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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission's Investigation of the Customer Choice Program of Columbia Gas of Ohio, Inc.	)))	Case No. 98-593-GA-COI
In the Matter of the Commission's Investigation of the Energy Choice Program of the East Ohio Gas Company.	)))	Case No. 98-594-GA-COI
In the Matter of the Commission's Investigation of the Customer Choice Program of The Cincinnati Gas & Electric Company.	))))	Case No. 98-595-GA-COI
In the Matter of the Application of Columbia Gas of Ohio, Inc. for State-Wide Expansion of the Columbia Customer Choice Program.	))))	Case No. 98-549-GA-ATA
In the Matter of the Application of Columbia Gas of Ohio, Inc. to Establish The Columbia Customer Choice Program.	)))	Case No. 96-1113-GA-ATA
In the Matter of the Application of The East Ohio Gas Company for Authority To Implement Two New Transportation Services, for Approval of a New Pooling Agreement, and for Approval of a Revised Transportation Migration Rider.	))))))	Case No. 96-1019-GA-ATA
In the Matter of the Application of The Cincinnati Gas & Electric Company To Restructure and Unbundle Gas Rates, and for An Increase in Gas Rates in its Service Territory.	))))	Case No. 95-656-GA-AIR

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I. CUSTOMER CHOICE STATUS REPORT

A. East Ohio Energy Choice Program Status

The Staff of the Public Utilities Commission of Ohio ("Staff") appropriately begins its Second Report on Ohio's Natural Gas Choice Programs ("Second Report") with an evaluation of the difficulties encountered with the East Ohio Gas Company ("East Ohio") Energy Choice Program. Of the three programs, East Ohio's was the one program that actually saw a *decline* in the total number of non-PIPP residential customers enrolled (from 30,231 to 29,505) through the end of the reporting year. Staff focused on the computer problems that prevent East Ohio from expanding its program for the foreseeable future, noting that the overall program otherwise has not significantly changed from a year ago.

OCC shares Staff's lack of confidence in East Ohio's projections regarding the CAMP (Customer Activity and Marketing Project) billing system. East Ohio has not completed its billing system transition timely and has had to reverse course in midstream because of its lack of Y2K compliance. Its ability to retain assistance from a shrinking pool of skilled personnel will likely deteriorate considerably as the Y2K deadline approaches. As loath as OCC is to concede it, East Ohio must, and should, focus its efforts on avoiding Y2K-related problems.

East Ohio also should be required to continue submitting regular reports both on the status of its Y2K compliance and on the implementation of billing system improvements to Staff and to OCC. Because of the enormous difficulties experienced to date, OCC respectfully submits that East Ohio should be required to demonstrate why its billing systems should not now be audited independently to assess their status and overall suitability as a viable billing platform both for traditional sales and for choice customers.

Significant problems, including billing and stranded cost recovery, have impeded growth in the already limited East Ohio program. The billing problem is significant and may, as the company suggests, prevent further program expansion, but future customers are not the only ones disadvantaged by these problems. Customers otherwise eligible to participate in East Ohio's Energy Choice Program are prevented from enrolling because of billing problems. Specifically, East Ohio no longer enrolls budget billing customers unless they clear all arrearages and become current pay status customers. This is not insignificant. East Ohio has indicated to OCC that roughly one-third (1/3) of its customers are budget billing customers. Customers who choose to remain budget billing customers must continue to pay for development of systems that currently prevent them from participating in this program. They are effectively bearing the cost of providing choices without having the opportunity to receive any of the actual benefits of choice.

Certainly, customers who have chosen alternative suppliers should be entitled to continue to enjoy what benefits they have been able to secure. Equally certain, no other East Ohio customer should have to deal with the same problems that plagued those who initially enrolled in this program. At the very least, customers should "get what they pay for." OCC agrees with Staff's recommendation that East Ohio be ordered to address its billing problems before expanding its program to all of its customers. East Ohio should be expected to continue to "seek avenues, and revisit options" until this task has been accomplished, regardless of its Y2K efforts. Furthermore, the Public Utilities Commission of Ohio ("Commission") should ensure that ratepayers are not burdened with costs caused by the company for its failure to have done so in a more timely manner.[1]

[1] Particular scrutiny must be given to any recovery of billing costs through Part B of the company's Transportation Migration Rider. East Ohio having filed its 18-month report on July 26, 1999, the Staff has an initial opportunity to conduct such a review.

B. Status of Competition

Staff evaluated the competitive status of each of the active programs based on a number of criteria. Staff is certainly correct that reasonable people can disagree over the appropriateness of the selected criteria, and OCC may well disagree when it is appropriate to do so. At some point, perhaps in the not too distant future, local distribution companies may ask the Commission for exemption from jurisdiction with respect to certain services or markets. Revised Code 4929.04(A) provides that a company may apply for such exemption either where it is subject to effective competition or where its customers have otherwise reasonably available alternatives. This docket is not such a proceeding, and OCC therefore respectfully reserves comment on the appropriateness of the criteria selected by Staff for evaluating the status of competition in its Report.

Notwithstanding, OCC generally supports the conclusions reached by the Staff. Experience suggests that the Columbia market is the only one that currently operates competitively (for residential consumers). It must be recalled, however, that much of the stranded cost responsibility in the Columbia program is currently being borne by traditional sales customers. A significant change in the cost recovery mechanism that shifts responsibility from sales to migrating transportation customers could retard or even reverse growth, which also could result in changes in Staff's competitiveness analysis.

OCC wholly supports Staff's recommendation that the companies maintain and report information in a standard format, but with two modifications. First, companies should be required to report the requested information as part of their annual status report. This practice has not been, but should be, uniform across programs. Second, companies should report results fully. Columbia's report, for example, variously reported data based on counties where Columbia serves "more than" 900 eligible customers, or "more than" 1,000 eligible customers (numbering 55 in either case), or the 45 or 54 largest service area counties. Whenever companies report residential transportation data, they should be required to do so for all areas in their service territory. Furthermore, since the status of competition may be different within each county, OCC suggests that the distribution companies (LDCs) also should identify the capacity constrained areas in each county and the number of marketers that currently serve those areas.

C. Company Reporting

In addition to the reporting recommendation above, OCC respectfully requests that the Commission consider additional reporting by the distribution companies at the time of their next status reports. Many of OCC's reporting recommendations are contained in the comments that follow. Among the areas that OCC believes the distribution companies should specifically comment on are:

- Progress on expediting customer enrollments and efforts designed to reduce delays;
- Progress on resolution of switching (transfer) issues;
- Improvements in coordinating dispute and complaint handling with marketers, Staff and OCC;
- Quantification and documentation of program costs and recoveries, including all sources;
- The effect of savings inuring to PIPP customers on PIPP arrearage balances, and on the PIPP rider; and
- Efforts undertaken to improve coordination and cooperation between the LDCs and participating suppliers.

II. Marketer Participation Issues

A. LDC Checklist

As one of its recommendations, Columbia proposed a "formal checklist outlining the steps that need to be taken before the marketer can enroll its first customer." Columbia Report, Recommendations. OCC concurs with this suggestion, and respectfully submits that the Commission should adopt the Columbia proposal as a recommended standard for all LDCs. At a minimum, the checklist should include awareness of: LDC credit standards; key aspects of the aggregation agreement, including capacity requirements; significant tariff provisions such as customer eligibility requirements, code of conduct provisions, and dispute resolution processes; explanation of enrollment processes and time lines; payment and collection methods; program training opportunities; audits and reviews; and the need for Staff / OCC review of marketer promotional and contract materials.

OCC encourages LDCs to meet with Staff and OCC to formalize checklists that account for unique differences in their programs.

B. Barriers to Entry

1. Lack of Standardization

Individual distribution systems differ, which may justify different program features in certain circumstances. OCC recognizes these differences and supports the distribution companies to the extent that they require individualized program characteristics to ensure operational integrity and control.

OCC believes, however, that a lack of standardization has, itself, created a barrier to entry that has precluded more active marketer participation in the later starting programs.[2] Increased

[2] Although specifically directed to the methods of accomplishing customer transfers, OCC finds the Staff's comments regarding program differences to be significant. The Staff noted that processes were "varied among the CG&E, EOG, and the CGO gas choice programs in order to provide the Commission with sufficient data to

standardization of procedures across the programs may lead to increased participation by marketers. Standardization may also establish criteria that should be pursued as additional residential transportation programs are considered and initiated.

OCC strongly urges the Commission to initiate a roundtable dialogue with all industry participants (an ongoing "Flame Forum") to determine whether there are reasonable procedures that can be standardized across the programs.[3] Alternatively, it may also be appropriate for the Commission to initiate an inquiry soliciting comments regarding the desirability of a generic rule on such matters.

2. Eligibility

Currently, each local distribution company is responsible for ensuring that the marketers permitted to participate in their respective programs are capable, both operationally and financially, of performing reliably in the residential transportation market. In its last evaluation report, the only concern about the approval process noted by Staff was the level of subjectivity involved. For that reason, Staff recommended that the Commission consider making the financial viability of new marketers a Staff responsibility. *In the Matter of the Commission's Investigation of the Customer Choice Program of Columbia Gas of Ohio, Inc.*, Case No. 98-593-GA-COI, *et al.*, Staff Evaluation of Ohio's Natural Gas Customer Choice Programs ("Staff Evaluation") (May 15, 1998), page 4-1. Staff makes no such recommendation in its current report. OCC continues to believe that, under the current statutory framework, LDCs are better

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determine which methods serve all interests best." Second Report, page 2-9. Varied processes and procedures in numerous aspects of these programs give the Commission an opportunity to begin delineating "best practices" for such programs. While remaining cognizant of the need for individual differences, the Commission actively should pursue such an opportunity.

[3] OCC has been an active participant in the Columbia Marketer Working Group, which has been in the forefront of efforts to suggest program changes. In many respects (telephonic and Internet enrollment as principal examples) this Group has, in effect, set the standard for the other programs in Ohio. Because of its limited scope, however, it may be appropriate to broaden participation to consider impacts on other programs. If the Commission

able to determine whether any given marketer has demonstrated the ability to provide reliable transportation service, both from a financial and from an operational perspective.

All three of the current programs require that suppliers submit to a creditworthiness evaluation conducted by the distribution company. As a result of last year's Flame Forum, a consensus was reached that an appropriate role for Staff in this process would be to audit the processes used by the LDC to perform the creditworthiness evaluation. OCC supports this review process, and notes that there were no concerns about this process expressed in any of the current LDC reports. As part of each Staff Report evaluating the choice programs, the Commission Staff should review the procedures used by the LDCs, and offer an opinion as to the sufficiency of the policies and procedures used to determine the financial viability of approved marketers.

Operational viability raises different issues, albeit ones not critical at the current time. Because the LDC remains the provider of last resort in all three programs, failure by a marketer should be transparent to the ultimate consumer.[4] This may not be the case, however, if LDCs exit the merchant function. It is imperative that the Commission ensure that the provider of last resort has the operational ability to perform if other suppliers fail to deliver supplies as required. In the event that a supplier other than the LDC serves as the provider of last resort, there must be adequate assurance of reliability.

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chooses not to establish an ongoing industry-wide "Flame Forum," OCC strongly encourages the creation of similar groups to address issues among the participants in the CG&E and East Ohio programs.

[4] OCC does have concerns about whether this would, in fact, be the case. The success of the Columbia program offers an example. According to the company's report, the top residential marketer had captured 36.1% of the residential customers and 28.6% of residential volumes as of March 1999. Attachments V.d.2 and V.d.5. Failure by a marketer on this scale, given Staff's urging that LDCs continue to decontract whenever possible and the companies' success at doing so, may create unforeseen difficulties. Neither the Columbia report nor the Staff report addresses the company's readiness to serve as the provider of last resort in such circumstances.

All three programs require marketers to deliver gas on a firm basis for redelivery to residential customers. The tariffs impose different requirements in terms of ensuring that marketers have either adequate firm capacity to meet their current obligations under the programs. This is largely because the matter is of little consequence as long as the LDC remains the provider of last resort. CG&E's tariff, for example, provides that each supplier "will be evaluated to ensure that it possesses . . . sufficient experience to perform its responsibilities." *Schedule of Rates, Classifications Rules, and Regulations for Gas Service of The Cincinnati Gas & Electric Company* ("CG&E Tariff"), Sheet No. 44, page 2 of 13. In contrast, East Ohio's tariff provides that a supplier shall be deemed uncreditworthy in the event that East Ohio determines that the marketer no longer has the capacity or supply necessary to perform its obligations. *Gas Rate Schedule of The East Ohio Gas Company* ("East Ohio Tariff"), Original Sheet F-FRSOC-1 to F-FRSOC-3. Finally, Columbia's tariff permits it to request that marketers provide, for planning purposes in constrained areas, certain information on how they expect to meet demand during the upcoming heating season. *Columbia Gas of Ohio, Inc. Rules and Regulations Governing the Distribution and Sale of Gas* ("Columbia Tariff"), First Revised Sheet No. 80.

To the extent LDCs successfully decontract capacity not otherwise needed to meet peak sales demand as migration continues, reliability becomes increasingly important. Reliability in the residential transportation programs again was not definitively tested during the winter of 1998-1999. As part of any deliberation regarding the possible exit of LDCs from their current merchant function, the industry and the Commission must recognize the importance of operational viability as part of the criteria for marketer participation.[5] While arguably not as

[5] In its 1998 report, the Staff noted that it was "concerned that if, marketers continue to rely on released or interruptible capacity to deliver directed quantities under these programs, capacity could be recalled or curtailed, forcing marketers to replace capacity or be deficient in their directed daily delivery quantities." Staff Evaluation,

subjective as the financial evaluation, competitive considerations, particularly for companies seeking exemption from regulation for their commodity sales, may justify having independent third party involvement in making reliability evaluations. Under those circumstances, it may be appropriate to have financial viability assessed by an independent third party, as well.

3. Aggregation Requirements

From company responses to data requests submitted by Staff, it is clear that the majority of the marketers serving residential transportation customers in the East Ohio program currently serve fewer than the minimum number of customers otherwise required by the program's terms. Neither the LDC reports nor Staff's Second Report suggest any reason to retain aggregation minimums. Although it is not clear that such minimums (were they enforced) create a barrier to entry, there appears to be no reason to preclude marketers from offering choices to customers merely because they serve relatively small pools.[6] Accordingly, absent a compelling reason to do otherwise, the Commission should order the LDCs to eliminate the minimum aggregation pool requirement from their tariffs.

4. Capacity Assignment

OCC repeatedly has criticized East Ohio's mandatory capacity assignment requirement as creating an enormous barrier to entry. OCC acknowledges there are legitimate reasons for assigning capacity, particularly where capacity constraints make optional assignment impossible. Concerns about supplier reliability and stranded cost recovery may lead to - indeed may even

page 14. The mere fact that marketers rely on interruptible capacity when all of the tariffs require marketers to deliver gas on a firm basis should highlight concerns about operational viability.

[6] Indeed, this reasoning could extend to small gas companies that currently do not offer residential transportation programs. Many small distribution companies have claimed that marketers would not be interested in soliciting customers where the pool of eligible transporters may be only a few thousand in number. Experience has demonstrated that this is not necessarily true. While there may be other legitimate reasons why such companies could not practically administer residential transportation programs, it does not seem reasonable to refuse to consider adopting a program merely because the company serves relatively few customers. OCC would welcome comment from any member of the marketing community about its willingness to market in smaller service territories.

compel - increased assignments in the other programs as migrations continue. OCC does not believe, however, that mandatory capacity assignment is the only, the best, or even a necessary means of addressing stranded cost recovery.

Nonetheless, OCC finds the experience of the New York Public Service Commission ("PSC") illuminating. While allowing LDCs to require mandatory capacity assignment when introducing their residential transportation programs in 1996, the NY PSC now has declared firmly that it will no longer *permit* utilities to require capacity assignment. The NY PSC specifically found that:

> While [requiring converting customers to take associated capacity for a three year period] avoided stranded costs, it also became an impediment to the movement to a more competitive environment in that gas marketers were required to use the LDC's upstream capacity at maximum Federal Energy Regulatory Commission (FERC) rates rather than use discounted pipeline assets to move customers' gas to the LDC's citygate.
>
> Customers that have migrated since the start of the LDC's aggregation program (post-aggregation) have paid for a share of upstream capacity costs in those franchise areas where utilities elected to require capacity assignment. The levels of customer migration from sales to transportation service in utility territories that have not required mandatory capacity assignment have far exceeded those levels where capacity assignment is required.

In the Matter of the Allocation by Local Distribution Companies of Strandable Gas Capacity Costs Caused by Customers Migrating from Sales to Transportation Services, NY PSC Case 98-G-1785 *et al.*, Order Concerning Recovery of Stranded Capacity Costs (Feb. 22, 1999), page 5.

