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Bill Analysis

Version: As Introduced

Primary Sponsors: Sens. Lang and Rulli

J.R. Lallo, Research Analyst

SUMMARY

- Guarantees that every person has the right to obtain:
 - Distribution service or retail natural gas service from a natural gas company capable of providing service to the person; or
 - Competitive retail natural gas service from any competitive retail natural gas provider certified to provide that service to the person in that location.
- Provides that the guarantees described above are:
 - Limited by public utilities law governing natural gas utilities and any regulations adopted under that law by the Public Utilities Commission (PUCO) and tariffs approved by PUCO; and
 - Subject to municipal corporation utility home rule authority granted under the Ohio Constitution.
- Bars any political subdivision by ordinance resolution, building code, or other similar requirement from limiting, preventing, or prohibiting any consumer within its boundaries from obtaining distribution services or retail natural gas service.

DETAILED ANALYSIS

Guarantee of access to natural gas service

The bill guarantees that every person has the right to obtain any available (1) distribution service or retail natural gas service from a natural gas company capable of providing service to the person or (2) competitive retail natural gas services from any competitive retail natural gas service supplier certified to provide that service to the person in

that location.¹ A “natural gas company” is a public utility that is engaged in the business of supplying natural gas for lighting, power, or heating purposes to consumers in Ohio.² This term excludes retail natural gas suppliers.³ The services guaranteed under the bill are defined as follows:

- “Distribution service,” meaning the delivery of natural gas to a consumer at the consumer’s facilities, by and through the instrumentalities and facilities of a natural gas company, regardless of the party having title to the natural gas.⁴
- “Retail natural gas service,” meaning commodity sales service, ancillary service, natural gas aggregation service, natural gas marketing service, or natural gas brokerage service.⁵
- “Competitive retail natural gas service,” meaning any retail natural gas service that may be competitively offered to consumers in Ohio as a result of approved schedules, or a rule, order, or exemption issued by the Public Utilities Commission (PUCO).⁶

This guarantee is subject to Ohio utility law governing natural gas service and utility companies and any regulations adopted under that law by PUCO and tariffs approved by PUCO, as well as the municipal corporation utility home rule authority granted under the Ohio Constitution.⁷

Under home rule, municipal corporations have the power to acquire, construct, own, lease, and operate a public utility to serve the municipal corporation or its inhabitants and others. This means that municipal corporation can own and control utilities and direct how they operate. (Ohio Constitution, Article XVIII, Sections 4 and 6.) Please see the Ohio Legislative Service Commission’s Members Brief “[Municipal Home Rule](#)” for a more detailed discussion of these constitutional provisions.

Prohibitions against political subdivisions

The bill prohibits a legislative or executive authority of a township, county, or municipal corporation from enacting any ordinance or resolution, or the promulgation of any building code or similar requirement, that limits the use of, prohibits, or prevents residential, commercial, or industrial consumers within their boundaries from obtaining distribution service

¹ R.C. 4933.41(A).

² R.C. 4933.40(B); R.C. 4929.01(G) and 4905.03(E), not in the bill.

³ R.C. 4929.01(G), not in the bill.

⁴ R.C. 4933.40(B); R.C. 4929.01(F), not in the bill.

⁵ R.C. 4933.40(B); R.C. 4929.01(M), not in the bill.

⁶ R.C. 4933.40(B); R.C. 4929.01(J), not in the bill.

⁷ R.C. 4933.41(B).

or retail natural gas service that would otherwise be available to a person under Ohio's public utility law and regulations promulgated under those laws.⁸

Promotion of state policy

Lastly, the bill provides that the guarantees and prohibition against political subdivisions described above promotes state policy to increase utilization of Ohio's indigenous energy resources and promote the availability of natural gas goods and services.⁹

HISTORY

Action	Date
Introduced	03-10-21

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⁸ R.C. 4933.41(C).

⁹ R.C. 4933.42; R.C. 1551.18 and 4929.02, not in the bill.