

As Introduced

**136th General Assembly
Regular Session
2025-2026**

S. B. No. 103

Senator Wilkin

A BILL

To amend sections 4909.05, 4909.06, 4909.07,
4909.08, 4909.15, 4909.155, 4909.156, 4909.18,
4909.191, 4909.42, 4928.18, and 4929.041 and to
enact sections 4903.30, 4929.052, 4929.053,
4929.054, 4929.055, 4929.056, 4929.057,
4929.058, 4929.059, and 4929.0510 of the Revised
Code to allow for alternative rate plans for
natural gas companies to serve large load
customers and to make changes to the process of
valuating natural gas company property.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4909.05, 4909.06, 4909.07,
4909.08, 4909.15, 4909.155, 4909.156, 4909.18, 4909.191,
4909.42, 4928.18, and 4929.041 be amended and sections 4903.30,
4929.052, 4929.053, 4929.054, 4929.055, 4929.056, 4929.057,
4929.058, 4929.059, and 4929.0510 of the Revised Code be enacted
to read as follows:

Sec. 4903.30. In any proceeding before the public
utilities commission for which the public utility is the
applicant or the subject of the proceeding, the commission shall

consider a settlement to resolve some or all issues in the 20
proceeding only if the public utility is a signatory party to, 21
or has filed a notice that it does not oppose, the settlement. 22
The commission shall determine a settlement is reasonable and 23
lawful only if the following criteria are met: 24

(A) The settlement was a product of serious bargaining 25
among capable, knowledgeable parties. 26

(B) The settlement, as a package, benefits ratepayers and 27
the public interest. 28

(C) The settlement package does not violate any important 29
regulatory principle or practice. 30

Sec. 4909.05. As used in this section: 31

(A) A "lease purchase agreement" is an agreement pursuant 32
to which a public utility leasing property is required to make 33
rental payments for the term of the agreement and either the 34
utility is granted the right to purchase the property upon the 35
completion of the term of the agreement and upon the payment of 36
an additional fixed sum of money or title to the property vests 37
in the utility upon the making of the final rental payment. 38

(B) A "leaseback" is the sale or transfer of property by a 39
public utility to another person contemporaneously followed by 40
the leasing of the property to the public utility on a long-term 41
basis. 42

(C) The public utilities commission shall prescribe the 43
form and details of the valuation report of the property of each 44
public utility or railroad in the state. Such report shall 45
include all the kinds and classes of property, with the value of 46
each, owned, held, or, with respect to a natural gas, water- 47
works, or sewage disposal system company, projected to be owned 48

or held as of the date certain or, as provided for in division 49
(E) of section 4909.15 of the Revised Code, as of the dates 50
certain, by each public utility or railroad used and useful, or, 51
with respect to a natural gas, water-works, or sewage disposal 52
system company, projected to be used and useful as of the date 53
certain or, as provided for in division (E) of section 4909.15 54
of the Revised Code, as of the dates certain, for the service 55
and convenience of the public. Such report shall contain the 56
following facts in detail: 57

(1) The original cost of each parcel of land owned in fee 58
and in use, or, with respect to a natural gas, water-works, or 59
sewage disposal system company, projected to be owned in fee and 60
in use as of the date certain or, as provided for in division 61
(E) of section 4909.15 of the Revised Code, as of the dates 62
certain, determined by the commission; and also a statement of 63
the conditions of acquisition, whether by direct purchase, by 64
donation, by exercise of the power of eminent domain, or 65
otherwise; 66

(2) The actual acquisition cost, not including periodic 67
rental fees, of rights-of-way, trailways, or other land rights 68
held, or, with respect to a natural gas, water-works, or sewage 69
disposal system company, projected to be held as of the date 70
certain or, as provided for in division (E) of section 4909.15 71
of the Revised Code, as of the dates certain, by virtue of 72
easements, leases, or other forms of grants of rights as to 73
usage; 74

(3) The original cost of all other kinds and classes of 75
property used and useful, or, with respect to a natural gas, 76
water-works, or sewage disposal system company, projected to be 77
used and useful as of the date certain or, as provided for in 78

division (E) of section 4909.15 of the Revised Code, as of the 79
dates certain, in the rendition of service to the public. 80
Subject to section 4909.052 of the Revised Code, such original 81
costs of property, other than land owned in fee, shall be the 82
cost, as determined to be reasonable by the commission, to the 83
person that first dedicated or dedicates the property to the 84
public use and shall be set forth in property accounts and 85
subaccounts as prescribed by the commission. To the extent that 86
the costs of property comprising a coal research and development 87
facility, as defined in section 1555.01 of the Revised Code, or 88
a coal development project, as defined in section 1551.30 of the 89
Revised Code, have been allowed for recovery as Ohio coal 90
research and development costs under section 4905.304 of the 91
Revised Code, none of those costs shall be included as a cost of 92
property under this division. 93

(4) The cost of property constituting all or part of a 94
project leased to or used by the utility, or, with respect to a 95
natural gas, water-works, or sewage disposal system company, 96
projected to be leased to or used by the utility as of the date 97
certain or, as provided for in division (E) of section 4909.15 98
of the Revised Code, as of the dates certain, under Chapter 99
165., 3706., 6121., or 6123. of the Revised Code and not 100
included under division (C)(3) of this section exclusive of any 101
interest directly or indirectly paid by the utility with respect 102
thereto whether or not capitalized; 103

(5) In the discretion of the commission, the cost to a 104
utility, in an amount determined to be reasonable by the 105
commission, of property constituting all or part of a project 106
leased to the utility, or, with respect to a natural gas, water- 107
works, or sewage disposal system company, projected to be leased 108
to the utility as of the date certain or, as provided for in 109

division (E) of section 4909.15 of the Revised Code, as of the 110
dates certain, under a lease purchase agreement or a leaseback 111
and not included under division (C) (3) of this section exclusive 112
of any interest directly or indirectly paid by the utility with 113
respect thereto whether or not capitalized; 114

(6) The cost of the replacement of water service lines 115
incurred by a water-works company under section 4909.173 of the 116
Revised Code and the water service line replacement 117
reimbursement amounts provided to customers under section 118
4909.174 of the Revised Code; 119

(7) The proper and adequate reserve for depreciation, as 120
determined to be reasonable by the commission; 121

