



A Report by The Public Utilities Commission of Ohio

The Ohio Retail Electric Choice Programs Report of Market Activity 2001 - 2002

MAY 2003



**The Public Utilities Commission of Ohio
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The Public Utilities Commission of Ohio.....

Bob Taft, Governor

Alan R. Schriber, Chairman

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Ronda Hartman Fergus
Judy A. Jones
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Clarence D. Rogers, Jr.

To the Honorable Members of the Ohio General Assembly:

In compliance with the provisions of Senate Bill 3 (SB 3) and the establishment of electric choice in Ohio, it is my pleasure to provide you with the attached progress report. The report reviews the changes that have taken place in the state's electric industry as well as the benefits that have accrued to industrial, commercial and residential customers.

Of the twenty-four states in the United States that have adopted electric choice, Ohio's experience has been among the best. While it is difficult to argue that electric choice has been pervasive anywhere, I believe that under the circumstances, Ohio's program has so far been a success. When SB 3 was adopted in 1999, the nation had not yet experienced the economic and psychological ramifications of the California experience. Nor had we experienced the horrific fallout that accompanied the fall of Enron. Nevertheless, Ohio forged ahead with its programs, and there are success stories to report.

Ohio's electric utility service territories have witnessed varying levels of competitive activity over the past two years. Areas with a low degree of supplier activity and consequent customer switching are not necessarily a disappointment. Simply put, the incumbent utility companies in these areas already offer their customers low rates, making it difficult for competitors to enter the market and lure customers away. This is the case despite the fact that the Commission, by law, has imposed conditions upon the companies to provide incentives to would-be "shoppers." It is difficult to apologize for low rates, and I assure you that the Commission continuously monitors the behavior of all market participants to detect any non-price barriers to entry that might hinder competition.

Where we can point to the greatest success is in those areas that have adopted aggregation. Northern Ohio has enjoyed a high rate of customer switching due in large part to this process whereby communities band together to buy electricity, in bulk, for their residents. The nation's largest aggregation of communities resides in Northeast Ohio.

In order to ensure fair and orderly markets, the PUCO has established a Market Monitoring Division. Equipped with the latest in technology, this division stays atop events—locally, regionally, and nationally—that may impact the economical flow of electricity to our customers.

Additionally, we recognize that many of the utilities that we regulate have entered lines of business over which we have no authority. We are pledged to ensure that the financial integrity of the activities that we do regulate is not undermined by the unregulated enterprises that fall under the utilities' corporate umbrella. To this end, and in concert with our market monitoring activities, we have elevated the presence of our financial auditing division.

Finally, there are many initiatives that are underway in Congress and at the Federal Energy Regulatory Commission that could have a significant impact on the way energy markets evolve in Ohio. The Commissioners and staff have remained at the forefront of these debates through our activities in the many forums in which they take place.

We feel that the makings of a vital retail market are in place: a commitment to nurture the development of retail electric choice; statutes providing us with the administrative powers to correct the course if necessary; and lastly, a vote of confidence from you, Ohio's lawmakers. We look forward to a continued relationship with public officials at all levels of government, especially at the Statehouse, as we work to make electric choice a success.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan R. Schriber". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Alan R. Schriber, Chairman

Executive Summary

The market development period envisioned by Senate Bill 3 (SB 3) has largely been implemented through rulemakings and detailed proceedings before the Commission. Aggregation, specifically governmental aggregation, has led the way. In the first two years of electric choice:

- More than 150 local governments passed ballot issues and were certified by the PUCO to allow local units of government to represent their communities in the competitive electricity market. Ohio is home to the Northeast Ohio Public Energy Council (NOPEC), the largest public aggregator in the United States. NOPEC represents 112 communities in eight counties and more than 350,000 residential customers.

Of those customers who have switched in Ohio, aggregation programs account for:

- Nearly 93 percent of residential customers who have switched in Ohio.
 - More than 88 percent of commercial customers who have switched in Ohio.
 - Nearly 20 percent of industrial customers who have switched in Ohio.
- In the residential market, the megawatt hours sold by alternative suppliers reached 60 percent in the Cleveland Electric Illuminating Company territory, 36 percent in the Toledo Edison Company territory, 22 percent in the Ohio Edison company territory, and 2 percent in the Cincinnati Gas and Electric Company territory.
 - In the commercial market, the megawatt hours sold by alternative suppliers reached 50 percent in the Cleveland Electric Illuminating Company territory, 51 percent in the Toledo Edison Company territory, 38 percent in the Ohio Edison Company territory, 32 percent in the Cincinnati Gas and Electric Company territory, 9 percent in the Dayton Power and Light Company, and 6 percent in the Columbus Southern Power Company territory.
 - In the industrial market, the megawatt hours sold by alternative suppliers reached 32 percent in the Ohio Edison Company territory, 28 percent in the Dayton Power and Light Company territory, 20 percent in the Cleveland Electric Illuminating Company territory, 18 percent in the Cincinnati Gas and Electric Company territory, and 5 percent in the Toledo Edison Company territory.
 - The PUCO has remained proactive in federal proceedings as the Federal Energy Regulatory Commission (FERC) works to establish a well-functioning wholesale market, including making more than 75 formal filings with FERC since the start of electric choice.
 - The PUCO has actively monitored the wholesale energy markets to immediately identify any impacts that market fluctuations or conditions could have on the Ohio retail market.

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Introduction

Senate Bill 3 (SB 3) requires the Public Utilities Commission of Ohio (PUCO) to report biennially to the standing committees of both houses of the Ohio General Assembly, which have primary jurisdiction over public utility legislation, “regarding the effectiveness of competition in the supply of competitive retail electric services in this state.” The PUCO is submitting this report in fulfillment of that statutory obligation.

The primary purpose of this report is to provide the General Assembly and interested public with a description of market activity that has occurred during the first two years of electric choice in Ohio. The report includes data and information on relative market shares of competitive suppliers serving customers in Ohio, and the rate of customer switching from incumbent utilities to alternative electric suppliers.

The passage of SB 3 set in motion a period of intense preparatory activity by the Commission, its staff, Ohio’s utilities, alternative electric suppliers, and stakeholders. In 2002, many of the rules promulgated in the initial phase of implementing electric choice were reviewed in order to incorporate lessons learned over the first 18 months of electric choice. Certain mid-course adjustments were made, that are summarized in the Current Issues section of this report.

The PUCO has maintained a balanced approach to the restructuring of the electricity industry. The primary goal has been to eliminate or reduce barriers to entry. The PUCO has been careful to distinguish between price barriers and non-price barriers.

Significant market entry has occurred, which is supported through customer switching statistics contained in this report. There are regional differences within Ohio regarding the level of competitive activity. The PUCO believes that differences in the level of market activity in different regions of Ohio are attributable largely to the presence, or lack of, price barriers. Where there is room for suppliers to enter the market with reasonable prospects of profitably to attract customers, they have done so. Where prices are relatively lower, there are fewer suppliers.

This is both natural and positive. The objective is, and should be, to promote and preserve competition, not competitors. The PUCO will remain vigilant and fair in its policies and implementation of the mandate set forth by the legislature in SB 3.

Methodology

Rules in place for the implementation of SB 3 require every local electric utility, every certified alternative electric supplier, and every aggregator and governmental aggregator doing business in Ohio to provide the PUCO with relevant data for monitoring the development of the marketplace. The PUCO, the sole regulatory agency charged with monitoring and facilitating a competitive marketplace, is responsible for collecting and analyzing this data.

Data submitted by the entities is verified and validated. It is consolidated in a computer database and checked for historical consistency and logical validity. The data is then compiled into the charts found within this report, which represent the official statistics of electric choice.

Appendix A to this report presents the megawatt hours (MWh) sold by the local utility and by alternative competitive suppliers during the month of December 2002.

Appendix B to this report presents the number of customers who have switched from the local electric utility to alternative competitive suppliers as of December 2002.

Appendix C to this report describes aggregation activity in Ohio.

This report primarily presents the graphical representation of the figures in Appendix A in terms of MWh sold, because SB 3 measures the development of competition on an energy (or MWh) basis.

Abbreviations

For the purposes of this report, specifically pertaining to the graphs and charts, the following abbreviations are used:

Local Electric Utility Companies

CEI	Cleveland Electric Illuminating Company (dba The Illuminating Company)
CG&E	Cincinnati Gas & Electric Company
CSP	Columbus Southern Power Company (dba American Electric Power, Columbus Southern Power Division)
DP&L	Dayton Power & Light Company
MON	Monongahela Power Company (dba Allegheny Power)
OE	Ohio Edison Company
OP	Ohio Power Company (dba American Electric Power, Ohio Power Division)
TE	Toledo Edison Company

This report will refer to these utilities using their legal names, not the names they are doing business as (dba).

