

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

CITIZENS UTILITY BOARD)
 Request for an investigation)
 into the current structure of the Nicor)
 Customers Sect Pilot Program and the)
 Proposed Changes filed August 10, 2000,)
 Meet the Public Interest Standards and)
 Other Requirements Set Forth in the)
 Public Utilities Act. 220 ILCS 5/4-101;)
 220 ILCS 5/8-101; 220 ILCS 8-102)

Docket No. 00-0620

REBUTTAL TESTIMONY

OF

BARBARA R. ALEXANDER

ON BEHALF OF

CITIZENS UTILITY BOARD

COOK COUNTY, and

PEOPLE OF THE STATE OF ILLINOIS

(GOVERNMENTAL AND CONSUMER INTERVENORS; "GCI")

GCI Ex. 4.0

February 9, 2001

OFFICIAL FILE
 I.C.C. DOCKET NO. 00-0620/621
 GCI EXHIBIT NO. 4.0
 Witness _____
 Date 3/1/01 Reporter LPP

1 Q) PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.

2 A) My name is Barbara R. Alexander. I am a Consumer Affairs Consultant, specializing in
3 consumer protection, customer service, and universal service issues associated with utility
4 regulation. My address is 15 Wedgewood Dr., Winthrop, ME 04364. I appear in this
5 case as a witness on behalf of the Citizens Utility Board, Cook County, and the People of
6 the State of Illinois (Governmental and Consumer Intervenors). I filed Direct Testimony
7 in this proceeding on December 19, 2000.

8
9 Q) DESCRIBE THE PURPOSE OF YOUR REBUTTAL TESTIMONY.

10 A) The purpose of my Rebuttal Testimony is to respond to the Testimony of Nicor Gas filed
11 on January 16, 2001 and the Testimony of the Staff of the ICC, filed on December 19,
12 2000.

13
14 Q) PLEASE DESCRIBE THE REBUTTAL TESTIMONY OF MR. HARMS ON BEHALF
15 OF NICOR GAS WITH RESPECT TO YOUR DIRECT TESTIMONY.

16 A) Mr. Harms did not respond to any of my proposals for changes in the Customer Select
17 program in any detail. He stated that my testimony was "well beyond the scope of this
18 docket" [Harms Rebuttal at 28]. He alleges that my testimony was aimed at the
19 Commission and not the Nicor Gas Customer Select Program, and states, "Her
20 recommendations appear to be based on the theory that individuals are incapable of

1 making rational decisions for themselves and, therefore, must be protected from
2 themselves.” [at 28, line 12-14] According to Mr. Harms, if the Commission accepts my
3 recommendations, it “...would be contrary to the Commission’s expressed policy of
4 opening natural gas markets to competitive market forces.” [at 28, lines 16-17] Mr.
5 Harms does not discuss any of my specific recommendations or describe why they would
6 be contrary to the opening of competitive gas markets.

7
8 Q) DO YOU THINK THAT MR. HARMS’ REACTION AND DESCRIPTION OF YOUR
9 TESTIMONY IS HELPFUL TO THIS PROCEEDING?

10 A) No, I do not think this type of characterization or reaction to my testimony is either
11 accurate or helpful to the Commission. Obviously, my testimony is directed to the
12 Commission because it is the Commission that has the authority to regulate the terms and
13 conditions for the Nicor Gas Customer Select program. The Company’s cavalier
14 approach to my testimony demonstrates its lack of understanding of both legitimate and
15 long-standing consumer protection laws and regulations in both the competitive and non-
16 competitive sectors and the type of terms and conditions approved by many other state
17 commissions for natural gas and electric retail competition.

18

1 Q) NICOR GAS WITNESS MR. HARMS SUGGESTS THAT CONSUMER
2 PROTECTIONS SHOULD NOT BE ADDRESSED IN THIS DOCKET BUT RATHER
3 ADDRESSED IN A SEPARATE, GENERIC DOCKET. HOW DO YOU RESPOND?

