

Advanced Workshop in Regulation and Competition
27th Annual Eastern Conference

Skytop Lodge, Skytop, Pennsylvania, May 14–16, 2008

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

- Policy and Regulatory Issues
- Postal and Telecommunications
- Market Structure & RTOs
- Performance and Reliability
- Demand Response

Who should attend:

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

Dinner Speakers:

Ruth Goldway, Commissioner, U.S. Postal Regulatory Commission

Robert Chiste, Chairman, President & CEO, Comverge, Inc.

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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 thirty 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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27th ANNUAL EASTERN CONFERENCE

REVISED March 31, 2008

WEDNESDAY, MAY 14, 2008

3:00 - 4:00 Registration *Pine Room*
4:00 - 6:00 Welcome to Conference: Michael A. Crew *Central Evergreen Ballroom*
Alan Finder: Prudence Policy Options – Alternatives in a Time of Risks
Karl McDermott: Balancing Effective Regulation and Utility Control – Is Managerial Discretion (Prerogative) a Myth?
6:00 - 7:00 Cocktail Hour *South Porch*
Dinner & Keynote Speech: **Ruth Goldway**, Commissioner, U.S. Postal Regulatory Commission *Westwindsor*

THURSDAY, MAY 15, 2008

8:00 - 9:40 **Concurrent Sessions** *Evergreen Ballroom*

RESTRUCTURING <i>West Evergreen</i> Chair: Mark Freise Discussants: Alan Finder, Colin Loxley & Richard Steeves Laurie Duhan & Sheldon Switzer: Utility Standard Offer Service Service – Beauty ‘or’ the Beast? Timothy Mount & John Taber: Forecasts of the Retail Prices of Electricity in Regions with Restructured Wholesale Markets	USO <i>Central Evergreen</i> Chair: Robert Curry Discussants: E. Rand Costich & Menahem Spiegel Margaret Cigno, Diane Monaco & Matthew Robinson: Modeling the Mail Processing Cost of the USO Jeffrey Colvin, Michael D. Bradley & Mary K. Perkins: The USO under Asymmetric Market Power Jean-Philippe Ducasse & Nathaniel F. Medina: Estimating and Comparing Mandated and Negotiated Access
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9:40 - 10:00 Coffee Break

10:00 - 11:55 **Concurrent Sessions** *Evergreen Ballroom*

PJM PERFORMANCE <i>West Evergreen</i> Chair: William Deehan Discussants: Joseph Bowring John Kelly: The Lerner Index and Price-Cost Markup Indices as Measures of Market Power in PJM Energy Markets Andrew Kleit: Market Monitoring, ERCOT Style Gary Newell & Ransom E. Ted Davis: Regulatory Capture and Regional Transmission Organizations James Wilson: Resource Adequacy in Restructured Electricity Markets - Initial Results of PJM’s New RPM	TELECOMMUNICATIONS <i>Central Evergreen</i> Chair: Saikat Sen Discussants: Victor Glass & Kiwan Lee Larry Blank & Lucinda Blume: Can Regulators Stop the Tax Bleeding of Universal Service Support? D. Schoenberger, J. Kelly, J. Fry & L. Prantil: Telecom Pricing Simplification in the Department of Defense Richard Schuler: Economies of Scope and Scale in New York Local Telecommunications Markets Timothy Tardiff & Agustin Ros: Establishing Mobile Termination Rates – Lessons from the Caribbean
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11:55 - 1:00 Lunch Break *Main Dining Room*

1:00 - 2:30 **Concurrent Sessions** *Evergreen Ballroom*

RESOURCE PLANNING <i>West Evergreen</i> Chair: Bill Bayard Discussants: Larry Blank & Kiwan Lee Lide Li: Cross-Commodity Correlations and ARMA Process John Caldwell: Natural Gas Supply and Demand Model Timothy Brennan: Is the Benefit of Reserve Requirements in the ‘Reserve’ or the ‘Requirement’?	PAEA PRICING <i>Central Evergreen</i> Chair: Diane Elmer Discussants: Ann Daley, Kathryn Kobe & Marc Smith Antoinette Crowder & William C. Miller: Analysis of USPS Price Capped Standard Mail Rates under PAEA John Haldi & William J. Olson: Evaluating Negotiated Service Agreements under PAEA Jessica Lowrance, Greg Dawson & Michael Plunkett: Demand Modeling in Regulated Markets – Examples of USPS
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2:30 - 4:00 **Concurrent Sessions** *Evergreen Ballroom*

