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THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application of The
Cincinnati Gas & Electric Company for)
Approval of its Electric Transition Plan,) Case No. 99-1658-EL-ETP
Approval of Tariff Changes and New) Case No. 99-1659-EL-ATA
Tariffs, Authority to Modify Current) Case No. 99-1660-EL-ATA
Accounting Procedures, and Approval) Case No. 99-1661-EL-AAM
To Transfer its Generating Assets to an) Case No. 99-1662-EL-AAM
Exempt Wholesale Generator.) Case No. 99-1663-EL-UNC
)

In the Matter of the Application of the)
Dayton Power and Light Company for)
Approval of its Transition Plan, for) Case No. 99-1687-EL-ETP
The Opportunity to Receive Transition) Case No. 99-1688-EL-AAM
Revenues, for Approval to Change) Case No. 99-1689-EL-ATA
Accounting Methods, and Approval to)
Amend its Tariff.)

In the Matter of the Applications of)
Columbus Southern Power Company) Case No. 99-1729-EL-ETP
And Ohio Power Company for Approval) Case No. 99-1730-EL-ETP
of Their Electric Transition Plans and)
for Receipt of Transition Revenues.)

In the Matter of the Application of)
Monongahela Power Company dba) Case No. 00-02-EL-ETP
Allegheny Power for Approval of an)
Electric Transition Plan.)

REPLY COMMENTS OF

THE CINCINNATI GAS & ELECTRIC COMPANY

I. INTRODUCTION

The Cincinnati Gas & Electric Company (CG&E) submits these reply comments to the comments filed by Members of the Coalition for Choice in Electricity (CCE) and the Ohio Consumers' Counsel (OCC) in regards to the Public Utilities Commission of Ohio's (Commission's) Entry of April

6, 2000 in the above-captioned proceeding. CG&E will, in these reply comments, demonstrate that the comments filed by CCE and OCC do not adequately support the need for an evidentiary hearing as to CG&E's Consumer Education Plan. These parties have raised no substantial rationale for requiring the Commission to conduct a consumer education hearing.

To reiterate the applicable standard, Amended Senate Bill No. 3 (SB3) authorizes the Commission to make a determination of which aspects of a utility's transition plan "reasonably require a hearing." Revised Code 4928.32(B). As described herein, neither CCE nor OCC have presented sufficient evidence to prohibit the Commission from making such a determination. Furthermore, CG&E asserts that it is in the best interest of all the parties and, most importantly, Ohio's consumers, for the Commission to approve CG&E's Amended Consumer Education Plan as soon as is practicable.

I. CCE'S COMMENTS ARE FACIALLY DEFECTIVE IN SEVERAL REGARDS.

A. CCE's Request For The Commission To Reject CG&E's Consumer Education Plan Is Procedurally Defective.

CCE requests the Commission to find that CG&E's Consumer Education Plan is substantially inadequate and to reject CG&E's Consumer Education Plan. *CCE Comments* at 2, 11. While Revised Code 4928.31(A) authorizes the Commission to "reject and

requiring refiling, in whole or in part, any substantially inadequate transition plan," the Commission itself has limited this authorization. Ohio Administrative Code 4901:1-20-14 states that the Commission:

shall conduct an adequacy review of a transition plan filing within the first thirty days after its filing. If any inadequacy is found and/or refiling is deemed necessary, the utility will be notified by commission ruling. If no commission ruling is issued in this thirty-day period, the application should be automatically deemed minimally adequate.

CG&E filed its transition plan, including its Consumer Education Plan, on December 28, 1999. As of January 27, 2000, the Commission had not ruled that any aspect of CG&E's transition plan was inadequate. Since the Commission issued no ruling within the thirty-day window, CG&E's transition plan, including its Consumer Education Plan, has been deemed to be adequate. Irrespective of whether there is merit to CCE's argument that CG&E's Consumer Education Plan is substantially inadequate, the Commission is precluded by its own rules from granting CCE's request.

B. CCE's Allegations Of The Inadequacy Of CG&E's Consumer Education Plan Lack The Specificity Needed To Support Their Request for Hearing.

