



## Office of the Ohio Consumers' Counsel

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### **Before The Ohio House of Representatives**

#### **Public Utilities Committee**

#### **Testimony on House Bill 226 (Regarding replacement of lead water lines)**

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Ohio Consumers' Counsel**

**On Behalf of the Office of the Ohio Consumers' Counsel**

**January 24, 2024**

Hello Chair Stein, Vice-Chair Blasdel, Ranking Member Weinstein, and Committee members. I hope you and your colleagues are well. Thank you for this opportunity to testify as a proponent of House Bill 226. I am testifying on behalf of the Office of the Ohio Consumers' Counsel, for Ohio residential utility consumers.

Every Ohio residential utility consumer should have access to safe drinking water at affordable rates. They deserve it. House Bill 226 will help achieve this objective.

This legislation, as currently drafted, would allow certain water utilities to incur the cost of replacing individual utility consumers' lead water lines and collect these costs from all consumers through a rate case process. This legislation will speed up the removal of the lead water lines, reducing and mitigating the many significant health hazards to consumers associated with lead exposure.

As discussed by Vice-Chair Blasdel and Representative Jarrells, this legislation is narrowly focused. The legislation defines limited, specific costs that are eligible for collection from consumers, helping to keep utility water services affordable for Ohioans.

An important safeguard in the legislation is the exclusive use of a rate case proceeding (as opposed to single issue riders) to collect costs from consumers associated with lead water line replacement. Specifically, in a water-works rate case, the property of the water utility, such as a new water line, must be used and useful or projected to be used and useful in rendering service to consumers as of date certain. (Section 4909.15(A)(1)). And any sum of money or property a water utility receives or is projected to receive as of date certain, such as grants or tax breaks, defrays the ultimate charges to consumers. (Section 4909.05(C)(7) and (8)). Use of a date certain to value property and requiring offsets in calculating utility rates affords protection to consumers which is not found in other alternative ratemaking, such as single-issue riders. We thank the bill sponsors for recognizing the need to use Ohio's standard

ratemaking process to collect the replacement costs of lead water lines that serve utility consumers.

The Office of the Ohio Consumers' Counsel supports this legislative effort to provide safe drinking water for the citizens of Ohio. This legislation is a key step in solving the safety concerns with lead water lines and in helping to keep utility water services affordable to consumers in Ohio.

Thank you for drafting and introducing this important legislation.