(8) Any sums of money or property that the company may 122
have received, or, with respect to a natural gas, water-works, 123
or sewage disposal system company, is projected to receive as of 124
the date certain or, as provided for in division (E) of section 125
4909.15 of the Revised Code, as of the dates certain, as total 126
or partial defrayal of the cost of its property; 127

(9) The valuation of the property of the company, which 128
shall be the sum of the amounts contained in the report pursuant 129
to divisions (C) (1) to (6) of this section, less the sum of the 130
amounts contained in the report pursuant to divisions (C) (7) and 131
(8) of this section. 132

The report shall show separately the property used and 133
useful to such public utility or railroad in the furnishing of 134
the service to the public, the property held by such public 135
utility or railroad for other purposes, and the property 136
projected to be used and useful to or held by a natural gas, 137
water-works, or sewage disposal system company as of the date 138

certain or, as provided for in division (E) of section 4909.15 139
of the Revised Code, as of the dates certain, and such other 140
items as the commission considers proper. The commission may 141
require an additional report showing the extent to which the 142
property is used and useful, or, with respect to a natural gas, 143
water-works, or sewage disposal system company, projected to be 144
used and useful as of the date certain or, as provided for in 145
division (E) of section 4909.15 of the Revised Code, as of the 146
dates certain. Such reports shall be filed in the office of the 147
commission for the information of the governor and the general 148
assembly. 149

Sec. 4909.06. The investigation and report required by 150
section 4909.05 of the Revised Code shall show, when the public 151
utilities commission deems it necessary, the amounts, dates, and 152
rates of interest of all bonds outstanding against each public 153
utility or railroad, the property upon which such bonds are a 154
lien, the amounts paid for them, and, the original capital stock 155
and the moneys received by any such public utility or railroad 156
by reason of any issue of stock, bonds, or other securities. 157
Such report shall also show the net and gross receipts of such 158
public utility or railroad and the method by which moneys were 159
expended or paid out and the purpose of such payments. The 160
commission may prescribe the procedure to be followed in making 161
the investigation and valuation, the form in which the results 162
of the ascertainment of the value of each public utility or 163
railroad shall be submitted, and the classifications of the 164
elements that constitute the ascertained value. Such 165
investigation shall also show the value of the property of every 166
public utility or railroad as a whole, and if such property is 167
in more than one county, the value of its property in each of 168
such counties. 169

"Valuation" and "value," as used in this section, may 170
include, with respect to a natural gas, water-works, or sewage 171
disposal system company, projected valuation and value as of the 172
date certain, if applicable because of a future date or dates 173
certain under section 4909.15 of the Revised Code. 174

Sec. 4909.07. The public utilities commission, during the 175
making of the valuation provided for in sections 4909.04 to 176
4909.13 of the Revised Code, and after its completion, shall in 177
like manner keep itself informed through its engineers, experts, 178
and other assistants of all extensions, improvements, or other 179
changes in the condition and value of the property of all public 180
utilities or railroads and shall ascertain the value of such 181
extensions, improvements, and changes. The commission shall, as 182
is required for the proper regulation of such public utilities 183
or railroads, revise and correct its valuations of property, 184
showing such revisions and corrections as a whole and as to each 185
county. Such revisions and corrections shall be filed in the 186
same manner as original reports. 187

"Valuation" and "value," as used in this section, may 188
include, with respect to a natural gas, water-works, or sewage 189
disposal system company, projected valuation and value as of the 190
date certain, if applicable because of a future date or dates 191
certain under section 4909.15 of the Revised Code. 192

Sec. 4909.08. When the public utilities commission has 193
completed the valuation of the property of any public utility or 194
railroad and before such valuation becomes final, it shall give 195
notice by registered letter to such public utility or railroad, 196
and if a substantial portion of said public utility or railroad 197
is situated in a municipal corporation, then to the mayor of 198
such municipal corporation, stating the valuations placed upon 199

the several kinds and classes of property of such public utility 200
or railroad and upon the property as a whole and give such 201
further notice by publication or otherwise as it shall deem 202
necessary to apprise the public of such valuation. If, within 203
thirty days after such notification, no protest has been filed 204
with the commission, such valuation becomes final. If notice of 205
protest has been filed by any public utility or railroad, the 206
commission shall fix a time for hearing such protest and shall 207
consider at such hearing any matter material thereto presented 208
by such public utility, railroad, or municipal corporation, in 209
support of its protest or by any representative of the public 210
against such protest. If, after the hearing of any protest of 211
any valuation so fixed, the commission is of the opinion that 212
its inventory is incomplete or inaccurate or that its valuation 213
is incorrect, it shall make such changes as are necessary and 214
shall issue an order making such corrected valuations final. A 215
final valuation by the commission and all classifications made 216
for the ascertainment of such valuations shall be public and are 217
prima-facie evidence relative to the value of the property. 218

"Valuation" and "value," as used in this section, may 219
include, with respect to a natural gas, water-works, or sewage 220
disposal system company, projected valuation and value as of the 221
date certain, if applicable because of a future date or dates 222
certain under section 4909.15 of the Revised Code. 223

Sec. 4909.15. (A) The public utilities commission, when 224
fixing and determining just and reasonable rates, fares, tolls, 225
rentals, and charges, shall determine: 226

(1) The valuation as of the date certain of the property 227
of the public utility used and useful or, with respect to a 228
natural gas, water-works, or sewage disposal system company, 229

projected to be used and useful as of the date certain or, as 230
provided for in division (E) of this section, as of the dates 231
certain, in rendering the public utility service for which rates 232
are to be fixed and determined. The valuation so determined 233
shall be the total value as set forth in division (C) (9) of 234
section 4909.05 of the Revised Code, and a reasonable allowance 235
for materials and supplies and cash working capital as 236
determined by the commission. 237

The commission, in its discretion, may include in the 238
valuation a reasonable allowance for construction work in 239
progress but, in no event, may such an allowance be made by the 240
commission until it has determined that the particular 241
construction project is at least seventy-five per cent complete. 242

In determining the percentage completion of a particular 243
construction project, the commission shall consider, among other 244
relevant criteria, the per cent of time elapsed in construction; 245
the per cent of construction funds, excluding allowance for 246
funds used during construction, expended, or obligated to such 247
construction funds budgeted where all such funds are adjusted to 248
reflect current purchasing power; and any physical inspection 249
performed by or on behalf of any party, including the 250
commission's staff. 251

