

Andreas Bausch  
Burkhard Schwenker  
*Editors*

# Handbook Utility Management

 Springer

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Editors

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## Preface

Traditionally, the supply of electricity and gas has been in the hands of vertically integrated monopolistic businesses, either state owned or under mixed private and state ownership. This began to change in the early 1980s, first in America and later in Europe. With the deregulation and liberalization of the European electricity and gas market this vertically integrated value chain broke down and separate market segments began to form, moving in the direction of greater competition.

During the 1990s, many European countries began to restructure their electric power sectors with the aim of introducing competition, achieving greater performance, and thus providing long-term benefits to consumers. The restructuring process was finally triggered by the European Commission's 1996 directive 'Concerning Common Rules for the Internal Market in Electricity', the intention of which was the creation of a common European electricity market. In June 1998, the first natural gas directive was passed by the European Parliament and the Council. It created the foundation for a harmonized European gas market by defining 'Common Rules for the Internal Market for Natural Gas'. In order to push the member states into faster implementation of EU guidelines, the so-called 'Directives of Acceleration' came into force in August 2003.

Ever since, the directions have been implemented in rather varied ways in the EU's different member states. From a utility company's perspective, the deregulation progressing towards an integrated market environment has resulted in new challenges and a substantial need for strategic reorientation. Practically the entire set of strategic variables now needs to be reconsidered, from product portfolio and value chain specialization through anorganic growth and internationalization to organizational design and controlling systems, to name but a few.

In the context of these developments, we have aimed at compiling a Handbook of Utility Management in which many of the tremendous challenges energy supply companies face today are addressed, so as to provide readers with a broader picture of the state of the art in this exciting field. In recent years many books have been published on deregulation of the electricity and gas industry, but in most of them the emphasis has been on policy, technological and economic issues. In contrast, the focus of the Handbook is on managerial issues. After a number of basic introductory chapters on such general management topics as innovation, value-based management, entrepreneurial orientation, and corporate growth (Part I), fundamentals of utility management associated with changing market structures and industry dynamics are elaborated (Part II). The further chapters are organized along the different value chain activities and markets of the industry: power generation (Part III), energy trading and wholesale (Part IV), transmission and distribution (Part V), and retail (Part VI). Region-specific features of the utility markets (Part VII) and special issues such as cooperations

among utilities, climate protection and energy efficiency (Part VIII) bring the Handbook to a close.

Looking back, we can truthfully say that we have spared no effort in assembling a multi-author work that reflects the current character of the field of 'Utility Management' in terms of both scientific inquiry and practical application. Needless to say, whether and to what extent we have reached our goal can only be judged by you, our colleagues, clients, and students. We sincerely invite your input. Please feel free to e-mail us and let us know what you like about the book and what features need improvement.

Our sincere appreciation goes to the authors of the chapters included in this Handbook for their valuable contributions. Although time pressure and busy schedules are typical for today's work environments, you have sacrificed your time for this cooperative endeavor. We owe very special thanks to Michael Hunoldt and Dr. Thomas Fritz, whose editorial contributions have been most helpful and who have provided us with practical administrative assistance. We also thank Prof. Dr. Wolfgang Pfaffenberger and Veit Schwinkendorf for their intellectual support. We would also like to thank Torsten Oltmanns, who assisted us in launching the book project. Finally, we are also indebted to Dr. Werner A. Mueller of Springer for his continuous encouragement.

Andreas Bausch  
Burkhard Schwenker

Jena, Bremen, and Hamburg, June 2009

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