OCC believes the Commission should recognize that the mandatory assignment of capacity is necessarily and fundamentally at odds with the goal of increasing competition and customer choice. OCC agrees with Staff's conclusion that an East Ohio "goal should remain the removal of mandatory capacity assignment from its choice program." Second Report, page 3-5. Just as the Commission required Columbia Gas to give "additional thought . . . to other methods of resolving stranded cost issues" before expanding its program system-wide, OCC urges that East Ohio be directed to reach agreement with all interested parties regarding capacity assignment as a means of recovering stranded costs before any expansion of its residential transportation program. *In the Matter of the Application of Columbia Gas of Ohio, Inc. to Establish the Columbia Customer Choice Program*, Case No. 96-1113-GA-ATA, Opinion and Order (Jan. 9, 1997), page 8.

5. Service in Capacity Constrained Areas

In its Second Report, Staff noted that secondary pipeline capacity often is neither readily nor economically available in certain geographic areas, making it difficult for marketers to serve customers in these areas during peak periods. Because of the relative newness of the residential transportation programs, none of the company reports submitted in 1998 mentioned the subject of capacity constraints in great detail. This year, two of the three companies either directly or indirectly discussed capacity constraints on serving residential transportation customers.

The Columbia report states that although service to constrained areas was initially a concern for the company, the data indicates that customers in constrained areas are currently enrolling at a rate comparable to customer enrollments in non-constrained areas. The Cuyahoga County and Parma areas, which are most constrained, were specifically mentioned for their robust enrollments.

Staff discussed the merits of a possible interconnection between the proposed Independence Pipeline and Columbia's affiliated pipeline company, Columbia Transmission, at great length. Yet as Staff correctly noted, it is too early to determine what economic impacts may result from such an interconnection. OCC believes that investment in "necessary" gas transmission facilities is neither the only, nor perhaps even the most appropriate, solution to the issue of how such constrained areas are to be served.

OCC anticipates this issue will become increasingly important both as migration to transportation service continues and as companies realign their capacity portfolios. The three companies should address the subject of capacity constraints in their next annual status reports. In addition, OCC encourages marketers to comment both on the need for supporting investment in additional pipeline facilities and on alternative means of serving customers in constrained areas.

C. Review of Marketer Promotional Materials

Pursuant to the Commission's June 18, 1998 *Finding and Order*, Staff, together with marketers, developed a process for marketers to provide information about significant changes in contract terms and conditions and changes to contract terms referred to in advertising and promotional materials on an ongoing basis. OCC appreciates the opportunity to work with Staff and marketers in this review process. As the representative of residential customers, OCC believes it can and has offered useful feedback while endeavoring to protect the legal rights of the customers being solicited by the marketing community. It is OCC's sincerest hope that this relationship, both with Staff and with marketers, will continue.

This review process has allowed the parties to identify and remedy concerns that might otherwise lead to unnecessary and time-consuming complaints. In addition, through this process, OCC is better able to understand questions posed or issued raised by its clients when it is well informed about marketer activities. Not all marketers, however, currently provide the same information to OCC that they provide to Staff. OCC desires to build mutually beneficial working relationships with all marketers participating in the residential transportation programs, and encourages all marketers to provide the same information both to OCC and to Staff. OCC encourages the marketers to address this process in their reply comments so the Commission may be apprised fully about the mutually beneficial aspects of OCC's participation in reviewing promotional materials.

D. Contract Issues

1. Contract Review

Likewise, OCC believes that the contract review process has worked beneficially. There are aspects of the review process, however, that could be improved.

The entity with which a consumer is contracting is not always the actual supplier of the commodity. In such circumstances, the name of the actual supplier should be disclosed fully. OCC is concerned that certain of the currently effective tariff sheets and service agreements may not apply to "aggregators" as distinguished from suppliers.[7] Given increasing problems experienced with Code of Conduct enforcement, such distinctions may become important. Consumers should know whether the entity with which they are contracting will be the actual provider of the commodity.

Likewise, if there are any limitations that may apply to some but not to all customers being served in the LDC's service territory this fact should also be disclosed fully. A marketer may, for example, be soliciting customers only in a limited geographic area due to an inability to serve customers in constrained areas. A marketer offering a contract to customers it may not be able to serve should disclose that fact fully at the time of and as part of its offer.

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[7] A report by the Consumer Protection Subcommittee of the Consumer Protection Advisory Task Force established by the New Jersey Board of Public Utilities noted both this distinction, and the difficulties in making such distinctions. A copy of the full report can be found at http://www.njin.net/rpa/consumer.htm. The report noted that "there is no uniformity in the marketplace for definitions of key terms aggregator, broker, and marketer. The definitions are in fact so blurred that they are almost interchangeable. . . . The common element to these terms is that all act either as an agent for a retail supplier or an intermediary between the retail supplier and the public and receive a fee or other consideration for their efforts.

"By contrast, the person that actually sells the electricity and gas to the public at retail and assumes the financial and operational responsibility for serving the load of its customers is the retail energy supplier. The key to a retail energy supplier is not whether it actually produces energy, but rather its level of responsibility in providing the energy to its customers. When an entity assumes the financial and operational responsibility for its customers, it takes on a much more important role than simply acting as a middleman in the purchase of electricity and gas."

2. Final Contract Versions

OCC believes a number of benefits would result if marketers provided Staff, the LDC, and OCC with copies of all contracts in use. OCC believes that further benefits would occur if each contract version in use were labeled clearly with a unique identifier. Identifiers could include version numbers, revision dates, or anything else that would distinguish a particular contract from other versions. Because there may be multiple versions of a marketer's contract in use, it is important that a consumer with a complaint or question be able to direct whomever they are contacting to the specific contract language at issue. If parties who might be contacted for assistance are not provided with all copies of the contract, they will be less able to assist the consumer. Even if the contact has copies of all of the contracts in use, it may be extremely difficult to determine which contract the consumer signed.

3. First Year and Renewal Notices

OCC shares Staff's concern regarding what it terms "negative option renewals or contract extensions." Second Report, page 2-8. Customers who have entered into contracts that extend for greater than one (1) year or that automatically renew should have a meaningful opportunity to determine whether to continue as a customer of their marketer after evaluating their experience in the program. In order for a customer to make such an evaluation, the customer must be aware that the contract will continue if the customer fails to act, or that renewal is imminent. This is more crucial when a customer has only been a participant for one year in the program. Consequently, OCC supports the position that marketers should give written notice to customers nearing the end of their first year of participation in a residential transportation program ("first year notice"). That notice should occur at least 60 days but no more than 90 days before the end of the first year of a customer's participation. Customers should also receive written notice at least 60 days but no more than 90 days before the end of any contract that automatically renews for six (6) months or longer ("renewal notice").

While such notices are currently required under the Columbia tariff, it would be desirable to clarify that the notice before the end of the first year is a separate written notice that is to be given to the customer 60 - 90 days before the end of the first year. A procedure similar to the one called for in the Columbia tariff, as clarified above, would be desirable in the East Ohio and CG&E programs, as well.

There have been circumstances where it would be less than clear to a reasonable consumer that the notice was, in fact, one advising that their contract was about to renew or continue. First year and renewal notices have contained such significant changes in terms that they could have been construed as new solicitations, and have contained offers for other products and services that had nothing to do with gas transportation. In such circumstances some consumers may not have realized that their contract would be continued or renewed if no further action was taken. Consumers have provided OCC with anecdotal evidence of having thrown away such notices as simply being more "junk mail" without realizing their true significance.

Accordingly, OCC supports the concepts contained in Staff's recommendation regarding minimum guidelines for how first year notice information should be communicated. In addition, OCC believes that such notices should, at a minimum, inform the customer clearly about the continuation / renewal; have a "business" as opposed to a "junk mail" appearance; be on a sheet of paper separate from other offers; require affirmative customer assent to continue if significant changes (*e.g.:* term, price, new charges) are proposed; describe all significant changes and how to cancel. Also, OCC believes that marketers should respond timely to any request for cancellation. This will allow for timely switching if the customer so desires. Failure to adhere to these concepts should be a violation of the Code of Conduct.

E. Enrollment and Transfer Procedures

1. Enrollment Methodologies

a) Telephonic

OCC concurs with Staff's recommendations with respect to telephonic enrollment. Both CG&E and East Ohio should modify their programs to accept enrollment by inbound telephonic request based on the Columbia telephonic enrollment model. OCC likewise opposes modifying the process to permit outbound marketer solicitations. OCC survey results demonstrate that consumers do not want to receive telephone solicitations from natural gas marketers. (See Appendix B).

Staff has indicated that a modification of the current telephonic enrollment process might be justified where "compelling evidence can be presented that customers desire, or at least will not object to, unsolicited marketer calls." Second Report, page 2-5. This "standard" articulated by Staff may, however, be too strict. It is highly unlikely that evidence, compelling or otherwise, that customers will not object to unsolicited marketer calls ever could be presented. Consumers may, however, be willing to receive such calls in certain circumstances or with well-defined safeguards and protections. OCC raises this prospect merely to indicate that it is willing to discuss whether it would be possible to develop an acceptable process that would adequately protect both consumers' interests and rights. It may be possible, for instance, to conduct a pilot program involving a "please have marketers call me" check-off on a customer's billing invoice.[8] As long as any such process is developed in a cooperative manner, for a limited period or on a

[8] OCC notes that many customers have reported that they have received relatively few solicitations from marketers. Such a program might both expand information sources available to consumers and enrollment options to marketers.

pilot basis, with well-defined safeguards and evaluation criteria, OCC is not unwilling to consider an experiment with outbound telephonic enrollment. For the time being, however, OCC agrees that outbound solicitations should not be permitted.

b) Internet

Pursuant to tariff, all marketers maintain local or toll-free telephone numbers in the territories where they accept transportation enrollments. This makes telephonic enrollment a particularly attractive alternative for all three programs. While Staff merely recommends that the Columbia telephonic enrollment process *should* be adopted in the other two programs, it recommends that the Commission *direct* CG&E and East Ohio to incorporate an Internet enrollment process identical to Columbia's.

OCC has no objection to Internet enrollment in the other two programs, and certainly encourages those companies to incorporate the Columbia model. As Staff duly noted, however, on-line enrollment has been slow to develop, in part due to security concerns. Consequently, there is little information available to assess this enrollment methodology, and less imperative to warrant its adoption than the customer-initiated telephonic option. Nonetheless, pilots in the other programs are warranted and should be pursued.

c) Door-to-Door Solicitations

Door-to-door solicitations have been both a blessing and a bane to the residential transportation programs. There is little question that some growth in the Columbia and CG&E programs has been due to door-to-door marketing efforts. Some of these marketers have brought information, and, often, some opportunity to save to many customers who otherwise would not have participated in the program. By the same token, these solicitors have increased the number of consumer contacts with OCC, and arguably have produced the greatest number of alleged Code of Conduct violations.

While OCC agrees with Staff recommendation that the Commission should take no action to prohibit or restrict door-to-door sales. It is nonetheless appropriate to ensure that violations of consumer protection statutes, including those directly applicable to door-to-door sales, clearly constitute Code of Conduct violations, as well. Marketers should be expected to abide by all laws and regulations governing their conduct. Violations of any applicable laws, including local ordinances, should constitute Code of Conduct violations. OCC urges LDC tariffs be amended to state that a violation of the Home Sales Solicitation Act (HSSA), Consumer Sales Practices Act (CSPA), or any other state or local law or ordinance shall be deemed a violation of the Code of Conduct.

2. Effective Date of Customer Enrollment / Marketer Enrollment Verification

Customers experience many delays that may be characterized as "slow enrollment." Some of these delays may be directly attributable to customer actions, as when a customer incorrectly notes the account number or fails to identifies the account holder correctly on the enrollment form. As Staff properly noted, many delays also are occasioned by marketer failure to submit applications timely to the LDC. While OCC agrees that stricter Code of Conduct enforcement may alleviate many of these concerns, more can and must be done to limit the number of instances requiring dispute resolution. The Commission should direct LDCs to amend their tariffs to require that marketers, as a condition of participation, must, at the time of contracting, inform customers when their applications for service will be submitted to the distribution company, and when they should anticipate receiving service.

Also, many delays might be reduced by requiring LDCs to process applications either upon receipt, or more often than they currently do. Although it is reasonable for a company to commence service from a marketer on well-defined dates (*e.g.*: first of the month, next meter read date, or beginning of next billing cycle), there appears to be no reason why enrollments should be processed only once each month. LDCs should be encouraged to process enrollments as frequently as practicable.

3. Switching / Transfers

Staff defines "customer transfers" as "the activity by which an LDC transfers a customer from its own sales service to that of a marketer or transfers a customer from one marketer to another." Second Report, page 2-9.[9] OCC shares the concerns raised by Staff regarding this issue. True competition may be diminished if the integrity of contracts is diminished. Whether the customer or the marketer determines if and when the customer may transfer service certainly will affect market development. LDCs have no clear guidance on how to handle customer transfer requests.

While OCC has not received a significant number of complaints with respect to this issue, it is a source of numerous contacts and considerable negotiation with marketers.[10] At the same time, OCC recognizes that since the Columbia expansion did not occur until August 1998, many expirations, renewals, and opportunities to cancel or renegotiate will be occurring in the next several months. Consequently, this subject merits attention.

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[9] Given that the Staff subsequently identifies pertinent issues associated with transfers to include transfers from a marketer to an LDC's own sales service, it is clear that the Staff's definition is too limiting. Rather, such transfers should be understood to include any transfer of a customer from one commodity supplier to another.

[10] Not all customers who contact OCC about switching or transfer issues have a specific complaint. In many instances, OCC is able to negotiate a satisfactory outcome to the customer's concern without needing to characterize it as a "complaint."

OCC believes that the Commission should direct its Staff to convene a series of roundtable discussions to determine whether it is possible to design standard switching procedures, or to encourage further active and cooperative dialogue among LDCs and suppliers, to facilitate customer switching. The roundtable group should file a report of its findings and conclusions in this docket within 6 months of the Commission's Order.

F. Billing Issues

1. Purchasing Receivables

Of the three LDCs offering residential transportation, only Columbia Gas assumes the responsibility for bad debts associated with payment delinquencies of residential transportation customers, even with respect to that portion of the bill attributable to the marketer's commodity cost. Both CG&E and East Ohio require the marketer to be responsible for any loss.

In its June 18, 1998 *Finding and Order*, the Commission noted that "the fact that LDCs are currently compensated for uncollectibles in existing rates provides adequate compensation to the utility for nonpayment as long as those rates are in effect." Page 39. As a result of that finding, the Commission directed CG&E to file tariffs assuming the risk of marketers' receivables. CG&E's request for rehearing was denied. Thereafter, on October 5, 1998, CG&E filed a motion for stay or waiver of the order requiring it to assume the receivables of gas marketers. On November 19, 1998, the Commission issued a stay of its order "so that additional information can be gathered and experience gained regarding how CG&E's gas choice program effects [*sic*] customers' actions in paying for their gas service." Page 3. All three of the companies offering residential transportation were directed to report what effect, if any, the program has had on customer delinquencies, and whether that effect, if any, caused any change in the company's bad debt expense from that provided in rates.

Columbia purchases the receivables from the marketers participating in its program. In its report the company states that the "movement of customers has not had a negative impact on customer delinquency rates or bad debt expense." (Section V.g. Metrics - Collections)

East Ohio, on page 2 of Section 12 of its report, states that it "has not experienced any negative impact on bad debt expense as a result of this program..." However, the report further states that this is true "...primarily because of the way the program has been structured." East Ohio applies any partial bill payment first to the balance owed for East Ohio charges and then applies any remaining balance to the amount owed by the customer to the marketer. This leaves the marketer at risk for a portion of the cost of gas it has provided to the customer. Neither East Ohio nor any marketer has expressed any concern with program collections to date. The Company did state, however, that "...if East Ohio were required to purchase the receivable or otherwise allocate partial payments in a different way, there would be an adverse impact on bad debt expense." No data was provided in support of this conclusion.

CG&E requires marketers to be responsible for bad debt expense associated with gas provided to residential transportation customers. This may be a barrier for the entry for marketers into the CG&E Choice program. However, CG&E, on page 16 of its report, states "...the Company proposes to bring the matter to the members of its collaborative, to which the group belongs, at the annual Spring meeting for resolution."

It should be noted that each of the companies was provided revenue recognition of bad debt (or uncollectibles) in its last rate case. That recognition covered both the base rate and gas cost portion of billed revenues. To the extent that CG&E and East Ohio are permitted to shift the risk of non-collection to the marketer while continuing to receive revenue intended to recover the expense associated with this risk, they are unjustly enriched. If the responsibility for the gas cost portion of receivables is placed upon the marketers, the companies are being over-compensated through their base rates. Customers could be charged twice for this portion of the bad debt expense, once through the charges billed by the local distribution company and again through the marketer rates that may reflect this additional expense.

OCC believes that the LDCs should bear the risk for which they are currently being compensated. If LDCs are to avoid bearing the risk of bad debt associated with gas costs for residential transportation customers, they should credit distribution rates to reflect forbearance of the expense recovery related to the risk. OCC would further note that while the Second Report specifically refers to CG&E, Staff's conclusions must apply equally to East Ohio, as well. CG&E and East Ohio alike should be ordered to work with marketers and other interested parties to develop procedures either for the purchasing of receivables and mandatory return to system sales of delinquent customers or to reduce residential transportation distribution rates further. Given the recalcitrance of both companies to engage in such discussions, OCC further submits that the Commission should order that both companies be required to file tariff changes necessary to effectuate this result within a well-defined (and relatively short) period following the issuance of its Order in this docket.