A reasonable allowance for construction work in progress 252
shall not exceed ten per cent of the total valuation as stated 253
in this division, not including such allowance for construction 254
work in progress. 255

Where the commission permits an allowance for construction 256
work in progress, the dollar value of the project or portion 257
thereof included in the valuation as construction work in 258
progress shall not be included in the valuation as plant in 259

service until such time as the total revenue effect of the 260
construction work in progress allowance is offset by the total 261
revenue effect of the plant in service exclusion. Carrying 262
charges calculated in a manner similar to allowance for funds 263
used during construction shall accrue on that portion of the 264
project in service but not reflected in rates as plant in 265
service, and such accrued carrying charges shall be included in 266
the valuation of the property at the conclusion of the offset 267
period for purposes of division (C)(9) of section 4909.05 of the 268
Revised Code. 269

From and after April 10, 1985, no allowance for 270
construction work in progress as it relates to a particular 271
construction project shall be reflected in rates for a period 272
exceeding forty-eight consecutive months commencing on the date 273
the initial rates reflecting such allowance become effective, 274
except as otherwise provided in this division. 275

The applicable maximum period in rates for an allowance 276
for construction work in progress as it relates to a particular 277
construction project shall be tolled if, and to the extent, a 278
delay in the in-service date of the project is caused by the 279
action or inaction of any federal, state, county, or municipal 280
agency having jurisdiction, where such action or inaction 281
relates to a change in a rule, standard, or approval of such 282
agency, and where such action or inaction is not the result of 283
the failure of the utility to reasonably endeavor to comply with 284
any rule, standard, or approval prior to such change. 285

In the event that such period expires before the project 286
goes into service, the commission shall exclude, from the date 287
of expiration, the allowance for the project as construction 288
work in progress from rates, except that the commission may 289

extend the expiration date up to twelve months for good cause 290
shown. 291

In the event that a utility has permanently canceled, 292
abandoned, or terminated construction of a project for which it 293
was previously permitted a construction work in progress 294
allowance, the commission immediately shall exclude the 295
allowance for the project from the valuation. 296

In the event that a construction work in progress project 297
previously included in the valuation is removed from the 298
valuation pursuant to this division, any revenues collected by 299
the utility from its customers after April 10, 1985, that 300
resulted from such prior inclusion shall be offset against 301
future revenues over the same period of time as the project was 302
included in the valuation as construction work in progress. The 303
total revenue effect of such offset shall not exceed the total 304
revenues previously collected. 305

In no event shall the total revenue effect of any offset 306
or offsets provided under division (A) (1) of this section exceed 307
the total revenue effect of any construction work in progress 308
allowance. 309

(2) A fair and reasonable rate of return to the utility on 310
the valuation as determined in division (A) (1) of this section_ 311
and based on the capital structure of the public utility as of 312
the date certain or, as provided for in division (E) of this 313
section, as of the dates certain; 314

(3) The dollar annual return to which the utility is 315
entitled by applying the fair and reasonable rate of return as 316
determined under division (A) (2) of this section to the 317
valuation of the utility determined under division (A) (1) of 318

this section; 319

(4) The cost to the utility of rendering the public 320
utility service for the test period used for the determination 321
under division (C) (1) of this section, ~~less the total of any~~ 322
~~interest on cash or credit refunds paid, pursuant to section~~ 323
~~4909.42 of the Revised Code,~~ by the utility during the test 324
period. 325

(a) Federal, state, and local taxes imposed on or measured 326
by net income may, in the discretion of the commission, be 327
computed by the normalization method of accounting, provided the 328
utility maintains accounting reserves that reflect differences 329
between taxes actually payable and taxes on a normalized basis, 330
provided that no determination as to the treatment in the rate- 331
making process of such taxes shall be made that will result in 332
loss of any tax depreciation or other tax benefit to which the 333
utility would otherwise be entitled, and further provided that 334
such tax benefit as redounds to the utility as a result of such 335
a computation may not be retained by the company, used to fund 336
any dividend or distribution, or utilized for any purpose other 337
than the defrayal of the operating expenses of the utility and 338
the defrayal of the expenses of the utility in connection with 339
construction work. 340

(b) The amount of any tax credits granted to an electric 341
light company under section 5727.391 of the Revised Code for 342
Ohio coal burned prior to January 1, 2000, shall not be retained 343
by the company, used to fund any dividend or distribution, or 344
utilized for any purposes other than the defrayal of the 345
allowable operating expenses of the company and the defrayal of 346
the allowable expenses of the company in connection with the 347
installation, acquisition, construction, or use of a compliance 348

facility. The amount of the tax credits granted to an electric 349
light company under that section for Ohio coal burned prior to 350
January 1, 2000, shall be returned to its customers within three 351
years after initially claiming the credit through an offset to 352
the company's rates or fuel component, as determined by the 353
commission, as set forth in schedules filed by the company under 354
section 4905.30 of the Revised Code. As used in division (A) (4) 355
(b) of this section, "compliance facility" has the same meaning 356
as in section 5727.391 of the Revised Code. 357

(B) The commission shall compute the gross annual revenues 358
to which the utility is entitled by adding the dollar amount of 359
return under division (A) (3) of this section to the cost, for 360
the test period used for the determination under division (C) (1) 361
of this section, of rendering the public utility service under 362
division (A) (4) of this section. 363

(C) (1) Except as provided in ~~division~~ divisions (D) and 364
(E) of this section, the revenues and expenses of the utility 365
shall be determined during a test period. ~~The Unless another~~ 366
period is permitted under division (E) of this section, the 367
utility may propose a test period for this determination that is 368
any twelve-month period beginning not more than six months prior 369
to the date the application is filed and ending not more than 370
nine months subsequent to that date. The test period for 371
determining revenues and expenses of the utility shall be the 372
test period proposed by the utility, unless ~~otherwise ordered by~~ 373
the commission determines that the proposed test period does not 374
comply with the requirements of divisions (C) to (E) of this 375
section. 376

(2) ~~The~~ Except as provided for in division (E) of this 377
section, the date certain shall be not later than the date of 378

filing, except that it shall be, for a natural gas, water-works, 379
or sewage disposal system company, not later than the end of the 380
test period. 381

