

**Rutgers University, Graduate School of Management
Center for Research in Regulated Industries
Advanced Workshop in Regulation and
Public Utility Economics
ELEVENTH ANNUAL CONFERENCE**

**Mohonk Mountain House, New Paltz, New York
Wednesday, May 27, to Friday, May 29, 1992**



**Graduate School of Management
Center for Research in Regulated Industries**

**Advanced Workshop in Regulation and
Public Utility Economics
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**Mohonk Mountain House
New Paltz, New York**

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.

APPLICATION PROCEDURES

Please complete the attached application form and return it by **April 15, 1992**. Applications received after this date will be accepted on a space available basis. The fee for the Conference is **\$605** per person. This includes learning materials, receptions, and coffee breaks; it does not cover food and lodging which are to be paid directly to the hotel by the participant. For participants affiliated with governmental and other non-profit organizations, there is a reduced rate of **\$305** per person.

HOTEL RESERVATIONS

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

CONFERENCE FACULTY AND STAFF

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

Linda S. Brennan, Administrative Assistant, Graduate School of Management, Rutgers University

Michael A. Crew, Professor of Economics, Graduate School of Management, Rutgers University

Keith J. Crocker, Associate Professor of Economics, Pennsylvania State University

Paul R. Kleindorfer, Universal Furniture Professor of Economics and Decision Sciences, Wharton School, University of Pennsylvania

William E. Kovacic, Associate Professor, George Mason University School of Law

Robert H. Patrick, Associate Professor of Mineral Economics, Colorado School of Mines

For further information, please contact:

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(908) 221-0524 (home)
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ELEVENTH ANNUAL CONFERENCE OF THE ADVANCED WORKSHOP

Wednesday, May 27, 1992

- 4:30 - 6:00 **Welcome to Conference**—Michael Crew
Discussant: William E. Kovacic
David A. Balto: Price Squeeze Doctrine and Public Utilities—The Impact of the Decision in *Town of Concord v. Boston Edison Co.*
William B. Tye: The Fair Allowed Rate of Return With Regulatory Risk
- 6:00 - 9:00 **Cocktail Hour, Dinner & Speech**
“Critical Mass for Creativity: Long Term Business Solutions through the QIT Process”
Lawrence J. Cataldo, Bell Communications Research

Thursday, May 28, 1992

- 8:45 - 10:30 **Concurrent Sessions:**
Chair: Lorraine M. Scudieri
Discussants: Olaf Hausgaard and Glenn Meyers
Y. Lydia Hsieh: Straight Fixed Variable (SFV) Rate Design: An Evaluation Based on the Theory of Economic Welfare Analysis
William J. Golemboski: An Application of Option Pricing Theory to the Valuation of Interruptible Service Contracts for Electricity
- Chair: David Korn
Discussants: Cindy Rhodes and Jeanne Schaaf
David Loomis: Optimal Pricing for a Regulated Monopolist Facing New Competition: The Case of Bell Atlantic Special Access Demand
Mukit Hossain: Risk of Revenue Loss to Bypass in Business Data and Voice Markets—A Case Study of Ameritech Corporation
- 10:30 - 10:45 **Coffee Break**
- 10:45 - 12:15 **Concurrent Sessions:**
Chair: John Kling
Discussants: Subhash Gupta and Carlos Salazar
Donald Kridel: Modeling the Demand for Custom Calling Features in the Presence of Discounts
Rhon Baiman: A Nominal Total Bill Model For Estimating Time Of Day Residential Telephone Usage Price Elasticities Of Demand
Jain-Shing Chen and R. Bruce Williamson: Business Demand for Directory Assistance Call Completion: A Simultaneous Choice Analysis
- Chair: Gerald Tlapa
Discussants: William J. Deehan, Eugene T. Meehan, and Carl Pechman
Michael J. Kelleher: Social Optimal Exploitation of Demand-Side Management Resources

Richard A. Michelfelder and Robert H. Patrick: Welfare Effects of Utility Integrated Resource Planning and Environmental Regulation
Douglas A. Houston: Demand Side Management Implications for Electricity Market Development

12:15 - 1:45

Luncheon

1:45 - 3:00

Concurrent Sessions:

Chair: Art Smith
Discussants: Patrick Garzillo and Howard M. Spinner
Thomas A. Abbott, III, and Michael A. Crew: Usage Based Pricing of Local Telephone Service: Strategic Benefits and Regulatory Dangers
Michael Robinson: Exoteric Economics: A Compact and Elegant Regional Analysis System

Chair: Marc A. Smith

Discussants: Keith J. Crocker and Warren Myers
Karen Palmer: Evolution of Coal and Gas Fuel Contracting In the Electricity Generation Industry
Diana L. Moss: The Decrease in Natural Gas Finding Costs: Evidence from the Deregulatory Era

3:00

Exercise Break

6:00 - 9:00

Cocktail Hour, Dinner & Speech
“Communications in the Gulf War”
Major David Ward, United States Marine Corps
and New York State Department of Law

