LARGE FILING SEPARATOR SHEET

CASE NUMBER: 98-593-GA-COI
98-594-GA-COI
98-595-GA-COI
98-549-GA-ATA
96-111-GA-ATA
96-1019-GA-ATA
95-656-GA-AIR

FILE DATE: 5/15/1998

SECTION: (Part 2 of 3)

NUMBER OF PAGES: 200

DESCRIPTION OF DOCUMENT:

Staff Evaluation of Ohio's Natural Gas Customer Choice Program Volume II

Interest in Customer Choice Program/ Problems in selecting a Supplier: No Problems

	No	Yes
Not interested	10 28.57	25 71.43
Neither interested nor disinterested	61 62.89	36 37.11
Interested	110 82.71	23 17.29

Number of Respondents answering Questions 6 and 7(No problems): 265
Frequency missing: 106

Those customers who are Not interested in the Program were 4 times more likely to report that they did not experience problems in choosing a supplier than those who are Interested in the Program. The overall residential response was 30.9%. There were 71.43% of the residential customers who are Not interested in the Program and indicated that they did not experience problems in making a choice of suppliers. For those who are Interested in the Program, only 17.29% indicated that they did not experience problems in choosing a supplier. For those customers who are Neither interested nor disinterested in the Program, their response of 37.11% was fairly close to the overall proportionate response for the residential population.

The cross-tabulation and statistical analysis of Question 7 offers some important insights regarding customer perceptions of, and behavior in, the Customer Choice Program. It is important to bear in mind that the focus of Question 7 is for customers who are experiencing problems in making their choice of a supplier to identify the information that would have made their decision process easier for them to accomplish. 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 also 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 are choosing to remain customers of The Cincinnati Gas and Electric Company, without learning about their alternatives in the marketplace.

It is a reflection of serious problems 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 Cincinnati Gas and Electric Company Customer Choice Program is experiencing serious problems, in part because customers are not getting the information they need to make their choice.

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 339 residential customers who responded. For the closed-ended part of the question, 311 or 91.7% of the respondents reported "No," that they were not aware of the PUCO's Apples to Apples natural gas marketer's comparison chart. Only 28 or 8.3% of the respondents were aware of the PUCO's Apples to Apples comparison chart.

There were 28 residential customers eligible to respond to the open-ended portion of this question, and 3 or 10.7% offered a response. Through a content analysis of the open-ended responses, there were 3 categories defined into which all of the responses were classified. Each of the 3 customers offered a response which was coded as a single category. 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
Make it an honest apples to apples comparison	1	33.3
Specific contract information	1	33.3
More pricing information	1	33.3

That there are 91.7% of the residential customers who do not know about the PUCO's Apples to Apples comparison chart is a considerable number. 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. 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 286 residential customers who answered this question. For the closed-ended part of the question, 127 or 44.4% of the respondents indicated they "Did not receive information" when asked what information about the natural gas suppliers they found confusing. There were 118 or 41.3% of the respondents who selected "Pricing options or price comparisons," 109 or 38.1% selected "Benefits/risks of the program," 89 or 31.1% selected "Terms of the contract," 79 or 27.6% selected "Customer rights and responsibilities," 54 or 18.9% indicated "Taxes and billing," and 38 or 13.3% indicated "None of it was confusing." 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 9.

Confusing information	Frequency	Percentage
Did not receive information	127	44.4
Pricing options or price comparisons	118	41.3
Benefits/risks of the program	109	38.1
Terms of the contract	89	31.1
Customer rights and responsibilities	79	27.6
Taxes and billing	54	18.9
None of it was confusing	38	13.3
Other	0	0.0

The wording of Question 8 in the baseline study is the same as the wording in the follow-up survey in Question 9. There was a selection added to the follow-up survey based on the "Other" responses that were provided in the baseline survey; "Taxes and billing" was added to the selections.

In the baseline study, the following results were presented for Question 8. Of the 312 residential respondents, 243 or 77.9% answered this question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 243 residential customers answering the question. For the closed-ended part of the question, 94 or 38.7% of the respondents indicated that they found the "Benefits/ risks of the program" confusing, 64 or 26.3% of the respondents indicated that they found the "Customer rights and responsibilities" confusing, 104 or 42.8% of the respondents indicated that they found the "Pricing options or price comparisons" confusing, 74 or 30.5% found the "Terms of the contract" confusing, 105 or 43.2% of the respondents indicated they "Did not receive information," 37 or 15.2% indicated that "None of it was confusing," and 3 or 1.2% indicated "Other" and offered a unique, codeable response. The following table summarizes the customer responses to the closed-ended portion of Question 8.

Confusing Information	Frequency	Percentage
Benefits/risks of the program	94	38.7
Customer rights and responsibilities	64	26.3
Pricing options or price comparisons	104	42.8
Terms of the contract	74	30.5
Did not receive information	105	43.2
None of it was confusing	37	15.2
Other	3	1.2

The selections that appeared in both the baseline and follow-up versions of Question 9 were given the same rank order by the residential customers. Additionally, the proportionate responses did not change between the baseline and the follow-up studies. The highest response was reported by the customers who "Did not receive information." There were 44.4% of the customers who did not receive information about the Customer Choice Program. Pricing options or price comparisons was the area of the Program which most confused the customers. The Benefits/risks of the Program was ranked third in both surveys. From the results of both surveys, Terms of the contract was ranked fourth and Customer rights and responsibilities was ranked fifth. On the follow-up survey, Taxes and billing was ranked sixth.

Question 9 reveals serious problems with the Customer Choice Program. 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. 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.

Question 9 reinforces the most serious flaws surrounding the Customer Choice Program. Almost half of the respondents are not receiving information about the Program. For the customers who are receiving information, the information about the most important and fundamental aspects of the Program remain confusing. Customers are most concerned about the price information, and of all of the Program elements, more customers are confused about price. These results indicate that consumers are not making informed decisions about the marketplace for natural gas.

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 309 residential customers who answered this question. For the closed-ended part of the question, 238 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 164 or 53.1% of the customers who indicated "Bill insert," 61 or 19.7% indicated "Newspaper articles," 52 or 16.8% indicated "1-800 phone hotline," 50 or 16.2% indicated "TV Advertising and news," 46 or 14.9% indicated "Advertising in newspapers," 45 or 14.6% indicated "PUCO Internet site," 24 or 7.8% indicated "Advertising on radio," and 19 or 6.1% indicated "Public meetings" as the ways they would like to receive information about their natural gas choices. There were no customers 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 10.

Ways to receive information	Frequency	Percentage
Direct mail	238	77.0
Bill insert	164	53.1
Newspaper articles	61	19.7
1-800 phone hotline	52	16.8
TV advertising and news	50	16.2
Advertising in newspapers	46	14.9
PUCO Internet site	45	14.6
Advertising on radio	24	7.8
Public meetings	19	6.1
Other	0	0.0

Question 9 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. 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. The remaining methods were reported by fewer than 20% of the respondents. "Direct mail" and "Bill inserts" are the methods that would be most 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 287 residential customers who responded to the question. For the closed-ended part of the question, 235 or 81.9% of the respondents considered "Price" in making their choice of a supplier. There were 226 or 78.7% of the respondents who selected "Reliable gas supply," 158 or 55.1% selected "Customer service," 152 or 53.0% selected "Reputation," 139 or 48.4% selected "Terms of the contract," 135 or 47.0% selected "Length of the contract," 111 or 38.7% selected "Billing," 48 or 16.7% selected "Name recognition," and 47 or 16.4% indicated "Customer education" as the factors they considered in making their choice of a natural gas supplier. There were 2 respondents who provided an "Other" response. The 2 respondents who indicated a response for the "Other" choice both stated the "future of the program," as a factor they considered in making their choice of 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	235	81.9
Reliable gas supply	226	78.7
Customer service	158	55.1
Reputation	152	53.0
Terms of the contract	139	48.4
Length of the contract	135	47.0
Billing	111	38.7
Name recognition	48	16.7
Customer education	47	16.4
Other	2	0.7

The following results are presented from the baseline study. Of the 312 aware customers, 230 or 73.7% answered the question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 230 residential customers who completed this question. For the closed-ended part of the question, 105 or 45.7% of the respondents selected "Billing," 29 or 12.6% selected "Customer education," 111 or 48.3% selected "Customer service," 95 or 41.3% selected "Length of contract," 36 or 15.7% indicated "Name recognition," and 180 or 78.3% of the respondents considered "Price" in making their choice of a supplier. There were 155 or 67.4% of the respondents who selected "Reliable gas supply," 105 or 45.7% selected "Reputation," 104 or 45.2% selected "Terms of the contract," and 6 or 2.6% of the respondents selected the "Other" category and provided a unique, codeable response. The following table summarizes the customer responses to the closed-ended portion of Question 11.

Factors Considered in Making Choice	Frequency	Percentage
Billing	105	45.7
Customer education	29	12.6
Customer service	111	48.3
Length of contract	95	41.3
Name recognition	36	15.7
Price	180	78.3
Reliable gas supply	155	67.4
Reputation	105	45.7
Terms of the contract	104	45.2
Other	6	2.6

Of the 230 residential customers in the sample, 6 or 2.6% responded to the open-ended portion of Question 11 and provided a unique, codeable response. 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 2 different categories. Three of the respondents indicated no factors were or had been considered, and 3 respondents indicated they had received no information or not enough information.

Question 11 in the baseline and follow-up surveys had the same text and the same selections. "Price" remains the primary selection as the factor consumers are considering in making their choice of a natural gas supplier. 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.

The rank order of factors being considered by residential customers did not change between the baseline and the follow-up studies. "Price" remains the primary consideration and "Reliable gas supply" is a close second choice. Most of the other factors are reported with approximately the same proportionate response. There were small increases from the baseline to the follow-up study for "Price," "Reliable gas supply," "Customer service," "Reputation," "Terms of the contract," "Length of the contract," "Name recognition" and "Customer education." "Billing" was the only factor which declined from the baseline to the follow-up study.

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." 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. From the 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 that 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 a good source of that information on which they are going to rely to make their choice.

12. How many different suppliers did you consider before making your selection? Please include The Cincinnati Gas and Electric Company 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 321, or 86.5% of the 371 residential customers, who answered this closed-ended question. There were 28 or 8.7% of the respondents who considered "1 supplier," 29 or 9.0% considered 2, 3 or 4 suppliers and 5 or 1.6% considered "5 or more" suppliers in making their selection. There were 259, or 80.7% 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	28	8.7
2, 3 or 4 suppliers	29	9.0
5 or more suppliers	5	1.6
Have not yet considered changing	259	80.7

Question 12 was slightly modified between the baseline and follow-up studies to simplify the question. There were no changes made to the meaning of the question or in the meaning of the closed-ended categories. The same general choices were offered to the respondent in both surveys. The following results were presented in the baseline study. Of the 312 residential respondents, 244 or 78.2% answered Question 12. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 244 residential customers answering the question. There were 33 or 13.5% of the respondents who reviewed "1 proposal," 43 or 17.6% who reviewed "2, 3, or 4 proposals," 2 or 0.8% who reviewed "5 or more proposals," and 166 or 68.0% of the respondents indicated that they "Have not yet considered any proposals." The following table summarizes the results for Question 12.

Supplier Proposals	Frequency	Percentage
1 proposal	33	13.5
2, 3, 4 proposals	43	17.6
5 or more proposals	2	0.8
Have not yet considered any proposals	166	68.0

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 number 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.

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 these problems.

Of the 371 residential respondents, 303 or 81.7% responded to this question. Of these 303 respondents, 2 or 0.7% answered "Yes," they had experienced service problems from their new natural gas supplier. Conversely, 16 respondents or 5.3% answered "No," they had not experienced any problems. There were 285 or 94.1% 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. Two 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 1 distinct category. Both of the respondents indicated that they had experienced billing problems.

The following information was presented in the baseline study from the results of Question 14. This question was structured in a manner such that it consisted of 2 parts, with the first part determining the applicability of the second part. The first half of Question 14 was closed-ended, with the respondents having been asked to select either Yes or No or Have not selected a new supplier. There were 312 potential residential respondents, of which 222 or 71.2% answered this question. Of those answering the first portion of this question, 213 or 95.9% of the respondents indicated they "Have not selected a new supplier." Continuing with those who answered the first portion of the question, 8 or 3.6% of the respondents chose "No," and 1 or 0.5% of the respondents chose "Yes" when asked about problems with service from a new supplier. The 1 respondent who indicated "Yes" in the first portion of Question 13, provided an open-ended response. Poor customer service was noted as the problem this respondent had with his/her new supplier.

The text of Question 13 in the follow-up study was the same as it appeared in Question 14 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, 95.9% of the respondents reported that they had not selected a new supplier. In the follow-up study, 94.1% of the respondents indicated that they had not yet selected a supplier. In the baseline study, 3.6% of the respondents reported no service problems, and in the follow-up study 5.3% reported no service problems from their new supplier. In the baseline study, 1 respondent reported that they had experienced a customer service problem. In the follow-up study, 2 residential customers reported billing problems. With so few customers receiving service from a new supplier, customer service problems from a new supplier are not an issue in the Customer Choice Program.

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 15 from the baseline study of the Program. Question 15 was an open-ended question in the baseline study and asked the respondents to identify the benefits they expected from the Customer Choice Program. The customers' identification of benefits were used as measures of customer satisfaction in the follow-up survey.

Of the 371 residential customers, 174 or 46.9% responded to the Prices section of Question 14. There were 37 or 21.3% of the residential customers who were "Satisfied" with the "Prices" area of the Program. Continuing, there were 36 or 20.7% of the customers who were "Dissatisfied" with the "Prices" area of the Program, and 101 or 58.0% 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	37	21.3
Dissatisfied	36	20.7
Neither Satisfied Nor Dissatisfied	101	58.0

Of the 371 residential customers, 170 or 45.8% responded to the Customer service section of Question 14. There were 77 or 45.3% of the residential customers who were "Satisfied" with the "Customer service" area of the Program. Continuing, there were 9 or 5.3% of the customers who were "Dissatisfied" with the "Customer service" area of the Program, and 84 or 49.4% 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	77	45.3
Dissatisfied	9	5.3
Neither Satisfied Nor Dissatisfied	84	49.4

Of the 371 residential customers, 151 or 40.7% responded to the Contract terms section of Question 14. There were 36 or 23.8% of the residential customers who were "Satisfied" with the "Contract terms" area of the Program. Continuing, there were 10 or 6.6% of the customers who were "Dissatisfied" with the "Contract terms" area of the Program, and 105 or 69.5% 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	36	23.8
Dissatisfied	10	6.6
Neither Satisfied Nor Dissatisfied	105	69.5

Of the 371 residential customers, 157 or 42.3% responded to the Freedom of choice section of Question 14. There were 59 or 37.6% of the residential customers who were "Satisfied" with the "Freedom of choice" aspects of the Program. Continuing, there were 9 or 5.7% of the customers who were "Dissatisfied" with the "Freedom of choice" aspects of the Program, and 89 or 56.7% 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	59	37.6
Dissatisfied	9	5.7
Neither Satisfied Nor Dissatisfied	89	56.7

Of the 371 residential customers, 165 or 44.5% responded to the Reliability/dependability section of Question 14. There were 71 or 43.0% of the residential customers who were "Satisfied" with the "Reliability/dependability" aspects of the Program. Continuing, there were 7 or 4.2% of the customers who were "Dissatisfied" with the "Reliability/dependability" aspects of the Program, and 87 or 52.7% 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	71	43.0
Dissatisfied	7	4.2
Neither Satisfied Nor Dissatisfied	87	52.7

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."

It is interesting that customers do not report a higher level of satisfaction with the freedom of choice element of the Program. That only 37.6% of the respondent are satisfied and 56.7% report no opinion about freedom of choice reflects some general ambivalence about the Customer Choice Program. It might have been expected that regardless of the particular elements of the Program, customers would have been more satisfied with the idea that they were now able to choose their natural gas supplier. 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 residential respondents are least satisfied with "Prices." 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 of 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 The Cincinnati Gas and Electric Company'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 371 residential respondents, 332 or 89.5% 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 332 residential customers who answered Question 15. A review of the results demonstrates that 151 respondents indicated a response of "Yes," they would be interested in having the Program continued in their area. This represents 45.5% of the respondents that completed this question. Conversely, 29 respondents or 8.7% indicated a response of "No," and 152 or 45.8% of the residential customers are "Not sure" if they 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	151	45.5
No	29	8.7
Not Sure	152	45.8

The following results were presented from Question 17 of the baseline study. Of the 312 residential customers, 249 or 79.8% responded to this closed-ended question. There were 107 or 43.0% of the respondents that indicated they are interested in having The Cincinnati Gas and Electric Company's Customer Choice Program continued, 28 or 11.2% of the customers indicated they are not interested in having the program continued, and 114 or 45.8% of the respondents were not sure about whether they are interested in having The Cincinnati Gas and Electric Company's Customer Choice Program continued.

Program Continued	Frequency	Percentage
Yes	107	43.0
No	28	11.2
Not Sure	114	45.8

The text of Question 15 in the follow-up survey was the same as Question 17 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 the baseline to the follow-up study are unchanged. 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 remain uncertain about it, at the same time. 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.

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 371 residential respondents, 312 or 84.1% provided an answer to this question. There were 93 or 29.8% of the respondents who indicated that "Yes," they thought the Program can be improved. There were 12 or 3.8% of the respondents who selected "No," they thought the Program can not be improved. Continuing, there were 207 or 66.3% 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	93	29.8
No	12	3.8
Not Sure	207	66.3

The second portion of this question was open-ended. The 93 respondents who identified that the Program can be improved were offered the opportunity to express their ideas in this regard. Of the 93 respondents, 57 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 5 different categories. Each of the 57 respondents provided an answer that was coded as a single category. 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 57 respondents provided a response for each particular category. The percentage is calculated based on the same 57 customers who responded to this question.

Program Improvements	Frequency	Percentage
More meaningful information	37	64.9
True Apples to Apples comparison	10	17.5
Lower prices	6	10.5
Better service	2	3.5
More providers	2	3.5

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 about 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 the offering of 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. 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 290 or 78.2% of the 371 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 290 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 $1000 represent 138 or 47.6% of those answering the question. Those residential responses greater than the median reported value of $1000 represent 152 or 52.4% 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 $1000	138	47.6
Greater than $1000	152	52.4

Question 17 was treated as an independent variable in the research design in both the baseline and follow-up studies. In the baseline line and follow-up surveys, it was an open-ended question with the same text.

18. What is your age?

Question 18 was an open-ended question. Of the 371 residential customers in the sample, 358 or 96.5% responded to this open-ended question. The youngest person responding to the survey was 22 years old. The oldest person responding to the survey was 91 years old. The modal age in the sample was 50 years old, with 19 respondents reporting that as their age. The next highest modal frequency was reported by 14 respondents, who identified their age as 40. 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 34 or 9.5% of the residential customers who are "34 or under," 107 or 29.9% who are "35-49," 109 or 30.4% who are "50-64," and 108 or 30.2% who are "65 and over." The following table summarizes the results for Question 18.

Customer ages	Frequency	Percentage
34 and under	34	9.5
35-49 years old	107	29.9
50-64 years old	109	30.4
65 and over	108	30.2

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 text 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 371 residential customers in the sample, 363 or 97.8% responded to this open-ended question. There were 7 or 1.9% of the respondents who reported that they live in a "Rural" area, 71 or 19.6% reside in a "Village/town," 228 or 62.8% of the residential respondents reported that they reside in a "Suburban" area, and 57 or 15.7% of the respondents report living in an "Urban" area. The following table presents the results for Question 19.

Residential Location	Frequency	Percentage
Rural	7	1.9
Village/town	71	19.6
Suburban	228	62.8
Urban	57	15.7

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 text and was a closed-ended question with the same response categories in both surveys.

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 335 or 90.3% of the 371 residential respondents that answered this closed-ended question. Of the 335 respondents, there were 10 or 3.0% who identified "Less than $10,500," 67 or 20.0% identified "$10,500-$24,999," 92 or 27.5% identified "$25,000-$49,999," 80 or 23.9% identified "$50,000-$74,999," 34 or 10.1% identified "$75,000-$100,000," and 52 or 15.5% 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	10	3.0
$10,500-$24,999	67	20.0
$25,000-$49,999	92	27.5
$50,000-$74,999	80	23.9
$75,000-$100,000	34	10.1
Greater than $100,000	52	15.5

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 text and was a closed-ended question with the same 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 337 residential respondents who identified themselves as unaware customers on the survey. Of the 754 residential customers who completed and returned the survey, the 337 unaware customers represent 44.7% of the residential sample. Unaware customers were asked to provide information regarding their length of service from and their level of satisfaction with The Cincinnati Gas and Electric Company. 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 to these specific 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 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 44.7% of the residential customers who are not aware of the Customer Choice Program reflects a critical need for more customer education.

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 335 or 99.4% of the 337 unaware customers who responded to this closed-ended question. There were 70 or 20.9% of the customers who had purchased gas for "5 years or less," 37 or 11.0% had purchased gas for "6-10 years," 34 or 10.1% had purchased gas for "11-15 years," 23 or 6.9% had purchased gas for "16-20 years," and 171 or 51.0% 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.

Not Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	70	20.9
6-10 years	37	11.0
11-15 years	34	10.1
16-20 years	23	6.9
More than 20 years	171	51.0

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	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

There are more unaware than aware customers who have been customers of The Cincinnati Gas and Electric Company for "5 years or less." There are few unaware customers who have been customers of The Cincinnati Gas and Electric Company for "More than 20 years" than aware customers. There are no differences between the remaining categories of years of service for the aware and unaware residential customers. It may be concluded that the unaware residential customers have been natural gas customers for a slightly shorter period of time than the aware customers.

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 333 or 98.8% of the 337 unaware respondents who selected 1 of the above choices for this close-ended question. The percentages are determined based on the 333 customers who responded to Question 2. There were 33 or 9.9% who rated their level of satisfaction with service as "Very dissatisfied." There were 35 or 10.5% who reported that they were "Somewhat dissatisfied," 73 or 21.9% reported that they were "Neither satisfied nor dissatisfied," 90 or 27.0% reported that they were "Somewhat satisfied," and there were 102 or 30.6% 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	33	9.9
Somewhat dissatisfied	35	10.5
Neither satisfied nor dissatisfied	73	21.9
Somewhat satisfied	90	27.0
Very satisfied	102	30.6

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

Aware of Choice

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

Regarding the levels of satisfaction, there are no differences between the unaware and aware customers in the dissatisfaction range of the scale; both groups responded with similar levels of dissatisfaction. There are twice the number of unaware customers who are Neither satisfied nor dissatisfied with their service from The Cincinnati Gas and Electric Company. Additionally, the unaware customers are slightly less satisfied with their service from the Company than the aware customers. There were 69.2% of the aware customers who rated the Company on the positive side of the scale and 57.6% of the unaware customers who offered these ratings.

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 The Cincinnati Gas and Electric Company and other natural gas suppliers, please check the appropriate box.***

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

There were 337 or 44.7% of the total 754 residential respondents to the survey who identified themselves as customers "Not Aware of Choice" on the survey.

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

There were 283 or 84.0% of the 337 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 283 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 $1000 represent 130 or 45.9% of those answering the question. Those residential responses greater than the median reported value of $1000 represent 153 or 54.1% 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 $1000	130	45.9
Greater than $1000	153	54.1

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 $1000	138	47.6
Greater than $1000	152	52.4

There are no critical differences in the annual natural gas bills between the customers who are aware of choice and those who are not aware of choice.

18. What is your age?

Question 18 was an open-ended question. Of the 337 unaware residential customers in the sample, 331 or 98.2% responded to this open-ended question. The youngest person responding to the survey was 21 years old. The oldest person responding to the survey was 89 years old. The modal age in the sample was 70 years old, with 14 respondents reporting that as their age. The next highest modal frequency was reported by 13 respondents who identified their age as 39. 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 31 or 9.4% of the unaware residential customers who are "34 or under," 104 or 31.4% who are "35-49," 81 or 24.5% who are "50-64," and 115 or 34.7% 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	31	9.4
35-49 years old	104	31.4
50-64 years old	81	24.5
65 and over	115	34.7

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

Aware of Choice

Customer ages	Frequency	Percentage
34 and under	34	9.5
35-49 years old	107	29.9
50-64 years old	109	30.4
65 and over	108	30.2

There are no critical differences in the age categories between the customers who are aware of choice and those who are not aware of choice.

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

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

Of the 337 unaware residential customers in the sample, 329 or 97.6% responded to this open-ended question. There were 13 or 4.0% of the respondents who reported that they live in a "Rural" area, 95 or 28.9% reside in a "Village/town," 174 or 52.9% of the residential respondents reported that they reside in a "Suburban" area, and 47 or 14.3% 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	13	4.0
Village/town	95	28.9
Suburban	174	52.9
Urban	47	14.3

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

Aware of Choice

Residential Location	Frequency	Percentage
Rural	7	1.9
Village/town	71	19.6
Suburban	228	62.8
Urban	57	15.7

There are no critical differences between the unaware and aware customers with regards to their locations in "Rural" and "Urban" areas. There are, however, more unaware customers than aware customers living in "Villages and towns," and there are more aware customers than unaware customers living in "Suburban" areas. There are slightly more aware than unaware customers who are living in the city and surrounding suburbs of Cincinnati.

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 323 or 95.8% of the 337 unaware residential respondents that answered this closed-ended question. Of the 323 respondents, there were 30 or 9.3% who identified "Less than $10,500," 74 or 22.9% identified "$10,500-$24,999," 92 or 28.5% identified "$25,000-$49,999," 74 or 22.9% identified "$50,000-$74,999," 31 or 9.6% identified "$75,000-$100,000," and 22 or 6.8% 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	30	9.3
$10,500-$24,999	74	22.9
$25,000-$49,999	92	28.5
$50,000-$74,999	74	22.9
$75,000-$100,000	31	9.6
Greater than $100,000	22	6.8

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	10	3.0
$10,500-$24,999	67	20.0
$25,000-$49,999	92	27.5
$50,000-$74,999	80	23.9
$75,000-$100,000	34	10.1
Greater than $100,000	52	15.5

There are no critical differences between the unaware and aware customers for most of the income categories. There are more unaware customers who have annual household incomes of "Less than $10,500" and there are fewer unaware customers who have household incomes of "Greater than $100,000." There are slightly more unaware customers among the lower income categories.

