



Ohio Legislative Service Commission

Bill Analysis

Laura Gengo

H.B. 421

130th General Assembly
(As Introduced)

Reps. Cera, Lundy, Rogers, Antonio, Barborak, Redfern

BILL SUMMARY

- Permits the Governor to terminate an existing utility service reasonable arrangement for a mercantile customer, or release a mercantile customer from such an arrangement established for a group of mercantile customers if:
 - The customer proves it employs at least 100 people; and
 - The customer proves that a failure to terminate or be released from the arrangement resulted in, or will result in, the customer filing for bankruptcy.

CONTENT AND OPERATION

Termination of reasonable arrangement by Governor

The bill permits the Governor to terminate an existing utility service reasonable arrangement for a mercantile customer, or release a mercantile customer from such an arrangement established for a group of mercantile customers, as applicable, if both of the following apply:

- (1) The customer proves it employs at least 100 people;
- (2) The customer proves that a failure to terminate or be released from the existing arrangement resulted in, or will result in, the customer filing for bankruptcy.¹

A "mercantile customer" is a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than 700,000

¹ R.C. 4905.311.

kilowatt hours per year or is part of a national account involving multiple facilities in one or more states.²

Background: reasonable arrangements

Current law provides that a mercantile customer of an electric distribution utility (EDU) or a group of mercantile customers may establish a reasonable arrangement with the EDU or another public utility electric light company, that provides for any of the following:

- (1) The division or distribution of its surplus profits;
- (2) A sliding scale of charges, including variations in rates based upon stipulated variations in cost as provided in the schedule or arrangement;
- (3) A minimum charge for service to be rendered unless such minimum charge is made or prohibited by the terms of the franchise, grant, or ordinance under which such public utility is operated;
- (4) A classification of service based upon the quantity used, the time when used, the purpose for which used, the duration of use, and any other reasonable consideration;
- (5) Any other financial device that may be practicable or advantageous to the parties interested.³

An "electric distribution utility" is an electric utility that supplies at least retail electric distribution service. Retail electric service is any service involved in supplying or arranging for the supply of electricity to ultimate consumers in Ohio, from the point of generation to the point of consumption, and includes distribution service.⁴

HISTORY

ACTION	DATE
Introduced	01-30-14

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² R.C. 4928.01(A)(19), not in the bill.

³ R.C. 4905.31, not in the bill.

⁴ R.C. 4928.01(A)(6) and (27), not in the bill.

