

Proponent Testimony of Leigh Herington before the
Senate General Government Committee

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

Chairman Rulli, Vice Chair Schuring, Ranking Member DeMora, and members of the Committee, I appreciate the opportunity to testify in support of the House Version (HB33) and the Administration's budget proposal for the Office of the Ohio Consumers' Counsel and encourage you to add additional funding to that proposal.

My name is Leigh Herington. I come before you today 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.

I had the honor of serving in the Ohio Senate at the time electric deregulation became the law of Ohio in 1999. I also had the honor of serving as one of the seven members of the legislature who worked on Senate Bill 3 for 18 months before its passage. At the time of its passage, most of us had no idea of the positive impact that electricity deregulation would have on the residents and small businesses of the State of Ohio. And I want to thank you all for staying the course on promoting deregulation and opt-out governmental aggregation which has benefited residential customers and small businesses throughout the State in ways that would not have been possible without deregulation.

And no small part of the success of deregulation in Ohio is due to the efforts of the Office of the Ohio Consumers' Counsel and Bruce Weston. 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 seemed 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. 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 House Bill includes the \$500,000 increase recommended by the Administration. While we applaud the

House and Administrations recognition of the remarkable level of need for a budget increase for the OCC, NOPEC 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 Committee members that NO tax dollars are used to fund the budget of the Ohio Consumers' Counsel. 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 ensuring 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.

Having served in the Ohio Legislature, I very much appreciate the balance in the process where the Consumers' Counsel can provide a perspective that otherwise wouldn't be heard before regulatory agencies and the courts. The protections advocated by the Consumers' Council for residential consumers also protect small businesses who have some of the same cost concerns as residential customers and at a higher cost.

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. Attached to my testimony is a list of the extraordinary savings the OCC, along with other intervenors, has secured for Ohioans in the last four years. The list includes over \$400 million saved since 2019 and an additional \$1 billion projected savings between now and 2027 from case outcomes. The Ohio Consumers' Counsel, led by OCC Bruce Weston, is making a measurable, quantifiable, and very positive impact on the lives of everyday Ohioans and they are making that difference every single day.

NOPEC would encourage the Committee to accept the House proposal and consider providing the Office with the \$700,000 that has been requested by the OCC Board of Directors to keep the Consumers' Counsel competitive and offering the important consumer protections that it has been providing to the residential customers in the State of Ohio for many years.

Thank you for the opportunity to provide Proponent Testimony for the Budget of the Ohio Consumers' Counsel.