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PURC Review

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Thanks to our sponsors and friends, the Public Utility Research Center continues to conduct programs that are mutually beneficial to the energy, water, telecommunications, regulatory, and academic sectors.

Partnering with NARUC

PURC staff have partnered with NARUC (the National Association of Regulatory Utility Commissioners) on a variety of projects in the past few months. PURC Executive Director Mark Jamison, who is also Director of Telecommunications Studies at PURC, attended the NARUC summer meeting in Denver, Colorado, July 24-30, facilitating a workshop on the FCC's Triennial Review of its policies implementing the Telecommunications Act of 1996.



Mark Jamison

Prior to the workshop, Dr. Jamison spent several days working with regulators and industry representatives to organize panels and develop questions to be addressed. Since the FCC decision leaves states responsible for how and whether new entrants in telecommunications can lease portions of the incumbent local networks and since states must make most of their decisions within nine months, NARUC will be offering assistance at regional events as

well and has expressed an interest in having Dr. Jamison participate in these.

About 200 people attended the workshop, which resulted in substantive suggestions for the state regulators who will be implementing key portions of the FCC's decision.

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In May 2003, PURC Director of Energy Studies Paul Sotkiewicz met with regulators from Central Europe at the 2nd Annual Energy

Regulators Regional Association Conference on Energy Regulation and Investment, co-sponsored by PURC, NARUC, and USAID. He attended sessions on regional power trading initiatives and competition in the newly forming electricity markets in the region.

*

In June 2003, Dr. Sotkiewicz was a member of the NARUC team that co-hosted the 1st Annual Energy Regulatory Conference for the Global Energy Network and the Southern African Forum for Energy Regulators, Utilities, and Stakeholders in Namibia. He moderated sessions and gave a keynote presentation that stressed regulatory principles vis-à-vis investor expectations.

*

PURC Director Sanford Berg attended NARUC's 2003 Winter Meeting in Washington, D.C., reporting on PURC activities to the Committee on International Relations and the Water Committee.

Calendar of Events for 2003-2004

2004 PURC Annual Conference—When Should Competition Be the Regulator?

February 11—12, 2004; Hilton UF Conference Center

1714 SW 34 St., Gainesville 32607; Telephone 352-371-3600, FAX 352-371-0306

Make your hotel reservations by January 12, 2004, to obtain special conference rates. Information regarding conference registration will be mailed in early January 2004, but you can register online at any time (www.purc.org).

The conference will follow its traditional schedule. The first day will feature several keynote speakers and a roundtable discussion of regulatory issues by commissioners from the Florida Public Service Commission. The second day, which runs 8:30—11:30 a.m., offers concurrent sessions on energy and telecommunications topics, followed by an Executive Roundtable.

Contact: Kat Worden at 352-392-0060 or Patricia Mason at 352-392-6148

PURC Leadership in Promoting Substantive Research

Contact:
Mark Jamison
at
352-392-2929

PURC research attempts to contribute key insights on the underlying principles of utility regulation, market reform, and infrastructure operations. Creating forums for sharing ideas is one way of promoting best practices. Mark Jamison is currently serving as President of the American Economic Association's (AEA) Transportation and Public Utilities Group (TPUG) and will chair a joint session with the AEA titled "The Successes and Failures of Regulation and Deregulation" on January 4, 2004, at 2:30 p.m. Session speakers are: Alfred Kahn of the National Economic Research Associates, Severin Borenstein of the University of California at Berkeley, Len Waverman of the London Business School, and Witold Henisz of the University of Pennsylvania.

PURC will co-sponsor its second workshop for academic and government economists at the Federal Communications Commission in December 2003. Dr. Jamison will lead sessions during the one-day meeting. In May 2004, PURC will co-sponsor a research conference at the London Business School on "Competition in Networking: Wireless and Wireline Wars."