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. Efforts must be focused on the dissemination of information in order to ensure that these customers begin to become aware of the changing market for natural gas.

BUSINESS CUSTOMERS
316 Respondents
(Does Not Include 156 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 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 315 or 99.7% of the 316 business customers who responded to this closed-ended question. There were 49 or 15.6% of the customers who had purchased gas for "5 years or less," 32 or 10.2% had purchased gas for "6-10 years," 32 or 10.2% had purchased gas for "11-15 years," 22 or 7.0% had purchased gas for "16-20 years," and 180 or 57.1% 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	49	15.6
6-10 years	32	10.2
11-15 years	32	10.2
16-20 years	22	7.0
More than 20 years	180	57.1

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 text 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 311, or 98.4%, of the 316 respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 311 customers who responded to Question 2. There were 28 or 9.0% of the respondents who rated their level of satisfaction with service as "Very dissatisfied." There were 28 or 9.0% who reported that they were "Somewhat dissatisfied," 50 or 16.1% reported that they were "Neither satisfied nor dissatisfied," 99 or 31.8% reported that they were "Somewhat satisfied," and there were 106 or 34.1% 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	28	9.0
Somewhat dissatisfied	28	9.0
Neither satisfied nor dissatisfied	50	16.1
Somewhat satisfied	99	31.8
Very satisfied	106	34.1

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 text 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 316 respondents to whom this question applied, 272 or 86.1% provided a response. Of these 272 respondents, 27 respondents or 9.9% 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
The Cincinnati Gas and Electric Company	191	70.2
Cinergy Resources, Inc.	15	5.5
Supplier 1	15	5.5
Supplier 2	8	2.9
Supplier 3	7	2.6
Supplier 4	4	1.5
Supplier 5	3	1.1
Supplier 6	1	0.4
Supplier 7	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, 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 statistical and cross-tabulation analyses. The percentage represents the number of customers who are grouped into each category of the 272 respondents who answered Question 4.

There were 39 or 14.3% of the respondents who were grouped as "All other gas suppliers," 191 or 70.2% selected "The Cincinnati Gas and Electric Company," and 15 or 5.5% selected "Cinergy Resources, Inc." The table below presents the frequencies and percentages for each of the groups.

Natural Gas Supplier	Frequency	Percentage
The Cincinnati Gas and Electric Company	191	70.2
Cinergy Resources, Inc.	15	5.5
All other gas suppliers	39	14.3

The baseline study provided the following information from Question 4. Of the 305 respondents to whom this question applied, 262 or 85.9% responded to the question. Of these 262 respondents, 41 respondents or 15.6% wrote "Do not know" as their answer. These respondents who "Do not know" their natural gas company are not included in the table.

Supplier Name	Frequency	Percentage
Cincinnati Gas and Electric Co.	196	74.8
Supplier 1	8	3.1
Cinergy Resources, Inc.	5	1.9
Supplier 2	5	1.9
Supplier 3	3	1.1
Supplier 4	1	0.4
Supplier 5	1	0.4
Supplier 6	1	0.4
Supplier 7	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, Inc., and all other natural gas suppliers. The purpose of grouping the suppliers is to treat the response categories as an independent variable in the statistical and cross-tabulation analyses. 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 262 respondents who answered Question 4.

Group Name	Frequency	Percentage
Cincinnati Gas and Electric Co.	196	74.8
All other gas suppliers	20	7.6
Cinergy Resources, Inc.	5	1.9

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 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%. In the baseline study, only 25 customers had selected a different supplier, and these 25 customers were spread among 8 different suppliers. In the follow-up study, there was an increase to 54 customers having selected a new supplier, and these 54 customers where spread among 8 different suppliers. All but 1 of the suppliers has experienced an increase in market share between the 2 studies, but the increases have been, for the most part, fairly small. 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%.

There is only minor competition in the business marketplace for natural gas in the Cincinnati Gas and Electric Company service territory. Question 4 also offers some evidence that there is some confusion surrounding the Customer Choice Program among the business customers. 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. That 10% of the business customers reported "Do not know" on their surveys is a considerable number of consumers who do not know who is supplying them with, 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 293 or 92.7% of the 316 business customers who answered this closed-ended question. There were 59 or 20.1% of the respondents who answered that the information was "Not useful," 106 or 36.2% who reported that they were "Neutral," and 63 or 21.5% of the respondents who answered that the information was "Useful." There were 65 or 22.2% 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 293 customers who provided an answer.

Useful Information	Frequency	Percent
Not useful	59	20.1
Neutral	106	36.2
Useful	63	21.5
Did not receive any information	65	22.2

The baseline study provided the following information for Question 5. Of the 305 aware businesses, 281 or 92.1% answered this closed-ended question. Fifty-one or 18.1% of the respondents indicated that the information was "Not useful," 107 or 38.1% reported that the information was "Neutral," 41 or 14.6% of the businesses answered that the information was "Useful," and 82 or 29.2% of the businesses reported that they "Don't have any information." The following table presents the frequencies and corresponding percentages of the responses to this question.

Useful Information	Frequency	Percent
Not useful	51	18.1
Neutral	107	38.1
Useful	41	14.6
Don't have any Information	82	29.2

Question 5 had similar text in both surveys; only minor clarification changes were made between the studies. Also, a minor change was made to a response category 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 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 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, 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.

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 316 respondents, 291 or 92.1% provided a response to this closed-ended question. Of the 291 respondents, 25 or 8.6% indicated they were "Not interested," 95 or 32.6% were "Neither interested nor disinterested," and 171 or 58.8% were "Interested" in the Customer Choice Program. The following table presents the results for Question 6.

Interest in Customer Choice Program	Frequency	Percentage
Not interested	25	8.6
Neither interested nor disinterested	95	32.6
Interested	171	58.8

The baseline study provided the following information from Question 6. Of the 305 businesses, 278 or 91.1% responded to this closed-ended question. There were 23 or 8.3% respondents who were "Not interested," 110 or 39.6% respondents who were "Neither interested nor disinterested," and 145 or 52.2% who are "Interested" in The Cincinnati Gas and Electric Company's Choice Program. The following table summarizes the results for Question 6.

Interest in Choice	Frequency	Percentage
Not interested	23	8.3
Neither interested nor disinterested	110	39.6
Interested	145	52.2

Question 6 had the same text 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 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.

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 316 respondents, 269 or 85.1% provided a response to both this closed-ended and open-ended question. There were 150 or 55.8% of the business customers who reported "Price information" for their choice of information to make choosing a supplier easier. There were 144 or 53.5% who selected "Benefits and risks of switching," 119 or 44.2% selected "Company reputation and record of reliability," 117 or 43.5% selected "List of possible suppliers with contact numbers," 95 or 35.3% selected "Contract terms," 94 or 34.9% selected "Discounts/rebates/incentives," 92 or 34.2% selected "No problems," 86 or 32.0% selected "Future of the program," 85 or 31.6% selected "Service information," 75 or 27.9% selected "Adequate gas supply," 68 or 25.3% selected "Billing information and meter reading," 42 or 15.6% selected "Sales tax information," and 33 or 12.3% selected "Budget options" as information that would have made 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.

Information to help in selecting a supplier	Frequency	Percentage
Price information	150	55.8
Benefits and risks of switching	144	53.5
Company reputation and record of reliability	119	44.2
List of possible suppliers with contact numbers	117	43.5
Contract terms	95	35.3
Discounts/rebates/incentives	94	34.9
No problems	92	34.2
Future of the program	86	32.0
Service information	85	31.6
Adequate gas supply	75	27.9
Billing information and meter reading	68	25.3
Sales tax information	42	15.6
Budget options	33	12.3
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 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 respondents who returned a completed survey, 229 or 75.1% answered this question. Of these 229 respondents, 85 or 37.1% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 144 respondents or 62.9% answered "No." In the follow-up study, there were 92 or 34.2% of the respondents who indicated that they had not experienced problems in selecting a supplier. Given the margin of error in this study, the number of respondents reporting problems in selecting a supplier remains relatively unchanged. More than a third of the business customers indicate that they are experiencing problems in making their decisions.

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 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. 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. In fact, in the baseline study there were 78.6% of the respondents who indicated that they wanted information about price to assist them in making their choice of a supplier. The drop-off to the second choice was precipitous, with 17.5% of the respondents reporting that they wanted information about service and reliability. 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," "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. 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. Further, there were only 34.2% 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, 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-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 either 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	14 82.35	3 17.65
Neither interested nor disinterested	46 54.12	39 45.88
Interested	53 33.54	105 66.46

Number of Respondents answering Questions 6 and 7(Price information): 260
Frequency missing: 56

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 4 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 55.8% for business customers. Among those who are "Not interested" in the Program, only 17.65% identified "Price information." Even for those customers who are "Neither interested nor disinterested" in the Program, there were proportionately almost half of them 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	15 88.24	2 11.76
Neither interested nor disinterested	58 68.24	27 31.76
Interested	71 44.94	87 55.06

Number of Respondents answering Questions 6 and 7(List of suppliers with contact numbers): 260
Frequency missing: 56

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 5 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 43.5% for business customers. Among those who are "Not interested" in the Program, only 11.76% 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 30% 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	14 82.35	3 17.65
Neither interested nor disinterested	49 57.65	36 42.35
Interested	60 37.97	98 62.03

Number of Respondents answering Questions 6 and 7(Benefits and risks): 260
Frequency missing: 56

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 3 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 53.5% for business customers. Among those who are "Not interested" in the Program, only 17.65% identified "Benefits and risks of switching." Even for those customers who are "Neither interested nor disinterested" in the Program, there were proportionately almost 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.

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	17 100.00	0 0.00
Neither interested nor disinterested	70 82.35	15 17.65
Interested	107 67.72	51 32.28

Number of Respondents answering Questions 6 and 7(Billing information and meter reading): 260
Frequency missing: 56

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 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 25.3% for business customers. Among those who are "Not interested" in the Program, there were no respondents who identified "Billing information and meter reading." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 17.65% 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	15 88.24	2 11.76
Neither Interested nor disinterested	63 74.12	22 25.88
Interested	91 57.59	67 42.41

Number of Respondents answering Questions 6 and 7(Discounts/rebates/incentives): 260
Frequency missing: 56

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 4 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 34.9% for business customers. Among those who are "Not interested" in the Program, only 11.76% identified "Discounts/rebates/incentives." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 25.88% 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.

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 of Reliability

	No	Yes
Not interested	15 88.24	2 11.76
Neither interested nor disinterested	55 64.71	30 35.29
Interested	75 47.47	83 52.53

Number of Respondents answering Questions 6 and 7(Company reputation and record of reliability): 260
Frequency missing: 56

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 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 44.2% for business customers. Among those who are "Not interested" in the Program, 11.76% identified "Company reputation and record of reliability." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 35.29% 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	16 94.12	1 5.88
Neither interested nor disinterested	63 74.12	22 25.88
Interested	99 62.66	59 37.34

Number of Respondents answering Questions 6 and 7(Future of Program): 260
Frequency missing: 56

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 6 times more likely to report that having information about "Future of the Program" would have made it easier to choose than those who are "Not interested." The overall response rate was 32.0% for business customers. Among those who are "Not interested" in the Program, 5.88% identified "Future of the Program." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 25.88% 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.

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	16 94.12	1 5.88
Neither interested nor disinterested	65 76.47	20 23.53
Interested	106 67.09	52 32.91

Number of Respondents answering Questions 6 and 7(Adequate gas supply): 260
Frequency missing: 56

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 5 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 27.9% for business customers. Among those who are "Not interested" in the Program, 5.88% identified "Adequate gas supply." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 23.53% 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: Budgets Options

	No	Yes
Not interested	17 100.00	0 0.00
Neither interested nor disinterested	79 92.94	6 7.06
Interested	132 83.54	26 16.46

Number of Respondents answering Questions 6 and 7(Budget options): 260
Frequency missing: 56

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 12.3% for business 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 7.06% 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	16 94.12	1 5.88
Neither interested nor disinterested	65 76.47	20 23.53
Interested	86 54.43	72 45.57

Number of Respondents answering Questions 6 and 7(Contract Terms): 260
Frequency missing: 56

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 7 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 35.3% for business customers. Among those who are "Not interested" in the Program, 5.88% identified "Contract terms." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 23.53% 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?***

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.

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

Interest in Customer Choice Program/ Problems in selecting a Supplier: Service Information

	No	Yes
Not interested	15 88.24	2 11.76
Neither interested nor disinterested	64 75.29	21 24.71
Interested	98 62.03	60 37.97

Number of Respondents answering Questions 6 and 7(Service information): 260
Frequency missing: 56

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 3 times more 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 31.6% for business customers. Among those who are "Not interested" in the Program, 11.76% identified "Service information." Even for those customers who are "Neither interested nor disinterested" in the Program, there were 24.71% 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.

Sales tax 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 "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	17 100.00	0 0.00
Neither interested nor disinterested	77 90.59	8 9.41
Interested	125 79.11	33 20.89

Number of Respondents answering Questions 6 and 7(Sales tax information): 260
Frequency missing: 56

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 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 15.6% for business customers. Among those who are "Not interested" in the Program, there were no respondents who identified "Sales tax information." For those customers who are "Neither interested nor disinterested" in the Program, there were 9.41% 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.

Interest in Customer Choice Program/ Problems in selecting a Supplier: No Problems

	No	Yes
Not interested	4 23.53	13 76.47
Neither interested nor disinterested	43 50.59	42 49.41
Interested	123 77.85	35 22.15

Number of Respondents answering Questions 6 and 7(No Problems): 260
Frequency missing: 56

Those customers who are "Not interested" in the Program were 3 times more likely to report that they did not experience problems in choosing a supplier than those who are "Interested" in the Program. The overall business response was 34.2%. There were 76.47% of the business customers who are "Not interested" in the Program and indicated that they did not experience problems in making a choice of suppliers. For those who are "Interested" in the Program, only 22.15% indicated that they did not experience problems in choosing a supplier. For those customers who are "Neither interested nor disinterested" in the Program, 49.41% reported no problems in choosing a supplier.

The cross-tabulation and statistical analysis of Question 7 offers some important insights regarding customer perceptions of, and behavior in, the Customer Choice Program. It is important to bear in mind that the focus of Question 7 is for customers who are experiencing problems in making their choice of a supplier to identify the information that would have made their decision process easier. 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 also 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 are choosing to remain customers of The Cincinnati Gas and Electric Company without learning about their alternatives in the marketplace.

It is a reflection of serious problems 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. The Cincinnati Gas and Electric Company Customer Choice Program is experiencing serious problems, in part because customers are not getting the information they need to make their choice.

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 266 business customers who answered this question. For the closed-ended part of the question, 138 or 51.9% of the respondents indicated that "Pricing options or price comparisons" was information about the natural gas suppliers they found confusing. There were 115 or 43.2% of the respondents who selected "Benefits/risks of the program," 80 or 30.1% selected "Terms of the contract," 77 or 28.9% selected "Customer rights and responsibilities," 67 or 25.2% of the respondents "Did not receive information," 57 or 21.4% reported that "None of it was confusing," and 47 or 17.7% selected "Taxes and billing." 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	138	51.9
Benefits / risks of the program	115	43.2
Terms of the contract	80	30.1
Customer rights and responsibilities	77	28.9
Did not receive information	67	25.2
None of it was confusing	57	21.4
Taxes and billing	47	17.7
Other	0	0.0

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 305 business customers. For the closed-ended part of the question, 152 or 58.0% of the respondents indicated that they found the "Pricing options or price comparisons" confusing, 128 or 48.9% found the "Benefits/risks of the program" confusing, 111 or 42.4% found the "Terms of the contract" confusing, 92 or 35.1% of the respondents found "Customer rights and responsibilities" to be confusing, 81 or 30.9% indicated that they "Did not receive information," and 37 or 14.1% responded "None of it was confusing." There were 4 or 1.3% 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	152	58.0
Benefits / Risks of the Program	128	48.9
Terms of the Contract	111	42.4
Customer rights and responsibilities	92	35.1
Did not receive information	81	30.9
None was confusing	37	14.1
Other	4	1.3

The text for Question 8 in the follow-up study was the same as it appeared in the baseline study. There was a selection added to the follow-up survey based on the "Other" responses that were provided in the baseline survey; "Taxes and billing" was added to the selections.

The selections that appeared in both the baseline and follow-up versions of Question 8 were given the same rank order by the business customers. Between the baseline and the follow-up studies, there were slight improvements in all of the categories of information; 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 was improvement in the number of business customers who received information about the Program. That there are a quarter of the customers, however, who do not have information about the Program is a serious problem. Similarly, there was improvement from the baseline survey in the number of customers who did not find any of the information confusing. There was an increase of approximately 7% between the studies. Again, that only approximately 20% of the customers do not find any of the Program information confusing reflects some problems with the Customer Choice Program.

Question 8 reinforces the most serious flaws surrounding the Customer Choice Program. About a quarter of the respondents are not receiving information about the Program. For the customers who are receiving information, the information about the most important and fundamental aspects of the Program remain confusing. Customers are most concerned about the price information and, of all of the Program elements, more customers are confused about price. These results indicate that consumers are not making informed decisions about the marketplace for natural gas.

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 275 business customers who answered this question. For the closed-ended part of the question, 210 or 76.4% of the business 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 131 or 47.6% of the customers who indicated "Bill inserts," 43 or 15.6% indicated "Newspaper articles," 41 or 14.9% indicated "1-800 phone hotline," 35 or 12.7% indicated "TV advertising and news," 34 or 12.4% indicated "Advertising in newspapers," 23 or 8.4% indicated "PUCO Internet site," 21 or 7.6% indicated "Public meetings," and 15 or 5.5% indicated "Advertising on radio" as the ways they would like to receive information. There were no respondents 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	210	76.4
Bill insert	131	47.6
Newspaper articles	43	15.6
1- 800 phone hotline	41	14.9
TV advertising and news	35	12.7
Advertising in newspapers	34	12.4
PUCO Internet site	23	8.4
Public meetings	21	7.6
Advertising on radio	15	5.5
Other	0	0.0

Question 9 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. 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. The remaining methods were reported by fewer than 20% of the respondents. "Direct mail" and "Bill inserts" are the methods that would be most 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 271 business customers who responded to the question. For the closed-ended part of the question, 235 or 86.7% of the respondents considered "Price" in making their choice of a supplier. There were 184 or 67.9% of the respondents who selected "Reliable gas supply," 131 or 48.3% selected "Customer service," 120 or 44.3% selected "Reputation," 119 or 43.9% selected "Terms of the contract," 109 or 40.2% selected "Length of the contract," 103 or 38.0% selected "Billing," 28 or 10.3% selected "Customer education," and 26 or 9.6% indicated "Name recognition," as the factors they considered in making their choice of a natural gas supplier. 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	235	86.7
Reliable gas supply	184	67.9
Customer service	131	48.3
Reputation	120	44.3
Terms of the contract	119	43.9
Length of contract	109	40.2
Billing	103	38.0
Customer education	28	10.3
Name recognition	26	9.6
Other	0	0.0

The following results are presented from Question 11 of the baseline study. Two hundred forty-five business customers completed this question. The frequency represents the number of times the above choices were selected by a respondent, and the percentage is calculated based on the 245 business respondents. For the closed-ended part of the question, 215 or 87.8% of the respondents considered "Price" in making their choice of a supplier. There were 171 or 69.8% of the respondents who selected "Reliable gas supply," 122 or 49.8% selected "Customer service," 119 or 48.6% selected "Terms of the contract," 108 or 44.1% selected "Length of contract," 96 or 39.2% selected "Reputation," 86 or 35.1% selected "Billing," 25 or 10.2% selected "Customer education," and 23 or 9.4% selected "Name recognition." There were no responses to the open-ended portion of this question. The following table summarizes the customer responses to the closed-ended portion of Question 11.

Customer Choice	Frequency	Percentage
Price	215	87.8
Reliable Gas Supply	171	69.8
Customer Service	122	49.8
Terms of the Contract	119	48.6
Length of Contract	108	44.1
Reputation	96	39.2
Billing	86	35.1
Customer Education	25	10.2
Name Recognition	23	9.4

Question 11 in the baseline and follow-up surveys had the same text and the same selections. Price remains the primary selection as the factor consumers are considering in making their choice of a natural gas supplier. In the baseline study, "Price" was identified by 87.8% of the respondents, and it was selected by 86.7% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 67.9% in the follow-up study, as compared to 69.8% in the baseline study.

The rank order of factors being considered by business customers remained essentially the same. Between the baseline and the follow-up studies, there were small changes in the rank order of "Reputation," "Terms of the contract," and "Length of the contract." "Price" remains the primary consideration, and "Reliable gas supply" is the second choice. Most of the other factors are reported with approximately the same proportionate response. There was a small increase from the baseline to the follow-up study for "Reputation." There were small decreases in the proportionate responses for "Terms of the contract" and "Length of the contract."

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. From the 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 that 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 a good source of that information on which they are going to rely to make their choice.

11. ***How many different suppliers did you consider before making your selection? Please include The Cincinnati Gas and Electric Company in your total if applicable.***

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

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 275 or 87.0% of the business customers who answered this closed-ended question. There were 35 or 12.7% of the respondents who considered "1 supplier," 82 or 29.8% considered 2, 3 or 4 suppliers, and 8 or 2.9% considered "5 or more" suppliers in making their selection. There were 150 or 54.5% 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	35	12.7
2, 3 or 4 suppliers	82	29.8
5 or more suppliers	8	2.9
Have not considered changing	150	54.5

Question 12 in the baseline study was slightly modified in the follow-up study in order to simplify the text. There were no changes made to the meaning of the question or in the meaning of the closed-ended categories. The same general choices were offered to the respondent in both surveys. The following results were presented in the baseline study.

Of the 305 business customers in the sample, 272 or 89.2% responded to this question. There were 25 or 9.2% of the respondents who reviewed "1 proposal," 65 or 23.9% who reviewed "2, 3, or 4 proposals," 4 or 1.5% who reviewed "5 or more proposals," and 178 or 65.4% of the respondents "Have not yet considered any proposals." The following table summarizes the customer responses to the closed-ended portion of Question 12.

Supplier Proposals	Frequency	Percentage
1 proposal	25	9.2
2, 3, 4 proposals	65	23.9
5 or more proposals	4	1.5
Have not yet considered any proposals	178	65.4

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.

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 these problems. Of the 316 business respondents, 263 or 83.2% responded to this question. Of these 263 respondents, 10 or 3.8% answered "Yes," they had experienced service problems from their new natural gas supplier. Conversely, 58 respondents or 22.1% answered "No," they had not experienced any problems. There were 195 or 74.1% 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. Seven 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 2 distinct categories. The table below presents these categories, as well as their respective frequencies. The percentages are calculated based on the 7 customers who provided an open-ended response to Question 12.

Service problems from a new supplier	Frequency	Percentage
Billing errors	6	85.7
Length of contract	1	14.3

The following information was presented in the baseline study from the results of Question 14. The first portion of the question is close-ended. Of the 305 business respondents, 228 or 74.8% answered Question 14. Of those answering the first portion of this question, 23 or 10.1% of the business respondents indicated a "No" response when asked if they had experienced any problems with service from a new supplier. Continuing with those who answered the first portion of the question, 194 or 85.1% of the respondents indicated they "Have not selected a new supplier," and 2 or 0.9% of the respondents chose "Yes" when asked if they had experienced problems with service from a new supplier. There were 9 or 3.9% of the respondents that chose "Have not had enough experience with supplier to make a judgment."

The following table presents the business responses to the open-ended portion of Question 14. The 2 respondents who indicated "Yes" in the first portion are eligible respondents on this portion of the question. While multiple responses were permitted, the 2 customers who provided an open-ended response offered answers that were classified into 2 categories. The percentages are based on these 2 respondents. Note that 2 different categories of problems were identified for the responses to the open-ended portion of Question 14.

Problems with new supplier	Frequency	Percentage
Price increase	1	50.0
Bureaucracy	1	50.0

The text of Question 12 in the follow-up study was the same as it appeared in the baseline study. There was a change made to the closed-ended choices; "Have not had enough experience" was offered as a choice in the baseline study, but not in the follow-up study. The open-ended portion 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, 85.1% of the respondents reported that they had not selected a new supplier. In the follow-up study, 74.1% of the respondents indicated that they had not yet selected a supplier. In the baseline study, 10.1% of the respondents reported no service problems, and in the follow-up study, 22.1% reported no service problems from their new supplier. In the baseline study, 1 respondent reported that he/she had experienced a customer service problem. In the follow-up study, 10 business customers reported problems. With so few customers receiving service from a new supplier, customer service problems from a new supplier are not an issue in the Customer Choice Program.

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 15 from the baseline study of the Program. Question 15 was an open-ended question in the baseline study and asked the respondents to identify the benefits they expected from the Customer Choice Program. The customers' identification of benefits were used as measures of customer satisfaction in the follow-up survey.

