



Public Utilities Commission of Ohio

Jenifer French, Chair

Summary Testimony

Senate Agriculture and Natural Resources Committee

Fiscal Years 2026 – 2027 Biennial Budget

May 8, 2025

Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson and members of the Senate Agriculture and Natural Resources Committee, good morning. My name is Jenifer French and I have the privilege of testifying before you today as the chair of the Public Utilities Commission of Ohio (PUCO) and also the Ohio Power Siting Board. I appreciate the opportunity to address the committee regarding the PUCO's portion of Governor DeWine's proposed biennial budget.

As you may know, the PUCO's budget is not dependent upon the General Revenue Fund (GRF). Rather, the agency is completely self-supporting and is funded through utility assessments, motor carrier registrations and federal grants. The budget request before you includes no fee or assessment increases. By statute, utility assessments must equal our appropriations, and therefore our appropriations have no impact on the GRF nor are they available for general use. In fact, over the past biennium, the PUCO contributed approximately \$4 million to the GRF, through utility forfeitures and motor carrier fines.

This budget request supports the PUCO's mission of assuring all residential and business consumers have access to adequate, safe and reliable utility services at fair prices, while facilitating an environment that provides competitive choices. That mission is championed by our staff of over 300 professional accountants, auditors, engineers, economists, investigators, and attorneys and it remains the standard for our agency.

As I mentioned at the beginning of my testimony, the PUCO chair also chairs the OPSB, which is responsible for approving and overseeing the installation of major utility facilities. These facilities include power plants, electric and natural gas transmission lines, and utility scale solar and wind projects.

The PUCO is respectfully requesting \$83.6 million in Fiscal Year 26 and \$85.9 million in Fiscal Year 27. This budget request provides the PUCO with flexibility to achieve our mission, support our current staff, and continue to invest in technology upgrades. Specifically, this PUCO budget proposes to invest in continued IT modernization, including upgrades to our electronic docketing information system.

As the PUCO provides crucial and essential services to Ohioans, it strives to do so in the most innovative and efficient way possible. Each day, we stand ready to carry out our mission of assuring all consumers access to adequate, safe, and reliable utility services. We do so with the guidance of the Ohio General Assembly. Thank you for providing us the statutory framework to serve Ohio.

Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson, and members of the Committee, thank you for this opportunity to provide a high-level overview of the proposed budget for the Public Utilities Commission of Ohio and for allowing me to testify before you today. I would be happy to answer any questions at this time.

Public Utilities Commission of Ohio
Jenifer French, Chair

Senate Agriculture and Natural Resources Committee
Fiscal Years 2026-2027 Biennial Budget
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Introduction

Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson and members of the Senate Agriculture and Natural Resources Committee, good morning. My name is Jenifer French and I have the privilege of testifying before you today as the chair of the Public Utilities Commission of Ohio (PUCO) and also the Ohio Power Siting Board (OPSB). I appreciate the opportunity to address the committee regarding the PUCO's portion of Governor DeWine's proposed biennial budget.

PUCO overview

The PUCO is governed by a chair and four commissioners, each is appointed by the governor to staggered, five-year terms. The governor's selection is made from a list of names submitted by the PUCO Nominating Council, a separate 12-member panel charged with screening commissioner candidates.

As you may know, the PUCO's budget is not dependent upon the General Revenue Fund (GRF). Rather, the agency is completely self-supporting and is funded through utility assessments, motor carrier registrations and federal grants. By statute, utility assessments must equal our appropriations, and therefore our appropriations have no impact on the GRF nor are they available for general use. In fact, over the past biennium, the PUCO contributed approximately \$4 million to the GRF, through utility forfeitures and motor carrier fines.

This budget request supports the PUCO's mission of assuring all residential and business consumers have access to adequate, safe and reliable utility services at fair prices, while facilitating an environment that provides competitive choices. That mission is championed by our staff of over 300 professional accountants, auditors, engineers, economists, investigators, and attorneys and it remains the standard for our agency.

As you know, the PUCO oversees investor-owned electric distribution companies, natural gas distribution companies, natural gas pipelines, landline telephone service, privately-owned water and wastewater systems, railroad crossings, hazardous material carriers, commercial transportation, including passenger carriers and towing operators, and even moving companies. The PUCO is the only state agency charged with ensuring that essential utility services are safe, reliable, adequate, and operate in a competitive market.

As I mentioned at the beginning of my testimony, the PUCO chair also chairs the OPSB, which is responsible for approving and overseeing the installation of major utility facilities. These facilities include power plants, electric and natural gas transmission lines, and utility scale solar and wind projects.

Before detailing the budget, I would like to take a moment to share a few ways the PUCO and its employees serve all Ohioans.

Utility Regulation

The PUCO serves all classes of utility customers, which include commercial, industrial and residential. The PUCO's customer service standards help protect utility customers from poor service quality, unfair denial or disconnection of service, or long waits for

repair or installation. When violations are found, the PUCO can order corrective action, in addition to fining utilities for non-compliance.

A service that the PUCO provides to Ohioans is the Consumer Call Center. The Call Center is a direct link to the public and is used daily by consumers across the state. When a customer encounters a utility issue, they are encouraged to contact our customer service representatives who help them navigate the issues they may be facing. The Call Center receives tens of thousands of contacts each year. In fact, in Fiscal Year 2024, the Call Center received 56,128 contacts through the hotline, email, or live online chats. These contacts resulted in 10,394 investigations. Our 32 customer service representatives take the contacts they receive very seriously. In Fiscal Year 2024, the PUCO's Consumer Call Center helped save consumers over \$1,883,000.