CCE requests the Commission to reject CG&E's Consumer Education Plan as substantially inadequate and to conduct

hearings in order to establish a record on CG&E's Consumer Education Plan. *CCE Comments* at 11. However, CCE presents no specific evidence or argument that CG&E's Consumer Education Plan is in noncompliance with the legislation or the Commission-Ordered Consumer Education Plan.

Throughout its comments, CCE has positioned its arguments against "some" or "many" of the utilities. *CCE Comments* at 3, 5, 6. Nowhere in their comments does CCE identify any specific shortcoming of CG&E's Consumer Education Plan. Yet CCE expects the Commission, upon such scant and unsubstantiated commentary, to subject CG&E, the Commission, OCC, and the other parties to CG&E's transition plan case to a full evidentiary hearing on the merits of CG&E's Consumer Education Plan. Given the complete lack of specific criticism provided by CCE, it would be *unreasonable* for the Commission to find that a hearing was necessitated.

II. CG&E'S AMENDED CONSUMER EDUCATION PLAN COMPLIES WITH THE COMMISSION-ORDERED CONSUMER EDUCATION PLAN IN ALL RESPECTS.

A. CG&E's Amended Consumer Education Plan meets the state policy embodied in Revised Code 4928.02.

CCE argues that "the utilities" Consumer Education Plans fail to meet the policy embedded in Revised Code 4928.02. *CCE Comments* at 2,

(emphasis added). However, these policy statements, while laudable, do not specifically address educating consumers on their ability to choose their retail electricity supplier. Rather, these policy objectives are simply the context within which SB3 and the Commission's rules promulgated thereunder should be interpreted and implemented. One must look to the specific legislative provisions and to the Commission's rules promulgated thereunder to determine whether CG&E's Consumer Education Plan is in compliance with these specific provisions and therefore whether it supports the state's policies.

Ultimately, the Commission provided a general plan for consumer education pursuant to Revised Code 4928.42. This plan will ensure that consumers have "effective choices over the selection of" alternative suppliers of retail electric service, ensure that consumers are provided "cost-effective and efficient access to information" and ultimately ensure "the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service." Revised Code 4928.02. By fully and completely complying with the Commission-Ordered Consumer Education Plan, as maintained by CG&E and more fully addressed herein, CG&E is in fact furthering Ohio's policy of promoting a competitive retail electric market.

B. CG&E's Amended Consumer Education Plan Provides The Appropriate Level Of Detail On How It Will Accomplish The State's Consumer Education Goals.

CCE complains that “some” of the utilities’ Consumer Education Plans do not offer enough detail on how they will promote Ohio’s consumer education goals. *CCE Comments* at 3. Specifically, CCE asserts that detail is lacking in the areas of internal training and staff communications, representation on the service territory-specific Advisory Group, and communicating the message of ‘how to shop’ and directing consumers to more information. *CCE Comments* at 3, 6.

Of course, contrary to CCE’s implications, CG&E’s Amended Consumer Education Plan has provided detail regarding how CG&E will meet each of these requirements. First, CG&E’s plan contains an extensive twelve-page description of its Employee Education Plan. *See* CG&E’s Amended Consumer Education Plan at 20 – 31. The Employee Education Plan comprehensively describes CG&E’s internal training and staff communication efforts, specifically detailing the goals and objectives, target audience, tactics, timeline, and measurement of success. Clearly, CG&E has fully and completely met this requirement.

Second, CG&E has amended its originally-filed Consumer Education Plan so that its service territory-specific Advisory Group mirrors that of the statewide campaign; CCE’s comment with respect to CG&E in this regard is therefore nullified. *See* CG&E’s Amended Consumer Education Plan at 7, 8.

Third, CG&E specifically addressed the messages of ‘how to shop’ and how to obtain additional information in the description of its service

territory-specific goals and objectives. See CG&E's Amended Consumer Education Plan at 6, 7, 10, 11. While CG&E admits that the specific message, containing the detailed description of how consumers can exercise their right to go about choosing an alternative retail electric supplier, has not been fully developed, CG&E maintains that fully developing the message at this point would certainly be premature. As CCE is well aware, the mechanics of shopping are still being sorted out in the Operation Support Plan Working Group.

