

THIRD 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 Ninth Annual Conference, the papers presented will be different and will be drawn mainly from the western United States.

WESTERN CONFERENCE ORGANIZING COMMITTEE

Manuel Alvarez (California Energy Commission)
Joel Balbein (Southern California Gas)
Douglas Clark (Southwestern Bell Telephone)
George Cluff (California Public Utilities Commission)
Michael Crew (Rutgers University)
John Jurewitz (Southern California Edison)
Dennis Keane (Pacific Gas & Electric)
Christina Kirschner (Gas Company of New Mexico)
Alexander Larson (Southwestern Bell Telephone)
James Lechtenberg (Pacific Bell Telephone)
Richard Reinking (Mountain Bell Telephone)
Larry Schelhorse (San Diego Gas and Electric)
Dennis Weller (GTE Service Corporation)
Evan White (Oregon Public Utilities Commission)

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

Dr. Michael A. Crew
Center for Research in Regulated Industries
Graduate School of Management
Rutgers University
180 University Avenue
Newark, New Jersey 07102
Phone: 201-648-5049 (office)
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Graduate School of Management
Center for Research in Regulated Industries

**ADVANCED WORKSHOP IN REGULATION
AND PUBLIC UTILITY ECONOMICS
1989-1990**

**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. 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). 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*.

Associated Rutgers University Faculty

Thomas A. Abbott, III, Assistant Professor of Economics, Graduate School of Management

James Bicksler, Professor of Finance, Graduate School of Management

Michael Einhorn, Assistant Professor of Economics, Newark College of Arts & Sciences

Michael R. Frierman, Assistant Professor of Economics, Graduate School of Management

Michael Rothkopf, Professor of Economics, School of Business

VISITING SPEAKERS

Visiting speakers from a variety of related fields will present their research to the group. This greatly assists members in keeping in touch with some of the leading researchers in the field.

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 Third Annual Western Conference are due **November 20, 1989** and those for the Ninth Annual Conference are due **December 15, 1989**. Please indicate the conference for which you are applying or whether you would present the paper at either one.

The Workshop Organizing Committee, which is responsible for the selection of the Annual Conference program, will meet in January. The Western Committee, responsible for selection of the Western Conference program, will meet in December. Decisions on the papers will be conveyed promptly. Copies of the completed papers are due by April 17, 1990.

All persons presenting papers must register for the conference at the usual enrollment fee. 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 17, 1989

January 26, 1990

April 20, 1990

(b) *The Ninth 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 30, through 2:00 p.m., Friday, June 1, 1990.

(c) *The Third 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 11, through 2:00 p.m., Friday, July 13, 1989.

FEES

The enrollment fees for the workshop are:

Workshop I: Includes the three Newark meetings *only*.
\$475 (government rate: \$240)

Workshop II: Includes the three Newark meetings and *one* conference:
Ninth Annual Conference *or* Third Annual Western Conference
\$750 (government rate: \$375)

Workshop III: Includes the three Newark meetings and both conferences
\$999 (government rate: \$500)

Conference Only: Ninth Annual Conference *or* Third Annual Western Conference
\$550 (government rate: \$275)

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.

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. All registrations received by telephone should be confirmed by sending in a completed and signed application form.

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. The deadline for Workshop applications is October 31, 1989. The deadline for the Conferences alone is April 30, 1990.

PARTICIPATING ORGANIZATIONS

The following organizations have sent at least one representative to past sessions of the Workshop:

Gas & Electric Utility Companies

Atlantic Electric Company
Baltimore Gas & Electric Company
Boston Edison Company
Central Hudson Gas & Electric Company
Central Vermont Public Service Corp.
Consolidated Edison of New York
Duke Power Company
Elizabethtown Gas Company
Gas Company of New Mexico
Georgia Power Company
GPU Service Corporation
Jersey Central Power & Light Company
Louisiana Power & Light Company
Long Island Lighting Company
Middle South Services
Montana Power Company
New England Power Services Corporation
New York State Electric & Gas Company
Niagara Mohawk Power Corporation
Northeast Utilities Service Company
Orange and Rockland Utilities
Pacific Gas and Electric Company
Public Service Company of Colorado
Public Service Electric & Gas Company
San Diego Gas and Electric Company
Southern California Edison
Southern California Gas Company
Southern Connecticut Gas Company
Texas Utilities

