

Advanced Workshop in Regulation and Competition 2000-2001

COMPETITIVE CHANGE NETWORK INDUSTRIES

November 17, 2000

AUCTIONS IN NETWORK INDUSTRIES

January 19, 2001

INCENTIVE REGULATION: MAKING IT WORK

April 20, 2001

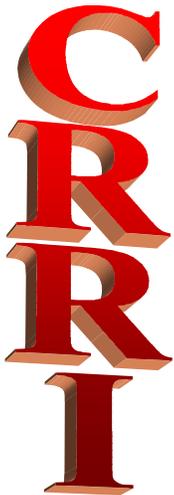
ANTITRUST AND MERGERS

20th Annual Conference

Tamiment, Pennsylvania, May 23-25, 2001

14th Annual Western Conference

San Diego, California, June 27-29, 2001



THE STATE UNIVERSITY OF NEW JERSEY
RUTGERS

CENTER FOR RESEARCH IN REGULATED INDUSTRIES

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

School of Management ~ 180 University Avenue ~ Newark, NJ 07102-1897

973-353-5761 ~ 973-353-1348 (fax)

ADVANCED WORKSHOP IN REGULATION AND COMPETITION

Networking Industries—telecommunications, electricity, gas, water, postal, etc.—are currently undergoing major changes, the most significant being entry of competitors and the resulting impact on regulation. The Workshop presents some of the latest economic thinking used to analyze major current problems of network industries. Competition, incentives for efficiency, and the increased use of market rather than regulatory processes outline in very broad terms the material to be covered. In addition, the Workshop will provide some of the latest legal thinking and its economic impact upon the increasingly competitive environment of network industries.

OBJECTIVE

To promote a better understanding of competition in network industries and applying it in their company or regulatory commission.

WHO SHOULD ATTEND?

Individuals interested in developing a better understanding of competition in network industries and applying it in their company or regulatory commission.

APPROACH

The Workshop is organized annually as three one-day meetings combined with a two-day conference in the Eastern U.S. and a second two-day conference on the West Coast. The meeting format is designed to allow for both presentation of recent research and the open discussion of new ideas. The topics covered provide not only the latest research on competitive developments in network industries, but also instructions on subjects required for a better understanding of competition.

SCHEDULE AND TOPICS OF THE 2000-2001 WORKSHOP

Three one-day meetings held at Rutgers University, School of Management, Newark, NJ, beginning at 10:00 a.m. and ending at 3:30 p.m.:

November 17, 2000

AUCTIONS IN NETWORK INDUSTRIES

Michael Rothkopf (Rutgers University): “A Primer on Bidding and Auctions”

David Salant (NERA) “Applications of Auctions in Network Industries”

Paul R. Kleindorfer (University of Pennsylvania) “Capacity Auctions: Electricity and Cargo Lifters”

William T. Flynn (PJM Interconnection) “Commentary”

January 19, 2001

INCENTIVE REGULATION: MAKING IT WORK

Michael A. Crew (Rutgers University) and **Paul R. Kleindorfer** (University of Pennsylvania) “Incentive Regulation: Theory and Practice”

Karl McDermot (NERA) “Designing A New Regulatory Contract: The Role of Market Processes in the Design of Dynamic Incentives”

Christopher Garbacz (Mississippi Commission Staff),
Mark Reeder (New York Public Service Commission)
“Commentary”

April 20, 2001

ANTITRUST AND MERGERS

William Kovacic (George Washington University) “Mergers and Antitrust: Legal and Economic Issues”

J. Douglas Zona (Cornerstone Research) “The MCIWorldCom-Sprint Merger”

Joseph Oates (Consolidated Edison) “The ConEd-Northeast Utilities Merger”

20th Annual Conference

The Tamiment Resort and Conference Center, Tamiment, Pennsylvania, 4:00 p.m. Wednesday, May 23 to 1:00 p.m., Friday, May 25, 2001.

14th Annual Western Conference

Hyatt Islandia, San Diego, California, 4:00 p.m. Wednesday, June 27, through 1:00 p.m., Friday, June 29, 2001.

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 over 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.

