

Advanced Workshop in Regulation and Competition
33rd Annual Eastern Conference

Shawnee Inn & Golf Resort, Shawnee on Delaware, Pennsylvania, May 14-16, 2014

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: James W. Hughes, Dean, Bloustein School of Planning and Public Policy, Rutgers University
John Caldwell, Director of Economics, Edison Electric Institute

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 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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33rd ANNUAL EASTERN CONFERENCE

REVISED April 30, 2014

WEDNESDAY, MAY 14, 2014

3:00 - 4:00	Registration	<i>Waring Room</i>
4:00 - 6:00	Welcome to Conference: Michael A. Crew	<i>Waring Room</i>
	John W. Mayo and David E. M. Sappington: Employing Auctions to Allocate Scarce Inputs	
	Hung-po Chao: Competition and Regulation with Increasing Returns	
	Karl McDermott and William Kline: Public Utility Regulation and Stakeholder Ethics	
6:00 - 7:00	Cocktail Hour	<i>Worthington Ballroom</i>
7:00 - 9:00	Dinner & Speech: James W. Hughes, Rutgers University	<i>Worthington Ballroom</i>

THURSDAY, MAY 15, 2014

8:00 - 9:40	Concurrent Sessions			
	RENEWABLES AND STORAGE	<i>Payette Room</i>	POSTAL DEMAND	<i>Waring Room</i>
	Chair: Darryl Biggar		Chair:	
	Discussants: Alan Finder, Sheldon Switzer, David Hunger		Discussants: James Holland	
	Joo-hyun Cho and Andrew N. Kleit: The Value of Battery Storage in Reserve Power Markets – the Case of ERCOT		L. Bzhilyanskaya, M. Cigno and E. Pearsall: A Branching AIDS Model for Estimating U.S. Postal Price Elasticities	
	Hao Lu and Tim Mount: Evaluating the Effectiveness of Demand Aggregators in Accommodating the Uncertainty of Wind Generation		Kirk Kaneer & Benjamin Gough: The Unrecorded Cost of Mail: A Consumer and Small Business Perspective	
	R. Smith, M. Martinez, E. Woychik, and K. Skinner: Utility Build-out of Regional Microgrids with Advanced Analytic Methods: Local Demand Meets Maximum Value-Proposition		James Campbell, Estimating the Effects of UPU Terminal Dues, 2014 – 2017	
9:40 - 10:00	Coffee Break			
10:00 - 11:55	Concurrent Sessions			
	PLANNING	<i>Payette Room</i>	INNOVATION I	<i>Waring Room</i>
	Chair: Tim Fagan		Chair: Robert Sidman	
	Discussants: Alan Finder, David Hunger		Discussants: Marc Smith, Joseph Fuhr	
	Hung-po Chao and Robert Wilson: A Dynamic Economic Framework for Transmission Planning under Uncertainty		Michael J. Ravnitzky: Postal Price Cap Regulation – Experience to Date in the United States	
	John Caldwell: The Sun Also Rises – the Impact of Increasing Solar Power Capacity Additions on the Electricity Distribution System		William Jusino, and Charles Crum,: Locality Pay at the United States Postal Service	
	Frank A. Felder: ISO Governance, ISO Principal-Agent Problem and Social Welfare		Jody Berenblatt: Temporal Messaging	
11:55 - 1:00	Lunch			<i>Worthington Ballroom</i>
1:00 - 2:30	Concurrent Sessions			
	ALLOCATION	<i>Payette Room</i>	INNOVATION II	<i>Waring Room</i>
	Chair: Kurt Strunk		Chair:	
	Discussants: Glenn George, Rasika Athawale, James Cater		Discussants: Kiwan Lee, Kelly Thresher	
	Catherine McDonough: Allocating Capacity Costs to Load Serving Entities: Principles and Observations		Jeff Colvin, Michael Bradley, and Mary Perkins: Attention Rivalry and Mail	
	Menahem Spiegel: When It Takes Two to Produce Output – How to Allocate the Benefits?		Merry Law: Value of Addresses	
	Timothy J. Tardiff: Prices Based on Current Costs or Historical Costs – How Different are They?		Michael J. Ravnitzky: Time-Delayed Communications and Date Certain Delivery	

THURSDAY, MAY 15, 2014 (CONTINUED)

