

Advanced Workshop in Regulation and Competition  
**20th Annual Western Conference**

Hyatt Regency, in Monterey, California, on June 27-29, 2007

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

- Deregulation
- Market Structure
- Policy and Regulatory Issues
- Emissions and Environmental Policy
- Telecommunications
- Demand Response

Who should attend:

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

Dinner Speakers: **Steven Kline**, Vice President, Pacific Gas and Electric Corp & **John Jurewitz**, Director of Regulatory Policy, Southern California Edison

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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, workshop, 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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# 20<sup>th</sup> ANNUAL WESTERN CONFERENCE

June 21, 2007

## WEDNESDAY, JUNE 27, 2007

3:00 - 4:00 Registration *Windjammer 1&2*  
4:00 - 6:00 Welcome to Conference: Michael A. Crew  
**Cliff B. Rochlin**: Contract Alternative to an All-Volumetric Tariff  
**William E. Kovacic**: Evaluating the Performance of Regulatory Agencies and Their Leadership – A Suggested Scorecard  
6:00 - 7:00 Cocktail Hour *Oak Tree 1-3 & Terrace*  
7:00 - Dinner & Keynote Speech: *Cypress Room*  
**John L. Jurewitz**, Director of Regulatory Policy, Southern California Edison

## THURSDAY, JUNE 28, 2007

8:00 - 9:40 *Concurrent Sessions* *Windjammer 1&2, 3&4*  
**MARGINAL COST** *1&2* **DEREGULATION?** *3&4*  
Chair: Dennis Keane  
Discussants: Michael Alexander, Fred Curry & Paul Nelson  
**John Kelly**: The Impact of Marginal Cost Pricing on Electric Utility Revenues – A Quantitative Case Study  
**Robert D. Levin**: Efficient Pricing of Electric Distribution  
**Stephen St. Marie**: Implications of High Tail-Block Rates in Utility Service Tariffs  
Chair: Karen Shea  
Discussants: Tom Frantz & Lee Huffman  
**Scott M. Harvey**: Analysis of the Impact of Coordinated Electricity Markets on Consumer Electricity Charges  
**T. Mount & D. Chapman, J. Taber & S. Videbaek**: Deregulated Markets and Retail Electricity Prices  
**Sheldon Switzer & Jeffrey Trout**: The “Optimal” Structure of the Deregulated Electric Utility Industry  
9:40 - 10:00 Coffee Break  
10:00 - 11:40 *Concurrent Sessions* *Windjammer 1&2, 3&4*  
**INTERCARRIER CHARGES** *1&2* **EMISSIONS I** *3&4*  
Chair: Michael A. Crew  
Discussants: Larry R. Blank & Victor Glass  
**Richard Clarke & Thomas Makarewicz**: Economic Benefits from Reform of Intercarrier Compensation Mechanisms  
**Gregory M. Duncan**: Infeasibility of Business Plans Based on Unbundling  
Chair: Colin Loxley  
Discussants: Laurina Prantil & Spencer Yang  
**Michael Hanemann & Larry Dale**: Climate Change and the Urban Water Industry  
**Victor Niemeyer**: Evaluation of Climate Policy Risk to Generation in a Competitive Power Market  
**Jasmin Ansar & Roger Sparks**: When Should Firms Adopt Emission Reduction Technologies Given Uncertainty?  
11:40 - 1:00 Lunch Break  
1:00 - 2:30 *Concurrent Sessions* *Windjammer 1&2, 3&4*  
**FORECASTING** *1&2* **EMISSIONS II** *3&4*  
Chair: Lee Huffman  
Discussants: Herb Thompson & Aram Shumavon  
**Larry Butler**: Changes in the Use of Demand Management in Load Forecasting  
**Ahmad Faruqui, Philip Hanser & Johannes Pfeifenberger**: The Return of the Load Forecaster  
**C. Goldman, N. Hopper, R. Bharvirkar, B. Neenan & P. Cappers**: Estimating Demand Response Market Potential – Integrating Price and Customer Behavior  
Chair: John L. Jurewitz  
Discussants: Scott Murtishaw & Roger Sparks  
**Robert J. Michaels**: The State Renewable Electricity Standards: Efficiency or Rent-Seeking?  
**Gary A. Stern**: Imposition of a Load-Based GHG Emissions Cap and Trade System on California’s Electricity Market  
**John K. Stranlund, James J. Murphy & John M. Spraggon**: An Analysis of the Welfare Effects of Imperfectly Enforced Emissions Trading Policies Using Laboratory Experiments  
2:30 - 4:00 *Concurrent Sessions* *Windjammer 1&2, 3&4*  
**DEMAND RESPONSE** *1&2* **MARKET POWER** *3&4*  
Chair: Fred Curry  
Discussants: Phillip McLeod & Robin Walther  
**Carl B. Linvill & Eric Woychik**: Consumer Choice and More Complete Contracting – Removing the Barriers to Demand-Side Investment  
**Carl H. Silsbee**: Evaluating Demand Response and Dynamic Pricing Programs in a Hybrid Electricity Market  
**Art Altman, Remi Audouin & David Andrade**: Energy Risk Management – Current Practices and Future Directions  
Chair: Paul Nelson  
Discussants: Larry R. Blank & David Salant  
**Eric Hildebrandt, Ming Hsu & Dan Yang**: Assessing the Effectiveness of Locational Market Power Mitigation Rules in LMP-Based Electricity Markets  
**E. Kahn, M. Barmack, S. Tierney, & C. Goldman**: Econometric Models of Power Prices – An Approach to Market Monitoring in the West  
**Jeffrey Nelson**: Virtual Bidding and Potential Market Distortions  
6:00 - 7:00 Cocktail Hour *Oak Tree 1-3 & Terrace*  
7:00 - Dinner & Keynote Speech: *Cypress Room*  
**Steven L. Kline**, Vice President – Corporate Environmental and Federal Affairs, Pacific Gas and Electric Corp.