2. Marketer Single Billing

OCC supports a wide range of billing options. Customers who desire to receive and pay their bills electronically rather than via traditional U.S. postal delivery, for example, should have that option available to them. Customers who desire to receive their bill from their supplier rather than from their distributor should have that option available to them, as well.[11] OCC

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[11] As part of its marketer single billing option, Columbia has been issuing memo bills as a transition mechanism from company billing to marketer billing. OCC supports continued use of the backup memo bill in the Columbia program, and adoption of this approach in the CG&E and East Ohio programs.

supports the single marketer bill option currently in place in the Columbia program, and encourages its expansion to the CG&E and East Ohio programs.

OCC urged the Commission to take this step at the time of the previous program evaluation, but the Commission deferred action due to the experimental nature of the Columbia proposal. Although there has been limited use of marketer single billing in the Columbia program, OCC is aware of no problems with the Columbia process requiring correction before expansion to the other two programs. Furthermore, allowing marketers to perform single billing may remove a barrier to entry that may have impacted growth negatively in the CG&E and East Ohio programs. The Commission should direct CG&E and East Ohio to file tariff provisions comparable to Columbia's.

OCC respectfully requests that, for residential customer bills, it be included in the distribution of sample marketer single bills currently submitted for Staff review before mass printing. OCC routinely reviews requested changes in bill formats filed with the Commission, offering constructive suggestions. Residential customers would be well served by permitting OCC to be a part of the sample bill review process, as well.

OCC is concerned that marketer single bills that contain notice that distribution service cannot be disconnected for nonpayment of marketer commodity charges may create an incentive for customers to defer payment unduly.[12] At least in the former circumstance, the notice should

[12] OCC is aware that there is a comparable requirement in the Commission's Electric Service and Safety Standards. O.A.C. 4901:1-10(A)(17) requires that the bill must state that "nonpayment of nontariffed or nonregulated service(s) shall not result in the disconnection of distribution service(s)." The Staff's recommendation is that the bill state that local distribution service provided by the LDC cannot be disconnected for nonpayment of commodity charges due to a marketer. Second Report, page 2-13. It is likely that the wording of any such notice will be more determinative of its impact than will be the mere fact of its inclusion on the bill. OCC expects that customers would be more likely to make timely remittances where the notice refers to "nontariffed or nonregulated service(s)" as opposed to "marketer commodity charges." It may be more appropriate for the Commission to consider this issue in the docket opened to address minimum gas service standards. *In the Matter of the Development of Minimum Gas Service Standards*, Case No. 96-958-GA-ORD.

then also clearly indicate that the customer would be returned to LDC sales service if payments were not made when due.

G. Code of Conduct Enforcement

For the most part, dispute resolution occurs directly between marketers and customers. Sometimes, customers solicit the assistance of the LDC, PUCO Staff and / or OCC in resolving a dispute with a marketer. Currently, OCC, acting as an advocate / mediator, is able to resolve most disputes it receives from customers regarding marketers.[13] The resolution is typically a cancellation of the customer's enrollment and the customer's return to system sales. There are, however, times when a resolution cannot be achieved.

When a Code of Conduct dispute cannot be resolved through informal Staff, LDC or OCC intervention, it presents significant problems for all parties. Under the current dispute resolution process when a dispute remains unresolved after the informal intervention of Staff, the LDC or OCC, issues of accessibility, economy, timeliness and fairness create real concerns for consumers.

First, the LDC has an obligation to enforce the terms of the Code of Conduct.[14] While this presents certain short-term economic appeal, the costs associated with the LDC acting in this

[13] OCC wishes to recognize both the LDCs and the marketers for their generally high level of cooperation in attempting to resolve disputes. Where there have been difficulties in the process, most participants have been willing to work out compromises. In its June 18, 1998 *Finding and Order*, the Commission directed "the staff to coordinate the sharing of the relevant PIC [Public Information Center] data regarding the programs with OCC, based on acceptable terms." *Finding and Order*, page 12. The Staff correctly notes in the Second Report that the "agencies have a history of working cooperatively and sharing complaint information to assist customers with complaints" (Second Report, page 2-2). OCC believes that there remains room for improvement in the level of cooperation that can be attained between the two agencies, and pledges its resources to achieve that result.

[14] Although all three companies have an obligation to enforce their tariffs, there are differences in the timeliness with which they must, and manner in which they may, act. CG&E's tariff, for example, requires that a supplier respond to a customer within five (5) days of receiving a complaint, minimizing the discretion that the LDC has in determining whether a possible violation has occurred. CG&E Tariff, Sheet No. 44, page 5 of 13. The other two programs have no comparable provision. Because such a requirement might expedite dispute handling in the other programs, OCC urges the Commission to direct Columbia and East Ohio to amend their tariffs to reflect a comparable requirement.

capacity ultimately will be borne by ratepayers. In addition, some have raised questions about the ability of an LDC to act as an impartial adjudicator of disputes in a program when its affiliate is a participating marketer.[15] Also, in acting as adjudicator and enforcer, LDCs arguably are constrained to suspension or termination of a marketer for a violation of the Code of Conduct.[16]

These limits on the potential means of resolving disputes prevent the LDC from exercising sufficient flexibility to address the range of problems that have developed in the continually evolving competitive environment, especially in instances of individual consumer complaints where suspension or termination might not be warranted. For these reasons, among others, OCC shares Staff's concern that "it may be inappropriate for the LDC to have such an enforcement role." Second Report, page 2-2. OCC does not necessarily believe, however, that the Commission should adopt Staff proposal contained in its *Entry* in Case No. 99-661-GA-COI. *In the Matter of the Commission's Investigation and Further Consideration of the Language Set Forth in the Tariffs of Columbia Gas of Ohio, Inc., the East Ohio Gas Company, and the Cincinnati Gas and Electric Company Regarding the Enforcement of the Customer Codes of Conduct for the Customer Choice Programs*, Case No. 99-661-GA-COI, Entry (June 2, 1999).[17]

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[15] According to the Commission's June 2, 1999 *Entry* in Case No. 99-661-GA-COI, the Staff expressed concern that this authority puts the company "in the awkward position of policing competitors of its affiliate." *Id.*, page 4.

[16] Again according to the Commission's June 2, 1999 *Entry* in Case No. 99-661-GA-COI, the Staff expressed its belief that "the tariffs do not provide the utilities enough flexibility to address a marketer's non-compliance." *Id.*

[17] On June 11, 1999 OCC filed a Motion for Clarification of the Commission's Entry in Case No. 99-661-GA-COI. OCC hereby incorporates that motion docket by reference as if fully rewritten herein. OCC shares many of the concerns subsequently raised in comment by other parties in that docket. To date, the Commission has not provided the clarification OCC requested. OCC therefore reserves its right to comment further on the Staff's recommendation in its Second Report pending such clarification.

After the LDC, the next step in the current dispute resolution process, as described in the LDCs' tariffs, is the Commission's normal complaint handling processes.[18] In most disputes that involve consumers, the matter in controversy is minimal or the issue does not involve monetary relief. In those instances, formal legal action at the Commission would not be an economically viable alternative. The ability of a consumer to take part in Commission proceedings without the assistance of counsel would create a serious question about the accessibility of formal action as a meaningful dispute resolution tool for residential consumers allegedly aggrieved by a violation of the Code of Conduct. Furthermore, the lengthy Commission processes, as compared to more informal mechanisms, would make it difficult for consumers to obtain relief in a timely fashion. While some type of formal legal action ultimately may be required to resolve a dispute, other less expensive, more accessible and quicker options that still provide for a fair resolution of the dispute exist.[19] Consumers should be able to avail themselves of such alternative dispute resolution processes.

Consequently, the Commission should consider adoption of alternative means for consumers to protect their rights. In OCC's view, this can be done within the confines of the current Ohio statutory framework and the current tariff language regarding dispute resolution by adopting a one-year experimental voluntary alternative dispute resolution ("ADR") process for use by consumers and marketers participating in Ohio's residential transportation programs.[20] OCC stands ready to assist in the development of such a program.

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[18] OCC does not hereby concede that the Commission has jurisdiction over such complaints, particularly where they involve alleged violations of the Consumers Sales Practices Act. To OCC's knowledge, the Commission has not held a hearing or issued an order in a complaint case involving a marketer.

[19] Many of OCC's concerns about consumers' ability to use the Commission's complaint handling process as an immediate step from an attempted dispute resolution also exist with respect to court proceedings.

[20] The process also could be used by marketers in marketer to marketer disputes and non-residential consumer to marketer disputes.

III. Utility Issues

A. System Operations

In contrast to its earlier Evaluation Report, Staff did not evaluate operational issues involving the LDCs. There was no discussion of accuracy of demand curve sendouts, the demand for and use of assigned capacity, the ability of marketers to utilize storage[21], or the ability of LDCs to maintain system balance. Even though Columbia specifically noted two initiatives that it intended to pursue as program enhancements (Section III of the Columbia report), Staff discussed neither of these efforts.

The companies did include a considerable amount of operational information in their reports. There were, however, some inconsistencies in the way that the data was reported in the LDC reports. CG&E provided a cash-out report, but provided no information regarding marketer-specific performance in meeting targeted deliveries comparable to that provided by Columbia. East Ohio provided neither cash-out nor marketer delivery performance data. Indeed, East Ohio included no explanation on the status of balancing in its program, but simply attached a copy of its CMAS tariff.

Beyond a need to standardize reporting among the three companies, already noted in Staff's Second Report, OCC believes that there is a need to examine operational aspects more closely in these annual reviews. Balancing is a particularly appropriate example. For instance, Columbia is authorized to bill marketers the higher of the fair market price of gas or the highest incremental cost of gas where deliveries exceed projected demand curves. Columbia did not

[21] The Commission observed that the Staff had been unable to evaluate the ability of marketers to inject and withdraw gas on the East Ohio system at the time of its last Evaluation Report because the lateness of the program implementation precluded many marketers from injections. Staff was also unable to make any determination about CG&E's system since no marketers had, at that time, elected assignment of storage capacity. *Finding and Order*, page 13. At a minimum, Staff should update the findings that it was unable to make earlier because of a lack of data.

utilize these provisions during the first year of its CHOICE® program, and Staff found fault, "recogniz[ing] that, if Columbia's program is expanded, daily imbalances could affect the operation of the system and the costs borne by sales customers." *Finding and Order*, page 14. In Columbia's most recent GCR Management Performance Audit ("MPA") proceeding, the auditor noted that, "on a daily basis, actual deliveries and required deliveries often differed significantly" for CHOICE® suppliers. Despite this fact, Columbia did not assess any supplier charges for failure to deliver supplies in accordance with the projected demand curve. Management Performance Audit Report, Case No. 98-223-GA-GCR (January 1999), page VII-9. The auditor made no finding, however, and it is not clear from the reports, whether the Columbia balancing rates are sufficient to recover the costs of providing the daily balancing service for the difference between actual demand of the customer group and the demand projected by the demand curve. Nonetheless, despite program expansion, and the finding by the MPA, Staff performed no evaluation of the impact of CHOICE® supplier daily imbalances on either operation of the system or the costs borne by sales customers.

One of Columbia's proposed initiatives purports, in part, to address the balancing situation. Columbia plans to require that marketers have separate nomination groups for those groups that use balancing service and those that have storage assignment.[22] Columbia claims that this division will increase efficiency in producing demand curves and monitoring charges. To reduce monthly manual calculations, the company will be moving to individual aggregation groups that are served either by a balancing fee or by capacity assignment. Staff offered no opinion on this proposal, or on its potential impact on Columbia's balancing difficulties.

[22] Currently, marketers serve aggregation groups with both balancing service and capacity assignment.

B. Affiliate Conduct

OCC, like Staff, was not made aware of any significant alleged violations of the affiliate Codes of Conduct during the program evaluation period. OCC concurs with Staff's recommendation that the affiliate Code of Conduct be standardized across the companies, and invites the marketing community to address the adequacy of the proposed "uniform code."

OCC supports the Flame Forum recommendation that the GCR audit process is the proper forum to verify and test that procedures are in place for continued affiliate Code of Conduct compliance. Because biennial audits may not occur frequently enough to curb potential affiliate abuses effectively, OCC urges that financial and management performance auditors examine pertinent company practices to ascertain whether any favoritism has been shown to affiliated entities.

C. Program Expenses and Cost Recovery

1. Stranded Cost Recovery

Columbia's report summarizes its stranded capacity costs and recoveries. CG&E's report reflects the company's efforts at mitigating stranded costs[23], but fails to detail costs incurred or recoveries made. Because it mandates direct capacity assignment, East Ohio has no stranded costs as those costs traditionally are understood. Staff's Second Report contained information that should, in OCC's opinion, have been included in the individual company reports.

As part of Staff's recommendation that LDC reporting become more standardized, OCC urges the Commission to require each of the companies to include, as part of its annual report to the Commission evaluating the progress and status of the programs, detail regarding the status of

[23] Although Columbia's report fails to detail its mitigation efforts, savings attributable to mitigation do not, pursuant to stipulation, offset stranded costs. *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Authority to Amend Filed Tariffs to Increase the Rates and Charges for Gas Service*, Case No. 94-987-GA-AIR, et al., Second Amendment to Joint Stipulation and Recommendation in Case No. 94-987-GA-AIR and Joint Stipulation and Recommendation in Case No. 96-1113-GA-ATA (November 28, 1997).

all transition costs. Companies should be required to disclose in the report all costs that are considered to be stranded because of implementation of their respective programs. The report also should include: a detailed itemization of all claimed costs; the amount recovered from customers since the inception of the program and during the last twelve months; the amount recovered through all other sources; the remaining balance of unrecovered costs by type of cost; the accounting policies and procedures followed to book costs; and the actions and results of actions which the companies have taken to date to minimize costs.

2. Education / Development Cost Recovery

Of the three programs, two (CG&E and East Ohio) contain surcharges intended to recover costs associated with educational efforts and system modifications. Columbia has no provision for the recovery of costs associated with education or system changes.[24]

a) Cincinnati Gas & Electric Company

As noted in the Commission's Entry approving CG&E's Firm Transportation Development Cost ("FTDC") Rider, the purpose of the surcharge was to permit the Company "to recover the incremental costs which the company incurred for system development, informational and education advertising expenses, program roll out expenses, and incremental regulatory and administrative expenses associated with establishing and promoting its Customer Choice firm transportation program." *Entry on Rehearing*, Case No. 95-656-GA-AIR (August 27, 1997), page 3. The stipulation approved by the Commission establishing the FTDC rider also required that CG&E file a report providing detailed information on the costs deferred and

[24] As originally proposed, Columbia's Stranded Costs Recovery Rider was intended to recover both stranded capacity costs and "other costs arising as a result of the first year of the Columbia Customer Choice Program." Amended Application, Case No. 96-1113-GA-ATA (January 3, 1997), page 6. As part of the Joint Stipulation submitted in the same docket on November 28, 1997, Columbia proposed to suspend that rider (which it there called the "Transition Capacity Cost Recovery Rider") upon expansion of the Customer Choice Program. That expansion was approved by Finding and Order issued on June 18, 1998 in Case No. 98-549-GA-ATA *et al.* Consequently,

revenue collected under the rider. Stipulation and Recommendation, Case No. 95-656-GA-AIR (August 11, 1997), page 3, ¶6. CG&E filed the report as required, although not as part of its April 1st status report in this docket.[25]

As a result of the Commission's June 18, 1998 order that CG&E conduct additional consumer education during the second year of the program's operation the Company entered into negotiations to continue both deferral of costs and recoveries under the FTDC rider. As part of an agreement approved by the Commission on April 29, 1999 (*Entry*, Case No. 98-1317-GA-UNC), CG&E will submit a subsequent report on the costs deferred and the revenues collected under its Rider FTDC in November 1999. CG&E is maintaining records and supporting documentation, of auditable quality, of all costs deferred and revenues collected. Furthermore, by agreement, both OCC and the Commission Staff have the right to conduct an on-site investigation of the costs and revenue collections.

In its June 18, 1998 *Finding and Order*, the Commission determined that the role of education was to help customers understand their new choice, and to provide them with the tools necessary to make a meaningful decision with respect to the choice. *Finding and Order*, page 5. OCC supports this role for educational efforts in the various supplier choice programs.

OCC believes that there is much work yet to be done to improve both consumer understanding and resources that enable meaningful choice. While OCC does not believe that LDCs have an ongoing and unlimited responsibility for achieving these goals, it concurs with Staff's recommendations that Columbia and CG&E continue customer education activities as

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Columbia has not had a specific mechanism for the recovery of such costs since the effective system-wide expansion of its Customer Choice Program from the Toledo pilot area.

