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COLUMBIA GAS OF OHIO
EAST OHIO GAS, AND
CINCINNATI GAS AND ELECTRIC COMPANIES

PUCO Case Nos. 98-593-GA-COI
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VOLUME II

A CUSTOMER PERSPECTIVE

SUBMITTED BY THE STAFF
OF
THE PUBLIC UTILITIES COMMISSION OF OHIO

STUDIES OF THE NATURAL GAS PILOT PROGRAMS: A CUSTOMER PERSPECTIVE

Three natural gas pilot programs were initiated in the State of Ohio. As a part of the evaluation process of these pilot programs, the Commission requested that studies be conducted to assess the customers' perspectives regarding the effectiveness of the components of these Programs. In accordance with this request, a research program was designed which entailed a baseline and follow-up study in the 3 service territories where the pilots were implemented. The results from the 6 studies have been prepared in 6 different reports. There is a baseline and follow-up study for the residential and business customers of Columbia Gas of Ohio, The Cincinnati Gas and Electric Company, and The East Ohio Gas Company.

The research results which have been included in this report are the 3 follow-up studies of the residential and business customers from the 3 pilot programs. The follow-up studies have been included in their entirety. None of the baseline studies are included in this report. Each of the baseline studies presents detailed frequency analyses, and cross-tabulation and statistical analyses of the various areas of the programs. These research areas include customer education, the selection process, market viability, the expected benefits of the programs, the expected problems from the programs, service problems customers have experienced with their new suppliers, and customer opinions regarding whether the pilot programs should be continued. There is also a brief analysis of the PIPP customers in the service territories of these 3 companies. The analyses of the results in these research areas included the development of recommendations and conclusions. A summary of the central recommendations and conclusions from the baseline studies appears as an appendix in this report. The baseline study recommendations and conclusions are appended to each of the 3 follow-up reports. For the complete analyses and a detailed discussion of these results and conclusions, one should reference the 3 baseline studies.

A Follow-Up Study of the Columbia Gas of Ohio Customer Choice Pilot Program: A Customer Perspective

Commission Staff

May, 1998

FOLLOW-UP STUDY SUMMARY OF CONCLUSIONS: RESIDENTIAL CUSTOMERS IN THE COLUMBIA GAS OF OHIO SERVICE TERRITORY

There has been evidence of an increase of competition in the natural gas marketplace in the Program area of Toledo. In the baseline study, Columbia Gas of Ohio had 74.53% of the residential customers. In the follow-up study, their share of the market dropped to 41.4% of the residential customers. In the baseline study, Columbia Gas of Ohio and Columbia Energy Services together had 79.43% of the residential natural gas customers. In the follow-up study, their combined share of the marketplace was 52.50%. In the baseline study, "All other natural gas suppliers" had 14.25% of the residential customers. In the follow-up study, "All other natural gas suppliers" had 43.8% of the residential customers. Columbia Energy Services more than doubled it's share of the market, from 4.90% to 11.1%. There appears to be considerably more competition in the marketplace for natural gas. There are 3 other suppliers who have more than 10% of the residential respondents as natural gas customers.

The choice of a supplier is driven by price. "Price" remains the overwhelming selection as the factor consumers are considering in making their choice of a natural gas supplier. In the baseline study, "Price" was identified by 80.0% of the respondents, and it was selected by 92.7% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 59.8% in the follow-up study, as compared to 53.10% in the baseline study. There remains a considerable drop-off between "Price" and the other elements being considered by customers in making their decisions. Residential consumers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than a third of the respondents. The only factors which were selected by fewer than 25% of the respondents were "Customer education" and "Name recognition." These appear to be more minor factors for the consumers.

More than half of the respondents have considered 2, 3, or 4 suppliers when selecting a natural gas supplier. One of these suppliers could have been remaining with Columbia Gas of Ohio. There are only 6.3% of the respondents who are considering "1 supplier" in their decision. There are 10.1% of the respondents who are considering "5 or more suppliers." In response to Question 4, the residential customers identified 9 suppliers, including Columbia Gas of Ohio. More than 60% of the respondents know that there are choices available to them from which to select a supplier, and they are considering these choices in their decision. Finally, there are 30.8% of the respondents who "Have not yet considered changing their supplier;" this number represents a considerable part of the residential population who have not yet begun the decision-making process.

There has been an increase in the proportion of residential customers who are experiencing problems choosing a supplier. Between the baseline and the follow-up study periods, there was an increase of 13%. As the number of customers entering the marketplace for natural gas increases, there are more customers experiencing problems in making their choice of a supplier. Additionally, it is evident from the results of the surveys that the problems are created almost entirely from a lack of information or from confusion surrounding the information that is being provided to the customers. The highest response offered by the respondents who had experienced problems in choosing identified "Price information" as information that would have made the selection easier. While their primary interest remains price, they also demonstrate considerable interest in the benefits and risks of switching, company reputation and record of reliability, list of possible suppliers and contact numbers, the future of the Program, contract terms, discounts/rebates/incentive, and service information. All of these responses were selected by more than approximately 20% of the residential customers.

There is a linear relationship between level of interest in the Program and whether the customer has experienced problems in making their choice. Residential customers who are "Interested" in the Program are more likely to have experienced problems in selecting a supplier than those who are "Not interested" in the Program. It is likely that customers who are interested in the Program are seeking out more information and more detailed information to assist them in making their decision, relative to those customers who are "Not interested" in the Program. That almost 70% of the respondents who are "Not interested" in the Program are also reporting that they had "No problems" in choosing, is likely reflective of their lower interest in the information about the Program. It is also the case that those who are "Interested" in the Program are disproportionately represented among those customers who are indicating that they are experiencing problems in making their choice of a supplier. The results from this analysis place greater weight on the particular topics customers are identifying as the information that would assist them in making their choice, because they are more likely to be customers who are interested in the Program.

Customers who are "Interested" in the Program and who experienced problems in choosing were more likely to have identified "Price information" and "List of possible suppliers with contact numbers" than those who are "Not interested" in the Program. As income increases, those customers who have experienced problems are more likely to identify "Benefits and risks of switching" as information that would have made choosing easier. The lower income customers reported more interest in "Budget option" information than higher income customers. "Rural" customers, who reported problems in choosing, identified information that would have made choosing easier at a disproportionately higher rate than customers from the other locations. This was the case in regard to "Discounts/rebates/incentives," "Company reputation and record of reliability," and "Adequate gas supply" information.

Annual gas bill is consistently an influence on whether customers who have reported problems in selecting a supplier are identifying information that would have made the choice easier. In every case, those with higher gas bills are more likely to have identified the information. This result was evidenced in the case of "Price information," "List of possible supplier with contact numbers," "Benefits and risks of switching," "Billing information and meter reading," "Discounts/rebates/incentives," "Company reputation and record of reliability," "Future of the Program," "Adequate gas supply," "Budget options," "Contract terms," and "Service information." Annual gas bill is a very important predictor of whether customers who are experiencing problems in choosing are going to identify information that would have made the choice easier.

"Pricing options or price comparisons" was the area of the Program which most confused the customers. The "Benefits/risks" of the program was ranked second in both surveys, "Terms of the contract" was third, and "Customer rights and responsibilities" was fourth. While the order of rank remained the same between the 2 studies, the frequencies did decline. Thus, while pricing is still creating the most confusion, it was been reported as such by 55.6% of the respondents, down from 72.90% in the baseline study. The other areas of the Program remain confusing for the consumers, as well. Most of the responses were reported by more than a quarter of the customers. There were 24.7% of the respondents who did report that they were not confused by any of the Program elements. The frequencies from the baseline to the follow-up study have declined for the other areas of the Program in the range of 10 to 15%.

There has been some evidence of improved customer education and a decrease in some of the confusion surrounding the Program. In the baseline study, there were 6.31% of the respondents who did not know their current natural gas supplier. In the follow-up study, this number had dropped to 3.70% of the respondents.

Of the 448 residential customers who completed and returned the survey, there were 85 or 19.0% who reported that they had no knowledge of the Customer Choice Program when they received the survey. A demographic comparison between the aware and unaware residential populations has identified that the unaware residential customers more frequently live in rural areas or villages and towns, and are disproportionately represented among the lower income households.

From the baseline study to the follow-up study, there has been improvement, from customers' perspectives, regarding the usefulness of the information to assist in making a choice of a natural gas supplier. In the baseline study, there were more respondents who considered the information "Not useful" than there were who considered the information "Very useful." In the follow-up study, there were 3 times as many respondents who reported that the information was "Useful" in assisting them to make their choice than those who reported that the information was "Not useful." In the baseline study, 7.63% of the respondents reported that they "Don't have any information." In the follow-up study, there were 10.4% of the respondents who reported that they "Did not receive any information." The number of respondents who did not have information increased between the 2 study periods. While more customers perceive that the information is useful in assisting them to make their choice of a natural gas supplier, there are slightly larger numbers of customers who are reporting that they are not receiving any information at all.

There were 12.3% of the residential customers who identified that they "Did not receive information" about the Program. There were 86.4% of the residential respondents who do not know about the PUCO's Apples to Apples comparison chart.

Customers report similar levels of satisfaction across most of the areas of the Program. Close to 60% of the residential customers report that they are satisfied with the "Customer service," the "Contract terms," and the "Reliability/dependability" areas of the Program. The lowest level of satisfaction is reported for the "Price" area of the Program. There are 53.6% of the respondents who report that they are satisfied with the "Prices" aspect of the Program. The highest level of satisfaction is reported by those who are satisfied with "Freedom of choice." For most of the areas of the Program, residential customers report very low levels of dissatisfaction. The numbers of residential customers who are dissatisfied with "Customer service," "Contract terms," "Freedom of choice" and "Reliability/dependability" are all below 5%. The highest level of dissatisfaction is reported by the 16.2% of the respondents who report that they are dissatisfied about "Prices." For most of the areas of the Program, similar proportions of customers have not yet developed an opinion regarding their level of satisfaction. Most of the responses for those who are neither satisfied nor dissatisfied were between 30% and 40%. The lowest proportionate response for those who are undecided were the 20.6% of the respondents who are neither satisfied nor dissatisfied with "Freedom of choice." The highest proportionate response for those who are undecided were the 39.5% of the respondents who are neither satisfied nor dissatisfied with "Contract terms."

The customer's measure of interest in the Program is also an important element in their consideration of whether they would like to have the Program continued. Comparing the results from the baseline study to the follow-up study, there are fewer respondents who are not interested in the Program and there are considerably more respondents who are interested in the Program. It appears as though customer interest in the Program is increasing.

The results from both studies demonstrate that the residential customers would like the Program continued. The results from the follow-up study also demonstrate a trend in the direction of customers becoming more resolute in that position. In the follow-up study, more customers reported that they would like the Program continued and fewer indicated that they would not like the Program continued. Additionally, the number of respondents who are uncertain about wanting the Program continued has been reduced by half from the baseline study. It is clear that with more experience with the Program, customers have developed greater certainty that they would like the Customer Choice Program continued.

Only 2.3% of the respondents were of the opinion that the Program does not need improvement. There were 37.5% of the respondents who reported that the Program could be improved and 60.2% were not sure. Most of the customers are not yet certain enough about the Program to have an opinion about whether the Program should be improved. The uncertainty about the Program is evidence of the customers not yet having enough experience with the Program to completely understand it. This uncertainty is further corroborated by the open-ended responses which clearly demonstrate that the overwhelming majority of customers are of the opinion that the Program should be improved by providing them with more and better information.

That 22.4% of the respondents have reported that the Program should be improved by offering lower prices is an important result. The residential customers have made it clear that price is the primary factor considered in making a decision about a supplier. Also, in Question 14 the lowest level of satisfaction and the highest level of dissatisfaction was reported in regards to prices. Customer expectations about price are not clearly understood, and it would be useful to have a better understanding regarding the amount of decrease customers anticipate resulting from a competitive marketplace for natural gas.

FOLLOW-UP STUDY SUMMARY OF CONCLUSIONS: BUSINESS CUSTOMERS IN THE COLUMBIA GAS OF OHIO SERVICE TERRITORY

There has been evidence of an increase of competition in the natural gas marketplace in the Program area of Toledo. In the baseline study, Columbia Gas of Ohio had 49.13% of the business customers. In the follow-up study, their share of the market dropped to 22.7% of the business customers. In the baseline study, Columbia Gas of Ohio and Columbia Energy Services together had 59.06% of the business natural gas customers. In the follow-up study, their combined share of the marketplace was 39.9%. In the baseline study, "All other natural gas suppliers" had 34.49% of the business customers. In the follow-up study, "All other natural gas suppliers" had 54.8% of the business customers.

"Price" is the primary factor being considered by customers in making their choice of a supplier. In the baseline study, "Price" was identified by 86.9% of the respondents, and it was selected by 92.8% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 51.2% in the follow-up study, as compared to 47.8% in the baseline study. There remains a considerable drop-off between "Price" and the other elements being considered by customers in making their decisions. Business consumers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than a third of the respondents. The only factors which were selected by fewer than 10% of the respondents were "Customer education" and "Name recognition." These appear to be more minor factors for the consumers.

More than 65% of the respondents have considered 2, 3, or 4 suppliers when selecting a natural gas supplier. One of these suppliers could have been Columbia Gas of Ohio. There are only 6.5% of the respondents who are considering "1 supplier" in their decision. There are 14.4% of the respondents who are considering "5 or more" suppliers. In response to Question 4, the business customers identified 13 suppliers, including Columbia Gas of Ohio. More than 80% of the respondents know that there are choices available to them from which to select a supplier, and they are considering these choices in their decision. Finally, there are 13.3% of the respondents who have not yet considered changing their supplier.

Between the first and second survey there has been a considerable increase in the number of respondents who report that they have experienced problems in making their selection. It is evident from the results of the surveys that the problems are created almost entirely from a lack of information or from confusion surrounding the information that is being provided to the customers. While there has been an increase in the number of respondents who have reported problems in selecting a supplier, there were 42.6% of the business respondents who reported that they had not experienced problems in selecting a natural gas supplier.

For customers who are experiencing problems in choosing, "Price information" remains their primary concern. There were 40.7% of the respondents who identified "Price information" as the information that would have made choosing easier. "Benefits and risks of switching" was also identified by a large number (32.9%) of respondents. Most of the information categories were selected by fairly large numbers of the customers. While their primary interest remains price, they also demonstrate considerable interest in the "Benefits and risks of switching," "Company reputation and record of reliability," "List of possible suppliers and contact numbers," the "Future of the Program," "Discounts/rebates/ incentive," "Contract terms," "Billing information and meter reading," "Adequate gas supply" and "Service information." All of these responses were selected by more than 10% of the business customers.

Those business customers who are "Interested" in the Program and who have experienced problems in selecting a supplier are more likely to identify "Price information" as information that would have made choosing easier than those who are "Not interested" in the Program. Also, the annual gas bill appears to have some influence on whether the customer has experienced problems in choosing, as well as the information they identify to make their selection easier. Those customers with above average gas bills are more likely to have reported that they did not experience problems choosing a supplier than those customers with below average bills.

"Pricing options or price comparisons" was the area of the Program which most confused the customers. The "Benefits/risks" of the program was ranked second in both surveys, "Terms of the contract" was third, and "Customer rights and responsibilities" was fourth. While the order of rank remained the same, the frequencies did decline. Thus, while pricing is still creating the most confusion, it was been reported as such by 52.6% of the respondents, down from 69.30% in the baseline study. The other areas of the Program remain confusing for the consumers. All of the responses were reported by more than approximately 20% of the customers. The frequencies from the baseline to the follow-up study have also declined for the other selections. Most of the declines are in the range of 7 to 17 percent. There were 24.5% of the respondents who did report that they were not confused by any of the Program elements.

There has been some evidence of a slight improvement in customer education and a decrease in some of the confusion surrounding the Program. In the baseline study, there were 6.45% of the respondents who did not know their current natural gas supplier. In the follow-up study, this number had dropped to 5.3% of the respondents.

Of the 410 business customers who completed and returned the survey, there were 26 or 6.35% who reported that they had no knowledge of the Customer Choice Program when they received the survey. A demographic comparison between the aware and unaware business populations has identified a number of important factors regarding the Customer Choice Program. The unaware business respondents have not been customers of Columbia Gas of Ohio for as long as the aware business respondents; they are slightly more satisfied and slightly less dissatisfied with their service from Columbia Gas of Ohio. There are more larger businesses and fewer smaller businesses among the unaware customers as compared to the aware customers.

From the baseline study to the follow-up study, there has been improvement, from customers' perspectives, regarding the usefulness of the information to assist in making a choice of a natural gas supplier. In the baseline study, there were almost twice as many respondents who considered the information "Very useful" as compared to those who considered the information "Not useful." In the follow-up study, there were almost 5 times as many respondents who reported that the information was "Useful" in assisting them to make their choice than those who reported that the information was "Not useful." In the baseline study, 5.20% of the respondents reported that they "Don't have any information." In the follow-up study, there were 5.8% of the respondents who reported that they "Did not receive any information." There is no change in the percentage of respondents who did not have information between the 2 study periods. While more customers perceive that the information is useful in assisting them to make their choice of a natural gas supplier, there remain about 5% of the customers who are reporting that they are not receiving any information at all.

There were 3.11% of the respondents in the baseline study who indicated that they had experienced service problems from their supplier. In the follow-up study, there were 10.8% of the respondents who reported service problems from their new supplier. In the time period from the baseline to the follow-up study, the proportion of service problems from a new supplier has tripled, as reported by the business customers. In the baseline study, there were 17 customers who reported service problems, and most of those problems appeared to be associated with making the change from Columbia Gas of Ohio to their new supplier. In the follow-up study, there were 41 customers who reported service problems, and it is less clear that these problems are associated with switching suppliers. Those customers who identified "inaccurate contract terms" and "lengthy switchover time" could be experiencing problems from switching their suppliers. The majority of service problems, however, were reported as "Improper billing." The next highest response was "Poor customer service."

Customers report similar levels of satisfaction across most of the areas of the Program. Approximately 60 to 80% of the business customers report that they are satisfied with the "Prices," "Customer service," the "Contract terms," the "Freedom of choice," and the "Reliability/dependability" areas of the Program. The lowest level of satisfaction is reported for the price area of the Program. There are 63.5% of the respondents who report that they are "Satisfied" with the "Prices" aspect of the Program. The highest level of satisfaction is reported by those who are "Satisfied" with "Freedom of choice." For most of the areas of the Program, business customers report very low levels of dissatisfaction. The numbers of business customers who are "Dissatisfied" with "Customer service," "Contract terms," "Freedom of choice" and "Reliability/dependability" are all below 6%. The highest level of dissatisfaction is reported by the 12.3% of the respondents who indicate that they are "Dissatisfied" about "Prices." For most of the areas of the Program, similar proportions of customers have not yet developed an opinion regarding their level of satisfaction. Most of the responses for those who are "Neither satisfied nor dissatisfied" were approximately one-quarter of the business customers. The lowest proportionate response for those who are undecided were the

15.6% of the respondents who are "Neither satisfied nor dissatisfied" with "Freedom of choice." The highest proportionate response for those who are undecided were the 28.7% of the respondents who are "Neither satisfied nor dissatisfied" with "Contract terms."

Comparing the results from the baseline study to the follow-up study, there are fewer respondents who are "Not interested" in the Program and there are more respondents who are "Interested" in the Program. It appears as though customer interest in the Program is increasing. In the follow-up survey, there are 70.9% of the business respondents who are "Interested" and only 6.8% who are "Not interested" in the Program.

The results from both studies demonstrate that the business customers would like the Program continued. The results from the follow-up study also demonstrate a trend in the direction of customers becoming more resolute in that position. In the follow-up study, more customers reported that they would like the Program continued and fewer indicated that they would not like the Program continued. Additionally, the number of respondents who are uncertain about wanting the Program continued has also declined from the baseline study. It is clear that with more experience with the Program, customers have developed greater certainty that they would like the Customer Choice Program continued.

Only 6.0% of the respondents were of the opinion that the Program does not need improvement. There were 39.8% of the respondents who reported that the Program should be improved, while 54.1% were not sure. Most of the customers are not yet certain enough about the Program to have an opinion about whether the Program should be improved. The uncertainty about the Program is evidence of the customers not yet having enough experience with the Program to completely understand it. This uncertainty is further corroborated by the open-ended responses which demonstrate that many of the customers are of the opinion that the Program should be improved by providing them with more and better information. There were 24.1% of the respondents who noted that the Program could be improved by providing an "Apples to Apples comparison," and 17.6% requested "More useful information about suppliers." There were also substantive suggestions to improve the elements of the Program besides better information. There were 19.4% of the respondents who requested "Better customer education/service," 12.0% requested "Improved billing," 4.6% requested "Improved contract terms," and 1.9% requested "Improved delivery service" as improvements to the Program.

There were 21.3% of the respondents who reported that an improvement to the Program would be "Improved pricing options." This is an important result. The business customers have made it clear that price is the primary factor considered in making a decision about a supplier. Also, in Question 13 the lowest level of satisfaction and the highest level of dissatisfaction was reported in regards to prices. Customer expectations about price are not clearly understood, and it would be useful to have a better understanding regarding the amount of decrease customers anticipate resulting from a competitive marketplace for natural gas.

METHODOLOGY

This section of the report describes the basic methodologies employed in the Columbia Gas of Ohio customer research project. This report presents the results from the follow-up study of the customers who have been participating in the Customer Choice Program. For a complete discussion and explanation of each of these methodological techniques, procedures and issues, please refer to the Methodology chapter in Public Input Research of the Customers in The Cincinnati Bell Telephone Company Service Territory, prepared by Commission Staff and published in November, 1997. Based primarily on available resources, it was determined that a cold mail survey would be employed as the data and information collection technique for this project. Two surveys were designed, one for residential customers and one for small business customers eligible for participation in the Customer Choice Program. The intent of the second phase of the research is to provide information to Staff and the Commission for the purpose of:

- evaluating the effectiveness of customer education programs, both in terms of the substantive content and the means employed for the dissemination of the information;

- employing the criteria the customers have defined in the baseline research, presenting their evaluation of the effectiveness or success of the Customer Choice Program;

- identifying problems customers may be experiencing in making their choice of a natural gas supplier; and

- identifying any service problems that customers may be experiencing in receiving service from their suppliers or in the coordination of activities between Columbia Gas of Ohio and their supplier of natural gas.

The study goals served as the focus of the survey design. From the analysis of this information, Staff will propose recommendations regarding improvements that may be made to the customer education programs. The research may also identify specific areas of concern surrounding the implementation of the program and customer service issues. The Staff and Commission will be provided with this information to consider issues of customer protections in the marketplace or the effective operations of the code of conduct. Finally, the analysis of the research data and information will result in the development of specific criteria, generated from customer perceptions, that may be employed to evaluate the effectiveness or success of the Customer Choice Program.

A residential survey and business survey had been administered in the Toledo operating area in May, 1997. The purpose of the survey research was to perform an evaluation of The Columbia Gas of Ohio Customer Choice Program from the perspective of the residential and business customers. A great deal of experience had been gained with the survey instruments from this baseline study. The instruments employed in the follow-up study were revised to build on these experiences. The follow-up studies were designed to offer some longitudinal perspective regarding the core issues of the research. The survey instruments also included questions which were based on the results generated from the baseline study. The central issue in this regard concerns customer satisfaction with the Customer Choice Program. In the baseline study, customers defined the benefits they expect from the Program. Employing the criteria defined from the analysis of these responses, the follow-up study looks at the customers' level of satisfaction with these areas of the Customer Choice Program.

The residential and business survey instruments contain both closed-ended and open-ended questions. The residential and business surveys are included in the appendix. In both cases, the respondents were guaranteed anonymity and there were no identifying marks of any kind on either the surveys or the envelopes. The residential and business surveys were mailed on February 9, 1998. A deadline date was placed on the survey to encourage a rapid return of the surveys. Given the time constraints involved in assessing the Customer Choice Program, a deadline of February 20, 1998 was established and printed on the survey. The first surveys were received on February 12, 1998. Every attempt was made to accept as many surveys as possible before closing the sample. The decision to end the acceptance of surveys is determined by a consideration of the following issues: achieving the minimum sample size requirement for the specified confidence level and margin of error; the recognition of the customers' efforts in completing and returning the surveys; the value of the customers' perceptions and opinions in the evaluation and implementation of policies and programs; and the time required to code, enter and analyze the data and information. The last business survey was accepted on February 20, 1998. The last residential survey was accepted on February 20, 1998.

The study involves the eligible participants of the Columbia Gas of Ohio's Customer Choice Pilot Program. The study populations are defined as the eligible residential customers and the eligible business customers in Columbia Gas of Ohio's Toledo operating area. The total number of residential customers in this population is 160,531. The total number of business customers in this population is 13,320. It was decided that in order to achieve the research goals defined for this project, the survey instruments would be administered to a random sample of each of these populations. Consistent with the conventions in social science research, it was decided that the research results should be based on a confidence interval of 95% and a margin of error of 5%. It is necessary to define a confidence interval and margin of error in order to determine the required size of the sample. Employing these criteria and assuming an infinite population, the sample size for the residential population is 384.2 people. The sample size for the business population is also 384.2 customers. To achieve a return of 385 respondents, it is necessary to determine a response rate for the residential and business populations. The respondent numbers in each case were rounded up to 400 for the purpose of determining the size of the mailing. Based upon experience, a minimum response rate of 10% was assumed for each of the populations for a cold mail survey with no pre-administration or post-administration contacts. Consequently, it was determined that 4,000 residential surveys and 4,000 business surveys would be mailed to the populations in order to meet the research goals.

Through a coordinated effort between Columbia Gas of Ohio and the PUCO Staff, a random sample of 6,000 residential and 6,000 business customers were drawn from a sample frame defined by the Company as all eligible residential and business participants in the Customer Choice Program. Each of the 6,000 customer lists were completely randomized, and these lists were employed to prepare mailing labels for the survey. The mailings were sent to the first 4,000 residential customers and the first 4,000 of the business customers from the samples. The remaining 2,000 customers from each sample were retained in the event the 385 returns were not achieved and additional mailings were required to achieve the necessary results. The 6,000 residential and business samples also serve to ensure that there are at least 4,000 customers in each sample after duplicate or incorrect addresses are discarded. Based upon the returns achieved from each of the populations, none of the additional mailings were required.

There were 436 business surveys completed and returned by business customers. There were 617 surveys completed and returned by residential customers. Of the 4,000 residential surveys mailed, there were 185 surveys returned with bad addresses, were invalid surveys or were received after the surveys were no longer being accepted. Of the 4,000 business surveys mailed, there were 146 surveys returned with bad addresses, were invalid surveys or were received after the surveys were no longer being accepted. Invalid surveys were surveys that were returned with none of the questions answered or only the demographic questions answered. Response rates are the percentage of the total number of respondents sent questionnaires who complete and return the questionnaire:

$$\text{Response Rate} = \frac{\text{number of completed questionnaires}}{\text{number of eligible respondents}}$$

where the number of eligible respondents is equal to the number of questionnaires sent minus the number returned because of incorrect addresses, invalid surveys, or surveys received after the completion of data entry. The response rate for the residential survey is 16.17%. The response rate for the business survey is 11.31%.

With a business sample size of 436 and a level of confidence of 95%, the business data presented in this report has a margin of error of no greater than plus or minus 4.69%. This margin of error is calculated for those questions in which there are 2 selections offered to the respondent, such as the "Yes" and "No" choices which appear on the survey. For those questions which include larger numbers of choices, the margin of error is smaller. As the number of choices increases, the margin of error decreases. With a residential sample size of 617 and a level of confidence of 95%, the residential data presented in this report has a margin of error of no greater than plus or minus 3.95%. Again, as the number of choices increases in a question, the margin of error decreases.

The data and information from the surveys were coded and entered into a spreadsheet for analysis. A detailed statistical analysis of the data was performed employing SAS. The closed-ended questions have been coded and were analyzed employing various quantitative techniques. The open-ended questions have been coded employing a classification system. A content analysis was performed on the open-ended questions. Based upon this analysis, categories were defined and each response was coded using these categories. This approach allows for a quantitative treatment of this information.

The PIPP customers are not given a choice of a natural gas supplier. PIPP customers were not removed from the sampling frame, and therefore, needed to be identified in order to appropriately analyze the survey data. This was accomplished by the third question of the survey. The PIPP customers were removed from the residential sample for the purpose of analyzing the survey data. There were 84 respondents who identified themselves as PIPP customers on the survey. There are no PIPP customer results presented in the follow-up research. The PIPP customer analysis was reported in the baseline study.

The survey focuses on residential and business customers' experiences with the Customer Choice Program. This experience includes learning about the program, making decisions about suppliers, and working with Columbia Gas of Ohio and, in some cases, a new supplier of natural gas. If customers are first learning about the program through the receipt of the survey, their responses to the survey questions would not be appropriate. If customers responded that they were not aware of the program, they were asked to provide information about their length of service from and their level of satisfaction with Columbia Gas of Ohio. They were also asked to respond to the demographic questions. The "Unaware Customers" are described and analyzed as a subsample of the residential and business samples.

Residential "Unaware" customers answered Questions 1, 2, 3, and 17 through 20 of the survey. They were instructed not to respond to Questions 4 through 16 of the survey. If they did provide responses, they were not coded or recorded in the data set. There were 85 customers who indicated that they were not aware of the Customer Choice Program. Of the 617 residential customers who completed and returned the survey, there were 448 residential customers who were not PIPP customers and were aware of the Customer Choice Program before they received the survey. It is these 448 residential customers who responded to the entire survey and whose responses are the focus of this study.

Business "Unaware" customers answered Questions 1, 2, 3, and 16 through 20 of the survey. They were instructed not to respond to Questions 4 through 15 of the survey. If they did provide responses, they were not coded or recorded in the data set. There were 26 business customers who indicated that they were not aware of the Customer Choice Program. Of the 436 business customers who completed and returned the survey, there are 410 business customers who were aware of the Customer Choice Program before they received the survey. It is these 410 business customers who responded to the entire survey and whose responses are the focus of this study.

There are two analytical approaches employed and presented in the follow-up study of the Columbia Gas of Ohio Customer Choice Program participants. The primary analysis entails a comparison between the response frequencies that were reported in the baseline study to those that were provided in this follow-up study. The secondary analysis entails a cross-tabulation and statistical analysis of questions that appear in the follow-up study that were not asked in the baseline study. The following guidelines were used to determine which of the cross-tabulation and statistical results would be presented in this report. The subject population had to be of sufficient size to warrant the analysis. In some cases, the populations in question are small and, therefore, an analysis of the cross-tabulations offers few insights on the research issues. Additionally, the report only presents the cross-tabulation results for those variables between which a significant relationship was determined from the statistical tests.

For the cross-tabulation analyses, questions and response categories that are treated as independent or explanatory variables are run against questions and response categories that are selected as dependent variables. The cross-tabulation process involves only the closed-ended questions that were included in the survey. There are 2 primary reasons for excluding the open-ended questions from the cross-tabulation analysis. First, the process of classifying the open-ended categories was guided by a desire to define detailed concepts and ideas. In other words, there was an attempt made to avoid over-generalizing and to define specific ideas which captured the response categories identified in respondents' answers. This process often resulted in larger numbers of categories than would have resulted from more generalized or abstract categories. Employing large numbers of categories in a cross-tabulation analysis is a cumbersome and complicated process. Additionally, when cross-tabulations are performed using large numbers of categories, the observations which appear in each cell tend to be small, and in some cases there are no frequencies in some cells. This result makes the Chi Square Test inappropriate and often provides less clear and convincing results. Second, the classification process involved in coding open-ended information is a qualitative process based on an analysis of the content of the responses. The qualitative result is more appropriately handled through an analysis of the frequencies rather than including it in the quantitative and statistical analysis.

During the process of designing the study, it was determined which survey questions provided independent variables which would be salient in explaining each of the dependent variables. This process generated a unique list of independent variables for each of the dependent variables. In those cases where the cross-tabulation analysis is presented, the dependent and independent variables are identified, the number of missing respondents are reported, and a cross-tabulation table is presented that includes both the frequency of respondents and the row percentages for each of the categories defined as the independent variables. In some cases, the independent variable responses have been classified into groups for the cross-tabulation analysis. These groups are identified in the report by the designation "GRP" after the number of the question being discussed. The number of missing respondents reflects the number of respondents who did not answer both of the questions employed in the particular cross-tabulation analysis.

The findings were based on the results of the Pearson Chi-Squared statistic, which is a non-parametric statistical test. This is a test of independence and was used to measure the strength of the evidence of an association. The data was tested to determine whether or not a statistically significant relationship between the independent variables and dependent variables was present. A p-value of 0.05 served as the threshold for all of the statistical tests. The 0.05 criterion was selected based on the standard convention that is used in the social sciences.

The Pearson Chi-Square Statistic is useful for large samples or non-ordered strata. At the 5% significance level, a p-value less than 0.05 with a Chi-Square value greater than the critical value implies the rejection of the null hypothesis of no general association between the dependent and independent variables, i.e., the p-value is the probability of observing the data or more extreme data under the null hypothesis of no general association between the dependent and independent variables. In those cases in which the cross-tabulation and statistical results are presented, each of the dependent variables' bivariate analyses is outlined with the exception of bivariate analyses in which the number of cells with counts less than 5 observations hinders the validity of the Chi Square test. In these cases, there was no statistical information regarding the relationship between the dependent and independent variables.

The presentation of the frequency analysis includes the questions verbatim as they appeared on the baseline and follow-up surveys. In each case, the number of respondents answering the question is provided, as well as the percentage this response represents of the total number of respondents who completed and returned the survey. The frequencies are presented for each response for each question and the percentage that response represents of the total number of people who answered that particular question. The comparative analysis of the closed-ended and open-ended questions focuses on the similarities and differences in response frequencies between the 2 surveys, as well as any changes which appear in the qualitative responses offered by the customers between the surveys.

RESIDENTIAL CUSTOMERS
448 Respondents
(Does Not Include 84 PIPP or 85 Unaware Customers)

This section of the report presents the frequency, cross-tabulation and statistical analyses for each of the closed-and open-ended questions from the residential survey. This section presents the analysis of the residential customers who are not PIPP customers and were aware of the Customer Choice Program before they received the survey in the mail.

1. *How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.*

- *5 years or less*
- *6-10 years*
- *11-15 years*
- *16-20 years*
- *More than 20 years*

Customers were categorized by how many years they purchased gas from Columbia Gas of Ohio. There were 446 or 99.6% of the 448 residential customers who responded to this closed-ended question. There were 28 or 6.3% of the customers who had purchased gas for "5 years or less," 40 or 9.0% had purchased gas for "6-10 years," 37 or 8.3% had purchased gas for "11-15 years," 31 or 7.0% had purchased gas for "16-20 years," and 310 or 69.5% of the customers had purchased gas from Columbia Gas of Ohio for "More than 20 years." The table below presents the results from Question 1.

Length of Service	Frequency	Percentage
5 years or less	28	6.3
6-10 years	40	9.0
11-15 years	37	8.3
16-20 years	31	7.0
More than 20 years	310	69.5

Question 1 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and response categories in both surveys.

2. ***How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.***

- ***Very dissatisfied***
- ***Somewhat dissatisfied***
- ***Neither satisfied nor dissatisfied***
- ***Somewhat satisfied***
- ***Very Satisfied***

There were 433 or 96.7% of the 448 respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 433 customers who responded to Question 2. There were 36 or 8.3% who rated their level of satisfaction with service as "Very dissatisfied." There were 69 or 15.9% who reported that they were "Somewhat dissatisfied," 73 or 16.9% reported that they were "Neither satisfied nor dissatisfied," 140 or 32.6% reported that they were "Somewhat satisfied," and there were 115 or 26.6% of the respondents who rated their level of satisfaction as "Very satisfied." The table below presents the results for Question 2.

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	36	8.3
Somewhat dissatisfied	69	15.9
Neither satisfied nor dissatisfied	73	16.9
Somewhat satisfied	140	32.3
Very satisfied	115	26.6

Question 2 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording in both surveys, but the response categories were changed to more closely match the instructions given to the customer. Additionally, a neutral mid-point was offered as a response category in the follow-up study. In the baseline study, the mid-point in the response category range was "Fair," which may be perceived as a slightly positive response.

4. ***Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space:***

Question 4 was an open-ended question. For the purpose of analysis, this question has been divided into 2 parts. The first part addresses the frequency of response for each of the natural gas suppliers as provided by the respondents. This information is presented in the table below. Of the 448 respondents to whom this question applied, 379 or 84.6% provided a response. Of these 379 respondents, 14 respondents or 3.7% wrote "Do not know" as their answer. The respondents who "do not know" their natural gas company are not included in the table.

Natural Gas Supplier	Frequency	Percentage
Columbia Gas of Ohio	157	41.4
Supplier 1	62	16.4
Columbia Energy	42	11.1
Supplier 2	40	10.6
Supplier 3	35	9.2
Supplier 4	11	2.9
Supplier 5	7	1.8
Supplier 6	4	1.1
Supplier 7	2	0.5
Supplier 8	2	0.5
Supplier 9	1	0.3
Supplier 10	1	0.3
Supplier 11	1	0.3

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are Columbia Gas of Ohio, Columbia Energy, and all other natural gas suppliers. The "Do not know" category is included in the calculations. The purpose of grouping the suppliers is to treat the response categories as dependent variables in the cross-tabulation analysis. The percentage represents the number of customers who are grouped into each category of the 365 respondents who answered Question 4.

There were 166 or 43.8% of the respondents that selected "All other natural gas suppliers," 157 or 41.4% selected "Columbia Gas of Ohio," and 42 or 11.1% selected "Columbia Energy." The table below presents the frequencies and percentages for each of the groups.

Natural Gas Supplier	Frequency	Percentage
All Other gas suppliers	166	43.8
Columbia Gas of Ohio	157	41.4
Columbia Energy	42	11.1

The baseline study provided the following information from Question 4. Of the 505 respondents to whom this question applied, 428 or 84.75% provided a response. Of these 428 respondents, 27 respondents or 6.31% wrote "do not know" as their answer. The respondents who do not know their natural gas company are not included in the table.

Natural Gas Supplier	Frequency	Percentage
Columbia Gas of Ohio	319	74.53
Supplier 1	26	6.07
Columbia Energy Services	21	4.91
Supplier 2	13	3.04
Supplier 3	7	1.64
Supplier 4	6	1.40
Supplier 5	6	1.40
Supplier 6	2	0.47
Supplier 7	1	0.23

The frequencies for 3 categories of suppliers, which are Columbia Gas of Ohio, Columbia Energy Services, and all other natural gas suppliers, are also reported from the baseline study. The table below presents the groups, as well as their respective frequencies. The percentage represents the number of customers who are grouped into each category of the 428 respondents who answered Question 4.

Natural Gas Supplier	Frequency	Percentage
Columbia Gas of Ohio	319	74.53
All other natural gas suppliers	61	14.25
Columbia Energy Services	21	4.90

Question 4 was an open-ended question with identical text in both the baseline and follow-up studies. From the perspective of competition in the marketplace for natural gas, there were important changes between the first survey which was administered in May, 1997 and the follow-up survey which was administered in February, 1998. In the baseline study, Columbia Gas of Ohio had 74.53% of the residential customers. In the follow-up study, their share of the market dropped to 41.4% of the residential customers. There were a number of natural gas suppliers who made major gains in the marketplace between May, 1997 and February, 1998. Some of the suppliers made little movement and continued to have small shares of the natural gas marketplace. Residential customers also identified 4 new suppliers which did not appear in the baseline study. Each of the 4 new suppliers were reported as the natural gas companies of approximately 1% or fewer of the residential respondents.

There have been important changes in the marketplace in the Program area of Toledo. Columbia Gas of Ohio has gone from having approximately three-quarters of the residential customers to less than half of the residential customers. In the baseline study, Columbia Gas of Ohio and Columbia Energy Services together had 79.43% of the residential natural gas customers. In the follow-up study, their combined share of the marketplace was 52.50%. In the baseline study, "All other natural gas suppliers" had 14.25% of the residential customers. In the follow-up study, "All other natural gas suppliers" had 43.8% of the residential customers. Columbia Energy Services more than doubled it's share of the market, from 4.90% to 11.1%. There appears to be considerably more competition in the marketplace for natural gas. There are 3 other suppliers who have more than 10% of the residential respondents as natural gas customers.

In addition to the increase of competition in the marketplace, Question 4 offers some evidence of improved customer education and a decrease in some of the confusion surrounding the Program. In the baseline study, there were 6.31% of the respondents who did not know their current natural gas supplier. In the follow-up study, this number had dropped to 3.70% of the respondents. That there is a decrease in this number is a positive reflection on customer education. That there are 3.70% of the respondents who do not know their natural gas supplier remains a problem with the Customer Choice Program.

5. ***How useful is the information you have received to assist you in making a choice of a natural gas supplier?***

- *Not useful*
- *Neutral*
- *Useful*
- *Did not receive any information*

There were 405 or 90.4% of the 448 residential customers who answered this closed-ended question. There were 62 or 15.3% who answered that the information was "Not useful," 104 or 25.7% who reported that they were "Neutral," and 197 or 48.6% of the respondents who answered that the information was "Useful." There were 42 or 10.4% of the respondents who indicated that they "Did not receive any information." The following table illustrates the frequencies and corresponding percentages of the responses to this question based on the 405 customers who provided an answer.

