



Ohio Legislative Service Commission

Russ Keller

Fiscal Note & Local Impact Statement

Bill: [H.B. 87 of the 129th G.A.](#)

Date: March 21, 2011

Status: As Introduced

Sponsor: Reps. Goyal and Grossman

Local Impact Statement Procedure Required: No

Contents: To limit recovery of rate-case expenses for certain water-works and sewage disposal system companies

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- Potential minimal decrease in expenditures for water and sewer service for some townships, villages, and school districts.

Detailed Fiscal Analysis

H.B. 87 prohibits (1) water-works companies that serve 15,000 or more customers in Ohio, (2) sewage disposal system companies that serve 15,000 or more customers in Ohio, and (3) water-works companies that are also sewage disposal system companies that serve a total of 15,000 or more customers in Ohio from recovering more than half of rate-case expenses incurred in a standard ratemaking proceeding. The bill prohibits those same companies from recovering any rate-case expenses in an emergency rate proceeding, certain ratemaking proceedings specific to water and sewage utilities, and any ratemaking mechanism established after the bill's effective date.

Fiscal effect

According to information from the Public Utilities Commission of Ohio (PUCO), two companies, Aqua Ohio and Ohio American Water, fall under the classification (15,000 or more customers in Ohio) described in this bill. Of the two companies, Ohio American Water had the most recent rate adjustment, which was approved by PUCO on May 5, 2010. This bill does not have a fiscal effect on state revenues or expenditures. For townships, villages, and school districts located in the territory served by either company, there is a potential decrease in expenditures for water and sewer services. Any such decrease is likely to be minimal.