



House Bill 249

House Public Utilities Committee

Proponent Testimony of Joe Maskovyak

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Coalition on Housing & Homelessness in Ohio

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Chairman Cupp, Vice Chair Carfagna, Ranking Member Ashford, and members of the Committee.

My name is Joe Maskovyak and I work for the Coalition on Homelessness and Housing in Ohio (COHHIO), a nonprofit housing advocacy organization that works throughout the state on issues that impact affordable housing. COHHIO thanks you and the sponsor for this opportunity to testify today. Prior to joining COHHIO in 2014, I spent almost 30 years with Legal Aid, where my expertise focused on housing and utilities, including a variety of cases before the PUCO. COHHIO is here to offer proponent testimony on HB 249, although we are aware there remains work to be done, we believe it will take tweaking and not massive rewriting, unlike its Senate counterpart, SB 157. We also have spoken to the sponsor, who we believe is amenable to making some changes. HB 249 seeks to protect residential consumers, who currently have no protection from utility resellers, yet allows the industry to make a fair profit while conforming to the same rules and regulation applied to other utility suppliers, be they incumbent utilities or marketers.

HB 249 approaches the problem by pitching the regulation of resellers to the Public Utilities Commission of Ohio (PUCO), who have one year to craft rules. If the PUCO fails in this mission, reselling will be banned in Ohio, which is not a unique position for states to take. We agree with Representative Duffey that until very recently the PUCO has ignored the issue of reselling, and although they have acquired a newfound interest, to their credit, the PUCO approach is cumbersome and unlikely to be as effective as this legislation, since it places on the consumer the burden of discovering they are being overcharged, filing a complaint, and the likelihood of litigating that complaint in a lengthy process where their opponent has the benefit of counsel unlike the pro se consumer. HB 249 also requires the PUCO to address certain issues when crafting the rules. We believe that overall, HB 249 hits the mark on what needs to be included, although a few additions probably need to be included. Among those issues the PUCO is charged with addressing are:



1. A landlord/owner may not bill separately for common area utility charges. One may still charge tenants for common area utilities, but it must be included in the rent—where it is more transparent and allows tenants to compare across the field when shopping for a new apartment.
2. A reseller may not charge more than the regulated utility can charge for the utility service. There may be some language issues to work out, but the thrust of having a rate cap that does no harm to the tenant is the correct conceptual approach, since resellers still have plenty of margin to make profit when they resell
3. The consumer/tenant protections in the PUCO rules will be extended to consumers who must purchase from resellers. Currently such consumers have NO protections, because there are no rules---they can charge what they want, disconnect when they want, give notice—or not—of increased charges or disconnections
4. Resellers will be subject to enforcement by the PUCO—there will be penalties for violating the rules. As there should be. Rules are ineffective if there are no consequences for violating them.

It is long past time that Ohio reign in utility resellers, which has become the wild west of providing utility service. No rules with no penalties leads to market abuse, which is what we have in Ohio with utility reselling. Thank you once again for this opportunity to weigh in on this important public policy issue.