

2007 News Archive

November 2007

- **FPSC Workshop**
Dr. Paul Sotkiewicz delivered a presentation entitled, "[Advantages and Drawbacks of Revenue Decoupling: Rate Design and Regulatory Implementation Does Matter](#)," at the Florida Public Service Commission's Workshop on Energy Efficiency Initiatives.
- Congratulations to PURC Director Mark Jamison, who received a University of Florida 2007 International Educator of the Year Award. The UF International Center established this award to recognize outstanding international endeavors by faculty members, in order to support UF's strategic goal of internationalizing the campus and curriculum. Consideration was given to three main factors: research, teaching, and service.
Find more information [here](#).
- **PURC in Anaheim, CA**
PURC/CLA Leadership Development Program: Providing Leadership in Utility Policy
Find more leadership development programs [here](#).
- Congratulations to PURC Research Associate Dr. Hamilton Silva who received an award in economic regulation for his paper, "Cost Efficiency in Periodic Tariff Reviews: The Reference Utility Approach and the Role of Interest Groups," from the Secretaria de Acompanhamento Economico (SEAE) of Brazil's Ministry of the Economy.
- **5th Organisation of Caribbean Utility Regulators (OOCUR) Annual Conference**
Attendees learned about [OOCUR as a Network of Regulatory Agencies](#) during a presentation by Araceli Castañeda, PURC International Programs Director, in Georgetown, Guyana. The presentation was adapted from "Networks of Regulatory Agencies as Regional Public Goods: Improving infrastructure Performance," a paper by PURC Director of Water Studies Sanford V. Berg and Jacqueline Horral.
Search for the publication [here](#).
- **Utility Price Reviews: Toward Professional Excellence**
Participants at the Institute of Infrastructure Services (IIS) course, Utility Price Reviews: Toward Professional Excellence, learned about elements of rate design, regulatory mechanisms, and benchmarking during sessions taught by PURC Director of Energy Studies Dr. Paul Sotkiewicz, a feature lecturer at the course in Lusaka, Zambia. He also led participants through a spreadsheet exercise in conducting price reviews.
Find more information about the course [here](#).

October 2007

- **Elements of Regulatory Finance for the Florida Public Service Commission**
Participants learned how the tools of finance are used in decision-making by utility managers and by regulators.
Find more information about the course [here](#).
- **Basic Telecommunications Regulatory Training in Turks and Caicos Islands**

Regulatory and telecommunications professionals examined telecommunications technologies, telecommunications operator practices, objectives and roles for regulatory agencies, interconnection issues, and the basics of radio spectrum management.

Find more information about the course [here](#).

- **PURC/IDB Benchmarking Workshop for Water Utilities in Central America**

Utility managers, policy-makers, and regulators from Central America learned about sustainable and cost-effective benchmarking procedures, and reviewed resource allocation issues associated with water utilities in Central American nations. It also served as a forum for obtaining feedback on PURC's benchmarking work and for developing institutional mechanisms for maintaining a regional database.

Find more information about the course [here](#).

- **Sotkiewicz Awarded Fulbright Grant**

Dr. Paul Sotkiewicz was selected for a Fulbright Senior Specialists Grant in Economics at the University of the Republic in Montevideo, Uruguay. The grant enabled him to work with the faculty in the department of economics and the Institute of Electrical Engineering on issues related to electricity markets and regulation, as well as distributed generation and distribution tariff design October 1-15. He also addressed the university faculty during the seminar, [The Interaction of Electricity Markets and Regulation with Emissions Trading](#). The [Fulbright Program](#) is the U.S. government's flagship program in international education exchange, and is sponsored by the U.S. Department of State, Bureau of Educational and Cultural Affairs. Fulbright recipients are chosen for their academic merit and leadership potential – with the opportunity to exchange ideas and to contribute to finding solutions to shared ideas.

Find more information on the faculty page [here](#).

