



December 12, 2023

The Honorable Matt Huffman, Senate President
The Honorable Nickie Antonio, Minority Leader
The Honorable Bill Reineke, Energy and Public Utilities Chair
The Honorable Rob McColley, Energy and Public Utilities Vice Chair
The Honorable Kent Smith, Energy and Public Utilities Ranking Member

VIA EMAIL

Dear President Huffman, Minority Leader Antonio, Chair Reineke, Vice Chair McColley, and Ranking Member Smith:

Today, the Senate Energy and Public Utilities Committee will consider Amendment 1405-1 to become part of House Bill 201. Collectively, this language would expand current law to subject natural gas customers to more energy costs imposed by gas utilities for infrastructure upgrades and expansion. Certainly, economic development and infrastructure investments are important to our state's economy, but this language allows gas utilities to bypass the traditional ratemaking process, including the used and useful standard, layering more costs on to customers. This amendment is very similar to language included in the recent budget bill, House Bill 33, that was vetoed by the Governor.

The new language would grant gas utilities swift cost recovery from customers for all costs associated with infrastructure development projects. But the amount of money to be collected from customers to support potential site-ready projects, which may never come to fruition – or infrastructure that may never be used – is unspecified. This would leave much discretion to the utilities and the PUCO to choose winners and losers among Ohio businesses.

The proposed infrastructure development rider expands current law to include more infrastructure upgrades, expansion, and planning costs. The language is overly broad and would allow the gas utilities to upgrade almost anything in the name of economic development without proper justification.

The language authorizes the gas utilities to receive an immediate return on the investment, allows for deferrals with interest, and guaranteed cost recovery that expands beyond the stated six-years. Given these deferrals, it is not a true cap. With the creation of the Ohio Future Fund and existing laws and economic development programs already available, expanding current law is not necessary.

At a time of surging energy costs facing Ohio residents and businesses, we urge the Senate to reject this language that leaves customers significantly exposed to additional costs without sufficient protections.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ryan Augsburger".

Ryan Augsburger
President, The Ohio Manufacturers' Association

cc: Mr. John Barron, Majority Chief of Staff
Ms. Monica Moran, Minority Chief of Staff