

I_136_0528-6

136th General Assembly
Regular Session
2025-2026

Sub. S. B. No. 103

To amend sections 4909.042, 4909.05, 4909.06, 1
4909.07, 4909.08, 4909.15, 4909.156, 4909.159, 2
4909.173, 4909.174, 4909.18, and 4909.421 and to 3
enact sections 4929.052, 4929.053, 4929.054, 4
4929.055, 4929.056, and 4929.057 of the Revised 5
Code to allow for alternative rate plans for 6
natural gas companies to serve large load 7
customers and to make changes to the process of 8
valuating property for certain public utilities. 9

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

Section 1. That sections 4909.042, 4909.05, 4909.06, 10
4909.07, 4909.08, 4909.15, 4909.156, 4909.159, 4909.173, 11
4909.174, 4909.18, and 4909.421 be amended and sections 12
4929.052, 4929.053, 4929.054, 4929.055, 4929.056, and 4929.057 13
of the Revised Code be enacted to read as follows: 14

Sec. 4909.042. (A) With respect to an electric light- 15
~~company~~, natural gas, water-works, or sewage disposal system 16
company that chooses to file a forecasted test period under 17
section 4909.18 of the Revised Code, the public utilities 18
commission shall prescribe the form and details of the valuation 19



report of the property of the ~~utility~~company. Such report shall 20
include all the kinds and classes of property, with the value of 21
each, owned, held, or projected to be owned or held during the 22
test period, by the ~~utility~~company for the service and 23
convenience of the public. 24

(B) Such report shall contain the following facts in 25
detail: 26

(1) The original cost of each parcel of land owned in fee 27
and projected to be owned in fee and in use during the test 28
period, determined by the commission; and also a statement of 29
the conditions of acquisition, whether by direct purchase, by 30
donation, by exercise of the power of eminent domain, or 31
otherwise; 32

(2) The actual acquisition cost, not including periodic 33
rental fees, of rights-of-way, trailways, or other land rights 34
projected to be held during the test period, by virtue of 35
easements, leases, or other forms of grants of rights as to 36
usage; 37

(3) The original cost of all other kinds and classes of 38
property projected to be used and useful during the test period, 39
in the rendition of service to the public. Such original costs 40
of property, other than land owned in fee, shall be the cost, as 41
determined to be reasonable by the commission, to the person 42
that first dedicated or dedicates the property to the public use 43
and shall be set forth in property accounts and subaccounts as 44
prescribed by the commission; 45

(4) The cost of property constituting all or part of a 46
project projected to be leased to or used by the ~~utility~~company 47
during the test period, under Chapter 165., 3706., 6121., or 48

6123. of the Revised Code and not included under division (B) (3) 49
of this section exclusive of any interest directly or indirectly 50
paid by the utility company with respect thereto whether or not 51
capitalized; 52

(5) In the discretion of the commission, the cost to a 53
utility company, in an amount determined to be reasonable by the 54
commission, of property constituting all or part of a project 55
projected to be leased to the utility company during the test 56
period, under a lease purchase agreement or a leaseback and not 57
included under division (B) (3) of this section exclusive of any 58
interest directly or indirectly paid by the utility company with 59
respect thereto whether or not capitalized; 60

(6) The proper and adequate reserve for depreciation, as 61
determined to be reasonable by the commission; 62

(7) Any sums of money or property that the utility company 63
is projected to receive during the test period, as total or 64
partial defrayal of the cost of its property; 65

(8) The valuation of the property of the utility company, 66
which shall be the sum of the amounts contained in the report 67
pursuant to divisions (B) (1) to (5) of this section, less the 68
sum of the amounts contained in the report pursuant to divisions 69
(B) (6) and (7) of this section; 70

(9) The cost of the replacement of water service lines 71
incurred by a water-works company under section 4909.173 of the 72
Revised Code and the water service line replacement 73
reimbursement amounts provided to customers under section 74
4909.174 of the Revised Code. 75

(C) The report shall show separately the property 76
projected to be used and useful to or held by the utility 77

company during the test period, and such other items as the 78
commission considers proper. The commission may require an 79
additional report showing the extent to which the property is 80
projected to be used and useful during the test period. Such 81
reports shall be filed in the office of the commission for the 82
information of the governor and the general assembly. 83

(D) Any financial information required to be submitted by 84
an electric light ~~company~~, natural gas, water-works, or sewage 85
disposal system company under this section shall be provided 86
from the company's full books. The commission shall ensure 87
appropriate protections against the disclosure of the company's 88
trade secrets or proprietary information. 89