(D) A natural gas, water-works, or sewage disposal system 382
company may propose adjustments to the revenues and expenses to 383
be determined under division (C) (1) of this section for any 384
changes that are, during the test period or the twelve-month 385
period immediately following the test period, reasonably 386
expected to occur. The natural gas, water-works, or sewage 387
disposal system company shall identify and quantify, 388
individually, any proposed adjustments. The commission shall 389
incorporate the proposed adjustments into the determination if 390
the adjustments are just and reasonable. 391

(E) A natural gas company may propose, and the commission 392
shall approve, a test period that is any twelve-month period 393
beginning not earlier than twelve months prior to the date the 394
application was filed and ending not later than twenty-four 395
months from the date the application was filed. The commission 396
shall review the reasonableness of any partially or fully 397
forecasted test period. 398

(1) If the natural gas company proposes a test period that 399
is not greater than twelve months from the filing date of the 400
application, then the natural gas company may propose, and the 401
commission shall approve, two dates certain as follows: 402

(a) The first date certain shall be during the test 403
period, but not later than three months before the three hundred 404
sixty-fifth day after the application is filed. 405

(b) The second date certain shall be not later than the 406
end of the test period. 407

(2) If the company proposes a test period that is between 408
twelve and twenty-four months from the filing date of the 409
application, then the company may propose, and the commission 410
shall approve, three dates certain as follows: 411

(a) The first date certain shall be not later than three 412
months before the three hundred sixty-fifth day after the 413
application is filed. 414

(b) The second date certain shall be during the test 415
period. 416

(c) The third date certain shall be not later than the end 417
of the test period. 418

(F) If a natural gas company proposes a fully projected or 419
partially projected test period, the company may place rates 420
into effect with a final order from the commission made pursuant 421
to section 4909.42 of the Revised Code. The company shall have 422
the right to place the rates into effect with the first customer 423
bills rendered after each commission order issued pursuant to 424
division (E) of this section. 425

(G) (1) If a natural gas company proposes a test period as 426
described in division (E) (1) of this section, then the company 427
shall adjust its base rates to reflect the plant-in-service in 428
accordance with the dates certain as follows: 429

(a) The first date certain shall be reflected in the rates 430
put into effect in accordance with an order from the commission 431
before the expiration of the three hundred sixty-fifth day after 432
filing the application. 433

(b) With the second date certain base rate adjustment, the 434
company shall have up to sixty days from the second date certain 435
to file schedules reflecting the actual plant-in-service and 436

actual capital structure of the natural gas company as of the 437
second date certain. All other components to the setting of 438
rates, including the return on equity percentage set with the 439
commission order reflecting the first date certain, shall remain 440
unchanged with the second base rate adjustment. 441

(2) The commission shall have sixty days to review the 442
filed schedules of incremental plant placed-in-service after the 443
first date certain through the second date certain and to issue 444
a final order determining the adjusted base rates reflecting the 445
plant-in-service as of the second date certain. 446

(H) (1) If a natural gas company proposes a test period 447
that is between twelve and twenty-four months from the filing 448
date of the application, then the natural gas company shall 449
adjust its base rates to reflect the plant-in-service in 450
accordance with the dates certain as follows: 451

(a) The first and second dates certain shall be reflected 452
in the same manner described in division (G) (1) of this section. 453

(b) With the third date certain base rate adjustment, the 454
natural gas company shall have up to sixty days from the third 455
date certain to file schedules reflecting the actual plant-in- 456
service and actual capital structure of the natural gas company 457
as of the third date certain. All other components to the 458
setting of rates, including the return on equity percentage set 459
with the commission order reflecting the first date certain, 460
shall remain unchanged with the third base rate adjustment. 461

(2) The commission shall have sixty days to review the 462
filed schedules of incremental plant placed-in-service after the 463
second date certain through the third date certain and to issue 464
a final order determining the adjusted base rates reflecting the 465

plant-in-service as of the third date certain. 466

(I) If a natural gas company proposes a fully projected 467
test period, then the provisions of section 4909.191 of the 468
Revised Code do not apply to that proceeding. 469

(J) The commission shall approve any motion, application, 470
or request to waive any of its rules, if the rules do not 471
conform with the legislative requirements of Chapter 4909. of 472
the Revised Code. The commission also is exempt from section 473
121.95 of the Revised Code to adopt rules under divisions (E) to 474
(J) of this section. 475

(K) When the commission is of the opinion, after hearing 476
and after making the determinations under divisions (A) and (B) 477
of this section, that any rate, fare, charge, toll, rental, 478
schedule, classification, or service, or any joint rate, fare, 479
charge, toll, rental, schedule, classification, or service 480
rendered, charged, demanded, exacted, or proposed to be 481
rendered, charged, demanded, or exacted, is, or will be, unjust, 482
unreasonable, unjustly discriminatory, unjustly preferential, or 483
in violation of law, that the service is, or will be, 484
inadequate, or that the maximum rates, charges, tolls, or 485
rentals chargeable by any such public utility are insufficient 486
to yield reasonable compensation for the service rendered, and 487
are unjust and unreasonable, the commission shall: 488

(1) With due regard among other things to the value of all 489
property of the public utility actually used and useful for the 490
convenience of the public as determined under division (A)(1) of 491
this section, excluding from such value the value of any 492
franchise or right to own, operate, or enjoy the same in excess 493
of the amount, exclusive of any tax or annual charge, actually 494
paid to any political subdivision of the state or county, as the 495

consideration for the grant of such franchise or right, and 496
excluding any value added to such property by reason of a 497
monopoly or merger, with due regard in determining the dollar 498
annual return under division (A) (3) of this section to the 499
necessity of making reservation out of the income for surplus, 500
depreciation, and contingencies, and; 501

(2) With due regard to all such other matters as are 502
proper, according to the facts in each case, 503

(a) Including a fair and reasonable rate of return 504
determined by the commission, in accordance with division (A) (2) 505
of this section, with reference to a cost of debt equal to the 506
actual embedded cost of debt of such public utility, 507

(b) But not including the portion of any periodic rental 508
or use payments representing that cost of property that is 509
included in the valuation report under divisions (C) (4) and (5) 510
of section 4909.05 of the Revised Code, fix and determine the 511
just and reasonable rate, fare, charge, toll, rental, or service 512
to be rendered, charged, demanded, exacted, or collected for the 513
performance or rendition of the service that will provide the 514
public utility the allowable gross annual revenues under 515
division (B) of this section, and order such just and reasonable 516
rate, fare, charge, toll, rental, or service to be substituted 517
for the existing one. After such determination and order no 518
change in the rate, fare, toll, charge, rental, schedule, 519
classification, or service shall be made, rendered, charged, 520
demanded, exacted, or changed by such public utility without the 521
order of the commission, and any other rate, fare, toll, charge, 522
rental, classification, or service is prohibited. 523