FACULTY

Michael A. Crew: Professor of Economics, Department of Finance and Economics, and Director of the Center for Research in Regulated Industries, Rutgers University
Paul R. Kleindorfer: Universal Furniture Professor of Economics and Decision Sciences, University of Pennsylvania
William E. Kovacic: Professor of Law, School of Law, George Washington University
Joseph C. Schuh: Visiting Assistant Professor, Department of Finance and Economics, and Associate Director of the Center for Research in Regulated Industries, Rutgers University
Menahem Spiegel: Associate Professor of Economics, School of Management, Rutgers University
Dennis Weisman: Professor of Economics, Kansas State University

ASSOCIATED RUTGERS UNIVERSITY FACULTY:

Ronald Harstad, Professor of Economics, School of Management
Michael Rothkopf, Professor of Operations Research, School of Business
Emilio Venezian, Associate Professor of Economics, School of Management

STAFF:

Jeremy T. Guenter: Administrative Assistant, Center for Research in Regulated Industries, Rutgers University

WORKSHOP ORGANIZING COMMITTEE

Shimon Awerbuch	Brenda Kahn (AT&T)	Agustin Ros (NERA)
Michael A. Crew (Rutgers University)	Paul Kleindorfer (University of Pennsylvania)	Joseph Schuh (Rutgers University)
Kent Currie (SBC)	Robert A. Levin (NY Mercantile Exchange)	Richard Schuler (NY Pub. Service Comm.)
William Deehan (Cen. Vermont Pub. Serv.)	Colin Loxley (Public Service Electric & Gas)	Richard Simnett (Telecordia)
Christopher Garbacz (Miss. Public Util. Staff)	Joseph P. Oates (Consolidated Edison)	Mark Smith (U.S. Postal Service)
Nainish Gupta (Arthur Andersen)	David Pitcher (Verizon)	Menahem Spiegel (Rutgers University)
Wayne Hallard (Verizon)	Mark Reeder (NY Pub. Service Comm.)	J. Douglas Zona (Cornerstone Research)

WESTERN CONFERENCE ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas & Electric)	David Gamson (California Public Util. Comm)	Carl Pechman (Power Economics)
Jeremy Bloom (EPRI)	Christopher Garbacz (Miss Public Util. Staff)	Cliff Rochlin (Southern California Gas)
Michael A. Crew (Rutgers University)	John Jurewitz (Southern California Edison)	David Salant (NERA)
Fred Curry (California Public Utility Comm.)	Dennis Keane (Pacific Gas & Electric)	Larry Schelhorse (Sempra Energy)

Gas & Electric

Arizona Public Service ² Baltimore Gas & Electric ² Boston Edison ² Brooklyn Union Gas ² Central Hudson Gas & Electric ² Central Vermont Public Service Corp ² Coastal Gas Markets ² Consolidated Edison of New York ² Duke Power Co. ² Eastern Utility Associates ² Edison Electric Institute ² Elizabethtown Gas Co. ² Entergy ² Gas Company of New Mexico ² Georgia Power ² GPU Energy ² Green Mountain Power ² Green Mountain Energy Resources ² Houston Industries ² Independent Power Producers of New York ² Long Island Power Authority ² Louisiana Power & Light Co. ² Michigan Consolidated Gas ² Missouri Public Service ² Montana Power ² Nevada Power Co. ² New England Electric ² New England Power Services Corp. ² New York Power Pool ² New York State Electric & Gas Co. ² Niagara Mohawk Power Co. ² Northeast Utilities Service Corp. ² Orange and Rockland Utilities ² Pacific Gas & Electric ² PECO Energy ² PEPCo ² Portland General Electric ² Public Service Company of Colorado ² Public Service Electric & Gas ² Rochester Gas & Electric ² San Diego Gas & Electric ² Sempra Energy ² Sierra Pacific Power ² South Carolina Electric & Gas ² Southern California Edison ² Southern California Gas ² Southern Company ² Southern Connecticut Gas ² Texas Utilities ² Utilicorp United ² Wisconsin Electric Power

Telecommunications

Ameritech ² AT&T ² AT&T Bell Laboratories ² Bell Atlantic ² Bell Canada ² Bell Communications Research ² Bell South ² British Telecommunications ² Edmonton Telephones Corp. ² GTE ² Illinois Bell Telephone ² MCI ² Pacific Bell Telephone ² Pacific Telecom ² Rochester Telephone ² Southern New England Telephone ² Southwestern Bell ² Sprint ² US West

