

**OFFICE OF RETAIL MARKET DEVELOPMENT
ILLINOIS COMMERCE COMMISSION**

2010 ANNUAL REPORT



**Submitted Pursuant to Section 20-110 of the
Illinois Public Utilities Act**

June 2010



ILLINOIS COMMERCE COMMISSION

June 30, 2010

The Honorable Pat Quinn
Governor

The Honorable Members of the Illinois General Assembly

The Honorable Members of the Illinois Commerce Commission

Please find enclosed the ICC's Office of Retail Market Development's annual report. This report is submitted in compliance with Section 20-110 of the "Retail Electric Competition Act of 2006" [220 ILCS 5/20-110]. Section 20-110 requires the Director of the Office of Retail Market Development to annually report specific accomplishments in promoting retail electric competition.

Sincerely,

A handwritten signature in black ink that reads "Torsten Clausen".

Torsten Clausen
Director, Office of Retail Market Development

**Annual Report to the General Assembly, the Governor,
and the Illinois Commerce Commission**

**Submitted pursuant to Section 20-110 of the
Illinois Public Utilities Act**

**Office of Retail Market Development
Illinois Commerce Commission**

June 2010

I. Introduction

Section 20-102 of the Retail Electric Competition Act of 2006 (“Retail Competition Act”) states that

“a competitive wholesale electricity market alone will not deliver the full benefits of competition to Illinois consumers. For Illinois consumers to receive products, prices and terms tailored to meet their needs, a competitive wholesale electricity market must be closely linked to a competitive retail electric market. To date, as a result of the Electric Service Customer Choice and Rate Relief Law of 1997, thousands of large Illinois commercial and industrial consumers have experienced the benefits of a competitive retail electricity market. Alternative electric retail suppliers actively compete to supply electricity to large Illinois commercial and industrial consumers with attractive prices, terms, and conditions.

A competitive retail electric market does not yet exist for residential and small commercial consumers. As a result, millions of residential and small commercial consumers in Illinois are faced with escalating heating and power bills and are unable to shop for alternatives to the rates demanded by the State's incumbent electric utilities. The General Assembly reiterates its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all Illinois consumers.”

To further the goal of developing an effectively competitive retail electricity market, the Retail Competition Act created the Office of Retail Market Development (“ORMD”) within the Illinois Commerce Commission (“ICC”). Section 20-110 of the Retail Competition Act provides that on or before June 30 of each year, the Director of the ORMD submit a report to the Commission, the General Assembly, and the Governor, that details specific accomplishments achieved by the Office in the prior 12 months in promoting retail electric competition and that suggests administrative and

legislative action necessary to promote further improvements in retail electric competition.

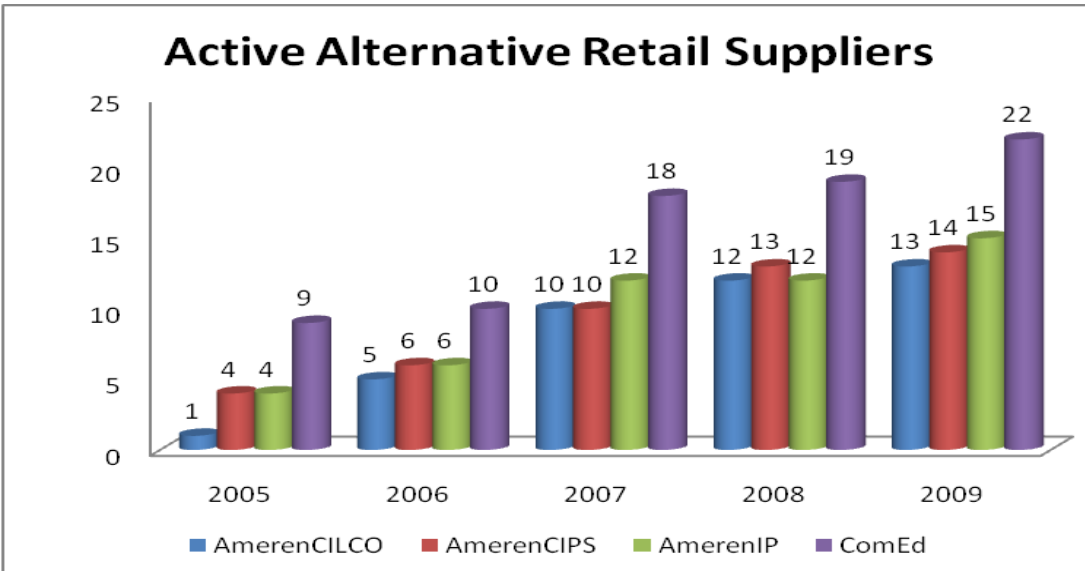
II. Recent competitive activity

A. Number of certified and registered suppliers

Statewide, there are currently 41 alternative retail electricity suppliers (“ARES”) that have obtained ICC certification pursuant to Section 16-115, though ten of those companies are certified to serve only themselves or their affiliates. Ten ARES have obtained certification to serve residential and small commercial customers, and two more certification applications are currently awaiting Commission approval. However, in order to start offering retail electric service in Illinois, suppliers must also register with the electric utility and complete certain technical testing. Fifteen suppliers have completed the registration process with the Ameren Illinois Utilities (“AIU”) and twelve of those suppliers were actively selling electricity in the territory as of December 2009. In Commonwealth Edison’s (“ComEd’s”) territory, 24 suppliers have completed the registration process and 22 of those suppliers were actively selling electricity as of December 2009. Four of the active suppliers are either electric utilities or affiliates of electric or natural gas utilities.

The following shows the number of active ARES from 2005 to the end of 2009 by utility service territory:¹

¹ In order to maintain consistency with the reporting of previous years, the graph includes ARES providing power to themselves or their subsidiaries for the Ameren Illinois territories.



