

Redbook

LBO Analysis of Executive Budget Proposal

Office of the Ohio Consumers' Counsel

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LBO Redbook

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Quick look...

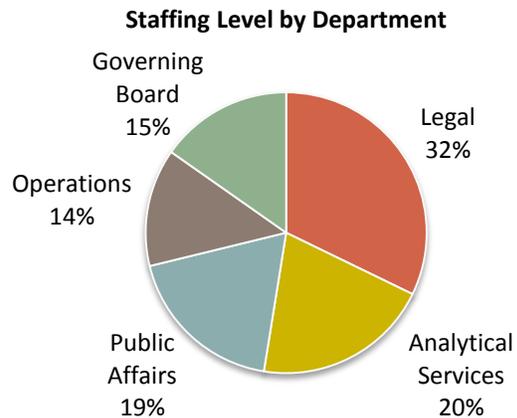
- Since the agency's inception in 1976, the Office of the Ohio Consumer's Counsel (OCC) has served as the advocate for Ohio's residential consumers before regulatory authorities.
- The OCC is a self-supporting agency with no GRF appropriation. Funding for the agency's one appropriation line item is derived through assessments to utilities and deposited into a dedicated purpose fund.
- The OCC has 50 funded employee positions, in addition to the nine-member, bipartisan governing board. The staffing graph below contains additional detail about OCC job functions.

FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Estimate	FY 2020 Introduced	FY 2021 Introduced
Fund 5F50 ALI 053601, Operating Expenses					
\$5,185,887	\$5,130,339	\$5,024,203	\$5,541,093	\$5,541,093	\$5,541,093
% change	-1.1%	-2.1%	10.3%	0.0%	0.0%

Agency overview

The Office of the Ohio Consumers' Counsel (OCC) is the statewide legal representative for Ohio's residential consumers in matters related to their investor-owned electric, natural gas, telephone, and water services. The agency advocates for consumers in proceedings before the Public Utilities Commission of Ohio (PUCO), federal regulatory agencies, appellate courts, and the Ohio General Assembly. Additionally, the agency monitors public utilities' compliance with regulatory standards for consumer protection. The OCC also educates consumers about utility issues that affect their bills and quality of service.

The Consumers' Counsel is selected by a nine-member, bipartisan governing board representing family farmers, organized labor, and residential consumers. Each governing board member is appointed by the Ohio Attorney General to serve a three-year term.



Analysis of FY 2020-FY 2021 budget proposal

Overview

OCC operating costs are funded by a single DPF appropriation item, 053601, Operating Expenses. The agency expects it can maintain its current level of consumer advocacy at this funding level. OCC's operations are enabled by the agency's legal and technical expertise on utility issues. Funding permits OCC personnel to advocate in a number of regulatory forums and continue consumer education efforts.

OCC is funded through an assessment on the intrastate gross receipts of entities regulated by PUCO. Section 4911.18 of the Revised Code authorizes the annual assessment for OCC, and PUCO receives most of its operating funds from a similar assessment. The level of the annual assessment for each public utility company will vary based upon the number of public utilities, the amount of their intrastate gross revenues, and the amount of lapsed funds that are credited back to the utility companies. Any lapsed or unspent funds that were derived from the assessment supporting OCC or PUCO are credited ratably back to the utility companies. According to OCC, the typical consumer in Ohio pays less than three cents for every \$100 in utility bill expenses for the services of OCC; this cost is equivalent to less than a dollar a year for a typical utility customer.

Executive recommendations by expense category

The accompanying chart presents OCC's recommended FY 2020-FY 2021 biennial budget by expense category. OCC allocates 82% of its budget for personal services, which provide the wages and benefits for its staff. Utility issues that impact consumers are complex and technical, so the OCC employs a team of attorneys, financial analysts, and public affairs professionals who have requisite knowledge and expertise. The next most prominent expense category is supplies, maintenance, and equipment at 10%, which funds OCC's computer and information technology (IT) needs. The agency recently determined it was necessary to upgrade IT infrastructure for the first time in nearly 10 years. This resulted in additional IT expenses in FY 2019 that should not reoccur again for many years. Purchased personal services allocations, representing about 8% of total biennium funding, may be used to access independent contractors with whom OCC can consult on specialized issues. Much of OCC's public service is responsive to initiatives undertaken by utilities or regulators, so it is difficult to estimate in advance precisely how many expert consultants will be necessary.

OCC Budget by Expense Category
FY 2020-FY 2021 Biennium