Ohio and the Wholesale Electricity Market

Electric power, like many other commodities and manufactured products, is bought and sold in bulk in competitive wholesale markets. A well-functioning wholesale market is critical to the continued development of a retail market in Ohio. Alternative electric suppliers purchase electricity at wholesale in order to serve retail customers who have exercised choice.

Ohio Remains Active in Federal Proceedings

Due to the interstate nature of wholesale bulk power purchases, wholesale markets are expanding on a regional basis under the watchful eye of the Federal Energy Regulatory Commission (FERC). The development of Ohio's retail market depends, to a large degree, upon decisions made by FERC at the wholesale level. The PUCO, for its part, philosophically supports a regional approach to the design of a well-functioning wholesale market. The PUCO regularly advocates its ideas and support for FERC's efforts on behalf of the wholesale market through comments filed in federal cases and rulemakings. The PUCO has, for example, made more than 75 formal filings with FERC since the start of electric choice in Ohio.

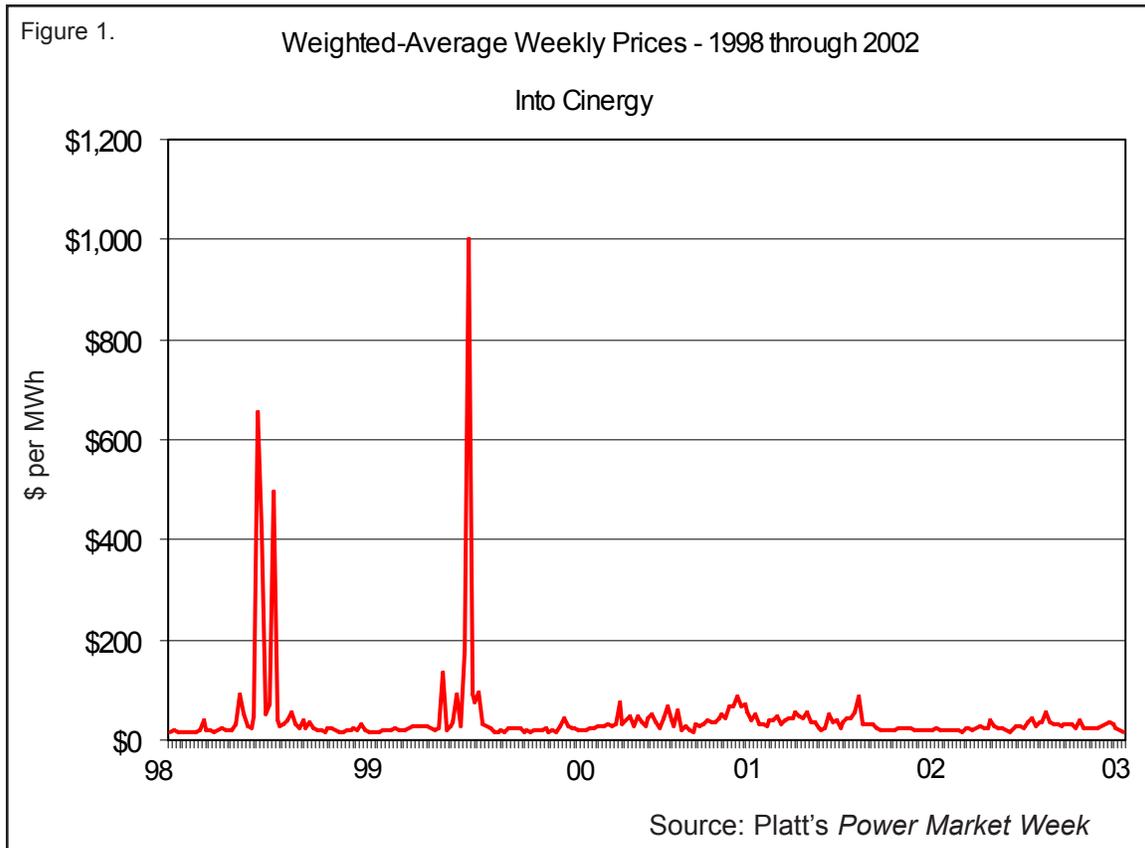
Regional Planning and Multi-State Coordination

The Ohio Revised Code enables the PUCO to address regional issues that may fall under jurisdictions beyond Ohio's borders. At the wholesale market level, Commissioners and staff represent the state's interests in working groups for regional transmission organizations. PUCO Commissioners, in concert with regulatory authorities from neighboring states, are addressing concerns to the boards of these organizations as rules and regulations for the wholesale market are promulgated.

Ohio is contributing its planning expertise to the coordination of multi-state infrastructure improvements. These activities are consistent with a recent report by the National Governors' Association on multi-state entities. Fuel diversity for electricity generation, including coal, is among the issues advocated by the PUCO as being in the public interest with implications for national energy security.

Monitoring the Wholesale Electricity Market

PUCO staff monitors wholesale bulk power prices at the Cinergy trading hub as well as other market conditions, which might immediately impact the state's competitive retail electricity market. Figure 1 shows that the volatility of prices in 1998 and 1999 has dampened considerably in the last three years.



The price signals created by the spikes and volatility of 1998 and 1999 attracted new entrants into the wholesale generation market. The Ohio Power Siting Board helped to facilitate the construction of 17 new power plants in Ohio between 1998 and 2003. As shown in Figure 2, these plants represent 8,454 megawatts (MW) of new electric generation. This additional generating supply has been a key factor in stabilizing wholesale prices at affordable levels.

Figure 2.

**New Electric Generating Facilities
On-Line or Under Construction in Ohio**

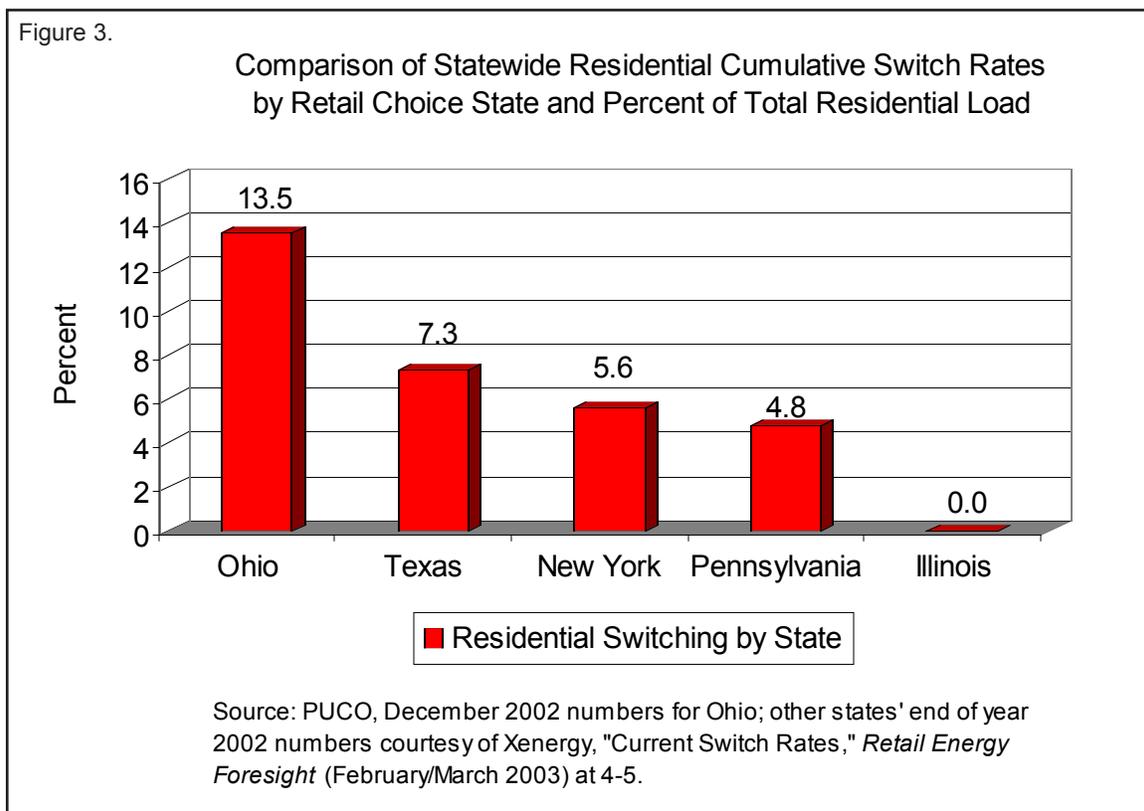
Facility In-Service Date	Generating Capacity
Jun 2000	640 megawatts (MW)
Aug 2000	200 MW
May 2001	480 MW
Jun 2001	45 MW
Jun 2001	45 MW
Jun 2001	45 MW
Feb 2002	390 MW
Apr 2002	320 MW
Jun 2002	600 MW
Jun 2002	620 MW
July 2002	500 MW
May 2003	850 MW
Jun 2003	550 MW
Jun 2003	1240 MW
Aug 2003	800 MW
Jun 2004	704 MW
Jun 2005	425 MW
Total	8454 MW

For market monitoring purposes, the PUCO now subscribes to a proprietary electronic service that provides real-time information on the operating status of major electric generating stations supplying wholesale bulk power in the United States. Since electricity generation is deregulated in Ohio, utilities are not forthcoming with this information to regulators.