[25] The report was filed on January 20, 1999 rather than on November 1, 1998 as provided in the stipulation. OCC was aware of the delay, was actively renegotiating to continue the rider in light of the Commission's directive to conduct additional consumer education and had timely reviewed the information ultimately contained in that report.

part of their day-to-day operations to maintain customer awareness without requiring a specific additional educational campaign.

The Commission should not order further program education expenditures in the CG&E territory. If it does so, OCC requests that no program be authorized without OCC's active participation in its development. As noted in Staff's Second Report, the educational campaign was developed with input from Staff, but without consultation with OCC. Second Report, page 4-3. Future campaign designs should solicit input from all affected industry stakeholders, including OCC and the marketing community. Furthermore, OCC respectfully submits that no such program should be authorized without a cost / benefit analysis being performed that justifies the additional expenditure.

b) East Ohio Gas Company

The July 2, 1997 *Order* in Case No. 96-1019-GA-ATA authorized East Ohio to defer all program expenses incurred before the end of the first 18 months of its program, and to recover those costs through revenues generated by Part B of its Transportation Migration Rider. It also authorized East Ohio to establish a Transportation Migration Rider - Part B of $0.0211 per Mcf. This surcharge became effective on December 1, 1997. This rate was designed to recover initial and ongoing expenses associated with customer education, employee education, market research, transportation and pool management system implementation, billing system maintenance and operation for Full Requirements Transportation customers, and the residual under-recovery associated with the initially-filed rates. The rider is applied to all volumes of both sales and transportation customers who reside in the service area where the Choice Program (FRT and CMAS service) is currently available.

East Ohio may revise the Rider based on reports required to be filed at the Commission detailing the revenues and expenses incurred. Stipulation, page 3. The Stipulation approved by the Commission indicated that this Rider could not exceed $0.0230 per Mcf. East Ohio may flex this rider downward for specific customers in order to retain their load.[26] This Rider is due to expire, absent additional Commission action, at the end of the 54th month after the rendering of the first bills reflecting Choice charges.

On July 26, 1999, East Ohio filed its first report to the Commission on its costs and recoveries.[27] It must file similar reports every 12 months thereafter. As is true of CG&E, East Ohio is required to maintain records and supporting documentation, of auditable quality, of all costs deferred and revenues collected, and provide this information to Staff when its reports are filed. While the Commission Staff retains the right to conduct an on-site investigation of the costs and revenue collections pursuant to R.C. 4903.03, neither the stipulation approved by the Commission nor any subsequent order of the Commission gives OCC or any other party any right to conduct such an investigation.

OCC is concerned that Staff has now conducted its second investigation of East Ohio's Energy Choice program without having investigated the developmental activities for which ratepayers are paying. OCC appreciates that East Ohio likely may not be required to file its report of these costs and revenue collections until well after the Commission has issued an order in this docket. According to its annual status report, East Ohio conducted no employee

[26] There is no showing required that the flexing was actually necessary in order for East Ohio to retain the customer's load, or that the specific contractual arrangements have been filed properly with the Commission. Neither are revenues lost to flexing required to be included in the annual reports. OCC respectfully requests that the Commission direct the Staff to investigate the extent to which East Ohio has flexed the Transportation Migration Rider, including all revenues foregone as a result, and the circumstances under which it has done so, as part of its review of the annual reports.

[27] OCC is still reviewing that report at the date of the filing of these Comments.

education (Section 3), participated in only 13 public engagements during the past 12 months (Section 4), held no formal meetings with marketers participating in its program (Section 6), and conducted no market research (Section 7). Each of these activities represents a category of costs recovered through the continued application of the Transportation Migration Rider. At the same time, East Ohio continues to have major problems with its billing system. OCC is concerned that East Ohio could use Transportation Migration Rider revenue collections to offset costs associated with the Company's Y2K compliance efforts.

Furthermore, OCC is concerned that many customers in the pilot area are paying the rider without having the opportunity to participate in the program. East Ohio is declining to enroll customers who are currently budget billing customers unless those customers agree to forego the benefits of budget billing. Customers who wish to continue paying on a budget basis are therefore effectively being denied an opportunity to participate in the program.[28]

D. Customer Billing

1. Billing Information

To the extent that the local distribution company continues to bill for any portion or all of a customer's gas bill, there are a number of issues that should be addressed. Just as OCC is concerned about the information that should be contained on a marketer's single bill, OCC supports the development of standardized information that should be included on LDC bills. Information contained on a customer's bill should enable the consumer both to make decisions about whether to participate in a transportation program and to evaluate the decision that he or she has made. Information currently contained on customer bills in the various programs may frustrate rather than facilitate these goals.

[28] This fact alone should be sufficient to consider suspension of all or part of Part B of the Rider until such time as all billing problems have been resolved.

a) **Customer Usage Data**

Bills issued to transportation customers in two of the programs (Columbia and East Ohio) report historic usage data on the bill. Columbia reports total and monthly (billing cycle) consumption data, in Ccf, for the past 12 months on each bill. East Ohio provides the same information (on an Mcf basis) in graphic form, but without reporting the actual amounts. CG&E does not include this information on the customer's bill.

There are a number of different tools available to consumers to permit them to compare the offers being made by marketers. Because marketer pricing has (at least to date) been usage sensitive, consumption history can be useful in making these comparisons. In this regard, East Ohio's representation may be of little assistance to consumers, while CG&E provides no information. Even including a total consumption figure for the past 12 months would offer more useful information than currently is being provided.

b) **Savings / Losses**

None of the program bill formats specify what GCR rate a customer would have paid had he or she not become a transportation customer. This denies the customer an opportunity to determine whether he or she is saving (or, conversely, losing) money by participating in the program. One way to permit customers to evaluate the performance of their marketer would be to require the distribution company to disclose the otherwise applicable GCR rate when stating the rate being charged by the alternative supplier on the customer's bill.

Each of the companies presents its various residential transportation riders differently. Both Columbia and East Ohio roll any riders into their base rate and note the charges on the bill simply as a usage or delivery charge. CG&E, by contrast, rolls its development cost riders into the usage charge stated on the bill, but separately states its GCR transition cost and stranded cost riders as a "Cust Choice Rider."

CG&E has attempted to bridge this informational gap by stating, in bold type, the amount that a customer saved during the billing period by selecting an alternative supplier. CG&E only states that there were savings when there *were* savings, however. That is, when the supplier gas charge was higher than the customer would have paid had he or she remained a sales customer (a situation that was not uncommon during the evaluation period), CG&E reported $0.00 savings, and did not state the associated "loss." If customers are experiencing a relative loss, they should be provided that information, rather than being told that they have had no savings.

Although only CG&E endeavors to provide individual savings to its customers, CG&E is also the only company that has not quantified total program savings. Indeed, CG&E repeatedly has told OCC that it cannot determine the level of savings generated by its program.

East Ohio stated its total program savings in terms of the difference between what customers would have been billed had they been sales customers and what they were charged under the Energy Choice program.[29] It is not clear whether East Ohio's calculations included the effects of the GCR transition or Transportation Migration riders. It also is not clear whether East Ohio included savings associated with its PIPP customers in its total.

Columbia calculated savings as the difference between the company's EGC rate and marketer revenues. It did not adjust for differences in tax rates in the belief that higher sales taxes did not substantially exceed the distribution discount to eliminate the gross receipts tax

[29] OCC believes that the most appropriate measure for determining "savings," whether on an individual or an aggregate basis, is the difference between what customers would have been charged as sales customers and what they were charged as transportation customers. This calculation should include all charges, including discounted distribution rates, riders, and taxes.

effect. Columbia did include PIPP customers in its calculations, and did make adjustments to recognize GCR transition rider receipts.

OCC supports the concept of reporting savings, both on an individual and on a program basis.[30] Savings should be communicated to consumers in a manner that allows them to determine and understand the outcome of their decision to participate in the program, and to be able to make informed decisions regarding participation in the future. OCC urges companies to communicate this information to their customers on a regular basis. Savings could be communicated monthly, as part of the consumer's bill; quarterly, as the GCR rate changes; or annually before termination or renewal of the contract with the alternative supplier.[31]

While OCC supports the reporting of savings, OCC does not believe that LDCs should be *required* to report the savings generated by the residential transportation programs any more than they should have to report savings to non-residential transportation customers. Because of the varying definitions of savings being employed, however, OCC respectfully suggests that the Commission should declare a "standard" definition of "savings" (and, correspondingly, "loss") for all regulated distribution companies to use if they choose to report savings. Any LDC publicly claiming savings, whether for the program in aggregate in a report filed with the Commission or for an individual customer on a statement printed on the customer's bill,[32] would use this calculation and be prepared to document the results.

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[30] OCC believes that it is imperative to state, however, that the continuation of the residential transportation programs should not depend on the level of savings achieved, or whether there are any savings at all, nor should continuation depend on the rate of migration or extent of market penetration.

[31] If an LDC intends to communicate savings information to its customers, the information should be conveyed in sufficient time to allow the consumer to cancel, terminate, renew, etc.

[32] OCC believes that such a calculation should not be limited to these circumstances. The "savings" calculation should be used whenever a public statement is made about savings, including promotional, trade, and professional materials.

At a minimum, the calculation should include:

- The Company's otherwise applicable (*e.g.:* GCR) rate[33];
- The commodity rate being charged by the supplier;
- Any differential in transportation / distribution rates;
- All riders not equally applicable to both services; and
- Any difference due to taxes.

The discounted streamed supplies being used by all three companies to serve PIPP customers also creates a measure of "savings." Columbia notes that, "[t]o date, PIPP customers have reduced their arrearages by more than $5.3 million. All customers benefit from the PIPP supply agreement because lower PIPP arrearages will result ultimately in a lower PIPP surcharge." Because of the unique impact that these streamed supplies have, both on the GCR and on customers that pay the PIPP riders, the Commission should require that the companies separately and regularly report PIPP "savings," showing the effect of such savings, if any, on the PIPP rider.[34]

The Commission could require this reporting in any number of different dockets. It would be appropriate to require a separate disclosure in GCR proceedings, since it involves a streamed supply not rolled into the cost of other sales gas. The Commission could require that a report be filed in the UNC docket where approval of the streamed supply contract was granted. Finally, a separate report could be required as part of the regular program evaluation reporting process.

[33] OCC recognizes that the GCR may not always be an appropriate measure for determining savings. If the GCR is substantially modified or eliminated, it would be appropriate to reconsider whether a savings report remains relevant information for consumers.

[34] The report would not be an Application for a change in the PIPP rider rate, but a filing of information for the Commission to determine if any action need be taken with respect to reducing the LDC's PIPP rider rate. The companies' ability to file an Application for an increase in the PIPP rider rate would be unaffected.

2. Budget Billing

East Ohio has indicated that it "continues to address the billing problems associated with the program." OCC is discouraged at the lack of progress being made to rectify the problems with the East Ohio billing system. Although it appears that budget billing customers who have been permitted to participate in the Energy Choice program are now receiving bills on a regular basis, both the company and its customers have informed OCC that East Ohio is no longer accepting budget billing customers into the program. Budget customers are being told that they must first eliminate any arrearages and then may enroll only on a pay-as-you-go basis.

East Ohio's report makes only a brief mention of its billing difficulties. OCC believes that a fuller explanation is warranted. OCC therefore respectfully requests that the Commission direct East Ohio to file a report, within 30 days of the Order in this evaluation docket, detailing, at a minimum:

- The status of its efforts to bill budget billing customers who are also choice customers timely and accurately;
- The conditions under which non-choice budget billing customers are permitted to enroll in the choice program, including how the company is handling any budget arrearage at the time of enrollment; and
- The company's future plans for handling inquiries by budget billing customers to enroll in the choice program, especially if the program is expanded system-wide.

3. Billing Group Limitations

Neither the company reports nor Staff's Second Report address issues relating to the billing group limitations imposed by the distribution companies. Billing group limitations specify the number of pricing options that may be offered by a marketer participating in the program. Marketers may offer additional rates or prices at cost if the distribution company's system can accommodate them. Because pricing flexibility may impact both marketer participation and the development of competition, OCC disfavors limitations. Where additional costs must be incurred, OCC does not object to the LDC assessing cost-based charges to the marketer.[35] OCC requests that LDCs[36] and Staff address this issue in future evaluation reports, and invites comment both from the LDCs and from marketers regarding these limitations and their impact on program development.

4. LDC Billing for Unregulated Services or Goods

Revised Code 4929.03 limits Commission authority with respect to services or goods provided by natural gas companies other than regulated commodity sales, distribution, and ancillary services. Both affiliated and non-affiliated entities have offered a variety of services in LDC bill inserts. Likewise, marketers, as an inducement for customers to enroll or re-enroll in the residential transportation programs, have offered a variety of goods and services as part of their solicitation. In some instances the entity is recovering the cost of providing the goods or services through the utility bill. OCC is deeply concerned about this practice, and urges the Commission to put an end to it.

The advent of residential transportation has brought with it a number of changes to customer bills. Many of those changes have increased the amount of information (*e.g.* usage, savings) that consumers have at their disposal to enable them to make meaningful choices. Some of those changes have isolated newly billed services (*e.g.* commodity) or costs (*e.g.* sales taxes). All of these changes have increased the likelihood of confusion.[37]

The addition of charges for appliance and service line maintenance or repair services, purchases of a variety of products, and marketing inducements creates numerous problems.

[35] As part of future evaluation reports, Staff should evaluate all such charges, report on whether they are cost-based, and determine whether the LDC is properly accounting for costs recovered.

[36] The Columbia report does identify both the number of rates being offered in its program and the limitations and costs involved in providing those rates. Columbia Report, Section V.e. At a minimum, OCC requests that CG&E and East Ohio include this level of detail in their next reports.

[37] OCC notes that many customers already are confused easily by bills rendered by combination companies.

Aside from mounting customer confusion, LDC billing for such services increases problems associated with receivables (already a contentious issue) and disconnections.

Just as R.C. 4929.03 clarifies that LDCs may engage in commerce beyond Commission regulation, it likewise provides that the Commission is not precluded from exercising its authority "to protect customers of nonexempt, regulated services or goods from any adverse effects of the provision of unregulated services or goods." OCC respectfully submits that the use of utility bills to bill for unregulated goods or services may have such an adverse impact, and requests that the Commission order LDCs not to include charges for such goods or services in their bills. Billing options for marketers, in particular, should be limited to the gas commodity and associated taxes. The LDC should not bundle bills for non-gas goods and services with marketer commodity sales.

IV. CONSUMER EDUCATION

A. Public Education

The importance of education in the transition from a sales to a transportation environment cannot be overstated for residential customers. At a fundamental level, residential customers need help just to understand that they now have choices that they have never had before. OCC wishes to recognize the efforts of the Commission, the distribution companies,[38] and the marketers to educate consumers about the changes occurring in the natural gas industry.

Since the programs began in April 1997, OCC has developed a database of over 40,000 consumers and 7,000 community organizations. As the programs expanded, OCC mailed information about residential transportation to all eligible residential consumers in the database.

OCC responded to more than 37,000 requests for materials and other information about the residential transportation programs during the program year. Over the same period, OCC made 233 separate presentations on deregulation and residential transportation, reaching more than 7,650 consumers. A list of the presentations and audiences reached is attached as Appendix A to these comments. More than 5,000 additional consumers received information from OCC at 33 shows and fairs. A marketer expo was conducted in Grandview, Ohio that provided an excellent means for Central Ohio Columbia customers to obtain information from the company, the PUCO, OCC, and marketers. Survey results reported by the companies, Staff, and OCC all reflect the impact that education has had on customer awareness of the transportation programs.

Beyond awareness, however, customers need information to make informed decisions. OCC had an opportunity to review the materials provided by Columbia and CG&E to their customers, and was able to work cooperatively with those two companies in providing needed information to consumers. In addition to including OCC materials in packets sent to consumers, Columbia and CG&E permitted OCC and the Commission to prepare bill inserts that informed customers about other available resources.

OCC made a variety of tools available to consumers in a number of different formats, including Spanish and large print versions. OCC regularly publishes a list of active suppliers in each of the programs, and posts these lists on its web site (http://www.state.oh.us/cons/). Fact sheets inform customers of their new choices, provide sample questions to ask potential suppliers, and give important information about rights and responsibilities. OCC's fact sheets are also available on its web page.

A worksheet, "Making Cents of Your Choices," was created for both the Columbia and CG&E programs to help consumers differentiate marketer offers, identify and quantify the different billing components, and compare offers based on their own usage patterns. Copies of the worksheet also appear on OCC's web page, where consumers can make on-line comparisons. In September, 1998, OCC created an interactive voice response ("IVR") system to provide the same service. More than 2,300 consumers used the IVR to compare offers in the Columbia program, with 110 consumers comparing offers in CG&E's program.

Much more can be done, however. OCC encourages companies and marketers to share ideas that they may have about reaching consumers, particularly consumers who may be resistant to switching suppliers. The prospect that distribution companies may attempt to exit the merchant function sooner rather than later increases the importance of reaching and educating all consumers.

