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THE PUBLIC UTILITIES COMMISSION OF OHIO

PUCO

In the Matter of the Commission's
Investigation of Ohio's Retail Electric
Service Market.

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Case No. 12-3151-EL-COI

REPLY COMMENTS OF THE CITIZENS COALITION

TO

COMMISSION STAFF'S MARKET DEVELOPMENT WORK PLAN

I. INTRODUCTION

The Citizens Coalition hereby submits the following Reply Comments, addressing the Initial Comments filed by other participants in this COL. These Reply Comments are due on February 20, 2014. The Coalition through its counsel had provided Five Initial Comments on February 6, 2014, discussing the Staff's Market Development Work Plan. At the same time, the Citizens Coalition had joined in comments filed by a number of other participants, namely Ohio Partners for Affordable Energy, AARP, the Ohio Poverty Law Center, Edgemont Neighborhood Coalition, ProSeniors, Inc., Southeastern Ohio Legal Services, Legal Aid Society of Columbus, Legal Aid Society of Cleveland, and Communities United for Action, besides the Citizens Coalition.

This broad-based Coalition is again jointly filing a set of Reply Comments. The Citizens Coalition is joining in those. The Citizens Coalition strongly endorses all of those Reply

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Comments and the recommendations included in those. At the same time, The Citizens Coalition is filing its own Reply Comments.

Here are these Reply Comments which are two in number.

II. TWO ADDITIONAL COMMENTS ADDED TO THE FIVE ALREADY SUBMITTED BY THE CITIZENS COALITION:

6. Excepting the Initial Comments Filed by OCC, NOPEC, and OPAE et al, Almost All of the Initial Comments that were Filed Reflect the Attitudes and Concerns of those on the Seller Side of the Market. The Public Utilities Commission must Restore a Balance to this COI and Focus Equal Attention on the Needs and Concerns of the Customers—i.e. the Buyers in the Market Place—in order to Achieve an Effective Competitive Market.

An effective competitive market can only be accomplished when both sellers and buyers are adequately informed and can participate in such a market on equal terms.

Unfortunately an examination of the many pages of initial comments filed to the Staff Market Development Work Plan discloses how this COI has focused almost exclusively on the sellers and their needs. These, of course, deserve the utmost respect and attention; but the Commission must adopt a balanced approach. There is a need to insure that the issues and concerns of the buyers, i.e., the customers, have been similarly considered and investigated.

This is especially true in this market situation where a fairly limited number of sellers face customers numbering in the hundreds of thousands and even millions. These buyers come from all sorts of backgrounds with all levels of education and all levels of knowledge or lack of knowledge. They need to be educated about electricity and the ways of obtaining that electricity in a competitive market with its many services and offerings.

Unfortunately, when the various customer advocates sought to raise customer concerns and to ask the PUCO Staff to establish at least one subcommittee with this mission, the Staff

without explanation failed and refused to do this. At this time, the Staff's work is incomplete and deficient. The Commission must require that the Staff establish at least one subcommittee and an adequate process that will focus on the buyers, that is the utility customers who are the other half of an effective competitive market.

7. Ordinary Residential Customers Receive Mailings, Telephone Communications, and other Offers about Exercising their Many Energy Choices. Unfortunately, This can often be Overwhelming. The Internet while Helpful cannot Provide for Discussion and Customer Questions. Customers need Professional, Objective, and Readily Available Information. The Citizens Coalition has Strongly Recommended that an "UtilityAdvisers Agency" be Established where Residential Customers can Call and Receive Needed Information and Have their Questions Answered.

In our Initial Comments, the Citizens Coalition again as it did throughout this COI urge that an agency be established that could provide customers with expert and objective information See Comment 4 in the Initial Comments filed by the Citizens Coalition.

The Staff proposed Work Plan does recognize the problem. The NOPEC Initial Comments contain the following helpful analysis of the Staff's position:

In crafting its proposed Plan, Staff developed a "definition" for "effective competition" as a goal for the state to achieve, and then adopted five "measurements" by which to examine whether these goals are being attained. For purposes of NOPEC's initial comments, one criterion of "effective competition" is whether there is "*participation* in the market by *informed* buyers." Plan, at 9 (emphasis supplied). The five measurements, adopted by a consensus of the stakeholders participating in this proceeding, contain objective indicia by which such "participation" can be determined, *e.g.*, the number of customers shopping by class and the percentage of load shopping by class. *Id.*, at 10. However, Staff unilaterally added the following measurement, which considers whether: "Customers are *engaged* and *informed* about the products and services that they receive." Plan, at 10 (emphasis added).

