



Office of the Ohio Consumers' Counsel

**Before
The Ohio Senate
Agriculture and Natural Resources Committee**

Testimony on House Bill 96 (Budget)

**Maureen Willis, Agency Director
Office of the Ohio Consumers' Counsel**

May 7, 2025

Hello Chair Schaffer, Vice-Chair Koehler, Ranking Member Hicks-Hudson and Committee members. I hope you and your colleagues are well. Thank you for this opportunity to testify on the budget bill.

My name is Maureen Willis. I am the Ohio Consumers' Counsel; the Director of OCC. OCC is the state agency that has been the voice for Ohio residential utility consumers for almost fifty years.

OCC is funded by assessments on utilities. We are not general revenue funded. Consumers paid 2.68 cents per \$100 in utility bills through the utility assessments to fund OCC for FY25. With our full, requested increase, consumers' cost to fund our agency will remain less than 4 cents per \$100 utility bill. (*See Attachment 1 (C)*).

With our savings for residential consumers of \$29 for every dollar spent on the agency, we are producing one of the best returns on investment for consumers in the state. For years now, we have operated the office efficiently, transparently, and in a fiscally responsible manner, creating significant savings for consumers. Our recent advocacy (2019-2024) at FERC and the PUCO saved residential consumers \$977 million, including:

- \$179 million for AEP consumers
- \$396 million for FirstEnergy consumers
- \$268 million for AES consumers
- \$54 million for Duke consumers
- \$48 million for Columbia Gas of Ohio consumers¹

We've also successfully advocated for bill payment assistance programs, disconnection protection, and increased transparency on the value of shopping for energy services.

I am grateful to Governor DeWine for recommending a \$585,953 increase to the Consumers' Counsel's budget for FY26 and an additional \$258,810 increase for FY27. (HB 96, lines 103877 through 103879). That would increase OCC's annual budget from the current \$6.3 million to \$6.9

¹ These figures do not include our recent victory for consumers at the 6th Circuit Court of Appeals. At the time we submitted our budget, we identified potential transmission savings for Duke and FirstEnergy consumers. *See Attachment 2 (M)*. Those savings have now been secured for consumers.

million in FY26 and \$7.2 million in FY27. This is a great step toward restoring agency funding that has not kept up with inflation.

I am also thankful to members of the House for the Dash 4 version of the Budget bill accepting the Governor's recommended increases to OCC's budget.

But more is needed to enable OCC to continue to provide essential advocacy for 4.5 million residential households in Ohio.

OCC requested a budget increase of \$1,974,079 for FY26 and an additional \$165,747 for FY27. Consistent with our request, I ask that House Bill 96 Dash 4 be amended to achieve our requested increase. Please amend Line 114909 to provide an operating budget of \$8,287,346 for FY26 and an operating budget of \$8,453,093 for FY27 instead of the lower recommended amounts of \$6,899,209 and \$7,158,030.

This funding will support continued and increased advocacy and education for residential Ohio utility consumers. The requested funds will restore the Agency's purchasing power, which has steadily declined since 2012 due to inflation and static OCC budgets. (Please *see* Attachments 3 (A), 4 (B)). Our purchasing power is important because it enables us to maintain adequate staffing and procure expert consultants and legal counsel to assist us in representing consumers in very complex matters where tens of millions of dollars in rate increases are being sought from utility consumers.

OCC Services for Consumers:

OCC's role for the public is described in its mission: "The Ohio Consumers' Counsel advocates and educates to secure for Ohioans affordable, reliable and equitable residential utility services that are essential to their well-being." OCC's vision is "To be an independent voice of Ohio residential consumers, including at-risk communities, for achieving justice, equity and regulatory reform regarding their utility services." Our core values are Justice, Excellence, Respect, Communications, and Integrity.

Most of OCC's advocacy services to Ohio residential consumers are at the Public Utilities Commission of Ohio, the Federal Energy Regulatory Commission, and the Supreme Court of Ohio, among other forums. OCC's services are related to consumers' electric, natural gas, telephone, and water utility services from regulated utilities. Our services include legal representation related to lawyered-up utilities. Legal advocacy on utility issues requires attorneys. It also requires technical experts, such as accountants, economists, engineers and so forth. (*See* Attachment 5 (R) for examples of consultant and special counsel spending and consumer savings achieved by those efforts.)

Our services also include education and information for consumers about their utility services. This is done through outreach by OCC staff and by electronic means. OCC's website is at www.occ.ohio.gov. OCC's Consumer Fact Sheets are listed and available at occ.ohio.gov/factsheets. (*See* Attachment 6 (I), Attachment 7 (J) for OCC Education and Outreach statistics.) OCC Operations Staff work to fill the agency's continuing need for employees and consultants with technical expertise. (*See* Attachment 8 (G) for key agency statistics).

OCC is also available to assist legislators with constituent issues and legislation involving residential utility services. We welcome opportunities to be helpful. Our legislative liaison, Nick Stallard, is happy to receive your inquiries, as am I, about constituent issues and legislation.

