

Advanced Workshop in Regulation and Competition:

NETWORK INDUSTRIES IN TRANSITION

10th Annual Western Conference

Catamaran Hotel, San Diego, California • July 9–11, 1997

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

- **Innovations in Pricing and Technology**
- **Restructuring**
- **Mergers and Market Power**
- **Developments in Regulation**

Who should attend?

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

CENTER FOR RESEARCH IN REGULATED INDUSTRIES

THE STATE UNIVERSITY OF NEW JERSEY
RUTGERS

The *Center for Research in Regulated Industries*, located at Rutgers University, aims to further the study of regulation by research 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 almost twenty years of experience providing research, instruction, conferences, courses, seminars and workshops in the 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.

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School of Management • 180 University Avenue • Newark, NJ 07102

201-648-5761 • 201-648-1348 (fax)

TENTH ANNUAL WESTERN CONFERENCE

Wednesday, July 9, 1997

- 4:00 - 4:30 **Welcome to Conference**—Michael Crew
Robert J. Michaels: Electricity Prices: Opaque or Transparent?
- 4:30 - 6:00 **William E. Kovacic:** Regulation and the Law: The Year in Review
- 6:00 - 9:00 **Cocktail Hour, Dinner & Speech:**
Commissioner **Joshia Neeper,**
California Public Utilities Commission

Thursday, July 10, 1997

- 8:45 - 10:30 **Concurrent Sessions**
TRANSMISSION PRICING
Chair: Dewey Seeto
Discussants: Bob Levin and Kevin P. O'Meara
Hung-Po Chao and Stephen Peck: Incentives for Grid Investment in a Competitive Electricity Market
Robert Levin: Efficient Congestion Management Policy for Electricity Transmission: Description and Evaluation
Cliff B. Rochlin and Roger E. Clayton: Flow Based Access Fees: A Multiple Components Approach
- MERGERS AND SHAREHOLDER VALUE**
Chair: James Lechtenberg
Discussants: Richard Simnett and Dennis Weller
Alan J. Cox and Jonathan Portes: The Use of Event Study Analysis in Evaluating the Impact of Mergers in Regulated and Newly Deregulated Industries
Patrick G. Hager: The Enron/PGE Merger
Robert D. Adkins: Economic Value Creation in Regulated and Competitive Industries
- 10:30 - 10:45 Coffee Break
- 10:45 - 12:15 **Concurrent Sessions**
NEW TECHNOLOGIES
Chair: Ronald L. Reeder
Discussants: Joseph Hurd and Kathy Treleven
Jeremy A. Bloom: Strategic Assessment of Distributed Generation: Part II

Robin J. Walther: Market-Based Mechanisms for Supporting Renewable Generation: What Can Be Learned from the California Experience?

J. Stuart McMenamin: Short Term Energy Forecasting With Neural Networks

UNBUNDLING

Chair: Mark P. Sweeney

Discussants: Paul D. Nelson, Larry Schelhorse, and Timothy Sullivan

Jasmin Ansar and Roger Sparks: Productivity Measurement for an 'Unbundled' Electric Distribution Company

Dennis Weisman and Mingyuan Zhang: Optimal Product Building Under Price-Cap Regulation

David R. Croyle: Unbundling Competitive Utility Services: What, Why and How

Lunch Break

12:15 - 1:45

1:45 - 3:30

Concurrent Sessions

MARKET POWER

Chair: Joseph Alexandrovich

Discussants: Lon L. Peters and David J. Salant

Michael J. Denton: Market Power in Power Markets: Spatial Electricity Spot Market Pricing Evidence

John L. Jurewitz and Robin J. Walther: Restructuring and Local Reliability: What Should Be Done?

Robert H. Patrick and Frank A. Wolak: The Impact of Market Rules and Market Structure on the Price Determination Process in the England and Wales Electricity Market

RETAIL PRICING

Chair: Michael M. Schneider

Discussants: Kent Currie, David M. Gamson, and Dennis M. Keane

Carl H. Silsbee and Estathios Kostopoulos: Load Profiling as an Alternative to Hourly Usage Metering

Lorna Greening: Estimation of Continuously Varying Electrical Demand

Akbar Jazayeri and Glenn Vail: Evolution of Ratemaking Mechanisms for Discounted Rate Options

