



State Senator
TINA MAHARATH

3rd District

Sponsor Testimony
Senator Tina Maharath
Senate Bill 86
Energy and Public Utilities Committee

Chairman Wilson, Ranking Member Williams, Vice Chair McColley and members of the Senate Energy and Public Utilities Committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 86, which regulates electric utility submetering in Ohio.

According to the Office of the Ohio Consumers' Counsel, "Submetering is when a landlord or third party purchases utility service, electricity, water, or sewage, and resells that service to consumers by using a submeter. A submeter records the usage for each housing unit."¹

In 2013, the Columbus Dispatch conducted a ten-month investigation that uncovered "residents pay markups of 5 percent to 40 percent when their landlords enter into contracts with certain submeter companies. If the customer fails to pay, the companies sometimes resort to collection tactics that would be illegal for regulated utilities, including shutting off heat in winter and even eviction."² At the time of the Columbus Dispatch report, submetering affected an estimated 18,000 to 20,000 housing units in the Columbus area, and potentially reaching as many as 3 million Ohioans.

In 2017, the PUCO ruled that submeter companies can charge no more than households would pay to their regulated utility for electricity and water. They also developed a procedure in which submetering consumers can contact the PUCO in cases where they believe they are being overcharged.³

Despite recent changes, current Ohio Law still allows submetering loopholes that leave tenants vulnerable to predatory business practices of overcharging and unexplainable fees. Consumers do not have the opportunity to shop for alternative suppliers, as regulated utility customers and submetering companies do for lower prices. Submetering companies are not required to meet state-issued standards for quality and service reliability. Low-income households are also not permitted to participate in assistance programs, such as PIPP Plus.

This legislation is a re-introduction from my predecessor, Senator Kevin Bacon, in the previous General Assembly. I understand that this is a complex issue to a complex industry. I chose to re-introduce this legislation because it is so important that the General Assembly continue the conversation to ensure Ohioans that they are protected from unfair submetering practices.

¹ <http://www.occ.ohio.gov/sites/default/files/factsheets/electric/Submetering-FAQ.pdf>

² <https://www.dispatch.com/article/20131020/NEWS/310209773>

³ https://www.puco.ohio.gov/emplibrary/files/media/Publications/Annual_Reports/2017%20Annual%20Report.pdf