OCC Organization:

The nine-member OCC Governing Board is comprised of representatives from the areas of family farmers, labor and residential consumers (with three members from each area). The Board and agency were created to be independent of state administrations. The Governing Board Chair is Mike Watkins from labor (being the Fraternal Order of Police). The Vice Chair is former legislator Cheryl Grossman, as a consumer member. I am grateful to the OCC Governing Board members who, essentially as volunteers, want OCC to do the right thing for Ohio consumers.

The Board appoints the Consumers' Counsel (or Agency Director), which is the position I hold. And the Board appoints the Deputy (who is Angela O'Brien). The Board Chair is also a standing member of the PUCO Nominating Council.

Savings for Consumers from OCC Advocacy:

During our 49 years of service, the Consumers' Counsel has helped Ohioans save a lot of money on their utility bills. And those savings far surpass the cost of our budget. Much of what we can accomplish in these cases is through the hiring of expert consultants. Individual Ohioans are unlikely to have the time or resources to be able to advocate effectively on their own behalf in these formal processes. OCC provides residential utility consumers with a voice and representation.

OCC Recommended Amendments:

Additionally, OCC proposes amendments to the budget bill. Amendment language is attached to this testimony. Those amendments include:

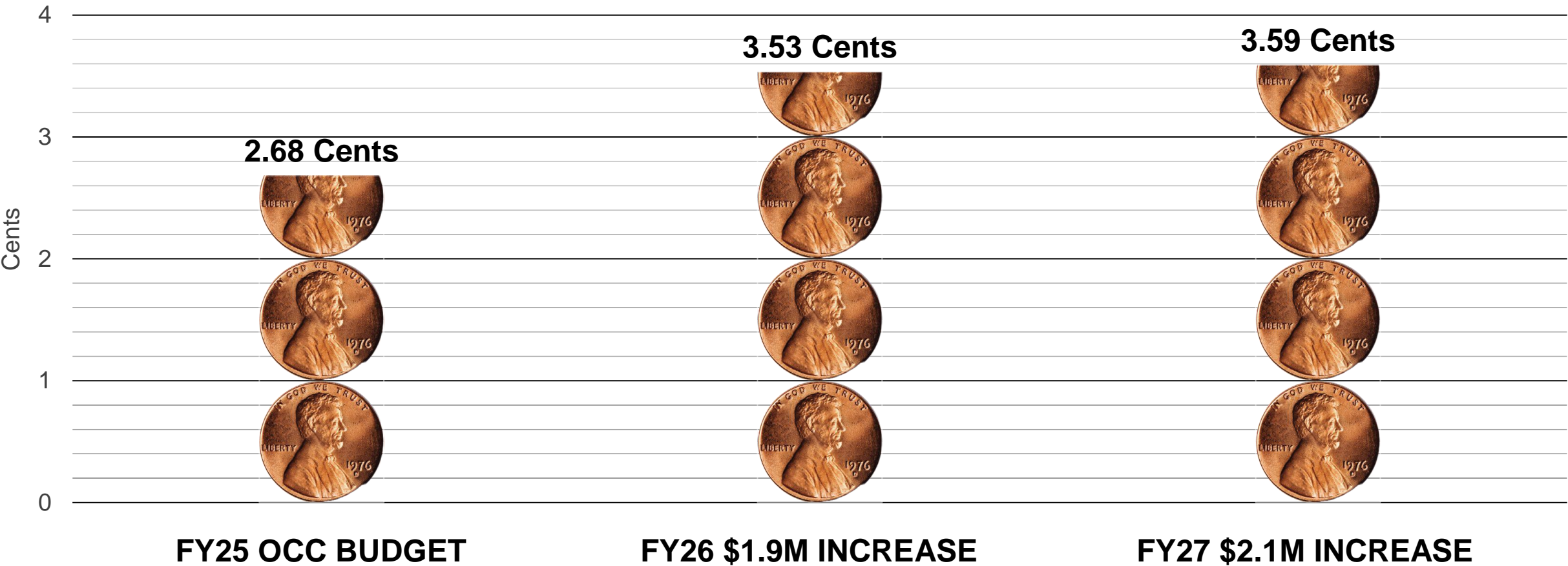
- Language clarifying that no bond is required when a public officer of the state seeks to stay execution of a final order by the PUCO in a proceeding to reverse, vacate or modify a PUCO final order (Attachment 9)
- Language to allow OCC to issue subpoenas in PUCO cases (Attachment 10)
- Language to allow OCC to intervene as a matter of right in PUCO proceedings (Attachment 11)
- Language allowing OCC to accept grants (Attachment 12)

I am happy to discuss any of these amendments in further detail or to answer any questions.

Thank you for your consideration.

