

**Advanced Workshop in Regulation and Competition**

# **32nd Annual Eastern Conference**

**Shawnee Inn & Golf Resort, Shawnee on Delaware, Pennsylvania, May 15-17, 2013**

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 & Reliability
- Demand Response

Who should attend:

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

Dinner Speakers:

**Ralph LaRossa, President and CEO, PSE&G Company**

**Scott Ungerer, Managing Director and CEO, EnerTech**

**C**ENTER FOR  
**R**ESearch IN  
**R**EGULATED  
**I**NDUSTRIES

**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 thirty-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* and *Advances in Regulatory Economics*.

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## WEDNESDAY, MAY 15, 2013

3:00 - 4:00	Registration	<i>Waring Room</i>
4:00 - 6:00	Welcome to Conference: Michael A. Crew	<i>Waring Room</i>
	<b>Hung-Po Chao and Robert Wilson:</b> Coordination of Electricity Transmission and Generation Planning	
	<b>Karl A. McDermott:</b> Regulatory Lag and the Incentives Question – Fact, Fiction and Myth	
	<b>John W. Mayo, and David Sappington:</b> Targeting Rivals – Moving from ‘Whether’ to ‘Whom’	
6:00 - 7:00	Cocktail Hour	<i>Worthington Ballroom</i>
7:00 – 9:00	Dinner & Speech: <b>Jorge Cardenas, Vice President, PSE&amp;G Company</b>	<i>Worthington Ballroom</i>

## THURSDAY, MAY 16, 2013

8:00 - 9:40	<b>Concurrent Sessions</b>	
	<b>FUTURE DIRECTIONS</b> <i>Payette Room</i>	<b>FUTURE OF DISTRIBUTION</b> <i>Waring Room</i>
	Chair: Robert Sidman	Chair: Sheldon Switzer
	Discussants: Toni Crowder, Jody Berenblatt	Discussants: Tim Fagan, Asa Hopkins
	<b>Michael Bradley, Jeff Colvin and Mary Perkins:</b> On Alternative USO Financing Mechanisms	<b>Eric Ackerman:</b> The Changing Electricity Distribution Business
	<b>Kirk Kaneer and Shoshana Grove:</b> Adapting America’s Regulatory Framework to the Global-Digital Age	<b>John Caldwell:</b> New Business Strategies for the Changing Electricity Distribution Business
	<b>Robert A. F. Reisner and Lawrence G. Buc:</b> Anticipating the Reform Debate – How will the Trajectory of Postal Reform II be Guided by the Consequences of the First Round?	<b>Blaine Gilles:</b> New Regulatory Frameworks for the Changing Electricity Distribution Business
9:40 - 10:00	Coffee Break	
10:00 - 11:55	<b>Concurrent Sessions</b>	
	<b>ELASTICITY/COMPETITION</b> <i>Payette Room</i>	<b>REGULATION</b> <i>Waring Room</i>
	Chair: Neil Lessem	Chair: Mark Freise
	Discussants: Larry Buc, Carl Peterson	Discussants: Frank Felder, Huan Zhao
	<b>Toufic M. El Masri:</b> Cooperation and Competition in Network Industries	<b>Tim Brennan:</b> Holding Distribution Utilities Liable for Outage Costs – An Economic Look
	<b>Katalin Clendenin, Margaret M. Cigno, and Edward S. Pearsall:</b> Are U.S. Postal Price Elasticities Changing?	<b>Anne Coultas:</b> Formula Regulation – A Case Study of the Recent Commonwealth Edison and Smart Grid Modernization
	<b>Thomas Bozzo, Kristen Capogrossi, Kelly Eakin, John Pickett, and Mithuna Srinivasan:</b> Are postal price elasticities “in flux?” Evidence from market dominant products of the U.S. Postal Service	<b>Alan Finder:</b> State Regulatory Commission Oversight of Electric Retailers
11:55 - 1:00	Lunch <i>Worthington Ballroom</i>	
1:00 - 2:30	<b>Concurrent Sessions</b>	
	<b>LOGISTICS</b> <i>Payette Room</i>	<b>TRANSACTIONS</b> <i>Waring Room</i>
	Chair: Ann Daley	Chair: Saikat Sen
	Discussants: Jeff Colvin and Michael Crew	Discussants: Malcolm Ainspan, Juan Oviedo, David Sappington
	<b>Amanda Stafford, Christopher Backley, and Charles Crum:</b> The Global Logistics Revolution – Forces, Trends, and Opportunities for the United States Postal Service	<b>Timothy J. Tardiff:</b> Reregulation or Better Deregulation? – Economic Evaluation of Recent FCC Competition Actions
	<b>Lyudmila Y. Bzhilyanskaya, , Michael J. Ravnitzky, and JP Klingenberg:</b> A Quantitative Approach to the Effective Consolidation of the U.S. Postal Retail Network	<b>Xu Chen and Andrew N. Kleit:</b> Incentives and manipulations of CBL in demand response in PJM territory
	<b>William L. Jusino:</b> On the Perverse Incentives of US Postal Service Transportation Practices	<b>Ahmad Faruqui and Sanem Sergici:</b> The Persistence of Price Response Evidence from a Four-Year Dynamic Pricing Experiment in Maryland

