September 24 & 25, 1998 • Royal Sonesta Hotel • Cambridge, MA

Unbundling Retail Rates

Competitive Pricing for Gas & Electric Utilities

Special Team Discount
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The Nuts and Bolts of Alternative Rate Design Strategies

- ✔ **Performance Based Rates**
- ✔ **Real Time Pricing**
- ✔ **Shared-Risk Rates**
- ✔ **Flexible Pricing**
- ✔ **Retail Access Credits**
- ✔ **Week Ahead Rates**

Learn from the Successes and Failures of 6 Deregulated States

- **California**
- **Massachusetts**
- **Illinois**
- **Pennsylvania**
- **Rhode Island**
- **Maine**

Special Keynote Address by

W. Robert Keating, Commissioner
Massachusetts Department of Transportation & Energy

PLUS!

An Intensive Pre-Conference Workshop
Thursday, September 24, 1998

Building a Winning Retail Service Portfolio

With Lessons Learned from International Markets

Presented by — REED Consulting Group

8 Cutting-edge Case Studies from Today's Industry Leaders:

- ❖ **San Diego Gas & Electric**
- ❖ **Boston Edison**
- ❖ **PECO**
- ❖ **Central Maine Power**
- ❖ **New York State Electric & Gas**
- ❖ **ComEd**
- ❖ **Providence Gas**
- ❖ **Southern California Edison**

...and many more!

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Submit Your Questions Today

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"The only thing worse than losing a customer

Pre-Conference Workshop
Thursday, September 24, 1998

Presented by REED Consulting Group

Building a Winning Retail Service Portfolio

With Lessons Learned from International Markets

8:00 *Workshop Registration and Coffee*

8:30 **Workshop Begins**

When the regulatory dust settles on retail rate restructure, three questions will remain: *Which services do I cut? What services do I add? And how do I price them?* In this intensive pre-conference workshop, Susan G. Hersey and John E. Higgins, Jr. of Reed Consulting Group will discuss the price and service offerings needed to compete in the retail markets of the 21st century. The workshop will focus on the evolution of service offerings over time, providing participants with a comprehensive understanding of the approaches taken in the retail electric markets of the United Kingdom, Australia, and New Zealand.

Topics include:
- Taking price and service offerings to market
- Establishing value-added features within standard price and service offerings
- The evolution of product and service offerings in mature retail markets
- Rebundling supply and delivery products
- Strategically maintaining customer profiles
- Bridging wholesale products into retail markets
- Maintaining product base profit
- Establishing brand name recognition consistent with corporate identity
- Differentiating products to gain the edge
- Mining target markets
- Forming flexible partnerships to best serve differing markets
- Lessons learned from other deregulated industries

11:30 *Close of Workshop*

(There will be a 15 minute refreshment break at 10:15.)

About the workshop leaders:

REED
CONSULTING GROUP

Susan G. Hersey, Senior Project Manager, brings fifteen years of experience and proficiency from a diverse base of utility business functions including: restructuring, marketing, energy conservation, key customer management, electric operations, product development and implementation, financial and strategic planning, pricing, resource planning, power procurement, regulation, and utility finance and accounting.

John E. Higgins, Jr., Project Manager, is a Management Consultant, specializing in energy industry restructuring issues and the analysis of competitive energy markets. As leader of REED Consulting Group's Retail Energy Services Practice, Mr. Higgins manages multiple restructuring assignments, including the procurement of gas and electricity for large retail customers, the development of strategic business plans, and market entry strategies for retail energy marketers.

MAIN CONFERENCE

Thursday, September 24, 1998

12:30 *Main Conference Registration*

1:00 **Chairperson's Welcome**

Susan G. Hersey, Senior Project Manager, **REED Consulting Group**

1:15 **Status Report on Gas and Electric Regulation**

W. Robert Keating, Commissioner,
Massachusetts Department of Transportation & Energy
- Electric and gas unbundling issues
- Restructuring from a government perspective

W. Robert Keating, formerly a Principal in the Keating Group served as Vice President of the New England-Canada Business Council acting as Co-Chair to their Annual International Energy Conference.

