Advanced Workshop in Regulation and Competition:

NETWORK INDUSTRIES IN TRANSITION

11th Annual Western Conference
Double Tree Hotel, Monterey, California • July 8–10, 1998

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

➤ Innovations in Pricing and Technology
➤ Restructuring and Stranded Assets
➤ Strategies for Competition
➤ Incentive Regulation

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➤ Marketing and Regulatory Managers
➤ Regulatory Commission Staff

Updated Program!

CENTER FOR RESEARCH IN REGULATED INDUSTRIES

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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ELEVENTH ANNUAL WESTERN CONFERENCE

Wednesday, July 8, 1998

4:00 - 4:30  Welcome to Conference—Michael Crew
             (Bonsai)  Barbara Cherry and Steve Wildman: On the
             Ballroom  Subject of Stranded Costs

4:30 - 6:00  William E. Kovacic: Regulation,
             Competition, and the Law: The Year in Review

6:00 - 9:00  Cocktail Hour, Dinner & Speech:
             (Portola)  Richard A. Bilas, President,
             Room  California Public Utilities Commission

Thursday, July 9, 1998

8:00 - 9:35  Concurrent Sessions

UNIVERSAL SERVICE  (Bonsai I)
Chair: David Pitcher

Discussants: Kent Currie, Robert Lane,
and William M. Takis

David Salant: Universal Service
Provision: A Summary of Issues
Facing US Regulators

Jeff Colvin and Michael D. Bradley:
The Cost of the Universal Service
Obligation: US Postal Service

Kenneth Rose: Jump Starting Electric
Retail Competition for Small
Customers while Short Circuiting
Horizontal Market Power

PERFORMANCE UNDER  (Bonsai II)
RESTRUCTURING
Chair: Elliot Roseman

Discussant: Barry B. Douglas, James
Forcier, and John L. Scadding

Cliff B. Rochlin and Roger Clayton:
Conflicting Incentives: Investment in
Electricity Transmission

Mark Reeder: Market Power Analysis
and Market Size

Paul D. Nelson: Impacts of Electricity
Industry Restructuring on Transaction
Costs

2:30 - 4:00

Coffee Break

9:35 - 9:55  Concurrent Sessions

RETAIL  (Bonsai I)
Chair: Jerry Brooks

Discussants: Dennis M. Keane, Kevin
O'Meara, and Glenn Vail

Hung-Po Chao and Shmuel Oren: An
Illusory Market for Load Profile Pricing

Ahmad Faruqui and Ken Seiden:
Anticipating Competitor Response in
Retail Electricity Price Design

Laurna J. Hansen: DoD's Procurement
Options and Business Strategy under
a Deregulated Electric Utility Market

PRICE CAPS/PBR  (Bonsai II)
Chair: Mark P. Sweeney
Discussants: Cameron Kashani and
Larry D. Schelhorse

Paul T. Hunt: Why
Performance-Based Regulation
Mechanisms Cannot Be Evaluated By
"X" Alone

Carl H. Silsbee: The Evolution of
Utility Performance Based Ratemaking
Mechanisms

Paul Richards and Jeremy Turk:
Telecommunications in Transition:
Lessons from the UK

Lunch Break

STRANDED ASSETS I  (Bonsai I)
Chair: Steve Levinson
Discussants: Shimon Awerbuch, Larry
Spancake, and Johannes Van Lierop

Michael A. Crew and Paul R.
Kleindorfer: Stranded Assets in
Network Industries in Transition

Robert J. Michaels: Stranded Costs:
Theory Meets Practice in California

INTERNET  (Bonsai II)
Chair: Laurna Hansen
Discussants: Christopher Garbarcz and
Jiong Gong

Brenda Kahn: Pricing@Internet.com

Padmanabhan Srinagesh and Bridger
M. Mitchell: Some Competitive Issues
Raised by Number Portability

Sandy Marble: Competition &
Evolving Business Models in the
Internet Economy

STRANDED ASSETS II  (Bonsai I)
Chair: Ray D. Williams
Discussants: Dan Berry, James Fox,
and Ralph Zarumba