Sec. 4909.05. ~~As used in this section:~~ 90

(A) With respect to every public utility, ~~other than an~~ 91
~~electric light company that chooses to file a forecasted test-~~ 92
~~period under section 4909.18 of the Revised Code,~~ the public 93
utilities commission shall prescribe the form and details of the 94
valuation report of the property of each public utility or 95
railroad in the state. Such report shall include all the kinds 96
and classes of property, with the value of each, owned, held, 97
or, with respect to a natural gas, water-works, or sewage 98
disposal system company, projected to be owned or held as of the 99
date certain, by each public utility or railroad used and 100
useful, or, with respect to a natural gas, water-works, or 101
sewage disposal system company, projected to be used and useful 102
as of the date certain, for the service and convenience of the 103
public. 104

(B) Such report shall contain the following facts in 105
detail: 106

(1) The original cost of each parcel of land owned in fee 107
and in use, or, with respect to a natural gas, water-works, or 108
sewage disposal system company, projected to be owned in fee and 109
in use as of the date certain, determined by the commission; and 110
also a statement of the conditions of acquisition, whether by 111
direct purchase, by donation, by exercise of the power of 112
eminent domain, or otherwise; 113

(2) The actual acquisition cost, not including periodic 114
rental fees, of rights-of-way, trailways, or other land rights 115
held, or, with respect to a natural gas, water-works, or sewage 116
disposal system company, projected to be held as of the date 117
certain, by virtue of easements, leases, or other forms of 118
grants of rights as to usage; 119

(3) The original cost of all other kinds and classes of 120
property used and useful, or, with respect to a natural gas, 121
water-works, or sewage disposal system company, projected to be 122
used and useful as of the date certain, in the rendition of 123
service to the public. Subject to section 4909.052 of the 124
Revised Code, such original costs of property, other than land 125
owned in fee, shall be the cost, as determined to be reasonable 126
by the commission, to the person that first dedicated or 127
dedicates the property to the public use and shall be set forth 128
in property accounts and subaccounts as prescribed by the 129
commission. To the extent that the costs of property comprising 130
a coal research and development facility, as defined in section 131
1555.01 of the Revised Code, or a coal development project, as 132
defined in section 1551.30 of the Revised Code, have been 133
allowed for recovery as Ohio coal research and development costs 134
under section 4905.304 of the Revised Code, none of those costs 135
shall be included as a cost of property under this division. 136

(4) The cost of property constituting all or part of a 137
project leased to or used by the utility, or, with respect to a 138
natural gas, water-works, or sewage disposal system company, 139
projected to be leased to or used by the utility as of the date 140
certain, under Chapter 165., 3706., 6121., or 6123. of the 141
Revised Code and not included under division (B) (3) of this 142
section exclusive of any interest directly or indirectly paid by 143
the utility with respect thereto whether or not capitalized; 144

(5) In the discretion of the commission, the cost to a 145
utility, in an amount determined to be reasonable by the 146
commission, of property constituting all or part of a project 147
leased to the utility, or, with respect to a natural gas, water- 148
works, or sewage disposal system company, projected to be leased 149
to the utility as of the date certain, under a lease purchase 150
agreement or a leaseback and not included under division (B) (3) 151
of this section exclusive of any interest directly or indirectly 152
paid by the utility with respect thereto whether or not 153
capitalized; 154

(6) The cost of the replacement of water service lines 155
incurred by a water-works company under section 4909.173 of the 156
Revised Code and the water service line replacement 157
reimbursement amounts provided to customers under section 158
4909.174 of the Revised Code; 159

(7) The proper and adequate reserve for depreciation, as 160
determined to be reasonable by the commission; 161

(8) Any sums of money or property that the company may 162
have received, or, with respect to a natural gas, water-works, 163
or sewage disposal system company, is projected to receive as of 164
the date certain, as total or partial defrayal of the cost of 165
its property; 166

(9) The valuation of the property of the company, which 167
shall be the sum of the amounts contained in the report pursuant 168
to divisions (B)(1) to (6) of this section, less the sum of the 169
amounts contained in the report pursuant to divisions (B)(7) and 170
(8) of this section. 171

