

NETWORK INDUSTRIES IN TRANSITION

16th Annual Conference

Sagamore Hotel, Lake George, New York • May 21–23, 1997

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

- Responses to Competition
- Restructuring
- Stranded Assets
- Costing Issues

Who should attend?

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

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.

<http://www.rci.rutgers.edu/~lbrennan/crri.html>
School of Management • 180 University Avenue • Newark, NJ 07102
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SIXTEENTH ANNUAL CONFERENCE

Wednesday, May 21, 1997

- 4:00 - 4:30 **Welcome to Conference**—Michael Crew
Lawrence J. White: The Deregulation of the Telephone Industry: The Lessons from the U.S. Railroad Deregulation Experience
Don Anderson, Paul Moy, and Danny Price: Delivering Efficient Regulation: Issues in Electricity Transmission and Distribution Regulation in Australia
- 6:00 - 9:00 **Cocktail Hour, Dinner & Speech:**
Robert H. Young, President and CEO, Central Vermont Public Service Corporation

Thursday, May 22, 1997

- 8:45 - 10:30 **Concurrent Sessions**
TELECOMM REGULATION
Chair: Edward K. Phelan
Discussants: Joyce Davidson, Wayne B. Hallard, and Don Laub
Stephen Friedlander: Competition and Regulation in the Telecommunications Industry
Kent Currie: Regulatory Reform in Telecommunications: New Opportunities for Rent Seeking
Agustin J. Ros and Susan McMaster: Access, Interconnection & Unbundled Elements, Where Will It Lead?
- ELECTRIC RESTRUCTURING**
Chair: Garry Brown
Discussants: Miles O. Bidwell, Ravi Kuchibhotla, and Colin J. Loxley
Carl Pechman: Auction Design and the Development of Competitive Markets
Malcolm Ainspan: Using Markets to Value Stranded Costs
David Kathan and Paul R. Kleindorfer: Value of Options in the Restructured Electric Industry
- 10:30 - 10:45 Coffee Break
- 10:45 - 12:15 **Concurrent Sessions**
TELEPHONE COSTS AND PRICING
Chair: Lawrence J. Cataldo
Discussants: Paul Hansen, John Kling, and Richard Simnett
Lawrence P. Cole: Review of Local Exchange Carrier Cost Models

Richard E. Schuler: An Application of Ramsey Pricing Principles to Various New York State Total Element Long Run Incremental Cost Estimates

Brian K. Staihr, Michael E. Sykuta, and Eric Helland: Understanding the Demand for Basic Telephony: Does Price Really Affect Universal Service?:

ELECTRIC: COMPETITIVE ISSUES

Chair: Melissa A. Piper
Discussants: William J. Deehan, Joseph P. Oates & Howard M. Spinner
Larry R. Spancake: Trends in Wholesale Electric Power Transactions

Mark Reeder and Nagendra Subbakrishna: Mitigation of Horizontal Market Power in a Competitive Electric Power Industry

Dan Berry: The Use of Load Flow Production Modelling to Analyze Market Power in Electric Energy Markets

Lunch Break

12:15 - 1:45

1:45 - 3:30

Concurrent Sessions

TELEPHONE: CURRENT TOPICS

Chair: David Pitcher
Discussants: Kenneth R. Dunmore, George Ford, and Marshall Kolin
Dale Lehman, Dennis L. Weisman & John Byrd: The Telecommunications Act of 1996: Jurisdiction, Coordination, and Rent Redistribution
Harold Ware: Diversification Trends in Telecommunications: Regulatory, Technological and Market Pressures
Jiong Gong and Sandy Marble: Pricing Shared Resources Under Stochastic Demand

ELECTRICITY: CURRENT TOPICS

Chair: Richard W. Steeves
Discussants: Donald C. Ryan and Marc A. Smith
Wesley W. Wilson and David E. Hunger: Entry Decisions and Regulatory Distortions in the Electric Power Industry
Lori Megdal: The Pricing of Standby Services in the New Marketplace
Ralph N. Zarumba and Edward C. Bodmer: Savings From Electric Utility Mergers: An Analysis of Claimed Versus Actual Results
Exercise Break

3:30

Friday, May 23, 1997

9:00 - 10:50

Concurrent Sessions

RISK AND EMPIRICAL ISSUES

Chair: Peter Rao

Discussants: Emmett Rand Costich and Richard Michelfelder

Keith J. Crocker and John R. Moran:

Commitment and the Design of Optimal Agreements: Evidence from Employment Based Health Insurance Contracts

Andrew N. Kleit and W. David

Bradford: Stochastic Frontier Estimation of Cost Models Within the Hospital

Lorna A. Greening and Alan Sanstad:

Socioeconomic Characteristics, Energy Efficiency, and Replacement Rates of Household Appliances

STRANDED ASSETS

Chair: Christopher Garbacz

Discussants: Mark Calnon, Glenn Meyers, and Jerry Taylor

Michael T. Maloney and Robert E.