B. Customer switching to alternative electric suppliers

More than half of the total electric consumption of ComEd's and AIU's customers is currently provided by alternative retail electric suppliers. The following provides detailed non-residential usage information for the four utilities.

1. ComEd

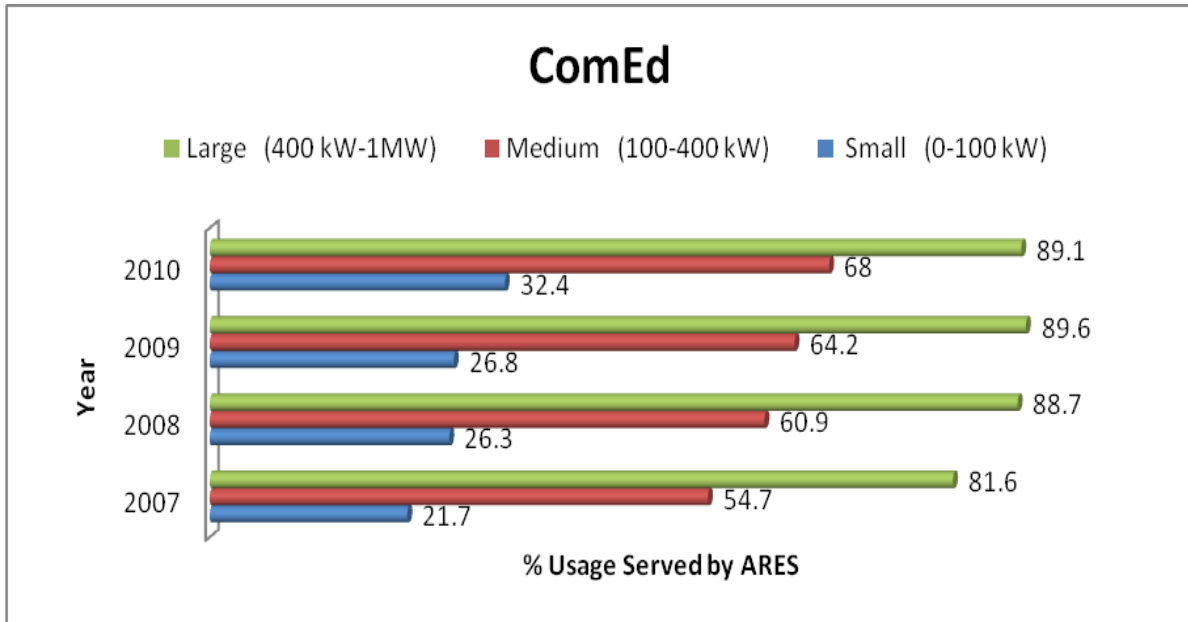
As of May 31, 2010, 53% of the total electric usage of ComEd's customers was provided by alternative retail electric suppliers. Breaking it down further, about 32% of the electric usage of ComEd's small commercial customers² (up from 27% a year ago) and 68% of its medium commercial and industrial customers³ (up from 64%) was provided by ARES. For large customers⁴ it was 89% (down from 90%), and for customers with a demand of over 1MW, the number was around 96% (down from 97%). Together, 76% (up from 75%) of all non-residential load was provided by alternative electric suppliers as of May 31, 2010. The following shows the electric usage provided

² Non-residential customers with demand up to 100kW.

³ Non-residential customers with demand between 100kW and 400kW.

⁴ Non-residential customers with demand between 400kW and 1MW.

by ARES for the various commercial and industrial customer classes for the past four years⁵.

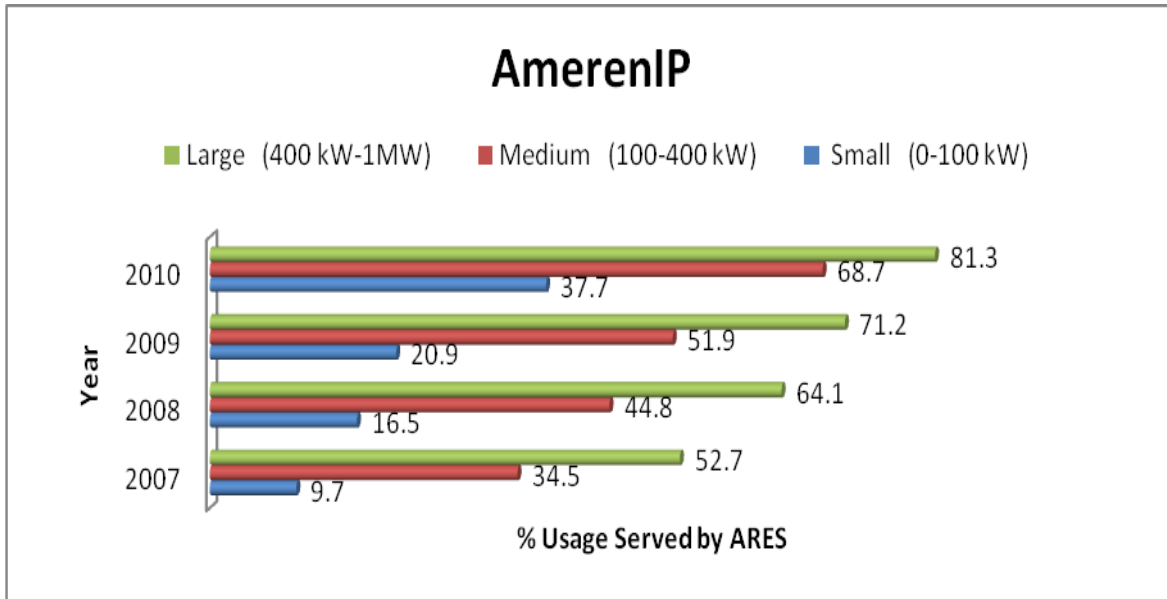


2. AmerenIP

As of May 31, 2010, 63.5% of the total electric usage of AmerenIP's customers was provided by alternative retail electric suppliers (up from 55.4% a year ago). About 38% of the electric usage of AmerenIP's small commercial customers (up from 21%) and approximately 69 % of its medium commercial and industrial customers (up from 52%) was provided by ARES. For large customers it was 81% (up from 71%), and for customers with a demand of over 1MW, almost 99% of the usage was served by alternative electric suppliers. Together, 83% of all non-residential load was provided by alternative electric suppliers as of May 31, 2010 (up from 76.4%). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁶.