The status of generation availability, tied to current weather conditions and transmission constraints, is valuable in taking the pulse of day-to-day events. Tracking historical trends may disclose possible instances of market manipulation, abuse of market power, or early warning of electric reliability issues, which could harm Ohio's competitive retail electricity market or the state's economy.

Developments in Competitive Retail Generation Service Markets

Compared to other residential retail choice markets in the country, Ohio is experiencing the highest level of residential customer participation. Recent comparisons made in the trade press confirm that Ohio leads all states when it comes to the percentage of residential customer load statewide that has switched to an alternative electric supplier. Figure 3 compares residential switching in Ohio to switching in other leading “choice” states, as measured by the percentage of load being served by alternative electric suppliers.

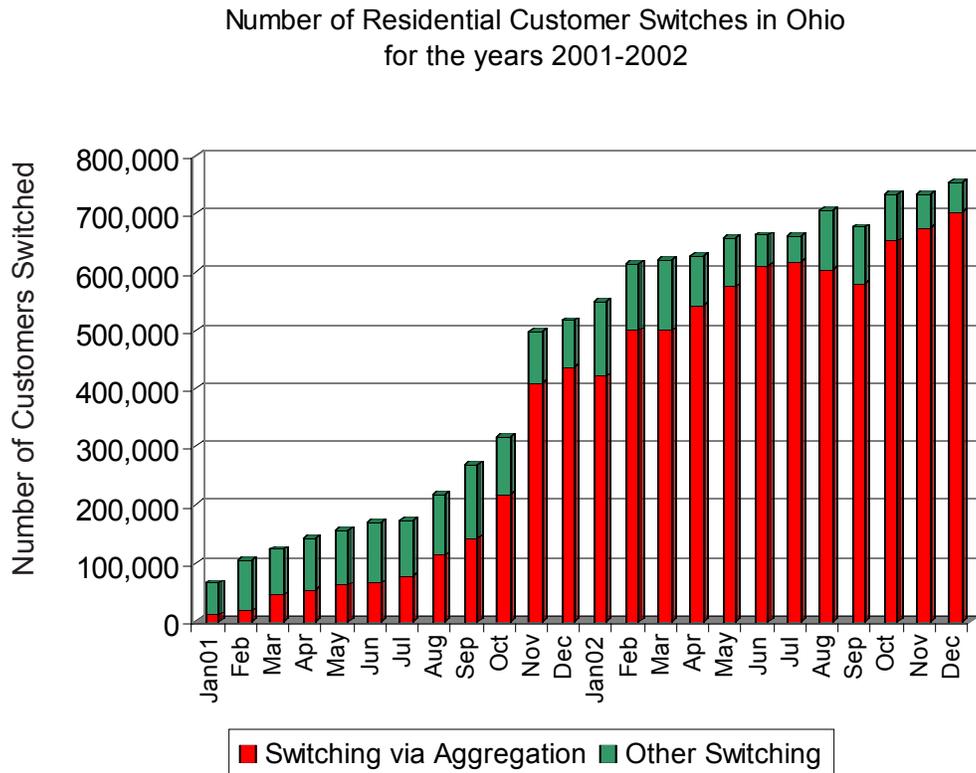


Detailed presentations of switching behavior observed in the residential, commercial and industrial sectors of each investor-owned local electric utility service territories in Ohio, and analyses of the corresponding relevant market concentration indicators, are presented below.

Residential Sector Switch Rates

Residential sector customer switch rates increased throughout 2001 and 2002. Figure 4 presents the month-by-month increase in the total number of residential customers who switched to alternative electric suppliers between January 1, 2001 and December 31, 2002. It also presents a month-by-month breakdown of the total number of customers switched in terms of those who switched through aggregation versus those who switched through some other mechanism.

Figure 4.



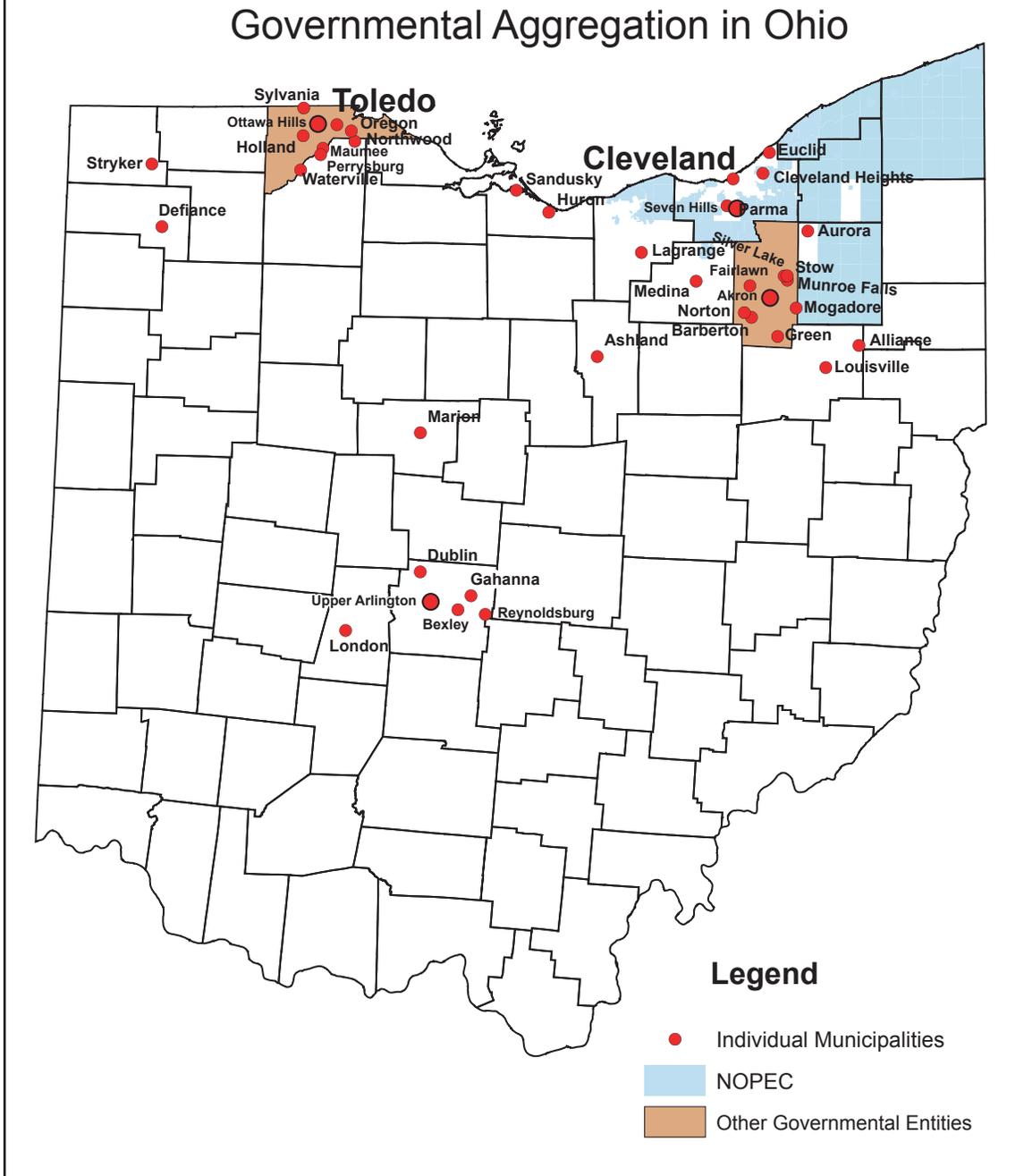
The high switching rates among residential customers can be attributed to Ohio’s success in establishing governmental aggregation as authorized by SB 3. More than 150 counties, cities, villages, and townships passed ballot issues and were certified by the PUCO to allow local units of government to represent communities’ interests in the competitive electricity market.¹ Figure 5 presents a map of the state indicating the geographic locations of the communities that have passed referendums and have received certification from the PUCO.