Additionally, CCE complains that "many" of the utilities have failed to comply with the Commission-Ordered Consumer Education Plan by not providing adequate detail on tactics and timelines. *CCE Comments* at 5 – 7. Contrary to CCE's assertions, however, CG&E has provided a thoroughly descriptive narrative of its planned service territory-specific tactics, and has further identified the time frame within which each tactic will be deployed. See Amended Consumer Education Plan at 9 – 15, 16 – 20. Obviously, CCE's complaint is simply not directed towards CG&E.

Most importantly, CG&E's Amended Consumer Education Plan contains the *appropriate* level of detail. CG&E has described the goals and objectives of its service territory-specific campaign, the tactics it proposes to utilize, the expected time frames within which to implement the various tactics, as well as a means of ensuring that its service territory-specific campaign is successful. See *generally* CG&E's Amended

Consumer Education Plan. However, CG&E recognizes the imperative of obtaining input from various stakeholders, such as consumers, marketers, the Staff and OCC. Only with the input of these valued members of the service territory-specific Advisory Group can CG&E hope to develop the detailed plans necessary to implement the most effective service territory-specific consumer education campaign possible. Any more detail at this early stage of the campaign would certainly lead CG&E's efforts down a less-effective path. By providing the level of detail that it has, CG&E's Amended Consumer Education Plan provides a solid framework on which can be assembled the details contributed by the various stakeholders.

C. CG&E's Amended Consumer Education Plan Promotes A Close Working Relationship With Community Based Organizations (CBOs).

CCE claims that "all" of the utilities' consumer education plans do not envision a cooperative working relationship with the CBOs. CCE *Comments* at 3, 4. In CG&E's case, nothing can be farther from the truth. In fact, and as described in CG&E's Amended Consumer Education Plan, CG&E sees the CBOs as a critical and integral component in its service territory-specific campaign. CG&E has described in considerable detail its plans for embracing CBOs in its service territory-specific campaign. See CG&E's Amended Consumer Education Plan at 11 - 13. Specifically, CG&E's CBO program will include:

- the development of an electric choice education presentation, with the flexibility to customize this presentation for different target audiences;
- creation of a database to include community organizations, civic groups, neighborhood associations and other special interest organizations;
- establishment of a Customer Choice Public Education Team comprised of CG&E employees who will be delivering the presentation to groups upon request.

In fact, CG&E has even gone so far as to assign the CBO program to its Community Affairs Department to ensure that the appropriate level of internal knowledge and expertise are provided to the CBOs.

Furthermore, CG&E has made significant progress to date in implementing its CBO program. CG&E has undertaken the following steps to implement the tactics outlined above:

- An electric choice education presentation has been developed and has already been delivered in response to requests from the community.
- Solicitation letters are scheduled to be mailed to CG&E management during May to recruit employee members of the Customer Choice Public Education Team.

- Training for the Customer Choice Public Education Team is tentatively scheduled for late June early July. The agenda for the one-day training session is under development.
- CG&E has begun to develop a database consisting of community organizations, governmental groups, civic group, and other special interest organizations. Presently, the data base consists of over 500 groups.
- A mailing to the contacts included in the database is tentatively scheduled for late July early August announcing the Customer Choice Public Education Team and inviting organizations to schedule a presentation. Timing of the mailing is dependent, of course, on the roll-out of the statewide campaign

Clearly, CCE should have excluded CG&E from its comments regarding utilities' failure to partner with CBOs in their service territory-specific campaigns.

Finally, with respect to CBOs, CCE's complaint that lack of funding by service territory-specific campaigns for CBOs renders these plans in non-compliance with the Commission's general plan is absurd. While the Commission did not prohibit the disbursements of some service territory-specific funds to CBO, neither did it require that CBOs be funded by the utilities before their plans would be found in compliance. While CG&E's Amended Consumer Education Plan recognizes that CBOs are crucial resources in communicating with

certain hard-to-reach groups of consumers, CG&E maintains that, rather than simply throwing money at the CBOs, a more effective approach is to work closely with them, providing CBOs with the expertise, presentations, collateral and facilities they require to communicate the message of choice to their constituents.