Public and Regulatory Agencies

Alabama Public Service Commission ² Bonneville Power Administration ² California Energy Commission ² California Public Utilities Commission ² Canadian National Energy Board ² Colorado Department of Law ² Connecticut Division of Public Utility Control ² Connecticut Office of Consumer Counsel ² Connecticut Office of Policy Management ² Delaware Office of the Public Advocate ² District of Columbia Public Service Commission ² Florida Public Service Commission ² Idaho Public Utility Commission ² Illinois Commerce Commission ² Iowa State Utilities Board ² Long Island Power Authority ² Los Angeles Department of Water & Power ² Maryland Public Service Commission ² Massachusetts Department of Public Utilities ² Minnesota Department of Department of Public Service ² Mississippi Public Utilities Staff ² Montana Public Service Commission ² National Energy Board of Canada ² Nevada Public Utility Commission ² New Hampshire Public Utilities Commission ² New Jersey Division of Ratepayer Advocate ² New Jersey Board of Public Utilities ² New Jersey Board of Regulatory Commission ² New Jersey Department of Environmental Protection ² New Jersey Public Advocate ² New Mexico Public Service Commission ² New York State Consumer Protection Board ² New York State Department of Law ² New York State Department of Economic Development ² New York State Energy Office ² New York State Energy Research & Development Authority ² New York State Public Service Commission ² Ohio Public Utility Commission ² Oklahoma Corporation Commission ² Oregon Public Utility Commission ² Public Power Council ² Sacramento Municipal Utility District ² Tennessee Regulatory Authority ² Texas Public Utilities Commission ² Tompkins County ² U.S. Bureau of Labor Statistics ² U.S. Department of Energy ² U.S. Energy Information Administration ² U.S. Federal Communications Commission ² U.S. Federal Energy Regulatory Commission ² U.S. Postal Rate Commission ² United States Postal Service ² V.A. Medical Center ² Vermont Public Service Commission ² Virginia State Corporation Commission ² Washington Utilities & Transportation Commission ² Wisconsin Public Service Commission

Other Organizations

American Gas Association ² Analysis Group ² Analytical Support Network ² Applied Economic Analysis ² Applied Energy Group ² Barakat & Chamberlin ² Ballantrae International ² Brattle Group ² California Independent System Operator ² Cambridge Systematics ² Cato Institute ² Cerna ² Charles River Associates ² Christensen Associates ² CINergy ² Converge Technologies ² Cornerstone Research ² Deloitte and Touche ² EconONE ² Economic Decisions ² Economic Studies Inc. ² Economics Research Group ² Electric Power Research Institute ² Energy Management Association ² Federal Reserve Bank of Cleveland ² General Electric Co. ² Group G ² Hackensack Water Co. ² Hagler Bailly ² Heiden Associates ² INDETEC ² Insights Unlimited ² Institute for Defense Analysis ² International Express Carriers Conference ² Kanner & Associates ² Korean Information Society Development Institute ² Lawrence Berkeley Laboratory ² LECG ² Medgal & Associates ² Metering Services, Inc. ² National Economic Research Associates ² National Exchange Carriers Associations ² National Regulatory Research Institute ² National Renewable Energy Lab ² New Jersey-American Water ² New York Mercantile Exchange ² Paul, Weiss, Rifkind, Wharton, & Garrison ² Peat Marwick ² PricewaterhouseCoopers ² PSI Energy ² Reed Consulting Group ² Regional Economic Research ² Research Triangle Institute ² Resource International ² Resources for the Future ² Sthe Energies ² Richard Silkman Associates ² Small, Craig, & Werkenthin ² Strategy, Inc. ² Synergic Resource Corp. ² Telesector Resource Group ² U.S. Department of Veteran's Affairs ² United Water Resources ² Utilities Mutual Insurance ² WIK Institute ² WILK & Associates ² Xenergy

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CALL FOR PAPERS

Persons interested in presenting papers are invited to submit abstracts not exceeding two double-spaced pages for consideration for either of the two conferences. Abstracts for the 14th Annual Western Conference are due **November 27, 2000** and those for the 20th Annual Conference are due **December 18, 2000**. Please indicate which conference you are applying and whether you would be prepared to present the paper at either one. Abstracts may be faxed to 973-353-1348 or emailed to crrri@andromeda.rutgers.edu

The Workshop Organizing Committee is responsible for the selection of the 20th Annual Conference program. The Western Committee is responsible for selection of the Western Conference Program. Decisions on papers will be conveyed promptly. Electronic copies of the completed papers are due **April 16, 2001**, for the Eastern and **May 15, 2001**, for the Western Conference.

All persons presenting papers are required to register for the conference at the reduced enrollment fee of \$750 (govt. \$375) for the Eastern and \$790 (govt. \$420) for the Western Conference, provided that completed application forms are received by February 28, 2001. After this date, the full conference fee will apply. In case of full-time faculty of colleges and universities selected for the program, an honorarium plus full support for registration and lodging may be available.

CONTACTING THE CENTER FOR RESEARCH IN REGULATED INDUSTRIES

Home Page: <http://www.rci.rutgers.edu/~crrri>

Address: CRRRI, Graduate School of Management Ž 180 University Avenue Ž Newark, NJ 07102-1897

Phone: 973-353-5761 (office) Ž 973-353-1348 (fax)

Email: crrri@andromeda.rutgers.edu (Jeremy Guenter) or mcrew@andromeda.rutgers.edu (Michael A. Crew)

REGISTRATION INFORMATION

To register, please complete and return the form below. Registrations are accepted by mail, email, fax, or telephone. Please confirm telephone registrations by sending a completed and signed application form. The deadline for Workshop applications is October 30, 2000. Applications after October 30, 2000, will be admitted on a space available basis.

