

FIFTH ANNUAL WESTERN CONFERENCE

The Western Conference aims to provide the same blend of high technical quality and relevance achieved by the previous Workshops and Annual Conferences. While the general theme of the Western Conference will be the same as that of the Eleventh Annual Conference, the papers presented will be different and will be drawn mainly from the western United States.

WESTERN CONFERENCE ORGANIZING COMMITTEE

Douglas Clark (Southwestern Bell Telephone)
Michael Crew (Rutgers University)
Fred Curry (California Public Utilities Commission)
James Hendrix (Southern California Gas)
John Jurewitz (Southern California Edison)
Dennis Keane (Pacific Gas & Electric)
Alexander Larson (Southwestern Bell Telephone)
James Lechtenberg (Pacific Bell Telephone)
Ken Pelzel (U.S. West)
Larry Schelhorse (San Diego Gas and Electric)
Dennis Weller (GTE Service Corporation)

For further information regarding the Workshop or any of the programs of the Center for Research in Regulation, please contact:

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Center for Research in Regulated Industries
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Graduate School of Management
Center for Research in Regulated Industries

**ADVANCED WORKSHOP IN REGULATION
AND PUBLIC UTILITY ECONOMICS
1991-1992**

**Engelhard Hall
92 New Street
Newark, New Jersey**

The *Center for Research in Regulated Industries* 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's *Journal of Regulatory Economics* is an international scholarly quarterly intended to provide a forum for the highest quality research in regulatory economics.

FACULTY

The workshop faculty are all active in regulatory economics. Michael A. Crew and Paul R. Kleindorfer will coordinate the activities of the workshop with Keith J. Crocker and William Kovacic. Brief biographies are given below.

Michael A. Crew: Professor of Economics, Graduate School of Management Rutgers University; Ph.D. (University of Bradford, England). Dr. Crew has published articles in the fields of industrial organization, applied microeconomics and public utilities in the major economic journals. His current research is in the areas of pricing under regulation and alternative systems of regulation.

Paul R. Kleindorfer: Universal Furniture Professor of Economics and Decision Sciences, University of Pennsylvania; Ph.D. (Carnegie-Mellon University). Dr. Kleindorfer has published articles in the fields of systems, management science, and public utilities. His current research is in the areas of public utility pricing and regulation with stochastic demand, alternative systems of regulation, the theory of incentives and labor-managed firms. His book, *The Economics of Public Utility Regulation*, (with M.A. Crew), M.I.T. Press, 1986, is background reading for the workshop.

Keith J. Crocker: Associate Professor of Economics, Pennsylvania State University; Ph.D. (Carnegie-Mellon University).

William Kovacic: Associate Professor of Law, George Mason University, School of Law; J.D. (Columbia University School of Law).

Robert H. Patrick: Associate Professor of Mineral Economics, Colorado School of Mines; Ph.D. (University of New Mexico).

Associated Rutgers University Faculty

Thomas A. Abbott, III, Asst. Professor of Economics, Graduate School of Management
Michael Rothkopf, Professor of Operations Research, School of Business

CALL FOR PAPERS

Persons interested in submitting papers are invited to submit abstracts not exceeding two double-spaced pages for consideration for either of the two conferences. Abstracts for the Fifth Annual Western Conference are due **November 20, 1991** and those for the Eleventh Annual Conference are due **December 16, 1991**. Please indicate the conference for which you are applying or whether you would present the paper at either one. Abstracts may be faxed to 201-648-1348.

The Workshop Organizing Committee is responsible for the selection of the Eleventh Annual Conference program. The Western Committee is responsible for selection of the Western Conference program. Decisions on the papers will be conveyed promptly. Copies of the completed papers are due by April 15, 1992, for the Eastern Conference and May 15, 1992, for the Western.

All persons presenting papers must register for the conference at the reduced enrollment fee of \$580 (govt. \$290) for the Eastern and \$620 (govt. \$330) for the Western Conference, provided that completed application forms are received by February 17, 1992. After this date the full conference fee will apply. In the case of faculty of colleges and universities selected for the program, an honorarium plus full support for registration and lodging may be available.