Useful Information	Frequency	Percentage
Not useful	62	15.3
Neutral	104	25.7
Useful	197	48.6
Did not receive any information	42	10.4

The baseline study provided the following information from Question 5. There were 459 or 90.89% of the 505 residential customers who answered this closed-ended question. One hundred and four respondents or 22.66% answered that the information was "Not useful," 243 or 52.94% answered that the information was "Somewhat useful," and 77 or 16.78% answered that the information was "Very useful." There were 35 or 7.63% of the respondents who indicated that they "Don't have any information." The following table illustrates the frequencies and corresponding percentages of the responses to this question based on the 459 customers who provided an answer.

Useful Information	Frequency	Percentage
Not useful	104	22.66
Somewhat Useful	243	52.94
Very Useful	77	16.78
Don't have any information	35	7.63

Question 5 had the same wording in both surveys, but the response categories were changed between the baseline and the follow-up surveys. A neutral mid-point was offered as a response category in the follow-up study. In the baseline study, the mid-point in the response category range was "Somewhat useful," which may be perceived as a slightly positive response. Additionally, in the baseline survey, the customer was offered "Don't have any information" as a choice. In the follow-up survey, the meaning of the choice was slightly modified to "Did not receive any information."

In order to compare Question 5 responses from the baseline study to Question 5 responses from the follow-up study, the "Somewhat useful" category is treated as a neutral mid-point in the category range. From the baseline study to the follow-up study, there has been improvement, from customers' perspectives, regarding the usefulness of the information to assist in making a choice of a natural gas supplier. In the baseline study, there were more respondents who considered the information "Not useful" than there were who considered the information "Very useful." In the follow-up study, there were 3 times as many respondents who reported that the information was "Useful" in assisting them to make their choice than those who reported that the information was "Not useful."

The second part of the analysis of Question 5 identifies the number of customers who did not receive any information to assist them in making a choice of a natural gas supplier. The results are less positive in this area. In the baseline study, 7.63% of the respondents reported that they "Don't have any information." In the follow-up study, there were 10.4% of the respondents who reported that they "Did not receive any information." The number of respondents who did not have information increased between the 2 study periods. While more customers perceive that the information is useful in assisting them to make their choice of a natural gas supplier, there are slightly larger numbers of customers who are reporting that they are not receiving any information at all.

6. ***How interested are you in Columbia Gas of Ohio's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

Of the 448 respondents, 404 or 90.2% provided a response to this closed-ended question. Of the 404 respondents, 29 or 7.2% indicated they were "Not interested" in the Customer Choice Program, 84 or 20.8% were "Neither interested nor disinterested," and 291 or 72.0% were "Interested." The following table presents the results for Question 6.

Interest in Customer Choice Program	Frequency	Percentage
Not interested	29	7.2
Neither interested nor disinterested	84	20.8
Interested	291	72.0

The baseline study provided the following information from Question 6. Of the 505 respondents, 464 or 91.88% provided a response to this closed-ended question. Of the 464 respondents, 54 or 11.64% indicated that they were "Not interested" in the Customer Choice Program, 167 or 35.99% were "Somewhat interested," and 243 or 52.37% were "Very interested."

Interest in Choice	Frequency	Percentage
Not interested	54	11.64
Somewhat interested	167	35.99
Very interested	243	52.37

Question 6 had the same wording in both surveys, but the response categories were changed between the baseline and the follow-up surveys. A neutral mid-point was offered as a response category in the follow-up study. In the baseline study, the mid-point in the response category range was "Somewhat interested," which may be perceived as a slightly positive response. The primary purpose of Question 6 was its treatment as an independent variable in the cross-tabulation and statistical analyses. The customer's measure of interest in the Program is also an important element in their consideration of whether they would like to have the Program continued.

In order to compare Question 6 responses from the baseline study to Question 6 responses from the follow-up study, the "Somewhat interested" category is treated as a neutral mid-point in the category range. Comparing the results from the baseline study to the follow-up study, there are fewer respondents who are not interested in the Program and there are considerably more respondents who are interested in the Program. It appears as though customer interest in the Program is increasing.

7. ***If you have experienced problems in selecting a supplier, what information would have made choosing a supplier easier? Please check all that apply. If you did not experience problems in selecting a supplier, please check "no problems."***

- ***Price information***
- ***List of possible suppliers with contact numbers***
- ***Benefits and risks of switching***
- ***Billing information and meter reading***
- ***Discounts/rebates/incentives***
- ***Company reputation and record of reliability***
- ***Future of the program***
- ***Adequate gas supply***
- ***Budget options***
- ***Contract terms***
- ***service information***
- ***Sales tax information***
- ***No problems***
- ***Other***

Of the 448 respondents, 394 or 88.0% provided a response to both this closed-ended and open-ended question. The following table summarizes the results for Question 7.

Information to help in selecting a supplier	Frequency	Percentage
Price information	170	43.1
No problems	170	43.1
Benefits and risks of switching	168	42.6
Company reputation and record of reliability	149	37.8
List of possible suppliers and contact numbers	116	29.4
Future of the program	111	28.2
Contract terms	89	22.6
Discounts/rebates/incentives	79	20.1
Service information	77	19.5
Adequate gas supply	64	16.2
Billing information and meter reading	60	15.2
Budget options	48	12.2
Sales tax information	36	9.1
Other	3	0.8

There were 3 or 0.8% of the respondents who identified other information that would make choosing a supplier easier. The 3 or 0.8% of the customers that offered an "Other" response all stated that "company information didn't come at the same time" or they "didn't receive information at all."

Question 7 was developed and designed from 2 different questions that were included in the first survey. Question 12 in the baseline survey was both a closed-ended and a open-ended question. The closed-ended question asked respondents if they had experienced any problems in choosing a natural gas supplier. If they answered that they had experienced problems, they were offered the opportunity to enter an open-ended response identifying the problems. Almost all of the problems that were identified by the respondents were directly or indirectly related to information; either they did not have the information they needed or they were confused about the information they were receiving. The follow-up study question focusing on problems was structured, therefore, to treat the issue regarding the information customers needed to make their decisions. Question 7 from the baseline study asked respondents to describe the information they would like to have to make a choice of a natural gas supplier. This was an open-ended question. Through a content analysis of the open-ended responses, categories were defined which encompass the answers provided by the customers. These categories were used as the closed-ended selections for the follow-up version of Question 7.

In the baseline study the following results were reported from Question 12. Of the 505 residential respondents, 422 or 83.56% responded to this question. Of these 422 respondents, 185 or 43.84% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 237 respondents or 56.16% answered "No." In the follow-up study, there were 43.1% of the respondents who indicated that they had not experienced problems in selecting a supplier. There has been an increase in the proportion of residential customers who are experiencing problems choosing a supplier. Between the baseline and the follow-up study periods, there was an increase of 13%. As the number of customers entering the marketplace for natural gas increases, there are more customers experiencing problems in making their choice of a supplier. Additionally, it is evident from the results of the surveys that the problems are created almost entirely from a lack of information or from confusion surrounding the information that is being provided to the customers.

The respondents were able to make multiple selections in the follow-up version of Question 7. For that reason, the order of response frequencies represents a ranking of the responses. The highest response offered by the respondents who had experienced problems in choosing identified Price information as information that would have made the selection easier. There were 43.1% of the respondents who identified Price information as the information that would have made choosing easier. The follow-up and baseline versions of Question 7 are not comparable, because the baseline question was open-ended and the follow-up question was closed-ended. The representation and meaning of frequencies is very different when respondents are required to create their own answers, as opposed to being prompted by a selection that has been offered in the survey. It is worthy of note, however, that Price information was the most frequently offered response in the baseline study. For customers who are experiencing problems in choosing, Price information remains their primary concern. Benefits and risks of switching was also identified by a large number of respondents. There were 42.6% of the residential customers who would like to have had this information. Most of the information categories were selected by fairly large numbers of the customers. As is apparent from the categories and their frequencies, customers are interested in receiving information about many of the aspects of the Program when they are having problems in making their decisions. While their primary interest remains price, they also demonstrate considerable interest in the benefits and risks of switching, company reputation and record of reliability, list of possible suppliers and contact numbers, the future of the Program, contract terms, discounts/rebates/incentive, and service information. All of these responses were selected by more than approximately 20% of the residential customers.

Cross-tabulation and Statistical Analysis of Question 7 (Dependent Variable)

In order to achieve a more complete understanding of the information customers identify to make choosing a supplier easier, Question 7 was defined as a dependent variable and was analyzed with Questions 6, 17GRP, 18GRP, 19, and 20 as the independent variables. Question 7 has 13 parts and each was treated as a dependent variable in this analysis. The following discussion presents the cross-tabulations and statistical analyses for those variables which were determined to have a significant relationship. In the tables that are presented, the top number in each cell represents the frequency of response for the intersection of each of the categories. The bottom number in each cell reports the row percent for the number of respondents in the independent variable category. The total number of respondents who answered both questions appears below the table. The number of respondents who did not answer both questions also appears below the table and is identified as "frequency missing."

Price Information

Independent Variable: Question 6: ***How interested are you in Columbia Gas of Ohio's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Price information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a supplier: Price information

	No	Yes
Not interested	22 84.62	4 15.38
Neither interested nor disinterested	48 64.00	27 36.00
Interested	147 51.94	136 48.06

Number of Respondents answering Questions 6 and 7(Price information): 384
Frequency missing: 64

Those customers who are "Interested" in the Program identify "Price information" at a proportionately higher rate than those who are "Not interested" in the Program. For those customers who are "Interested" in the Program, they are 3 times more likely to report that having "Price information" would have made it easier to choose than those who are "Not interested" in the Program. The overall response rate was 43.1% for residential customers. Among those who are "Not interested" in the Program, only 15.38% identified "Price information." Thus, those customers who are "Interested" in the Program identify "Price information" more often than those who are "Not interested" as information that would make choosing a supplier easier.

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Price information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Price information

	No	Yes
Below average customer	123 62.76	73 37.24
Above average customer	68 45.64	81 54.36

Number of Respondents answering Questions 17GRP and 7 (Price information): 345
Frequency missing: 103

For those customers who have experienced problems in choosing and who have higher gas bills, they identify "Price information" proportionately more often than those who have lower gas bills. More than half of the "Above average customers" identified "Price information" as information that would have made choosing easier. Those who have higher natural gas bills and are identifying "Price information" are likely doing so due to a heightened awareness of the cost of natural gas in their household budgets.

List of suppliers with contact numbers

Independent Variable: Question 6: ***How interested are you in Columbia Gas of Ohio's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "List of suppliers with contact numbers" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a supplier: List of suppliers with contact numbers

	No	Yes
Not interested	22 84.62	4 15.38
Neither interested nor disinterested	61 81.33	14 18.67
Interested	187 66.08	96 33.92

Number of Respondents answering Questions 6 and 7(List of suppliers with contact numbers): 384
Frequency missing: 64

Overall, there were 29.4% of the residential respondents who identified "List of possible suppliers with contact numbers" as information that would have made choosing easier. Those who are "Interested" in the Program offered responses which were similar to this overall response. Those who are "Not interested" in the Program offered considerably lower responses. A third of the customers who experienced problems in choosing and are "Interested" in the Program would like to have a "List of suppliers and contact numbers" to make their choosing easier. It is important to keep in mind that the respondents who are reporting that they are "Not interested" in the Program have also reported that they have experienced problems in selecting a supplier. For those who are "Not interested," few are identifying a "List of suppliers with contact numbers" as information that would have made choosing easier.

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "List of suppliers with contact numbers" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: List of suppliers with contact numbers

	No	Yes
Below average customer	146 74.49	50 25.21
Above average customer	95 63.76	54 36.24

Number of Respondents answering Questions 17GRP and 7(List of suppliers with contact numbers): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "List of possible suppliers with contact numbers" than those customers with below average annual bills. It appears as though those customers with higher annual bills and who have experienced problems in selecting a supplier may be more interested in receiving information about the list of possible suppliers with contact numbers.

Benefits and risks of switching

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying

"Benefits and risks of switching" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Benefits and risks of switching

	No	Yes
Below average customer	125 63.78	71 36.22
Above average customer	68 45.64	81 54.36

Number of Respondents answering Questions 17GRP and 7(Benefits and risks): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Benefits and risks of switching" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about the "Benefits and risks of switching."

Independent Variable: Question 20: ***Please place a check next to the range that identifies your annual household income.***

- ***Less than $10,500***
- ***$10,500-$24,999***
- ***$25,000-$49,999***
- ***$50,000-$74,999***
- ***$75,000-$100,000***
- ***Greater than $100,000***

There is a statistically significant relationship between the customer annual household income and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Income/ Problems in selecting a supplier: Benefits and risks of switching

	No	Yes
Less than $10,500	11 73.33	4 26.67
$10,500-$24,999	50 64.94	27 35.06
$25,000-$49,999	72 62.07	44 37.93
$50,000-$74,999	51 60.00	34 40.00
$75,000-$100,000	16 43.24	21 56.76
Greater than $100,000	10 38.46	16 61.54

Number of Respondents answering Questions 20 and 7(Benefits and risks): 356
Frequency missing: 92

There is a linear relationship between customer annual household income and customers identifying "Benefits and risks of switching" as information that would have made their selecting a supplier easier. The overall affirmative residential response was 42.6%. Those customers with annual household incomes of "Less than $10,500" offer a proportionate affirmative response which is considerably lower than the overall responses, and those with incomes of "Greater than $100,000" offer a proportionate response which is higher than that of the overall residential population. As incomes increase, residential customers who have experienced problems in selecting a supplier are more likely to identify "Benefits and risks of switching" as information that would have made their choosing easier.

Billing information and meter reading

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Billing information and meter reading" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Billing information and meter reading

	No	Yes
Below average customer	174 88.78	22 11.22
Above average customer	119 79.87	30 20.13

Number of Respondents answering Questions 17GRP and 7(Billing information and meter reading): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Billing information and meter reading" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about billing information and meter reading.

Discounts/rebates/incentives

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Discounts/rebates/incentives" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Discounts/rebates/incentives

	No	Yes
Below average customer	166 84.69	30 15.31
Above average customer	108 72.48	41 27.52

Number of Respondents answering Questions 17GRP and 7(Discounts/rebates/incentives): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Discounts/rebates/incentives" than those customers with below average annual bills. It is apparent that those customers with higher annual bills who have experienced problems in selecting a supplier are more interested in receiving information about "Discounts/rebates/incentives."

Independent Variable: Question 19: ***Select the choice that best characterizes the area where you live. Please check only one box.***

- ***Rural***
- ***Village Town***
- ***Suburban***
- ***Urban***

There is a statistically significant relationship between the customer location and, for those who have experienced problems choosing a supplier, their identifying "Discounts/rebates/incentives" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Location/ Problems in selecting a supplier: Discounts/rebates/incentives

	No	Yes
Rural	8 66.67	4 33.33
Village	51 89.47	6 10.53
Suburban	130 73.86	46 26.14
Urban	116 83.45	23 16.55

Number of Respondents answering Questions 19 and 7(Discounts/rebates/incentives): 384
Frequency missing: 64

There is no clear pattern in the results. The overall residential response identifying "Discounts/rebates/incentives" as information that would have made choosing easier was 20.1%. "Suburban" and "Urban" respondents offered similar responses to the overall residential response. The "Rural" customers identified this information with the highest proportionate affirmative response, and customers who are located in villages or towns offered the lowest proportionate affirmative response.

Company reputation and record of reliability

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Company reputation and record of reliability" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Company reputation and record of reliability

	No	Yes
Below average customer	128 65.31	68 34.69
Above average customer	81 54.36	68 45.64

Number of Respondents answering Questions 17GRP and 7(Company reputation and record reliability): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Company reputation and record of reliability" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about "Company reputation and record of reliability."

Independent Variable: Question 19: ***Select the choice that best characterizes the area where you live. Please check only one box.***

- ***Rural***
- ***Village Town***
- ***Suburban***
- ***Urban***

There is a statistically significant relationship between the customer location and, for those who have experienced problems choosing a supplier, their identifying "Company reputation and record of reliability" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Location/ Problems in selecting a supplier: Company reputation and record of reliability

	No	Yes
Rural	3 25.00	9 75.00
Village	39 68.42	18 31.58
Suburban	111 63.07	65 36.93
Urban	82 58.99	57 41.01

Number of Respondents answering Questions 19 and 7(Company reputation and record reliability): 384
Frequency missing: 64

Those customers who identified their locations as "Village/town," "Suburban" and "Urban" reported proportionate responses which were similar to the overall residential response. The "Rural" residents identified "Company reputation and record of reliability" at a considerably higher proportionate rate than the residents of these other areas. There were 75% of the "Rural" customers who reported having problems in selecting a supplier that indicated that information about "Company reputation and record of reliability" would have made choosing easier.

Future of the program

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Future of the program" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Future of Program

	No	Yes
Below average customer	152 77.55	44 22.45
Above average customer	95 63.76	54 36.24

Number of Respondents answering Questions 17GRP and 7(Future of Program): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Future of the program" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about "Future of the program."

Adequate gas supply

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Adequate gas supply" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Adequate gas supply

	No	Yes
Below average customer	169 86.22	27 13.78
Above average customer	116 77.85	33 22.15

Number of Respondents answering Questions 17GRP and 7(Adequate gas supply): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Adequate gas supply" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about "Adequate gas supply."

Independent Variable: Question 19: ***Select the choice that best characterizes the area where you live. Please check only one box.***

- ***Rural***
- ***Village Town***
- ***Suburban***
- ***Urban***

There is a statistically significant relationship between the customer location and, for those who have experienced problems choosing a supplier, their identifying "Adequate gas supply" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Location/ Problems in selecting a supplier: Adequate gas supply

	No	Yes
Rural	6 50.00	6 50.00
Village	51 89.47	6 10.53
Suburban	146 82.95	30 17.05
Urban	117 84.17	22 15.83

Number of Respondents answering Questions 19 and 7(Adequate gas supply): 384
Frequency missing: 64

Those customers who identified their locations as "Village/town," "Suburban," and "Urban" reported proportionate responses which were similar to the overall residential response. The "Rural" residents identified "Adequate gas supply" at a considerably higher proportionate rate than the residents of these other areas. There were 50% of the "Rural" customers who reported having problems in selecting a supplier and indicated that information about "Adequate gas supply" would have made choosing easier.

Independent Variable: Question 20: ***Please place a check next to the range that identifies your annual household income.***

- ***Less than $10,500***
- ***$10,500-$24,999***
- ***$25,000-$49,999***
- ***$50,000-$74,999***
- ***$75,000-$100,000***
- ***Greater than $100,000***

There is a statistically significant relationship between the customer annual household income and, for those who have experienced problems choosing a supplier, their identifying "Adequate gas supply" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Income/ Problems in selecting a supplier: Adequate gas supply

	No	Yes
Less than $10,500	13 86.67	2 13.33
$10,500-$24,999	58 75.32	19 24.68
$25,000-$49,999	105 90.52	11 9.48
$50,000-$74,999	76 89.41	9 10.59
$75,000-$100,000	27 72.97	10 27.03
Greater than $100,000	21 80.77	5 19.23

Number of Respondents answering Questions 20 and 7(Adequate gas supply): 356
Frequency missing: 92

There is no clear pattern in the results from this cross-tabulation and statistical analysis. The overall residential response identifying "Adequate gas supply" was 16.2%. The lowest proportionate affirmative responses were in the middle of the income ranges. The next lowest responses were from the extreme categories. The highest proportionate affirmative responses were reported by those with annual household incomes of "$75,000-$100,000" and "$10,500-$24,999." There are no clear insights gained from this analysis.

Budget options

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Budget options" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Budget options

	No	Yes
Below average customer	179 91.33	17 8.67
Above average customer	123 82.55	26 17.45

Number of Respondents answering Questions 17GRP and 7(Budget Options): 345
Frequency missing: 103

Those with above average annual bills are slightly more likely to identify "Budget options" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about "Budget options."

Independent Variable: Question 20: ***Please place a check next to the range that identifies your annual household income.***

- ***Less than $10,500***
- ***$10,500-$24,999***
- ***$25,000-$49,999***
- ***$50,000-$74,999***
- ***$75,000-$100,000***
- ***Greater than $100,000***

There is a statistically significant relationship between the customer annual household income and, for those who have experienced problems choosing a supplier, their identifying "Budget options" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual Income/ Problems in selecting a supplier: Budget options

	No	Yes
Less than $10,500	12 80.00	3 20.00
$10,500-$24,999	62 80.52	15 19.48
$25,000-$49,999	105 90.52	11 9.48
$50,000-$74,999	76 89.41	9 10.59
$75,000-$100,000	32 86.49	5 13.51
Greater than $100,000	25 96.15	1 3.85

Number of Respondents answering Questions 20 and 7(Budget Options): 356
Frequency missing: 92

The overall residential response identifying "Budget options" was 12.2%. The lowest proportionate response was offered by residential customers with annual household incomes of "Greater than $100,000." Those customers with incomes from $25,000-$100,00 offered proportionate responses which were similar to the overall residential response. The highest responses were reported by the 2 lowest income categories. Those customers with annual household incomes of less than $25,000, who have experienced problems in selecting a supplier, are more likely to identify "Budget options" as information that would have made choosing easier than those customers with higher incomes.

Contract terms

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $_________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Contract terms" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Contract terms

	No	Yes
Below average customer	164 83.67	32 16.33
Above average customer	103 69.13	46 30.87

Number of Respondents answering Questions 17GRP and 7(Contract terms): 345
Frequency missing: 103

Those with above average annual bills are more likely to identify "Contract terms" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about "Contract terms."

Service information

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Service information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: Service Information

	No	Yes
Below average customer	166 84.69	30 15.31
Above average customer	110 73.83	39 26.17

Number of Respondents answering Questions 17GRP and 7(Service Information): 345
Frequency missing: 103

Those with above average annual bills are more likely to identify "Service information" than those customers with below average annual bills. It appears as though customers with higher annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about "Service information."

No Problems

Independent Variable: Question 6: ***How interested are you in Columbia Gas of Ohio's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and customers reporting that they had experienced "No problems" in choosing a supplier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a supplier: No problems

	No	Yes
Not interested	8 30.77	18 69.23
Neither interested nor disinterested	40 53.33	35 46.67
Interested	173 61.13	110 38.87

Number of Respondents answering Questions 6 and 7(No problems): 384
Frequency missing: 64

One of the most important results from the analysis of Question 7 derives from the relationship between customer interest in the Program, and the customer reporting that they had not experienced any problems in selecting a supplier. There is a linear relationship between level of interest in the Program and whether the customer has experienced problems in making their choice. As the level of interest in the Program increases, the more likely the customer is to report that they have experienced problems. Overall, 43.1% of the residential respondents reported that they had not experienced problems. There were 38.87% of the respondents who are interested in the Program who reported that they had not experienced problems. There were 46.67% of the respondents who are neither interested nor disinterested in the Program who reported that they had not experienced problems. There were 69.23% of the respondents who are "Not interested" in the Program who indicated that they had not experienced problems. Question 7 focuses on the customers who have experienced problems in making their selection and on the identification of information that would have made that selection process easier. It is likely that customers who are interested in the Program are seeking out more information and more detailed information to assist them in making their decision, relative to those customers who are "Not interested" in the Program. That almost 70% of the respondents who are "Not interested" in the Program are also reporting that they had "No problems" in choosing, is likely reflective of their lower interest in the information about the Program. It is also the case that those who are "Interested" in the Program are disproportionately represented among those customers who are indicating that they are experiencing problems in making their choice of a supplier. The results from this analysis place greater weight on the particular topics customers are identifying as the information that would assist them in making their choice, because they are more likely to be customers who are interested in the Program.

Independent Variable: Question 17GPR: ***Approximately what is your annual natural gas bill? $________.***

- ***Below average customer ($800 or less)***
- ***Above average customer (Greater than $800)***

There is a statistically significant relationship between the customer annual natural gas bill and customers reporting that they experienced "No problems" in choosing a supplier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual bill/Problems in selecting a supplier: No problems

	No	Yes
Below average customer	99 50.51	97 49.49
Above average customer	105 70.47	44 29.53

Number of Respondents answering Questions 17GRP and 7(No problems): 345
Frequency missing: 103

Those customers with lower gas bills are more likely to report that they have had "No problems" in making their choice. It is possible that they are also customers who have less interest in the Program, because the cost of gas in less of an issue for them than it is for customers with higher gas bills. This result would be consistent with the results from the level of interest variable that was previously discussed.

Independent Variable: Question 20: ***Please place a check next to the range that identifies your annual household income.***

- ***Less than $10,500***
- ***$10,500-$24,999***
- ***$25,000-$49,999***
- ***$50,000-$74,999***
- ***$75,000-$100,000***
- ***Greater than $100,000***

There is a statistically significant relationship between the customer annual household income and customers reporting that they experienced "No problems" in choosing a supplier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual Income/ Problems in selecting a supplier: No problems

	No	Yes
Less than $10,500	5 33.33	10 66.67
$10,500-$24,999	42 54.55	35 45.45
$25,000-$49,999	61 52.59	55 47.41
$50,000-$74,999	44 51.76	41 48.24
$75,000-$100,000	28 75.68	9 24.32
Greater than $100,000	19 73.08	7 26.92

Number of Respondents answering Questions 20 and 7(No problems): 356
Frequency missing: 92

There were 43.1% of the residential customers who reported that they had not experienced problems in making their choice of a supplier. Those customers with annual household incomes of $10,500-$74,999 offer proportionate responses which are similar to this overall result. There is a linear relationship between income and whether the customers report that they have experienced problems in making their choice. As the level of income increases, customers are less likely to report that they have not experienced problems. In other words, higher income customers are reporting more problems with making their selection than lower income customers. For those customers with incomes of "Less than $10,500," almost 70% report having no problems in making their choice. For those customers earning more than $75,000, approximately 25% report no problems in making their choice. One might have expected that those customers for whom gas costs make up a higher share of their household budgets might have had more problems compared to those whose gas prices make up a smaller share of their budgets. That this is not the case could be a customer education issue. Again, it is possible that the evidence regarding level of interest and annual gas bill are related to the findings which appear in the relationship between experiencing problems and the income variable. It may be that those customers with the lowest incomes are also the customers with the lower gas bills and have less interest in the Program. Also, it may be that they are seeking out less information about the Program. It is possible that a customer education effort could improve this situation by helping customers to understand the importance of the Program and the savings that others are experiencing through their participation.

There are a number of trends which appear in the cross-tabulation and statistical analyses of Question 7. Annual gas bill is consistently an influence on whether customers, who have reported problems in selecting a supplier, are identifying information that would have made the choice easier. In every case, those with higher gas bills are more likely to have identified the information. This result was evidenced in the case of "Price information," "List of possible supplier with contact numbers," "Benefits and risks of switching," "Billing information and meter reading," "Discounts/rebates/incentives," "Company reputation and record of reliability," "Future of the Program," "Adequate gas supply," "Budget options," "Contract terms," and "Service information." Annual gas bill is a very important predictor of whether customers who are experiencing problems in choosing are going to identify information that would have made the choice easier. Those with higher gas bills are more likely to identify this information than those with lower gas bills. The residential customers with above average bills identified 11 out of the 12 information choices that were presented in the survey.

Residential customers who are "Interested" in the Program are more likely to have experienced problems in selecting a supplier than those who are "Not interested" in the Program. Customers who are "Interested" in the Program and who experienced problems in choosing were more likely to have identified "Price information" and "List of possible suppliers with contact numbers" than those who are "Not interested" in the Program. As income increases, those customers who have experienced problems are more likely to identify "Benefits and risks of switching" as information that would have made choosing easier. The lower income customers reported more interest in "Budget option" information than higher income customers. "Rural" customers, who reported problems in choosing, identified information that would have made choosing easier at a disproportionately higher rate than customers from the other locations. This was the case in regard to "Discounts/rebates/incentives," "Company reputation and record of reliability," and "Adequate gas supply" information.

8. ***Are you aware of the PUCO's Apples to Apples natural gas marketer's price comparison chart?***

- ***Yes***
- ***No***

If you answered YES, how would you improve the comparison chart and make it more useful?

Question 8 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 404 residential customers who responded. For the closed-ended part of the question, 349 or 86.4% of the respondents reported "No," that they were not aware of the PUCO's Apples to Apples natural gas marketer's comparison chart. Only 55 or 13.6% of the respondents were aware of the PUCO's Apples to Apples comparison chart.

There were 55 residential customers eligible to respond to the open-ended portion of this question and 12 or 21.8% offered a response. Through a content analysis of the open-ended responses, there were 6 categories defined into which all of the responses were classified. None of the 12 customers offered a response which was coded as multiple categories. The following table presents all of the residential customer ideas as to how the comparison chart could be improved to be made more useful.

Ways to improve comparison chart	Frequency	Percentage
List all options, incentives, and taxes from suppliers	4	33.3
Make chart more accessible	3	25.0
List CCF cost	2	16.7
Add graphics	1	8.3
Explain risks	1	8.3
List hidden cost	1	8.3

That there are 86.4% of the residential respondents who do not know about the PUCO's Apples to Apples comparison chart is a considerable number. The importance of this issue is magnified by the fact that price information is the information that customers are most interested in receiving to assist them in making a choice. There needs to be a more creative and focused effort to find ways to disseminate this chart so that it is received by residential customers.

9. What information about the natural gas suppliers has been confusing? Please check as many choices as you like.

- *Benefits/risks of the program*
- *Customer rights and responsibilities*
- *Pricing options or price comparisons*
- *Terms of the contract*
- *Taxes and Billing*
- *Did not receive information*
- *None of it was confusing*
- *Other*

Question 9 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 381 residential customers who answered this question. For the closed-ended part of the question, 212 or 55.6% of the respondents indicated that "Pricing options or price comparisons" was information about the natural gas suppliers they found confusing. There were 168 or 44.1% of the respondents who selected "Benefits/risks of the program," 110 or 28.9% selected "Terms of the contract," 94 or 24.7% selected "Customer rights and responsibilities," 94 or 24.7% reported that "None of it was confusing," 60 or 15.7% indicated "Taxes and billing," and 47 or 12.3% selected "Did not receive information." There was 1 respondent who offered an "Other" response regarding information about the natural gas suppliers that has been confusing. The respondent that offered an "Other" response noted that "having so many different suppliers" was confusing. The following table summarizes the customer responses to the closed-ended portion of Question 9.

Confusing information	Frequency	Percentage
Pricing options or price comparisons	212	55.6
Benefits/risks of the program	168	44.1
Terms of the contract	110	28.9
Customer rights and responsibilities	94	24.7
None of it was confusing	94	24.7
Taxes and billing	60	15.7
Did not receive information	47	12.3
Other	1	0.3

The wording of Question 8 from the baseline study is the same as the wording as it appeared in the follow-up survey as Question 9. There were several selections added to the follow-up survey based on the "Other" responses that were provided in the baseline survey and also to clarify and expand the meaning of the results from this question. In the follow-up study, "Taxes and Billing," "Did not receive information," and "None of it was confusing" were added to the selections. The selection, "Customer protections" was removed for the follow-up study. While it is possible to compare the results between the 2 studies, the changes make the results not entirely comparable. Also, it is not possible to compare the "Other" open-ended responses in the baseline study to the closed-ended responses in the follow-up study. The results are not comparable because the respondent is required to create a unique response in the baseline study, and is prompted by the selection in the follow-up study.

In the baseline study, the following results were presented for Question 8. The frequency represents the number of times the above choices were selected by a respondent and the percentage is calculated based on the 505 residential customers. For the closed-ended part of the question, 368 or 72.90% of the respondents indicated that they found the "Pricing options or price comparisons" confusing, 286 or 56.60% found the "Benefits/risks of the program" confusing, 224 or 44.40% found the "Terms of the contract" confusing, 194 or 38.40 of the respondents found "Customer protections" to be confusing, and 181 or 35.80% indicated that "Customer rights and responsibilities" was confusing. There were 20 respondents who offered an open-ended response. The following table summarizes the customer responses to the closed-ended portion of Question 8.

Confusing information	Frequency	Percentage
Pricing options or price comparisons	368	72.9
Benefits/risks of the program	286	56.6
Terms of the contract	224	44.4
Customer protections	194	38.4
Customer rights and responsibilities	181	35.8
Other	20	4.0

Of the 505 residential customers in the sample, 20 or 4.0% responded to the open-ended portion of Question 8. A content analysis was performed on the "Other" responses that were provided to Question 8. It was determined that each response could be classified into 1 of 10 different categories. In this case, the frequency represents the number of times the category was provided by the 20 respondents, and the percentage is calculated based on the 505 residential customers. The following table presents the "Other" information about the natural gas suppliers that customers found confusing.

Confusing Information	Frequency	Percentage
Did not receive information/not enough	4	0.79
None	3	0.59
Bill clarity	3	0.59
Unable to categorize	2	0.40
All of the above	2	0.40
Did not trust information	2	0.40
Price stability	2	0.40
Clarity of service responsibility	1	0.20
Company history and reliability	1	0.20
Why are we forced to participate in the program	1	0.20

The selections that appeared in the baseline Question 9 and follow-up Question 8 were given the same rank order by the residential customers. "Pricing options or price comparisons" was the area of the Program which most confused the customers. The "Benefits/risks" of the program was ranked second in both surveys, "Terms of the contract" was third, and "Customer rights and responsibilities" was fourth. While the order of rank remained the same, the frequencies did decline. Thus, while pricing is still creating the most confusion, it was been reported as such by 55.6% of the respondents, down from 72.90% in the baseline study. The frequencies from the baseline to the follow-up study have declined for the other selections, as well. Most of the declines are in the range of between 10 to 15%.

It remains a concern that more than half of the residential customers remain confused about price. It is apparent that price is the primary consideration in their decisions about choosing a supplier. Customer education needs to target the issue of price for these consumers. The other areas of the Program remain confusing for the consumers, as well. Most of the responses were reported by more than a quarter of the customers. There were 24.7% of the respondents who did report that they were not confused by any of the Program elements.

There were 12.3% of the residential customers who identified that they "Did not receive information" about the Program. That is a large number of residential respondents who have not seen any information regarding the changes that are taking place in the natural gas marketplace.

10. How would you like to receive information about your natural gas choices? Please check all that apply.

- *Bill insert*
- *Newspaper articles*
- *Advertising on radio*
- *1-800 phone hotline*
- *PUCO Internet site*
- *Direct mail*
- *Advertising in newspapers*
- *TV advertising and news*
- *Public meetings*
- *Other*

Question 10 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 382 residential customers who answered this question. For the closed-ended part of the question, 294 or 77.0% of the residential customers indicated that "Direct mail" was their preference as to how they would like to receive information about their natural gas choices. Continuing, there were 207 or 54.2% of the customers who indicated "Bill insert," 100 or 26.2% indicated "Newspaper articles," 80 or 20.9% indicated "Advertising in newspapers," 60 or 15.7% indicated "TV Advertising and news," 50 or 13.1% indicated "1-800 phone hotline," 34 or 8.9% indicated "PUCO Internet site," 24 or 6.3% indicated "Public meetings," and 17 or 4.5% indicated "Advertising on radio" as the ways they would like to receive information about their natural gas choices. There was 1 customer who offered an "Other" response as to his/her preference regarding how he/she would like to receive information. The 1 respondent that answered "Other" indicated that he/she would prefer information about his/her natural gas choices come from a library. The following table summarizes the customer responses to the closed-ended portion of Question 10.

Ways to receive information	Frequency	Percentage
Direct mail	294	77.0
Bill insert	207	54.2
Newspaper articles	100	26.2
Advertising in newspapers	80	20.9
TV advertising and news	60	15.7
1-800 phone hotline	50	13.1
PUCO Internet site	34	8.9
Public meetings	24	6.3
Advertising on radio	17	4.5
Other	1	0.3

Question 10 from the baseline study asked the respondent to identify the educational approaches that were effective in getting them the information they needed to make a choice of a supplier. It was designed as a broad question and covered the numerous options that could be employed to disseminate information. This question was revised in the follow-up study in order to make the results more meaningful for the Commission's educational efforts. Question 10 asked the respondents to identify how they would like to receive information about their natural gas choices. The selections included in the follow-up study are educational approaches that could be employed by the Commission in disseminating information. Again, the frequencies represent a rank ordering since the customers were permitted to select as many choices as they desired.

"Direct mail" was selected by the vast majority of the respondents as the way they would like to receive information. This choice was followed by "Bill inserts" which was identified by more than half of the respondents. "Newspaper articles" was selected by more than a quarter of the respondents. These 3 methods would be effective in reaching the largest audience of residential consumers about the Customer Choice Program.

11. What factors did you consider, or are you considering, in making your choice of a natural gas supplier? Please check as many factors as you like.

- ***Billing***
- ***Customer education***
- ***Customer service***
- ***Length of contract***
- ***Name recognition***
- ***Price***
- ***Reliable gas supply***
- ***Reputation***
- ***Terms of the contract***
- ***Other***

Question 11 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 381 residential customers who responded to the question. For the closed-ended part of the question, 353 or 92.7% of the respondents considered "Price" in making their choice of a supplier. There were 228 or 59.8% of the respondents who selected "Reliable gas supply," 163 or 42.8% selected "Reputation," 151 or 39.6% selected "Terms of the contract," 132 or 34.6% selected "Length of contract," 128 or 33.6% selected "Customer service," 106 or 27.8% selected "Billing," 60 or 15.7% selected "Name recognition," and 39 or 10.2% indicated "Customer education," as the factors they considered in making their choice of a natural gas supplier. There was 1 respondent who provided an "Other" response. The 1 customer who generated a response for the "Other" category indicated "Budget program" as a factor he/she considered in choosing a natural gas supplier. The following table summarizes the customer responses to the closed-ended portion of Question 11.

Factors considered in choice	Frequency	Percentage
Price	353	92.7
Reliable gas supply	228	59.8
Reputation	163	42.8
Terms of the contract	151	39.6
Length of contract	132	34.6
Customer service	128	33.6
Billing	106	27.8
Name recognition	60	15.7
Customer education	39	10.2
Other	1	0.3

The following results are presented from the baseline study. The frequency represents the number of times the above choices were selected by a respondent and the percentage is calculated based on the 505 residential customers. For the closed-ended part of the question, 404 or 80.0% of the respondents considered "Price" in making their choice of a supplier. There were 268 or 53.1% of the respondents who selected "Reliable gas supply," 205 or 40.6% selected "Terms of the contract," 180 or 35.6% selected "Length of contract," 179 or 35.4% selected "Billing," 174 or 34.5% selected "Customer service," 150 or 29.7% selected "Reputation," 68 or 13.5% selected Customer education," 60 or 11.9% indicated "Name recognition," and 24 or 4.7% of the respondents provided an answer that was classified among the "Other" categories. The following table summarizes the customer responses to the closed-ended portion of Question 11.

Factors Considered in Making Choice	Frequency	Percentage
Price	404	80.0
Reliable gas supply	268	53.1
Terms of the contract	205	40.6
Length of contract	180	35.6
Billing	179	35.4
Customer service	174	34.5
Reputation	150	29.7
Customer education	68	13.5
Name recognition	60	11.9
Other	24	4.7

Of the 505 residential customers in the sample, 24 or 4.75% responded to the open-ended portion of Question 11. A content analysis was performed on the "Other" responses that were provided to Question 11. It was determined that each response could be classified into 1 of 17 different categories. In this case, the frequency represents the number of times the category was provided by the 24 respondents, and the percentage is calculated based on the 505 residential customers. The following table presents the "Other" categories of factors considered in making a choice of a natural gas supplier.

Other Factors Considered in Making Choice	Frequency	Percentage
Repair availability/customer service	4	0.8
Rebates/promotions	2	0.4
Columbia	2	0.4
Unable to categorize	2	0.4
Environmentally responsible	1	0.2
Ease of transition	1	0.2
Farm Bureau recommendation	1	0.2
Environmental practices	1	0.2
Who's going to be the best company to deal with	1	0.2
Still confused	1	0.2
Cost to switch to a different company	1	0.2
Local company	1	0.2
All of the above	1	0.2
Family information	1	0.2
Trying to decide who's information is best for me	1	0.2
Afraid to change/staying with Columbia	1	0.2
Payment options	1	0.2
Future price increases/continued savings	1	0.2

Question 11 in the baseline and follow-up surveys had the same text and the same selections. "Price" remains the overwhelming selection as the factor consumers are considering in making their choice of a natural gas supplier. In the baseline study, "Price" was identified by 80.0% of the respondents, and it was selected by 92.7% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 59.8% in the follow-up study, as compared to 53.10% in the baseline study. There remains a considerable drop-off between "Price" and the other elements being considered by customers in making their decisions.

Interestingly, "Reputation" was elevated in the rank order of factors by the residential consumers from the seventh rank in the baseline study to the third rank in the follow-up study. It was identified by 29.7% in the baseline study and 42.8% of the respondents in the follow-up study. It is possible that with some experience in the marketplace, consumers are beginning to develop some conception of the qualities of the natural gas suppliers; the natural gas suppliers are developing reputations. It is likely that most of the residential customers did not know anything about most of these suppliers when the Program was initiated. Thus, in the first study, reputation was not an issue for consumers, because the suppliers did not have a reputation. In the follow-up study, the suppliers may be developing reputations, and the importance of this factor in the consumers decision-making process is increasing.