Telephone Companies

Amenitech Services
AT&T
AT&T Communications
Bell Atlantic
Bell Canada
Bell Communications Research
Bell of Pennsylvania
Bell South
Chesapeake & Potomac Telephone
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

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
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 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 Comm.
Vermont Public Service Commission
Washington Utilities & Transportation Commission

Other Organizations

American Gas Association
Analysis Group
Applied Economic Analysis
Barakat Howard & Chamberlin
Cambridge Systematics
Charles River Associates
Christensen Associates
Coopers & Lybrand
Department of Veteran's Affairs
Economic Studies, Inc.
Electric Power Research Institute
Hackensack Water Company
Institute for Defense Analysis
Metering Services, Inc.
National Exchange Carriers Association
Paul, Weiss, Rifkind, Wharton & Garrison
Peat Marwick
Price Waterhouse
Reason Foundation
Small, Craig and Werkenthin
United States Postal Service
United Water Resources

WORKSHOP ORGANIZING COMMITTEE

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 Public Service Commission)
Joseph Schuh (Orange & Rockland Utilities)
Richard Simnett (Bell Communications Research)
Dennis Weller (GTE Service Corporation)

THEME OF THE 1989-1990 WORKSHOP

The major theme of the program will be *Regulatory and Structural Implications of New Technologies*. The topics for the meetings are:

November 17, 1989

"The Contribution of Information Economics and Incentives to Regulation: An Introduction and Survey for Company Economists and Commission Staff"

Michael Frierman, Rutgers University

"Alternative Governance Structures for the Information Age: Integrated Broad Band Networks, CATV and Telcos"

James Green, Southern New England Telephone

Richard Simnett, Bell Communications Research

Dennis Weller, GTE

January 26, 1990

"The Economic and Marketing Implications of Privacy on the Development and Implementation of New Services: Applications to Telecommunications and Other Utilities"

Bernd Pfeiffer, Bell Communications Research

"Privacy and the Law: The Responsibilities of Regulators"

Raymond Makul, New Jersey Division of the Rate Counsel

"Flexibility in the Design of Long Term Contracts and Applications to Utilities"

Keith Crocker, Pennsylvania State University

April 20, 1990

"Service Differentiated Pricing for Postal Service with Extensions to Electricity, Gas and Telephone"

Michael Crew, Rutgers University

Paul Kleindorfer, University of Pennsylvania

Marc Smith, U.S. Postal Service

"More on Competitive Bidding: The New Jersey Experience"

Jeremy Bloom, GPU Service

"Follow Up on Governance Structures for Broadband Networks"

James Green, Southern New England Telephone

Richard Simnett, Bell Communications Research

Dennis Weller, GTE

**Advanced Workshop in Regulation and Public Utility Economics 1989-1990
APPLICATION**

Name _____
Title _____
Company _____
Address _____

Telephone Number _____
Home Telephone Number (in case of snow day) _____

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 (\$475): Newark sessions ONLY
 Workshop II (\$750): Newark sessions and ONE conference:
 Ninth Annual Conference (New York, May-June 1990)
 Third Annual Western Conference (San Diego, July 1990)
 Workshop III (\$999): Newark sessions and BOTH conferences
 Ninth Annual Conference ONLY (\$550): New York, May-June 1990
 Third Annual Western Conference ONLY (\$550): California, July 1990

Government Rate: Members of non-profit organizations may apply for the following reduced enrollment fees: Workshop I: \$240; Workshop II: \$375; Workshop III: \$500; and Conference Only: \$275.

- 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 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, 1989 cancellation is allowed without penalty and refunds will be allowed in full. After this date the indicated fee is due in full. Substitutions may be made at any time. (The cancellation date for conference only applications is April 30, 1990.)

Signature of Participant: _____

Please return completed application form by **October 31, 1989*** to:

Linda S. Brennan, Rutgers University, Graduate School of Management,
180 University Avenue, Newark, NJ 07102.

* Applications received after October 31, 1989 will be admitted on a space available basis.

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 regulatory agencies. Considerable economic research is being undertaken by commissions and companies into problems of public utility pricing, investment, competition, and regulation. During the nine workshops held between 1980 and 1989, several hundred economists, commission staff members, and managers have participated in the Advanced Workshop at the Graduate School of Management, Rutgers University and the Conferences.

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

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. 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 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, procedures in regulatory accounting, depreciation and capital recovery, and the role of financial models in regulation. This Workshop features an introduction to information economics with implications for 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.