September 2007

- **Florida Outreach**

PURC Policy Analyst Lynne Holt participated in a panel review of hot topics before the Federal Communications Commission during the September 28 meeting of the Florida Chapter of the Federal Communications Bar Association in Tallahassee. The theme of the meeting was "2007 Florida Telecom Legislative Update: Florida's Statewide Cable Franchising Law and Update on Hot Topics at the FCC." The panel review highlighted the central themes in the paper she co-authored with Dr. Mark Jamison, "Federal Regulation and Competitive access to Multi-Unit Premises: More Choice in Communications Services?" with a few observations added about Florida's approaches toward mandatory access with respect to both cable television and telecommunications.

Search for the publication [here](#).

- **Advanced Methods in Radio Spectrum Planning and Management: NTC Program in Gainesville**

Auction design, spectrum valuation, spectrum trading, and unlicensed spectrum were key topics during this course, specifically designed for the National Telecommunications Commission (NTC) of Thailand.

Find more information about the course [here](#).

August 2007

- **Florida Outreach**

Dr. Paul Sotkiewicz was invited to speak before Governor Charlie Crist's Climate Action Team on Energy and Climate Change in Tallahassee August 29. During his presentation, "[A Primer on Market-Based Policies for Emissions Reductions](#)," he outlined how command-and-control, emissions tax, offset and credit trading, and cap-and-trade policies are meant to operate, the

incentive inherent in each policy, and possible drawbacks and advantages. In particular, Dr. Sotkiewicz focused on design issues for cap-and-trade policies including defining affected sources; measurement, verification, and emission inventories; compliance and true-up periods; penalties and enforcement; and the consequences and trade-offs of various allowance allocation, spatial trading, and temporal trading rules. He also participated in a follow-up panel discussion with other speakers to answer questions posed by members of the [Action Team](#).

- **PURC in Thailand**

- **Keynote Address for Thailand's King Adulyadej**

- How important is regulation to telecommunications development and economic development? It is critical according to Dr. Mark Jamison who delivered the keynote address at the First Academic Conference on the Auspicious Occasion of His Majesty King Bhumibol Adulyadej's 80th Birthday Anniversary in Bangkok, Thailand. Dr. Jamison explained that the clear consensus in academic research is that investment in telecommunications and its use are major driving forces for economic development, especially in developing countries. He noted that research has demonstrated conclusively that independent regulatory agencies are essential to telecommunications development. Competition is also critical and is most effective when coupled with an effective regulatory system.

- Search for the address [here](#).

- **Basic Methods in Radio Spectrum Planning and Management: NTC Program in Thailand**

- Allocating and assigning spectrum, auction management, approaches to resolving spectrum hoarding, and current trends in spectrum management were key topics during the course, specifically designed for the National Telecommunications Commission (NTC) of Thailand.

- Find more information about the course [here](#).

- **[Frontiers in Managing Reform and Regulation of Infrastructure Utilities in Africa](#)**

- Participants learned about overall trends in electricity sector reform during sessions taught by Dr. Paul Sotkiewicz in Cape Town. As a featured lecturer, he also led practical exercises related to the properties of various regulatory methodologies, implementing price cap and revenue cap regulation, conducting price reviews, and rate design for efficient use and pro-poor policies.

- Find more information about the course [here](#).

- **World Bank project in China**

- Liangliang Jiang, PURC Student Research Associate, traveled to Liaoning province in China and met with government officials from the Liaoning Provincial Department of Finance, the Provincial Construction Department and the Urban Construction and Renewal Project Office, respectively. Ms. Jiang's visit focused on Liaoning's GEF (Global Environmental Facility) project funded by The World Bank. The meetings involved exchanging ideas on three main issues: waste water, garbage disposal and human resource development. She also explored PURC's further collaboration with the Liaoning government. This trip was sponsored by PURC and [the Water Institute](#), University of Florida.



