

## **SCHEDULE, LOCATION AND FEES**

The Workshop will consist of:

- (a) Three one-day meetings held in Engelhard Hall, Rutgers University, Graduate School of Management, Newark, N. J. beginning at 10:00 a.m. and ending at 4:00 p.m. The dates of these meetings are November 21, 1986, February 20, and April 17, 1987.
- (b) A residential meeting to be held at The Sagamore, Bolton Landing, New York, beginning at 4:00 p.m. on Wednesday, May 27, 1987 and ending at 2:30 p.m. on Friday, May 29, 1987.

The physical facilities of the School and the Conference Center are excellent.

The enrollment fee of \$650 per person includes prescribed learning materials, meals in Newark, receptions, and coffee breaks. It is possible to enroll for the residential meeting at the Sagamore separately from the whole workshop package for a fee of \$495. A limited number of fellowships which reduce the above fees to \$325 and \$250, respectively, are available to employees of non-profit organizations. (Fees do not include the cost of overnight lodging and meals, which is to be paid directly by participants to the hotel.)

## **NOMINATION AND APPLICATION PROCEDURES**

Utilities, regulatory commissions, consulting companies and others are encouraged to nominate persons currently active in research in public utility economics and regulation. In presenting the nomination, consideration should be given to the candidate's potential for development within the company or commission.

Application forms are enclosed which should be returned by October 31, 1986.

**For further information, contact:**

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Graduate School of Management  
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Newark, New Jersey 07102

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THE STATE UNIVERSITY OF NEW JERSEY  
**RUTGERS**

# **GRADUATE SCHOOL OF MANAGEMENT**

**Advanced Workshop in Regulation  
and Public Utility Economics  
1986-87**

Engelhard Hall  
92 New Street  
Newark, New Jersey 07102

## ADVANCED WORKSHOP IN REGULATION AND PUBLIC UTILITY ECONOMICS

The increasing need to apply economic analysis to many of the economic and regulatory problems of public utilities has resulted in an increase in the number of professional economists employed by utility companies and commissions. In the Tri-State Area alone, considerable economic research is being undertaken by commissions and companies into problems of public utility pricing, investment and regulation. During the six workshops held between 1980 and 1986, over one hundred economists, commission staff members and managers participated in an Advanced Workshop at the Graduate School of Management, Rutgers University, and the following organizations sent at least one representative.

### Gas & Electric Utility Companies

Atlantic City Electric Company  
Boston Edison Company  
Central Hudson Gas & Electric Company  
Central Vermont Public Service Corp.  
Duke Power Company  
Electric Power Research Institute  
Elizabethtown Gas Company  
Georgia Power Company  
GPU Service Corporation  
Jersey Central Power & Light  
Long Island Lighting Company  
Middle South Services  
New England Power Services Corporation  
New York State Electric & Gas Company  
Niagara Mohawk Power Corporation  
Northeast Utilities Service Company  
Orange and Rockland Utilities  
Public Service Electric & Gas Company  
Southern Connecticut Gas Company  
Texas Utilities

### Telephone Companies

AT&T  
Bell Atlantic  
Bell Canada  
Bell Communications Research  
Bell of Pennsylvania  
Bell South  
Chesapeake & Potomac Telephone  
General Telephone Company of California  
GTE Corporation  
Michigan Bell Telephone Company  
New England Telephone Company  
New Jersey Bell Telephone Company

New York Telephone Company  
Northwestern Bell Telephone Company  
NYNEX Service Company  
Ohio Bell Telephone Company  
Rochester Telephone  
Southern Bell Telephone Company  
Southern New England Telephone Company  
Southwestern Bell Telephone Company  
US West, Incorporated

### Public and Regulatory Agencies

Bonneville Power Administration  
Connecticut Division of Public Utility Control  
Idaho Public Utility Commission  
Illinois Commerce Commission  
Maryland Public Service Commission  
Massachusetts Department of Public Utilities  
New Jersey Board of Public Utilities  
New Jersey Dept. of Environmental Protection  
New Jersey Public Advocate  
New York Public Service Commission  
New York State Consumer Protection Board  
Texas Public Utilities Commission  
U.S. Department of Energy  
U.S. Federal Communications Commission  
U.S. Federal Energy Regulatory Commission  
Vermont Public Service Commission

### Other Organizations

American Gas Association  
Cambridge Systematics  
Charles River Associates  
Coopers & Lybrand  
Economic Studies, Inc.  
Hackensack Water Company

## FACULTY

The workshop faculty are all active in public utility economics. Michael A. Crew and Paul R. Kleindorfer will coordinate the activities of the workshop with Keith J. Crocker. 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 economics journals. His current research is in the areas of pricing under regulation and alternative systems of regulation. His other professional interests include serving on the Editorial Boards of the *Journal of Economics and Business* and the *Journal of Industrial Affairs*. He is a member of the Board of Directors of Energy Initiatives Incorporated.

