



**BEFORE THE SENATE ENERGY AND PUBLIC UTILITIES COMMITTEE  
SENATOR ROB MCCOLLEY, CHAIRMAN**

**TESTIMONY  
OF  
KIM BOJKO  
ON BEHALF OF THE OHIO MANUFACTURERS' ASSOCIATION**

**December 13, 2022**

Chair McColley, Vice-Chair Schuring, Ranking Member Martin, and members of the Senate Energy and Public Utilities Committee, my name is Kim Bojko and I am a partner with the law firm Carpenter, Lipps, and Leland where I head up the firm's energy and utility practice group. I have specialized in regulatory, energy, and public utility law and energy policy for approximately 25 years. I am here today on behalf of the Ohio Manufacturers' Association (OMA). I serve as the chief energy counsel for the OMA.

The OMA is a mission-driven organization comprised of Ohio's manufacturing leaders, many of which are Ohio's major consumers of various utility services. Water and sewer services are of great importance to Ohio's manufacturing competitiveness; therefore, Ohio's utility law is of great significance to the OMA.

I am here to testify in opposition on behalf of the OMA on House Bill 364. This legislation significantly alters Ohio's ratemaking laws that govern regulated monopoly water and sewer utility companies.

If enacted, the legislation in its current form would increase manufacturers' water and sewer costs by making harmful changes to Ohio's ratemaking system, while failing to protect consumers against surcharges for broad categories of infrastructure costs.

Contrary to statements in proponent testimony, the bill before you makes significant changes to existing law, increasing costs and weakening consumer protections. Specific concerns to the proposed legislation include the following:

1. Expands the scope of what can be recovered from captive customers for new infrastructure (costs incurred after March 1, 2003) through surcharges (provides additional funding to utilities plus a return without a traditional rate case);
2. Expands the scope of what can be recovered from captive customers for the replacement of existing infrastructure through surcharges (provides additional funding to utilities plus a return without a traditional rate case);
3. Authorizes surcharges for capital expenditures made pursuant to a consent decree regarding environmental clean-up and remediation;
4. Institutes a shot clock on PUCO review and approval for applications by utilities with operating revenues of \$250,000 or more. Allows rates to go into effect without PUCO approval, as proposed, and subject to refund; and
5. Allows 3 surcharges at 4.25% of rates and charges in effect for water and 3% for sewer. These surcharges are cumulative with unlimited durations and without a rate case for regulators to also review the companies' revenues and other expenditures.
6. Extends the life of the surcharges authorized. In current law, all surcharges must terminate by December 31, 2025. House Bill 364 allows the surcharges to collect costs from customers until December 31, 2036.

Similar to House Bill 6, the legislation at the heart of the ongoing public corruption investigation, House Bill 364 opens the door to above-market charges placed on the backs of customers while weakening consumer protections.

The only winners in this sort of legislation are monopoly public utilities who gain customer-funded profit subsidies.

Mr. Chairman and members of the committee, thank you for allowing me to present opponent testimony on House Bill 364 today. I would be happy to answer any questions you may have.