[38] As noted below, OCC is concerned that East Ohio made so minor an effort to educate its customers about its program. Even among the presentations that the company listed in its report, many of the consumer roundtable meetings dealt little, if at all, with customer choice matters.

B. LDC Educational Plans

In its June 18, 1998 *Finding and Order*, the Commission directed each LDC to work jointly with Staff and OCC to develop appropriate educational plans. *Finding and Order*, page 7. OCC has been able to work cooperatively with Columbia Gas, and has even, as noted in the Second Report, co-sponsored public events with Columbia. Although not initially consulted by CG&E, OCC was given an opportunity to review and comment on CG&E's second educational campaign. OCC commends both companies for their efforts and encourages them to comply with Staff's recommendation that they continue to make customer education about transportation a part of their day-to-day customer awareness operations.

Staff made no comment or recommendation regarding East Ohio's educational effort. This is a particular concern inasmuch as East Ohio acknowledged that it made minimal effort to communicate with eligible customers about its program, and conducted *no* formal customer education over the "last several months." East Ohio Report, page 2. At a minimum, East Ohio should be making a comparable effort to educate its eligible customers as that expected of Columbia and CG&E. The fact that its program is geographically limited, and that even customers within those limits are precluded from participating, is no justification for East Ohio's failure to make a proportionate effort to educate its eligible customer base.[39]

C. LDC Web Pages

In its June 18, 1998 *Finding and Order*, the Commission directed all LDCs to establish informational sites (with applicable riders and updated rider cost information) comparable to the Internet site created by CG&E. *Finding and Order*, page 12. OCC believes CG&E's Internet site is a good source of information. Of the three sites, it is the only one that contains both a comparison of rates that includes all rate components and its Commission-approved tariffs. Columbia's Internet site makes its tariffs available, but, as noted in the Second Report, fails to include the comparison ordered by the Commission more than a year ago. East Ohio did comply with the Commission order, and went a step further. East Ohio's site contains the same information for all of its non-"choice" transportation services, as well. East Ohio is the only company of the three, however, that has not posted its tariffs on its Internet site.

Columbia should be ordered to provide the previously-ordered comparison of tariffed service rates on its Internet site. In addition, OCC respectfully submits that Columbia should provide this information for all of its distribution services in a manner comparable to that currently provided by East Ohio.[40] Columbia should be required to file in this docket information reflecting that it has done so, or cannot do so, within 30 days of the Commission order in this docket.

Although not related directly to the evaluation of the "choice" programs, OCC urges this Commission to consider, whether through a generic proceeding or otherwise, the advisability of adopting standards for the dissemination of electronic information. Such a proceeding could encompass subjects as diverse as data exchanges that might facilitate real-time customer enrollment, to the desirability of adopting standards comparable to those recommended by the Gas Industry Standards Board ("GISB"). At a minimum OCC would like to see all LDCs with an Internet presence post their currently effective tariff sheets on their sites.[41]

[39] OCC believes that the company Y2K problems have nothing to do with its obligation to inform its eligible customers about their choices, and that the company can proceed to education customers independently of its Y2Kcompliance efforts. If this is not the case, then East Ohio should so explain.

[40] CG&E should also be required to provide this information.

[41] OCC is aware of only four Ohio LDCs with an Internet presence: CG&E, Columbia, East Ohio and Dayton Power & Light ("DP&L"). Neither East Ohio nor DP&L have posted their currently effective tariffs on their Internet sites.

D. Agency Informational Materials

OCC supports Staff's recommendation that the Commission reaffirm its decision urging marketers to provide this information to Staff regularly. Although the recommendation to exclude marketers who fail to comply with the Commission order from the *Apples to Apples* chart has some appeal, OCC believes that the Commission should approach such a decision cautiously.

If an entity, including Staff, is distributing a list of eligible suppliers it should always distribute a current, accurate list that provides the customer with at least enough information (*e.g.*: toll free telephone numbers as currently noted) to make further inquiry. Eligible suppliers not interested in soliciting or accepting additional customers could be excluded from such lists, but all other marketers should be included, even if they fail to provide updated rate information. It would be reasonable to exclude the price option and estimated average annual total cost information, perhaps including a notation that interested customers should contact the marketer for rate information, but the marketer name and telephone number should continue to be included.

V. CUSTOMER SURVEYS

OCC conducted a number of surveys in February and March 1999 that were designed to measure customer responsiveness to the Columbia and CG&E residential transportation programs. The largest was conducted to survey residential consumers in 58 counties where the Columbia Gas Customer CHOICE® program is available. This Columbia system-wide survey was designed to gather customer opinions and measure responsiveness concerning program participation. This survey involved a target population sample of 6,000 customers drawn both from a purchased random mailing list and from customers who had contacted OCC for information about the program. Composite analysis was performed with both groups to understand customer knowledge and acceptance of the program better. Customers in Lucas and Wood counties were surveyed separately.

The second OCC survey involved measuring customer awareness, understanding, and participation in the Columbia CHOICE® program in Lucas County. A purchased list of 2,000 customers was used as the sample. OCC surveyed Lucas county residential consumers separately from the remainder of the system because of the relative length of their participation in the program.

The final survey administered by OCC involved residential customers in the CG&E service territory. This survey also used a purchased list of 2,000 customers as its sample, and was designed to measure customer awareness and responsiveness to CG&E's program.

Conclusions from these surveys are included as follows. The survey questions and results are included in Appendix B of these Comments.

Columbia System-wide Survey Results

- Exceptionally high public awareness (93%).
- Exceptionally high satisfaction (94%).
- Vast majority of customers consider choice to be a good idea (92%).
- The majority of customers believe that adequate information is available to make a choice (76%).
- When given a choice, customers prefer bill inserts, direct mail, and fact sheets as the primary means for obtaining program information.
- Customers indicate that door-to-door and telephone solicitations are the least preferred means of obtaining program information.
- On average, customers were contacted by three natural gas suppliers.
- Opportunity to save was the primary factor that motivated customers to participate.
- Many customers who chose not to participate indicated that they preferred to "wait and see."
- Customers who obtained program educational information from OCC were more likely to choose an alternative supplier, enroll via telephone, and know the length of their service agreement than those customers who had not contacted OCC for information.
- Customers believe that they are experiencing average monthly savings of $14.52.

Columbia Lucas County Survey Results

- Public awareness of the CHOICE® program is high (90%).
- Vast majority of customers consider choice to be a good idea (96)%.
- The majority of consumers believe that clear and understandable information was available about the program (78%).
- Customers were contacted by two to three suppliers on average, and most contact was through direct mail.
- Opportunity to save was the primary motivating factor for customers who chose to participate.
- Customers who chose not to participate identified a preference to "wait and see."
- Most customers claim not to have been informed of their right to terminate or renegotiate their supplier contract before their first year of participation in the program.
- 95% of customers found enrollment to be convenient.
- Customers believe they are experiencing average monthly savings of $17.39.

CG&E Survey Results

- The majority of respondents indicated being aware of the CG&E natural gas choice pilot program (74%).
- Few respondents report having been contacted by a natural gas supplier (20%).
- The majority of respondents believe that choice is a good idea (64%).
- An opportunity to save was the reason most customers believed choice is a good idea.
- A majority of customers favor having savings posted on the monthly bill (82%).
- Approximately one-half of the respondents indicate that more information would be useful as a suggestion for improving the program.

Conclusions

Survey data has proven invaluable in gauging customer attitudes, understanding, and perceptions about the natural gas choice programs. Because of the extensive education campaign conducted by Columbia, the PUCO, and OCC, public awareness of the Columbia Customer CHOICE® program appears to be high. Survey data indicates an overall satisfaction with the program and that customers believe they are saving money. Public awareness about the CG&E choice program is high, although the number of participants remains low. Public education about choice programs remains a necessary component of any further choice rollouts. On a going forward basis, the need for timely and accurate program information becomes even more important as competition in markets continues to develop. OCC would welcome the opportunity to work cooperatively with Staff, LDCs, and marketing community to define further and respond to educational opportunities and to continue developing evaluation and assessment tools.

VI. OTHER CUSTOMER CHOICE ISSUES

A. PIPP Customer Outsourcing

On March 12, 1999, OCC filed a motion to hold in abeyance ("OCC Motion") an application filed by East Ohio for an emergency adjustment of its PIPP rider on grounds that East Ohio might have prevented the proposed PIPP rider increase if it had allowed all of its PIPP customers to participate in its streamed supply arrangement. On April 29, 1999, the Commission denied OCC's motion and granted East Ohio's application to increase its PIPP rider from \$0.102 per Mcf to \$0.111 per Mcf. In doing so, however, the Commission stated that it would consider the issues raised by East Ohio's April 1, 1999 report on its Energy Choice program, and OCC's concerns relating to expansion of the bidding process to increase the number of PIPP customers eligible for the streamed supply arrangement, in this docket.

OCC has two concerns regarding the East Ohio report as it relates to the PIPP streamed supply issue. First, the East Ohio report is silent with respect to the impact of its Energy Choice program on the eligible PIPP customers currently receiving streamed supplies.[42] OCC respectfully submits that East Ohio, and all LDCs offering reduced cost streamed supplies to PIPP customers, should be required to report all "savings" associated with the reduction, and the impact that savings have had on PIPP arrearage balances.[43] The Commission should require that

[42] OCC notes that the Second Report indicates that the total "savings" for eligible East Ohio PIPP customers during 1998 was approximately \$51,768. Second Report, page 7-1. Savings for PIPP customers are not measured as an actual reduction in the amount paid, but rather as a reduction in the amount by which the customer's arrearage accrued. Because PIPP arrearages are routinely not reported to PIPP customers, however, individual customers are not notified of any impact that the Energy Choice program may have had on their total arrearages.

[43] OCC respectfully submits that any such approved supplier must offer at least an opportunity for a reduction. As Dayton Power & Light noted in its comments at the time of the original Staff Evaluation Report, if bidding is not based on the EGC / GCR, all customers who pay the PIPP surcharge may be required to take on the responsibility of added risk. If an alternative pricing methodology is adopted for the RFP process, there should be a reasonable way to evaluate the economics of competing suppliers and to insure that PIPP customers will receive lower-cost supplies than they would have from the LDC's GCR. The recent East Ohio application is a case in point. On April 13, 1999, East Ohio Gas requested approval of a supplier for its currently eligible PIPP customers. The supplier's proposal was to bill a fixed rate, but without assurance that that rate would necessarily be below rates that East Ohio would otherwise charge. OCC submitted comments requesting that East Ohio confirm that PIPP customers would not be

each company do so as part of its annual status report.[44] Second, the East Ohio report is silent as to the potential impact of the Company's decision not to expand PIPP customer enrollment on PIPP arrearages and PIPP surcharge rates.

Any approved residential transportation program should include the entire PIPP customer base so that all PIPP customers can benefit from the savings. In particular, the East Ohio PIPP streamed supply arrangement should be expanded immediately so that all PIPP customers have the opportunity to reduce their arrearage balances.

Indeed, OCC respectfully submits that the Commission consider ordering an investigation into whether all Ohio LDCs should be supplying PIPP customers with a streamed supply lower in cost than the EGC. Certainly, it would be reasonable for the Commission to order Dayton Power & Light (DP&L), for example, to request bids for a low cost supply for all of its PIPP customers. DP&L proposed a small user gas transportation service pilot program on February 27, 1998, now more than 17 months ago, which included a bidding process for PIPP customers. To date the Commission has not afforded any DP&L customer, let alone PIPP customers, an opportunity to save on their gas bills. In addition, DP&L has now requested authorization to increase its PIPP surcharge, raising many of the same concerns that OCC brought to the attention of this Commission in the East Ohio PIPP case.[45] OCC sees no reason

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billed more than prevailing GCR rates. East Ohio did supplement the record in that case, by filing a contract that had clearly been amended to reflect a price cap following the date of OCC's comments.

[44] CG&E provides no details in its report on the status of PIPP customers under the current supplier (how many are enrolled, who the supplier is, what the discount is, what the RFP process is, when a new supplier will be selected, etc.). While some of this information is publicly available elsewhere, companies should nonetheless report this information in their annual status reports.

[45] *In the Matter of the Application of The Dayton Power & Light Company for Adjustment of Its Gas and Electric Interim Emergency and Temporary Percentage of Income Payment Plan Riders*, Case No. 99-751-GE-PIP. On July 23, 1999, OCC filed a Motion to hold that application in abeyance. OCC filed its Motion because of the magnitude of the proposed increase, DP&L's request to change the amortization period, and the impact of the newly enacted electric restructuring legislation. Although these specific concerns distinguish that application from the one filed by East Ohio, the impact that a streamed supply for PIPP customers on a system-wide basis would have had on the proposed increases is as unclear in both cases.

why the Commission cannot, and does not, order that all PIPP customers be served at a discounted rate.[46] While the benefits of such a rate reduction clearly accrue to PIPP customers, it should be emphasized that a reduction in the PIPP rider benefits all residential customers. Accordingly, OCC's request is made for the benefit of all residential customers.

B. GCR Reform and Obligation to Serve

OCC appreciates the effort that the LDCs put into developing the joint "white paper" appended to the Second Report. This is a useful document that should facilitate further discussions. It is less clear that it should define those discussions, however.

OCC agrees with Staff's conclusion that the white paper evidences significant progress in defining issues that need to be addressed. Beyond identifying those issues, there are likely to be significant differences of opinion about what the "conclusions" or ultimate "end states" should be. While the white paper clearly sets forth many thorny and important issues, further discussion likely will be necessary for industry stakeholders to reach consensus on the full range of matters to be addressed, let alone on the appropriate end states.

OCC likewise agrees that customer satisfaction should be the focus as these issues are addressed. Understanding customer needs and ensuring that customers understand and accept industry changes is essential to assuring customer satisfaction. Consumers' ability to make informed decisions about choices that matter will directly impact their level of satisfaction.

Companies do face different circumstances and conditions, and these may very well mandate different end states. While OCC agrees that there should be latitude to recognize these differences, the industry must take care that customers are treated fairly across the state. Staff, in last year's Evaluation Report, concluded that the current transportation programs "are intended to

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[46] Although ordering streamed supplies may be more difficult for smaller companies, it would also be possible to aggregate PIPP customers across companies to afford the same opportunities.

promote competition in the supply of natural gas to *all Ohioans*." Staff Evaluation, p. 1-1 (emphasis added). In his separate concurring opinion to the *Finding and Order* continuing and modifying the programs, Chairman Glazer noted that the programs could "truly lead to effective competition - something which the General Assembly directed as a matter of state policy in Section 4929.02 of the Revised Code." In the final analysis, it is those policies that must shape the end states of the individual utilities.

OCC reserves its right to present arguments regarding the Commission's legal authority to require such changes in appropriate proceedings where the issue is a matter in controversy. OCC respectfully submits that this is not such a proceeding. Nonetheless, OCC shares Staff's conclusion that H.B. 476 does provide a regulatory mechanism to propose and evaluate alternatives to the existing GCR process, and that the companies may propose modifications to the GCR through the H.B. 476 process.[47]

OCC concurs with Staff's recommendation that open, industry-wide exchanges should be the vehicle for developing solutions to the issues raised in the companies' white paper, among others. OCC has never viewed such discussions as formulating Commission policies, but as providing invaluable input for the Commission to consider in reaching reasoned policy decisions. Similarly, working with individual companies, whether through existing collaborative mechanisms or otherwise, is necessary to identify and accommodate unique circumstances. OCC believes that the experiences of other jurisdictions in addressing these matters clearly demonstrates the futility of generic industry-wide changes without such input.

[47] OCC does not understand the Staff's conclusion that it is the sole responsibility of companies to propose modifications pursuant to H.B. 476 to suggest that the Commission is thereby precluded from amending its rules and regulations pertaining to the GCR mechanism. Nor does OCC understand the Staff to suggest that the Commission is without authority to make further modifications upon its own motion once a company's H.B. 476 proposal has been authorized. R.C. 4929.08.

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CERTIFICATE OF SERVICE

I hereby certify that the foregoing Comments, filed this date in the above-captioned proceedings, was served by first class mail, facsimile transmission, or by hand delivery, to the following parties of record, this the 2nd day of August, 1999.