Exercise Break

Friday, July 11, 1997

9:00 - 10:50

Concurrent Sessions

RESTRUCTURING IMPACTS

Chair: Susan Schneider

Discussants: Barry B. Douglas and Gary Stern

Christopher Garbacz: Electric Retail Competition Impacts

Janie Chermak: The Effects of Order 636 on the Natural Gas Industry

Colin J. Loxley: An Economic Analysis of the Stranded Cost Issue Facing Electric Utilities and Policymakers Today

UNIVERSAL SERVICE AND INTERCONNECTION

Chair: Stephen Levinson

Discussants: Brenda Kahn, Don Laub, and Mark Lemler

Barbara Cherry: Universal Service v. Competition: Impending Liability Crisis

Jiong Gong and Sandy Marble: The Terms of Interconnection Agreements

Michael R. Ward, David Reiffen, and Laurence Schumann: Is Local Exchange Interconnection Discriminatory?

10:50 - 11:10

Coffee Break

11:10 - 12:55

INCENTIVE REGULATION

Chair: David Pitcher

Discussants: Kelly Bordian, Jerry Brooks, and Fred L. Curry

Robert R. Berry: Incentive and Restructuring

Paul T. Hunt: Evaluation of Alternative PBR Mechanisms

Michael A. Crew and Ronald M. Harstad: Franchise Bidding in Competitive Water, Telecommunications, Gas and Electric Utility Industries

12:55 - 1:00

Closing Remarks—Michael Crew

ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas & Electric)
Jeremy Bloom (EPRI)
Michael Crew (Rutgers University)
Fred Curry (California Pub. Util. Comm.)
John Jurewitz (Southern California Edison)
Dennis Keane (Pacific Gas & Electric)
William Kovacic (George Mason Univ.)
Alexander Larson (Southwestern Bell)
James Lechtenberg (Pacific Bell Tel.)
Cliff Rochlin (Southern California Gas)
Larry Schelhorse (San Diego Gas & Elec.)
Frank Wolak (Stanford University)

CONTACTING CRRI

Home page:

<http://www.rci.rutgers.edu/~lbrennan/crri.html>

Address: School of Management • 180 University Avenue • Newark, NJ 07102

Phone: 201-648-5049 (office) • 201-648-1348 (fax)

E-mail:

lbrennan@gsmack.rutgers.edu (Linda Brennan)
or mcrew@gsmack.rutgers.edu (Michael Crew)

REGISTRATION INFORMATION

To Register: Please complete and return the form on the back page. Registrations are accepted by mail, e-mail, fax, and telephone. Please confirm telephone registrations by sending in a completed and signed registration form. The deadline for registrations is May 15, 1997. Registrations received after May 15, 1997, will be admitted on a space available basis.

Volume Discount: Second and subsequent applications received in the same envelope or fax or made at the same time by phone or e-mail will receive a 5% volume discount.

Payment Information: Make checks payable to "Rutgers University" and mail to Linda Brennan at above address. Credit cards not accepted for payment of registration fees. Fees include prescribed learning materials, dinner on Wednesday, July 9, all receptions, and coffee breaks, but do not include lodging and other meals. The government rate registration fee is available to government employees.

HOTEL RESERVATIONS

Sufficient rooms are reserved at the Catamaran Hotel for all of the Conference participants. Participants should register for the conference by returning the registrations form. Hotel reservation forms will be sent to participants after their registration forms have been received.

SPEAKERS, DISCUSSANTS, AND CHAIRS

Robert D. Adkins, Director—Corporate Forecasting, Utilicorp United Inc./Energy One

Joseph Alexandrovich, Principal Economist, U.S. Postal Service

Jasmin Ansar, Director, Pacific Gas & Electric

Robert R. Berry, Energy Advisor to Commissioner Henry Duque, Public Utilities Commission

Jeremy A. Bloom, MT & DSM Business Unit Manager, Electric Power Research Institute

Kelly Bordian, Senior Economist, National Energy Board, Canada

Jerry Brooks, Senior Economist, Pacific Telesis Group

Hung-Po Chao, Program Manager, Electric Power Research Institute

Janie Chermak, Assistant Professor of Economics, University of New Mexico

Barbara Cherry, Director-Issues Analysis, Ameritech

Roger E. Clayton, Consulting Engineer, General Electric Company

Alan J. Cox, Senior Consultant, National Economics Research Associates

Michael A. Crew, Professor, Rutgers University

David R. Croyle, Team Leader—Pricing, San Diego Gas & Electric

Kent Currie, Manager—Economic Analysis, Ameritech

Fred L. Curry, Chief—Small Water Branch, California Public Utilities Comm.

