
National Capital Area Chapter

United States
Association for
Energy Economics
September 2000

www.ncac-usaee.org

news

Mergers in the Energy Industry have raised a number of antitrust concerns. What does the recent *Microsoft* case mean for the energy industry?

Our Next Luncheon at Library of Congress

Do Easy Cases Make Bad Law? Antitrust, Energy Economics and U.S. v. Microsoft

- WHEN:** Noon, Friday, September 15
- WHERE:** 6th Floor, Madison Building—Montpelier Dining Room
Library of Congress
1st & C Streets, SE—enter on Independence
Washington, DC
- TOPIC:** *U.S. v. Microsoft—Implications for Energy Firms*
- SPEAKER:** Timothy Brennan

U.S. v. Microsoft, the most prominent antitrust case since the breakup of AT&T over fifteen years ago, raises questions about how firms with monopolies in one market may be proscribed from entering related markets. The AT&T case spoke directly to that issue in the context of deregulated utilities (telephones, pipelines, and electricity). Alleged similarities between the Microsoft and AT&T cases are greatly exaggerated. But as a review of the Microsoft case shows, utilities and other large energy firms need to be concerned because the Microsoft decision, if it stands, could signal a return to an era where antitrust liability was especially consequential and unpredictable.

Tim Brennan is Professor of Policy Sciences and Economics at UMBC and coordinator of the Master's program in Policy Sciences. Prof. Brennan's fields of interest include antitrust policy, regulatory economics, telecommunications policy, electricity restructuring, intellectual property, the First Amendment, and ethical and methodological issues in policy analysis. While grounded in economics, his research also recognizes and utilizes philosophy, legal research, and communications theory.

COST: \$15.00 for members and \$20.00 for non-members—guests are always welcome. Make checks payable to NCAC/USAEE.

RSVP: By noon, TUESDAY, September 12, by phone to Leslie Coleman at (202) 463-9780, by fax at (202) 833-9636 or e-mail to lc Coleman@nma.org. Cancellations after noon Thursday will be billed.

<p>Contents: September Luncheon p 1 • June Highlights p 2 • 2000 Directory Updates p 2 • 2000 & 2001 Luncheon Dates p 3 • Calendar of Events pgs 3–5 • Chapter Officers p 6</p>
--

June Luncheon Highlights

Thomas Woods, Vice President of U.S. Gas Services of the Ziff Energy Group, presented a challenging personal view at the June 23 luncheon of where future U.S. gas sales are headed. Although there are many who believe that gas sales will exceed 30 trillion cubic feet (Tcf) per year between 2010 and 2015, he says the likelihood of that appears to be declining.

Discussions of North American gas markets have focused on gas supply issues. Demand is thought to have had little impact on recent gas supply due to the tight gas supply situation. If U.S. gas production does not grow or declines, it is because of the lack of supply deliverability, not the lack of demand. If supply can grow, then demand will grow. Mr. Woods said that perhaps we should review recent trends in gas demand to see whether the lack of growth in gas supply might reflect some demand issues.

There has been essentially no growth in North American gas sales since 1995. While the decline in residential sales can be attributed to the warm winters since 1996, the modest decline in industrial gas sales since the mid-1990s is unsettling, particularly given the strong growth in industrial activity since the mid-1990s. Some growth in gas sales to electric utilities has occurred, but it has been modest given record warm summers and strong expectations for growth in gas sales to electric utilities. The commercial building sector has been a surprise, with growth remaining strong since the mid-1990s despite warm winters.

Gas sales to industrial and electric utility customers in the first two months of 2000, however, have begun to show some strong growth, and that could be a promise of things to come. This will have to be watched to see if it continues.

Reviewing some Department of Energy (DOE) and projections since the mid-1990s and can provide some insights into the dynamics of gas demand forecasting. As growth in U.S. gas demand has failed to develop since the mid-1990s, DOE has slowed the growth in near-term gas demand. However, DOE Annual Energy Outlooks have continued to expect a strong gas demand after 2010. As a result, gas demand growth rates in the longer term have accelerated as the near- and medium-term growth rates have slowed.

