

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of the)
Ohio Development Services Agency for)
an Order Approving Adjustments to the) Case No. 17-1377-EL-USF
Universal Service Fund Riders of)
Jurisdictional Ohio Electric Distribution)
Utilities.)

**REPLY TESTIMONY
OF
JAMES D. WILLIAMS**

On Behalf of
The Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

August 11, 2017

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ATTACHMENTS

Attachment JDW-1	List of Previous Testimony Filed at the PUCO by James Williams
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1 **I. INTRODUCTION**

2

3 ***Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.***

4 ***A1.*** My name is James D. Williams. My business address is 10 West Broad Street,
5 18th Floor, Columbus Ohio 43215-3485. I am employed by the Office of the Ohio
6 Consumers' Counsel ("OCC") as a Senior Utility Consumer Policy Analyst.

7

8 ***Q2. PLEASE BRIEFLY SUMMARIZE YOUR EDUCATION AND***
9 ***PROFESSIONAL EXPERIENCE.***

10 ***A2.*** I am a 1994 graduate of Webster University, in St. Louis, Missouri, with a Master
11 of Business Administration, and a 1978 graduate of Franklin University, in
12 Columbus, Ohio, with a Bachelor of Science, Engineering Technology. My
13 professional experience includes a career in the United States Air Force and over
14 20 years of utility regulatory experience with the OCC.

15

16 Initially, I served as a compliance specialist with the OCC and my duties included
17 the development of compliance programs for electric, natural gas, and water
18 industries. Later, I was designated to manage all of the agency's specialists who
19 were developing compliance programs in each of the utility industries. My role
20 evolved into the management of OCC's consumer hotline, the direct service
21 provided to consumers to resolve complaints and inquiries that involved Ohio
22 utilities. More recently, following a stint as a Consumer Protection Research
23 Analyst, I was promoted to a Senior Utility Consumer Policy Analyst. In this

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1 role, I am responsible for developing and recommending policy positions on
2 utility issues that affect residential consumers.

3
4 I have been directly involved in the development of comments in various
5 rulemaking proceedings at the Public Utilities Commission of Ohio (“PUCO”)
6 and the Ohio Development Services Agency (“ODSA”). Those comments
7 included advocacy for consumer protections, affordability of utility rates, service
8 quality and the provision of reasonable access to essential utility services for
9 residential consumers. I am the designated representative of the Ohio Consumers’
10 Counsel on the Public Benefits Advisory Board (“PBAB”). This statutory
11 mandated board is specifically charged by Ohio law with ensuring that energy
12 services are provided to low-income consumers in an affordable manner
13 consistent with the policies of the state.¹ As an advisory body to the Director,
14 ODSA, a primary function of the PBAB includes providing recommendations
15 concerning the appropriate level of funding for the Universal Service Fund
16 (“USF”).²

¹ R.C. 4928.58(A).

² R.C. 4928.58(E).

1 ***Q3. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY OR TESTIFIED***
2 ***BEFORE THE PUCO?***

3 ***A3.*** Yes. The cases that I have submitted testimony and/or have testified before the
4 PUCO can be found in Attachment JDW-1.

5
6 **II. PURPOSE OF MY TESTIMONY**

7
8 ***Q4. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS***
9 ***PROCEEDING?***

10 ***A4.*** The purpose of my testimony is to recommend that the PUCO reject the
11 proposal made by Kroger Co. to allow itself (and presumably many other
12 similarly sized businesses) to aggregate electric usage across multiple
13 individually-metered facilities to avoid paying USF charges. Kroger's
14 proposal is inconsistent with the policies of the state. This ill-advised
15 proposal is discriminatory, and would result in cost shifting among
16 different customer classes of the costs of funding low income assistance
17 programs (the Universal Service Fund).

18
19 **III. UNIVERSAL SERVICE FUND**

20
21 ***Q5. PLEASE DESCRIBE THE USF.***

22 ***A5.*** The USF is the funding mechanism for providing electric bill payment
23 assistance in the form of a Percentage of Income Payment Plan (“PIPP”)

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1 program for qualified low-income Ohioans who are served by the Ohio
2 electric utilities. The USF also provides funding for an electric
3 partnership program (“EPP”) that helps provide weatherization services to
4 PIPP customers and funding for certain administrative costs.

