



## *Resolution*

### **Office of the Ohio Consumers' Counsel Governing Board**

#### **In Support of Legislation for Regulatory Reform to Protect Consumers by Eliminating Electric Security Plans and Enabling Refunds of Improper Utility Charges and Preserving Competitively-Bid Standard Service Offers**

- WHEREAS, Electricity, natural gas, telephone, and water services are essential for Ohioans; and
- WHEREAS, Ohio consumers should have retail electric service that is adequate, reliable, safe, efficient, non-discriminatory, and reasonably priced, which also are terms in state policy; and
- WHEREAS, In 1999, the Ohio General Assembly enacted Senate Bill 3, to give Ohioans the benefits of power plant competition, among other things; and
- WHEREAS, In 2008, the Ohio General Assembly enacted Senate Bill 221, which created new ratemaking processes (including so-called "electric security plans") that favor electric utilities and disfavor residential consumers with a result of electric consumers paying above-market subsidies and other charges; and
- WHEREAS, Senate Bill 221 allows electric utilities to charge consumers for excessive profits. That law merely protects consumers from paying for "significantly" excessive profits; and
- WHEREAS, Senate Bill 221 allows electric utilities to "cherry-pick" which costs to charge to their customers, using an alternative ratemaking process known as single-issue ratemaking; and
- WHEREAS, Senate Bill 221 allows an electric utility to, in effect, veto PUCO modifications to its proposed electric security plan. The utility can withdraw its application for the electric security plan if it does not like a PUCO ruling that modifies the plan; and
- WHEREAS, Under a 60-year old Ohio Supreme Court precedent consumers are denied refunds of utility charges even if the charges to consumers are later determined by the Court or other forums to be improper. Electric consumers have been denied about \$900 million in refunds since 2009; and
- WHEREAS, House Bill 247, introduced in the 132nd Ohio General Assembly, would protect residential consumers by eliminating the PUCO's authority to authorize electric security plans; and

**WHEREAS,** House Bill 247 would enable refunds to consumers when utility charges are determined on appeal or in other forums to be improper; and

**WHEREAS,** House Bill 247 would protect residential consumers by, among other things, preserving for them the competitively-bid option of the electric utilities' standard service offers (which this Governing Board also addressed for protecting electric and natural gas consumers in Board Resolution 13-1, dated January 15, 2013).

**THEREFORE, BE IT RESOLVED,** that the Governing Board of the Office of the Ohio Consumers' Counsel supports the enactment of House Bill 247 for protecting residential consumers by repealing the PUCO's authority for electric security plans, enabling refunds of improper utility charges and preserving the electric utilities' competitively-bid standard service offers as an option for consumers.

I verify that this Resolution has been approved by the Governing Board of the Office of the Ohio Consumers' Counsel, this 15th day of May 2018.



Michael Watkins, Chairman

Governing Board of the Office of the Ohio Consumers' Counsel