BEFORE THE

ILLINOIS COMMERCE COMMISSION

POLICY SESSION

Wednesday, March 21, 2018

Chicago, Illinois

Met, pursuant to notice, at 11:00 A.M.,
at 160 North LaSalle Street, Chicago, Illinois.

PRESENT:

BRIEN J. SHEAHAN, Chairman
SADZI M. OLIVA, Commissioner
JOHN R. ROSALES, Commissioner
D. ETHAN KIMBREL, Acting Commissioner
ANASTASIA PALIVOS, Acting Commissioner

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COMMISSIONER OLIVA: We are all ready to begin.

Good morning, everyone. Thank you for joining me for the third installment of Illinois' Power Meter titled Retail Electric Suppliers: Best Practices and Consumer Protections.

I want to thank my colleagues, Chairman Brien Sheahan, Commissioner John Rosales, Acting Commissioner Anastasia Palivos, and Acting Commissioner Ethan Kimbrel, for your support. We do have a quorum. This is a Policy Session. It is on the record and transcribed.

As many of you know, in October of last year, the Illinois Commerce Commission adopted amendments to Part 412 of its rules. These rules as amended strengthen consumer protection requirements in order to ensure that the necessary awareness and transparency exists in transactions taking place between consumers and retail electric suppliers and that market function -- and that the market functions as intended.

With nearly 1.8 million residential
customers receiving power from a retail electric supplier, it's important that consumers are equipped with the necessary tools to make informed choices and that retail electric suppliers comply with relevant marketing and disclosure rules.

Today's Policy Session will examine the recent amendments, highlight best practices, feature key factors consumers should be aware of when engaging with suppliers.

(Spanish translation.)

COMMISSIONER OLIVA: And for the first time in ICC Policy Session history, there will be a consumer-focused segment in Spanish.

So with that said, please join me in welcoming my Legal and Policy Advisor Janel Haretoun who will introduce the panelists.

MS. JANEL HARETOU: Thank you, Commissioner Oliva.

Good morning. To share their expertise on Sales and Marketing Rules and Best Practices of retail electric suppliers are Jean Gibson, Kevin Wright, Gerard Fox, and Michael Nugent.
Jean is the director of the Office of Retail Market Development with the ICC. In her role, Jean initiates and establishes policies, standards, and procedures to actively seek out ways to promote retail utility competition to benefit Illinois consumers.

Jean also collaborates with internal and external cross-functional specialists in the development, establishment, and revision of the agency's policies, rules, and regulations to monitor existing competitive conditions in Illinois.

Kevin is the president of the Illinois Competitive Energy Association which represents the interests of competitive energy suppliers and preserving and enhancing opportunities for customer choice and retail competition in the electric and national gas industries before the ICC and the Illinois General Assembly.

Kevin has over 25 years of Illinois state government experience which includes serving as ICC chairman from September 2002 until April 2003 and as
Gerard is the Illinois counsel for Retail Energy Supply Association. Gerard began his legal career as a staff attorney for Peoples Energy Corporation. In 2005 Gerard became vice-president and deputy counsel of Peoples Energy until his retirement in 2008. Since then, he has practiced energy law primarily before the ICC representing alternative retail energy suppliers and alternative gas suppliers.

Michael is the regulatory counsel for IGS Energy. As a regulatory counsel, Michael represents IGS and its affiliated companies in state proceedings in Ohio, Indiana, Illinois, and Texas. He routinely provides support and guidance to IGS's business entities regarding competitive markets and policies.

And to provide the dual language presentation on Consumer Tools are Ruby Haughton-Pitts and Anna Warnock.

Ruby is the director of advocacy and outreach with the AARP. Over the course of her
career, Ruby served as a political strategist developing successful policy and system change efforts, built broad-based coalitions, managed complex internal and external communication programs, and worked on a variety of social marketing and fundraising campaigns.

Anna is the consumer rights specialist for Citizens Utility Board and has extensive knowledge of the Illinois Administrative Code Part 280. In her 12 years at the Citizens Utility Board, she built and developed the outreach programs in the Hispanic community. She is the Citizens Utility Board spokesperson and point of contact for media and Spanish and is responsible for creating and managing content in Spanish for the organization's website, radio program, and social media.

Please join me with a round of applause to welcome our panelists.

(Applause.)

MS. JANEL HARETOU: First we will hear from Jean who will present on the ICC's amended rules and the ICC's role in the retail electric
market.

MS. JEAN GIBSON: Good morning. Thank you, everyone, for being here this morning. Again, I'm Jean Gibson with the Office of Retail Market Development.

And, Commissioner Oliva, thank you very much for setting up this platform for us to come together and talk about important issues regarding best practices and consumer protections in the retail choice market.

With that, I want to talk about some of the basics that are involved in Illinois being an electric choice market. I think it's safe to assume most people in this room are very familiar with some of these things that we're going to talk about. However, as we're talking about best practices today, this is a good foundation for thinking about what it is customers should be thinking about as they're engaging with our market.

First of all, as a de-regulating market in Illinois, we are one of 16 other states who offer electric choice, as well as Washington, D.C. With
that, it means that there are laws and rules that are set up so that electric suppliers can come in and compete with our electric utilities -- for example, Com Ed or Ameren -- to provide electric supply to both small businesses and retail customers. And as the utility is still there, they will be using their poles and their wires to bring the electric supplies to the home's location.

When a customer is considering making a choice and making a change, this is a laundry list of a few items here that should be considered. Customers should be thinking about the price that they might be paying, the length of term: Is it 12 months, is it 24 months, will there be a renewal policy so what happens at the end of the term? Are there additional fees, a monthly fee, or any fees that they might incur at the end of their term or if they should decide to make a choice before their term is over?

Are there other benefits? Many of the suppliers here in Illinois have value-added benefits and additional items that they offer.
When a customer is looking to make a choice, they should look at everything in context together and see what it means for them.

It's very important to note that we are -- we do have the opportunity to make these choices and go into it with an open awareness that savings may not be guaranteed.

Another topic that is -- or another big availability in Illinois is we have municipal aggregation which, again, we all know your government can make a choice for. Your city, your village, your township can take a look at what you might be able to do if you combine your buying power and look at a potential better rate than the utility.

You still have a choice. If you are part of a municipal aggregation community, you can take an opportunity to look and see if that's what you want. If not, you can -- you can look back at your utility or you can take an opportunity to look at another retail supplier in Illinois. We have 55 active suppliers here out of a hundred who have
applied and have certificates with us.

This bottom image here is hard to read, but I do have hard printed-out copies of that. It's a resource that we offer on the Illinois Commerce Commission website that gives a description of some of the items talked about this morning, what would be really great for customers to have awareness of.

