

House Bill 110

Proponent Testimony of Leigh Herington before

The Ohio House of Representatives

House Finance Committee

For the Agency Budget of the Office of the Ohio Consumers' Counsel

Chairman Oelslager, Ranking Member Crawley and members of the House Finance Committee, I appreciate the opportunity to testify in support of the budget proposal submitted by the Office of the Ohio Consumers' Counsel (OCC).

My name is Leigh Herington. I come before you today on behalf of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a non-profit council of governments that provides retail electricity and natural gas aggregation service to customers of about 240 communities throughout 19 counties in Ohio. NOPEC serves approximately 940,000 residential customers and small businesses.

NOPEC is a strong proponent of the Budget Request of the Ohio Consumers' Counsel.

I had the honor of serving in the Ohio Senate at the time electric deregulation became the law of Ohio in 1999. I also had the honor of serving as one of the seven members of the legislature who worked on Senate Bill 3 for 18 months before its passage. At the time of its passage, most of us had no idea of the positive impact that electricity deregulation would have on the residents and small businesses of the State of Ohio. And I want to thank you all for staying the course on promoting deregulation and opt-out governmental aggregation which has benefited residential customers and small businesses throughout the State in ways that would not have been possible without deregulation.

And no small part of the success of deregulation in Ohio is due to the efforts of the Office of the Ohio Consumers' Counsel and Bruce Weston. With the passage of electric and natural gas deregulation, the Consumers' Counsel has had to adjust its customer protection responsibilities to include reviewing all matters related to deregulation before the Public Utilities Commission of Ohio and the Courts. Only the Ohio Consumers' Counsel has the statutory authority and recognized credibility to protect all of Ohio's residential customers in these matters. The Consumers' Counsel gives residential utility consumers a voice where these consumers would have little or no voice.

In 2011, the Consumers' Counsel operating budget was reduced from \$8.5 million to \$5.64 million. This reduction was orchestrated by a powerful utility after the Consumers' Counsel filed a complaint against it for deceptive marketing practices. This reduction would have devastated other State Agencies. The Office, however, made the necessary adjustments to be able to still provide the highest quality of service that could be provided within the budget. This year, after nearly ten years at the lower budget, the administration has recommended an annual budget of \$5.64 million, only the same budget as approved in 2011. OCC has proposed an increase of \$700,000 from the current budget of \$5.54 million. It has been reported to you by the Consumers' Counsel that this \$700,000 increase would "restore OCC's purchasing power for about \$580,000 in costs that OCC has absorbed in recent years." So much has been written recently about HB6 and the conspiracy to defraud Ohio's residential electric consumers. What has been missed is the direct assault that the powerful utilities have had toward the OCC, Ohio's utility watchdog.

Having served in the Ohio Legislature, I very much appreciate the balance in the process where the Consumers' Counsel can provide a perspective that otherwise would not be heard before regulatory agencies and the courts. The protections advocated by the Consumers' Counsel for residential consumers also protect small businesses who have some of the same cost concerns as residential customers and at a higher cost.

The Consumers' Counsel has also assisted legislators in the legislative process by providing a consumer perspective. The Office has assisted Members with inquiries from constituents and will continue to provide valuable input. NOPEC is particularly grateful to the Consumers' Counsel for its outreach and education to Ohioans to help them save money on their utility bills and choices for energy suppliers. We also greatly appreciate the technical expertise provided by the Office of the Consumers' Counsel on complex cases and the legal representation for Ohio's residential utility consumers at the PUCO, the Federal Energy Regulatory Commission, the Supreme Court of Ohio and elsewhere.

It is important for the Committee to know that the Consumers' Counsel's funding is not from taxes or Ohio's General Fund. The Agency is funded through a fee on the intrastate gross earnings of utilities and other entities regulated by the PUCO. The cost to consumers is a few cents for every \$100 in utility bills; less than a dollar a year for the typical residential consumer. It is time for the legislature to protect and support the only agency that is charged with representing and protecting Ohio's residential consumers against the State's powerful utilities. Supporting the OCC requested budget of \$6.24 million for each year of the biennium would be a great move in the right direction for Ohioans.