4 A) Nicor Gas has filed to expand its Customer Select Program to 100% of its customers in
5 this proceeding. For Mr. Harms to suggest that my proposals, which are based on an
6 analysis of the Nicor Gas program and it's filing, are somehow not related to the issues
7 that must be resolved in this docket is troubling. In order to expand this program, the
8 Commission should evaluate whether the program as proposed by Nicor Gas, is
9 consistent with the public interest and the promotion of competition. I have presented
10 significant consumers protection problems and recommended solutions to those problems
11 for Nicor Gas consumers who will face both the opportunities and the pitfalls attendant to
12 participating in a nascent natural gas supply market. Whether or not the Commission
13 enacts generic regulations applicable to other natural gas supplier programs is beside the
14 point because at present there are no other natural gas supply programs that serve small
15 residential customers in Illinois. Nicor Gas's Customer Select Program is the only
16 program serving residential consumers, and the Commission should address the problems
17 specifically related to that program before it is allowed to continue or expand.

18

1 Q) DO YOUR PROPOSALS ASSUME THAT CUSTOMERS CANNOT PROTECT
2 THEMSELVES AND THAT THEY ARE INCAPABLE OF MAKING RATIONAL
3 DECISIONS FOR NATURAL GAS SUPPLY IN A COMPETITIVE MARKET?

4 A) Of course not. What my proposals do assume, however, is that customers are not used to
5 shopping for natural gas supply, a vital utility service, and that customers are
6 inexperienced about how to compare and shop for natural gas supply. Ignorance and
7 inexperience can be corrected with sound consumer education and consumer protection
8 programs. Consumers have demanded and policymakers have devised a broad range of
9 consumer protections applicable to competitive markets and customers of natural gas
10 should be entitled to no less. Natural gas suppliers should be required to make certain
11 disclosures and follow certain "fair play" rules to prohibit unfair and misleading
12 practices, similar to those applicable to sellers of consumer products such as food, credit,
13 banking, insurance, and automobiles. Since natural gas is typically relied upon for home
14 heating by a significant number of households in Illinois and the lack of home heating has
15 significant health and safety impacts, it is reasonable for the Commission to insist that
16 competitive natural gas sales practices measure up to at least minimum consumer
17 protections.

18
19 Q) CAN WELL-DESIGNED CONSUMER PROTECTION PROGRAMS HELP MAKE
20 RETAIL COMPETITION PROGRAMS FOR THE SALE OF ENERGY MORE

1 SUCCESSFUL THAN IF STATE REGULATORS DO NOT ADOPT SUCH
2 INITIATIVES?

3 A) Yes, consumer protection programs and policies can make customers more
4 knowledgeable and comfortable entering the competitive market and, assuming there is
5 competition with respect to prices and other key contract terms, can even stimulate
6 customer entry into the competitive market. Customers who are not confident or who are
7 concerned about consumer protections and misleading practices are less likely to leave
8 their incumbent utility and shop for competitive energy. In other words, successful
9 consumer protection programs can make it more likely that customers will shop
10 intelligently and confidently and choose a competitive supplier. For example, low
11 income customers may particularly benefit from customer choice programs, but if the
12 program does not specify that such customers can participate and require suppliers to
13 accept financial assistance funds, such as LIHEAP, to help pay the bill, such customers
14 may be refused service or discouraged in trying to resolve billing problems that may
15 ensue if the program rules do not address these important matters.

16 As I described in my Direct Testimony, the Pennsylvania PUC has adopted a
17 comprehensive consumer protection program, including consumer education, disclosures
18 by suppliers and utilities, bill format requirements, contract and notice requirements and
19 credit and collection rules applicable to competitive suppliers. This comprehensive
20 program has not prevented the development of a robust retail market for electric

1 customers. The State of Pennsylvania has the highest rate of residential customers
2 shopping for electricity of any State that has moved to retail electric competition.

3
4 Q) DOES NICOR GAS INCLUDE CONSUMER PROTECTION POLICIES IN ITS
5 CUSTOMER SELECT PROGRAM?

6 A) Yes, Nicor Gas requires suppliers to conform to certain consumer protection policies.

7 The fact that the Company has objected to those I propose suggests that the issue here is
8 one of degree and not an absolute opposition to consumer protection requirements to
9 accompany natural gas competition.

10
11 Q) ARE THE CONSUMER PROTECTIONS INCLUDED BY NICOR GAS IN ITS
12 TARIFF THAT ARE APPLICABLE TO SUPPLIERS SUFFICIENT IN LIGHT OF THE
13 DEVELOPMENT OF THE CUSTOMER SELECT PROGRAM?

