

Committees:

Ways and Means (Ranking Member)

Finance and Appropriations

**Finance Subcommittee on Agriculture,
Development, and Natural Resources
(Ranking Member)**

State and Local Government

Public Utilities

Armed Services



23rd House District

Lake (part) & Cuyahoga (part) Counties

Contact Information:

Office: 614-466-7251

Local: 440-567-9961

Email: rep23@ohiohouse.gov

DANIEL P. TROY

State Representative

77 S. High Street, Columbus, Ohio 43215-6111

www.house.state.oh.us

HB 363 Sponsor Testimony: House Public Utilities Committee

Chair Stein, Vice-Chair Blasdel, Ranking Member Weinstein, and members of the House Government Oversight Committee:

Thank you for allowing me to provide sponsor testimony on House Bill 363, which would increase transparency in a commission that has lost the trust of Ohioans. The indictment of Ohio's now-deceased, former top utility regulator is cause for much needed reform.

To increase accountability, my bill toughens requirements to serve on the PUCO Nominating Council and to serve as a PUCO Commissioner. PUCO is comprised of five commissioners, appointed to rotating, five-year terms by the Governor. One seat on the Commission becomes available each year. Currently, the Governor's selection is made from a list of names submitted by the 12 member PUCO Nominating Council. The Nominating Council interviews applicants and recommends a list of finalists to the Governor for consideration.

Too many of our citizens feel that consumers do not have a voice in utility rate-making policy, and that recent sordid activity and decisions have been financed at their expense. This bill directly addresses that situation by bringing additional voices to the Nominating Council and providing guardrails to prevent corruption.

Recent scandals and indictments have demonstrated that the system by which we regulate the industry needs change.

This bill makes the following changes:

- Requires at least one of the Governor's four appointments to be a bona fide consumer representative selected from a list of nominees submitted by the Ohio Consumer Counsel.
- Prohibits Commissioners from being a representative or employee of, or have any relation to or business transaction with, any entity or entity's parent, affiliate, or subsidiary that is subject to regulation by the PUCO.
- Replaces the engineering representative on the Nominating Council with a representative of minority communities to be appointed by the Governor.

- Requires the two Nominating Council members appointed by the House Speaker and Senate President who are “members of the public” to be active members of bona fide consumer protection organizations.
- Adds two more members of the public to the Nominating Council, with one member appointed by the Minority Leaders of the House and Senate.
- Requires Nominating Council interviews of Commissioner Candidates to be conducted in open public meetings and not in executive session.

Former PUCO Chairman Sam Randazzo allegedly received a \$4.3 million bribe. While Randazzo was meant to be Ohio’s top utility regulator, he was at the same time, not only working with Householder’s team to draft HB 6, but also working on legislation submitted by FirstEnergy. In effect, Randazzo helped write a law that gave a billion-dollar bailout to a company he previously consulted for, which backed his nomination to the Governor, all while he was supposed to be regulating on behalf of ratepayers.

The Public Utilities Commission of Ohio has fallen to “regulatory capture” and is perceived as being dominated by greedy, corporate energy executives. We need to create a new atmosphere that minimizes the possibility of corrupt interests hoping to buy public policy decisions in the General Assembly.

This bill has the support of the Ohio Consumers’ Council. The Plain Dealer in a Sunday Editorial has said my bill “deserves a fair hearing in and passage by the otherwise pro-utility General Assembly.”

Ohio has been ranked as the most corrupt state in the nation by USA Today. Ohio Government has kept the FBI busy with investigations of our legislative and executive branches, especially in the case of the corrupt House Bill 6 architects.

Mr. Chairman, and Committee members, thank you for your attention and consideration.