July 2007

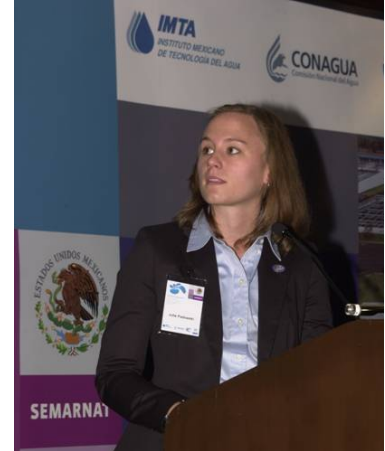
- **Pricing and Analysis: An Advanced Course in Utilities Management and Regulation in Nassau, Bahamas**

- During this highly-interactive course, participants examined appropriate techniques for benchmarking utilities, establishing an asset base for regulating prices, providing incentives for efficiency, evaluating market competition, and regulating prices.

Find the course calendar and more information about the course [here](#).

- **PURC in Mexico**

Julie Padowski, PURC student research associate, delivered the presentation, [Survey of Benchmarking Methodologies: Improving Utility Efficiency](#), at the Seminario Internacional de Gestión y Regulación de los Servicios de Agua Potable y Saneamiento: La Experiencia Mexicana e Internacional in Mexico City. The event was organized by the Instituto Mexicano de Tecnología del Agua in cooperation with the Comisión Nacional del Agua (CONAGUA), Asociación Nacional de Empresas de Agua y Saneamiento (ANEAS) and the Comisión Económica para América Latina (CEPAL). The event attracted water utility managers, consultants, academics and regulators from Mexico and around the world to share ideas and discuss problems associated with the legal and institutional framework of water and sanitation services.



- **Florida Outreach**

Implementing revenue decoupling in rate design through the use of volumetric charges or multi-part pricing (SFV) charges was the focus of a presentation by Dr. Paul Sotkiewicz at the meeting of the [Florida Energy Commission's](#) Advisory Group on Energy Efficiency and Conservation in Orlando. His presentation was titled, [Determining Winners and Losers from Revenue Decoupling: Rate Design and Regulatory Implementation Does Matter](#). He also examined the trade-offs between the two implementation options discussing earnings stability; shifting of risk between the utility and consumers; bill and price stability; cross-subsidies; economic efficiency; and possible environmental outcomes. In addition, Dr. Sotkiewicz facilitated a more general discussion for the Advisory Group on the rationales, outcomes, and open questions regarding energy efficiency and demand response programs.

Find more presentations on the faculty page [here](#).

- **FEPA Summer Conference**

Coal and natural gas prices and their roles in recent electricity price changes in Florida were the focus of a presentation by Dr. Paul Sotkiewicz in Ponte Vedra Beach at the Florida Energy Pipeline Association ([FEPA](#)) Summer Conference. His presentation was titled, [The Past, Present, and Future of Fuel Prices for Power Generation: What Does it All Mean?](#) He noted how fuel prices have been on the increase in the past several years, leading to a reversal of a declining trend in the state's electricity prices in real terms. He also examined the accuracy of the recent natural gas and coal forecast, as well as the forecast of future prices. Dr. Sotkiewicz concluded with a discussion of drivers for future coal and natural gas prices, such as climate change policy, and how difficult it will be to accurately forecast fuel prices going forward with some the outcomes of price drivers yet to be realized.

Find more presentations on the faculty page [here](#).

June 2007

- **Top Student Paper**

Congratulations to Sangwon Lee, a Ph.D. candidate and Alumni Graduate Fellow in the Department of Telecommunication, and to Mircea Marcu, a Ph.D. candidate in the Department of Economics, at the University of Florida. Their paper, "Fixed and Mobile Broadband Deployment: An Empirical Analysis of Adoption Factors," was selected by the [TPRC](#) Program Committee as a

Top Student Paper in the 2007 Student Paper Competition. They presented their paper in September at the 35th Research Conference on Communication, Information and Internet Policy in Washington, D.C.