## THURSDAY, MAY 16, 2013 (CONTINUED)

2:30 - 4:00 **Concurrent Sessions**

### NEW REVENUES

Chair: Kent Smith

Discussants: Larry Buc, Kirk Kaneer

**JP Klingenberg, Chris Laver and Claude Lawrence:** Postal Pricing and Profit Making in a Capped Regime

**Paola Piscioneri, Christopher Backley, Charles Crum, and Amanda Stafford:** e-Government and the U.S. Postal Service—A Conduit to Help Government Meet Citizens' Need

**Laraine Balk Hope, Bruce Marsh and Virgil Ian Stanford:** Peer-to-Peer Commerce –Implications and Opportunities for the U.S. Postal Service

*Payette Room*

### SUPPLY/STORAGE

Chair: Julie Kelly

Discussants: Howard Haas, Kiwan Lee

**Dick Van Atta:** The Role of Energy Storage in Meeting Twenty-First Century DOD Energy Demands

**Wooyoung Jeon and Tim Mount:** Evaluating the Spatial Effects of Storage on an Electric Grid with High Penetration of Wind Generation

**Seth Blumsack, Mostafa Sahraei-Ardakani, and Andrew Kleit:** Estimating Zonal Supply Curves in Transmission-Constrained Electricity Markets

*Waring Room*

4:00 Exercise Break

6:00 - 7:00 Cocktail Hour

*Worthington Ballroom*

7:00 – 9:00 Dinner & Speech: **Scott Ungerer, Managing Director and CEO, EnerTech Capital** *Worthington Ballroom*

## FRIDAY, MAY 17, 2013

8:45 - 10:30 **Concurrent Sessions**

### ENERGY COORDINATION

Chair: Tom Frantz

Discussants: Beverly Brereton, Frank Felder

**Mario S. DePillis Jr. and Huan Zhao:** Natural Gas and Electric Market Coordination under Pipeline Constraints

**J.D. Oviedo and F. Gasmi:** Investment in Transport Capacity and Regulation of Regional Monopolies in Natural Gas Commodity Markets

**Robert B. Stoddard and Seabron Adamson:** Addressing the Gas/Electric Coordination Issue with Regional Pipeline Operators

*Waring Room*

### ESTIMATION

Chair: Lee Huffman

Discussants: Edward S. Pearsall, Joseph Fuhr

**Victor Glass and Stela Stefanova:** Estimating Price Elasticity of Demand for Bandwidth – Do “Data Hogs” Care About Price?

**Richard E. Schuler, Jr.:** Macro Consumption Modeling of Energy Efficiency Program Effectiveness in New York

**Victor Glass, Stela Stefanova and Ron Dibelka:** Customer Price Sensitivity to Broadband Service Speed – What are the Implications for Public Policy?

*Payette Room*

10:30 - 11:00 Coffee Break

11:00-12:45 **CAPITAL ATTRACTION**

Chair: Michael Ravnitzky

Discussants: Huan Zhao, Carl Linvill and A. Sadiq

**H. Edwin Overcast:** Managing the Rate Impacts of Infrastructure Replacement

**Richard A. Michelfelder, Pauline Ahern, and Dylan D'Ascendis:** Empirical Analysis of the Generalized Consumption Asset Pricing Model for Utility Cost of Capital Estimation

**Joseph Wharton, Michael Vilbert, Toby Brown, and Rich Goldberg:** The Impact of Decoupling on the Cost of Capital an Empirical Investigation