While not every governmental aggregator has become active by contracting with a PUCO-certified marketer to purchase competitively-priced bulk power on its behalf, more than one-third of the residential customers in FirstEnergy Corporation’s (comprised of the Cleveland Electric Illuminating Company, Ohio Edison Company and the Toledo Edison Company) service territories in Ohio have switched suppliers. The largest governmental aggregator in these service territories is the Northeast Ohio Public Energy Council or NOPEC. NOPEC represents more than 350,000 residential customers in eight counties and 112 communities in Northeast Ohio. It is the largest public aggregator of electricity customers in the United States.²

1. The Public Utilities Commission of Ohio, “Certification Report” (January 28, 2003) at 3-14, 19-25.

2. “<http://www.nopecinfo.org/>“NOPEC Customers To Save Even More on Green Mountain Electricity; (December 31, 2002); “Cuyahoga County Commissioners Salute NOPEC” (September 3, 2002).

Figure 5.



The relative amount of electricity sold by alternative electric suppliers within an economic sector, or to a major customer category, is an important measure of switching. Figure 6 presents the residential sector market shares of the investor-owned local electric utilities and of the corresponding alternative electric suppliers in terms of megawatt hour (MWh) sales within each utility service area in Ohio for the month of December 2002. Alternative electric suppliers include companies owned by Ohio utility holding companies FirstEnergy, American Electric Power, and DPL, Inc. These are generally described in this report as affiliates.

In the Cleveland Electric Illuminating Company service territory, 60 percent of the MWh consumed by residential customers were supplied by alternative electric suppliers in December 2002. In the Toledo Edison Company service territory, 36 percent were supplied by alternative electric suppliers, and in the Ohio Edison Company service territory, 22 percent were supplied by alternative electric suppliers. The amount in the Cincinnati Gas and Electric Company service territory was 2 percent, and zero in the rest of the state.

Figure 6.

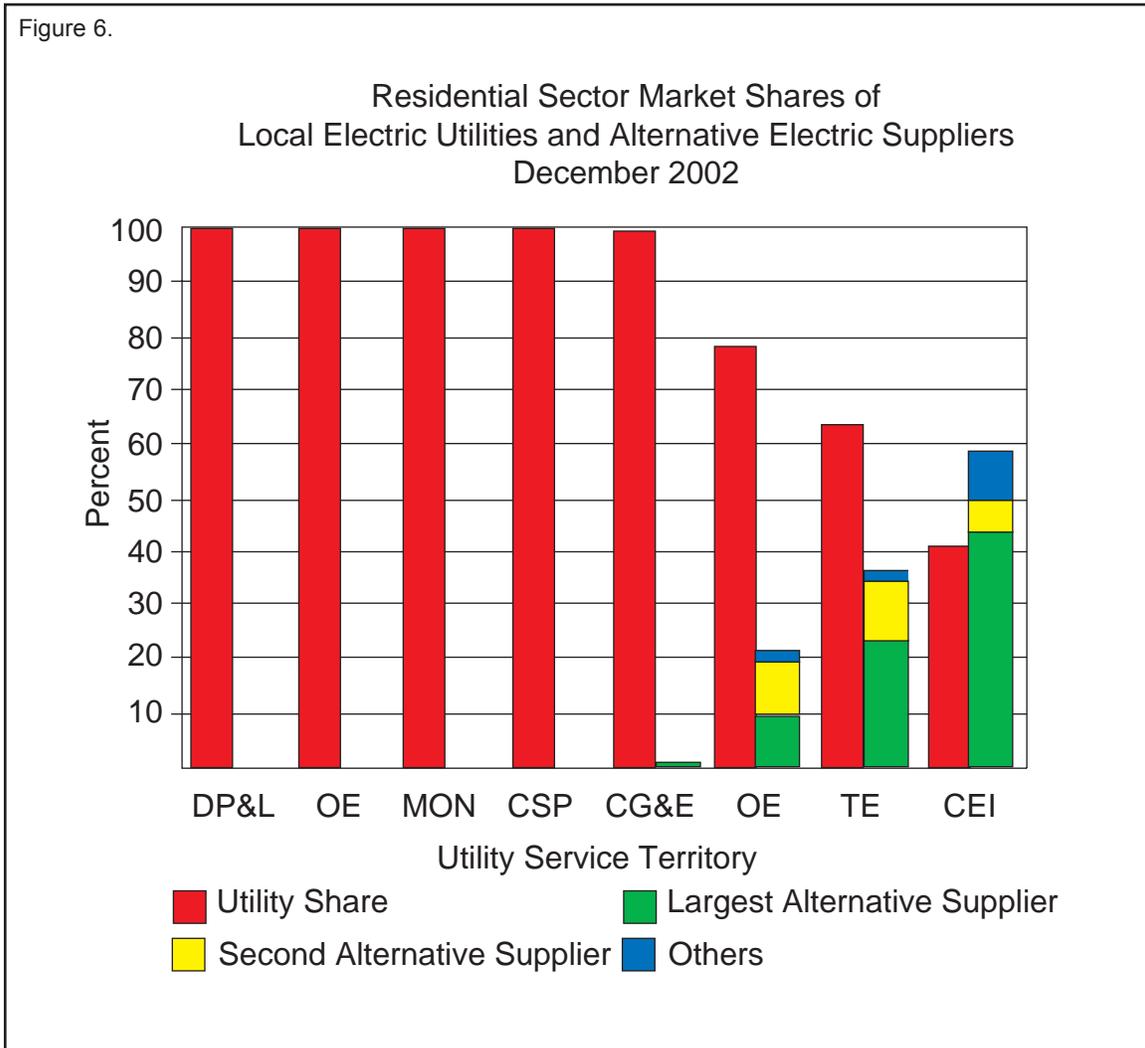


Figure 7 presents the month-by-month development of the residential sector MWh sales volumes that have switched from local electric utilities to alternative electric suppliers between January 1, 2001 and December 31, 2002. Each line in Figure 7 represents the time progression of monthly MWh sales by alternative electric suppliers in a specified investor-owned utility service area in Ohio.