William R. Moore: A Comparison,
Quantification, and Common
Approach to Stranded Costs for
Electric and Telephone Utilities

Colin J. Loxley: An Economic
Analysis of the Stranded Cost Issue

David T. Barker: Stranded Cost,
Competition, and Auctioning Off
Customers
COST ANALYSIS (Bonsai II)
Chair: Joseph Alexandrovich
Discussants: Steve G. Parsons, Richard Simnett, and John Waller
Timothy J. Tardiff: Pricing Essential Inputs and Efficient Competition
Robert D. Levine: The Marginal Cost of Wires and Pipes: A Practitioners View

4:00 Exercise Break

Friday, July 10, 1997
9:00 - 10:50 Concurrent Sessions
UNBUNDLING (Bonsai I)
Chair: Ronald L. Reeder
Discussants: John C. Garrett and Dewey Seeto
David Croyle: Competitive Metering and Billing
Dennis Weller: After the Wars: Pricing and Competition in the Aftermath
Richard Simnett: Interconnection Between Telephone Networks

IMPERFECT INFORMATION (Bonsai II)
Chair: Susan Schneider
Discussants: Lorna A. Greening and Kathy Treleven
Robin J. Wathner and Sohelia S. Crane: Standardized Disclosure of Consumer Information in Electricity Markets
Michael Ward and Carlos Arango: Product Differentiation and Imperfect Information as Sources of Market Power
Timothy J. Brennan: Demand-Side Management Programs Under Retail Electricity Competition

10:50 - 11:10 Coffee Break
11:10 - 12:55 REGULATORY INNOVATION (Bonsai)
Chair: Michael M. Schneider
Discussants: Jasmin Ansar and Jeff Leitzinger
Fred Curry: Alternative Regulatory Frameworks—Can We Apply Them to Water Utilities?
Larry Blank: Regulatory Choice: Constraints and Inefficiency
Dennis Weisman and Dale E. Lehman: The Next Generation of Price Cap Plans

12:55 - 1:00 Closing Remarks—Michael Crew

ORGANIZING COMMITTEE
Jasmin Ansar (Pacific Gas & Electric)
Jerry Brooks (Pacific Bell)
Jeremy Bloom (EPRI)
Michael Crew (Rutgers University)
Fred Curry (California Pub. Util. Comm.)
Christopher Garbacz (Mississippi Public Utilities Staff)
John Jurwitz (Southern California Edison)
Dennis Keane (Pacific Gas & Electric)
William Kovacic (George Mason Univ.)
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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, 1998. Registrations received after May 15, 1998, 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 (VISA/MC) are accepted for payment of registration fees. Fees include prescribed learning materials, dinner on Wednesday, July 8, 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 Double Tree 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