III. FURTHER DELAYS IN IMPLEMENTING CONSUMER EDUCATION EFFORTS CAN ONLY SERVE TO IMPEDE THE SUCCESS OF THESE CAMPAIGNS.

A. Approval Of CG&E's Amended Consumer Education Plan Should Not Be Dependent On The Roll-Out Of The Statewide Consumer Education Plan.

CCE attempts to tie approval of the service territory-specific consumer education plans to the roll-out of the statewide consumer education plan. This, of course, makes little sense. While it is agreed by all that the service territory-specific campaigns must be aligned with the statewide campaign, approval of the service territory-specific plans can and should appropriately be granted independent of the actual roll-out of the statewide campaign.

CG&E's Amended Consumer Education Plan describes the tactics, target audience, messages, timeline and other necessary details of CG&E's service territory-specific campaign. Meeting each of the Transition Plan Content Requirements set forth in the Commission-Ordered Consumer Education Plan makes CG&E's plan ripe for

Commission approval. Further, CG&E's plan specifically recognizes that synchronization with the statewide plan, once developed, will be necessary. See CG&E's Amended Consumer Education Plan at 3. As the statewide plan will be a dynamic process, changing to meet the needs of Ohio's consumers, waiting until the statewide plan is finalized before approving the service territory-specific plans will delay this approval indefinitely. As long as CG&E's service territory-specific plan retains the flexibility to be synchronized with the statewide plan, approval of the plan can reasonably be granted immediately.

B. CG&E Plans To Heavily Involve Consumers In The Further Planning And Implementation Of Its Service Territory-Specific Campaign.

CCE complains that additional involvement of consumers is necessary in the development of utilities' service territory-specific campaigns. *CCE Comments* at 8, 9. What CCE fails to understand, apparently, is that these plans will continually evolve, and the appropriate involvement of consumers in the development and implementation of these plans is through the service territory-specific Advisory Group.

For example, CG&E's service territory-specific Advisory Group will consist of representatives from the following consumer organizations:

- People Working Cooperatively;
- Greater Cincinnati Chamber of Commerce;

- Working in Neighborhoods.

It is through the active involvement of these representatives that CG&E will be able to ensure that its service territory-specific campaign continues to evolve to address the needs of the consumers within its service territory.

Finally, CCE's concerns that the Commission Staff have failed to consult with the statewide Advisory Group are irrelevant to the question of whether the Commission should hold a hearing on utilities' consumer education plans. The Commission has, through their Commission-Ordered Consumer Education Plan, excused the utilities from having to specifically address the statewide campaign in their filed consumer education plans. Rather, the Commission focused the utilities' consumer education efforts on the service territory-specific campaign. CCE's comments regarding the statewide Advisory Group should be disregarded in this context.

III. OCC'S COMMENTS ON CG&E'S CONSUMER EDUCATION PLAN CAN READILY BE ADDRESSED WITHOUT THE NEED FOR A FULL EVIDENTIARY HEARING

OCC raises several comments specific to CG&E's Consumer Education Plan. These comments can readily be addressed without an evidentiary hearing. In fact, CG&E will address each herein.

First, OCC draws some broad generalities in their comments, stating that "some" utilities deferred providing information in their

consumer education plans until completion of the statewide plan, while "others" provide a broad description of their plans without providing adequate detail. As pointed out above, CG&E has not deferred providing adequate detail in its Amended Consumer Education Plan. Rather, CG&E has filed an Amended Consumer Education Plan in excess of 35 pages, supported by more than 25 pages of testimony. CG&E believes, therefore, that these comments by OCC are simply not directed at CG&E.

Second, OCC questions whether CG&E's Employee Education Plan and Certified Supplier Training Program will be funded by consumer education dollars. Although CG&E believes that the Commission-Ordered Consumer Education Plan permits the utilities to fund their "internal training and staff communications" as part of the service territory-specific campaign, CG&E has decided not to fund this activity with consumer education dollars. Likewise, CG&E's Certified Supplier Training Program will not be funded with consumer education dollars. To be clear, CG&E's share of the mandated consumer education expenditures will be directed solely at the statewide consumer education plan, as directed by the Commission, and to CG&E's service territory-specific Customer Education Plan, as described in its originally-filed Consumer Education Plan at 33. *See also* Direct Testimony of James L. Turner at 57.