McCormick: The Competition in the Electricity Power Industry: An Analysis Retail Wheeling

Mathew J. Morey and Russell J.

Tucker: CSE Critique and Another Look at the Numbers

Howard Gruenspecht, John Conti,

and Les Goudarzi: Modeling the Effects of Electricity Restructuring: Preliminary Results Using POEMS

10:50 - 11:10

Coffee Break

11:10 - 12:55

Chair: Paul A. DeCotis

Discussants: Joseph C. Schuh and Lorraine M. Scudieri

Melinda H. Butler, Shedrick A. Pugh,

and John C. Cutting: Administering Alternative Dispute Resolution: The Role of Regulatory Commissions

J. Douglas Zona: Empirical Methods

for Assessing the Strength of Community of Interest

Raj Addepalli, Reena Nag, John R.

Norsworthy, and Richard E. Schuler:

Cost of Capital in a Period of Regulatory Transition

12:55 - 1:00

Closing Remarks—Michael Crew

WORKSHOP ORGANIZING COMMITTEE

Miles O. Bidwell (Bidwell Associates)

Lawrence J. Cataldo (Bellcore)

Lawrence P. Cole (GTE Laboratories)

Kent Currie (Ameritech)

Michael Crew (Rutgers University)

William Deehan (Gen. Vermont Pub. Serv.)

Brenda Kahn (AT&T)

John Kling (NECA)

David Korn (AT&T)

Alexander Larson (Southwestern Bell)

Robert A. Levin (NY Mercantile Exchange)

Colin Loxley (Public Service Electric & Gas)

Arthur W. McGrath (NYNEX—NY)

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Joseph Schuh (Rutgers University)

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CONTACTING CRRI

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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 April 15, 1997. Registrations received after April 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, receptions, and coffee breaks, but do not include lodging and meals. The government rate registration fee is available to government employees.

