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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 364**  
**134<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for H.B. 364's Bill Analysis](#)

**Version:** As Reported by House Public Utilities

**Primary Sponsor:** Rep. Patton

**Local Impact Statement Procedure Required:** No

Russ Keller, Senior Economist

### **Highlights**

- The bill has no direct fiscal effect on the state or political subdivisions.

### **Detailed Analysis**

Continuing law permits a waterworks company or a sewage disposal company to seek approval from the Public Utilities Commission of Ohio (PUCO) for an infrastructure improvement surcharge; PUCO orders refer to such a surcharge as a system improvement charge (SIC). Codified law includes several requirements that must be met before the Commission may approve a proposed SIC. The bill expands the criteria to include additional items that may be recovered under a SIC. If not for the bill, a waterworks company or sewage disposal company could still seek recovery of those charges from customers through a base rate case, but in general, a SIC proceeding is smaller in scope than a base rate case proceeding. The bill requires PUCO to issue a final order within 180 days after a SIC application is filed by a company with \$250,000 or more in annual operating revenue, else the proposed surcharge will go into effect at the waterworks or sewage disposal company's discretion (albeit subject to refund to the extent that collections exceed amounts later authorized by PUCO).

Continuing law limits a waterworks company or sewage disposal company to no more than three concurrent SICs. Similarly, caps in current law on each SIC remain unchanged. The waterworks company SIC and sewage disposal company SIC cannot exceed 4.25% and 3%, respectively, of the utility rates applicable to a given customer that are in effect on the date the SIC application was filed.

The bill does not have a direct effect on political subdivisions; the regulated utilities affected by the bill serve only a small portion of Ohio in any case. The bill likely has a minimal impact, if any, on PUCO's agency expenditures.