



Office of the Ohio Consumers' Counsel

Before The Ohio Senate

Energy and Public Utilities Committee

Testimony on Senate Bill 123 (Exempt certain entities from regulation as a public utility)

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On Behalf of the Office of the Ohio Consumers' Counsel

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Hello Chair Reineke, Vice-Chair McColley, Ranking Member Smith, and Committee members. I hope you and your colleagues are well.

Thank you and the Committee for this opportunity to present opponent testimony on Senate Bill 123.

My name is Maureen Willis. I am the Ohio Consumers' Counsel, the director of the state agency that represents 4.5 million residential utility consumers. I am testifying on behalf of these residential utility consumers.

Senate Bill 123 allows third parties to provide "utility service" (water, gas, electric) to consumers, without complying with Ohio rules and laws that provide protection to utility consumers. The bill makes it clear that submeterers, like Nationwide Energy Partners, are not public utilities. Submetering is an abusive practice that provides financial and administrative benefits to submetering companies while stripping utility consumers of regulatory safeguards.

Submetering service is provided to landlords and places a third party between the consumer and his/her regulated public utility. When these third parties are not defined as a public utility or regulated as a public utility, consumers can be deprived of essential protections that otherwise would apply to utility service provided by public utilities.

In the current market for obtaining adequate and essential utility services, a consumer could go from being a customer of the public utility, to being bound by a contract between the landlord and the submetering company. Consumers are stuck with the landlord's choice, with the only option being to move.

The change from public utility customer to a consumer served by a submetering company is not minor. Financially, the consumer is not charged a regulated rate set by the PUCO and determined to be just and reasonable. They no longer can choose the price, terms, and conditions for gas or electric service. A submetering company dictates the cost and

terms of utility service provided to its customers. More importantly, the consumer loses access to PUCO enforced low-income payment plans, disconnection moratoriums and billing protections. Consumers also lose the ability to utilize the PUCO call center or complaint process for help if they believe their bill or disconnection was unfair.

Submetered consumers not only lack the protection of regulation, but in Ohio they lack the protection of competitive markets. This can result in submetered consumers being treated as second class consumers. SB 123 is unfair and prejudicial to consumers. For these reasons, OCC opposes the bill in its current form.

What is missing from the bill are important consumer protections – protections that are otherwise available to consumers of public utility service. Submetered consumers deserve protection too.

The simple solution is to ban submetering altogether. OCC would support such a ban and others are of like minds on this (Duke, AEP).

At the very least, consumer protections must be written into the bill. These protections should apply to all Ohioans who are submetered, including consumers in areas served by utilities, municipalities and coops:

- (1) Protection for at-risk, low income consumers that includes:
 - PIPP and HEAP protection – allowing consumers to use these energy assistance programs to make payments for utility bills
 - Bill payment assistance programs
 - Payment plan options
- (2) Protections for consumers from unreasonable disconnections that includes:
 - Disconnection protection – especially during Ohio's cold winters and scorching summers
- (3) Protections against excessive pricing, through a cap on rates paid by consumers who are submetered.
- (4) Transparency in billing usage and rates, allowing consumers to understand their bill for utility services.
- (5) A consumer complaint process allowing for adequate consumer representation.

Thank you for the opportunity to provide testimony on the proposed submetering legislation. For consumer protection, please do not implement the bill in its present form.

Thank you.