"Price" is the primary factor being considered by customers in making their choice of a supplier. In fact, the frequency of price increased from 80.0% in the baseline study to 92.7% in the follow-up study. For the customers, the choice of a supplier is driven by price. Consumers are also concerned about reliability of gas supply, and more than half of the respondents have identified this factor as a part of their decisions. Residential consumers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than a third of the respondents. The only factors which were selected by fewer than 25% of the respondents were "Customer education" and "Name recognition." These appear to be more minor factors for the consumers. From other questions in the survey, it is apparent that information is a central aspect to consumers making a choice. It is possible that in the context of this question, the respondents are communicating that, while they believe customer education is important from the perspective of the decision-making process, they are not concerned whether their natural gas supplier is going to be the source of that information.

12. How many different suppliers did you consider before making your selection? Please include Columbia Gas of Ohio in your total if applicable.

- *1*
- *2*
- *3*
- *4*
- *5 or more*
- *Have not yet considered changing*

The responses to Question 12 were grouped for the purpose of analyzing the results. There were 4 categories defined regarding the number of suppliers that were considered in making a choice. There were 396 or 88.4% of the 448 residential customers who answered this closed-ended question. There were 25 or 6.3% of the respondents who considered "1 supplier," 209 or 52.8% considered 2, 3 or 4 suppliers, and 40 or 10.1% considered "5 or more" suppliers in making their selection. There were 122 or 30.8% of the respondents who reported that they "Have not yet considered changing." The table below summarizes the results for Question 12.

Number of suppliers considered	Frequency	Percentage
1 supplier	25	6.3
2, 3 or 4 suppliers	209	52.8
5 or more suppliers	40	10.1
Have not yet considered changing	122	30.8

More than half of the respondents have considered 2, 3, or 4 suppliers in making their decision about selecting a natural gas supplier. One of these suppliers could have been remaining with Columbia Gas of Ohio. There are only 6.3% of the respondents who are considering "1 supplier" in their decision. There are 10.1% of the respondents who are considering "5 or more suppliers." In response to Question 4, the residential customers identified 9 suppliers, including Columbia Gas of Ohio. More than 60% of the respondents know that there are choices available to them from which to select a supplier, and they are considering these choices in their decision. Finally, there are 30.8% of the respondents who "Have not yet considered changing their supplier;" this number represents a considerable part of the residential population who have not yet begun the decision-making process.

13. *If you have a new natural gas supplier, have you experienced any problems with your service from that supplier? In your answer, please consider all aspects of service, including price, customer service and education, billing, contract terms, resolution of problems, etc.*

- *Yes*
- *No*
- *Have not selected a new supplier*

If YES, please describe the problems and how they were resolved. If they were not resolved, please indicate the problems that were not resolved.

Question 13 was both a closed-ended and open-ended question. The first half of Question 13 was closed-ended, with the respondents having been asked to select either "Yes" or "No." The second half of this question was open-ended, giving those respondents who indicated that they have experienced problems an opportunity to identify the problems.

Of the 448 residential respondents, 383 or 85.5% responded to this question. Of these 383 respondents, 10 or 2.6% answered "Yes," they had experienced service problems from their new natural gas supplier. Conversely, 223 respondents or 58.2% answered "No," they had not experienced any problems. There were 150 or 39.2% of the respondents that answered "Have not selected a new supplier."

The second half of this question was designed to enable respondents who answered "Yes" in the first part of the question to specifically list the problems they have experienced in their service from their natural gas supplier. Respondents were able to provide multiple responses. With this being the case, 6 respondents each provided one response. The responses were analyzed and placed into a category according to the topic conveyed by the response. This process resulted in 4 distinct categories. The table below presents these categories, as well as their respective frequencies. The percentages are calculated based on the 6 customers who provided an open-ended response to Question 13.

Service problems from a new supplier	Frequency	Percentage
Switching problems	2	33.3
No responses from new provider	2	33.3
Didn't receive service from new provider when promised	1	16.7
Billing	1	16.7

The following information was presented in the baseline study from the results of Question 13. The first half of Question 13 was closed-ended, with the respondents having been asked to select either "Yes," "No" or "Have not selected a new supplier." The first portion of the question is closed-ended. There were 505 potential residential respondents, of which 402 or 79.60% answered this question. Of those answering the first portion of this question, 299 or 74.38% of the respondents indicated they "Have not selected a new supplier." Continuing with those who answered the first portion of the question, 88 or 21.89% of the respondents chose "No," and 15 or 3.73% of the respondents chose "Yes" when asked about problems with service from a new supplier.

The following table presents the residential responses to the open-ended portion of this question. Of the 15 respondents who indicated "Yes" in the first portion of Question 13, 12 provided an open-ended response. Multiple responses were allowed and percentages are based on the 12 respondents who responded to the open-ended question. Note that 7 different categories of problems have been defined from the content analysis of the responses.

Problems With New Supplier	Frequency	Percentage
Have not had new company long enough/change has not taken place yet	4	33.33
Billing and payment confusion	3	25.00
Not informed up front that customer is responsible for state sales tax on gas usage	2	16.67
New company lost account number	1	8.33
Confusion/not enough information	1	8.33
Contract confusion/terms of contract not spelled out	1	8.33

The text of Question 13 in the follow-up study was the same as it appeared in the baseline study. The open-ended portion, however, was revised in an attempt to elicit some additional and more detailed information from the respondents. In the baseline study, the respondents were asked to describe their service problems. In the follow-up study, the respondents were asked to describe the problems and then to discuss how the problems were resolved. Additionally, the respondents were asked to report any of their problems that were not resolved. Unfortunately, none of the respondents included information about the resolution of problems in their open-ended answers.

In the baseline study, 74.38% of the respondents reported that they had not selected a new supplier. In the follow-up study, there were 39.2% of the respondents who had reported that they had not selected a new supplier. There were 3.73% of the respondents in the baseline study who indicated that they had experienced service problems from their supplier. In the follow-up study, there were 2.6% of the respondents who reported service problems from their new supplier. From both the baseline and follow-up studies, there does not appear to be a serious issue regarding service problems from a new supplier. In the follow-up study, there were only 10 customers who reported problems, and most of those problems appeared to be associated with making the change from Columbia Gas of Ohio to their new supplier. It is possible that some of these problems are related to the recent implementation of the Program, and will diminish with more experience.

14. ***How do you feel about each of the following areas of the program? Please check the appropriate box.***

- ***Prices***
- ***Customer service***
- ***Contract terms***
- ***Freedom of choice***
- ***Reliability/dependability***

Question 14 was a closed-ended question. The respondents were asked to rate their level of satisfaction with 5 different areas of the Customer Choice Program. These areas were defined from the results of Question 14 from the baseline study of the Program. Question 14 was an open-ended question in the baseline study and asked the respondents to identify the benefits they expected from the Customer Choice Program. Based upon the results of the analysis of Question 14, the 5 areas were defined for the purpose of measuring customer satisfaction in the follow-up survey.

Of the 448 residential customers, 321 or 71.7% responded to the Prices section of Question 14. There were 172 or 53.6% of the residential customers who were "Satisfied" with the "Prices" area of the Program. Continuing, there were 52 or 16.2% of the customers who were "Dissatisfied" with the "Prices" area of the Program, and 97 or 30.2% of the customers who were "Neither satisfied nor dissatisfied" with "Prices." The following table presents the results for the Price component of the Program.

Satisfaction with prices	Frequency	Percentage
Satisfied	172	53.6
Dissatisfied	52	16.2
Neither Satisfied Nor Dissatisfied	97	30.2

Of the 448 residential customers, 306 or 68.3% responded to the Customer service section of Question 14. There were 185 or 60.5% of the residential customers who were "Satisfied" with the "Customer service" area of the Program. Continuing, there were 10 or 3.3% of the customers who were "Dissatisfied" with the "Customer service" area of the Program, and 111 or 36.3% who were "Neither satisfied nor dissatisfied" with the "Customer service" area of the Program. The following table presents the results for the Customer service component of the Program.

Satisfaction with customer service	Frequency	Percentage
Satisfied	185	60.5
Dissatisfied	10	3.3
Neither Satisfied Nor Dissatisfied	111	36.3

Of the 448 residential customers, 301 or 67.2% responded to the Contract terms section of Question 14. There were 169 or 56.1% of the residential customers who were "Satisfied" with the "Contract terms" area of the Program. Continuing, there were 13 or 4.3% of the customers who were "Dissatisfied" with the "Contract terms" area of the

Program, and 119 or 39.5% who were "Neither satisfied nor dissatisfied" with the "Contract terms" area of the Program. The following table presents the results for the Contract terms component of the Program.

Satisfaction with contract terms	Frequency	Percentage
Satisfied	169	56.1
Dissatisfied	13	4.3
Neither Satisfied Nor Dissatisfied	119	39.5

Of the 448 residential customers, 316 or 70.5% responded to the Freedom of choice section of Question 14. There were 240 or 75.9% of the residential customers who were "Satisfied" with the "Freedom of choice" aspects of the Program. Continuing, there were 11 or 3.5% of the customers who were "Dissatisfied" with the "Freedom of choice" aspects of the Program, and 65 or 20.6% who were "Neither satisfied nor dissatisfied" with the "Freedom of choice" aspects of the Program. The following table presents the results for the Freedom of choice component of the Program.

Satisfaction with freedom of choice	Frequency	Percentage
Satisfied	240	75.9
Dissatisfied	11	3.5
Neither Satisfied Nor Dissatisfied	65	20.6

Of the 448 residential customers, 305 or 68.1% responded to the Reliability/dependability section of Question 14. There were 184 or 60.3% of the residential customers who were "Satisfied" with the "Reliability/dependability" aspects of the Program. Continuing, there were 10 or 3.3% of the customers who were "Dissatisfied" with the "Reliability/ dependability" aspects of the Program, and 111 or 36.4% who were "Neither satisfied nor dissatisfied" with the "Reliability/dependability" aspects of the Program. The following table presents the results for the Reliability/dependability component of the Program.

Satisfaction with reliability/dependability	Frequency	Percentage
Satisfied	184	60.3
Dissatisfied	10	3.3
Neither Satisfied Nor Dissatisfied	111	36.4

Customers report similar levels of satisfaction across most of the areas of the Program. Close to 60% of the residential customers report that they are satisfied with the "Customer service," the "Contract terms," and the "Reliability/dependability" areas of the Program. The lowest level of satisfaction is report for the "Price" area of the Program. There are 53.6% of the respondents who report that they are satisfied with the "Prices" aspect of the Program. The highest level of satisfaction is reported by those who are satisfied with "Freedom of choice." For most of the areas of the Program, residential customers report very low levels of dissatisfaction. The numbers of residential customers who are dissatisfied with customer service, contract terms, "Freedom of choice" and "Reliability/dependability" are all below 5%. The highest level of dissatisfaction is reported by the 16.2% of the respondents who report that they are dissatisfied about

"Prices." For most of the areas of the Program, similar proportions of customers have not yet developed an opinion regarding their level of satisfaction. Most of the responses for those who are neither satisfied nor dissatisfied were between 30% and 40%. The lowest proportionate response for those who are undecided were the 20.6% of the respondents who are neither satisfied nor dissatisfied with "Freedom of choice." The highest proportionate response for those who are undecided were the 39.5% of the respondents who are neither satisfied nor dissatisfied with "Contract terms."

Most respondents are generally satisfied with the elements of the Program. They are least satisfied with "Prices," although more than half of the respondents reported that they were satisfied with "Prices." They are most satisfied with the "Freedom of choice;" customers are most satisfied that they have the choice of their natural gas supplier. A considerable number of respondents are yet undecided about most of the elements of the Program; there are more than a third who are undecided about all of the areas of the Program except for the "Freedom of choice." Finally, with the exception of the 16.2% of the respondents who are dissatisfied with "Prices," there are few consumers who are dissatisfied with the various areas of the Program.

Since price is the most important element of the Program for the consumers, it would be important to study the cause of the higher levels of dissatisfaction with "Prices." One area of research would be to study the level of expectations consumers have regarding the magnitude of price declines customers anticipate as a result of competition. Another area for study would be the specific areas of confusion consumers have about prices. The confusion about price that has been communicated in the study could be a factor in their dissatisfaction.

15. Would you be interested in having Columbia Gas of Ohio's Customer Choice Program continued in your area?

- ***Yes***
- ***No***
- ***Not sure***

This question was structured as a closed-ended question, with the respondents having been asked to select either "Yes," "No," or "Not sure." Of the 448 residential respondents, 409 or 91.3% provided a response to Question 15. The frequency represents the number of times the above choices were selected by a respondent and the percentage is calculated based on the 409 residential customers who answered Question 15. A review of the results demonstrates that 324 respondents indicated a response of "Yes," they would be interested in having the Program continued in their area. This represents 79.2% of the respondents that completed this question. Conversely, 12 respondents or 2.9% indicated a response of "No," and 73 or 17.8% of the residential customers are "Not sure" if they are interested in having the Program continued in their area. This data clearly demonstrates that the vast majority of this question's respondents are interested in having the Program continued in their area. The results from Question 15 are presented in the following table.

Continue the program	Frequency	Percentage
Yes	324	79.2
No	12	2.9
Not Sure	73	17.8

The following results were reported in the baseline study. Of the 505 residential customers, 460 or 91.08% responded to this closed-ended question. Two hundred ninety-four or 63.91% indicated that they are interested in having the Columbia Gas Choice Program continued. Twenty-one or 4.57% of the customers indicated they are not interested in having the program continued. One hundred forty-five or 31.52% of the respondents were not sure about whether they are interested in having the Columbus Gas Choice Program continued.

Program Continued	Frequency	Percentage
Yes	294	63.91
No	21	4.57
Not Sure	145	31.52

The text of Question 15 in the follow-up survey was the same as Question 16 from the baseline study. In both cases, it was a closed-ended question and the selections were identical. The results from both studies demonstrate that the residential customers would like the Program continued. The results from the follow-up study also demonstrate a trend in the direction of customers becoming more resolute in that position. In the follow-up study, more customers reported that they would like the Program continued and fewer indicated that they would not like the Program continued. Additionally, the number of respondents who are uncertain about wanting the Program continued has been reduced by half from the baseline study. It is clear that with more experience with the Program, customers have developed greater certainty that they would like the Customer Choice Program continued.

16. Do you think that the program can be improved?

- *Yes*
- *No*
- *Not sure*

If YES, how do you think the program should be improved?

The first portion of this question was a closed-ended question. Of the 448 residential respondents, 387 or 86.4% provided an answer to this question. There were 145 or 37.5% of the respondents who indicated that "Yes," they thought the Program can be improved. There were 9 or 2.3% of the respondents who selected "No," they thought the Program can not be improved. Continuing, there were 233 or 60.2% of the residential customers who were "Not sure" if the Program can be improved. The following table summarizes the results for Question 16.

Program Improved	Frequency	Percentage
Yes	145	37.5
No	9	2.3
Not Sure	233	60.2

The second portion of this question was open-ended. The 145 respondents who identified that the Program can be improved were offered the opportunity to express their ideas in this regard. Of the 145 respondents, 98 offered an open-ended answer. A qualitative analysis was performed with the responses that were provided to Question 16 and it was determined that each response could be classified into 1 of 7 different categories. None of the 98 respondents provided an answer that was coded as multiple categories. The following table summarizes the results for the residential customers who responded with ideas for improving the Program. The frequency denotes the number of times the 98 respondents provided a response for each particular category. The percentage is calculated based on the same 98 customers who responded to this question.

Program Improvements	Frequency	Percentage
Better, more complete information	45	45.9
More comparison information	24	24.5
Lower prices	22	22.4
Improved billing	3	3.1
Fewer providers	2	2.0
More PUCO information	1	1.0
Rating system from Consumers' Counsel	1	1.0

Only 2.3% of the respondents were of the opinion that the Program does not need improvement. There were 37.5% of the respondents who reported that the Program could be improved and 60.2% were not sure. Most of the customers are not yet certain enough about the Program to have an opinion about whether the Program should be improved. The uncertainty about the Program is evidence of the customers not yet having enough experience with the Program to completely understand it. This uncertainty is further corroborated by the open-ended responses which clearly demonstrate that the overwhelming majority of customers are of the opinion that the Program should be improved by providing them with more and better information.

That 22.4% of the respondents have reported that the Program should be improved by offering lower prices is an important result. The residential customers have made it clear that price is the primary factor considered in making a decision about a supplier. Also, in Question 14, the lowest level of satisfaction and the highest level of dissatisfaction was reported in regards to prices. Reiterating a point made in that context, customer expectations about price are not clearly understood, and it would be useful to have a better understanding regarding the amount of decrease customers anticipate resulting from a competitive marketplace for natural gas.

17. Approximately what is your ANNUAL natural gas bill?

There were 384 or 85.7% of the 448 residential respondents who answered Question 17. The residential responses to this open-ended question were coded according to the median value of the annual gas bills as reported by the 384 respondents. Median value was chosen as an indicator of central tendency in order to allow for the inclusion of all responses to this question, while guarding against extreme values or outliers. Such a method prevents a skew, either high or low, of the division point. Those residential responses less than or equal to the median reported value of $800 represent 217 or 56.5% of those answering the question. Those residential responses greater than the median reported value of $800 represent 167 or 43.5% of those answering the question. The 2 categories of below and above average gas costs were developed for the purpose of cross-tabulation and statistical analyses. The table below summarizes the results.

Annual gas bill	Frequency	Percentage
Less than or equal to $800	217	56.5
Greater than $800	167	43.5

Question 17 was treated as an independent variable in the research design in both the baseline and follow-up studies. In the baseline study, the question asked the respondents to provide their average monthly bill in the winter. Some respondents offered an average bill and some provided a budgeted amount. In order to eliminate the possibility of receiving both types of information, the follow-up survey asked for the annual bill.

18. What is your age?

Question 18 was an open-ended question. Of the 448 residential customers in the sample, 429 or 95.8% responded to this open-ended question. The youngest person responding to the survey was 24 years old. The oldest person responding to the survey was 92 years old. The modal age in the sample was 70 years old, with 21 respondents reporting that as their age. The next highest modal frequency was reported by 20 respondents who identified their age as 50. There were 4 age groupings defined for the purpose of cross-tabulation and statistical analyses. The 4 categories are: "34 and under," "35-49," "50-64," and "65 and over." There were 19 or 4.4% of the residential customers who are "34 or under," 108 or 25.2% who are "35-49," 134 or 31.2% who are "50-64," and 168 or 39.2% who are "65 and over." The following table summarizes the results for Question 18.

Customer ages	Frequency	Percentage
34 and under	19	4.4
35-49 years old	108	25.2
50-64 years old	134	31.2
65 and over	168	39.2

Question 18 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and was an open--ended question in both surveys.

19. Select the choice that best characterizes the area where you live. Please check only one box.

- ***Rural***
- ***Village/town***
- ***Suburban***
- ***Urban***

Of the 448 residential customers in the sample, 434 or 96.9% responded to this open-ended question. There were 14 or 3.2% of the respondents who reported that they live in a "Rural" area, 72 or 16.6% reside in a "Village/town," 198 or 45.6% of the residential respondents reported that they reside in a "Suburban" area, and 150 or 34.6% of the respondents report living in an "Urban" area. The following table presents the results for Question 19.

Residential Location	Frequency	Percentage
Rural	14	3.2
Village/town	72	16.6
Suburban	198	45.6
Urban	150	34.6

Question 19 was treated as an independent variable in the research design in the follow-up study. This question did not appear in the baseline survey.

20. Please place a check next to the range that identifies your annual household income. Please check only one box.

- ***Less than $10,500***
- ***$10,500-$24,999***
- ***$25,000-$49,999***
- ***$50,000-$74,999***
- ***$75,000-$100,000***
- ***Greater than $100,000***

There were 404 or 90.2% of the 448 residential respondents that answered this closed-ended question. Of the 404 respondents, there were 22 or 5.4% who identified "Less than $10,500," 92 or 22.8% identified "$10,500-$24,999," 127 or 31.4% identified "$25,000-$49,999," 91 or 22.5% identified "$50,000-$74,999," 43 or 10.6% identified "$75,000-$100,000," and 29 or 7.2% identified "Greater than $100,000," as their annual household incomes. The following table presents the results for Question 20.

Annual household income	Frequency	Percentage
Less than $10,500	22	5.4
$10,500-$24,999	92	22.8
$25,000-$49,999	127	31.4
$50,000-$74,999	91	22.5
$75,000-$100,000	43	10.6
Greater than $100,000	29	7.2

Question 20 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and response categories in both surveys.

Residential Customers Not Aware of Choice

"Unaware" customers are respondents who were not aware that they had a competitive choice of natural gas suppliers before they received the survey. These customers were not removed from the sampling frame, and therefore, needed to be identified in order to appropriately analyze the information. There are 85 residential respondents who identified themselves as unaware customers on the survey. Of the 448 residential customers who completed and returned the survey, the 85 unaware customers represent 19.0% of the residential sample. Unaware customers were asked to provide information regarding their length of service from and their level of satisfaction with Columbia Gas of Ohio. They were also asked to provide the demographic information that was solicited from all residential customers who responded to the survey. Unaware customers answered Questions 1, 2, 3, and 17 through 20 of the survey. They were instructed not to respond to Questions 4 through 16 of the survey. If they did provide responses, they were not coded or recorded in the data set.

This section of the report presents the unaware customer responses to the questions they were instructed to answer from the survey. This information is described and analyzed as a subsample of the residential customer sample. This analysis also includes a comparison to the overall residential population. From the perspective of customer education, this is an important group in the population that needs to be targeted for the dissemination of information. That there are 19% of the residential customers who are not aware of the Customer Choice Program reflects a need for more customer education.

1. ***How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.***

   - ***5 years or less***
   - ***6-10 years***
   - ***11-15 years***
   - ***16-20 years***
   - ***More than 20 years***

Customers were categorized by how many years they purchased gas from Columbia Gas of Ohio. There were 84 or 98.8% of the 85 unaware customers who responded to this closed-ended question. There were 7 or 8.3% of the customers who had purchased gas for "5 years or less," 6 or 7.1% had purchased gas for "6-10 years," 8 or 9.5% had purchased gas for "11-15 years," 8 or 9.5% had purchased gas for "16-20 years," and 55 or 65.5% of the customers had purchased gas from Columbia Gas of Ohio for "More than 20 years." The table below presents the results from Question 1.

Not Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	7	8.3
6-10 years	6	7.1
11-15 years	8	9.5
16-20 years	8	9.5
More than 20 years	55	65.5

The following table presents the results from the overall residential population for Question 1.

Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	28	6.3
6-10 years	40	9.0
11-15 years	37	8.3
16-20 years	31	7.0
More than 20 years	310	69.5

There were no critical differences between the length of service for the people who are aware of choice and those who are not aware of choice. Their answers to Question 1 were quite similar.

2. ***How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.***

- ***Very dissatisfied***
- ***Somewhat dissatisfied***
- ***Neither satisfied nor dissatisfied***
- ***Somewhat satisfied***
- ***Very Satisfied***

There were 84 or 98.8% of the 85 unaware respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 84 customers who responded to Question 2. There were 6 or 7.1% who rated their level of satisfaction with service as "Very dissatisfied." There were 9 or 10.7% who reported that they were "Somewhat dissatisfied," 22 or 26.2% reported that they were "Neither satisfied nor dissatisfied," 19 or 22.6% reported that they were "Somewhat satisfied," and there were 28 or 33.3% of the respondents who rated their level of satisfaction as "Very satisfied." The table below presents the results for Question 2.

Not Aware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	6	7.1
Somewhat dissatisfied	9	10.7
Neither satisfied nor dissatisfied	22	26.2
Somewhat satisfied	19	22.6
Very satisfied	28	33.3

The following table presents the results from the overall residential population for Question 2.

Aware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	36	8.3
Somewhat dissatisfied	69	15.9
Neither satisfied nor dissatisfied	73	16.9
Somewhat satisfied	140	32.3
Very satisfied	115	26.6

There are no clear patterns to readily compare the 2 groups of customers. For instance, there are more customers who are "Very satisfied" with Columbia Gas of Ohio who are unaware of choice than those who are aware of choice. On the other hand, there are more customers who are "Somewhat dissatisfied" with Columbia Gas of Ohio who are aware of choice than those who are not aware of choice. A similar pattern exists regarding the positive rankings of Columbia Gas of Ohio. When comparing total positive responses and total negative responses, the following results are evident. For those customers who are not aware of choice, 17.8% are dissatisfied with Columbia Gas of Ohio. This compares to 24.2% of the customers who are aware of choice. Thus, the customers who are aware of choice are more dissatisfied with Columbia Gas of Ohio. For those customers who are not aware of choice, 55.9% are satisfied with Columbia Gas of Ohio. This compares to 58.9%% of the customers who are aware of choice. Thus, the customers who are aware of choice are also more satisfied with Columbia Gas of Ohio. For those customers who are not aware of choice, 26.2% are "Neither satisfied nor dissatisfied." For those customers who are aware of choice 16.9% are "Neither satisfied nor dissatisfied." Therefore, there are more customers who are not aware of choice who also have no opinion regarding their level of satisfaction with Columbia Gas of Ohio. Those who are aware of choice are more negative and also more positive about Columbia Gas of Ohio than those who are not aware of choice. Those who are not aware of choice have fewer opinions about their level of satisfaction with the Company.

3. If you are a Percentage of Income Payment Plan (PIPP) customer or if you are not aware that you are able to choose between Columbia Gas of Ohio and other natural gas suppliers, please check the appropriate box.

- *Not aware of choice*
- *PIPP customer*

There were 85 or 19.0% of the 448 residential respondents who identified themselves as customers "Not Aware of Choice" on the survey. In the baseline study, there were 106 or 15.08% of the 703 residential respondents who identified themselves as customers "Not Aware of Choice" on the survey. Given the margin of error, there is no significant difference in the proportion of customers who reported that they did not know there was choice between the baseline and follow-up study. That there was not a decline in this number over the months between the 2 studies is problematic, since customers were given additional information about the Customer Choice Program during those months. That there are approximately one-fifth of the residential customers who remain unaware of the Customer Choice Program is a serious problem. Customer education should be increased to address this concern.

17. Approximately what is your ANNUAL natural gas bill?

There were 69 or 81.2% of the 85 unaware residential respondents who answered Question 17. The residential responses to this open-ended question were coded according to the median value of the annual gas bills as reported by the 69 respondents. Median value was chosen as an indicator of central tendency in order to allow for the inclusion of all responses to this question, while guarding against extreme values or outliers. Such a method prevents a skew, either high or low, of the division point. Those residential responses less than or equal to the median reported value of $800 represent 33 or 47.8% of those answering the question. Those residential responses greater than the median reported value of $800 represent 36 or 52.2% of those answering the question. The table below summarizes the results.

Not Aware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $800	33	47.8
Greater than $800	36	52.2

The following table presents the results from the overall residential population for Question 17.

Aware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $800	217	56.5
Greater than $800	167	43.5

Given the margin of error for the residential population, there are no critical differences between the aware and unaware customers with regard to their annual gas bill.

18. What is your age?

Question 18 was an open-ended question. Of the 85 unaware residential customers in the sample, 82 or 96.5% responded to this open-ended question. The youngest person responding to the survey was 28 years old. The oldest person responding to the survey was 90 years old. The modal age in the sample was 80 years old, with 4 respondents reporting that as their age. The next highest modal frequency was reported by 4 respondents who identified their age as 67. There were 4 age groupings defined for the purpose of cross-tabulation and statistical analyses. The 4 categories are: "34 and under," "35-49," "50-64," and "65 and over." There were 7 or 8.5% of the unaware residential customers who are "34 or under," 19 or 23.2% who are "35-49," 18 or 22.0% who are "50-64," and 38 or 46.3% who are "65 and over." The following table summarizes the results for Question 18.

Not Aware of Choice

Customer ages	Frequency	Percentage
34 and under	7	8.5
35-49 years old	19	23.2
50-64 years old	18	22.0
65 and over	38	46.3

The following table presents the results from the overall residential population for Question 18.

Aware of Choice

Customer ages	Frequency	Percentage
34 and under	19	4.4
35-49 years old	108	25.2
50-64 years old	134	31.2
65 and over	168	39.2

There is an uneven distribution of the ages which makes a comparison difficult. By grouping the ages, it appears as though there is little difference between the aware and unaware populations based on age. The unaware group is slightly younger and slightly older in the extreme age categories. However, there are 31.7% of the unaware population under 50 years and 29.6% of the aware population who were under 50 years. There are 68.3% of the unaware population who were 50 and over, and 70.4% of the aware population who are 50 and over. Age does not appear to distinguish the aware and unaware residential populations.

19. ***Select the choice that best characterizes the area where you live. Please check only one box.***

- ***Rural***
- ***Village/town***
- ***Suburban***
- ***Urban***

Of the 85 unaware residential customers in the sample, 82 or 96.5% responded to this open-ended question. There were 8 or 9.8% of the respondents who reported that they live in a "Rural" area, 20 or 24.4% reside in a "Village/town," 31 or 37.8% of the residential respondents reported that they reside in a "Suburban" area, and 23 or 28.0% of the respondents report living in an "Urban" area. The following table presents the results for Question 19.

Not Aware of Choice

Residential Location	Frequency	Percentage
Rural	8	9.8
Village/town	20	24.4
Suburban	31	37.8
Urban	23	28.0

The following table presents the results from the overall residential population for Question 19.

Aware of Choice

Residential Location	Frequency	Percentage
Rural	14	3.2
Village/town	72	16.6
Suburban	198	45.6
Urban	150	34.6

Area of location does appear to distinguish the aware and unaware populations. Among the unaware population, there are proportionately 3 times more rural customers than among the aware population. Also, there are more customers among the unaware population who identify their area as a village or town than among the aware population. For the aware population, there are slightly more customers who identify their area of location as suburban and urban than those who are unaware of choice. Thus, the unaware residential population is more rural and village/town, while the aware population is slightly more suburban and urban.

20. *Please place a check next to the range that identifies your annual household income. Please check only one box.*

- *Less than $10,500*
- *$10,500-$24,999*
- *$25,000-$49,999*
- *$50,000-$74,999*
- *$75,000-$100,000*
- *Greater than $100,000*

There were 78 or 91.8% of the 85 unaware residential respondents that answered this closed-ended question. Of the 78 respondents, there were 9 or 11.5% who identified "Less than $10,500," 24 or 30.8% identified "$10,500-$24,999," 25 or 32.1% identified "$25,000-$49,999," 14 or 17.9% identified "$50,000-$74,999," 2 or 2.6% identified "$75,000-$100,000," and 4 or 5.1% identified "Greater than $100,000" as their annual household incomes. The following table presents the results for Question 20.

Not Aware of Choice

Annual household income	Frequency	Percentage
Less than $10,500	9	11.5
$10,500-$24,999	24	30.8
$25,000-$49,999	25	32.1
$50,000-$74,999	14	17.9
$75,000-$100,000	2	2.6
Greater than $100,000	4	5.1

The following table presents the results from the overall residential population for Question 20.

Aware of Choice

Annual household income	Frequency	Percentage
Less than $10,500	22	5.4
$10,500-$24,999	92	22.8
$25,000-$49,999	127	31.4
$50,000-$74,999	91	22.5
$75,000-$100,000	43	10.6
Greater than $100,000	29	7.2

There are proportionately twice the number of customers with annual household incomes of "Less than $10,500" than there are for the aware customers. There are also more customers among the unaware who have incomes of "$10,500-$24,999" than for the aware customers. There are almost proportionately 5 times the number of customers among the aware population with incomes of "$75,000-$100,000" than the unaware population. The differences between the aware and unaware customers are more apparent when grouping the income categories. For the unaware customers, 42.3% have incomes of lower than $25,000, and for the aware customers 28.2% have incomes of lower than $25,000. For the unaware customers, 50.0% have incomes of $25,000-$74,999, and for the aware customers there are 53.9% with these annual household incomes. For the unaware customers, there are 7.7% with incomes of $75,000 and greater, and there are 17.8% of the aware customers who have incomes of $75,000 and greater. The unaware customers have lower incomes than the aware customers.

The comparison of the aware and unaware residential populations have identified a number of important factors regarding the Customer Choice Program. The unaware residential customers more frequently live in rural areas or villages and towns, and they are disproportionately represented among the lower income households. There were 19% of the residential customers who reported that they had no knowledge of the Customer Choice Program when they received the survey. This is a large number of customers who are not aware that they have a choice of a natural gas supplier. Education efforts should be targeted to rural areas and villages and towns to ensure that information is being effectively disseminated in these locations. It is also imperative that lower income customers receive information and understand the choices they have available to them in this Program.

BUSINESS CUSTOMERS
410 Respondents
(Does Not Include 26 Unaware Customers)

This section of the report presents the frequency, cross-tabulation and statistical analyses for each of the closed- and open-ended questions from the business survey. This section presents the analysis of the business customers who were aware of the Customer Choice Program before they received the survey in the mail.

1. ***How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.***

- *5 years or less*
- *6-10 years*
- *11-15 years*
- *16-20 years*
- *More than 20 years*

Customers were categorized by how many years they purchased gas from Columbia Gas of Ohio. There were 405 or 98.8% of the 410 business customers who responded to this closed-ended question. There were 28 or 6.9% of the customers who had purchased gas for "5 years or less," 31 or 7.7% had purchased gas for "6-10 years," 41 or 10.1% had purchased gas for "11-15 years," 44 or 10.9% had purchased gas for "16-20 years," and 261 or 64.4% of the customers had purchased gas from Columbia Gas of Ohio for "More than 20 years." The table below presents the results from Question 1.

Length of Service	Frequency	Percentage
5 years or less	28	6.9
6-10 years	31	7.7
11-15 years	41	10.1
16-20 years	44	10.9
More than 20 years	261	64.4

Question 1 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and response categories in both surveys.

2. *How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.*

- *Very dissatisfied*
- *Somewhat dissatisfied*
- *Neither satisfied nor dissatisfied*
- *Somewhat satisfied*
- *Very satisfied*

There were 406 or 99.0% of the 410 respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 406 customers who responded to Question 2. There were 32 or 7.9% of the respondents who rated their level of satisfaction with service as "Very dissatisfied." There were 58 or 14.3% who reported that they were "Somewhat dissatisfied," 101 or 24.9% reported that they were "Neither satisfied nor dissatisfied," 109 or 26.8% reported that they were "Somewhat satisfied," and there were 106 or 26.1% of the respondents who rated their level of satisfaction as "Very satisfied." The table below presents the results for Question 2.

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	32	7.9
Somewhat dissatisfied	58	14.3
Neither satisfied nor dissatisfied	101	24.9
Somewhat satisfied	109	26.8
Very satisfied	106	26.1

Question 2 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording in both surveys, but the response categories were changed to more closely match the instructions given to the customer. Additionally, a neutral mid-point was offered as a response category in the follow-up study. In the baseline study, the mid-point in the response category range was "Fair," which may be perceived as a slightly positive response.

4. ***Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space:***

Question 4 was an open-ended question. For the purpose of analysis, this question has been divided into 2 parts. The first part addresses the frequency of response for each of the natural gas suppliers as provided by the respondents. This information is presented in the table below. Of the 410 respondents to whom this question applied, 361 or 88.0% provided a response. Of these 361 respondents, 19 respondents or 5.3% wrote "Do not know" as their answer. These respondents who "Do not know" their natural gas company are not included in the table.

Natural gas supplier	Frequency	Percentage
Columbia Gas of Ohio	82	22.7
Supplier 1	81	22.4
Columbia Energy Services	62	17.2
Supplier 2	27	7.5
Supplier 3	25	6.9
Supplier 4	24	6.6
Supplier 5	12	3.3
Supplier 6	10	2.8
Supplier 7	9	2.5
Supplier 8	3	0.8
Supplier 9	3	0.8
Supplier 10	2	0.6
Supplier 11	2	0.6

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are Columbia Gas of Ohio, Columbia Energy, and all other natural gas suppliers. The "Do not know" category is not included in this grouping. The purpose of grouping the suppliers is to treat the response categories as dependent variables in the cross-tabulation analysis. The percentage represents the number of customers who are grouped into each category of the 342 respondents who answered Question 4.

There were 198 or 54.8% of the respondents that selected "All other gas suppliers," 82 or 22.7% selected "Columbia Gas of Ohio," and 62 or 17.2% selected "Columbia Energy." The table below presents the frequencies and percentages for each of the groups.

Natural gas supplier	Frequency	Percentage
All other gas suppliers	198	54.8
Columbia Gas of Ohio	82	22.7
Columbia Energy	62	17.2

The baseline study provided the following information from Question 4. Of the 648 respondents to whom this question applied, 574 or 88.58% responded to the question. Of these 574 respondents, 37 respondents or 6.45% wrote "Do not know" as their answer. These respondents who do not know their natural gas company are not included in the table.

Natural gas supplier	Frequency	Percentage
Columbia Gas of Ohio	282	49.13
Supplier 1	74	12.89
Columbia Energy Services	57	9.93
Supplier 2	32	5.57
Supplier 3	30	5.23
Supplier 4	19	3.31
Supplier 5	9	1.57
Supplier 6	8	1.39
Supplier 7	6	1.05
Supplier 8	6	1.05
Supplier 9	4	0.70
Supplier 10	3	0.52
Supplier 11	2	0.35
Supplier 12	1	0.17
Supplier 13	1	0.17
Supplier 14	1	0.17
Supplier 15	1	0.17
Supplier 16	1	0.17

The frequencies for 3 categories of suppliers, which are Columbia Gas of Ohio, Columbia Energy Services, and all other natural gas suppliers, are also reported from the baseline study. The table below presents the groups, as well as their respective frequencies. The percentage represents the number of customers who are grouped into each category of the 574 respondents who answered Question 4.

Natural gas supplier	Frequency	Percentage
Columbia Gas of Ohio	282	49.13
All other natural gas suppliers	198	34.49
Columbia Energy Services	57	9.93

Question 4 was an open-ended question with identical wording in both the baseline and follow-up studies. From the perspective of competition in the marketplace for natural gas, there were important changes between the first survey which was administered in May, 1997 and the follow-up survey which was administered in February, 1998. In the baseline study, Columbia Gas of Ohio had 49.13% of the business customers. In the follow-up study, their share of the market dropped to 22.7% of the business customers. There were a number of natural gas suppliers who made major gains in the marketplace between May, 1997 and February, 1998. Some of the suppliers made little movement in the marketplace and continued to have either moderate or small shares of the natural gas marketplace.

Business customers also identified 2 new suppliers which did not appear in the baseline study. Each of the 2 new suppliers were reported as the natural gas companies of less than 1% of the business respondents.

There have been important changes in the marketplace in the Program area of Toledo. Columbia Gas of Ohio has gone from having half of the business customers to less than a quarter of the business customers. In the baseline study, Columbia Gas of Ohio and Columbia Energy Services together had 59.06% of the business natural gas customers. In the follow-up study, their combined share of the marketplace was 39.9%. In the baseline study, "All other natural gas suppliers" had 34.49% of the business customers. In the follow-up study, "All other natural gas suppliers" had 54.8% of the business customers. There appears to be considerably more competition in the marketplace for natural gas.

In addition to the increase of competition in the marketplace, Question 4 offers some evidence of slight improvement customer education and a decrease in some of the confusion surrounding the Program. In the baseline study, there were 6.45% of the respondents who did not know their current natural gas supplier. In the follow-up study, this number had dropped to 5.3% of the respondents. That there is a decrease in this number is a positive reflection on customer education. That there are 5.3% of the respondents who do not know their natural gas supplier remains a problem with the Customer Choice Program.

5. ***How useful is the information you have received to assist you in making a choice of a natural gas supplier.***

- *Not useful*
- *Neutral*
- *Useful*
- *Did not receive any information*

There were 382 or 93.2% of the 410 business customers who answered this closed-ended question. There were 43 or 11.3% who answered that the information was "Not useful," 111 or 29.1% who reported that they were "Neutral," and 206 or 53.9% of the respondents who answered that the information was "Useful." There were 22 or 5.8% of the respondents who indicated that they "Did not receive any information." The following table illustrates the frequencies and corresponding percentages of the responses to this question based on the 382 customers who provided an answer.

Useful Information	Frequency	Percent
Not useful	43	11.3
Neutral	111	29.1
Useful	206	53.9
Did not receive any information	22	5.8

The baseline study provided the following information from Question 5. Of the 648 aware businesses, 612 or 94.44% of them answered this closed-ended question. Ninety-six respondents or 15.70% answered that the information was "Not useful," 313 or 51.10% reported that the information was "Somewhat useful," 171 or 27.90% of the businesses answered that the information was "Very useful," and 32 or 5.20% of the businesses reported that they "Don't have any information." The following table presents the frequencies and corresponding percentages of the responses to the baseline question.

Useful Information	Frequency	Percent
Not useful	96	15.7
Somewhat useful	313	51.1
Very useful	171	27.9
Don't have any information	32	5.2

Question 5 had the same wording in both surveys, but the response categories were changed between the baseline and the follow-up surveys. A neutral mid-point was offered as a response category in the follow-up study. In the baseline study, the mid-point in the response category range was "Somewhat useful," which may be perceived as a slightly positive response. Additionally, in the baseline survey, the customer was offered "Don't have any information" as a choice. In the follow-up survey, the meaning of the choice was slightly modified to "Did not receive any information."