*Waring Room*

12:45 – Lunch

*Worthington Ballroom*

## SPEAKERS DISCUSSANTS & CHAIRS

- Mohammad Adra**, Assistant Inspector General, USPS-OIG  
**Pauline Ahern**, Principal, AUS  
**Malcolm Ainspan**, Economist, Israel Public Utilities Authority-Electricity  
**Jody Berenblatt**, Senior Director, GrayHair Advisors  
**Christopher W. Backley**, Public Policy Analyst, USPS-OIG  
**Seth Blumsack**, Assistant Professor, Pennsylvania State University  
**Tim Brennan**, Professor of Policy & Economics, University of Maryland Baltimore County & Senior Fellow, Resources for the Future  
**Beverly A. Brereton**, Economist, ISO New England  
**Larry Buc**, President, SLS Consulting, Inc.  
**John Caldwell**, Director of Economics, Edison Electric Institute  
**Pradip Chattopadhyay**, Regional Energy Analyst, New Hampshire Public Utilities Commission  
**Jeff Colvin**, Director, USPSOIG  
**Michael A. Crew**, Director and CRRP Professor of Regulatory Economics, Rutgers University  
**Toni Crowder**, Eagle Analytics, LLC  
**Dylan W. D'Ascendis**, Associate, AUS Consultants  
**Lyudmila Y. Bzhilyanskaya**, Economist, US Postal Regulatory Commission  
**Ann M. Daley**, Vice President, Pitney Bowes Government & Regulatory Affairs  
**Mario DePillis**, Supervisor, Market Assessment, ISO New England, Inc.  
**Toufic M. El Masri**, Leuphana University of Lueneburg, Institute of Economics  
**Tim Fagan**, Director - Public Policy, PSE&G  
**Frank Felder**, Professor, Bloustein School, Rutgers University  
**Alan Finder**, Managing Director, Global Regulatory Advisors LLC  
**Tom Frantz**, Director of the Electricity Division, New Hampshire Public Utilities Commission.  
**Mark Freise**, Reliability Contract Manager, ISO New England.  
**Joseph Fuhr**, Professor, Widener University  
**Blaine Gilles**, Pacific Economics Group  
**Victor Glass**, Director of Demand Forecasting and Rate Development, National Exchange Carrier Association, Inc.  
**Howard Haas**, Chief Economist, Monitoring Analytics, LLC  
**Laraine Balk Hope**, Economist USPSOIG  
**Asa Hopkins**, Director of Energy Policy and Planning, Vermont Public Service Department  
**Lee Huffman**, Big Sky Physics, Santa Fe, NM  
**Marc Ivaldi**, IDEI - Universite des Sciences Sociales  
**Kirk Kaneer**, Economist, USPSOIG  
**Arwen Kandt**, Consultant, Bates White Economic Consulting  
**Julie Kelly**, Research Staff Member, Institute for Defense Analyses  
**J.P. Klingenberg**, Economist, U.S. Postal Regulatory Commission  
**Michael Kubayanda**, Public Policy Analyst, USPS Office of the Inspector General  
**Kiwan Lee**, Manager, Special Access, NECA  
**Neil Lessem**, The Brattle Group  
**Carl Linvill**, Regulatory Assistance Project  
**John Mayo**, Professor of Economics, Georgetown University  
**Karl A. McDermott**, Ameren Professor of Government and Business, University of Illinois-Springfield & Special Consultant, NERA Economic Consulting  
**Richard A. Michelfelder**, Clinical Associate Professor of Finance, Rutgers University, School of Business – Camden  
**John Mayo**, Professor of Economics, Georgetown University  
**Timothy D. Mount**, Professor, Cornell University  
**Mark J. Niefer**, Attorney, Antitrust Division, U.S. Dept. of Justice  
**Juan Oviedo**, Universidad del Rosario  
**Edward S. Pearsall**, Consultant, U.S. Postal Regulatory Commission  
**Carl Peterson**, Assistant Professor, University of Illinois-Springfield & Special Consultant, NERA Economic Consulting  
**John Pickett**, Director, USPS and will will POIG  
**Michael Ravnitzky**, Chief Counsel to the Chairman, U.S. Postal Regulatory Commission  
**Robert A.F. Reisner**, President and CEO, Transformation Strategy Inc.  
**James D. Reitzes**, Principal, Brattle Group  
**A. Sadiq**, Director KPMG  
**David Sappington**, Professor, Department of Economics, University of Florida  
**Todd Schatzki**, Vice President, Analysis Group, Inc.  
**Saikat Sen**, Executive Director - Public Policy AT&T  
**Sanem Sergici**, Associate, The Brattle Group  
**Richard E. Schuler, Jr.**, Chief, Utility Programs, New York State Department of Public Service  
**Robert Sidman**, Attorney, Postal Regulatory Commission  
**Kent Smith**, Strategic Planning, United States Postal Service  
**Matthew Stirling**, Operations Research Analyst Office of Inspector General, USPS, RARC Group  
**Robert Stoddard**, Vice President & Practice Leader, Energy & Environment, Charles River Associates  
**Sheldon Switzer**, Manager, DSM Evaluation, Measurement and Verification, Baltimore Gas & Electric Company  
**Timothy Tardiff**, Advanced Analytical Consulting Group  
**Dick Van Atta**, Research Staff Member, Institute for Defense Analyses  
**Mike Vilbert**, Principal, The Brattle Group  
**Huan, Zhao**, Market Monitoring, ISO, New England