FRIDAY, JUNE 29, 2007

8:45 - 10:40	<i>Concurrent Sessions</i>		<i>Windjammer 1&amp;2, 3&amp;4</i>
<b>RENEWABLES &amp; PORTFOLIO SELECTION</b>	<i>1&amp;2</i>	<b>DEREGULATION!</b>	<i>3&amp;4</i>
Chair: Ray D. Williams		Chair: Dennis Stevens	
Discussants: Colin Loxley & Herb Thompson		Discussants: Michael Plunkett & Menahem Spiegel	
<b>Frank W. Harris:</b> Renewable Portfolio Standards and the Growth in Renewable Selection in a Deregulated Environment		<b>Alan E. Finder:</b> Non-traditional Approaches to Regulating Utility Revenues	
<b>R. Orans, S. Price, J. Williams, &amp; C.K. Woo:</b> A California – British Columbia Partnership for Renewable Energy		<b>Ted Howard:</b> Will Public-Private Collaboration Avert a Water and Energy Crisis in California?	
		<b>Kevin Woodruff:</b> Is the Electric Grid a Market or a Machine? Observations on one ISO's Struggles with this Question	
10:40 – 11:00	Coffee Break		
11:00 - 12:55	<i>Concurrent Sessions</i>		<i>Windjammer 1&amp;2, 3&amp;4</i>
<b>VALUE IN REGULATION</b>	<i>1&amp;2</i>	<b>BIDDING &amp; TRANSMISSION</b>	<i>3&amp;4</i>
Chair: Rami Kahlon		Chair: Bob Lane	
Discussants: Michael Crew, Paul Hunt & Julie Kelly		Discussants: Philippe Auclair, Phillip McLeod & David Salant	
<b>John Mayo &amp; Larry Blank:</b> Endogenous Regulatory Constraints and the Emergence of Hybrid Regulation		<b>Robert Entriken, John Stone, &amp; Steve Wan:</b> Transmission Investment Incentives – Economic Analysis	
<b>Terry F. Urbine &amp; Jordan N. Prassinis:</b> Hoover Value		<b>Shmuel Oren &amp; Enzo Sauma:</b> Conflicting Objectives and the Burden of Market Power in the Economic Evaluation of Transmission Investments	
<b>Ron Knecht:</b> Discount Rates for Utility Regulatory and Planning Analyses		<b>Ramteen Sioshansi &amp; Alva Svoboda:</b> Optimal Hydro Bidding in a Market with Centralized Commitment and Dispatch	
12:55	Conference Concludes		