⁵ Data as of May 31 of each year.

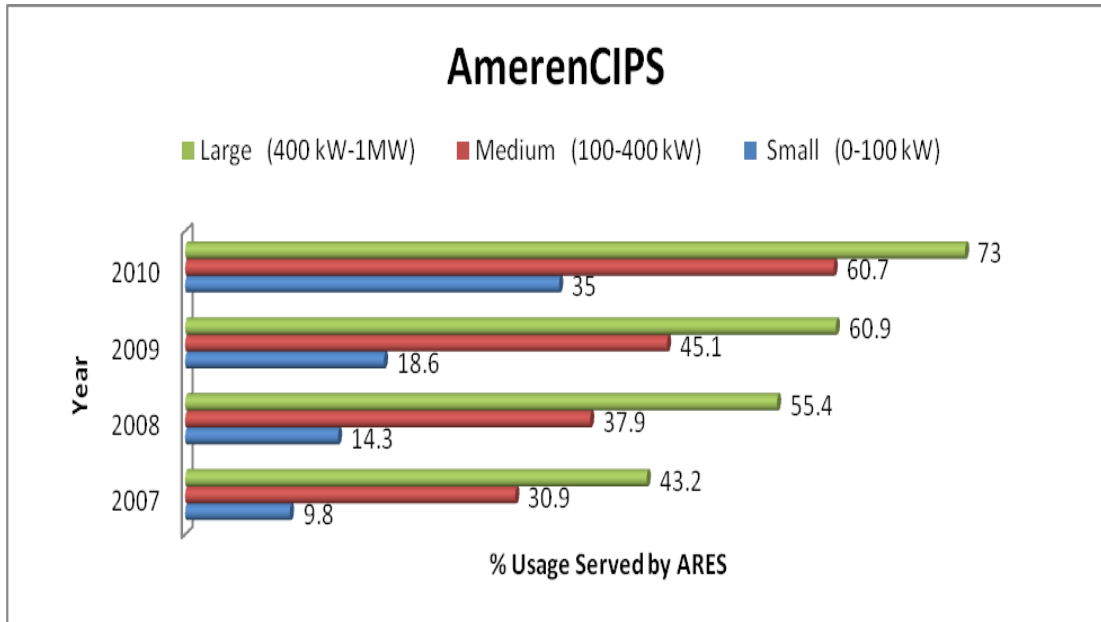
⁶ Data as of May 31 of each year.



3. AmerenCIPS

As of May 31, 2010, 52.4% of the total electric usage of AmerenCIPS' customers was provided by alternative retail electric suppliers (down from 54.5% a year ago). About 35% of the electric usage of AmerenCIPS' small commercial customers (up from 19% a year ago) and approximately 60% of its medium commercial and industrial customers (up from 45%) was provided by ARES. For large customers it was 73% (up from 61%), and for customers with a demand of over 1MW, 89% of the usage was served by alternative electric suppliers (down from about 97%). Together, 68.8% of all non-residential load was provided by alternative electric suppliers as of May 31, 2010 (down from 73.7%). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁷.

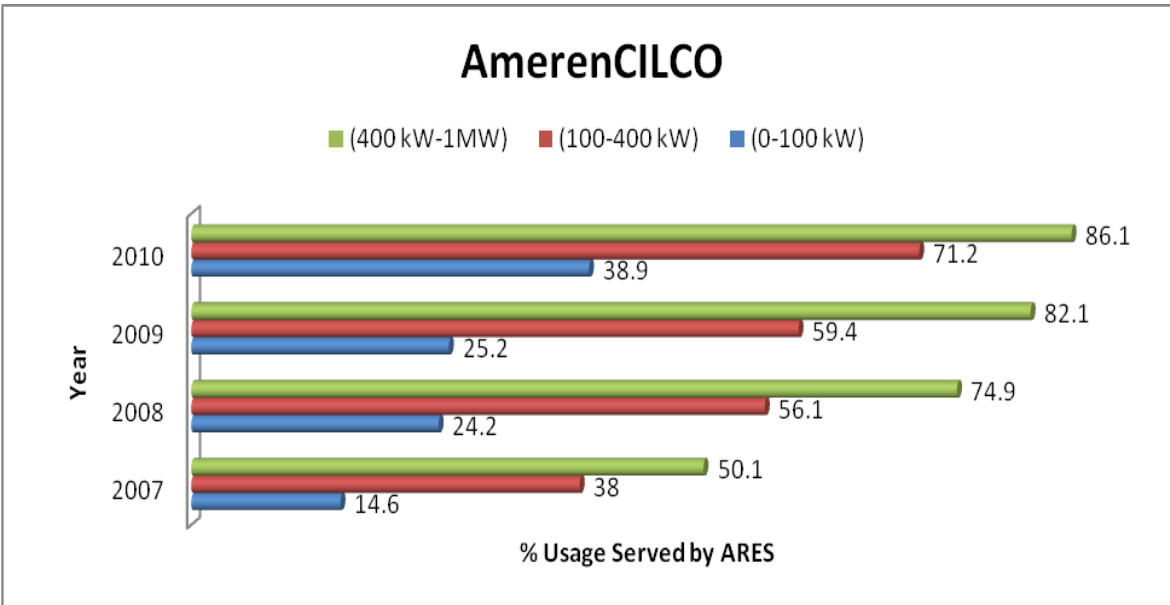
⁷ Data as of May 31 of each year.