Michael J. Denton, Doctoral Candidate, University of Arizona

Barry B. Douglas, Director of Operations Support & Forecasting, Pacific Gas & Electric

David M. Gamson, Commissioner's Advisor, California Public Utilities Commission

Christopher Garbacz, Director Economics & Planning Division, Mississippi Public Utilities Staff

Jiong Gong, Member of Technical Staff, Bell Communications Research

Lorna Greening, Economist, Lawrence Berkeley National Laboratory

Patrick G. Hager, Manager, Portland General Electric

Ronald M. Harstad, Associate Professor, Rutgers University

Paul T. Hunt, Senior Economist, Southern California Edison

Joseph Hurd, Director of Economics, Pacific Telesis Group

Akbar Jazayeri, Manager—Pricing Research, Southern California Edison

John L. Jurewitz, Manager-Regulatory Policy, Southern California Edison

Brenda Kahn, District Manager—Local Cost Studies, AT&T

Dennis M. Keane, Team Leader, Pacific Gas & Electric

Estathios Kostopoulos, Southern California Edison Co.

William E. Kovacic, Associate Professor, George Mason University

Don Laub, Senior Manager, MCI

James Lechtenberg, Director—Marketing Financials, Pacific Bell

Mark Lemler, Division Manager, AT&T Communications

Bob Levin, Rates Team Leader, Pacific Gas & Electric

Robert Levin, Senior Vice President, New York Mercantile Exchange

Stephen Levinson, District Manager, AT&T

Collin J. Loxley, Director-Resource Planning, PSE&G

Sandy Marble, Member of Technical Staff, Bell Communications Research

J. Stuart McMenamin, Senior Vice President, Regional Economic Research Inc.

Robert J. Michaels, Professor of Economics, California State University at Fullerton

Paul D. Nelson, Regulatory Economist, Southern California Edison

Kevin P. O'Meara, Senior Economist, Public Power Council

Robert H. Patrick, Associate Professor, Rutgers University

Stephen Peck, Vice President, Electric Power Research Institute

Lon L. Peters, President, Northwest Economic Research

David Pitcher, Corporate Economist, Bell Atlantic

Jonathan Portes, Senior Analyst, National Economics Research Associates

Ronald L. Reeder, Senior Competitive Analyst, Sprint

Cliff B. Rochlin, Market Advisor, Southern California Gas Co.

David J. Salant, Director, Law & Economics Consulting Group

Larry Schelhorse, Principal Econ. Advisor, San Diego Gas & Electric

Michael M. Schneider, Manager—Pricing Services, San Diego Gas & Electric

Susan Schneider, Manager—Pricing and Regulatory Support, Pacific Gas & Electric

Dewey Seeto, Senior Rates Analyst, Pacific Gas & Electric

Carl H. Silsbee, Supervisor Regulatory Economics, Southern California Edison Co.

Richard Simnett, Director—Strategic Alternatives Analysis, Bell Communications Research

Roger Sparks, Associate Professor of Economics, Mills College

Gary Stern, Director—Restructuring Strategies, Southern California Edison

Timothy Sullivan, Commissioner's Advisor, California Public Utilities Commission

Mark P. Sweeney, Director—Competitive Transition, Southern California Gas

Kathy Treleven, Assistant to the Vice President for Policy Coordination, Pacific Gas & Electric

Glenn Vall, Financial Analyst, Southern California Edison

Robin J. Walther, Senior Regulatory Economist, Southern California Edison Company

Michael R. Ward, Assistant Professor, University of Illinois

Dennis Weisman, Professor, Kansas State University

Dennis Weller, Senior Economist, GTE Telephone Operations

Frank A. Wolak, Associate Professor, Stanford University

REGISTRATION FORM: 10th Annual Western Conference

Name _____

Title _____

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Billing Information:

- Payment enclosed.
- Send invoice to participant at above address.
- Send invoice to: _____

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

- I would like to apply for the government rate of \$390.

CANCELLATION POLICY: Until May 15, 1997 cancellation is allowed without penalty and refunds will be allowed in full. After this date the fee of \$735 (Government \$390) is due in full whether or not the participant actually attends. Substitutions may be made at any time.

Signature of Participant: _____