And then I can't reiterate enough or say enough that to be an informed consumer, it's really important to have an understanding of what your utility bill looks like. So before you're doing some of this research, please recommend that customers thinking about making a change are looking at what their utility bill is, the line items, make sure if they have any questions, you're answering -- they're finding out what that information is. So the more informed a customer is, the better choice they can make for themselves.

Another piece of information that a customer might want to know about is what does the Illinois Commerce Commission do and have in
relation to the electric choice market. There are
a couple of key players here that I've mentioned.
One is my Office of Retail Market Development.

So we are tasked with the -- the idea of
promoting a competitive retail market in Illinois.
Our goal is to provide safe, reliable, affordable
electricity for all customers. And to do that, we
evaluate any alternative retail supplier that looks
to be in the marketplace. Here they must be
certified to provide service in Illinois. So our
department is evaluating those applications as they
come in.

And then once the applications are
approved and they are certified, we are evaluating
their performance in the market, if they're
complying with rules, how they're performing, and
making sure that they're in compliance with the
rules that are established.

Our counterpart is the Consumer Services
Division, and they have a team of counselors that
interact with customers and retail suppliers. They
can do a number of things to answering questions,
to helping any consumers with concerns. If a concern is raised, they can help with the filing and the investigation of an informal complaint. And they really work with consumers, as well as the retail suppliers, to find a resolution that works for all parties involved. It should be noted that they also have counselors on staff that are fluent in Spanish.

Now we're going to talk about some of the rules. Here we've mentioned Parts 412 and 453. Those were the ones that have been looked at for a number of years. And right as I was stepping in in September of 2017, just weeks later, the rules were approved, so it was a pretty exciting time here. I was handed a booklet of rules to catch up on and said work with the suppliers and make sure that they understand what's here and that it's going to be implemented. We're coming up across our due date of May 1st for compliance with all of the updated rules.

So there's a few items listed here. The heart of the intentions of these updates are some
of the ones that had the check marks next to them, and those are really to make sure that a customer making a change or a customer looking at making a change understands that they're part of a sales transaction. So that is to the suppliers making sure that they're using their own name and their branding and not leveraging a utility name or representing that they're with the government to be clear that they're part of a sales transaction.

We want to make sure that important information for making these decisions is available and easy to find, so the rules talk about pieces of things like having content on a website or having information available through an 800 number, describes information that should be available or should not be available on marketing materials. It's very specific in recommendations with that.

We clarify what the expected behaviors are at points of interaction, so whether you're looking at a sales transaction at your door or an inbound phone call to you or if you call in to try and make a transaction, you see some marketing materials,
there are expectations as to how all of those

For example, anybody that you're working
with in person will have had a criminal background
check to make sure that they are eligible to work
with you.

If you're making a phone call or a call
comes into you and it's over two minutes long, the
call will be recorded and retained and other items
such as that.

Notifications: So if your price changes
throughout your contract or if it's -- if you're on
a variable rate and it's going to increase a
certain amount or decrease a certain amount or if
there's a percentage change, we want the customers
to know that this is upcoming, so there are
requirements now as to what that looks like and how
a customer would be notified, so the customer is
informed not only at the initial contract signing
but throughout the engagement that they have with
an alternative supplier.

And green products: Very popular, very
interesting right now both on the suppliers' side and customers are interested in what this might look for for them and the rules address some of the requirements to be able to assert that you are a green supplier; you're doing something environmentally friendly. So it's outlined very clearly, so if a marketer is going to assert that they are providing something green and good for the environment, they will be following a set of rules that enables them to say that.

Part 453: There's just one point there. It's more on just making sure that anything that says an online transaction has a verified signature and some specifics to make sure that that's a true transaction.

I wanted to go through some of the resources that are available for customers. So outside of the suppliers' own websites and information they might have, a consumer, again, should know what their bill looks like. If they don't get it on a monthly basis, at least they should be looking at it periodically.
But as far as looking at the choices that we have in Illinois, this Plug In Illinois website is one that is boarded by the Office of Retail Market Development, so there are statistics and pieces of information located here that a customer could go to to take a look at. We have not only utility information but offers that some of the alternative suppliers have. There will be pricing history from the utilities. There will be complaint statistics and -- just lots of information that you could investigate prior to making a transaction. We have a star ranking that evaluates how retail electric suppliers are servicing the customers that they have that they can look at as well.

Additionally, the Illinois Commerce Commission has a whole page dedicated to consumer information, so there is some information focused on the utility electric choices which we're focused on today. But Illinois does also offer a natural gas choice program, so there's information on this page as well, along with a number of other pieces
of information, that would be helpful for consumers who are interested in different topics and could find some details.

And last but not least, what's next?

We're not going to put a check in the box today and say we're done with this conversation. It's a continuing conversation, so with consumers, with our -- with the suppliers, with our team here, we will be having policy sessions, workshops.

We have -- recently the ICC enacted a Retail -- Retail Market Advisory Committee. Our meeting will be in April, and that's composed of some of our resources from the General Counsel's office, as well as Consumer Services Division and our own Office of Retail Market Development, along with a representation of suppliers both offering electric choice and natural gas choice here in Illinois. We want to look at what the opportunities are. We want to evaluate any challenges that are still occurring. The market is evolving, so it's a continued conversation. The market is most successful when it's being offered in a healthy way
to customers, and that's what our goal is through these conversations.

Last but not least, I just want to reiterate some of the resources that we talked about today as a source of information for those of us in the room, as well as customers looking to make a change. There's the Plug In Illinois website, the Illinois Commerce Commission website. And always, our Consumer Services Division has a lot of great information, a lot of experience, so their phone number and their website information is there as well.

Thank you.

MS. JANEL HARETOUN: Thank you, Jean. Next we will hear from Kevin and Gerard in a joint presentation on ICEA and RESA's shared values and code of conduct.

MR. KEVIN WRIGHT: Thank you very much -- I should have known that by now. Thank you very much for this opportunity. Gerry and I are going to present together in the interest of time and not try to overlap too much on each other.
ICEA, Illinois Competitive Energy Association, was started in October of 2008, October 31st to be exact -- that's all I can say about that; it wasn't planned that way; it just turned out that way -- basically to be Illinois-focused only as a trade association, to be kind of a face and voice at the Commission and in the legislature about the Illinois market specifically.

And so our main goal has been the preservation and improvement and expansion of the competitive retail electric and natural gas markets in Illinois. We've been very active not only before the Commission in docket proceedings to do that but also in the legislature.

A couple items to kind of bring to your attention: We've been involved in consumer protection issues dating back to changes in the Alternative Gas Supply Law, including up to -- including Part 412 which we support wholeheartedly and frankly has been a good experience with Jean. We commend her and the Commission for these implementation workshops, and I think that will be
helpful in getting that communication out.

