

LSC Greenbook

Analysis of the Enacted Budget

Office of Consumers' Counsel

Russ Keller, Senior Economist
Legislative Service Commission

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ATTACHMENT:

Budget Spreadsheet By Line Item

Office of Consumers' Counsel

- The Office of Consumers' Counsel is funded by annual assessment on utility companies; no GRF funding
- Funding of \$11.3 million in FY 2016-FY 2017 is identical to 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. The Office's consumer education activities have become more complex and more sought after as Ohio moved toward a competitive utility environment. Many of OCC's services are responsive to utility or regulator initiatives, and thus the services can be difficult to specifically estimate in advance. OCC anticipates representing consumers in approximately 100 or more cases each year, at varying levels of activities. These cases can take months or sometimes even years to complete.

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 \$5.6 million in FY 2016 and FY 2017, an increase of \$1,011,861 (21.9%) over FY 2015 spending. Am. Sub. H.B. 64 provides this funding by way of a single line item, drawn from the Consumers' Counsel Operating Fund (Fund 5F50) in the Dedicated Purpose Fund Group. As a regulatory entity, personnel costs are OCC's biggest expense, accounting for 75% of its budget.

ANALYSIS OF ENACTED BUDGET

OCC's operations are funded by a single line item appropriation out of Fund 5F50. The table below shows the funding for OCC for the FY 2016-FY 2017 biennium.

Funding Amounts for the Office of Consumers' Counsel				
Fund	ALI and Name		FY 2016	FY 2017
Dedicated Purpose Fund Group				
5F50	053601	Operating Expenses	\$5,641,093	\$5,641,093
Total Funding: Office of Consumers' Counsel			\$5,641,093	\$5,641,093

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.

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 estimate 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 the Public Utilities Commission of Ohio (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 or PUCO are credited ratably back to the utility companies. According to OCC, the typical consumer in Ohio pays approximately 2.35 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.

OCC.docx/dp

FY 2016 - FY 2017 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2015 to FY 2016	Appropriation	FY 2016 to FY 2017		
			FY 2014	FY 2015	FY 2016	% Change	FY 2017	% Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
OCC Office of Consumers' Counsel								
5F50	053601	Operating Expenses	\$ 4,509,074	\$ 4,629,232	\$ 5,641,093	21.86%	\$ 5,641,093	0.00%
Dedicated Purpose Fund Group Total			\$ 4,509,074	\$ 4,629,232	\$ 5,641,093	21.86%	\$ 5,641,093	0.00%
Office of Consumers' Counsel Total			\$ 4,509,074	\$ 4,629,232	\$ 5,641,093	21.86%	\$ 5,641,093	0.00%