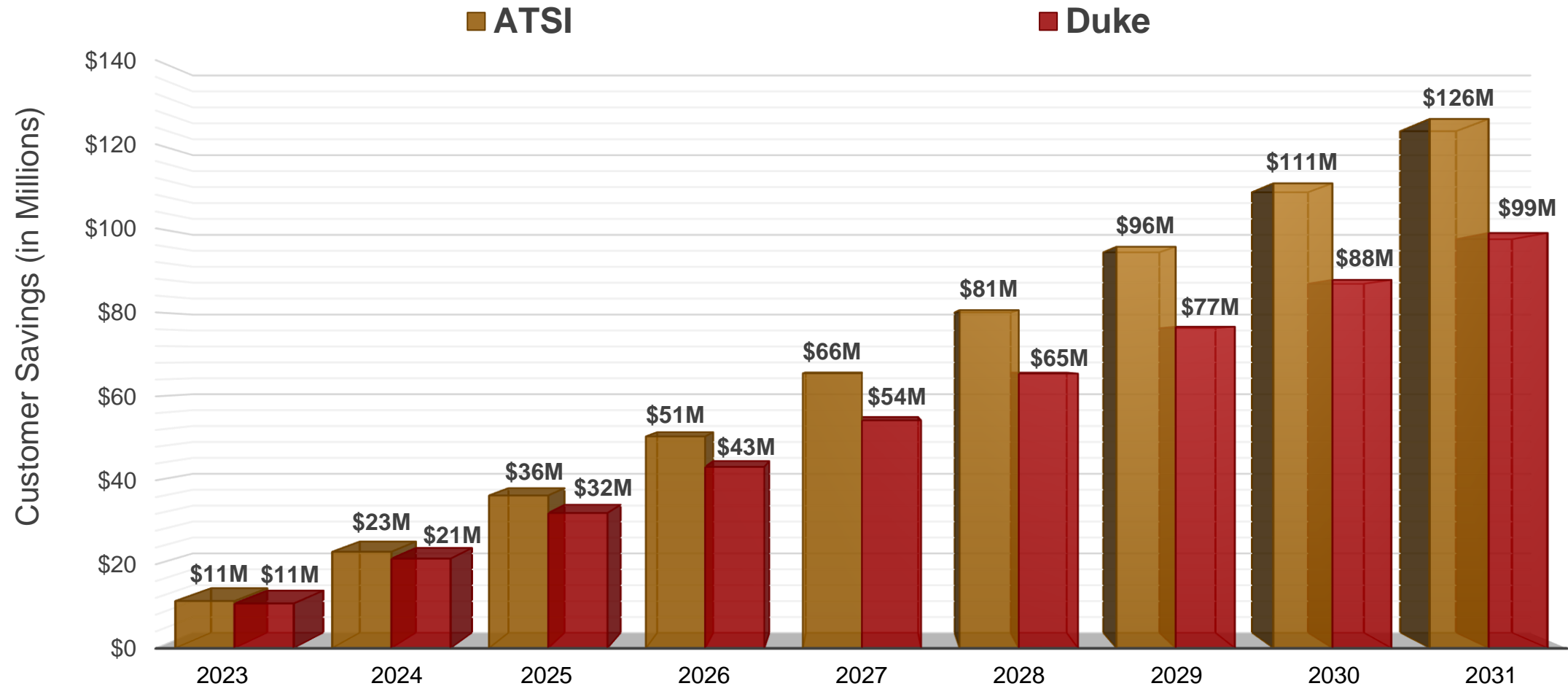
Increase per \$100 Utility Bill

Less than One Penny

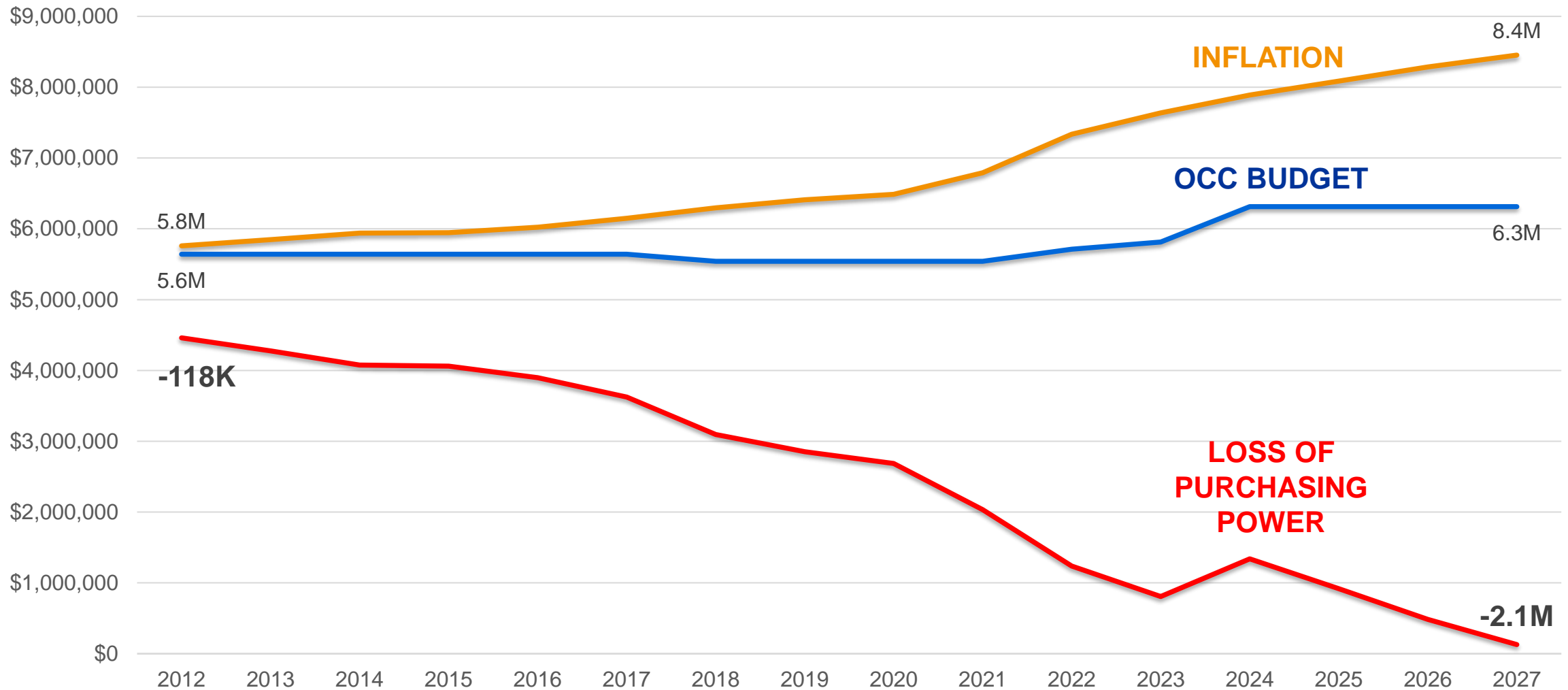


Source: FY24 PUCO Intrastate Gross Revenue Data

Potential Transmission Savings for Consumers (Appeal Pending)



OCC Budget vs Inflation



OCC's Loss of Purchasing Power

Year	2012 OCC Budget	Increase / (Decrease) to 2012 OCC Budget	OCC Budget	Rate of Inflation	2012 OCC Budget Compounded by Rate of Inflation
2012	\$ 5,641,093	\$0	\$ 5,641,093	2.10%	\$ 5,759,556
2013	\$ 5,641,093	\$0	\$ 5,641,093	1.50%	\$ 5,845,949
2014	\$ 5,641,093	\$0	\$ 5,641,093	1.60%	\$ 5,939,484
2015	\$ 5,641,093	\$0	\$ 5,641,093	0.10%	\$ 5,945,424
2016	\$ 5,641,093	\$0	\$ 5,641,093	1.30%	\$ 6,022,714
2017	\$ 5,641,093	\$0	\$ 5,641,093	2.10%	\$ 6,149,191
2018	\$ 5,641,093	\$ (100,000)	\$ 5,541,093	2.40%	\$ 6,296,772
2019	\$ 5,641,093	\$ (100,000)	\$ 5,541,093	1.80%	\$ 6,410,114
2020	\$ 5,641,093	\$ (100,000)	\$ 5,541,093	1.20%	\$ 6,487,035
2021	\$ 5,641,093	\$ (100,000)	\$ 5,541,093	4.70%	\$ 6,791,926
2022	\$ 5,641,093	\$ 72,258	\$ 5,713,351	8.00%	\$ 7,335,280
2023	\$ 5,641,093	\$ 172,174	\$ 5,813,267	4.10%	\$ 7,636,027
2024	\$ 5,641,093	\$ 672,174	\$ 6,313,267	3.30% (a)	\$ 7,888,015