Certainly retail electric suppliers won't have a reason to say we don't know because the implementation workshops have been very informative. They're kind of the dos the don'ts and risks you want to take.

MR. GERARDO DELGADO: Excuse me, Mr. Wright. Are you changing the screen, by chance?

MR. KEVIN WRIGHT: Oh. You know, I can only do one thing at a time.

(Laughter.)

MR. GERARDO DELGADO: Thank you.

MR. KEVIN WRIGHT: Thank you. So we're on slide one.

So that has also led into subsequent conversations past and post Part 412 with both RESA and ICEA with consumer groups about what they're seeing in the market, things that we can change and improve.

So overall, our advocacy has been one to find solutions to problems, and we've been behind the creation of the ORMD. Probably the biggest
thing that helped retail residential competition was the passage and the Commission's full support of the purchase of receivables utility-combined billing which is a utility billing service agent on behalf of the retail electric suppliers.

So at this point, I'll split the presentation over to Gerry to talk about the Retail Energy Suppliers Association.

MR. GERARD FOX: Thank you, Kevin.

Again, thank you, Commissioner Oliva, for hosting this very timely presentation. And thanks to the Chairman and the Commissioners for taking the time to listen to, again, an important issue. And thanks especially for Gerardo Delgado who's shepherded this thing from the beginning until today. Thanks a lot.

RESA shares many of the same goals and participates in the same proceedings as ICEA. RESA is a national organization, so if you read the trade press, you'd probably see that RESA is involved in, you know, different jurisdictions across the country but, again, take a consistent
position everywhere, including Illinois.

Next I'll get into the statement of principles and -- I should say that I believe the slides will be available, so -- I don't think anybody in the room can probably read those, but don't try. This will be available.

The last point there, I think, I want to emphasize is there are -- as Jean said, there are 55 alternative retail electric suppliers certificated and registered and nationally making offers in Illinois outside of a hundred, I think, that are certificated. Only 22 of those are members of RESA and/or ICEA, so we don't represent everybody. We do represent probably some of the larger suppliers both on the gas and on the electric side.

We're splitting this because RESA and ICEA basically share the same values when it comes to treating customers. And if I can make things simpler, the first bullet point is obey the law. And there's a lot of them. There's not only the Part 412 Rules, there's also statutes, including
the Consumer Fraud and Deceptive Business Practices Act, and our members obey and are familiar with all laws and regulations.

The second point is obey the law. Members do not engage in deceptive, misleading, or fraudulent behavior. They do not misrepresent prices to customers, rates, or customer savings. It's very important that people do understand that if you're going to guarantee a product -- this is in the Commission's rules -- you have to prove that up.

The third point is treat your customers well. We provide accurate and timely information to the customers. We've always done that. And there are rules -- amendments to Part 5--412 that make that a requirement, improve disclosures, and those are being followed and will be implemented on May 1st.

Keep promises to customers, honor the terms and conditions of the contracts that you enter into with your customers.

Engage only in transactions that have
legitimate business purposes.

The last point on this page is antitrust concerns. You know, our members -- ICEA members do not collude with each other to set prices, divide the territories. That's important.

The next page: Obey the law. Our members maintain documentation on all the transactions for an appropriate period of time. That did change in the recent amendments to Part 412. Again, those will be effective May 1st, and our members are in the process of making sure they're in place to go over it and comply with the law.

Again, protect customers: When customers make inquiries and complaints, whether they make them to our members, whether they make them to the Commission Staff, the Consumer Services Division, or the Attorney General or Citizens Utility Board, our members investigate those and report back promptly and, my experience is, to the satisfaction of customers.

Cooperative fully with the Commission: Of course we do that. That goes without saying.
We participate -- as Kevin said, ICEA and RESA have participated in all the Commission rulemakings that affect us. We've participated in utility rate cases, other matters. We've participated in all workshops and comments leading up to the creation of Part 412 and the amendments to Part 412, and we will continue to do so. We try to work with all stakeholders.

We cooperative fully with appropriate state regulatory authorities, the Attorney General's Office. We cooperate with the Citizens Utility Board.

We do not -- as I've already said, we do not condone unfair, deceptive, or misleading marketing practices.

The next point is with respect to training of marketing representatives. This was a good change in the Part 412 Rules. The training section of those rules has been revised. There are requirements now for training programs, certification of those training programs to be submitted to the Commission Staff. It's very
important and the Commission Staff has made clear
to us that they are holding suppliers responsible
for the actions of RESA agents, even those RESA
agents that are certificated by the Commission as
agents, brokers, and consultants. So the buck
stops with the suppliers and, you know, the
training that's in place now, and now there will be
certification that people feel comfortable that our
representatives are trained.

The second part of that is discipline
which is there's basically -- my members and ICEA's
members, I'm sure, have zero tolerance for agents
that are rogue agents that make promises or imply
that they're associated with the utility or imply
they're associated with the Commerce Commission.
Zero tolerance. Those people do get fired.
Sometimes the whole vendor gets fired if it's a --
more than one agent out there.

The last point is, again -- this is very
important. Members do -- we do have an antitrust
compliance policy, and the members do follow it.

Before turning this back over to
Mr. Wright -- former chairman of the Commission, so he's used to sitting here; I'm not -- there are a variety of documents that you can look at from RESA, as well as from ICEA. We have a statement of principles. We have a Consumer Education Guide which includes questions and answers to ask before you enter into a contract with the supplier. And I think CUB and AARP are going to cover that. I wouldn't be surprised if some of the points aren't exactly the same.

It also talks about various challenges you might see, whether it's telemarketing, door to door, or other in-person solicitation.

There's also a paper that was done by another former chairman of the Commission, Dr. Philip O'Connor: Restructured Recharged, The Superior Performance of Competitive Electricity Markets from 2008 through 2016. That is -- all three documents are available on the RESA website or you can get them from me if you give me a card after the presentation. Or if you want to send me an email, I'll make sure you get those documents if
you want to look at them. The RESA website is www.resausa.org.

Thank you for your time.

MR. KEVIN WRIGHT: All right. Thank you, Gerry.

The only concluding remarks I might have to the code of conduct is that at least the trade association members -- I can't speak for the entire industry but certainly for trade association members, compliance is very important. The worst thing to happen to -- and these are privately-owned companies that stake their reputation and bottom line on the service that they provide to customers. They usually don't like to risk a run-in with the Commission or trying to satisfy the consumer to the best of their ability because if they lose the consumer, that is a customer loss and not regained.

Our member companies have their own compliance programs that mirror what Gerry and I have talked about that will and do mirror the Part 412 and new amendments, so I think I can say with some confidence, with the continued effort
from the Commission in terms of the workshops, implementation, that I think we'll have a very good opportunity to make sure that this very comprehensive set of rules does work for the consumer and for the market.

