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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

S.B. 117  
134<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Sens. Romanchuk and Craig

Rocky Hernandez, Attorney

### SUMMARY

- Repeals, and expressly terminates, the nonbypassable rate mechanism applied to all Ohio ratepayers associated with contractual commitments related to a legacy generation resource (LGR) (including Ohio Valley Electric Corporation (OVEC) facilities) established by H.B. 6 of the 133<sup>rd</sup> General Assembly.
- Expressly prohibits any mechanism for retail recovery of costs for all specified generating facilities (the same as those defined as LGRs in H.B. 6) that was in effect on or before the effective date of H.B. 6 from being “revived, reimposed, reestablished, or in any way reinstated” as a result of the bill, or by PUCO order, decision, or rule.
- Requires that the full amount of revenues collected from customers under the LGR/OVEC provisions under H.B. 6 to be promptly refunded to customers from whom the revenues were collected and allocated to customer classes in the same proportion as originally collected.

### DETAILED ANALYSIS

#### Legacy generation resource/OVEC cost recovery

The bill repeals provisions enacted in H.B. 6 of the 133<sup>rd</sup> General Assembly related to cost recovery of a legacy generation resource (LGR) (which are generating facilities owned directly or indirectly by a corporation formed prior to 1960 by investor-owned utilities for the original purpose of providing power to the federal government for use in the nation’s defense or in furtherance of national interests, including the Ohio Valley Electric Corporation (OVEC)). The bill also repeals the H.B. 6 provision requiring that any preexisting PUCO-authorized mechanism for retail recovery of prudently incurred costs related to a legacy generation/OVEC

resource must be replaced with a nonbypassable rate mechanism approved by PUCO for recovery of those costs from all customers of Ohio electric distribution utilities.<sup>1</sup>

A detailed discussion of the law being repealed can be found on pages 22 to 23 of LSC's Final Analysis of HB. 6, As Passed by the General Assembly, available [here](#).

## **Legacy generation resource cost assessment/collection prohibition**

The bill terminates any mechanism for retail recovery of costs for a legacy generation/OVEC resource in effect *on or before* the effective date of H.B. 6 from being "revived, reimposed, reestablished, or reinstated" as a result of this bill, or PUCO order, decision, or rule. The bill also prohibits any amount, charge, mechanism, or rider related to a LGR cost recovery mechanism from being assessed or collected from customers. As described above, the bill repeals the H.B. 6 provision for retail recovery of prudently incurred costs related to an LGR/OVEC.<sup>2</sup>

## **Customer refunds**

The bill requires customer refunds of the full amount of the revenues collected through an amount, charge, mechanism, or rider established under the LGR/OVEC cost recovery provisions of H.B. 6 as those provisions existed prior to the effective date of the bill. Refunds must be made promptly to customers from whom the revenues were collected and must be allocated to customer classes in the same proportion as originally collected.

Refunds under the bill must be made notwithstanding any other provision in Ohio utility law, including the current law that prohibits public utilities from refunding any rate, rental, toll, or charge established in its rate schedule, except as specified in that rate schedule.<sup>3</sup>

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## **HISTORY**

Action	Date
Introduced	03-09-21

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S0117-I-134/ts

<sup>1</sup> R.C. 4928.01(A)(41) and (42); R.C. 4928.148, repealed by the bill.

<sup>2</sup> Section 4.

<sup>3</sup> Section 5; R.C. 4905.32, not in the bill.