REGULATION <i>West Evergreen</i> Chair: Glenn Meyers Discussants: Mario DePillis & John Kelly Guy Holburn & Adam Fremeth: Information Asymmetries and Regulatory Decision Costs – Rate Reviews 1980-2000 Dave Lamont: Vermont’s Energy Future – A Public Involvement Process Catherine McDonough & Robert Kraus: How Should We Collect Capacity Costs from Real Time Pricing Customers?	INNOVATION <i>Central Evergreen</i> Chair: Charlie Crum Discussants: Gene Del Polito, Marc Smith & Phillip Tabbita Leon Pintsov & Andrei Obrea: Postal Product Innovation and New Opportunities for Postal Commerce Robert Reisner, Maynard Benjamin and Derek Osborn: Innovation in Postal Products and Pricing John Baldwin & Daniel Doonan: Merits and Drawbacks of Moving from Defined Benefit to Defined Contribution Plans
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4:00 Exercise Break

6:00 - 9:00 Cocktail Hour *South Porch*
Dinner & Keynote Speech: **Robert M. Chiste**, Chairman, President & CEO, Comverge, Inc. *Westwindsor*

Friday, May 16, 20088:45 - 10:30 **Concurrent Sessions****DEMAND RESPONSE****West Evergreen**

Chair: Colin Loxley

Discussants: Christopher Graves

Seth Blumsack, R. Walawalkar, J. Apts & S. Fernands: A Social Welfare Analysis of Economic Demand Response in PJM**Doug Thomas:** Efficiency Programs and Reliable Electric System Planning - An Examination of Technical Difficulties Posed by DSM and DR Programs in Vermont**Eric Woychik:** Demand Response Option Value – Maximum Benefits and Model Contract

10:40 – 11:00 Coffee Break

11:00 - 12:55 **Concurrent Sessions****RENEWABLES****West Evergreen**

Chair: James Reitzes

Discussants: Colin Loxley & James Reitzes

Malcolm Ainspan, Amit Mor & Shimon Seroussi: Optimal Design of Renewables Incentives for Markets in Transition**Thomas Lyon & Haitao Yin:** Why Do States Adopt Renewable Portfolio Standards? An Empirical Investigation**Timothy Mount, et. al.:** The Economic Implications of Adding Wind Capacity to a Bulk Power Transmission Network

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

COST & VALUE**Central Evergreen**

Chair: Emmett Rand Costich

Discussants: Donald O'Hara & Alan Robinson

A. Thomas Bozzo: Using Operating Data to Measure Labor Input Variability and Density Economies in U.S. Postal Service Mail Processing Operations**Pearsall, Fenster, Monaco, Waller, Willette & Xenakis:** A Complete Test of U.S. Postal Rates for Cross-Subsidies**Dennis Stevens:** The United States Postal Service – A Question of Value**Evergreen Ballroom****POSTAL REFORM****Central Evergreen**