~~(F)~~ (L) Upon application of any person or any public 524
utility, and after notice to the parties in interest and 525

opportunity to be heard as provided in Chapters 4901., 4903., 526
4905., 4907., 4909., 4921., and 4923. of the Revised Code for 527
other hearings, has been given, the commission may rescind, 528
alter, or amend an order fixing any rate, fare, toll, charge, 529
rental, classification, or service, or any other order made by 530
the commission. Certified copies of such orders shall be served 531
and take effect as provided for original orders. 532

Sec. 4909.155. In fixing the just, reasonable, and 533
compensatory rates, joint rates, tolls, classifications, 534
charges, or rentals to be observed and charged for service by 535
any public utility, the public utilities commission may require 536
the utility to file a report showing: 537

(A) The amounts, date of issuance, due date, terms, and 538
rates of interest of all bonds and debentures outstanding 539
against such utility; 540

(B) The face value of any outstanding preferred stock and 541
the stated value of all outstanding common stock issued by such 542
utility; 543

(C) The total amount of money received by such utility 544
from the issue of debt and equity securities that are 545
outstanding as of a date certain or, as provided for in division 546
(E) of section 4909.15 of the Revised Code, as of the dates 547
certain to be chosen by the commission. 548

Sec. 4909.156. In fixing the just, reasonable, and 549
compensatory rates, joint rates, tolls, classifications, 550
charges, or rentals to be observed and charged for service by 551
any public utility, the public utilities commission shall, in 552
action upon an application filed pursuant to section 4909.18 of 553
the Revised Code, require a public utility to file a report 554

showing the proportionate amounts of the valuation of the 555
property of the utility, as determined under section 4909.05 of 556
the Revised Code, and the proportionate amounts of the revenues 557
and expenses of the utility that are proposed to be considered 558
as attributable to the service area involved in the application. 559

"Valuation," as used in this section, may include, with 560
respect to a natural gas, water-works, or sewage disposal system 561
company, projected valuation as of the date certain, if 562
applicable because of a future date or dates certain under 563
section 4909.15 of the Revised Code. 564

Sec. 4909.18. Any public utility desiring to establish any 565
rate, joint rate, toll, classification, charge, or rental, or to 566
modify, amend, change, increase, or reduce any existing rate, 567
joint rate, toll, classification, charge, or rental, or any 568
regulation or practice affecting the same, shall file a written 569
application with the public utilities commission. Except for 570
actions under section 4909.16 of the Revised Code, no public 571
utility may issue the notice of intent to file an application 572
pursuant to division (B) of section 4909.43 of the Revised Code 573
to increase any existing rate, joint rate, toll, classification, 574
charge, or rental, until a final order under this section has 575
been issued by the commission on any pending prior application 576
to increase the same rate, joint rate, toll, classification, 577
charge, or rental or until two hundred seventy-five days after 578
filing such application, whichever is sooner. Such application 579
shall be verified by the president or a vice-president and the 580
secretary or treasurer of the applicant. Such application shall 581
contain a schedule of the existing rate, joint rate, toll, 582
classification, charge, or rental, or regulation or practice 583
affecting the same, a schedule of the modification amendment, 584
change, increase, or reduction sought to be established, and a 585

statement of the facts and grounds upon which such application 586
is based. If such application proposes a new service or the use 587
of new equipment, or proposes the establishment or amendment of 588
a regulation, the application shall fully describe the new 589
service or equipment, or the regulation proposed to be 590
established or amended, and shall explain how the proposed 591
service or equipment differs from services or equipment 592
presently offered or in use, or how the regulation proposed to 593
be established or amended differs from regulations presently in 594
effect. The application shall provide such additional 595
information as the commission may require in its discretion. If 596
the commission determines that such application is not for an 597
increase in any rate, joint rate, toll, classification, charge, 598
or rental, the commission may permit the filing of the schedule 599
proposed in the application and fix the time when such schedule 600
shall take effect. If it appears to the commission that the 601
proposals in the application may be unjust or unreasonable, the 602
commission shall set the matter for hearing and shall give 603
notice of such hearing by sending written notice of the date set 604
for the hearing to the public utility and publishing notice of 605
the hearing one time in a newspaper of general circulation in 606
each county in the service area affected by the application. At 607
such hearing, the burden of proof to show that the proposals in 608
the application are just and reasonable shall be upon the public 609
utility. After such hearing, the commission shall, where 610
practicable, issue an appropriate order within six months from 611
the date the application was filed. 612

If the commission determines that said application is for 613
an increase in any rate, joint rate, toll, classification, 614
charge, or rental there shall also, unless otherwise ordered by 615
the commission, be filed with the application in duplicate the 616

following exhibits: 617

(A) A report of its property used and useful, or, with 618
respect to a natural gas, water-works, or sewage disposal system 619
company, projected to be used and useful as of the date certain_ 620
or, as provided for in division (E) of section 4909.15 of the 621
Revised Code, as of the dates certain, in rendering the service 622
referred to in such application, as provided in section 4909.05 623
of the Revised Code; 624

(B) A complete operating statement of its last fiscal 625
year, showing in detail all its receipts, revenues, and incomes 626
from all sources, all of its operating costs and other 627
expenditures, and any analysis such public utility deems 628
applicable to the matter referred to in said application; 629

(C) A statement of the income and expense anticipated 630
under the application filed; 631

(D) A statement of financial condition summarizing assets, 632
liabilities, and net worth; 633

(E) Such other information as the commission may require 634
in its discretion. 635

Sec. 4909.191. (A) If the public utilities commission, 636
under division (D) of section 4909.15 of the Revised Code, 637
incorporated proposed adjustments to revenues and expenses into 638
the commission's determination under that section, the natural 639
gas, water-works, or sewage disposal system company shall, not 640
later than ninety days after actual data for all of the 641
incorporated adjustments becomes known, submit to the commission 642
proposed rate or charge adjustments that provide for the 643
recalculation of rates or charges, reflective of customer-class 644
responsibility, corresponding to the differences, if any, 645

between the incorporated adjustments to revenues and expenses 646
and the actual revenues and expenses associated with the 647
incorporated adjustments. 648