Of the 316 business customers, 198 or 62.7% responded to the "Prices" section of Question 13. There were 67 or 33.8% of the business customers who were "Satisfied" with the "Prices" area of the Program. Continuing, there were 45 or 22.7% of the customers who were "Dissatisfied" with the "Prices" area of the Program, and 86 or 43.4% 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	67	33.8
Dissatisfied	45	22.7
Neither Satisfied Nor Dissatisfied	86	43.4

Of the 316 business customers, 193 or 61.1% responded to the "Customer service" section of Question 13. There were 104 or 53.9% of the business customers who were "Satisfied" with the "Customer service" area of the Program. Continuing, there were 16 or 8.3% of the customers who were "Dissatisfied" with the "Customer service" area of the Program, and 73 or 37.8% 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	104	53.9
Dissatisfied	16	8.3
Neither Satisfied Nor Dissatisfied	73	37.8

Of the 316 business customers, 186 or 58.9% responded to the "Contract terms" section of Question 13. There were 71 or 38.2% of the business customers who were "Satisfied" with the "Contract terms" area of the Program. Continuing, there were 18 or 9.7% of the customers who were "Dissatisfied" with the "Contract terms" area of the Program, and 97 or 52.2% 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	71	38.2
Dissatisfied	18	9.7
Neither Satisfied Nor Dissatisfied	97	52.2

Of the 316 business customers, 186 or 58.9% responded to the Freedom of choice section of Question 13. There were 93 or 50.0% of the business customers who were "Satisfied" with the "Freedom of choice" aspect of the Program. Continuing, there were 18 or 9.7% of the customers who were "Dissatisfied" with the "Freedom of choice" aspect of the Program, and 75 or 40.3% 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	93	50.0
Dissatisfied	18	9.7
Neither Satisfied Nor Dissatisfied	75	40.3

Of the 316 business customers, 182 or 57.6% responded to the Reliability/dependability section of Question 13. There were 96 or 52.7% of the business customers who were "Satisfied" with the "Reliability/dependability" aspect of the Program. Continuing, there were 12 or 6.6% of the customers who were "Dissatisfied" with the "Reliability/ dependability" aspect of the Program, and 74 or 40.7% 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	96	52.7
Dissatisfied	12	6.6
Neither Satisfied Nor Dissatisfied	74	40.7

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 business respondents are least satisfied with "Prices." 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 of 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 The Cincinnati Gas and Electric Company'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 316 business respondents, 286 or 90.5% 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 286 business customers who answered Question 14. A review of the results demonstrates that 166 respondents indicated a response of "Yes," they would be interested in having the Program continued in their area. This represents 58.0% of the respondents that completed this question. Conversely, 15 respondents or 5.2% indicated a response of "No," and 105 or 36.7% of the business customers were "Not Sure" if they were 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	166	58.0
No	15	5.2
Not Sure	105	36.7

The following results were presented from Question 17 of the baseline study. Of the 305 business customers, 261 or 85.6% responded to this closed-ended question. Of the 261 responding, 135 or 51.7% indicated "Yes," they were interested in having the Cincinnati

Gas and Electric Company's Customer Choice Program continued, 18 or 6.9% indicated "No," they were not interested in having the program continued, and 108 or 41.4 % were "Not Sure" about having the program continued in their area. The following table summarizes the results for Question 17.

Program Continued	Frequency	Percentage
Yes	135	51.7
No	18	6.9
Not Sure	108	41.4

The text of Question 14 in the follow-up survey was the same as Question 17 from the baseline study. In both cases, it was a closed-ended question with identical selections.

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.

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 316 business respondents, 276 or 87.3% provided an answer to this question. There were 95 or 34.4% of the respondents who indicated that "Yes," they thought the Program can be improved. There were 9 or 3.3% of the respondents who selected "No," they thought the Program can not be improved. Continuing, there were 172 or 62.3% 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	95	34.4
No	9	3.3
Not Sure	172	62.3

The second portion of this question was open-ended. The 95 respondents who identified that the Program can be improved were offered the opportunity to express their ideas in this regard. Of the 95 potential respondents, 58 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 6 different categories. Each of the 58 customers provided an answer which was not coded as a multiple response. 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 58 respondents provided a response for each particular category. The percentage is calculated based on the same 58 customers who responded to this question.

Program Improvements	Frequency	Percentage
Better, more complete information on suppliers and prices	47	81.0
More choices	3	5.2
Easier to understand options	3	5.2
Eliminate sales tax on resold gas	2	3.4
Lower prices	2	3.4
Better billing	1	1.7

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." It is clear from Question 15 and other areas of the study that the Customer Choice Program must be improved by improving both information dissemination and the quality of the information being distributed to consumers.

16. Approximately what is your ANNUAL natural gas bill?

There were 247 or 78.2% of the 316 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 247 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 $3,000 represent 124 or 50.2% of those answering the question. Those business responses greater than the median reported value of $3,000 represent 123 or 49.8% 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 $3000	124	50.2
Greater than $3000	123	49.8

Question 16 was treated as an independent variable in the research design in both the baseline and follow-up studies. In the baseline and follow-up surveys, it was an open-ended question with the same text.

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 316 business customers, 280 or 88.6% responded to this closed-ended question. There were 118 or 42.1% of the respondents that selected "Services" as the term that best describes their business. Continuing, there were 63 or 22.5% of the customers that selected "Retail trade," 43 or 15.4% selected "Manufacturing," 26 or 9.3% selected "Finance and insurance," 12 or 4.3% selected "Wholesale trade," 8 or 2.9% selected "Construction," 7 or 2.5% selected "Transportation and public utilities," and 3 or 1.1% selected "Agriculture, forestry and fishing" as their business classification. There were no business respondents who selected the "Mining" sector or offered an "Other" response. The following table summarizes the customer responses to Question 17.

Business Description	Frequency	Percentage
Services	118	42.1
Retail trade	63	22.5
Manufacturing	43	15.4
Finance, insurance, and real estate	26	9.3
Wholesale trade	12	4.3
Construction	8	2.9
Transportation and public utilities	7	2.5
Agriculture, forestry, and fishing	3	1.1
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 text with the same response categories in both surveys.

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

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

Of the 316 business customers in the sample, 293 or 92.7% responded to this closed-ended question. There were 241 or 82.3% of the respondents that classified their business as a "For-profit" organization. Continuing, there were 43 or 14.7% of the respondents who classified their organization as "Not-for-profit," and 9 or 3.1% 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	241	82.3
Not-for-profit	43	14.7
Government/Public	9	3.1

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 text with the same response categories 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 290 or 91.8% of the 316 business respondents who answered this closed-ended question. Of the 290 respondents, there were 86 or 29.7% who employ between "1-4" people, 66 or 22.8% employ between "5-10" people, 55 or 19.0% employ between "11-25" people, 50 or 17.2% employ between "26-100" people, 27 or 9.3% employ between "101-500" people, and 6 or 2.1% employ "Greater than 500" people. The following table presents the results for Question 19.

Number of employees	Frequency	Percentage
1-4	86	29.7
5-10	66	22.8
11-25	55	19.0
26-100	50	17.2
101-500	27	9.3
Greater than 500	6	2.1

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 text with the same response categories 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 316 business customers in the sample, 292 or 92.4% responded to this closed-ended question. There were 6 or 2.1% of the respondents who indicated their business was located in a "Rural" area, 100 or 34.2% of the respondents indicated their business was located in a "Village/town," 113 or 38.7% of the respondents indicated their business was located in a "Suburban" area, and 73 or 25.0% 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	6	2.1
Village/Town	100	34.2
Suburban	113	38.7
Urban	73	25.0

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 text with the same response categories in both surveys.

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 156 business respondents who identified themselves as unaware customers on the survey. Of the 472 business customers who completed and returned the survey, the 156 unaware customers represent 33.1% of the business sample. Unaware customers were asked to provide information regarding their length of service from and their level of satisfaction with The Cincinnati Gas and Electric Company. They were also asked to provide the demographic information that was solicited from all business customers who responded to the survey. Unaware customers were instructed to answer Questions 1, 2, 3, and 16 through 20 of the survey. They were not to respond to Questions 4 through 15 of the survey. If they did provide responses to these specific 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. The 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 33.1% of the business customers who are not aware of the Customer Choice Program reflects a critical need for more customer education.

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 155 or 99.4% of the 156 unaware business customers who responded to this closed-ended question. There were 28 or 18.1% of the customers who had purchased gas for "5 years or less," 22 or 14.2% had purchased gas for "6-10 years," 18 or 11.6% had purchased gas for "11-15 years," 9 or 5.8% had purchased gas for "16-20 years," and 78 or 50.3% 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.

Not Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	28	18.1
6-10 years	22	14.2
11-15 years	18	11.6
16-20 years	9	5.8
More than 20 years	78	50.3

Aware of Choice

Length of Service	Frequency	Percentage
5 years or less	49	15.6
6-10 years	32	10.2
11-15 years	32	10.2
16-20 years	22	7.0
More than 20 years	180	57.1

There were 32.3% of the unaware business respondents who have been customers of The Cincinnati Gas and Electric Company for 10 years or less. There were 25.8% aware business respondents who have been customers of The Cincinnati Gas and Electric Company for 10 years or less. There were 50.3% of the unaware respondents who have been customers of The Cincinnati Gas and Electric Company for "More than 20 years." There have been 57.1% of the aware respondents who have been customers of The Cincinnati Gas and Electric Company for "More than 20 years." 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.

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 153 or 98.1% of the 156 unaware respondents who selected one of the above choices for this close-ended question. The percentages are determined based on the 153 customers who responded to Question 2. There were 12 or 7.8% who reported they were "Very dissatisfied." There were 18 or 11.8% who reported that they were "Somewhat dissatisfied," 46 or 30.1% reported that they were "Neither satisfied nor dissatisfied," 40 or 26.1% reported that they were "Somewhat satisfied," and there were 37 or 24.2% 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	12	7.8
Somewhat dissatisfied	18	11.8
Neither satisfied nor dissatisfied	46	30.1
Somewhat satisfied	40	26.1
Very satisfied	37	24.2

Aware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	28	9.0
Somewhat dissatisfied	28	9.0
Neither satisfied nor dissatisfied	50	16.1
Somewhat satisfied	99	31.8
Very satisfied	106	34.1

There is no critical difference between the unaware and aware customers as to reporting their dissatisfaction with service from The Cincinnati Gas and Electric Company. The percentage of unaware customers who are "Neither satisfied nor dissatisfied" is twice that of aware customers. Additionally, there were 50.3% of the unaware customers who reported that they were satisfied with their service from The Cincinnati Gas and Electric Company. There were 65.9% of the aware customers who reported that they were satisfied with their service from The Cincinnati Gas and Electric Company. The unaware customers are slightly less satisfied with their service from the Company as compared to the customers who are aware of the Customer Choice Program.

3. ***If you are you are not aware that you are able to choose between The Cincinnati Gas and Electric Company and other natural gas suppliers, please check the box.***

- *Not aware of choice*

There were 156 or 33.1% of the 472 business respondents who identified themselves as customers "Not Aware of Choice" on the survey.

16. Approximately what is your ANNUAL natural gas bill?

There were 130 or 83.3% of the 156 unaware 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 130 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 $3,000 represent 76 or 58.5% of those answering the question. Those business responses greater than the median reported value of $3,000 represent 54 or 41.5% 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.

Not Aware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $3000	76	58.5
Greater than $3000	54	41.5

Aware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $3000	124	50.2
Greater than $3000	123	49.8

The customers who were not aware of the Customer Choice Program have slightly lower bills than those who were aware of the Program.

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 156 unaware business customers, 144 or 92.3% responded to this closed-ended question. There were 73 or 50.7% of the respondents that selected "Services," as the term that best describes their business. Continuing, there were 30 or 20.8% of the customers that selected "Retail trade," 12 or 8.3% selected "Manufacturing," 12 or 8.3% selected "Finance and insurance," 6 or 4.2% selected "Construction," 6 or 4.2% selected "Transportation and public utilities," and 5 or 3.5% selected "Wholesale trade" as their business classification. There were no business respondents who selected the "Agriculture, forestry and fishing" or "Mining" sectors. There were no respondents who provided an "Other" response. The following table summarizes the customer responses to Question 17.

Not Aware of Choice

Business Description	Frequency	Percentage
Services	73	50.7
Retail trade	30	20.8
Manufacturing	12	8.3
Finance, insurance, and real estate	12	8.3
Construction	6	4.2
Transportation and public utilities	6	4.2
Wholesale trade	5	3.5
Agriculture, forestry, and fishing	0	0.0
Mining	0	0.0
Other	0	0.0

Aware of Choice

Business Description	Frequency	Percentage
Services	118	42.1
Retail trade	63	22.5
Manufacturing	43	15.4
Finance, insurance, and real estate	26	9.3
Wholesale trade	12	4.3
Construction	8	2.9
Transportation and public utilities	7	2.5
Agriculture, forestry, and fishing	3	1.1
Mining	0	0.0
Other	0	0.0

For most of the business classifications, there is not a critical difference between the aware and unaware business customers. Among the unaware customers, there are slightly more respondents represented in the "Services" sector than among the aware customers. Also, there are slightly fewer unaware customers in the "Manufacturing" sector than among the aware customers.

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

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

Of the 156 unaware business customers in the sample, 151 or 96.8% responded to this closed-ended question. There were 121 or 80.1% of the respondents that classified their business as a "For-profit" organization. Continuing, there were 21 or 13.9% of the respondents who classified their organization as "Not-for-profit," and 9 or 6.0% of the respondents who classified their organization as "Government/public." The following table summarizes the customer responses to Question 18.

Not Aware of Choice

Classification of organization	Frequency	Percentage
For-profit	121	80.1
Not-for-profit	21	13.9
Government/Public	9	6.0

Aware of Choice

Classification of organization	Frequency	Percentage
For-profit	241	82.3
Not-for-profit	43	14.7
Government/Public	9	3.1

There is not a critical difference between the unaware and aware customers as to their organizational type.

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 146 or 93.6% of the 156 unaware business respondents who answered this closed-ended question. Of the 146 respondents, there were 59 or 40.4% who employ between "1-4" people, 39 or 26.7% employ between "5-10" people, 24 or 16.4% employ between "11-25" people, 16 or 11.0% employ between "26-100" people, 6 or 4.1% employ between "101-500" people, and 2 or 1.4% 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	59	40.4
5-10	39	26.7
11-25	24	16.4
26-100	16	11.0
101-500	6	4.1
Greater than 500	2	1.4

Aware of Choice

Number of employees	Frequency	Percentage
1-4	86	29.7
5-10	66	22.8
11-25	55	19.0
26-100	50	17.2
101-500	27	9.3
Greater than 500	6	2.1

There is a higher percentage of unaware customers with "1-4" employees than aware customers. Also, there is a smaller percentage of unaware customers among the businesses with greater than 25 employees. For the unaware customers, there are 16.5% of the respondents who have greater than 25 employees, and there are 28.6% of the aware customers with greater than 25 employees. To the extent that number of employees is reflective of the size of a business, the unaware customers have a slightly higher representation among the smaller companies.

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 156 unaware business customers in the sample, 151 or 96.8% responded to this closed-ended question. There were 10 or 6.6% of the respondents who indicated their business was located in a "Rural" area, 59 or 39.1% of the respondents indicated their business was located in a "Village/town," 44 or 29.1% of the respondents indicated their business was located in a "Suburban" area, and 38 or 25.2% 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 location	Frequency	Percentage
Rural	10	6.6
Village/Town	59	39.1
Suburban	44	29.1
Urban	38	25.2

Aware of Choice

Business location	Frequency	Percentage
Rural	6	2.1
Village/Town	100	34.2
Suburban	113	38.7
Urban	73	25.0

There is a slightly higher percentage of customers living in "Rural" areas and "Villages/towns" who were not aware of choice than customers who were aware of the Program. Also, there were fewer customers living in "Suburban" areas who were not aware of choice than customers who were aware of the Program.

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 "Rural" areas, "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. That there were 156 or 33.1% of the business respondents who identified themselves as unaware customers on the survey is a critical problem for the Customer Choice Program. Efforts must be focused on the dissemination of information in order to ensure that these customers become aware of the changing market for natural gas.

Appendix 1

Baseline Residential Survey
Follow-Up Residential Survey

Baseline Business Survey
Follow-Up Business Survey

PUCO

The Public Utilities Commission of Ohio

180 East Broad Street, Columbus, Ohio 43215-3793

George V. Voinovich, *Governor*

Craig A. Glazer, *Chairman*

January 6, 1998

Dear Residential Natural Gas Customer:

You have the opportunity to voice your opinions about the future of The Cincinnati Gas and Electric Company'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 The Cincinnati Gas and Electric Company 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 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 JANUARY 14, 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 The Cincinnati Gas and Electri 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

2. How would you rate your level of satisfaction with The Cincinnati Gas and Electric Company service? In your evaluation, please consider all aspects of service, such as customer service, pric 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 The Cincinnati Gas and Electric Company 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 20 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 would you describe the information you have received to assist you in making a choice of a natural gas supplier?

❑ Not useful ❑ Neutral ❑ Useful ❑ Don't have any information

6. How interested are you in The Cincinnati Gas and Electric Company's Customer Choice Program?

❑ Not interested ❑ Neither interested nor disinterested ❑ 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 rights and responsibilities
❑ Pricing options or price comparisons
❑ Terms of the contract
❑ Did not receive information
❑ None of it was confusing
❑ Other ____________________

9. 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
- ☐ The Cincinnati Gas and Electric Company bill inserts
- ☐ Friends, family, other customers
- ☐ Mail contact from natural gas suppliers
- ☐ Newspaper articles
- ☐ Ohio Consumers' Counsel - printed materials and hotline
- ☐ Personal meeting with supplier
- ☐ Public meetings and forums
- ☐ Public Utilities Commission - printed materials and hotline
- ☐ Telephone contact from natural gas suppliers
- ☐ Television and radio programs
- ☐ None
- ☐ Other ____________________

10. Who has provided you with 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.

- ☐ The Cincinnati Gas and Electric Company
- ☐ Friends, family, other customers
- ☐ Local government
- ☐ Natural gas suppliers
- ☐ Ohio Consumers' Counsel
- ☐ Public Utilities Commission of Ohio
- ☐ No one
- ☐ 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 supplier proposals did you review before making your selection? If you considered remaining with The Cincinnati Gas and Electric Company, include that as one of the proposals.

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 or more ☐ Have not yet considered any proposals

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

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

____

14. 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

☐ Have not had enough experience with supplier to make a judgment

If YES, please describe the problems: ____________________

____

OVER →

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

If YES, please describe the benefits: ____________________

____

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

If YES, please describe the problems: ____________________

____

17. Would you be interested in having The Cincinnati Gas and Electric Company's Customer Ch
Program continued in your area?

❑ Yes ❑ No ❑ Not Sure

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

____

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

____

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

21. 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

22. What is your age? ____________

23. Select the choice that best characterizes the area where you live.

❑ Rural ❑ Village/town ❑ Suburban ❑ Urban

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 JANUARY 14, 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*

January 6, 1998

Dear Business Natural Gas Customer:

You have the opportunity to voice your opinions about the future of The Cincinnati Gas and Electric Company'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 The Cincinnati Gas and Electric Company 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 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 JANUARY 14, 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 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

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

3. If you are not aware that you are able to choose between The Cincinnati Gas and Electric Company 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 20 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 would you describe the information you have received to assist you in making a choice of a natural gas supplier?

❑ Not useful ❑ Neutral ❑ Useful ❑ Don't have any information

6. How interested are you in The Cincinnati Gas and Electric Company's Customer Choice Program?

❑ Not interested ❑ Neither interested nor disinterested ❑ 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 rights and responsibilities
❑ Pricing options or price comparisons
❑ Terms of the contract
❑ Did not receive information
❑ None of it was confusing
❑ Other ____________________

9. 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
- ❑ The Cincinnati Gas and Electric Company bill inserts
- ❑ Friends, family, other customers
- ❑ Mail contact from natural gas suppliers
- ❑ Newspaper articles
- ❑ Ohio Consumers' Counsel - printed materials
- ❑ Personal meeting with supplier
- ❑ Public meetings and forums
- ❑ Public Utilities Commission - printed materials and hotline
- ❑ Telephone contact from natural gas suppliers
- ❑ Television and radio programs
- ❑ None
- ❑ Other____________________

10. Who has provided you with 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.

- ❑ The Cincinnati Gas and Electric Company
- ❑ Friends, family, other customers
- ❑ Local government
- ❑ Natural gas suppliers
- ❑ Ohio Consumers' Counsel
- ❑ Public Utilities Commission of Ohio
- ❑ No one
- ❑ 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 supplier proposals did you review before making your selection? If you considered remaining with The Cincinnati Gas and Electric Company, include that as one of the proposals.

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

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

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

____

14. 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

❑ Have not had enough experience with supplier to make a judgment

If YES, please describe the problems: ____________________

____

OVER →

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

If YES, please describe the benefits: ________________________________

____

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

If YES, please describe the problems: ________________________________

____

17. Would you be interested in having The Cincinnati Gas and Electric Company's Customer Cho
Program continued in your area?

☐ Yes ☐ No ☐ Not Sure

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

____

____

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

____

____

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

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

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

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

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

23. 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

24. Select the choice that best characterizes the area where your business is located.

☐ Rural ☐ Village/town ☐ Suburban ☐ Urban

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

THANK YOU FOR RETURNING THIS BY JANUARY 14, 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 Residential Natural Gas Customer:

You have the opportunity to voice your opinions about the future of The Cincinnati Gas and Electric Company'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 The Cincinnati Gas and Electric Company or from a new supplier. **This is a follow-up to a previous survey that was sent to customers of The Cincinnati Gas and Electric Company.**

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 The Cincinnati Gas and Electr 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

2. How would you rate your level of satisfaction with The Cincinnati Gas and Electric Company service? In your evaluation, please consider all aspects of service, such as customer service, pric 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 yo are able to choose between The Cincinnati Gas and Electric Company and other natural ga 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 complet 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 The Cincinnati Gas and Electric Company'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 The Cincinnati Gas and Electric Company 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 appropri box.

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

15. Would you be interested in having The Cincinnati Gas and Electric Company's Customer Choi Program 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 chec 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:

You have the opportunity to voice your opinions about the future of The Cincinnati Gas and Electric Company'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 The Cincinnati Gas and Electric Company or from a new supplier. **This is a follow-up to a previous survey that was sent to customers of The Cincinnati Gas and Electric Company.**

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 The Cincinnati Gas and Electr 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 year

2. How would you rate your level of satisfaction with The Cincinnati Gas and Electric Company service? In your evaluation, please consider all aspects of service, such as customer service, pric 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 The Cincinnati Gas and Electri Company 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 th 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 informatio

6. How interested are you in The Cincinnati Gas and Electric Company's Customer Choic 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 The Cincinnati Gas and Electric Company 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 Dissatisfi
Prices			
Customer service			
Contract terms			
Freedom of choice			
Reliability/dependability			

14. Would you be interested in having The Cincinnati Gas and Electric Company's Customer Cho Program continued 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 chec 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 on 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

CUSTOMER EDUCATION

Question 3
Unaware of choice
Conclusions and Recommendations

- Across the demographic variables in the survey, no critical differences are apparent when comparing the unaware residential responses to those of the general residential population.

- The unaware respondents make up almost half of those residential customers surveyed. Given there are not critical differences between the responses given by the unaware and general residential customers, this demonstrates that higher levels of customer education are needed for all customers, not just for particular customer groups based on their demographic associations.

Question 5
How useful was the information
Conclusions and Recommendations

- The percentage of residential respondents who found the information "useful" (21.4%) exceeds, by a small degree, the percentage of respondents who categorized the information as "not useful" (16.5%). In addition, approximately 26% of the respondents were "neutral" about the value of the information. These figures, taken together, suggest a moderately positive reception by the respondents who have received information.

- More than one-third of the respondents (35.7%) have not yet received any information. This represents an immediate concern. Absent quality information, it is not likely that these customers will give any serious consideration to participating in the program. Steps should be taken to ensure that all potential participants receive the relevant program information.

- The respondents' assessment of the information is not impacted by the following independent variables: education (Question 21), age (Question 22), and annual household income (Question 24).

- The cross-tabulation suggests that location (Question 23) does not impact the assessment of the information. However, absent a statistical finding, it is not possible to make a definitive statement about the relationship between these 2 variables.

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

- Of the 243 residential customers who answered this question, 94 respondents or 38.70% identified the "Benefits/risks of the program" as information about the natural gas suppliers they found confusing. The statistical analysis determined that there were not significant relationships between customers finding "Benefits/risks of the program" confusing and the highest level of education completed (Question 21), customer age (Question 22), and annual household income (Question 24). There was no information regarding the statistical relationship between customers finding "Benefits/risks of the program" confusing and customer location (Question 23).

- Of the 243 residential customers who responded to this question, 64 respondents or 26.30% identified the "Customer rights and responsibilities" as information about the natural gas suppliers they found confusing. The statistical analysis determined that there were not significant relationships between customers finding "Customer rights and responsibilities" confusing and the highest level of education completed (Question 21), customer age (Question 22), customer location (Question 23), and annual household income (Question 24).

- Of the 243 residential customers who completed this question, 104 or 42.8% identified the "Pricing options and price comparisons" as information about the natural gas suppliers they found confusing. This is a critical finding, as price is cited by the respondents as the most important factor motivating participation in the program. The comprehension level of pricing issues needs to be improved. The statistical analysis determined that there were not significant relationships between customers finding "Pricing options and price comparisons" confusing and the highest level of education completed (Question 21), customer age (Question 22), and annual household income (Question 24). There were no statistical findings for location (Question 23).

- Of the 243 residential customers who completed this question, 74 or 30.5% identified the "Terms of the contract" as information about the natural gas suppliers they found confusing. The statistical analysis determined that there were not significant relationships between customers finding "Terms of the contract" confusing and the highest level of education completed (Question 21), customer age (Question 22), and customer location (Question 23). There was a significant relationship between "Terms of the contract" and annual household income (Question 24). The cross-tabulation for this analysis seemed to indicate that residents with annual household incomes above $50,000 were more likely to be confused about the contract terms.

- Of the 243 residential customers who completed this question, 105 or 43.2% reported they "Did not receive information." This clearly reflects a problem with the marketing or educational efforts that were being conducted at the time this survey was administered. For customers to evaluate the program, and thereby consider participation, they must have access to adequate information. The responses to this question illustrate that the communication efforts to date have not been sufficiently comprehensive. The statistical analysis determined that there were not significant relationships between customers reporting they "Did not receive information" and the highest level of education completed (Question 21), customer age (Question 22), and annual household income (Question 24). There was no information regarding the statistical relationship between customers reporting "Did not receive information" and customer location (Question 23).

- Of the 243 residential customers who completed this question, 37 or 15.20% indicated that none of the information about the natural gas suppliers had been confusing. The statistical analysis determined that there were not significant relationships between customers indicating "None of it was confusing" and the highest level of education completed (Question 21), customer age (Question 22), customer location (Question 23) and income (Question 24).

- It is clear from these responses that approximately 85% of the residential respondents are confused about at least one aspect of the program. This indicates a need for improved marketing / educational efforts.

Question 9
Effective ways of getting information
Conclusions and Recommendations

- The Cincinnati Gas and Electric Company "Bill inserts" were indicated with the highest frequency, with "Mail contact from natural gas suppliers" as second. These are the approaches that have been identified as the most effective ways to reach the broadest group of residential customers. "Newspaper articles" were the third highest choice. Note that "None" was the fourth highest response, with nearly a quarter of respondents selecting this choice.