2025	\$ 5,641,093	\$ 672,174	\$ 6,313,267	2.50% (b)	\$ 8,085,216
2026	\$ 5,641,093	\$ 672,174	\$ 6,313,267	<u>2.50%</u> (b)	\$ 8,287,346
				39.2%	

2012 OCC Budget Compounded to 2026 **\$ 8,287,346**

FY25 OCC Budget **\$ 6,313,267**

FY26 OCC Budget Increase Request **\$ 1,974,079**

FY27 OCC Additional Funding Request (2% Inflation Adjustment) **\$ 165,747**

(a) Actual Rate of Inflation as of May 2024, U.S Bureau of Labor Statistics

(b) Estimated Rate of Inflation for 2025 - 2026



OCC Spending for Consultant and Special Counsel Resulting in Significant Consumer Savings

Columbia Gas – Eliminating \$119 million in Non-low-Income Energy Efficiency Programs from consumers rates in 2021 Rate Case (Attachment S)

OCC was able to protect consumers by successfully advocating for Columbia to withdraw its \$119 million non-low-income energy efficiency program that Columbia had proposed to charge residential and small commercial consumers. At the same time, through OCC's advocacy, Columbia's \$70 million low-income weatherization program was preserved and a shareholder contribution to bill payment assistance was negotiated. (PUCO Case No. 21-637-GA-AIR).