(B) If the commission incorporated projected value or 649
valuation of property into the commission's determination under 650
division (A) (1) of section 4909.15 of the Revised Code, the 651
natural gas, water-works, or sewage disposal system company 652
shall, not later than ninety days after data for the actual 653
value or valuation as of the date certain or, as provided for in 654
division (E) of section 4909.15 of the Revised Code, as of the 655
dates certain becomes known, submit to the commission proposed 656
rate or charge adjustments that provide for the recalculation of 657
rates or charges, reflective of customer-class responsibility, 658
corresponding to the differences, if any, between the projected 659
value or valuation incorporated into the commission's 660
determination and the actual value or valuation as of the date 661
certain or, as provided for in division (E) of section 4909.15 662
of the Revised Code, as of the dates certain. 663

(C) The commission shall review the proposed rate or 664
charge adjustments submitted under divisions (A) and (B) of this 665
section. The review shall not include a hearing unless the 666
commission finds that the proposed rate or charge adjustments 667
may be unreasonable, in which case the commission may, in its 668
discretion, schedule the matter for a hearing. 669

(D) The commission shall issue, not later than one hundred 670
fifty days after the date that any proposed rate or charge 671
adjustments are submitted under division (A) or (B) of this 672
section, a final order on the proposed rate or charge 673
adjustments. Any rate or charge adjustments authorized under 674
this division shall be limited to amounts that are not greater 675

than those consistent with the proposed adjustments to revenues 676
and expenses that were incorporated into the commission's 677
determination under division (D) of section 4909.15 of the 678
Revised Code, and not greater than those consistent with the 679
incorporated projected value or valuation. In no event shall 680
rate or charge adjustments authorized under this division be 681
upward. 682

After the commission has issued such a final order, the 683
natural gas, water-works, or sewage disposal system company, if 684
applicable, shall submit to the commission proposed 685
reconciliation adjustments that refund to customers the 686
difference between the actual revenues collected by the natural 687
gas, water-works, or sewage disposal system company, under the 688
rates and charges determined by the commission under section 689
4909.15 of the Revised Code, and the rates or charges 690
recalculated under the adjustments authorized under this 691
division. The reconciliation adjustments shall be effective for 692
a twelve-month period. 693

(E) The reconciliation adjustments ordered under division 694
(D) of this section may be subject to a final reconciliation by 695
the commission. Any such final reconciliation shall occur after 696
the twelve-month period described in division (D) of this 697
section. 698

Sec. 4909.42. ~~If the proceeding on an application filed~~ 699
~~with the public utilities commission under section 4909.18 of~~ 700
~~the Revised Code by any public utility requesting an increase on~~ 701
~~any rate, joint rate, toll, classification, charge, or rental or~~ 702
~~requesting a change in a regulation or practice affecting the~~ 703
~~same has not been concluded and an order entered pursuant to~~ 704
~~section 4909.19 of the Revised Code at the expiration of two~~ 705

~~hundred seventy-five days from the date of filing the~~ 706
~~application, an increase not to exceed the proposed increase~~ 707
~~shall go into effect upon the filing of a bond or a letter of~~ 708
~~credit by the public utility. The bond or letter of credit shall~~ 709
~~be filed with the commission and shall be payable to the state~~ 710
~~for the use and benefit of the customers affected by the~~ 711
~~proposed increase or change.~~ 712

~~An affidavit attached to the bond or letter of credit must~~ 713
~~be signed by two of the officers of the utility, under oath, and~~ 714
~~must contain a promise on behalf of the utility to refund any~~ 715
~~amounts collected by the utility over the rate, joint rate,~~ 716
~~toll, classification, charge, or rental, as determined in the~~ 717
~~final order of the commission. All refunds shall include~~ 718
~~interest at the rate stated in section 1343.03 of the Revised~~ 719
~~Code. The refund shall be in the form of a temporary reduction~~ 720
~~in rates following the final order of the commission, and shall~~ 721
~~be accomplished in such manner as shall be prescribed by the~~ 722
~~commission in its final order. The commission shall exercise~~ 723
~~continuing and exclusive jurisdiction over such refunds.~~ 724

(A) If the public utilities commission has not entered a 725
final order within five three hundred forty-five sixty-five days 726
from the date of the filing of an application for an increase in 727
rates under section 4909.18 of the Revised Code, a public 728
utility shall place the rates into effect with the first 729
customer bills rendered after the three hundred sixty-fifth day 730
and the public utility shall have no obligation to make a refund 731
of amounts collected after the five hundred forty-fifth day 732
which exceed the amounts authorized by the commission's final 733
order, and the public utility's application is deemed approved 734
as a matter of law. 735

(B) Nothing in this section shall be construed to— 736
~~mitigate:~~ 737

(1) Mitigate any duty of the commission to issue a final 738
order under section 4909.19 of the Revised Code; 739

(2) Limit a natural gas company from adjusting its rates 740
pursuant to divisions (G) and (H) of section 4909.15 of the 741
Revised Code. 742

Sec. 4928.18. (A) Notwithstanding division ~~(E) (2) (a)~~ (K) (2) 743
(a) of section 4909.15 of the Revised Code, nothing in this 744
chapter prevents the public utilities commission from exercising 745
its authority under Title XLIX of the Revised Code to protect 746
customers of retail electric service supplied by an electric 747
utility from any adverse effect of the utility's provision of a 748
product or service other than retail electric service. 749

(B) The commission has jurisdiction under section 4905.26 750
of the Revised Code, upon complaint of any person or upon 751
complaint or initiative of the commission on or after the 752
starting date of competitive retail electric service, to 753
determine whether an electric utility or its affiliate has 754
violated any provision of section 4928.17 of the Revised Code or 755
an order issued or rule adopted under that section. For this 756
purpose, the commission may examine such books, accounts, or 757
other records kept by an electric utility or its affiliate as 758
may relate to the businesses for which corporate separation is 759
required under section 4928.17 of the Revised Code, and may 760
investigate such utility or affiliate operations as may relate 761
to those businesses and investigate the interrelationship of 762
those operations. Any such examination or investigation by the 763
commission shall be governed by Chapter 4903. of the Revised 764
Code. 765

