

Attachment II
Finding and Order of November 30, 1999
Case No. 99-1141-EL-ORD

Commission-Ordered Consumer Education Plan

(A) The electric utilities shall implement a two-pronged customer education effort: one as part of a statewide campaign and the other as a service territory-specific campaign.

(1) Statewide Campaign

The statewide campaign shall be a single, cooperative effort by all of Ohio's investor-owned electric utilities. All electric utilities shall agree upon the messages of the campaign, the general theme of the campaign, the media resources utilized in the campaign, and the method for tracking the success of the campaign. The campaign shall ensure the consistency of the message and the maximizing of cost efficiency by utilizing overlapping media markets. The statewide campaign shall communicate the broad message of "you have a choice" and direct customers toward more information. The campaign shall provide the overall general messages of customer choice as determined by the advisory group described in section (C)(1).

(2) Service Territory-Specific Campaign

Each electric utility shall also engage in advertising and public relations efforts to further educate consumers on the details of electric restructuring and consumers' choices as they relate to the electric utility's specific service territory. Such activities must serve to complement the statewide campaign and educate consumers about the details of electric restructuring that a mass media campaign may preclude. These activities include: direct mail and bill inserts; participation in community fairs, forums, events and trade shows; internal training and staff communications; and paid consumer education spots in the local media. The local campaigns shall communicate the more complex issues of "how to shop" and direct customers toward more information.

(B) Campaign Management

(1) Section 4928.42, Revised Code, gives the Commission a mandate that it shall "prescribe and adopt by order a general plan by which each electric utility shall provide during its market development period consumer education on electric restructuring under this chapter." To accomplish this, the Commission must also ensure the implementation of the prescribed plan. Therefore, the Commission, through its staff, shall maintain the overall supervision of the campaign's implementation.

- (2) The Commission shall seek consultation from the Ohio Consumers' Counsel (OCC). The Ohio Electric Utility Institute (OEUI) shall administer the campaign under the Commission's supervision and provide financial coordination.
- (3) While the Commission staff will supervise the statewide program, it also recognizes the need to do this in close concert with the utility companies, since it is also their statutory responsibility to ensure that customers are, indeed, educated. Also, the Commission has the authority, on an annual basis, to adjust the utilities' shopping incentives if consumers do not participate. If participation is low, the Commission can change the shopping incentive to the consumers' benefit (and utilities' detriment) in order to encourage more shopping. Therefore, it behooves the companies to execute effective education efforts to promote shopping. The OEUI shall administrate and coordinate the activities of the utility companies for the service-territory specific campaigns to ensure that the messages delivered in this aspect of the overall plan are consistent with the messages of the statewide campaign. The Commission shall maintain general oversight. In addition, the Commission will closely monitor the activity of a utility promoting shopping through its affiliate.

(C) Advisory Groups

- (1) The Commission will provide the ultimate approval for the campaigns and the content of the campaigns and certain aspects of the overall consumer education program. In addition, a statewide campaign advisory group consisting of agencies/organizations representing customer class diversity shall be formed to provide input and resources to ensure an effective program and offer balance and broad perspective to decision-making.
- (2) The statewide campaign advisory group shall be convened to elicit input on: (a) the selection of the advertising agency; (b) the development of the messages and means of distribution for the campaign; and (c) the development of the statewide campaign.
- (3) Given the purpose of the statewide campaign advisory group, the members of that group shall not only represent their constituencies, but should bring to the group the necessary skills to provide meaningful and credible input and perform the necessary tasks to ensure an effective education campaign. Therefore, the members selected for each position on the advisory group should hold positions with their respective agency

or organization related to responsibilities for communication, advertising or consumer education. Each member of the group, prior to the first meeting of the group, shall demonstrate a background experience or education in public relations, advertising, communications or consumer education. The Commission shall have final approval of the representatives to the group.

- (4) The advisory group shall be comprised of one member of the Commission staff; one representative of the utilities; one representative from the OCC; and one representative of energy marketers; and two representatives of customer classes, as determined by the Commission.
 - (5) The statewide campaign advisory group shall provide professional consultation, input, and valuable guidance, but does not constitute a decision-making body. Neither the Commission nor its staff is bound by the decisions or recommendations of the statewide campaign advisory group.
 - (6) The service territory-specific campaigns shall also include advisory bodies made up of similar representatives as the statewide advisory body and will include representation from the Commission and OCC.
- (D) Retaining an Advertising/Public Relations Firm
- (1) A request for proposals (RFP) will be issued by the Commission for the selection of consultants as necessary to effectively execute an education campaign. The RFP shall seek the assistance of a full-service advertising and public relations firm or, in the alternative, an advertising firm and a public relations firm. The responses shall be reviewed by the statewide campaign advisory group. The group shall rank the top ten responses and provide a description of the pros and cons of each. The Commission will then select the successful bidding firm. The primary contact for the agency will be the Commission staff campaign coordinator.
 - (2) The cost of any contract with an advertising/public relations firm will be borne by the electric utility companies and coordinated by OEUI. The electric utility companies shall make appropriate arrangements with the firm(s) for such payment and shall make such payments pursuant to the arrangements solely upon the instruction of the Commission staff.
 - (3) The companies shall spend \$16 million in the aggregate in the first year and \$17 million in the aggregate for the duration of the market transition period. In the first year, each company's allocation of funds shall be

