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Senate Energy and Public Utilities Committee
Senate Bill 149 Sponsor Testimony
Prohibit public utilities recovering political expenditure costs
September 20, 2023

Chairman Reineke, Vice Chairman McColley, and members of the Energy and Public Utilities Committee.

Senate Bill 149 is being introduced three years after the arrest of then-Ohio House Speaker Larry Householder. As we all know, the Speaker was convicted and sentenced for leading a racketeering case in which \$60 million in bribes were paid by FirstEnergy in exchange for the ratepayer-funded bailouts included in House Bill 6. The reason to advance this legislation into law is that nothing in Ohio has changed that would prevent another House Bill 6 scandal from occurring.

In January 2023, the Energy and Policy Institute released a [report](#) entitled “Getting Politics Out of Utility Bills.” The report begins with the following, “America’s monopoly electric and gas utilities are using the money that they collect from customers monthly bills to fund political machines that push legislation, curry favor from regulators, and alter the outcomes of elections, sometimes even breaking the law.”

It is important to note that the EPI report was written for a national audience, but the primary example that they use to amplify the need for change is Ohio’s House Bill 6 scandal.

This legislation would do three things:

1. It would prevent utilities from using ratepayer money for any political activity.
2. It would require mandatory disclosures that provide greater visibility into utilities political spending.
3. It would establish appropriate enforcement mechanisms including fines for violations, to deter utilities from breaking these rules.

In most general terms, Mr. Chairman and members of the Committee, Utility customers should not be forced to pay for political activity with which they may not agree.

More specifically, utilities would be banned from using ratepayer money for political expenditures including a contribution or gift to a political candidate, party or committee. It would prohibit a contribution to a trade association, chamber of commerce or nonprofit

organization. It would prohibit using ratepayer dollars to pay dues to any industry associations. It would prohibit any expenditures incurred for the purposes of lobbying.

If a utility is found to be in violation of this proposed legislation it must refund the ratepayers money with interest and pay a fine to the PUCO in the amount 20 times that which it took from ratepayers.

Three other states have already passed legislation to ban the utility's use of ratepayer dollars for political purposes. Those states are Colorado, Connecticut, and Maine.

Mr. Chairman and members of the Committee the Ohio General Assembly has a responsibility to police itself, to protect customers and reign in Ohio's investor-owned utilities.

Thank you for the Committee's attention to this important matter. I would be happy to respond to any questions that the Committee might have at this time.