Another venue for stimulating research is through academic and policy journals. PURC has been asked to organize a "Special Issue on Service Quality" for *Utilities Policy*. Dr. Jamison is a member of the journal's editorial board. PURC Policy Analyst Lynne Holt has prepared a survey paper on "Utility Service Quality—Telecommunications, Electricity, Water" that is available from PURC. Along with Drs. Berg and Jamison, Dr. Holt will be facilitating the review process for submissions for the special issue on service quality. Defining, monitoring, and rewarding quality is extremely important for strong infrastructure performance.

Educational programs have been incorporating PURC material into their curricula, and articles and books by PURC-affiliated researchers are regularly utilized in university reading lists. (See the item on the back page regarding Dr. Jamison's work in Africa.)

PURC Responds to Public Questions about Public Utilities

The educational component of questions asked was whether PURC's mission includes giving "privatization" was involved in journalists the background information they need to inform the public accurately and responsibly about topical issues related to public utilities. Dr. Paul Sotkiewicz, PURC's Director of Energy Studies, has been particularly in demand concerning electricity issues generally and most recently with the issues surrounding the Northeast/Midwest Blackout.

Within minutes of the outage Dr. Sotkiewicz was online checking the NERC TLR web site and the Northeastern ISO OASIS (Open Access Same-Time Information System) site for clues about what might have happened. Shortly thereafter, he gave a live interview on local radio. One of the first

the outage, a clear indication of the need for better public understanding of basic energy issues.

Actually, journalists themselves recognize the need to be better informed, and a web site of reporting tools for in-depth background is called FacsNet (www.facsnet.org). Along with Dr. Paul Joskow of MIT, a former recipient of the PURC Distinguished Service Award, Dr. Sotkiewicz is listed on FacsNet as a source for reporters to contact regarding electricity sector issues.

As a result of this listing, Dr. Sotkiewicz has given an interview to the Cleveland PBS radio affiliate, WCPN, and he was a panelist in



Paul Sotkiewicz

September at the National Convention of the Society of Professional Journalists in Tampa, addressing journalists from throughout the United States. He spoke on post blackout energy issues, as well as issues regarding the organization of electricity regulation and markets in the United States and grid operation.

Additional Staff Activities

Dr. David Sappington, recipient of the PURC Distinguished Service Award last year and Director of the Public Policy Research Center at the Warrington College of Business Administration, presented invited testimony to the President's Commission on the U.S. Postal Service earlier this year. He served as Chief Economist at the FCC last year and has co-authored a paper on "The Federal Communications Commission's Competition Policy and Marketing's Information Technology Revolution" with D. Stockdale—*Journal of Public Policy & Marketing* 22(1): 26-34, 2003. He has also published "Regulating Horizontal Diversification" in the *International Journal of Industrial Organization* 21(3): 291-315, 2003.

Dr. Paul Sotkiewicz and Dr. Lynne Holt have collaborated on an overview of issues pertaining to "Energy Efficiency and Renewable Energy Policy Options" as background for the proposed development of a State Energy Plan by the Florida Energy Office. Dr. Sotkiewicz has also recently completed two working papers: "Considerations for the Design of Restructured Electricity Markets and Institutions" and "Cross-Subsidies that Minimize Electricity Consumption Distortions."



Warrington College of Business Administration
PO Box 117142
Gainesville, FL 32611-7142
www.purc.org

International Notes

The 15th PURC/World Bank International Training Program on Utility Regulation and Strategy will take place January 12-23, 2004. This two-week training program for utility regulators and senior professionals is offered in January and June each year. The program features 52 sessions led by an international faculty. More than 1,150 participants from 114 countries have attended the program to date, learning about the challenges of infrastructure reform for regulatory agencies, companies, and governments. For further information, contact Virginia Hessels or Araceli Castaneda at 352-392-3655.

Dr. Jamison presented curriculum and simulation models on incentive regulation that he is developing in collaboration with the University of South Africa (UNISA), May 27—June 5, 2003, in Gaborone, Botswana.

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Public Utility Research Center
E-mail: purcadmin@cba.ufl.edu
Telephone: 352-392-6148
FAX: 352-392-7796