4. AmerenCILCO

As of May 31, 2010, 59.5% of the total electric usage of AmerenCILCO's customers was provided by alternative retail electric suppliers (up from 51.9% a year ago). About 39% of the electric usage of AmerenCILCO's small commercial customers (up from 25%) and approximately 71% of its medium commercial and industrial customers (up from 59%) was provided by ARES. For large customers it was 86% (up from 82%), and for customers with a demand of over 1MW, almost 92% of the usage was served by alternative electric suppliers. Together, 81% of all non-residential load was provided by alternative electric suppliers as of May 31, 2010 (up from 74.2%). The following shows the electric usage provided by ARES for the various commercial and industrial customer classes for the past four years⁸.

⁸ Data as of May 31 of each year.

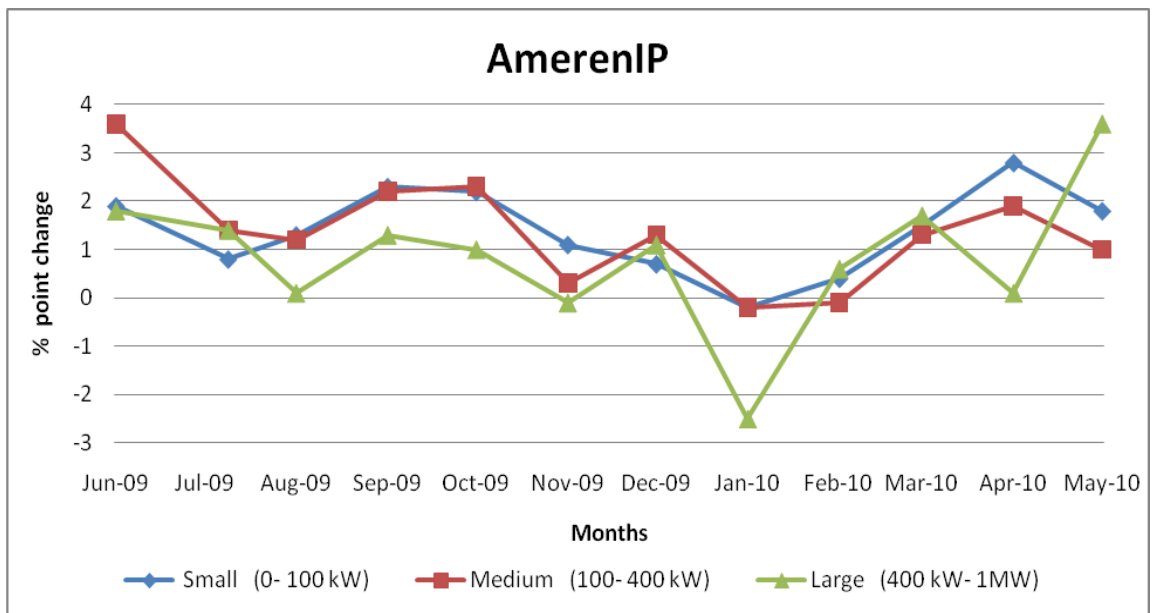
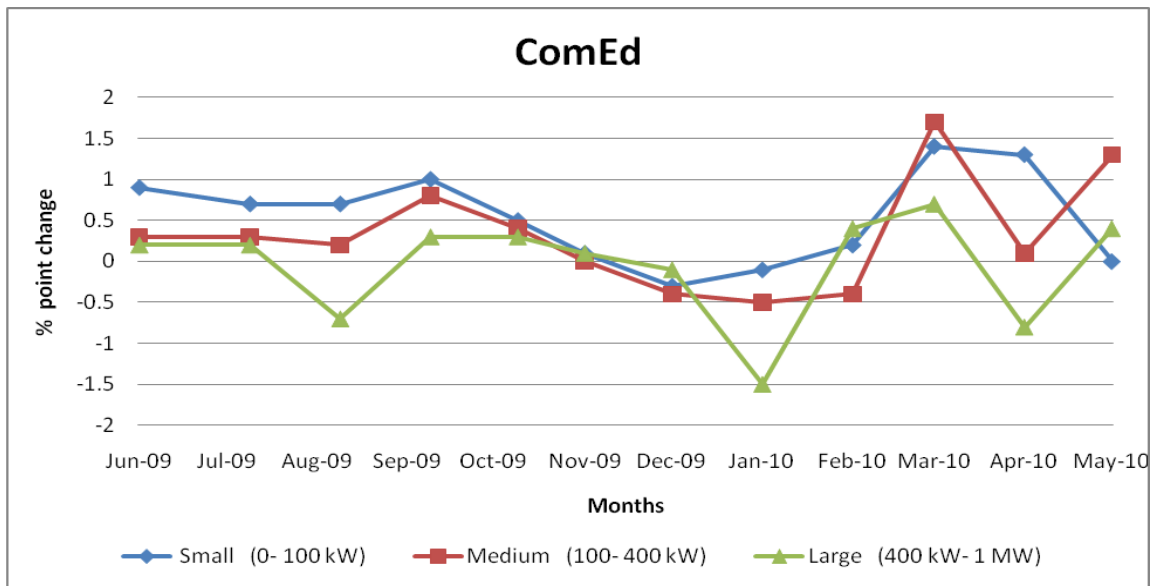