In order to compare Question 5 responses from the baseline study to Question 5 responses from the follow-up study, the "Somewhat useful" category is treated as a neutral mid-point in the category range. From the baseline study to the follow-up study, there has been improvement, from customers' perspectives, regarding the usefulness of the information to assist in making a choice of a natural gas supplier. In the baseline study, there were almost twice as many respondents who considered the information "Very useful" as compared to those who considered the information "Not useful." In the follow-up study, there were almost 5 times as many respondents who reported that the information was "Useful" in assisting them to make their choice than those who reported that the information was "Not useful."

The second part of the analysis of Question 5 identifies the number of customers who did not receive any information to assist them in making a choice of a natural gas supplier. The results are nearly unchanged in this area. In the baseline study, 5.20% of the respondents reported that they "Don't have any information." In the follow-up study, there were 5.8% of the respondents who reported that they "Did not receive any information." There is no change in the number of respondents who did not have information between the 2 study periods. While more customers perceive that the information is useful in assisting them to make their choice of a natural gas supplier, there remain about 5% of the customers who are reporting that they are not receiving any information at all.

6. ***How interested are you in Columbia Gas of Ohio's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

Of the 410 respondents, 385 or 93.9% provided a response to this closed-ended question.

Of the 385 respondents, 26 or 6.8% indicated they were "Not interested" in the Customer Choice Program, 86 or 22.3% were "Neither interested nor disinterested," and 273 or 70.9% were "Interested." The following table presents the results for Question 6.

Interest in Customer Choice Program	Frequency	Percentage
Not interested	26	6.8
Neither interested nor disinterested	86	22.3
Interested	273	70.9

The baseline study provided the following information from Question 6. Of the 648 businesses, 610 or 94.14% responded to this closed-ended question. There were 69 or 11.31% who were "Not interested," 184 or 30.16% who were "Somewhat interested," and 357 or 58.52% who were "Very interested" in the Columbia Gas of Ohio's Customer Choice Program.

Interest in Choice	Frequency	Percentage
Not interested	69	11.31
Somewhat interested	184	30.16
Very interested	357	58.52

Question 6 had the same wording in both surveys, but the response categories were changed between the baseline and the follow-up surveys. A neutral mid-point was offered as a response category in the follow-up study. In the baseline study, the mid-point in the response category range was "Somewhat interested," which may be perceived as a slightly positive response. The primary purpose of Question 6 was its treatment as an independent variable in the cross-tabulation and statistical analyses. The customers' measure of interest in the Program is also an important element in their consideration of whether they would like to have the Program continued.

In order to compare Question 6 responses from the baseline study to Question 6 responses from the follow-up study, the "Somewhat interested" category is treated as a neutral mid-point in the category range. Comparing the results from the baseline study to the follow-up study, there are fewer respondents who are "Not interested" in the Program and there are more respondents who are "Interested" in the Program. It appears as though customer interest in the Program is increasing. In the follow-up survey, there are 70.9% of the business respondents who are "Interested" and only 6.8% who are "Not interested" in the Program.

7. ***If you have experienced problems in selecting a supplier, what information would have made choosing a supplier easier? Please check all that apply. If you did not experience problems in selecting a supplier, please check "no problems."***

- ***Price information***
- ***List of possible suppliers with contact numbers***
- ***Benefits and risks of switching***
- ***Billing information and meter reading***
- ***Discounts/rebates/incentives***
- ***Company reputation and record of reliability***
- ***Future of the program***
- ***Adequate gas supply***
- ***Budget options***
- ***Contract terms***
- ***Service information***
- ***Sales tax information***
- ***No problems***
- ***Other***

Of the 410 respondents, 371 or 90.5% provided a response to both this closed-ended and open-ended question. There were 158 or 42.6% of the business customers that reported "No problems" in selecting a supplier. There were 151 or 40.7% who selected "Price information," 122 or 32.9% selected "Benefits and risks of switching," 110 or 29.6% selected "Company reputation and record of reliability," 103 or 27.8% selected "List of possible suppliers with contact numbers," 92 or 24.8% selected "Future of the Program," 76 or 20.5% selected "Discounts/rebates/incentives," 66 or 17.8% selected "Contract terms," 49 or 13.2% selected "Billing information and meter reading," 47 or 12.7% selected "Adequate gas supply," 44 or 11.9% selected "Service information," 32 or 8.6% selected "Sales tax information," and 30 or 8.1% selected " Budget options" as information that would have made choosing a supplier easier. There were 8 or 2.2% of the respondents who identified "Other" information that would make choosing a supplier easier. The following table summarizes the results for Question 7.

Information to help in selecting a supplier	Frequency	Percentage
No problems	158	42.6
Price information	151	40.7
Benefits and risks of switching	122	32.9
Company reputation and record of reliability	110	29.6
List of possible suppliers with contact numbers	103	27.8
Future of the program	92	24.8
Discounts/rebates/incentives	76	20.5
Contract terms	66	17.8
Billing information and meter reading	49	13.2
Adequate gas supply	47	12.7
Service information	44	11.9
Sales tax information	32	8.6
Budget options	30	8.1
Other	8	2.2

Of the 371 business customers in the sample, 8 or 2.2% provided an "Other" response. A content analysis was performed on the responses that were provided to Question 7. It was determined that each response could be classified into 1 of 2 different categories. Of the 8 respondents, 7 offered an answer that was coded as 1 concept or category, and 1 provided an answer that was coded as 2 categories. In this case, the frequency represents the number of times the category was provided by the 8 respondents, and the percentage is also calculated based on these 8 respondents. The following table presents the frequency and percentage of each category of response.

Information to help in selecting a supplier	Frequency	Percentage
Apples to apples comparison charts complete with prices	7	87.5
Truthful information	1	12.5

Question 7 was developed and designed from 2 different questions that were included in the first survey. Question 12 in the baseline survey was both a closed-ended and an open-ended question. The closed-ended question asked respondents if they had experienced any problems in choosing a natural gas supplier. If they answered that they had experienced problems, they were offered the opportunity to enter an open-ended response identifying the problems. Almost all of the problems that were identified by the respondents were directly or indirectly related to information; either they did not have the information they needed or they were confused about the information they were receiving. The follow-up study question focusing on problems was structured, therefore, to treat the issue regarding the information customers needed to make their decisions. Question 7 from the baseline study asked respondents to describe the information they would like to have to make a choice of a natural gas supplier. This was an open-ended question. Through a content analysis of the open-ended responses, categories were defined which encompass the answers provided by the customers. These categories were used as the closed-ended selections for the follow-up version of Question 7.

In the baseline study the following results were reported from Question 12. Of the 648 respondents that returned a completed survey, 593 or 91.51% answered this question. Of these 593 respondents, 179 or 30.19% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 414 respondents or 69.81% answered "No." In the follow-up study, there were 42.6% of the respondents who indicated that they had not experienced problems in selecting a supplier. Between the first and second survey there has been a considerable increase in the number of respondents who report that they have experienced problems in making their selection. It is evident from the results of the surveys that the problems are created almost entirely from a lack of information or from confusion surrounding the information that is being provided to the customers.

The respondents were able to make multiple selections to the follow-up version of Question 7. For that reason, the order of response frequencies represents a ranking of the responses. The highest response offered was 42.6% of the business respondents who reported that they had not experienced problems in selecting a natural gas supplier. So, while there seems to have been an increase in the number of respondents who have reported problems in selecting a supplier from the baseline study to the follow-up study, there were more respondents who reported "No problems" than any of the categories of information that they would like to have to make their choosing easier.

The next highest response for those customers who had experienced problems in choosing was that they were identifying "Price information" as information that would have made the selection easier. There were 40.7% of the respondents who identified "Price information" as the information that would have made choosing easier. The follow-up and baseline versions of Question 7 are not comparable, because the baseline question was open-ended and the follow-up question was closed-ended. The representation and meaning of frequencies is very different when respondents are required to create their own answers, as opposed to being prompted by a selection that has been offered in the survey. It is worthy of note, however, that "Price information" was the most frequently offered response in the baseline study. For customers who are experiencing problems in choosing, "Price information" remains their primary concern.

"Benefits and risks of switching" was also identified by a large number of respondents. There were 32.9% of the business customers who would have like to have had this information. Most of the information categories were selected by fairly large numbers of the customers. As is apparent from the categories and their frequencies, customers are interested in receiving information about many of the aspects of the Program when they are having problems in making their decisions. While their primary interest remains price, they also demonstrate considerable interest in the "Benefits and risks of switching," "Company reputation and record of reliability," "List of possible suppliers and contact numbers," the "Future of the Program," "Discounts/rebates/incentive," "Contract terms," "Billing information and meter reading," "Adequate gas supply" and "Service information." All of these responses were selected by more than 10% of the business customers.

Cross-tabulation and Statistical Analysis of Question 7(Dependent Variable)

In order to achieve a more complete understanding of the information customers identified to make choosing a supplier easier, Question 7 was defined as a dependent variable and was analyzed with Questions 6, 16, 17, 18, 19, and 20 as the independent variables. Question 7 has 13 parts and each was treated as a dependent variable in this analysis. The following discussion presents the cross-tabulations and statistical analyses for those variables which were determined to have a significant relationship. In the tables that are presented, the top number in each cell represents the frequency of response for the intersection of each of the categories. The bottom number in each cell reports the row percent for the number of respondents in the independent variable category. The total number of respondents who answered both questions appears below the table. The number of respondents who did not answer one or both of the questions also appears below the table and is identified as "frequency missing."

Price Information

Independent Variable: Question 6: ***How interested are you in Columbia Gas of Ohio's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Price information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a supplier: Price information

	No	Yes
Not interested	13 68.42	6 31.58
Neither interested nor disinterested	57 71.25	23 28.75
Interested	147 55.06	120 44.94

Number of Respondents answering Questions 6 and 7(Price information): 366
Frequency missing: 44

Those customers who are "Interested" in the Program identify "Price information" at a proportionately higher rate than those who are "Not interested" in the Program. The overall response rate was 40.7% for business customers. Those who are "Interested" in the Program are more likely to identify "Price information" as information that would have made choosing a supplier easier than those who are "Not interested" in the Program.

It is important to keep in mind in this analysis that both the "Interested" and the "Not interested" customers reported experiencing problems in choosing a supplier.

Benefits and risks of switching

Independent Variable: Question 16 GPR: ***Approximately what is your Annual natural gas bill? $_________.***

- ***Below average customer ($2,800 or less)***
- ***Above average customer (Greater than $2,800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual Bill/Problems in selecting a Supplier: Benefits and Risks

	No	Yes
Below average customer	93 62.42	56 37.58
Above average customer	115 73.25	42 26.75

Number of Respondents answering Questions 16 GRP and 7 (Benefits and risks): 306
Frequency missing: 104

Those with below average annual bills are slightly more likely to identify "Benefits and risks of switching" than those customers with above average annual bills. It appears as though customers with lower annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about the "Benefits and risks of switching."

Independent Variable: Question 18: ***How would you classify your organization? Please check your response.***

- ***For-profit***
- ***Not-for-profit***
- ***Government/Public***

There is a statistically significant relationship between the customer's organizational type and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Organization/ Problems in selecting a Supplier: Benefits and Risks

	No	Yes
For-profit	189 64.07	106 35.93
Not-for-profit	41 75.93	13 24.07
Government/Public	11 100.00	0 0.00

Number of Respondents answering Questions 18 and 7(Benefits and risks): 360
Frequency missing: 50

The overall response offered by business customers identifying "Benefits and risks of switching" was 32.9%. The "For-profit" organizations offered a proportionate response slightly higher than the overall response, and the "Not-for-profit" organizations offered a proportionate response lower than the overall response. There were no "Government/ Public" organizations who identified "Benefits and risks of switching" as information that would have made choosing easier.

Future of the Program

Independent Variable: Question 16 GPR: ***Approximately what is your Annual natural gas bill? $_________.***

- ***Below average customer ($2,800 or less)***
- ***Above average customer (Greater than $2,800)***

There is a statistically significant relationship between the customer annual natural gas bill and, for those who have experienced problems choosing a supplier, their identifying "Future of the Program" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual Bill/ Problems in selecting a Supplier: Future of Program

	No	Yes
Below average customer	101 67.79	48 32.21
Above average customer	126 80.25	31 19.75

Number of Respondents answering Questions 16 GRP and 7(Future of program): 306
Frequency missing: 104

Those with below average annual bills are more likely to identify "Future of the Program" than those customers with above average annual bills. It appears as though customers with lower annual bills who have experienced problems in selecting a supplier may be more interested in receiving information about the "Future of the Program."

Contract Terms

Independent Variable: Question 19: ***Please place a check next to the number of persons employed by your organization.***

- *1-4*
- *5-10*
- *11-25*
- *26-100*
- *101-500*
- *Greater than 500*

There is a statistically significant relationship between the number of employees and, for those who have experienced problems choosing a supplier, their identifying "Contract terms" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Persons Employed by Organization/ Problems in selecting a Supplier: Contract Terms

	No	Yes
1-4	96 87.27	14 12.73
5-10	67 78.82	18 21.18
11-25	57 76.00	18 24.00
26-100	46 82.14	10 17.86
101-500	23 95.83	1 4.17
Greater than 500	4 50.00	4 50.00

Number of Respondents answering Questions 19 and 7(Contract terms): 358
Frequency missing: 52

The overall response rate for business customers identifying "Contract terms" was 17.8%. For most of the number of employee categories, the responses are similar to the overall response. The lowest response was offered by those with "101-500" employees, and the highest proportionate response was offered by those with "Greater than 500" employees. There is no clear pattern in these results.

No Problems

Independent Variable: Question 16 GPR: ***Approximately what is your Annual natural gas bill? $_________.***

- ***Below average customer ($2,800 or less)***
- ***Above average customer (Greater than $2,800)***

There is a statistically significant relationship between the customer annual natural gas bill and customers reporting that they had experienced "No problems" choosing a supplier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Annual Bill/Problems in selecting a Supplier: No Problems

	No	Yes
Below average customer	96 64.43	53 35.57
Above average customer	81 51.59	76 48.41

Number of Respondents answering Questions 16 GRP and 7(No problems): 306
Frequency missing: 104

Those customers with above average gas bills are more likely to have reported that they did not experience problems choosing a supplier than those customers with below average bills. The overall response for business customers who reported that they did not have problems choosing a supplier was 42.6%.

Independent Variable: Question 19: ***Please place a check next to the number of persons employed by your organization.***

- ***1-4***
- ***5-10***
- ***11-25***
- ***26-100***
- ***101-500***
- ***Greater than 500***

There is a statistically significant relationship between the number of employees and customers reporting that they had experienced "No problems" choosing a supplier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Persons Employed by Organization/ Problems in selecting a Supplier: No Problems

	No	Yes
1-4	72 65.45	38 34.55
5-10	49 57.65	36 42.35
11-25	42 56.00	33 44.00
26-100	30 53.57	26 46.43
101-500	7 29.17	17 70.83
Greater than 500	5 62.50	3 37.50

Number of Respondents answering Questions 19 and 7(No Problems): 358
Frequency missing: 52

Almost all of the response categories were similar to the overall business response of 42.6%. Those businesses with "101-500" employees offered a considerably higher response of 70.83%. It is not at all clear as to why these businesses are not experiencing problems choosing a supplier at a proportionate rate which is so much higher than those businesses with "26-100" employees or those with "Greater than 500" employees.

Few insights are gained from the cross-tabulation and statistical analyses of Question 7. Those business customers who are "Interested" in the Program and who have experienced problems in selecting a supplier are more likely to identify "Price information" as information that would have made choosing easier than those who are "Not interested" in the Program. Also, the annual gas bill appears to have some influence on whether the customer has experienced problems in choosing and the information they identify to make their selection easier. Those customers with above average gas bills are more likely to have reported that they did not experience problems choosing a supplier than those customers with below average bills. The overall response for business customers who reported that they did not have problems choosing a supplier was 42.6%. That those customers with higher bills are reporting no problems more often than those with lower bills is consistent with the response patterns which appear in Question 7 identifying information that would have made choosing easier. In both cases, the customers with below average bills are more frequently experiencing problems and are identifying information to make a choice more often than those with higher bills. This was the case with regard to information about the "Benefits and risks of switching" and the "Future of the Program."

8. ***What information about the natural gas suppliers has been confusing? Please check as many choices as you like.***

- ***Benefits/risks of the program***
- ***Customer rights and responsibilities***
- ***Pricing options or price comparisons***
- ***Terms of the contract***
- ***Taxes and billing***
- ***Did not receive information***
- ***None of it was confusing***
- ***Other***

Question 8 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 371 business customers who answered this question. For the closed-ended part of the question, 195 or 52.6% of the respondents indicated that "Pricing options or price comparisons" was information about the natural gas suppliers they found confusing. There were 122 or 32.9% of the respondents who selected "Benefits/risks of the program," 91 or 24.5% reported that "None of it was confusing," 82 or 22.1% selected "Terms of the contract," 74 or 19.9% selected "Customer rights and responsibilities," 61 or 16.4% indicated "Taxes and billing," and 22 or 5.9% selected "Did not receive information." There were no respondents who offered an "Other" response regarding information about the natural gas suppliers that has been confusing. The following table summarizes the customer responses to the closed-ended portion of Question 8.

Confusing Information	Frequency	Percentage
Pricing options or price comparisons	195	52.6
Benefits / risks of the program	122	32.9
None of it was confusing	91	24.5
Terms of the contract	82	22.1
Customer rights and responsibilities	74	19.9
Taxes and billing	61	16.4
Did not receive information	22	5.9
Other	0	0.0

The wording of Question 8 in the baseline study is similar to the wording in the follow-up survey. There were several selections added to the follow-up survey based on: (a) the "Other" responses that were provided in the baseline survey and (b) the desire to clarify and expand the meaning of the results from this question. In the follow-up study, "Taxes and Billing," "Did not receive information," and "None of it was confusing" were added to the selections. The selection, "Customer protections" was removed for the follow-up study. While it is possible to compare the results between the 2 studies, the changes make the results not entirely comparable. Also, it is not possible to compare the "Other" open-ended responses in the baseline study to the closed-ended responses in the follow-up study. The results are not comparable because the respondent is required to create a unique response in the baseline study, and is prompted by the selection in the follow-up study.

In the baseline study, the following results were presented for Question 8. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 648 business customers. For the closed-ended part of the question, 449 or 69.3% of the respondents indicated that they found the "Pricing options or price comparisons" confusing, 283 or 43.7% found the "Benefits/risks of the program" confusing, 224 or 34.6% found the "Terms of the contract" confusing, 175 or 27.0% of the respondents found "Customer protections" to be confusing, and 172 or 26.5% indicated that "Customer rights and responsibilities" was confusing. There were 51 or 7.9% of the respondents who offered an open-ended response. The following table summarizes the customer responses to the closed-ended portion of Question 8.

Confusing Information	Frequency	Percentage
Pricing options or price comparisons	449	69.3
Benefits/Risks of the program	283	43.7
Terms of the contract	224	34.6
Customer protections	175	27.0
Customer rights and responsibilities	172	26.5
Other	51	7.9

Of the 648 business customers in the sample, 51 or 7.90% responded to the open-ended portion of Question 8. There were 53 total responses mentioned as "Other" choices. A content analysis was performed on the responses that were provided to Question 8. It was determined that each response could be classified into 1 of 18 different categories. Of the 51 respondents, 49 offered an answer that was coded as 1 concept or category and 2 respondents provided answers that were coded as 2 categories. In this case, the frequency represents the number of times the category was provided by the 51 respondents, and the percentage is calculated based on the 648 business respondents. The following table presents the "Other" information about the natural gas suppliers that customers found confusing.

Confusing Information	Frequency	Percentage
Price/fees/taxes/savings/hidden costs	15	2.31
No information/not enough information	5	0.77
Confused about the program	5	0.77
None	4	0.62
Billing information	4	0.62
Contract terms	3	0.46
Best arrangement for our company	3	0.46
Are the suppliers regulated entities?	2	0.31
Length of time new suppliers have been in business	2	0.31
All of the above	2	0.31
Services	1	0.15
Unable to categorize	1	0.15
Just received information	1	0.15
Small print	1	0.15
Change piping and meter systems?	1	0.15
Availability of budget options	1	0.15
Columbia Gas connection to all	1	0.15
Not interested/don't like change	1	0.15

The selections that appeared in both the baseline and follow-up versions of Question 9 were given the same rank order by the business customers. "Pricing options or price comparisons" was the area of the Program which most confused the customers. The "Benefits/risks" of the program was ranked second in both surveys, "Terms of the contract" was third, and "Customer rights and responsibilities" was fourth. While the order of rank remained the same, the frequencies did decline. Thus, while pricing is still creating the most confusion, it was been reported as such by 52.6% of the respondents, down from 69.30% in the baseline study. The frequencies from the baseline to the follow-up study have declined for the other selections, as well. Most of the declines are in the range of 7 to 17 percent.

It remains a concern that more than half of the business customers report confusion about price. It is apparent that price is the primary consideration in their decisions about choosing a supplier. Customer education needs to target the issue of price for these consumers. The other areas of the Program remain confusing for the consumers, as well. All of the responses were reported by more than approximately 20% of the customers. There were 24.5% of the respondents who did report that they were not confused by any of the Program elements.

There were 5.9% of the business customers who identified that they "Did not receive information" about the Program. That is a large number of business respondents who have not seen any information regarding the changes that are taking place in the natural gas marketplace.

9. *How would you like to receive information about your natural gas choices? Please check all that apply.*

- *Bill inserts*
- *Newspaper articles*
- *Advertising on radio*
- *1-800 phone hotline*
- *PUCO Internet site*
- *Direct mail*
- *Advertising in newspapers*
- *TV advertising and news*
- *Public meetings*
- *Other*

Question 9 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 360 business customers who answered this question. For the closed-ended part of the question, 256 or 71.7% of the business customers indicated that "Direct mail" was their preference for receiving information about their natural gas choices. Continuing, there were 168 or 46.7% of the customers who indicated "Bill inserts," 77 or 21.4% indicated "Newspaper articles," 56 or 15.6% indicated "1-800 phone hotline," 52 or 14.4% indicated "Advertising in newspapers," 40 or 11.1% indicated "TV advertising and news," 34 or 9.4% indicated "PUCO Internet site," 24 or 6.7% indicated "Public meetings," and 17 or 4.7% indicated "Advertising on radio" as the ways they would like to receive information. There were 3 or 0.8% who offered an "Other" response as to their preference regarding how they would like to receive information. The following table summarizes the customer responses to the closed-ended portion of Question 9.

Ways to receive information	Frequency	Percentage
Direct mail	256	71.1
Bill insert	168	46.7
Newspaper articles	77	21.4
1- 800 phone hotline	56	15.6
Advertising in newspapers	52	14.4
TV advertising and news	40	11.1
PUCO Internet site	34	9.4
Public meetings	24	6.7
Advertising on radio	17	4.7
Other	3	0.8

Of the 360 business customers in the sample, 3 or 0.8% provided an "Other" response. A content analysis was performed on the responses that were provided to Question 9. It was determined that each response could be classified into 1 of 2 different categories. Of the 3 respondents, 2 offered an answer that was coded as 1 concept or category, 1 provided an answer that were coded as 2 categories. In this case, the frequency represents the number of times the category was provided by the 3 respondents, and the percentage is calculated based on the 3 business respondents. The following table presents the frequency and percentage of each category of response.

Ways to receive information	Frequency	Percentage
Face-to-face meeting with company representatives	2	66.7
Phone call	1	33.3

Question 10 from the baseline study asked the respondent to identify the educational approaches that were effective in getting them the information they needed to make a choice of a supplier. It was designed as a broad question and covered the numerous options that could be employed to disseminate information. This question was revised in the follow-up study in order to make the results more meaningful for the Commission's educational efforts. Question 9 asked the respondents to identify how they would like to receive information about their natural gas choices. The selections included in the follow-up study are educational approaches that could be employed by the Commission in disseminating information. Again, the frequencies represent a rank ordering since the customers were permitted to select as many choices as they desired.

"Direct mail" was selected by the vast majority of the respondents as the way they would like to receive information. This choice was followed by "Bill inserts," which was identified by almost half of the respondents. "Newspaper articles" was selected by more than 20% of the respondents. These 3 methods would be effective in reaching the largest audience of business consumers about the Customer Choice Program.

10. What factors did you consider, or are you considering, in making your choice of a natural gas supplier? Please check as many factors as you like.

- ***Billing***
- ***Customer education***
- ***Customer service***
- ***Length of contract***
- ***Name recognition***
- ***Price***
- ***Reliable gas supply***
- ***Reputation***
- ***Terms of the contract***
- ***Other***

Question 10 was both a closed-ended and open-ended question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 373 business customers who responded to the question. For the closed-ended part of the question, 346 or 92.8% of the respondents considered "Price" in making their choice of a supplier. There were 191 or 51.2% of the respondents who selected "Reliable gas supply," 131 or 35.1% selected "Terms of the contract," 129 or

34.6% selected "Length of contract," 124 or 33.2% selected "Reputation," 110 or 29.5% selected "Customer service," 105 or 28.2% selected "Billing," 34 or 9.1% selected "Name recognition," and 28 or 7.5% indicated "Customer education." There were no respondents who provided an "Other" response. The following table summarizes the customer responses to the closed-ended portion of Question 10.

Factors considered in choice	Frequency	Percentage
Price	346	92.8
Reliable gas supply	191	51.2
Terms of the contract	131	35.1
Length of contract	129	34.6
Reputation	124	33.2
Customer service	110	29.5
Billing	105	28.2
Name recognition	34	9.1
Customer education	28	7.5
Other	0	0.0

The following results are presented from the baseline study. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 648 business customers. For the closed-ended part of the question, 563 or 86.90% of the respondents considered "Price" in making their choice of a supplier. There were 310 or 47.80% of the respondents who selected "Reliable gas supply," 228 or 35.20% selected "Terms of the contract," 218 or 33.60% selected "Length of contract," 184 or 28.40% selected "Reputation," 180 or 27.80% selected "Customer service," 170 or 26.20% selected "Billing," 47 or 7.30% selected "Name recognition," 40 or 6.20% selected "Customer education," and 25 or 3.90% of the respondents provided an answer that was classified among the "Other" categories. The following table summarizes the customer responses to the closed-ended portion of Question 11.

Customer Choice	Frequency	Percentage
Price	563	86.9
Reliable gas supply	310	47.8
Terms of the contract	228	35.2
Length of the contract	218	33.6
Reputation	184	28.4
Customer service	180	27.8
Billing	170	26.2
Name recognition	47	7.3
Customer education	40	6.2
Other	25	3.9

Of the 648 business customers in the sample, 25 or 3.90% responded to the open-ended portion of Question 11. There were 25 total responses mentioned as "Other" choices. A content analysis was performed on the "Other" responses that were provided to Question 10. It was determined that each response could be classified into 1 of 17 different categories. In this case, the frequency represents the number of times the category was provided by the 25 respondents, and the percentage is calculated based on the 648 business customers. The following table presents the "Other" categories of factors considered in making a choice of a natural gas supplier.

Other factors considered in making a choice	Frequency	Percentage
Years in business/reputation/experience	3	0.46
Price/hidden cost/savings/cost	2	0.31
Budget available	2	0.31
Not considering/none	2	0.31
Feedback from consumers	2	0.31
Publicly traded supplier/union supplier	2	0.31
Staying with Columbia	2	0.31
Who will be providing me service?	1	0.15
Not enough information	1	0.15
Recommendation from consultant	1	0.15
Confused	1	0.15
Personal contact	1	0.15
Service after the pilot program has ended	1	0.15
Incentives	1	0.15
Unresponsive	1	0.15
Choice has already been made	1	0.15
Had to choose by certain date	1	0.15

Question 11 in the baseline survey, as well as Question 10 in the follow-up survey, had the same text and the same selections. "Price" remains the overwhelming selection as the factor consumers are considering in making their choice of a natural gas supplier. In the baseline study, "Price" was identified by 86.9% of the respondents, and it was selected by 92.8% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 51.2% in the follow-up study, as compared to 47.8% in the baseline study. There remains a considerable drop-off between "Price" and the other elements being considered by customers in making their decisions. Between the baseline and the follow-up studies, customers ranked the factors that they considered in making their choices in the same order. Additionally, the proportionate responses are quite close for each of the factors between the 2 studies.

"Price" is the primary factor being considered by customers in making their choice of a supplier. Business consumers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than a third of the respondents. The only factors which were selected by fewer than 10% of the respondents were "Customer education" and "Name recognition." These appear to be more minor factors for the consumers. From the other questions in the survey, it is apparent that information is a central aspect to consumers making a choice. It is possible that in the context of this question, the respondents are communicating that while they believe customer education is important from the perspective of the decision-making process, they are not concerned whether their natural gas supplier is the source of that information.

11. How many different suppliers did you consider before making your selection? Please include Columbia Gas of Ohio in your total if applicable.

- *1*
- *2*
- *3*
- *4*
- *5 or more*
- *Have not considered changing*

There were 383 or 93.4% of the business customers who answered this closed-ended question. The responses to Question 11 were grouped for the purpose of analyzing the results. There were 4 categories defined regarding the number of suppliers that were considered in making a choice. There were 25 or 6.5% of the respondents who considered "1 supplier," 252 or 65.8% considered 2, 3 or 4 suppliers, and 55 or 14.4% considered "5 or more" suppliers in making their selection. There were 51 or 13.3% of the respondents who reported that they "Have not considered changing." The table below summarizes the results for Question 11.

Number of suppliers considered	Frequency	Percentage
1 supplier	25	6.5
2, 3 or 4 suppliers	252	65.8
5 or more suppliers	55	14.4
Have not considered changing	51	13.3

More than 65% of the respondents have considered 2, 3, or 4 suppliers in making their decision about selecting a natural gas supplier. One of these suppliers could have been Columbia Gas of Ohio. There are only 6.5% of the respondents who are considering "1 supplier" in their decision. There are 14.4% of the respondents who are considering "5 or more" suppliers. In response to Question 4, the business customers identified 13 suppliers, including Columbia Gas of Ohio. More than 80% of the respondents know that there are choices available to them from which to select a supplier, and they are considering these choices in their decision. Finally, there are 13.3% of the respondents who have not yet considered changing their supplier; this number represents a considerable part of the business population who have not yet begun the decision-making process.

12. ***If you have a new natural gas supplier, have you experienced any problems with your service from that supplier? In your answer, please consider all aspects of service, including price, customer service and education, billing, contract terms, resolution of problems, etc.***

- ***Yes***
- ***No***
- ***Have not selected a new supplier***

If YES, please describe the problems and how they were resolved. If they were not resolved, please indicate the problems that were not resolved.

Question 12 was both a closed-ended and open-ended question. The first half of Question 12 was closed-ended, with the respondents having been asked to select either Yes or No. The second half of this question was open-ended, giving those respondents who indicated that they have experienced problems an opportunity to identify the problems. Of the 410 business respondents, 380 or 92.7% responded to this question. Of these 380 respondents, 41 or 10.8% answered "Yes," they had experienced service problems from their new natural gas supplier. Conversely, 256 respondents or 67.4% answered "No," they had not experienced any problems. There were 83 or 21.8% of the respondents who answered, "Have not selected a new supplier."

The second half of this question was designed to enable respondents who answered "Yes" in the first part of the question to specifically list the problems they have experienced in their service from their natural gas supplier. Respondents were able to provide multiple responses. Thirty-four respondents each provided 1 response. The responses were analyzed and placed into a category according to the topic conveyed by the response. This process resulted in 4 distinct categories. The table below presents these categories, as well as their respective frequencies. The percentages are calculated based on the 34 customers who provided an open-ended response to Question 12.

Service problems from a new supplier	Frequency	Percentage
Improper billing	20	60.6
Poor customer service	6	18.2
Inaccurate contract terms	5	15.2
Lengthy switchover time	3	9.1

The following information was presented in the baseline study from the results of Question 13. The first portion of the question is closed-ended. Of the 648 business respondents, 545 or 84.10% answered Question 13. Of those answering the first portion of this question, 271 or 49.72% of the business respondents indicated a "No" response when asked if they had experienced problems with service from a new supplier. Continuing with those who answered the first portion of the question, 257 or 47.16% of the respondents indicated they "Have not selected a new supplier" and 17 or 3.11% of the respondents chose "Yes" when asked if they had experienced problems with service from a new supplier.

The following table presents the business responses to the open-ended portion of Question 13. Those 17 respondents who indicated "Yes" in the first portion are eligible respondents on this portion of the question. While multiple responses were permitted, all 15 customers who provided an open-ended response offered an answer that was classified into 1 category. The percentages are based on these 15 respondents. Note that 7 different categories of problems were identified for the responses to the open-ended portion of Question 13.

Problems with new supplier	Frequency	Percentage
Too soon to know/service has not started yet	4	26.67
Price	3	20.00
Confused	3	20.00
Sales tax not included in billing note	2	13.33
Delays in transferring accounts	1	6.67
Transfer of tax exempt status	1	6.67
Have not heard from selected supplier	1	6.67

The text of Question 12 in the follow-up study was the same as it appeared in Question 13 in the baseline study. The open-ended portion, however, was revised in an attempt to elicit some additional and more detailed information from the respondents. In the baseline study, the respondents were asked to describe their service problems. In the follow-up study, the respondents were asked to describe the problems and then to discuss how the problems were resolved. Additionally, the respondents were asked to report any of their problems that were not resolved. Unfortunately, none of the respondents included information about the resolution of problems in their open-ended answers.

In the baseline study, 47.16% of the respondents reported that they had not selected a new supplier. In the follow-up study, there were 21.8% of the respondents who had reported that they had not selected a new supplier. There were 3.11% of the respondents in the baseline study who indicated that they had experienced service problems from their supplier. In the follow-up study, there were 10.8% of the respondents who reported service problems from their new supplier. In the time period from the baseline to the follow-up study, the proportion of service problems from a new supplier has tripled, as reported by the business customers. In the baseline study, there were 17 customers who reported service problems, and most of those problems appeared to be associated with making the change from Columbia Gas of Ohio to their new supplier. In the follow-up study, there were 41 customers who reported service problems, and it is less clear that these problems are associated with switching suppliers. Those customers who identified "inaccurate contract terms" and "lengthy switchover time" could be experiencing problems from switching their suppliers. The majority of service problems, however, were reported as "Improper billing." The next highest response was "Poor customer service." Given the increase in the number of reported service problems and the nature of these problems, customer service issues remain an area for further close monitoring by the Commission.

13. ***How do you feel about each of the following areas of the program? Please check the appropriate box.***

- ***Prices***
- ***Customer service***
- ***Contract terms***
- ***Freedom of choice***
- ***Reliability/dependability***

Question 13 was a closed-ended question. The respondents were asked to rate their level of satisfaction with 5 different areas of the Customer Choice Program. These areas were defined from the results of Question 14 from the baseline study of the Program. Question 14 was an open-ended question in the baseline study and asked the respondents to identify the benefits they expected from the Customer Choice Program. Based upon the results of the analysis of Question 14, the 5 areas were defined for the purpose of measuring customer satisfaction in the follow-up survey.

Of the 410 business customers, 334 or 81.5% responded to the Prices section of Question 13. There were 212 or 63.5% of the business customers who were "Satisfied" with the "Prices" area of the Program. Continuing, there were 41 or 12.3% of the customers who were "Dissatisfied" with the "Prices" area of the Program, and 81 or 24.3% of the customers who were "Neither satisfied nor dissatisfied" with "Prices." The following table presents the results for the Price component of the Program.

Satisfaction with prices	Frequency	Percentage
Satisfied	212	63.5
Dissatisfied	41	12.3
Neither Satisfied Nor Dissatisfied	81	24.3

Of the 410 business customers, 328 or 80.0% responded to the Customer service section of Question 13. There were 231 or 70.4% of the business customers who were "Satisfied" with the "Customer service" area of the Program. Continuing, there were 14 or 4.3% of the customers who were "Dissatisfied" with the "Customer service" area of the Program, and 83 or 25.3% who were "Neither satisfied nor dissatisfied" with the Customer service component of the Program. The following table presents the results for the Customer service component of the Program.

Satisfaction with customer service	Frequency	Percentage
Satisfied	231	70.4
Dissatisfied	14	4.3
Neither Satisfied Nor Dissatisfied	83	25.3

Of the 410 business customers, 321 or 78.3% responded to the Contract terms section of Question 13. There were 210 or 65.4% of the business customers who were "Satisfied" with the "Contract terms" area of the Program. Continuing, there were 19 or 5.9% of the customers who were "Dissatisfied" with the "Contract terms" area of the Program, and 92 or 28.7% who were "Neither satisfied nor dissatisfied" with the "Contract terms" area of the Program. The following table presents the results for the Contract terms component of the Program.

Satisfaction with contract terms	Frequency	Percentage
Satisfied	210	65.4
Dissatisfied	19	5.9
Neither Satisfied Nor Dissatisfied	92	28.7

Of the 410 business customers, 333 or 81.2% responded to the Freedom of choice section of Question 13. There were 274 or 82.3% of the business customers who were "Satisfied" with the "Freedom of choice" aspect of the Program. Continuing, there were 7 or 2.1% of the customers who were "Dissatisfied" with the "Freedom of choice" aspect of the Program, and 52 or 15.6% who were "Neither satisfied nor dissatisfied" with the "Freedom of choice" aspect of the Program. The following table presents the results for the Freedom of choice component of the Program.

Satisfaction with freedom of choice	Frequency	Percentage
Satisfied	274	82.3
Dissatisfied	7	2.1
Neither Satisfied Nor Dissatisfied	52	15.6

Of the 410 business customers, 327 or 79.8% responded to the Reliability/dependability section of Question 13. There were 240 or 73.4% of the business customers who were "Satisfied" with the "Reliability/dependability" aspect of the Program. Continuing, there were 4 or 1.2% of the customers who were "Dissatisfied" with the "Reliability/ dependability" aspect of the Program, and 83 or 25.4% who were "Neither satisfied nor dissatisfied" with the "Reliability/dependability" aspect of the Program. The following table presents the results for the Reliability/dependability component of the Program.

Satisfaction with reliability/dependability	Frequency	Percentage
Satisfied	240	73.4
Dissatisfied	4	1.2
Neither Satisfied Nor Dissatisfied	83	25.4

Customers report similar levels of satisfaction across most of the areas of the Program. Approximately 60 to 80% of the business customers report that they are satisfied with the "Prices," "Customer service," the "Contract terms," the "Freedom of choice," and the "Reliability/dependability" areas of the Program. The lowest level of satisfaction is reported for the price area of the Program. There are 63.5% of the respondents who report that they are "Satisfied" with the "Prices" aspect of the Program. The highest level of satisfaction is reported by those who are "Satisfied" with "Freedom of choice." For most of the areas of the Program, business customers report very low levels of dissatisfaction. The numbers of business customers who are "Dissatisfied" with "Customer service," "Contract terms," "Freedom of choice" and "Reliability/ dependability" are all below 6%. The highest level of dissatisfaction is reported by the 12.3% of the respondents who indicate that they are "Dissatisfied" about "Prices." For most of the areas of the Program, similar proportions of customers have not yet developed an opinion regarding their level of satisfaction. Most of the responses for those who are "Neither satisfied nor dissatisfied" were approximately one-quarter of the business customers. The lowest proportionate response for those who are undecided were the 15.6% of the respondents who are "Neither satisfied nor dissatisfied" with "Freedom of choice." The highest proportionate response for those who are undecided were the 28.7% of the respondents who are "Neither satisfied nor dissatisfied" with "Contract terms."

Most respondents are satisfied with the elements of the Program. They are least satisfied with "Prices," although more than 60% of the respondents reported that they were satisfied with "Prices." They are most satisfied with the "Freedom of choice;" customers are most satisfied that they have the choice of their natural gas supplier. A considerable number of respondents are yet undecided about most of the elements of the Program; there are more than one-quarter of the respondents who are undecided about all of the areas of the Program except for the "Freedom of choice." Finally, with the exception of the 12.3% of the respondents who are dissatisfied with "Prices," there are few consumers who are dissatisfied with the various areas of the Program.

Since price is the most important element of the Program for the consumers, it would be important to study the cause of the higher levels of dissatisfaction with prices. One area of research would be to study the level of expectations consumers have regarding the magnitude of price declines customers anticipate as a result of competition. Another area for study would be the specific areas of confusion consumers have about prices. The confusion about price that has been communicated in the study could be a factor in their dissatisfaction.

14. Would you be interested in having Columbia Gas of Ohio's Customer Choice Program continued in your area?

- ***Yes***
- ***No***
- ***Not Sure***

This question was structured as a closed-ended question, with the respondents having been asked to select either "Yes," "No," or "Not Sure." Of the 410 business respondents, 379 or 92.4% provided a response to Question 14. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 379 business customers who answered Question 14. A review of the results demonstrates that 308 respondents indicated a response of "Yes," they would be interested in having the Program continued in their area. This represents 81.3% of the respondents who completed this question. Conversely, 9 respondents or 2.4% indicated a response of "No," and 62 or 16.4% of the business customers were "Not Sure" if they were interested in having the Program continued in their area. This data clearly demonstrates that the vast majority of this question's respondents are interested in having the Program continued in their area. The results from Question 14 are presented in the following table.

Continue the program	Frequency	Percentage
Yes	308	81.3
No	9	2.4
Not Sure	62	16.4

The following results were reported in the baseline study. Of the 648 business customers, 618 or 95.37% responded to this closed-ended question. Of the 618 responding, 453 or 73.30% indicated "Yes," they were interested in having the Columbia Gas of Ohio's Customer Choice Program continued, 26 or 4.21% indicated "No," they were not interested in having the program continued, and 139 or 22.49 % were "Not Sure" about having the program continued in their area.

