



# Ohio Legislative Service Commission

Russ Keller

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 344 of the 128th G.A.

**Date:** June 3, 2010

**Status:** As Reported by House Public Utilities

**Sponsor:** Reps. Goyal and Harris

**Local Impact Statement Procedure Required:** No — No local cost

**Contents:** To limit recovery of rate-case expenses for certain water-works and sewage disposal system companies

### State Fiscal Highlights

- No direct fiscal effect on the state.

### Local Fiscal Highlights

- Potential minimal decrease in expenditures for water and sewer service for some townships, villages, and school districts.

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### Detailed Fiscal Analysis

H.B. 344 prohibits (1) water-works companies that serve 15,000 or more customers in Ohio, (2) sewage disposal system companies that serve 15,000 or more customers in Ohio, and (3) water-works companies that are also sewage disposal system companies that serve a total of 15,000 or more customers in Ohio from recovering more than half of rate-case expenses incurred in a standard ratemaking proceeding.

The bill prohibits those same companies from recovering any rate-case expenses in an emergency rate proceeding, certain ratemaking proceedings specific to water and sewage utilities, and any ratemaking mechanism established after the bill's effective date.

#### Fiscal effect

According to information from the Public Utilities Commission of Ohio (PUCO), two companies, Aqua Ohio and Ohio American Water, fall under the classification (15,000 or more customers in Ohio) described in this bill. Ohio American Water is the only such company that has initiated a rate adjustment in the past year, which was approved by PUCO on May 5, 2010. This bill does not have a fiscal effect on state revenues or expenditures. For townships, villages, and school districts located in the territory served by either company, there is a potential decrease in expenditures for water and sewer services. Any such decrease is likely to be minimal.

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