SCHEDULE & LOCATION

The Workshop will consist of:

(a) Three one-day meetings held in Engelhard Hall, Rutgers University, Graduate School of Management, Newark, NJ, beginning at 10:00 a.m. and ending at 4:00 p.m. The dates of these meetings are: November 15, 1991; January 17 and April 10, 1992.

(b) *The Eleventh Annual Conference of the Advanced Workshop* which is a residential meeting to be held at the Mohonk Mountain House, New Paltz, New York, 4:00 p.m. Wednesday, May 27, through 2:00 p.m., Friday, May 29, 1992.

(c) *The Fifth Annual Western Conference of the Advanced Workshop*, also a residential meeting, to be held at the Catamaran Hotel, San Diego, California, 4:00 p.m. Wednesday, July 8, through 2:00 p.m., Friday, July 10, 1992.

FEES

The enrollment fees for the workshop are:

Workshop I: Includes the three Newark meetings *only*.
\$525 (government rate: \$265)

Workshop II: Includes the three Newark meetings and *one* conference:
Eleventh Annual Conference *or* Fifth Annual Western Conference
\$825 (government rate: \$415)

Workshop III: Includes the three Newark meetings and both conferences
\$1095 (government rate: \$550)

Conference only: Eleventh Annual Conference: \$580* (govt. rate: \$290*)
Fifth Annual Western Conference: \$620* (govt. rate: \$330*)

The enrollment fees are per person and include prescribed learning materials, meals at the Newark meetings, all receptions, and coffee breaks. The enrollment fees do not include the cost of overnight lodging and meals at the residential meetings, which is to be paid directly by participants to the hotels. However, *all fees for the Western Conference include the dinner on July 8, 1992* in San Diego. There are a limited number of government rate rooms available on a first-come-first-served basis at the Mohonk Mountain House for the Eleventh Annual Conference. Early registration is advised.

The **government rate** is available to government employees and to employees of non-profit organizations. There is a **volume discount** of 5% on second and subsequent applications received in the same envelope or made at the same time over the phone. If applications for different Workshop packages arrive together, the discount will be taken off the least expensive packages.

APPLICATION PROCEDURES

Utilities, regulatory commissions, consulting companies and others are encouraged to propose candidates currently active in research in public utility economics and regulation. Consideration should be given to the candidate's potential for development within the company or commission.

To apply for the workshop, please complete and return the attached application form. All registrations received by telephone should be confirmed by sending in a completed and signed application form. Applications may be faxed to 201-648-1348. The deadline for Workshop applications is October 31, 1991.

* Rates apply to applications received by December 31, 1991, only. After this date rates for the Eleventh Annual Conference are \$605 (\$305) and Fifth Annual Western Conference, \$645 (\$345).

P The following organizations have sent at least one representative to past

A Workshops:

R Gas & Electric Utility Companies

T Atlantic Electric Company
I Baltimore Gas & Electric Company
C Boston Edison Company
I Brooklyn Union Gas Company
P Central Hudson Gas & Electric Company
A Central Vermont Public Service Corp.
T Consolidated Edison of New York
I Coastal Gas Markets
N Duke Power Company
G Elizabethtown Gas Company
O Gas Company of New Mexico
R Georgia Power Company
G GPU Service Corporation
A Jersey Central Power & Light Company
N Louisiana Power & Light Company
I Long Island Lighting Company
Z Middle South Services
A Mississippi Power & Light Company
T Montana Power Company
I New England Power Services Corporation
O New York State Electric & Gas Company
R Niagara Mohawk Power Corporation
G Northeast Utilities Service Company
A Orange and Rockland Utilities
N Pacific Gas and Electric Company
I Public Service Company of Colorado
Z Public Service Electric & Gas Company
A Rochester Gas & Electric Company
T San Diego Gas and Electric Company
I Southern California Edison
O Southern California Gas Company
R Southern Connecticut Gas Company
G Texas Utilities
A Wisconsin Electric Power

