



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 319 of the 130th G.A.](#)

Date: February 18, 2014

Status: As Introduced

Sponsor: Rep. Grossman

Local Impact Statement Procedure Required: Yes

Contents: Permits a natural gas company to apply for an infrastructure development rider to cover costs of certain economic development projects

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- Potential increase in expenditures to counties, municipalities, townships, and school districts. The amount of the increase, if any, depends on the infrastructure development costs approved for recovery from customers by the Public Utilities Commission of Ohio (PUCO).

Detailed Fiscal Analysis

H.B. 319 permits a natural gas company to file an application with the Public Utilities Commission of Ohio (PUCO) for approval of an infrastructure development rider to cover "prudently incurred" infrastructure development costs. The approved costs must be for one of the following economic development projects:

1. A site for commercial, industrial, or manufacturing use that is certified by the Director of Development Services under the Site Ohio certification program.
2. An economic development project that is located in an area where adequate natural gas infrastructure is not available. The project must also provide opportunities for increased natural gas usage as well as the opportunity for economic development benefits to arise from the infrastructure development.

The bill specifically prohibits PUCO from authorizing the infrastructure development rider if the proceeds to be generated by the rider are projected, in any one calendar year, to exceed 1% of the valuation of the natural gas company's property, as determined by PUCO. The LSC bill analysis provides other details of the bill, including the application and approval process.

Fiscal effect

The cost of an infrastructure development rider will increase costs for the customer base, which includes counties, municipalities, townships, and school districts. The number and magnitude of these infrastructure development riders depends on the regulatory approval of PUCO. It is uncertain what gas companies will seek in terms of infrastructure development riders over the forthcoming years, and it also is uncertain how many of these riders will be approved by PUCO.