14 A) No. The customer complaints that have been received by the CUB and the Illinois
15 Attorney General's office about the Nicor Gas Customer Select program suggest that
16 customers have been confused about the pricing policies of at least one supplier, Nicor
17 Energy, and have confused the identity of Nicor Gas with its affiliate, Nicor Energy. In
18 my opinion, customers who confront companies with the same or similar name as their
19 local public utility typically do not understand the legal distinctions between these
20 entities, particularly when, as in the Customer Select Program, Nicor Energy was not

1 required to make any disclosures to clarify its distinction from Nicor Gas. Nor do
2 customers typically understand the different ways these two entities may be regulated.
3 Furthermore, when a seller emphasizes a fixed rate option in its advertisements, such as
4 those used by Nicor Energy, it is not at all surprising that some customers expected to
5 obtain the 26.5 cent fixed rate emphasized in Nicor Energy's advertisements.

6 This type of conduct should be regulated as part of this customer choice program
7 and is often regulated by commissions in other states as part of their oversight of natural
8 gas competition program. The Commission should carefully consider customer
9 complaints received by CUB, the Attorney General, and the ICC in its evaluation of the
10 Company's proposal to expand this program to all residential customers and its decision
11 as to what consumer protections are required.

12
13 Q) IS IT LIKELY THAT NICOR GAS WILL POLICE THE CONDUCT OF NICOR
14 ENERGY OR OTHER SUPPLIERS IN AN EVALUATION OF MISLEADING
15 ADVERTISING OR OTHER CONDUCT THAT IS HARMFUL TO CONSUMERS?

16 A) No, it is unlikely that Nicor Gas will take on this obligation or that it could do so without
17 significant controversy given that its affiliate, Nicor Energy, has most of the residential
18 market share. As I explained in my Direct Testimony (at 32-33), a reliance on Nicor Gas
19 to police its own consumer protection rules against its retail sales affiliate is misplaced. It
20 is unlikely that Nicor Gas would ever terminate its own sister company's participation in

1 the Customer Select program. Furthermore, any action that Nicor Gas would take against
2 any other supplier for violation of consumer protection rules would be viewed with a
3 great deal of suspicion because of the prominent market share obtained by its affiliate,
4 Nicor Energy. Other suppliers might complain that any action by Nicor Gas against them
5 was discriminatory. For these reasons, it is crucial that the Commission be responsible
6 for enforcing the code of conduct for suppliers and for directing both the necessary
7 consumer protections and determining when termination for violation of those protections
8 should occur.

9
10 Q) HAVE OTHER STATES ADOPTED CONSUMER PROTECTION PROGRAMS AND
11 POLICIES SIMILAR TO THOSE CONTAINED IN YOUR DIRECT TESTIMONY?

12 A) Yes. I have mentioned the comprehensive consumer protection programs adopted by the
13 Pennsylvania PUC for both natural gas and electric competition. In addition, the Ohio
14 PUC closely analyzed its pilot programs and several years ago issued an order that
15 allowed the expansion of natural gas customer choice programs, but only on the condition
16 that many of the policies I proposed were adopted. I attach an excerpt¹ of the Ohio
17 PUC's Staff Report and Commission Order that demonstrates the scope of the consumer
18 protection and other terms and conditions addressed in that State. [BA-Rebuttal Exh.

¹ The attachment contains the Exec. Summary of the Staff Report and the cover page and table of contents of the Ohio PUC's Order. The complete documents are voluminous. The intent of these excerpts is to document the scope and type of analysis undertaken by the Ohio PUC prior to expanding its natural gas competition pilot programs.

1 ___] The Michigan PSC has been active in adopting consumer protection policies for
2 natural gas competition programs as well, particularly with respect to door-to-door sales
3 of natural gas supply.²

4
5 Q) HOW DO YOU RESPOND TO MR. HARMS' CRITICISM THAT YOU DID NOT
6 PROVIDE TARIFF LANGUAGE WITH ANY OF YOUR PROPOSALS?