- Across all levels of interest in the Program, the preferred method for receiving information to make a choice is "Bill inserts." The second ranking preference across 2 out of 3 levels of interest is "Mail contact."

- "Bill inserts" are the number one choice across all educational levels. "Mail contact" and "Newspaper articles" are second most popular for most of the educational levels.

- The most effective way to reach customers in various age groups would be with "Bill inserts." This selection ranked first for all age groups. "Mail contact" and "Newspaper articles" would be the second most effective means of reaching the groups.

- Across all location categories the most popular method of getting information are "Bill inserts." "Newspaper articles," "Advertisements," and "Mail contact" are effective secondary means of gaining information.

- "Bill inserts" are the most popular means of gaining information across most income levels. "Mail contact" is a secondary choice. However, "None" is often tied with either the first or second choice for some of the income levels.

Question 10
Source of useful information
Conclusions and Recommendations

- The highest response offered by residential customers was that "No one" provided them with useful information. Half of the respondents provided this response. The next highest response was "The Cincinnati Gas and Electric Company," which was selected by 41.7% of the respondents. The next response selected by residential customers was "The Public Utilities Commission," which was identified by only 11.7% of the respondents. The remaining sources of information were listed by even fewer numbers of residential customers. Customer education efforts need to be improved. Less than half of the respondents are identifying any source of useful information, and these sources, other then "The Cincinnati Gas and Electric Company," are noted by few respondents. Educational efforts should be evaluated and possibly restructured by those who are providing these initiatives in The Cincinnati Gas and Electric Company service territory. Customers should be monitored in order to assess possible improvements in these education programs.

SELECTION PROCESS

Question 4
Current natural gas supplier
Conclusions and Recommendations

- Less than 5% of the residential respondents reported a natural gas supplier other than CG&E. It is apparent that the vast majority of the residential customers continue to be supplied by CG&E. However, the responses leave unanswered the question of this being a conscious decision, or if it stems from a lack of awareness of the options available under the program.

- The statistical analyses did not reveal any independent variables that conclusively impact the respondents' current natural gas supplier. The cross-tabulations suggest that interest level (Question 6), education (Question 21), location (Question 23), and income (Question 24) all may impact the current natural gas supplier. However, the absence of a statistical foundation makes it impossible to render any definitive conclusions about the relationships between these independent variables and the current natural gas supplier.

Question 5
How useful was the information
Conclusions and Recommendations

- More than one-third of the respondents (35.7%) have not yet received any information. This represents an immediate concern. Absent quality information, it is not likely that these customers will give any serious consideration to participating in the program. From the perspective of the selection process, the absence of information greatly hinders, if not halts, the process. Steps should be taken to ensure that all potential participants receive the relevant program information.

- The percentage of residential respondents who found the information "useful" (21.4%) exceeds, by a small degree, the percentage of respondents who categorized the information as "not useful" (16.5%). In addition, approximately 26% of the respondents were "neutral" about the value of the information. These figures, taken together, suggest a fairly positive reception by the respondents who have received information. This trend facilitates the selection process, but ideally the proportion of respondents finding the information "useful" would be substantially higher than those finding it "not useful."

- The respondents' assessment of the information is not impacted by the following independent variables: education (Question 21), age (Question 22), and annual household income (Question 24). The finding that these variables do not impact the assessment of the information provides some indication that the information is being presented in a manner that is equally understandable by all of the segments within each of the independent variables. If the information was specifically geared to certain demographics, it is likely that customers outside this demographic portrait may be more likely to find the information of no use. However, the comparative proportions indicate that this is not the case.

- There was no statistical finding when analyzing Question 5 by location (Question 23). A review of the cross-tabulation analysis indicates that the responses are generally comparable across the locations. Again, this seems to indicate that the materials are being provided in a manner that is equally understandable by customers residing in all locations. It also seems to indicate that customers, regardless of location, desire similar information to guide their decisions. It is also noteworthy that the percentage of respondents having not received information is similar across the rows. However, the absence of a statistical finding precludes one from making any definitive statements about the relationships between these 2 variables.

Question 7
Information needed to make a choice of a natural gas supplier
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

- The results indicate that 85% of the respondents are confused about the program, at least to some degree. This reflects a need for improved marketing and education efforts. It is unreasonable to expect the selection process to run smoothly if the customers are confused about critical components of the program. Without a solid understanding of the major aspects of the program, it is likely that customers will elect not to participate in the program or will make decisions based on faulty understandings. Either scenario is undesirable.

- The customers reported high levels of confusion on the following topics: pricing options (42.8%), benefits/risks of the program (38.7%), terms of the contract (30.5%), and customers rights and responsibilities (26.3%). Future marketing and education efforts should concentrate on more clearly articulating the details concerning the above-listed topics.

- Of this question's respondents, 43.2% reported that they did not receive any information. This highlights a need for a more comprehensive communications effort. It is imperative that the potential participants receive information detailing the program and the various options. Specifically, the responses to Question 7 of this survey provide valuable insights into the topics on which the enhanced communications should focus. To rectify this apparent concern, all of the parties involved in the Customer Choice Program should consider modifying their educational efforts to ensure that the information is getting to the customers.

Question 9
Effective ways of getting information
Conclusions and Recommendations

- Overall, 22.6% of the residential respondents reported that "None" of the ways listed in Question 9 have been effective in getting them the information they need to select a supplier. The statistical analyses determined that the likelihood of having responded "None" is independent of the demographic variables, as well as the customers' interest in the program.

- The efficiency and effectiveness of the selection process is largely dependent upon the potential participants having access to relevant program information. The responses to this question imply that a substantial portion of potential participants do not have such access. Efforts should be made to ensure that the information is being distributed in an effective manner.

Question 10
Source of useful information
Conclusions and Recommendations

- The most common response was "No one," with the percentages indicating that nearly half of the respondents do not have a source of information that they perceive as useful. This is an alarming observation. In order to make informed decisions, the customers need to have access to adequate information. The responses to this question suggest that half of the respondents do not have such access. Without a source of useful information, the selection process becomes much more arduous, if not impossible.

- The statistical analysis indicated a significant relationship between interest in the program (Question 6) and a response of "No one." A review of the proportions in the cross-tabulation indicates a linear relationship between these variables. As interest increases, so too does the likelihood of answering "No one."

- The analysis determined a statistically insignificant relationship between a response of "No one" and education level (Question 21), age (Question 22), and income (Question 24). Therefore, none of these independent variables impacts the likelihood of responding "No one."

- Finally, there was no statistical finding available for the analysis of location (Question 23). Relative to the overall residential proportions, the proportions in the cross-tabulation table for location by "No one" indicates that residents in village/town, suburban, and urban locations answered in a manner similar to the overall residential respondents. However, customers in rural locations appear to be slightly more likely to have responded "No one." Although the proportions may suggest a relationship, the absence of a statistical finding precludes one from making any definitive statements about the relationship between these variables.

Question 11
Factors considered in making a choice of a natural gas supplier
Conclusions and Recommendations

- For the closed-ended part of the question, 105 or 45.7% selected "Billing," 29 or 12.6% selected "Customer education," 111 or 48.3% selected "Customer service," 95 or 41.3% selected "Length of contract," 36 or 15.7% indicated "Name recognition," and 180 or 78.3% of the respondents considered "Price" in making their choice of a supplier. There were 155 or 67.4% of the respondents who selected "Reliable gas supply," 105 or 45.7% selected "Reputation," 104 or 45.2% selected "Terms of the contract," and 6 or 2.6% of the respondents selected the "Other" category, thereby provided a unique, codeable response.

- Overall, the customers are looking at a number of factors when considering their options. Price is the most prominent issue, but other factors are also heavily weighted. Price was cited by 78% of the respondents, but not far behind was reliability (67%). In addition, the following factors were all cited by more than 40% of the respondents: Billing, Customer service, Length of contract, Reputation, and Terms of the contract. This leads to the conclusion that the selection process involves a number of aspects of the program and likely includes an informal cost-benefit analysis. If the customers were totally dollar driven, it is unlikely that the other factors would have received such substantial attention.

- In response to several questions in this survey, customers have reiterated the desire for additional information. To accommodate this request, additional educational or marketing efforts should be undertaken, with particular focus on the topics of greatest relevance to the potential participants (see frequencies for this question).

- As evidenced by the frequencies, just under 50% of the respondents considered, or intend to consider, Billing in the selection process. It is, therefore, obvious that this is a matter receiving a great deal of attention by the participants and potential participants. The statistical analyses indicated 1 demographic variable that impacts the consideration of billing, with that being age. With age, the data suggests an inverse relationship. Although not statistically proven, the data also suggests that location impacts billing. According to the cross-tab, CG&E's rural customers are placing relatively more emphasis on the issue of billing.

- The frequencies indicate that Customer education is being considered by just over 10% of the respondents. Clearly this is an issue neither driving participation nor impeding participation. At most, it appears to be a peripheral concern in the minds of the residential customers.

- Just under 50% of the residential respondents consider Customer service in the selection process. It is, therefore, apparent that this is a topic receiving considerable attention when considering the selection of a new supplier. Level of satisfaction does impact the likelihood of considering Customer service, but not in any distinct pattern. Location also appears to impact Customer service, with customers from Rural locations apparently indicating a higher likelihood of considering this factor. However, the absence of a statistical finding precludes one from making any definitive claims about the relationship between these variables.

- Approximately 41% of the respondents are considering contract length. It is not surprising that this issue is receiving a substantial amount of attention, as it represents a major deviation from the traditional regulated environment. Several variables were found to conclusively impact the consideration of contract length, including satisfaction with CG&E, interest in the program, and age. Although lacking in statistical support, it further appears that location impacts the consideration of contract length.

- Name recognition is not a factor of importance in the minds of the respondents. According to the frequencies, 15% of the respondents considered, or would consider, Name recognition during the selection process. Two variables that appear to impact the consideration of Name recognition are Satisfaction with CG&E and Income. However, no statistical support exists for either of these findings.

- Nearly 80% of the respondents are considering Price. This is the most commonly considered factor, and also apparently the largest incentive when considering participating in the program. Several variables were found to impact the consideration of Price, including satisfaction, interest in the program, education, age, and income. Although these variables do impact Price, they generally only impact the extent to which the majority of each independent category considers pricing matters.

- Aside from price, reliability is the second most commonly considered factor in the selection process. According to the frequencies, approximately 67% of the respondents gave, or would give, some consideration to reliability of supply. This conveys not only the inconvenience that is associated with a loss of supply, but also the health and safety implications. Education level most clearly impacts the consideration given to reliability, with customers on the lower end of the educational scale placing less importance on this factor.

- Just under one half of the respondents are considering reputation in the selection process. Clearly this is a topic on which some importance is being placed. This suggests that customers prefer to contract with a company that has a good reputation, thereby removing some of the uncertainty of departing from the traditional regulated supplier. In linear fashion, level of satisfaction impacts the consideration of reputation. As satisfaction increases, so too does the likelihood of considering reputation. Customers with lower satisfaction level appear prepared to explore their options with less reliance on reputation.

- The terms of the contract are clearly important in the minds of the respondents. According to the frequencies, just under 50% of the respondents would consider the terms of the contract when selecting a supplier. The importance placed on contract terms is not surprising, as the terms would represent one of the most important differences relative to remaining with the regulated supplier. Satisfaction level, interest in the program, education, age, and income were all found to significantly impact the consideration of the contract terms.

- Customers who are dissatisfied with CG&E (combination of "somewhat dissatisfied" and "very dissatisfied") appear to largely ignore such factors as reputation, customer education, and name recognition. These customers view the program as an opportunity to select a new supplier, thereby saving costs, improving billing, and receiving improved customer service. These customers will also factor in items such as reliability and contract length/terms, but overall they simply seem interested in a change.

- Based on the proportions, it appears that customers who are neutral ("neither satisfied nor dissatisfied") concerning CG&E's service are driven by price, but also factor in reliability and contract terms. As reliability and contract terms (or lack therein) may be perceived as being better with the traditional regulated supplier, the responses seem to imply that these customers are evaluating the potential cost savings to see if they are sufficient to justify exposing themselves to the contract terms and potential reliability issues associated with a different supplier.

- Customers who are satisfied with CG&E (combination of "somewhat satisfied" and "very satisfied") appear to be placing a relatively large amount of emphasis on factors such as reliability of supply, name recognition, and reputation. These customers have a comfortable relationship with CG&E and value the benefits that come with an extended quality relationship. As they are satisfied with their current supplier and are focusing on such things as name recognition and reputation, it is not likely that these customers will elect to participate in the program. It may be that from their perspective, there do not appear to be sufficient incentives to justify a change. If they do select a new supplier, it may be done in the pursuit of cost savings.

Question 12
Number of supplier proposals reviewed
Conclusions and Recommendations

- Thirty-three or 13.53% of the respondents reviewed 1 proposal before making their selections. Forty-three or 17.63% of the respondents considered 2-4 proposals before making their selections. Two or 0.82% of the respondents reviewed 5 or more proposals before making their selection. Finally, 166 or 68.04% of the respondents indicated that they "Have not yet considered any proposals." This data demonstrates that the majority of the respondents have not yet considered any proposals. This finding is consistent with the relatively low participation levels at the time of this survey's administration. Of those customers who have considered proposals, most appear to be reviewing between 2 and 4 proposals. Very few respondents are looking at more than 4 proposals.

- There was no statistical information available between how many different supplier proposals were reviewed and years of service (Question 1), level of satisfaction (Question 2), interest in Customer Choice Program (Question 6), below/above average customer bill (Question 20), level of education (Question 21), customer age (Question 22), customer location (Question 23), and customer income (Question 24). A review of the appropriate cross-tabulations suggests that years of service, level of satisfaction, interest in the program, level of education, and customer income impact the number of proposals reviewed. Conversely, it does not appear that the responses to below/above average customer bill, customer age, or customer location impact the number of proposals reviewed. However, the lack of a statistical finding precludes one from making any definitive statements about the relationships between these variables.

Question 13
Problems with new supplier
Conclusions and Recommendations

- Of the 312 residential respondents, 207 or 66.3% responded to this question. Of these 207 respondents, 83 or 40.1% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 123 respondents or 59.4% answered "No."

- Based on the statistical analysis, the responses to the following questions were found to be statistically insignificant: highest level of education (Question 21) and household income (Question 24). These findings indicate that neither education nor income impact the likelihood of experiencing problems during the selection process. From a customer service and marketing standpoint, this finding of statistical insignificance indicates that, across education and income levels, efforts are being applied on a consistent basis.

- Conversely, the analysis revealed a statistically significant relationship between the likelihood of experiencing problems during the selection process and a customer's age (Question 22). Relative to this figure, customers within the age range of 35 - 49 appear to be particularly likely (54.8%) to experience problems. On the other hand, customers age 34 and under (26.3%), as well as those age 65 and over (26.9%), appear to be particularly unlikely to experience problems. Although age certainly appears to impact the likelihood of experiencing problems, it does not do so in any distinct pattern.

- When given an opportunity to list the problems they have experienced, a large percentage of the responses pertain to not having enough information to make a choice. Many of the respondents also convey a lack of comfort with comprehending the information that they do have. Therefore, in order to minimize the problems experienced during the selection process, it is imperative to provide the customers with quality information and to also provide support resources to assist in the interpretation of this information. Such efforts would likely involve the participation of all parties, including the OCC, PUCO, and the natural gas marketers / suppliers.

Question 18
Reasons for <u>not</u> selecting a new supplier
Conclusions and Recommendations

- Over a third of the respondents (37.9%) are reporting there is not enough information. Looking to Question 7 for insight into what specific information the customers may need, pricing information is the priority. Price was indicated by 69.1% of respondents in response to Question 7. Service and reliability, having been mentioned by 23.6% of the respondents, was the second most common response.

- A lack of contact by suppliers is listed by respondents, as well as a need for program comparisons and assessments. This makes it clear that, aside from a need for Price information, the respondents do not know enough about the eligible suppliers.

- There is a substantial segment that is apparently satisfied with CG&E and does not envision any net benefits to be recognized by participating in the program. Although the data does not state as such, it might be that this perception is a result of the reported lack of information. Perhaps a portion of these respondents would begin to perceive advantages associated with the program if they had access to additional program details.

- A relatively small segment of the respondents also seems to be indicating that the newness of the program has not permitted time for a sufficient review of the options. It is possible, therefore, that with additional time and details, a portion of these customers will elect to participate in the program.

Question 19
Reasons <u>for</u> selecting a new supplier
Conclusions and Recommendations

- The residential customers who have switched suppliers have done so with the primary objective of lowering their costs. It is likely that a failure to realize these cost savings will negatively impact these customers perceptions of the program's value. Therefore, to the extent possible without imposing artificial constraints on the market, efforts should be exercised to ensure that costs savings are, in fact, recognized by the participants.

PROBLEMS WITH NEW SUPPLIER

Question 14
Conclusions and Recommendations

- Of the respondents that returned a completed survey, 222 or 71.2% answered question 14. Of these 222 respondents, 213 or 95.9% answered "Have not selected a new supplier," 8 or 3.6% of the respondents chose "No," and 1 or 0.5% of the respondents chose "Yes" when asked about problems with service from a new supplier. Five respondents selected the response "Have not had enough experience with supplier to make a judgment." Most respondents have not experienced any problems with their new supplier due to the fact that an overwhelming majority (95.9%) have not yet selected a new supplier.

- The statistical analysis does not provide any particular insights into the type of customers who are experiencing problems. There was no statistical information regarding the relationship between problems with service and education level, residential location, age, or income. Due to very few customers selecting a new supplier, coupled with the absence of any statistical findings, one is precluded from making any definitive statements about the relationship between any of these variables.

- When given the opportunity to specify the problems that have been experienced, the one customer cited "poor customer service." This response, and the lack of activity in selecting a new supplier, reflects poorly on the communication efforts to date. Without quality information and the necessary assistance to decipher the information, the selection of a new supplier will continue to be viewed as daunting by a substantial portion of the respondents.

MARKET VIABILITY

Conclusions and Recommendations

- At the time this survey was administered (January 1998), there were 8 providers other than CG&E capable of supplying natural gas to the residential customers. As is evidenced by the responses to Question 4, several of these suppliers are being utilized, 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, Cincinnati Gas & Electric retains the majority of the natural gas customers. There were 79% of the respondents reporting that their natural gas supplier was Cincinnati Gas & Electric. In addition, 3.2% of the respondents listed Cinergy Resources, Inc. as their supplier. Finally, 1.6% of the respondents reported that they are customers of "other" suppliers. From the perspective of market share, there is certainly not full competition in the marketplace for natural gas.

- It seems reasonable to expect that customers are not likely to select a new supplier unless they receive information they consider useful in making this selection. There are just over 50% of the respondents who either do not have information or find the information they do have to be "not useful." Thus, over half of the respondents are facing an impediment to participating in the program. It appears clear that pricing information is the primary concern for customers in the selection process. Nearly 43% 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 acceptable amount of confusion on a number of important topics related to the program. In addition to pricing, more than one-quarter of the respondents are confused about the following items: benefits/risks of the program (39%), terms of the contract (30%), and customer rights and responsibilities (26%). Also of note are the observations that 43.2% of the respondents reported having not received information, while 85% of the respondents indicated confusion with at least 1 aspect of 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 decisions, yet they are 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 likely 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 15
Conclusions and Recommendations

- For the 467 residential respondents who completed this question, the responses consist of the following: 285 respondents (61.0%) indicated "Yes," they expected benefits, 182 respondents (39.0%) indicated "No," they didn't expect benefits. The second half of this question was designed to enable the respondents who answered "Yes" in the first part of the question to then specifically list the benefits they expected. Of the 251 respondents that listed at least 1 benefit, just over 94% mentioned something related to reduced prices. Service issues and competitive choice were the second and third most commonly mentioned benefits, respectively, but it is clear that they are of minor importance in the minds of the respondents relative to the topic of price.

- Question 15, acting as the dependent variable, was analyzed against the following questions, acting as independent variables: Question 1 (Years of service), Question 2 (Level of satisfaction), Question 20 (Annual natural gas bill), Question 21 (Education), Question 22GRP (Age), Question 23 (Location), and Question 24 (Income). Based on the statistical analysis, the responses to the following questions were found to be statistically insignificant: Years of Service (Question 1), annual natural gas bill (Question 20), and location (Question 23). These findings indicate that years of service, annual bill, and location do not impact the expectation of benefits from having a choice.

- There was a statistical finding between expecting benefits from having a choice and a customer's level of satisfaction (Question 2), highest level of education (Question 21), age (Question 22), and income (Question 24). With level of satisfaction, it appears that the customers in the extreme categories ("very satisfied" or "very dissatisfied") are less likely to expect benefits from having a choice. In general, it appears that as education increases, so too does the likelihood of anticipating benefits from the program. The analysis involving age showed a distinct trend, with respondents age 65 or older being less likely to expect benefits. Finally, there generally appears to be a linear relationship between income and the expectation of benefits. As income increases, so too does the likelihood of expecting benefits from having a choice.

- It would seem that an expectation of benefits would be a prerequisite to participation in the program. Therefore, increasing the percentage of respondents who expect benefits may likely have a positive impact on the number of program participants. Certainly customer education / marketing efforts which detail the potential benefits of the program should continue to all potential participants. Outreach programs targeted specifically to these segments may prove particularly effective in terms of altering customer perceptions and ultimately increasing participation.

EXPECTED PROBLEMS

Question 16
Conclusions and Recommendations

- 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 "not enough/no information." 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.

SHOULD THE PROGRAM BE CONTINUED

Question 17
Conclusions and Recommendations

- The statistical analyses revealed several variables that impact the customers' interest in having the program continued. Several of these relationships are quite logical and conform with reasonable expectations. For instance, the analysis indicated that expecting either problems or benefits from having a choice impacted the customers' interest in having the program continued. As suspected, customers who expect problems are less likely to want the program continued. Conversely, customers who expect benefits are more likely to want the program continued. Additional educational efforts, whereby customers are better informed of the program benefits and the program safeguards, would likely result in a larger percentage of respondents supporting the continuation of the program. It was also determined that customers' experiences with new suppliers impact their desire to see the program continued. Customers who have experienced service problems exhibit more opposition to the program's continuation, but also more positive interest. This is made possible by a reduced amount of uncertainty. On the other hand, respondents who have not experienced problems exhibit strong positive interest in having the program continued, with no uncertainty or opposition. It appears that any experience with a new supplier, either positive or negative, results in an increased likelihood of supporting the continuation of the program. Finally, levels of satisfaction with CG&E were found to impact one's interest in having the program continued. Not surprisingly, customers who are dissatisfied with CG&E (combination of "very dissatisfied" and "somewhat dissatisfied") demonstrated a relatively high likelihood of favoring the program's continuation. This relationship makes sense intuitively. Conversely, customers who are satisfied with CG&E (either "somewhat satisfied" or "very satisfied") display relatively less interest in having the program continued, with increased uncertainty.

- Other variables that were found to impact interest in the program's continuation do not entail such obvious relationships. Both location and income appear to impact customers' views on the continuation of the program, but these impacts do not demonstrate any distinct trends. Further, the absence of a statistical finding precludes one from making any definitive claims about the relationships between these variables.

- It appears that the most direct way to increase the percentage of respondents who favor the continuation of the program is to address the issue of perceived benefits and problems. This involves a focused marketing or educational effort which emphasizes the potential benefits (i.e., cost savings) and addresses, with the objective of alleviating, the apparent concerns. While being communicated to all customers, such an approach should perhaps also focus on customers living in Rural areas and customers with an annual household income of greater than $100,000. These communications will likely ensure that a large percentage of the "unsure" respondents ultimately look favorably at the continuation of the program, and may even sway the opinions of some of the customers who currently do not have any interest in the program's continuation.

Appendix 3

Baseline Study: Summary of Business Conclusions and Recommendations

SUMMARY OF BUSINESS CONCLUSIONS AND RECOMMENDATIONS

CUSTOMER EDUCATION

Question 3
Unaware of Choice
Conclusions and Recommendations

- Given the subtle differences in demographics of the unaware customers, the only target groups which emerge are those with lower bills and businesses located in Village/town areas. These demographics should be targeted for education in order to ensure their awareness and understanding of the program. These demographic groups should be considered when creating publicity for the customer choice program.

Question 5
How useful was the information
Conclusions and Recommendations

- The proportion of customers ranking the information as "not useful" (18.1%) is slightly larger than that for the respondents who found the information to be "useful" (14.6%). This comparison alone indicates that the program information being distributed to respondents is not addressing their needs.

- It is also quite noteworthy that approximately 30% of the respondents have not yet received any information about the program. This suggests that the marketing and education efforts undertaken to date have not been sufficiently comprehensive, thereby overlooking a large percentage of potential participants. It is reasonable to assume that this has had negative impacts on the participation levels to date.

- The cross-tabulation suggests that customers who are interested in the program are both less likely to have received information and less likely to classify the information they have received as "neutral." Perhaps the customers with an interest in the program apply standards that are relatively more stringent. A customer with no interest in the program may be more easily satisfied than a customer who professes an interest in the program. Customers with an interest in the program may require more program details to complete their evaluations. Such differing perceptions would likely be reflected in the proportions.

- It appears that businesses with greater than 100 employees are both more likely to have received information and to have found the information to be useful. This suggests a relationship between number of employees and the assessment of the information. However, the frequencies are rather small, and are therefore subject to substantial variations. Also, the lack of a statistical foundation precludes one from making any definitive statements about the relationship between these 2 variables.

Question 7
What information do you need to make a choice
Conclusions and Recommendations

- Business 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

- Approximately 60% 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 60% 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.

- About half of the business respondents are confused about the Benefits/ 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.

- About 40% of the business respondents are confused about the Terms of the contract. The proposed contractual terms between a company and the customer are important considerations in making a choice. That approximately 40% of the business respondents are confused about Terms of the contract is a serious problem in the Customer Choice Program. Customer education efforts should focus on this aspect of the Customer Choice Program.

- Over one-third of the business customers 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.

- The analysis revealed a statistically insignificant relationship between location and each of the factors contained within Question 8. While not reflecting positively or negatively on the educational efforts, this finding of insignificance does indicate that the efforts are being made consistently across locations.