5

6 The USF is administered by ODSA, which collects money from customers
7 through a rider on the electric bills of each Ohio electric utility. These
8 funds are used to help customers on the PIPP program pay a percentage of
9 their monthly income as their monthly electric bill rather than the actual
10 cost of the electric service. PIPP is not a free ride for customers. In fact,
11 the monthly payment amount for most electric PIPP customers is six
12 percent of their income. Customers who heat their homes with electric
13 pay a monthly payment amount of ten percent of their income.³ And even
14 the PIPP customers who have no income are still obligated to make a
15 minimum monthly payment amount of \$10.00.

16

17 Through the USF, the electric utilities are made whole for the difference
18 between the actual cost of the electric service and the PIPP amount that is
19 paid by customers. All customers for a given electric utility pay the same
20 rate per kWh for the USF rider. However, there is a declining two-block
21 rate structure that results in usage above 833,000 kWh per month being
22 billed at a lower rate.

³ Ohio Adm. Code 122:5-3-04.

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1 But any description of the USF would be incomplete if it didn't include
2 the perspective of the people that it helps. The USF is that critical lifeline
3 that helps make the electric bill more affordable for hundreds of thousands
4 of low-income Ohioans who depend on PIPP on a monthly basis.⁴ If there
5 were no USF funding for PIPP, many of our fellow Ohioans would
6 otherwise not have access to affordable electric service. Purely from a
7 numbers standpoint, Ohio is ranked number 21 in the nation related to the
8 high cost of retail electric service and the bills are continuing to increase.⁵
9 Approximately 1.7 million Ohioans (or 14.8 percent) of the population
10 live in poverty. And far more Ohioans live in an economic environment
11 that is close to poverty. Ohioans face tough financial choices on a daily
12 basis between paying utility bills and being able to purchase sufficient
13 food. According to a recent study, Ohio is ranked number 45 in the nation
14 based on the number of people who have insecure access to food on a
15 daily basis.⁶ This means that Ohio has a higher percentage of residents
16 without reliable, daily access to food than 44 states.⁷ There can be little
17 doubt that the numbers would be even worse if all customers of the
18 utilities were not paying their fair share towards the costs of the USF.

⁴ During presentations made at the May 17, 2017 PBAB, there were approximately 300,000 PIPP electric customers as of March 2017.

⁵ <https://www.eia.gov/electricity/state/>.

⁶ Attachment JDW-2.

⁷ Id.

1 **Q6. HOW ARE USF RATES ESTABLISHED FOR EACH OF THE ELECTRIC**
2 **UTILITIES?**

3 **A6.** USF rates are adjusted annually to take effect in January of each year.
4 ODSA typically files a Notice of Intent (“NOI”) with the PUCO in May of
5 each year that addresses the methodology that will be used for calculating
6 the USF revenue requirements for each electric utility for the following
7 year. The intent of the NOI is to ensure that the forecasting for the
8 revenue requirement is as accurate as possible on an annual basis to limit
9 the magnitude of over/under collection of the USF. For the USF rates that
10 will be effective in January 2018, ODSA filed an NOI on June 1, 2017 that
11 outlined the methodology that will be used for calculating the annual
12 revenue requirements.⁸

13
14 There are a number of factors that can significantly impact the USF
15 revenue requirements including historical sales and projected enrollment
16 patterns. The NOI addresses the methodology that will be used in
17 calculating the annual revenue requirement to help mitigate risks
18 associated with each of these factors. As a matter of routine, ODSA
19 coordinates the NOI with the PBAB prior to the filing that is made with
20 the PUCO. Such was the case this year. On May 17, 2017, the PBAB

⁸ *In the Matter of the Application of the Ohio Development Services Agency for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities, Ohio Development Services Agency, Notice of Intent to File an Application for Adjustments to Universal Service Fund Riders (June 1, 2017).*

1 recommended that the ODSA adopt the methodology for calculating USF
2 revenue requirements as is currently contained in the NOI.

3
4 Once the PUCO adopts the methodology for calculating the USF revenue
5 requirements as outlined in the NOI, ODSA will file an application to
6 adjust USF rates on or before October 31, 2017.⁹ These rates are subject
7 to review and approval by the PUCO and become effective for bills that
8 are rendered after January 1, 2018.

9

10 ***Q7. BASED ON YOUR PARTICIPATION IN THE PBAB, WAS THERE ANY***
11 ***DISCUSSION OF CHANGES IN THE APPLICATION OF THE USF RATES***
12 ***AND HOW THESE CHANGES WOULD IMPACT LOW-INCOME***
13 ***CONSUMERS?***

14 ***A7.*** Absolutely not.