The Citizens Coalition agrees with Staff that buyers—the customers--must be informed. Furthermore, it is more than merely a matter of posting items on a website. It is more than just mailing materials to customer homes. The Staff very rightfully recognizes there buyers must be "engaged."

How can this be done? How can customers be "engaged"?

Furthermore, how can it be determined that this goal or objective has actually been achieved? Dayton Power and Light (DP&L) in its Initial Comments at Page 3 offers these helpful ideas and recommendations.

The Staff's work plan lists several measurements which include data already provided to Staff on a quarterly basis. DP&L notes that statistics on shopping can be misleading as some customers have made the conscious decision not to shop which is itself a form of participating in the market. There are three other "criteria" listed that Staff believes should be adopted. It is unclear how those criteria help measure the definition. Two of the three criteria apply to EDUs only and are issues already addressed through each EDU's Electric Security Plan. The third criterion provides: "customers are engaged and informed about the products and services that they receive." Staff acknowledges that this is not readily quantifiable, but still encourages participants to ensure customers are engaged and informed. DP&L suggests that a clear measurement be developed for this idea. Informing customers is the responsibility of all market participants and since measuring the knowledge of customers, through means such as statewide surveys, will have expenses, all certified Competitive Retail Electric Service (CRES) Providers in the State should share in that expense.

In other words, DP&L agrees that customers must be engaged and informed. They explicitly acknowledge that all market participants should share in the general effort which may even require statewide surveying. DP&L not only states that sellers have a responsibility for carrying this out but also for sharing the expenses.

Apply these DP&L ideas to the "Utility Adviser Agency" proposed by the Citizens Coalition. This Agency would establish a definite means for engaging customers. Also the customer inquiries would certainly provide helpful feedback on customer attitudes and level of knowledge—or lack thereof—about marketers and service offerings. Here would also be a "measurement" to show engagement. This Agency would be funded as suggested by DP&L by all those involved in marketing electricity. The Agency purpose would be to provide helpful, objective, and comprehensive information for any residential customer who would call. Also this information would be provided at a time convenient for the customer when he/she was seeking this information and most receptive to receiving it.

The Initial comments from Excelon are also helpful in understanding the Staff's stated elements regarding the buyer or customer side of the market:

2. Ohio Retail Electric Service Market Definition and Measurements: The Marketplace Needs Informed Customers

Exelon agrees with all of the elements set forth in the Work Paper that define effective competition in the retail electric service market. Among the elements identified by Staff in the Work Paper was participation in the market by informed buyers. In addition, the Work Paper identifies whether customers are engaged and informed about the products and services that they receive as an additional criteria for measuring the health of the competitive retail electric service market. "Informed Customers" is one of the guiding principles Exelon espoused as necessary to achieve a fully functional retail electric service market. Consumer education is a criteria of effective competition that all stakeholders agree is critical to success. Customers cannot take advantage of that with which they are not aware. They must be not only aware of their ability to choose competitive supply, but informed of their choices and able to easily compare those options.

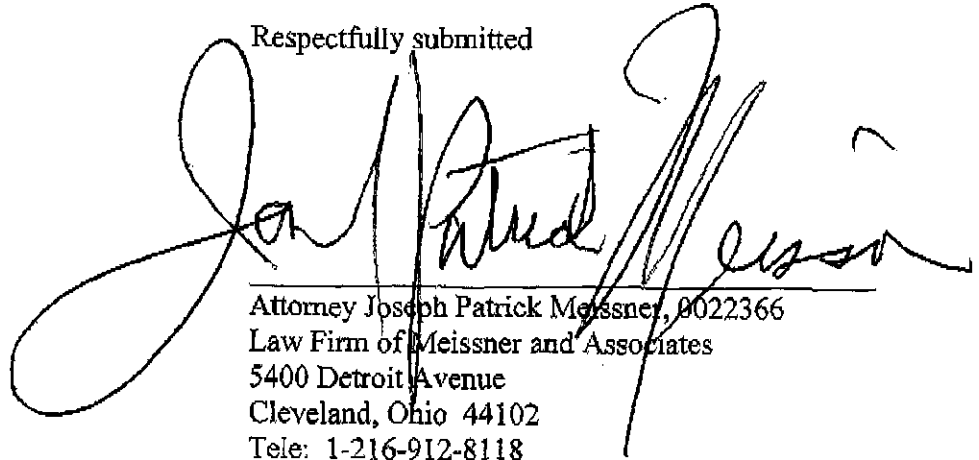
Exelon believes that it is particularly important to have the EDUs, as well as the Commission, play a prominent role in consumer education, as it assuages any concerns some customers may have about "leaving" their EDU for a CRES Provider. Assurances from a customer's long standing and trusted EDU that delivery and reliability will continue seamlessly and that EDUs support choice is a powerful message. EDU programs that educate consumers about their choice for competitive supply before they become utility default customers is a simple and cost effective tool that can prevent utility status quo bias from occurring in the first place.