2:00 **Risk-Based Pricing: Creating Value by Sharing Risk**

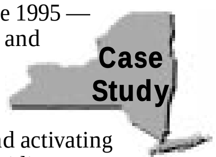
Kelly Eakin, Vice President, **L.R. Christensen Associates, Inc.**

Your CEO directs you to develop a line of profitable products for the competitive retail electricity market. Your challenge: how to transform wholesale commodity electricity into differentiated retail products. Sharing the financial risks with the retail customer will be the primary method of differentiating electricity products. This session describes the essential elements — from wholesale contracting to anticipating competitors' responses.
- Financial building blocks for differentiated electricity products
- Identifying sources of risk facing the electricity merchant
- Wholesale electricity contracts
- How customers differ — load profiles, responding to prices and choosing among products and providers
- Calculating break-even prices
- Searching for profit-maximizing prices
- Anticipating the competition
- Recognizing and quantifying the trade-off between market share and profits
- Analytical tools — What is needed? What is available?

3:30 *Refreshment Break*

3:45 Implementing Performance Based Rates

Steve Adams, Manager, Gas Pricing, **New York State Electric & Gas**



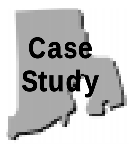
NYSEG has successfully operated a PBR since 1995 — including, the elimination of gas adjustment and weather normalization clauses, the implementation of a hard price cap for residential gas customers, offer pricing options for non-residential gas customers and activating an earnings incentive mechanism, while providing a discount for low-income customers.

- Assessing risk profile under PBR
- Pricing gas services for different customer segments
- Managing commodity gas price and weather risk
- Unbundling services and providing customer choices
- Movement away from traditional utility-deferred accounting

4:30 Rhode Island Energy Unbundling

Tim Lyons, Vice President, Marketing & Regulatory Affairs, **Providence Gas**

Mary Kilmarx, Director, Energy Policy & Planning,,
Rhode Island Public Utilities Commission



Providence Gas has initiated an innovative regulatory plan to provide customers with price stability and transportation service offerings.

Energize Rhode Island — Providence Gas' Comprehensive Regulatory Plan

- Price reduction and freeze for 3 years
- Portfolio auction
- Funding of infrastructure and investments

Business Choice — Phase II of Unbundling

- Expanded transportation services to business customers
- Administrative experiences, challenges and lessons

5:15 *Close of Day One*

Friday, September 25, 1998

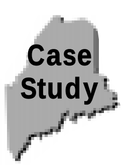
8:00 *Coffee*

8:30 Chairperson's Review of Day One

Susan G. Hersey, Senior Project Manager, **REED Consulting Group**

8:45 Maine — Beyond Real Time Pricing — Week Ahead Rates

Philip Hastings, Marketing & Energy Services,
Central Maine Power International Consultants



As part of their Strategic Directions 2000 corporate plan, Central Maine Power's(CMP)pricing innovations are customer driven. Real Time Pricing in Maine, as in other places has not been high on the consumer wish list. CMP has responded accordingly with an alternative pricing option that allows the customer to alter their planned usage based on a price quote issued a week in advance.

- RTP and the sophisticated consumer
- CMP's Week Ahead pricing plan
- Energy services — the frontier of innovative pricing
- Marketing price plans

9:30 Retail Access, Back-out and Shopping Credits

Neil Fisher, Principal, **The NorthBridge Group**

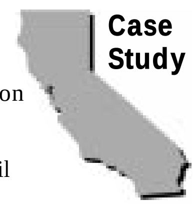
In the new energy marketplace, retail access credits are the key-driver to competitive success.

- What should be "backed-out" of retail rates when customers shop for power?
- Why it's vital to get it right the first time
- How the value and cost of serving customer varients
- How a utility can establish retail access credits to mitigate stranded costs
- The rules of the game — why they matter!

10:15 *Refreshment Break*

10:30 Flexible Pricing Strategies

Mark H. Wallenrod, Manager, Pricing and Tariff Operations,
Southern California Edison.

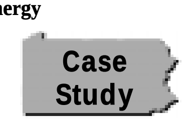


At the forefront of industry restructure and competition, Southern California Edison has diversified their retail pricing strategies to capitalize on competition. Expansion attraction rates, two-part rates, environmental pricing credits and seasonal load plans are a few of Southern California Edison's pioneering retail rate-making examples.