Volume Discount: Second and Subsequent received in the same envelope or fax or made at the same time by phone or email will receive a 5% volume discount.

Payment Information: Make checks payable to “Rutgers University” and mail to Jeremy Guenter at the above address. VISA and Master Card are accepted forms of payment for registration fees. Fees include prescribed learning materials, meals at Newark meetings, all receptions, and coffee breaks, but do not include lodging and meals at residential meetings. The government rate registration fee is available to government employees. Rates for the Annual Conference and Western Conference apply only for applications received by December 31, 2000; after this date full rates apply.



REGISTRATION FORM: Advanced Workshop in Regulation and Competition 2000-2001

Name _____ Title: _____ Company: _____ Complete Address: _____ _____ Telephone: _____ Fax: _____ Email: _____	Package: Workshop I (\$650/Gov. \$325): Newark Sessions ONLY _____ Single Newark Session (\$325/Gov. \$165) _____ November 2000 _____ January 2001 _____ April 2001 _____ Workshop II (\$975/Gov.\$490): Newark sessions and ONE conference: _____ 20 th Annual Conference (May 2001) _____ 14 th Annual Western Conference (June 2001) _____ Workshop III (\$1295/Gov. \$650): Newark sessions and BOTH conferences. _____ 20 th Annual Conference ONLY (\$750/Gov. \$375) _____ 14 th Annual Western Conference ONLY (\$790/Gov. \$420)
Billing Information: _____ Payment enclosed. _____ Send invoice to participant at above address. _____ Send invoice to _____	
_____ Charge to _____ VISA _____ Master Card # _____ Exp. _____/_____/_____	

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

CANCELLATION POLICY: Until October 30, 2000 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: _____

Advanced Workshop in Regulation and Competition 2000-2001

November 17, 2000

CENTER FOR
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AUCTIONS IN NETWORK INDUSTRIES

at Rutgers University
Management Education Center
Room 104

- | | |
|-------------|---|
| 10:00-10:30 | Sign In, Coffee and Tea available |
| 10:30-10:40 | Welcome and Introduction – Michael A. Crew |
| 10:40-11:50 | “A Primer on Bidding and Auctions”
by Michael Rothkopf (Rutgers University) |
| 11:50-12:50 | Lunch - Room 203 |
| 12:50-1:50 | “Applications of Auctions in Network Industries”
by David Salant (National Economic Research Associates) |
| 1:50-2:55 | “Capacity Auctions: Electricity and Cargo Lifters”
by Paul R. Kleindorfer (University of Pennsylvania) |
| 2:55-3:10 | COMMENTARY
by William Flynn (PJM Interconnection) |
| 3:10-3:15 | Closing Remarks – Michael A. Crew |

Advanced Workshop in Regulation and Competition 2000-2001

January 19, 2001

CENTER FOR
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INDUSTRIES

INCENTIVE REGULATION: MAKING IT WORK

at Rutgers University
Newark Campus
Management Education Center
Room 104

- 10:00-10:30 Sign In, Coffee and Tea available
- 10:30-10:40 Welcome and Introduction – Michael A. Crew
- 10:40-12:00 “Incentive Regulation: Theory and Practice”
by Michael A. Crew and Paul R. Kleindorfer (University of
Pennsylvania)
- 12:00-1:00 Lunch - Room 203
- 1:00-2:15 “Designing a New Regulatory Contract: The Role of Market
Processes in the Design of Dynamic Incentives”
by Karl McDermott (National Economic Research Associates)
- 2:20-3:10 COMMENTARY
by Christopher Garbacz (Mississippi Public Utilities Commission
Staff) Mark Reeder (New York Public Service Commission)
- 3:10-3:15 Closing Remarks – Michael A. Crew

Directions to the Rutgers University, Newark Campus, Engelhard Hall, can be viewed at
<http://www.rutgers.edu/kiosk/findplaces.shtml>

or use travelocity.com

(<http://svc.travelocity.com/mapit/maps/0,,TRAVELOCITY,00.html#heretothere>) with the
following address as the destination:

180 University Avenue
Newark, NJ 07102

Advanced Workshop in Regulation and Competition 2000-2001

April 20, 2001

CENTER FOR
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ANTITRUST AND MERGERS

at Rutgers University
Newark Campus
Management Education Center
Room 104

Schedule to be Determined:

- 10:00-10:30 Sign In, Coffee and Tea available
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- “Mergers and Antitrust: Legal and Economic Issues”
by William Kovacic (George Washington University)
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- 3:10-3:15 Closing Remarks – Michael A. Crew

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or use travelocity.com

(<http://svc.travelocity.com/mapit/maps/0,,TRAVELOCITY,00.html#heretothere>) with the
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Newark, NJ 07102