Program Continued	Frequency	Percentage
Yes	453	73.30
No	26	4.21
Not Sure	139	22.49

The text of Question 14 in the follow-up survey was the same as Question 16 from the baseline study. In both cases, it was a closed-ended question and the selections were the same in both studies. The results from both studies demonstrate that the business customers would like the Program continued. The results from the follow-up study also demonstrate a trend in the direction of customers becoming more resolute in that position. In the follow-up study, more customers reported that they would like the Program continued and fewer indicated that they would not like the Program continued. Additionally, the number of respondents who are uncertain about wanting the Program continued has also declined from the baseline study. It is clear that with more experience with the Program, customers have developed greater certainty that they would like the Customer Choice Program continued.

15. Do you think the program can be improved?

- *Yes*
- *No*
- *Not Sure*

If YES, how do you think the program should be improved?

The first portion of this question was a closed-ended question. Of the 410 business respondents, 364 or 88.8% provided an answer to this question. There were 145 or 39.8% of the respondents who indicated that "Yes," they thought the Program can be improved. There were 22 or 6.0% of the respondents who selected "No," they thought the Program can not be improved. Continuing, there were 197 or 54.1% of the business customers who were "Not Sure" if the Program can be improved. The following table summarizes the results for Question 15.

Program Improved	Frequency	Percentage
Yes	145	39.8
No	22	6.0
Not Sure	197	54.1

The second portion of this question was open-ended. The 145 respondents who identified that the Program can be improved were offered the opportunity to express their ideas in this regard. Of the 145 respondents, 108 offered an open-ended answer. A qualitative analysis was performed with the responses that were provided to Question 15 and it was determined that each response could be classified into 1 of 7 different categories. None of the 108 respondents provided an answer that was coded as multiple categories. The following table summarizes the results for the business customers who responded with ideas for improving the Program. The frequency denotes the number of times the 108 respondents provided a response for each particular category. The percentage is calculated based on the same 108 customers who responded to this question.

Program Improvements	Frequency	Percentage
Apples to apples comparison	26	24.1
Improved pricing options	23	21.3
Better customer education/service	21	19.4
More useful information about suppliers	19	17.6
Improved billing	13	12.0
Improved contract terms	5	4.6
Improved delivery service	2	1.9

Only 6.0% of the respondents were of the opinion that the Program does not need improvement. There were 39.8% of the respondents who reported that the Program should be improved, while 54.1% were not sure. Most of the customers are not yet certain enough about the Program to have an opinion about whether the Program should be improved. The uncertainty about the Program is evidence of the customers not yet having enough experience with the Program to completely understand it. This uncertainty is further corroborated by the open-ended responses which demonstrate that many of the customers are of the opinion that the Program should be improved by providing them with more and better information. There were 24.1% of the respondents who noted that the Program could be improved by providing an "Apples to Apples comparison," and 17.6% requested "More useful information about suppliers."

There were also substantive suggestions to improve the elements of the Program besides better information. There were 19.4% of the respondents who requested "Better customer education/service," 12.0% requested "Improved billing," 4.6% requested "Improved contract terms," and 1.9% requested "Improved delivery service" as improvements to the Program.

There were 21.3% of the respondents who reported that an improvement to the Program would be "Improved pricing options." This is an important result. The business customers have made it clear that price is the primary factor considered in making a decision about a supplier. Also, in Question 13 the lowest level of satisfaction and the highest level of dissatisfaction was reported in regards to prices. Reiterating a point made in that context, customer expectations about price are not clearly understood, and it would be useful to have a better understanding regarding the amount of decrease customers anticipate resulting from a competitive marketplace for natural gas.

16. Approximately what is your ANNUAL natural gas bill?

There were 337 or 82.2% of the 410 business respondents who answered Question 16. The business responses to this open-ended question were coded according to the median value of the annual gas bills as reported by the 337 respondents. Median value was chosen as an indicator of central tendency in order to allow for the inclusion of all responses to this question, while guarding against extreme values or outliers. Such a method prevents a skew, either high or low, of the division point. Those business responses less than or equal to the median reported value of $2800 represent 169 or 50.1% of those answering the question. Those business responses greater than the median reported value of $2800 represent 168 or 49.9% of those answering the question. The 2 categories of below and above average gas costs were developed for the purpose of cross-tabulation and statistical analyses. The table below summarizes the results.

Annual gas bill	Frequency	Percentage
Less than or equal to $2800	169	50.1
Greater than $2800	168	49.9

Question 16 was treated as an independent variable in the research design in both the baseline and follow-up studies. In the baseline study, the question asked the respondents to provide their average monthly bill in the winter. Some respondents offered an average bill and some provided a budgeted amount. In order to eliminate the possibility of receiving both types of information, the follow-up survey asked for the annual bill.

17. Please check the term that best describes your business:

- *Agriculture, forestry, and fishing*
- *Finance, insurance, and real estate*
- *Mining*
- *Transportation and public utilities*
- *Wholesale trade*
- *Construction*
- *Manufacturing*
- *Retail trade*
- *Services (including medical, educational, religious, and governmental organizations)*
- *Other*

Of the 410 business customers, 368 or 89.8% responded to this closed-ended question. There were 155 or 42.1% of the respondents that selected "Services," as the term that best describes their business. Continuing, there were 74 or 20.1% of the customers that selected "Retail trade," 52 or 14.1% selected "Manufacturing," 41 or 11.1% selected "Finance and insurance," 22 or 6.0% selected "Wholesale trade," 19 or 5.2% selected "Construction," and 5 or 1.4% selected "Transportation and public utilities" as their business classification. There were no business respondents that selected the "Agriculture, forestry and fishing" or "Mining" sectors. There were no respondents that selected an "Other" response. The following table summarizes the customer responses to Question 17.

Business Description	Frequency	Percentage
Services	155	42.1
Retail trade	74	20.1
Manufacturing	52	14.1
Finance, insurance, and real estate	41	11.1
Wholesale trade	22	6.0
Construction	19	5.2
Transportation and public utilities	5	1.4
Agriculture, forestry, and fishing	0	0.0
Mining	0	0.0
Other	0	0.0

Question 17 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and was a closed-ended question with the same choices in both surveys.

18. How would you classify your organization? Please check your response.

- *For-profit*
- *Not-for-profit*
- *Government / Public*

Of the 410 business customers in the sample, 396 or 96.6% responded to this closed-ended question. There were 324 or 81.8% of the respondents that classified their business as a "For-profit" organization. Continuing, there were 61 or 15.4% of the respondents who classified their organization as "Not-for-profit," and 11 or 2.8% of the respondents who classified their organization as "Government/public." The following table summarizes the customer responses to Question 18.

Classification of organization	Frequency	Percentage
For-profit	324	81.8
Not-for-profit	61	15.4
Government/Public	11	2.8

Question 18 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and was a closed-ended question with the same choices in both surveys.

19. Please place a check next to the number of persons employed by your organization. Please check only one box.

- ***1-4***
- ***5-10***
- ***11-25***
- ***26-100***
- ***101-500***
- ***Greater than 500***

There were 394 or 96.1% of the 410 business respondents who answered this closed-ended question. Of the 394 respondents, there were 124 or 31.5% who employ between "1-4" people, 95 or 24.1% employ between "5-10" people, 83 or 21.1% employ between "11-25" people, 60 or 15.2% employ between "26-100" people, 24 or 6.1% employ between "101-500" people, and 8 or 2.0% employ "Greater than 500" people. The following table presents the results for Question 19.

Number of employees	Frequency	Percentage
1-4	124	31.5
5-10	95	24.1
11-25	83	21.1
26-100	60	15.2
101-500	24	6.1
Greater than 500	8	2.0

Question 19 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and was a closed-ended question with the same choices in both surveys.

20. ***Select the choice that best characterizes the area where your business is located. Please check only one box.***

- ***Rural***
- ***Village/Town***
- ***Suburban***
- ***Urban***

Of the 410 business customers in the sample, 396 or 96.6% responded to this closed-ended question. There were 10 or 2.5% of the respondents who indicated their business was located in a "Rural" area, 67 or 16.9% of the respondents indicated their business was located in a "Village/town," 133 or 33.6% of the respondents indicated their business was located in a "Suburban" area, and 186 or 47.0% of the respondents indicated their business was located in an "Urban" area. The following table presents the results for Question 20.

Business location	Frequency	Percentage
Rural	10	2.5
Village/Town	67	16.9
Suburban	133	33.6
Urban	186	47.0

Question 20 did not appear in the baseline study. It was treated as an independent variable in the research design in the follow-up study.

Business Customers Not Aware of Choice

"Unaware" customers are respondents who were not aware that they had a competitive choice of natural gas suppliers before they received the survey. These customers were not removed from the sampling frame, and therefore, needed to be identified in order to appropriately analyze the information. There are 26 business respondents who identified themselves as unaware customers on the survey. Of the 410 business customers who completed and returned the survey, the 26 unaware customers represent 6.35% of the business sample. Unaware customers were asked to provide information regarding their length of service from and their level of satisfaction with Columbia Gas of Ohio. They were also asked to provide the demographic information that was solicited from all business customers who responded to the survey. Unaware customers answered Questions 1, 2, 3, and 16 through 20 of the survey. They were instructed not to respond to Questions 4 through 15 of the survey. If they did provide responses to these excluded questions, they were not coded or recorded in the data set.

This section of the report presents the unaware customer responses to the questions they were instructed to answer from the survey. This information is described and analyzed as a subsample of the business customer sample. This analysis also includes a comparison to the overall business population. From the perspective of customer education, this is an important group in the population that needs to be targeted for the dissemination of information. That there are 6.35% of the business customers who are not aware of the Customer Choice Program reflects a need for more customer education.

1. ***How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.***

   - ***5 years or less***
   - ***6-10 years***
   - ***11-15 years***
   - ***16-20 years***
   - ***more than 20 years***

Customers were categorized by how many years they purchased gas from Columbia Gas of Ohio. There were 25 or 96.2% of the 26 unaware business customers who responded to this closed-ended question. There were 3 or 12.0% of the customers who had purchased gas for "5 years or less," 4 or 16.0% had purchased gas for "6-10 years," 4 or 16.0% had purchased gas for "11-15 years," 1 or 4.0% had purchased gas for "16-20 years," and 13 or 52.0% of the customers had purchased gas from Columbia Gas of Ohio for "More than 20 years." The table below presents the results from Question 1.

Not Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	3	12.0
6-10 years	4	16.0
11-15 years	4	16.0
16-20 years	1	4.0
More than 20 years	13	52.0

The following table presents the results from the overall business population for Question 1.

Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	28	6.9
6-10 years	31	7.7
11-15 years	41	10.1
16-20 years	44	10.9
More than 20 years	261	64.4

For the unaware customers, 48.0% have been purchasing gas from Columbia Gas of Ohio for 15 years or less. There are 56.0% of the unaware customers who have been purchasing gas from Columbia Gas of Ohio for more than 15 years. For the aware customers, 24.7% have been purchasing gas from Columbia Gas of Ohio for 15 years or less. There are 75.3% of the customers who have been purchasing gas from Columbia Gas of Ohio for more than 15 years. The unaware business respondents have not been customers of Columbia Gas of Ohio for as long as the aware business respondents.

2. ***How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.***

- ***Very dissatisfied***
- ***Somewhat dissatisfied***
- ***Neither satisfied nor dissatisfied***
- ***Somewhat satisfied***
- ***Very satisfied***

There were 26 or 100.0% of the 26 unaware respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 26 customers who responded to Question 2. There were 0 or 0.0% who rated their level of satisfaction with service as "Very dissatisfied." There were 4 or 15.4% who reported that they were "Somewhat dissatisfied," 5 or 19.2% reported that they were "Neither satisfied nor dissatisfied," 8 or 30.8% reported that they were "Somewhat satisfied," and there were 9 or 34.6% of the respondents who rated their level of satisfaction as "Very satisfied." The table below presents the results for Question 2.

Not Aware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	0	0.0
Somewhat dissatisfied	4	15.4
Neither satisfied nor dissatisfied	5	19.2
Somewhat satisfied	8	30.8
Very satisfied	9	34.6

The following table presents the results from the overall business population for Question 2.

Aware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	32	7.9
Somewhat dissatisfied	58	14.3
Neither satisfied nor dissatisfied	101	24.9
Somewhat satisfied	109	26.8
Very satisfied	106	26.1

For the unaware customers, 15.4% report that they are either "Very dissatisfied" or "Somewhat dissatisfied" with Columbia Gas of Ohio. There are 65.4% of the unaware customers who report that they are either "Somewhat satisfied" or "Very satisfied" with Columbia Gas of Ohio. For the aware customers, 22.2% report that they are either "Very dissatisfied" or "Somewhat dissatisfied" with Columbia Gas of Ohio. There are 52.9% of the unaware customers who report that they are either "Somewhat satisfied" or "Very satisfied" with Columbia Gas of Ohio. The unaware customers are slightly more satisfied and slightly less dissatisfied with their service from Columbia Gas of Ohio.

3. ***If you are you are not aware that you are able to choose between Columbia Gas of Ohio and other natural gas suppliers, please check the box.***

- *Not aware of choice*

There are 26 or 6.35% of the 410 business respondents who identified themselves as customers "Not Aware of Choice" on the survey. In the baseline study there are 32 or 4.71% of the 680 business respondents who identified themselves as customers "Not Aware of Choice" on the survey. Given the margin of error, there is no significant difference in the proportion of customers who reported that they did not know there was choice between the baseline and follow-up studies. That there was not a decline in this number over the months between the 2 studies is problematic, since customers were given additional information about the Customer Choice Program during those months. Customer education should be increased to address this concern.

16. Approximately what is your ANNUAL natural gas bill?

There were 20 or 7.7% of the 26 business respondents who answered Question 16. The business responses to this open-ended question were coded according to the median value of the annual gas bills as reported by the 20 respondents. Median value was chosen as an indicator of central tendency in order to allow for the inclusion of all responses to this question, while guarding against extreme values or outliers. Such a method prevents a skew, either high or low, of the division point. Those business responses less than or equal to the median reported value of $2800 represent 8 or 40.0% of those answering the question. Those business responses greater than the median reported value of $2800 represent 12 or 60.0% of those answering the question. The 2 categories of below and above average gas costs were developed for the purpose of cross-tabulation and statistical analyses. The table below summarizes the results.

Not Aware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $2800	8	40.0
Greater than $2800	12	60.0

The following table presents the results from the overall business population for Question 16.

Aware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $2800	169	50.1
Greater than $2800	168	49.9

It appears as though the unaware customers have proportionately higher bills than the aware customers. Because there are so few respondents involved in this unaware analysis, the percentages are slightly inflated and the differences between the unaware and aware business customers with regard to the annual gas bill are likely not critical.

17. Please check the term that best describes your business:

- ***Agriculture, forestry, and fishing***
- ***Finance, insurance, and real estate***
- ***Mining***
- ***Transportation and public utilities***
- ***Wholesale trade***
- ***Construction***
- ***Manufacturing***
- ***Retail trade***
- ***Services (including medical, educational, religious, and governmental organizations)***
- ***Other***

Of the 26 unaware business customers, 20 or 76.9% responded to this closed-ended question. There were 8 or 40.0% of the respondents that selected "Services," as the term that best describes their business. Continuing, there were 4 or 20.0% of the customers that selected "Retail trade," 3 or 15.0% selected "Construction," 3 or 15.0% selected "Wholesale trade," 1 or 5.0% selected "Transportation and public utilities," 1 or 5.0% selected "Finance, insurance, and real estate." There were no unaware business customers that selected "Agriculture, forestry, and fishing," "Mining," or "Manufacturing." There were no respondents who selected an "Other" response. The following table summarizes the customer responses to Question 17.

Not Aware of Choice

Business Description	Frequency	Percentage
Services	8	40.0
Retail trade	4	20.0
Construction	3	15.0
Wholesale trade	3	15.0
Transportation and public utilities	1	5.0
Finance, insurance, and real estate	1	5.0
Agriculture, forestry, and fishing	0	0.0
Mining	0	0.0
Manufacturing	0	0.0
Other	0	0.0

The following table presents the results from the overall business population for Question 17.

Aware of Choice

Business Description	Frequency	Percentage
Services	155	42.1
Retail trade	74	20.1
Manufacturing	52	14.1
Finance, Insurance, and real estate	41	11.1
Wholesale trade	22	6.0
Construction	19	5.2
Transportation and public utilities	5	1.4
Agriculture, forestry, and fishing	0	0.0
Mining	0	0.0
Other	0	0.0

Given the small unaware business population involved in this analysis, the results of the unaware and aware respondents are remarkably similar. There is no distinction between the unaware and the aware business customers based on the business classification.

18. How would you classify your organization? Please check your response.

- *For-profit*
- *Not-for-profit*
- *Government/public*

Of the 26 unaware business customers in the sample, 25 or 96.2% responded to this closed-ended question. There were 21 or 84.0% of the respondents that classified their business as a "For-profit" organization. Continuing, there were 3 or 12.0% of the respondents that classified their business as a "Not -for-profit" organization, and 1 or 4.0% of the respondents classified their business as a "Government/Public" organization. The following table summarizes the customer responses to Question 18.

Not Aware of Choice

Classification	Frequency	Percentage
For-profit	21	84.0
Not-for-profit	3	12.0
Government/public	1	4.0

The following table presents the results from the overall business population for Question 18.

Aware of Choice

Classification of organization	Frequency	Percentage
For-profit	324	81.8
Not-for-profit	61	15.4
Government/Public	11	2.8

Given the small unaware business population involved in this analysis, the results of the unaware and aware respondents are remarkably similar. There is no distinction between the unaware and the aware business customers based on the type of organization.

19. Please place a check next to the number of persons employed by your organization. Please check only one box.

- ***1-4***
- ***5-10***
- ***11-25***
- ***26-100***
- ***101-500***
- ***Greater than 500***

There were 26 or 100.0% of the 26 unaware business respondents that answered this closed-ended question. Of the 26 respondents, there were 4 or 15.4% who employ between "1-4" people, 3 or 11.5% employ between "5-10" people, 9 or 34.6% employ between "11-25" people, 4 or 15.4% employ between "26-100" people, 3 or 11.5%

employ between "101-500" people, and 3 or 11.5% employ "Greater than 500 people." The following table presents the results for Question 19.

Not Aware of Choice

Number of Employees	Frequency	Percentage
1-4 employees	4	15.4
5-10 employees	3	11.5
11-25 employees	9	34.6
26-100 employees	4	15.4
101-500 employees	3	11.5
Greater than 500 employees	3	11.5

The following table presents the results from the overall business population for Question 19.

Aware of Choice

Number of employees	Frequency	Percentage
1-4	124	31.5
5-10	95	24.1
11-25	83	21.1
26-100	60	15.2
101-500	24	6.1
Greater than 500	8	2.0

For the unaware customers, there were 26.9% of the businesses that had 10 or fewer employees. For the aware customers, there were 55.6% of the businesses that had 10 or fewer employees. For the unaware customers, there were 23.0% of the businesses with more than 100 employees, and for the aware customers, 8.1% of the businesses had more than 100 employees. To the extent that number of employees reflects the size of the business, the results regarding the unaware and aware comparison are not at all what might have been expected. There are disproportionately more larger businesses and fewer smaller businesses among the unaware customers as compared to the aware customers.

20. Select the choice that best characterizes the area where your business is located. Please check only one box.

- ***Rural***
- ***Village/town***
- ***Suburban***
- ***Urban***

Of the 26 unaware business customers in the sample, 25 or 96.2% responded to this closed-ended question. There was 1 or 4.0% of the respondents that indicated his/her business was located in a "Rural" area, 6 or 24.0% of the respondents indicated their business was located in a "Village/town," 7 or 28.0% of the respondents indicated their business was located in a "Suburban" area, and 11 or 44.0% of the respondents indicated their business was located in an "Urban" area. The following table presents the results for Question 20.

Not Aware of Choice

Business Area Location	Frequency	Percentage
Rural	1	4.0
Village/town	6	24.0
Suburban	7	28.0
Urban	11	44.0

The following table presents the results from the overall business population for Question 20.

Aware of Choice

Business location	Frequency	Percentage
Rural	10	2.5
Village/Town	67	16.9
Suburban	133	33.6
Urban	186	47.0

The overall results between the unaware and aware populations are similar. The location of the business does not appear to be a variable that distinguishes between the unaware and aware business customers.

The comparison of the aware and unaware business populations have identified a number of important factors regarding the Customer Choice Program. The unaware business respondents have not been customers of Columbia Gas of Ohio for as long as the aware business respondents; they are slightly more satisfied and slightly less dissatisfied with their service from Columbia Gas of Ohio. There are disproportionately more larger businesses and fewer smaller businesses among the unaware customers as compared to the aware customers. There are 26 or 6.35% of the business customers who reported that they had no knowledge of the Customer Choice Program when they received the survey. That the unaware customers are represented among large businesses, as well as small businesses, indicates that customers education efforts should remain broad and should ensure that information is being distributed throughout the business population.

Appendix 1

Baseline Residential Survey
Follow-Up Residential Survey

Baseline Business Survey
Follow-Up Business Survey

The Public Utilities Commission of Ohio
180 East Broad Street, Columbus, Ohio 43215-3793

George V. Voinovich, *Governor*   **Craig A. Glazer**, *Chairman*

May 5, 1997

Dear Residential Natural Gas Customer:

You have the opportunity to voice your opinions about the future of Columbia Gas of Ohio's Customer Choice Program. As you may be aware, the Public Utilities Commission of Ohio (PUCO) has authorized a pilot program in your area which allows residential and small business customers to purchase natural gas from either Columbia Gas of Ohio or from a new supplier.

The survey will take **less than ten minutes** to complete. Your opinions will influence whether the natural gas pilot program is extended beyond the first year and, if so, will help us to improve the program so that it works for all customers. You have been randomly selected to participate in the survey. You do not need to put your name on the survey. It was designed to protect your anonymity.

Thank you for your time and consideration in completing this questionnaire. Your opinion about the program is important to the PUCO.

Sincerely,

Craig A. Glazer
Chairman

PLEASE RETURN THE SURVEY IN THE ENCLOSED POSTAGE-PAID ENVELOPE BY MAY 12, 1997.

If you have additional comments, questions or concerns about the Customer Choice Program, please feel free to contact the PUCO at our toll free number: 800-686-PUCO (7826).

1. If you are a Percentage of Income Payment Plan (PIPP) customer or if you are not aware that you are able to choose between Columbia Gas of Ohio and other natural gas suppliers, please check the appropriate box.

☐ PIPP customer ☐ Not aware of choice

2. How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.

☐ 5 years or less ☐ 6-10 years ☐ 11-15 years ☐ 16-20 years ☐ More than 20 years

3. How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.

☐ Very poor ☐ Poor ☐ Fair ☐ Good ☐ Very good

If you checked either box in question 1, please skip to question 19 and complete the rest of the survey.

4. Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space: ______________________

5. How useful is the information you have received to assist you in making a choice of a natural gas supplier?

☐ Not useful ☐ Somewhat useful ☐ Very useful ☐ Don't have any information

6. How interested are you in Columbia Gas of Ohio's Customer Choice Program?

☐ Not interested ☐ Somewhat interested ☐ Very interested

7. Please describe the information you would like to have to make a choice of a natural gas supplier:

____

8. What information about the natural gas suppliers has been confusing? Please check as many choices as you like.

☐ Benefits/risks of the program
☐ Customer protections
☐ Customer rights and responsibilities
☐ Pricing options or price comparisons
☐ Terms of the contract
☐ Other ______________________

9. Who has provided you with the most useful information that has helped or is helping you make your decision about a natural gas supplier? Please check as many choices as you like.

☐ Columbia Gas of Ohio
☐ Local government
☐ Natural gas suppliers
☐ Newspapers and magazines
☐ Ohio Consumers' Counsel
☐ Public Utilities Commission of Ohio
☐ Television and radio stations
☐ Other ______________________

10. What have been effective ways of getting you the information you need to make your choice of a natural gas supplier? Please check as many choices as you like.

☐ Advertisements
☐ Columbia Gas of Ohio bill inserts
☐ Public meetings and forums
☐ Mail contact from natural gas suppliers
☐ Newspaper articles
☐ Ohio Consumers' Counsel - printed materials
☐ Public Utilities Commission - hotline, printed materials
☐ Telephone contact from natural gas suppliers
☐ Television and radio programs
☐ Other ____________________

11. What factors did you consider, or are you considering, in making your choice of a natural gas supplier? Please check as many factors as you like.

☐ Billing
☐ Customer education
☐ Customer service
☐ Length of contract
☐ Name recognition
☐ Price
☐ Reliable gas supply
☐ Reputation
☐ Terms of the contract
☐ Other ____________________

2. Have you experienced any problems in choosing a natural gas supplier? ☐ Yes ☐ No

If yes, please describe the problems you have experienced: ____________________

____

3. If you have a new natural gas supplier, have you experienced any problems with your service from that supplier? In your answer, please consider all aspects of service, including price, customer service and education, billing, contract terms, resolution of problems, etc.

☐ Yes ☐ No ☐ Have not selected a new supplier

If yes, please describe the problems: ____________________

____

4. Do you expect benefits from having a choice of natural gas suppliers? ☐ Yes ☐ No

If yes, please describe the benefits: ____________________

____

5. Do you expect problems from having a choice of natural gas suppliers? ☐ Yes ☐ No

If yes, please describe the problems: ____________________

____

. Would you be interested in having the Columbia Gas of Ohio's Customer Choice Program continued in your area?

☐ Yes ☐ No ☐ Not Sure

OVER →

17. If you have **not** selected a new natural gas supplier, please describe the reasons why:

____

____

____

18. If you **have** selected a new natural gas supplier, please describe the reasons why:

____

____

____

19. Approximately what is your average monthly natural gas bill in the winter? $__________

20. Please place a check next to the choice that identifies your highest level of education completed.

- ☐ Primary and/or some high school
- ☐ High school graduate
- ☐ Some college, associates degree or technical school graduate
- ☐ College graduate
- ☐ Post-graduate degree

21. What is your age? __________

22. How many people in your household are: Under 18___ 18-40___ 41-59___ 60 and over___

23. How many adults in your household are employed? Please check your response.

☐ 0 ☐ 1 ☐ 2 ☐ 3 ☐ More than 3

24. Please place a check next to the range that identifies your annual household income.

- ☐ Less than $10,500
- ☐ $10,500-$24,999
- ☐ $25,000-$49,999
- ☐ $50,000-$74,999
- ☐ $75,000-$100,000
- ☐ Greater than $100,000

25. What is your 5-digit postal ZIP code? ______________

THANK YOU FOR RETURNING THIS BY MAY 12, 1997 IN THE PRE-PAID ENVELOPE PROVIDED.

The Public Utilities Commission of Ohio

180 East Broad Street, Columbus, Ohio 43215-3793

George V. Voinovich, *Governor* Craig A. Glazer, *Chairman*

May 5, 1997

Dear Business Natural Gas Customer:

You have the opportunity to voice your opinions about the future of Columbia Gas of Ohio's Customer Choice Program. As you may be aware, the Public Utilities Commission of Ohio (PUCO) has authorized a pilot program in your area which allows residential and small business customers to purchase natural gas from either Columbia Gas of Ohio or from a new supplier.

We would prefer that the survey be completed by the person in your organization who makes the utility or natural gas supply decisions for your business. The survey will take **less than ten minutes** to complete. Your opinions will influence whether the natural gas pilot program is extended beyond the first year and, if so, will help us to improve the program so that it works for all customers. Your business has been randomly selected to participate in the survey. You do not need to put your name on the survey. It was designed to protect your anonymity.

Thank you for your time and consideration in completing this questionnaire. Your opinion about the program is important to the PUCO.

Sincerely,

Craig A. Glazer
Chairman

PLEASE RETURN THE SURVEY IN THE ENCLOSED POSTAGE-PAID ENVELOPE BY MAY 12, 1997.

If you have additional comments, questions or concerns about the Customer Choice Program, please feel free to contact the PUCO at our toll free number: 800-686-PUCO (7826).

1. If you are not aware that you are able to choose between Columbia Gas of Ohio and other natural gas suppliers, please check the box.

❑ Not aware of choice

2. How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.

❑ 5 years or less ❑ 6-10 years ❑ 11-15 years ❑ 16-20 years ❑ More than 20 years

3. How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.

❑ Very poor ❑ Poor ❑ Fair ❑ Good ❑ Very good

If you checked the box in question 1, please skip to question 19 and complete the rest of the survey.

4. Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space: ____________________

5. How useful is the information you have received to assist you in making a choice of a natural gas supplier?

❑ Not useful ❑ Somewhat useful ❑ Very useful ❑ Don't have any information

6. How interested are you in Columbia Gas of Ohio's Customer Choice Program?

❑ Not interested ❑ Somewhat interested ❑ Very interested

7. Please describe the information you would like to have to make a choice of a natural gas supplier:

____

8. What information about the natural gas suppliers has been confusing? Please check as many choices as you like.

❑ Benefits/risks of the program
❑ Customer protections
❑ Customer rights and responsibilities
❑ Pricing options or price comparisons
❑ Terms of the contract
❑ Other ____________________

9. Who has provided you with the most useful information that has helped or is helping you make your decision about a natural gas supplier? Please check as many choices as you like.

❑ Columbia Gas of Ohio
❑ Local government
❑ Natural gas suppliers
❑ Newspapers and magazines
❑ Ohio Consumers' Counsel
❑ Public Utilities Commission of Ohio
❑ Television and radio stations
❑ Other ____________________

10. What have been effective ways of getting you the information you need to make your choice of a natural gas supplier? Please check as many choices as you like.

- ❑ Advertisements
- ❑ Columbia Gas of Ohio bill inserts
- ❑ Public meetings and forums
- ❑ Mail contact from natural gas suppliers
- ❑ Newspaper articles
- ❑ Ohio Consumers' Counsel - printed materials
- ❑ Public Utilities Commission - hotline, printed materials
- ❑ Telephone contact from natural gas suppliers
- ❑ Television and radio programs
- ❑ Other ______________________

11. What factors did you consider, or are you considering, in making your choice of a natural gas supplier? Please check as many factors as you like.

- ❑ Billing
- ❑ Customer education
- ❑ Customer service
- ❑ Length of contract
- ❑ Name recognition
- ❑ Price
- ❑ Reliable gas supply
- ❑ Reputation
- ❑ Terms of the contract
- ❑ Other ______________________

12. Have you experienced any problems in choosing a natural gas supplier? ❑ Yes ❑ No

If yes, please describe the problems you have experienced: ______________________

____

13. If you have a new natural gas supplier, have you experienced any problems with your service from that supplier? In your answer, please consider all aspects of service, including price, customer service and education, billing, contract terms, resolution of problems, etc.

❑ Yes ❑ No ❑ Have not selected a new supplier

If yes, please describe the problems: ______________________

____

14. Do you expect benefits from having a choice of natural gas suppliers? ❑ Yes ❑ No

If yes, please describe the benefits: ______________________

____

15. Do you expect problems from having a choice of natural gas suppliers? ❑ Yes ❑ No

If yes, please describe the problems: ______________________

____

16. Would you be interested in having the Columbia Gas of Ohio's Customer Choice Program continued in your area?

❑ Yes ❑ No ❑ Not Sure

OVER →

17. If you have <u>not</u> selected a new natural gas supplier, please describe the reasons why:

____

____

____

18. If you <u>have</u> selected a new natural gas supplier, please describe the reasons why:

____

____

____

19. Approximately what is your average monthly natural gas bill in the winter? $__________

20. Please check the term that best describes your business:

- ☐ Agriculture, forestry, and fishing
- ☐ Construction
- ☐ Finance, insurance, and real estate
- ☐ Manufacturing
- ☐ Mining
- ☐ Retail trade
- ☐ Services
- ☐ Transportation and public utilities
- ☐ Wholesale trade
- ☐ Other ________________

21. How would you classify your organization? Please check your response.

☐ For-profit ☐ Not-for-profit ☐ Government/public

22. Please place a check next to the number of persons employed by your organization.

☐ 1-4 ☐ 5-10 ☐ 11-25 ☐ 26-100 ☐ 101-500 ☐ Greater than 500

23. What is your 5-digit postal ZIP code? ______________

THANK YOU FOR RETURNING THIS BY MAY 12, 1997 IN THE PRE-PAID ENVELOPE PROVIDED.

The Public Utilities Commission of Ohio
180 East Broad Street, Columbus, Ohio 43215-3793
George V. Voinovich, *Governor* Craig A. Glazer, *Chairman*

February 11, 1998

Dear Residential Natural Gas Customer:

You have the opportunity to voice your opinions about the future of Columbia Gas of Ohio's Customer Choice Program. As you may be aware, the Public Utilities Commission of Ohio (PUCO) has authorized a pilot program in your area which allows residential and small business customers to purchase natural gas from either Columbia Gas of Ohio or from a new supplier. **This is a follow-up to a previous survey that was sent to customers of Columbia Gas of Ohio.**

The survey will take **less than ten minutes** to complete. Your opinions will influence whether the natural gas pilot program is extended into the future and, if so, will help us to improve the program so that it works for all customers. You have been randomly selected to participate in the survey. You do not need to put your name on the survey. It was designed to protect your anonymity.

Thank you for your time and consideration in completing this questionnaire. Your opinions about the program are important to the PUCO.

Sincerely,

Craig A. Glazer
Chairman

PLEASE RETURN THE SURVEY IN THE ENCLOSED POSTAGE-PAID ENVELOPE BY FEBRUARY 20, 1998.

If you have additional comments, questions or concerns about the Customer Choice Program, please feel free to contact the PUCO at our toll free number: 800-686-PUCO (7826) or 800-686-1570 for TTY-TDD hearing impaired.

1. How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.

☐ 5 years or less ☐ 6-10 years ☐ 11-15 years ☐ 16-20 years ☐ More than 20 years

2. How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.

☐ Very dissatisfied

☐ Somewhat dissatisfied

☐ Neither satisfied nor dissatisfied

☐ Somewhat satisfied

☐ Very satisfied

3. If you are a Percentage of Income Payment Plan (PIPP) customer or if you are not aware that you are able to choose between Columbia Gas of Ohio and other natural gas suppliers, please check the appropriate box.

☐ PIPP customer ☐ Not aware of choice

If you checked either box in Question 3, please skip to Question 17 and complete the rest of the survey.

4. Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space: ____________________

5. How useful is the information you have received to assist you in making a choice of a natural gas supplier?

☐ Not useful ☐ Neutral ☐ Useful ☐ Did not receive any information

6. How interested are you in Columbia Gas of Ohio's Customer Choice Program?

☐ Not interested ☐ Neither interested nor disinterested ☐ Interested

7. If you have experienced problems in selecting a supplier, what information would have made choosing a supplier easier? Please check all that apply. If you did not experience problems in selecting a supplier, please check "no problems."

☐ Price information
☐ List of possible suppliers with contact numbers
☐ Benefits and risks of switching
☐ Billing information and meter reading
☐ Discounts/rebates/incentives
☐ Company reputation and record of reliability
☐ Future of the program
☐ Adequate gas supply
☐ Budget options
☐ Contract terms
☐ Service information
☐ Sales tax information
☐ No problems
☐ Other ____________________

8. Are you aware of the PUCO's Apples to Apples natural gas marketer's price comparison chart?

❑ Yes ❑ No

If you answered **YES**, how would you improve the comparison chart and make it more useful?

____

9. What information about the natural gas suppliers has been confusing? Please check as many choices as you like.

❑ Benefits/risks of the program
❑ Customer rights and responsibilities
❑ Pricing options or price comparisons
❑ Terms of the contract
❑ Taxes and Billing
❑ Did not receive information
❑ None of it was confusing
❑ Other ____________________

10. How would you like to receive information about your natural gas choices? Please check all that apply.

❑ Bill insert
❑ Newspaper articles
❑ Advertising on radio
❑ 1-800 phone hotline
❑ PUCO Internet site
❑ Direct mail
❑ Advertising in newspapers
❑ TV advertising and news
❑ Public meetings
❑ Other ____________________

11. What factors did you consider, or are you considering, in making your choice of a natural gas supplier? Please check as many factors as you like.

❑ Billing
❑ Customer education
❑ Customer service
❑ Length of contract
❑ Name recognition
❑ Price
❑ Reliable gas supply
❑ Reputation
❑ Terms of the contract
❑ Other ____________________

12. How many different suppliers did you consider before making your selection? Please include Columbia Gas of Ohio in your total if applicable.

❑ 1 ❑ 2 ❑ 3 ❑ 4 ❑ 5 or more ❑ Have not yet considered changing

13. If you have a new natural gas supplier, have you experienced any problems with your service from that supplier? In your answer, please consider all aspects of service, including price, customer service and education, billing, contract terms, resolution of problems, etc.

❑ Yes ❑ No ❑ Have not selected a new supplier

If YES, please describe the problems and how they were resolved. If they were not resolved, please indicate the problems that were not resolved. ____________________

____

OVER →

14. How do you feel about each of the following areas of the program? Please check the appropria box.

Area of the Program	Satisfied	Dissatisfied	Neither Satisfied Nor Dissatisfied
Prices			
Customer service			
Contract terms			
Freedom of choice			
Reliability/dependability			

15. Would you be interested in having Columbia Gas of Ohio's Customer Choice Progran continued in your area?

❑ Yes ❑ No ❑ Not sure

16. Do you think that the program can be improved?

❑ Yes ❑ No ❑ Not sure

If **YES**, how do you think the program should be improved?____________________

____

17. Approximately what is your **ANNUAL** natural gas bill? $____________

18. What is your age? ____________

19. Select the choice that best characterizes the area where you live. Please check only one box.

❑ Rural ❑ Village/Town ❑ Suburban ❑ Urban

20. Please place a check next to the range that identifies your annual household income. Please checl only one box.

❑ Less than $10,500
❑ $10,500-$24,999
❑ $25,000-$49,999
❑ $50,000-$74,999
❑ $75,000-$100,000
❑ Greater than $100,000

THANK YOU FOR RETURNING THIS BY FEBRUARY 20, 1998 IN THE PRE-PAID ENVELOPE PROVIDED.

PUCO

The Public Utilities Commission of Ohio

180 East Broad Street, Columbus, Ohio 43215-3793

George V. Voinovich, *Governor* **Craig A. Glazer**, *Chairman*

February 11, 1998

Dear Business Natural Gas Customer:

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The survey will take **less than ten minutes** to complete. Your opinions will influence whether the natural gas pilot program is extended into the future and, if so, will help us to improve the program so that it works for all customers. You have been randomly selected to participate in the survey. You do not need to put your name on the survey. It was designed to protect your anonymity.

Thank you for your time and consideration in completing this questionnaire. Your opinions about the program are important to the PUCO.

Sincerely,

Craig A. Glazer

Craig A. Glazer
Chairman

PLEASE RETURN THE SURVEY IN THE ENCLOSED POSTAGE-PAID ENVELOPE BY February 20, 1998.

If you have additional comments, questions or concerns about the Customer Choice Program, please feel free to contact the PUCO at our toll free number: 800-686-PUCO (7826) or 800-686-1570 for TTY-TDD hearing impaired.

1. How long have you been (or were you) purchasing gas from Columbia Gas of Ohio? Please place a check next to your choice.

❑ 5 years or less ❑ 6-10 years ❑ 11-15 years ❑ 16-20 years ❑ More than 20 years

2. How would you rate your level of satisfaction with Columbia Gas of Ohio's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.

❑ Very dissatisfied

❑ Somewhat dissatisfied

❑ Neither satisfied nor dissatisfied

❑ Somewhat satisfied

❑ Very satisfied

3. If you are not aware that you are able to choose between Columbia Gas of Ohio and other natural gas suppliers, please check the box.

❑ Not aware of choice

If you checked the box in Question 3, please skip to Question 16 and complete the rest of the survey.

4. Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space: ____________________

5. How useful is the information you have received to assist you in making a choice of a natural gas supplier?

❑ Not useful ❑ Neutral ❑ Useful ❑ Did not receive any information

6. How interested are you in Columbia Gas of Ohio's Customer Choice Program?

❑ Not interested ❑ Neither interested nor disinterested ❑ Interested

7. If you have experienced problems in selecting a supplier, what information would have made choosing a supplier easier? Please check all that apply. If you did not experience problems in selecting a supplier, please check "no problems."

❑ Price information
❑ List of possible suppliers with contact numbers
❑ Benefits and risks of switching
❑ Billing information and meter reading
❑ Discounts/rebates/incentives
❑ Company reputation and record of reliability
❑ Future of the program
❑ Adequate gas supply
❑ Budget options
❑ Contract terms
❑ Service information
❑ Sales tax information
❑ No problems
❑ Other ____________________

8. What information about the natural gas suppliers has been confusing? Please check as many choices as you like.

- ❑ Benefits/risks of the program
- ❑ Customer rights and responsibilities
- ❑ Pricing options or price comparisons
- ❑ Terms of the contract
- ❑ Taxes and billing
- ❑ Did not receive information
- ❑ None of it was confusing
- ❑ Other ______________________

9. How would you like to receive information about your natural gas choices? Please check all that apply.

- ❑ Bill insert
- ❑ Newspaper articles
- ❑ Advertising on radio
- ❑ 1-800 phone hotline
- ❑ PUCO Internet site
- ❑ Direct mail
- ❑ Advertising in newspapers
- ❑ TV advertising and news
- ❑ Public meetings
- ❑ Other ______________________

10. What factors did you consider, or are you considering, in making your choice of a natural gas supplier? Please check as many factors as you like.