We also assist vulnerable Ohioans during the winter heating season, and more recently in the summer season. Twice each year the PUCO issues a Special Reconnect Order (SRO). The first Reconnect Order was issued in 1982, and the Commission has issued it every year since. This order allows customers to pay a maximum of \$175, plus a reconnection fee, to restore or maintain their utility service. The reconnect order may be used once per summer cooling season and once per winter heating season. During the 2023/2024 heating season, 214,107 customers utilized the Special Reconnect Order.

In addition to the SRO, the PUCO assists low-income Ohioans by informing them of the program called Percentage of Income Payment Plan Plus, or PIPP Plus. To be eligible for the program, a household must have a gross yearly household income at or below 175 percent of the federal poverty guidelines. The PIPP Plus program helps make monthly payments more affordable for customers who carry debt on their utility bills. While the PUCO does not administer the program, the agency's Call Center staff are educated on the program so that they can assist callers who are in need of additional financial assistance with their utility bills.

Gas Pipeline Safety

Ohio is home to over 71,000 miles of regulated gas pipelines and 113 gas pipeline operators. PUCO field inspectors perform compliance inspections of gas pipelines to ensure they are following the proper safety regulations. During Fiscal Year 2024, staff conducted 232 safety audits of natural gas pipelines.

Economic Development

State policy, as directed to the PUCO by the Ohio General Assembly, supports measures to facilitate Ohio's effectiveness in the global economy. As such, the PUCO reviews "reasonable rate arrangements" between industrial customers and utilities that require job retention and creation and/or capital investments from the customer. In the past biennium, from Purina Pet food company in Clermont County to Blue Scope Steel in Fulton County, the PUCO has worked with stakeholders, businesses, and utilities throughout Ohio to ensure the necessary rate and regulatory infrastructure to assist in the creation and retention of jobs for Ohioans.

Railroad Grade Crossings

The PUCO works to make Ohio's railroad crossings safer. There are over 5,600 public railroad crossings in Ohio and roughly 5,000 miles of railroad track in Ohio. Our federally certified inspectors work in collaboration with the Federal Railroad Administration (FRA) and assist in FRA incident investigations. In FY 2024 our inspectors conducted 928 federal safety inspections. Pursuant to federal law and recent federal court decisions, the Federal Railroad Administration has exclusive jurisdiction over the transportation of hazardous materials by rail. However, the PUCO does provide safety inspections for hazardous materials, crossings, structures and railroad equipment and facilities in Ohio. Making railroad crossings safer is an ongoing process, and a vital part of the PUCO's mission. In FY 24, 118 safety upgrades were ordered. These upgrades include installation of lights and gates, supplemental assistance upgrades, circuitry upgrades, and closings. The state and federal investment for these 118 safety upgrades that have been ordered by the Commission totaled more than \$12 million in 2024. These projects are being completed across the state. Since the PUCO began implementing these upgrades, the annual number of train-motor vehicle crashes in Ohio has decreased significantly, from 356 in 1990 to 77 in calendar year 2023.

Motor Carrier Safety and Enforcement

As the lead agency for the Motor Carrier Safety Assistance Program, the PUCO is responsible for helping to keep highways safe. Along with the Ohio State Highway Patrol, inspectors conducted more than 76,000 inspections during FY 2024. These thorough inspections ensure both the driver and vehicle meet state and federal safety regulations.

The PUCO also conducts motor carrier and shipper compliance reviews to ensure that proper state and federal safety and hazardous materials regulations are followed. Additionally, the agency awards hazardous materials training grants to local government subdivisions, educational institutions, and state agencies. These funds are used for emergency response planning and training on proper techniques for the management of hazardous material releases. In Fiscal Years 24-25, the PUCO awarded hazardous materials training grants totaling \$1.6 million to organizations throughout Ohio.

Operational Efficiencies

We have and continue to work diligently to improve agency operations and customer service by investing in cloud technologies and online reporting functionalities for entities that do business with the agency. Online solutions are continuing to be implemented for annual reporting, registration fees, data warehousing and consumer complaint investigations, among many others.

I am proud to share that through the PUCO staff's diligent work, the agency has reached full compliance with Senate Bill 9, from the 134th Ohio General Assembly, in reducing our regulatory restrictions by 30% while still providing for appropriate oversight of Ohio's investor-owned utilities. This was accomplished a year earlier than required by the law.

Budget overview

PUCO's budget request supports the agency's continued efforts to uphold its statutory obligations. The Fiscal Years 26-27 budget provides the PUCO with the ability to support our current staff and continue to invest in technology upgrades to meet our mission. Specifically, this PUCO budget proposes to invest in continued IT modernization and security upgrades, including upgrades to our electronic docketing information system.

The agency is respectfully requesting \$83.6 million in Fiscal Year 26 and \$85.9 million in Fiscal Year 27. Again, this budget includes no increases in fees or assessments and is not supported by the General Revenue Fund.

Conclusion

As the PUCO provides crucial and essential services to Ohioans, it strives to do so in the most innovative and efficient way possible. Each day, we stand ready to carry out our mission of assuring all consumers access to adequate, safe, and reliable utility services. We do so with the guidance of the Ohio General Assembly. Thank you for providing us the statutory framework to serve Ohio.

Thank you for this opportunity to provide a high-level overview of the proposed budget for the Public Utilities Commission of Ohio and for allowing me to testify before you today. I would be happy to answer any questions at this time.