Chair: Jean-Philippe Ducasse

Discussants: Charlie Crum, Michael M. Kubayanda, & Nathaniel Medina

G. Bickerton, D. Doonan, J. Sauber & K. Steinhoff: Is North America Preparing to Embrace Postal Deregulation?**B. Tisdahl, V. Visco-Comandini, S. Gori & M. Lintell:** Postal Price Elasticities and Intermedia Competition**Juan Ianni:** Postal Reform in Developing Countries – Challenges and Choices**SPEAKERS DISCUSSANTS & CHAIRS****Malcolm Ainspan**, Senior Consultant - Advisory, Corporate Finance, KPMG**Bill Bayard**, Economist, New Hampshire Electric Cooperative, Inc.**Geoff Bickerton**, Research Director, Canadian Union of Postal Workers**Larry Blank**, Assistant Professor and Senior Associate, New Mexico State University and Center for Public Utilities**Lucinda Blume**, Associate Consultant, TAHOEconomics, LLC**Seth Blumsack**, Assistant Professor, Penn State University**Joseph Bowring**, Market Monitor, PJM**A. Thomas Bozzo**, Vice President, Christensen Associates**Timothy Brennan**, Professor of Policy Sciences & Economics, University of Maryland Baltimore County**John Caldwell**, Director of Economics, Edison Electric Institute**Robert M. Chiste**, Chairman, President & CEO, Comverge, Inc.**Margaret Cigno**, Postal Rate & Classification Specialist, U.S. Postal Regulatory Comm.**Jeffrey Colvin**, Manager – Finance, USPS**E. Rand Costich**, Attorney, Office of General Counsel, U.S. Postal Regulatory Comm.**Michael A. Crew**, CRRRI Scholar, Rutgers University**Antoinette Crowder**, Principal, Eagle Analytics LLC**Charlie Crum**, Economist, USPS - O.I.G.**Robert Curry**, Vice President Business Development & Sales, Siemens Energy & Automation, Inc.**Ann Daley**, Vice President, Pitney Bowes, Inc.**William J. Deehan**, Vice President - Power Planning & Regulatory Affairs, Central Vermont Public Service Corporation**Gene A. Del Polito**, President, Association for Postal Commerce**Mario DePillis**, ISO New England, Inc.**Daniel Doonan**, Research Director, National Association of Letter Carriers**Jean-Philippe Ducasse**, Director – Postal Policy and Strategy, Pitney Bowes, Inc.**Laurie Duhan**, Director – Choice Programs, BGE**Diane Elmer**, ValPak**Alan E. Finder**, Director, KPMG LLP**Mark Freise**, Reliability Contract Manager, ISO New England, Inc.**Victor S. Glass**, Director of Demand Forecasting and Rate Development, National Exchange Carrier Association, Inc.**Christopher Graves**, Principal Economist, N.Y. S. Dept. of Public Service**Ruth Goldway**, Commissioner, U.S. Postal Regulatory Commission**John Haldi**, President, Haldi Associates, Inc.**Guy Holburn**, Professor, University of Western Ontario**Juan Ianni**, Postal Policy Expert**John Kelly**, Director of Economics and Research, American Public Power Association**Andrew Kleit**, Professor of Energy & Environmental Economics, Penn State Univ.**Kathryn Kobe**, Director of Price, Wage and Productivity Analysis, Economic Consulting Services, Inc.**Michael M. Kubayanda**, Government Relations Representative, USPS**Dave Lamont**, Planning Economist, Vermont Department of Public Service**Kiwan Lee**, Manager, National Exchange Carrier Association, Inc.**Lide Li**, Power Team Exelon Corporation**Jessica Lowrance**, Manager, Pricing Strategy, USPS**Colin Loxley**, Director-Resource Planning, PSE&G**Thomas Lyon**, Dow Chemical Professor of Sustainable Science, Technology and Commerce, University of Michigan Business School**Karl McDermott**, Vice President, NERA Economic Consulting**Catherine McDonough**, Senior Strategic Planner, National Grid USA**Glenn Meyers**, Managing Director, FTI**Nathaniel F. Medina**, Strategy Analyst, Pitney Bowes, Inc.**William C. Miller**, Senior Economist, Eagle Analytics LLC**Timothy Mount**, Professor, Cornell University**Gary Newell**, Partner, Thompson Coburn LLP**Donald O'Hara**, Manager - Product Redesign, USPS**Edward Pearsall**, Consultant**Leon Pintsov**, Pitney Bowes Fellow and Vice President, Pitney Bowes, Inc.**Robert Reisner**, President and CEO, Transformation Strategy**James D. Reitzes**, Principal, The Brattle Group**Alan Robinson**, President, Direct Communications Group**Dale Schoenberger**, Research Staff Member, Institute for Defense Analyses**Richard E. Schuler, Jr.**, Chief, Utility Programs, N.Y.S. Dept. of Public Service**Saikat Sen**, Executive Director, AT&T**Marc Smith**, Financial Economist, USPS**Menahem Spiegel**, Associate Professor, Rutgers University**Howard Spinner**, Director, Division of Economics and Finance, Virginia State Corporation Commission**Richard Steeves**, Principal Utilities Finance Specialist, Connecticut Office of Consumer Counsel**Dennis Stevens**, Principal Economist, USPS**Sheldon Switzer**, Director, Pricing and Tariffs, BGE**Phillip Tabbita**, Manager Negotiation Support & Special Projects, American Postal Workers Union**Timothy Tardiff**, Managing Director, Huron Consulting Group**Doug Thomas**, Utilities Economist, Vermont Department of Public Service**Bradley A Tisdahl**, Global Industry Development, Pitney Bowes, Inc.**Vincenzo Visco-Comandini**, Professor, University of Rome Tor Vergata**James Wilson**, Principal, LECG LLC**Eric Woychik**, Principal, Strategy Integration, LLC

ORGANIZING COMMITTEE

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 Sheldon Switzer (Baltimore Gas & Electric)

CONFERENCE STAFF

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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 2, 2008. 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 4, 2008. Registrations received after April 4, 2008, 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: 27th Annual Eastern Conference

Name: _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____ Fax: _____

Email: _____

Billing Information:

- Payment enclosed \$995.00 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 \$495.00

Card # _____

CANCELLATION POLICY: Until April 4, 2008 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: _____