Gerry mentioned the competitive retail electric market benefits. We were kind of asked to hit a couple points on that.

You know, Illinois has had a really -- a long-standing tradition of support for the retail competitive electric market. It certainly started out early as a success story, particularly on the commercial and industrial customer side.

The residential part was very slow to get started due to a number of factors. Switching was very, very low, and I think until we really solve the advent of the -- as I mentioned, the purchase of receivables and utility-combined billing and the passage of municipal aggregation, then residential competition really, really took a step forward and has been a big growth in the competitive market.

In terms of competition, I mean, those of
us who are advocates for the competitive side
really believe that choice -- customer choice is
the -- is the way to go to give customers an
opportunity to choose whatever kind of service,
rate plan, product that utilities' plain-vanilla,
bundled service does not provide.
    And some customers are more sophisticated
than others. They will shop for a particular type
of rate plan, anything from a fixed rate to a
variable, something with a value-added product.
And when I say "value-added," it's more than just
the criticism I've heard of airline miles and the
like. It is energy home efficiency services and
management services. It's smart home technology
with Nest devices. It's an array of issues that we
bring to the consumer for them to choose.
    The Illinois market in particular,
according to my members -- and they're the ones
that I depend on for the information -- we've kind
of gone, in the last few years, from a
commodity-priced-only proposition; that is, we can
always beat the utility on the price to compare.
And we had that opportunity for several years due to market forces, due to IPA procurement decisions in which the retail electric supplier did have a really good advantage against the utility price.

That has narrowed considerably over the last few years, again, due to market forces, again, due to those contracts expiring with the IPA where it is a challenge to all retail electric suppliers to serve that customer.

But what we are noticing is, just like in other network industries, whether it's your cell phone, TV, Internet, whatever bundled service at your own home, we're beginning to see a new paradigm where customers are asking not only for the commodity but what other valued service product can you offer to me, whether it's that Nest option, renewable energy, what have you.

So the price that we're now beginning to see that may exceed the utility price to compare is driven, in part, due to those value-added products and services that customers are now demanding.

In terms of the outlook going forward in
terms of retail electric competition, you know,
we're looking forward to the absolute conclusion
and rollout of Com Ed and Ameren's AMI and smart
meter deployment. If we can resolve a few issues
dealing with data access to that AMI interval meter
data, which today is a little bit cumbersome for
retail electric suppliers to avail themselves to,
and get to the specific information that -- of our
customers, if that can be accomplished -- and we're
working with the utilities to do that
operationally -- then I think you'll see suppliers
being able to offer those time-of-use products,
those dynamic pricing products that the Commission
has been patient but also let competitive market
know, you know, we're waiting for those products
and services to develop. It's coming. It's not as
fast as what we would have liked, but nevertheless,
it's on the horizon.

I've noticed here -- and I won't go into
it. I know at least the Commission has read this
in advance and there will be copies of this
afterwards, but Gerry did mention, you know, again,
the benefits of the competitive retail electric market are -- and wholesale, but particularly retail electric market. And I took out a couple of major points from Phil O'Connor's Restructured Recharged document that was prepared for RESA. And what's really changing for consumers is this -- the data analysis that we can get from a Smart grid can really improve a customer's choice and products that they can avail themselves to.

It's -- also, the competitive market can respond more nimbly to an environmental demand response, conservation issues. And as the last dot point says, knowledge is power. Competitive markets are learning to be learning laboratories for pricing and service innovation. I really believe that because if we're going to be competitive against the incumbent utility, we really have to be able to differentiate our product, our service, our value to the customer.

Thank you.

COMMISSIONER ROSALES: Question: Kevin, in your view -- and I want to thank Jean for the
work that she does in ensuring that we have a fair
and open market in Illinois in retail.

What is it that makes for a successful
market? There are 16 states have these retail open
markets? Which one is the best and why is it the
best?

MR. KEVIN WRIGHT: You're really putting
me on the spot here.

COMMISSIONER ROSALES: I'm sorry. Go
ahead.

(Laughter.)

MR. KEVIN WRIGHT: I still hold out
Illinois as a winner. To be perfectly frank, we've
got a little more work to do here. I wouldn't call
it number one, to be perfectly frank, but I think
it's among the top states. And I think it's been a
good balance --

COMMISSIONER ROSALES: So who would be
number one?

MR. KEVIN WRIGHT: My personal belief, I
like -- I like what I'm seeing in Pennsylvania. I
like what I'm seeing in Ohio.
Now, not all of those are perfect fits for Illinois, but I think we can learn --

COMMISSIONER ROSALES: What do they do different in there that we don't do here?

MR. KEVIN WRIGHT: Yeah. Well, I think, they're a little further along in terms of, I think allowing the, from an operational and service standpoint, retail electric suppliers to develop products and services. I think that's been kind of a barrier here.

And I think the market rules, they still have the same and strong consumer protections like we have here in Illinois, but I think those are the two states that kind of come to mind, at least from my members who work in other states besides Illinois, that they seem to be a little bit proactive in expanding retail competition.

COMMISSIONER ROSALES: What kind of barriers are you speaking of here?

MR. KEVIN WRIGHT: I think largely today it is -- as my members keep telling me, it's access to data. And that's a really policy wonk kind of
issue. It's access to information that Com Ed and Ameren has about customers and being able to access that and doing -- making sure that all the confidentiality rules that exist are not violated but the kind of information we're looking for on a, you know, 15-minute interval value of a basis where we can look at that customer's usage and try to figure out is there a product or service that we can customize for that customer. We're not there yet. And I think that's been kind of the barrier to launching time of use, dynamic pricing is we do have some operational issues --

COMMISSIONER ROSALES: Do Pennsylvania and Ohio have that?

MR. KEVIN WRIGHT: I think they're a little better at it than we are in terms of allowing retail electric suppliers to access that information through the utility.

COMMISSIONER ROSALES: Okay. Thank you.

MS. JANEL HARETOUN: Thank you. Now we will hear from Michael who will present on Effective Business Models and Best Practices.
MR. MICHAEL NUGENT: Thank you, Janel.

On behalf of my company, IGS Energy, I'd like to thank the Commission for inviting me to participate in today's Policy Session.

As the program outline indicates, the purpose of my presentation today is to provide what essentially is a detailed summary of IGS's employee-based door-to-door sales and marketing strategy.

However, before I get into our strategy, I think it will be helpful to give a little bit of a historical insight as to our older process to give an idea of how we arrived at the decision we did to ultimately implement that employee-based strategy back in 2013.

What we referred to in the prior approach is the classic traditional door-to-door approach, and under that approach, IGS contracted with a third-party. That third-party would then market -- third-parties' agents will market its -- our products and services door to door.