- Cost of four expert consultants: \$76,000
- Savings to Residential Consumers: \$119 Million

Holding FirstEnergy Consumers Harmless from FirstEnergy Solutions' Bankruptcy Settlement (Attachment T)

In the bankruptcy case involving FirstEnergy Solutions (now Energy Harbor), FirstEnergy Solutions proposed to stop paying for two OVEC coal plants that it had an ownership share of. The Court allowed FirstEnergy Solutions to shed this obligation. Under the Court's holding= consumers of AEP, DP&L and Duke would have to pick up added costs that were no longer being collected from FirstEnergy Solutions. OCC challenged the Court's holding at the U.S. Court of Appeals. The Sixth Circuit Court of Appeals agreed with OCC and others that the Bankruptcy Court failed to consider the public interest, among other things. The Court of Appeals remanded the case to the Bankruptcy Court. After the reversal by the Court of Appeals, Energy Harbor agreed to continue to shoulder its share of the coal plant subsidies. (18-50757- Bank. Ct.; 18-314-6th Cir)

- OCC Outside Special Counsel Cost: \$168,000
- Savings to Residential Consumers: \$29 Million
- Savings to All Consumers: \$74 Million

AEP FERC Case – OCC complaint succeeds in removing Added Profits In Transmission Rates Charged to AEP Ohio consumers (Attachment U)

The Federal Energy Regulatory Commission (FERC) agreed with OCC and ordered AEP to stop charging consumers for an add-on profit (0.5% in ROE) in its transmission rates in December 2022. FERC also ordered AEP to refund consumers for profit collections since February 2022, plus interest. Elimination of the profits from AEP transmission rates saved AEP consumers approximately \$18 million in 2022, \$16 million in 2023, and \$19 million in 2024. This savings, which carries forward in rates paid by consumers, is projected to save consumers \$220 million by 2031. (FERC Case No. EL22-34)

- OCC Outside Special Counsel Cost: \$187,155 (so far, still active)
- Savings to Consumers: \$220 Million

Ending FirstEnergy's Distribution Modernization Rider Charge to consumers (Attachment V)

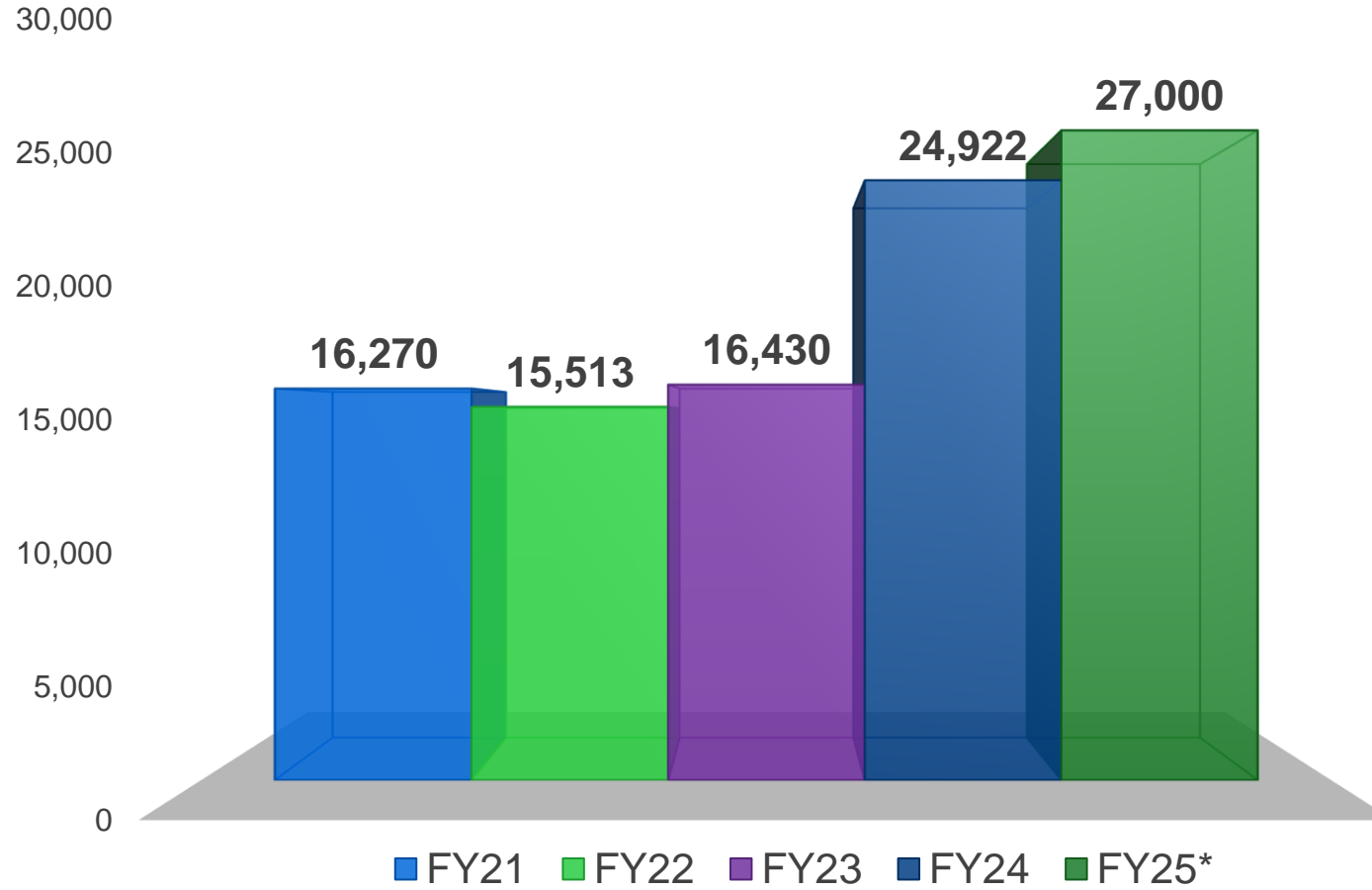
The Ohio Supreme Court (S.Ct. 2017-1664), agreed with OCC and other parties who appealed a PUCO ruling allowing the FirstEnergy utilities to charge consumers for a Distribution Modernization Rider (PUCO Case No. 14-1297-EL-SSO). The Court's holding stopped \$84 million of "future" collection of the DMR charges from FirstEnergy consumers. This ruling also saved consumers \$336 million in additional charges that FirstEnergy sought when it requested an extension of the rider of \$168 million per year (PUCO Case No. 19-361-EL-RDR).

