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H.B. 265
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Brennan and Fischer

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SUMMARY

- Subjects, with some exceptions, a submetering company to state regulation, primarily by the Public Utilities Commission, by defining it as a public utility.
- Provides that a submetering company is a person or business entity that resells or redistributes, either for a property owner, or as a third-party provider, utility service for an end user consumer that is purchased from other public utilities (described in the bill) and measured by submeters.

DETAILED ANALYSIS

Submetering company regulation

The bill subjects submetering companies to state regulation primarily by the Public Utilities Commission (PUCO) by defining them as a “public utility” for various provisions of Title 49 of the Revised Code. The companies would become subject to PUCO general regulatory authority, hearing requirements, and provisions regarding rate setting.¹ Ohio law governing natural gas and electric shut off and the use of municipal public ways would also apply.² Other state laws governing the recording of mortgages under the General Corporation Law would apply as well.³ But, the Consumers’ Counsel law likely would not apply.⁴

¹ R.C. Chapters 4901, 4903, 4905, and 4909.

² R.C. Chapter 4939; R.C. 4933.12 and 4933.121.

³ R.C. 1701.66.

⁴ See R.C. 4911.01.

Submetering company defined

Under existing law, any person or business entity is a public utility if engaged in one of numerous activities (such as, for example: providing telephone service; supplying electricity for light, heat, and power; supplying natural gas for lighting, heating, and power; and supplying water to Ohio consumers).⁵ Under the bill, a person or business entity is a “submetering company,” and therefore a public utility, when engaged in the business of reselling or redistributing, either on behalf of the property owner, or as a third-party provider serving the property owner, utility service consisting of electric, gas, sewer, sewage disposal, or water service otherwise provided by one of the following utilities, in which consumption to end-user consumers is measured by submeters installed at individual service points within a building or facility:

- A public utility regulated by PUCO under Chapter 4905 of the Revised Code (PUCO general powers);
- A public utility, other than a telephone company, that is owned and operated exclusively by and solely for the utility’s customers, including any consumer or group of consumers purchasing, delivering, storing, or transporting, or seeking to purchase, deliver, store, or transport, natural gas exclusively by and solely for the consumer’s or consumers’ own intended use as the end user or end users and not for profit (referring to utility cooperatives);
- A municipally owned or operated public utility.⁶

Exception

The bill exempts from being considered a public utility for purposes for Ohio’s public utility law a landlord, condominium association, or property owner that provides submetered public utility service solely for the purpose of allocating and billing utility costs to tenants or owners in residential properties, where such service is limited to cost allocation and does not constitute the redistribution or resale of a public utility service.⁷

HISTORY

Action	Date
Introduced	05-13-25

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⁵ R.C. 4905.02 and 4905.03(A) to (M).

⁶ R.C. 4905.03(N).

⁷ R.C. 4905.02(A)(6).