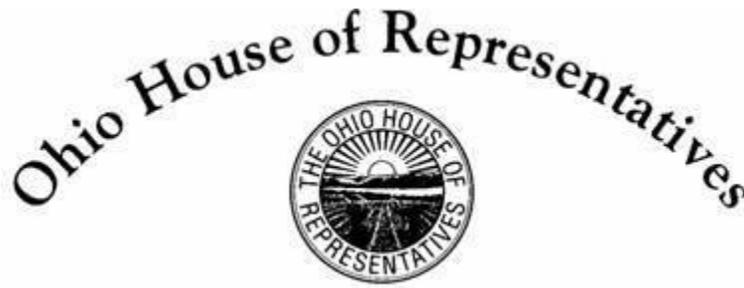


93rd House District

Vinton County
Jackson County
Gallia County
Lawrence County



Committees

Energy and Natural Resources
Chairman
Finance Committee
Finance Subcommittee on
Transportation
Insurance Committee
Public Utilities

Columbus Office

Vern Riffe Center

Jason Stephens
State Representative

Chairman Wiggam, Ranking member Kelly and members of the House State and Local Government Committee, thank you for allowing us the opportunity to provide sponsor testimony for House Bill 87.

House Bill 87 establishes an exemption for utility supply contracts entered into under a joint purchasing program. Currently, county utility supply contracts are limited to 10 years. This legislation would exempt contracts from the 10 year limit. Additionally, this limitation does not apply to the state municipalities and townships; it only applies to counties. These agreements would allow counties to lock in a portion of their energy loads for county facilities and aggregation programs. These agreements will hopefully serve as a long-term hedge against rising energy prices and will produce savings for counties and their aggregation customers.

The 10-year limitation in current statute prohibits counties from signing longer term contracts which prevents counties from achieving more competitive pricing. Current statute would require a contract to be split into 10 year renewable increments, which increases risk to the energy developer and thus leads to a less competitive price for counties. This exemption would provide counties the flexibility they need to achieve the most favorable energy price.

Thank you for allowing us the opportunity to testify today, we are happy to answer any questions you may have.