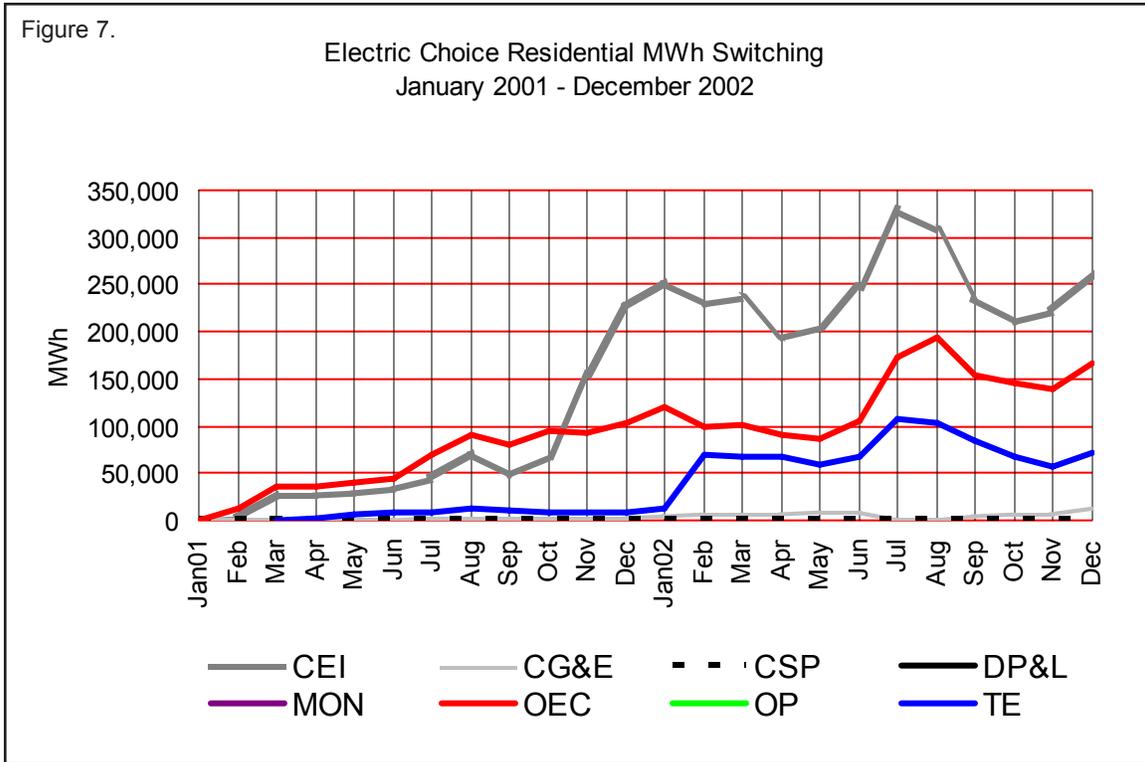
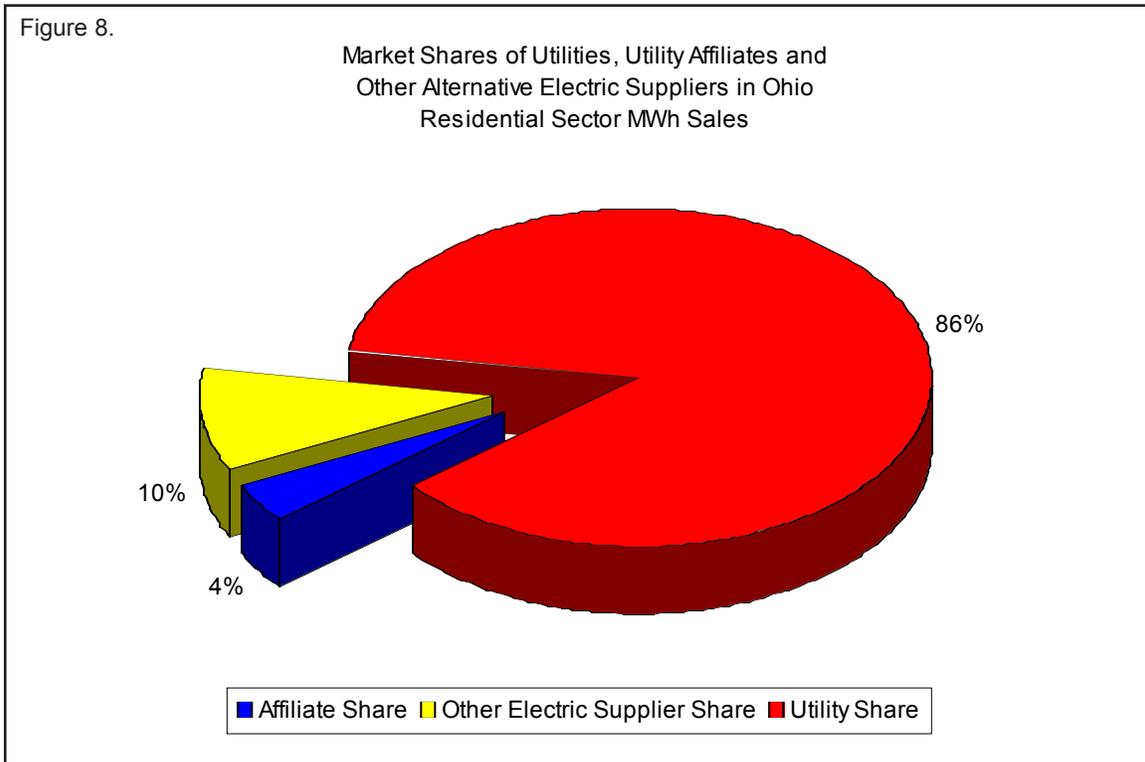


Figure 8 presents the residential sector MWh market shares of local electric utilities, alternative electric suppliers that are local electric utility affiliates, and other alternative electric suppliers from a statewide perspective. In December 2002, 86 percent of the residential usage within the combined service areas of the eight investor-owned utilities operating in Ohio was supplied by the local electric utilities. An additional 4 percent was supplied by alternative electric suppliers affiliated with an Ohio electric utility. These sales may occur either within an affiliated utility's service territory, or in a non-affiliated utility's service territory. The remaining 10 percent was provided by alternative electric suppliers that were not affiliated with any electric utility operating in Ohio.



Commercial Sector Switch Rates

Figure 9 presents the commercial sector market shares of the investor-owned local electric utilities and of the corresponding alternative electric suppliers in terms of MWh sales within each utility service area in Ohio for the month of December 2002. The commercial sector switch rates attained in the month of December 2002 were 51 percent in the Toledo Edison Company service territory, 50 percent in the Cleveland Electric Illuminating Company service territory, 38 percent in the Ohio Edison Company service territory, 32 percent in the Cincinnati Gas and Electric Company service territory, and 9 percent in the Dayton Power and Light Company service territory. The switch rate was 6 percent in the Columbus Southern Power Company service territory, and zero in the Monongahela Power Company and the Ohio Power Company service territories.

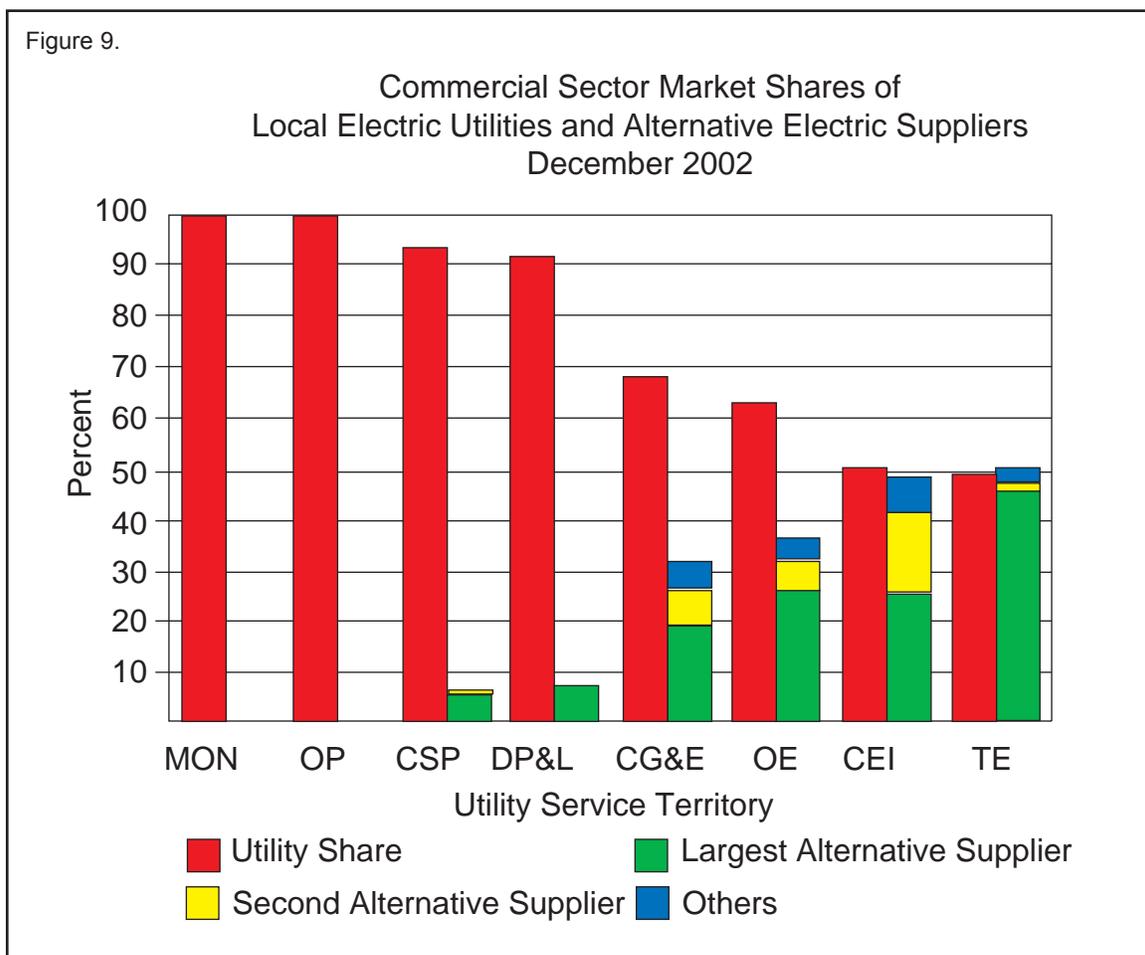


Figure 10 presents the month-by-month development of commercial sector MWh sales volumes that have switched from local electric utilities to alternative electric suppliers between January 1, 2001 and December 31, 2002. Each line in Figure 10 represents the time progression of monthly MWh sales by alternative electric suppliers in a specified investor-owned utility service territory in Ohio.