(C) The report shall show separately the property used and 172
useful to such public utility or railroad in the furnishing of 173
the service to the public, the property held by such public 174
utility or railroad for other purposes, and the property 175
projected to be used and useful to or held by a natural gas, 176
water-works, or sewage disposal system company as of the date 177
certain, and such other items as the commission considers 178
proper. The commission may require an additional report showing 179
the extent to which the property is used and useful, or, with 180
respect to a natural gas, water-works, or sewage disposal system 181
company, projected to be used and useful as of the date certain. 182
Such reports shall be filed in the office of the commission for 183
the information of the governor and the general assembly. 184

(D) The requirements of section 4909.05 of the Revised 185
Code do not apply to an electric light, natural gas, water- 186
works, or sewage disposal system company that chooses to file a 187
forecasted test period under section 4909.18 of the Revised 188
Code. 189

Sec. 4909.06. The investigation and report required by 190
section 4909.042 or 4909.05 of the Revised Code shall show, when 191
the public utilities commission deems it necessary, the amounts, 192
dates, and rates of interest of all bonds outstanding against 193
each public utility or railroad, the property upon which such 194
bonds are a lien, the amounts paid for them, and, the original 195
capital stock and the moneys received by any such public utility 196

or railroad by reason of any issue of stock, bonds, or other securities. Such report shall also show the net and gross receipts of such public utility or railroad and the method by which moneys were expended or paid out and the purpose of such payments. The commission may prescribe the procedure to be followed in making the investigation and valuation, the form in which the results of the ascertainment of the value of each public utility or railroad shall be submitted, and the classifications of the elements that constitute the ascertained value. Such investigation shall also show the value of the property of every public utility or railroad as a whole, and if such property is in more than one county, the value of its property in each of such counties.

"Valuation" and "value," as used in this section, may include:

(A) With respect to a public utility that is a natural gas, water-works, or sewage disposal system company, projected valuation and value as of the date certain, if applicable because of a future date certain under section 4909.15 of the Revised Code;

(B) With respect to an electric light ~~company,~~ natural gas, water-works, or sewage disposal system company that chooses to file a forecasted test period under section 4909.18 of the Revised Code, the valuation and value during the forecasted test period.

Sec. 4909.07. The public utilities commission, during the making of the valuation provided for in sections 4909.04 to 4909.13 of the Revised Code, and after its completion, shall in like manner keep itself informed through its engineers, experts, and other assistants of all extensions, improvements, or other

changes in the condition and value of the property of all public 227
utilities or railroads and shall ascertain the value of such 228
extensions, improvements, and changes. The commission shall, as 229
is required for the proper regulation of such public utilities 230
or railroads, revise and correct its valuations of property, 231
showing such revisions and corrections as a whole and as to each 232
county. Such revisions and corrections shall be filed in the 233
same manner as original reports. 234

"Valuation" and "value," as used in this section, may 235
include: 236

(A) With respect to a public utility that is a natural 237
gas, water-works, or sewage disposal system company, projected 238
valuation and value as of the date certain, if applicable 239
because of a future date certain under section 4909.15 of the 240
Revised Code; 241

(B) With respect to an electric light ~~company~~, natural 242
gas, water-works, or sewage disposal system company that chooses 243
to file a forecasted test period under section 4909.18 of the 244
Revised Code, the valuation and value during the forecasted test 245
period. 246

Sec. 4909.08. When the public utilities commission has 247
completed the valuation of the property of any public utility or 248
railroad and before such valuation becomes final, it shall give 249
notice by registered letter to such public utility or railroad, 250
and if a substantial portion of said public utility or railroad 251
is situated in a municipal corporation, then to the mayor of 252
such municipal corporation, stating the valuations placed upon 253
the several kinds and classes of property of such public utility 254
or railroad and upon the property as a whole and give such 255
further notice by publication or otherwise as it shall deem 256

necessary to apprise the public of such valuation. If, within 257
thirty days after such notification, no protest has been filed 258
with the commission, such valuation becomes final. If notice of 259
protest has been filed by any public utility or railroad, the 260
commission shall fix a time for hearing such protest and shall 261
consider at such hearing any matter material thereto presented 262
by such public utility, railroad, or municipal corporation, in 263
support of its protest or by any representative of the public 264
against such protest. If, after the hearing of any protest of 265
any valuation so fixed, the commission is of the opinion that 266
its inventory is incomplete or inaccurate or that its valuation 267
is incorrect, it shall make such changes as are necessary and 268
shall issue an order making such corrected valuations final. A 269
final valuation by the commission and all classifications made 270
for the ascertainment of such valuations shall be public and are 271
prima-facie evidence relative to the value of the property. 272

