

Advanced Workshop in Regulation and Competition
19th Annual Western Conference

Hyatt Regency, in Monterey, California, on June 28-30, 2006

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

- Performance and Reliability
- Market Structure
- Policy and Regulatory Issues
- Telecommunications
- Demand Response

Who should attend:

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

Keynote Speaker:

CRRI is happy to welcome **Rachelle Chong**,
Commissioner – California Public Utilities Commission.

CENTER FOR
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CENTER FOR RESEARCH IN REGULATED INDUSTRIES

The *Center for Research in Regulated Industries*, located at Rutgers University, aims to further study of regulation 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 twenty-eight years of experience providing research, instruction, conferences, courses, seminars, and workshops in 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. Other research from the Center's programs has been published in the book series *Topics in Regulatory Economics and Policy*.

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973-353-5761 ● 973-353-1348 (fax)

WEDNESDAY, JUNE 28, 2006

- 3:00 - 4:00 Registration *Windjammer 1&2*
- 4:00 - 6:00 Welcome to Conference: Michael A. Crew
Karl A. McDermott: Competition as the Foundation of Regulation – An Exploration in the History of Ideas
William E. Kovacic: Competition Policy and Changing Conceptions of Institutional Capability
- 6:00 - 7:00 Cocktail Hour *Oak Tree 1-3 & Terrace*

THURSDAY, JUNE 29, 2006

- 8:00 - 9:40 *Concurrent Sessions* *Windjammer*
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| <p>GRID MANAGEMENT <i>Windjammer 3&4</i>
 Chair: Matthew Robinson
 Discussants: Ahmad Faruqui & Phillip McLeod
 Jeremy Bloom: Optimal Equipment Replacement and the Value of Testing
 Robert Entriken: Elementary Analysis of Energy Options for Resource Adequacy
 Peter C. Flynn: Optimizing the Configuration of Pumped Storage in Deregulated Power Markets</p> | <p>RISK <i>Windjammer 1&2</i>
 Chair: Rami Kahlon
 Discussants: Patrick Hager & John Jurewitz
 Art M. Altman & Remi Audouin: Hedging Energy Portfolio Risks with Available Market Instruments
 Chris M. Schlegel: Better and Faster Measures of Energy Risk – and How to Actually Do It
 Steve W. Chriss: Regulatory Incentives and Natural Gas Purchasing – Lessons from the Oregon Natural Gas Procurement Study</p> |
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- 9:40 - 10:00 Coffee Break
- 10:00 - 11:40 *Concurrent Sessions* *Windjammer*
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| <p>TRANSFORMATION <i>Windjammer 3&4</i>
 Chair: Dennis Stevens
 Discussants: Carl Danner & Robin Walther
 David T. Barker: Market Transformation in Cost Benefit Analysis
 Cliff Rochlin: Revisiting Industry Convergence
 Brian C. Prusnek: California's Energy Policy</p> | <p>CAPACITY <i>Windjammer 1&2</i>
 Chair: Ray D. Williams
 Discussants: Alan E. Finder, Stephen Keehn, & Colin Loxley
 Carl Pechman: The Policy Response to the California Energy Crisis – Is it Adequate?
 Scott M. Harvey: Resource Adequacy Mechanisms: Spot Markets and Their Alternatives
 Gary A. Stern & Jeffrey Nelson: A Capacity Market Proposal for California</p> |
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- 11:40 - 1:00 Lunch Break
- 1:00 - 2:30 *Concurrent Sessions* *Windjammer*
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| <p>ACCESS <i>Windjammer 3&4</i>
 Chair: John Sumpter
 Discussants: Carl Danner & Julie Kelly
 Michael D. Pelcovits & Rick Warren-Boulton: Open Access Policies and Incentives for Innovation in Telecomm
 Aram Shumavon: Regulatory Implications for Voice and Data Services among Telecommunications Service Providers</p> | <p>DYNAMIC PRICING I <i>Windjammer 1&2</i>
 Chair: Dennis Keane
 Discussants: Phil Auclair, Michael Jaske & John C. Martin
 Ahmad Faruqui, Stephen George, & John Winfield: The Impact of Dynamic Pricing on Hourly Loads
 Janice S. Berman & Susan E. McNicoll: Demand Response Opportunity for the Mass Market with PG&E's AMI Project
 Ross C. Hemphill: Developing a Portfolio of Electricity Pricing Products for Large Industrial Customers</p> |
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- 2:30 - 4:00 *Concurrent Sessions* *Windjammer*
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| <p>WIRELESS <i>Windjammer 3&4</i>
 Chair: Gregory M. Duncan
 Discussants: Victor Glass, Bob Jacob, & Laurina Prantil
 Michael Ward & Glenn Woroch: Fixed-Mobile Telephone Subscription Substitution in the U.S.
 David J. Salant: Technology Neutral Procurement of Municipal Wireless Broadband Networks
 Anurupa Sen: Emergence of MVNOs – Do MVNOs Need Regulation to Survive?</p> | <p>DYNAMIC PRICING II <i>Windjammer 1&2</i>
 Chair: Clay Faber
 Discussants: Fred Curry, Tom Frantz, & Paul Nelson
 John Kelly: A Modest Proposal to Simplify Unnecessarily Complicated Proposals for Efficient Pricing of Electricity
 Michael Kelleher, Charles Goldman & Bernie Neenan: Identifying and Overcoming Customer Aversion to Hourly Pricing
 Mark Reeder: Want to Put an End to Capacity Markets? Think Real-Time Pricing</p> |
|---|---|
- 6:00 - 9:00 Cocktail Hour *Oak Tree 1-3 & Terrace*
Dinner & Keynote Speech: **Rachelle Chong**, Commissioner - California Public Utilities Commission *Regency 1-2*