- **NCRA Conference**

Implementing revenue decoupling in rate design through the use of volumetric charges or multi-part pricing charges was the subject of a presentation by Dr. Paul Sotkiewicz titled, [Determining Winners and Losers from Revenue Decoupling: Rate Design and Regulatory Implementation Does Matter](#), in Bismarck, North Dakota at the 30th Annual National Conference of Regulatory Attorneys. He also examined the trade-offs between the two implementation options discussing earnings stability; shifting of risk between the utility and consumers; bill and price stability; cross-subsidies; economic efficiency; and possible environmental outcomes.

- **22nd PURC/World Bank International Training Program on Utility Regulation and Strategy in Gainesville, FL**

94 utility regulators, policy-makers and infrastructure managers from 32 different nations participated in the June 2007 program.

Find the course calendar and more information [here](#).

- **PURC in Minneapolis, MN**

Leadership Development Program: Providing Leadership in Utility Policy

Find more leadership development programs [here](#).

- **Research grant**

PURC research associates have received a grant to study how universal service subsidies affect telecommunications competition and retail prices. The grant was awarded by the [Networks, Electronic Commerce, and Telecommunications \("NET"\) Institute](#) at the NYU Stern School of Business to Dr. Eric P. Chiang, assistant professor of economics at Florida Atlantic University, and Janice A. Hauge, assistant professor of economics at the University of North Texas. This research adds to PURC's portfolio of papers on universal service and telecommunications competition, to which Drs. Chiang and Hauge have made several contributions.

May 2007

- **UF Hurricane Simulator on the CNN network**

UF's hurricane simulator was featured May 30, 2007 on the CNN network. [View story](#). The device, which is the world's largest portable hurricane wind and rain simulator, is being used to test the durability of structures in the face of hurricane force wind and rain. An earlier version of the hurricane simulator was featured at the June 9, 2006, workshop on hurricane hardening research. Additional information on the hurricane simulator, which is part of a larger hurricane research effort in the [Florida Coastal Monitoring Program](#), can be found on the [UF News web site](#). The hurricane simulator was also featured in an [article in the Gainesville Sun](#).

Find more Hurricane Hardening information [here](#).

- **Hurricane Hardening in Louisiana**

Research on hurricane hardening for electric systems was the subject of PURC Director Mark Jamison's presentation to the Louisiana Public Service Commission in Baton Rouge. He emphasized the research on the economics of converting overhead electric lines to underground and research on hurricane winds. The presentation, [Hurricane Hardening Research](#), sparked discussion about how to calculate undergrounding costs, Florida's regulatory requirements on hardening, assessing risks of hurricanes, and how to measure hurricane winds. Dr. Jamison also

explained work on best practices in vegetation management and the impetus for coordinated research on hurricane hardening. Thirty representatives from the PSC, other government agencies, industry, and consumer groups attended the presentation, the 5th in the PSC's Distinguished Speaker Series.

Find more Hurricane Hardening information [here](#).

April 2007

- **FACS Seminar**

Recent trends in electricity rates, generation fuel prices and generating capacity for Florida and the US were the subjects of a presentation by Dr. Paul Sotkiewicz in Orlando, Florida at a Foundation for American Communications (**FACS**) seminar, in association with The Orlando Sentinel. His presentation was titled, [Electricity Rates in Florida: What's Next?](#) He examined the national and statewide trends in sulfur dioxide, nitrogen oxide, and carbon dioxide emissions in recent years and showed what the costs of environmental policy may be with regard to sulfur dioxide and nitrogen oxide controls. Dr. Sotkiewicz concluded with a discussion of how much potential climate change policy might raise electricity rates and affect the choice of new generation technologies, and the rate implications for undergrounding electric distribution facilities.

Find more presentations on the faculty page [here](#).

- **PURC in Thailand**

Advanced Course on Regulatory Economics and Process: Interconnection, Pricing and Competition

Advanced methods for analyzing market competition and interconnection costs were the focus of two weeks of training in Gainesville, Florida for the National Telecommunications Commission (NTC) of Thailand. The 31 senior executives and leading staff members examined cases in establishing competition policies, adapting regulation to fit market competition, developing and defending interconnection cost models, resolving disputes, and rebalancing retail prices.

Find the course calendar and more information about the course [here](#).