(C) In addition to any remedies otherwise provided by law, 766
the commission, regarding a determination of a violation 767
pursuant to division (B) of this section, may do any of the 768
following: 769

(1) Issue an order directing the utility or affiliate to 770
comply; 771

(2) Modify an order as the commission finds reasonable and 772
appropriate and order the utility or affiliate to comply with 773
the modified order; 774

(3) Suspend or abrogate an order, in whole or in part; 775

(4) Issue an order that the utility or affiliate pay 776
restitution to any person injured by the violation or failure to 777
comply~~+~~. 778

(D) In addition to any remedies otherwise provided by law, 779
the commission, regarding a determination of a violation 780
pursuant to division (B) of this section and commensurate with 781
the severity of the violation, the source of the violation, any 782
pattern of violations, or any monetary damages caused by the 783
violation, may do either of the following: 784

(1) Impose a forfeiture on the utility or affiliate of up 785
to twenty-five thousand dollars per day per violation. The 786
recovery and deposit of any such forfeiture shall be subject to 787
sections 4905.57 and 4905.59 of the Revised Code. 788

(2) Regarding a violation by an electric utility relating 789
to a corporate separation plan involving competitive retail 790
electric service, suspend or abrogate all or part of an order, 791
to the extent it is in effect, authorizing an opportunity for 792
the utility to receive transition revenues under a transition 793
plan approved by the commission under section 4928.33 of the 794

Revised Code. 795

Corporate separation under this section does not prohibit 796
the common use of employee benefit plans, facilities, equipment, 797
or employees, subject to proper accounting and the code of 798
conduct ordered by the commission as provided in division (A) (1) 799
of this section. 800

(E) Section 4905.61 of the Revised Code applies in the 801
case of any violation of section 4928.17 of the Revised Code or 802
of any rule adopted or order issued under that section. 803

Sec. 4929.041. (A) As used in this section, "regulatory 804
exemption" means an exemption from all provisions of Chapter 805
4905. of the Revised Code with the exception of sections 806
4905.10, 4905.35, and 4905.90 to 4905.96 of the Revised Code, 807
Chapters 4909., 4933., and 4935. of the Revised Code, with the 808
exception of section 4935.03 of the Revised Code, and from any 809
rule or order issued under the exempted provisions of those 810
chapters. 811

(B) The public utilities commission, upon an application 812
filed under section 4909.18 of the Revised Code by a natural gas 813
company in substantial compliance with the policy specified in 814
section 4929.02 of the Revised Code, shall grant a regulatory 815
exemption, by order, for either or both of the following: 816

(1) Any investments in storage or gathering facilities 817
placed into service on or after January 1, 2010, and also any 818
service of the natural gas company related to those facilities; 819

(2) Any investments in gathering facilities placed into 820
service before January 1, 2010, and also any service of the 821
natural gas company related to those facilities. 822

(C) (1) A natural gas company requesting a regulatory 823

exemption under division (B) (2) of this section shall identify 824
in the application both of the following: 825

(a) The valuation of the investments to be exempted, as 826
determined under division (A) (1) of section 4909.15 of the 827
Revised Code, in the rate case proceeding that established the 828
company's rates in effect at the time of the filing of the 829
application requesting the regulatory exemption; 830

(b) The valuation of all nonexempt investments placed into 831
service after the date certain or, as provided for in division 832
(E) of section 4909.15 of the Revised Code, after the dates 833
certain used in the rate case proceeding described in division 834
(C) (1) (a) of this section, excluding investments for which 835
deferral or recovery is authorized under section 4909.18, 836
4929.05, or 4929.111 of the Revised Code. 837

(2) The commission shall compare the valuations identified 838
in divisions (C) (1) (a) and (b) of this section. 839

(a) If the valuation identified in division (C) (1) (a) of 840
this section exceeds the valuation identified in division (C) (1) 841
(b) of this section, the commission shall, in addition to the 842
adjustments needed to implement the regulatory exemption, reduce 843
the gross annual revenues to which the utility is entitled under 844
division (B) of section 4909.15 of the Revised Code by applying 845
the rate of return, as determined under division (A) (2) of 846
section 4909.15 of the Revised Code in the rate case proceeding 847
in which the regulatory exemption is being sought, to the 848
difference in the two valuations. 849

(b) If the valuation identified in division (C) (1) (a) of 850
this section does not exceed the valuation identified in 851
division (C) (1) (b) of this section, the commission shall make no 852

adjustments beyond those needed to implement the regulatory 853
exemption. 854

(3) If the company, after a regulatory exemption has been 855
granted under division (B)(2) of this section, subsequently 856
places into service investments that perform the function that 857
had been provided by the exempt investments prior to the 858
granting of the regulatory exemption, the company shall not be 859
authorized to recover revenues related to the investments placed 860
into service greater than those consistent with the value of the 861
exempt assets as would be determined under division (A)(1) of 862
section 4909.15 of the Revised Code in the company's next rate 863
case. 864

(D)(1) Subject to division (E) of this section, a natural 865
gas company subject to a regulatory exemption shall, to the 866
maximum extent practicable, keep separate the company's 867
operations, resources, and employees, and the associated books 868
and records, involved in the provision or marketing of a 869
company-provided service related to an investment exempted under 870
the regulatory exemption from the operations, resources, and 871
employees, and the associated books and records, involved in the 872
provision or marketing of any company-provided service not 873
exempted under the regulatory exemption or any other section of 874
the Revised Code. 875

(2) An order granting regulatory exemption shall prescribe 876
a functional separation plan for compliance with division (D)(1) 877
of this section. 878

(E)(1) No natural gas company subject to a regulatory 879
exemption may use the company's storage or gathering facilities 880
associated with the regulatory exemption to provide a commodity 881
sales service that is unregulated or subject to an exemption 882

order issued under section 4929.04 of the Revised Code. 883

(2) Upon application to the commission by a natural gas 884
company and upon a finding of good cause shown, the commission 885
may, by order, waive the prohibition described in division (E) 886
(1) of this section. The natural gas company shall bear the 887
burden of proof that the waiver is just and reasonable, which 888
shall constitute good cause. 889

