



OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

Substitute Bill Comparative Synopsis

Sub. H.B. 142

136th General Assembly

House Energy

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Introduced)	Latest Version (I_136_1095-1)
PUCO settlements	
Requires the Public Utilities Commission (PUCO), in any proceeding where a public utility is the applicant or subject of the proceeding, to consider a settlement to resolve some or all issues in the proceeding if certain requirements are met (<i>R.C. 4903.30</i>).	No provision.
Fair and reasonable rate of return	
Requires a fair and reasonable rate of return on the valuation of a utility's property that is used and useful be based on the capital	Requires the rate of return be based on the <i>actual</i> capital structure of the utility (<i>R.C. 4909.15(A)(2)</i>).

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structure of the utility as of the date, or dates, certain (<i>R.C. 4909.15(A)(2)</i>).	
Fully or partially projected test period for annual rider rate adjustment	
Allows the fully or partially projected test period used for the annual rider rate adjustment applications under the bill's alternative rate plan provisions for recovery of specified costs and capital expenditures (CARP) to be up to two years from the date of the annual rider rate adjustment application (<i>R.C. 4929.052(A)</i>).	Allows the fully or partially projected test period to be up to 13 months from the date the annual rider rate adjustment <i>goes into effect</i> (<i>R.C. 4929.052(A)</i>).
Rate case requirement	
No provision.	Requires, not later than six years after PUCO approves a natural gas company's (NGC's) CARP that used a fully or partially forecasted test period for the annual rider rate adjustment application, the NGC to file a rate case with PUCO (<i>R.C. 4929.053</i>).
Governmental compliance cost recovery alternative rate plan (GARP): "reasonably anticipated" defined	
No provision.	Defines "reasonably anticipated" as a justifiable and rational certainty based upon announced or pending governmental action or enacted legislation, for purposes of a governmental compliance cost recovery alternative rate plan (GARP) addressing reasonably anticipated rules, policies, or other mandates (<i>R.C. 4929.054(A)</i>).
GARP: approval of plan	
Requires PUCO to approve, with no exception, any GARP proposed by an NGC (<i>R.C. 4929.053(A)</i>).	Requires PUCO to approve these GARPs in accordance with current law requirements regarding PUCO approval of an NGC's GARP, which includes PUCO finding the NGC is in compliance with various state

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	laws and policy, and the ARP is just and reasonable (<i>R.C. 4929.054(B)</i>).
GARP: Existing or reasonably anticipated legislation	
Prohibits PUCO, in any proceeding in which an NGC seeks to approve a GARP, from limiting the rider recovery of any reasonable costs or capital expenditures, which have been, or will be required to be, incurred to comply with federal or state statutes, rules, regulations, requirements, or mandates (<i>R.C. 4929.053(B)</i>).	Prohibits PUCO from limiting the rider recovery of any reasonable costs or capital expenditures which have been, or will be required to be, incurred to comply with <i>any existing or reasonably anticipated</i> federal or state statutes, rules, regulations, requirements, <i>policies</i> , or mandates (<i>R.C. 4929.054(C)</i>).
GARP: rehearing or appeal	
Provides that, in a proceeding regarding a GARP, if PUCO does not issue an order within 365 days from the date of the NGC's filing, the NGC's application is deemed approved by operation of law and shall not be subject to rehearing or appeal (<i>R.C. 4929.053(C)</i>).	Does not include the limitation that these proceedings are subject to rehearing or appeal (<i>4929.054(D)</i>).
GARP: amortization period	
No provision.	Provides that nothing in the bill's provisions limits PUCO's discretion to set the amortization period for the revenue requirement pursuant to an approved GARP (<i>R.C. 4929.054(E)</i>).
GARP: billing statement item	
No provision.	Requires an approved GARP to be listed on the NGC's customer billing statements as the "Federal or State Regulatory Mandate Rider" (<i>R.C. 4929.054(F)</i>).

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Large load customer ARP	
<p>Requires a large load customer (LLC) ARP to be approved by PUCO if the NGC meets its burden of proof in a proceeding that the ARP does the following:</p> <ul style="list-style-type: none"> Protects the NGC's nonlarge load customers from financial risk associated with initial infrastructure costs under any commercial agreement entered into under that LLC plan. Provides any commercial agreement entered into under the plan must require a credit to the annual infrastructure development rider charged by the NGC under current law, which will be the cost, as determined by the NGC, of the LLC's use of the NGC infrastructure in service at the time the commercial agreement is executed. <p>(R.C. 4929.055(A) and (B).)</p>	<p>Requires an LLC ARP to be approved by PUCO if the NGC meets its burden of proof in a proceeding that the ARP does the following <i>to protect existing customers</i>:</p> <ul style="list-style-type: none"> Protects the NGC's customers that are not served under the ARP from financial risk, including stranded costs, associated with infrastructure investments made under any commercial agreements entered into under that dedicated LLC plan. Provides any commercial agreement entered into under the LLC plan must require a credit to the annual infrastructure development rider charged by the NGC under current law of the LLC's use of the NGC system and infrastructure. <p>(R.C. 4929.056(A) and (B).)</p>
Automatic approval of LLC commercial agreement	
<p>Deems a commercial agreement between an NGC and an LLC entered into pursuant to a purposed or approved LLC ARP automatically approved unless PUCO, within 45 days from the filing date of the commercial agreement, determines the agreement is inconsistent with the bill's provisions (R.C. 4929.058(B)).</p>	<p>Gives PUCO 90 days to determine if a commercial agreement is consistent with the bill's provisions (R.C. 4929.059(B)).</p>
Commercial agreement terms	
<p>Allows an NGC to propose, and PUCO must approve without modification, the following set forth in a commercial agreement:</p>	<p>Allows an NGC to propose that the commercial agreement include any negotiated terms that differ from the rates or terms of service approved in the NGC's most recent rate case proceeding (R.C. 4929.059(C)).</p>

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<ul style="list-style-type: none">Any negotiated terms that differ from the rates or terms of service approved in the NGC's most recent rate case proceeding;Recovery of construction work in progress for any amounts incurred to serve the LLCs. <i>(R.C. 4929.058(C).)</i>	
Termination of commercial agreement	
Allows an NGC to withdraw an LLC ARP and terminate it if PUCO modifies either the LLC ARP or any settlement agreement between the NGC and any party to the ARP <i>(R.C. 4929.0510)</i> .	No provision.