7 A) In my Direct Testimony I recommended expanding consumer education, requiring price
8 comparisons in billing, uniform price disclosure, establishing a specific process for partial
9 payments and other billing procedures, and I made a number of other specific
10 recommendations. If the Commission chooses to adopt these policies, the company
11 seeking approval for its program ordinarily drafts the proper tariff language to meet the
12 requirements of the Commission. This has been the typical approach in other states in
13 which I have participated on matters such as these. For example, in Pennsylvania (and
14 Ohio, although I was not a participant in Ohio's proceedings), the utility filed compliance
15 tariffs after the issuance of the Commission's order and those compliance tariffs were
16 subject to review and comment by interested parties prior to their final adoption by the
17 Commission.

18

² Michigan PSC, In the Matter of Application of Michigan Consolidated Gas Co. for Authority to Modify its
Experimental Gas Customer Choice Program, Case No. U-12050, August 17, 1999.

1 Q) HAVE THERE BEEN RECENT DEVELOPMENTS IN OTHER STATES
2 CONCERNING THE CONDUCT OF NATURAL GAS SUPPLIERS THAT SUGGEST
3 THAT EXPANDING COMPETITION PROGRAMS WITHOUT THE SORT OF
4 PROTECTIONS THAT MR. HARMS SAYS ARE NOT NECESSARY WOULD
5 SUBJECT CUSTOMERS TO UNREASONABLE RISKS?

6 A) Unfortunately, with the unprecedented increase in the price of natural gas this winter,
7 there have been many episodes concerning competitive natural gas programs that indicate
8 the need for more, not less, consumer protection and oversight by state regulatory
9 commissions. I attached an article concerning one such episode in upstate New York to
10 my Direct Testimony. Since that time, there have been several more such episodes. I
11 attach newspaper articles from Ohio, Georgia, and Virginia that describe conduct by
12 suppliers that is detrimental to affected consumers and document the need for regulatory
13 oversight.³ [BA Rebuttal Exh. ____] In most of these situations, the natural gas supplier
14 abruptly left the market and dumped its customers onto the distribution utility. In these
15 cases, the customers lost the benefit of their bargain and, even more importantly, they lost
16 deposits and prepayments paid to the natural gas supplier. In the case of the Atlanta Light
17 Co. natural gas program, the lack of adequate consumer protections, billing requirements,
18 and lack of adequate regulatory oversight of supplier conduct were described as

³ The attachment contains an article concerning the Atlanta Gas Light competition program from the Wall Street Journal, two press releases from the Ohio Consumer Counsel concerning complaints and lawsuits filed against several natural gas suppliers in Ohio, and a reprint of an article from the Power Marketers Association website:

1 contributing to consumer losses. These episodes, like the ones described earlier in my
2 testimony, give natural gas competition a "bad name" and discourage customers from
3 participating in the competitive market, even when it might benefit them to do so. My
4 proposals are intended to enable customers to confidently shop without fear of unknown
5 risks, and to encourage suppliers to concentrate on the real purpose of such programs,
6 that is, the offering of products and services that will provide customer benefits. The
7 Commission should enforce the prohibition of conduct that could mislead consumers or
8 that may result in harm to consumers.

9
10 Q) DO YOU HAVE COMMENTS ON THE STAFF'S DIRECT TESTIMONY IN THIS
11 PROCEEDING?

12 A) Mr. Iannello proposes that Nicor Gas allow a customer to designate a supplier to receive
13 the customer's transportation bill so that the customer could pay both the supplier charges
14 and the Nicor Gas distribution charges to the supplier. Under this approach, the customer
15 gets a "memo" bill from Nicor Gas plus a total bill including the Nicor Gas charges, from
16 the supplier but makes only one payment to the supplier. ICC Staff Exh. 1 at 20-23. I
17 wish to point out that there are problems with this approach.

18 First, this type of arrangement was allowed in at least one New Jersey natural gas
19 customer choice program. It led to a good deal of confusion by at least some customers

<http://www.powermarketers.com> concerning a natural gas marketer's failure in a Virginia competition program.

1 who mistakenly paid the LDC charges twice, once to the utility directly and another time
2 to the supplier. In other cases, the customer paid the gas utility (even though the
3 customer was not supposed to pay the gas utility directly) and then complained to the
4 supplier about the same charges appearing on the supplier bill. In some cases, the
5 customer simply did not understand the billing arrangement he had agreed to and in other
6 cases, the customer was confused by the appearance of the bill from the gas utility. If Mr.
7 Iannello's suggestion is adopted, Nicor Gas would have to change the format of its bill to
8 the retail customer to make it clear that it was a copy of the bill sent to the supplier and
9 that the customer should not pay this bill to Nicor Gas. No doubt it will also have to
10 handle an increased number of customer inquiries.