The recent National Petroleum Council (NPC) gas demand outlook expects the growth in gas demand to slow over time, but it reaches about the same gas sales levels as the DOE outlooks between 2010 and 2015. This occurs because the NPC outlook for gas demand in 1999, its first forecasted year, is about 1.5 Tcf higher than the actual level of gas sales.

During the discussion, the issue of gas prices came up. Mr. Woods said it has become increasingly difficult in the new market environment to identify the extent to which a public price, such as Henry Hub, tracks with the changes in the price seen by an end-use customer. To identify the extent to which the price seen by a customer tracks a public price will take careful analysis.

2000 NCAC/USAEE Directory—Updates & Corrections

Please make the following changes to your 2000 Directory:

Jennifer Sklarew

Title change: International Trade Specialist
Office of Japan, International Trade Administration
U.S. Department of Commerce

Phone change: 202-482-5664

E-mail change: jennifer_sklarew@ita.doc.gov

Kathryn Dunning

New Organization Information:

The Alliance to Save Energy
1200 18th Street, NW, Suite 900
Washington, DC 20036

202-857-0666 202-331-9588 (fax)

David DeAngelo

Email Change: djdeangelo@pplweb.com

Fred Joutz

Email Change: fjoutz@attglobal.net

2000 Luncheon Dates

All Fridays—October 20, & November 17. Speakers to be announced.

Holiday Dinner—Thursday, December 7—Speaker Luis Guisti, CSIS and formerly head of PDVSA.

2001 Luncheon Dates

All Fridays—January 19, February 16, March 16, April 13, May 18, June 22, September 21, October 19, and November 16. December is the Annual Holiday Dinner. Meetings are held at the Library of Congress and are usually on the third Friday of each month, except the two underlined dates, which are the second and fourth Friday's respectively. Speakers to be announced.

Calendar of Events

7-8 August 2000, IIR's Negotiating the Transmission Revolution. Chicago, IL, USA. Contact: Mark Thabet. Phone: 212-661-3500. Fax: 212-599-2192. Email: mthabet@iirny.com

23-24 August 2000, Latin Upstream 2000, Rio de Janeiro, Brazil. Contact: Babette Van Gessel, Managing Director, Global Pacific & Partners. Phone: 27-11-782-3189. Fax: 27-11-782-3188. Email: babette@global.co.za

31 August – 1 September 2000, Towards an Integrated European Energy Market. Bergen, Norway. Contact: Kellis Akselsen, SNF-NHH, Breiviksvn. 40, 5045 Bergen, Norway. Phone: 47-55-959500. Fax: 55-959439. Email: Kellis.Akselsen@snf.no

4-8 September 2000, Negotiation and Documenting Petroleum Industry Transactions. University of Dundee, Scotland, UK. Contact: Jacquie Hay, Marketing Assistant, Centre for Energy, Petroleum and Mineral Law & Policy, University of Dundee, DD1 4HN, United Kingdom. Email: cepmlp@dundee.ac.uk URL: www.dundee.ac.uk/cepmlp

10-11 September 2000, Oil Prices and Investment Retreat. Le Meridien Piccadilly, London, England. Contact: Jonathan Neale. Phone: 44-2-7704-6241. Fax: 44-2-7704-8440. Email: jneale@thecwcgroup.com URL: www.thecwcgroup.com

11-13 September 2000, 2nd Annual Africa Infrastructure 2000. Crowne Plaza Hotel, South Africa. Contact: Global Pacific & Partners International, Houston: Phone: 281-597-9578, Fax: 281-597-9589. South Africa: Phone: 27-11-782-3189, Fax: 27-11-782-3188. Email: babette@global.co.za URL: www.glopac.com, www.glopac.com

11-15 September 2000, Natural Gas Negotiations and Contracts. University of Dundee, Scotland, UK. Contact: Jacquie Hay, Marketing Assistant, Centre for Energy, Petroleum and Mineral Law & Policy, University of Dundee, DD1 4HN, United Kingdom. Email: cepmlp@dundee.ac.uk URL: www.dundee.ac.uk/cepmlp