- Cost of Consultants: \$137,856
- Residential Consumer Savings: \$143 Million
- All Consumer Savings: \$420 Million



OCC Outreach & Education

Total Number of Consumer Interactions



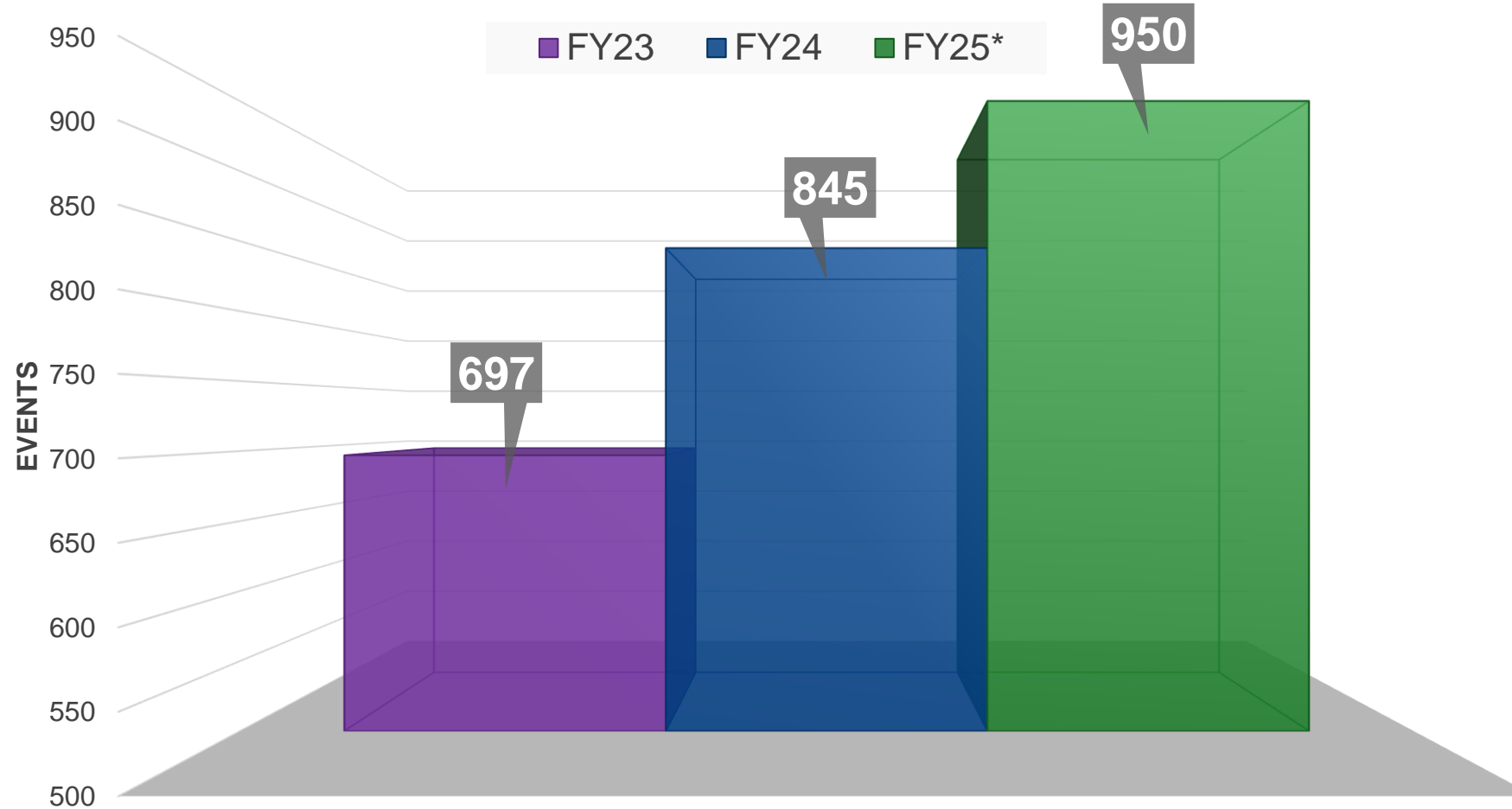
* Projected



Source: Agency Records

OCC Outreach & Education

Total Number of Events



* Projected



Source: Agency Records

Area of Focus	Key Statistics	Impact/Outcome
Legal Representation	<ul style="list-style-type: none"> • 130 cases participated in • 338 pleadings filed • 56 days of evidentiary hearings 	Millions of Ohio utility consumers were represented, ensuring their voice was heard in regulatory and court proceedings that affect their utility services.
Educational Outreach	<ul style="list-style-type: none"> • 9 new videos created • 229,000 website users in 2023 • Expected to exceed 280,000 users in 2024 • Consumer interactions rose from 16,400 to 24,900 	Enhanced consumer understanding of utility issues through new educational resources, leading to increased engagement and outreach efforts.
Consumer Savings at FERC	<ul style="list-style-type: none"> • \$200 million saved for 1.5 million AEP consumers • \$17+ million refunded for 2022 charges • Potential \$224 million savings for Duke and FirstEnergy consumers 	Significant financial relief for Ohio consumers through the prevention of unnecessary charges, with further savings anticipated from ongoing regulatory challenges.
At-Risk Consumer Protection	<ul style="list-style-type: none"> • 1.5 million Ohioans living at or below the federal poverty level benefited • Suspension of service disconnections during the 2023-2024 Winter Heating Season 	Vulnerable populations protected from utility service disconnections, providing critical support during delays in processing financial assistance applications.
Transmission Cost Review	<ul style="list-style-type: none"> • \$7.8 billion in transmission costs added to bills since 2017 • Over 4 million Ohio households impacted 	Potential for reduced charges to consumers if the review is successful, alleviating the financial burden on Ohio residents caused by unreviewed transmission project expenses.



Budget Language Report

Agency Name	OCC
OBM Language #	OCC004
Budget Bill	Main Operating FY 2026-2027
Version	Introduction
Updated Date	8/21/2024 11:59:55 AM
Short Title	No bond required for certain appeals