It was our understanding that that
third-party agent was usually compensated on a commission-only basis, and so what we came to find is that the agent's focus was on the singular in that the goal was to close the sale and ultimately move on to the next prospective buyer. That approach, we found, was often characterized by some of the issues that were presented on this -- this slide.

More specifically for us --

COMMISSIONER ROSALES: Is your microphone on? I'm sorry.

MR. MICHAEL NUGENT: I believe it is.

COMMISSIONER ROSALES: Okay. Thank you.

CHAIRMAN SHEAHAN: If you could just speak up a little bit, that would be helpful.

COMMISSIONER ROSALES: Pull it closer to you.

MR. MICHAEL NUGENT: Okay. Thanks.

More specifically to IGS, some of the issues that we found were mixed messaging. We'd have one or two agents that would be selling the same product, the same service, but ultimately the
message to sell it to customers wasn't uniform. It wasn't standard. It was mixed, and it often led to some customer confusion.

As you might imagine, on a commission-based sales structure, time is money. There wasn't necessarily an emphasis on customer education, and with a lack of education, it often led to poor customer representation.

So what we came to find is that approach that we were working with, that we were operating under was misaligned with our values, so as I mentioned, in the fall of 2013, what IGS did was we invested in our own employee-based door-to-door sales and marketing strategy. And we branded those agents Home Energy Consultants or HECs.

If I can call your attention to the slide on the projector here, you'll notice it's a photo of one of our HECs. You'll notice that HEC, like all of our employees, is carrying an iPad. That iPad assists that HEC not only capturing its sales records, customer interactions, and so on, but it also assists our market managers to monitor the
sales process from start to finish.

I'm not sure if you're able to tell or not, but that agent is -- or that employee, I should say, is wearing a lanyard that communicates that the agent is a representative of IGS Energy. Of course, that lanyard does contain that employee's badge. And depending on the weather conditions, that employee might be wearing a jacket, polo, or a button-down that, once again, clearly communicates to the customer that that employee represents IGS Energy.

So conceptually, what's the mission of these Home Energy -- our Home Energy Consultants? It's to be a trusted advisor to the consumer -- or for the consumer.

And so how do we accomplish that? Frankly, it starts by hiring the best. Our hiring process is a two-step interview process whereby our agents or our -- I'm sorry -- IGS employees search for the best possible candidate to ensure that its agents are; one, capable of building relationships necessary to squarely position IGS in the market to
sell products and services; and two, capable of leveraging the IGS call share.

What I mean by that is that the employee is able to community our company message. Very generally, our company message is one that's centered on customer education and customer engagement.

We believe that our success is based on customers who are engaged and know that they have a choice in their retail market space. So to that end, our HECs are trained to be able to help customers determine what services and products work best for them. Of course, that's based on the customer's usage and desired spend.

So what or who exactly is a Home Energy Consultant? As I mentioned earlier, they're IGS employees. At the moment, IGS employs 330 Home Energy Consultants that operate in 21 field offices across the states of Maryland, Massachusetts, Pennsylvania, Ohio, Illinois, and Texas.

Those 330 employees report to 44 managers, so it's a ratio of about eight sales representatives
per manager. Here in Illinois we have approximately 24 HECs that are selling our products and services today. Ultimately as the market grows, the idea is that IGS will grow with it and will expand that program to roughly 45 or so members.

Our HECs are also salaried. They receive a base salary like a traditional door-to-door sales model. We believe that a commission-only compensation structure can often lead to, I guess for lack of a better word, adverse sales tactics, perhaps high-pressure sales. So we believe that by implementing a salary structure, there's less incentive for our employees to engage in these sort of high-pressure sales tactics.

And more importantly, we view it as an opportunity for our employees to better communicate and better educate customers as to the scope of the retail market that that employee may be operating in.

You see they're also assigned a specific geographic territory. Again, when compared to the traditional approach, oftentimes we found that our
agents would move from one neighborhood or one community to another without any sort of, I guess, rhyme or reason. We utilize the territory management approach whereby the HEC is assigned a specific geographic territory, and the idea there is for the employee to become a familiar face within that particular community because we believe that by doing so, that will enable that employee to build relationships within that neighborhood that are necessary to improve customer engagement and customer awareness.

The HEC also acts as a similar point of contact for customer sales, so what that means is the HEC, in a typical sale, will show up at a customer's door, announce who they are, who they represent, and what it is they do.

And if and when a sale is made, that HEC will be behind what we refer to as the welcome packet, and that welcome packet will include that HEC's name and contact information. And the HEC is then instructed to encourage that customer to contact the HEC directly if that customer has any
questions regarding the terms of service or anything else related to that sale.

Now, I also want to make clear that we do still have a toll free 1-800 customer service support center in the event that the customer prefers to reach out in that manner. But again, we feel that by encouraging the customer to contact the employee directly, it builds a little bit of a relationship.

And perhaps more importantly, our HECs are instructed to revisit customers within 60 days of a contract term expiration, the purpose, of course, to give them a heads-up that that contract term is expiring and to essentially reassess the products and services that that customer might be enrolled in to make a determination as to whether or not that's the best possible plan for that customer.

And if appropriate, an HEC might recommend additional products and services that might help that customer better enhance his or her energy usage.

Lastly, our HECs are trained to prioritize
the customer experience over sales. What does that mean? It refers to a six-week training program that each and every one of our HECs must go through. That, of course, is performed in-house.

During the first two weeks of their training program, the HEC is given classroom training whereby that employee will learn the history of our company, product line, products and services that we offer.

That HEC will receive sales training where they are encouraged and often instructed to operate with integrity and transparency.

And perhaps most importantly, the HEC is provided training on the regulatory requirements in a particular jurisdiction. And that goes beyond just the statewide, for example, Rule 412. We dig a little deeper in the jurisdictional requirements.

I'll use Ohio as an example. There are certain jurisdictions that have do-not-knock rules and so forth, so we make sure that our HECs are aware of those so that, again, we operate with integrity and we can avoid fines and certainly
avoid frustrated customers.

During weeks three and four, that HEC will then receive -- will shadow one of our top-selling sales representatives to get an idea of what the best practices are, hear that message communicated over and over so that, again, we have that consistency across all of our sales territories.

Weeks five and six, that HEC will then shadow -- I'm sorry -- will then begin selling independently but will do so under the direct supervision of one of the territory managers who will monitor that employee to ensure that all regulatory requirements are being followed.

Lastly, we educate the HEC in our company beliefs and values to create a uniform customer message. I touched on this earlier. The message here is customer education. Our goal is quite simple. It's to create an engaged customer that is actively making informed decisions on the type of energy products and services that a customer will purchase.