# 32nd ANNUAL EASTERN CONFERENCE

Revised May 1, 2013

## ORGANIZING COMMITTEE

Eric Ackerman (Edison Electric Institute)  
Sandra Bennett (Southwestern Electric Power Company)  
John Caldwell (Edison Electric Institute)  
Hung-po Chao (ISO New England, Inc.)  
Michael A. Crew (Rutgers University)  
Alan E. Finder (Global Regulatory Advisors LLC)  
Tom Frantz (New Hampshire Public Utilities Commission)  
Victor Glass (National Exchange Carrier Association, Inc.)  
Julie Kelly (Institute for Defense Analysis)  
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James D. Reitzes (Brattle Group)  
Richard E. Schuler Jr. (New York State Depart. of Public Service)  
Robert N. Sidman (U.S. Postal Regulatory Commission)  
Marc Smith (United States Postal Service)  
Menahem Spiegel (Rutgers University)  
Howard Spinner (NOVEC)  
Kurt Strunk (NERA Economic Consulting)  
Sheldon Switzer (Baltimore Gas & Electric)

## CONFERENCE STAFF

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## HOTEL RESERVATIONS

Sufficient Rooms are reserved at the Shawnee Inn and Golf Resort for all of the Conference participants. Participants are required to make their own reservations with the hotel by calling 1-800-742-9633 extn:1414 and identify the CRRIC Conference. All reservations must be made by [April 14, 2013](#).

Shawnee Inn and Golf Resort  
One River Road  
Shawnee on Delaware, PA 18356

Phone: 1-800-742-9633  
http: <http://shawneeinn.com/>

**The Hotel rate is \$398.75 for single occupancy and \$280.85 per double occupancy for two nights.** This rate includes the following: Two Night's Lodging, Two Breakfast Buffets, Two private Luncheons, Two Private plated Dinners, PA State Tax, Monroe County Room Occupancy Tax, Gratuity on meals and rooms in Package, and resort fee which includes Unlimited Local and 800 Toll -Free Phone Calls, Incoming Faxes, Safety Deposit Box usage at Front Desk, Newspaper, Fitness Center access, Business Center access, Wireless Internet access in guest rooms and public areas, use of Lighted 9-Hole Par 3 Approach Golf Course for night play, Clubs for use on Approach Course, Tennis Courts usage with Rackets (Tennis Balls Extra), use of Sand Volleyball Court, Hiking /Walking Trails on grounds, Indoor Pool with adult 12-person Jacuzzi and Pool Towels.

## 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 3, 2013. Registrations received after April 3, 2013, 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 CRRIC 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: 32nd Annual Eastern Conference

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Complete Address: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

### Billing Information

- Payment enclosed \$950.00 U.S. Dollars  
(Applies to registrations paid **by** February 15, 2013)  
 Payment enclosed \$1015.00 U.S. Dollars  
(Applies to registrations paid **after** February 15, 2013)  
 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 \$485.00  
(Applies to registrations paid **by** February 15, 2013)  
 I would like to apply for the government rate of \$515.00  
(Applies to registrations paid **after** February 15, 2013)

CANCELLATION POLICY: Until April 3, 2013 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 \_\_\_\_\_