Agency Summary	The proposed new language, in both RC 2505.12 and 4903.16, clarifies that a bond is not required when a public officer of the state seeks to stay execution of a final order by the PUCO in a proceeding to reverse, vacate, or modify the final order.
Fund and Line Item	N/A
Fund(s):	5F50
ALI(s):	053601
Fee Impact	No
Effective Date	90 Days
Type	Permanent
Comp Doc Number	
OBM Contact	Josephine Harders Josephine.Harders@obm.ohio.gov (614) 644-8783

Section 4903.16 Stay of execution

A proceeding to reverse, vacate, or modify a final order rendered by the public utilities commission does not stay execution of such order unless the supreme court or a judge thereof in vacation, on application and three days' notice to the commission, allows such stay, in which event the appellant shall execute an undertaking, payable to the state in such a sum as the supreme court prescribes, with surety to the satisfaction of the clerk of the supreme court, conditioned for the prompt payment by the appellant of all damages caused by the delay in the enforcement of the order complained of, and for the repayment of all moneys paid by any person, firm, or corporation for transportation, transmission, produce, commodity, or service in excess of the charges fixed by the order complained of, in the event such order is sustained.

No undertaking shall be required by an appellant who is a public officer of the state or of any of its political subdivisions who is suing or is sued solely in his/her representative capacity.

Section 2505.12 No supersedeas bond required for certain appeals.

An appellant is not required to give a supersedeas bond or execute an undertaking under ORC Section 4903.16 in connection with any of the following:

(A) An appeal by any of the following:

- (1) An executor, administrator, guardian, receiver, trustee, or trustee in bankruptcy who is acting in that person's trust capacity and who has given bond in this state, with surety according to law;
- (2) The state or any political subdivision of the state;
- (3) Any public officer of the state or of any of its political subdivisions who is suing or is sued solely in the public officer's representative capacity as that officer-, including a public officer of the state that seeks to stay execution of a final order by the public utilities commission in a proceeding to reverse, vacate, or modify said final order.

(B) An administrative-related appeal of a final order that is not for the payment of money.