"Valuation" and "value," as used in this section, may 273
include: 274

(A) With respect to a public utility that is a natural 275
gas, water-works, or sewage disposal system company, projected 276
valuation and value as of the date certain, if applicable 277
because of a future date certain under section 4909.15 of the 278
Revised Code; 279

(B) With respect to an electric light ~~company~~, natural 280
gas, water-works, or sewage disposal system company that chooses 281
to file a forecasted test period under section 4909.18 of the 282
Revised Code, the valuation and value during the forecasted test 283
period. 284

Sec. 4909.15. (A) The public utilities commission, when 285
fixing and determining just and reasonable rates, fares, tolls, 286

rentals, and charges, shall determine: 287

(1) (a) With respect to a public utility ~~that is a natural~~ 288
~~gas, water-works, or sewage disposal system company, or that is~~ 289
an electric light ~~company~~, natural gas, water-works, or sewage 290
disposal system company that chooses not to file a forecasted 291
test period under section 4909.18 of the Revised Code, the 292
valuation as of the date certain of the property of the public 293
utility that is used and useful or, with respect to a natural 294
gas, water-works, or sewage disposal system company that chooses 295
not to file a forecasted test period under section 4909.18 of 296
the Revised Code, is projected to be used and useful as of the 297
date certain, in rendering the public utility service for which 298
rates are to be fixed and determined. 299

(b) With respect to an electric light ~~company~~, natural 300
gas, water-works, or sewage disposal system company that chooses 301
to file a forecasted test period under section 4909.18 of the 302
Revised Code, the valuation of the property of the utility that 303
is projected to be used and useful during the forecasted test 304
period in rendering the public utility service for which rates 305
are to be fixed and determined. 306

(c) The valuation so determined under division (A) (1) of 307
this section for any public utility shall be the total value as 308
set forth in division (B) (8) of section 4909.042 of the Revised 309
Code and division (B) (9) of section 4909.05 of the Revised Code, 310
and a reasonable allowance for materials and supplies and a 311
reasonable allowance for cash working capital as determined by 312
the commission. 313

(2) A fair and reasonable rate of return to the utility on 314
the valuation as determined in division (A) (1) of this section; 315

(3) The dollar annual return to which the utility is 316
entitled by applying the fair and reasonable rate of return as 317
determined under division (A) (2) of this section to the 318
valuation of the utility determined under division (A) (1) of 319
this section; 320

(4) The cost to the utility of rendering the public 321
utility service for the test period used for the determination 322
under division (C) (1) of this section by the utility during the 323
test period. 324

Federal, state, and local taxes imposed on or measured by 325
net income may, in the discretion of the commission, be computed 326
by the normalization method of accounting, provided the utility 327
maintains accounting reserves that reflect differences between 328
taxes actually payable and taxes on a normalized basis, provided 329
that no determination as to the treatment in the rate-making 330
process of such taxes shall be made that will result in loss of 331
any tax depreciation or other tax benefit to which the utility 332
would otherwise be entitled, and further provided that such tax 333
benefit as redounds to the utility as a result of such a 334
computation may not be retained by the company, used to fund any 335
dividend or distribution, or utilized for any purpose other than 336
the defrayal of the operating expenses of the utility and the 337
defrayal of the expenses of the utility in connection with 338
construction work. 339

(B) The commission shall compute the gross annual revenues 340
to which the utility is entitled by adding the dollar amount of 341
return under division (A) (3) of this section to the cost, for 342
the test period used for the determination under division (C) (1) 343
of this section, of rendering the public utility service under 344
division (A) (4) of this section. 345

(C) (1) Except as provided in division (D) of this section, 346
the revenues and expenses of the utility shall be determined 347
during a test period as follows: 348

(a) Electric light-companies-, natural gas, water-works, 349
and sewage disposal companies may propose a forecasted test 350
period. If the company proposes a forecasted test period, the 351
company shall propose annual base rates for three consecutive 352
twelve-month periods in a single forecasted test period 353
application. 354

During the first twelve-month period, the company shall 355
propose a reasonably forecasted rate base using a thirteen-month 356
average, revenues, and expenses for the first twelve months that 357
new base rates will be in effect. 358

During the second twelve-month period, the base rate 359
revenue requirement shall be adjusted for the return of, and 360
return on, incremental rate base additions approved by the 361
commission in the initial application. During the third twelve- 362
month period, the base rate revenue requirement shall be 363
adjusted for the return of and return on incremental rate base 364
additions approved by the commission in the initial application. 365