(F) The commission shall have continuous jurisdiction to 890
enforce any terms that it imposes in a regulatory exemption. 891
Whenever the commission is of the opinion, after hearing had 892
upon complaint or upon its own initiative or complaint, served 893
as provided in section 4905.26 of the Revised Code, that a 894
regulatory exemption has adversely affected the quality, 895
adequacy, or sufficiency of service provided by the company 896
subject to the regulatory exemption, the commission may alter, 897
amend, or suspend the regulatory exemption. 898

Sec. 4929.052. (A) For any alternative rate plan involving 899
the recovery of specified costs and capital expenditures, a 900
natural gas company may propose, and the commission shall 901
approve, the use of a fully projected or partially projected 902
test period for the annual rider rate adjustment applications. 903
The fully or partially projected test period may be up to two 904
years from the date of the annual rider rate adjustment 905
application. If the natural gas company proposes a fully or 906
partially projected test period for an annual rider rate 907
adjustment proceeding, the natural gas company shall true up 908
that forecasted test period to reflect its actual expenditures 909
in the subsequent annual rider rate adjustment proceeding. 910

(B) In lieu of a fully or partially projected test period, 911
a natural gas company may propose, and the commission shall 912

approve, a revenue requirement that includes construction work 913
in progress. 914

Sec. 4929.053. (A) An alternative rate plan that proposes 915
to recover any reasonable costs or expenditures to comply with 916
federal or state statutes, rules, regulations, requirements, or 917
mandates, including, but not limited to, costs that have been 918
incurred or will be required to be incurred due to an existing 919
or reasonably anticipated rule, policy, or other mandate by the 920
pipeline hazardous materials safety administration, the 921
department of transportation, the federal energy regulatory 922
commission, the environmental protection agency, or any other 923
federal or state agency or authority, shall be approved by the 924
public utilities commission. A natural gas company that proposes 925
an alternative rate plan pursuant to this section may propose an 926
initial rider rate of zero dollars, and such application shall 927
not be considered an application for an increase in rates. 928

(B) In any proceeding in which a natural gas company seeks 929
to approve an alternative rate plan or to adjust any rider 930
amount pursuant to an alternative rate plan approved under 931
division (A) of this section, the commission shall not limit the 932
rider recovery of any reasonable costs or capital expenditures, 933
which have been incurred or will be required to be incurred, to 934
comply with federal or state statutes, rules, regulations, 935
requirements, or mandates. 936

(C) If, in any such proceeding, the commission does not 937
issue an order within three hundred sixty-five days from the 938
date of the natural gas company's filing, the company's 939
application is deemed approved by operation of law and shall not 940
be subject to rehearing or appeal. 941

Sec. 4929.054. (A) As used in sections 4929.054 to 942

4929.058 of the Revised Code, "large load customer" means a 943
customer that a natural gas company projected or anticipated to 944
consume, or actually consumed, in a prior, current, or future 945
twelve-month period, more than one million two hundred thousand 946
Mcf of natural gas. 947

(B) A natural gas company that has applied for, or already 948
has approved for, an infrastructure development rider pursuant 949
to section 4929.161 of the Revised Code may file an application 950
to the public utilities commission for an alternative rate plan 951
to serve large load customers. 952

(C) An alternative rate plan established under division 953
(B) of this section must support commercial agreements entered 954
into between the natural gas company and a large load customer. 955

Sec. 4929.055. An alternative rate plan proposed by a 956
natural gas company pursuant to section 4929.054 of the Revised 957
Code shall be approved by the public utilities commission if the 958
natural gas company meets its burden of proof in a proceeding 959
before the commission that the alternative rate plan does the 960
following: 961

(A) Protects the company's non-large load customers from 962
financial risk associated with initial infrastructure costs 963
under any commercial agreement entered into under that plan to 964
serve the large load customers; 965

(B) Provides any commercial agreement entered into under 966
the plan shall require a credit to the annual infrastructure 967
development rider rate charged by the natural gas company 968
pursuant to section 4929.162 of the Revised Code, which will be 969
the cost, as determined by the natural gas company, of the large 970
load customer's use of the natural gas company infrastructure in 971

service at the time the commercial agreement is executed; 972

(C) Supports economic development in the state by serving 973
the large load customer, which is proven by a letter of support 974
by an economic development entity, as defined in division (C) (4) 975
of section 4929.163 of the Revised Code. 976

Sec. 4929.056. Any payment received from a large load 977
customer pursuant to a commercial agreement under an alternative 978
rate plan approved under section 4929.055 of the Revised Code 979
shall not be considered revenue in any proceeding held pursuant 980
to Chapter 4909. of the Revised Code. 981

Sec. 4929.057. An alternative rate plan application filed 982
pursuant to section 4929.054 of the Revised Code shall not be 983
considered an application for an increase in rates. 984

Sec. 4929.058. (A) A natural gas company shall file a 985
commercial agreement with a large load customer entered into 986
pursuant to a proposed or approved alternative rate plan under 987
sections 4929.054 and 4929.055 of the Revised Code with the 988
public utilities commission. 989

(B) A commercial agreement described in division (A) of 990
this section shall be deemed automatically approved unless the 991
commission determines within forty-five days from the date of 992
the filing that the commercial agreement is inconsistent with 993
the requirements of section 4929.055 of the Revised Code. 994

(C) A natural gas company may propose, and the public 995
utilities commission shall approve, without modification, the 996
following set forth in a commercial agreement: 997

(1) Any negotiated terms that differ from the rates or 998
terms of service approved in the company's most recent rate case 999
proceeding under section 4909.18 of the Revised Code; 1000

(2) Recovery of construction work in progress for any 1001
amounts incurred to serve the large load customers. 1002

Sec. 4929.059. If the public utilities commission does not 1003
issue an order within ninety days from the date a natural gas 1004
company files an alternative rate plan application pursuant to 1005
section 4929.054 of the Revised Code, the company's proposed 1006
alternative rate plan shall be deemed approved by operation of 1007
law. 1008

Sec. 4929.0510. If the public utility commission modifies 1009
either the alternative rate plan as proposed by a natural gas 1010
company pursuant to section 4929.054 of the Revised Code or any 1011
settlement agreement between the company and any party to the 1012
alternative rate plan, then the company may withdraw the 1013
alternative rate plan and terminate it. 1014

Section 2. That existing sections 4909.05, 4909.06, 1015
4909.07, 4909.08, 4909.15, 4909.155, 4909.156, 4909.18, 1016
4909.191, 4909.42, 4928.18, and 4929.041 of the Revised Code are 1017
hereby repealed. 1018