

Testimony of the Ohio Gas Association
H.B. 201 (Hillyer)
Jimmy Stewart, President
Senate Energy and Public Utilities Committee
December 12, 2023

Chairman Reineke, Vice-Chair McColley, Ranking Member Smith and members of the Senate Energy and Public Utilities Committee, my name is Jimmy Stewart and I am President of the Ohio Gas Association (OGA). Thank you for the opportunity to testify today in support of HB201 (Hillyer) which would prohibit sale restrictions on motor vehicles based on power source; and specifically, to urge the committee to amend H.B. 201 to include needed changes to the existing Infrastructure Development Rider (IDR) statute.

The Ohio Gas Association is a natural gas trade organization which represents more than 30 local distribution companies and cooperatives as well as many other affiliated members and the vast majority of all intra and inter-state gas transmission companies in Ohio. Collectively, OGA members serve more than 3.6 million Ohio customers and maintain and manage over 50,000 miles of distribution and transmission pipeline throughout the state.

Under current statute (4929.161 – 4929.166), natural gas distribution companies are able to charge up to \$1.50 per customer per month under a PUCO approved Infrastructure Development Rider (IDR) for purposes of supporting economic development. While this is a useful tool, it is incomplete. Making changes to the existing law would provide greater opportunities for Ohio to be more competitive in attracting businesses to the state.

Specifically, the OGA urges the following adjustments to the IDR:

- Permit the use of the IDR to recover the costs of constructing infrastructure to economic development sites that are supported by the Ohio Department of Development, JobsOhio or one of their regional partners;
- Allow for recovery of the natural gas company's infrastructure development costs, including the capital investment, a return on that investment, cost of debt and the costs required for transmission supply interconnections (the rate of return and cost of debt having been determined in the utility's most recent base rate case.)
- Allow the PUCO to approve deferrals of project costs. This will allow the utility to maximize its economic development contribution while managing the cost exposure to customers.

The OGA also supports maintaining key aspects of the current IDR statute, including the current maximum customer charge of \$1.50 per month as well as the requirement for the PUCO to approve any IDR application.

The current IDR statute is backward looking and did not contemplate the high costs of "mega-projects", like Intel, or the accelerated pace at which Ohio would be considered by economic development site selectors. Further, the suggested changes would not only allow the large gas companies to maximize their

economic development contribution to the state but also allow the IDR to be of greater benefit to the customers and communities served by smaller gas distribution companies.

Thank you for the opportunity to submit this testimony on behalf of the Ohio Gas Association. If included in H.B. 201 and implemented, these changes will provide forward-looking economic development tools that will promote business growth and expansion across the state of Ohio.

The OGA urges your inclusion of the outlined changes to the IDR and passage of H.B. 201.

Respectfully,

A handwritten signature in blue ink that reads "Jimmy Stewart". The signature is written in a cursive style with a large, prominent "J" and "S".

Jimmy Stewart
President
Ohio Gas Association