

Greenbook
LSC Analysis of Enacted Budget

**Office of Consumers’
Counsel**

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ATTACHMENT:

Budget Spreadsheet By Line Item

Office of Consumers' Counsel

- The Office of Consumers' Counsel is funded by annual assessments on utility companies, no GRF funding
- Funding of \$11.1 million in FY 2018-FY 2019 is \$0.2 million less than amounts appropriated for the previous biennium

OVERVIEW

Agency Overview

The Office of Consumers' Counsel (OCC), established in 1976, is the statutory advocate for residential utility customers. OCC has statutory responsibility to represent the interests of 4.5 million residential customers of Ohio's investor-owned electric, natural gas, telecommunications, and water companies. OCC represents residential customers before state and federal regulatory agencies and courts, including the Public Utilities Commission of Ohio (PUCO), the Federal Energy Regulatory Commission (FERC), and the Federal Communications Commission (FCC), as well as the Supreme Court of Ohio.

The Office provides information to customers regarding their utility services, and educates consumers on utilities issues. OCC anticipates representing consumers in approximately 100 or more cases each year, at varying levels of activities.

Funding for the agency is derived solely from an assessment on utilities in Ohio. The amount appropriated in the main operating budget is apportioned between those utilities based on their intrastate gross revenues. OCC receives no funding from the General Revenue Fund.

Appropriation Overview

The budget provides annual funding of \$5.5 million in FY 2018 and FY 2019, an increase of \$410,754 (8.0%) over FY 2017 spending. The following table shows the amounts appropriated, by fund group, for FY 2018 and FY 2019.

Appropriations by Fund Group, FY 2018-FY 2019 Am. Sub. H.B. 49					
Fund Group	FY 2017*	FY 2018	% change	FY 2019	% change
Dedicated Purpose	\$5,130,339	\$5,541,093	8.0%	\$5,541,093	0.0%
TOTAL	\$5,130,339	\$5,541,093	8.0%	\$5,541,093	0.0%

*FY 2017 figures represent actual expenditures.

As a regulatory entity, personnel costs are OCC's biggest expense, accounting for nearly 90% of its budget.

Transfer to General Revenue Fund

The enacted budget authorizes the Director of Budget and Management to transfer to the GRF up to 2% of the amount appropriated in FY 2017 from Fund 5F50, during each of FY 2018 and FY 2019. This authorization means that up to about \$112,800 may be transferred each year from Fund 5F50 to the GRF.

ANALYSIS OF ENACTED BUDGET

OCC operations are funded by a single line item appropriation out of Fund 5F50. The table below shows the funding for OCC for the FY 2018-FY 2019 biennium.

Funding Amounts for the Office of Consumers' Counsel				
Fund	ALI and Name		FY 2018	FY 2019
Dedicated Purpose Fund Group				
5F50	053601	Operating Expenses	\$5,541,093	\$5,541,093
Total Funding: Office of Consumers' Counsel			\$5,541,093	\$5,541,093

Operating Expenses (053601)

The appropriated level of funding was designed to maintain the general operations of the Consumers' Counsel and provide support for legal representation, outreach, and education to Ohio's residential utility consumers.

The funded objectives of OCC include consumer advocacy that enables households to save money on their utility bills. Another funded objective for OCC is the provision of legal services on behalf of Ohio's residential utility consumers. The enacted budget was designed to allow OCC's participation in the legislative process (i.e., to provide decision makers and others with relevant information, analysis, and recommendations), and it also funds OCC's education and outreach efforts to empower Ohio consumers in their use of utility services. Regarding this latter objective, the budget bill contained a provision permitting OCC to assist consumers with utility complaint calls or forward them to PUCO's call center.

OCC divides its services into four areas: legal representation, analytical services, public affairs, and operations. According to the agency, much of the legal representation is responsive (or reactive) to utility or regulator initiatives, and thus the services can be difficult to specifically predict in advance. OCC anticipates representing consumers in approximately 100 or more cases each year, at varying levels of activity. OCC maintains that effective legal representation must be backed by analytical (technical) expertise, which is why the agency has personnel in the areas of accounting, economics, engineering, finance, and other necessary disciplines.

OCC is funded through an assessment on the intrastate gross receipts of entities regulated by PUCO. R.C. 4911.18 authorizes the annual assessment for OCC, and PUCO receives most of its operating funds from a similar assessment. The level of the annual assessment for each public utility company will vary based upon the number of public utilities, the amount of their intrastate gross revenues, and the amount of lapsed funds that are credited back to the utility companies. Any lapsed or unspent funds that were derived from the assessment supporting OCC are credited ratably back to the utility

companies. According to OCC, the typical consumer in Ohio pays less than three cents for every \$100 in utility bill expenses for the services of OCC; this cost is equivalent to less than a dollar a year for a typical utility customer.

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FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2017 to FY 2018	Appropriation	FY 2018 to FY 2019		
			FY 2016	FY 2017	FY 2018	% Change	FY 2019	% Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
OCC Office of Consumers' Counsel								
5F50	053601	Operating Expenses	\$ 5,185,887	\$ 5,130,339	\$ 5,541,093	8.01%	\$ 5,541,093	0.00%
Dedicated Purpose Fund Group Total			\$ 5,185,887	\$ 5,130,339	\$ 5,541,093	8.01%	\$ 5,541,093	0.00%
Office of Consumers' Counsel Total			\$ 5,185,887	\$ 5,130,339	\$ 5,541,093	8.01%	\$ 5,541,093	0.00%