



Date: March 23, 2011

To: The Public Utilities Committee; Ohio House of Representatives

Re: Opponent testimony on House Bill 95

I would like to thank the Chair and the entire committee for allowing me to testify today. My name is Jennifer Miller, and I am a staff member for the Ohio Chapter of the Sierra Club. With approximately 25,000 members and supporters statewide, the Sierra Club Ohio Chapter is the oldest grassroots environmental organization in the state and the nation. We have been advocating for energy efficiency and renewable energy since the 1980s, working closely with utilities and consumer advocates.

Today, I testify in opposition to House Bill 95. First I want to echo concerns about the proposed changes to public notice requirements. Utility regulation must remain transparent, and all efforts should be made to assist the public in understanding and participating in utility proceedings at the Public Utilities Commission (PUCO).

This is not the time to relax public notice requirements. In fact, I would argue that utilities should be required to do more customer education and more public notices. More customers are struggling to pay their bills. More customers are concerned about the environmental impact of their energy usage.

Members of my organization testify as concerned customers regularly before the PUCO about case proceedings that affect their rates and the environment. As energy and utility issues will likely remain hot topics for decades to come, utilities should be required to publish full notices and nothing less.

This legislation also proposes to eliminate the requirement for natural gas utilities to file long-term forecast reports. I am sure every utility looks at least ten years ahead to forecast demand and begins planning how it will meet that demand. Any good business conducts this type of planning. Since utility decisions can greatly affect the economy and the environment, this planning should be transparent.

Long term forecast reports allow the PUCO, consumer advocates, large industrial users, and other interested parties the opportunity to gain insight into the utilities' plans. It also requires that utilities are smart about their planning, and it helps ensure that utilities are truly utilizing the safest and most cost effective resources. Customers and their advocates have the right to know if a gas utility is planning to build new capacity well in advance, and long term forecasting gives the PUCO and

consumer advocates the ability to ensure that the plant is actually necessary before those costs are passed on to customers.

As it stands, this legislation would benefit natural gas companies significantly, but could cripple Ohio's economy at the same time. This bill includes pages and pages of new charges that a utility can unilaterally load onto the backs of customers. Some of these charges may be reasonable, and some may not be. The PUCO must be able to do its job by regularly examining whether these charges are justified. The current systems are in place to protect consumers and our economy by ensuring that utilities do not have too much power in setting their own prices and regulations.

There is a way to align the interests of customers and companies through efficiency programs. In compliance with Ohio's efficiency standard for electric utilities, AEP spent \$162 million over two years and produced \$631 million of savings for their customers. For every dollar AEP spent on efficiency, its customers saved \$3.89. All customer classes benefited from lower energy bills. Through cost recovery and incentive programs, AEP also made a profit on these investments. Efficiency programs by Duke and Dayton Power and Light stimulated similar economic benefits in their service territories.

A similar efficiency standard for natural gas companies could create a win-win for the utility and the customer, while creating jobs in construction and manufacturing at the same time. Many states have efficiency standards for natural gas utilities including Illinois, Michigan, Minnesota, Wisconsin, Massachusetts, and Delaware.

Requiring efficiency in both the electric and gas sector is one of the best ways of protecting customers from volatile energy costs while creating jobs. That National Council on State Governments ranked Ohio number one for green job growth in 2009, because of the state's low income weatherization program and implementation of SB221. A natural gas efficiency standard would significantly increase such job creation.

Finally, I respectfully suggest that a bill of this importance shouldn't be rushed. Any legislation that changes the regulation and ratemaking processes of gas utilities will affect all sectors of Ohio's economy drastically. While legislation could benefit all parties, this legislation puts our entire economy at risk while potentially creating unjustified windfall profits for gas companies.

Thank you for your time today. I am happy to take any questions.

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