

As Reported by the House Public Utilities Committee

130th General Assembly
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Sub. H. B. No. 319

Representative Grossman

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A B I L L

To enact sections 4929.16, 4929.161, 4929.162, 1
4929.163, 4929.164, 4929.165, 4929.166, and 2
4929.167 of the Revised Code to permit natural gas 3
companies to apply for an infrastructure 4
development rider to recover costs of certain 5
economic development projects. 6

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4929.16, 4929.161, 4929.162, 7
4929.163, 4929.164, 4929.165, 4929.166, and 4929.167 of the 8
Revised Code be enacted to read as follows: 9

Sec. 4929.16. As used in sections 4929.16 to 4929.167 of the 10
Revised Code: 11

(A) "Infrastructure development" means constructing 12
extensions of transmission or distribution facilities that a 13
natural gas company owns and operates. 14

(B) "Infrastructure development costs" means the investment 15
to which both of the following apply: 16

(1) The investment is in infrastructure development. 17

(2) The investment is for any deposit required by the natural 18
gas company, as defined in the line-extension provision of the 19
company's tariff, less any contribution in aid of construction 20

received from the owner or developer of the project. 21

"Infrastructure development costs" includes planning, 22
development, and construction costs and, if applicable, any 23
allowance for funds used during construction. 24

Sec. 4929.161. A natural gas company may file an application 25
with the public utilities commission for approval of an 26
infrastructure development rider to recover prudently incurred 27
infrastructure development costs of one or more economic 28
development projects approved under section 4929.163 or 4929.164 29
of the Revised Code. 30

Sec. 4929.162. Under an infrastructure development rider, in 31
each calendar year: 32

(A) The natural gas company may not recover more than two 33
dollars from any single customer in this state, for all projects 34
that were approved under section 4929.163 of the Revised Code and 35
for which recovery was authorized under that rider. 36

(B) The company may not recover more than one dollar from any 37
single customer in this state, for all projects that were approved 38
under section 4929.164 of the Revised Code and for which recovery 39
was authorized under that rider. 40

(C) The company shall recover the same amount from every 41
customer. 42

Sec. 4929.163. (A) A natural gas company may file an 43
application with the public utilities commission for approval of 44
an economic development project. The company shall file the 45
application prior to beginning the project. 46

(B) The application for approval shall contain a description 47
of each of the following: 48

<u>(1) The economic development project;</u>	49
<u>(2) The infrastructure development costs to be expended on the project;</u>	50 51
<u>(3) How the project meets the criteria set forth in rules adopted under division (C) of this section.</u>	52 53
<u>(C) The commission shall adopt rules setting forth the criteria for project approval under this section. The commission may approve a project under this section if both of the following apply:</u>	54 55 56 57
<u>(1) The infrastructure development costs for the project are projected to generate a return on the company's investment that is less than the most recently authorized rate of return.</u>	58 59 60
<u>(2) The amount of infrastructure development costs to be incurred by the company per calendar year, for the project and all other projects previously approved under this section, is not projected to exceed the product of two dollars multiplied by the aggregate number of the company's customers in this state.</u>	61 62 63 64 65
<u>(D) The commission shall adopt rules to provide for an accelerated review of an application filed under division (A) of this section. The rules shall provide for the automatic approval of the application not later than thirty days after the date of the application filing unless the commission suspends the application for good cause shown. If the application is suspended, the commission shall approve, deny, modify, or hold a hearing on the application not later than forty-five days after the date that the suspension begins.</u>	66 67 68 69 70 71 72 73 74
Sec. 4929.164. <u>(A) A natural gas company may file an application with the public utilities commission for approval of an economic development project that has been certified by the director of development services under the SiteOhio certification</u>	75 76 77 78

program, pursuant to section 122.9511 of the Revised Code. The 79
company shall file the application prior to beginning the project. 80

(B) The commission may approve a project under this section 81
if both of the following apply: 82

(1) The infrastructure development costs for the project are 83
projected to generate a return on the company's investment that is 84
less than the most recently authorized rate of return. 85

(2) The amount of infrastructure development costs to be 86
incurred by the company per calendar year, for the project and all 87
other projects previously approved under this section, is not 88
projected to exceed the product of one dollar multiplied by the 89
aggregate number of the company's customers in this state. 90

(C) The commission shall adopt rules to provide for an 91
accelerated review of an application filed under division (A) of 92
this section. The rules shall provide for the automatic approval 93
of the application not later than ninety days after the date of 94
the application filing unless the commission suspends the 95
application for good cause shown. If the application is suspended, 96
the commission shall approve, deny, modify, or hold a hearing on 97
the application not later than forty-five days after the date that 98
the suspension begins. 99

Sec. 4929.165. A natural gas company that has established an 100
infrastructure development rider under section 4929.161 of the 101
Revised Code shall file an annual report with the public utilities 102
commission. The report shall do both of the following: 103

(A) Detail the infrastructure development costs related to 104
the applicable economic development project or projects; 105

(B) Set forth the rider rate for the twelve months following 106
the annual report. 107

Sec. 4929.166. Any property installed or constructed by a 108
natural gas company to enable the provision of natural gas service 109
to an economic development project approved under section 4929.163 110
or 4929.164 of the Revised Code shall be considered used and 111
useful in rendering public utility service for purposes of section 112
4909.15 of the Revised Code. 113

Sec. 4929.167. The public utilities commission may, at its 114
discretion, conduct a financial audit of a natural gas company 115
that has established an infrastructure development rider under 116
section 4929.161 of the Revised Code to determine if the 117
infrastructure development costs incurred by the natural gas 118
company and collected pursuant to the rider are in conformance 119
with the commission's orders. 120