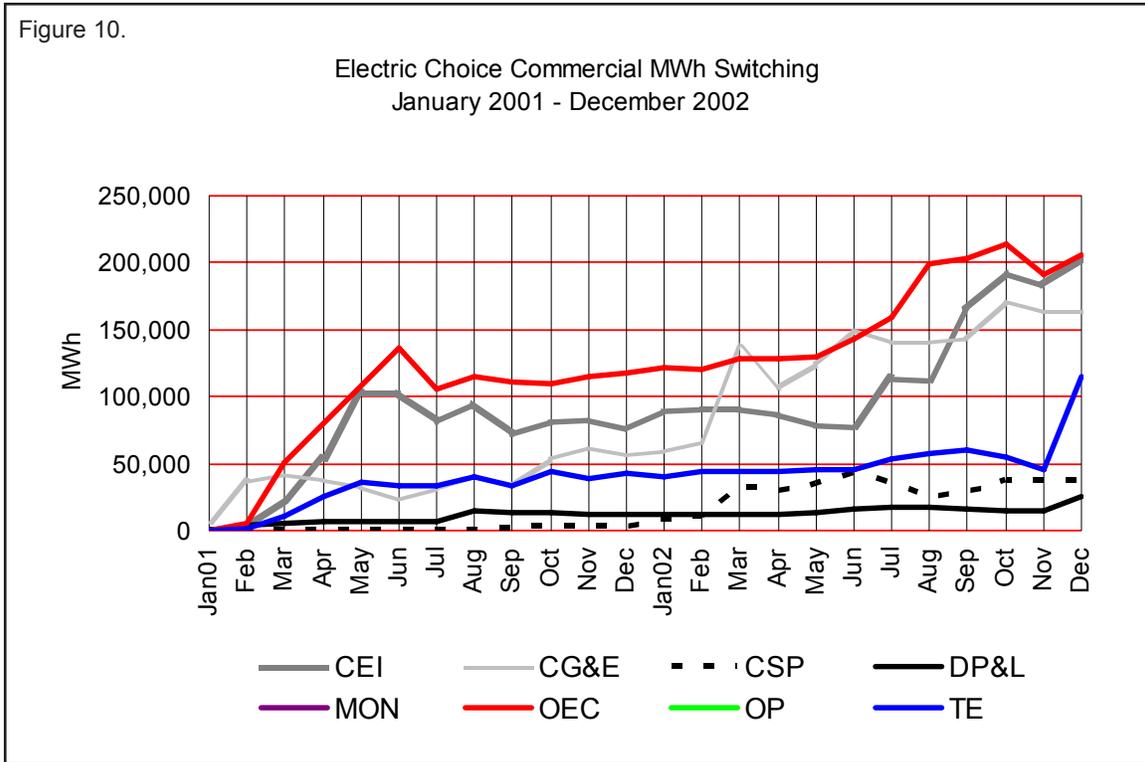
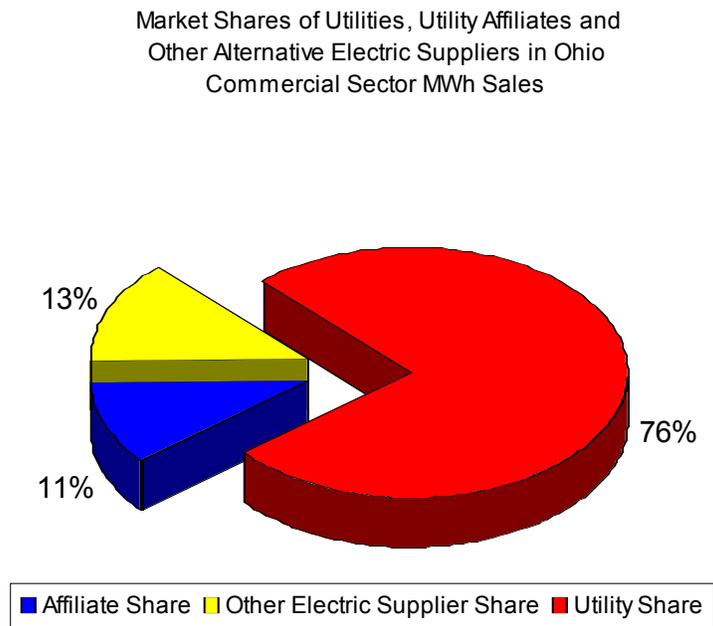


Figure 11 presents the commercial sector MWh market shares of local electric utilities, alternative electric suppliers that are local electric utility affiliates, and other alternative electric suppliers from a statewide perspective. In December 2002, 76 percent of the commercial demand within the combined service territories of the eight investor-owned utilities operating in Ohio was supplied by the local electric utilities. An additional 11 percent was supplied by alternative electric suppliers affiliated with a local electric utility operating in Ohio. The remaining 13 percent was provided by alternative electric suppliers that were not affiliated with any electric utility operating in Ohio.

Figure 11.



Industrial Sector Switch Rates

Figure 12 presents the industrial sector market shares of the investor-owned local electric utilities and of the corresponding alternative electric suppliers in terms of MWh sales within each local electric utility service area in Ohio for the month of December 2002. The industrial sector switch rates attained by the end of December 2002 were 32 percent in the Ohio Edison Company service territory, 28 percent in the Dayton Power and Light Company service territory, 20 percent in the Cleveland Electric Illuminating Company service territory, 18 percent in the Cincinnati Gas and Electric Company service territory, and 5 percent in the Toledo Edison Company service territory. The switch rate was zero in the Columbus Southern Power Company, the Monongahela Power Company, and the Ohio Power Company service territories.

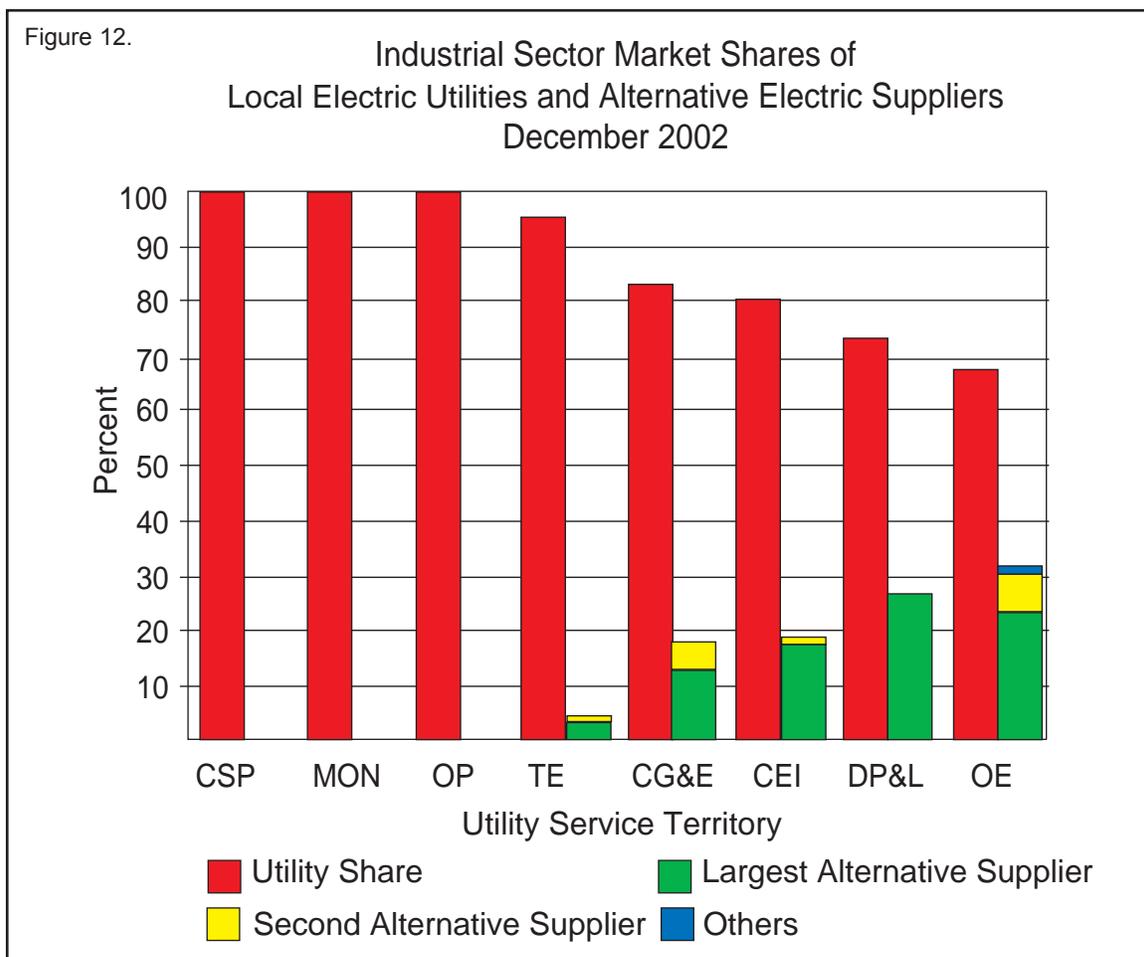


Figure 13 presents the month-by-month development of industrial sector MWh sales volumes that have switched from local electric utilities to alternative electric suppliers between January 1, 2001 and December 31, 2002. Each line in Figure 13 represents the time progression of monthly MWh sales by alternative electric suppliers in a specified investor owned utility service area in Ohio.