We believe that by doing that, you start
to see greater demand from those customers. And when there's more demand in the market itself, it allows companies like IGS and others to begin offering products in the energy and solar industry at generational levels.

And so lastly, just to briefly break down what the benefits of that program are, what we believe the benefits of that program are, as I mentioned, customer education is paramount. So we believe that the HEC program enhances the customer experience through that education by making the customer aware of his or her ability to choose a supplier and how IGS might be that company that's best able to serve their needs.

We're also able to take better control of the sales process, we perform the hiring, we perform the training, and we're able to monitor that sale from start to finish.

I mentioned the iPad earlier. Each of our HECs, of course, is equipped with an iPad. That iPad comes loaded with proprietary software that contains GPS locational tracking, so we're able to
see where an HEC is located, how many doors that
HEC knocked on, how many customers that HEC talked
to, how much time that HEC spent at a customer's
door, and, perhaps most importantly, the geographic
location of where that customer's signature
occurred.

We believe that information is critical to
guarding against adverse sales maneuvering ensuring
our HECs are working with integrity.

MS. JANEL HARETOUN: Thank you, Michael.

COMMISSIONER ROSALES: A question. Sorry.

MS. JANEL HARETOUN: Go ahead.

COMMISSIONER ROSALES: How many employees
do you have in Illinois?

MR. MICHAEL NUGENT: Twenty-four.

COMMISSIONER ROSALES: Twenty-four?

MR. MICHAEL NUGENT: Yes.

COMMISSIONER ROSALES: And how many
customers do you have in Illinois?

MR. MICHAEL NUGENT: I would prefer, if we
could, to discuss that maybe outside --

COMMISSIONER ROSALES: Fair enough.
MR. MICHAEL NUGENT: -- of the context of this meeting.

COMMISSIONER ROSALES: Fair. Okay. Thank you.

MS. JANEL HARETOUN: Thank you.

Next we will hear from Ruby and Anna who will provide a dual language presentation on Consumer Takeaways. And Anna will translate the segment. Thank you.

(Spanish translation.)

MR. GERARDO DELGADO: Anna, can you bring the mic a little closer? Great. Thank you.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Thank you, Commissioners, for giving AARP the opportunity to be with you shortly this afternoon.

MR. GERARDO DELGADO: Excuse me, Ruby. Is your microphone on?

MS. RUBY HAUGHTON-PITTS: Yes. Now it is. I think only one can be on at a time; is that correct?

MR. GERARDO DELGADO: That could be.
MS. RUBY HAUGHTON-PITTS: Okay. So I think we both pressed the button at the same time, so thank you.

MR. GERARDO DELGADO: Thank you.

MS. RUBY HAUGHTON-PITTS: We're going to go through some slides rather quickly here.

At AARP we try to give consumers simple information and tips on how to navigate the electric market. Whether they're actively shopping for an alternative supplier or they're presented with an offer by a sales rep going door to door, calling them on the telephone, or sending them a mail order, these are five questions that we recommend they ask.

Question number one: What is the company charging? Ask whether the supplier rate is a fixed rate and for how long or variable and what those charges might be.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Question number two: How does the alternative supplier offer compare with the utility rate? Often people
have a hard time determining the utility's price to compare so they can shop wisely. Consumers can find the price to compare at citizensutilityboard.org/electric or PlugInIllinois.org.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Question number three: Is the alternative supplier price introductory rate? If so, ask how long the introductory rate lasts and what the new rate will be after the interim period.

People have complained to consumer advocates that the low price they signed up for disappeared after only a few months and their bill skyrocketed.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Question number four: Is there a monthly fee? CUB has seen monthly fees as high as $9.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Question number five: Does the supplier charge an exit fee
to get out of the plan before the contract is up?

Remember, you don't have to pay a cancellation penalty if you cancel a contract within ten days of the supplier's charges when they first appear on your bill.

Also, no cancelation penalty can be higher than $50, but there are exceptions which Anna from CUB could talk about.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Finally, we give consumers a warning. If somebody comes to your door and offers you a lower electric rate bill, don't give out your account number or electric bill unless you're sure that you want to sign up for the offer. A dishonest sales rep can use your account number to sign up for an alternative supplier without your permission. That's called slamming.

(Spanish translation.)

MS. RUBY HAUGHTON-PITTS: Thank you.

(Spanish translation.)

MR. GERARDO DELGADO: You may proceed.

(Spanish translation.)
MS. ANNA WARNOCK: Very well. I'm presenting on behalf of Citizens Utility Board. Today's topic that we want to share are the eight details that customers should know when canceling service with an electric supplier.

In the state of Illinois, customers have the option to select an electric supplier so that this company can purchase the energy at the market price and then resell it at X price, or they can purchase it from the utility company, Ameren or Com Ed, depending on where you live.

The detail here is that we as professionals in the industry, we're pretty much aware of what the prices are for electricity, what terms and conditions are, what type of details we should be looking for. And for us, perhaps making this decision is quite easy and simple, but unfortunately for the majority of consumers in Illinois, it's quite complicated and confusing. So today, we want to talk and present eight details on canceling service with an electric supplier that unfortunately customers end up learning the hard
way or when it's too late.

(Spanish translation.)

MS. ANNA WARNOCK: The first detail I want to mention is that it takes one to two billing cycles to enter or exit a contract. And for the most part, customers call very frustrated and aggravated about this because when they're interested in canceling the services because they realize that they're paying a higher price of electricity than the market price and they're desperate to end the service as soon as possible since that price is affecting or impacting their electric bill.

So the good news is that customers now can obtain their electric meter reading by calling their utility company and they can use that information provided to their electric supplier and cancel the service.

(Spanish translation.)

MS. ANNA WARNOCK: Detail number two: The easiest way to cancel the service with an electric supplier is with a regulated utility whereas Com Ed
or Ameren rescinds the contract. And this happens when you're, as a customer, in the process of switching service, there's a period of time where you can simply ask a utility company to prevent the application from going through.

(Spanish translation.)

MS. ANNA WARNOCK: Point number three: You can avoid paying a cancellation fee. And we mentioned this previously. Customers, once they receive their first bill and they realize that they do not want to continue the service, they can actually call the electric supplier and cancel within ten days of receiving their first bill with the new company charges.

(Spanish translation.)

MS. ANNA WARNOCK: Okay. So even if you missed the deadline to cancel, you can ask the alternative electric supplier, as a courtesy -- as a customer courtesy, to waive the exit fee. And I've seen this happen especially with senior citizens. They end up applying for financial assistance and they end up learning that they're
paying a much higher price than the market price and they're interested in canceling but they've already past the due date, so at that point the customer asks the electric supplier to see if that fee could be waived.

(Spanish translation.)

