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House Public Utilities Committee

Rep. Troy’s Joint Sponsor Testimony on HB 260
Wednesday, May 19, 2021 – Room 121

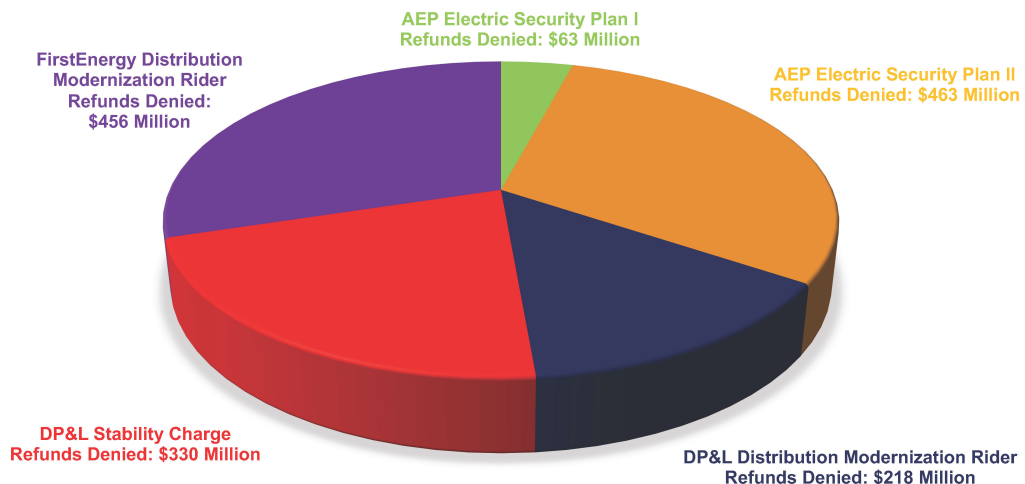
Chairman Hoops, Vice-Chair Ray, Ranking Member Smith, and fellow members of the House Public Utilities Committee, thank you for the opportunity to join with my colleague Rep. Lanese in jointly introducing and presenting sponsor testimony on HB 260.

The purpose of the legislation is to require the refund of electric utility charges assessed and collected from ratepayers that have been found to be unreasonable, unlawful, imprudent or otherwise improper by the Supreme Court or other authority shall be fully refunded within one year of that decision.

This is clearly and simply the ratepayers money and should not be an entitlement to the utilities to just keep regardless of it not even being employed for the alleged purpose for which it was collected.

The Ohio Consumers Council has presented evidence of \$1.5 billion of electric utility refunds that have been denied since 2009.

OHIOANS DENIED \$1.5 BILLION IN ELECTRIC REFUNDS SINCE 2009



We all understand that there are challenges in meeting the future energy needs of our state, and how investments in the policies necessary will require significant dollars. These consumer dollars sitting in the coffers of these large utility interests to improve bottom lines or increase stockholder dividends could certainly help in meeting those challenges.

The average Ohio citizen consumer is mystified when they hear that rulings calling Provider of Last Resort revenues collected by a utility were “unjustified”, but that “a refund under the circumstances would be tantamount to retroactive ratemaking; something it is not authorized to engage in.”

As then Justice Pfeifer said in his dissenting opinion, it is unconscionable that a public utility should be able to retain \$368 million that it collected from consumers based on assumptions that are unjustified. The problem stems from this court’s 1957 decision that determined that “[w]here the charges collected by a public utility are based upon rates which have been established by an order of the Public Utilities Commission of Ohio, the fact that such order is subsequently found to be unreasonable or unlawful on appeal to the Supreme Court of Ohio, in the absence of a statute providing therefor, affords no right of action for restitution of the increase in charges collected during the pendency of the appeal.”

Mr. Chairman, members of the committee, it is well past the time that the General Assembly rights this wrongful and totally bewildering practice of denying refunds of improperly collected rates, and gives the people of Ohio their money back.

