## As Introduced

## 132nd General Assembly Regular Session 2017-2018

H. B. No. 143

4

## **Representative Sprague**

## A BILL

Section 1. That section 5727.80 of the Revised Code be

To amend section 5727.80 of the Revised Code to	1
clarify the definition of "electric distribution	2
company" for kilowatt-hour tax purposes.	3
BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:	

amended to read as follows:	5
Sec. 5727.80. As used in sections 5727.80 to 5727.95 of	6
the Revised Code:	7
(A) (1) "Electric distribution company" means either of the	8
following:	9
(1) (a) A person who distributes electricity through a	10
meter of an end user in this state or to an unmetered location	11
in this state;	12
$\frac{(2)-(b)}{(b)}$ The end user of electricity in this state, if the	13
end user obtains electricity that is not distributed or	14
transmitted to the end user by an electric distribution company	15
that is required to remit the tax imposed by section 5727.81 of	16
the Revised Code.	17
(2) "Electric distribution company" does not include an	18

H. B. No. 143
As Introduced

end user of electricity in this state who self generates	19
electricity that is used directly by that end user on the same-	20
site that the electricity is generated or a any of the	21
following:	22
(a) An entity that is a self-generator;	23
(a) An energy char is a seri generator,	23
(b) An agent who does both of the following:	24
(i) Contracts with a self-generator;	25
(ii) Installs, owns, or operates an electric generation	26
facility or associated facilities to produce electricity that is	27
primarily dedicated to meeting some or all of the electricity	28
requirements of the self-generator.	29
(c) A person that donates all of the electricity the	30
person generates to a political subdivision of the state.	31
Division (A) (2) of this section shall not apply to a	32
(d) A political subdivision in this state that is the end	33
user of electricity that is donated to the political	34
subdivision.	35
(B) "Kilowatt hour" means one thousand watt hours of	36
electricity.	37
(C) For an electric distribution company, "meter of an end	38
user in this state" means the last meter used to measure the	39
kilowatt hours distributed by an electric distribution company	4 C
to a location in this state, or the last meter located outside	41
of this state that is used to measure the kilowatt hours	42
consumed at a location in this state.	43
(D) "Person" has the same meaning as in section 5701.01 of	4 4
the Revised Code, but also includes a political subdivision of	4.5
the state.	46

(E) "Municipal electric utility" means a municipal	47
corporation that owns or operates a system for the distribution	48
of electricity.	49
	F.0
(F) "Qualified end user" means an end user of electricity	50
that uses more than three million kilowatt hours of electricity	51
at one manufacturing location in this state for a calendar day	52
for use in a qualifying manufacturing process.	53
(G) "Qualified regeneration" means a process to convert	54
electricity to a form of stored energy by means such as using	55
electricity to compress air for storage or to pump water to an	56
elevated storage reservoir, if such stored energy is	57
subsequently used to generate electricity for sale to others	58
primarily during periods when there is peak demand for	59
electricity.	60
(H) "Qualified regeneration meter" means the last meter	61
used to measure electricity used in a qualified regeneration	62
process.	63
	C 1
(I) "Qualifying manufacturing process" means the	64
performance of an electrochemical reaction in which electrons	65
from direct current electricity remain a part of the product	66
being manufactured.	67
(J) "Self-assessing purchaser" means a purchaser that	68
meets all the requirements of, and pays the excise tax in	69
accordance with, division (C) of section 5727.81 of the Revised	70
Code.	71
(K) "Natural gas distribution company" means a natural gas	72
company or a combined company, as defined in section 5727.01 of	73
the Revised Code, that is subject to the excise tax imposed by	74
section 5727.24 of the Revised Code and that distributes natural	75

gas through a meter of an end user in this state or to an	76
unmetered location in this state.	77
(L) "MCF" means one thousand cubic feet.	78
(M) For a natural gas distribution company, "meter of an	79
end user in this state" means the last meter used to measure the	80
MCF of natural gas distributed by a natural gas distribution	81
company to a location in this state, or the last meter located	82
outside of this state that is used to measure the natural gas	83
consumed at a location in this state.	84
(N) "Flex customer" means an industrial or a commercial	85
facility that has consumed more than one billion cubic feet of	86
natural gas a year at a single location during any of the	87
previous five years, or an industrial or a commercial end user	88
of natural gas that purchases natural gas distribution services	89
from a natural gas distribution company at discounted rates or	90
charges established in any of the following:	91
(1) A special arrangement subject to review and regulation	92
by the public utilities commission under section 4905.31 of the	93
Revised Code;	94
(2) A special arrangement with a natural gas distribution	95
company pursuant to a municipal ordinance;	96
(3) A variable rate schedule that permits rates to vary	97
between defined amounts, provided that the schedule is on file	98
with the public utilities commission.	99
An end user that meets this definition on January 1, 2000,	100
or thereafter is a "flex customer" for purposes of determining	101
the rate of taxation under division (D) of section 5727.811 of	102
the Revised Code.	103

H. B. No. 143 As Introduced	Page 5
(0) "Self-generator" has the same meaning as in section 4928.01 of the Revised Code.	104 105
Section 2. That existing section 5727.80 of the Revised	106
Code is hereby repealed.	107