11-15 September 2000, Hyforum 2000: The International Hydrogen Energy Forum 2000. Munich, Germany. Contact: Mrs. Sandra Hoderlein or Mr. Wolf Rasch, EFO Energy Forum GmbH, Godesberger Allee 90, D-53175 Bonn, Germany. Phone: 49-228-95-95-6-0. Fax: 49-228-95-95-6-50. Email: hyforum2000@zukunftsenergien.de URL: www.hyforum2000.de

14-15 September 2000, World LNG Conference. Meridien Waldorf Hotel, London, England. Contact: Jonathan Neale. Phone: 44-2-7704-6241. Fax: 44-2-7704-8440. Email: jneale@thecwcgroup.com URL: www.thecwcgroup.com

17-22 September 2000, Natural Gas: The Commercial and Political Challenges (Training Course). The Four Pillars, Oxford, England. Contact: Margaret Coen, The Alphatania Partnership, Rodwell House, 100 Middlesex Street, London E1 7HD, United Kingdom. Phone: 44-20-7650-1405. Fax: 44-20-7650-1401. Email: training@alphatania.com URL: www.alphatania.com

17-23 September 2000, African Petroleum Management Institute/Upstream Leadership Program 2000. Johannesburg, South Africa. Contact: Global Pacific & Partners International, Houston: Phone: 281-597-9578, Fax: 281-597-9589. South Africa: Phone: 27-11-782-3189, Fax: 27-11-782-3188. Email: babette@global.co.za URL: www.glopac.com

18-22 September 2000, UK Oil and Gas Law. Russack's Hotel, St Andrews, Fife, Scotland, UK. Contact: Jacquie Hay, Marketing Assistant, Centre for Energy, Petroleum and Mineral Law & Policy, University of Dundee, DD1 4HN, United Kingdom. Email: cepmlp@dundee.ac.uk URL: www.dundee.ac.uk/cepmlp

23-24 September 2000, Pacific Petroleum Insiders. Raffles Hotel, Singapore. Contact: Vimla Mulchand, Managing Director, The Conference Connection, Raffles City Post Office Box 1736, Singapore 911758. Phone: 65-226-5280. Fax: 65-226-4117. Email: mpgc@cconnection.org URL: www.cconnection.org

24-27 September 2000, 21st USAEE/IAEE N.A. Conference – “Transforming Energy.” Philadelphia, Pennsylvania, USA. Contact: IAEE Headquarters, 28790 Chagrin Blvd., Ste. 350, Cleveland, OH 44122. Phone: 216-464-5365. Fax: 216-464-2737. Email: usaee@usaee.org URL: www.usaee.org

25-26 September 2000, Energy Utilities Advanced Valuation. N.M. Rothschild & Sons, London. Contact: Jacquie Hay, Marketing Assistant, Centre for Energy, Petroleum and Mineral Law & Policy, University of Dundee, DD1 4HN, United Kingdom. Email: cepmlp@dundee.ac.uk URL: www.dundee.ac.uk/cepmlp

27-29 September 2000, 2nd International Conference on Energy Efficiency in Household Appliances and Lighting. Naples, Italy. Contact: Edgardo Curcio, AIEE, Via Giorgia Vasari 4, 00196 Roma RM, Italy. Phone: 39-06-322-7367. Fax: 39-06-323-4921. URL: www.aiee.org

27-29 September 2000, 7th Annual Africa Upstream 2000. Cape Town, South Africa. Contact: Global Pacific & Partners International, Houston: Phone: 281-597-9578, Fax: 281-597-9589. South Africa: Phone: 27-11-782-3189, Fax: 27-11-782-3188. Email: babette@global.co.za URL: www.glopac.com

28-29 September 2000, Converging European Energy Markets-How to Make it Happen. Crowne Plaza Hotel, Brussels. Contact: Jacquie Hay, Marketing Assistant, Centre for Energy, Petroleum and Mineral Law & Policy, University of Dundee, DD1 4HN, United Kingdom. Email: cepmlp@dundee.ac.uk URL: www.dundee.ac.uk/cepmlp

