

**As Introduced**

**130th General Assembly  
Regular Session  
2013-2014**

**S. B. No. 391**

**Senator Balderson**

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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
<b>Sec. 4929.164.</b> <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