OHIO LEGISLATIVE SERVICE COMMISSION

www.lsc.ohio.gov

Office of Research and Drafting

Legislative Budget Office

H.B. 201
135th General Assembly

Final Fiscal Note & Local Impact Statement

Click here for H.B. 201's Bill Analysis

Primary Sponsors: Reps. Hillyer and Demetriou

Local Impact Statement Procedure Required: No

Robert Meeker, Senior Budget Analyst, and other LBO staff

Motor vehicles

The bill prohibits: (1) a state agency, county, or township from restricting the sale or use of a motor vehicle based on the energy source used to power the motor vehicle, and (2) the Ohio Environmental Protection Agency or any other state agency from adopting any motor vehicle standards that are established by the state of California as a result of California having received a waiver pursuant to section 209(b) of the federal Clean Air Act. To date, LBO staff are unaware and have no evidence of any governmental entity in the state enacting such restrictions. Separately, the bill modifies public utility law, which is described in the following paragraphs, applicable to natural gas distribution companies.

Infrastructure development rider

The bill broadens the definition of "infrastructure development costs" under natural gas public utility law from solely construction to also include upgrades, extensions, or any other investment associated with transmission or distribution facilities. In doing so, the bill authorizes a natural gas company to recover from ratepayers the cost of planning and a return on investment equal to the company's return on equity. The bill also allows costs incurred on an economic development project prior to the project's actual approval by the Public Utilities Commission of Ohio (PUCO) to be recovered following the project's approval. Finally, the bill temporarily expands the definition of these costs to include an "investment designed to provide natural gas service to a project supported by JobsOhio, any JobsOhio network or regional partner, or the Ohio Department of Development," with a sunset six years following its effective date.

Continuing law limits the infrastructure development rider to $1.50 per customer per month. In the event newly incurred costs would exceed this limit, the bill enables a natural gas company to defer cost recovery on an approved economic development project for up to five years. In addition, the bill requires PUCO to issue an annual report regarding all infrastructure development costs and economic development projects.

Ohio has approximately 3.7 million natural gas customers, so the bill could increase costs recovered from these ratepayers in future years, depending on the location, number, and frequency of future economic development projects. State agencies and political subdivisions are included among the ratepayers that could bear additional charges. Although LBO is uncertain of the potential future costs, they are likely to be minimal. The infrastructure development riders currently levied by the four largest gas companies are considerably below the $1.50 monthly rate cap.

FNHB0201EN-135/zg