Question 9
Effective ways of getting information
Conclusions and Recommendations

- The Cincinnati Gas and Electric Company "Bill inserts" was indicated with the highest frequency, with "Mail contact from natural gas suppliers" as a close second. These are the approaches that have been identified as the most effective ways to reach the broadest group of business customers. "Advertisements" was the third highest choice. Note, "None" was the fourth highest response, with nearly a quarter of respondents selecting this choice. "Newspaper articles" were listed as an effective way to get information by approximately 20% of the business population.

- "Bill inserts" and "Mail contact" are the most effective ways to reach business customers, whether they are Interested, Neither interested nor disinterested or Not interested in the Customer Choice Program. It is important to note that "None" was selected by nearly a quarter of Interested respondents, and was the first choice of Not interested respondents.

- The most effective way to reach business customers who are from the Agriculture, forestry, and fishing sector is through either Friends, family and other customers or through Personal meetings.

- Both those in the Manufacturing sector and in the Retail trade sector identified "Mail contact" from natural gas suppliers as their preferred way to receive information. Those in the Finance, insurance, real estate sector identified "Mail contact" as their preferred way to receive information, and "None" was listed at the same rate as "Mail contact." Those in the Wholesale trade sector also identified "Mail contact" from natural gas suppliers as their preferred way to receive information. "None," however, was marked more often than the top preferred method for those in the Wholesale trade sector.

- Those in the Services sector identified "Bill inserts" as their preferred way to receive information.

- Those in the Transportation and public utilities sector identified "Personal meetings" as their preferred way to receive information.

- The most effective way to reach customers who are from For-profit, Not-for-profit and Government/ public organizations is through "Bill inserts." "Mail contact from natural gas suppliers" is a close second choice for the most effective way to reach all 3 of these organization types.

- The most effective way to reach business customers with 1-4, 101-500 and Greater than 500 employees is through "Bill inserts."

- The most effective way to reach business customers with 6-10 and 11-25 employees is through "Mail contact from natural gas suppliers."

- The most effective way to reach business customers with 26-100 employees is through "Advertisements."

Question 10
Source of useful information
Conclusions and Recommendations

- The highest response offered by business customers was that "No one" provided them with useful information. There were 48.3% of the customers who provided this response. The next highest response was "The Cincinnati Gas and Electric Company," which was selected by 34.2% of the respondents. The next response selected by business customers was "Natural gas suppliers," which was identified by 20.1% of the respondents. The remaining sources of information were each selected by fewer than 10% of the business respondents. Customer education efforts need to be improved. Less than half of the respondents are identifying any source of useful information, and these sources, other than "The Cincinnati Gas and Electric Company" and "Natural gas suppliers," are being noted by very few respondents. Educational efforts should be evaluated and possibly restructured by those who are providing these initiatives in The Cincinnati Gas and Electric Company service territory. Customers should be monitored in order to assess possible improvements in these education programs.

SELECTION PROCESS

Question 4
Current natural gas supplier
Conclusions and Recommendations

- For the 262 business respondents who completed this question, the responses consist of the following: 196 respondents (74.8%) indicated CG&E as their current supplier, 41 respondents (15.6%) indicated "do not know", 20 respondents (7.6%) indicated an "other" supplier, and 5 respondents (1.9%) indicated Cinergy Resources. These percentages illustrate the relatively low levels of participation in the Customer Choice Program at the time the survey was administered.

- Question 4, acting as the dependent variable, was analyzed against the following variables acting as independent variables: Question 1 (Years of service from CG&E), Question 2 (Level of satisfaction), Question 6 (Interest in the program), Question 20 (Annual natural gas bill), Question 21 (Business description), Question 22 (Type of organization), Question 23 (Number of employees), and Question 24 (Location). In all instances, the analysis failed to produce a statistical finding. Therefore, there is not conclusive statistical evidence that any of the independent variables impact a customer's current supplier.

- Although not statistically proven, the cross-tabulations do suggest several relationships. Type of organization appears to impact natural gas supplier, with government/public organizations being particularly likely to remain with CG&E. When looking at the analysis involving number of employees, it appears that larger businesses (i.e., those with higher numbers of employees) are more likely to have selected a new supplier, particularly one from the "other" supplier category. It should, however, be reiterated that the lack of a statistical foundation precludes one from making any definitive claims about the relationships between these variables.

Question 5
How useful was the information
Conclusions and Recommendations

- The responses to this question highlight an area of major concern. Almost 50% of the respondents either have no information or do not have helpful information. This has tremendous ramifications within the context of the selection process. Without useful information, customers will either not participate in the program or will make largely uninformed decisions when selecting a supplier. Neither of these options is desirable. Modifications to the marketing and educational approaches must be considered to remedy this situation.

- Only 1 independent variable conclusively impacts the assessment of the information, that being Interest in the program (Question 6). The cross-tabulations also suggest that Business description (Question 21), Type of organization (Question 22), and Number of employees (Question 23) impact the responses to Question 5. However, there is no statistical foundation for these latter observations.

Question 7
Information needed to make a choice of a natural gas supplier
Conclusions and Recommendations

- Business customers, while perhaps considering more than one factor, are concentrating primarily on price when considering a 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

- By simply referencing the frequencies, it appears that pricing is the primary concern. Almost 60% of the respondents indicated that they find the pricing information they received to be confusing. This observation, combined with the knowledge that perceived costs 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 (49%), terms of the contract (42%), and customer rights and responsibilities (35%).

- It is also noteworthy that only 14% of the respondents indicated that "None of the information was confusing." It is clear by these responses that the vast majority of the respondents are confused about at least some aspect of the program. The selection process must be negatively impacted by this pervasive sense of confusion. 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.

- The independent variables offer little in the way of conclusive predictive capability. For all of the components, it appears that Business description (Question 21), Type of organization (Question 23), and Number of employees (Question 23) may have an impact. However, the absence of a statistical foundation makes it impossible to render any definitive judgments about the relationships between these variables. On the other hand, a statistically insignificant relationship was determined between location (Question 24) and each of the components of Question 8. This indicates that location (i.e., rural, suburban, urban, village/town) does not impact the level of confusion, nor does it impact the likelihood of having received information.

Question 9
Effective ways of getting information
Conclusions and Recommendations

- Nearly one-quarter of the respondents (23.7%) did not find any of the communication mediums listed in Question 9 to be effective. This suggests that the communication efforts could be improved.

- The likelihood of feeling that all of the mediums are ineffective is not impacted by interest in the program (Question 6) or business location (Question 24). Statistical findings were not available for the analyses of "None" against business description (Question 21), type of organization (Question 22), or number of employees (Question 23). The cross-tabulations for these latter 3 independent variables did not provide any convincing evidence of relationships, nor did they present any discernible patterns. It appeared that business description and number of employees may have some impact on the likelihood of having felt that all of the mediums were ineffective. However, the lack of a statistical foundation makes it impossible to make a definitive judgment.

- The efficiency and effectiveness of the selection process is largely dependent upon the potential participants having access to relevant program information. The responses to this question imply that a substantial portion of potential participants do not have such access. Efforts should be made to ensure that the information is being distributed in an effective manner.

Question 10
Source of useful information
Conclusions and Recommendations

- The most common response was "No one," with the percentages indicating that nearly half of the respondents do not have a source of information that they perceive as useful. This is an alarming observation. In order to make informed decisions, the customers need to have access to adequate information. The responses to this question suggest that half of the respondents do not have such access. Without a useful source of information, the selection process becomes much more arduous, if not impossible.

- The analysis determined a statistically insignificant relationship between a response of "No one" and both interest in the program (Question 6) and business location (Question 24). Therefore, neither of these independent variables has an impact on the likelihood of having responded "No one."

- The cross-tabulations for both Question 21 and 23 suggest that business description and number of employees may impact the likelihood of having not identified a single useful source of information. It is unclear if the variations in the proportions are indicative of actual trends, or if they are a function of the low frequencies in the affected rows. Absent a statistical finding, one cannot make any definitive claims about the relationship between these variables.

- The cross-tabulation for Questions 22 and "No one" illustrates proportions that are largely comparable across rows and also generally mirror those of the business respondents. Such observations would suggest that type of organization does not impact the likelihood of responding "No one" to Question 10. However, the absence of a statistical finding precludes one from making any definitive claims about the relationship between these variables.

Question 11
Factors considered in making a choice of a natural gas supplier
Conclusions and Recommendations

- For the closed-ended part of the question, 215 or 87.8% of the respondents considered "Price" in making their choice of a supplier. There were 171 or 69.8% of the respondents who selected "Reliable gas supply," 122 or 49.8% selected "Customer service," 119 or 48.6% selected "Terms of the contract," 108 or 44.1% selected "Length of contract," 96 or 39.2% selected "Reputation," 86 or 35.1% selected "Billing," 25 or 10.2% selected "Customer education," and 23 or 9.4% selected "Name recognition."

- In response to several questions in this survey, customers have reiterated the desire for additional information. To accommodate this request, additional educational or marketing efforts should be undertaken, with particular focus on the topics of greatest relevance to the potential participants (see frequencies for this question).

- As demonstrated by the frequencies, approximately 35% of the business respondents considered (or intend to) billing when selecting a supplier. The statistical analysis did not reveal any independent variables that conclusively impacted the consideration of billing. It appeared that business description (Question 21) and type of organization (Question 22) might impact the consideration of billing. However, in both instances the absence of a statistical finding makes it impossible to make any definitive claims about the relationship between the variables.

- The frequencies illustrate that approximately 10% of the business respondents considered (or intend to) customer education when selecting a supplier. Apparently, this is not a subject that plays a role in the decisions of many companies. The statistical analysis did not reveal any independent variables that conclusively impacted the consideration of customer education.

- Nearly half of the business respondents (49.8%) are incorporating customer service issues into their selection process. Obviously, this issue is receiving more than peripheral attention. This points out that customer service issues will continue to be important in the future, whether it be in a regulated environment or a market. The statistical analysis did not reveal any independent variables that conclusively impacted the consideration of customer service. The cross-tabulations for business description, type of organization, and number of employees suggested that these variables might impact the consideration of customer service. However, in no instances did these analyses present any distinct trends or patterns. Further, the absence of a statistical finding makes it impossible to make any definitive claims about the relationship between the variables.

- According to the frequencies, approximately 44% of the business respondents have considered, or intend to consider, contract length. The statistical analysis indicated that a customer's interest in the Customer Choice Program impacts the consideration of contract length. In fact, a review of the cross-tabulation suggests a linear relationship between these 2 variables. Business description, type of organization, and number of employees each displayed some degree of variation among row proportions, perhaps implying a relationship between these variables and the consideration of contract length. However, the absence of a statistical finding between these 3 independent variables and contract length makes it impossible to make any definitive claims about the relationships between the variables.

- Name recognition is not a factor being considered by many of the business respondents. As reflected by the frequencies, less than 10% of the respondents are concerned with name recognition when considering potential suppliers. The statistical analysis did not reveal any independent variables that conclusively impacted the consideration of name recognition.

- With nearly 90% of the business respondents considering Price, it is clearly the most dominant factor in the minds of the customers. According to the statistical analysis, a statistically significant relationship was determined between Price and both level of satisfaction (Question 2) and interest in the program (Question 6). The cross-tabulation for level of satisfaction by price indicated that customers who are "very satisfied" with CG&E are slightly less likely to consider Price when selecting a supplier. By nature of their high level of satisfaction, they likely do not associate substantial incentives with participation in the choice program. The analysis of interest in the program indicated a linear relationship between interest and the consideration of price. Any explanation for this relationship would be somewhat circular, as potential cost savings likely impacts interest in the program.

- Second only to Price, Reliability of Supply is clearly a factor with which the business respondents are concerned. According to the frequencies, approximately 70% of the business respondents considered, or intend to consider, supply reliability. The statistical analysis did not reveal any independent variables that conclusively impacted the consideration of reliability. Although no statistical finding was available, the cross-tabulations for business description and type of organization suggested that these variables might impact the consideration of reliability. The absence of a statistical finding, however, makes it impossible to make any definitive claims about the relationship between these 2 independent variables and reliability.

- Overall, nearly 40% of the business respondents are concerned with the reputation of a supplier with whom they might consider doing business. The statistical analysis did not reveal any independent variables that conclusively impacted the consideration of reputation.

- Nearly half (48.6%) of the respondents are considering the terms of the contract. This is a substantial percentage, and reflects a perception of considerable importance. The statistical analysis yielded a significant relationship between interest in the choice program and the likelihood of considering the contract terms. Specifically, the cross-tabulation suggested a linear relationship. This intuitively makes sense, as interested customers are more likely to participate in the program, thus making the contract terms a topic of personal relevance. None of the other independent variables appeared to impact the consideration of contract terms.

Question 12
Number of supplier proposals reviewed
Conclusions and Recommendations

- Of the business respondents who completed Question 12, 65.4% indicated that they have not yet considered any proposals. From this analysis, it is unclear if this is reflective of (1) a sense of indifference to the program, (2) a general lack of knowledge of the program's existence, or (3) an inability to obtain information from the potential suppliers. Most likely, it is a combination of these 3 explanations.

- Of the 94 respondents who reportedly have considered proposals, 25 respondents (or 26.6%) reviewed 1 proposal, 65 (or 69.1%) reviewed 2 - 4 proposals, and 4 (or 4.2%) reviewed 5 or more proposals. These percentages demonstrate that, of the customers who have considered proposals, the majority are considering between 2 and 4 different proposals. This seems to imply that the customers are comparing the proposals of several suppliers, presumably with the intention of identifying the supplier that best matches their needs.

- The statistical analyses did not reveal any independent variables that conclusively impact the number of proposals considered. However, the respective cross-tabulations suggest that the following independent variables may impact the number of supplier proposals considered: Level of satisfaction (Question 2), Business description (Question 21), Type of organization (Question 22), and Number of employees (Question 23). Although relationships are suggested, a definitive statement cannot be made absent a statistical foundation.

Question 13
Problems with new supplier
Conclusions and Recommendations

- Of the respondents who returned a completed survey, 229 or 75.1% answered this question. Of these 229 respondents, 85 or 37.1% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 144 respondents or 62.9% answered "No." While the majority of this question's respondents have not experienced problems, it is clear that there is a substantial portion who have experienced problems of some sort during the selection process.

- The statistical analysis does not provide any particular insights into the type of customers who are experiencing problems. The analysis revealed that business location does not impact the likelihood of experiencing problems, suggesting that educational efforts are being applied consistently across locations. The proportions in the applicable cross-tabulation suggest that Type of organization may impact the likelihood of experiencing problems, but a definitive statement about this relationship cannot be made without a statistical foundation.

- When given the opportunity to specify the problems that have been experienced, the most common response, cited by 50% of the respondents, involved a lack of information. Also cited by more than 10% of the respondents were "not contacted by supplier" (18.7%) and "confused" (14.7%). These responses reflect poorly on the communication efforts to date. Further, the responses make clear the impact that inadequate communication has on the selection process. Without quality information and the necessary assistance to decipher the information, the selection process will continue to be viewed as daunting by a substantial portion of the respondents.

Question 18
Reasons for <u>not</u> selecting a new supplier
Conclusions and Recommendations

- Customers are in need of more information about this program and the potential suppliers, with particular emphasis on pricing and reliability issues. Not surprisingly, this perceived lack of information is keeping customers from participating in the program.

- The responses to this question provide feedback on the communication efforts to date, and it appears that further improvements are warranted.

Question 19
Reasons <u>for</u> selecting a new supplier
Conclusions and Recommendations

- Participation in the program appears to be motivated almost entirely by potential cost savings. If these savings are not recognized, it is unlikely that the business customers will be satisfied with the program.

- To the extent possible without imposing artificial constraints on the market, efforts should be exercised to ensure that costs savings are, in fact, recognized by the participants.

PROBLEMS WITH NEW SUPPLIER

Question 14
Conclusions and Recommendations

- Of the respondents that returned a completed survey, 228 or 74.8% answered this question. Of these 228 respondents, 194 or 85.1% answered "Have not selected a new supplier," 23 or 10.1% of the respondents chose "No," and 2 or 0.9% of the respondents chose "Yes" when asked about problems with service from a new supplier. Nine or 3.9% of the respondents selected the response "Have not had enough experience with supplier to make a judgment." Most respondents have not experienced any problems with their new supplier due to the fact that an overwhelming majority (85.1%) have not yet selected a new supplier.

- When given the opportunity to specify the problems that have been experienced, one customer cited "price increase," and the other cited "bureaucracy." These responses, and the lack of activity in selecting a new supplier, reflect poorly on the communication efforts to date. Without quality information and the necessary assistance to decipher the information, the selection of a new supplier will continue to be viewed as daunting by a substantial portion of the respondents.

MARKET VIABILITY

Question 4
Conclusions and Recommendations

- At the time this survey was administered (Jan. 1998), there were 20 providers other than CG&E capable of supplying natural gas to the business customers. As is evidenced by the responses to Question 4, several of these suppliers are being utilized, 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, Cincinnati Gas & Electric retains the majority of the natural gas customers. There were 74.8% of the respondents reporting that their natural gas supplier was Cincinnati Gas & Electric. In addition, 1.9% of the respondents listed Cinergy Resources, Inc. as their supplier. Finally, 7.6% of the respondents reported that they are customers of "other" suppliers. From the perspective of market share, there is certainly not full competition in the marketplace for natural gas.

- It seems reasonable to expect that customers are not likely to select a new supplier unless they receive information they consider useful in making this selection. There are just under 50% of the respondents who either do not have information or find the information they do have to be "not useful." Thus, nearly half of the respondents are facing an impediment to participating in the program. It appears clear that pricing information is the primary concern for customers in the selection process. Nearly 60% 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 acceptable 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 (49%), terms of the contract (42%), and customer rights and responsibilities (35%). 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 decisions, yet they are 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 likely 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 15
Conclusions and Recommendations

- For the 457 business respondents who completed this question, the responses consist of the following: 281 respondents (61.5%) indicated "Yes," they expected benefits, 176 respondents (38.5%) indicated "No," they did not expect benefits. The second part of Question 15 was designed to enable the respondents who answered "Yes" in the first part of the question to then specifically list the benefits they expected. Of the 243 respondents who listed at least 1 benefit, 230 (94.6%) mentioned something related to lower or reduced prices.

- There was a statistical finding between expecting benefits from having a choice and annual natural gas bill (Question 20). The cross-tabulation for this comparison indicates that customers with above average natural gas bills are more likely to expect benefits from having a choice of suppliers. There were no statistical findings between expecting benefits from having choice and type of organization (Question 22) and number of employees (Question 23). It appears that type of organization and number of employees impacts the expectation of benefits, but the lack of a statistical finding precludes one from making any definitive statements about the relationship between these variables.

EXPECTED PROBLEMS

Question 16
Conclusions and Recommendations

- 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 "skeptical" and "coordination." 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.

- Because a substantial percentage stated service and reliability, 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 17
Conclusions and Recommendations

- The statistical analyses revealed several variables that impact the customers' interest in having the program continued. Several of these relationships are quite logical and conform with reasonable expectations. For instance, the analysis indicated that expecting either problems or benefits from having a choice impacted the customers' interest in having the program continued. As suspected, customers who expect problems are less likely to want the program continued. Conversely, customers who expect benefits are more likely to want the program continued. Additional educational efforts, whereby customers are better informed of the program benefits and the program safeguards, would likely result in a larger percentage of respondents supporting the continuation of the program. It was also determined that customers' experiences with new suppliers impact their desire to see the program continued. Customers who have experienced service problems exhibit more uncertainty and less positive interest. On the other hand, respondents who have not experienced problems exhibit strong positive interest in having the program continued, with little uncertainty and no opposition. Finally, it appears that company size impacts the likelihood of wanting the program continued. There were no instances in which respondents representing a larger company (those with more than 25 employees) responded that they did not want the program continued. The numbers indicate that larger companies are more likely to favor the continuation of the program. It may be that these companies have particularly large natural gas usage and therefore perceive substantial benefits to having a choice of supplier. A smaller company, with a corresponding smaller demand and minimal monetary investment, may not perceive as many incentives when considering participation. However, there was no statistical finding for the analysis of company size against interest in program continuation, and it is therefore impossible to make any definitive claims about the relationship between these 2 variables.

- Other variables that were found to impact interest in the program's continuation do not entail such obvious relationships. For instance, the percentage of respondents favoring the continuation of the program varies depending upon the business description. The reasons for this relationship are not apparent from the data. However, it is possible that certain businesses or industries have different views on competition in the natural gas market because of their respective gas usage or certain past experiences. It was also determined that government/public agencies were more likely to be interested in having the program continued. Again, the exact reason for this trend cannot be ascertained from the available data. These observations, however, should be tempered due to the lack of a statistical foundation.

- It appears that the most direct way to increase the percentage of respondents who favor the continuation of the program is to address the issue of perceived benefits and problems. This involves a focused marketing or educational effort which emphasizes the potential benefits (i.e., cost savings) and addresses, with the objective of alleviating, the apparent concerns. While being communicated to all customers, such an approach should perhaps focus on smaller companies and organizations that are either For-profit or Not-for-profit. These communications will likely ensure that a large percentage of the "unsure" respondents ultimately look favorably at the continuation of the program.

A Follow-Up Study of The East Ohio Gas Company Energy Choice Pilot Program: A Customer Perspective

Commission Staff

May, 1998

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

There is relatively minor competition in the residential marketplace for natural gas in The East Ohio Gas Company service territory. In the baseline study, The East Ohio Gas Company had 75.7% of the residential market. In the follow-up study, they had a 67.8% share, indicating a loss of approximately 8% between the study periods. In the baseline study, East Ohio Energy Corp. had 12.7% of the residential market. In the follow-up study, they had an 18.7% share, indicating a gain of 6% between the study periods. In the baseline study, The East Ohio Gas Company and the East Ohio Energy Corp. had a combined share of the market of 88.4%. In the follow-up study, their share remained relatively unchanged with a combined share of 86.5%. The East Ohio Gas Company maintains its dominance in the marketplace. Only 1 competitor, other than East Ohio Energy Corp., has greater than a 1% share of the market. The total market share for the other natural gas suppliers in the baseline study was 5.3%. In the follow-up study, their share was reported unchanged at 5.5%.

For the residential customers in the Energy Choice Program, the choice of a supplier appears to be driven primarily by price and then by reliable gas supply. Residential customers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than 30% of the respondents. The only factors that were considered by fewer than 30% of the respondents were "Name recognition" and "Customer education." These appear to be less important factors for the consumers.

Between the baseline and follow-up studies, there have been dramatic changes among the residential population. In the baseline study, there were 53.2% of the respondents who reported that they were reviewing 2, 3, or 4 proposals. In the follow-up study, this number had decreased to 39.8%. There has been a corresponding increase in the number of customers who report that they have not yet considered changing. In the baseline study, there were 24.6% of the respondents who had not yet considered changing, and in the follow-up study, there were 44.6% who had not considered changing. During the baseline study, there were more residential customers considering the change to a supplier than in the follow-up study. It is possible that as the Program was initiated, there were customers who began to consider alternatives. For some reason, some of these customers have decided not to continue considering making a change of suppliers. There are some customers making the change; the market share of The East Ohio Gas Company has decreased between the study periods. There is a reverse process, however, being captured by Question 12 which indicates that fewer customers are considering a choice of suppliers.

The highest response offered by the respondents who had experienced problems in choosing was that they were identifying "Benefits and risks of switching" as information that would have made the selection easier. There were 42.9% of the respondents who identified "Benefits and risks of switching" as the information that would have made choosing easier. Most of the information categories were selected by fairly large numbers of customers. "Benefits and risks of switching," "Price information" and "Company reputation and record of reliability" were each selected by more than 30% of the respondents. "Future of the Program," "List of possible suppliers and contact numbers," "Contract terms" and "Discounts/ rebates/ incentives" were each selected by more than 20% of the respondents. Only "Sales tax information" was selected by less than 10% of respondents. Though "Price information" remains an important issue, the most often selected issue in the follow-up study was "Benefits and risks of switching." 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. However, there were 44.4% of the respondents who indicated that they had not experienced problems. "No problems" was the highest ranking response, with a higher response rate than any of the information categories offered in Question 7.

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. Interest in the Energy 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 13 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 are electing to remain customers of The East Ohio Gas Company without learning about their alternatives in the marketplace.

It is a reflection of a serious problem in the Energy 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 or they are not receiving any information at all. Their primary concern is for information regarding the "Benefits and risks of switching," 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.

"Pricing options or price comparisons" remained the area of the Program which most confused the customers. While the number of respondents declined by 5% from the baseline to the follow-up study, almost half of the customers are confused about "Pricing options or price comparisons." The next most confusing area of the Program is the "Benefits/risks of the Program," followed by "Terms of the contract," "Customer rights and responsibilities," and "Taxes and billing." The number of customers who report that "None of the information was confusing" has increased slightly between the study periods. There are one-quarter of the customers who indicate that none of the Program areas has been confusing. The increase could reflect that more customers are beginning to consider alternative suppliers. As more customers begin the process of comparing suppliers, more customers could be confused about aspects of the Program. The number of customers who did not have information remained unchanged between the study periods and was under 10%. Only one-quarter of the respondents were not confused about any aspects of the Program. Also, not everyone has received information about the Program. It is apparent from the study that price is the most important element of the Program for consumers, and they are most confused about price. Half of the respondents are confused about "Pricing options or price comparisons" and "Benefits/risks of the Program." There are large numbers of consumers who are confused about the most fundamental areas of the Energy Choice Program. These results indicate that the consumers are not yet making the most informed decisions in the marketplace for natural gas.

There is some confusion surrounding the Energy Choice Program. In the baseline study, there were 6.3% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number remained relatively unchanged at 8.0%. This represents a considerable number of residential customers who do not know who is distributing or billing them for natural gas.

Of the 765 residential customers who completed and returned the survey, there were 167 or 21.8% who reported that they had no knowledge of the Energy 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 East Ohio Gas Company for a slightly shorter period of time than the aware customers. The unaware customers are slightly less satisfied with their service from The East Ohio Gas Company. They are slightly more represented in younger age categories and have slightly lower incomes. In general, the differences are small between the residential customers who are aware of choice and those who are not aware of choice.

