



Chair Holmes, Vice Chair Klopfenstein, Ranking Member Glassburn, and Members of the House Energy Committee, thank you for the opportunity to speak in support of House Bill 142.

My name is Cinthia Reed and I'm here on behalf of Ohio Gas Company, a small local natural gas distribution company (LDC) that has proudly served northwest Ohio for over 100 years. As the fifth largest LDC in the state, we provide safe, reliable, and affordable natural gas to more than 51,000 customers across 40 communities. Our focus is on serving rural and often underserved communities and fostering economic development in these areas.

As a small natural gas utility, we're proud to serve our communities—but the regulatory process we operate under hasn't kept up with the realities we face. HB 142 brings updates that would allow companies like ours to better plan, invest, and serve customers without unnecessary delays or uncertainty.

First, the bill allows for forward-looking test years, which means rates can be based on what's coming—not just what happened over the past 12 months. That's important because it ensures our rates reflect today's costs, not outdated numbers. It also gives us the ability to plan and recover critical capital investments for up to 24 months in advance, like replacing aging infrastructure or expanding service. And for smaller companies like ours, it could reduce how often we need to file rate cases, which are costly, time-consuming, and ultimately paid for by customers. As a smaller LDC, these costs are spread across a smaller customer base, which can be even more impactful to our customer base than it would be for larger LDCs in Ohio.

Second, HB 142 puts a clear 365-day deadline on PUCO decisions. Certainty around timing of rate case processing provides important stability for financial planning and cash flow, especially for an LDC the size of Ohio Gas Company. Knowing we'll have a final order within a year gives us stability and helps us manage risk.

Finally, the bill provides a reasonable way to recover costs when we're hit with regulatory mandates. If we're required to spend \$4 million or more—essentially our entire capital budget—on a federal or state rule, we need a clear way to timely recover those investments to stay financially stable. This bill helps ensure that small utilities aren't left behind when rules change – particularly rules that require mandated compliance, and sometimes within specific, non-negotiable timeframes.

At its core, HB 142 makes the regulatory process more predictable, fair, and workable, especially for small utilities like ours. HB 142 will help us serve our customers better, manage risk more effectively, invest with confidence and ensure policy works for natural gas customers across the state.

I respectfully urge your support and would be happy to answer any questions. Thank you.

Sincerely,

Cinthia Reed

A handwritten signature in blue ink that reads "C Reed". The signature is written in a cursive, flowing style.

President, Ohio Gas Company