

CUB reserves the right to change their position as discussions progress and does not view this document as legally binding.

### Section 1

- I. Public Act 95-0700 authorizes the Commission “ to establish retail choice and referral programs to be administered by an electric utility or the State in which residential and small commercial customers receive incentives, including, but not limited to, discounted rate introductory offers for switching to participating electric suppliers.”

3. What are important characteristics of such programs?

3. CUB believes there need to be adequate consumer protections in place prior to the first referral to avoid the types of issues that have arisen in the natural gas market. CUB sees these protections as being in the best interest of all parties involved. These protections should not create undue burdens on suppliers, utilities or consumers.

- III. The law further states that “reasonable costs associated with the implementation and operation of customer choice and referral programs may be recovered in an electric utility's distribution rates, except that any costs associated with any introductory discount for switching to a supplier shall be assumed by that supplier. Reasonable costs associated with the implementation and operation of a customer choice program may also be recovered from retail electric suppliers participating in a customer choice and referral program.”

1. Please describe your preferred cost recovery mechanism in detail.

1. There has not been a sufficient demonstration of benefits of customer choice or referral programs to justify customers subsidizing supplier entry. Although initially it may be reasonable to recover costs through utility distribution rates, as the market matures these monies should be paid back to consumers by suppliers participating in the program.

### Section 2

- I.
  3. Please describe the preferred Commission involvement in any consumer education program.

3. Consistent messaging is a very useful tool in helping to reduce consumer confusion. The Commission should help in the development of consistent messaging among parties in order to better educate consumers.

- IV.
  3. Aside from the existing reporting requirements, is there any other type of periodic report that you believe would be beneficial in a competitive retail electricity market? If so, please indicate the Commission’s authority to require such a report.

3. Public disclosure of complaints and complaint numbers by ARES on a monthly basis, as this would help to create transparency and provide early notification to other market participants, consumer advocates, utilities and the Commission of any issues that may arise.