In the baseline study, there were almost 3 times the number of respondents who reported that the information was useful as compared to those who reported that it was not useful. In the follow-up study, the ratio of those who report that the information is useful as compared to those who indicate that it was not useful has slightly declined. For the most part, given the margin of error in these studies, the responses between the 2 study periods have remained relatively unchanged. There are more than twice as many residential customers who find the information "Useful" than customers who consider the information "Not useful." There are a substantial number of respondents who do not yet have an opinion as to the usefulness of the information. In the baseline study, there were 5.5% of the respondents who reported that they "Did not have any information" about the Program. In the follow-up study, there were 3.0% of the respondents who "Did not receive any information."

There were 84.6% of the residential customers who do not know about the PUCO's Apples to Apples comparison chart. The importance of this issue is magnified by the fact that customers are interested in receiving price information to assist them in making a choice.

The residential customers report their highest levels of satisfaction for the "Freedom of Choice" and "Customer service" aspects of the Program. There were 62.8% who indicated they were satisfied with "Freedom of Choice" and 60.3% who indicated they were satisfied with "Customer service." The next highest level of satisfaction was reported for "Reliability/ dependability," which was reported by 59.2% of the respondents. The lowest satisfaction ratings were reported for "Contract terms" and "Price." There were 49.0% of the customers who reported that they were satisfied with "Contract terms." There were 46.1% 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 3.7% to 6.2%. The highest level of dissatisfaction was reported by the 16.7% of residential customers who indicated that they were dissatisfied with "Price." Most of the residential respondents report that they are satisfied with all aspects of the program. Across all aspects of the Program, more than one-third of the respondents indicated that they were "Neither satisfied nor dissatisfied." For most of the elements of the Program, from 33.6% to 37.2% of the customers report that they do not have an opinion yet regarding their level of satisfaction. The highest reported response by residential customers indicating they were "Neither satisfied nor dissatisfied" came from the 44.8% with regard to "Contract terms." The highest level of dissatisfaction comes with "Price," where 16.7% of respondents indicated they were dissatisfied. For the most part, customers appear to be somewhat satisfied with all aspects of the Program, with over 40% of customers indicating their satisfaction across the 5 elements given in the survey.

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 relatively no change in the customer responses between the baseline and follow-up studies. More than half of the respondents are "Interested" in the Program. The next highest response is from those customers who are "Neither interested not 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 more than a third of the customers who remain uncertain regarding their opinions of the Program.

The results from the baseline to the follow-up study are relatively unchanged. 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 remain uncertain about it at the same time. It is clear that few respondents are not interested in having the Program continued. The results from Question 15 are consistent with conclusions in this study which indicate that there is some general confusion among customers about the Program.

Only 5.0% of the respondents were of the opinion that the Program does not need improvement. There were 25.8% of the respondents who reported that the Program should be improved, and 69.2% 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 "More, improved information" (49.4%) and "Improved apples to apples chart" (11.7%). There were 15.6% of the respondents who requested "Lower prices" as a way to improve the Program, and 2.6% who indicated "Improved pricing."

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

There is relatively minor competition in the business marketplace for natural gas in The East Ohio Gas Company service territory. In the baseline study, The East Ohio Gas Company had 66.0% of the business market. In the follow-up study, they had a 69.2% share, indicating a gain of 3.2% between the study periods. In the baseline study, East Ohio Energy Corp. had 12.7% of the business market. In the follow-up study, they had a 10.7% share, indicating a loss of 2% between the study periods. In the baseline study, The East Ohio Gas Company and the East Ohio Energy Corp. had a combined share of the market of 78.7%. In the follow-up study, their share remained relatively unchanged with a combined share of 79.9%. The East Ohio Gas Company maintains its dominance in the marketplace. Only 2 competitors, other than East Ohio Energy Corp., have greater than a 1% share of the market. The total market share for the other natural gas suppliers in the baseline study was 12.2%. In the follow-up study, their share was reported unchanged at 11.9 %.

For the business customers in the Energy Choice Program, the choice of a supplier appears to be driven primarily by "Price," followed by "Reliable gas supply." Business customers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than 30% of the respondents. The only factors that were considered by fewer than 30% of the respondents were "Name recognition" and "Customer education." These appear to be less important factors for the consumers.

Between the baseline and follow-up studies, there have been dramatic changes among the business population. In the baseline study, there were 56.8% of the respondents who reported that they were reviewing 2, 3, or 4 proposals. In the follow-up study, this number had decreased to 44.3%. There has been a corresponding increase in the number of customers who report that they "Have not yet considered changing." In the baseline study, there were 21.8% of the respondents who had not yet considered changing, and in the follow-up study, there were 42.2% who had not considered changing. During the baseline study, there were more business customers considering the change to a supplier than in the follow-up study. It is possible that as the Program was initiated, there were customers who began to consider alternatives. For some reason, a portion of these customers has decided not to continue considering making a change of suppliers. There are some customers making the change; the market share of The East Ohio Gas Company has decreased between the study periods. There is a reverse process, however, being captured by Question 12, which indicates that fewer customers are considering a choice of suppliers.

The highest response offered by the respondents who had experienced problems in choosing was that they were identifying "Benefits and risks of switching" as information that would have made the selection easier. There were 42.0% of the respondents who identified "Benefits and risks of switching" 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," "Price information" and "Company reputation and record of reliability" were each selected by more than 30% of the respondents. "Future of the program," "List of possible suppliers and contact numbers," "Discounts/ rebates/ incentives" and "Contract terms" were each selected by more than 20% of the respondents. Only "Sales tax information" was selected by less than 10% of respondents. Though "Price information" remains an important issue, the most often selected issue in the follow-up study was "Benefits and risks of switching." 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. Conversely, there were 44.3% of the respondents who indicated that they had not experienced problems. This was the highest ranking response, with a higher response rate than any of the information categories offered in Question 7.

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 offers consistently lower responses indicating less need for more information about the Program, across all of the Program information categories. Interest in the Energy 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 13 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 are electing to remain customers of The East Ohio Gas Company without learning about their alternatives in the marketplace. It is a reflection of a serious problem in the Energy 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 or they are not receiving any information at all. Their primary concern is for information regarding the "Benefits and risks of switching," 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.

"Pricing options or price comparisons" remained the area of the Program which most confused the customers. While the number of respondents declined by 5.8% between studies, almost half of the customers are confused about "Pricing options or price comparisons." The next most confusing area of the Program is the "Benefits/risks," followed by "Terms of the contract," "Customer rights and responsibilities," and "Taxes and billing." The number of customers who report that none of the information was confusing has increased between the study periods. There are over one-quarter of the customers who indicate that none of the Program areas has been confusing. The number of customers who did not have information remained unchanged between the study periods and was under 10%. Only about one-quarter of the respondents were not confused about any aspects of the Program. Also, not everyone has received information about the Program. It is apparent from the study that price is the most important element of the Program for consumers, and they are most confused about price. Half of the respondents are confused about "Pricing options or price comparisons" and almost a half are confused about "Benefits/risks of the Program." There are large numbers of consumers who are confused about the most fundamental areas of the Energy Choice Program. These results indicate that the consumers are not yet making the most informed decisions in the marketplace for natural gas.

There is some confusion surrounding the Energy Choice Program. In the baseline study, there were 9.1% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number remained relatively unchanged at 8.2%. This represents a considerable number of business customers who do not know who is distributing or billing them for natural gas.

Of the 538 business customers who completed and returned the survey, there were 57 or 10.6% who reported that they had no knowledge of the Energy Choice Program when they received the survey. There are no critical differences between those customers who are aware of choice and those customers who are not aware of choice with regard to their location. The unaware consumers have been customers of The East Ohio Gas Company for a slightly shorter period of time than the aware customers. The unaware customers are slightly less satisfied with their service from The East Ohio Gas Company. The unaware customers also have lower annual bills. In general, the differences are small between the business customers who are aware of choice and those who are not aware of choice.

In the baseline study, there were almost 2 times the number of respondents who reported that the information was "Useful" as compared to those who reported that it was "Not useful." In the follow-up study, the ratio of those who report that the information is "Useful" as compared to those who indicate that it was "Not useful" has increased. There are a substantial number of respondents who do not yet have an opinion as to the usefulness of the information. In the baseline study, there were 5.6% of the respondents who reported that they did not have any information about the Program. In the follow-up study, there were 4.9% of the respondents who "Did not receive any information."

The business customers report their highest levels of satisfaction for the "Freedom of Choice" and "Customer service" aspects of the Program. There were 63.4% who indicated they were satisfied with "Freedom of Choice" and 61.9% who indicated they were satisfied with "Customer service." The next highest level of satisfaction was reported for "Reliability/ dependability," which was reported by 60.1% of the respondents. The lowest satisfaction levels were reported for "Contract terms" and

"Price." There were 50.1% of the customers who reported that they were satisfied with "Contract terms." There were 49.0% who reported that they were satisfied with "Price."

The levels of dissatisfaction were similar across all of the elements of the Program except "Price." For the other 4 elements of the Program, few customers indicated dissatisfaction, with the responses ranging from 2.9% to 7.4%. The highest level of dissatisfaction was reported by the 12.7% of business customers who indicated that they were dissatisfied with "Price."

Most of the business respondents report that they are satisfied with all aspects of the program. Across all aspects of the Program, more than one-third of respondents indicated that they were "Neither satisfied nor dissatisfied." For most of the elements of the Program, from 33.7% to 38.2% of the customers are effectively neutral regarding their level of satisfaction. The highest reported response by business customers indicating they were "Neither satisfied nor dissatisfied" came from the 42.5% with regard to "Contract terms."

The highest level of dissatisfaction comes with "Price," where 12.7% of respondents indicating they were "Dissatisfied." For the most part, customers appear to be somewhat satisfied with all aspects of the Program, with over 40% of customers indicating their satisfaction across the 5 elements given in the survey.

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 relatively no change in the customer responses between the baseline and follow-up studies. More than half of the respondents are "Interested" in the Program. The next highest response is from those customers who are "Neither interested not 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 more than a quarter of the customers who remain uncertain regarding their opinions of the Program.

The results from the baseline to the follow-up study are relatively unchanged. 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 business 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 14 are consistent with conclusions in this study which indicate that there is some general confusion and uncertainty among customers about the Program.

Only 5.5% of the respondents were of the opinion that the Program does not need improvement. There were 29.6% of the respondents who reported that the Program should be improved and 64.9% 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 "More information" (39.2%) and "Improved comparison chart" (29.1%).

There were 21.5% of the respondents who requested "Lower prices" as a way to improve the Program and 3.8% who indicated "Eliminate Tax and recovery charges on gas." The business 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 about 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 East Ohio Gas Company customer research project. This report presents the results from the follow-up study of the customers who have been participating in the Energy 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 Energy 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 Energy 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 East Ohio Gas 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 Energy Choice Program.

A residential survey and business survey had been administered in The East Ohio Gas Company service territory in January, 1998. The purpose of the survey research was to perform an evaluation of The East Ohio Gas Company Energy 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 Energy 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 Energy Choice Program.

The residential and business follow-up 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 Energy Choice Program, a deadline of February 20, 1998 was established and printed on the survey. The first business surveys were received on February 25, 1998. The first residential surveys were received on March 2, 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 11, 1998.

The study involves the eligible participants of The East Ohio Gas Company's Energy Choice Pilot Program. The study populations are defined as the eligible residential customers and the eligible business customers in The East Ohio Gas Company's service area. The total number of residential customers in this population is 157,490. The total number of business customers in this population is 12,237. 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 East Ohio Gas 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 Energy 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 538 business surveys completed and returned by business customers. There were 765 surveys completed and returned by residential customers. Of the 4,000 residential surveys mailed, there were 115 surveys that were 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 391 surveys that were 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 19.69%. The response rate for the business survey is 14.91%.

With a business sample size of 538 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 4.23%. 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 765 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 3.54%. 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 91 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 Energy Choice Program. This experience includes learning about the program, making decisions about suppliers, and working with The East Ohio Gas 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 East Ohio Gas 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 to these specific questions, they were not coded or recorded in the data set. There were 167 customers who indicated that they were not aware of the Energy Choice Program. Of the 765 residential customers who completed and returned the survey, there were 507 residential customers who were not PIPP customers and were aware of the Energy Choice Program before they received the survey. It is these 507 residential customers who were to respond 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 to these specific questions, they were not coded or recorded in the data set. There were 57 business customers who indicated that they were not aware of the Energy Choice Program. Of the 538 business customers who completed and returned the survey, there were 481 business customers who were aware of the Energy Choice Program before they received the survey. It is these 481 business customers who were to respond to the entire survey and whose responses are the focus of this study.

There are 2 analytical approaches employed and presented in the follow-up study of The East Ohio Gas Company Energy 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 cross-tabulation and statistical analyses.

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 general association between the independent and dependent variable existed. 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
507 Respondents
(Does Not Include 91 PIPP or 167 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 Energy Choice Program before they received the survey in the mail.

1. How long have you been (or were you) purchasing gas from The East Ohio Gas 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 East Ohio Gas Company. There were 501 or 99.0% of the 507 residential customers who responded to this closed-ended question. There were 69 or 13.8% of the customers who had purchased gas for "5 years or less," 58 or 11.6% had purchased gas for "6-10 years," 43 or 8.6% had purchased gas for "11-15 years," 54 or 10.8% had purchased gas for "16-20 years," and 277 or 55.3% of the customers had purchased gas from The East Ohio Gas Company for "More than 20 years." The table below presents the results from Question 1.

Length of Service	Frequency	Percentage
5 years or less	69	13.8
6-10 years	58	11.6
11-15 years	43	8.6
16-20 years	54	10.8
More than 20 years	277	55.3

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 text and response categories in both surveys.

2. ***How would you rate your level of satisfaction with The East Ohio Gas 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 498 or 98.2% of the 507 respondents who selected 1 of the above choices for this close-ended question. The percentages are determined based on the 498 customers who responded to Question 2. There were 44 or 8.8% of the respondents who rated their level of satisfaction with service as "Very dissatisfied." There were 23 or 4.6% of the respondents who reported that they were "Somewhat dissatisfied," 41 or 8.2% reported that they were "Neither satisfied nor dissatisfied," 118 or 23.7% reported that they were "Somewhat satisfied," and there were 272 or 54.6% 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	44	8.8
Somewhat dissatisfied	23	4.6
Neither satisfied nor dissatisfied	41	8.2
Somewhat satisfied	118	23.7
Very satisfied	272	54.6

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 text and response categories in both studies.

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 507 respondents to whom this question applied, 401 or 79.1% provided a response. Of these 401 respondents, 32 respondents or 8.0% 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
The East Ohio Gas Company	272	67.8
East Ohio Energy Corp.	75	18.7
Supplier 1	19	4.7
Supplier 2	1	0.2
Supplier 3	1	0.2
Supplier 4	1	0.2

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are The East Ohio Gas Company, East Ohio Energy Corp., 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 401 respondents who answered Question 4.

There were 22 or 5.5% of the respondents that selected "All other natural gas suppliers," 272 or 67.8% selected "The East Ohio Gas Company," and 75 or 18.7% selected "East Ohio Energy Corp." The table below presents the frequencies and percentages for each of the groups.

Natural Gas Supplier	Frequency	Percentage
The East Ohio Gas Company	272	67.8
East Ohio Energy Corp.	75	18.7
All other gas suppliers	22	5.5

The baseline study provided the following information from Question 4. Of the 556 residential customers, 457 or 82.2% provided a response. Of these 457 respondents, 29 respondents or 6.3% wrote "Do not know" as their answer. The respondents who "Do not know" their natural gas company are not included in the table. The following table summarizes the results for first part of Question 4.

Natural Gas Supplier	Frequency	Percentage
East Ohio Gas Company	346	75.7
East Ohio Energy Corp.	58	12.7
Supplier 1	12	2.6
Supplier 2	4	0.9
Supplier 3	2	0.4
Supplier 4	1	0.2
Supplier 5	1	0.2
Supplier 6	1	0.2
Supplier 7	1	0.2
Supplier 8	1	0.2
Supplier 9	1	0.2

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are The East Ohio Gas Company, East Ohio Energy Corp., and All other natural gas suppliers. The purpose of grouping the suppliers is to treat the response categories as a dependent variable in the cross-tabulation analysis. 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 457 respondents who answered Question 4. The following table presents the results for the second part of Question 4.

Natural Gas Supplier	Frequency	Percentage
The East Ohio Gas Company	346	75.7
East Ohio Energy Corp.	58	12.7
All other gas suppliers	24	5.3

Question 4 was an open-ended question with identical text in both the baseline and follow-up studies. In the baseline study, The East Ohio Gas Company had 75.7% of the residential market. In the follow-up study, they had a 67.8% share, indicating a loss of approximately 8% between the study periods. In the baseline study, East Ohio Energy Corp. had 12.7% of the residential market. In the follow-up study, they had an 18.7% share, indicating a gain of 6% between the study periods. The East Ohio Gas Company maintains its dominance in the marketplace. Only 1 competitor, other than East Ohio Energy Corp., has greater than a 1% share of the market. The total market share for the other natural gas suppliers in the baseline study was 5.3%. In the follow-up study, their share was reported unchanged at 5.5%. There were 4 natural gas suppliers noted by customers in the baseline study which were not reported in the follow-up study, and there were no additional suppliers indicated by customers in the follow-up study.

There is only minor competition in the residential marketplace for natural gas in The East Ohio Gas Company service territory. In the baseline study, The East Ohio Gas Company and the East Ohio Energy Corp. had a combined share of the market of 88.4%. In the follow-up study, their share remained relatively unchanged with a combined share of 86.5%. In addition to the minimal level of competition, Question 4 offers some evidence that there is some confusion surrounding the Energy Choice Program. In the baseline study, there were 6.3% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number remained relatively unchanged at 8.0%. This represents a considerable number of residential customers who do not know who is distributing 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 434 or 85.6% of the 507 residential customers who answered this closed-ended question. There were 77 or 17.7% of the respondents who answered that the information was "Not useful," 174 or 40.1% who reported that they were "Neutral," and 170 or 39.2% of the respondents who answered that the information was "Useful." There were 13 or 3.0% 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 434 customers who provided an answer.

Useful Information	Frequency	Percentage
Not useful	77	17.7
Neutral	174	40.1
Useful	170	39.2
Did not receive any information	13	3.0

The baseline study provided the following information for Question 5. There were 487 or 87.6% of the 556 residential customers who answered this closed-ended question. There were 77 or 15.8% of the respondents that indicated the information was "Not useful," to assist them in making a choice of a natural gas supplier. Continuing, there were 177 or 36.3% of the respondents that selected "Neutral," 206 or 42.3% selected "Useful," and 27 or 5.5% 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 487 customers who provided an answer.

Useful Information	Frequency	Percentage
Not useful	77	15.8
Neutral	177	36.3
Useful	206	42.3
Don't have any information	27	5.5

In the baseline study, there were almost 3 times the number of respondents who reported that the information was useful as compared to those who reported that it was not useful. In the follow-up study, the ratio of those who report that the information is useful as compared to those who indicate that it was not useful has slightly declined. For the most part, given the margin of error in these studies, the responses between the 2 study periods have remained relatively unchanged. There are more than twice as many residential customers who find the information "Useful" than customers who consider the information "Not useful." There are a substantial number of respondents who do not yet have an opinion as to the usefulness of the information. In the baseline study, there were 5.5% of the respondents who reported that they "Did not have any information" about the Program. In the follow-up study, there were 3.0% of the respondents who "Did not receive any information." There appears to be an effective dissemination of the information about the Energy Choice Program.

6. ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

Of the 507 respondents, 441 or 87.0% provided a response to this closed-ended question. Of the 441 respondents, 60 or 13.6% indicated they were "Not interested" in the Energy Choice Program, 150 or 34.0% were "Neither interested nor disinterested," and 231 or 52.4% were "Interested." The following table presents the results for Question 6.

Interest in Energy Choice Program	Frequency	Percentage
Not interested	60	13.6
Neither interested nor disinterested	150	34.0
Interested	231	52.4

The baseline study provided the following information from Question 6. Of the 556 respondents, 480 or 86.3% provided a response to this closed-ended question. Of the 480 respondents, 70 or 14.6% indicated they were "Not interested" in the Energy Choice Program, 154 or 32.1% were "Neither interested nor disinterested," and 256 or 53.3% were "Interested" in The East Ohio Gas Company's Energy Choice Program. The following table summarizes the results for Question 6.

Interest in Choice	Frequency	Percentage
Not interested	70	14.6
Neither interested nor disinterested	154	32.1
Interested	256	53.3

Question 6 had the same text and response categories in both studies. 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 relatively no change in the customer responses between the baseline and follow-up studies. More than half of the respondents are "Interested" in the Program. The next highest response is from those customers who are "Neither interested not 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 more than a third of the customers who remain uncertain regarding their opinions of 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 507 respondents, 417 or 82.2% provided a response to both this closed-ended and open-ended question. There were 185 or 44.4% of the residential customers who reported that they had experienced "No problems" in selecting a supplier. There were 179 or 42.9% who selected "Benefits and risks of switching," 147 or 35.3% selected "Price information," 139 or 33.3% selected "Company reputation and record of reliability," 104 or 24.9% selected "Future of the program," 89 or 21.3% selected "List of possible suppliers and contact numbers," 88 or 21.1% selected "Contract terms," 88 or 21.1% selected "Discounts/rebates/incentives," 79 or 18.9% selected "Service information," 72 or 17.3% selected "Billing information and meter reading," 67 or 16.1% selected "Budget options," and 65 or 15.6% selected "Adequate gas supply." There were 31 or 7.4% of the respondents who selected "Sales tax information" 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.

Information to help in selecting a supplier	Frequency	Percentage
No problems	185	44.4
Benefits and risks of switching	179	42.9
Price information	147	35.3
Company reputation and record of reliability	139	33.3
Future of the program	104	24.9
List of possible suppliers and contact numbers	89	21.3
Contract terms	88	21.1
Discounts/rebates/incentives	88	21.1
Service information	79	18.9
Billing information and meter reading	72	17.3
Budget options	67	16.1
Adequate gas supply	65	15.6
Sales tax information	31	7.4
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 the respondents 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 therefore structured to treat the issue regarding the information customers need 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 556 residential respondents, 447 or 80.4% responded to this question. Of these 447 respondents, 109 or 24.4% answered "Yes," they had problems choosing a natural gas supplier. Conversely, 338 respondents or 75.6% answered "No." In the follow-up study, there were 185 or 44.4% of the respondents who indicated that they had not experienced problems in selecting a supplier. There has been a considerable decline in the number of respondents who report that they are not experiencing problems, from 75.6% in the baseline study to 44.4% 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 "Benefits and risks of switching" as information that would have made the selection easier. There were 42.9% of the respondents who identified "Benefits and risks of switching" 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. 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 to note, however, that "Price information" was the most frequently offered response in the baseline study and second most frequently selected in the follow-up study.

Most of the information categories were selected by fairly large numbers of customers. "Benefits and risks of switching," "Price information" and "Company reputation and record of reliability" were each selected by more than 30% of the respondents. "Future of the Program," "List of possible suppliers and contact numbers," "Contract terms" and "Discounts/ rebates/ incentives" were each selected by more than 20% of the respondents. Only "Sales tax information" and "Other" were selected by less than 10% of respondents. Though "Price information" remains an important issue, the most often selected issue in the follow-up study was "Benefits and risks of switching." 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 44.4% of the respondents who indicated that they had not experienced problems. "No problems" was the highest ranking response, with a higher response rate than any of the information categories offered in Question 7.

Cross-tabulation Analysis of Question 7(Dependent Variable)

In order to achieve a more complete understanding of the information customers require 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, which were selected as independent variables. Question 7 has 13 parts and each was treated as a dependent variable in the 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 did not answer either one or both questions also appears below the table and is identified as "frequency missing."

Price information

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy 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 make choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Energy Choice Program/ Problems in selecting a Supplier: Price information

	No	Yes
Not interested	40 85.11	7 14.89
Neither interested nor disinterested	89 64.96	48 35.40
Interested	135 61.09	86 38.91

Number of Respondents answering Questions 6 and 7(Price information): 405
Frequency missing: 102

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 2 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 35.3% for residential customers. Among those who are "Not interested" in the Program, only 14.89% identified "Price information." Even for those customers who are "Neither interested nor disinterested" in the Program, there was a proportionately similar response rate as compared to the residential response rate.

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual bill and, for those who have experienced problems choosing a supplier, their identifying "Price information" as information that would make 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	134 72.43	51 27.57
Above average customer	103 56.28	80 43.72

Number of Respondents answering Questions 17 GRP and 7(Price information): 368
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate "Price information" was a problem in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower affirmative response rate than the residential population response rate of 35.3%. Alternatively, the Above average customer category demonstrates a higher affirmative response rate than the residential response rate of 35.3%.

List of Possible Suppliers with Contact Numbers

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual bill and, for those who have experienced problems choosing a supplier, their identifying "List of suppliers with contact numbers" as information that would make 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	154 83.24	31 16.76
Above average customer	137 74.86	46 25.14

Number of Respondents answering Questions 17 GRP and 7(List of suppliers with contact numbers): 368
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate that a "List of suppliers with contact numbers" was information needed in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower affirmative response rate than the residential population response rate of 21.3%. Alternatively, the Above average customer category demonstrates a higher affirmative response rate than the residential response rate of 21.3%.

Benefits and risks of switching

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

There is a statistically significant relationship between 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 make choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Energy Choice Program/ Problems in selecting a Supplier: Benefits and Risks

	No	Yes
Not interested	36 76.60	11 23.40
Neither interested nor disinterested	76 55.47	61 44.53
Interested	124 56.11	97 43.89

Number of Respondents answering Questions 6 and 7(Benefits and risks): 405
Frequency missing: 102

Both those "Neither interested nor disinterested" and those "Interested" in the Program had response rate which were similar to the residential response rate of 42.9%. Those who were "Not interested" were about half as likely to indicate that a lack of information regarding the "Benefits and risks of switching" had served as a problem in selecting a supplier. Those respondents who were "Not interested" in the program were proportionately lower than both of the other interest level categories and the residential response rate.

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual bill and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would make 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	122 65.95	63 34.05
Above average customer	90 49.18	93 50.82

Number of Respondents answering Questions 17GRP and 7(Benefits and risks): 368
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate that "Benefits and risks of switching" was information needed in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower affirmative response rate than the residential population response rate of 42.9%. Alternatively, the Above average customer category demonstrates a higher affirmative response rate than the residential response rate of 42.9%.