15

16 ***Q8. DOES OCC OPPOSE THE NOI AS FILED BY ODSA WITHOUT ANY***
17 ***MODIFICATIONS FROM KROGER?***

18 ***A8.*** No, OCC does not oppose ODSA's current NOI as filed and supported by
19 the testimony of Megan Meadows. The methodology that ODSA will
20 follow for calculating the USF as outlined in the NOI remains the same as
21 it has been for many years.

⁹ Id. at 3.

1 ***Q9. WAS THERE TESTIMONY FILED BY OTHER INTERVENING PARTIES***
2 ***IN THIS CASE THAT ARE CAUSE FOR CONCERN?***

3 ***A9.*** Yes.

5 ***Q10. PLEASE EXPLAIN ANY TESTIMONY YOU FOUND CONCERNING.***

6 ***A10.*** Kroger Co. filed the Direct Testimony of Mr. Kevin C. Higgins on July
7 24, 2017. Mr. Higgins recommends that the PUCO allow mercantile
8 customers to aggregate their usage within an EDU service territory and to
9 be treated as a single customer for purposes of determining the USF rider
10 charges.¹⁰ This recommendation will shift the costs for funding USF to
11 other customer classes.

12
13 Mr. Higgins provided an example that demonstrates exactly how this shift
14 in costs would occur. His example includes the aggregation of customer
15 load for ten mercantile customers within an EDU service territory (each
16 using 200,000 kWh/month), which would increase the number of kWh
17 that would qualify for the lower priced second block of the declining rate
18 structure.¹¹ Each of the individual customers would not use sufficient
19 electricity to qualify for pricing under the second rate block. However, as
20 an aggregate, the difference between the 2,000,000 kWh aggregated
21 electric consumption and the 833,000 kWh threshold for the first block

¹⁰ Direct Testimony of Kevin C. Higgins on Behalf of The Kroger Co. at page 10 (July 24, 2017).

¹¹ Higgins Direct Testimony at 8.

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1 rate or 1,167,000 kWh would be billed under the lower priced second rate
2 block.

3
4 ***Q11. DOES THIS MEAN THAT OTHER CUSTOMERS WOULD HAVE TO PAY***
5 ***THE DIFFERENCE BETWEEN THE DISCOUNTED CHARGES***
6 ***MERCANTILE CUSTOMERS WOULD PAY AND THE TOTAL USF***
7 ***REVENUE REQUIREMENT?***

8 ***A11.*** Yes it does. The revenue requirement for the USF does not change. Therefore,
9 any reduction in the amount of money that is being collected for the USF from
10 one or more customers must be collected from all customers, including those who
11 are unable to aggregate their electric load. Using Ohio Power rates as an
12 example, Table 1 provides a summary of the amount of money that each of the ten
13 customers used in Mr. Higgins's example would pay towards the overall USF
14 revenue requirement compared to the amount of money that would be paid if the
15 electric consumption were aggregated for USF billing purposes.

16 **Table 1: Comparison of USF Payments (Ohio Power 2017 USF Rates)**

Usage (kWh)	Monthly USF Amount Collected Block 1 ¹²	Monthly USF Amount Collected Block 2 ¹³	Total USF Collected from each Store	Total Monthly USF Collected from Ten Stores
200,000	\$215.44	N/A	\$215.44	\$2,154.40
2,000,000	\$897.31	\$196.17	N/A	\$1,093.48
Difference				\$1,060.92

¹² Ohio Power Company Tariff, P.U.C.O. No. 20, Universal Service Fund Rider, 5th Revised Sheet No. 460-1. For Ohio Power Rate Zone, the rate for the first 833,000 kWh is \$0.010772 per kWh. Usage above 833,000 kWh is charged at a rate of \$0.001681 per kWh.

¹³ Id.

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1 As shown in Table 1, the contribution that the ten mercantile customers would
2 make to the USF revenue requirement would be \$1,060.92 less under the Kroger
3 proposal. Because the USF revenue requirement remains the same, all customers
4 including those who are unable to aggregate their electric consumption for USF
5 billing purposes would have to pay additional charges to make up for this revenue
6 shortfall. There can be no doubt that Kroger's proposal results in a shifting of
7 costs to other customers, including residential customers, for funding of the USF.

