



## CITIZENS UTILITY BOARD OF OHIO

### Proponent Testimony by Tom Bullock on House Bill 260 Executive Director, Citizens Utility Board of Ohio House Public Utilities Committee May 26, 2021

Chair Hoops, Vice-Chair Ray, Ranking Member Smith, and members of the House Public Utilities Committee, thank you for the opportunity to submit proponent testimony on House Bill 260, legislation to require refunds to utility customers who have been improperly charged. My name is Tom Bullock, and I am executive director of the Citizens Utility Board of Ohio (CUB Ohio).

CUB Ohio is a consumer organization working on behalf of residential and small business utility customers. We are a nonpartisan nonprofit with membership across the state, and we work for cheaper bills, reliable service, transparency, consumer rights, and clean, healthy energy.

Ohio utilities have work to do to improve on the costs they charge consumers. Last fall, a first-of-its-kind report by CUB Ohio, "[Electric Utility Performance: Ranking Ohio Among the States](#)", assessed performance of Ohio's electric utilities, showing that they rank among the bottom five in the nation in three areas of importance to electricity customers: affordability, reliability and environmental impact. The report, which can be found at [CUBOH.org](http://CUBOH.org), catalogued the performance of utilities in all 50 states plus the District of Columbia; Ohio's electric utilities scored a cumulative rating of 47th out of 51.

HB 260 would take an important step towards improving on cost, fairness, and accountability by reversing a longstanding flaw in Ohio law and case law: the lack of authority to refund to customers those utility charges found, after their collection, to be unreasonable, unlawful, imprudent, or otherwise improper.

Simple fairness tells us that improper charges should be refunded, whatever the product or service, and customer refunds are indeed the standard in industries across the economy. Why should utility customers be any different when forced to pay monopoly utility charges?

CUB Ohio supports lowering costs to our members and to all Ohio consumers, many of whom are still struggling given the economic harm inflicted by the COVID-19 public health crisis. Refunds to customers would help them recover from economic harm and spotlights why the case for HB 260 is so strong.

As a pertinent and *prima facie* example of an inappropriate utility charge that is nevertheless nonrefundable, Ohio utility customers are currently paying an expanded, modified, and extended charge under HB 6, a law that would not have passed without the help of a \$61 million in bribery funds, to subsidize two uneconomic coal-fired power plants owned by OVEC, one of which is located in Indiana (!). Ohio consumers, under HB 6's mandated expansion of this subsidy, will pay an estimated \$700 million through at least 2030, according to an analysis by the Ohio Manufacturing Association, or more than \$858 million, according to Ohio Legislative Services Commission (OLSC) projections. OLSC estimates that Ohioans have paid \$78 million in 2020 alone for this charge, none of which is refundable even if the fee ended today, without a statutory change and/or administrative ruling. Accordingly, CUB Ohio filed a motion before the Public Utility Commission of Ohio (in the still-open Case No. 19-2121-EL-ATA) requesting that it order FirstEnergy electric distribution utilities to make the OVEC subsidy charge refundable in the event that it is repealed or reduced by the Ohio General Assembly. Without these special steps, money paid by hard-working, hard-pressed Ohio consumers is lost—permanently. Financial reparations shouldn't be so hard to achieve for regular Ohioans.

Thank you for the opportunity to provide proponent testimony on behalf of HB 260.