Discounts/ rebates/ incentives

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

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

Interest in Energy Choice Program/ Problems in selecting a Supplier: Discounts/Rebates/Incentives

	No	Yes
Not interested	41 87.23	6 12.77
Neither interested nor disinterested	117 85.40	20 14.60
Interested	163 73.76	58 26.24

Number of Respondents answering Questions 6 and 7(Discounts/rebates/incentives): 405
Frequency missing: 102

Across all levels of interest, the response rates are proportionately similar to the residential response rate of 21.1%. One may note, however, as the level of interest in the Program increases, the rate of customers indicating problems in selecting a supplier with a need for more information regarding "Discounts/ rebates/ incentives" increases.

Future of the program

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual 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	147 79.46	38 20.54
Above average customer	126 68.85	57 31.15

Number of Respondents answering Questions 17GRP and 7(Future of program): 368
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate that "Future of the program" was information needed in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower affirmative response rate than the residential population response rate of 24.9%. Alternatively, the Above average customer category demonstrates a higher affirmative response rate than the residential response rate of 24.9%.

Adequate gas supply

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

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

Interest in Energy Choice Program/ Problems in selecting a Supplier: Adequate Gas Supply

	No	Yes
Not Interested	45 95.74	2 4.26
Neither interested nor disinterested	106 77.37	31 22.63
Interested	193 87.33	28 12.67

Number of Respondents answering Questions 6 and 7(Adequate gas supply): 405
Frequency missing: 102

Across all interest levels, the responses were proportionately similar to one another and the general residential response rate of 15.6%. "Neither interested nor disinterested" customers having a problem selecting a supplier had the highest response rate across the interest level categories. "Not interested" customers who professed a problem selecting a supplier and indicated a need for information regarding adequate gas supply had the lowest response rate across the interest level categories.

Contract terms

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

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

Interest in Energy Choice Program/ Problems in selecting a Supplier: Contract Terms

	No	Yes
Not interested	43 91.49	4 8.51
Neither interested nor disinterested	112 81.75	25 18.25
Interested	166 75.11	55 24.89

Number of Respondents answering Questions 6 and 7(Contract Terms): 405
Frequency missing: 102

As interest level increases, the rate of those having problems selecting a supplier and indicating "Contract terms" as information that would make the selection of a supplier easier also increases. Across all levels of interest the response rates were proportionately similar to one another and the residential response rate of 21.1%.

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual bill and, for those who have experienced problems choosing a supplier, their identifying "Contract terms" as information that would make 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	156 84.32	29 15.68
Above average customer	132 72.13	51 27.87

Number of Respondents answering Questions 17GRP and 7(Contract terms): 368
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate that "Contract terms" was information needed in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower affirmative response rate than the residential population response rate of 21.1%. Alternatively, the Above average customer category demonstrates a higher affirmative response rate than the residential response rate of 21.1%.

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 age and, for those who have experienced problems choosing a supplier, their identifying "Contract terms" as information that would make choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Age/ Problems in selecting a Supplier: Contract Terms

	No	Yes
34 and under	24 72.73	9 27.27
35-49	94 78.33	26 21.67
50-64	89 72.95	33 27.05
65 and over	110 86.61	17 13.39

Number of Respondents answering Questions 18GRP and 7(Contract terms): 402
Frequency missing: 105

There is no apparent pattern in the response rates to this question across age categories. Across all age categories, the responses were proportionately similar to one another and the residential response rate of 21.1%. The highest response rate for selecting "Contract terms" came from those who indicated they were "34 and under," while the lowest response rate for "Contract terms" came from those who were "65 and over."

Service information

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual bill and, for those who have experienced problems choosing a supplier, their identifying "Service information" as information that would make 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	160 86.49	25 13.51
Above average customer	139 75.96	44 24.04

Number of Respondents answering Questions 17GRP and 7(Service information): 368
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate that "Service information" was information needed in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower affirmative response rate than the residential population response rate of 18.9%. Alternatively, the Above average customer category demonstrates a higher affirmative response rate than the residential response rate of 18.9%.

No problems

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

There is a statistically significant relationship between interest in the Program and for those indicated "No problems" when asked what information that would make choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Energy Choice Program/ Problems in selecting a Supplier: No Problems

	No	Yes
Not interested	14 29.79	33 70.21
Neither interested nor disinterested	77 56.20	60 43.80
Interested	131 59.28	90 40.72

Number of Respondents answering Questions 6 and 7(No problems): 405
Frequency missing: 102

Those indicating they are "Not interested" had a proportionately higher affirmative response rate than the residential population, where the affirmative response rate was 44.4%. Note that as the level of interest increases, the number of those who indicated "No problems" decreases.

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

- ***Below average customer ($700 or less)***
- ***Above average customer (Greater than $700)***

There is a statistically significant relationship between annual bill and a response of "No problems." 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	87 47.03	98 52.97
Above average customer	116 63.39	67 36.61

Number of Respondents answering Questions 17GRP and 7(No Problems): 368
Frequency missing: 139

Those customers in the Above average customer category are less likely to indicate that there were "No problems" in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a higher affirmative response rate than the residential population response rate of 44.4%. Alternatively, the Above average customer category demonstrates a lower affirmative response rate than the residential response rate of 44.4%.

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 annual income and a response of "No problems." 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	4 33.33	8 66.67
$10,500-$24,999	31 45.59	37 54.41
$25,000-$49,999	73 53.28	64 46.72
$50,000-$74,999	60 63.83	34 36.17
$75,000-$100,000	28 73.68	10 26.32
Greater than $100,000	13 44.83	16 55.17

Number of Respondents answering Questions 20 and 7(No problems): 378
Frequency missing: 129

As income increases, the rate of respondents indicating they had "No problems" in selecting a supplier decreases, with the exception of those earning "Greater than

$100,000." Across all income categories, the response rates were proportionately similar to one another and the residential response rate of 44.4%. The only exception were those respondents who earn "Less than $10,500" where the response rate was proportionately higher than the residential response rate of 44.4%.

The cross-tabulation and statistical analysis of Question 7 offers some important insights regarding customer perceptions of, and behavior in, the Energy Choice Program. It is important to bear in mind that the focus of Question 7 is for customers who are experiencing problems in making their choice of a supplier to identify the information that would have made their decision process easier to accomplish. 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.

Interest in the Energy 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 13 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 are choosing to remain customers of The East Ohio Gas Company without learning about their alternatives in the marketplace.

It is a reflection of serious problems in the Energy 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 or they are not receiving any information at all. Their primary concern is for information regarding the "Benefits and risks of switching," 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 East Ohio Gas Company Energy Choice Program is experiencing serious problems, in part because customers are not getting the information they need to make their choice.

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 442 residential customers who responded. For the closed-ended part of the question, 374 or 84.6% of the respondents reported "No," they were not aware of the PUCO's Apples to Apples natural gas marketer's comparison chart. Only 68 or 15.4% of the respondents were aware of the PUCO's Apples to Apples comparison chart.

There were 68 residential customers eligible to respond to the open-ended portion of this question, and 5 or 7.7% offered a response. Through a content analysis of the open-ended responses, there was 1 category defined into which the five responses were classified. The 5 customers offered a response which was coded as a single category. The 5 respondents indicated that, in addition to the price of gas, the chart should explicitly show the cost of taxes and other charges.

That there are 84.6% of the residential customers who do not know about the PUCO's Apples to Apples comparison chart is a considerable number. Only 15.4% of the residents were aware of this information. The importance of this issue is magnified by the fact that customers are interested in receiving price information 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 390 residential customers who answered this question. For the closed-ended part of the question, 193 or 49.5% of the respondents indicated that "Pricing options or price comparisons" was the information about the natural gas suppliers they found confusing. There were 191 or 49.0% of the respondents who selected "Benefits/ risks of the program," 114 or 29.2% selected "Terms of the contract," 112 or 28.7% selected "Customer rights and responsibilities," 100 or 25.6% indicated "None of it was confusing," 72 or 18.5% selected "Taxes and billing," and 30 or 7.7% indicated they "Did not receive information." There were 7 respondents who offered an "Other" response regarding information about the natural gas suppliers that has been confusing. All of the "Other" respondents indicated the "Similarity of company names" was information they found 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	193	49.5
Benefits/risks of the program	191	49.0
Terms of the contract	114	29.2
Customer rights and responsibilities	112	28.7
None of it was confusing	100	25.6
Taxes and billing	72	18.5
Did not receive information	30	7.7
Other	7	1.8

The text of Question 8 in the baseline study is the same as the text as it appeared in the follow-up survey as Question 9. There was a selection added to the follow-up survey based on the "Other" responses that were provided in the baseline survey; "Taxes and billing" was added to the selections.

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 463 residential customers who responded. For the closed-ended part of the question, 252 or 54.4% of the respondents indicated they found "Pricing options or price comparisons" confusing, 220 or 47.5% found the "Benefits/risks of the program" confusing, 147 or 31.7% found the "Terms of the contract" confusing, 136 or 29.4% of the respondents found "Customer rights and responsibilities" to be confusing, 101 or 21.8% of the respondents found "None of it confusing," and 35 or 7.6% indicated that they "Did not receive information." There were 23 or 5.0% 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	252	54.4
Benefits/risks of the program	220	47.5
Terms of the contract	147	31.7
Customer rights and responsibilities	136	29.4
None of it was confusing	101	21.8
Did not receive information	35	7.6
Other	23	5.0

Of the 463 residential customers in the sample, 23 or 5.0% 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 4 different categories. In this case, the frequency represents the number of times the category was provided by the 23 respondents, and the percentage is calculated based on the 23 residential customers. The following table presents the "Other" information about the natural gas suppliers that customers found confusing. .

Confusing Information	Frequency	Percentage
Not enough information	10	43.5
Suppliers' names	8	34.8
Making comparisons	3	13.0
PUCO charts	2	8.7

The selections that appeared in the baseline Question 8 and the follow-up version of Question 9 were given the same rank order by the residential customers. Additionally, the proportionate responses only changed slightly between the baseline and the follow-up studies for the "Pricing options or price comparisons" category and the "None" of it was confusing category. "Pricing options or price comparisons" remained the area of the Program which most confused the customers. While the number of respondents declined by 5%, almost half of the customers are confused about "Pricing options or price comparisons." The next most confusing area of the Program is the "Benefits/risks of the Program," followed by "Terms of the contract," "Customer rights and responsibilities," and "Taxes and billing."

The number of customers who report that "None of the information was confusing" has increased slightly between the study periods. There are one-quarter of the customers who indicate that none of the Program areas has been confusing. The increase could reflect that more customers are beginning to consider alternative suppliers. As more customers begin the process of comparing suppliers, more customers could be confused about aspects of the Program. The number of customers who did not have information remained unchanged between the study periods and was under 10%.

Question 9 does reveal problems with the Energy Choice Program. Only one-quarter of the respondents were not confused about any aspects of the Program. Also, not everyone has received information about the Program. It is apparent from the study that price is the most important element of the Program for consumers, and they are most confused about price. Half of the respondents are confused about "Pricing options or price comparisons" and "Benefits/risks of the Program." There are large numbers of consumers who are confused about the most fundamental areas of the Energy Choice Program. These results indicate that the consumers are not yet making the most informed decisions in the marketplace for natural gas.

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 406 residential customers who answered this question. For the closed-ended part of the question, 295 or 72.7% 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 224 or 55.2% of the customers who indicated "Bill insert," 80 or 19.7% indicated "Newspaper articles," 62 or 15.3% indicated "1-800 phone hotline," 54 or 13.3% indicated "TV Advertising and news," 53 or 13.1% indicated "Advertising in newspapers," 39 or 9.6% indicated "PUCO Internet site," 30 or 7.4% indicated "Public meetings," and 16 or 3.9% indicated "Advertising on radio" as the ways they would like to receive information about their natural gas choices. There were no customers 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 10.

Ways to receive information	Frequency	Percentage
Direct mail	295	72.7
Bill insert	224	55.2
Newspaper articles	80	19.7
1-800 phone hotline	62	15.3
TV advertising and news	54	13.3
Advertising in newspapers	53	13.1
PUCO Internet site	39	9.6
Public meetings	30	7.4
Advertising on radio	16	3.9
Other	0	0.0

Question 9 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. The question was revised in the follow-up study in order to make the results more meaningful for the Commission's educational efforts. 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. The remaining methods were reported by fewer than 20% of the respondents. "Direct mail" and "Bill inserts" are the methods that would be most effective in reaching the largest audience of residential customers about the Energy 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 403 residential customers who responded to the question. For the closed-ended part of the question, 310 or 76.9% of the respondents considered "Price" in making their choice of a supplier. There were 240 or 59.6% of the respondents who selected "Reliable gas supply," 195 or 48.4% selected "Customer service," 188 or 46.7% selected "Reputation," 151 or 37.5% selected "Billing," 146 or 36.2% selected "Length of contract," 135 or 33.5% selected "Terms of the contract," 91 or 22.6% selected "Name recognition," and 43 or 10.7% indicated "Customer education" as the factors they considered in making their choice of a natural gas supplier. There were 2 or 0.5% of the respondents who provided an "Other" response. The 2 respondents who indicated a response for the "Other" choice both stated "discounts for schools" as a factor they considered in making their choice of 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	310	76.9
Reliable gas supply	240	59.6
Customer service	195	48.4
Reputation	188	46.7
Billing	151	37.5
Length of contract	146	36.2
Terms of the contract	135	33.5
Name recognition	91	22.6
Customer education	43	10.7
Other	2	0.5

The following results are presented from the baseline study. 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 472 residential customers. For the closed-ended part of the question, 350 or 74.2% of the respondents considered "Price" in making their choice of a supplier. There were 284 or 60.2% of the respondents who selected "Reliable gas supply," 200 or 42.4% selected "Customer service," 199 or 42.2% selected "Billing," 184 or 39.0% selected "Reputation," 164 or 34.7% selected "Length of contract," 152 or 32.2% selected "Terms of the contract," 93 or 19.7% selected "Name recognition," 47 or 10.0% indicated "Customer education," and 1 or 0.2% of the customers provided an "Other" response. This respondent indicated that he/she was considering "convenience" in making his/her choice of a supplier. The following table summarizes the responses to the closed-ended portion of Question 11.

Customer Choice	Frequency	Percentage
Price	350	74.2
Reliable gas supply	284	60.2
Customer service	200	42.4
Billing	199	42.2
Reputation	184	39.0
Length of contract	164	34.7
Terms of the contract	152	32.2
Name recognition	93	19.7
Customer education	47	10.0
Other	1	0.2

Question 11 in the baseline and follow-up surveys had the same text and the same selections. "Price" remains the primary selection as the factor consumers are considering in making their choice of a natural gas supplier. In the baseline study, "Price" was identified by 74.2% if the respondents, and it was selected by 76.9% of the respondents in the follow-up study. The second selection in both studies was "Reliable gas supply." It was noted by 60.2% of the respondents in the baseline study and 59.6% of the respondents in the follow-up study.

There was only one minor change in the rank order of factors being considered by residential customer between the baseline and follow-up studies. There was a slight increase in the number of respondents who identified "Reputation" and a slight decrease in the number of respondents who identified "Billing" in the follow-up study; the rank order of "Reputation" and "Billing" were switched between the baseline and follow-up studies.

For the residential customers in the Energy Choice Program, the choice of a supplier appears to be driven primarily by price and then by reliable gas supply. Residential customers are considering a multitude of factors as they make their choices. Most of the factors listed in the survey were selected by more than 30% of the respondents. The only factors that were considered by fewer than 30% of the respondents were "Name recognition" and "Customer education." These appear to be less important factors for the consumers. From the 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 a good source of that information on which they are going to rely to make their choice.

12. ***How many different suppliers did you consider before making your selection? Please include The East Ohio Gas Company 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 435 or 85.8% of the 507 residential customers who answered this closed-ended question. There were 55 or 12.6% of the respondents who considered "1 supplier," 173 or 39.8% considered 2, 3 or 4 suppliers, and 13 or 3.0% considered "5 or more" suppliers in making their selection. There were 194 or 44.6% 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	55	12.6
2, 3 or 4 suppliers	173	39.8
5 or more suppliers	13	3.0
Have not yet considered changing	194	44.6

Question 12 was slightly modified between the baseline and follow-up studies to simplify the question. There were no changes made to the meaning of the question or in the meaning of the closed-ended categories. The same general choices were offered to the respondent in both surveys. The following results were presented in the baseline study. There were 464 or 83.5% of the 556 residential customers who answered this closed-ended question. There were 74 or 15.9% of the respondents that reviewed "1 proposal," 247 or 53.2% who reviewed "2, 3, or 4 proposals," and 29 or 6.3% who reviewed "5 or more proposals." There were 114 or 24.6% of the respondents that indicated they "Have not yet considered any proposals." The following table summarizes the results for Question 12.

Supplier Proposals	Frequency	Percentage
1 proposal	74	15.9
2, 3, or 4 proposals	247	53.2
5 or more proposals	29	6.3
Have not yet considered any proposals	114	24.6

For those residential customers who were considering "1 proposal" or "5 or more proposals," there was relatively no change between the baseline and follow-up study periods. The smallest numbers of customers are reviewing "5 or more proposals," and the next smallest number are considering only "1 proposal."

Between the baseline and follow-up studies, there have been dramatic changes among the residential population. In the baseline study, there were 53.2% of the respondents who reported that they were reviewing 2, 3, or 4 proposals. In the follow-up study, this number had decreased to 39.8%. There has been a corresponding increase in the number of customers who report that they have not yet considered changing. In the baseline study, there were 24.6% of the respondents who had not yet considered changing, and in the follow-up study, there were 44.6% who had not considered changing. During the baseline study, there were more residential customers considering the change to a supplier than in the follow-up study. It is possible that as the Program was initiated, there were customers who began to consider alternatives. For some reason, some of these customers have decided not to continue considering making a change of suppliers. There are some customers making the change; the market share of The East Ohio Gas Company has decreased between the study periods. There is a reverse process, however, being captured by Question 12 which indicates that fewer customers are considering a choice of suppliers.

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, No or Have not selected a new supplier. The second half of this question was open-ended, giving those respondents who indicated that they have experienced problems an opportunity to identify these problems.

Of the 507 residential respondents, 411 or 81.1% responded to this question. Of these 411 respondents, 31 or 7.5% answered "Yes," they had experienced service problems from their new natural gas supplier. Conversely, 112 respondents or 27.2% answered "No," they had not experienced any problems. There were 268 or 65.2% 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. Twenty-nine 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 3 distinct categories. The table below presents the category, as well as the respective frequency. The percentage is calculated based on the 29 customers who provided an open-ended response to Question 13.

Service problems from a new supplier	Frequency	Percentage
Billing	25	86.2
Higher prices	3	10.3
Scheduled service not completed when promised	1	3.4

The following information was presented in the baseline study from the results of Question 14. This question was structured in a manner such that it consisted of 2 parts, with the first part determining the applicability of the second part. The first half of Question 14 was closed-ended, with the respondents having been asked to select either Yes or No, Have not selected a new supplier or Have not had enough experience with supplier to make a judgment. The first portion of the question is close-ended. There were 556 potential residential respondents, of which 413 or 74.3% answered this question. Of those answering the first portion of this question, 261 or 63.2% of the respondents indicated they "Have not selected a new supplier." Continuing with those who answered the first portion of the question, 46 or 11.1% of the respondents chose "No" and 9 or 2.2% of the respondents chose "Yes." There were 97 or 23.5% of the respondents who chose "Have not had enough experience with supplier to make a judgment."

The following table presents the residential responses to the open-ended portion of this question. Of the 9 respondents who indicated "Yes" in the first portion of Question 14, only 7 respondents provided an open-ended response. Multiple responses were allowed, and percentages are based on the 7 customers who responded to the open-ended question. Note that 3 different categories of problems have been defined from the content analysis of the responses.

Problems With New Supplier	Frequency	Percentage
Delayed billing	5	71.4
Customer service	1	14.3
Book keeping	1	14.3

The text of Question 13 in the follow-up study was similar to the text as it appeared in Question 14 of 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, there were 63.2% of the respondents who indicated that they had not selected a new supplier. There were also 23.5% of the respondents who reported that they did not have enough experience with their supplier to make a judgment about their service. In the follow-up study, there were 65.2% of the respondents who indicated that they had not selected a supplier. Thus, approximately the same number of residential respondents had not selected a new supplier between the 2 study periods. In the baseline study, there were 2.2% of the respondents who reported that they had experienced service problems from their new supplier. Most of the open-ended responses involved billing problems. In the follow-up study, there were 7.5% of the respondents who indicated that they had experienced service problems from their new supplier. Again, the majority of the problems involved billing practices. The proportionate increase in service problems was greater than the increase in the proportion of customers who switched to new suppliers between the baseline and follow-up study periods. There are going to be problems surrounding the customers' adjustments to receiving service from a new supplier, and billing problems could be one of the issues requiring some experience before service is administered efficiently. Customer service is certainly an area that should continued to be monitored as the Energy Choice Program develops.

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 Energy Choice Program. These areas were defined from the results of the baseline study of the Program. Question 15 was an open-ended question in the baseline study and asked the respondents to identify the benefits they expected from the Energy Choice Program. The customers' perceived benefits were used to measure customer satisfaction in the follow-up survey.

Of the 507 residential customers, 323 or 63.7% responded to the Prices section of Question 14. There were 149 or 46.1% of the residential customers who were "Satisfied" with the "Prices" area of the Program. Continuing, there were 54 or 16.7% of the customers who were "Dissatisfied" with the "Prices" area of the Program, and 120 or 37.2% 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	149	46.1
Dissatisfied	54	16.7
Neither Satisfied Nor Dissatisfied	120	37.2

Of the 507 residential customers, 310 or 61.2% responded to the Customer service section of Question 14. There were 187 or 60.3% of the residential customers who were "Satisfied" with the "Customer service" area of the Program. Continuing, there were 18 or 5.8% of the customers who were "Dissatisfied" with the "Customer service" area of the Program, and 105 or 33.9% 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	187	60.3
Dissatisfied	18	5.8
Neither Satisfied Nor Dissatisfied	105	33.9

Of the 507 residential customers, 290 or 57.2% responded to the Contract terms section of Question 14. There were 142 or 49.0% of the residential customers who were "Satisfied" with the "Contract terms" area of the Program. Continuing, there were 18 or 6.2% of the customers who were "Dissatisfied" with the "Contract terms" area of the Program, and 130 or 44.8% 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	142	49.0
Dissatisfied	18	6.2
Neither Satisfied Nor Dissatisfied	130	44.8

Of the 507 residential customers, 301 or 59.4% responded to the Freedom of choice section of Question 14. There were 189 or 62.8% of the residential customers who were "Satisfied" with the "Freedom of choice" aspects of the Program. Continuing, there were 11 or 3.7% of the customers who were "Dissatisfied" with the "Freedom of choice" aspects of the Program, and 101 or 33.6% 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	189	62.8
Dissatisfied	11	3.7
Neither Satisfied Nor Dissatisfied	101	33.6

Of the 507 residential customers, 306 or 60.4% responded to the Reliability/dependability section of Question 14. There were 181 or 59.2% of the residential customers who were "Satisfied" with the "Reliability/dependability" aspects of the Program. Continuing, there were 16 or 5.2% of the customers who were "Dissatisfied" with the "Reliability/dependability" aspects of the Program, and 109 or 35.6% 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	181	59.2
Dissatisfied	16	5.2
Neither Satisfied Nor Dissatisfied	109	35.6

The residential customers report their highest levels of satisfaction for the "Freedom of Choice" and "Customer service" aspects of the Program. There were 62.8% who indicated they were satisfied with "Freedom of Choice" and 60.3% who indicated they were satisfied with "Customer service." The next highest level of satisfaction was reported for "Reliability/ dependability," which was reported by 59.2% of the respondents. The lowest satisfaction ratings were reported for "Contract terms" and "Price." There were 49.0% of the customers who reported that they were satisfied with "Contract terms." There were 46.1% 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 3.7% to 6.2%. The highest level of dissatisfaction was reported by the 16.7% of residential customers who indicated that they were dissatisfied with "Price."

Most of the residential respondents report that they are satisfied with all aspects of the program. Across all aspects of the Program, more than one-third of the respondents indicated that they were "Neither satisfied nor dissatisfied." For most of the elements of the Program, from 33.6% to 37.2% of the customers report that they do not have an opinion yet regarding their level of satisfaction. The highest reported response by residential customers indicating they were "Neither satisfied nor dissatisfied" came from the 44.8% with regard to "Contract terms."

The highest level of dissatisfaction comes with "Price" where 16.7% of respondents indicated they were dissatisfied. For the most part, customers appear to be somewhat satisfied with all aspects of the Program, with over 40% of customers indicating their satisfaction across the 5 elements given in the survey.

15. Would you be interested in having The East Ohio Gas Company's Energy 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 507 residential respondents, 454 or 89.6% 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 454 residential customers who answered Question 15. A review of the results demonstrates that 233 respondents indicated a response of "Yes," they would be interested in having the Program continued in their area. This represents 51.3% of the respondents that completed this question. Conversely, 39 respondents or 8.6% indicated a response of "No," and 182 or 40.1% of the residential customers are "Not sure" if they 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	233	51.3
No	39	8.6
Not Sure	182	40.1

The following results were presented from Question 17 of the baseline study. Of the 556 residential customers, 471 or 84.7% responded to this closed-ended question. Two hundred and twenty-six or 48.0% indicated "Yes," they are interested in having the East Ohio Gas Company's Energy Choice Program continued. Forty-one or 8.7% of the customers indicated "No," they are not interested in having the Program continued. Two hundred and four or 43.3% of the respondents were "Not sure" about whether they are interested in having The East Ohio Gas Company's Energy Choice Program continued. The following table summarizes the results for Question 17.

Program Continued	Frequency	Percentage
Yes	226	48.0
No	41	8.7
Not sure	204	43.3

The text of Question 15 in the follow-up survey was the same as Question 17 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 the baseline to the follow-up study are relatively unchanged. 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 remain uncertain about it at the same time. It is clear that few respondents are not interested in having the Program continued. The results from Question 15 are consistent with conclusions in this study which indicate that there is some general confusion among customers about the Program.