For each twelve-month period, forecasted plant investment, 366
forecasted revenues, and forecasted expenses versus actual 367
investment, actual revenues, and actual expenses shall be trued 368
up via a cost recovery mechanism approved by the commission. 369

Each true-up process shall include an adjustment to actual 370
for the rate of return that the company is authorized to earn on 371
the actual investments made. The company shall provide the 372
commission with actual financial information during the true-up 373
process to ensure accuracy. As part of the true-up process, the 374

commission shall include only rate base components that have 375
been found by the commission to be used and useful in rendering 376
public utility service. 377

At the end of the last test period, the company shall file 378
for a rate case under section 4909.18 of the Revised Code. 379

(b) All utilities, except for electric light ~~companies,~~ 380
natural gas, water-works, or sewage disposal system companies 381
that choose to file under division (C) (1) (a) of this section, 382
shall propose a test period that is any twelve-month period 383
beginning not more than six months prior to the date the 384
application is filed and ending not more than nine months 385
subsequent to that date. 386

(2) For utilities filing under division (C) (1) (b) of this 387
section, the date certain shall be not later than the date of 388
filing, except that it shall be, for a natural gas, water-works, 389
or sewage disposal system company, not later than the end of the 390
test period. 391

(D) Utilities filing under division (C) (1) (b) of this 392
section may propose adjustments to the revenues and expenses for 393
any changes that are, during the test period or the twelve-month 394
period immediately following the test period, reasonably 395
expected to occur. The utility shall identify and quantify, 396
individually, any proposed adjustments. The commission shall 397
incorporate the proposed adjustments into the determination if 398
the adjustments are just and reasonable. 399

(E) When the commission is of the opinion, after hearing 400
and after making the determinations under divisions (A) and (B) 401
of this section, that any rate, fare, charge, toll, rental, 402
schedule, classification, or service, or any joint rate, fare, 403

charge, toll, rental, schedule, classification, or service 404
rendered, charged, demanded, exacted, or proposed to be 405
rendered, charged, demanded, or exacted, is, or will be, unjust, 406
unreasonable, unjustly discriminatory, unjustly preferential, or 407
in violation of law, that the service is, or will be, 408
inadequate, or that the maximum rates, charges, tolls, or 409
rentals chargeable by any such public utility are insufficient 410
to yield reasonable compensation for the service rendered, and 411
are unjust and unreasonable, the commission shall: 412

(1) With due regard among other things to the value of all 413
property of the public utility as determined under division (A) 414
(1) of this section, excluding from such value the value of any 415
franchise or right to own, operate, or enjoy the same in excess 416
of the amount, exclusive of any tax or annual charge, actually 417
paid to any political subdivision of the state or county, as the 418
consideration for the grant of such franchise or right, and 419
excluding any value added to such property by reason of a 420
monopoly or merger, with due regard in determining the dollar 421
annual return under division (A) (3) of this section to the 422
necessity of making reservation out of the income for surplus, 423
depreciation, and contingencies, and; 424

(2) With due regard to all such other matters as are 425
proper, according to the facts in each case, 426

(a) Including a fair and reasonable rate of return 427
determined by the commission with reference to a cost of debt 428
equal to the actual embedded cost of debt of such public 429
utility, 430

(b) But not including the portion of any periodic rental 431
or use payments representing that cost of property that is 432
included in the valuation report under divisions (B) (4) and (5) 433

of section 4909.042 of the Revised Code and divisions (B)(4) and 434
(5) of section 4909.05 of the Revised Code, fix and determine 435
the just and reasonable rate, fare, charge, toll, rental, or 436
service to be rendered, charged, demanded, exacted, or collected 437
for the performance or rendition of the service that will 438
provide the public utility the allowable gross annual revenues 439
under division (B) of this section, and order such just and 440
reasonable rate, fare, charge, toll, rental, or service to be 441
substituted for the existing one. After such determination and 442
order no change in the rate, fare, toll, charge, rental, 443
schedule, classification, or service shall be made, rendered, 444
charged, demanded, exacted, or changed by such public utility 445
without the order of the commission, and any other rate, fare, 446
toll, charge, rental, classification, or service is prohibited. 447