- ❑ Billing
- ❑ Customer education
- ❑ Customer service
- ❑ Length of contract
- ❑ Name recognition
- ❑ Price
- ❑ Reliable gas supply
- ❑ Reputation
- ❑ Terms of the contract
- ❑ Other ______________________

11. How many different suppliers did you consider before making your selection? Please include Columbia Gas of Ohio in your total if applicable.

❑ 1 ❑ 2 ❑ 3 ❑ 4 ❑ 5 or more ❑ Have not considered changing

12. If you have a new natural gas supplier, have you experienced any problems with your service from that supplier? In your answer, please consider all aspects of service, including price, customer service and education, billing, contract terms, resolution of problems, etc.

❑ Yes ❑ No ❑ Have not selected a new supplier

If YES, please describe the problems and how they were resolved. If they were not resolved, please indicate the problems that were not resolved. ______________________

____

OVER →

13. How do you feel about each of the following areas of the program? Please check the appropri box.

Area of the Program	Satisfied	Dissatisfied	Neither Satisfied Nor Dissatisfie
Prices			
Customer service			
Contract terms			
Freedom of choice			
Reliability/dependability			

14. Would you be interested in having Columbia Gas of Ohio's Customer Choice Program continue in your area?

❑ Yes ❑ No ❑ Not Sure

15. Do you think the program can be improved?

❑ Yes ❑ No ❑ Not Sure

If YES, how do you think the program should be improved? ______________________

____

16. Approximately what is your **ANNUAL** natural gas bill? $ ______________________

17. Please check the term that best describes your business:

❑ Agriculture, forestry, and fishing
❑ Finance, insurance, and real estate
❑ Mining
❑ Transportation and public utilities
❑ Wholesale trade
❑ Construction
❑ Manufacturing
❑ Retail trade
❑ Services (including medical, educational religious, and governmental organizations)
❑ Other ______________________

18. How would you classify your organization? Please check your response.

❑ For-profit ❑ Not-for-profit ❑ Government/Public

19. Please place a check next to the number of persons employed by your organization. Please checl only one box.

❑ 1-4 ❑ 5-10 ❑ 11-25 ❑ 26-100 ❑ 101-500 ❑ Greater than 500

20. Select the choice that best characterizes the area where your business is located. Please check onl one box.

❑ Rural ❑ Village/Town ❑ Suburban ❑ Urban

THANK YOU FOR RETURNING THIS BY FEBRUARY 20, 1998 IN THE PRE-PAID ENVELOPE PROVIDED.

Appendix 2

Baseline Study: Summary of Residential Conclusions and Recommendations

SUMMARY OF RESIDENTIAL CONCLUSIONS AND RECOMMENDATIONS

PIPP CUSTOMERS

Question 1
Conclusions and Recommendations

- It is important that the results of the Customer Choice Program be regularly monitored to assess the average savings that are being realized by the general customer population that is benefiting from market forces. An attempt could be made to capture the marginal savings experienced in the marketplace and apply those savings to the prices paid by PIPP customers. Additionally, there would be a lower contribution required to support the PIPP customers. A regular review of savings could result in a regular bidding cycle to serve the PIPP customers.

- As many of the PIPP customers are elderly, customer service issues should be closely monitored to ensure that service quality remains high. There are no market forces operating to ensure that customer service remains high; the ability to switch to a new supplier based on service issues is not possible for the PIPP customers. Older PIPP customers may be less aggressive about ensuring that their service quality remains high. Service should be monitored for problems and intervention steps taken when necessary.

- PIPP customers should be targeted for education in order to ensure their understanding of the program and their rights as customers of a monopoly provider. There could be some confusion among PIPP customers regarding the differences between their program and the competitive opportunities made to those in their communities. The educational materials could explain why their program has been established and how they are going to benefit from the new approach taken in the PIPP program. A part of this education effort should include information about who they can contact should they experience service problems.

CUSTOMER EDUCATION

Question 1
Unaware of choice
Conclusions and Recommendations

- There are 106 or 15.08% of the 703 residential respondents who identified themselves as customers "Not Aware of Choice" on the survey. This is a very large number of customers who do not know that they are being given a choice of a natural gas supplier. Unaware customers should be targeted for education in order to ensure that they know that the program exists and that they understand the program.

- Given the evident demographics of the unaware customers, lower income customers and older customers should be targeted for education in order to ensure their understanding of the program. This group should be considered when creating publicity and in the design of educational approaches and information materials for the Customer Choice Program.

Question 5
How useful was the information
Conclusions and Recommendations

- There are a considerable number of low education and low income residential customers who report that they do not have information to make a choice of a natural gas supplier. Without the necessary information to make their choice, these customers will be vulnerable in a competitive marketplace for gas. Special attention needs to be given to low income customers who are not PIPP customers to ensure that they receive information to assist them in making a choice.

Question 7
What information do you need to make a choice
Conclusions and Recommendations

- Residential customers need price information in order to make their choice of a natural gas supplier. It is critical that customer education efforts be focused on disseminating price information to customers in easily understood, clear and detailed materials. Information on other aspects of the Program and natural gas suppliers is important, but not nearly as important as the price information.

Question 8
What information was confusing
Conclusions and Recommendations

- More than half of the residential customers are confused about the Benefits and risks of the program. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Almost 40% of the residential respondents are confused about the Customer protections. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- More than 35% of the residential respondents are confused about "Customer rights and responsibilities." In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- More than 70% of the residential respondents are confused about "Pricing options or price comparisons." The survey analysis has made it quite apparent that "Pricing options or price comparisons" are the most important elements of the Customer Choice Program for the residential customer. For that reason, it is a critical problem that residential customers are confused about "Pricing options or price comparisons."

The viability of the marketplace depends on the customer's ability to understand how to determine the prices being offered by the different suppliers. Without this ability, customers cannot make informed choices. That approximately 70% of the residential respondents are confused about the "Pricing options or price comparisons" is a serious problem in the Customer Choice Program. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Almost 45% of the residential respondents are confused about "Terms of the contract." It is an important aspect of a viable marketplace that consumers are able to make informed decisions about their purchases. The proposed contractual terms between a company and the customer is an important consideration in making a choice. That approximately 45% of the residential respondents are confused about "Terms of the contract" is a serious problem in the Customer Choice Program. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Those residential customers who are 34 and under reported higher levels of confusion about the Customer Choice Program as compared to the other demographic categories in the study. Education efforts could take into account that these customers reported levels of confusion that were higher than the overall frequencies reported by the total residential population.

Question 10
Effective ways of getting you the information
Conclusions and Recommendations

- "Mail contact" and "Newspaper articles" were the only educational approaches that were identified by more than 40 percent of the population. Both of these approaches are effective for reaching the broadest group of residential customers. The next methods identified by residential customers are "Bill inserts" and "Advertisements." Both of these approaches reach fewer customers than "Mail contact" and "Newspaper articles," but are still effective for reaching more than one-quarter of the residential population. "Television and radio programs" are identified as an effective way to get information by almost 20% of the residential population. These educational methods would provide the most effective overall dissemination of information to the residential population.

- The most effective way to reach residential customers who are not interested in the Customer Choice Program is through a bill insert mailed by Columbia Gas of Ohio.

- The most effective way to reach residential customers who are somewhat interested in the Program is through "Mail contact from natural gas suppliers."

- The most effective way to reach residential customers who are very interested in the Program is through "Mail contact from natural gas suppliers."

- The most effective way to reach residential customers who have completed Primary or some high school or are College graduates is through "Newspaper articles."

- The most effective way to reach residential customers who have completed High school or Some college, associates or technical school, or Post-graduate degrees is through "Mail contact from natural gas suppliers."

- The most effective way to reach residential customers who are 34 and under, 35-49, and 65 and over is through "Mail contact from natural gas suppliers."

- The most effective way to reach residential customers who are 50-64 is through "Newspaper articles."

- The most effective way to reach residential customers with annual household incomes of Less than $10,500 and $25,000-$49,999 is through "Mail contact from natural gas suppliers."

- The most effective way to reach residential customers with annual household incomes of $10,500-$24,999, $50,000-$74,999, $75,000-$100,000 and Greater than $100,000 is through "Newspaper articles."

SELECTION PROCESS

Question 4
Current natural gas supplier
Conclusions and Recommendations

- Of the 428 respondents, 27 respondents or 6.31% wrote "do not know" as their answer. For those customers who have left Columbia Gas of Ohio, there are 26 customers who have selected Supplier 1 as their new supplier. This is the second highest selection after the 319 customers who have remained with Columbia Gas of Ohio. There are more customers who do not know their natural gas supplier than there are customers of any particular supplier other than Columbia Gas of Ohio. This is a considerably high number of customers who are very confused about the Program; one can not conclude that people are making an informed decision in the marketplace, if they cannot identify their current supplier of natural gas. The rational selection of a supplier depends on customers making informed decisions. Education efforts must include a way for the customer to identify their natural gas supplier.

- There does appear to be a relationship between the customers' level of satisfaction with Columbia Gas and whether they remain with the Company or select a different natural gas supplier. With the exception of the customers who rate the Company as "Very poor," as the level of satisfaction with the Company declines, the number of people selecting a new supplier increases. Given the relationship between level of satisfaction and the customer's current natural gas supplier, it is possible that with the overall high rating of satisfaction with Columbia Gas, a high number of customers may remain with Columbia Gas. It is also possible that with the singularly central issue of price for the customer, prices may have to be markedly lower than Columbia's price for natural gas before customers who have a high rating of Columbia Gas decide to select a new supplier.

- Information is a central issue in the selection process. For those customers who have not received information, 95.83% have remained with Columbia Gas of Ohio. As the rating of the usefulness of the information received increases, the number of respondents selecting a supplier other than Columbia Gas of Ohio also increases. The highest number of respondents who have selected a different supplier found the information very useful. The lowest number of respondents selecting a different supplier rated the information as not useful. Conversely, the lower the rating of the information by the customer, the higher the number of respondents who remain with Columbia Gas. It is imperative that if customers are to make a selection of a new supplier, they must first be offered information about the Program and about their choices. Additionally, customers are not going to make a choice of a different supplier unless they are offered information they consider as useful in making those choices.

- Level of interest in the Program does impact participation level. People who indicated that they were "Very interested" in the program were more likely to have selected a new supplier. Intuitively, this would be the expected response. Customers who are reportedly "Somewhat interested" in the program do not appear to be more likely to select a new supplier relative to those who are "Not interested." For those customers who are very interested in the Program, 31.10% have selected a new supplier. For those customers who are not interested in the Program, only 9.09% have selected a new supplier. For those customers who are somewhat interested in the Program, only 8.4% have selected a new supplier. Very few of the customers who are not interested or are somewhat interested in the Program are selecting a new supplier of natural gas. To the extent that selecting a new supplier is a goal of the Customer Choice Program, there is going to have to be an effort made to stimulate interest in the Program for the Columbia Gas Customers. In conjunction with the focus on price communicated by the customers, it is likely that interest in the Program is going to be stimulated by a demonstration that the price of natural gas offered by the other natural gas suppliers is markedly lower than that offered by Columbia Gas of Ohio.

- If customers experience a problem in the selection process, they are less likely to select a new supplier. Conversely, if no problems are experienced, they are more likely to select a new supplier. Those customers who have not experienced problems in selecting a supplier are almost twice as likely to select a supplier as those customers who have selected a new supplier. To the extent that the objective of the Customer Choice Program is to encourage customers to select a new supplier, it is important to address the problems that are being experienced by the customers in the selection process. It appears as though the problems are an impediment to the customers making a choice of a new supplier.

- Those customers who have annual household incomes of less than $25,000 have the fewest proportionate number of customers who have selected a supplier other than Columbia Gas of Ohio. The highest proportionate numbers of customers selecting a new supplier have household incomes of $25,000 and greater. The highest proportionate response of those selecting a different supplier was reported by the highest category of household incomes (Greater than $100,000). From the results of this analysis it appears as though customers with the lowest incomes are the least likely to make a choice of a different natural gas supplier. If customers who are leaving Columbia Gas of Ohio are paying less for their natural gas, those households with the lowest incomes are not experiencing these savings. It is important to keep in mind that none of these lower income respondents are PIPP customers. It is not possible to explain from the data collected why these customers are not making a selection. It is important that the reasons for this pattern be identified and an attempt made to encourage their participation in the selection process. The benefits from lower natural gas prices could be the most substantial for those households with the lowest incomes.

Question 5
Rating the usefulness of the information
Conclusions and Recommendations

- The customers have offered a moderately positive evaluation of the information that has been provided to them to make a choice of a natural gas supplier. That there are more than 20% of the respondents that report that the information was not useful to make a choice is a critical number. Additionally, there are more than 7% of the respondents who indicated that they did not receive any information to make their choice of a supplier. It is fairly clear from the research that customers are not likely to make a decision to choose a new supplier unless they receive information they consider useful in making this selection. There are 30% of the respondents who do not consider the information useful or have not received any information who are impeded from making a selection of a natural gas supplier. Both the quality of the information and the methods for disseminating information should be reviewed to address this problem.

- Interest level does not seem to impact the likelihood of having received information in the direction that might be anticipated. Of those who are "not interested" in the program, 4.08% reported that they don't have any information. This compares with 10.30% for those who are "somewhat interested" and 6.75% for those reported as "very interested." It might very well have been expected that those with an interest in the program would have made more of an effort to obtain details on the program, but a review of the numbers indicates otherwise. One possible explanation for this apparent anomaly is that as interest level increases, so too might the standards that the customer applies. It is quite possible that those with an interest in the program desire more information than other customers, and this tendency may be reflected in the responses. What may seem like sufficient information for a customer that is not interested in the program, may very well not be sufficient for an individual with an interest in participating in the program. From the perspective of selection process, this seems to indicate that customers with an interest in the program require additional details on the program and the various options.

- Across the age categories fairly similar proportions reported that they have received information. However, this is not the case for education. Of those respondents that did not complete high school, 25% reported that they have not received any information. This percentage is substantially higher than reported across the other education categories. For customers at the lower end of education level, not receiving information is a serious impediment to their participation in the Program. This problem should be addressed in the consideration of information dissemination strategies.

- The percentage of respondents in the "Less than $10,500" category who have not received information is substantially higher than in the other income categories. For customers at the lower end of household income, not receiving information is a serious impediment to their participation in the Program. This problem should be addressed in the consideration of information dissemination strategies.

Question 7
Information needed to make a choice of a natural gas supplier
Conclusions and Recommendations

- Over 80% of the residential customers have identified price information as the information they need to make a choice of a natural gas supplier. There are other issues of concern to the customer, as enumerated by the concepts listed in the table, but price is the major focus of consumers.

Question 8
Information about the natural gas suppliers that has been confusing
Conclusions and Recommendations

- By simply referencing the frequencies, it appears clear that pricing information is the primary concern. Nearly three-quarters of the respondents indicated that they find the pricing information they received to be confusing. This finding, combined with the knowledge that perceived cost savings is the factor motivating most participants, highlights an area of major concern. Insufficient data in the area deemed most critical by the potential participants will likely (1) deter participation in the program, and (2) result in questionable decisions, which may adversely impact the customers' satisfaction with the program. In addition to pricing, more than one-third of the respondents are confused about the following items: benefits/risks of the program, terms of the contract, customer protections, and customer rights/responsibilities. With this program, the customers are presented with the opportunity of selecting a gas supplier, yet they remain confused about many of the major components of the program. It therefore appears clear that steps need to be taken to provide clearer, perhaps more detailed, information.

- Overall, there is a higher than desired amount of confusion on a number of important topics related to the program. From the perspective of selection process, this uncertainty can only hinder the process. It is unlikely that customers will be making appropriate decisions if they remain unclear about pricing provisions or benefits/risks, or any of the other major elements of the program. This uncertainty will potentially reduce participation in the program or reduce the satisfaction with the program, either of which will have negative impacts. The current levels of confusion, while unacceptably high, are apparently independent of education and age. Therefore, customers are presumably receiving much of the same information and are exhibiting similar capabilities for interpreting the data. It is important that this balance be maintained as overall confusion levels are minimized.

Question 11
Factors considered in making a choice of a natural gas supplier
Conclusions and Recommendations

- There were 404 out of 505 customers responding that price was an important factor considered when making a choice of a natural gas supplier. Throughout the survey, customers have indicated that price will be or has been the driving factor in their choice. Reliability of gas supply was a response indicated by 268 of the 505 customers. Not only do customers want the lowest priced gas, but that gas supply also has to be reliable. Again this is not surprising. Based on these results, it will likely be important that reliability of supply be, at least to some degree, subject to Commission oversight in order to ensure that customers' interests are protected and that reliable gas supply is offered to all customer classes. Other important factors indicated by the respondents included terms of contract and length of contract. It will be important that the Public Utilities Commission, Ohio Consumers' Counsel, Columbia Gas of Ohio, and other suppliers and marketers educate customers about the contract terms into which they are entering. It is imperative that customers get clear, concise information regarding the contracts they are entering because they may possibly shy way from selecting a natural gas supplier due to confusion, fear, or misunderstanding. Such unwillingness to participate could prevent the Program from achieving its potential. Customers also responded that Billing, Customer service, and Reputation were important factors, indicating that not only do customers want lower priced choices, but they want quality customer service with a reputable supplier. It will be important as choice becomes more available to all customer classes that customer service and quality be maintained. Although many factors were considered important to the respondents, clearly price is the driving factor when choosing a supplier.

- Price is clearly the primary focus for customers when considering the selection of a new supplier. The degree to which Price is considered, while always quite high, is impacted by several variables. There is an inverse relationship between satisfaction with Columbia Gas and the likelihood of factoring in Price. Similarly, customers of Columbia Gas are less likely to consider Price, while customers who have selected a new supplier are placing a higher priority on pricing issues. There is a direct linear relationship between interest levels in the program and Price, and conversely there is generally an inverse relationship between Price and age. As expected, there is a relationship between one's monthly bill and Price, with customers with an above average monthly bill being more likely to consider Price.

- Respondents who have selected an "other supplier" are much less likely to have considered Reliable Gas Supply as a factor in their choice. It is likely that the traditional regulated supplier is perceived as having the highest reliability. Therefore, if a customer elects to stay with Columbia Gas, it is reasonable to believe that reliability played a part in the decision. Conversely, a willingness to depart from the traditional supplier perhaps indicates a willingness to compromise reliability, *to some degree*, in exchange for other incentives. This would explain the relatively low percentage of customers within the "other supplier" category who considered reliability. The proportions for customers of Columbia Energy Services are interesting in that they closely mimic those of Columbia Gas. Apparently these customers perceive the reliability of Columbia Energy Services to be greater than that of the "other suppliers," perhaps because of its relationship to the traditional regulated supplier. The vast majority of respondents who considered reliability elected to remain with Columbia Gas. Of those that considered reliability and still selected a new supplier, it appears that Columbia Energy Services is the more likely option.

- More than 50% of the respondents cited Reliable Gas Supply as one of the factors that they would consider when selecting a supplier. After Price, reliability is the most important factor in the minds of the respondents. This conveys not only the inconvenience that is associated with the loss of supply, but also the health and safety implications. The degree to which reliability is considered is impacted by 3 variables: natural gas supplier, interest in the program, and average monthly bill. Customers served by "other suppliers" placed relatively less importance on reliability. Also, customers with no interest in the program placed less importance on reliability than those with at least some interest. Finally, those with above average bills placed a relatively higher emphasis on the topic of reliability. Relative to those with lower bills, the proportions above indicate that customers with above average monthly bills place more emphasis on reliability. One possible explanation for this is that customers with higher bills have a higher monetary investment in their gas supply, and therefore have higher expectations of service. These higher standards might then translate to an increased interest in reliability issues. Another explanation, not totally unrelated to the first, is that customers with above average bills also have above average consumption. Therefore, as the quantities of gas supplied increase, so too might the importance placed on reliability.

- Of all the factors being considered by the respondents, price is clearly the primary issue in the minds of the customers. In addition, secondary emphasis is being placed on such items as reliability of supply, terms and length of the contract, billing, customer service, and reputation. Individuals who have selected a new supplier appear willing to compromise certain things (i.e., reputation) in the pursuit of cost savings. This is reflective of the informal cost-benefits analyses that are likely occurring as the customers consider their participation.

- The independent variable of Natural Gas Supplier (Question 4) clearly had the most impact in terms of what factors were being considered in the selection process. In fact, Question 4 was found to significantly impact 8 of the 9 factors listed. The proportions demonstrate trends in the selection process and rough profiles can be established. A customer of Columbia Energy Services is a customer who is interested in switching suppliers largely due to reduce costs, but is reluctant to relinquish some of the securities of the regulated supplier (i.e., reliability, reputation, name recognition, and billing). This segment of customers appears to view Columbia Energy Services as almost a middle point between the traditional supplier and the market, likely because of its affiliation with Columbia Gas. A customer of one of the "other suppliers" is focusing on price, but not to the total exclusion of other factors. Such items as reliability, contract length and terms, customer service, and billing are all weighted equally by these customers. Name recognition and customer education are of no importance to this group. Customers who have remained with Columbia Gas are concerned about Price, but do not appear convinced that potential cost savings are sufficient to overcome other potentially negative aspects of participating in the program. These customers place a high priority on reliability, and apparently have more confidence in Columbia Gas in this area. These customers have also looked at such items as contract length and terms, and appear to be more comfortable operating under the traditional regulated environment.

Question 12
Problems in choosing a natural gas supplier
Conclusions and Recommendations

- There is a statistically significant relationship between the respondents' assessments of the information they have received in terms of its usefulness in the selection process and whether they have experienced problems when making a selection. Of the 74 respondents who indicated that they found the information to be "Very Useful," only 13 or 18% reported having experienced problems in making their selection. Conversely, of the 90 respondents who described the information as "Not useful," 58 or 64% reported having experienced problems. It is imperative that the customers be provided with useful information in order to reduce the problems they are experiencing in the selection process. The composition of these materials has been made apparent from the other sections of this study.

- The 5 most frequently cited problems in the selection process are all related to information. They involve such aspects as a perceived lack of information, an inability to decipher the information, and concerns about bias. It therefore seems reasonable to believe that improvements in communication could mitigate several of the more major impediments to participating in the program. Improvements in the area of communication, marketing and education would likely be the responsibility of all organizations participating in the program. The customers need to make efforts to ensure that they have all relevant information that is available. Conversely, the suppliers must ensure that the relevant information is, in fact, readily available. Of particular importance is price data and comparative data. This information, while perhaps somewhat complex by nature, must be simplified to the greatest extent practicable. Finally, it is not sufficient to simply put the information in the customers' hands. The parties must be available to answer questions and provide clarifications. This would include efforts by the suppliers, as well as by agencies such as the PUCO and the OCC. It appears as though only through a cohesive and complete communications effort will the respondents be prepared to fully embrace the program.

Question 17
Reasons for not selecting a new supplier
Conclusions and Recommendations

- The most commonly cited reason for having not selected a new supplier was a perceived lack of information. As has been determined from other areas of this study, the information customers are seeking concerns price information and comparative data. The second most common response indicated a current level of satisfaction with Columbia Gas. These respondents either do not believe participating in the program will provide benefits, or instead believe that disadvantages will offset any advantages. Therefore, they have concluded that it is in their best interests to remain with Columbia Gas. The third most common response cited was a sense of skepticism. This may be related to the perceived lack of information or it may be reflective of the newness of the market mechanism. Due to the differences in design between Columbia's Customer Choice and the market under a regulated environment, customers are presented with opportunities to which they are not accustomed. The Customer Choice Program also presents them with decisions for which they were not previously responsible. Change is often viewed by society with some skepticism, and this trend may be conveyed by this response to Question 17. Customer education directed at the issues identified in the study should serve to address some of the problems that customers have identified as reasons they have not made a selection. As is also evident from this result, there are customers who will remain with Columbia Gas of Ohio because they are satisfied with their overall service.

Question 18
Reasons for selecting a new supplier
Conclusions and Recommendations

- The overwhelming response offered by residential customers for the reason that they have selected a new supplier is the potential cost savings. This result reinforces a fundamental finding in this research. The Customer Choice Program's success hinges largely on the cost savings being recognized. If the cost savings are only theoretical, the data indicates that the customers will not be satisfied with the program.

PROBLEMS WITH NEW SUPPLIER

Question 13
Conclusions and Recommendations

- For those respondents who have selected a new supplier, service problems are not pervasive. The problems that were reported by customers involve confusion or misunderstandings. It is possible that these problems could be ameliorated with improved communications efforts, as well as enhanced educational efforts. All of the customers who identified service problems in Question 13 reported that they want the Program continued in their response to Question 16. Although a small percentage of respondents have experienced service problems, they apparently were not of a magnitude sufficient to overcome the benefits of the program.

MARKET VIABILITY

Conclusions and Recommendations

- In April 1997, one month prior to the issuance of the survey, there were approximately 11 approved marketers or providers under Columbia's Customer Choice Program. However, not all of the providers were fully prepared and able to supply gas at this time. Therefore, at the time the survey was administered, the residential customers actually had approximately 9 providers available to them from which to choose. As demonstrated by the responses to Question 4, it is apparent that all of these suppliers are being utilized by Program participants, although to varying degrees. This at least demonstrates that there are numerous options available to the participants and seems to represent an opportunity for customers to benefit as a result of competition among the numerous marketers. However, it should be kept in mind that the "market" faces an artificial constraint, that being the price ceiling established by the regulated utility. Therefore, it is unreasonable to evaluate the conditions under this Program as one might most markets.

- While there are choices, the majority of the respondents have remained customers of Columbia Gas of Ohio. There were 74.53% of the 428 total respondents reporting that their natural gas supplier was Columbia Gas of Ohio. Columbia Energy Services was listed as the supplier of choice among 21 or 4.91% of the respondents. From the perspective of market share, there is certainly not full competition in the marketplace for natural gas.

- It is fairly clear from the research that customers are not likely to make a decision to choose a new supplier unless they receive information they consider useful in making this selection. There are 30% of the respondents who do not consider the information useful or have not received any information who are impeded from making a selection of a natural gas supplier. It appears clear that pricing information is the primary concern for customers in the selection process. Nearly three-quarters of the respondents indicated that they find the pricing information they received to be confusing. This finding, combined with the knowledge that perceived cost savings is the factor motivating most participants, highlights an area of major concern. Insufficient data in the area deemed most critical by the potential participants will likely (1) deter participation in the program, and (2) result in questionable decisions, which may adversely impact the customers' satisfaction with the program.

- Overall, there is a higher than desired amount of confusion on a number of important topics related to the program. It is unlikely that customers will be making appropriate decisions if they remain unclear about pricing provisions or benefits/risks, or any of the other major elements of the program. This uncertainty will potentially reduce participation in the program or reduce the satisfaction with the program, either of which will have negative impacts.

- An effective market assumes that customers are making rational and informed decisions. It is a fundamental finding of this research that customers are primarily concerned about price in making their decision and that they are the most confused about pricing options and price comparisons. There is additional confusion surrounding other important elements of the Program. Additionally, the research has demonstrated that there are large numbers of customers who are not receiving the information they need to make their choice of a natural gas supplier. It is also clear that customers will not make a selection without having useful information upon which to base their choice. For these reasons, it seems reasonable to conclude from customer behavior and opinions that there are serious impediments in the marketplace which hinder the development of full competition for natural gas.

EXPECTED BENEFITS

Question 14
Conclusions and Recommendations

- Those residential respondents who are older than 65 years of age are less inclined to identify benefits from having a choice as compared to the total residential sample. Elderly customers should be monitored during the transition to a competitive marketplace to ensure that they are receiving the same benefits as the general residential population. To the extent that customer education can be targeted to this group, it could assist in their adaptation to the Customer Choice Program.

- Those residential respondents who have annual household incomes less than $10,500 are less inclined to identify benefits from having a choice as compared to the total residential sample. These are customers, for whatever reason, who have very low incomes and are not PIPP customers. This group of economically marginalized customers should be monitored during the transition to a competitive marketplace to ensure that they are receiving the same benefits as the general residential population. To the extent that customer education can be targeted to this group, it could assist in their adaptation to the Customer Choice Program.

- The residential customer population should be monitored during the transition to a competitive marketplace for natural gas to ensure that their gas prices decline as compared to what they currently pay for natural gas. Should gas prices increase, residential customers are not going to be satisfied with the Customer Choice Program.

- The residential customer population should be monitored during the transition to a competitive marketplace for natural gas to ensure that their service improves as compared to their current service, without any decline in service reliability. Should there be a decline in service, residential customers are likely going to be less satisfied with the Customer Choice Program.

EXPECTED PROBLEMS

Question 15
Conclusions and Recommendations

- To the extent that customer satisfaction with the Customer Choice Program should be a determinant of market practices, natural gas prices should be monitored in the residential market to ensure that prices do not increase during the transition to a competitive marketplace for gas. A concern for increased prices was the most frequently mentioned expected problem with having a choice. Coupled with the expected benefit of lower prices, should gas prices increase, residential customers will be completely dissatisfied with the Customer Choice Program.

- Customer education efforts should be continued during the transition to a competitive marketplace for natural gas. A primary concern for those customers who expect problems with having a choice was general confusion about the Program. There were related issues surrounding the selection process that were noted by respondents, such as "too many choices." Customer education programs designed to assist consumers in being prepared to make informed decisions should be a priority. Education programs should be monitored to ensure that all customers are receiving information and that they find the information useful in making decisions. Finally, customers should be monitored to ensure that the level of confusion about making choices of natural gas suppliers is decreasing as customers acquire more experience in the natural gas marketplace.

- Natural gas supplier sales practices should be monitored to ensure that these practices are consistent with the established code of conduct. Should any of the issues noted by customers as expected problems with having a choice arise surrounding the marketing of natural gas, the Commission should consider ways to mitigate these problems.

- Customer service issues should be monitored to ensure that the customers' level of satisfaction with natural gas service remains high. This high level of customer service should apply to all natural gas suppliers. Should any of the issues noted by customers as expected problems with having a choice arise surrounding customer service, the Commission should consider ways to mitigate these problems.

SHOULD THE PROGRAM BE CONTINUED

Question 16
Conclusions and Recommendations

- To the extent that customer opinion is an influence on the Commission's decision to continue the Customer Choice Program, the results of the study offer overwhelming support for having the Program continued for residential customers.

- There is some uncertainty about the Choice Program among customers who are in the 65 and older age category. If the Choice Program is continued, this group should be monitored to ensure that they are effectively adapting to a marketplace for natural gas. Customer education should also be specifically targeted to this group to assist them in transitioning to a market environment.

- There is some uncertainty about the Choice Program among customers who have annual household incomes below $25,000. If the Choice Program is continued, this group should be monitored to ensure that they are effectively adapting to a marketplace for natural gas. Customer education should be specifically targeted to this group to assist them in transitioning to a market environment.

- The research included an analysis of the relationship between whether customers expect benefits from the Program and their interest in having the Program continued. There was also an analysis of the relationship between whether customers expect problems from the Program and their interest in having the Program continued. The results of the benefits and problems analyses indicate that how customers perceive the future of the Program is dependent, to some extent, on whether they believe they will derive benefits from the Program or will have problems to deal with from the Program. These relationships offer some insight into the type of analysis that customers might be engaged in to assess the value of the Program (having a choice of natural gas suppliers). It also provides some perspective regarding how the customer evaluates their level of interest and their decision to choose a supplier other than Columbia Gas. Customers appear to be engaged in a cost-benefit analysis, weighing the value of the expected benefits against the burden of the expected problems. During the time the survey was administered, the results indicate that those expecting benefits overwhelmingly outnumber those who expect problems, and there is a concomitant high level of interest in the Program and desire to have it continued as a result. This analysis provides a tool for monitoring the Program and for evaluating the customer satisfaction with the Program. Should the problems surrounding the Program increase such that problems begin to be perceived as greater than the value of the benefits, it may be assumed that customers are not going to be satisfied with the Program. For instance, so long as prices decrease, customers may be willing to tolerate some level of dissatisfaction with selection problems or customer service problems. Should prices not drop far enough to meet customer expectations, or worse, should prices increase, the ability of customers to tolerate problems will be diminished. Customers have communicated fairly clearly how they will evaluate the success of the Program. They have also provided a valuable tool for monitoring the progress of the Customer Choice Program. This tool should be employed to regularly assess customer satisfaction with the Program.

Appendix 3

Baseline Study: Summary of Business Conclusions and Recommendations

SUMMARY OF BUSINESS CONCLUSIONS AND RECOMMENDATIONS

CUSTOMER EDUCATION

Question 1
Unaware of Choice
Conclusions and Recommendations

- There are 32 or 4.71% of the 680 business respondents who identified themselves as customers "Not Aware of Choice" on the survey. This is a large number of business customers who do not know that they are being given a choice of a natural gas supplier. Unaware customers should be targeted for education in order to ensure that they know that the program exists and that they understand the program. From the demographic analysis, it may be possible to target customer education to address the needs of these customers. The unaware customers were higher among the "Manufacturing," "Construction," and "Transportation" sectors as compared to the general business population.

Question 5
How useful was the information
Conclusions and Recommendations

- Taken as a whole, the results seem to reveal a fairly positive assessment of the usefulness of the information that customers received to assist them in making a choice. Those who are not interested in the Program offer slightly lower ratings of the information than those who are somewhat and very interested in the Program. For those customers who are interested in the Customer Choice Program, it is likely that they are seeking out information to learn about their options. It is also likely that they are interested in receiving more details about the Program than those who are not interested. It may be assumed, therefore, that those customers who are more interested in the Program would evaluate the information with higher expectations than those who are not interested. It is a fairly positive result that those who are more interested in the Program are finding the information more useful than those who are not interested in the Program.

- It is very interesting and of some concern, that of the 32 business customers who report that they do not have information, 25 of them have indicated that they are very interested in the Program. That there are 25 customers who report that they are very interested in the Program, and have not received information from any of the sources that were providing it is a problem.

Question 7
What information do you need to make a choice
Conclusions and Recommendations

- Almost 95% of the business customers have identified price information as the information they need to make a choice of a natural gas supplier. There are other issues of concern to the customers, but price is their major focus. It is critical that customer education efforts be focused on disseminating price information to customers in easily understood, clear and detailed materials. Information on other aspects of the Program is important, but not nearly as important as the price information.

Question 8
What information was confusing
Conclusions and Recommendations

- Almost half of the business customers are confused about the Benefits and risks of the program. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Approximately one-quarter of the business respondents are confused about the Customer protections. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Approximately one-quarter of the business respondents are confused about the Customer rights and responsibilities. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Approximately 70% of the business respondents are confused about Pricing options or price comparisons. The survey analysis has made it quite apparent that Pricing options or price comparisons are the most important elements of the Customer Choice Program for the business customer. For that reason, it is a critical problem that business customers are confused about pricing options or price comparisons. The viability of the marketplace depends on the customer's ability to understand how to determine the prices being offered by the different suppliers. Without this ability, customers cannot make informed choices. That approximately 70% of the business respondents are confused about the Pricing options or price comparisons is a serious problem in the Customer Choice Program. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- Approximately 35% of the business respondents are confused about Terms of the contract. It is an important aspect of a viable marketplace that consumers are able to make informed decisions about their purchases. The proposed contractual terms between a company and the customer is an important consideration in making a choice. That approximately 35% of the business respondents are confused about Terms of the contract is a serious problem in the Customer Choice Program. In order to foster a viable marketplace for natural gas, customer education efforts should focus on this aspect of the Customer Choice Program.

- The Transportation and public utilities sector and the Government/public organizations reported higher levels of confusion about the Customer Choice Program, as compared to the other demographic categories in the study. Education efforts could take into account that these businesses reported levels of confusion that were higher than the overall frequencies reported by the total business population.

Question 10
Effective ways of getting you information
Conclusions and Recommendations

- Mail contact from natural gas suppliers was the only educational approach that was identified by more than 40% of the population. This is the approach that has been identified as the most effective way to reach the broadest group of business customers. The next method identified by the business customers is Newspaper articles, followed by Advertisements. Both of these methods might reach fewer customers than Mail contact, but were identified as preferences by a third and a quarter of the population, respectively. Columbia Gas of Ohio Bill inserts and Telephone contact from natural gas suppliers were identified as effective ways to get information by approximately 20% of the business population. These educational methods would provide the most effective overall dissemination of information to the business population.

- Whether business customers are very interested, somewhat interested or not interested in the Customer Choice Program, the most effective way to reach them is through Mail contact from a natural gas supplier.

- The most effective way to reach business customers who are from the Agriculture, forestry, and fishing sector is through Advertisements.

- The most effective way to reach business customers who are from the Construction, Manufacturing, Retail trade, Services, and Wholesale trade sectors is through Mail contact from natural gas suppliers.

- The most effective way to reach business customers who are from the Finance, insurance, real estate sector is through Newspaper articles.

- The most effective way to reach business customers who are from the Transportation and public utilities sector is through Columbia Gas of Ohio - bill inserts.

- The most effective way to reach customers who are from For-profit and Not-for-profit organizations is through Mail contact from natural gas suppliers.

- The most effective way to reach customers who are from Government/public organizations is through Columbia Gas of Ohio - bill inserts.

- The most effective way to reach business customers with 1-4, 5-10, 11-25, 26-100 and Greater than 500 employees is through Mail contact from natural gas suppliers.

- The most effective way to reach business customers with 101-500 employees is through Newspaper articles.

SELECTION PROCESS

Question 4
Current natural gas supplier
Conclusions and Recommendations

- There are 9 respondents who reported that they do not know their current natural gas supplier. This is not a high number, but it is evidence of some confusion about the Program. Businesses cannot be making informed decisions in the marketplace if they cannot identify their current supplier of natural gas. The rational selection of a supplier depends on customers making informed decisions. Education efforts must include a way for customers to identify their natural gas supplier.

- Information is a central issue in the selection process. For those customers who have not received information, 71.43% have remained with Columbia Gas of Ohio. Twenty-eight respondents reported that they had received no information. It is interesting that 8 of these respondents made a selection of a new supplier without having received any information to assist them in making their choice. As the rating of the usefulness of the information received increases, the number of respondents selecting a supplier other than Columbia Gas of Ohio also increases. The highest number of respondents who have selected a different supplier found the information very useful. The lowest number of respondents selecting a different supplier rated the information as not useful. Conversely, the lower the rating of the information by the customer, the higher the number of respondents who remain with Columbia Gas. It is imperative that if customers are to make a selection of a new supplier, they must first be offered information about the Program and about their choices. Additionally, most customers are not going to make a choice of a different supplier unless they are offered information they consider as useful in making those choices.

- Interest level in the Program does impact participation level. People who indicated that they were "Very interested" in the program were more likely to have selected a new supplier. Customers who are reportedly "Somewhat interested" in the program do not appear to be more likely to select a new supplier relative to those who are "Not interested." For those customers who are very interested in the Program, 56.63%

have selected a new supplier. For those customers who are not interested in the Program, 41.93% have selected a new supplier. For those customers who are somewhat interested in the Program, 30.67% have selected a new supplier. Fewer customers who are not interested or are somewhat interested in the Program are selecting a new supplier of natural gas as compared to those customers who are very interested. To the extent that selecting a new supplier is a goal of the Customer Choice Program, there is going to have to be an effort made to stimulate more interest in the Program for the Columbia Gas Customers. In conjunction with the focus on price communicated by the customers, it is likely that interest in the Program is going to be stimulated by a demonstration that the price of natural gas offered by the other natural gas suppliers is markedly lower than that offered by Columbia Gas of Ohio.

- If customers experience problems in the selection process, they are less likely to select a new supplier. Conversely, if no problems are experienced, they are more likely to select a new supplier. There are 56.50% of the respondents who have not experienced problems in selecting a supplier and who have selected a supplier other than Columbia Gas of Ohio. There are 32.65% of the respondents who have experienced problems in selecting a supplier and who have selected a supplier other than Columbia Gas of Ohio. To the extent that the success of the Customer Choice Program is to encourage customers to select a new supplier, it is important to address the problems that are being experienced by the customers in the selection process. It appears as though the problems are an impediment for some of the customers in making a choice of a new supplier.

- Larger companies are more likely to select a new supplier, and smaller companies are more likely to remain with Columbia Gas of Ohio. Throughout this survey, respondents indicated that price was the primary factor motivating participation in the program. With that being the case, a larger company with, presumably, a larger gas bill would have a relatively greater incentive to select a new supplier. On the other hand, a smaller company may not anticipate the financial savings necessary to justify a departure from Columbia Gas. The study has also demonstrated the importance of having information in order to make a choice of a natural gas supplier. Larger companies would have more resources to devote to learning about the Program and finding the information they require to make their choice. Finally, it may be the case that the natural gas suppliers, recognizing the higher consumption levels of larger businesses, have concentrated more attention on these customers in marketing their natural gas.

Question 5
Rating the usefulness of the information
Conclusions and Recommendations

- The customers have offered a moderately positive evaluation of the information that has been provided to them to make a choice of a natural gas supplier. That there are 15.70% of the respondents that report that the information was not useful to make a choice is a critical number. Additionally, there are more then 5% of the respondents who indicated that they did not receive any information to make their choice of a supplier. It is fairly clear from the research that customers are not likely to make a decision to choose a new supplier unless they receive information they consider useful in making this selection. There are 20% of the respondents who do not consider the information useful or have not received any information who are impeded from making a selection of a natural gas supplier. Both the quality of the information and the methods for disseminating information should be reviewed to address this problem.