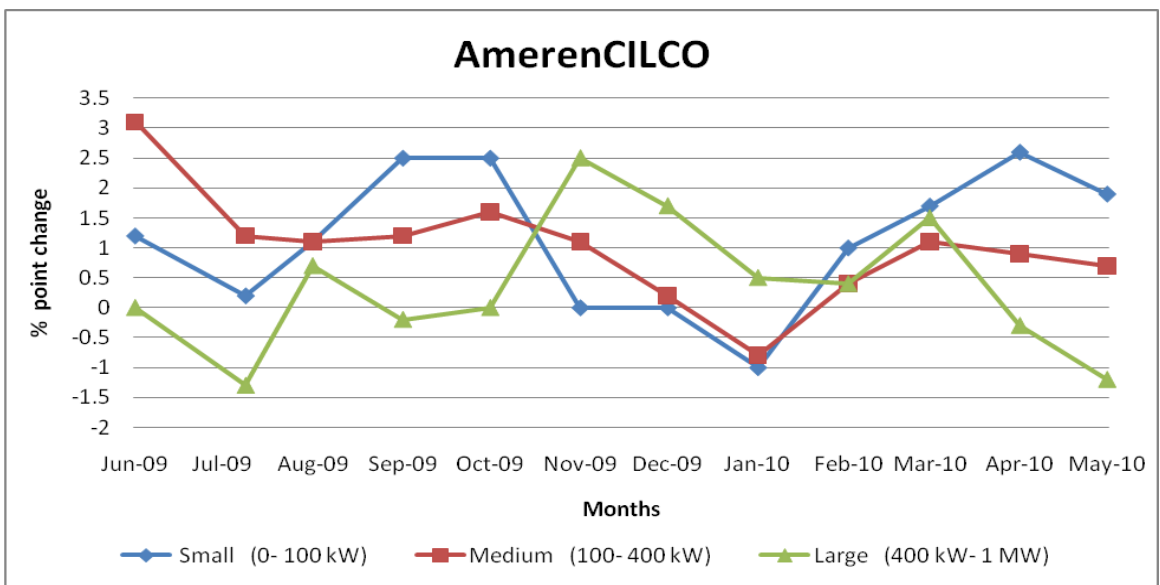
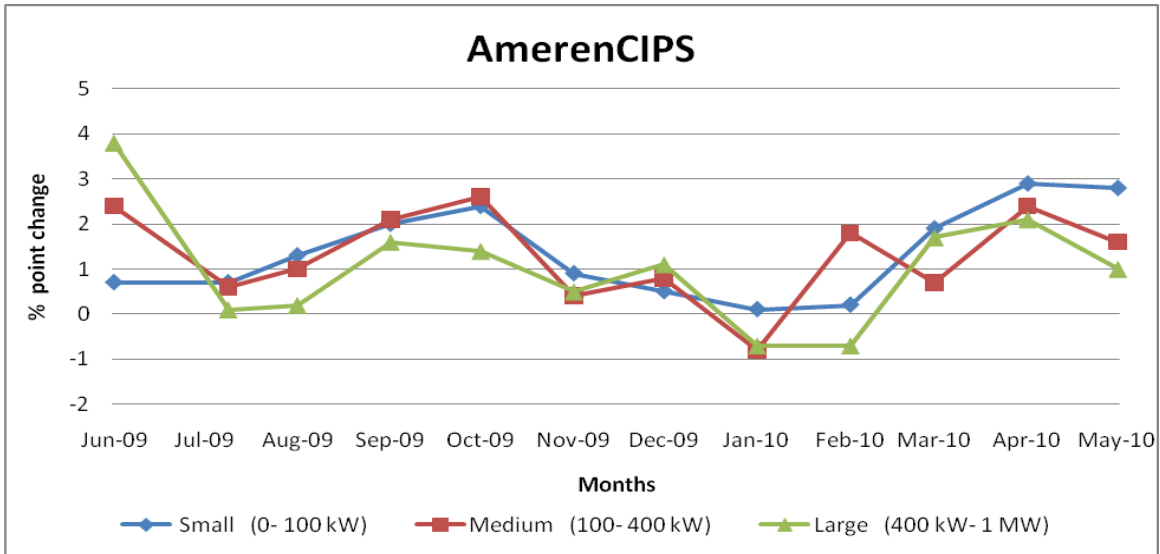
5. Competitive activity over the last 12 months

While it is informative to compare the switching numbers from year to year, it is also beneficial to look at the competitive activity *within* one year. As the following four graphs show, the share of electric usage served by ARES does not follow a stable linear path in between the yearly snapshots we have been reporting so far. The graphs show the percentage point changes in the share of the electric usage by non-residential ARES customers from month to month. As seen below, there are periods during the year when the ARES-served usage decreases and there are months when the ARES-served usage increases at a substantially higher rate than the annual numbers show. The graphs also reveal that the monthly fluctuations differ sometimes significantly from one customer class to the next.

Reviewing the four graphs below, one thing they have in common is that they reveal an annual increase in ARES-served usage by small commercial customers for all four utility service areas. This trend, which has been seen for the last few years, is very encouraging, as it indicates that competition is coming to even the smallest commercial customers.

The recent numbers also show significant increases in ARES-provided service for almost all of the Ameren customer classes during the last year. The exception is the above 1MW customer class in the AmerenCIPS service area, where the share of ARES-provided usage has decreased from last year. While historically lagging behind the competitive activity in the ComEd area, the result of these recent increases is that the share of ARES-provided usage is now higher in the Ameren Illinois Utilities than it is in the ComEd area.





6. Market concentration

In order to provide a comprehensive overview of the Illinois retail electric market, the ORMD is continuing to look for market data that might be able to provide additional analytical value. Until now, we have only reported on the share of electrical usage that is not provided by the utilities. That is, we have taken a cumulative look at the competitive activity of the retail electric suppliers. While those numbers show that

more than three fourths of the total non-residential consumption is being provided by retail electric suppliers, it does not tell us whether that usage is provided by a few dominant providers or whether that usage is more evenly divided among many providers competing in that market. For example, approximately 32% of the usage of ComEd's small commercial customers (those with demand up to 100kW) is being provided by ARES and there are 20 ARES actively selling in that market. This information alone, however, does not tell us whether one or two of those 20 ARES might account for the lion share of the competitive activity.