Third, OCC expresses concerns that CG&E may intend to expend consumer education dollars on educating large commercial and

industrial customers. CG&E included large commercial and industrial customers in its service territory-specific Consumer Education Plan because it believed that it was important to provide these customers with information on how to shop. However, it should be noted that CG&E plans to address educating these customers through one-on-one discussions utilizing currently assigned CG&E Account Managers, re-using standardized presentations developed for all target audiences. See CG&E's Amended Consumer Education Plan at 11. Account Managers will be trained on the issues of customer choice as part of the Employee Training Program. As described above, no consumer education dollars will be directed to this training. In fact, because CG&E expects no consumer education dollars to be expended in the development of the standardized presentations either, it is fair to say, in sum, that, other than the costs associated with copies of collateral, CG&E does not foresee any consumer education dollars being used in educating large commercial and industrial customers.

Fourth, recognizing as did OCC that the time has past for CG&E to convene its service territory-specific Advisory Group in the first quarter, CG&E has amended its originally-filed Consumer Education Plan to change the time frame within which the service territory-specific Advisory Group will first meet. CG&E now expects to convene the service territory-specific Advisory Group in the second quarter, specifically on April 25th. See CG&E's Amended Consumer Education Plan at 16.

Finally, OCC raises the issue of the pre-enrollment customer lists provided to Certified Suppliers quarterly, and customers' ability to opt-off these lists. CG&E is well aware of the requirements contained in Ohio Administrative Code §§4901:1-10-22(D)(5) and (6), which require electric utilities to notify customers of their right to opt-off the customer lists being provided to Certified Suppliers, and intends to comply with these requirements in all regards. While OCC is correct to point out that CG&E has not described in detail how it will go about notifying customers of their right to opt-off these lists, CG&E plans to work through its service territory-specific Advisory Group to determine the best communication medium for providing such notification to its customers.

In that CG&E has addressed herein all other issues raised by OCC, CG&E suspects that OCC would agree that the issue of the opt-off provision alone does not rise to the level of requiring a full evidentiary hearing on CG&E's Consumer Education Plan.

CONCLUSION

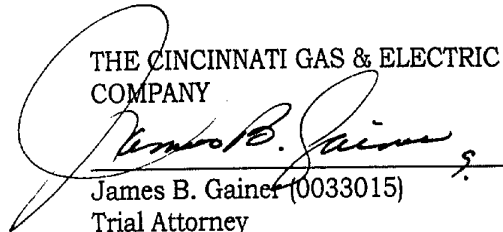
CG&E has responded herein to each objection raised by CCE and OCC to the Commission's proposal to not take the consumer education aspects of CG&E's transition plan to hearing. CG&E has demonstrated that the comments filed by CCE and OCC do not adequately support the need for an evidentiary hearing as to CG&E's Consumer Education Plan. These parties have raised no substantial rationale for requiring the

Commission to find that CG&E's Consumer Education Plan "reasonably requires a hearing." Revised Code 4928.32(B).

WHEREFORE, CG&E respectfully requests the Commission to find that a hearing is not necessary before approving CG&E's Amended Consumer Education Plan, to find that CG&E's Amended Consumer Education Plan complies with Ohio Revised Code 4928.42 and the Commission-Ordered Consumer Education Plan, and to approve CG&E's Amended Consumer Education Plan.

Respectfully Submitted,

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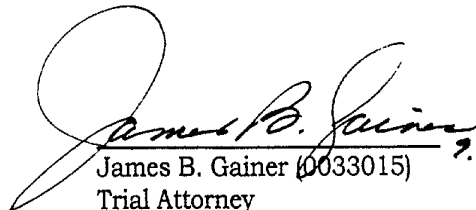
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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Comments Of
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persons by electronic mail or U.S. Mail postage prepaid this 24th day of
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