- **Regulatory Foundations Training Program in Gainesville, Florida for Officials from Liaoning Province, China**

A team of 11 Chinese officials from the Liaoning Province traveled to Gainesville, Florida to study regulatory framework and strategy. The course introduced core regulatory concepts and supplied international lessons required for these provincial leaders to effectively meet their oversight responsibilities.

Find the course calendar and more information about the course [here](#).

- **PURC in Savannah, GA**

5th Annual International Industrial Organization Society conference

PURC co-sponsored this event.

- **University of Florida Spring 2007 Working Professional MBA Commencement Ceremony**

Distinguished Service Professor Sanford V. Berg was selected the I2MBA07 Outstanding Faculty Award recipient by the Internet MBA 2-Year Class of 2007. He was also chosen for the award in 2006, 2005, 2003 and 2002.

Find more information [here](#).

March 2007

- **PURC in Cambodia**

EAC of Cambodia Training Program in Phnom Penh

Utility professionals studied regulatory fundamentals and global trends in electricity sector reform during this course designed by PURC for the Electricity Regulatory Authority.

Find the course calendar and more information about the course [here](#).

- **PURC in France**
International Leadership course: Adapting Business and Governments to New Realities in Paris
Find more leadership development programs [here](#).
- **Hurricane Hardening in Orlando**
Best Practices in Vegetation Management Workshop
The workshop provided a forum to review and benchmark best practices in Florida utility line clearance and vegetation management to maximize the reliability of transmission and distribution assets during and after major storms.
Find the report and more Hurricane Hardening information [here](#).

February 2007

- **Florida Outreach**
Dr. Mark Jamison delivered the first of four leadership development programs through June to staff of the Florida Public Service Commission.
Find more leadership development programs [here](#).
- **PURC in Washington, D.C.**
Leadership Development Program: Providing Leadership in Energy Policy
Find more leadership development programs [here](#).
- **34th Annual PURC Conference in Gainesville, FL**
1907-2007, A Century of Utility Regulation: Lessons We've Learned
Gerald Faulhaber, Professor of Business and Public Policy at the Wharton School and Professor of Law at the University of Pennsylvania, was the recipient of the 2007 PURC Distinguished Service Award. Connie S. Kummer was the recipient of the 2007 Gerald L. Gunter Distinguished Service Award.
Find speakers' presentations and more information [here](#).
- **Florida Outreach**
[Facing the Music? Microsoft, Apple and International Antitrust Law in the EU](#)
PURC Director Dr. Mark Jamison participated in a panel at the University of Florida Levin College of Law that examined recent antitrust actions against Microsoft and Apple in Europe. Other members of the panel were generally supportive of the European efforts, which were to require Microsoft to unbundle Windows Media Player and to require Apple to open its iTunes store to rival makers of MP3 players. Dr. Jamison explained that the antitrust principles being applied in Europe and that were being applied against Microsoft in the US are not applicable to the Microsoft and Apple situations. Certain features of these so called network industries – such as systems competition, network effects, and tipping – contradict basic assumptions underlying traditional antitrust laws. As a result, the antitrust officials in the United States and Europe are mistaken in their prosecution of the companies, Dr. Jamison concluded.
- **PURC Visiting Scholar**
PURC welcomed Marcelo Resende, an associate professor at the Universidade Federal do Rio de Janeiro in Brazil, as a visiting scholar. Given his research productivity in infrastructure economics, Dr. Resende was able to contribute ideas regarding methodologies for evaluating the impacts of public policies on performance in the telecommunications, energy, and water sectors.

Find more Visiting Scholars [here](#).

- **University of Florida Superior Accomplishment Award**
PURC Outreach & Program Development Coordinator Rossana Passaniti received a 2007 University of Florida Superior Accomplishment Award at a spring ceremony.

January 2007

- **21st PURC/World Bank International Training Program on Utility Regulation and Strategy in Gainesville, FL**
92 regulatory professionals from 33 nations participated in this course.
Find the course calendar and more information [here](#).