(F) Upon application of any person or any public utility, 448
and after notice to the parties in interest and opportunity to 449
be heard as provided in Chapters 4901., 4903., 4905., 4907., 450
4909., 4921., and 4923. of the Revised Code for other hearings, 451
has been given, the commission may rescind, alter, or amend an 452
order fixing any rate, fare, toll, charge, rental, 453
classification, or service, or any other order made by the 454
commission. Certified copies of such orders shall be served and 455
take effect as provided for original orders. 456

Sec. 4909.156. In fixing the just, reasonable, and 457
compensatory rates, joint rates, tolls, classifications, 458
charges, or rentals to be observed and charged for service by 459
any public utility, the public utilities commission shall, in 460
action upon an application filed pursuant to section 4909.18 of 461
the Revised Code, require a public utility to file a report 462
showing the proportionate amounts of the valuation of the 463
property of the utility, as determined under section 4909.042 or 464

4909.05 of the Revised Code, and the proportionate amounts of 465
the revenues and expenses of the utility that are proposed to be 466
considered as attributable to the service area involved in the 467
application. 468

"Valuation," as used in this section, may include: 469

(A) With respect to a public utility that is a natural 470
gas, water-works, or sewage disposal system company, projected 471
valuation as of the date certain, if applicable because of a 472
future date certain under section 4909.15 of the Revised Code; 473

(B) With respect to an electric light ~~company~~, natural 474
gas, water-works, or sewage disposal system company that chooses 475
to file a forecasted test period under section 4909.18 of the 476
Revised Code, the valuation and value during the forecasted test 477
period. 478

Sec. 4909.159. An electric light ~~company~~, natural gas, 479
water-works, or sewage disposal system company proposing a 480
forecasted test period under division (C) (1) (a) of section 481
4909.15 of the Revised Code shall provide any financial 482
information required by that section from the company's full 483
books. The public utilities commission shall ensure appropriate 484
protections against the disclosure of the company's trade 485
secrets or proprietary information. 486

Sec. 4909.173. (A) As used in this section and section 487
4909.174 of the Revised Code: 488

(1) "Customer-owned water service line" means the water 489
service line connected to the water-works company's water 490
service line at the curb of a customer's property. 491

(2) "Water-works company" means an entity defined under 492
division (G) of section 4905.03 of the Revised Code that is a 493

public utility under section 4905.02 of the Revised Code.	494
(B) A water-works company may do any of the following:	495
(1) Replace lead customer-owned water service lines	496
concurrently with a scheduled utility main replacement project,	497
an emergency replacement, or company-initiated lead water	498
service line replacement program;	499
(2) Replace lead customer-owned water service lines when	500
mandated or ordered to replace such lines by law or a state or	501
federal regulatory agency;	502
(3) Replace customer-owned water service lines of other	503
composition when mandated or ordered to replace such lines by	504
law or a state or federal regulatory agency.	505
(C) If a water-works company replaces customer-owned water	506
service lines under this section, then the company shall include	507
the cost of the replacement of the water service lines,	508
including the cost of replacement of both company side and	509
customer-owned water service lines and the cost to evaluate	510
customer-owned water service lines of unknown composition, in	511
the valuation report of the property of the company as required	512
under division <u>(B) (9) of section 4909.042 the Revised Code or</u>	513
<u>division (B) (6) of section 4909.05 of the Revised Code,</u>	514
<u>whichever is applicable,</u> for inclusion in a rate case under this	515
chapter.	516
(D) The water service customer who is responsible for the	517
customer-owned water service line that was replaced under this	518
section shall hold legal title to the replaced water service	519
line.	520
Sec. 4909.174. (A) A water-works company shall reimburse a	521
customer who replaces the customer's customer-owned water	522

service line, if both of the following occur: 523

(1) The company confirms that the customer-owned water 524
service line was composed of lead or other composition that was 525
mandated or ordered to be replaced by law or a state or federal 526
regulatory agency; 527

(2) The customer submits the reimbursement request to the 528
company not later than twelve months after the completion of the 529
water line replacement. 530

(B) A water-works company that provides a reimbursement to 531
a customer under this section shall include the reimbursement 532
amount in the valuation report of the property of the company as 533
required under division (B) (9) of section 4909.042 of the 534
Revised Code or (B) (6) of section 4909.05 of the Revised Code, 535
whichever is applicable, for inclusion in a rate case under this 536
chapter. 537

