



**Before the Senate Energy and Public Utilities Committee
Proponent Testimony – House Bill 201**

Chairman Reineke, Vice Chairman McColley, Ranking Member Smith and members of the Senate Energy and Public Utilities Committee, my name is Cinthia Reed and I am President of the Ohio Gas Company. The Ohio Gas Company serves approximately 50,000 customers in forty communities in Northwest Ohio and operate in Defiance, Fulton, Henry, Lucas, Paulding and Williams counties.

Ohio Gas Company has utilized the IDR since 2020 and it has allowed us to spend \$1.4 million to run several miles of 8” pipe between Holiday City and Pioneer Industrial Park. Although it’s been a slow process, a company named AquaBounty has purchased land and started construction on a new facility that will create around 100 new jobs and generate significant tax revenue for the state and local community.

Our next large economic development opportunity will require a 4 mile, 12” pipeline near the city of Bryan. This project will supply gas to the Industrial Park north of town. Today, we estimate the cost at approximately \$4.5M. We are preparing to do this job, and if a customer selects this site to build, we will need to expedite the construction. Paying for this up front comes with overhead costs that we will struggle to recover but the IDR language being discussed today will help greatly with this important project.

The proposed changes to the IDR are crucial for small companies. We are a smaller distribution company with only 50,000 customers so ability to collect for large economic development projects takes much longer than for larger companies. We carry overhead longer because collecting the rider takes longer. Additionally, we have limited capital dollars to allocate to these projects. All of our communities are trying to attract new business, create jobs, generate taxes, and grow.

Additionally, the return on equity portion and deferral of costs is a big help. Because of our small customer base, large projects may need to be collected for more than one year and the return will ensure that we don’t lose money while helping communities create jobs. We also support increasing the \$1.50 cap at some point to help with these issues.

In summary, all of the changes proposed in this bill will help Ohio Gas Company support economic growth for our customers and communities in northwest Ohio. We also believe other smaller companies will be able to better utilize the IDR process to support local economic growth when the need arises.

Thank you for your time and the opportunity to testify in support of HB 201. I am happy to answer questions during the panel discussion.