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CONSUMERS' COUNSEL, PUCO CHAIRMAN SPAR OVER PLANS TO CONSOLIDATE CALL CENTERS

The House's proposed consolidation of a utility residential customer call center from the Ohio Consumers' Counsel to the Public Utilities Commission of Ohio prompted sharp differences of opinion Tuesday from the leaders of the two offices.

PUCO Chairman Alan Schriber said that although his office didn't lobby House Republicans for the change, he thinks it's a good idea in light of the state's difficult financial climate. In fact, the chairman said the commission could "ramp up" its current hotline operation serving commercial, industrial and residential customers for half the costs assumed by the House.

Consumers' Counsel Janine Migden-Ostrander said the plan would have severe negative consequences on her office and unduly limit the advocate's work on behalf of residential utility customers. "It would have a very crippling effect on our office," she said. "It would be like amputating part of our office."

Both officials testified Tuesday in the Senate Finance & Financial Institutions Committee on behalf of their respective budgets as passed by the GOP-led House last month. The call center consolidation, a proposal that has been floated in prior budgets but never enacted, was clearly the major issue for senators reviewing agencies' budgets, which are part of the \$51.4 billion biennium state-spending plan (HB 66) even though their funding is derived outside of the GRF through utility assessments.

The House-passed version of OCC's budget reflects a \$3 million cut from current spending levels. Of that total, \$650,000 a year is based on the plan to shift the call center operations to the PUCO.

"Addressing residential customer complaints has been one of the statutory functions of the OCC for the past 29 years," Ms. Migden-Ostrander said. "We do not see the wisdom in changing a process that your legislative counterparts of the 111th General Assembly created."

Mr. Schriber, noting more than once that he's a member of Governor Bob Taft's "Jobs Cabinet" who regularly hears first-hand about the state's financial woes, said his office supports the change "and is prepared to fulfill the mandates currently set forth in the budget."

"We make the rules. We enforce the rules. We can resolve problems without a lengthy formal process," Mr. Schriber said in reference to OCC's legal advocacy, which sometimes involves lawsuits against his panel. "We can do it a lot more efficiently, if you will, at a lot less cost for consumers."

Mr. Schriber estimated that the work shift could be accomplished for \$300,000 a year, or less than half the total appropriated by the House. "The Consumers' Counsel would still be advocating rather strenuously" on behalf of residential customers, he added.

Democrats on the panel expressed significant skepticism about the proposal, with Sen. Tom Roberts (D-Dayton) wondering aloud whether some retribution was at play. "What's broke that needs fixed?" he asked the PUCO chairman.

"I believe we have a mandate to save money" and eliminate state service overlaps and duplication, Mr. Schriber responded.

"My concern is saving costs at the cost of the consumer," Sen. Roberts responded, noting that OCC is an advocate for citizens while the PUCO is more of a utility regulator. "I see there's two separate roles being played. My concern is the quality of service the PUCO would be able to offer. You're kind of the fox guarding the chicken."

After Mr. Schriber said he didn't push for the change in the House, Sen. Dan Brady (D-Cleveland) questioned why the chairman seemed so supportive. "You seem to have a lot of zeal about taking over these responsibilities," the lawmaker said, adding that the system seems better served with a "healthy, natural built-in tension" between the Consumers' Counsel and the PUCO.

The chairman said he expected the tension to continue despite the call center shift. "That's why they take us to the Supreme Court," Mr. Schriber said. Responding to a later question, he said the PUCO would be neutral on any amendment that reverses the House's consolidation.

Ms. Migden-Ostrander said after the hearing there is an incorrect supposition that the 15 employees who staff the call center routinely transfer calls to the PUCO. She also refuted Mr. Schriber's claim that the regulatory agency holds more sway over utilities and can thus get faster results when complaints are relayed to the office.

"This notion of them having a hammer is somewhat of a misnomer," Ms. Migden-Ostrander said. "If they have a hammer, I haven't seen them take it out of the tool box."

The Consumers' Counsel noted the offices call center has been in existence for 29 years, or five more than the PUCO's hotline. "We've been doing this longer than they have and we've never seen anything but positive feedback," she said.

In testimony, Ms. Migden-Ostrander stressed the distinct differences between the missions of the two agencies. "The PUCO serves in its capacity as a judge, while the OCC advocates and represents the interests of residential consumers," she said.

In response to a question from Sen. Tom Niehaus (R-New Richmond), Ms. Migden-Ostrander said the current setup is preferable to getting complaints referred by the PUCO to her office. "Getting the information first hand allows us to follow up with the customers," she said.

The proposed FY 2006-2007 budget for the PUCO, which has about 400 employees, is about \$54.4 million a year.

OCC's House-passed allotment is \$7.77 million a year. The agency currently has 75 employees.