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

FORECASTING ANALYTICS

Payette Room

Chair: Victor Glass

Discussants: Lyudmilla. Bzhilyanskaya, Huan Zhou

R. Stevie, J. Merino, K. Skinner, R. Smith, and E. Woychik: Estimating the Value of Service Using Load Forecasting Models

Charlie Gibbons and Ahmad Faruqi: The Application of Quantile Regression to Forecasting Peak Demand

Darryl Biggar and Mohammad Hesamzadeh: Towards Nodal Pricing of Electricity Distribution Networks: Decentralisation of the Optimal Dispatch Task

POSTAL EVOLUTION

Waring Room

Chair: Sheldon Switzer

Discussants: Preston Finley, William Jusino

Timothy Brennan and Michael Crew: Developing New Business Models for the Postal Sector

C. Backley, C. Crum, S. Cutting, M. Meitzen, B. Switzky and B. Wagner: 3D Printing – Facts, Trends, and Implications for the U.S. Postal Service

K. Thresher, L. Nieman, A. Stafford and B. Marsh: Positioning the Postal Service for the Next Generation: A Market Research Overview

4:00 Exercise Break

6:00 - 7:00 Cocktail Hour

Worthington Ballroom

7:00 – 9:00 **Dinner & Speech: John Caldwell, Edison Electric Institute**

Worthington Ballroom

FRIDAY, MAY 16, 2014

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

INVESTMENTS

Waring Room

Chair:

Discussants: Carl Peterson

Richard Stevie, Ken Skinner, and Eric Woychik: Stakeholder Optimization Impacts on Utility Planning and Pricing

Rasika Athawale and Frank Felder: Incentivizing Combined Heat and Power Plants – How to Maximize Society Benefits?

Mario DePillis: Wholesale Electricity Markets and Gas Pipeline Investments in New England

TELECOM

Payette Room

Chair: Saikat Sen

Discussants: Jeff Colvin

Victor Glass and Roman Sysuyev: Discontinuing Network Services – Policy Implications

Robert Earle and David Sosa: Spectrum Auctions around the World – an Assessment of International Experience with Discriminatory Auction Participation Rules

J. Hidalgo and J.D. Oviedo: The Impact of Broadband Quality Standards on Internet Services Market Structure

10:30 - 11:00 Coffee Break

11:00-12:45 **Concurrent Sessions**

T.O.D. / BUSINESS MODELS

Waring Room

Chair: Tom Frantz

Discussants: Sheldon Switzer, Karl McDermott

Eric Woychik, Eric Ackerman: Utilities of the Future – Needed Changes in Business Strategy and Regulatory Policy

Ahmad Faruqi, Neil Lessem and Sanem Sergici: Impact Evaluation of Ontario's Full-Scale Rollout of Time-of-Use Rates

Timothy Brennan: An Expanded Distribution Utility Business Model – Win-Win, or Win-Maybe?

MECHANISMS

Payette Room

Chair: John Caldwell

Discussants: Menahem Spiegel

Parviz Alivand, Chris Geissler, and Matt White: Long-Run Equilibrium under ISO-NE's Pay for Performance Design

David Salant: Combinatorial Auctions

Romkaew Broehm: Is It Possible to Charge Market-Based Pricing for Ancillary Services in a Non-ISO Market?