Exelon points out how necessary are "informed" customers to "achieve a fully functional retail electric service market." Customers need to know what their choices are, how to compare various offerings, and how to exercise their choices. Exelon asserts that the EDU's must play a "prominent role in consumer education." Furthermore, there is a trust factor involved so that customers feel comfortable and confident in exercising their choices. These are precisely the qualities that the Utility Advisers Agency would seek to accomplish. Just like Consumers Report provides helpful objective information so customers can make informed buying decisions, the Utility Advisers Agency would likewise assist utility customers. This would build the required trust and might even encourage customers to move from "default offerings" to competitive suppliers.

III. CONCLUSION:

The Citizens Coalition urges the Commission to adopt the Coalition's recommendations presented in these Comments, especially the establishment of a "Utility Advisers Agency."

Respectfully submitted

A large, stylized handwritten signature in black ink, which appears to read "Joseph Patrick Meissner". The signature is written over a horizontal line.

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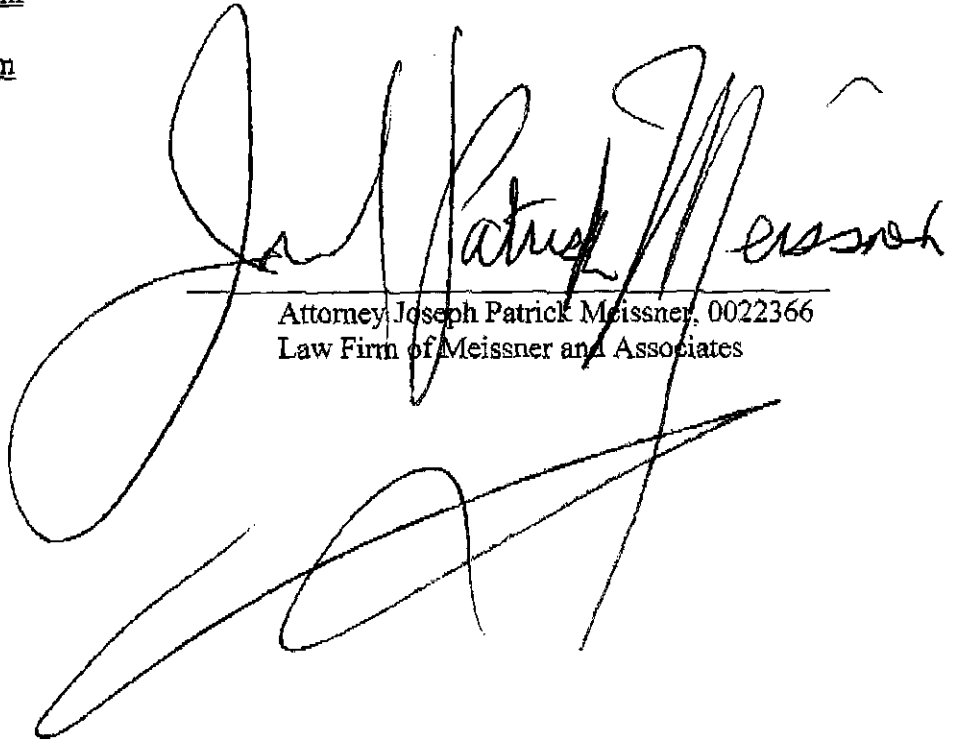
We have faxed this legal document to the PUCO docketing Office, We are mailing the original and three copies to the PUCO docketing office by overnight express mail to reach the PUCO by February 20, 2014. We understand that all Reply Comments submitted by anyone, once received, are to be scanned and inputted to the PUCO website. .

We are also emailing these Comments to all those involved as participants in this COI for whom we have an email address. See list below.

I hereby certify that a copy of these Comments was served on the persons stated below via electronic transmission this 20th day of February, 2014.

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