FRIDAY, JUNE 30, 2006

8:45 - 10:40 *Concurrent Sessions**Windjammer***COST OF CAPITAL***Windjammer 3&4*

Chair: Michael Schneider

Discussants: Alan E. Finder & Kevin S. Bassler

Ronald Knecht: Imputed-Debt and Ratemaking – Solutions in Search of a Problem**Paul T. Hunt:** Alternative Methods of Estimating Utility Cost of Capital**Terry Urbine:** Other Taxes**TRANSMISSION***Windjammer 1&2*

Chair: Carl Linvill

Discussants: Jeffrey Nelson & Carl Silsbee

Anjali Sheffrin: Gains from Trade Model Helps Identify Benefits of Transmission Expansion**Farrokh A. Rahimi, Jeff McDonald, Mingxia Zhang, & Benjamin F. Hobbs:** The Feasibility Index Method for Competitive Transmission Path Assessment**Kevin Woodruff:** How Much Market Can We Afford?

10:40 – 11:00 Coffee Break

11:00 - 12:55 **PLENARY***Windjammer 1&2*

Chair: Michael Plunkett

Discussants: Anne-Marie Cuneo & Bob Lane

Kevin P. Coughlan: Water Regulation – Reforming the Back-Water of Regulation**Timothy J. Brennan:** Fair Trade or Imperialism – Importing “Merger Guidelines” into (De)Regulatory Policy**Menahem Spiegel:** Bundled Vs. Unbundled Utilities

