



## CITIZENS UTILITY BOARD OF OHIO

Proponent Testimony by Tom Bullock on House Bill 317  
Executive Director, Citizens Utility Board of Ohio  
House Public Utilities Committee  
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Chairman Hoops, Vice-Chair Ray, Ranking Member Smith, and members of the House Public Utilities Committee, thank you for the opportunity to submit proponent testimony on House Bill 317 (HB 317), a bill to alter Electric Security Plans. I'm Tom Bullock, executive director of the Citizens Utility Board of Ohio (CUB Ohio).

CUB Ohio is a consumer organization working on behalf of residential and small business utility customers. We are a nonpartisan nonprofit with membership across the state in the service territories of all four investor-owned utilities, and we work for cheaper bills, reliable service, transparency, consumer rights, and clean, healthy energy.

We support making improvements to the process for Electric Security Plan (ESP) cases before the Public Utilities Commission of Ohio (PUCO) to incorporate stronger consumer protections, and HB 317 as substituted takes worthwhile steps in that direction.

HB 317 as substituted presents an opportunity to address a problem in Ohio law: ESP cases, originally intended as a means to protect customers as Ohio transitioned to a competitive electricity market, have been abused to secure recovery of spending that has little to do with the ESP statute's original purpose. And at the same time that ESP cases have ballooned, utility rate cases have become infrequent. It's in rate cases that PUCO conducts a comprehensive review of utility revenues and spending, examining costs and revenues together. But in ESP cases, a single proposed cost increase is considered in isolation, a process that benefits utilities at the expense of Ohio ratepayers.

CUB Ohio joins others in preferring a complete repeal of ESP rider as proposed in the original version of the bill. But HB 317 as substituted nevertheless would make valuable improvements. For example, it would:

- reduce excessive profits via an excessive earnings test that limits earnings to 250 basis points (2.5 percent) above the approved return;
- end ESPs for a Competitive Power Plan process that limits the types and could reduce the number of riders charged to customers, thereby potentially lowering their overall electricity costs;
- ensure refunds for unlawful charges struck down by the Ohio Supreme Court, the current lack of which has allowed millions to be taken from utility customers; and
- most importantly, require rate cases every five years, thereby more frequently conducting a comprehensive review of costs together with revenues and making it more likely that customers get fair value for utility spending.

We recognize that HB 317 as substituted could still be improved to make further progress on behalf of consumers (for example, by extending the time period for which refunds to consumers are made after Court reversal), but the changes it would implement would improve Ohio's process for ESP cases and is better than the current system of putting rider after rider on customers' bills with no control on profits. As such, CUB Ohio supports the improvements made in the proposal as a first step towards stronger consumer protections.

Thank you for the opportunity to provide proponent testimony on behalf of HB 317.