T Telephone Companies

I Ameritech Services
O AT&T
N AT&T Communications
S Bell Atlantic
Bell Canada
Bell Communications Research
Bell of Pennsylvania
Bell South
Chesapeake & Potomac Telephone
Diamond State Telephone
Edmonton Telephones Corp.
General Telephone Company of California
GTE Corporation
GTE Laboratories
Illinois Bell Telephone Company
Indiana Bell Telephone Company
Michigan Bell Telephone Company
Mountain Bell Telephone Company
New England Telephone Company
New Jersey Bell Telephone Company
New York Telephone Company
Northwestern Bell Telephone Company
NYNEX Corporation
NYNEX Service Company
Ohio Bell Telephone Company
Pacific Bell Telephone Company
Pacific Northwestern Bell Telephone Company
Pacific Telecom
Rochester Telephone
Southern Bell Telephone Company
Southern New England Telephone Company
Southwestern Bell Telephone Company
United Telephone Systems
US Sprint
US West, Incorporated

P Public and Regulatory Agencies

Alabama Public Service Commission
Bonneville Power Administration
California Energy Commission
California Public Utilities Commission
Connecticut Division of Public Utility Control
Connecticut Office of Policy and Management
Delaware Office of the Public Advocate
District of Columbia Public Service Commission
Florida Public Service Commission
Idaho Public Utility Commission
Illinois Commerce Commission
Iowa State Utilities Board
Los Angeles Department of Water & Power
Maryland Public Service Commission
Massachusetts Department of Public Utilities
Minnesota Department of Public Service
Montana Public Service Commission
Nevada Public Service Commission
New Hampshire Public Utilities Commission
New Jersey Board of Public Utilities
New Jersey Dept. of Environmental Protection
New Jersey Public Advocate
New Mexico Public Service Commission
New York State Consumer Protection Board
New York State Department of Law
New York State Energy Office
New York State Public Service Commission
Ohio Public Utility Commission
Oregon Public Utility Commission
Public Power Council
Tennessee Public Service Commission
Texas Public Utilities Commission
U.S. Department of Energy
U.S. Federal Communications Commission
U.S. Federal Energy Regulatory Commission
Vermont Public Service Commission
Virginia State Corporation Commission
Washington Utilities & Transportation Commission

O Other Organizations

American Gas Association
Analysis Group
Applied Economic Analysis
Barakat & Chamberlin
Cambridge Systematics
Charles River Associates
Christensen Associates
Coopers & Lybrand
Department of Veteran's Affairs
Economic Studies, Inc.
Electric Power Research Institute
Energy Management Association
Hackensack Water Company
Institute for Defense Analysis
Korean Information Society Development Institute
Metering Services, Inc.
National Exchange Carriers Association
National Regulatory Research Institute
Paul, Weiss, Rifkind, Wharton & Garrison
Peat Marwick
Price Waterhouse
PSI Energy
Reason Foundation
Regional Economic Research
Resources for the Future
Small, Craig and Werkenhain
Synergic Resources Corp.
Telesector Resources Group
United States Postal Service
United Water Resources
WIK Institute
Xenergy

WORKSHOP ORGANIZING COMMITTEE

Kent Bjornstad (Bell Atlantic)
Jeremy Bloom (GPU Service Corp.)
Lawrence J. Cataldo (Bell Communications Research)
Joel Charkow (Consolidated Edison)
Michael Crew (Rutgers University)
Joseph Gatto (AT&T Communications)
James Green (Southern New England Telephone)
Elizabeth Jurman (Southern Connecticut Gas Company)
John Kling (Michigan Bell Telephone)
Alexander Larson (Southwestern Bell Telephone)
Carl Pechman (New York State Public Service Commission)
Mark Reeder (New York State Public Service Commission)
Joseph Schuh (Orange & Rockland Utilities)
Richard Simnett (Bell Communications Research)
Marc Smith (United States Postal Service)
Dennis Weller (GTE Service Corporation)

TOPICS OF THE 1991-1992 WORKSHOP

The topics for the meetings are:

November 15, 1991: Competition, Entry, Deaveraging and Utility Regulation

"Sustainability and Creamskimming Issues"

William Sharkey, Bell Communications Research

"Essential Facilities in Public Utilities"

William E. Kovacic, George Mason University Law School

"The Economics of Colocation Issues"

Douglas R. Mudd, Southwestern Bell Telephone

January 17, 1992

"Incentive Regulation"

Michael A. Crew, Graduate School of Management, Rutgers University

Paul R. Kleindorfer, Wharton School, University of Pennsylvania

"Demand Side Management with Boundedly Rational Consumers"

