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OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 260
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Lanese and Troy

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SUMMARY

- Requires utility charges paid by customers to be refunded, notwithstanding the refund prohibition under current law, if the Ohio Supreme Court or other authority later finds the charges to be unreasonable, unlawful, imprudent, or otherwise improper.
- Specifies that the Public Utilities Commission must order the refunds and accrued interest to be allocated to customer classes in the same proportion as the charges were originally collected.
- Requires the refunds to be made not later than one year after the Ohio Supreme Court or other authority issues its decision.

DETAILED ANALYSIS

Refunds of utility charges

Under the bill, all charges paid by customers to a public utility must be fully refunded to the customers who paid the charges, if the charges are later found to be “unreasonable, unlawful, imprudent, or otherwise improper” by the Ohio Supreme Court or other authority.

The bill requires the Public Utilities Commission (PUCO) to order the utility to pay interest on the refund amount. The interest must accrue beginning at the time the charge is paid under a PUCO-filed schedule and must be calculated at the utility’s long-term cost of debt. PUCO must order the payment of the refunds and accrued interest in a manner designed to allocate refunds and accrued interest to customer classes in the same proportion as the charges were originally collected.

Refunds under the bill must be made to the customers who paid the charges not later than one year after the Ohio Supreme Court or other authority issues its decision. The refunds must be made notwithstanding the current Ohio utility law prohibiting refunds.¹

Refund prohibition under current law

Current law prohibits a public utility from (1) charging or collecting a different “rate, rental, toll, or charge” except as specified in the utility’s schedule filed with PUCO in effect at the time or (2) refunding or remitting all or any part of the rate, rental, toll, or charge, except as specified in the schedule and extended to all under like circumstances for like, or substantially similar, service.² In addition, the Ohio Supreme Court has found that under this law, “a utility has no option but to collect the rates set by the commission and is clearly forbidden to refund any part of the rates so collected.”³

HISTORY

Action	Date
Introduced	04-19-21

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¹ R. C. 4905.321.

² R.C. 4905.32, not in the bill.

³ *Keco Industries, Inc. v. Cincinnati & Suburban Bell Tel. Co.*, 166 Ohio St. 254, 257 (1957).