divided 70 percent for the statewide campaign and 30 percent for the service territory-specific campaign. In succeeding years, the companies shall allocate 40 percent for the statewide campaign and 60 percent for the service territory-specific campaign unless otherwise approved by the Commission. Each company's fund allocation responsibility shall be certified by the Commission.

(E) Target Audiences

- (1) The electric utilities shall design a consumer education campaign that specifically reaches the following audiences and special interest populations, unless otherwise indicated by the baseline study described in section (F)(1):
 - (a) Residential customers, with special attention to harder-to-reach subsets including minority populations, rural populations, senior citizens, and low-income customers.
 - (b) Small- and mid-sized commercial customers.
 - (c) Elected officials, community leaders and civic organizations, trade associations and consumer groups.

(F) Research

- (1) Prior to the initiation of education campaigns either on a statewide level or a service territory-specific level, a baseline research study shall be conducted by an independent firm. The study should seek, at a minimum, to determine levels of awareness about electric choice, target audiences, how consumers will make choice decisions, how consumers want to receive information and what aspects of choice cause consumers concern.
- (2) The statewide campaign shall include a statewide study every six months (first study to be completed within six months of the roll-out of the education campaign and repeated at six-month intervals from the reporting date of the first study). The research shall take into account the several service territory areas of the state as a sample population is selected. Research reports shall be submitted to the Commission, OCC, and the statewide advisory group. Research shall continue until the education campaign is completed at the end of the market development period.

- (3) Prior to implementing a research project, specific and detailed research proposals shall be submitted to the staff for review and approval, including the elements of sampling methods, survey instruments, survey administration techniques, and analytical and reporting methods.
- (4) Research shall include levels of awareness and knowledge of the residential class, commercial class, and mercantile commercial and industrial class by service territory. In addition, research shall focus on determining the level of awareness and knowledge of target audiences and special needs audiences by service territory.

(G) Timeline for Implementing Campaigns

Since customers may begin contracting with electric service companies on January 1, 2001, and will begin to receive solicitations well before that date, implementation of consumer education campaigns shall take place no later than the beginning of the third quarter of 2000. Statewide campaigns and service territory-specific campaigns should have associated time frames that account for a research and development phase, a printing and production phase, and implementation schedule for the beginning of customer choice (the first year of spending \$16 million). In addition, a timeline shall be developed for the spending of the \$17 million in the aggregate leading to the end of the transition period.

(H) Tactics

- (1) The statewide campaign shall be a cost-effective mix of at least the following tactics:
 - (a) Paid advertising (television, radio, print)
 - (b) Direct mail
 - (c) Media relations
 - (d) Special promotional events
 - (e) Speaker's bureau
 - (f) Collateral material (brochures, fact sheets, media kit, displays, etc.)
 - (g) Web site
 - (h) Call center(s) with toll-free telephone information line
 - (i) Partnerships with community-based organizations and trade organizations
- (2) No portion of the allocated funds shall be disbursed through grants to community based organizations and trade organizations. Funds shall not be used to cover administrative or overhead costs of OEUI. Funding shall

only be allocated to aspects of the statewide campaign or the electric utility companies' service territory-specific campaigns.

(I) Transition Plan Content Requirements For Consumer Education:

Each electric utility is required to submit, as a part of its transition plans, a plan for consumer education consistent with the general plan prescribed above. These plans shall include the following in order to be considered consistent with the above general plan:

(1) Contact Information

Provide a specific contact person, address, telephone number, fax number, and e-mail address for a point person for the territory-specific campaign.

(2) Advisory Group

Describe the advisory group formed for the territory-specific campaign including its make-up, functions, and frequency of meeting. This group will have input on the goals and messages of the campaign and ensure it is consistent with the overall theme of the statewide campaign.

(3) Tactics

Describe in detail the tactics that will be employed for the territory-specific campaign, when they will be employed, and where they will be employed. Describe how these activities will support and complement the statewide effort. Describe how community workshops and communication through community-based organizations and community-action agencies will be utilized.

(4) Timeline

Describe the timeline associated with executing the territory-specific campaign, including the research and development phase, production phase, and the execution phase.

(5) Budget

Describe, based on the general plan and section (D)(3) above, the total dollars required of the company for consumer education as described in section 4928.42 of the Revised Code, including the funding allocation for the statewide campaign and the service territory-specific campaign.

Describe a budget for the territory-specific campaigns, including all foreseeable expenditures.