



Ambitious Paper

- Nonlinear pricing is not dead.
- Outstanding data set.
- Sophisticated structural approach that incorporates features of consumer behavior in making modeling choices.
- Policy relevant application – Another example of the unintended consequences of regulation.
- Long and winding...



Estimation

SML:

- Sensible choices of functional forms demand specification.
- Nice use of the change in demand between peak and off-peak periods to identify the price effect on usage.
- Untested statistical assumptions on the distribution of some



Econometric Approach & Results

- Good reduced form analysis to guide modeling choices in the structural model (10 pages!).
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Easy Fixes

The paper is extremely long:

- Introduction – overreaching.
- Changing the order of some sections may help reading the paper – Use concepts repeatedly that are only defined much later in the paper.
- Do not need to measure yourself to *every* single paper remotely related to this one.
- Stata xtabond?





Other Issues

Suggestions:

- Consideration sets: Why not include the choice to stay in the same plan? (You can use your micro data to study whether there is evidence in favor or against it).
- It might be interesting to evaluate the removing biased beliefs but it is not a practical policy issue.
- Need to devote much more time to explain how firms change tariffs offering optimally.



Problems

Specification Analysis:

- Despite the authors' efforts, there are hints that the model is overparameterized.
- Sample variation might not be sufficient to identify all the parameters of the model.
- Need to evaluate alternative models and compare whether