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 507 residential respondents, 422 or 83.2% provided an answer to this question. There were 109 or 25.8% of the respondents who indicated "Yes," they thought the Program could be improved. There were 21 or 5.0% of the respondents who selected "No;" they thought the Program could not be improved. Continuing, there were 292 or 69.2% of the residential customers who were "Not sure" if the Program could be improved. The following table summarizes the results for Question 16.

Program Improved	Frequency	Percentage
Yes	109	25.8
No	21	5.0
Not Sure	292	69.2

The second portion of this question was open-ended. The 109 respondents who reported that the Program can be improved were offered the opportunity to express their ideas in this regard. Of the 109 respondents, 77 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 10 different categories. None of the 77 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 77 respondents provided a response for each particular category. The percentage is calculated based on the same 77 customers who responded to this question.

Program Improvements	Frequency	Percentage
More, improved information	38	49.4
Lower prices	12	15.6
Improved apples to apples chart	9	11.7
Improved billing	8	10.4
Shorter contract terms	3	3.9
Improved pricing	2	2.6
More providers	2	2.6
Improved customer service	1	1.3
Improved meter reading	1	1.3
Better quality gas supply	1	1.3

Only 5.0% of the respondents were of the opinion that the Program does not need improvement. There were 25.8% of the respondents who reported that the Program should be improved, and 69.2% 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 "More, improved information" (49.4%) and "Improved apples to apples chart" (11.7%).

There were 15.6% of the respondents who requested "Lower prices" as a way to improve the Program, and 2.6% who indicated "Improved pricing." 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 about 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 448 or 88.4% of the 507 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 448 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 $700 represent 234 or 52.2% of those answering the question. Those residential responses greater than the median reported value of $700 represent 214 or 47.8% 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 $700	234	52.2
Greater than $700	214	47.8

Question 17 was treated as an independent variable in the research design in both the baseline and follow-up studies. In the baseline and follow-up surveys, it was an open-ended question with the same text.

18. What is your age?

Question 18 was an open-ended question. Of the 507 residential customers in the sample, 487 or 96.1% responded to this open-ended question. The youngest person responding to the survey was 23 years old. The oldest person responding to the survey was 95 years old. The modal age in the sample was 70 years old, with 25 respondents reporting that as their age. The next highest modal frequency was reported by 15 respondents who identified their age as 45. 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 38 or 7.8% of the residential customers who are "34 or under," 130 or 26.7% who are "35-49," 143 or 29.4% who are "50-64," and 176 or 36.1% who are "65 and over." The following table summarizes the results for Question 18.

Customer ages	Frequency	Percentage
34 and under	38	7.8
35-49 years old	130	26.7
50-64 years old	143	29.4
65 and over	176	36.1

Question 18 was treated as an independent variable in the research design in both the baseline and follow-up studies. In the baseline and follow-up surveys, it was an open-ended question with the same text.

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

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

Of the 507 residential customers in the sample, 495 or 97.6% responded to this open-ended question. There were 39 or 7.9% of the respondents who reported that they live in a "Rural" area, 202 or 40.8% reside in a "Village/town," 202 or 40.8% of the residential respondents reported that they reside in a "Suburban" area, and 52 or 10.5% of the respondents report living in an "Urban" area. The following table presents the results for Question 19.

Residential Location	Frequency	Percentage
Rural	39	7.9
Village/town	202	40.8
Suburban	202	40.8
Urban	52	10.5

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 text with the same response categories in both surveys.

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 456 or 90.0% of the 507 residential respondents that answered this closed-ended question. Of the 456 respondents, there were 27 or 5.9% who identified "Less than $10,500," 98 or 21.5% identified "$10,500-$24,999," 154 or 33.8% identified "$25,000-$49,999," 105 or 23.0% identified "$50,000-$74,999," 38 or 8.3% identified "$75,000-$100,000," and 34 or 7.5% 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	27	5.9
$10,500-$24,999	98	21.5
$25,000-$49,999	154	33.8
$50,000-$74,999	105	23.0
$75,000-$100,000	38	8.3
Greater than $100,000	34	7.5

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 text with the same 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 167 residential respondents who identified themselves as unaware customers on the survey. Of the 765 residential customers who completed and returned the survey, the 167 unaware customers represent 21.8% of the residential sample. Unaware customers were asked to provide information regarding their length of service from, and their level of satisfaction with, The East Ohio Gas Company. 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 to these specific questions, they were not coded or recorded in the data set.

This section of the residential 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 21.8% of the residential customers who are not aware of the Energy Choice Program reflects a need for more customer education.

1. ***How long have you been (or were you) purchasing gas from The East Ohio Gas 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 East Ohio Gas Company. There were 166 or 99.4% of the 167 unaware customers who responded to this closed-ended question. There were 44 or 26.5% of the customers who had purchased gas for "5 years or less," 12 or 7.2% had purchased gas for "6-10 years," 18 or 10.8% had purchased gas for "11-15 years," 16 or 9.6% had purchased gas for "16-20 years," and 76 or 45.8% of the customers had purchased gas from The East Ohio Gas Company for "More than 20 years." The table below presents the results from Question 1.

Unaware of Choice

Length of Service	Frequency	Percentage
5 years or less	44	26.5
6-10 years	12	7.2
11-15 years	18	10.8
16-20 years	16	9.6
More than 20 years	76	45.8

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	69	13.8
6-10 years	58	11.6
11-15 years	43	8.6
16-20 years	54	10.8
More than 20 years	277	55.3

There are proportionately more unaware than aware customers who have been customers of The East Ohio Gas Company for "5 years or less." There are fewer unaware customers than aware customers who have been customers of The East Ohio Gas Company for "More than 20 years." There are no critical differences between the remaining categories of years of service for the unaware and aware residential customers. It may be concluded that the unaware residential customers have been natural gas customers for a slightly shorter period of time than the aware customers.

2. ***How would you rate your level of satisfaction with The East Ohio Gas 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 166 or 99.4% of the 167 unaware respondents who selected one of the above choices for this close-ended question. The percentages below are determined based on the 166 customers who responded to Question 2. There were 19 or 11.4% of the respondents who rated their level of satisfaction with service as "Very dissatisfied." There were 12 or 7.2% who reported that they were "Somewhat dissatisfied," 24 or 14.5% reported that they were "Neither satisfied nor dissatisfied," 45 or 27.1% reported that they were "Somewhat satisfied," and there were 66 or 39.8% of the respondents who rated their level of satisfaction as "Very satisfied." The table below presents the results for Question 2.

Unaware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	19	11.4
Somewhat dissatisfied	12	7.2
Neither satisfied nor dissatisfied	24	14.5
Somewhat satisfied	45	27.1
Very satisfied	66	39.8

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

Aware of Choice

Level of Satisfaction	Frequency	Percentage
Very dissatisfied	44	8.8
Somewhat dissatisfied	23	4.6
Neither satisfied nor dissatisfied	41	8.2
Somewhat satisfied	118	23.7
Very satisfied	272	54.6

Regarding the levels of satisfaction, there are no critical differences between the unaware and aware customers in the dissatisfaction range of the scale; both groups responded with similar levels of dissatisfaction. The unaware customers are slightly less satisfied with their service from the Company than the aware customers. There were 78.3% of the aware customers who rated the Company on the positive side of the scale, and 66.9% of the unaware customers who offered these ratings.

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 The East Ohio Gas Company and other natural gas suppliers, please check the appropriate box.***

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

There were 167 or 21.8% of the total 765 residential respondents to the survey who identified themselves as customers "Not Aware of Choice" on the survey.

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

There were 154 or 92.2% of the 167 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 154 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 $700 represent 82 or 53.2% of those answering the question. Those residential responses greater than the median reported value of $700 represent 72 or 46.8% 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.

Unaware of Choice

Annual gas bill	Frequency	Percentage
Less than or equal to $700	82	53.2
Greater than $700	72	46.8

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 $700	234	52.2
Greater than $700	214	47.8

There are no critical differences in the annual natural gas bills between the customers who are aware of choice and those who are not aware of choice.

18. What is your age?

Question 18 was an open-ended question. Of the 167 unaware residential customers in the sample, 165 or 98.8% responded to this open-ended question. The youngest person responding to the survey was 22 years old. The oldest person responding to the survey was 94 years old. The modal age in the sample was 40 years old, with 7 respondents reporting that as their age. The next highest modal frequency was reported by 6 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 29 or 17.6% of the unaware residential customers who are "34 or under," 51 or 30.9% who are "35-49," 36 or 21.8% who are "50-64," and 49 or 29.7% who are "65 and over." The following table summarizes the results for Question 18.

Unaware of Choice

Customer ages	Frequency	Percentage
34 and under	29	17.6
35-49 years old	51	30.9
50-64 years old	36	21.8
65 and over	49	29.7

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

Aware of Choice

Customer ages	Frequency	Percentage
34 and under	38	7.8
35-49 years old	130	26.7
50-64 years old	143	29.4
65 and over	176	36.1

The unaware customers are slightly younger than the aware customers. By combining the two lower age categories, 48.5% of the unaware respondents are captured, while 34.5% of aware respondents are captured. However, by combining the two higher age categories, 51.5% of the unaware respondents are captured, while 65.5% of the aware respondents are captured.

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

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

Of the 167 unaware residential customers in the sample, 164 or 98.2% responded to this open-ended question. There were 18 or 11.0% of the respondents who reported that they live in a "Rural" area, 63 or 38.4% reside in a "Village/town," 64 or 39.0% of the residential respondents reported that they reside in a "Suburban" area, and 19 or 11.6% of the respondents report living in an "Urban" area. The following table presents the results for Question 19.

Unaware of Choice

Residential Location	Frequency	Percentage
Rural	18	11.0
Village/town	63	38.4
Suburban	64	39.0
Urban	19	11.6

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

Aware of Choice

Residential Location	Frequency	Percentage
Rural	39	7.9
Village/town	202	40.8
Suburban	202	40.8
Urban	52	10.5

There are no critical differences between the customers who are aware of choice and those who are not aware of choice.

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 159 or 95.2% of the 167 unaware residential respondents that answered this closed-ended question. Of the 159 respondents, there were 10 or 6.3% who identified "Less than $10,500," 47 or 29.6% identified "$10,500-$24,999," 52 or 32.7% identified "$25,000-$49,999," 31 or 19.5% identified "$50,000-$74,999," 12 or 7.5% identified "$75,000-$100,000," and 7 or 4.4% identified "Greater than $100,000," as their annual household incomes. The following table presents the results for Question 20.

Unaware of Choice

Annual household income	Frequency	Percentage
Less than $10,500	10	6.3
$10,500-$24,999	47	29.6
$25,000-$49,999	52	32.7
$50,000-$74,999	31	19.5
$75,000-$100,000	12	7.5
Greater than $100,000	7	4.4

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	27	5.9
$10,500-$24,999	98	21.5
$25,000-$49,999	154	33.8
$50,000-$74,999	105	23.0
$75,000-$100,000	38	8.3
Greater than $100,000	34	7.5

There are no critical differences between the unaware and aware customers for most of the income categories. There are, however, slightly more unaware customers among the lower income categories.

The unaware customers demonstrate only minor differences from the aware customers. The unaware consumers have been customers of The East Ohio Gas Company for a slightly shorter period of time than the aware customers. The unaware customers are slightly less satisfied with their service from The East Ohio Gas Company. They are slightly more represented in younger age categories and have slightly lower 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 21.8% of the customers are not aware that they have a choice of natural gas suppliers is a problem with the Energy Choice Program. Efforts must be focused on the dissemination of information in order to ensure that these customers become aware of the changing market for natural gas.

BUSINESS CUSTOMERS
481 Respondents
(Does Not Include 57 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 Energy Choice Program before they received the survey in the mail.

1. ***How long have you been (or were you) purchasing gas from The East Ohio Gas 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 East Ohio Gas Company. There were 479 or 99.6% of the 481 business customers who responded to this closed-ended question. There were 59 or 12.3% of the customers who had purchased gas for "5 years or less," 61 or 12.7% had purchased gas for "6-10 years," 49 or 10.2% had purchased gas for "11-15 years," 51 or 10.6% had purchased gas for "16-20 years," and 259 or 54.1% of the customers had purchased gas from The East Ohio Gas Company for "More than 20 years." The table below presents the results from Question 1.

Length of Service	Frequency	Percentage
5 years or less	59	12.3
6-10 years	61	12.7
11-15 years	49	10.2
16-20 years	51	10.6
More than 20 years	259	54.1

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 text and response categories in both surveys.

2. *How would you rate your level of satisfaction with The East Ohio Gas 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 478 or 99.4% of the 481 respondents who selected 1 of the above choices for this close-ended question. The percentages are determined based on the 478 customers who responded to Question 2. There were 64 or 13.4% who rated their level of satisfaction with service as "Very dissatisfied." There were 19 or 4.0% who reported that they were "Somewhat dissatisfied," 51 or 10.7% reported that they were "Neither satisfied nor dissatisfied," 105 or 22.0% reported that they were "Somewhat satisfied," and there were 239 or 50.0% 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	64	13.4
Somewhat dissatisfied	19	4.0
Neither satisfied nor dissatisfied	51	10.7
Somewhat satisfied	105	22.0
Very satisfied	239	50.0

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 text and response categories in both studies.

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 481 respondents to whom this question applied, 413 or 85.9% provided a response. Of these 413 respondents, 34 respondents or 8.2% 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
The East Ohio Gas Company	286	69.2
East Ohio Energy Corp.	44	10.7
Supplier 1	13	3.1
Supplier 2	5	1.2
Supplier 3	4	1.0
Supplier 4	4	1.0
Supplier 5	3	0.7
Supplier 6	3	0.7
Supplier 7	4	1.0
Supplier 8	2	0.5
Supplier 9	2	0.5
Supplier 10	1	0.2
Supplier 11	1	0.2
Supplier 12	1	0.2
Supplier 13	1	0.2
Supplier 14	1	0.2
Supplier 15	1	0.2
Supplier 16	1	0.2
Supplier 17	1	0.2
Supplier 18	1	0.2

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are The East Ohio Gas Company, East Ohio Energy Corp., and all other natural gas suppliers. The "Do not know" category is not included in this table. 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 413 respondents who answered Question 4.

There were 286 or 69.2% who selected "The East Ohio Gas Company," 44 or 10.7% selected "East Ohio Energy Corp.," and 49 or 11.9% of the respondents were grouped as "All other gas suppliers." The table below presents the frequencies and percentages for each of the groups.

Natural Gas Supplier	Frequency	Percentage
The East Ohio Gas Company	286	69.2
East Ohio Energy Corp.	44	10.7
All other gas suppliers	49	11.9

The baseline study provided the following information for Question 4. 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 515 respondents to whom this question applied, 441 or 85.6% responded to the question. Of these 441 respondents, 40 respondents or 9.1% wrote "Do not know" as their answer. Those respondents who "Do not know" their natural gas company are not included in the table.

Supplier Name	Frequency	Percentage
East Ohio Gas Co.	291	66.0
East Ohio Energy Corp.	56	12.7
Supplier 1	19	4.3
Supplier 2	7	1.6
Supplier 3	4	0.9
Supplier 4	4	0.9
Supplier 5	3	0.7
Supplier 6	3	0.7
Supplier 7	2	0.5
Supplier 8	2	0.5
Supplier 9	2	0.5
Supplier 10	2	0.5
Supplier 11	1	0.2
Supplier 12	1	0.2
Supplier 13	1	0.2
Supplier 14	1	0.2
Supplier 15	1	0.2
Supplier 16	1	0.2

The second part of Question 4 presents the frequencies for 3 categories of suppliers, which are The East Ohio Gas Company, East Ohio Energy Corp., and all other natural gas suppliers. The purpose of grouping the suppliers is to treat the response categories as an independent variable in the cross-tabulation analysis. 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 441 respondents who answered Question 4.

Group Name	Frequency	Percentage
The East Ohio Gas Company	291	66.0
East Ohio Energy Corp.	56	12.7
All other gas suppliers	54	12.2

Question 4 was an open-ended question with identical text in both the baseline and follow-up studies. In the baseline study, The East Ohio Gas Company had 66.0% of the business market. In the follow-up study, they had a 69.2% share, indicating a gain of 3.2% between the study periods. In the baseline study, East Ohio Energy Corp. had 12.7% of the business market. In the follow-up study, they had a 10.7% share, indicating a loss of 2% between the study periods. The East Ohio Gas Company maintains its dominance in the marketplace. Only 2 competitors, other than East Ohio Energy Corp., have greater than a 1% share of the market. The total market share for the other natural gas suppliers in the baseline study was 12.2%. In the follow-up study, their share was reported unchanged at 11.9 %. There were 6 natural gas suppliers noted by customers in the baseline study which were not reported in the follow-up study.

There is only minor competition in the business marketplace for natural gas in The East Ohio Gas Company service territory. In the baseline study, The East Ohio Gas Company and the East Ohio Energy Corp. had a combined share of the market of 78.7%. In the follow-up study, their share remained relatively unchanged with a combined share of 79.9%. In addition to the minimal level of competition, Question 4 offers evidence that there is some confusion surrounding the Energy Choice Program. In the baseline study, there were 9.1% of the respondents who did not know their current natural gas supplier. In the follow-up study, the number remained relatively unchanged at 8.2%. This represents a considerable number of business customers who do not know who is distributing or billing them for natural gas.

5. ***How would you describe 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 452 or 94.0% of the 481 business customers who answered this closed-ended question. There were 71 or 15.7% who answered that the information was "Not useful," 182 or 40.3% who reported that they were "Neutral," and 177 or 39.2% of the respondents who answered that the information was "Useful." There were 22 or 4.9% 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 452 customers who provided an answer.

Useful Information	Frequency	Percent
Not useful	71	15.7
Neutral	182	40.3
Useful	177	39.2
Did not receive any information	22	4.9

The baseline study provided the following information for Question 5. Of the 515 aware businesses, 482 or 93.6% of the respondents answered this closed-ended question. There were 100 or 20.7% of the respondents that described the information they received to assist in making a choice of a natural gas supplier as "Not useful." Continuing, there were 158 or 32.8% of the respondents that indicated the information was "Neutral," 197 or 40.9% selected "Useful," and 27 or 5.6% selected "Don't have any information." The following table presents the frequencies and corresponding percentages to Question 5.

Useful Information	Frequency	Percent
Not useful	100	20.7
Neutral	158	32.8
Useful	197	40.9
Don't have any information	27	5.6

In the baseline study, there were almost 2 times the number of respondents who reported that the information was "Useful" as compared to those who reported that it was "Not useful." In the follow-up study, the ratio of those who report that the information is "Useful" as compared to those who indicate that it was "Not useful" has increased. There are more than twice as many business customers who find the information "Useful" than customers who consider the information "Not useful." There are a substantial number of respondents who do not yet have an opinion as to the usefulness of the information. In the baseline study, there were 5.6% of the respondents who reported that they did not have any information about the Program. In the follow-up study, there were 4.9% of the respondents who "Did not receive any information." Based solely on the responses to this question, there appears to be an effective dissemination of the information about the Energy Choice Program.

6. ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

Of the 481 respondents, 456 or 94.8% provided a response to this closed-ended question. Of the 456 respondents, 56 or 12.3% indicated they were "Not interested" in the Energy Choice Program, 154 or 33.8% were "Neither interested nor disinterested," and 246 or 53.9% were "Interested." The following table presents the results for Question 6.

Interest in Energy Choice Program	Frequency	Percentage
Not Interested	56	12.3
Neither interested nor disinterested	154	33.8
Interested	246	53.9

The baseline study provided the following information for Question 6. Of the 515 businesses, 479 or 93.0% responded to this closed-ended question. There were 68 or 14.2% who are "Not interested," 130 or 27.1% who are "Neither interested nor disinterested," and 281 or 58.7% who are "Interested" in The East Ohio Gas Company's Energy Choice Program. The following table summarizes the results for Question 6.

Interest in Choice	Frequency	Percentage
Not Interested	68	14.2
Neither interested nor disinterested	130	27.1
Interested	281	58.7

Question 6 had the same text and response categories in both studies. 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. Given the margin of error in the business study, there has been relatively no change in the customer responses between the baseline and follow-up studies. More than half of the respondents are "Interested" in the Program. The next highest response is from those customers who are "Neither interested not 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 more than a quarter of the customers who remain uncertain regarding their opinions of 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 481 respondents, 429 or 89.2% provided a response to this closed-ended and open-ended question. There were 190 or 44.3% of the business customers who reported "No problems" in selecting a supplier. There were 180 or 42.0% who selected "Benefits and risks of switching," 174 or 40.6% selected "Price information," 151 or 35.2% selected "Company reputation and record of reliability," 108 or 25.2% selected "Future of the program," 108 or 25.2% selected "List of possible suppliers with contact numbers," 107 or 24.9% selected "Discounts/rebates/incentives," 98 or 22.8% selected "Contract terms," 85 or 19.8% selected "Service information," 73 or 17.0% selected "Adequate gas supply," 70 or 16.3% selected "Billing information and meter reading," 48 or 11.2% selected "Budget options," and 30 or 7.0% selected "Sales tax information" as information that would have made 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.

Information to help in selecting a supplier	Frequency	Percentage
No problems	190	44.3
Benefits and risks of switching	180	42.0
Price information	174	40.6
Company reputation and record of reliability	151	35.2
Future of the program	108	25.2
List of possible suppliers with contact numbers	108	25.2
Discounts/rebates/incentives	107	24.9
Contract terms	98	22.8
Service information	85	19.8
Adequate gas supply	73	17.0
Billing information and meter reading	70	16.3
Budget options	48	11.2
Sales tax information	30	7.0
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 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 the respondents 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 therefore structured to address the issue regarding the information customers need 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 respondents who returned a completed survey, 464 or 90.1% answered Question 13. Of these 464 respondents, 122 or 26.3% answered "Yes," they have had problems choosing a natural gas supplier. Conversely, 342 respondents or 73.7% answered "No." In the follow-up study, there were 190 or 44.3% 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 73.7% in the baseline study to 44.3% in the follow-up study.

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 was that they were identifying "Benefits and risks of switching" as information that would have made the selection easier. There were 42.0% of the respondents who identified "Benefits and risks of switching" 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. 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 to note, however, that "Price information" was the most frequently offered response in the baseline study and second most frequently selected in the follow-up study.

Most of the information categories were selected by fairly large numbers of the customers. "Benefits and risks of switching," "Price information" and "Company reputation and record of reliability" were each selected by more than 30% of the respondents. "Future of the program," "List of possible suppliers and contact numbers," "Discounts/ rebates/ incentives" and "Contract terms" were each selected by more than 20% of the respondents. Only "Sales tax information" and "Other" were selected by less than 10% of respondents. Though "Price information" remains an important issue, the most often selected issue in the follow-up study was "Benefits and risks of switching." 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. Conversely, there were 44.3% of the respondents who indicated that they had not experienced problems. This was the highest ranking response, with a higher response rate than any of the information categories offered in Question 7.

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, 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 "Other" category is an open-ended response which is treated in the frequency chapter of this report and is not included in the cross-tabulation analysis. The following discussion presents the cross-tabulation and statistical analyses for those variables which were determined to have a significant relationship. The results of the cross-tabulation analysis are presented in the following tables. 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 either 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 East Ohio Gas Company's Energy 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 make choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Energy Choice Program/ Problems in selecting a Supplier: Price information

	No	Yes
Not Interested	38 82.61	8 17.39
Neither interested nor disinterested	90 63.38	52 36.62
Interested	121 51.71	113 48.29

Number of Respondents answering Questions 6 and 7(Price information): 422
Frequency missing: 59

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 over 2 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 40.6% for business customers. Among those who are "Not interested" in the Program, only 17.39% identified "Price information." Even for those customers who are "Neither interested nor disinterested" in the Program, there was a proportionately similar response rate as compared to the business response rate.

List of possible suppliers with contact numbers

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

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

Interest in Energy Choice Program/ Problems in selecting a Supplier: List of Suppliers with Contact Numbers

	No	Yes
Not interested	43 93.48	3 6.52
Neither interested nor disinterested	112 78.87	30 21.13
Interested	159 67.95	75 32.05

Number of Respondents answering Questions 6 and 7(List of suppliers with contact numbers): 422
Frequency missing: 59

Those customers who are "Interested" in the Program identify a 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 about 5 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 25.2% for business customers. Among those who are "Not interested" in the Program, only 6.52% identified a "List of possible suppliers with contact numbers." Even for those customers who are "Neither interested nor disinterested" in the Program, there was a proportionately similar response rate as compared to the business response rate.

Benefits and risks of switching

Independent Variable: Question 6: ***How interested are you in The East Ohio Gas Company's Energy Choice Program?***

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

There is a statistically significant relationship between 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 make choosing easier. The relationships are more apparent when comparing the row percentages between the independent variable categories.

Interest in Energy Choice Program/ Problems in selecting a Supplier: Benefits and Risks

	No	Yes
Not interested	33 71.74	13 28.26
Neither interested nor disinterested	89 62.68	53 37.32
Interested	120 51.28	114 48.72

Number of Respondents answering Questions 6 and 7(Benefits and risks): 422
Frequency missing: 59

Both those "Neither interested nor disinterested" and those "Interested" in the Program had response rate which were similar to the business response rate of 42.0%. Those who were "Not interested" were proportionately less likely to indicate that a lack of information regarding the "Benefits and risks of switching" had served as a problem in selecting a supplier. Those "Not interested" in the program were proportionately less likely than both the other interest level categories and the business response rate to have responded affirmatively.

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

- ***Below average customer ($1,500 or less)***
- ***Above average customer (Greater than $1,500)***

There is a statistically significant relationship between annual bill and, for those who have experienced problems choosing a supplier, their identifying "Benefits and risks of switching" as information that would make 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	112 64.74	61 35.26
Above average customer	88 52.01	81 47.93

Number of Respondents answering Questions 16GRP and 7(Benefits and risks): 342
Frequency missing: 139

Those customers in the Above average customer category are more likely to indicate that "Benefits and risks of switching" was information needed in selecting a supplier than those in the Below average customer category. The Below average customer category demonstrates a lower response rate than the business population response rate of 42.0%. Alternatively, the Above average customer category demonstrates a higher response rate than the business response rate of 42.0%.