**Paul R. Kleindorfer:** Professor of 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 latest book, *The Economics of Utility Regulations* (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). Dr. Crocker has published in the areas of the New Institutional Economics, regulation and risk analysis in such journals as the *American Economic Review* and *Journal of Political Economy*.

**Michael A. Einhorn:** Assistant Professor of Economics, Rutgers University.

**Debra Golbe:** Assistant Professor of Economics, Rutgers University.

**David Levy:** Assistant Professor of Economics, Rutgers University.

**Ephraim F. Sudit:** Associate Professor of Accounting, Graduate School of Management, Rutgers University.

## VISITING SPEAKERS

Visiting speakers from a variety of related fields will, on occasion, present their own research to the group. This greatly assists members in keeping in touch with some of the leading researchers in the field. The following persons have presented and discussed some of their current work in the workshop:

Charles Blankart (Technical University, Berlin, West Germany)  
Ronald R. Braeutigam (Northwestern University)  
Hung-po Chao (Electric Power Research Institute)  
Frank Gollop (Boston College)  
Daniel R. Hollas (University of Mississippi)  
Stanford L. Levin (Southern Illinois University)  
Wesley Magat (Duke University)  
Jerry Mashaw (Yale University)  
Scott Masten (University of Michigan)  
John L. Neufeld (University of North Carolina at Greensboro)  
Shmuel Oren (University of California)  
John Panzar (Northwestern University)  
Almarin Phillips (University of Pennsylvania)  
Mark Roberts (Pennsylvania State University)  
Charles Rowley (George Mason University)  
Peter Schwarz (University of North Carolina)  
Roger Sherman (University of Virginia)  
Lester Taylor (University of Arizona)  
John Trapani (University of Texas at Arlington)  
Ingo Vogelsang (Boston University)  
Edward Zajac (University of Arizona)

## ORGANIZING COMMITTEE

The organizing committee for the 1986-87 workshop consists of:

Ed Boyer (Bell Communications Research)  
Noel Doherty (New York Telephone)  
Theresa Flaim (Niagara Mohawk)  
James Green (Southern New England Telephone)  
Pamela Heidt (New England Telephone)  
Elizabeth Jurman (Southern Connecticut Gas Company)  
Douglas Kinney (Maryland Public Service Commission)  
Charlotte Kuh (AT&T)  
Edwin Overcast (Northeast Utilities)  
Mark Reeder (New York Public Service Commission)  
Richard Simnett (Bell Communications Research)  
Dennis Weller (GTE Service Corporation)  
Michael Crew (Rutgers University)

## OBJECTIVE

The general objective of the workshop is to promote economic research 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

The workshop is organized annually as three one-day meetings and one two-day conference. A basic theme is established for the workshop and then speakers are asked to address special topics related to the general theme. The meeting format is designed to allow for both presentation of recent research and the open discussion of new ideas.

Examples of some of the types 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 oil price decline on electric and gas utilities, and diversification and utilities. Where relevant, instruction is provided in areas where economists need at least background knowledge, but often lack formal training; for example, procedures in regulatory accounting, depreciation and capital recovery, 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.

## THEME OF THE 1986-87 WORKSHOP

The major theme of the program will be **Deregulation and Diversification of Utilities**. The topics for the first two meetings are:

### November 21, 1986:

"Major Issues in Diversification and Partial Deregulation: Cross Subsidies and Economies of Scope"

Michael Crew and Keith Crocker

"Contestability and Deregulated Telecommunications"

Richard Simnett, Bell Communications Research

### February 20, 1987

"Regulatory and Antitrust Implications of Diversification and Deregulation"

Michael Crew and Paul Kleindorfer

Implications for Industry and Regulators:

"Analysis of Bypass"

Rosemary McDonald, New York Telephone

"Water Utilities and Diversification"

Donald Schlenger, United Water Resources

"Lessons from Telecommunications Deregulation for Electric/Gas Utilities"

Theresa Flaim, Niagara Mohawk

"Regulatory Implications of Deregulation and Diversification"

Mark Reeder, New York Public Service Commission

The topic for the third meeting on **April 17, 1987** will be selected based upon the evolution of the first two sessions and the members' interests.

## BENEFITS

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

1. Instruction in relevant topics.
2. Interaction among academic researchers, industry managers and staff of regulatory commissions, and opportunities for better communication and exchange of ideas.
3. Improved awareness by industry and commissions of research developments at universities that may be relevant to solving current problems.
4. Valuable scientific contributions in public utility economics, and to the research literature.
5. Opportunities for participants to grow as researchers.

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Massachusetts Department of Public Utilities  
New Jersey Board of Public Utilities  
New Jersey Dept. of Environmental Protection  
New Jersey Public Advocate  
New York Public Service Commission  
New York State Consumer Protection Board  
Texas Public Utilities Commission  
U.S. Department of Energy  
U.S. Federal Communications Commission  
U.S. Federal Energy Regulatory Commission  
Vermont Public Service Commission

### Other Organizations

American Gas Association  
Cambridge Systematics  
Charles River Associates  
Coopers & Lybrand  
Economic Studies, Inc.  
Hackensack Water Company