- Interest level does not seem to impact the likelihood of having received information in the direction that might be anticipated. Of those who are "not interested" in the program, 4.41% reported that they don't have any information. This compares with 2.20% for those who are "somewhat interested" and 7.18% for those reported as "very interested." It might very well have been expected that those with a strong interest in the program would have made more of an effort to obtain details on the program, but a review of the numbers indicates otherwise. One possible explanation for this apparent anomaly is that as interest level increases, so too might the standards that the customer applies. It is quite possible that those with a strong interest in the program desire more information than other customers, and this tendency may be reflected in the responses. What may seem like sufficient information for a customer that is not interested in the program, may very well not be sufficient for an individual with a strong interest in participating in the program. From the perspective of selection process, this seems to indicate that customers that are very interested in the program require additional details on the program and the various options.

Question 7
Information needed to make a choice of a natural gas supplier
Conclusions and Recommendations

- Almost 95% of the business customers have identified price information as the information they need to make a choice of a natural gas supplier. There are other issues of concern to the customer, but price is the major focus of consumers.

Question 8
Information about the natural gas suppliers that has been confusing
Conclusions and Recommendations

- It appears clear that pricing information is the primary concern. Nearly 70% of the respondents indicated that they find the pricing information they received to be confusing. This finding, combined with the knowledge that perceived cost savings is the factor motivating most participants, highlights an area of major concern. Insufficient data in the area deemed most critical by the potential participants will likely (1) deter participation in the program, and (2) result in questionable decisions, which may adversely impact the customers' satisfaction with the program. In addition to pricing, more than one-third of the respondents are confused about the following items: "Benefits/risks of the program" and "Terms of the contract." Finally, more than 25% are confused about "Customer protections" and "Customer rights/responsibilities." With this program, the customers are presented with the opportunity of selecting a gas supplier, yet they remain confused about many of the major components of the program. It therefore appears clear that steps need to be taken to provide clearer, perhaps more detailed, information.

- Overall, there is a higher than desired amount of confusion on a number of important topics related to the program. From the perspective of selection process, this uncertainty can only hinder the process. It is unlikely that customers will be making appropriate decisions if they remain unclear about pricing provisions or benefits/risks, or any of the other major elements of the program. This uncertainty will potentially reduce participation in the program or reduce the satisfaction with the program, either of which will have negative impacts.

Question 11
Factors considered in making a choice of a natural gas supplier
Conclusions and Recommendations

- There were 563 out of 648 business customers responding that price was an important factor considered when making a choice of a natural gas supplier. Throughout this survey, customers have indicated that price will be or has been the driving factor in their choice. Reliability of gas supply was a response indicated by 310 of the 648 customers. Not only do customers want the lowest priced gas, but that gas supply also has to be reliable. Again this is not surprising. Based on these results, it will likely be important that reliability of supply be, at least to some degree, subject to Commission oversight in order to ensure that customers' interests are protected and that reliable gas supply is offered to all customer classes. Other important factors indicated by the respondents included terms of contract and length of contract. It will be important that the Public Utilities Commission, Columbia Gas of Ohio, and other suppliers/marketers educate customers about the contract terms into which they are entering. It is imperative that customers get clear, concise information regarding the contracts they are entering because they may possibly shy way from selecting a natural gas supplier due to confusion, fear, or misunderstanding. Such unwillingness to participate could prevent the program from achieving its potential. Customers also responded that Billing, Customer service, and Reputation were important factors indicating that not only do customers want lower priced choices, but that they want excellent customer service with a reputable supplier. It will be important that as choice becomes more available to all customer classes, customer service and quality be maintained. Although many factors were considered important to the respondents, clearly price is the deciding factor when choosing a supplier.

- Customers of Columbia Gas are more likely to consider Customer service when making their selection. This could be interpreted to suggest that the level of customer service provided by Columbia Gas is largely acceptable. The customers of Columbia Gas are placing the highest priority on Customer service, yet they have elected to remain with Columbia Gas. Therefore, they apparently either are satisfied with this aspect of Columbia's service, or they are not confident that another supplier would provide a similar level of service. The customers who have selected a new supplier have done so with minimal emphasis on Customer service. If a customer has remained with Columbia Gas, it seems the customer is placing a larger importance on Customer service. Similarly, if a customer selects a new supplier, it appears that the customer is motivated by factors other than Customer service. If a customer has remained with Columbia Gas, it seems the customer is placing a larger importance on Customer service. Similarly, if a customer selects a new supplier, it appears that the customer is motivated by factors other than Customer service. It also seems that customers who are "not interested" in the program are less likely to consider Customer service than those with at least some interest in the program. Customer service does not seem to be the driving force behind any decisions to switch suppliers.

- The percentage of respondents who considered name recognition is similar for both Columbia Gas of Ohio and "Other" suppliers. Somewhat surprisingly, the customers of Columbia Energy Services (CES) reportedly placed the greatest importance on Name recognition. Assuming that name recognition is greatest for the traditional regulated supplier, it might reasonably have been expected that customers of Columbia Gas of Ohio had placed the highest importance on Name recognition. This would provide some insights into their decisions for having not selected a new supplier. As it is, it appears that the customers of CES wanted to venture away from their traditional supplier but still contract with a company with whom they have some familiarity. As CES is associated with Columbia Gas of Ohio, it is likely that customers are more familiar with CES than with the suppliers in the "other" category.

- Reliability seems to be a variable with which the respondents are concerned. Although not to the degree of Price, Reliability does seem to be given a substantial amount of importance. In terms of predictive capabilities, the only conclusion suggested by the data is that individuals who have selected a new supplier (i.e., customer of Columbia Energy Services or "Other" suppliers) are relatively less concerned with reliability.

- Overall just over one-quarter of the respondents reportedly consider Reputation when making their selection. It appears that the only variable that offers any true predictive capability of this trend is the Natural Gas Supplier. The customers supplied by "other suppliers" displayed, relative to those served by Columbia Gas or Columbia Energy Services, a reduced tendency to consider Reputation. These customers are demonstrating a willingness to take a chance with a new supplier in return for some perceived benefit.

- More than one-third of the respondents are taking the contract terms into consideration when pondering their options under the program. Clearly this is a topic that is receiving a substantial amount of attention from the participants and potential participants. The contract terms appear to be of particular interest to customers who have remained with Columbia Gas. Customers with an interest in the program also reported an increased likelihood of considering Terms of the Contract when considering their options. Other segments apparently more likely to have considered Terms of the Contract include Transportation and public utilities businesses and Government/Public organizations.

- Of all the factors being considered by the respondents, price is clearly the primary benefit perceived by the customers. In addition, secondary emphasis is being placed on such items as reliability of supply, terms and length of the contract, reputation, customer service, and billing. Individuals who have selected a new supplier appear willing to compromise certain things (i.e., reputation) in the pursuit of cost savings. This is reflective of the informal cost-benefits analyses that are likely occurring as the customers consider their participation.

- The independent variable of Natural Gas Supplier (Question 4) clearly had the most impact in terms of what factors were being considered in the selection process. The analysis of Question 4 has offered some insights into trends that are developing in the selection process. A customer of Columbia Energy Services is a customer who is interested in switching suppliers largely to reduce costs, but is reluctant to relinquish some of the securities of the regulated supplier (i.e., reliability, reputation, and customer service). This segment of customers appears to view Columbia Energy Services as almost a middle point between the traditional supplier and the market, likely because of its affiliation with Columbia Gas. Perhaps selecting Columbia Energy Services is viewed almost as a transition step, in which a business may gain experience with the natural gas market but with a Company with which it feels somewhat familiar. A customer of one of the "other suppliers" is focusing on price, but not to the total exclusion of other factors. Reliability was apparently the second most weighted item by these customers. Following reliability, such items as contract length and terms, customer service, reputation, and billing are all weighted equally by these customers. Name recognition and customer education are of no importance to this group. Customers who have remained with Columbia Gas are concerned about Price, but do not appear convinced that potential cost savings are sufficient to overcome other potentially negative aspects of participating in the program. These customers place a high priority on reliability, and apparently have more confidence in Columbia Gas in this area. These customers have also looked at such items as contract length and terms, and appear to be more comfortable operating under the traditional regulated environment. Finally, one-third of this group considered Customer Service, and based on their decision to remain with Columbia, indicated some satisfaction with Columbia's Customer Service.

Question 12
Problems in choosing a natural gas supplier
Conclusions and Recommendations

- Question 5 asked the respondents to provide their assessment of the information they have received in terms of its usefulness in the selection process. It can reasonably be expected that respondents would be more likely to experience problems when making a selection (Question 12) if they first found the information they had received to be "Not useful" (Question 5). Conversely, if the information was judged to be "Very useful," it is likely that the number of problems experienced would be reduced. Of the 167 respondents who indicated that they found the information to be "Very Useful", only 24 or 14% reported having experienced problems in making their selection. Conversely, of the 89 respondents who described the information as "Not useful", 48 or 54% reported having experienced problems.

- The problems with the highest frequencies have one thing in common, and that is that they all involve information. The problem is either a perceived lack of information or a perceived inability to accurately interpret the information the customers do have. It appears that the problems could be minimized by any combination of the following actions: (1) make customers more aware of the information that is currently available, (2) ensure that the customers are sufficiently educated to interpret, with some sense of comfort, the information that they receive, and (3) to improve the available information in areas perceived as shortcomings. Such actions, if undertaken, would be the responsibility of all parties involved in the Customer Choice Program.

Question 17
Reasons for not selecting a new supplier
Conclusions and Recommendations

- The most common response related to a perceived lack of information. Also, several of the other more frequently mentioned responses are related to confusion, or an inability to accurately interpret the information they have. Together these factors lead to the conclusion that information about the program, in a general sense, is negatively impacting the respondents' willingness to participate in the program. As "information" is a general concept, a review of the responses to Question 7 may provide some additional insights. Question 7 asked the respondents to indicate the information they would like to have in order to select a supplier. In response to Question 7, 219 respondents cited "Price Information" as the information they need to make a choice. The second most common response, having been mentioned by 53 respondents, was a chart that would permit an "apples to apples" comparison. Combining the response to Question 7 with the responses to Question 17, it appears as though a segment of the respondents feel that they are not getting sufficient pricing or comparative information. This indicates a need for all parties participating in the program to improve in the area of information dissemination, and to particularly emphasize the area of pricing and comparative pricing. Also, there is clearly a segment that cannot assimilate the information they do have without confusion. This includes confusion about pricing, options, and customer responsibilities. This highlights a need for improved customer education. Putting the information in the customers' hands is not sufficient. It is critical that the customers also have the knowledge and skills to fully evaluate their options. This may be an indication that the information needs to be presented more clearly, in more detail. On the other hand, it may also signify a need for suppliers to make themselves more available for questions and clarifications.

- The second most common response to Question 17 was related to "still reviewing information" or "not sure yet." This is likely related to the relative newness of the program, as well as the fact that the Customer Choice Program represents a substantial change to a process that previously required little or no mental effort. In a regulated environment, the supplier is not an item that received much attention. However, under this program the customers are presented with decisions that many are facing for the first time. It is therefore not surprising that the respondents may be somewhat hesitant to make a quick decision.

- Also within the top 5 in terms of frequency was "satisfied with current supplier." These individuals are satisfied with the services from Columbia Gas and apparently do not feel that there are sufficient advantages to warrant participation in the program. As lower prices is often the most commonly cited advantage of a competitive choice (Question 18), one can surmise that these respondents either are not convinced of the cost advantages or fear that certain disadvantages may overwhelm the economic benefits.

Question 18
Reasons for selecting a new supplier
Conclusions and Recommendations

- The overwhelming majority of program participants are focusing on pricing benefits. Although other issues such as better service and improved contract terms were also cited, the importance placed on these issues is very minor relative to the issue of price. It is clear that assessing the overall satisfaction with the Customer Choice Program will involve a concentration on price. If the expected costs savings are not recognized, then it is unlikely that the respondents will be satisfied with their experiences under the program.

PROBLEMS WITH NEW SUPPLIER

Question 13
Conclusions and Recommendations

- For those respondents who have selected a new supplier, service problems are not pervasive. The highest responses of reported problems with a new supplier was that the price was not what the customers had expected and that the customers were confused about some aspect of their service. It is possible that some of these problems could be ameliorated with improved communications efforts, as well as enhanced education efforts. A review of the responses to Question 16, with particular emphasis on the 17 respondents who reported service problems from their new supplier, reveals an interesting trend. When asked in Question 16 if they wanted the Customer Choice Program to be continued, only one of the 17 respondents answered "No." This leads one to the conclusion that, although a small percentage of respondents have experienced service problems, they apparently were not of a magnitude sufficient to overcome the benefits of the program. This conclusion is reflected by their overall desire to have the program continued.

MARKET VIABILITY

Conclusions and Recommendations

- In April 1997, one month prior to the issuance of the survey, there were 17 approved marketers or providers under Columbia's Customer Choice Program. However, not all of the providers were fully prepared and able to supply gas at this time. Therefore, at the time the survey was administered, the business customers actually had approximately 12 providers available to them from which to choose. As demonstrated by the responses to Question 4, it is apparent that all of these suppliers are being utilized by program participants, although to varying degrees. This at least demonstrates that there are numerous options available to the participants and seems to represent an opportunity for customers to benefit as a result of competition among the numerous marketers. However, it should be kept in mind that the "market" faces an artificial constraint, that being the price ceiling established by the regulated utility. Therefore, it is unreasonable to evaluate the conditions under this program as one might most markets.

- While there are choices, Columbia Gas of Ohio retains the major share of natural gas customers. There were 49.13% of the respondents reporting that their natural gas supplier was Columbia Gas of Ohio. Columbia Energy Services was listed as the supplier of choice for 9.93% of the respondents. There were 34.49% of the respondents who are customers of the other natural gas suppliers. From the perspective of market share, there is certainly not full competition in the marketplace for natural gas.

- Customers that have selected new suppliers through the program have generally not experienced any service problems. Although some trends appear from examining the data, there are no distinct or convincing patterns that highlight one customer segment as being more likely to experience service problems. Further, the few problems that have been experienced primarily involve miscommunications or a continued lack of understanding of details.

- It is fairly clear from the research that customers are not likely to make a decision to choose a new supplier unless they receive information they consider useful in making this selection. There are 20% of the respondents who do not consider the information useful or have not received any information who are impeded from making a selection of a natural gas supplier. It appears clear that pricing information is the primary concern for customers in the selection process. Nearly 70% of the respondents indicated that they find the pricing information they received to be confusing. This finding, combined with the knowledge that perceived cost savings is the factor motivating most participants, highlights an area of major concern. Insufficient data in the area deemed most critical by the potential participants will likely (1) deter participation in the program, and (2) result in questionable decisions, which may adversely impact the customers' satisfaction with the program.

- Overall, there is a higher than desired amount of confusion on a number of important topics related to the program. In addition to pricing, more than one-third of the respondents are confused about the following items: "Benefits/risks of the program" and "Terms of the contract." Finally, more than 25% are confused about "Customer protections" and "Customer rights/responsibilities." It is unlikely that customers will be making appropriate decisions if they remain unclear about pricing provisions or benefits/risks, or any of the other major elements of the program. This uncertainty will potentially reduce participation in the program or reduce the satisfaction with the program, either of which will have negative impacts.

- An effective market assumes that customers are making rational and informed decisions. It is a fundamental finding of this research that customers are primarily concerned about price in making their decision and that they are the most confused about pricing options and price comparisons. There is additional confusion surrounding other important elements of the Program. Additionally, the research has demonstrated that there are large numbers of customers who are not receiving the information they need to make their choice of a natural gas supplier. It is also clear that customers will not make a selection without having useful information upon which to base their choice. For these reasons, it seems reasonable to conclude from customer behavior and opinions that there are serious impediments in the marketplace which hinder the development of full competition for natural gas.

EXPECTED BENEFITS

Question 14
Conclusions and Recommendations

- The overwhelming majority of business respondents expect benefits from having a choice of natural gas suppliers, and almost all of the respondents identify lower prices as the benefit they expect. The respondents are focusing on price benefits to an overwhelming degree. Of the 443 respondents that listed at least 1 benefit, 417 (94.13%) mentioned something related to lower or reduced prices. More than 10% of the respondents also mentioned items related to the freedom of choice and improved customer service, but the drop-off in frequency between these topics and that of price is dramatic. The business customer population should be monitored during the transition to a competitive marketplace for natural gas to ensure that their gas prices decline as compared to what they currently pay for natural gas. Should gas prices increase, business customers are going to be dissatisfied with the Customer Choice Program.

- The business customer population should be monitored during the transition to a competitive marketplace for natural gas to ensure that their service improves as compared to their current service. Should there be a decline in service, business customers are likely going to be less satisfied with the Customer Choice Program.

EXPECTED PROBLEMS

Question 15
Conclusions and Recommendations

- To the extent that customer satisfaction with the Customer Choice Program should be a determinant of market practices, natural gas prices should be monitored in the business market to ensure that prices do not increase during the transition to a competitive marketplace for gas. A concern for increased prices was the most frequently mentioned expected problem with having a choice. Coupled with the expected benefit of lower prices, should gas prices increase, business customers will be completely dissatisfied with the Customer Choice Program.

- Customer education efforts should be continued during the transition to a competitive marketplace for natural gas. A primary concern for those customers who expect problems with having a choice was general confusion about the Program and not enough information. There were related issues surrounding the selection process that were noted by respondents, such as "too many choices" and "not enough information on company's track record." Customer education programs designed to assist consumers in being prepared to make informed decisions should be a priority. Education programs should be monitored to ensure that all customers are receiving information and that they find the information useful in making decisions. Finally, customers should be monitored to ensure that the level of confusion about making choices of natural gas suppliers is decreasing as customers acquire more experience in the natural gas marketplace.

- Natural gas supplier sales practices should be monitored to ensure that these practices are consistent with the established code of conduct. Should any of the issues noted by customers as expected problems with having a choice arise surrounding the marketing of natural gas, the Commission should consider ways to mitigate these problems.

- Customer service issues should be monitored to ensure that the customers' level of satisfaction with natural gas service remains high. This high level of customer service should apply to all natural gas suppliers. Should any of the issues noted by customers as expected problems with having a choice arise surrounding customer service, the Commission should consider ways to mitigate these problems.

SHOULD THE PROGRAM BE CONTINUED

Question 16
Conclusions and Recommendations

- There are 49.13% of the business customers who are being served by Columbia Gas of Ohio, 34.49% are being served by other suppliers, and 9.93% are being served by Columbia Energy. As compared to the residential respondents, there are considerably larger numbers of business respondents who have selected a supplier other then Columbia Gas. There are large numbers of business customers who have made a choice of a new supplier and have had some experience with the process of choosing and with receiving service from a supplier other than Columbia Gas of Ohio. Most of these respondents are positively disposed to having the Program continued. Should the Program not be continued, a large number of customers would be impacted by having to make another change, and not by their choosing. Approximately 70% of the business customers who remain customers of Columbia Gas are interested in having the Program continued. To the extent that customer opinion is an influence on the Commission's decision to continue the Customer Choice Program, the results of the study offer overwhelming support for having the Program continued for these customers.

- The research included an analysis of the relationship between whether customers expect benefits from the Program and their interest in having the Program continued. There was also an analysis of the relationship between whether customers expect problems from the Program and their interest in having the Program continued. The results of the benefits and problems analyses indicate that how customers perceive the future of the Program is dependent, to some extent, on whether they believe they will derive benefits from the Program or will have problems to deal with from the Program. These relationships offer some insight into the type of analysis that customers might be engaged in to assess the value of the Program (having a choice of natural gas suppliers). It also provides some perspective regarding how the customers evaluate their level of interest and their decision to choose a supplier other than

Columbia Gas. Customers appear to be engaged in a cost-benefit analysis, weighing the value of the expected benefits against the burden of the expected problems. During the time the survey was administered, the results indicate that those expecting benefits overwhelmingly outnumber those who expect problems, and there is a concomitant high level of interest in the Program and desire to have it continued as a result. This analysis provides a tool for monitoring the Program and for evaluating the customer satisfaction with the Program. Should the problems surrounding the Program increase such that problems begin to be perceived as greater than the value of the benefits, it may be assumed that customers are not going to be satisfied with the Program. For instance, so long as prices decrease, customers may be willing to tolerate some level of dissatisfaction with selection problems or customer service problems. Should prices not drop far enough to meet customer expectations, or worse, should prices increase, the ability of customers to tolerate problems will be diminished. Customers have communicated fairly clearly how they will evaluate the success of the Program. They have also provided a valuable tool for monitoring the progress of the Customer Choice Program. This tool should be employed to regularly assess customer satisfaction with the Program.

A Follow-Up Study of The Cincinnati Gas and Electric Company Customer Choice Pilot Program: A Customer Perspective

Commission
Staff

May, 1998

FOLLOW-UP STUDY SUMMARY OF CONCLUSIONS: RESIDENTIAL CUSTOMERS IN THE CINCINNATI GAS AND ELECTRIC COMPANY SERVICE TERRITORY

There is relatively little competition in the residential marketplace for natural gas in the Cincinnati Gas and Electric Company service territory. In the baseline study, The Cincinnati Gas and Electric Company had 79.0% of the residential market. In the follow-up study they had an 80.1% share, indicating no change from the first study. Similarly, the market share for Cinergy Resources, Inc. demonstrated a minor change between the 2 studies. In the baseline study, their share of the residential market was 3.2%. In the follow-up study, their share of the market had dropped to 2.3%. The Cincinnati Gas and Electric Company maintains its dominance in the marketplace. None of the competitive marketers have even a 1% share of the market. The total market share for the other natural gas suppliers in the baseline study was 1.6%. In the follow-up study, their share has increased to only 2.3%.

For the residential customers in the Customer Choice Program, the choice of a supplier appears to be driven primarily by "Price" and "Reliable gas supply." In the baseline study, "Price" was identified by 78.3% of the respondents, and it was selected by 81.9% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 78.7% of the respondents in the follow-up study, as compared to 67.4% of the respondents in the baseline study. Residential consumers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than 40% of the respondents. The only factors that were considered by fewer than 20% of the respondents were "Name recognition" and "Customer education." These appear to be somewhat minor factors for the consumers.

The vast majority of residential consumers have not yet considered changing their natural gas supplier. In fact, between the baseline and follow-up studies, the number of customers reporting that they have not considered changing has increased. In the baseline study, 68.0% of the respondents indicated that they "Have not yet considered any proposals." In the follow-up study, 80.7% of the respondents reported that they "Have not yet considered changing." Between the baseline and follow-up studies, there were corresponding declines in the percentage of respondents who have considered proposals. In the baseline study, 13.5% had considered "1 proposal." In the follow-up study, this number had declined to 8.7% of the customers. In the baseline study, 18.4% of the respondents had considered 2 or more proposals. In the follow-up study, 10.6% of the residential customers had considered 2 or more suppliers. Customers in Question 4 identified 6 natural gas suppliers, including The Cincinnati Gas and Electric Company. Few customers are shopping the marketplace for natural gas. There are 80% of the customers who have not yet considered changing, and that number has increased since the baseline study. For those who are considering the change, almost half are only considering 1 supplier. Only 10% of the residential customers are comparison shopping between the natural gas suppliers.

There were only 30.9% of the respondents who indicated that they had not experienced problems in making their choice of a supplier. The highest response offered by the respondents who had experienced problems in choosing was that they were identifying "Price information" as information that would have made the selection easier. There were 60.3% of the respondents who identified "Price information" as the information that would have made choosing easier. Most of the information categories were selected by fairly large numbers of the customers. "Benefits and risks of switching" and "Company reputation and record of reliability" were each selected by more than 50% of the respondents. Most of the remaining categories were selected by more than 30% of the respondents. Only "Sales tax information" and "Budget information" were selected by fewer than 25% of the respondents. Customers are interested in receiving information about many of the aspects of the Program when they are having problems in making their decisions. Their primary interest in the Program, however, remains price.

Customers who are "Not interested" in the Program report disproportionately high responses indicating that they are not experiencing problems in making their choice of a supplier. The customers who are "Not interested" in the Program also offer consistently lower responses indicating the need for more information about the Program across almost all of the Program information categories. Interest in the Customer Choice Program is a good predictive variable of a number of important issues surrounding customer perceptions and behavior. The customers who are interested in the Program are more likely to experience problems in making their choice. Those who are interested in the Program are also more likely to identify information that would have made the selection process easier. This identification of the need for information was made by the interested customers in all 12 of the Program categories offered as choices in the survey. Those who are "Not interested" in the Program are not experiencing problems in choosing, because in large part, they are not seeking out information about the natural gas suppliers. It is also likely that they are not experiencing problems in choosing because they have decided to remain customers of The Cincinnati Gas and Electric Company, without learning about their alternatives in the marketplace. It is a reflection of a serious problem in the Customer Choice Program that those customers who are interested in the Program are experiencing problems in making their choice. Their problem is that they need information to make their choice, and they are either not receiving satisfactory information or they are not receiving any information at all. Their primary concern is for price information, but they are also focused on all of the other aspects of the Program. Those who are most interested in the Program are the most likely to select a different supplier. It is also clear that customers are hesitant to make a choice without having the information they need to assess the marketplace.

The highest response is offered by residential customers who did not receive information. Almost half of the customers report not having received information about the Program. "Pricing options or price comparisons" was the area of the Program which most confused the customers. There were more than 40% of the residential customers who report that they are confused about the "Pricing options or price comparisons." It is evident from the study that price is the most important element of the Program for consumers, and they are most confused about price. More then 25% of the customers report that they are confused about "Pricing options," "Benefits/risks of the Program," "Terms of the contract," and "Customer rights and responsibilities." There are large numbers of consumers who are confused about the most important and most fundamental areas of the Customer Choice Program. The lowest response was offered by those customers who report that none of the Program areas was confusing. Only 13.3% of the residential customers report that "None of it was confusing."

In the baseline study, there were 16.1% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number did not change, with 15.4% reporting that they did not know their current natural gas supplier. This is a considerable number of residential customers who do not know who is supplying them or billing them for natural gas.

Of the 754 residential customers who completed and returned the survey, there were 337 or 44.7% who reported that they had no knowledge of the Customer Choice Program when they received the survey. The unaware customers demonstrate only minor differences from the aware customers. The unaware consumers have been customers of The Cincinnati Gas and Electric Company for a slightly shorter period of time than the aware customers. The unaware customers are slightly less satisfied with their service from The Cincinnati Gas and Electric Company. They are slightly more highly represented in "Villages/towns" than the aware customers, and they have slightly lower annual household incomes. In general, the differences are small between the residential customers who are aware of choice and those who are not aware of choice. That almost a half of the customers are not aware that they have a choice of natural gas suppliers is a critical problem with the Customer Choice Program.

In the baseline study, there were proportionately more consumers who reported that the information was useful as compared to those who indicated that the information was not useful. In the follow-up study, the results have been reversed. There were more consumers reporting that the information was not useful than those who are reporting that it had been useful in assisting them to make their choice. In the baseline study, 35.7% of the customers reported that they don't have any information. In the follow-up study, there were 30.9% of the customers who reported that they did not receive any information. While there has been an improvement in the numbers of customers who are receiving information, it appears as though as more customers receive information, there are more customers finding the information not useful in making their choices of suppliers. Additionally, the finding that there are more than a third of the customers who do not have any information to assist them in making a decision about the marketplace is a serious problem with the Customer Choice Program.

There were 91.7% of the residential customers who do not know about the PUCO's Apples to Apples comparison chart. Only 8.3% of the respondents were aware of this information. The importance of this issue is magnified by the fact that price information is the information customers are most interested in receiving to assist them in making a choice.

The residential customers report their highest levels of satisfaction for the "Customer service" and the "Reliability/dependability" aspects of the Program. There were 45.3% of the customers who indicated that they were satisfied with "Customer service" and 43.0% who indicated that they were satisfied with "Reliability/dependability." The next highest level of satisfaction was reported for "Freedom of choice," which was reported by 37.6% of the respondents. The lowest responses were reported for "Contract terms" and "Price." There were 23.8% of the customers who reported that they were satisfied with "Contract terms." There were 21.3% who reported that they were satisfied with "Price." The levels of dissatisfaction were similar across all of the elements of the Program, except for "Price." For the other 4 elements of the Program, few customers indicated dissatisfaction, with the responses ranging from 4.2% to 6.6%. The highest level of dissatisfaction was reported by the 20.7% of the residential customers who indicated that they were dissatisfied with "Price." Most of the residential respondents report that they are "Neither satisfied nor dissatisfied" with all of the aspects of the Program. For most of the elements of the Program, from 50% to 60% of the consumers report that they do not have an opinion yet regarding their level of satisfaction. The highest reported response by residential customers was the 69.5% who indicated that they did not yet have opinions regarding "Contract terms." That most of the respondents are "Neither satisfied nor dissatisfied" with all of the aspects of the Program also may indicate some general confusion about the Program. This conclusion is corroborated by the large numbers of respondents who have indicated that they have not yet received information about the Program.

The customers' measure of interest in the Program is an important element in their consideration of whether they would like to have the Program continued. Given the margin of error in the residential study, there has been no change in the customer responses between the baseline and follow-up studies. Almost half of the respondents are interested in the Program. The next highest response is from those customers who are "Neither interested nor disinterested," and the smallest response is reported by those who are not interested in the Program. There is considerable interest in the Program, and there are also a large number of customers who remain uncertain regarding their opinions of the Program. This result is consistent with the large numbers of customers who do not have information about the Customer Choice Program or are confused about the Program.

There are fairly equal numbers of respondents who are interested in having the Program continued and who are not sure if they would be interested in having the Program continued. The results indicate that residential customers are interested in having the Program continued and, at the same time, remain uncertain about it. It is clear that few respondents are not interested in having the Program continued. The results from Question 15 are consistent with the conclusions in this study which report that there is general confusion among customers about the Program.

Only 3.8% of the respondents were of the opinion that the Program does not need improvement. There were 29.8% of the respondents who reported that the Program should be improved and 66.3% were not sure. Most of the customers are not yet certain enough about the Program to have an opinion whether the Program should be improved. This uncertainty is reflected in the open-ended responses, which demonstrate that the majority of customers are of the opinion that the Program should be improved by providing "More meaningful information," (64.9%) and "True Apples to Apples comparison" (17.5%). There were 10.5% of the respondents who indicated that the Program could be improved by offering lower prices. The residential customers have made it clear that price is the primary factor considered in making a decision about a supplier. Also, in Question 14 the lowest level of satisfaction and highest level of dissatisfaction was reported in regards to prices. Customer expectations about price are not clearly understood, and it would be useful to have a better understanding regarding the amount of decrease customers anticipate resulting from a competitive marketplace for natural gas.

FOLLOW-UP STUDY SUMMARY OF CONCLUSIONS: BUSINESS CUSTOMERS IN THE CINCINNATI GAS AND ELECTRIC COMPANY SERVICE TERRITORY

There is relatively minor competition in the business marketplace for natural gas in the Cincinnati Gas and Electric Company service territory. In the baseline study, The Cincinnati Gas and Electric Company had 74.8% of the business market. In the follow-up study they had a 70.2% share, indicating a small decline from the first study. Similarly, the market share for Cinergy Resources, Inc. demonstrated minor change between the 2 studies. In the baseline study, their share of the business market was 1.9%. In the follow-up study, their share of the market had risen to 5.5%. The Cincinnati Gas and Electric Company maintains its dominance in the marketplace. Only 2 of the suppliers have a market share slightly above 5%, and the remaining suppliers have shares below 3%. The total market share for the other natural gas suppliers in the baseline study was 7.6%. In the follow-up study, their share has increased to 14.3%.

For the business customers in the Customer Choice Program, the choice of a supplier appears to be driven primarily by "Price," followed by "Reliable gas supply." Business consumers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than 40% of the respondents. The only factors that were considered by fewer than 20% of the respondents were "Name recognition" and "Customer education." These appear to be somewhat minor factors for the consumers.

The majority of business consumers have not yet considered changing their natural gas supplier. There has been some change in the number of customers who are considering changing their supplier between the baseline and follow-up studies. There has been a decrease of approximately 10% between the studies. In the baseline study, 65.4% of the respondents indicated that they "Have not yet considered any proposals." In the follow-up study, 54.5% of the respondents reported that they "Have not yet considered changing." In the baseline study, 9.2% had considered "1 proposal." In the follow-up study, this number had increased to 12.7% of the customers. In the baseline study, 25.4% of the respondents had considered 2 or more proposals. In the follow-up study, 32.7% of the business customers had considered 2 or more suppliers. Customers in Question 4 identified 9 natural gas suppliers, including The Cincinnati Gas and Electric Company. Approximately half of the business customers are shopping the marketplace for natural gas. There are 54.5% of the customers who have not yet considered changing. For those who are considering the change, 12.7% are only considering "1 supplier." There are only 32.7% of the business customers who are comparison shopping between the natural gas suppliers.

The highest response offered by the respondents who had experienced problems in choosing was that they were identifying "Price" information as information that would have made the selection easier. There were 55.8% of the respondents who identified "Price" information as the information that would have made choosing easier. A close second choice was "Benefits and risks" of switching, which was reported by 53.5% of the respondents. Most of the information categories were selected by fairly large numbers of the customers. "Benefits and risks of switching," "Company reputation and record of reliability," and "List of possible suppliers with contact numbers" were each selected by more than 40% of the respondents. Most of the remaining categories were selected by more than 30% of the respondents. "Adequate gas supply," "Billing information and meter reading," "Sales tax information," and "Budget options" were selected by fewer than 30% of the respondents. Customers are interested in receiving information about many of the aspects of the Program when they are having problems in making their decisions. Their primary interest in the Program, however, remains price. It is also important to bear in mind that the customers identifying the information they would like to have in Question 7 have experienced problems in making their selection. Further, there were only 34.2% of the respondents who indicated that they had not experienced problems.

Customers who are "Not interested" in the Program report disproportionately high responses, indicating that they are not experiencing problems in making their choice of a supplier. The customers who are "Not interested" in the Program also offer consistently lower affirmative responses across all of the Program information categories, indicating the need for more information about the Program. Interest in the Customer Choice Program is a good predictive variable of a number of important issues surrounding customer perceptions and behavior. The customers who are "Interested" in the Program are more likely to experience problems in making their choice. Those who are "Interested" in the Program are also more likely to identify information that would have made the selection process easier. This identification of the need for information was made by the "Interested" customers in all 12 of the Program categories offered as choices in the survey. Those who are "Not interested" in the Program are not experiencing problems in choosing, because in large part, they are not seeking out information about the natural gas suppliers. It is also likely that they are not experiencing problems in choosing because they have elected to remain customers of The Cincinnati Gas and Electric Company without learning about their alternatives in the marketplace. It is a reflection of a serious problem in the Customer Choice Program that those customers who are "Interested" in the Program are experiencing problems in making their choice. Their problem is that they need information to make their choice, and they are not receiving satisfactory information if receiving any information at all. Their primary concern is for "Price information," but they are also focused on all of the other aspects of the Program. Those who are most interested in the Program are the most likely to select a different supplier. It is also clear that customers are hesitant to make a choice without having the information they need to assess the marketplace.

Between the baseline and the follow-up studies, fewer people reported that they were confused about the information and more customers reported that none of it was confusing. The improvements were in the order of approximately 5%. "Pricing options or price comparisons" was the area of the Program which most confused the customers. There were over 50% of the customers who reported that this information was confusing.

The remaining information categories were ranked in the following order: "Benefits/risks of the Program," "Terms of the contract," "Customer rights and responsibilities," and "Taxes and billing." There were 25.2% of the respondents who reported that they "Did not receive information" about the Program. There were 21.4% who reported that none of the information was confusing. Question 8 reveals serious problems with the Customer Choice Program. There were more than 50% of the business customers who reported that they are confused about the Pricing options or price comparisons. It is evident from the study that price is the most important element of the Program for consumers, and they are most confused about price. More then 25% of the customers report that they are confused about "Pricing options or price comparisons," "Benefits/risks of the Program," "Terms of the contract," and "Customer rights and responsibilities." There are large numbers of consumers who are confused about the most important and most fundamental areas of the Customer Choice Program.

There is some confusion among business customers regarding who is supplying them with natural gas. In the baseline study, there were 15.6% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number declined with 9.9% of the respondents reporting that they did not know their current natural gas supplier.

Of the 472 business customers who completed and returned the survey, there were 156 or 33.1% who reported that they had no knowledge of the Customer Choice Program when they received the survey. The unaware respondents have been customers of The Cincinnati Gas and Electric Company for a slightly shorter period of time than those customers who are aware of the Customer Choice Program. They are slightly less satisfied with their service from the Company, they have slightly lower bills, they are slightly more highly represented in the "Services" sector and less so in the "Manufacturing" sector, they have a slightly higher representation among smaller companies, and they have a slightly higher representation in both "Rural" areas and "Villages/towns." In general, there are only minor differences between those customers who were aware of the Choice Program and those who were not aware that they had a choice.

In the baseline study there were slightly more consumers who reported that the information was not useful, as compared to those who indicated that the information was useful. In the follow-up study, the numbers of respondents who report that the information was not useful were the same as those who report that the information was useful. There were proportionately the same numbers of customers who do not have a position regarding the usefulness of the information between the baseline and follow-up studies. There were approximately 35% of the business customers who do not yet have an opinion as to whether the information has been useful in assisting them to make their choices. The numbers in this regard are slightly improved from the baseline study. In the baseline study, 29.2% of the customers reported that they did not have any information. In the follow-up study, there were 22.2% of the customers who reported that they did not receive any information. There has been an improvement in the numbers of customers who are receiving information, although the improvement has been small. There remains more than 20% of the customers who report that they do not have information to assist them in making a choice. It appears as though as more customers receive information, the numbers of customers who report that the information was useful may be increasing at a slightly higher rate than for those who are reporting that the information was not useful. That there are more than 20% of the customers who do not have any information to assist them in making a decision about the marketplace is a serious problem with the Customer Choice Program.

The business customers report their highest levels of satisfaction for the "Customer service," "Reliability/dependability," and "Freedom of choice" aspects of the Program. There were 50.0% or more of the customers who indicated that they were "Satisfied" with these elements of the Program. The lowest responses were reported for "Contract terms" and "Price." There were 38.2% of the customers who reported that they were "Satisfied" with "Contract terms." There were 33.8% who reported that they were "Satisfied" with "Price." The levels of dissatisfaction were similar across all of the elements of the Program except for "Price." For the other 4 elements of the Program, few customers indicated dissatisfaction, with the responses ranging from approximately 7% to 10% of the business consumers. The highest level of dissatisfaction was reported by the 22.7% of the business customers who indicated that they were "Dissatisfied" with "Price." Most of the business respondents report that they are "Neither satisfied nor dissatisfied" with all of the aspects of the Program. For most of the elements of the Program, approximately 40% to 50% of the consumers report that they do not have an opinion yet regarding their level of satisfaction. The highest reported response by business customers was the 52.2% who indicated that they did not yet have opinions regarding "Contract terms."

The customers' measure of interest in the Program is also an important element in their consideration of whether they would like to have the Program continued. Given the margin of error in the business study, there has been almost no change in the customer responses between the baseline and follow-up studies. The same numbers of customers remain "Not interested" in the Program; there are fewer than 10% of the business respondents who report that they are "Not interested." There has been a slight increase in the number of customers who indicate that they are "Interested" in the Program. Almost 60% of the respondents report that they are "Interested" in the Program. There are more than 30% of the respondents who are "Neither interested nor disinterested" in the Program. There is considerable interest in the Program, and there are also a large number of customers who remain uncertain regarding their opinions of the Program. This result is consistent with the large numbers of customers who do not have information about the Customer Choice Program or are confused about the Program.

The results from the baseline to the follow-up study have changed, indicating slightly more interest in having the Customer Choice Program continued. The numbers of respondents who are interested in having the Program continued have increased from 51.7% to 58.0%. The number of respondents who are "Not sure" if they would be interested in having the Program continued have decreased from 41.4% to 36.7%. It is clear that few respondents are not interested in having the Program continued. The number decreased from 6.9% to 5.2% between the baseline and follow-up studies. The results indicate that business customers are interested in having the Program continued and remain uncertain about it, at the same time. The results from Question 14 are consistent with the conclusions in this study which report that there is general confusion among customers about the Program.

Only 3.3% of the respondents were of the opinion that the Program does not need improvement. There were 34.4% of the respondents who reported that the Program should be improved, and 62.3% were not sure. Most of the customers are not yet certain enough about the Program to have an opinion whether the Program should be improved. This uncertainty is reflected in the open-ended responses, which demonstrate that the majority of customers are of the opinion that the Program should be improved by providing them with "Better, more complete information on suppliers and prices" (81.0%) and "Easier to understand options" (5.2%). The substantive changes recommended were "More choices," "Eliminate sales tax on resold gas," "Lower prices," and "Better billing."