12:55 - 1:00 Concluding Remarks – Michael A. Crew

SPEAKERS DISCUSSANTS & CHAIRS**Art M. Altman**, Program Manager, Power Markets & Risk Management, EPRI**Phil Auclair**, Senior Consultant, Energy and Environmental Economics, Inc.**Remi Audouin**, Research Project Manager, EDF R&D, EPRI**David T. Barker**, Economist, Southern California Gas Company/SDG&E**Kevin S. Bassler**, Senior Financial Analyst, Southern Company Services, Inc.**Janice S. Berman**, Director, Rates & Tariffs Department, Pacific Gas & Electric**Jerome Bezzina**, Regulatory Economist The World Bank**Jeremy Bloom**, Manager, Power Delivery Asset Management, EPRI**Timothy J. Brennan**, Professor of Public Policy and Economics, University of Maryland Baltimore County**Rachelle Chong**, Commissioner - California Public Utilities Commission**Steve W. Chriss**, Economist, Public Utility Commission of Oregon**Kevin P. Coughlan**, Director, Water Division, California Public Utilities Commission**Michael A. Crew**, Director – CRRI, Rutgers University**Anne-Marie Cuneo**, Manager of Resource and Market Analysis Division, Public Utilities Commission of Nevada**Fred Curry**, Chief, Water Advisory Board, California Public Utilities Commission**Carl Danner**, Director, Wilk & Associates / LECG LLC**Gregory M. Duncan**, Director, Deloitte & Touche LLP**Robert Entrikey**, Manager Policy Analysis, EPRI**Clay Faber**, Director - California Regulatory Affairs, Sempra Energy Utilities**Ahmad Faruqui**, Vice President, CRA International**Alan E. Finder**, Senior Manager, KPMG LLP**Peter C. Flynn**, Poole Chair in Management for Engineers, University of Alberta**Tom Frantz**, Director - Electric Division, New Hampshire Public Utilities Commission**Rachele Gianfranchi**, ICT Specialist, The World Bank**Victor Glass**, Director, National Exchange Carrier Association, Inc.**Patrick Hager**, Manager of Regulatory Affairs, Portland General Electric Co.**Scott M. Harvey**, Director, LECG**Ross C. Hemphill**, Vice President, NERA Economic Consulting**Paul T. Hunt**, Manager of Regulatory Finance and Economics, Southern California Edison Company**Bob Jacob**, Director - Industry Analysis, Sprint**John Jurewitz**, Director of Regulatory Policy, Southern California Edison**Rami Kahlon**, Advisor to President Peevey, California Public Utilities Commission**Dennis Keane**, Senior Analyst, Pacific Gas & Electric**Stephen A. Keehn**, Regulatory Policy Manager, Sempra Energy**Michael J. Kelleher**, Senior Vice President, National Grid USA**John Kelly**, Director of Economics and Research, American Public Power Association**Julie Kelly**, Research Staff, Institute for Defense Analyses**Ronald Knecht**, Economist, Public Utilities Commission of Nevada**William E. Kovacic**, Commissioner, Federal Trade Commission**Bob Lane**, Chief of Staff to Commissioner John Bohn, California Public Utilities Commission**Carl B. Linvill**, Commissioner, Public Utilities Commission of Nevada**Colin Loxley**, Director-Resource Planning, PSE&G**John C. Martin**, Business/Economic Advisor, San Diego Gas & Electric**Karl A. McDermott**, Vice President, NERA Economic Consulting**Susan E. McNicoll**, Principal Regulatory Analyst, Pacific Gas & Electric**Jeffrey Nelson**, Project Manager – Market Strategy, Southern California Edison**Paul Nelson**, Senior Economist, Southern California Edison**Carl Pechman**, President, Power Economics**Michael D. Pelcovits**, Principal, Microeconomic Consulting and Research Associates, Inc.**Michael Plunkett**, Manager, Pricing Strategy, United States Postal Service**Laurina Prantil**, Research Staff, Institute for Defense Analyses**Brian C. Prusnek**, Deputy Cabinet Secretary, Office of Governor Arnold Schwarzenegger, State of California**Farrokh A. Rahimi**, Principal Market Engineer, California Independent System Operator**Mark Reeder**, Director - Office of Regulatory Economics, New York State Department of Public Service**Matthew H. Robinson**, Postal Rate and Classification Specialist, U.S. Postal Rate Commission**Cliff Rochlin**, Market Consultant, Southern California Gas Company**David J. Salant**, Principal, ERS Group**Michael Schneider**, Director of Business Analysis, San Diego Gas & Electric**Anurupa Sen**, Associate Analyst, NERA Economic Consulting**Chris M. Schlegel**, Risk Control, Southern Company**Anjali Sheffrin**, Director of Market Analysis, California Independent System Operator**Aram Shumavon**, Advisor, California Public Utilities Commission**Carl Silsbee**, Manager of Regulatory Economics, Southern California Edison**Menahem Spiegel**, Associate Professor and Associate Director – CRRI, Rutgers University**Dennis Stevens**, Principal Economist, United States Postal Service**Gary A. Stern**, Director of Market Monitoring and Analysis, Southern California Edison**John Sumpter**, Vice President – Regulatory, Pac-West Telecomm, Inc.**Terry Urbine**, Analyst, Arizona Public Service Company**Robin Walther**, Consultant**Michael Ward**, Associate Professor, University of Texas at Arlington**Ray D. Williams**, Manager-Hydro Divestiture Project, Pacific Gas & Electric**Kevin Woodruff**, Principal, Woodruff Expert Services

ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas and Electric)
Jeremy Bloom (EPRI)
Michael A. Crew (Rutgers University)
Fred Curry (California Public Utilities Commission)
Ahmad Faruqui (Charles River Associates)
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Ronald Knecht (Public Utilities Commission of Nevada)
Carl Pechman (Power Economics)
Cliff Rochlin (Southern California Gas)
David Salant (ERS Group)
John Sumpter (Pac-West Telecomm, Inc.)

HOTEL RESERVATIONS

Sufficient Rooms are reserved at the Hyatt Regency for all of the Conference participants. Participants should register for the conference by returning registration forms to Hyatt Regency. Reservations must be received by June 1, 2006. Hotel reservation can be made by phone

1 Old Golf Course Road,
Monterey, California, USA

Tel: 1-800-233-1234 or 831 372 1234
Fax: 831 375 3960



REGISTRATION FORM: 19th Annual Western Conference

Name _____

Title: _____

Company: _____

Complete Address: _____

Telephone: _____ Fax: _____

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Billing Information:

- Payment enclosed \$960 U.S. Dollars.
- Send invoice to participant at above address.
- Send invoice to _____
- Credit Card: VISA MC Exp. ____/____

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

I would like to apply for the government rate of \$515

Card # _____

CANCELLATION POLICY: Until May 22, 2006 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: _____

CONTACTING CRR I

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REGISTRATION INFORMATION

To Register: Please complete and return the form to CRR I. Registrations are accepted by mail, email, fax, and telephone. Please confirm telephone registrations by sending in a completed and signed registration form. The deadline for registrations is May 22, 2006. Registrations received after May 22, 2006, will be admitted on a space available basis.

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

Payment Information: Make checks payable to “**Rutgers University**” and mail to the attention of **Jeremy Guenter** at the above address. Fees include prescribed learning materials, dinner on Wednesday night, June 28, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.