MS. ANNA WARNOCK: So one important detail is number five. Even though there's a cap -- a $50 cap for residential customers in terms of an exit fee, this may not apply for customers who have received any type of rewards or incentives like gift cards, smart thermostats, a free month of electricity. So be aware that there might be actually an additional cost. And also, commercial accounts, their cap, I believe, is 150.

(Spanish translation.)

MS. ANNA WARNOCK: Number six: This is a problem that we've been receiving a lot of calls, and it's regarding automatic contracts of renewals. The burden of terminating the service is up to the customer, so it's up to the customer to remember at the point that the contract is ending.
so that -- to inform the company that they no
longer want the service.

Now, there are two consequences that
happen. The first one is that the price that they
have previously does not automatically renew. And
when they have a new price, it might be much higher
than the market price. And if they had previously
a fixed rate, now it might be a variable rate.

So in addition to that, which is point
number seven, when contracts automatically renew,
the customer may also be subject to a new exit fee.
So now you are with a new price, a variable rate,
and you pass the deadline to cancel and you might
be subject to a cancellation fee, so that's a very
difficult situation to be in.

COMMISSIONER ROSALES: Excuse me. Just a
clarification.

MS. ANNA WARNOCK: Yes.

COMMISSIONER ROSALES: So when it renews,
is there a time element that you can cancel without
the fee?

MS. ANNA WARNOCK: At that point it -- at
least from the calls that I've been -- that we've
been getting, that point in time had already passed,
like, because I guess they have a time frame to ask
the company to cancel the service, but because they
missed that, now they're back in, like, the contract
is valid.

MR. GERARD FOX: Commissioner, under the
Commission's rules, notice of renewal has to go out
no more than 30 days and no less -- no less than
30 days, no more than 60 days before the contract
is over, so there's basically a 60-day window to
cancel the contract if you want to.

COMMISSIONER ROSALES: Thank you.

(Spanish translation.)

MS. ANNA WARNOCK: Lastly number eight,
the Illinois consumers call the Citizens Utility
Board to file complaints about the issues we've
already mentioned before; even AARP was also
discussing.

But also, a lot of customers report
questionable marketing tactics at the point of sale.
The goal is to take each problem individually and
present it or bring it to the company's awareness.
And the expectation is for the companies to resolve
the problem and to take action.
And that is all.
MR. GERARDO DELGADO: Thank you, Anna and
Ruby, for that bilingual presentation. And thank
you to the panelists overall for their presentations
today.
Good afternoon. My name is Gerardo
Delgado. I'm an advisor to Commissioner Oliva.
We will now move into the Q and A segment
of the Policy Session, but before I pose a question
to the panel, does the Chairman or the Commissioners
have any questions at this time?
COMMISSIONER ROSALES: Sure.
MR. GERARDO DELGADO: Yes.
COMMISSIONER ROSALES: Anna, I'm not sure
if you know this, but either Ruby or yourself, what
is the percentage of complaints that you receive
regarding prices on retail electric suppliers of
all the complaints that you receive; any idea?
MS. ANNA WARNOCK: I would say I -- I
wouldn't be able to answer in terms of percentage, but I can tell you that a week, it's anywhere from 15 to 20 complaints related to Aries and whether it's a question or whether it's related to any of the topics we talked about.

COMMISSIONER ROSALES: Ruby?

MS. RUBY HAUGHTON-PITTS: We tend to refer complaints to CUB because I think that they're there and they can actually respond a little faster than we do; so we immediately refer, so her data would be accurate.

COMMISSIONER ROSALES: So in terms of the ruling -- the 412 ruling which we changed a number of issues that we've had in the past, Anna, would you -- would you see a decline in the number of issues that you've had with the Aries, or has it been basically the same? You may not know. I just...

MS. ANNA WARNOCK: So in terms of the marketing, that has helped in a way. So there's still issues regarding marketing tactics, but new problems have arisen. It's more like this whole
issue about automatic renewals or the incentives, little details that are omitted at the point of sale that should be clarified or, for example, a lot of price comparison, there's a lot of confusion about that.

So it's helped in a way, but at the same time, there's always, like, new problems related to it, so it -- I think it was beneficial to create those rules for sure because then you have more structure and then you can hold companies accountable, but there's still issues.

COMMISSIONER ROSALES: Thank you.

MS. JEAN GIBSON: Commissioner, can I chime in, too, and just point out that Part 412 needs to be complaint as of May 1st, so right now the companies have been working towards that deadline, so we would expect to see full compliance as of that date.

COMMISSIONER ROSALES: Okay. Thank you.

MR. GERARDO DELGADO: Along the same lines, maybe, Mike, we could begin with you. You were talking about an internal sales force as a
business model. Maybe you could revisit that topic and also indicate the investments made toward an internal sales force and why are they made.

MR. MICHAEL NUGENT: Sure. I'd be happy to.

The investments -- well, I guess I should start by saying the cost, from an IGS perspective, per sale is almost double with an employee-based sales force as it would be if we had to -- or if we continued to use a third-party.

But the reason we make that kind of investment is, again, it improves customer education. Our HECs are able to do a great job of improving customer awareness, and it -- it enables us to maintain a better control of the process.

We have several safeguards in place that ensure that all regulatory requirements are being followed. And I think that a testament to that is the most recent Illinois scorecard where IGS was rated as a five star.

MR. GERARDO DELGADO: And clearly there's also other models, right? There are third-parties
who are engaging in this practice. So how are
other -- Gerry and Kevin, perhaps you could give
some insight as to what other companies or other
retail electric suppliers are doing to ensure that
when they're engaging with a customers that the
practices are legitimate.

MR. GERARD FOX: Yeah. There are
certainly a number of suppliers that use vendors.
I think what they need to do is -- certainly
vendors have a track record. You know, member
companies know if vendors, for example, have
experienced problems either in Illinois or other
jurisdictions. I think what will help a lot are
the amendments to Part 412 because now it's very
clear that the training programs are the
responsibility of the suppliers. Suppliers are
responsible even if, as I said before,
the agent is -- actually works for a certificated
A, B, C.

And then -- so now what you have is
certification, so there will be a training program.
Companies would make that available to the
Commission Staff so they'd see they're getting training not only in general requirements of the Commission's rules but also for the particular marketing challenges. So people who do door to door will be trained in that, what the requirements are, when you can approach a customer, when you can't. Telemarketing, you know, similar requirements, they'll be trained in that.

But again, the main thing is that the member companies that I'm familiar with the practices, but when they get a complaint and it's about an agent, it's investigated and the discipline is handed out. If an agent is out there saying, you know, I'm here on behalf of Com Ed, that person is going to get fired. If more than one person is doing it, that vendor is going to get fired.

MR. GERARDO DELGADO: So it seems like the rules are creating transparency. There's perhaps self-policing happening within the space of the retail electric market?