8
9 The example provided by Kroger should not be used to determine the actual
10 impact that this recommendation would have on the USF. Actual load
11 information, number of businesses in each EDU service territory, and other
12 pertinent information that would be needed to fully examine the actual impact on
13 the USF was not considered. Also, Kroger did not provide any information about
14 other large customers who might benefit from Kroger's proposal by similarly
15 aggregating their consumption and reducing the amount that they contribute
16 toward helping low-income Ohioans. Furthermore, Kroger did not consider other
17 costs that would likely be borne by customers to implement and administer the
18 proposal. In other words, Kroger's proposal lacks the detail that would be needed
19 by the PBAB, ODSA, or PUCO to fully examine the impact on customers who
20 would be paying additional charges to make up for the revenue shortfall.

**Q12. DOES THE KROGER PROPOSAL CONTRADICT OHIO POLICIES
CONCERNING RETAIL ELECTRIC SERVICE?**

A12. Yes. Kroger's proposal to aggregate distribution consumption for the purpose of calculating USF payment(s) contradicts at least two state policies. These policies concern Ohio Revised Code 4928.02(A) and 4928.02(L). To be clear, Ohio Revised Code 4928.02(A) requires retail electric service to support policies that:

Ensure the availability to consumers of adequate, reliable, safe, efficient, nondiscriminatory, and reasonably priced retail electric service.

Kroger's proposal is discriminatory to the extent that not all customers of a utility would be able to aggregate their distribution load for the purpose of reducing the amount of money that they pay towards funding the USF. Individual customers of electric utilities who are unable to aggregate their electric consumption would pay higher per kWh charges towards the USF than other aggregated distribution customers. That is, the Kroger proposal results in unreasonably priced retail electric service for customers who would have to make up the revenue shortfall in the USF revenue requirement that would occur when certain mercantile and other similarly sized customers pay less funding towards the USF. This revenue shortfall is exactly the point made in Table 1. And requiring residential customers to pay more for the USF because mercantile customers pay less is fundamentally unfair considering the subsidies that residential customers are already paying in their electric bills that benefit only these larger customers (like economic development riders).

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1 Ohio Revised Code 4928.02(L) requires retail electric service to:

2 *(L) Protect at-risk populations, including, but not limited to, when*
3 *considering the implementation of any new advanced energy or renewable*
4 *energy resource.*
5

6 Kroger's proposal to unlawfully shift costs from mercantile customers to others is
7 contrary to the state policy for retail electric service in protecting at-risk
8 populations. The USF provides funding for low-income customers who would
9 otherwise be unable to maintain electric service. As described earlier, there are
10 hundreds of thousands of low-income customers in Ohio who depend upon the
11 PIPP program to keep electric service at their homes. And as explained earlier,
12 increases in rates for the first block of the USF rate design would necessarily have
13 to occur to make up for the shortfall in the USF revenue requirement. Additional
14 increases in the USF rates could jeopardize the sustainability of the program.
15 This is especially true if more mercantile and other larger customer classes are
16 able to avoid paying their fair share of the USF through an aggregation of electric
17 consumption. Ultimately the cost of the USF for smaller individual customers
18 (like residential customers) who have no ability to aggregate their consumption
19 for USF billing could be untenable.
20

21 **IV. CONCLUSION**
22

23 ***Q13. DOES THIS CONCLUDE YOUR TESTIMONY?***

24 ***A13.*** Yes. However, I reserve the right to incorporate new information that may
25 subsequently become available through outstanding discovery or otherwise.

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing *Reply Testimony of James D. Williams on Behalf of the Office of the Ohio Consumers' Counsel* was served via electronic transmission to the persons listed below on this 11th day of August 2017.

/s/ Ajay Kumar
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Testimony of James D. Williams
Filed at the Public Utilities Commission of Ohio

1. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers*, Case No. 95-0656-GA-AIR (August 12, 1996).
2. *In the Matter of the Application of the Cincinnati Gas and Electric Company for an Increase in Its Rates for Gas Service to All Jurisdictional Customers*, Case No. 01-1228-GA-AIR (February 15, 2002).
3. *In the Matter of the Commission's Investigation into the Policies and Procedures of Ohio Power Company, Columbus Southern Power Company, The Cleveland Electric Illuminating Company, Ohio Edison Company, The Toledo Edison Company and Monongahela Power Company regarding installation of new line extensions*, Case No. 01-2708-EL-COI (May 30, 2002).
4. *In the Matter of the Application of The East Ohio Gas Company d/b/a Dominion East Ohio for an Increase in Its Rates for Gas Service to All Jurisdictional Customers*, Case No. 07-0829-GA-AIR (June 23, 2008).
5. *In the Matter of the Application of the Columbia Gas of Ohio, Inc. for Authority to Amend Filed Tariffs to Increase the Rates and Charges for Gas Distribution*, Case No. 08-072-GA-AIR (September 25, 2008).
6. *In the Matter of a Settlement Agreement Between the Staff of the Public Utilities Commission of Ohio, The Office of the Consumers' Counsel and Aqua Ohio, Inc. Relating to Compliance with Customer Service Terms and Conditions Outlined in the Stipulation and Recommendation in Case No. 07-564-WW-AIR and the Standards for Waterworks Companies and Disposal System Companies*, Case No. 08-1125-WW-UNC (February 17, 2009).
7. *In the Matter of the Application of the Ohio American Water Company to Increase its Rates for water and Sewer Services Provided to its Entire Service Area*, Case No. 09-391-WS-AIR (January 4, 2010).
8. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in its Masury Division*, Case No. 09-560-WW-AIR (February 22, 2010).
9. *In the Matter of the Application of Aqua Ohio, Inc. for Authority to Increase its Rates and Charges in Its Lake Erie Division*, Case No. 09-1044-WW-AIR (June 21, 2010).

10. *In the Matter of the Application of The Ohio American Water Company to Increase its Rates for Water Service and Sewer Service*, Case No. 11-4161-WS-AIR (March 1, 2012).
11. *In the Matter of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 11-346-EL-SSO, et al (May 4, 2012).
12. *In the Matter of the Application of The Dayton Power and Light Company for Approval of its Market Rate Offer*, Case No. 12-426-EL-SSO (June 13, 2012).
13. *In the Matter of the Application of Ohio Power Company to Establish Initial Storm Damage Recovery Rider Rates*, Case No. 12-3255-EL-RDR (December 27, 2013).
14. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Ohio Rev. Code, in the Form of an Electric Security Plan*, Case No. 13-2385-EL-SSO (May 6, 2014).
15. *In the Matter of the Application of Duke Energy Ohio for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Accounting Modifications and Tariffs for Generation Service*, Case 14-841-EL-SSO (May 29, 2014).
16. *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Provide for a Standard Service Offer Pursuant to R.C. 4928.143 in the Form of an Electric Security Plan*, Case No. 14-1297-EL-SSO (December 22, 2014).
17. *In the Matter of the Application of Duke Energy Ohio, Inc., to Adjust Rider DR-IM and Rider AU for 2013 Grid Modernization Costs*, Case No. 14-1051-EL-RDR (December 31, 2014) and (February 6, 2015).
18. *In the Matter of the Application Not for an Increase in Rates Pursuant to Section 4901:18, Revised Code, of Ohio Power Company to Establish Meter Opt Out Tariff*, Case No. 14-1158-EL-ATA (April 24, 2015).
19. *In the Matter of the Application of Duke Energy of Ohio, Inc., for Approval of a Grid Modernization Opt-out Tariff and for a Change in Accounting Procedures Including a Cost Recovery Mechanism.*, Case 14-1160-EL-UNC and 14-1161-EL-AAM (September 18, 2015).

20. *In the Matter of the Application of Duke Energy Ohio, Inc., for Approval of an Alternative Rate Plan Pursuant to Section 4929.05, Revised Code, for an Accelerated Service Line Replacement Programs*, Case No. 14-1622-GA-ALT (November 6, 2015).
21. *In the Matter of the Complaint of Jeffrey Pitzer, Complainant, v. Duke Energy Ohio, Inc. Respondent.*, Case No. 15-298-GE-CSS (December 30, 2015).
22. *In the Matter of the Application of Ohio Power Company to Initiate Phase 2 of Its gridSMART Project and to Establish the gridSMART Phase 2 Rider.*, Case No. 13-1939-EL-RDR (July 22, 2016).
23. *In the Matter of the Application of Columbia Gas of Ohio, Inc. for Approval of Demand Side Management Program for its Residential and Commercial Customers.*, Case No. 16-1309-GA-UNC (September 13, 2016).
24. *In the Matter of the Application of the Dayton Power and Light Company for Approval of Its Electric Security Plan*, Case No. 16-0395-EL-SSO (November 21, 2016). Supplemental Testimony, (March 29, 2017).
25. *In the Matter of the Application of Aqua Ohio, Inc. to Increase Its Rates and Charges for Its Waterworks Service.*, Case No. 16-0907-WW-AIR (December 19, 2016).
26. *In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan*, Case No. 16-1852-EL-SSO, (May 2, 2017).
27. *In the Matter of the Application of the Ohio Development Services Agency for an Order Approving Adjustments to the Universal Service Fund Riders of Jurisdictional Ohio Electric Distribution Utilities*, Case No. 17-1377-EL-USF, August 11, 2017).



