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Before
The Ohio Senate
Public Utilities Committee

Testimony on Sub. Senate Bill 103
(Allow Alternative Rate Plans for Certain Natural Gas Companies)

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Chair Wilkin, Vice-Chair Reineke, Ranking Member DeMora, and Committee Members.

Thank you for the opportunity to testify today on Substitute Senate Bill 103. My name is Maureen Willis, Director of the Ohio Consumers' Counsel. OCC represents Ohio's 4.5 million residential utility consumers.

While I appreciate the improvements made to Sub. S.B. 103, I cannot support the bill in its present form. The legislation, as drafted, still tilts too heavily in favor of utilities without providing corresponding protections for consumers.

That said I appear today as an interested party. My testimony offers constructive suggestions to bring balance to the bill. With the changes I recommend, the bill could provide the certainty sought by the utilities while also protecting the affordability and fairness that Ohio's families deserve.

First, I want to recognize and thank the sponsor and the Committee for the improvements made in the current draft of S.B. 103 (S.B. 103, Dash 6). Those changes have addressed many of the concerns we raised earlier, and we appreciate the progress. The bill is in a better place than when it started.[1]

Even so, more work is needed to balance the legislation between utilities and consumers. Gas and water utilities already enjoy favorable regulatory treatment. They can stack multiple riders on consumer bills -- PIR, CEP, IDR, IRP, and others – allowing recovery of hundreds of millions of

[1] *See* OCC opponent testimony on H.B 142, the companion legislation, without the improvements to the bill as proposed in the dash 6 version of S.B. 103: https://www.occ.ohio.gov/testimony/hb-142/2025-05-21.

dollars from consumers outside of full rate cases.[2] Both Columbia and Enbridge have taken full advantage of this "alternative regulation" scheme. Enbridge stayed out seventeen years after filing its 2007 rate case; Columbia went thirteen years before filing its 2021 rate case. Not possible without the multiple riders being charged to consumers under Ohio's current alternative regulation scheme for gas and water utilities.

By contrast, S.B. 103 would grant gas and water utilities yet another significant benefit: multi-year rate plans with forecasted test periods. These plans reduce oversight and give utilities long-term revenue certainty. If gas and water utilities are to receive this new privilege, consumers must receive protections in return.

Needed Consumer Protections

1. **End riders if multi-year plans are adopted**. In House Bill 15, electric utilities got multi-year plans only after giving up their costly riders and security plans. Gas and water utilities should face the same trade-off: either multi-year plans or continued rider recovery—not both.

   With a multi-year rate plan, there is no so-called "regulatory lag," and the gas and water utilities can use projected test periods to include future capital investments (assuming they are used and useful and prudently made). The additional accelerated cost collection from alternative regulation riders is not warranted. Allowing these multi-year rate plans on top of infrastructure or other capital spending riders would give gas and water utilities a double advantage — consumers would be paying both ongoing project surcharges and guaranteed revenues simultaneously.

2. **Large load arrangements must be transparent**. The bill's new large load customer rider is difficult to police and risks shifting costs onto households. A better approach is to include both the costs and revenues of these arrangements in standard rate cases, not carve-outs with automatic approval. (Lines 684-689 and 699-714).

   We are also concerned about the inability to challenge large load agreements (Lines 690-693), the lack of a meaningful standard for approving large load customer arrangements (Lines 699-708), and the ability of the gas utilities to negotiate terms that differ from the rates or terms approved in the most recent rate case proceeding (Lines 705-708). The potential for cost shifting to other customers is real and substantial under these provisions.

3. **Reform the Infrastructure Development Rider.** Charging households the same $1.50 per month as large industrials, (R.C. 4929.162(A)), is plainly unfair. It is a regressive tax and should be corrected as part of this bill.

[2] For instance, in 2024, Columbia collected $207 million from its consumers under two of its riders—Rider CEP and IRP. During 2025, Enbridge collected almost $540 million from its consumers through two of its riders --CEP and PIR.

4. **Require full, public reporting of infrastructure charges.** Neither regulators nor consumers have a clear picture of how much Ohioans already pay in infrastructure surcharges. Transparency and fairness is essential before authorizing utilities to collect more from consumers. Heavily burdening Ohioans with unaffordable gas and water bills is not good for economic development and job creation in Ohio.

S.B. 103 is an improvement over earlier drafts. But it still leans heavily toward utility interests at the expense of Ohio families. With the adjustments I've outlined- ending duplicative riders, reforming unfair surcharges, requiring transparency and ensuring large customer deals don't shift costs- the bill can be made more balanced.

OCC stands ready to work with you to achieve that balance. Thank you for your time and your commitment to protecting Ohio consumers.