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APPENDIX A

OCC Speeches and Presentations

April 1, 1998 to March 31, 1999

Date	Group / Location	Topic	Region	Attendance
4/21/98	Athens Church of Christ	Choice-Gas	Southeast	20
4/21/98	Butler County United Way	Deregulation	Southewest	17
5/6/98	Colonial Seniors	Choice-COH	Central	7
6/9/98	Harding Road Block Watch	Deregulation	Central	25
7/8/98	Canal Winchester Area Chamber	Choice-Gas	Central	35
7/16/98	Seneca County Commission on Aging	Choice-COH	Northwest	25
7/18/98	AARP	Choice-COH	Central	35
7/18/98	The Chatterbox Club	Choice-COH	Northeast	75
7/23/98	Marion County Department of Human Services	Choice-COH	Northwest	105
8/1/98	Ohio Advocates for Mental Health	Choice-Gas	Central	50
8/3/98	Services for Aging	Choice-COH	Northeast	29
8/4/98	Services for Aging	Choice-COH	Northeast	100
8/6/98	Erie County Senior Center	Choice-COH	Northeast	33
8/11/98	Kiwanis Club of Logan	Choice-COH	Northwest	18
8/11/98	Hocking County Farm Bureau	Choice-COH	Southeast	4
8/12/98	Catholic Community Services	Choice-COH	Northeast	8
8/13/98	Leo Yassenoff	Choice-COH	Central	50
8/13/98	Elderly United Inc.	Choice-COH	Southwest	11
8/17/98	Retired Post Office Employees	Choice-COH	Central	25
8/17/98	Tiffin City Council	Choice-COH	Northwest	25
8/18/98	Parma Senior Center	Choice-COH	Northeast	224
8/19/98	Greenbriar Condo Association	Choice-COH	Northeast	8
8/19/98	Seneca County Commission on Aging	Choice-COH	Northwest	23
8/20/98	Blendon Township Senior Center	Choice-COH	Central	34
8/20/98	Central Ohio Area Agency on Aging	Choice-COH	Central	100
8/20/98	Village of Obetz Senior Center	Choice-COH	Central	28
8/24/98	Pickaway County Dept. of Human Service	Choice-COH	Central	24
8/25/98	Circleville Sertoma Club	Choice-COH	Central	15
8/25/98	Hilliard Happiness Senior Center	Choice-COH	Central	24
8/25/98	Elderberry's of the Methodist Church	Choice-COH	Northeast	15
8/25/98	Lorain Senior Center	Choice-COH	Northeast	38
8/25/98	Station Break Senior Citizens	Choice-COH	Northeast	3
8/26/98	Worthington Woods Neighborhood Association	Choice-COH	Central	12
9/1/98	Worthington Optimist Club	Choice-COH	Central	9
9/1/98	ANS	Choice-EOG	Northeast	13
9/1/98	Lion's Club of Salem	Choice-COH	Northeast	25
9/1/98	Steubenville Kiwanis	Choice-COH	Northeast	30
9/1/98	Masonic Retirement Village	Choice-COH	Southwest	35
9/1/98	Scioto County Family Association	Choice-COH	Southwest	25

Date	Group / Location	Topic	Region	Attendance
9/1/98	Urbana Senior Center	Choice-COH	Southwest	30
9/2/98	United Food and Commercial Workers	Choice-COH	Central	14
9/2/98	Westerville Sunrise Rotary Club	Choice-COH	Central	45
9/2/98	Willow Brook Advisory Committee	Choice-COH	Central	40
9/3/98	Central Ohio Area Agency on Aging	Choice-COH	Central	12
9/3/98	Whitehall Senior Center	Choice-COH	Central	80
9/3/98	Canfield Women's Club	Choice-COH	Northeast	16
9/4/98	St. Francis Society	Choice-COH	Northeast	40
9/8/98	International Food Service Exec. Association	Choice-COH	Central	25
9/8/98	Newcomerstown Senior Citizens	Choice-COH	Northeast	27
9/8/98	Bucyrus Lion's Club	Choice-COH	Northwest	14
9/8/98	Marion Salvation Army	Choice-COH	Northwest	17
9/8/98	Kiwanis Club	Choice-COH	Southwest	120
9/9/98	Columbus Metropolitan Comm. Action Organization	Choice-COH	Central	13
9/9/98	St. John's Cathedral	Choice-COH	Northeast	60
9/10/98	Shadyland Park Neighborhood Assn.	Choice-COH	Central	23
9/10/98	St. Catherine's Parish	Choice-COH	Central	35
9/10/98	Ruritan Club	Choice-COH	Northeast	35
9/10/98	Services for Aging	Choice-COH	Northeast	30
9/10/98	First Church of Nazarene	Choice-COH	Southwest	30
9/11/98	East Liverpool Lion's Club	Choice-COH	Northeast	30
9/11/98	Fulton County Senior Center	Deregulation	Northwest	9
9/11/98	Hancock County Agency on Aging	Choice-COH	Northwest	50
9/12/98	AARP / Ashtabula	Choice-COH	Northeast	13
9/14/98	50+ Singles Group	Choice-COH	Central	17
9/14/98	Forum Epworth United Methodist Church	Choice-COH	Central	25
9/14/98	Violet Grange	Choice-COH	Central	34
9/14/98	AARP	Choice-COH	Northeast	107
9/14/98	Steubenville Retirees	Choice-COH	Northeast	21
9/14/98	Catholic Social Services	Choice-COH	Southwest	10
9/15/98	Bowling Green Exchange Club	Choice-COH	Northwest	20
9/15/98	Nelsonville Service Organization	Choice-COH	Southeast	13
9/16/98	Bremen Senior Center	Choice-COH	Central	38
9/16/98	Ohio Child Conservation League	Choice-COH	Central	12
9/16/98	Snakehunter Conservation Club	Choice-COH	Central	13
9/16/98	50+ Club	Choice-COH	Northeast	198
9/16/98	Crawford County Area Agency on Aging	Choice-COH	Northwest	14
9/16/98	Crawford County Area Agency on Aging	Choice-COH	Northwest	80

Date	Group / Location	Topic	Region	Attendance
9/17/98	Retired Public Employees Chapter 83	Choice-COH	Northeast	39
9/17/98	St. Francis Society	Choice-COH	Southeast	42
9/18/98	St. John's United Church of Christ Seniors	Choice-COH	Northwest	40
9/18/98	United Seniors of Athens County	Choice-COH	Southeast	8
9/22/98	Chamber of Commerce	Choice-COH	Central	24
9/22/98	Richwood Civic Association	Choice-COH	Central	17
9/22/98	United Church of Christ	Choice-COH	Northeast	51
9/22/98	Marion Public Library	Choice-COH	Northwest	30
9/23/98	Buckeye Sertoma Club	Choice-COH	Central	18
9/23/98	Greenbriar River Valley Retirement Comm.	Choice-COH	Northeast	22
9/23/98	Port Clinton Kiwanis	Choice-COH	Northwest	30
9/23/98	Opportunities Industrialization Center	Choice-COH	Southwest	23
9/24/98	Olentangy Rotary Club	Choice-COH	Central	48
9/25/98	Bay Village Senior Center	Choice-COH	Northeast	290
9/28/98	Faith Mission Inc.	Choice-COH	Central	12
9/28/98	AARP	Choice-COH	Northeast	50
9/28/98	Phoenix Group	Choice-COH	Northeast	31
9/29/98	Friends of Ritter Public Library	Choice-COH	Northeast	22
9/29/98	Galion Kiwanis	Choice-COH	Northwest	24
9/30/98	Hancock County Agency of Aging	Choice-COH	Northwest	12
10/1/98	Worthington Shrine Club	Choice-COH	Central	25
10/5/98	Grace United Church of Christ	Choice-COH	Central	15
10/5/98	Dogwood Estates Homeowners' Association	Choice-COH	Northeast	50
10/6/98	Ohio Retired Teachers Association	Choice-COH	Northeast	53
10/6/98	Tiffin Business Boosters	Choice-COH	Northwest	15
10/6/98	Meigs County Council on Aging	Choice-COH	Southeast	53
10/7/98	NBBJ	Choice-COH	Central	18
10/7/98	Autumn Leaves Senior Group	Choice-COH	Northeast	28
10/7/98	Wood County Senior Center	Choice-COH	Northwest	23
10/7/98	Wood County Senior Center	Choice-COH	Northwest	30
10/8/98	Airtron, Inc.	Choice-COH	Central	35
10/8/98	Ottawa County Retired Teachers Association	Choice-COH	Northwest	85
10/8/98	Ross County Social Services	Choice-COH	Southwest	25
10/12/98	Powell Liberty Historical Society	Choice-COH	Central	18
10/12/98	AARP / Ashland	Choice-COH	Northeast	70
10/12/98	Columbiana County School Retirees	Choice-COH	Northeast	22
10/13/98	Westgate United Church	Choice-COH	Central	35
10/13/98	GM Chevettes	Choice-COH	Northeast	37
10/13/98	St. Albert Holy Name Society	Choice-COH	Northeast	28

Date	Group / Location	Topic	Region	Attendance
10/13/98	St. Francis Society	Choice-COH	Northeast	23
10/13/98	Lakeside United Methodist Men's Club	Choice-COH	Northwest	55
10/13/98	Steel Workers Organization of Active Retirees	Choice-COH	Southeast	20
10/14/98	Tri-Village Sertoma Club	Choice-COH	Central	21
10/15/98	Harding Road Block Watch	Choice-COH	Central	26
10/15/98	Shriner's Club	Choice-COH	Northeast	38
10/15/98	Lion's Club of Salem	Choice-COH	Southwest	10
10/15/98	Tri-County Community Action	Choice-COH	Southwest	16
10/19/98	Ascension Lutheran Church	Choice-COH	Central	22
10/19/98	Office of Energy Efficiency	Choice-COH	Central	43
10/19/98	Office of Energy Efficiency	Choice-COH	Central	25
10/19/98	Village of Yorkville	Choice-COH	Northeast	20
10/19/98	Clyde Public Library	Choice-COH	Northwest	65
10/20/98	West Jefferson Homemakers Club	Choice-COH	Central	25
10/20/98	Carroll County Regional Planning	Choice-COH	Northeast	15
10/20/98	North Royalton Office on Aging	Choice-COH	Northeast	110
10/20/98	Women's Christian Fellowship	Choice-COH	Northeast	42
10/20/98	Tiffin-Seneca Public Library	Choice-COH	Northwest	10
10/20/98	Ohio University - Facilities Training	Choice-COH	Southeast	40
10/20/98	Seventh Day Adventist Church	Choice-COH	Southeast	5
10/21/98	AFSCME Retirees Chapter 108	Choice-COH	Central	17
10/21/98	Summit Senior Center	Choice-COH	Central	19
10/22/98	Shadyside AARP	Choice-COH	Southeast	31
10/26/98	AFSCME Retirees Chapter 108	Choice-COH	Central	20
10/26/98	Assumption Ladies Guild	Choice-COH	Northeast	29
10/26/98	St. Peter's Senior Citizens	Choice-COH	Northeast	98
10/27/98	Opportunities Industrialization Center	Choice-COH	Southwest	20
10/28/98	OSU Parents Association	Choice-COH	Central	20
10/29/98	Ohio University - Facilities Training	Choice-COH	Southeast	40
10/30/98	Marion Meals Program	Choice-COH	Northwest	54
10/30/98	Turning Point	Choice-COH	Northwest	13
11/2/98	Evening Star Circle	Choice-COH	Central	15
11/2/98	Berea City Council	Choice-COH	Northeast	25
11/4/98	Eleanor Kahle Senior Center	Choice-COH	Northwest	50
11/5/98	Dublin Kiwanis	Choice-COH	Central	16
11/5/98	Scenic Hills Senior Center	Choice-COH	Southeast	10
11/9/98	Bexley Area Chamber	Choice-COH	Central	12
11/9/98	AARP	Choice-COH	Northeast	38
11/9/98	AARP Local Chapter 18	Choice-COH	Northeast	53
11/10/98	Delaware Kiwanis	Choice-COH	Central	21
11/10/98	Nelsonville Rotary	Choice-COH	Central	12
11/10/98	Lorain County Beverage Association	Choice-COH	Northeast	8

Date	Group / Location	Topic	Region	Attendance
11/10/98	Rotary Club of Nelsonville	Choice-COH	Southeast	12
11/11/98	PERI	Choice-COH	Central	15
11/11/98	Walnut Hill Park Association	Choice-COH	Central	25
11/12/98	Lion's Club	Choice-COH	Central	50
11/12/98	Southwest Homemakers	Choice-COH	Northeast	28
11/12/98	Crawford County Retired Public Employees	Choice-COH	Northwest	30
11/12/98	Fremont Presbyterian Seniors Group	Choice-COH	Northwest	23
11/12/98	Sandusky County Senior Center	Choice-COH	Northwest	27
11/12/98	Rushville Union Lion's Club	Choice-COH	Southwest	50
11/16/98	Worthington / Linworth Kiwanis	Choice-COH	Central	14
11/17/98	Livingston Avenue Head Start	Choice-COH	Central	12
11/17/98	St. John's United Church of Christ	Choice-COH	Central	24
11/17/98	Labelle View Church of Christ	Choice-COH	Northeast	12
11/17/98	Knights of Columbus	Choice-COH	Southeast	35
11/17/98	St. John's United Church of Christ	Choice-COH	Southwest	24
11/18/98	Columbus Apartment Association	Choice-COH	Central	15
11/18/98	Northland Lion's Club	Choice-COH	Central	11
11/18/98	Athens County PERI Chapter 13	Choice-COH	Southeast	13
11/18/98	Clark State Community College	Choice-Gas	Southwest	6
11/19/98	Licking County Apartment Association	Choice-COH	Central	19
11/19/98	Wooster Noon Lion's Club	Choice-COH	Northeast	40
11/20/98	Homesteaders of Columbus	Choice-COH	Central	15
11/23/98	South Vienna Kiwanis	Choice-COH	Southwest	15
11/24/98	Ashville Kiwanis	Choice-COH	Central	25
12/2/98	CMACAO Head Start	Choice-COH	Central	50
12/3/98	Hurt / Battelle Memorial Library	Choice-COH	Central	1
12/3/98	Ida Rupp Public Library	Choice-COH	Northwest	15
12/3/98	Tiffin Kiwanis	Choice-COH	Northwest	65
12/7/98	Granville Kiwanis	Choice-COH	Central	35
12/9/98	Mid-Ohio Regional Planning Commission	Choice-COH	Central	15
1/4/99	Upper Sandusky Mayor's Office	Choice-COH	Northwest	8
1/8/99	Lion's Club of Salem	Choice-COH	Northeast	15
1/19/99	Pickerington Senior Center	Choice-COH	Central	80
1/20/99	Lexington Area Senior Citizens	Choice-COH	Northeast	75
1/20/99	Kiwanis Club of Zanesville	Choice-COH	Southeast	41
1/21/99	Oregon Business & Professional Women	Choice-COH	Northwest	12
1/22/99	Union County Human Services	Choice-COH	Central	31
1/24/99	Golden Moose Seniors	Choice-COH	Central	50
1/25/99	Homes of the Hill	Choice-COH	Central	20
1/25/99	Mayores Senior Center	Choice-COH	Northwest	22

Date	Group / Location	Topic	Region	Attendance
1/26/99	South East Columbus Lion's Club	Choice-COH	Central	30
1/28/99	Cleveland Saxon Seniors	Choice-COH	Northeast	50
2/2/99	Soroptomist International	Choice-COH	Central	20
2/4/99	Happy Spirits	Choice-COH	Central	60
2/4/99	Creston Lion's Club	Choice-COH	Northeast	20
2/9/99	Linworth Baptist Church	Choice-COH	Central	20
2/9/99	Bay Village Kiwanis Club	Choice-COH	Northeast	25
2/9/99	Oberlin Senior Center	Choice-COH	Northeast	9
2/9/99	Zablocki Senior Center	Choice-COH	Northwest	50
2/10/99	Reading Kiwanis Club	Choice-CG&E	Southwest	14
2/13/99	Teamster's Retirees	Choice-COH	Central	55
2/17/99	Lincoln Village Women's Club	Choice-COH	Central	12
2/17/99	University Kiwanis	Choice-COH	Central	15
2/21/99	St. Anthony Widows & Widowers	Choice-COH	Northeast	35
2/23/99	Ohio Partners for Affordable Energy	Choice-COH	Northwest	25
2/26/99	Cincinnati Area Senior Services	Choice-CG&E	Southwest	25
2/27/99	Home and Garden Show	Choice-COH	Central	6
2/27/99	Home and Garden Show	Choice-COH	Central	6
3/1/99	White Oak Improvement Association	Choice-CG&E	Southwest	15
3/3/99	Ohio Partners for Affordable Energy	Choice-COH	Northwest	19
3/4/99	Marion Senior Center	Choice-COH	Northwest	12
3/10/99	Marion / Crawford CAC	Choice-COH	Northwest	15
3/11/99	CMACAO Head Start	Choice-COH	Central	8
3/11/99	Reading Democratic Club	Choice-CG&E	Southwest	20
3/17/99	Catholic Social Services	Choice-COH	Central	65
3/17/99	Local 1375 Steel Workers of America	Deregulation	Northeast	12
3/17/99	Shrine 100 Luncheon Club	Choice-CG&E	Southwest	60
3/18/99	Barber Roselea Center	Choice-COH	Central	15
3/18/99	Bay Village AARP	Choice-COH	Northeast	32
3/24/99	Thursday Noon Club	Choice-EOG	Central	18
3/25/99	RMI Retirees & Associates	Deregulation	Northeast	32
3/25/99	Western Hills AARP	Choice-CG&E	Southwest	200
3/31/99	Ohio Partners for Affordable Energy	Choice-CG&E	Northwest	17
3/31/99	Norwood Community Senior Center	Choice-CG&E	Southwest	20
TOTAL	233 Presentations		Attendees:	7654

APPENDIX B

OCC Surveys & Results

Ohio Consumers' Counsel
Columbia Gas of Ohio
CHOICE® Program Statewide Survey
(Analysis Results)

Methodology

Because the program itself was phased in over time, OCC determined that unique instruments were necessary to elicit useful data from both new as well as longer standing CHOICE-eligible customers. The following analysis is derived from households of 58 Ohio counties within the Columbia Gas service territory that became eligible for CHOICE on August 1, 1998. Residents of Lucas and Wood counties have enjoyed an opportunity to choose alternative natural gas suppliers since April 1, 1997 and were, thus, surveyed independently.

