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S.B. 72
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for S.B. 72's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Sen. T. Johnson

Local Impact Statement Procedure Required: No

Ruhaiza Ridzwan, Senior Economist

Highlights

- Requiring public utilities to provide security systems at substations would increase municipal electric utilities' operational costs. The bill does not define the term "security systems," apparently allowing utilities flexibility regarding the type of security system used, and associated costs.

Detailed Analysis

The bill requires public utilities to (1) provide security systems at substations to protect against vandalism and other security threats, and (2) continuously operate the security systems 24 hours per day. The bill does not define the term "security systems," nor does it establish parameters governing the required security systems apart from the one requiring systems to be operational 24 hours per day.

The bill's requirements would increase public utilities' costs in general, and municipal electric utilities' costs in particular. The estimated cost to any single utility would depend on the type of security system used. There are about 90 municipal electric utilities in the state, but LBO has no data at this time on the number of substations that they operate. Because the bill does not specify the type of security system that must be provided, a municipal electric utility may simply use the least expensive security systems available, such as remote cameras, which may be purchased for several hundred dollars. As a result municipal electric utilities have some control over their total costs, and a municipality may choose an option to satisfy the requirement that likely makes the cost of compliance minimal. Similarly, other public utilities may satisfy the requirement at a fairly low cost, and though they could presumably pass the cost through to ratepayers, including the state and local governments, the cost could be minimal.