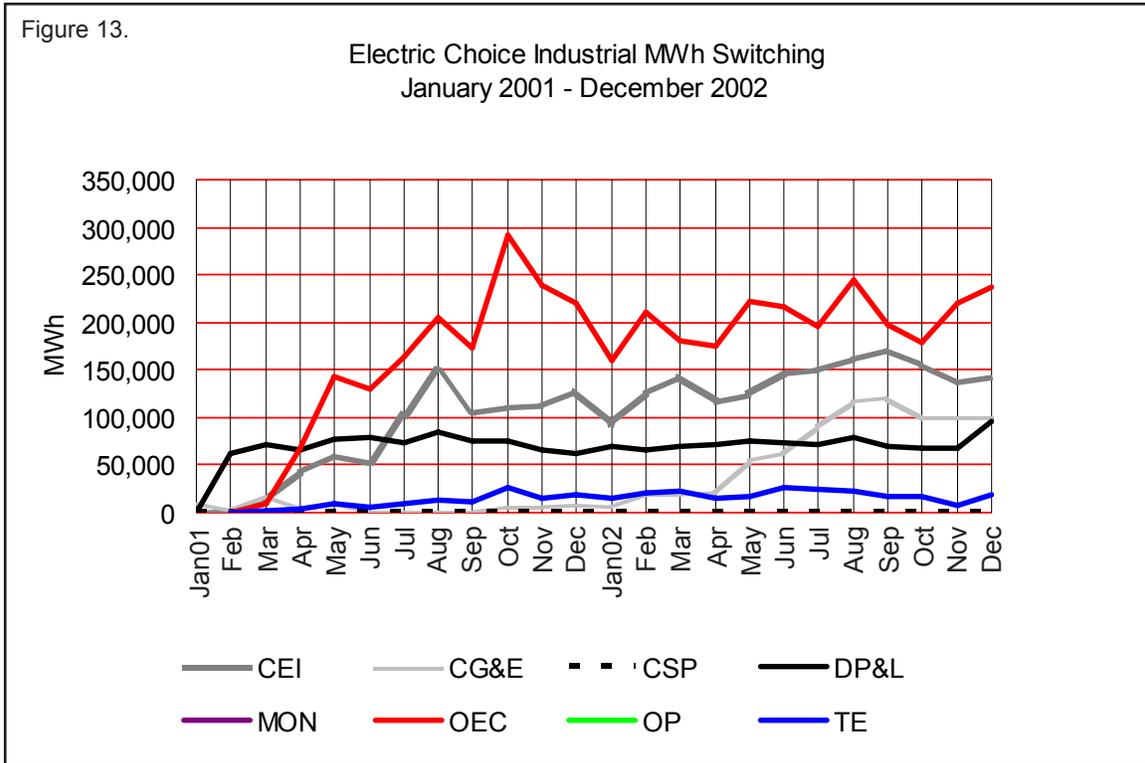
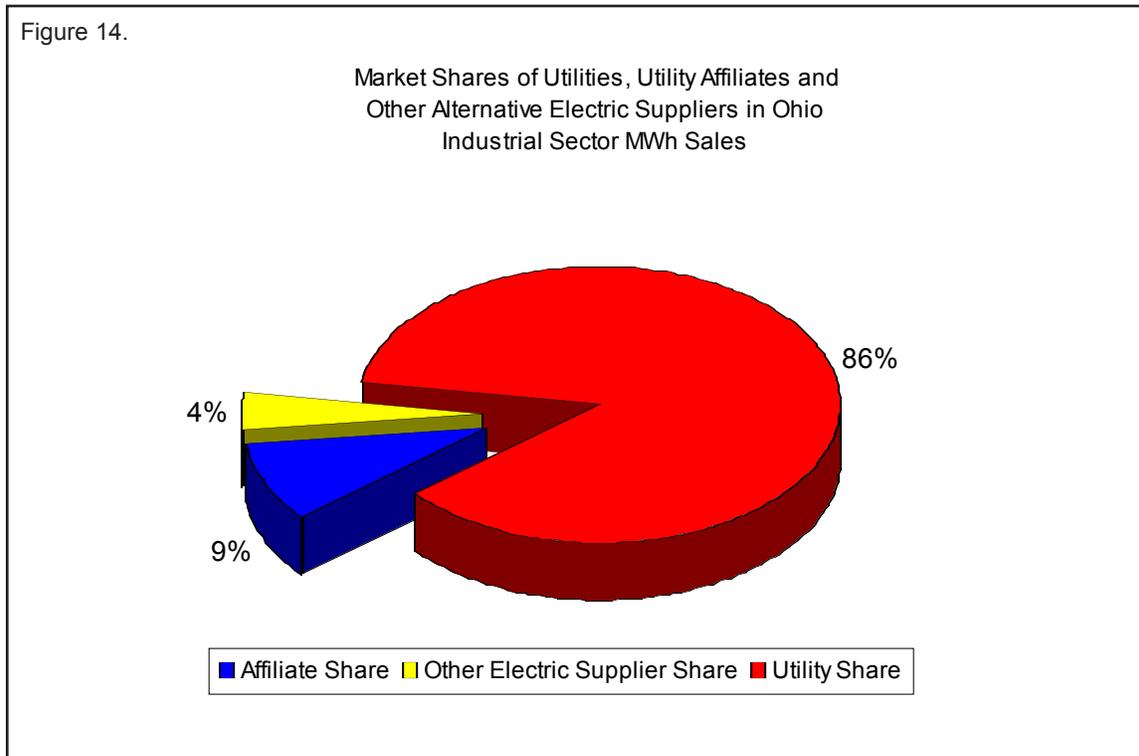


Figure 14 presents the industrial sector MWh market shares of local electric utilities, alternative electric suppliers that are local electric utility affiliates, and other alternative electric suppliers from a statewide perspective. In December 2002, 86 percent of the industrial demand within the combined service territories of the eight investor-owned utilities operating in Ohio was supplied by the local electric utilities. An additional 9 percent was supplied by alternative electric suppliers affiliated with a local electric utility operating in Ohio. The remaining 4 percent was provided by alternative electric suppliers that were not affiliated with any electric utility operating in Ohio.



Current Issues

Investigating Ohio Utilities' Finances

The recent financial activities by public utilities and their parent or affiliate companies prompted the PUCO to initiate an in-depth investigation of the financial condition of Ohio's major public utilities. The purpose of the investigation is to ensure that the unregulated activities of parent or affiliate companies do not negatively affect the financial condition or service quality of the regulated utilities serving Ohio. The Commission has received comments from interested parties regarding the ways in which the investigation can be completed in an accurate and expedient manner.

The investigation is focusing on 19 public utilities; however the scope could be expanded to include others. PUCO staff has evaluated the comments filed in this case and will develop recommendations for the PUCO Commissioners' consideration.

Market-Based Standard Service Offer and the Competitive Bidding Process

Senate Bill 3 (SB 3) requires that each electric distribution utility provide customers within its certified territory a market-based standard service offer to maintain essential electric service. Customers must also have the option, under SB 3, of purchasing competitive retail electric service after its market development period ends, through a competitive bidding process. These services must be available to customers following the end of the market development period.

The Commission initiated a rule-making proceeding on August 30, 2001 to develop a process for establishing a market-based standard service offer and a competitive bidding process. The Commission sought comments from interested parties on PUCO staff's proposed rules on February 20, 2003. The Commission will adopt rules establishing a market-based standard service offer and a competitive bidding process in 2003.

Midcourse Adjustments - Revisions to Restructuring Rules

In accordance with Ohio statute, the PUCO reviews nearly one-fifth of its rules annually. In 2002, the PUCO reviewed the following electric rules:

Electric Service and Safety Standards and Competitive Retail Electric Service Provider Rules

The PUCO enacted minimum service quality, safety, and reliability requirements for local electric utilities operating in Ohio. Those rules include service and safety standards applicable to electric utility companies as well as standards for competitive retail electric service providers.

