



OHIO CHAMBER OF COMMERCE

March 19, 2025

Before the Ohio Senate Public Utilities Committee
Proponent Testimony Senate Bill 103

Chair Wilkin, Vice-Chair Reineke, Ranking Member DeMora, and distinguished members of the Senate Public Utilities Committee, thank you for the opportunity to provide proponent testimony for Senate Bill 103 on behalf of the Ohio Chamber of Commerce. My name is Tony Long, General Counsel and Director of Energy & Energy Policy for the Ohio Chamber of Commerce.

Ohio is blessed with an abundance of natural gas, but the struggle is how to move it from the wellhead to the ultimate customer. In addition to this issue of constraint, we also have a regulatory lag issue that detracts capital being deployed in Ohio causing a competitive disadvantage compared to other peer jurisdictions.

Senate Bill 103 continues the work of the last General Assembly when Infrastructure Development Riders (IDR) were modified to allow capital expenditures for certain economic development activity. SB 103 allows a natural gas company (NGC) two modern tools to address both the regulatory lag and the need to be flexible and ready to deliver gas to identified economic development sites or to large load customers under contract with a NGC. Specifically, SB 103 allows the use of forward test-periods to better capture planned projects and to tie revenue closer to the capital outlay. Any riders issued during the duration of a forward-looking period (24-month max) allow rate adjustment to true up cost and rates. This new alternative plan also requires the PUCO to issue an order in 365 days or the application becomes operational. Ideally, this 365-day period could be moved closer to nine months, but this new date certain is a large improvement to the nearly 18-month period typically found in Ohio rate decisions.

The large load users (LLC) arrangement allows a faster shot-clock while also providing protections for non-LLCs. These protections include no financial risk to ratepayers not benefitting from the capital outlay to an LLC. It includes an adjustment to the current IDR to reflect the commercial arrangement between the NGC and the LLC. And these outlays will not be bridges to nowhere, the arrangement require a letter of support from the appropriate economic development authority.

SB 103 is a sensible step in moving gas from the wellhead to areas of the state experiencing economic growth. It also allows the NGC to better compete for capital dollars for replacement, repair or improvement projects in the NGC territory. The reduction in regulatory lag is important as the state faces both a need for process gas and gas as a fuel for the electricity needs of Ohioans.

Thank you for the opportunity to testify in support of SB 103. I will endeavor to answer any questions you have for me.