

## House Bill 33

### Proponent Testimony of Chuck Keiper before

#### The Ohio House of Representatives

#### Finance Subcommittee on Agriculture, Development, and Natural Resources

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

Honorable Chairman Jones, Ranking Minority Member Troy and members of the House Finance Subcommittee on Agriculture, Development, and Natural Resources, allow me to start today by sharing my deep appreciation for the opportunity to testify in support of the budget proposal submitted by the Office of the Ohio Consumers' Counsel (OCC).

My name is Chuck Keiper. I come before you today as the Executive Director and Chief Executive Officer of and on behalf of the Northeast Ohio Public Energy Council (NOPEC). NOPEC is a regional 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 hundreds of thousands of residential and small business customers throughout the state of Ohio.

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

The Ohio Consumer's Counsel has been a very large part of the success of electricity and natural gas deregulation in our state. As deregulation developed and matured, the OCC has had to broaden its consumer protection mission to include reviewing all matters relating to deregulation before the PUCO, the legislature, and the courts. The statutory authority given by the ORC to the Consumers Counsel is unique to the agency and obligates them to be the voice for the average Ohio energy consumer. Over the 20 plus years of deregulation in Ohio, the OCC has come to be recognized as the single most credible and formidable force for Ohioans everywhere by giving voice and weight to consumer issues in places where Ohio consumers would otherwise have little to no voice at all.

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 very difficult adjustments to be able to continue providing the highest quality of service that could be provided within the budget. This year, after nearly a dozen years at the lower budget, the OCC Governing Board (whose members are appointed by the Ohio Attorney General) proposed an increase of \$700,000 from the current \$5.8 million to \$6.5 million. I want to stop and point out that since the 2011 budget cut, the budget of this important consumer voice has actually continued to lose ground. In 2011 the budget was \$5.64 million. Today it stands at \$5.8 million. If you adjust those numbers for inflation, the OCC budget has failed to keep pace with simple inflation, not to mention the remarkable increase of need for consumer voice and protections in the very challenging Ohio regulatory landscape. The Administration has recommended a \$500,000 increase in House Bill 33 (lines 120166 to 120170). While we applaud the administrations recognition of the remarkable level of need for a budget increase for the OCC, NOPEC, myself, and the 240 communities we represent would urge this committee to consider granting the budget increase of \$700,000 recommended by the OCC Governing Board.

I want to also remind subcommittee members that NO tax dollars are used to fund the budget of the Ohio Consumers Council. Rather, OCC funding is generated by assessments on utilities for the amount of the agency's

budget appropriations. More specifically, 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. To be sure, a number of these Ohio utilities have advocated for OCC budget reductions in the past and have found sympathetic ears in the legislature, which is why, in NOPEC's opinion, the OCC has been forced to operate on a budget that has been functionally decreasing over the past decade even after being forced to endure a multi-million dollar cutback in 2011. The right thing to do in the shadow and aftermath of what we can now unquestionably call the largest public corruption scandal in the history of our great state is to signal to the public this chamber's commitment to insuring a fair playing field for consumers by giving the OCC its first measurable budget increase in well over a decade and help them to stand up for the working men and women of Ohio.

Not only is making a budgetary investment in the OCC the right thing to do but it is also a smart investment and an investment that truly pays off for Ohio consumers. Let me give you just a few of the examples of how the OCC has generated savings for consumers in recent years.

My testimony as submitted contains quite a few examples. For the sake of brevity and being respectful of the committee's time constraints I will only mention two, but will allow the written testimony to tell a more complete story.

- **12/14/22; DP&L (AES) consumers; Savings of about \$5.8 million monthly (\$69.6 million annually):** OCC led the advocacy to require DP&L to abide by an earlier settlement with OCC and others. DP&L had committed to not increasing base rates under certain circumstances. The PUCO agreed in its Order. (PUCO Order 12/14/22).
- **12/15/23; AEP Ohio consumers; Savings of \$20 million annually:** Savings are from OCC's Complaint filed at FERC to stop AEP Ohio from charging consumers a 50-basis-point profit adder for joining a Regional Transmission Organization (RTO). The adder was claimed to be an incentive to join an RTO despite Ohio law requiring electric utilities to join an RTO. FERC granted OCC's complaint in an order dated December 15, 2023.
- **1/26/23; Columbia Gas consumers; Savings of \$153 million annually:** The OCC led the efforts of a group of intervenors in this case and successfully, along with other intervenors, reached a settlement with Columbia Gas of Ohio. *Savings are as compared to Columbia's original application for a base rate increase* and are expected to recur annually until 2027. The Settlement with Columbia was filed 10/31/22; the PUCO adopted the Settlement in an Order dated 1/26/23.
  - **1/26/23; Columbia Gas consumers; Savings of \$802 million (total expected through 2027):** *Savings are as compared to Columbia's original application for riders (charges) for pipeline and other infrastructure replacements.* OCC and others reached a Settlement with Columbia, filed 10/31/22; the PUCO adopted the Settlement in an Order dated 1/26/23.
  - **1/26/23; Columbia Gas consumers; Savings of \$125 million:** *Savings are from Columbia's agreement to withdraw its proposed program (and charges) for non-low-income demand-side management.* OCC and others reached a Settlement with Columbia, filed 10/31/22; the PUCO adopted the Settlement in an Order dated 1/26/23.

- **12/01/21; FirstEnergy consumers; Savings of \$306 million (total expected through 2025):** Savings are from the settlement by OCC, NOPEC, and other intervenors for refunds and bill credits to prevent FirstEnergy from charging consumers for too-high profits. The Settlement was filed on 11/1/21; the PUCO adopted the Settlement by order dated 12/01/21.

**11/17/21; AEP Ohio consumers; Savings of \$110 million annually (until the next rate case):** Savings are from the settlement by OCC and others that eliminated AEP's proposed base rate increase for residential consumers. The Settlement was filed on 3/12/21; the PUCO adopted the Settlement in an Order dated 11/17/21.

- **8/22/19; FirstEnergy consumers; Savings of \$84 million:** OCC, NOPEC, and others appealed the PUCO's Order allowing FirstEnergy to charge consumers for the infamous "Distribution Modernization Rider," a charge that did not require one penny to be spent to modernize distribution. The Supreme Court stopped the illegal charge, saving consumers \$84 million. But FirstEnergy had already collected \$456 million from consumers, that it was not required to refund.
  - **Note: DP&L consumers** also benefited from the appeals and the Court's decision, as the decision led the PUCO to prevent **\$97 million** from being collected for DP&L's similar charge to its consumers (though it already collected \$216 million from consumers).

Again, my submitted testimony contains numerous other examples. The point, however, is quite simple. The Ohio Consumer's Counsel, led by OCC Bruce Weston, is making a measurable, quantifiable, and very positive impact on the lives of every day Ohioans and they are making that difference every single day. We would urge this subcommittee to recommend the \$700,000 budgetary increase for each of the next two years of this biennium budget.

In closing let me add that the OCC is also seeking support for legislative changes that would further arm them to fulfill their consumer protection mission. NOPEC stands united with the OCC in the belief that these simple changes will have yet another dramatic and positive impact for Ohio consumers. Among the changes being sought are allowing the OCC to accept grants and repealing the ban against an OCC operated consumer call center. The very best way, I believe, to give Ohio residents an opportunity to express their concerns is to allow them to directly contact the OCC through a call center function. Mr. and Mrs. Ohio utility consumer should be able to easily and confidentially, reach out to the voice that Ohio has created to act as their representative.

Thank you Mr. Chairman and members of the subcommittee for the opportunity to provide this testimony.