The one-page, 24-question survey sought to gauge to what extent residential utility users are aware of, understand, are participating in, and are satisfied with the Customer CHOICE program. The same questionnaire was forwarded to two different samples of the population. Results are presented in this analysis both independently and in combination (with weighted averages, as appropriate). The first sample included 4,000 households from a random list generated by a mailing house. Of those, 247 were returned by the post office as undeliverable, resulting in a final sample size of 3,753. Consumers representing 174 households returned completed surveys for a response rate of 4.6%. The second sample included 2,000 households from a list of consumers who contacted the Ohio Consumers' Counsel for educational materials regarding the Customer CHOICE program within the preceding 9 months. The list was cross-referenced with county-by-county customer population data provided by Columbia Gas of Ohio, resulting in the generation of a proportionately appropriate sample. Consumers within each county were selected at random utilizing a computer database. Of those, 37 were returned by the post office as undeliverable, resulting in a final sample size of 1,963. Consumers representing 572 households returned completed surveys for a response rate of 29.1%.

It is important to note that Raosoft SURVEYWIN 3.2 software was used to develop the survey form, receive the data, calculate responses, produce graphs, list comments, and compose queries. The software calculates total responses and percentages based on the number of *responses to each question*. In addition, because many consumers elected to indicate more than one answer per question percentages frequently exceed 100%. Finally, the comments included have been chosen as representative of the types of comments received for any specific question. Comprehensive comments are available upon request.

1. Are you a customer of Columbia Gas of Ohio?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	537	96%	24	4%	561
purchased sample	146	91%	15	9%	161
combined sample	**683**	**95%**	**39**	**5%**	**722**

Of the 39 who responded "No" to this question, approximately 70% (27 responses) indicated later in the survey that they had chosen an alternate natural gas supplier, thus providing evidence that they are, indeed, customers of Columbia Gas of Ohio. Apparently there is still some confusion among consumers regarding the purchase of the natural gas commodity and transportation services.

2. Are you a PIPP customer?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	20	7%	259	93%	279
purchased sample	6	6%	91	94%	97
combined sample	**26**	**7%**	**350**	**93%**	**376**

An overwhelming number of consumers added unsolicited comments to this question including, "Since I don't know what PIPP is, I guess I'm not a PIPP customer," "What is PIPP?", and several that just said, "???".

3. Are you aware of the Columbia Gas Customer CHOICE program?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	548	98%	14	2%	562
purchased sample	127	78%	36	22%	163
combined sample	**675**	**93%**	**50**	**7%**	**725**

4. From what source(s) did you first learn of the program? (check as many as apply)

	database sample (562 responses)		**purchased sample** [illegible]		**combined sample** (715 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Columbia Gas Bill Insert	470	84%	100	65%	570	80%
Media (radio, tv, print ad)	236	42%	57	37%	293	41%
Ohio Consumers' Counsel	119	21%	25	16%	144	20%
Contact from a Natural Gas Supplier	162	29%	34	22%	196	27%
Community Event	9	2%	3	2%	12	2%
Public Utilities Commission of Ohio	125	22%	18	12%	143	20%
Other	15	3%	14	9%	29	4%

Among those consumers who indicated "Other", answers included but were not limited to: "booth at the state fair", "Columbia Gas employee", "many sources", and "family member".

5. Was clear information available to explain and answer your questions about the program?

	Yes		**No**		total responses
	(raw)	(%)	(raw)	(%)	
database sample	414	78%	117	22%	531
purchased sample	99	68%	46	32%	145
combined sample	**513**	**76%**	**163**	**24%**	**676**

6. How do you prefer to receive such information? (check as many as apply)

	database sample (556 responses)		purchased sample (152 responses)		combined sample (708 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Columbia Gas Bill Insert	416	75%	97	64%	513	72%
Media (radio, tv, print ad)	121	22%	25	16%	146	21%
Telephone Solicitation	9	2%	3	2%	12	2%
Community Event	19	3%	8	5%	27	4%
Direct Mail	325	58%	82	54%	407	57%
Door-to-Door	8	1%	5	3%	13	2%
Internet	24	4%	13	9%	37	5%
Newsletters/Fact Sheets	208	37%	47	31%	255	36%
Other	13	2%	4	3%	17	2%

In many instances, consumers offered emphatic comments which objected to door-to-door and telephone solicitation sales techniques, including but not limited to: "NEVER, NEVER, telephone solicitation", "NO!!! door-to-door NO!!! telephone solicitation", and "Telephone solicitation and door-to-door are an invasion of privacy."

7. How many natural gas suppliers, if any, have contacted you?

	Responses	Average Contacts
database sample	546	2.8
purchased sample	151	2.2
combined sample	**697**	**2.7**

8. By what method? (check as many as apply)

	database sample (488 responses)		purchased sample (125 responses)		combined sample (613 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Direct Mail	419	86%	100	80%	519	85%
Telephone Solicitation	112	23%	34	27%	146	24%
Door-to-Door	121	25%	27	22%	148	24%
At a Community Event	8	2%	1	1%	9	1%
Other	9	2%	5	4%	14	2%

Several consumers indicated that they received information only after making initial contact with a natural gas supplier, including but not limited to: "I've contacted 10 or 12 and some of them sent me material, " and "Many more sent me details only after I called them. Most were very cooperative and the young lady from Commonwealth was extremely pleasant and helpful."

9. Were suppliers' offers easy to understand?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	329	68%	156	32%	485
purchased sample	85	69%	38	31%	123
combined sample	**414**	**68%**	**194**	**32%**	**608**

A number of consumers added comments such as, "Some were easy, some weren't" and "Not at first."

10. Have you chosen a natural gas supplier other than Columbia Gas of Ohio?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	359	65%	195	35%	554
purchased sample	59	39%	94	61%	153
combined sample	**418**	**59%**	**289**	**41%**	**707**

11. If "yes", which company did you select?

	database sample (319 responses)		purchased (48 responses) sample		combined sample (367 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Cinergy	1	0%	0	0%	1	0%
Columbia Energy Services	80	25%	12	25%	92	25%
Commonwealth Energy Services	44	14%	4	8%	48	13%
D & L Gas Marketing	11	3%	2	4%	13	4%
DPL Energy	1	0%	0	0%	1	0%
East Ohio Gas	0	0%	1	2%	1	0%
Energy America	5	2%	3	6%	8	2%
Energy East Solutions	1	0%	1	2%	2	1%
Equitable Energy - Ohio	6	2%	1	2%	7	2%
FSG Energy Services	35	11%	2	4%	37	10%
Interstate Gas Supply	36	11%	5	10%	41	11%
Keyspan Energy Services	1	0%	0	0%	1	0%
NESI Integrated	41	13%	5	10%	46	13%
Northeast Ohio Gas	0	0%	3	6%	3	1%
Power Resources Operating Co.	33	10%	6	13%	39	11%
Stand Energy Corp.	10	3%	0	0%	10	3%
Summit Natural Gas and Power	3	1%	0	0%	3	1%
United Gas Management, Inc.	2	1%	0	0%	2	1%
Volunteer Energy	6	2%	0	0%	6	2%
Other/Don't Know	3	1%	3	6%	6	2%

12. What factor(s) influenced your decision to stay with Columbia Gas or to choose another supplier? (check as many as apply)

	database (543 responses) sample		purchased (137 responses) sample		combined (680 responses) sample	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Opportunity to Save	358	66%	57	42%	415	61%
Budget Billing	81	15%	16	12%	97	14%
Insignificant Savings	34	6%	10	7%	44	6%
Prefer to Wait and See	117	22%	45	33%	162	24%
Specific Supplier's Offer	102	19%	13	9%	115	17%
Brandname of Supplier	28	5%	10	7%	38	6%
Confusing Prices	85	16%	11	8%	96	14%
Don't Understand the Program	51	9%	17	12%	68	10%
Group Buying Program	6	1%	2	1%	8	1%
Word of Mouth Referral	17	3%	3	2%	20	3%
Don't Want to Bother	19	3%	11	8%	30	4%
PIPP Program Participant	6	1%	1	1%	7	1%
Other	54	10%	20	15%	74	11%

Other factors offered by consumers included but were not limited to:

- I think it's just a gimmick to confuse consumers.
- Don't want to make a mistake.
- Don't have time to do all the company homework.
- Customer service - Columbia has been wonderful! This is laziness on my part, I suppose. I could save money by changing companies but since Columbia Gas is great for customer service I've stayed with them.
- Don't want to make any changes before the year 2000.
- I called about 10 suppliers. The offers were just about the same. I chose Equitable because of the attitude of their sales person, named Gloria. She was professional, polite, and cheerful.
- Ohio contact and Ohio office.
- Marketers we contacted did not supply information requested nor application form requested.
- Want to see long term price comparison.
- Couldn't believe any company would "give the opportunity" to save.
- Savings were only promised for 12 months, then what will happen?
- Much of the information received was difficult to understand.
- My financial consultant did research on the various programs and came up with three that were sound.

13. **Did you have adequate information to make a good decision for your household?**

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	368	73%	135	27%	503
purchased sample	81	62%	49	38%	130
combined sample	**449**	**71%**	**184**	**29%**	**633**

14. **From what source(s) did you get information to make your decision?** (check as many as apply)

	database sample (508 responses)		**purchased sample** (119 responses)		**combined sample** (627 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Columbia Gas of Ohio	311	61%	79	66%	390	62%
Media (radio, tv, print ad)	87	17%	22	18%	109	17%
Ohio Consumers' Counsel	273	54%	16	13%	289	46%
A Natural Gas Supplier	241	47%	47	39%	288	46%
Community Group	16	3%	7	6%	23	4%
Public Utilities Commission of Ohio	292	57%	37	31%	329	52%
Other	33	6%	17	14%	50	8%

15. **If you have chosen a supplier, how did you enroll?**

	database sample (369 responses)		**purchased sample** (71 responses)		**combined sample** (440 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Mail/FAX	195	53%	46	65%	241	55%
Door-to-Door	15	4%	7	10%	22	5%
Telephone	182	49%	22	31%	204	46%
Internet	1	0%	0	0%	1	0%

16. Was enrollment convenient?

	Yes (raw)	Yes (%)	No (raw)	No (%)	total responses
database sample	354	98%	9	2%	363
purchased sample	63	91%	6	9%	69
combined sample	**417**	**97%**	**15**	**3%**	**432**

17. How did you receive confirmation of your enrollment?

	database sample (365 responses)		**purchased sample** (69 responses)		**combined sample** (434 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Letter from Columbia Gas	147	40%	26	38%	173	40%
Copy of Offer	17	5%	4	6%	21	5%
Letter from Supplier	263	72%	37	54%	300	69%
Did Not Receive Confirmation	26	7%	11	16%	37	9%
Other	18	5%	3	4%	21	5%

Consumers added comments which include but are not limited to: "Confirmed by telephone", "Unfortunately Columbia Gas is stalling", "Comment on my gas bill stating new supplier", ". . .but did receive confirmation from another company that I did NOT choose", and "I did, but in fact, I am still trying to get them to accept me after I had a letter from them saying that they had and I would start with them in November 1998."

18. If you have chosen a supplier, what was the length of time between enrollment and your first new bill?

	database sample (318 responses)		purchased sample (49 responses)		combined sample (367 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Less than 1 month	20	6%	6	12%	26	7%
1 month	124	39%	17	35%	141	38%
1.5 months	41	13%	5	10%	46	13%
2 months	111	35%	11	22%	122	33%
3 months	17	5%	2	4%	19	5%
4 or more months	5	2%	2	4%	7	2%
Don't know	0	0%	6	12%	6	2%

19. If you have chosen a supplier, what is the length of your service agreement?

	database sample (334 responses)		purchased sample ([illegible] responses)		combined sample (391 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
1 year	267	80%	32	56%	299	76%
1.5 years	0	0%	1	2%	1	0%
2 years	52	16%	10	18%	62	16%
3 years	3	1%	2	4%	5	1%
5 years	4	1%	4	7%	8	2%
No Contract	0	0%	1	2%	1	0%
Open	1	0%	1	2%	2	1%
Don't know	7	2%	6	11%	13	3%

20. If you have chosen a supplier, how satisfied are you?

	database sample (322 responses)		purchased sample (54 responses)		combined sample (376 responses)	
	(raw)	(%)	(raw)	(%)	(raw)	(%)
Very Satisfied	123	38%	19	35%	142	38%
Satisfied	183	57%	26	48%	209	56%
Not Satisfied	16	5%	9	17%	25	7%

Several consumers added comments suggesting that it was too early to gauge satisfaction.

21. Do you believe you have saved money on your natural gas bill?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	294	92%	24	8%	318
purchased sample	40	80%	10	20%	50
combined sample	**334**	**91%**	**34**	**9%**	**368**

22. If "yes", how much on average on a per month basis?

	Responses	Average Savings
database sample	236	$ 14.10
purchased sample	30	$ 17.80
combined sample	**266**	**$ 14.52**

Several consumers added comments suggesting that it was too early to provide an accurate savings estimate.

23. Overall, do you think Customer CHOICE is a good idea?

Choice good idea?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
database sample	419	93%	31	7%	450
purchased sample	95	90%	11	10%	106
combined sample	**514**	**92%**	**42**	**8%**	**556**

24. Do you have any additional comments or ideas about the program?

- I thought the savings would be more noticeable.
- I believe that, given time, all rates will come within pennies.
- Extend to electric utilities.
- Was Columbia forced to do this by law? If not, how do they benefit?
- The choice program is a good idea as long as the suppliers give good information to the customers.
- When I made my choice my information was VERY sketchy, even with Apples to Apples from the PUCO. All of the hidden charges are not explained; it's very hard to make an educated comparison of one to another.
- Excellent program. Well satisfied with Ohio Consumers' Counsel and Public Utilities Commission of Ohio information.
- It's too early to determine satisfaction or savings.
- I am concerned about having to worry that the deals offered this year are not going to be a consistent "good deal." I don't want to hop around through suppliers for the next 20 years.
- The whole idea of deregulation creates mass confusion, extra work, and - in the long run - probably won't save anything. You're dealing with out-of-town companies that are unfamiliar, trying to pick the best deal is a "crap shoot" since rates and offers are continually changing.
- The internet was invaluable in obtaining unbiased information.
- The information is available but people have to want to go after it. A lot of my friends say they want to but don't find the time to check into it.
- I am not an idiot and the information I received made no sense.
- Eliminate CHOICE and base whatever legislation is needed to lower Columbia Gas rates.
- How about doing the same thing with electricity and phone service?
- Unsure about savings. I fail to understand how Columbia Gas can buy in bulk, transmit, store, perform maintenance up to residence, do billing and sell bulk to a second party who sells to consumers at a lesser rate than Columbia Gas could if they still did the whole thing.
- The transition rider surcharge is difficult to understand and gas companies don't understand it either. It reduced savings and was not explained clearly.
- I found few people to be well informed and think a greater effort to inform should be made if this is done with electric. People are lazy -- or ignorant -- or both.
- We are on Social Security and our income is fixed so we need to save where we can.

Ohio Consumers' Counsel
Columbia Gas of Ohio
CHOICE® Program Lucas County Survey
(Analysis Results)

Methodology

OCC mailed surveys to 2000 Lucas County residents on March 12, 1999. Randomly selected labels were purchased from a list supplier. Recipients were asked to complete the survey and return it by March 31, 1999. A postage-paid return envelope was included with the survey. The two-page survey was intended to measure consumers' awareness, understanding and participation in the Customer CHOICE program. In addition, since Lucas County residents have had choice since April 1, 1997, it was hoped that the survey could indicate experiences consumers may have had with contract notification, switching suppliers and other issues.

206 surveys were returned by the US Postal Service as undeliverable, resulting in a sample size of 1795. 120 people returned surveys for a response rate of 6.7%.

Raosoft SURVEYWIN 3.2 survey software was used to develop the survey form, receive the data and calculate responses. The software calculates total responses and percentages using the number of responses to each question.

While 120 responsive surveys were returned, very few people completed the entire survey, with many not responding to the entire second page. In some questions, percentage totals exceed 100% because respondents were directed to select more than one answer if applicable.

1. Are you a customer of Columbia Gas of Ohio?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	98	84%	18	16%	116

2. Are you a PIPP customer?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	7	12%	52	88%	59

3. Are you aware of the Columbia Gas Customer CHOICE program?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	103	90%	11	10%	114

4. From what source(s) did you first learn of the program? (check as many as apply)

	Toledo sample (104 responses)	
	(raw)	(%)
Columbia Gas Bill Insert	51	49%
Media (radio, tv, print ad)	56	54%
Ohio Consumers' Counsel	7	7%
Contact from Gas Supplier	31	30%
Community Event	0	0%
Public Utilities Commission	6	6%
Other	2	2%

Other comments included, but were not limited to: "I called about rate hike," and "friend".