MR. KEVIN WRIGHT: I think there's a -- a
greater awareness now that the Part 412 Rules have been approved and, you know, the pudding in the pie, so to speak, will be after May 1st.

I can tell you from my members and we have similar conversations across trade associations, those member companies are spending a good deal of time examining their compliance programs in door-to-door and telemarketing. I know one of my members has fired a vendor and, I think, are listening more closely to the third-party verification tapes.

But I'm going to be honest here. Again, that's the trade association aspect, and we don't represent all 55 retail electric suppliers. I think we know who's -- certainly if you look at the complaint statistics -- and here I go, but let's be frank -- a lot of those with the highest complaint statistics are not necessarily trade association members.

And while we're making an effort within the associations to bring the attention to our membership here's what Part 412 is saying, here's
what Jean Gibson and folks are saying from the implementation workshop, here's the complaint statistics that just came out, here's your star ranking, that's the extent of our policing internally because we have antitrust provisions that govern our behavior.

So I think from a trade association we're really trying, but we only represent a smaller group of the entire market.

MR. GERARDO DELGADO: Jean, if I could gain your insight on the stakeholder collaborative process when addressing challenges and opportunities in the retail electric space...

MS. JEAN GIBSON: Absolutely. Very excited about the new advisory committee that's going to be getting together. We will be exploring some of the issues that we've been talking about today. Things like self-policing, we'll be gathering and talking about that and that group will be -- we can have a conversation about what that might look like and how a healthy market would -- would come together.
And I just wanted to step back and address the earlier question, too, if you don't mind --

MR. GERARDO DELGADO: Not at all.

MS. JEAN GIBSON: -- that while there's self-policing, we have our Consumer Services Divisions who will be receiving any -- continuing to receive any complaints or question calls, and if they do relate to parts of the Rules, Part 412, that are now more strictly guided, we'll be able to identify those issues earlier and address them -- address them directly or through an advisory committee where the stakeholders are sitting around the room together and exploring what might look -- what it might look like and how do we address it.

So having these ongoing conversations are very important. Again, the market is changing. We have new rules in place that we need to make sure we're working together, and we have suppliers out in the market who may not be following the rules and what do we do to work together to make sure that we are meeting the standards that need to be met for the consumers.
MR. GERARDO DELGADO: So we heard about that the amendments to the ICC rules have provided consumer tools which is great. So maybe -- Ruby and Anna, maybe you could add how can consumer awareness and education continuously within the stakeholders in the space be improved? So what resources do you utilize, how do you reach out to the community?

MS. RUBY HAUGHTON-PITTS: I'm certain that with AARP's 1.7 million members throughout the state of Illinois, we have the ability to communicate much of what we've talked about here, and we -- we do that.

And so there are opportunities for us to share the information more widely, for us to warn and encourage people not to make snap decisions, but to begin to thoughtfully research and find out exactly what is going on before they make a change.

So those are the things that we can do in the immediate to make people aware of the new rule and to encourage them to do the kind of research that is necessary in this day and age in order to
make right decisions for yourselves.

MR. GERARDO DELGADO: Just one more question. Given the fact that being in a de-regulated state is that customers have a choice of an electric supplier, Kevin, you touched on this, but perhaps we could -- Gerry, you'd like to supplement as well: How are customers currently being benefited by a competitive market?

MR. GERARD FOX: Well, first off, you can't just look at benefits in terms of the price because one problem is that it's very difficult to come up with the price to compare.

Utilities offer a default, an ordinary, known product. As Kevin mentioned in his talk, suppliers offer green products. They offer fixed prices, fixed bills where you pay one amount per month no matter what your usage is, products that are bundled with thermostats or other energy conservation measures, a whole array of things that are not available from the utility.

But the other thing to keep in mind when you're looking at the price to compare is if
Illinois didn't become de-regulated back in 1997, would the electric prices of the utilities be what they are today? And I think the answer is clearly no.

If you look at Dr. O'Connor's paper, he takes a nationwide perspective, compares the 14 -- he counted 14 choice states with 35 monopoly states -- I don't know why they don't add up to 50, but they don't -- and determines that there's many benefits both in terms of overall price over the period of time that you're looking at, as well as, again, the options, the use of energy conservation. And so I think that's where the benefits lie.

Mr. Gerardo Delgado: Any additional thoughts?

(No response.)

Mr. Gerardo Delgado: Well, unfortunately, that's all the time we have for our Q and A.

Chairman, Commissioners, any other questions? For the sake of time, we have a hard stop at 12:30, but...

Commissioner Rosales: I'll do it really
fast, really fast. Thank you, Sadzi, for putting this together. It was really well--really well-done.

So there's some general comments that I have because Ruby had mentioned 1.6 members that you have for AARP.

MS. RUBY HAUGHTON-PITTS: 1.7.

COMMISSIONER ROSALES: 1.7. Okay.

So for the rest of--the nine-point-something members, the rest of Illinois, whose responsibility is that to understand the retail market? We kind of give it to all of you to be ambassadors, and that puts us sometimes in a really tough situation because you're educating and selling at the same time whether you understand that or not.

So I want to--this all sounded good and it was great. I appreciate you all being here and taking the time. I just want you to understand that we really want--we want you to do well, believe it or not. I mean, it's an open market, it's a fair market, and for us, the market does
well when it's free and open.

And we want to be number one. Ohio is --
you mentioned Ohio who is a member of -- of -- they
only have, like, 900 AMI meters. Com Ed has
four million just in, you know, the Chicago area
alone, so they're -- Illinois is doing really well,
so we -- this is -- this is a great opportunity in
the state.

But I want you to also understand and be
very clear before you leave here, it needs to come
from the top down. And everything that you said up
there, which I totally agree with, in understanding
the law and respecting the law and following the
law, it sounds good here; make sure it transfers
over until you get to the boots on the ground on
those folks at those houses. I want to be very
clear about that because, you know, when that
doesn't translate and they don't understand that,
that's when we get the complaints, that's when they
get the complaints, and that's when we have the
problems. Make sure that gets -- make sure that
gets through to everybody.
We appreciate your time being here. Thank you.

MR. GERARDO DELGADO: Thank you. Thank you, Commissioner.

Ladies and gentlemen, please join me in thanking Jean, Gerry, Kevin, Mike, Ruby, and Anna today for their presentations.

(Applause.)

MR. GERARDO DELGADO: I'll hand it over to Commissioner Oliva.

COMMISSIONER OLIVA: So that concludes our Policy Session. Thank you to the Chairman and my colleagues for your support, to all of the panelists, to my team, Janel and Gerardo, for all their help, and for all of you for attending. And stay tuned for installment number four of the Illinois' Power Meter.

Thank you.

(Whereupon, the above matter was adjourned.)