Sec. 4909.18. Any public utility desiring to establish any 538
rate, joint rate, toll, classification, charge, or rental, or to 539
modify, amend, change, increase, or reduce any existing rate, 540
joint rate, toll, classification, charge, or rental, or any 541
regulation or practice affecting the same, shall file a written 542
application with the public utilities commission. Except for 543
actions under section 4909.16 of the Revised Code, no public 544
utility may issue the notice of intent to file an application 545
pursuant to division (B) of section 4909.43 of the Revised Code 546
to increase any existing rate, joint rate, toll, classification, 547
charge, or rental, until a final order under this section has 548
been issued by the commission on any pending prior application 549
to increase the same rate, joint rate, toll, classification, 550
charge, or rental or until two hundred seventy-five days after 551
filing such application, whichever is sooner. Such application 552

shall be verified by the president or a vice-president and the 553
secretary or treasurer of the applicant. Such application shall 554
contain a schedule of the existing rate, joint rate, toll, 555
classification, charge, or rental, or regulation or practice 556
affecting the same, a schedule of the modification amendment, 557
change, increase, or reduction sought to be established, and a 558
statement of the facts and grounds upon which such application 559
is based. If such application proposes a new service or the use 560
of new equipment, or proposes the establishment or amendment of 561
a regulation, the application shall fully describe the new 562
service or equipment, or the regulation proposed to be 563
established or amended, and shall explain how the proposed 564
service or equipment differs from services or equipment 565
presently offered or in use, or how the regulation proposed to 566
be established or amended differs from regulations presently in 567
effect. The application shall provide such additional 568
information as the commission may require in its discretion. If 569
the commission determines that such application is not for an 570
increase in any rate, joint rate, toll, classification, charge, 571
or rental, the commission may permit the filing of the schedule 572
proposed in the application and fix the time when such schedule 573
shall take effect. If it appears to the commission that the 574
proposals in the application may be unjust or unreasonable, the 575
commission shall set the matter for hearing and shall give 576
notice of such hearing by sending written notice of the date set 577
for the hearing to the public utility and publishing notice of 578
the hearing one time in a newspaper of general circulation in 579
each county in the service area affected by the application. At 580
such hearing, the burden of proof to show that the proposals in 581
the application are just and reasonable shall be upon the public 582
utility. After such hearing, the commission shall, where 583
practicable, issue an appropriate order within six months from 584

the date the application was filed. 585

If the commission determines that said application is for 586
an increase in any rate, joint rate, toll, classification, 587
charge, or rental there shall also, unless otherwise ordered by 588
the commission, be filed with the application in duplicate the 589
following exhibits: 590

(A) A report of its property used and useful, or, with 591
respect to a natural gas, water-works, or sewage disposal system 592
company that chooses not to file a forecasted test period under 593
division (C) (1) (a) of section 4909.15 of the Revised Code, 594
projected to be used and useful, as of the date certain, or 595
during the forecasted test period, if the application is filed 596
under division (C) (1) (a) of section 4909.15 of the Revised Code, 597
in rendering the service referred to in such application, as 598
provided in sections 4909.042 and 4909.05 of the Revised Code; 599

(B) A complete operating statement of its last fiscal 600
year, showing in detail all its receipts, revenues, and incomes 601
from all sources, all of its operating costs and other 602
expenditures, and any analysis such public utility deems 603
applicable to the matter referred to in said application; 604

(C) A statement of the income and expense anticipated 605
under the application filed; 606

(D) A statement of financial condition summarizing assets, 607
liabilities, and net worth; 608

(E) Such other information as the commission may require 609
in its discretion. 610

Sec. 4909.421. (A) If the proceeding on an application 611
filed with the public utilities commission under section 4909.18 612
of the Revised Code by an electric light ~~company~~, natural gas, 613

water-works, or sewage disposal system company requesting an 614
increase on any rate, rate mechanism, joint rate, toll, 615
classification, charge, or rental or requesting a change in a 616
regulation or practice affecting the same has not been concluded 617
and an opinion and order entered pursuant to section 4909.19 of 618
the Revised Code at the expiration of two hundred seventy-five 619
days from the date of the filing of the application, the company 620
may request a temporary increase, and any party to the 621
proceeding may request a temporary decrease, which shall go into 622
effect and remain in effect until modified in accordance with 623
the commission's order based upon the merits of the application. 624

(B) Not later than three hundred sixty days from the date 625
of filing the application as established by section 4909.193 of 626
the Revised Code, the commission shall issue an order to 627
approve, deny, or modify an application filed under section 628
4909.18 of the Revised Code. If the commission does not issue an 629
order within three hundred sixty days after the date of filing 630
of the application, the application shall be deemed approved by 631
operation of law. A temporary increase or decrease under this 632
section shall not exceed the midpoint of the rates recommended 633
in the staff report filed pursuant to section 4909.19 of the 634
Revised Code and shall be subject to reconciliation and refund. 635

