

**House Bill 247, House Public Utilities Committee
Interested Party Testimony of Joseph Oliker, Senior Regulatory Counsel, IGS
Energy
December 12, 2017**

Chairman Cupp, Vice Chair Carfagna, Ranking Member Ashford, members of the Committee, good afternoon and thank you for the opportunity to speak with you about House Bill 247 as amended. I am Joseph Oliker, Senior Regulatory Counsel of IGS Energy ("IGS").

IGS is a family-owned, Ohio-based competitive supplier of retail electric and natural gas service that employs more than 600 people in the state of Ohio. Our mission is to serve our customers by bringing transparency, simplicity, and ease to energy pricing, products, and services through the competitive marketplace. We believe in the individual consumer who will play a vital role in shaping the future of energy. It is with these goals in mind that we are compelled to recommend changes to House Bill 247.

The General Assembly restructured the retail electric market nearly twenty years ago. As part of the restructuring process, the law required electric distribution utilities ("EDUs") to separate their non-competitive and competitive lines of business. This requirement was intended to prevent EDUs from using their non-competitive businesses to unjustly and unreasonably enrich their competitive businesses operating under the same corporate umbrella to the detriment of competition and customers. While it is undeniable that electric choice has been a success, it is also undeniable that EDUs have found ways to utilize their non-competitive functions to convey benefits to their competitive operations.

HB 247 is well intentioned and contains several provisions that would enhance existing law. The Bill narrows the EDUs' ability to abuse their monopoly distribution functions for the benefit of competitive unregulated services. While this is the undeniable overarching goal of the legislation, the bill falls short for one simple reason—it continues to require the EDUs to have a role in establishing the default standard service offer, further solidifying the role of the EDUs in providing competitive retail electric service.

Continuing to require that EDUs provide competitive retail electric service has wider ramifications beyond the potential for abuse. So long as an EDU is the default service provider of electricity it will have a negative impact on customer engagement, hinder adoption of innovative products and services, and prevent the development of a fully competitive market. In order for customers to be more willing to adopt value added products and services that enable them to use and consume energy more efficiently, customers must be engaged in the competitive retail electric market. The existence of default service provides a disincentive to customer engagement.

There is no other industry where customers are automatically placed on a default product without making a choice of provider. This bill actually takes a step backwards from the current state, and requires that EDUs always be the provider of default service and removes any regulatory flexibility from the Public Utility Commission of Ohio to transition the EDUs out of that function. Therefore, to improve the quality of this Bill, IGS recommends that this Committee eliminate the requirement that the EDUs provide a standard service offer. After nearly twenty years transitioning toward a competitive market, the Bill should open Ohio to full retail competition.

Thank you for the opportunity to speak with you about the current version of House Bill 247. In any remaining time, I would be happy to answer any questions.

Joseph Olikier
Senior Regulatory Counsel, IGS Energy
6100 Emerald Parkway
Dublin, OH 43016
Email: Joe.Olikier@igs.com