We analyzed the market shares of the individual ARES by looking at the share of electric usage provided by an ARES instead of the share of customers served by individual ARES. We believe either approach would be informative but we assume the amount of kWh served might be more closely related to an ARES' financial success than the number of customers it serves. In the future we may add a similar analysis based on the number of customers served by the individual competing suppliers. We used the Herfindahl-Hirschmann index, or HHI, which is a relatively common indicator to measure competition among firms in a defined market. In order to put the resulting numbers into perspective, we looked at the Department of Justice's ("DOJ") Horizontal Merger Guidelines, which divides the spectrum of market concentration into three regions. Generally speaking, the DOJ views a market with an HHI below 1000 as unconcentrated (meaning many similarly sized firms compete for the same customers), a market with an HHI between 1000 and 1800 as moderately concentrated, and a market with an HHI above 1800 as highly concentrated (very few firms dominating the market).

For this exercise, we excluded retail electric suppliers that provide electric supply only to themselves or their subsidiaries or affiliates. We used the most recent data available, which is May 2010 for the ComEd segments and March 2010 for the Ameren segments. We also need to emphasize that we have looked only at the segment of the market that has already switched to a competitive supplier. We have not performed a market concentration analysis that would include the customers on utility fixed-price service (where available) or utility-provided hourly service. Again, this might prove to be a useful additional analysis for future reports.

Looking at the various non-residential customer classes among the four utilities with competitive activity, the HHI measure shows a picture of robust competition for most of the market segments. In the ComEd area, the small commercial customer segment (0-100kW) had the lowest HHI value (1,124) and even the customer class with the highest HHI value (the 1-10MW customer class with an HHI of 1,499) is still well below the value for a highly concentrated market.

The HHI values for small commercial customers of the three Ameren Illinois Utilities are in the 1,200 to 1,400 range and, while generally somewhat higher, still relatively similar to that of small commercial customers in the ComEd service area. Some customer segments in the Ameren territory, however, showed significantly higher HHI values, representing a higher market concentration. For example, the HHI values for the segment of customers with a demand above 3MW were mostly well above the 1,800 threshold for a highly concentrated market in all three Ameren Illinois Utility territories. However, when looking at those HHI values for large commercial and industrial customers in the Ameren territory, one must keep in mind that the number of customers in that segment is very small (well below 200 customers for all three Ameren Illinois utilities combined) and thus might not attract as many suppliers as similar customers in the ComEd area.

In short, according to by the HHI values, there appears to be effective competition among the active retail electric suppliers in almost all non-residential customer segments. While this is just a single snapshot of market concentration in the non-residential markets, the ORMD intends to track those values over longer periods of time and provide that information in future reports.

7. Residential customers

Since the date of this last report, BlueStar Energy Services expanded its limited pilot program in ComEd's territory to residential customers in the Ameren Illinois territory. Additionally, in May 2010 BlueStar issued a press release announcing two different residential product offers in ComEd's territory, which is the first marketing by an ARES to Illinois residential electric customers. Given the very recent nature of BlueStar's expanded residential offerings, the latest competitive data available does not show the impact of this expansion.

In addition to the expansion of BlueStar's residential service, the ORMD understands that there are a number of suppliers with a concrete interest in serving Illinois' residential customers. This is partly evidenced by the fact that several additional suppliers have recently sought to receive ICC certification to serve residential customers. It is expected that the availability of utility-consolidated billing and the purchase of receivables in the ComEd area (described in more detail below) will bring additional residential service offerings in the near future.

C. Competitive declarations

As of August 2007, new Section 16-113(f) of the Act declared the provision of electric power and energy to retail customers of ComEd and the Ameren Illinois Utilities with peak demands of at least 400 kilowatts to be a competitive service. The legislation resulted in ComEd's discontinuation of providing fixed-price bundled service to those customers after the end of the May 2008 billing period. As shown above, the majority of the load for those customers (approximately 80%) had already been provided by alternative suppliers one year before ComEd's fixed-price bundled service option went away.⁹ The law similarly provided that AIU does not need to provide fixed-price bundled service to that class of customers after the end of the May 2010 billing period. As a result, less than 200 customers in AIU's 400kW - 1MW class were still receiving fixed-price bundled service from the utility during the May 2010 billing period.

In addition, new Section 16-113(g) gives both ComEd and AIU the ability to declare the provision of power and energy to customers with peak demands of at least 100 kilowatts but less than 400 kilowatts to be competitive if certain conditions are met. ComEd filed a petition for competitive declaration and the Commission found that ComEd had satisfied the statutory requirements and therefore the provision of power and energy to those customers has been declared competitive as of November 2007¹⁰. One of the statutory conditions to receiving a competitive declaration is that at least 33% of the customers in that class receive service from an alternative supplier. At the

⁹ For customers with demand between 400 kilowatts and one megawatt.

¹⁰ ICC Docket No. 07-0478.

time of the Commission's finding, approximately 43% of the customers were receiving service from an alternative supplier. The most recent data shows that number at approximately 61% for the 100-400 kilowatts demand category. As a result of the competitive declaration, after the end of the May 2010 billing period, almost all customers in that class who are still on ComEd's fixed-price service (approximately 5,100, or 29%, as of May 31, 2010) had to take supply service from the utility on an hourly-pricing basis or from an alternative retail electric supplier.

Going forward, the only non-residential customers still receiving a fixed-price supply service from the utility are ComEd customers with demand below 100kW and AIU customers with demand below 400kW. All other non-residential customers will receive their power from a competitive supplier or they will choose the utility's hourly-pricing option.