Paul R. Kleindorfer, Wharton School, University of Pennsylvania

Mark Reeder, New York State Department of Public Service

April 10, 1992

"Law and Economics of Predation and Utilities"

William E. Kovacic, George Mason University Law School

"Emission Permit Trading"

Keith J. Crocker, Pennsylvania State University

Carl Pechman, New York State Department of Public Service

Advanced Workshop in Regulation and Public Utility Economics 1991-1992
APPLICATION

Name _____
Title _____
Company _____
Address _____

Telephone Number _____
Fax Number _____

Billing Information:

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

Package: Please specify the Workshop package for which you are enrolling:

- Workshop I (\$525): Newark sessions ONLY
 Workshop II (\$825): Newark sessions and ONE conference:
 Eleventh Annual Conference (New York, May 1992)
 Fifth Annual Western Conference (San Diego, July 1992)
 Workshop III (\$1095): Newark sessions and BOTH conferences
 Eleventh Annual Conference ONLY (\$580): New York, May 1992
 Fifth Annual Western Conference ONLY (\$620): California, July 1992

Government Rate: Members of non-profit organizations may apply for the following reduced enrollment fees: Workshop I: \$265; Workshop II: \$415; Workshop III: \$550; Eleventh Annual Conference Only: \$290; and Fifth Annual Western Conference Only: \$330.

- I would like to apply for the government rate for my Workshop fee.

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

Telephone Reservations: You may register for the Conference by telephone (201-648-5049), however, your call should be followed up by a completed signed application form.

- This form confirms a telephone reservation.

CANCELLATION POLICY: Until October 31, 1991 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:

Please return completed application form by **October 31, 1991*** to:

Linda S. Brennan, Rutgers University, Graduate School of Management, 180 University Avenue, Newark, NJ 07102 or *fax your application to 201-648-1348!*

*Applications received after October 31, 1991 will be admitted on a space available basis.

Advanced Workshop in Regulation and Public Utility Economics

The workshop is motivated by the increasing need to apply economic analysis to many of the economic and regulatory problems of public utilities. Considerable economic research is being undertaken by commissions and companies into problems of public utility pricing, investment, competition, and regulation. During the eleven workshops held between 1980 and 1991, several hundred economists, commission staff members, and managers have participated in the Advanced Workshop and Conferences.

OBJECTIVE: The general objective of the workshop is to promote economic research, public policy analysis and improve understanding of current issues facing regulators, regulated industries, and consumers. To this end, the workshop attempts to develop the individual's research capacity in the field of public utility economics and regulation. Thus, the workshop has direct benefits for the individual's employer and offers career development opportunities for the participants.

APPROACH: For the first six years, the Workshop was organized annually as three one-day meetings combined with a two-day conference. Beginning in 1987-1988, a second two-day conference was offered on the West Coast. This year the Workshop will again offer two conferences in addition to the three one-day meetings. The meeting format is designed to allow for both presentation of recent research and the open discussion of new ideas.

Some examples of research topics that are examined in the workshop include pricing policy of public utilities, equity and efficiency in regulation, regulation and incentives, developments in demand analysis and forecasting in utilities, conflicts in state and federal regulation, the interaction of antitrust and regulation, economics of multiproduct utilities, cross subsidy issues, cost allocation, capital recovery, phase-ins and nuclear plants, effects of energy price changes on electric and gas utilities, mandatory and voluntary wheeling of power, and the implications of diversification for utilities. Where relevant, instruction is provided in areas where economists need at least background knowledge, but often lack formal training; for example, economic theory of contracts, depreciation and capital recovery, bidding, fairness, and the role of financial models in regulation.

Participants should be active in public utility economics or regulation. Since the approach of the workshop is to create open discussion of ideas, members will be encouraged to produce a paper which is intended as a contribution to knowledge or provide comments and discussion of the papers presented.

BENEFITS: The workshop will provide the following benefits to participants and their employers:

- Instruction in relevant topics.
- Interaction among academic researchers, industry managers, and staff of regulatory commissions, and opportunities for better communication and exchange of ideas.
- Improved awareness by industry and commissions of research developments at universities that may be relevant to solving current problems.
- Opportunities to contribute and improved access to the literature of regulatory economics.
- An atmosphere that encourages participants to grow as researchers.