Joseph Alexandrovich, Senior Network Planning Specialist, U.S. Postal Service
Jasmin Ansar, Director, Pacific Gas & Electric
Carlos Arango, University of Illinois at Urbana-Champaign
Shimon Awerbuch, Independent Researcher, Nashua, NH
David T. Barker, Economist, Southern California Gas Company
Dan Berry, Regulatory Economist, Public Service Commission of Nevada
Larry Blank, Manager of Regulatory Policy, Public Service Commission of Nevada
Michael D. Bradley, Professor of Economics, George Washington University
Timothy J. Brennan, Professor of Policy Sciences and Economics, University of Maryland-Baltimore County
Jerry Brooks, Manager, Pacific Bell
Hung-Po Chao, Manager-Risk Analysis, Electric Power Research Institute
Barbara Cherry, Director-Issues Analysis, Ameritech
Roger Clayton, Consulting Engineer, General Electric Power Systems
Jeffrey Colvin, Manager, Cost Allocation, U.S. Postal Service
Michael A. Crew, Professor of Economics and Director, Center for Research in Regulated Industries, Rutgers University
David Creyle, Team Leader—Pricing, San Diego Gas & Electric
Kent Currie, Manager—Economic Analysis, Ameritech
Fred Curry, Program Manager, California Public Utilities Commission
Barry S. Douglas, Director—Operations Support & Forecasting, Pacific Gas & Electric
Ahmad Faruqui, Area Manager—Retail and Power Markets, Electric Power Research Institute
James Forcler, Senior Consultant, National Economic Research Associates
James Fox, Team Leader, National Energy Board
Jeffrey Garbacz, Director, Economics & Planning Division, Mississippi Public Utilities Staff
John C. Garrett, Manager—Demand Analysis, Bell South Telecommunications
Jiwoong Gong, Member of Technical Staff, Bell Communications Research
Lorna A. Greening, Manager, Hagar Bailly Services Inc.
Laurra J. Hansen, Research Staff Member, Institute for Defense Analyses
Paul T. Hunt, Project Manager and Senior Economist, Southern California Edison
Brenda Kahn, District Manager—Local Cost Studies, AT&T
Cameroon Kashani, Economist, U.S. Postal Service
R. M. Keene, Senior Regulatory Economist, Pacific Gas & Electric
William E. Kovec, Professor of Law, George Mason University, School of Law
Robert Lane, Commissioner’s Advisor, California Public Utilities Commission
Jeff Leitzinger, President, Econ One
Robert D. Levin, Team Leader—Cost of Service Section, Pacific Gas & Electric
Stephen Levinson, Economist, AT&T
Colin J. Loxley, Director—Resource Planning, Public Service Electric & Gas
Sandy Marble, Member of Technical Staff, Bell Communications Research
Robert J. Michaels, Professor of Economics, California State University at Fullerton
William R. Moore, Government Affairs Director, AT&T
Paul D. Nelson, Regulatory Economist, Southern California Edison
Kevin O'Meara, Senior Economist, Public Power Council
Steve G. Parsons, General Manager, INDETEC
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Ronald L. Reeder, Market Manager—Resale Markets, Sprint
Paul Richards, Economist, British Telecommunications
Cliff B. Rochlin, Market Advisor, Southern California Gas Co.
Kenneth Rose, Senior Research Economist, National Regulatory Research Institute
Elliott Roseman, Consultant, Price Waterhouse
David Salant, Director, Law and Economics Consulting Group, Inc.
John L. Scadding, Chief of Staff to the President, California Public Utilities Commission
Larry D. Schelhors, Principal Energy Economist, San Diego Gas & Electric
Michael M. Schneider, Manager—Pricing Services, San Diego Gas & Electric
Susan Schneider, Vice President—Client Services, California Independent System Operator
Dewey Seelo, Senior Rates Analyst, Pacific Gas & Electric
Carl H. Silas, Manager—Regulatory Economics, Southern California Edison
Richard Simnett, Director—Strategic Alternatives Analysis, Bellcore
Larry R. Spance, Economist, U.S. Energy Information Administration
Padmanabhan Srinagesh, Principal, Charles River Associates
Mark P. Sweeney, Director—Competitive Transition, Pacific Enterprises
William M. Taits, Partner, Price Waterhouse
Timothy J. Tariff, Vice President, National Economic Research Associates
Kathy Treieven, Assistant to the Vice President for Policy Coordination, Pacific Gas & Electric
Jeremy Turk, Chief Economist, British Telecommunications
Glenn Vall, Financial Analyst, Southern California Edison
Johannes Van Lierop, Director—Gov. & PUC Reg. Affairs, Southern California Gas
John Waller, Cost Analyst, U.S. Postal Rate Commission
Robin J. Walthier, Senior Regulatory Economist, Southern California Edison Company
Michael Ward, Assistant Professor, University of Illinois at Urbana-Champaign
Dennis Welsman, Professor, Kansas State University
Dannie Weller, Chief Economist, GTE Telephone Operations
Ray D. Williams, Manager—Revenue Requirements, Pacific Gas & Electric
Ralph Zarumba, Vice President, Analytical Support Network

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Signature of Participant: ________________________________