

Testimony of Rick Colby
Representing the Downtown Residents Association of Columbus (DRAC)
On House Bill 249 (Duffey)
House Public Utilities Committee
October 15, 2017

Chairman Cupp, members of the House Public Utilities Committee, thank you for the opportunity to testify as a proponent of House Bill 249, sponsored by Rep. Mike Duffey. My name is Rick Colby, I am a board member of the Downtown Residents Association of Columbus (DRAC) and serve as their advocacy chair.

DRAC is a nonprofit organization whose mission is to promote downtown Columbus as a great place to live, work and play. DRAC connects people through social events, volunteer opportunities that promote and benefit our community, informs members of the latest issues and developments within the city, and advocates for issues that help improve the quality of life for residents in our city's center.

Like many people, I was drawn to city living after living in the suburbs for many years. The transformation of Columbus has been incredible. From arts and culture, to restaurants and nightlife, to natural attractions like Scioto-Audubon Park and the Scioto Mile, there are so many reasons to live in downtown Columbus. After a divorce, I rented a two-bedroom townhouse with my daughter at LC RiverSouth along the river. We both enjoyed the proximity to the magnificent new riverfront. My daughter got a part-time job in German Village while going to college, and I walked to work at the Statehouse every day.

However, one very strange thing occurred: My utility bills that first winter went through the roof. I contacted the LC rental office, they told me to try switching the setting on my thermostat – nothing happened to my bill. I dropped my thermostat from 70, then to 69, then 68, then 67. Nothing happened. The same high utility bills came in. I called Nationwide Energy Partners (NEP), and asked if they could come out and do an energy audit of my apartment to see why it was costing me so much. NEP said they did not do those. I asked if they could look at my meter to see if it was malfunctioning. They said they could – for \$50. I declined. I did some research – and then found the Columbus Dispatch article from 2013 about submetering. Ah, it all makes sense now, I thought. I will contact PUCO and file a complaint. I filled out the PUCO form online; they got back to me after a few weeks and said there was nothing they could do. I was incredulous – you are the PUCO, I said! Sorry,

the PUCO person on the phone told me, the law does not allow us to regulate them. Well, what you are doing to change the law? I asked. The person was flustered and said something apologetic and nondescript and then got off the phone. I called the LC rental office and asked if I could get my own utility provider – they said No; my rental agreement locked me into NEP.

So in short, there is a legal loophole in the law, which companies like NEP and American Light & Power are taking advantage of. They are driving a truck through the loophole – and gouging downtown residents in the process. People are being encouraged to move downtown, but, when they do, they are often shocked to find out they are trapped in these submetering contracts that they had no part of and cannot get out of. There is the young schoolteacher who lived in the Arena District with her roommate who were hammered with utility bills in their two-bedroom apartment. She was talking about moving out of Flats on Vine. There is the young couple in the Atlas building who moved back to Columbus from New York City who could not believe that the cost of utilities for their small apartment was more than what they paid in Manhattan!

It is time for the Ohio Legislature to act and pass House Bill 249. DRAC has the highest praise for companies that are building apartments and condos downtown, but the utility gouging of residents has to end. The submetering upcharges amount to a hidden tax on the very people the city is trying to attract to live here. Please let downtown residents shop around for their utilities in a free market. Competition is always a good thing.

In response to concerns from our members, DRAC studied the issue of submetering in downtown Columbus and developed the following position statement:

- DRAC urges the Ohio Legislature to protect consumers by passing House Bill 249 to end submetering of utility services by unregulated companies that resell a utility's services. Submetering (reselling) of utility service can increase the charges on consumers' bills for utility services, deprive consumers of state-ordered protections for customers of public utilities, and deny consumers a competitive choice of energy providers.
- DRAC further urges that, in the absence of a ban on submetering, the Ohio Legislature require that the cost of resold services (including for common areas such as lighting in parking lots and hallways) be included in a tenant's monthly rent or an owner's association fee without a separate charge to residents.

- If submetering (reselling) is allowed to continue, the Ohio Legislature should limit charges for resold utility services to no more than the cost at which the services were purchased by the submeterer (reseller); that they be based on the resident's actual consumption of the utility service; and require that providers of resold utility service be regulated by the Public Utilities Commission of Ohio (PUCO).

DRAC thanks Rep. Mike Duffey for all his hard work on this issue, and Columbus City Councilman Mike Stinzino, who is working on the submetering issue at the city level.

Please pass House Bill 249 to promote economic growth and the continuing rebirth and transformation of downtown Columbus. I would be happy to answer any questions.