### SPEAKERS DISCUSSANTS & CHAIRS

<b>Michael Alexander</b> , Manager of Energy Projects, Southern California Edison	<b>Colin Loxley</b> , Director-Resource Planning, PSE&G
<b>David Andrade</b> , Senior Associate, Brattle Group	<b>Thomas Makarewicz</b> , Director – Cost Analysis, AT&T
<b>Jasmin Ansar</b> , Manager of Environmental Policy, Pacific Gas & Electric	<b>Arthur Mazer</b> , Manager, Energy Planning, Southern California Edison
<b>Phil Auclair</b> , Principal, Auclair Consulting	<b>Karl A. McDermott</b> , Vice President, NERA Economic Consulting
<b>Matthew Barmack</b> , Principal Policy & Planning Analyst, Pacific Gas & Electric	<b>Phillip McLeod</b> , Principal, LECG LLC
<b>Larry R. Blank</b> , Assistant Professor, New Mexico State University	<b>Robert J. Michaels</b> , Professor of Economics, California State University at Fullerton
<b>Larry Butler</b> , Southern California Edison	<b>Timothy D. Mount</b> , Professor, Cornell University
<b>Richard N. Clarke</b> , Director of Economic Analysis, AT&T	<b>Scott Murtishaw</b> , Senior Analyst, Climate Change, California P.U.C.
<b>Michael A. Crew</b> , Director – CRRI, Rutgers University	<b>Paul D. Nelson</b> , Senior Regulatory Economist, Southern California Edison
<b>Fred Curry</b> , Chief, Water Branch, California P.U.C.	<b>Jeffrey Nelson</b> , Project Manager – Market Strategy, Southern California Edison
<b>Larry Dale</b> , Lawrence Berkeley National Laboratory	<b>Victor Niemeyer</b> , Manager for Power Markets Research, EPRI
<b>Gregory M. Duncan</b> , Director, Deloitte FAS LLP and University of California, Berkeley	<b>Ron Orans</b> , Managing Partner, Energy and Environmental Economics, Inc.
<b>Robert Entriken</b> , Manager Policy Analysis, EPRI	<b>Laurina Prantil</b> , Research Staff Member, Institute for Defense Analyses
<b>Ahmad Faruqui</b> , Principal, Brattle Group	<b>Shmuel S. Oren</b> , University of California at Berkeley
<b>Alan E. Finder</b> , Director, KPMG LLP	<b>Michael K. Plunkett</b> , Manager, Pricing Strategy, United States Postal Service
<b>Tom Frantz</b> , Director - Electric Division, New Hampshire P.U.C.	<b>Cliff B. Rochlin</b> , Market Consultant, Southern California Gas Company
<b>Victor Glass</b> , Director, National Exchange Carrier Association, Inc.	<b>David Salant</b> , Independent Consultant
<b>Charles A. Goldman</b> , Lawrence Berkeley National Laboratory	<b>Lee L. Selwyn</b> , President, Economics and Technology, Inc.
<b>Frank W. Harris</b> , Financial Analyst, Southern California Edison	<b>Karen Shea</b> , Public Utility Regulatory Analyst, California P.U. C.
<b>Scott M. Harvey</b> , Director, LECG	<b>Aram Shumavon</b> , California P.U.C.
<b>Eric Hildebrandt</b> , Manager, Analysis & Mitigation, California Independent System Operator	<b>Carl H. Silsbee</b> , Manager of Regulatory Economics, Southern California Edison
<b>Ted Howard</b> , California P.U.C.	<b>Roger Sparks</b> , Professor of Economics, Mills College
<b>Lee Huffman</b> , Hearing Examiner, New Mexico Public Regulation Commission	<b>Stephen St. Marie</b> , California P.U.C.
<b>Paul T. Hunt</b> , Manager of Regulatory Finance and Economics, Southern California Edison	<b>Gary A. Stern</b> , Director of Market Monitoring and Analysis, Southern California Edison
<b>John L. Jurewitz</b> , Director of Regulatory Policy, Southern California Edison	<b>Dennis Stevens</b> , Principal Economist, United States Postal Service
<b>Rami Kahlon</b> , Advisor to President Peevey, California P.U.C.	<b>John K. Stranlund</b> , Professor – Natural Resource Economics, University of Massachusetts – Amherst
<b>Dennis Keane</b> , Manager, Service Analysis, Pacific Gas & Electric	<b>Alva J. Svoboda</b> , Senior Energy Supply Analyst, Pacific Gas & Electric
<b>John Kelly</b> , Director of Economics and Research, American Public Power Association	<b>Sheldon Switzer</b> , Director, Electric Pricing and Tariffs, Baltimore Gas & Electric Company
<b>Julie Kelly</b> , Research Staff Member, Institute for Defense Analyses	<b>Herbert Thompson</b> , Assistant Professor, Ohio University
<b>Steven L. Kline</b> , Vice President – Corporate Environmental and Federal Affairs, Pacific Gas and Electric Corporation	<b>Marc L. Ulrich</b> , Director of Energy Planning, Southern California Edison
<b>Ron Knecht</b> , Economist, P.U.C. of Nevada	<b>Terry F. Urbine</b> , Analyst, Arizona Public Service Company
<b>William E. Kovacic</b> , Commissioner, Federal Trade Commission	<b>Robin Walther</b> , Consultant
<b>Bob Lane</b> , Manager Corporate Regulatory Policy, Sempra Energy	<b>Ray D. Williams</b> , Director, Long-term Energy Policy, Pacific Gas & Electric Company
<b>Robert D. Levin</b> , Consultant (formerly Pacific Gas & Electric)	<b>Kevin Woodruff</b> , Principal, Woodruff Expert Services
<b>Carl B. Linvill</b> , Director - Energy Planning and Analysis, Aspen Environmental Group	<b>Eric C. Woychik</b> , Executive Consultant, Strategy Integration, LLC

## ORGANIZING COMMITTEE

Jasmin Ansar (Pacific Gas and Electric)  
Jeremy Bloom (EPRI)  
Michael A. Crew (Rutgers University)  
Fred Curry (California Public Utilities Commission)  
Carl Danner (Wilk & Associates/LECG)  
Ahmad Faruqui (Brattle Group)  
John Jurewitz (Southern California Edison)  
Dennis Keane (Pacific Gas & Electric)  
Ron Knecht (Public Utilities Commission of Nevada)  
Carl Pechman (Power Economics)  
Cliff Rochlin (Southern California Gas)  
David Salant  
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, 2007. 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: 20th Annual Western Conference

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### Billing Information:

Payment enclosed \$1,000 U.S. Dollars.  
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GOVERNMENT RATE: Government employees may apply for reduced enrollment fees.

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**CANCELLATION POLICY:** Until May 11, 2007 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, 2007. Registrations received after May 22, 2007, 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 27, all receptions and coffee breaks, but do not include lodging and other meals. The government registration fee is available for government employees.