2-4 October 2000, Commercial Opportunities in Renewable Energies. London, UK. Contact: Juliane Jung, CWC Associates, Phone: 44-20-7704-9155. Fax: 44-20-7704-8440. Email: juliane.jung@cwconferences.co.uk URL: www.globalenergyintel.com

2-4 October 2000, Chinese Petroleum & Gas Conference. Beijing, China. Contact: Vimla Mulchand, Managing Director, The Conference Connection, Raffles City Post Office Box 1736, Singapore 911758. Phone: 65-226-5280. Fax: 65-226-4117. Email: mpgc@cconnection.org URL: www.cconnection.org

15-20 October 2000, The Gas Chain: From Reservoir to Burner Tip (Training Course). Cricklade Wiltshire, England. Contact: Margaret Coen, The Alphatania Partnership, Rodwell House, 100 Middlesex Street, London E1 7HD, United Kingdom. Phone: 44-20-7650-1405. Fax: 44-20-7650-1401. Email: training@alphatania.com URL: www.alphatania.com

23-24 November 2000, 4th Annual Africa Downstream 2000. Johannesburg, South Africa. Contact: Global Pacific & Partners International, Houston: Phone: 281-597-9578, Fax: 281-597-9589. South Africa: Phone: 27-11-782-3189, Fax: 27-11-782-3188. Email: babette@global.co.za URL: www.glopac.com

November 2000, Renewable Energy: Advancing Technology for Industrialisation and Sustainable Development. Brighton, UK. Contact: Robert Pinheiro. Phone: 44-1865-302704. Fax: 44-1865-557368. Email: robert.pinheiro@britishcouncil.org

7-8 November 2000, 15th Annual Autumn European Gas Conference. Edinburgh. Contact: EconoMatters Ltd., Rodwell House, 100 Middlesex Street, London E1 7HD. Phone: 44-20-7650-1430. Fax: 44-20-7650-1431. Email: confs@economatters.com URL: www.gas-matters.com

9-10 November 2000, 2nd Annual International Symposium on Distributed Energy Resources. Distributed Generation: Reaching the Market. San Diego, California, Hilton San Diego Resort. URL: www.cader.org.

14-15 November 2000, Natural Gas Conference. Toronto, Ontario, Canada. Contact: Industrial Gas Users Association, Phone: 613-236-8021. Fax: 613-230-9531. Email: igua@magma.ca

2000 OFFICERS

NAME	PHONE #	FAX #	EMAIL ADDRESS
John Felmy President	202-682-8530 American Petroleum Institute	202-682-8408	felmyj@api.org
Leslie Coleman Vice President	202-463-9780 National Mining Association	202-833-9636	lcoleman@nma.org
Carol Rendall Treasurer	301-229-8978 Energy Consultant	301-229-8978	carolrendall@prodigy.net
Stephanie Battles Secretary	202-586-7237 Energy Information Administration	202-586-0018	stephanie.battles@eia.doe.gov

AT LARGE

NAME	PHONE #	FAX #	EMAIL ADDRESS
Louis Aboud	202-223-7750 Aramco Services Company	202-223-7756	laboud@aramco.com
Joseph M. Dukert *	301-229-7377 Energy Consultant	301-229-4619	dukert@erols.com
John Jimison	202-955-6067 Berliner, Candon & Jimison	202-822-0109	johnj@bcjlaw.com
Fred Joutz	202-994-4899 Department of Economics, GWU	202-994-6147	fjoutz@attglobal.net
Leonard Levine	202-965-2788 Energy Consultant	202-965-2672	lblevine@erols.com
Sarah McKinley	202-216-5944 Distributed Power Coalition of America	202-216-0874	smckinley@ingaa.org
Shirley Neff	202-224-6689 U.S. Senate Energy Committee	202-224-9026	shirley_neff@energy.senate.gov
Robert Price	202-586-6777 U.S. Department of Energy	202-586-1180	robert.s.price@hq.doe.gov
David South	202-785-8833 Energy Resources International, Inc.	202-785-8834	south@energyresources.com
David Vance	301-229-5564 Consultant	301-229-8746	N/A
Cyndy Wilson	703-698-7049 Catalytics, Inc.	703-698-5404	catalytics@aol.com

* **Immediate Past President**