom</i>
TRANSMISSION I	<i>West Evergreen</i>	POSTAL ACT II <i>Central Evergreen</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?		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
2:30 - 4:00	<i>Concurrent Sessions</i>	<i>Evergreen Ballroom</i>
TRANSMISSION II	<i>West Evergreen</i>	COSTS & PRICES <i>Central Evergreen</i>
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		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
4:00	Exercise Break	
6:00 - 9:00	Cocktail Hour	<i>South Porch</i>
Dinner & Keynote Speech: Linda A. Kingsley , Senior Vice President – Strategy and Transition, USPS		<i>Westwindsor</i>

Friday, May 18, 2007

8:45 - 10:30

PRICING*West Evergreen*

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

10:40 – 11:00 Coffee Break

11:00 - 12:55

*Evergreen Ballroom***REGULATION***West Evergreen*

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

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

*Evergreen Ballroom**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*Evergreen Ballroom***REGULATORY CHALLENGES***Central Evergreen*

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**SPEAKERS DISCUSSANTS & CHAIRS****Eric T. Ackerman**, Manager, Regulatory Policy, Edison Electric Institute**Mark Acton**, Commissioner, U.S. Postal Regulatory Commission**Malcolm Ainspan**, Senior Economist, Israel Public Utilities Authority**Fred Barney**, Certified NARUC Instructor, New York State Department of Public Service**Bill Bayard**, New Hampshire Electric Cooperative, Inc.**Seth Blumsack**, Postdoctoral Research Fellow, Carnegie-Mellon University**Timothy J. Brennan**, Professor of Policy Sciences and Economics, University of Maryland Baltimore County**James W. Brown**, J W Brown, LLC**Lawrence G. Buc**, President, SLS Consulting, Inc.**Xiaobin Cai**, Power Team Exelon Corporation**James I. Campbell, Jr.**, Partner, Brown Rudnick, LLP**Lisa Cameron**, Dispute Manager, Deloitte & Touche LLP**Peter Cappers**, Director - Pricing and Demand Response, UtiliPoint International**Margaret Cigno**, Postal Rate and Classification Specialist, U.S. Postal Regulatory Commission**Hung-Po Chao**, Director, Market Monitoring, ISO New England, Inc.**Jeffrey Colvin**, Manager of Product Cost Analysis, United States Postal Service**Michael A. Crew**, CRRI Scholar, Rutgers University**Charlie Crum**, Economist, United States Postal Service OIG**Robert Curry**, Vice President Business Development & Sales, Siemens Energy & Automation, Inc.**Thomas G. Day**, Senior Vice President, United States Postal Service**Jessica Dauer Lowrance**, Manager – Pricing Strategy, United States Postal Service**William J. Deehan**, Vice President – Power Planning & Regulatory Affairs, Central Vermont Public Service Corporation**Daniel Doonan**, Research Director, National Association of Letter Carriers**Joseph A. Doucet**, Enbridge Professor of Energy Policy, University of Alberta**Alan Finder**, Director, KPMG LLP**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**Howard J. Haas**, Deputy Market Monitor, PJM Interconnection**Stephen M. Kearney**, Senior Vice President – Marketing, United States Postal Service**John P. Kelley**, United States Postal Service**John Kelly**, Director of Economics and Research, APPA**Linda A. Kingsley**, Senior Vice President – Strategy and Transition, United States Postal Service**Dave Lamont**, Power Supply Planner, Vermont Department of Public Service**Lide Li**, Power Team Exelon Corporation**Colin Loxley**, Director-Resource Planning, PSE&G**John W. Mayo**, Professor of Economics, Business and Public Policy, McDonough School of Business, Georgetown University**Karl A. McDermott**, Vice President, NERA Economic Consulting**Catherine McDonough**, Senior Strategic Planner, National Grid USA**Nan McKenzie**, Attorney, United States Postal Service**Glenn Meyers**, Director, FTI Consulting**Richard A. Michelfelder**, Assistant Professor of Finance, Rutgers University**Timothy D. Mount**, Professor, Cornell University**Ming Mui**, Manager, Electric Market Planning, KeySpan**Ken Parmelee**, Senior Advisor, National Rural Letter Carriers' Association**Carl R. Peterson**, Senior Consultant, NERA Economic Consulting**Michael Plunkett**, Manager, Pricing Strategy, United States Postal Service**Robert Reisner**, President and CEO, Transformation Strategy**James D. Reitzes**, Principal, Brattle Group**Matthew H. Robinson**, Postal Rate and Classification Specialist, U.S. Postal Regulatory Commission**Chris M. Schlegel**, Southern Company**Dale Schoenberger**, Research Staff Member, Institute for Defense Analyses**Joseph C. Schuh**, formerly Rutgers University**Richard E. Schuler Jr.**, Chief, Utility Programs, New York State Department of Public Service**Saikat Sen**, Executive Director, AT&T**Thomas Sharkey**, Director - Strategic Planning and Performance Reporting, United States Postal Service**Karen Shea**, Public Utility Regulatory Analyst, California Public Utilities Commission**Renee Sheehy**, Evaluator, United States Postal Service OIG**Joseph E. Smith**, Econometrician, U.S. Postal Regulatory Commission**Marc A. Smith**, Financial Economist, United States Postal Service**Menahem Spiegel**, Associate Professor, Rutgers University**Howard Spinner**, Director, Division of Economics and Finance, Virginia State Corporation Commission**Sheldon Switzer**, Director, Electric Pricing and Tariffs, BG&E**Phillip Tabbita**, American Postal Workers Union**Timothy J. Tardiff**, Managing Director, Huron Consulting Group**Marc H. Vatter**, Associate Economist, New York State Department of Public Service**Harold Ware**, Vice President, NERA Economic Consulting

ORGANIZING COMMITTEE

Eric Ackerman (Edison Electric Institute)
Hung-Po Chao (ISO New England, Inc.)
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Howard Spinner (Virginia State Corporation Commission)
Sheldon Switzer (Baltimore Gas & Electric)

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@rbs.rutgers.edu (Michael Crew)
crri@rbs.rutgers.edu (Jeremy Guenter)
Website: www.crri.rutgers.edu

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
Phone: 1-800-617-2389 or 1-570-595-7401
Fax: 1-570-595-9691
http: www.skytop.com

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 6, 2007. Registrations received after April 6, 2007, 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.



REGISTRATION FORM: 26th Annual Eastern Conference

Name: _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____ Fax: _____

Email: _____

Billing Information:

- Payment enclosed \$945.00 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 \$480.00
Card # _____

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: _____