III. Public Act 95-0700

In 2007 the General Assembly passed a law designed to remove certain barriers to competition for residential and small commercial customers in Illinois. The provisions of this law, Public Act 95-0700, require ComEd and AIU to offer utility consolidated billing ("UCB"), the purchase of receivables ("POR") and the purchase of two billing cycles of uncollectible receivables ("POU"). Under UCB, an ARES electronically submits its monthly customer charges for power and energy to the utility which then places those charges, along with its delivery charges, on one single bill to the customer. Under POR, an ARES is able to sell its receivables (the amount that customers owe to that ARES) to the utility at a discount. The POR requirement encourages alternative suppliers to offer their services to every utility customer rather than serve only those above certain credit thresholds, thereby furthering the statutory goal of an "effectively competitive retail electricity market that operates efficiently and benefits *all* Illinois consumers." Under POU, the ARES may sell two billing cycles worth of uncollectible receivables to the utility at a discount upon returning the customer to the utility. The utility then may impose the same credit and collection actions against that customer as it may upon its own customers.

A. Workshops

The ORMD held several workshops and conference calls to aid in implementing the requirements of Public Act 95-0700. These workshops were generally attended by numerous suppliers, both certificated and those considering certification in Illinois, as well as consumer and governmental groups.

The initial focus of the workshop process was the technical implementation of utility-consolidated billing and the purchase of receivables ("POR"). This was primarily due to the fact that modifications to enrollment and billing processes and systems take a substantial amount of lead time. Both the utilities and the suppliers had an interest in ensuring that the computer systems and business processes were set up effectively in order to allow efficient day-to-day electronic communications between them. One of the working groups completed the development of the first version of the Illinois Electronic Data Interchange ("EDI") Implementation Guides that will allow for the provision of UCB and POR.

While Sections 16-118(c) (POR) and 16-118(d) (UCB) appear to be separate and distinct requirements, the workshop participants initially focused on an offering that would combine the purchase of receivables with the provision of utility consolidated billing. That is, if an ARES enrolls a customer with utility consolidated billing, the ARES then also has to sell the corresponding receivables to the utility at a discount. Because the POR provision in Section 16-118(c) is limited to customers with a demand of less than 400 kilowatts, this combination of utility consolidated billing and the purchase of receivables is therefore also limited to customers with a demand of less than 400 kilowatts.

Workshop focus has recently turned to the requirement for the AIU and ComEd to offer a purchase of uncollectible receivables ("POU") program. Under POU, an ARES sells two billing cycles worth of uncollectible receivables to the utility, but only after the ARES has made reasonable collection efforts and returns the customer to the electric utility for delivery and supply service. Similar to POR, under POU, the electric utility purchases the uncollectible receivables at a just and reasonable discount rate which is reviewed and approved by the Commission, and is based on the electric utility's historical bad debt for receivables and reasonable start-up and administrative costs of the program. While the discussions are still ongoing amongst interested

parties, the overall consensus is to strive for a low-cost implementation while gauging supplier interest in such a POU offering. The ORMD's expectation is that the workshop discussion will lead to tariff filings by the utilities in the near future.

B. Tariff Filings and Technical Implementation

The Ameren Illinois Utilities filed tariffs in September 2008 to effectuate the offering of a combined UCB/POR service per Sections 16-118(c) and (d) of the Act. The Commission approved Ameren's modified tariffs on August 19, 2009 and UCB/POR service was available to ARES in Ameren's service territory in October 2009. One supplier is already using Ameren's UCB/POR service for some of its customers and another supplier has recently executed the necessary billing service agreement with Ameren in order to use the UCB/POR service as well.

ComEd filed its UCB/POR tariffs on January 20, 2010, and the Commission suspended the filed tariffs on February 24, 2010. The investigation of ComEd's proposed tariffs is currently ongoing, with a statutory deadline of December 18, 2010 for Commission action. ComEd had previously stated that its EDI testing of the UCB/POR changes with all suppliers would start in July 2009 and had anticipated a November 2009 roll-out date. However, a four-month halt in the design and development phase in late 2008 and early 2009, prompted by cost recovery concerns, delayed this timeline.

III. Additional Consumer Protections and Education

As part of its Order in the Ameren UCB/POR tariff investigation, the Commission stated that it "agrees that consumer education and protection are both very important in any program implementing customer choice, particularly for smaller customers" and directed Staff to prepare a draft First Notice Rule that would create additional consumer protections for residential and small commercial customers.¹¹ As explained below, this rulemaking is currently underway. Additionally, the ORMD has

¹¹ Docket Nos. 08-0619/08-0620/08-0621 Order at 47.

used other low cost means to educate consumers about electric choice. In April 2010, the ORMD released a redesigned “Plug In Illinois” website with the new Internet address of Pluginillinois.org as the official electric choice website of the ICC. The ORMD has also begun development of an offer comparison website that will list all residential supply offers, sorted by utility service territory. It will also provide customers with basic information necessary to compare supply offers with their current utility rate. In addition, the ORMD recorded a Public Service Announcement (“PSA”), through the Illinois Office of Communication & Information, which was distributed to radio stations throughout the Ameren service territories. The text of the PSA is as follows:

A message from the Illinois Commerce Commission: Ameren Illinois customers may have more than one electric supply option. Under Illinois law, suppliers may contact you to sell electricity for your home or business. But, no matter who you choose as your electric supplier, Ameren will continue to deliver the electricity you purchase. To learn more visit www.pluginillinois.org or call 1-800-524-0795.

Additionally, the ORMD delivered presentations to the Commission’s Consumer Services Division (“CSD”), providing an update on the current state of electric competition as well as a synopsis of the details contained in Ameren’s UCB/POR tariff regarding disputed ARES charges. The ORMD has also redesigned an Electric Choice brochure available to be printed in limited quantities for distribution at trade fairs and civic presentations.