POLICY OPTIONS FACT SHEET

Updated April 2017

State policy options to increase food security and access to healthy food

The **2017 HPIO Health Value Dashboard** identified food insecurity as one of Ohio's greatest health challenges. This fact sheet highlights effective strategies to increase food security and improve access to healthy food and nutrition outcomes.

Food insecurity in Ohio

- **Ohio is in the bottom quartile of states for food insecurity, ranking 45th.** This means that a higher percent of Ohioans are living without reliable, daily access to enough food compared to the percent in most other states.¹
- **Sixteen percent of Ohioans live in food-insecure households,**² including nearly a quarter of children³ and 18 percent of seniors.⁴

Health outcomes and costs

- Poor nutrition is a key factor in many of the leading causes of death in Ohio, including **heart disease, stroke, diabetes and cancer.**⁵
- Food insecurity is associated with **increased diabetes risk and poor diabetes control in adults**⁶ and **poor academic performance in children.**⁷
- Almost 15 percent of working-age adults enrolled in Medicaid in Ohio report having diabetes, well above the state rate of about 11 percent.⁸ **Managing diabetes is estimated to cost Medicaid nearly \$4,000 per person per year in medical costs.**⁹

Evidence-based strategies relevant to state policy	Proven outcomes	
	Increased access to/sales of healthy foods and/or improved nutrition	Increased food security
Fruit and vegetable incentive programs. See detail on page 2	✓	
Healthy food in convenience stores/small retailers. ★ See detail on page 3	✓	
Nutrition interventions in preschool and child care. Healthy food for children in child care could be incentivized through the Step Up to Quality rating system and supported through increased training and technical assistance (Ohio Healthy Program).	✓	
Diabetes Prevention Program. Use of this nutrition and physical activity coaching program could be expanded through increased provider screening and referral, funding for new sites and/or Medicaid reimbursement.	✓	
School breakfast programs. ★ Participation in this federally-funded program could be increased. Ohio had more than \$26 million in unclaimed federal reimbursements in 2015-16. ¹⁰	✓	✓
Housing assistance, such as rental housing vouchers or rapid re-housing programs. ★ Many low-income families spend more than half of their income on housing, leaving little left for food.		✓

★=Likely to reduce health disparities (**What Works for Health** has indicated that the strategy is likely to decrease disparities, including racial/ethnic, socioeconomic, geographic or other disparities, based upon the best available evidence.)

Blue text indicates link to detailed strategy description

Fruit and vegetable incentive programs

Nutrition incentives increase the value of Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) dollars when spent on produce, making fruits and vegetables more affordable for low-income consumers.¹¹ For example, when a consumer spends \$10 in SNAP on fruits and vegetables, they get an additional \$10 to spend on fruits and vegetables.

These incentive programs bring new dollars into local economies through payments to farmers and food retailers.

Ohio status

- In 2016, SNAP incentive programs were operating in 12 Ohio counties. Seventy-three of Ohio's 316 farmers markets participated (23 percent).¹² Local programs included Produce Perks in Cincinnati and Cleveland, Veggie SNAPS in central Ohio, Carrot Cash in Akron and Double Food Bucks in Toledo.
- Expanding in 2017 under the statewide name **Produce Perks**, these programs will include a small number of grocery stores, as well as farmers markets. The goal is to reach approximately 27,000 low-income Ohioans this year.
- Produce Perks is currently supported by local and state funding, as well as federal funding from the U.S. Department of Agriculture (USDA) Food Insecurity Nutrition Incentive (FINI) grant program.