Friday, May 29, 1992

- 9:00 - 10:30 Chair: Kent Bjornstad
Discussants: Lawrence P. Cole and Kent Currie
Padmanabhan Srinagesh: A Dynamic, Stochastic Model of Customer Choice
Dallas Burtraw: The Analytics of Social Costing for a Regulated Industry
- 10:30 - 11:00 **Coffee Break**
- 11:00 - 12:55 Chair: John J. Dura
Discussants: Robert Camfield, Richard E. Schuler, Jr., and Richard Simnett
Wanda Grude: Revisiting Regulatory Risk: A Ratepayers’ Perspective
Robin A. Prager and David J. Salant: The Effects of Deregulation on the Cable Television Industry
Thomas P. Lyon: Incentive Regulation with Dead Bands and Sharing Rules
- 12:55 - 1:00 **Closing Remarks**—Michael Crew
- 1:00 **Lunch**

SPEAKERS, DISCUSSANTS AND CHAIRPERSONS

Rhon Balman, Economist, AT&T
David A. Balto, Attorney, Sutherland, Asbill & Brennan
Kent Bjornstad, Staff Manager—Business Research, Bell Atlantic
Dallas Burtraw, Fellow, Resources for the Future
Robert Camfield, Strategic Planner, Southern Company
Jain-Shing Chen, Area Manager—Demand Analysis, Southwestern Bell
Lawrence P. Cole, Manager—Economics & Statistics, GTE Laboratories
Kent Currie, Manager—Cost Methods, Ohio Bell Telephone
William J. Deehan, Asst. VP—Rates & Econ. Analysis, Central Vermont Public Service
John J. Dura, Member of Technical Staff, Bell Communications Research
Patrick Garzillo, Managing Director—Residence & Sm. Bus. Markets, New York Telephone
William J. Golemboski, Corporate Planner—Demand-Side Evaluation, Niagara Mohawk
Wanda Grude, Senior Economist, Colorado Department of Law
Subhash Gupta, Staff Manager—Economics, AT&T
Olaf Hausgaard, Supervisor—Regulatory Econ., New York State Dept. of Public Service
Mukit Hossain, District Manager, Ameritech
Douglas A. Houston, Associate Professor, University of Kansas
Y. Lydia Hsieh, Senior Economist, Michigan Consolidated Gas
Michael J. Kelleher, Manager—DSM Program Evaluation, Niagara Mohawk
John Kling, Senior Economist, Michigan Bell
David Korn, Manager—Economic & Competitive Analysis, AT&T
Donald Kridel, Director—Strategic Marketing, Southwestern Bell
David Loomis, Analyst—Business Research, Bell Atlantic
Thomas P. Lyon, Assistant Professor of Bus. Economics & Public Policy, Indiana University
Eugene T. Meehan, Vice President, Energy Management Associates
Glenn Meyers, Senior Economist, Economic Studies
Richard A. Michelfelder, Senior Analyst, Atlantic Electric
Diana L. Moss, Senior Economic Analyst, NERA
Warren Myers, Associate Economist, New York State Department of Public Service
Karen Palmer, Fellow, Resources for the Future
Carl Pechman, Supervisor—Regulatory Economics, New York State Dept. of Public Service
Robin A. Prager, Assistant Professor, Massachusetts Institute of Technology
Cindy Rhodes, Manager—Strategic Access Cost, AT&T
Michael Robinson, Manager—Load Forecasting, PSI Energy
David J. Salant, Senior Member of Technical Staff, GTE Laboratories
Carlos Salazar, Planning & Research Economist, BellSouth Telecommunications
Jeanne Schaaf, Manager—Regulatory, US Sprint
Richard E. Schuler, Jr., Associate Economist, New York State Department of Public Service
Lorraine M. Scudieri, Analyst, Bell Atlantic
Richard Simnett, Director—Services Planning & Mrkt. An., Bell Communications Research
Art Smith, Operations Manager—Economic Analysis, BellSouth Services
Marc A. Smith, Principal Economist, United States Postal Service
Howard M. Spinner, Manager—Econ. & Reg. Analysis, Central Vermont Public Service
Padmanabhan Srinagesh, Member of Technical Staff, Bell Communications Research
Gerald Tlapa, Director—Customer Demand Analysis, Bell Communications Research
William B. Tye, Principal, The Brattle Group
R. Bruce Williamson, Manager—Demand Analysis, Southwestern Bell

Rutgers, The State University of New Jersey
Graduate School of Management
Center for Research in Regulated Industries
Advanced Workshop in Regulation and Public Utility Economics
Eleventh Annual Conference
Mohonk Mountain House, New Paltz, New York, May 27-29, 1992

Application

Name _____
Title _____
Company _____
Address _____
Telephone _____ Fax Number _____

Billing Information:

- Payment enclosed*
 Send invoice to participant at above address
 Send invoice to: _____

Fees: The fee for the conference is \$605 per person which includes beverages and instructional materials. Food and lodging are not included.

Government Rate: Members of non-profit organizations may apply for the reduced enrollment fee of \$305 per person.

- I would like to apply for the government rate of \$305.

Volume Discount: Second and subsequent applications received in the same envelope 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 April 15, 1992 refunds will be allowed in full. After this date the conference fee is due in full whether or not the participant actually attends the conference. Substitutions may be made at any time.

Signature of Participant: _____

Please return completed application form by **April 15, 1992**** to:

Linda S. Brennan, Rutgers University, Graduate School of
Management, 180 University Avenue, Newark, NJ 07102
or FAX your application to: (201)648-1348.

* Make check payable to "Rutgers University." Credit cards are *not* acceptable for payment of conference fees.

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