A. Rulemaking for Code Part 412

The Commission’s Order approving Ameren’s tariffs to implement a UCB/POR program directed Staff to submit a Staff Report, proposed First Notice Rule and draft First Notice Order by December 31, 2009 containing additional consumer protection measures for residential and small commercial customers. In November 2009, the ORMD provided those items to the Commission and the Commission issued an order on December 2, 2009, initiating the rulemaking proceeding. The resulting proceeding for a new Illinois Administrative Code Part 412, titled “Obligations of Retail Electric

Suppliers,” is currently ongoing in ICC Docket No. 09-0592. The majority of the provisions found in the Commission’s First Notice Rule were the result of workshop discussions and written comments regarding the ORMD’s Straw Man proposal. Parties submitted several rounds of written comments in response to the ORMD’s Straw Man proposal. Significant time was spent discussing the requirements of the Straw Man proposal at in-person workshops and conference calls prior to Staff incorporating these requirements in its proposed First Notice Rule.

B. Plug In Illinois

The ORMD launched an updated “Plug in Illinois” website at the new Internet address of Pluginillinois.org in April 2010 that aims to educate consumers about electric choice. Plug in Illinois provides electric customers with a better understanding of their electric supply options by explaining the three major components of getting electricity to the customer’s home or business. This will help customers better understand what component of their electric service they may shop for. Tools such as a glossary and a list of frequently asked questions provide customers with the answers to questions most commonly asked about electric choice. Additionally, Pluginillinois.org contains links to information on how customers can save energy as well as links to the real time pricing programs for both Ameren and ComEd customers.

A list of suppliers that are both certified by the ICC and registered by the utility to provide service can also be found on Pluginillinois.org. The supplier list is broken down by customer class and utility service territory in order to provide customers a more concise list of suppliers that might have service offers available. In addition, the website features a list of questions customers are encouraged to ask electric suppliers when shopping for a new provider. This list of questions is also available as a downloadable form in order to make the comparison process simpler.

C. Offer Comparison Website

The ORMD is developing an Offer Comparison website which will provide customers the information necessary to understand their utility rate and compare it to

the offers of suppliers. Customers will enter their utility service territory and then be provided with the appropriate utility rate information as well as supply offers available to them. The Offer Comparison website will provide the supplier's name and contact information as well as the product name, the price in cents per kilowatt hour, additional fees, and the current month's total cost for 500, 1000, and 1500 kWh. It will also show the length of the supplier's offer in months and any early termination fees. The Offer Comparison matrix also provides for a brief description of the available products.

The ORMD has received valuable input from interested parties on the Offer Comparison website and will continue to seek input as the website gets closer to implementation. Several suppliers involved in the ORMD's workshop process have recently worked with Commission Staff to implement a similar website for Alternative Gas Supplier offers. This information can be found on the Commission's website at www.icc.illinois.gov/ags/products.aspx.

D. Retail Choice and Referral Programs

Section 20-130 of the Act gives the Commission the authority to establish a retail choice and referral program to be administered by either the utility or the State. As part of such a referral program, residential and small commercial customers could receive incentives such as discounted introductory rate offers for switching to a participating ARES. The Act requires the ORMD to act as the clearinghouse for the development of retail choice and referral programs and to work with utilities and interested parties to implement such a program. The ORMD is conducting workshops to facilitate discussions on the parameters of such a referral program in Illinois. The Power Switch Program at Orange and Rockland in New York has provided a starting point for such discussions, with some Illinois ARES currently participating in the New York program.

The ORMD is working with interested parties to develop the specifics of an Illinois referral program, such as the length of the introductory period, the amount of the discount during the introductory term, the pricing after the introductory period and the establishment of potentially separate programs for residential and small commercial customers. The ORMD is encouraged by the level of interest in such referral programs and will facilitate the implementation of the programs by the electric utilities.

IV. Municipal Aggregation

On August 10, 2009, Public Act 96-0176 amended the Illinois Power Agency Act by providing for the aggregation of electrical load by municipalities and counties. It allows municipal corporate authorities or county boards to adopt an ordinance under which it may aggregate residential and small commercial retail electrical loads located within their jurisdiction and solicit bids to enter service agreements for the sale and purchase of electricity and related services and equipment.

The law requires the corporate authorities of a municipality or county board to submit a referendum to its residents to determine whether or not the aggregation program shall operate as an opt-out program for residential and small commercial customers prior to the adoption of an ordinance for the aggregation of these loads. The Illinois Power Agency is required to furnish without charge a list of all supply options available to the customers in a format that allows comparison of prices and products, and provide assistance to municipalities, counties or associations completing the plan and bidding process.

The law also requires that the load aggregation plan provide for universal access to all applicable residential customers and equitable treatment of applicable residential customers and that the plan describe demand management and energy efficiency services to be provided to each class of customers.

The ORMD recently held an initial conference call with interested parties to review some of the specific provisions contained in the law. The conference call was attended by a large number of retail electric suppliers and it was apparent that there is a concrete and real interest in serving municipalities that want to pursue aggregation for their residential and small commercial customers. The ORMD is hopeful that this level of interest will translate into actual pursuits of municipal aggregation by some communities in the near future.

VI. Suggested Administrative and Legislative Action

As was the case in previous years, the ORMD supports eliminating or modifying the 24-month minimum enrollment requirement found in Sec. 16-103(d) of the Act. The minimum enrollment provision, applicable only to residential and small commercial customers who return from delivery services to the electric utility's bundled service, appears to be conflicting with the goal of developing "an effectively competitive retail electricity market that operates efficiently and benefits all Illinois consumers." An alternative to eliminating the minimum enrollment requirement would be, upon returning to the electric utility's bundled service, to allow for a 2 month "grace period" during which a customer would have the opportunity to select a different retail electric supplier.