METHODOLOGY

This section of the report describes the basic methodologies employed in The Cincinnati Gas and Electric Company customer research project. This report presents the results from the follow-up study of the customers who have been participating in the Customer Choice Program. For a complete discussion and explanation of each of these methodological techniques, procedures and issues, please refer to the Methodology chapter in Public Input Research of the Customers in The Cincinnati Bell Telephone Company Service Territory, prepared by Commission Staff and published in November, 1997. Based primarily on available resources, it was determined that a cold mail survey would be employed as the data and information collection technique for this project. Two surveys were designed, one for residential customers and one for small business customers eligible for participation in the Customer Choice Program. The intent of the second phase of the research is to provide information to Staff and the Commission for the purpose of:

- evaluating the effectiveness of customer education programs, both in terms of the substantive content and the means employed for the dissemination of the information;

- employing the criteria the customers have defined in the baseline research, presenting their evaluation of the effectiveness or success of the Customer Choice Program;

- identifying problems customers may be experiencing in making their choice of a natural gas supplier; and

- identifying any service problems that customers may be experiencing in receiving service from their suppliers or in the coordination of activities between The Cincinnati Gas and Electric Company and their supplier of natural gas.

The study goals served as the focus of the survey design. From the analysis of this information, Staff will propose recommendations regarding improvements that may be made to the customer education programs. The research may also identify specific areas of concern surrounding the implementation of the program and customer service issues. The Staff and Commission will be provided with this information to consider issues of customer protections in the marketplace or the effective operations of the code of conduct. Finally, the analysis of the research data and information will result in the development of specific criteria, generated from customer perceptions, that may be employed to evaluate the effectiveness or success of the Customer Choice Program.

A residential survey and business survey had been administered in The Cincinnati Gas and Electric Company service territory in January, 1998. The purpose of the survey research was to perform an evaluation of The Cincinnati Gas and Electric Company Customer Choice Program from the perspective of the residential and business customers. A great deal of experience had been gained with the survey instruments from this baseline study. The instruments employed in the follow-up study were revised to build on these experiences. The follow-up studies were designed to offer some longitudinal perspective regarding the core issues of the research. The survey instruments also included questions which were based on the results generated from the baseline study. The central issue in this regard concerns customer satisfaction with the Customer Choice Program. In the baseline study, customers defined the benefits they expect from the Program. Employing the criteria defined from the analysis of these responses, the follow-up study looks at the customer's level of satisfaction with these areas of the Customer Choice Program.

The residential and business survey instruments contain both closed-ended and open-ended questions. The residential and business surveys are included in the appendix. In both cases, the respondents were guaranteed anonymity, and there were no identifying marks of any kind on either the surveys or the envelopes. The residential and business surveys were mailed on February 9, 1998. A deadline date was placed on the survey to encourage a rapid return of the surveys. Given the time constraints involved in assessing the Customer Choice Program, a deadline of February 20, 1998 was established and printed on the survey. The first surveys were received on February 17, 1998. Every attempt was made to accept as many surveys as possible before closing the sample. The decision to end the acceptance of surveys is determined by a consideration of the following issues: achieving the minimum sample size requirement for the specified confidence level and margin of error; the recognition of the customers' efforts in completing and returning the surveys; the value of the customers' perceptions and opinions in the evaluation and implementation of policies and programs; and the time required to code, enter and analyze the data and information. The last business and residential surveys were accepted on March 2, 1998.

The study involves the eligible participants of The Cincinnati Gas and Electric Company's Customer Choice Pilot Program. The study populations are defined as the eligible residential customers and the eligible business customers in The Cincinnati Gas and Electric Company's service area. The total number of residential customers in this population is 333,995. The total number of business customers in this population is 33,973. It was decided that in order to achieve the research goals defined for this project, the survey instruments would be administered to a random sample of each of these populations. Consistent with the conventions in social science research, it was decided that the research results should be based on a confidence interval of 95% and a margin of error of 5%. It is necessary to define a confidence interval and margin of error in order to determine the required size of the sample. Employing these criteria and assuming an infinite population, the sample size for the residential population is 384.2 people. The sample size for the business population is also 384.2 customers. To achieve a return of 385 respondents, it is necessary to determine a response rate for the residential and business populations. The respondent numbers in each case were rounded up to 400 for the purpose of determining the size of the mailing. Based upon experience, a minimum response rate of 10% was assumed for each of the populations for a cold mail survey with no pre-administration or post-administration contacts. Consequently, it was determined that 4,000 residential surveys and 4,000 business surveys would be mailed to the populations in order to meet the research goals.

Through a coordinated effort between The Cincinnati Gas and Electric Company and the PUCO Staff, a random sample of 6,000 residential and 6,000 business customers were drawn from a sample frame defined by the Company as all eligible residential and business participants in the Customer Choice Program. Each of the 6,000 customer lists were completely randomized, and these lists were employed to prepare mailing labels for the survey. The mailings were sent to the first 4,000 residential customers and the first 4,000 of the business customers from the samples. The remaining 2,000 customers from each sample were retained in the event the 385 returns were not achieved and additional mailings were required to achieve the necessary results. The 6,000 residential and business samples also serve to ensure that there are at least 4,000 customers in each sample after duplicate or incorrect addresses are discarded. Based upon the returns achieved from each of the populations, none of the additional mailings were required.

There were 472 business surveys completed and returned by business customers. There were 754 surveys completed and returned by residential customers. Of the 4,000 residential surveys mailed, there were 73 surveys returned with bad addresses, were invalid surveys, or were received after the surveys were no longer being accepted. Of the 4000 business surveys mailed, there were 672 surveys returned with bad addresses, were invalid surveys, or were received after the surveys were no longer being accepted. Invalid surveys were surveys that were returned with none of the questions answered or only the demographic questions answered. Response rates are the percentage of the total number of respondents sent questionnaires who complete and return the questionnaire:

$$\text{Response Rate} = \frac{\text{number of completed questionnaires}}{\text{number of eligible respondents}}$$

where the number of eligible respondents is equal to the number of questionnaires sent minus the number returned because of incorrect addresses, invalid surveys, or surveys received after the completion of data entry. The response rate for the residential survey is 19.20%. The response rate for the business survey is 14.18%.

With a business sample size of 472 and a level of confidence of 95%, the business data presented in this report has a margin of error of no greater than plus or minus 4.50%. This margin of error is calculated for those questions in which there are 2 selections offered to the respondent, such as the "Yes" and "No" choices which appear on the survey. For those questions which include larger numbers of choices, the margin of error is smaller. As the number of choices increases, the margin of error decreases. With a residential sample size of 754 and a level of confidence of 95%, the residential data presented in this report has a margin of error of no greater than plus or minus 3.56%. Again, as the number of choices increases in a question, the margin of error decreases.

The data and information from the surveys were coded and entered into a spreadsheet for analysis. A detailed statistical analysis of the data was performed employing SAS. The closed-ended questions have been coded and were analyzed employing various quantitative techniques. The open-ended questions have been coded employing a classification system. A content analysis was performed on the open-ended questions. Based upon this analysis, categories were defined and each response was coded using these categories. This approach allows for a quantitative treatment of this information.

The PIPP customers are not given a choice of a natural gas supplier. PIPP customers were not removed from the sampling frame, and therefore, needed to be identified in order to appropriately analyze the survey data. This was accomplished by the third question of the survey. The PIPP customers were removed from the residential sample for the purpose of analyzing the survey data. There were 46 respondents who identified themselves as PIPP customers on the survey. There are no PIPP customer results presented in the follow-up research. The PIPP customer analysis was reported in the baseline study.

The survey focuses on residential and business customers' experiences with the Customer Choice Program. This experience includes learning about the program, making decisions about suppliers, and working with The Cincinnati Gas and Electric Company and, in some cases, a new supplier of natural gas. If customers are first learning about the program through the receipt of the survey, their responses to the survey questions would not be appropriate. If customers responded that they were not aware of the program, they were asked to provide information about their length of service from and their level of satisfaction with The Cincinnati Gas and Electric Company. They were also asked to respond to the demographic questions. The "Unaware Customers" are described and analyzed as a subsample of the residential and business samples.

Residential "Unaware" customers answered Questions 1, 2, 3, and 17 through 20 of the survey. They were instructed not to respond to Questions 4 through 16 of the survey. If they did provide responses, they were not coded or recorded in the data set. There were 337 customers who indicated that they were not aware of the Customer Choice Program. Of the 754 residential customers who completed and returned the survey, there were 371 residential customers who were not PIPP customers and were aware of the Customer Choice Program before they received the survey. It is these 371 residential customers who responded to the entire survey and whose responses are the focus of this study.

Business "Unaware" customers answered Questions 1, 2, 3, and 16 through 20 of the survey. They were instructed not to respond to Questions 4 through 15 of the survey. If they did provide responses, they were not coded or recorded in the data set. There were 156 business customers who indicated that they were not aware of the Customer Choice Program. Of the 472 business customers who completed and returned the survey, there are 316 business customers who were aware of the Customer Choice Program before they received the survey. It is these 316 business customers who responded to the entire survey and whose responses are the focus of this study.

There are two analytical approaches employed and presented in the follow-up study of The Cincinnati Gas and Electric Company Customer Choice Program participants. The primary analysis entails a comparison between the response frequencies that were reported in the baseline study to those that were provided in this follow-up study. The secondary analysis entails a cross-tabulation and statistical analysis of questions that appear in the follow-up study that were not asked in the baseline study. The following guidelines were used to determine which of the cross-tabulation and statistical results would be presented in this report. The subject population had to be of sufficient size to warrant the analysis. In some cases, the populations in question are small and, therefore, an analysis of the cross-tabulations offers few insights on the research issues. Additionally, the report only presents the cross-tabulation results for those variables between which a significant relationship was determined from the statistical tests.

For the cross-tabulation analyses, questions and response categories that are treated as independent or explanatory variables are run against questions and response categories that are selected as dependent variables. The cross-tabulation process involves only the closed-ended questions that were included in the survey. There are 2 primary reasons for excluding the open-ended questions from the cross-tabulation analysis. First, the process of classifying the open-ended categories was guided by a desire to define detailed concepts and ideas. In other words, there was an attempt made to avoid over-generalizing and to define specific ideas which captured the response categories identified in respondents' answers. This process often resulted in larger numbers of categories than would have resulted from more generalized or abstract categories. Employing large numbers of categories in a cross-tabulation analysis is a cumbersome and complicated process. Additionally, when cross-tabulations are performed using large numbers of categories, the observations which appear in each cell tend to be small, and in some cases there are no frequencies in some cells. This result makes the Chi Square Test inappropriate and often provides less clear and convincing results. Second, the classification process involved in coding open-ended information is a qualitative process based on an analysis of the content of the responses. The qualitative result is more appropriately handled through an analysis of the frequencies rather than including it in the quantitative and statistical analysis.

During the process of designing the study, it was determined which survey questions provided independent variables which would be salient in explaining each of the dependent variables. This process generated a unique list of independent variables for each of the dependent variables. In those cases where the cross-tabulation analysis is presented, the dependent and independent variables are identified, the number of missing respondents are reported, and a cross-tabulation table is presented that includes both the frequency of respondents and the row percentages for each of the categories defined as the independent variables. In some cases, the independent variable responses have been classified into groups for the cross-tabulation analysis. These groups are identified in the report by the designation "GRP" after the number of the question being discussed. The number of missing respondents reflects the number of respondents who did not answer both of the questions employed in the particular cross-tabulation analysis.

The findings were based on the results of the Pearson Chi-Squared statistic, which is a non-parametric statistical test. This is a test of independence and was used to measure the strength of the evidence of an association. The data was tested to determine whether or not a statistically significant relationship between the dependent variables and the independent variables was present. A p-value of 0.05 served as the threshold for all of the statistical tests. The 0.05 criterion was selected based on the standard convention that is used in the social sciences.

The Pearson Chi-Square Statistic is useful for large samples or non-ordered strata. At the 5% significance level, a p-value less than 0.05 with a Chi-Square value greater than the critical value implies the rejection of the null hypothesis of no general association between the dependent and independent variables, i.e., the p-value is the probability of observing the data or more extreme data under the null hypothesis of no general association between the dependent and independent variables. In those cases in which the cross-tabulation and statistical results are presented, each of the dependent variables' bivariate analyses is outlined with the exception of bivariate analyses in which the number of cells with counts less than 5 observations hinders the validity of the Chi Square test. In these cases, there was no statistical information regarding the relationship between the dependent and independent variables.

The presentation of the frequency analysis includes the questions verbatim as they appeared on the baseline and follow-up surveys. In each case, the number of respondents answering the question is provided, as well as the percentage this response represents of the total number of respondents who completed and returned the survey. The frequencies are presented for each response for each question and the percentage that response represents of the total number of people who answered that particular question. The comparative analysis of the closed-ended and open-ended questions focuses on the similarities and differences in response frequencies between the 2 surveys, as well as any changes which appear in the qualitative responses offered by the customers between the surveys.

RESIDENTIAL CUSTOMERS
371 Respondents
(Does Not Include 46 PIPP or 337 Unaware Customers)

This section of the report presents the frequency, cross-tabulation and statistical analyses for each of the closed- and open-ended questions from the residential survey. This section presents the analysis of the residential customers who are not PIPP customers and were aware of the Customer Choice Program before they received the survey in the mail.

1. ***How long have you been (or were you) purchasing gas from The Cincinnati gas and Electric Company? Please place a check next to your choice.***

- *5 years or less*
- *6-10 years*
- *11-15 years*
- *16-20 years*
- *More than 20 years*

Customers were categorized by how many years they purchased gas from The Cincinnati Gas and Electric Company. There were 370 or 99.7% of the 371 residential customers who responded to this closed-ended question. There were 41 or 11.1% of the customers who had purchased gas for "5 years or less," 44 or 11.9% had purchased gas for "6-10 years," 37 or 10.0% had purchased gas for "11-15 years," 25 or 6.8% had purchased gas for "16-20 years," and 223 or 60.3% of the customers had purchased gas from The Cincinnati Gas and Electric Company for "More than 20 years." The table below presents the results from Question 1.

Length of Service	Frequency	Percentage
5 years or less	41	11.1
6-10 years	44	11.9
11-15 years	37	10.0
16-20 years	25	6.8
More than 20 years	223	60.3

Question 1 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and response categories in both surveys.

2. ***How would you rate your level of satisfaction with The Cincinnati Gas and Electric Company's service? In your evaluation, please consider all aspects of service, such as customer service, price, reliable gas supply, customer education and billing practices.***

- *Very dissatisfied*
- *Somewhat dissatisfied*
- *Neither satisfied nor dissatisfied*
- *Somewhat satisfied*
- *Very Satisfied*

There were 370 or 99.7% of the 371 respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 370 customers who responded to Question 2. There were 30 or 8.1% of the respondents who rated their level of satisfaction with service as "Very dissatisfied." There were 40 or 10.8% of the respondents who reported that they were "Somewhat dissatisfied," 44 or 11.9% reported that they were "Neither satisfied nor dissatisfied," 111 or 30.0% reported that they were "Somewhat satisfied," and there were 145 or 39.2% of the respondents who rated their level of satisfaction as "Very satisfied." The table below presents the results for Question 2.

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	30	8.1
Somewhat dissatisfied	40	10.8
Neither satisfied nor dissatisfied	44	11.9
Somewhat satisfied	111	30.0
Very satisfied	145	39.2

Question 2 was treated as an independent variable in the research design in both the baseline and follow-up studies. The question had the same wording and response categories in both surveys.

4. ***Please write the full name of your natural gas supplier in the space provided. If you do not know your natural gas supplier, please write "do not know" in the space:***

Question 4 was an open-ended question. For the purpose of analysis, this question has been divided into 2 parts. The first part addresses the frequency of response for each of the natural gas suppliers as provided by the respondents. This information is presented in the table below. Of the 371 respondents to whom this question applied, 306 or 82.5% provided a response. Of these 306 respondents, 47 respondents or 15.4% wrote "Do not know" as their answer. The respondents who "do not know" their natural gas company are not included in the table.

Natural Gas Supplier	Frequency	Percentage
CG&E-Cinergy	245	80.1
Cinergy Resources, Inc.	7	2.3
Supplier 1	2	0.7
Supplier 2	2	0.7
Supplier 3	2	0.7
Supplier 4	1	0.3

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are CG&E-Cinergy, Cinergy Resources, Inc., and all other natural gas suppliers. The "Do not know" category is not included in this grouping. The purpose of grouping the suppliers is to treat the response categories as dependent variables in the cross-tabulation analysis. The percentage represents the number of customers who are grouped into each category of the 306 respondents who answered Question 4.

There were 7 or 2.3% of the respondents that selected "All other natural gas suppliers," 245 or 80.1% selected "CG&E-Cinergy," and 7 or 2.3% selected "Cinergy Resources, Inc." The table below presents the frequencies and percentages for each of the groups.

Natural Gas Supplier	Frequency	Percentage
CG&E-Cinergy	245	80.1
Cinergy resources, Inc.	7	2.3
All Other gas suppliers	7	2.3

The baseline study provided the following information from Question 4. Of the 312 respondents to whom this question applied, 248 or 66.7% provided a response. Of these 248 respondents, 40 respondents or 16.1% wrote "do not know" as their answer. The respondents who do not know their natural gas company are not included in the table.

Natural Gas Supplier	Frequency	Percentage
Cincinnati Gas and Electric	196	79.0
Cinergy Resources	8	3.2
Supplier 1	2	0.8
Supplier 2	1	0.4
Supplier 3	1	0.4

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are The Cincinnati Gas and Electric Company, Cinergy Resources, and all other natural gas suppliers. The table below presents the groups, as well as their respective frequencies. The percentage represents the number of customers who are grouped into each category of the 248 respondents who answered Question 4. Those who indicated they did not know the name of their natural gas supplier account for 40 or 16.1% of the 248 respondents and are not included in the table.

Natural Gas Supplier	Frequency	Percentage
The Cincinnati Gas and Electric Company	196	79.0
Cinergy Resources	8	3.2
All other natural gas suppliers	4	1.6

Question 4 was an open-ended question with identical text in both the baseline and follow-up studies. In the baseline study, The Cincinnati Gas and Electric Company had 79.0% of the residential market. In the follow-up study they had an 80.1% share, indicating no change from the first study. Similarly, the market share for Cinergy Resources, Inc. demonstrated no minor change between the 2 studies. In the baseline study, their share of the residential market was 3.2%. In the follow-up study, their share of the market had dropped to 2.3%. The Cincinnati Gas and Electric Company maintains its dominance in the marketplace. None of the competitive marketers have even a 1% share of the market. In the baseline study, only 12 customers had selected a different supplier and these 12 customers were spread among 4 different suppliers. In the follow-up study, only 14 customers had selected a new supplier, and these 14 customers where spread among 5 different suppliers. The total market share for the other natural gas suppliers in the baseline study was 1.6%. In the follow-up study, their share has increased to only 2.3%.

There is no competition in the residential marketplace for natural gas in the Cincinnati Gas and Electric Company service territory. In addition to the absence of competition, Question 4 offers some evidence that there is also some confusion surrounding the Customer Choice Program. In the baseline study, there were 16.1% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number did not change, with 15.4% reporting that they did not know their current natural gas supplier. This is a considerable number of residential customers who do not know who is supplying them or billing them for natural gas.

5. ***How useful is the information you have received to assist you in making a choice of a natural gas supplier?***

- ***Not useful***
- ***Neutral***
- ***Useful***
- ***Did not receive any information***

There were 333 or 89.8% of the 371 residential customers who answered this closed-ended question. There were 77 or 23.1% of the respondents who answered that the information was "Not useful," 95 or 28.5% of the respondents who reported that they were "Neutral," and 58 or 17.4% of the respondents who answered that the information was "Useful." There were 103 or 30.9% of the respondents who indicated that they "Did not receive any information." The following table illustrates the frequencies and corresponding percentages of the responses to this question based on the 333 customers who provided an answer.

Information to help in selecting a supplier	Frequency	Percentage
Price information	164	60.3
Benefits and risks of switching	155	55.5
Company reputation and record of reliability	145	53.3
List of possible suppliers and contact numbers	126	46.3
Service information	107	39.3
Adequate gas supply	104	38.2
Contract terms	100	36.8
Discounts/rebates/incentives	98	36.0
Future of the program	96	35.3
Billing information and meter reading	94	34.6
No problems	84	30.9
Sales tax information	59	21.7
Budget options	48	17.6
Other	0	0.0

Question 7 was developed and designed from 2 different questions which were included in the first survey. Question 13 in the baseline survey was both a closed-ended and open-ended question. The closed-ended question asked respondents if they had experienced any problems in choosing a natural gas supplier. If they answered that they had experienced any problems, they were offered the opportunity to enter an open-ended response identifying the problems. Almost all of the problems that were identified by the respondents were directly or indirectly related to information; either they did not have the information they needed or they were confused about the information they were receiving. The follow-up study question focusing on problems was structured, therefore, to treat the issue regarding the information customers needed to make their decisions. Question 7 from the baseline study asked the respondents to describe the information they would like to have to make a choice of a natural gas supplier. This was an open-ended question. Through a content analysis of the open-ended responses, categories were defined which encompass the answers provided by customers. These categories were incorporated into the closed-ended selections for the follow-up version of Question 7.

In the baseline study the following results were reported from Question 13. Of the 312 residential respondents, 207 or 66.3% responded to this question. Of these 207 respondents, 84 or 40.5% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 123 respondents or 59.4% answered "No." In the follow-up study, there were 84 or 30.9% of the respondents who indicated that they had not experienced problems in selecting a supplier. There has been a considerable decline in the percentage of respondents who report that they are not experiencing problems, from 59.4% in the baseline study to 30.9% in the follow-up study.

The respondents were able to make multiple selections to the follow-up version of Question 7. For that reason, the order of response frequencies represents a ranking of the responses. The highest response offered by the respondents who had experienced problems in choosing was that they were identifying Price information as information that would have made the selection easier. There were 60.3% of the respondents who

7. *If you have experienced problems in selecting a supplier, what information would have made choosing a supplier easier? Please check all that apply. If you did not experience problems in selecting a supplier, please check "no problems."*

- *Price information*
- *List of possible suppliers with contact numbers*
- *Benefits and risks of switching*
- *Billing information and meter reading*
- *Discounts/rebates/incentives*
- *Company reputation and record of reliability*
- *Future of the program*
- *Adequate gas supply*
- *Budget options*
- *Contract terms*
- *Service information*
- *Sales tax information*
- *No problems*
- *Other*

Of the 371 respondents, 272 or 73.3% provided a response to both this closed-ended and open-ended question. There were 164 or 60.3% of the residential customers that selected "Price information" for their choice of information to make choosing a supplier easier. There were 155 or 55.5% who selected "Benefits and risks of switching," 145 or 53.3% selected "Company reputation and record of reliability," 126 or 46.3% selected "List of possible suppliers and contact numbers," 107 or 39.3% selected "Service information," 104 or 38.2% selected "Adequate gas supply," 100 or 36.8% selected "Contract terms," 98 or 36.0% selected "Discounts/rebates/incentives," 96 or 35.3% selected "Future of the program," 94 or 34.6% selected "Billing information and meter reading," 84 or 30.9% selected "No problems," and 59 or 21.7% selected "Sales tax information." There were 48 or 17.6% of the respondents who selected "Budget options" for their choice of information to make choosing a supplier easier. There were no respondents who identified "Other" information that would make choosing a supplier easier. The following table summarizes the results for Question 7.

choices of suppliers. Additionally, that there are more than a third of the customers who do not have any information to assist them in making a decision about the marketplace is a serious problem with the Customer Choice Program.

6. *How interested are you in The Cincinnati Gas and Electric Company's Customer Choice Program?*

- *Not interested*
- *Neither interested nor disinterested*
- *Interested*

Of the 371 respondents, 333 or 89.8% provided a response to this closed-ended question. Of the 333 respondents, 48 or 14.4% indicated they were "Not interested" in the Customer Choice Program, 125 or 37.5% were "Neither interested nor disinterested," and 160 or 48.0% were "Interested." The following table presents the results for Question 6.

Interest in Customer Choice Program	Frequency	Percentage
Not interested	48	14.4
Neither interested nor disinterested	125	37.5
Interested	160	48.0

The baseline study provided the following information from Question 6. Of the 312 respondents, 266 or 85.3% provided a response to this closed-ended question. Of the 266 respondents, 45 or 16.9% indicated that they were "Not interested" in the Customer Choice Program, 93 or 35.0% were "Neither interested nor disinterested," and 128 or 48.1% were "Interested."

Interest in Customer Choice Program	Frequency	Percentage
Not interested	45	16.9
Neither interested nor disinterested	93	35.0
Interested	128	48.1

Question 6 had the same wording and response categories in both surveys. The primary purpose of Question 6 was its treatment as an independent variable in the cross-tabulation and statistical analyses. The customers' measure of interest in the Program is also an important element in their consideration of whether they would like to have the Program continued. Given the margin of error in the residential study, there has been no change in the customer responses between the baseline and follow-up studies. Almost half of the respondents are interested in the Program. The next highest response is from those customers who are Neither interested nor disinterested, and the smallest response is reported by those who are not interested in the Program. There is considerable interest in the Program, and there are also a large number of customers who remain uncertain regarding their opinions of the Program. This result is consistent with the large numbers of customers who do not have information about the Customer Choice Program or are confused about the Program.

Useful Information	Frequency	Percentage
Not useful	77	23.1
Neutral	95	28.5
Useful	58	17.4
Did not receive any information	103	30.9

The baseline study provided the following information for Question 5. There were 266 or 85.3% of the 312 residential customers who answered this closed-ended question. Forty-four respondents or 16.5% indicated that the information was "Not useful," 70 or 26.3% indicated that their opinion of the information was "Neutral," and 57 or 21.4% indicated that the information was "Useful." There were 95 or 35.7% of the respondents who indicated that they "Don't have any information." The following table illustrates the frequencies and corresponding percentages of the responses to this question based on the 266 customers who provided an answer.

Useful Information	Frequency	Percentage
Not useful	44	16.5
Neutral	70	26.3
Useful	57	21.4
Don't have any information	95	35.7

Question 5 had the same wording in both surveys, but the response categories were changed between the baseline and the follow-up surveys. In the baseline survey, the customer was offered "Don't have any information" as a choice. In the follow-up survey, the meaning of the choice was slightly modified to "Did not receive any information."

In the baseline study, there were proportionately more consumers who reported that the information was useful as compared to those who indicated that the information was not useful. In the follow-up study, the results have been reversed. There were more consumers reporting that the information was not useful than those who are reporting that it had been useful in assisting them to make their choice. There were proportionately the same numbers of customers who do not have a position regarding the usefulness of the information. There are approximately 25% of the residential customers who do not yet have an opinion as to whether the information has been useful or not in assisting them make their choices. In the follow-up study, there were proportionately more customers who do not have opinions and who report that the information was not useful than there were customers who reported that the information was useful.

The second part of the analysis of Question 5 identifies the number of customers who did not receive any information to assist them in making a choice of a natural gas supplier. The numbers in this regard are slightly improved from the baseline study. In the baseline study, 35.7% of the customers reported that they don't have any information. In the follow-up study, there were 30.9% of the customers who reported that they did not receive any information. While there has been an improvement in the numbers of customers who are receiving information, it appears as though as more customers receive information, there are more customers finding the information not useful in making their identified Price information as the information that would have made choosing easier. The follow-up and baseline versions of Question 7 are not comparable, because the baseline question was open-ended and the follow-up question was closed-ended. The representation and meaning of frequencies is very different when respondents are required to create their own answers as opposed to being prompted by a selection that has been offered in the survey. It is worthy of note, however, that Price information was the most frequently offered response in the baseline study. For customers who are experiencing problems in choosing, Price information remains their primary concern.

Most of the information categories were selected by fairly large numbers of the customers. Benefits and risks of switching and Company reputation and record of reliability were each selected by more than 50% of the respondents. Most of the remaining categories were selected by more than 30% of the respondents. Only Sales tax information and Budget information were selected by fewer than 25% of the respondents. It is apparent from the categories and their frequencies that customers are interested in receiving information about many of the aspects of the Program when they are having problems in making their decisions. Their primary interest in the Program, however, remains price. It is also important to bear in mind that the customers identifying the information they would like to have in Question 7 have experienced problems in making their selection, and there were only 30.9% of the respondents who indicated that they had not experienced problems.

Cross-tabulation Analysis of Question 7 (Dependent Variable)

In order to achieve a more complete understanding of the information customers identify to make choosing a supplier easier, Question 7 was defined as a dependent variable and was analyzed with Questions 6, 17, 18, 19 and 20 as the independent variables. Question 7 has 13 parts and each was treated as a dependent variable in this analysis. The following discussion presents the cross-tabulation and statistical analyses for those variables which were determined to have a significant relationship. In the tables that are presented, the top number in each cell represents the frequency of response for the intersection of each of the categories. The bottom number in each cell reports the row percent for the number of respondents in the independent variable category. The total number of respondents who answered both questions appears below the table. The number of respondents who did not answer one or both of the questions also appears below the table and is identified as "frequency missing."

Price information

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Price information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Price information

	No	Yes
Not interested	29 82.86	6 17.14
Neither interested nor disinterested	42 43.30	55 56.70
Interested	36 27.07	97 72.93

Number of Respondents answering Questions 6 and 7(Price information): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Price information at a proportionately higher rate than those who are not interested in the Program. For those customers who are Interested in the Program, they are 3 times more likely to report that having Price information would have made it easier to choose than those who are Not interested. The overall response rate was 60.3% for residential customers. Among those who are not interested in the Program, only 17.14% identified Price information. Even for those customers who are Neither interested nor disinterested in the Program, there were proportionately more than half who identified Price information. Those customers who are Interested in the Program identify Price information, more often than those who are Not interested, as information that would make choosing a supplier easier.

List of Possible Suppliers with Contact Numbers

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "List of possible suppliers with contact numbers" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: List of Suppliers with Contact Numbers

	No	Yes
Not interested	32 91.43	3 8.57
Neither interested nor disinterested	57 58.76	40 41.24
Interested	54 40.60	79 59.40

Number of Respondents answering Questions 6 and 7(List of suppliers with contact numbers): 265

Frequency missing: 106

Those customers who are Interested in the Program identify List of possible suppliers with contact numbers at a proportionately higher rate than those who are Not interested in the Program. For those customers who are interested in the Program, they are 7 times more likely to report that having a List of possible suppliers with contact numbers would have made it easier to choose than those who are Not interested. The overall response rate was 46.3% for residential customers. Among those who are Not interested in the Program, only 8.57% identified List of possible suppliers with contact numbers. Even for those customers who are Neither interested nor disinterested in the Program, there were proportionately more than 40% who identified List of possible suppliers with contact numbers. Those customers who are Interested in the Program identify List of possible suppliers with contact numbers, more often than those who are Not interested, as information that would make choosing a supplier easier.

Benefits and risks of switching

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Benefits and Risks

	No	Yes
Not interested	26 74.29	9 25.71
Neither interested nor disinterested	46 47.42	51 52.58
Interested	47 35.34	86 64.66

Number of Respondents answering Questions 6 and 7(Benefits and risks): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Benefits and risks of switching at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 2 times more likely to report that having information about the Benefits and risks of switching would have made it easier to choose than those who are Not interested. The overall response rate was 55.5% for residential customers. Among those who are Not interested in the Program, only 25.71% identified Benefits and risks of switching. Even for those customers who are Neither interested nor disinterested in the Program, there were proportionately more than half who identified Benefits and risks of switching. Those customers who are interested in the Program identify Benefits and risks of switching, more often than those who are Not interested, as information that would make choosing a supplier easier.

Independent Variable: Question 18GRP: ***What is your age?*** ________.

- ***34 and under***
- ***35-49***
- ***50-64***
- ***65 and over***

There is a statistically significant relationship between customer age and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Age/ Problems in selecting a Supplier: Benefits and Risks

	No	Yes
34 and under	8 29.63	19 70.37
35-49	36 42.86	48 57.14
50-64	34 40.96	49 59.04
65 and over	42 57.53	31 42.47

Number of Respondents answering Questions 18GRP and 7(Benefits and risks): 267
Frequency missing: 104

There is a linear relationship between customer age and their identifying Benefits and risks of switching as information that would make choosing easier. The younger the customer, the more likely they are to identify Benefits and risks of switching. The overall residential response was 55.5%. There were 70.37% of the customers who are 34 and under who identified Benefits and risks of switching. There were 42.47% of those customers who were 65 and over who identified Benefits and risks of switching.

Billing information and meter reading

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- *Not interested*
- *Neither interested nor disinterested*
- *Interested*

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Billing information and meter reading" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Billing information and meter reading

	No	Yes
Not interested	31 88.57	4 11.43
Neither interested nor disinterested	71 73.20	26 26.80
Interested	72 54.14	61 45.86

Number of Respondents answering Questions 6 and 7(Billing information and meter reading): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Billing information and meter reading at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 4 times more likely to report that having information about Billing information and meter reading would have made it easier to choose than those who are Not interested. The overall response rate was 34.6% for residential customers. Among those who are Not interested in the Program, only 11.43% identified Billing information and meter reading. Even for those customers who are Neither interested nor disinterested in the Program, there were proportionately more than a quarter of the respondents who identified Billing information and meter reading. Those customers who are Interested in the Program identify Billing information and meter reading, more often than those who are Not interested, as information that would make choosing a supplier easier.

Discounts/Rebates/Incentives

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Discounts/rebates/incentives" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Discounts/Rebates/Incentives

	No	Yes
Not Interested	33 94.29	2 5.71
Neither interested nor disinterested	64 65.98	33 34.02
Interested	74 55.64	59 44.36

Number of Respondents answering Questions 6 and 7(Discounts/rebates/incentives): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Discounts/rebates/incentives at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 7 times more likely to report that having information about Discounts/rebates/incentives would have made it easier to choose than those who are Not interested. The overall response rate was 36.0% for residential customers. Among those who are Not interested in the Program, only 5.71% identified Discounts/rebates/incentives. Even for those customers who are Neither interested nor disinterested in the Program, there were 34.02% of the respondents who identified Discounts/rebates/incentives. Those customers who are Interested in the Program identify Discounts/rebates/incentives, more often than those who are Not interested, as information that would make choosing a supplier easier.

Independent Variable: Question 18GRP: *What is your age?* ________.

- *34 and under*
- *35-49*
- *50-64*
- *65 and over*

There is a statistically significant relationship between customer age and, for those who have experienced problems choosing a supplier, their identifying "Discounts/rebates/incentives" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Age/ Problems in selecting a Supplier: Discounts/Rebates/Incentives

	No	Yes
34 and under	16 59.26	11 40.74
35-49	60 71.43	24 28.57
50-64	44 53.01	39 46.99
65 and over	52 71.23	21 28.77

Number of Respondents answering Questions 18GRP and 7(Discounts/rebates/incentives): 267
Frequency missing: 104

There is not a linear pattern in the results. Those who are 34 and under and those who are 50-64 offered proportionately higher responses than those customers who are 35-49 and 65 and over. The youngest respondents were more likely to identify Discounts/ rebates/ incentives as information that would have made choosing easier than the oldest respondents.

Company reputation and record of reliability

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Company reputation and record of reliability" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Company Reputation and Record Reliability

	No	Yes
Not interested	28 80.00	7 20.00
Neither interested nor disinterested	54 55.67	43 44.33
Interested	43 32.33	90 67.67

Number of Respondents answering Questions 6 and 7(Company reputation and record reliability): 265

Frequency missing: 106

Those customers who are Interested in the Program identify Company reputation and record of reliability at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 3 times more likely to report that having information about Company reputation and record of reliability would have made it easier to choose than those who are Not interested. The overall response rate was 53.3% for residential customers. Among those who are Not interested in the Program, 20.00% identified Company reputation and record of reliability. Even for those customers who are Neither interested nor disinterested in the Program, there were 44.33% of the respondents who identified Company reputation and record of reliability. Those customers who are Interested in the Program identify Company reputation and record of reliability, more often than those who are Not interested, as information that would make choosing a supplier easier.

Future of the Program

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Future of the Program" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier:
Future of program

	No	Yes
Not interested	31 88.57	4 11.43
Neither interested nor disinterested	69 71.13	28 28.87
Interested	73 54.89	60 45.11

Number of Respondents answering Questions 6 and 7(Future of program): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Future of the Program at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 4 times more likely to report that having information about Company reputation and record of reliability would have made it easier to choose than those who are Not interested. The overall response rate was 35.3% for residential customers. Among those who are Not interested in the Program, 11.43% identified Future of the Program. Even for those customers who are Neither interested nor disinterested in the Program, there were 28.87% of the respondents who identified Future of the Program. Those customers who are Interested in the Program identify Future of the Program, more often than those who are Not interested, as information that would make choosing a supplier easier.

Independent Variable: Question 18GRP: ***What is your age?*** ________.

- ***34 and under***
- ***35-49***
- ***50-64***
- ***65 and over***

There is a statistically significant relationship between customer age and, for those who have experienced problems choosing a supplier, their identifying "Future of the Program" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Age/ Problems in selecting a Supplier: Future of Program

	No	Yes
34 and under	20 74.07	7 25.93
35-49	60 71.43	24 28.57
50-64	43 51.81	40 48.19
65 and over	50 68.49	23 31.51

Number of Respondents answering Questions 18GRP and 7(Future of program): 267
Frequency missing: 104

There is not a linear relationship, nor is there a clear pattern in the results. The overall residential response identifying the Future of the Program was 35.3%. The highest proportionate affirmative response was offered by those who were age 50-64. The lowest affirmative responses were offered by those who are younger than 50.

Adequate gas supply

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Adequate gas supply" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Adequate Gas Supply

	No	Yes
Not interested	30 85.71	5 14.29
Neither interested nor disinterested	68 70.10	29 29.90
Interested	68 51.13	65 48.87

Number of Respondents answering Questions 6 and 7(Adequate gas supply): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Adequate gas supply at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 3 times more likely to report that having information about Adequate gas supply would have made it easier to choose than those who are Not interested. The overall response rate was 38.2% for residential customers. Among those who are Not interested in the Program, 14.29% identified Adequate gas supply. Even for those customers who are Neither interested nor disinterested in the Program, there were 29.90% of the respondents who identified Adequate gas supply. Those customers who are Interested in the Program identify Adequate gas supply, more often than those who are Not interested, as information that would make choosing a supplier easier.

Budget options

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Budget options" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Budget options

	No	Yes
Not interested	35 100.00	0 0.00
Neither interested nor disinterested	83 85.57	14 14.43
Interested	102 76.69	31 23.31

Number of Respondents answering Questions 6 and 7(Budget options): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Budget options at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are more likely to report that having information about Budget options would have made it easier to choose than those who are Not interested. The overall response rate was 17.6% for residential customers. Among those who are Not interested in the Program, there were no respondents who identified Budget options. Even for those customers who are Neither interested nor disinterested in the Program, there were 14.43% of the respondents who identified Budget options. Those customers who are Interested in the Program identify Budget options, more often than those who are Not interested, as information that would make choosing a supplier easier.

Contract terms

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Contract terms" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Contract Terms

	No	Yes
Not interested	30 85.71	5 14.29
Neither interested nor disinterested	68 70.10	29 29.90
Interested	72 54.14	61 45.86

Number of Respondents answering Questions 6 and 7(Contract terms): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Contract terms at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 3 times more likely to report that having information about Contract terms would have made it easier to choose than those who are Not interested. The overall response rate was 36.8% for residential customers. Among those who are Not interested in the Program, 14.29% identified Contract terms. Even for those customers who are Neither interested nor disinterested in the Program, there were 29.90% of the respondents who identified Contract terms. Those customers who are Interested in the Program identify Contract terms, more often than those who are Not interested, as information that would make choosing a supplier easier.

Service information

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Service information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Service Information

	No	Yes
Not interested	28 80.00	7 20.00
Neither interested nor disinterested	64 65.98	33 34.02
Interested	70 52.63	63 47.37

Number of Respondents answering Questions 6 and 7(Service information): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Service information at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are twice as likely to report that having information about Service information would have made it easier to choose than those who are Not interested. The overall response rate was 39.3% for residential customers. Among those who are Not interested in the Program, 20.00% identified Service information. Even for those customers who are Neither interested nor disinterested in the Program, there were 34.02% of the respondents who identified Service information. Those customers who are Interested in the Program identify Service information, more often than those who are Not interested, as information that would make choosing a supplier easier.

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and, for those who have experienced problems choosing a supplier, their identifying "Sales tax information" as information that would have made choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Customer Choice Program/ Problems in selecting a Supplier: Sales Tax Information

	No	Yes
Not interested	33 94.29	2 5.71
Neither interested nor disinterested	80 82.47	17 17.53
Interested	96 72.18	37 27.82

Number of Respondents answering Questions 6 and 7(Sales tax information): 265
Frequency missing: 106

Those customers who are Interested in the Program identify Sales tax information at a proportionately higher rate than those who are Not interested in the Program. For those customers who are Interested in the Program, they are 5 times more likely to report that having information about Sales tax would have made it easier to choose than those who are Not interested. The overall response rate was 21.7% for residential customers. Among those who are Not interested in the Program, 5.71% identified Sales tax information. Even for those customers who are Neither interested nor disinterested in the Program, there were 17.53% of the respondents who identified Sales tax information. Those customers who are Interested in the Program identify Sales tax information, more often than those who are Not interested, as information that would make choosing a supplier easier.

No problems

Independent Variable: Question 6: ***How interested are you in The Cincinnati Gas & Electric Company's Customer Choice Program?***

- ***Not interested***
- ***Neither interested nor disinterested***
- ***Interested***

There is a statistically significant relationship between customer interest in the Program and customers reporting that they have not experienced problems in choosing a supplier. The relationships are more apparent when comparing the row percentages between the independent variable categories.