12:45 – Lunch

Worthington Ballroom

SPEAKERS DISCUSSANTS & CHAIRS

- Eric Ackerman**, Director, Alternative Regulation, Edison Electric Institute
- Parviz Alivand**, Senior Analyst, ISO-New England, Inc.
- Rasika Athawale**, Research Manager, Bloustein School, Rutgers University
- Christopher W. Backley**, Public Policy Analyst, USPS-OIG
- Jody Berenblatt**, Senior Advisor, GrayHair Advisors
- Darryl Biggar**, Special Economic Advisor, Australian Competition and Consumer Commission (ACCC) and Australian Energy Regulator (AER)
- Tim Brennan**, Professor of Policy & Economics, University of Maryland Baltimore County & Senior Fellow, Resources for the Future
- Romkaew Broehm**, Principal, The Brattle Group
- Lyudmila. Bzhilyanskaya**, Senior Econometrician, U.S. Postal Regulatory Commission
- John Caldwell**, Director of Economics, Edison Electric Institute
- James Campbell**, Attorney
- James C. Cater**, Director of Economic and Financial Policy, APPA
- Hung-Po Chao, Director**, Market Strategy and Analysis, ISO-New England, Inc.
- Jeff Colvin**, Director, USPS – OIG
- Samuel T. Cutting**, Vice President, Laurits R. Christensen Associates, Inc.
- Michael A. Crew**, Director and CRRP Professor of Regulatory Economics, Rutgers University
- Charles Crum**, Director, USPS – OIG
- Mario S. DePillis, Jr.**, Economist, Market Monitoring, ISO-New England, Inc.
- Robert Earle**, Vice President, Analysis Group
- Tim Fagan**, Director of Public Policy, PSE&G
- Ahmad Faruqui**, Principal, The Brattle Group
- Frank Felder**, Professor, Bloustein School, Rutgers University
- Preston Finley**, Manager –Strategic Business Planning, USPS
- Tom Frantz**, Director – Electricity Division, New Hampshire Public Utilities Commission
- Joseph Fuhr**, Professor of Economics, Widener University
- Glenn R. George**, Principal, KPMG LLP
- Victor Glass**, Director of Demand Forecasting and Rate Development, National Exchange Carrier Association, Inc.
- James Holland**, Research Director, National Association of Letter Carriers
- David Hunger**, Vice President, Charles River Associates
- William Jusino**, Public Policy Analyst, USPS – OIG
- Huan Zhou**, Market Monitoring, ISO-NE
- Kirk Kaneer**, Economist, USPS – OIG
- Andrew N. Kleit**, Professor of Energy and Environmental Economics, Pennsylvania State University
- Merry Law**, President, WorldVu LLC
- Kiwan Lee**, Manager, Special Access, NECA
- John Mayo**, Professor of Economics, Business and Public Policy, Georgetown University
- Karl A. McDermott**, Ameren Professor of Government and Business, University of Illinois-Springfield & Special Consultant, NERA Economic Consulting
- Timothy D. Mount**, Professor, Cornell University
- Juan D. 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
- Michael Ravnitzky**, Chief Counsel to the Chairman, U.S. Postal Regulatory Commission
- David Salant**, Auction Technologies
- David Sappington**, Professor, Department of Economics, University of Florida
- Saikat Sen**, Executive Director –Public Policy, AT&T
- Robert Sidman**, Acting Deputy General Counsel, U.S. Postal Regulatory Commission
- Ken Skinner**, Vice-President, Risk & Evaluation Products, Integral Analytics
- Marc Smith**, Economist, USPS
- Raiford Smith**, Director, Smart Grid Emerging Technology, Duke Energy
- Menahem Spiegel**, Professor, Rutgers University
- Richard Stevie**, Vice-President, Forecasting, Integral Analytics
- Kurt Strunk**, Vice President, NERA Economic Consulting
Sheldon Switzer, Manager –DSM Evaluation, Baltimore Gas and Electric
- Timothy Tardiff**, Advanced Analytical Consulting Group
- Kelly Thresher**, Public Policy Analyst, USPS – OIG
- Eric Woychik**, Executive Consultant and Principal, Strategy Integration, LLC

Catherine McDonough, ISO-New England, Inc.

33rd ANNUAL EASTERN CONFERENCE

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ORGANIZING COMMITTEE

Eric Ackerman (Edison Electric Institute)
Sandra Bennett (Southwestern Electric Power Company)
Timothy Brennan – University of Maryland, Baltimore County
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)
Mark Reeder (New York State Depart. of Public Service)
James D. Reitzel (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)

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 CRRI Conference. All reservations must be made by April 13, 2014.

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.

CONFERENCE STAFF

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Conference Chair
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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 2, 2014. Registrations received after April 2, 2014, 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 **CRRI** 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: 33rd Annual Eastern Conference

Name: _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____ Fax: _____

Email: _____

Billing Information

- Payment enclosed \$970.00 U.S. Dollars
(Applies to registrations paid **by** February 24, 2014)
 Payment enclosed \$1035.00 U.S. Dollars
(Applies to registrations paid **after** February 24, 2014)
 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
(Applies to registrations paid **by** February 24, 2014)
 I would like to apply for the government rate of \$525.00
(Applies to registrations paid **after** February 24, 2014)

CANCELLATION POLICY: Until April 2, 2014 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 _____