



**Before the House Energy Committee
House Bill 467
Representatives Tristan Rader and Lauren McNally
October 22, 2025**

Chairman Holmes, Vice Chair Mathews, and members of the House Energy Committee, thank you for the opportunity to offer sponsor testimony on House Bill 467, which seeks to prohibit public utilities from recovering political expenditure costs from their customers.

Ohioans pay their utility bills to keep the lights on, not to fund corporate lobbying, trade associations, or political campaigns. Ohio law currently does not contain an explicit, blanket ban on recovering political or lobbying expenditure through rates. PUCO can disallow such costs in a rate case, but enforcement is case-by-case, not systemic.

That means:

- Trade association dues (often including lobbying components) can be baked into rates.
- “Education” or “branding” campaigns can be recovered as customer communications, even if they push policy positions.
- Lobbying staff costs can be blended into overhead allocations.
- There’s no specific statutory reporting requirement for utilities to itemize and disclose political expenditures.

These costs are largely invisible to the public and can be recovered from ratepayers unless specifically challenged. This results in Ohio ratepayers unknowingly subsidizing political activity by monopoly utilities they can’t choose or leave. HB 467 closes that loophole.

The bill creates a clear statutory firewall:

- Political and lobbying expenses must be paid with shareholder funds, not ratepayer dollars via rates, riders, fees, tolls, rentals, or other charges.
 - At the bottom of my testimony, you will find Attachment #1 which helps illustrate how funds can be used and what is prohibited.
- Any prohibited charge is refunded to customers with interest and utilities will be fined 20x the amount improperly charged.
- Penalties are directed into a fund that helps Ohioans pay overdue bills through PIPP.
- Utilities must file annual, itemized reports of all political expenditures. PUCO must post the reports publicly online and submit a compiled report to the General Assembly each February.

Utilities will still be able to:

- Maintain PACs and corporate government-affairs budgets.
- Hire lobbyists or participate in trade associations.
- Engage in policy campaigns and political activity.

In Q2 2025, American Electric Power (AEP) posted approximately \$1.2 billion in profits, up from about \$340 million the same period the previous year. When utilities are making record-breaking profits, it's clear they can fund their political and lobbying activities themselves. There is no justification for passing these costs on to customers

HB 467 protects free speech and corporate advocacy rights. It simply draws a bright line between shareholder funds and ratepayer dollars. This ensures transparency, accountability, and fairness, keeping politics off Ohioans' utility bills.

I respectfully ask for your support on this important measure, and I'm proud to partner with Rep. McNally in bringing House Bill 467 forward. I look forward to answering any questions you may have.

Attachment #1

Activity	Ratepayer Funds	Shareholder Funds	Disclosure Required	Refund & 20× Penalty
Campaign contributions, ballot measures	✗ No	✓ Yes	✓ Yes	✓ Yes
Lobbying (in-house or contract)	✗ No	✓ Yes	✓ Yes	✓ Yes
Trade-association dues (EEI, chambers, industry groups)	✗ No	✓ Yes	✓ Yes	✓ Yes
Public-opinion / reputation campaigns	✗ No	✓ Yes	✓ Yes	✓ Yes
Policy-related “charitable” activity	✗ No	✓ Yes	✓ Yes	✓ Yes
Operational utility services (grid, customer service, etc.)	✓ Yes	✓ Yes	✗ No	N/A