5. Was clear information available to you to explain and answer your questions about the program?

	Yes		**No**		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	82	78%	23	22%	105

6. How many natural gas suppliers, if any, have contacted you?

	Responses	**Average Contacts**
Toledo sample	89	2.4

Average number of contacts was determined by producing an average from among consumers who provided a numerical response to this question. An additional seven consumers responded "many," "several," or "lots". Of note, seventeen consumers (19%) responded that they had been contacted by no natural gas suppliers, significantly impacting the average. Other comments included, "Called all available suppliers before deciding" and "Didn't pay attention, just tear them up."

7. By what method? (check as many as apply)

	Toledo sample (97 responses)	
	(raw)	(%)
Direct Mail	87	90%
Telephone Solicitation	22	23%
Door-to-Door	24	25%
At a Community Event	2	2%
Other	1	1%

8. Were suppliers' offers easy to understand?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	72	71%	29	29%	101

9. Have you chosen a natural gas supplier other than Columbia Gas of Ohio?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	62	59%	43	41%	105

10. If "Yes," which company did you select?

	Toledo sample (8 responses)	
	(raw)	(%)
Columbia Energy Services	3	38%
Commonwealth Energy Services	3	38%
Non responsive	2	25%

11. What factor(s) influenced your decision to stay with Columbia Gas or to choose a supplier? (check as many as apply)

	Toledo sample ([illegible] responses)	
	(raw)	(%)
Opportunity to Save	64	62%
Budget Billing	16	16%
Insignificant Savings	6	6%
Prefer to Wait and See	18	17%
Specific Supplier's Offer	10	10%
Brandname of Supplier	3	3%
Confusing Prices	11	11%
Don't Understand the Program	12	12%
Group Buying Program	0	0%
Word of Mouth Referral	3	3%
Don't Want to Bother	7	7%
Other	8	8%

Other responses offered by consumers included but were not limited to:

- Don't understand all this hogwash.
- Happy with Columbia Gas services. No complaints.
- Haven't decided to change yet.
- How much of the bill does Columbia Gas get? "pipeline" etc.
- I feel the savings may be valid at first, but they usually raise the prices eventually, so that it isn't very great.
- If meter broke Columbia Gas could fix, if I went with other company it would cost me about $800.
- Lock in rate.

- One gas price for 12 months -- no variation as with Columbia.
- Was unable to choose another supplier. Was told already getting lowest price.
- When neighbors switched, utility cane and "blew out" their lines. Considering these are all older homes, their existing gas lines were perforated. Consequently, their line had to be fitted with a sleeve through to the meter at an average cost of over $300. I don't want to fool around with that.

12. Did you have adequate information to make a good decision for your household?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	73	67%	36	33%	109

13. From what source(s) did you get information to make your decision? (check as many as apply)

	Toledo sample (87 responses)	
	(raw)	(%)
Columbia Gas of Ohio	43	49%
Media (radio, tv, print ad)	31	36%
Ohio Consumers' Counsel	8	9%
A Natural Gas Supplier	33	38%
Community Group	1	1%
Public Utilities Commission of Ohio	10	11%
Other	9	10%

Comments provided in response to this question included but were not limited to: "friend," "gas suppliers' web sites," "made my own decision based on insufficient information," and "Jamie Farr was my husband's nephew."

14. If you have chosen a supplier, when did you enroll? (month/year)

Fifty-four consumers responded to this question, of which, approximately 20 indicated that they had enrolled with an alternate supplier more than twelve months ago. Eighteen consumers enrolled in 1997; twenty-eight consumers enrolled in 1998; and six consumers enrolled prior to March 1999. Two consumers were unaware of their enrollment date.

15. If you have chosen a supplier, how did you enroll?

	Toledo sample ([illegible] responses)	
	(raw)	(%)
Mail/FAX	49	74%
Door-to-Door	6	9%
Telephone	15	23%
Internet	0	0%

16. Was enrollment convenient?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	61	95%	3	5%	64

17. How did you receive confirmation of your enrollment?

	Toledo sample (62 responses)	
	(raw)	(%)
Letter from Columbia Gas	16	26%
Copy of Offer	1	2%
Letter from Supplier	36	58%
Did Not Receive Confirmation	10	16%
Other	3	5%

Comments provided in response to this question included but were not limited to: "for three months I kept calling them," "on my monthly bill," and "I don't remember".

18. If you have chosen a supplier, what was the length of time between enrollment and your first new bill?

	Toledo sample (54 responses)	
	(raw)	(%)
Less than 1 month	8	15%
1 month	23	43%
1.5 months	5	9%
2 months	5	9%
3 months	2	4%
4 or more months	1	2%
Not yet available	1	2%
Don't remember	9	17%

19. If you have chosen a supplier, what is the length of your service agreement?

	Toledo sample (56 responses)	
	(raw)	(%)
1 year	34	61%
2 years	6	11%
3 years	1	2%
4 years	1	2%
Don't remember	14	25%

20. If you have chosen a supplier, how satisfied are you?

	Toledo sample (65 responses)	
	(raw)	(%)
Very Satisfied	21	32%
Satisfied	39	60%
Not Satisfied	5	8%

21. Do you believe you have saved money on your natural gas bill?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	57	86%	9	14%	66

22. If "Yes," how much on a per-month basis?

	Responses	Average Savings
Toledo sample	34	$17.39

23. Did you receive a notice about your right to terminate or renegotiate at the end of the first year of your contract?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	38	62%	23	38%	61

24. At the end of the first year of your contract, did you switch to another supplier?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	5	11%	39	89%	44

25. If you switched to another supplier, which company did you select and why?

	Toledo sample	(# responses)
	(raw)	(%)
Columbia Energy Services	3	38%
Commonwealth Energy Services	3	38%
Non responsive	2	25%

26. If you switched to another supplier, did you have any problems switching?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	3	27%	8	73%	11

27. If "Yes," what problems did you have?

The four responses to this question included the three affirmative responses from Question 26 as well as one comment:

- (If I am ever switched yet) I wrote a letter last fall to cancel with United Gas and they still haven't given me evidence that I am switched.
- I was going to switch to IGS but was told by them I was with another supplier but I believe the contract was over.
- Timing. Keyspan was slow to react.
- Requested contract from another wholesaler (3/15/99) Don't know if problems will arise.

28. Overall, do you think Customer CHOICE is a good idea?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Toledo sample	81	96%	3	4%	84

29. Do you have additional comments or ideas about the program?

A cross sample of the forty-two comments provided includes:

- (Smiley face drawing)
- Break down the percentages of service. What does Columbia Gas charge and the supplier under the program?
- Columbia Gas has been very good to us for the past 30 years. How can alternates supply at a lesser rate than Columbia? Answers become obscured in marketing hype.
- Excellent program. Need same for electricity.
- I feel regardless of income everyone should have a choice.
- How would one know who to choose?

- I am totally unaware of programs offered to me by Columbia Gas.
- I can't see that there are any savings.
- I would enjoy cheaper rate but don't know whom to trust -- "Better the devil you know."
- Why not just have the lowest gas price available at Columbia Gas?
- I hope we will be able to choose electrical supplier too!
- Need a single source of information about natural gas suppliers other than prices; e.g. years in business, number of customers, complaints against, etc.
- Price hike the second year were high -- approximately 15 - 20%.
- Received notice that the price of gas will be lower for the coming 1999 - 2000 year.
- My money is ending up in the same hands as before. Nothing has changed except for the confusion (CHOICE) has created.

Ohio Consumers' Counsel
Cincinnati Gas & Electric
Natural Gas Customer Choice Program Survey
(Analysis Results)

Methodology

OCC developed and mailed survey instruments to 2,000 customers of Cincinnati Gas & Electric (CG&E) in an effort to better understand and evaluate the company's on-going natural gas customer choice pilot program. OCC purchased random-sort mailing labels from a list supplier. Surveys were mailed on March 9, 1999 and customers were asked to use the postage-paid envelope provided and to return surveys by March 31, 1999.

One hundred eighty-two surveys were returned by the US Postal Service as undeliverable. One hundred fourteen households responded to the survey for a response rate of 6.04%.

Raosoft SURVEYWIN 3.2 survey software was used to develop the survey form, compile data, calculate responses and list comments. The software calculates total responses and percentages for the *number of responses to each question.* Those responding to the survey frequently did not complete all questions, particularly on the second page. Also, many of the questions applied only under certain circumstances, for example if a customer had selected a gas marketer. Finally, some questions called for customers to select as many responses as may apply. In these cases, percentage-based analysis will exceed 100%.

In short, when reviewing this material, it is exceedingly important to keep in mind that the data is based upon the number of responses provided to any given question. Of the one hundred fourteen households returning the survey, some statistics may be based on ten or fewer consumer responses.

Finally, the comments included have been chosen as representative of the types of comments received for any specific question. Comprehensive comments are available upon request.

1. Are you a natural gas customer of Cincinnati Gas & Electric (CG&E)?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Responses	100	90%	11	10%	111

2. Are you aware of the CG&E natural gas choice program?

	Yes		No		total responses
	(raw)	(%)	(raw)	(%)	
Responses	79	74%	28	26%	107

3. From what source(s) did you learn of the program? (check as many as apply)

	Responses	% total
	(raw)	(%)
CG&E Bill Insert	69	72%
Media (radio, tv, print ad)	49	51%
Ohio Consumers' Counsel	13	14%
Contact from a Natural Gas Supplier	19	20%
Community Event	1	1%
Public Utilities Commission of Ohio	5	5%
Other	7	7%

Among those consumers who indicated "Other", answers included but were not limited to: "this mailing", "family", and "possibly other sources as well".

4. How do you prefer to receive information about the natural gas choice program (check as many as apply)

	Responses (raw)	(108 total) (%)
CG&E Bill Insert	62	57%
Media (radio, tv, print ad)	24	22%
Telephone Solicitation	2	2%
Community Event	2	2%
Direct Mail	55	51%
Door-to-Door	2	2%
Internet	8	7%
Newsletters/Fact Sheets	29	27%
Other	5	5%

Among those consumers who indicated "Other", answers included but were not limited to: "information as collected by an independent group who has nothing at stake, presents the facts truthfully", "does not matter", and "I am going to stay with CG&E".

5. Have you been contacted by any gas suppliers participating in the program?

	Yes		No		Total Responses
	(raw)	(%)	(raw)	(%)	
Responses	20	18%	89	82%	109

6. If, "yes", by what method were you contacted? (check as many as apply)

	Responses (raw)	(24 total) (%)
Direct Mail	15	63%
Door-to-Door	8	33%
Telephone	4	17%
Other	1	4%

7. Have you chosen a natural gas supplier other than CG&E?

	Yes		No		Total Responses
	(raw)	(%)	(raw)	(%)	
Responses	11	10%	99	90%	110

8. If you have not switched, what would motivate you to choose a natural gas supplier other than CG&E?

There were eighty-seven responses to this open-ended question. More than fifty responses cited savings or a combination of savings, service, and reliability. Twenty consumers suggested that they needed more information in order to make an informed decision. Twelve households said that there is no factor that would motivate them to switch from CG&E. Individual responses included but were not limited to:

- Huge savings.
- CG&E has been very fair and understanding.
- More services to customers. . .relight water heater pilot, restore heat when furnace fails, etc. . . .CG&E used to give this kind of assistance.
- Better familiarity with other gas suppliers. More information about suppliers' reputations.
- I would have to see substantial cost savings along with reliable service.
- Service, Price, Convenience
- Much more information and a competitive price guide.
- I would not switch.
- More information on cost comparisons. Lower cost.
- Lower prices, guaranteed reliability of service.
- I would like to know my options and see a price comparison between CG&E and the other suppliers.
- More information about choices, who provides them, price guide, length of contract, could I switch back? Who responds to trouble calls? Are they properly equipped?
- Unless savings are substantial, I might as well stay with a "winner". I have never had a problem with CG&E. I have never heard of alternate suppliers.
- Continuity of service at significantly reduced rates.
- A simple, easy way to follow program to fulfill switch. Also, I really don't know enough to make an informed decision. How do I know whom to trust?
- Drastic savings.
- Lower cost, reliable service.

9. If you have switched, did you experience any difficulties selecting a supplier?

	Yes		No		Total Responses
	(raw)	(%)	(raw)	(%)	
Responses	2	10%	18	90%	20

If "yes", please explain.

Only one of the two consumers who indicated difficulties offered an explanation: "I doubted if I would save money".

10. If you have chosen a supplier, how did you enroll?

	Mail or Fax		Door to Door		Total Responses
	(raw)	(%)	(raw)	(%)	
Responses	4	40%	6	60%	10

Would you favor being able to enroll over the telephone?

	Yes		No		Total Responses
	(raw)	(%)	(raw)	(%)	
Responses	5	33%	10	67%	15

Would you favor being able to enroll over the internet?

	Yes		No		Total Responses
	(raw)	(%)	(raw)	(%)	
Responses	1	8%	11	92%	12

11. If you have chosen a supplier, how satisfied are you?

	Responses	
	(raw)	(%)
Very Satisfied	3	30%
Satisfied	3	30%
Not Satisfied	4	40%

Please explain.

Eleven comments were provided in conjunction with this question. Generally, consumers who indicated some level of satisfaction said that they have saved money on their monthly natural gas bill. Those who expressed dissatisfaction suggested that they did not benefit from any savings or that savings was less than they expected. Comments included but were not limited to:

- I believe my "total" bill is now higher.
- I'm saving money.
- The savings implied were never realized. Actual savings were only two or three dollars per month.
- Slightly less expensive.
- No cheaper. Lied

12. If you have chosen a supplier, what is the length of your service agreement?

	Responses (raw)	(in total) (%)
1 year	8	73%
2 years	3	27%
3 years or more	0	0%

13. If you have chosen a supplier, do you believe you have saved money on your natural gas bill?

	Yes (raw)	Yes (%)	No (raw)	No (%)	Total Responses
Responses	4	31%	9	69%	13

14. If "yes", how much on average on a per month basis?

Only two consumers responded to this question. One cited an average savings of $2.00 per month, the other $2.50 per month.

15. If you choose a supplier, do you favor having your savings, if any, appear on your monthly bill?

	Yes (raw)	Yes (%)	No (raw)	No (%)	Total Responses
Responses	42	82%	9	18%	51

16. Overall, do you think natural gas choice is a good idea?

	Yes		No		Unsure		Total Responses
	(raw)	(%)	(raw)	(%)	(raw)	(%)	
Responses	49	64%	10	13%	18	23%	77

If "yes", why do you think it is a good idea?

	Responses	[illegible]
	(raw)	(%)
Opportunity to Save Money	42	48%
Alternative to CG&E	17	19%
In Favor of Deregulation	10	11%
Other	8	9%

Among those consumers who offered additional comments, answers included but were not limited to: "competition gives incentive for holding price down, improving service", "Reduction of monopoly, elimination of exploitation", and "CG&E obviously inflates its prices".

If "no", why do you think it is not a good idea?

	Responses	[illegible]
	(raw)	(%)
Insufficient Savings	8	22%
Satisfied with CG&E	13	36%
Confused by the Program	11	31%
Other	4	11%

Among those consumers who offered additional comments, answers included but were not limited to: "the purpose of deregulation is to protect the public, but that's never the result", "it has caused CG&E to raise prices thru the excuse of recovery charge fee", and "not convinced that CG&E is not still getting a piece".

17. How could CG&E's natural gas choice program be improved?

Forty-seven consumers offered thoughts on how to improve the program. Approximately one-third suggested that more information would be useful to consumers. Six consumers indicated that the program would benefit from lower prices offered by suppliers. Six consumers said that the program is currently acceptable. Comments included but were not limited to:

- It's fine with me now.
- Knowledgeable, helpful customer service line.
- Most information I have seen has been difficult for me to understand and interpret.
- More, clearer, and detailed information.
- More facts, illustrations detailing the choices available, honest cost comparisons and savings computations, consumer hotline for updates and questions.
- Cheaper prices.
- Explain it in lay person's terms.
- Better service for less money than the closest competitor is what I'm sure all consumers want.
-

18. Please include any additional comments or concerns regarding the Cincinnati Gas and Electric natural gas choice program.

Eighteen comments were offered in response to this open-ended question. Three consumers suggested choice was good; two said that choice was bad. Three consumers indicated that more information would help in understanding the program; while three suggested that they were satisfied with CG&E or the pilot program. Three additional consumers simply said that they were confused. Comments included but were not limited to:

- Improved advertising to the public of options available, directions in monthly bills as to how to exercise options.
- I feel this program is a bit of a bad idea.
- Would appreciate information on long-range reliability of alternative suppliers.
- I believe competition would help control CG&E.
- Choice is good.
- Unsure.
- I only hope deregulation does not heart the gas programs the way it did the deregulation of the telephone.