11 More importantly, however, I wish to emphasize that the move to supplier
12 consolidated billing for residential consumers in which the supplier includes the LDC
13 charges on the supplier's bill and seeks payment for the entire amount directly from the
14 customer is complicated and involves a number of important consumer protections and
15 unbundling issues. I outline the key issues here so as to alert the Staff, Commission, and
16 other parties of problems and issues that should be resolved prior to the consideration of
17 the Staff's proposals or any others that proposed supplier consolidated billing. Finally,
18 these issues have been confronted in most jurisdictions that have allowed supplier
19 consolidated billing and I would suggest that the Commission carefully review the
20 procedures and policies in place in Pennsylvania. While other states are either

1 considering how to allow consolidated billing by suppliers, no other state has finalized its
2 procedures for this option except Pennsylvania.

3 The concerns I believe need to be addressed include the following:

- 4 • In order to allow suppliers to issue a consolidated bill it will be necessary to identify
5 the costs that will be avoided by using a supplier consolidated bill. These costs are
6 currently embedded in a utility's charges and are not included in the price of natural
7 gas supply that appears on a customer's Nicor Gas bill today. In other words, it
8 would not be appropriate to require the customer to pay twice for billing and
9 collection services under the supplier consolidated billing option.
- 10 • The risk of delayed, incomplete or lack of payment by the customer must be allocated
11 between the distribution utility and the supplier if the supplier seeks to bill and collect
12 the transportation charges. Utilities often want to be paid their distribution charges by
13 the supplier whether or not the customer pays the supplier, thus transferring the risk of
14 nonpayment and late payment to the supplier. Suppliers obviously oppose this, and at
15 a minimum, want some sharing of this risk with the utility. Whether the supplier buys
16 the utility's receivables, pays the utility only what the customer pays the supplier, or
17 adopts some other method of payment between the utility and the supplier have been
18 extremely controversial and complex discussions in other states. One approach is to
19 require the supplier to use partial payment allocation rules similar to those used by

1 utilities that bill on behalf of suppliers, that is, the allocation of partial payments first
2 to regulate charges, followed by competitive or unregulated charges.

- 3 • If the supplier seeks to bill and collect for regulated utility charges, existing consumer
4 protections associated with the regulated transportation charges should be transferred
5 to the supplier. It would not be fair or proper for the Commission to allow a supplier
6 to bill for regulated charges unless the supplier offers payment arrangements, and
7 complies with statutory and administrative winter collection and payment policies,
8 late fees limitations, disclosure and notice requirements, and other important credit
9 and collection rules that are applicable to utilities and utility charges.

- 10 • The Commission must resolve whether the supplier has the right to physically
11 disconnect service for nonpayment of the regulated or unregulated portion of the
12 consolidated bill. Only Georgia has allowed competitive suppliers to seek
13 disconnection for nonpayment of unregulated charges; every other state has prohibited
14 such a practice. The problems associated with this practice in Georgia have been
15 highlighted in the Wall Street Journal article I have attached to this testimony. In
16 every other state addressing this issue, a competitive supplier cannot threaten or
17 implement a physical disconnection for nonpayment of competitive or unregulated
18 charges. Rather, the supplier can make use of standard debt collection methods
19 available to other competitive businesses, or return the customer to regulated default
20 service.

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- Customers who complain to the utility or the supplier about any portion of the bill need to be carefully coordinated so that customers can receive prompt and accurate service in this regard from both entities.
- Suppliers who fail to issue timely bills, or issue bills with errors in the calculation of the utility or gas charges that appear on the bill, should be prohibited from imposing late fees or other penalties for late payment or nonpayment in such situations, and further must accept payment over at least as long a period as the bill covers. Many suppliers do not have the capacity to issue large numbers of customer bills and many have had operational difficulties in calculating the utility's charges properly. Other operational difficulties include the need for an accurate and well-designed electronic data transfer system between the utility and all suppliers who seek to do consolidated billing to make sure that accurate and timely information is transferred to enable accurate billing.
- Utilities that allow consolidated billing by suppliers have correctly demanded a bond or some security that their charges will be paid. The amount and conditions of such security interest have been controversial in other states, often requiring the Commission's resolution.

