



**Before
The Public Utilities Committee of the Ohio House of Representatives**

Proponent Testimony Regarding Substitute Senate Bill 315

**Presented by:
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May 21, 2012

Chairman Stautberg, Vice-Chair Roegner, Ranking Member Williams, and members of the House Public Utilities Committee, I am Bruce Weston, the Ohio Consumers' Counsel. Thank you for allowing me to appear before you today to discuss Substitute Senate Bill 315 ("SB 315" or "the Bill") and some of its provisions that may impact Ohio's residential utility consumers. The Office of the Ohio Consumers' Counsel ("OCC") is the statutory representative for residential utility consumers and regularly appears on their behalf before the Public Utilities Commission of Ohio ("PUCO").

Numerous changes were made to the Bill in the Senate Energy and Public Utilities Committee, through a Substitute Bill, that then was passed by the Senate. The Substitute Bill, in certain instances, incorporated amendments that were submitted earlier, and thus I refer to some of the changes as amendments. I will highlight four of the changes that can benefit Ohio's residential utility consumers.

First, the Senate Committee amended the definition of the smart grid. (O.R.C. 4928.01(A)(37); lines 4892-4896.) The revision provides a more specific definition of the smart grid. The definition is important because it relates to the ratemaking that affects customer bills. The revised definition should help protect customers against paying charges too soon for utility infrastructure that is unrelated to smart grid.

Second, the Senate Committee amended the Bill back to the current law for determining the baseline for calculating energy efficiency savings. (O.R.C. 4928.66(A)(1)(a); lines 5421-5423.) The current law requires all electricity sales to be included in the baseline. The As-Introduced Bill could have reduced the amount of energy efficiency savings to be achieved. As a result of the change in the Substitute Bill,

customers will continue to benefit from the level of energy efficiency savings in current law. I thank Senator Balderson for submitting these first two amendments. And I appreciated the opportunity to work with the PUCO in these matters.

Third, the Senate Committee removed a provision in the proposed Bill that would have required the PUCO to order certain transmission and distribution system upgrades. (O.R.C. 4928.111; lines 4973-4978.) Also, the Bill did not require the consideration of the public interest for this issue. The Bill was changed to maintain the PUCO's discretion over distribution and some aspects of transmission. Consumers should benefit from this change that could have affected their utility bills.

Fourth, the Senate Committee acted to freeze the budget that OCC uses to serve Ohio consumers, at the current level of \$5.6 million. (Section 601.10; lines 5984-5988.) This action would avoid a \$1.5 million reduction, to \$4.1 million, for Fiscal Year 2013 (beginning July 1, 2012). OCC's current budget, at \$5.6 million, reflects the prior reduction from \$8.5 million.

At the outset, I want to emphasize my respect for the General Assembly's budget-making process. OCC will, of course, serve Ohioans to the best of its ability with whatever funding level the General Assembly deems appropriate. OCC is committed to its core mission of advocating for Ohio consumers with regard to the affordability and reliability of their electric, natural gas, telephone and water services. There is much to be done in this area that affects so many Ohioans. I therefore appreciate the effort of Senator Shannon Jones, Chairwoman of the Senate Energy and Public Utilities Committee, and her colleagues for including in the energy bill this related OCC budget provision for protecting residential utility customers. That was described in her May 16th sponsor testimony before this Committee. And I appreciate the "strong support of President Niehaus" that she referenced in her sponsor testimony.

Lastly, OCC supports the provision in SB 315 to increase the penalty for entities held liable for natural gas pipeline accidents. There have been several serious natural gas pipeline accidents in the U.S. in recent times, including in Ohio. Protection of Ohioans warrants the Bill's increase in the penalties for noncompliance, from \$500,000 to \$1 million. (O.R.C. 4905.95 (B)(1)(b); lines 4117-4123.) In this regard, there were recent increases in the federal civil penalties related to pipeline accidents, from \$1 million to \$2 million.

That concludes my testimony. Thank you for your time. I am happy to answer any questions.