PUCO staff issued a proposal to amend these standards. The Commission received comments from interested parties on staff's proposal and adopted amendments to the standards on September 26, 2002. Subsequently, applications for rehearing were filed by several interested stakeholders. The Commission issued its second entry on rehearing on May 8, 2003 and is currently preparing to file the rules with the Joint Committee on Agency Rule Review (JCARR).

Market Monitoring Rules

The Commission amended sections of the electric marketing monitoring rules. Among the amendments were provisions requiring competitive retail electric service providers to submit both sales and revenue information separately, for each local electric utility area in which it does business. This information must also be reported by customer class, i.e. residential, commercial, industrial or street lighting/other and by any subclass, if applicable.

Conclusions

The Ohio General Assembly, through SB 3, enacted the restructuring of Ohio's electricity industry. Only two years into the market development period, the Commission cannot draw final conclusions on the success of restructuring, but can report the following:

- Aggregation is the success story in Ohio, accounting for nearly 93 percent of residential switching in Ohio.
- Success in certain service territories versus others in Ohio can be related to the differences in prices and markets that existed prior to the beginning of the market development period.
- Market monitoring is a priority to the Commission as the electric market continues to evolve. The Commission is focused on identifying potential challenges and will address them or make recommendations to the Ohio General Assembly if necessary.
- In all markets, there is both a demand side and a supply side. The Commission has implemented, and continues to develop and refine, ways to continually scrutinize the events and trends on both sides of the market equation.

The Commission will continue to observe and analyze the trends in Ohio and the surrounding region and, as always, will be available to address the questions and concerns of Ohioans and their elected representatives.

Appendix A

Switch Rates from Local Electric Utility Companies to Alternative Electric Suppliers in terms of Megawatt-hour sales for the Month of December, 2002.

Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
Cleveland Electric Illuminating Company	176765	206048	578096	979641
CRES Providers	261968	203730	142431	608129
Total Sales	438733	409778	720527	1587770
EDU Share	40.29%	50.28%	80.23%	61.70%
Electric Choice Customer Switch Rates	59.71%	49.72%	19.77%	38.30%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
The Cincinnati Gas and Electric Company	627981	351358	452644	1530912
CRES Providers	12944	162721	99237	274902
Total Sales	640925	514079	551881	1805814
EDU Share	97.98%	68.35%	82.02%	84.78%
Electric Choice Customer Switch Rates	2.02%	31.65%	17.98%	15.22%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
Columbus Southern Power Company	603752	591754	237471	1472972
CRES Providers	0	37738	0	37738
Total Sales	603752	629492	237471	1510710
EDU Share	100.000%	94.005%	100.000%	97.502%
Electric Choice Customer Switch Rates	0.000%	5.995%	0.000%	2.498%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
The Dayton Power and Light Company	470539	268964	249683	1109185
CRES Providers	0	25718	95756	121884
Total Sales	470539	294682	345439	1231069
EDU Share	100.00%	91.27%	72.28%	90.10%
Electric Choice Customer Switch Rates	0.00%	8.73%	27.72%	9.90%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
Monongahela Power Company	21449	15473	98265	135358
CRES Providers	0	0	0	0
Total Sales	21449	15473	98265	135358
EDU Share	100.00%	100.00%	100.00%	100.00%
Electric Choice Customer Switch Rates	0.00%	0.00%	0.00%	0.00%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
Ohio Edison Company	594359	342010	508616	1459914
CRES Providers	166802	206394	237486	610682
Total Sales	761161	548404	746102	2070596
EDU Share	78.09%	62.36%	68.17%	70.51%
Electric Choice Customer Switch Rates	21.91%	37.64%	31.83%	29.49%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
Ohio Power Company	654993	474072	1249568	2387612
CRES Providers	0	0	0	0
Total Sales	654993	474072	1249568	2387612
EDU Share	100.00%	100.00%	100.00%	100.00%
Electric Choice Customer Switch Rates	0.00%	0.00%	0.00%	0.00%
Provider Name	Residential Sales	Commercial Sales	Industrial Sales	Total Sales
Toledo Edison Company	128617	112552	409341	655651
CRES Providers	71312	115499	19676	206487
Total Sales	199929	228051	429017	862138
EDU Share	64.33%	49.35%	95.41%	76.05%
Electric Choice Customer Switch Rates	35.67%	50.65%	4.59%	23.95%

Source: PUCO, Division of Market Monitoring & Assessment.

Note 1: Total sales includes residential, commercial, industrial and other sales.

Note 2: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio. Appropriate calculations made for other purposes may be based on different data, and may yield different results.

Appendix B

Switch Rates from Local Electric Utility Companies to Alternative Electric Suppliers in terms of Numbers of Customers for the Month of December, 2002

Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Cleveland Electric Illuminating Company	260391	30050	1806	305457
CRES Providers	397447	43804	610	441861
Total Customers	657838	73854	2416	747318
EDU Share	39.58%	40.69%	74.75%	40.87%
Electric Choice Customer Switch Rates	60.42%	59.31%	25.25%	59.13%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
The Cincinnati Gas and Electric Company	560352	64934	2585	632100
CRES Providers	14009	2338	73	16420
Total Customers	574361	67272	2658	648520
EDU Share	97.56%	96.52%	97.25%	97.47%
Electric Choice Customer Switch Rates	2.44%	3.48%	2.75%	2.53%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Columbus Southern Power Company	608543	79144	3173	691158
CRES Providers	0	1132	0	1132
Total Customers	608543	80276	3173	692290
EDU Share	100.00%	98.59%	100.00%	99.84%
Electric Choice Customer Switch Rates	0.00%	1.41%	0.00%	0.16%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
The Dayton Power and Light Company	449153	47203	1816	504409
CRES Providers	0	172	85	284
Total Customers	449153	47375	1901	504693
EDU Share	100.00%	99.64%	95.53%	99.94%
Electric Choice Customer Switch Rates	0.00%	0.36%	4.47%	0.06%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Monongahela Power Company	24097	3261	917	28302
CRES Providers	0	0	0	0
Total Customers	24097	3261	917	28302
EDU Share	100.00%	100.00%	100.00%	100.00%
Electric Choice Customer Switch Rates	0.00%	0.00%	0.00%	0.00%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Ohio Edison Company	680833	79984	683	777360
CRES Providers	237030	26143	305	263478
Total Customers	917863	106127	988	1040838
EDU Share	74.18%	75.37%	69.13%	74.69%
Electric Choice Customer Switch Rates	25.82%	24.63%	30.87%	25.31%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Ohio Power Company	603668	102484	8985	717853
CRES Providers	0	0	0	0
Total Customers	603668	102484	8985	717853
EDU Share	100.00%	100.00%	100.00%	100.00%
Electric Choice Customer Switch Rates	0.00%	0.00%	0.00%	0.00%
Provider Name	Residential Customers	Commercial Customers	Industrial Customers	Total Customers
Toledo Edison Company	154387	25841	187	180871
CRES Providers	107925	17582	47	125554
Total Customers	262312	43423	234	306425
EDU Share	58.86%	59.51%	79.91%	59.03%
Electric Choice Customer Switch Rates	41.14%	40.49%	20.09%	40.97%

Source: PUCO, Division of Market Monitoring & Assessment.

Note 1: Total customers includes residential, commercial, industrial and other customers.

Note 2: The switch rate calculation is intended to present the broadest possible picture of the state of retail electric competition in Ohio. Appropriate calculations made for other purposes may be based on different data, and may yield different results.

Note 3: Beginning 4Q2002, the definition of a customer was clarified in order to increase the consistency between CRES and EDU customer counts.

**Summary of Aggregation Activity
for the Years 2001 and 2002**

		Residential Customers		
Year	Month	Customer Switching through Aggregation	Total Customer Switching	Percent Switching through Aggregation
2002	Mar	501074	621716	80.60%
2002	Jun	611800	665072	91.99%
2002	Sep	581596	679226	85.63%
2002	Dec	704701	756411	93.16%
		Commercial Customers		
Year	Month	Customer Switching through Aggregation	Total Customer Switching	Percent Switching through Aggregation
2002	Mar	14684	24911	58.95%
2002	Jun	18728	23042	81.28%
2002	Sep	53620	67452	79.49%
2002	Dec	80501	91171	88.30%
		Industrial Customers		
Year	Month	Customer Switching through Aggregation	Total Customer Switching	Percent Switching through Aggregation
2002	Mar	223	1049	21.26%
2002	Jun	281	929	30.25%
2002	Sep	284	1100	25.82%
2002	Dec	214	1120	19.11%



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