- Pricing options to meet customers' needs
- Aligning customer and shareholder interests
- Lessons learned from Edison's experience
- New pricing challenges

11:15 Pennsylvania — Landmark Legislation and Contentious Competition

Greg Cucchi, Senior Vice President, Ventures, **PECO Energy**



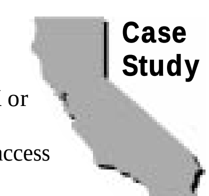
Earlier this year, the Pennsylvania Public Utility Commission approved a settlement that will cut consumer's electric rates by 8% in a state already known for its vibrant competition and consumer activism. In January 1999, two-thirds of PECO's customers will be able to shop. The new mandate provides for unbundling of the charges including a stranded assets charge.

- PA PUC decision
- 15 million dollars of state-funded consumer education
- The unbundled bill
- Open competition — selling the "juice"

12:00 *Luncheon*

1:15 California—Model for the Western Grid

Michael Schneider, Price & Strategy Services,
San Diego Gas & Electric Company

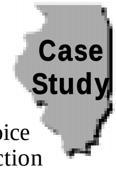


- Facilitating a competitive wholesale energy market for retail customers through the PX or bilateral purchase arrangements
- Collateral rate programs supporting retail access to the wholesale energy market
- Rate-setting to recover stranded assets in a rate cap environment
- Billing and metering services — rate-making to promote new competitive service offerings by non-utility service providers

the price is too low."

2:00 **Illinois — You Can't Always Get What You Want....**

Joanne Bloom, Director, Regulations & Strategies, **Commonwealth Edison**



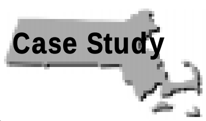
Exclusion from your state's retail wheeling pilot program does not necessarily mean being excluded from re-structuring influence and competitive innovation. With full residential choice coming by 2002, and a mandated 15% rate reduction slated for August 1, 1998, ComEd has the most at stake in Illinois, supplying electricity to 70% of the state's population. Discover how ComEd rose to the challenge of implementing the state legislation in a way that provides a managed transition to a competitive marketplace.

- Negotiating for restructuring
- Stranded costs
- The legislative process
- The results

2:45 **Massachusetts—Waiting for the other shoe...**

Jerry Greer, Team Leader, Pricing, **Boston Edison**

Even as Boston Edison and other Massachusetts energy providers move forward under the state's restructuring mandate, a referendum to repeal the plan is placed on the November ballot. From the quid-pro-quos in the settlement agreement, to the municipal buy-out of streetlighting equipment, learn the pioneering strategies and responses of Boston Edison in an unsettled open access environment.



- Rate design under restriction
- Preparing to bill
- Negotiating to settlement
- Last minute details
- Unresolved issues and the pending referendum to repeal

3:30 *Refreshment Break*

Panel

Interactive End User Panel:

Take this opportunity to submit your questions directly to our energy purchasing panel.

fax: 508-481-4473 or email: ebeeman@ibcusa.com

3:45 **Energy Purchasers — What do they want?**

Energy purchasers from varied market segments tell you their buying criteria followed by an open question and answer session.

Industrial and manufacturing — *Frank Sullivan, Purchasing Manager,* **Gillette**

Hi-tech — *Christopher Anderson, Vice President & General Counsel,* **Massachusetts High-Tech Council, Inc.**

Retail/wholesale chain — *Richard Andelman, Energy Services & Utilities Manager,* **BJ's Wholesale Club, Inc.**

University and hospital — *Robert J. Ciolek, Executive Director,* **Massachusetts Health Educational Facilities Authority**

5:15 *Close of Main Conference*

Exhibition/Sponsorship Opportunities

Conferences are powerful tools to convey your corporate image and boost your company's profile. Association with IBC's **Unbundling Retail Rates** conference will ensure recognition in the power industry of your position as a key leader. The value of sponsorship can never be overstated.