1 Q) WHAT IS YOUR CONCLUSION WITH RESPECT TO CONSOLIDATED BILLING
2 BY SUPPLIERS?

3 A) I oppose consolidated billing for residential consumers until the consumer safeguards
4 applicable to utilities are also applied to suppliers who do consolidated billing.

5 Q) DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

6 A) Yes, it does.

June 18, 1999

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 Statewide Expansion of the Columbia Customer Choice Program.) Case No. 98-549-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 Mitigation Rider.) Case No. 96-1019-GA-ATA

FINDING AND ORDER

The Commission, considering the various applications, the staff's report, comments submitted by interested parties, and the applicable laws and regulations, and being otherwise fully advised, hereby issues its finding and order.

I. INTRODUCTION

This proceeding involves the Commission's investigation of the pilot gas "customer choice programs" (programs) previously implemented by Columbia Gas of Ohio, Inc. (Columbia), The East Ohio Gas Company (East Ohio), and The Cincinnati Gas & Electric Company (CG&E). All three of the companies are public utilities pursuant to Section 4905.02, Revised Code, and are subject to this Commission's jurisdiction.

On October 17, 1996, Columbia filed an application for approval of its Customer CHOICE program to make gas transportation service available to residential, small commercial, and human needs customers. By opinion and order issued January 9, 1997, Case No. 96-1113-GA-ATA, being *In the Matter of the Application of Columbia Gas of Ohio, Inc. to Establish the Columbia Customer Choice Program*, the Commission

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approved Columbia's application subject to the incorporation of certain recommendations of the staff and other modifications made by the Commission. The first phase of the program, which began on April 1, 1997, is currently in effect in the Toledo/Lucas County area for a one-year period. Continuation and expansion of the program is contingent upon an evaluation of the results of the program during the first year and the implementation of a mechanism for the recovery of the transition costs that has been previously approved by the Commission.

On September 25, 1996, East Ohio filed, pursuant to Section 4909.18, Revised Code, an application for approval of two new transportation services, a new pooling agreement, and a revised transportation migration rider to be implemented in conjunction with a new core market aggregation service. On July 2, 1997, the Commission issued its opinion and order approving, subject to certain modifications, East Ohio's Energy Choice program. *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 (July 2, 1997). Enrollment in the initial 18-month phase of East Ohio's program began in October 1997 and currently provides approximately 173,000 residential, commercial, and industrial customers in ten counties the opportunity to select their provider of gas service.

On May 19, 1997, CG&E filed a stipulation in its prior gas rate case docket, *In the Matter of the Application of The Cincinnati Gas & Electric Company for an Increase in its Rates for Gas Service to All Jurisdictional Customers* (Case No. 95-656-EL-AIR), to resolve the Commission's directive in the original December 12, 1996 opinion and order for CG&E and interested parties to develop revised firm transportation and residential firm transportation tariffs. On July 2, 1997, the Commission issued its supplemental opinion and order approving CG&E's pilot program, which started in November 1997. Under the pilot, all of CG&E's approximately 360,000 customers are eligible to choose an alternative gas marketer.

At the time the Commission approved each of the pilot programs, the companies were directed to review the progress of the programs and prepare reports for the staff's review in the Spring of 1998. The Commission has also directed gas cost recovery (GCR) auditors to review the programs as part of their reviews in the GCR proceedings for each of these companies.

On March 31, 1998, Columbia filed an application requesting statewide implementation of its program (Case No. 98-549-GA-ATA). During the past several months, Columbia has had a series of meetings with the Columbia Collaborative¹ and

¹ The Collaborative, as originally constituted, was composed of Columbia, the staff of the Commission, the Ohio Consumers' Counsel, the city of Toledo, Honda of America, the Industrial Energy Consumers, Enron Access Corporation, the Bay Area Council of Governments, the city of Columbus, the Greater Cleveland Schools Council of Governments, Industrial Energy Users-Ohio, the Lake Erie Regional Council of Governments, the Ohio Farm Bureau Federation, the SITC Coalition and the city of Parma.