HOTEL RESERVATIONS

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

SPEAKERS, DISCUSSANTS, AND CHAIRS

- Raj Addepalli**, Chief of Policy and Compliance, NYS Department of Public Service
Malcolm Ainspan, Rate Analyst, Green Mountain Power Corp.
Don Anderson, Professor & Chairman of Electricity Reform Unit, University of Queensland
Dan Berry, Associate Economist, NYS Department of Public Service
Miles O. Bidwell, President, Bidwell Associates
Edward C. Bodmer, Analytical Support Network
W. David Bradford, Associate Professor of Economics, University of New Hampshire
Garry Brown, Regulatory Analyst, Sithe Energies
Melinda Butler, Public Utilities Supervisor, Florida Public Service Comm.
John Byrd, Assistant Professor of Finance, University of Colorado, Denver
Mark Calnon, Director—Electricity Pricing, Niagara Mohawk Power
Lawrence J. Cataldo, Dir.—Public Pol. & Reg. Matters, Bell Communications Research
Lawrence P. Cole, Staff Scientist, GTE Laboratories
John Conti, Deputy Director—Office of Ec., Elec. & Nat. Gas, U.S. Department of Energy
Emmett Rand Costich, Asst. Director—Office of Consumer Advocate, U.S. Postal Rate Commission
Keith Crocker, Waldo O. Hildebrand Professor of Risk Mgmt & Insurance, University of Michigan
Kent Currie, Manager—Economic Analysis, Ameritech
Joyce Davidson, Division Manager—Law & Government Affairs, AT&T
Paul A. DeCotis, Program Manager—Energy Analysis Program, New York State Energy Research & Development Authority
William J. Deehan, Vice President, Central Vermont Public Service
Kenneth R. Dunmore, Director of Economics & Policy Studies, Ameritech
George Ford, Economist, MCI
Stephen Friedlander, Staff Manager, AT&T
Christopher Garbacz, Director—Econ. & Planning Div., Mississippi Public Utilities Staff
Jiong Gong, Member of Technical Staff, Bell Communications Research
Les Goudarzi, President, On Location, Inc.
Lorna Greening, Economist, Lawrence Berkeley National Laboratory
Howard Gruenspecht, Director—Office of Ec., Elec. & Nat. Gas, U.S. Department of Energy
Wayne B. Hallard, Manager, Bell Atlantic
Paul Hansen, Staff Manager—Landscape Management, AT&T
Eric Helland, Assistant Professor of Economics, Ball State University
David E. Hunger, Graduate Teaching Fellow, University of Oregon
David Kathan, Project Manager, ICF Resources Incorporated
Paul Kleindorfer, Professor, University of Pennsylvania
Andrew N. Kleit, Associate Professor, Louisiana State University
John Kling, Manager—Average Schedules, National Exchange Carrier Association
Marshall Kolin, Economist, U.S. Postal Service
Ravi Kuchibhotla, Program Manager—Energy Issues, IBM Corp.
Don Laub, Senior Manager, MCI
Dale Lehman, Senior Economist, Southwestern Bell Telephone
Colin J. Loxley, Director—Resource Planning, PSE&G
Michael T. Maloney, Professor of Economics, Clemson University
Sandy Marble, Member of Technical Staff, Bell Communications Research
Robert D. McCormick, Professor of Economics, Clemson University
Lori Megdal, Owner & Adjunct Prof., Megdal & Associates/ Worcester Polytechnic Institute
Glenn Meyers, Senior Consultant, Economic Studies
Richard Michelfelder, Manager of Energy Service, Atlantic Energy, Inc.
Mathew J. Morey, Director—Economic Policy, Edison Electric Institute
John R. Norsworthy, Professor of Econ. & Management, Rensselaer Polytechnic Institute
Joseph P. Oates, Senior Engineer, Consolidated Edison Co. of New York
Carl Pechman, Supervisor of Energy & Env. Economics, NYS Dept. of Public Service
Edward K. Phelan, Staff Director—Regulatory Policy, Sprint
Melissa A. Piper, Corporate Planner, Niagara Mohawk Power
David Pitcher, Corporate Economist, Bell Atlantic
Peter Rao, Staff Manager—Depreciation Theory, New York Telephone
Mark Reeder, Chief of Regulatory Economics, NYS Department of Public Service
Agustin J. Ros, Senior Analyst, National Economic Research Assoc.
Alan Sanstad, Policy Analyst, Lawrence Berkeley National Laboratory
Donald C. Ryan, Manager—Power Resources, Eastern Utilities Assoc.
Joseph C. Schuh, Rutgers University
Richard E. Schuler, Associate Economist, NYS Department of Public Service
Lorraine M. Scudieri, Analyst, Bell Atlantic
Richard Simnett, Director—Strategic Alternatives An., Bell Communications Research
Marc A. Smith, Principal Economist, U.S. Postal Service
Larry Spancake, Economist, U.S. Energy Information Administration
Howard M. Spinner, Manager—Ec. & Regulatory Analysis, Central Vermont Public Service
Brian K. Stalhr, Manger-Strategic Costing & Pricing, SPRINT Corporation
Richard W. Steeves, Prin. Finance Specialist, Connecticut Office of Consumer Counsel
Nagendra Subbakrishna, Associate Utility Rates Analyst, NYS Dept. of Public Service
Michael E. Sykuta, Faculty Research Associate, University of Pittsburgh
Jerry Taylor, Associate Director for Natural Resources, CATO Institute
Russell J. Tucker, Manager, Economics, Edison Electric Institute
Harold Ware, Senior Consultant, National Economic Research Associates
Lawrence J. White, Professor of Economics, Stern School of Business, New York Univ.
Wesley W. Wilson, Associate Professor, University of Oregon
Ralph Zarumba, Vice President, Analytical Support Network
J. Douglas Zona, Senior Consultant, National Economic Research Assoc.

REGISTRATION FORM: 16th Annual Conference

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Billing Information:

- Payment enclosed.
 Send invoice to participant at above address.
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GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.

I would like to apply for the government rate of \$350.

CANCELLATION POLICY: Until April 15, 1997 cancellation is allowed without penalty and refunds will be allowed in full. After this date the fee of \$695 (Government \$350) is due in full whether or not the participant actually attends. Substitutions may be made at any time.

Signature of Participant: _____