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**Before
The Ohio House Energy Committee
Testimony on Senate Bill 103**

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Interested Party Testimony on Behalf of the Ohio Energy Leadership Council

November 5, 2025

Chair Holmes, Vice-Chair Matthews, Ranking Member Rader, and Committee members. My name is David Proaño, and I am a partner representing clients on energy and utility matters at the law firm of Baker & Hostetler, where I have practiced law for over 21 years.

My testimony today is on behalf of Ohio Energy Leadership Council, as an interested party on Senate Bill 103. I serve as regulatory counsel to Ohio Energy Leadership Council, known as OELC, which is the premier trade association in Ohio that represents the interests of large commercial and industrial customers in energy, utility and rate matters. OELC is very active in the natural gas rate cases at the PUCO, including the recently decided Enbridge Gas Ohio rate case.

For more than three decades, OELC has represented energy-intensive manufacturing, industrial, institutional, education, and retail businesses on utility matters in Ohio. Our members include steel companies, chemical processing companies, materials and equipment manufacturers, educational institutions, retail business establishments, petroleum refiners, recycling and scrap steel companies, and many other businesses across the State of Ohio. Our members collectively spend billions of dollars annually on energy expenditures, and our members are served by the major natural gas utilities in this state, including Columbia Gas of Ohio and Enbridge Gas Ohio. As major contributors to Ohio's economy, our members utilize their energy expertise to advocate for fair and transparent energy rates and promote reliable and reasonable utility service.



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Our mission, quite simply, is to keep Ohio's energy and utility costs competitive for existing and new businesses that fuel Ohio's economy and jobs.

For that reason, OELC appreciates the improvements made to the streamlined version of Senate Bill 103, including the removal of many of the more challenging provisions in the original version of the bill introduced last winter. Senate Bill 103, in its current form, aligns more closely with House Bill 15 by extending to natural gas and other utilities the ability to file three-year forecasted rate cases at the PUCO, without the extraneous provisions originally in Senate Bill 103 that would have heavily disfavored commercial and industrial customers in Ohio in the ratemaking process.

When I testified for OELC on this bill before the Senate Public Utilities Committee on October 1, 2025, Senate Bill 103 deviated from House Bill 15 in one significant respect, in that it still permitted natural gas utilities to continue to charge customers costly riders even while extending to those gas utilities the option of filing three-year forecasted rate cases. When House Bill 15 gave electric utilities three-year forecasted rate cases, that bill came with a very important trade-off that was instrumental in ensuring some measure of protection to consumers, and that was the elimination of the Electric Security Plans with their costly riders.

We were grateful to see that the Senate committee responded to our concerns on the use by natural gas utilities of riders while pursuing forecasted rate cases, through an amendment adopted by the Senate committee on October 8, 2025, one week after my testimony for OELC before that committee. That amendment, now part of the bill before this committee, prohibits the use of riders to recover capital expense if a natural gas utility seeks the approval of rates using the three-year forecasted rate case process. That amendment provided much needed protection to consumers that could have faced both continual rate increases under three-year forecasted rate cases, and escalating rider costs under capital expense riders such as the Capital Expenditure Program and Pipeline Infrastructure Replacement riders.

At the same time, as many of those on the committee know from our discussions with you, concerning gaps and issues remain in this bill. First, OELC would prefer to see *all* riders banned for natural gas utilities seeking to raise rates through the



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forecasted rate case process, unless such riders are specifically exempted. This would avoid ambiguity down the road, ensure consumers are better protected, and produce a more balanced bill. That would be a straightforward change as well, because the current draft of the bill already exempts a specific rider, the Infrastructure Development Rider. Pure pass-through riders could also be specifically exempted from that rider prohibition. But the committee should not leave the door open for additional riders to start being tacked on to the forecasted rate cases, because those rate cases will invariably lead to higher customer rates in and of themselves.

We are already seeing that outcome in the first forecasted rate case to be filed by a utility under House Bill 15's new forecasted rate case procedures in AES Ohio's newly filed rate case.

The bill should be amended with two more changes, these related to the new "alternative rate plan to serve large load customers." OELC's members are all for economic development in Ohio and are significant contributors to our state's jobs and economic health. But it is not clear why an alternative rate plan to serve large load customers is required, especially if three-year forecasted rate cases can be used to forecast the capital requirements needed to serve new large load customers, and because the PUCO already has a reasonable arrangement process to deviate from tariffed rates. In particular, the following provision of the bill's language is concerning, as it would permit the utility to cordon off revenues from these large load customers for themselves without any ratemaking scrutiny:

Sec. 4929.054. Any payment received from a large load customer pursuant to a commercial agreement under an alternative rate plan filed and approved under sections 4929.052 and 4929.053 of the Revised Code shall not be considered revenue in any proceeding held pursuant to Chapter 4909. of the Revised Code.



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This provision would allow the utilities to make significant revenues in addition to any approved by the PUCO as part of ratemaking process, but not have the revenue count when determining appropriate rates for Ohio customers. OELC is concerned about the impacts of that outcome for other customers on the system, as it could lead to higher rates and un-accounted for revenue for the gas utilities.

For these reasons, the Ohio Energy Leadership Council respectfully urges that this committee amend Senate Bill 103 by limiting such new plans, which operate outside of traditional ratemaking, to only new or prospective large load customers. That would fulfill what we believe is the intent of that new mechanism, to permit Ohio's gas utilities to compete for and help foster the development of pipelines to support new large load customers, such as data centers with co-located behind-the-meter generation or House Bill 15's new mercantile customer self-power systems.

Also, to ensure the gas utilities' other customers are fully protected, we would seek an amendment to Senate Bill 103 that would expand on the requirement that the gas utility certify that "[t]here shall be no increase in the company's base rates as a direct or indirect result of any provision of an approved commercial agreement or the alternative rate plan," as currently stated on lines 1255-1257 of the bill. That requirement should be more than just a certification by the utility, but an actual condition that the PUCO must determine affirmatively before approving these new alternative rate plans, in addition to those conditions listed in Section 4929.053 of the bill.

These amendments are common sense and important to ensuring a balanced bill, and we look forward to working with this committee on these improvements to Senate Bill 103.

Thank you for your consideration. I welcome any questions from the committee.

D.F.P.