Policy options

The Produce Perks incentive program could be scaled up to reach more low-income and rural communities by:

- Expanding the number of SNAP consumers and retailers (grocery stores, convenience stores, farmers markets, etc.) participating in Produce Perks.
- Increasing the efficiency of electronic benefits transfer (EBT) for Ohio's SNAP processing vendors by providing wireless EBT equipment and service to all farmers markets as part of their state SNAP contract.

In addition to fruit and vegetable incentives, limiting unhealthy foods purchased with SNAP funds may increase the effectiveness of incentive programs.¹³ However, the USDA has not allowed any jurisdictions to implement restrictions.

Possible funding sources

- Support the Ohio Nutrition Incentive Network's effort to secure a large-scale FINI grant from the USDA. A 100 percent non-federal match is required.
- Invest a portion of existing soft drink sales tax revenue toward food access strategies, such as Produce Perks. (Ohio's sales tax applies to soft drinks.¹⁴)
- Encourage investment through private philanthropy, corporate sponsorship, hospital community benefit and/or state general revenue to expand Produce Perks.

See **Evidence Inventory** publication for details and additional strategies

Healthy food in convenience stores/small retailers

Small retailers such as convenience stores, gas stations and corner stores are sometimes the only food retail options in low-income or rural communities. These stores typically carry foods such as sugary drinks, chips and candy, rather than fruits, vegetables or other nutritious foods.

Initiatives that include financial incentives, infrastructure (such as refrigeration) and marketing can support small retailers to carry fresh produce and other healthier options. These programs can lead to increased customer traffic and profit for small food retailers.¹⁵

Ohio status

- Ohio's **Good Food Here** initiative, coordinated by the Ohio Department of Health, provides technical assistance and marketing materials to local communities to encourage small food retailers to stock fruits, vegetables, whole grains and other healthier food options. Using grant funds, some local communities also provide incentives for store improvements, such as paying for shelving and refrigeration.
- In 2016, 80 stores in 11 counties were participating in the Good Food Here program.¹⁶

Policy options

The Good Food Here initiative could be scaled up to reach more low-income and rural communities by:

- Providing financial incentives to small retail stores to participate.
- Assisting small retailers with infrastructure improvements (refrigeration, shelving, signage, etc.) and marketing, and providing education for consumers.
- Increasing coordination between the Ohio Department of Health and the Ohio Department of Agriculture to promote the sale of Ohio-grown produce in small retail stores.

Possible funding sources

- Increase state investment in **Healthy Food for Ohio**, a public-private partnership that provides loans and grants to food retailers developing new or renovating existing fresh food retail in underserved communities.
- Leverage Community Development Block Grant funds to support business development for healthy food retailers.
- Invest a portion of existing soft drink sales tax revenue toward food access strategies, such as the Good Food Here initiative. (Ohio's sales tax applies to soft drinks.¹⁷)
- Encourage investment through private philanthropy, corporate sponsorship, hospital community benefit and/or state general revenue to expand Good Food Here.

Our approach

To identify the strategies in this publication, HPIO and the Center for Public Health Practice (CPHP) at the Ohio State University developed an **Evidence Inventory** summarizing the following research reviews:

- What Works for Health (County Health Rankings and Roadmaps)
- Nutrition Evidence Library (USDA)
- The Guide to Community Preventive Services (CDC)
- U.S. Preventive Services Task Force Recommendations (Agency for Healthcare Research and Quality)

HPIO and CPHP selected strategies from the Evidence Inventory to include in this fact sheet that met the following criteria:

- Strong evidence for increasing food security and access to and/or sales of healthy food and improved nutrition
- Relevant to state policy and actionable by state legislators and/or state agency leaders
- Timely opportunity for our state given Ohio's current status and alignment with existing efforts, such as the **2017-2019 state health improvement plan**

How can we improve health value in Ohio?

The **2017 HPIO Health Value Dashboard** identifies areas in which Ohio's performance is worse than most other states, including:

- Adult smoking
- Secondhand smoke exposure for children
- Cardiovascular disease
- Food insecurity
- Drug overdose deaths
- Infant mortality



HPIO's **Guide to Improving Health Value** provides policymakers, community health improvement planners and philanthropy with the best-available sources of evidence for what works to address many of these challenges.

This fact sheet is part of a series of tools that comprise the Guide to Improving Health Value. HPIO will continue to add tools on specific health challenges throughout 2017. All publications can be found at: www.hpio.net/guide-to-improving-health-value

Notes

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Summary: Testimony Reply Testimony of James D. Williams on Behalf of the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Kumar, Ajay K. Mr.