



OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

Substitute Bill Comparative Synopsis

Sub. H.B. 15

136th General Assembly

House Energy

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This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (I_136_0688-5)	Latest Version (I_136_0688-6)
Three-year forecasted test period	
<p>Establishes the following provisions regarding an electric light company that chooses to propose a forecasted test period:</p> <ul style="list-style-type: none">▪ <i>Allows</i> the company to propose <i>changes to base rates up to</i> three consecutive 12-month periods in a single application;▪ Gives the Public Utilities Commission (PUCO) discretion to reduce the number of test periods a company proposes;▪ During the <i>first</i> 12-month period, <i>allows</i> the company to propose a reasonably forecasted rate base during a 13-month	<p>Modifies the provisions regarding an electric light company that chooses to propose a forecasted test period as follows:</p> <ul style="list-style-type: none">▪ Requires the company to propose annual base rates for three consecutive 12-month periods in a single application;▪ Removes provisions giving PUCO discretion to reduce the number of test periods a company proposes;▪ During the <i>first</i> 12-month period, <i>requires</i> the company to propose the reasonably forecasted rate base;

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<p>average, revenues, and expenses for the first 12 months that new base rates will be in effect;</p> <ul style="list-style-type: none"> ▪ During the <i>second and third 12-month periods</i>, allows the base rate revenue requirement to be adjusted for the return of, and return on, incremental rate base additions approved by PUCO in the initial application; ▪ For the <i>first 12-month period</i>, forecasted plant investment, forecasted revenue, and forecasted expenses versus actual investment, actual revenue, and actual expenses must be trued up via a PUCO-approved cost recovery mechanism; ▪ For the second and third 12-month periods, forecasted plant investment versus actual plant investment must be trued up via a PUCO-approved cost recovery mechanism; ▪ Each true-up process must take into account the rate of return that the company projects to earn on the investments; ▪ Requires PUCO, as part of the true-up process, to exclude any rate base components that have not been found by PUCO to be used or useful in rendering public utility service. <p><i>(R.C. 4909.15(C)(1)(a)).</i></p>	<ul style="list-style-type: none"> ▪ During the <i>second and third 12-month periods</i>, requires the base rate revenue requirement to be adjusted for the return of, and return on, incremental rate base additions approved by PUCO in the initial application; ▪ For each 12-month period, forecasted plant investment, forecasted revenue, and forecasted expenses versus actual investment, actual revenue, and actual expenses must be trued up via a PUCO-approved cost recovery mechanism; ▪ Each true-up process <i>must include an adjustment to actual</i> for the rate of return that the company is authorized to earn on the actual investments <i>made</i>; ▪ Requires PUCO, as part of the true-up process, to include only rate base components that have been found to be used and useful in rendering public utility service. <p><i>(R.C. 4909.15(C)(1)(a)).</i></p>
<p>Objections to PUCO staff report</p>	
<p>Reduces the time in which objections to the PUCO staff report of the investigation of a rate case application may be filed, from 30 days from the date of the filing of the report, to 15 days.</p> <p><i>(R.C. 4909.19(C)).</i></p>	<p>Restores the period to file objections to 30 days <i>(R.C. 4909.19(C))</i>.</p>

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Economic development programs	
Allows PUCO, when considering an application to increase rates, to approve nondiscriminatory programs for transmission cost billing and cost recovery <i>(R.C. 4909.192(B))</i> .	Specifies that those programs may be approved so long as such programs do not shift direct or indirect costs to other utility customers <i>(R.C. 4909.192(B))</i> .
Temporary base rates	
<p>Provides that if PUCO does not issue an opinion and order on a rate case application at the expiration of 275 days after the application is deemed complete, the utility may request a temporary increase in rates that cannot exceed the midpoint of rates recommended in the PUCO staff report.</p> <p>Requires PUCO to issue an order to approve, deny, or modify a rate case application not later than 346 days after the application is determined complete.</p> <p><i>(R.C. 4909.42.)</i></p>	<p>Allows any party to the proceeding to request a temporary decrease that cannot exceed the midpoint of the rates recommended in the PUCO staff report.</p> <p>Changes the threshold to not later than 360 days after the application is determined complete.</p> <p><i>(R.C. 4909.42.)</i></p>
SSO cost recovery mechanism	
Requires PUCO to adopt, for each EDU that provides customers with a SSO priced through an MRO, a cost recovery mechanism relating to transmission, ancillary, congestion, or any related service required for such SSO, including provisions for the recovery of any cost of such service that the EDU incurs pursuant to the SSO, and further makes the cost recovery mechanism nonbypassable if the EDU is the load serving entity for shopping load <i>(R.C. 4928.05(B)(1))</i> .	Makes the cost recovery mechanism bypassable <i>(R.C. 4928.05(B)(1))</i> .

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Nonparticipating residential and commercial customers	
No provision.	Prohibits residential and commercial customers who do not participate in the Community Energy Pilot Program from being charged, directly or indirectly, for any costs related to the program <i>(R.C. 4934.072(B))</i> .
Rural electric company TPP tax reduction	
Inadvertently decreases the assessment percentage applicable to existing energy conversion property of a rural electric company from 50% to 25% <i>(R.C. 5727.111(A))</i> .	Corrects the error, maintaining the 50% rate for such property <i>(R.C. 5727.111(A))</i> .