Sponsorship options include:

• Lunch • Cocktail Reception • Refreshment Breaks • Exhibition/Tabletop Showcase

For details regarding these opportunities, contact Jared Milliard.
Tel: (508) 804-5634 • Fax: (508) 481-4473 • email: jmilliard@ibcusa.com

Other Important Upcoming IBC Events

❖ **Stranded Cost Recovery**
(June 23-24, 1998 • Washington, DC)
Visit Our Website — http://www.ibcusa.com/conf/stranded

❖ **Leveraging Customer Information in a Competitive Marketplace**
(June 24-26, 1998 • Las Vegas, NV)
Visit Our Website — http://www.ibcusa.com/conf/customer

❖ **Coiled Tubing Technologies**
(June 29-30, 1998 • Houston, TX)
Visit Our Website — http://www.ibcusa.com/conf/coiledtubing

❖ **Divesting Generation Assets**
(July 27-29, 1998 • Washington, DC)
Visit Our Website — http://www.ibcusa.com/conf/divest

❖ **Competitive Billing & Metering Strategies**
(July 27-29, 1998 • San Francisco, CA)
Visit Our Website — http://www.ibcusa.com/conf/divest

❖ **Subsea Pipeline Technologies**
(August 24-25, 1998 • Houston, TX)
Visit Our Website — http://www.ibcusa.com/conf/subsea-pipeline

❖ **Market Price Forecasting**
(August 24-26, 1998 • Baltimore, MD)
Visit Our Website — http://www.ibcusa.com/conf/forecast

❖ **Inspection & Maintenance Strategies**
(September 14-15, 1998 • New Orleans, LA)
Visit Our Website — http://www.ibcusa.com/conf/offshore-risk

❖ **Environmental Liability Recovery for MGP and Brownfield Sites**
(September 14-16, 1998 • Baltimore, MD)
Visit Our Website — http://www.ibcusa.com/conf/mgp

❖ **Marketing Green Power**
(September 16-18, 1998 • Washington, DC)
Visit Our Website — http://www.ibcusa.com/conf/renewables

❖ **Developing & Financing Natural Gas in Asia**
(September 24-25, 1998 • New York City)
Visit Our Website — http://www.ibcusa.com/conf/asiagas

❖ **Deepwater Technologies**
(October 19-20, 1998 • Houston, TX)
Visit Our Website — http://www.ibcusa.com/conf/deepwater

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PLEASE NOTE: In order to guarantee your place, payment is required in advance of the conference.

METHODS OF PAYMENT:
Please make check(s), in U.S. funds drawn on a U.S. bank, payable to IBC USA Conferences and attach to the registration form even if you have registered by phone. Confirmation of your booking will follow shortly.

SUBSTITUTIONS/CANCELLATIONS
In order to receive a prompt refund, your notice of cancellation must be received in writing (by letter or fax) 10 working days before the conference. We regret cancellations will not be accepted after that date. However, we will be pleased to transfer your registration to another member of your company at any time. If you plan to send someone in your place, please notify us as soon as possible so that materials can be prepared. All cancellations will be subject to a $195 processing fee. If IBC cancels an event, IBC is not responsible for any airfare, hotel or other costs incurred by registrants. Speakers subject to change without notice.

TRAVEL INFORMATION:
The hotel has allocated a block of rooms at a special reduced rate. Be sure to mention IBC when contacting the hotel directly by **August 24, 1998.** Contact IBC if you require assistance.

As IBC's official travel agent, Colpitts World Travel can offer specially negotiated airfares at significant savings to attendees. Please call them at 1-800-972-7777 ext. 375 within the U.S. or at 781-326-7800, fax 781-326-2921. Be sure to mention IBC along with the conference title, date and **conference code 2152.**

DISCOUNTS: *Team Discount* — Register three people from the same company at the same time and a fourth person can attend for *free*.

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Not Able to Attend?

Of course, nothing compares to "being there," but you don't have to completely miss out just because you can't fit this conference into your schedule. You can purchase the documentation binder(s) for just $398 each. Simply check the box on the registration form, send it with payment and your copy will be on its way to you 2-3 weeks following the conference.

❑ YES! Please Register Me for Unbundling Retail Rates

2152 FAX

Please mail this form in even if you have made a reservation.

❒ **Enclosed is a check in the amount of $_______________.**

❒ **I qualify for the team discount** (register 3 people from the same company at the same time and a 4th attends free).

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Who is the director of your company's Marketing/Sales Department?

NAME ______ POSITION ______

YES! REGISTER ME FOR	REGISTRATION FEE	TOTAL
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PRE-CONFERENCE WORKSHOP *only*	❒ $695	
I cannot attend. ❒ Please send ____ documentation binder(s). Enclosed is my payment for $398 each.		

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Please photocopy registration form for additional delegates or pass along to a colleague if you receive more than one brochure.