Budget Language Report

Agency Name	OCC
OBM Language #	OCC003
Budget Bill	Main Operating FY 2026-2027
Version	Introduction
Updated Date	8/21/2024 11:59:55 AM
Short Title	Subpoena Power
Agency Summary	<p>The proposed creation of RC 4911.21 permits the Ohio Consumers' Counsel to issue subpoenas in PUCO cases. OCC shall apply to the Court of Common Pleas in Franklin County if needed to compel compliance and for sanctions. Various state agencies have subpoena power, such as the Office of Budget and Management, the Attorney General, The Department of Administrative Services, the Inspector General, the State Medical Board, the PUCO, the State board of Psychology, the Ohio Real Estate Commission and the State Vision Professionals Board.</p>
Fund and Line Item	N/A
Fund(s):	5F50
ALI(s):	053601
Fee Impact	No
Effective Date	90 Days
Type	Permanent
Comp Doc Number	
OBM Contact	<p>Josephine Harders Josephine.Harders@obm.ohio.gov (614) 644-8783</p>

Section 4911.21 - Consumers' counsel – power to issue subpoenas

(A) The consumers' counsel may administer oaths, subpoena witnesses, adduce evidence, and require the production of any relevant matter. A motion to quash such a subpoena may only be filed in the court of common pleas in Franklin County. If a person fails to obey a subpoena or to produce any relevant matter under this section, the consumers' counsel may apply to the court of common pleas in Franklin County for an order compelling compliance and for sanctions for noncompliance.

Budget Language Report

Agency Name	OCC
OBM Language #	OCC002
Budget Bill	Main Operating FY 2026-2027
Version	Introduction
Updated Date	8/21/2024 11:59:55 AM
Short Title	Intervention as a Matter of Right
Agency Summary	The proposed creation of RC 4911.02 permits the Ohio Consumers' Counsel to intervene as a matter of right in proceedings before the PUCO with respect to residential consumer interests including service quality, service charges, sales and enrollment practices, and facilities used to provide service.
Fund and Line Item	N/a
Fund(s):	5F50
ALI(s):	053601
Fee Impact	No
Effective Date	90 Days
Type	Permanent
Comp Doc Number	
OBM Contact	Josephine Harders Josephine.Harders@obm.ohio.gov (614) 644-8783

Section 4911.02 Consumers' Counsel – powers and duties

A) The consumers' counsel shall be appointed by the consumers' counsel governing board, and shall hold office at the pleasure of the board.

(B)(1) The counsel may sue or be sued and has the powers and duties granted the counsel under this chapter, and all necessary powers to carry out the purposes of this chapter.

(2) Without limitation because of enumeration, the counsel:

(a) Shall have all the rights and powers of any party in interest appearing before the public utilities commission regarding discovery, examination and cross-examination of witnesses, presentation of evidence, and other matters;

(b) May take appropriate action with respect to residential consumer complaints concerning quality of service, service charges, and the operation of the public utilities commission;

(c) May institute, intervene in, or otherwise participate in proceedings in both state and federal courts and administrative agencies on behalf of the residential consumers concerning review of decisions rendered by, or failure to act by, the public utilities commission;

(d) May conduct long range studies concerning various topics relevant to the rates charged to residential consumers;

(e) May intervene, as a matter of right, in proceedings before the public utilities commission with respect to residential consumer interests including quality of service, service charges, misleading and deceptive sales and enrollment practices, and facilities used to provide service.

(C) The counsel shall follow the policies of the state as set forth in Chapter 4929. of the Revised Code that involve supporting retail natural gas competition.

Budget Language Report

Agency Name	OCC
OBM Language #	OCC001
Budget Bill	Main Operating FY 2026-2027
Version	Introduction
Updated Date	8/21/2024 11:59:55 AM
Short Title	4911.181 - Accept Grants
Agency Summary	The proposed new language enables the Ohio Consumers' Counsel under 4911.181 of the Revised Code to accept grant funds in any form, which may be used to pay or reimburse the counsel for expenses incurred in the performance of the counsel's official duties.
Fund and Line Item	N/a
Fund(s):	5F50
ALI(s):	053601
Fee Impact	No
Effective Date	90 Days
Type	Permanent
Comp Doc Number	
OBM Contact	Josephine Harders Josephine.Harders@obm.ohio.gov (614) 644-8783

Section 4911.181- Accept grants from non-utility, non-regulated sources.

The consumers' counsel shall be able to accept grants in any form, which may be used to pay or reimburse the counsel for expenses incurred in the performance of the counsel's official duties, from public or private sources, including individuals, corporations, agencies and instrumentalities of the United States, or the state or any agency or political subdivision of the state, and excluding entities regulated by the public utilities commission or the federal energy regulatory commission or the affiliates of such regulated entities. The sum of any grant provided to the consumers' counsel shall not be subtracted from the total amount of funds appropriated to the consumers' counsel under 4911.18. Any funds collected pursuant to this section shall be deposited into the consumers' counsel operating fund.