



# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

## Substitute Bill Comparative Synopsis

**Sub. H.B. 142**

**136<sup>th</sup> 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 (I_136_1095-1)	Latest Version (I_136_1095-3)
<b>Forecasted test periods and dates certain</b>	
<p>Allows an NGC to propose, and requires PUCO to approve, a test period that is any 12-month period prior to the application's filing date and ending not later than 24 months from that date; permits multiple dates certain depending on the proposed test period, and does the following:</p> <ul style="list-style-type: none"><li>Allows the NGC to place rates into effect with a final order from, or deemed approval of, PUCO; the NGC has the right to place the rates into effect with the first customer bills rendered after each PUCO order regarding the dates certain.</li></ul>	<p>Allows an NGC to propose a forecasted test period, consisting of three 12-month periods, in the same manner as electric light companies under current law, including completing the same used and useful property valuation report and being subject to the same valuation requirements (<i>R.C. 4909.042, 4909.05, 4909.06, 4909.07, 4909.08, 4909.15, 4909.156, and 4909.18</i>).</p> <p>For a more detailed description of the forecasted test period provisions in current law, see <a href="#">page 19 of LSC's Final Analysis of H.B. 15 of the 136<sup>th</sup></a></p>

Previous Version (I_136_1095-1)	Latest Version (I_136_1095-3)
<ul style="list-style-type: none"> <li>Requires the NGC to adjust its base rates to reflect the plant-in-service in accordance with a certain schedule following each of the dates certain and provides for PUCO review and approval of the adjustments.</li> <li>Exempts the NGC from current law requirements regarding the recalculation of rates based on actual revenue, expense, or valuation data received after PUCO made its determination based off projected values.</li> </ul> <p><i>(R.C. 4909.05, 4909.06, 4909.07, 4909.08, 4909.15(E) to (I) and (K), 4909.155, 4909.156, 4909.18, 4909.191, 4928.18, 4929.041.)</i></p>	<p><a href="http://legislature.ohio.gov">General Assembly</a>, available on the General Assembly's website: <a href="http://legislature.ohio.gov">legislature.ohio.gov</a>.</p>
<b>Waiver of rules by PUCO</b>	
<p>Requires PUCO to approve any motion, application, or request to waive any of its rules, if the rules do not conform with the legislative requirements of Ohio's utility ratemaking laws in Chapter 4909 of the Revised Code; exempts PUCO from regulatory limitation requirements in current law for the bill's forecasted test period provisions described above <i>(R.C. 4909.15(J); R.C. 121.95, not in the bill)</i>.</p>	<p>No provisions.</p>
<b>Financial information from full books</b>	
<p>No provision.</p>	<p>Requires an NGC proposing a forecasted test period to provide any financial information required for the application to be from the NGC's full books <i>(R.C. 4909.159)</i>.</p>

Previous Version (I_136_1095-1)	Latest Version (I_136_1095-3)
<b>Rate increase after 365 days</b>	
<p>Repeals existing law that: (1) permitted a public utility, at the expiration of 275 days from the filing date of an application to increase rates, to increase rates when PUCO has not entered a final order, (2) required customer refunds if PUCO has not entered a final order within 545 days of that date.</p> <p>Requires a public utility, if PUCO has not entered a final order within 365 days from the filing date of an application to increase rates, to place the rates into effect with the first customer bills rendered after the 365<sup>th</sup> day, with no obligation to make refunds of amounts collected; the utility's application is deemed approved as a matter of law.</p> <p>Specifies that the provisions described above do not limit an NGC from adjusting its rates pursuant to the bill's other provisions regarding adjusting base rates to reflect the plant-in-service in accordance with the applicable dates certain.</p> <p><i>(R.C. 4909.42.)</i></p>	<p>No provision.</p>
<b>Temporary rate increase after 275 days</b>	
<p>No provision.</p>	<p>Allows an NGC, if PUCO proceedings on its rate increase application is not concluded and an opinion and order issued after 275 days, to request a temporary increase, or be subject to a temporary decrease, in rates in the same manner as an electric light company under current law <i>(R.C. 4909.421)</i>.</p> <p>For more information about the temporary rate increase provisions in current law, <a href="#">see pages 21-22 of LSC's Final Analysis of H.B. 15 of the 136<sup>th</sup></a></p>

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	<a href="#">General Assembly</a> , available on the General Assembly’s website: <a href="http://legislature.ohio.gov">legislature.ohio.gov</a> .
<b>Fully or partially projected test period for annual rider rate adjustment</b>	
<p>Allows an NGC, for any alternative rate plans (ARPs) that recover specified costs and capital expenditures, to propose, and requires PUCO to approve, the use of a fully or partially projected test period for the annual rider rate adjustment applications.</p> <p>Requires the NGC, not later than six years after PUCO approves the NGC’s cost recovery ARP, to file a rate case with PUCO.</p> <p><i>(R.C. 4929.052 and 4929.053.)</i></p>	No provisions.
<b>Reasonable compliance costs or expenditures ARP</b>	
<p>Requires PUCO to approve, pursuant to existing law governing ARPs, any ARP that proposes to recover any reasonable costs or expenditures to comply with federal or state statutes, rules, regulations, requirements, or mandates, including costs that have been incurred or will be required to be incurred due to an existing or reasonably anticipated rule, policy, or other mandate. Prohibits PUCO from limiting rider recovery of reasonable costs and capital expenditures when approving an ARP or adjusting an ARP rider. Establishes a 365-day order issuance requirement on PUCO, preserves PUCO discretion in setting the amortization period under an ARP rate plan, and imposes ARP-disclosure requirement for NGC customer bills. <i>(R.C. 4929.054.)</i></p>	No provisions.

Previous Version (I_136_1095-1)	Latest Version (I_136_1095-3)
<b>Large load customer ARP approval</b>	
<p>Requires an NGC to meet its burden of proof in a PUCO proceeding that a large load customer (LLC) ARP does the following:</p> <ul style="list-style-type: none"> <li>Protects the NGC's customers that are not served under the LLC ARP from financial risk, including stranded costs, associated with infrastructure investments made under any commercial agreements entered into under the ARP dedicated to serve the LLC;</li> <li>Provides any commercial agreement entered into under the LLC ARP must require a credit to the annual infrastructure development rider (IDR) charged by the NGC, which will be the cost of the LLC's use of the NGC system and infrastructure.</li> </ul> <p>(R.C. 4929.056(A) and (B).)</p>	<p>Requires an NGC to meet its burden of proof in a PUCO proceeding that a large load customer (LLC) ARP does all the following:</p> <ul style="list-style-type: none"> <li>Protects the NGC's customers that are not served under the LLC ARP from <i>paying direct or indirect costs</i>, including <i>any</i> stranded costs, associated with the <i>LLC's share of</i> infrastructure investments made under any commercial agreements entered into under the LLC ARP;</li> <li>Provides any commercial agreement entered into under the LLC ARP, once the LLC begins natural gas service and monthly payments to the NGC, must require a monthly cost credit, <i>to compensate other customers for the cost of the LLC's use of the NGC's system and infrastructure</i>, to the annual IDR charged by the NGC, which will be the cost of the LLC's use of the NGC system and infrastructure.</li> </ul> <p>(R.C. 4929.053(A).)</p>
<b>Monthly cost credit</b>	
<p>No provisions.</p>	<p>Requires the monthly cost credit described above to be determined pursuant to a separate IDR regulatory liability proceeding in which the NGC must propose the credit amount based on cost allocation principles (R.C. 4929.053(B)).</p>