(C) Nothing in this section shall be construed to mitigate 636
any duty of the commission to issue a final order under section 637
4909.19 of the Revised Code. 638

Sec. 4929.052. (A) As used in sections 4929.052 to 639
4929.057 of the Revised Code, "large load customer" means a 640
customer that a natural gas company projected or anticipated to 641
consume, or actually consumed, in a prior, current, or future 642
twelve-month period, more than one million two hundred thousand 643

Mcf of natural gas. 644

(B) A natural gas company that has applied for, or was 645
already approved for, an infrastructure development rider 646
pursuant to section 4929.161 of the Revised Code may file an 647
application to the public utilities commission for an 648
alternative rate plan to serve large load customers. 649

(C) An alternative rate plan established under division 650
(B) of this section must support commercial agreements entered 651
into between the natural gas company and a large load customer. 652

Sec. 4929.053. (A) An alternative rate plan proposed by a 653
natural gas company pursuant to section 4929.052 of the Revised 654
Code shall be approved by the public utilities commission if the 655
natural gas company meets its burden of proof in a proceeding 656
before the commission that the alternative rate plan does all of 657
the following to protect existing customers: 658

(1) Protects the company's customers that are not served 659
under the alternative rate plan pursuant to section 4929.052 of 660
the Revised Code from paying direct or indirect costs, including 661
any stranded costs, associated with the large load customer's 662
share of infrastructure investments made under any commercial 663
agreements entered into under that plan; 664

(2) Provides any commercial agreement entered into under 665
the plan, once the large load customer begins natural gas 666
service and monthly payments to the natural gas company, shall 667
require a monthly cost credit, to compensate other customers for 668
the cost of the large load customer's use of the natural gas 669
company's system and infrastructure, to the annual 670
infrastructure development rider rate charged by the natural gas 671
company pursuant to section 4929.162 of the Revised Code, which 672

will be the cost of the large load customer's use of the natural gas company system and infrastructure; 673
674

(3) Supports economic development in the state by serving the large load customer, which is proven by a letter of support by an economic development entity, as defined in division (C) (4) of section 4929.163 of the Revised Code. 675
676
677
678

(B) The monthly cost credit described in division (A) (2) of this section shall be determined pursuant to a separate infrastructure development rider regulatory liability proceeding in which the natural gas company shall propose the credit amount based on cost allocation principles. 679
680
681
682
683

Sec. 4929.054. Any payment received from a large load customer pursuant to a commercial agreement under an alternative rate plan filed and approved under sections 4929.052 and 4929.053 of the Revised Code shall not be considered revenue in any proceeding held pursuant to Chapter 4909. of the Revised Code. 684
685
686
687
688
689

Sec. 4929.055. An alternative rate plan application filed and approved pursuant to sections 4929.052 and 4929.053 of the Revised Code shall not be considered an application for an increase in rates. 690
691
692
693

Sec. 4929.056. (A) A natural gas company shall file a commercial agreement with a large load customer entered into pursuant to a proposed or approved alternative rate plan under sections 4929.052 and 4929.053 of the Revised Code with the public utilities commission. 694
695
696
697
698

(B) A commercial agreement described in division (A) of this section shall be deemed automatically approved unless the commission determines within ninety days from the date of the 699
700
701

filing that the commercial agreement is inconsistent with the 702
requirements of this section or sections 4929.052 and 4929.053 703
of the Revised Code. 704

(C) A natural gas company may propose that the commercial 705
agreement include any negotiated terms that differ from the 706
rates or terms of service approved in the company's most recent 707
rate case proceeding under section 4909.18 of the Revised Code. 708

Sec. 4929.057. If the public utilities commission does not 709
issue an order within ninety days from the date a natural gas 710
company files an alternative rate plan application pursuant to 711
sections 4929.052 and 4929.053 of the Revised Code, the 712
company's proposed alternative rate plan shall be deemed 713
approved by operation of law. 714

Section 2. That existing sections 4909.042, 4909.05, 715
4909.06, 4909.07, 4909.08, 4909.15, 4909.156, 4909.159, 716
4909.173, 4909.174, 4909.18, and 4909.421 of the Revised Code 717
are hereby repealed. 718