



Members Brief

An informational brief prepared by the LSC staff for members and staff of the Ohio General Assembly

Author: Kathleen A. Luikart, Research Analyst
Reviewer: Ralph D. Clark, Division Chief

Volume: 135
February 29, 2024

Electric Service in Ohio

Ohioans receive electric service from one of three types of electric light companies – electric distribution utilities (EDUs), electric cooperatives, or municipal electric utilities. Each provides electric service to customers located in the company’s service area. Of these companies, only EDUs are regulated by the Public Utilities Commission. Electric cooperatives are owned and operated exclusively by and for the members who receive the cooperative’s electric service. Municipalities have the authority under Article XVIII, Section 4 of the Ohio Constitution to own and operate public utilities, including municipal electric utilities.

Contents

Electric service in Ohio.....	1
PUCO regulation.....	1
Electric distribution utilities (EDUs)	2
Electric cooperatives	2
Service territories for EDUs and electric cooperatives	3
Municipal electric companies	3
Choice of electric generation service provider	4

Electric service in Ohio

In Ohio, customers receive electric service from electric light companies: electric distribution utilities (EDUs), electric cooperatives, and municipal electric companies. Each type of company provides electric service to customers in a specific service area – certified territories for EDUs and cooperatives and municipal boundaries for municipal electric utilities.

PUCO regulation

Electric light companies are regulated by the Public Utilities Commission of Ohio (PUCO) when they are engaged in the business of supplying electricity, including electric transmission service, for light, heat, or power purposes to consumers within Ohio. Such a company is not subject to PUCO regulation as a public utility if it (1) operates its utility not for profit, (2) is a

cooperative (owned and operated exclusively by and solely for the utility's customers), or (3) is municipally owned or operated.¹

Electric distribution utilities (EDUs)

EDUs each have a certified territory and are engaged in the business of supplying at least retail electric distribution service (which is the last segment of electricity delivery to the place of consumption) on a for-profit basis in the state.² Information about each EDU with a certified territory (listed to the right) is available on the PUCO website, puco.ohio.gov, by first selecting Electricity under the Utilities tab; and then at the Regulated Companies tile, by using the filters, selecting Electric under By Utility and Electric Distribution Utility under By Industry.

PUCO-regulated EDUs include: AEP Ohio, AES Ohio (formerly Dayton Power & Light), Duke Energy Ohio, and the First Energy companies (Cleveland Electric Illuminating Company, Ohio Edison Company, and Toledo Edison Company).

EDUs are investor owned, and the rates they charge for electric service (including a rate of return for their investors) are determined by PUCO in rate case proceedings.³ EDUs are also subject to the competitive retail electric service (CRES) law.⁴ Additional information regarding EDUs, the utility ratemaking procedure, general information about utility charges known as riders, and where to look up utility rate cases is available on the PUCO website.⁵

Electric cooperatives

Electric cooperatives are owned and operated exclusively by and solely for their customers. They are not-for-profit electric light companies that are or have been financed under the "Rural Electrification Act of 1936" and own or operate facilities in Ohio to generate, transmit, or distribute electricity. They are not subject to PUCO regulation.⁶

There are 25 electric cooperatives in Ohio serving more than 380,000 homes and businesses. They operate in 77 Ohio counties. Members of cooperatives participate in their operation by voting. Each member has one vote to elect trustees and vote on policy. Cooperatives are financially independent, and their members pay the full cost of generation, transmission, and distribution of electricity.⁷

¹ R.C. 4905.02(A)(1) to (3) and 4905.03(C).

² R.C. 4928.01(A)(6), (7), and (11).

³ R.C. Chapter 4909.

⁴ R.C. Chapter 4928.

⁵ PUCO, "[Rate Case Process](#)," "[News Bureau: Learning about utility riders](#)," and "[Tariffs: Utility and Telecom](#)," which are available on PUCO's website: puco.ohio.gov.

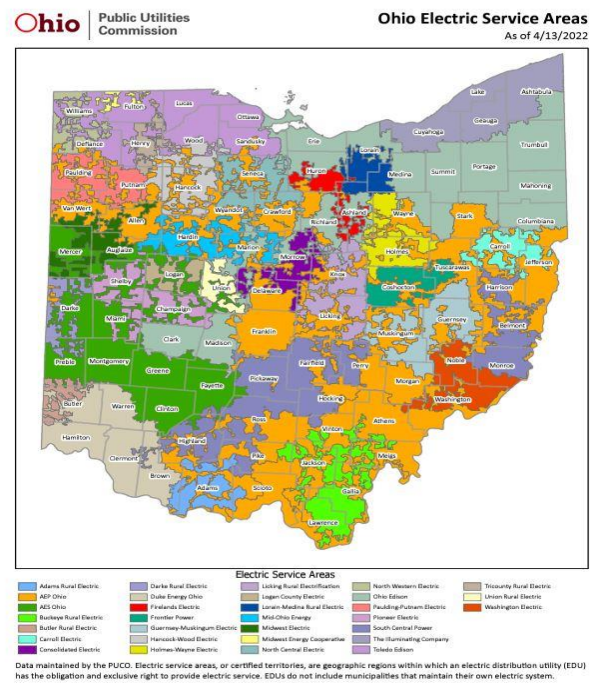
⁶ R.C. 4905.02(A)(2) and 4928.01(A)(5); 7 United States Code 901-918c.

⁷ Ohio's Electric Cooperatives, "[Co-op Principles](#)," available on Ohio's Electric Cooperatives' website, ohioec.org; PUCO, "[Electric Cooperatives](#)," available on PUCO's website: puco.ohio.gov.

Service territories for EDUs and electric cooperatives

EDUs and electric cooperatives have the obligation and exclusive right to provide electric service within their “certified territories,” which are specified geographic areas within which they are authorized and required to provide electric service.

PUCO is responsible for preparing maps of certified territories and is the authority over issues regarding these service areas, such as boundary locations.⁸ The map to the right shows the certified territories.⁹



Municipal electric companies

Under the Ohio Constitution, any municipality may “acquire, construct, own, lease and operate within or without its corporate limits, any public utility the product or service of which is or is to be supplied to the municipality or its inhabitants, and may contract with others for any such product or service.”¹⁰ According to American Municipal Power, Inc. (AMP), 84 municipalities in Ohio own and operate electric systems that provide electric service to the residents and businesses in their communities.

AMP is an organization owned and governed by member municipalities; its purpose is to provide each member with the proper levels of power from their preferred sources.¹¹ The map to the left shows the location of Ohio’s municipally owned utilities and is available on the PUCO website.¹²

⁸ R.C. 4933.81 to 4933.90.

⁹ PUCO, “[Service Area Map \(PDF\)](https://www.puco.ohio.gov/utilities/electricity),” available at: [puco.ohio.gov/utilities/electricity](https://www.puco.ohio.gov/utilities/electricity).

¹⁰ Ohio Constitution Article XVIII, Section 4.

¹¹ American Municipal Power, Inc. “[AMP Members](https://www.amppartners.org)” available on AMP’s website, [amppartners.org](https://www.amppartners.org).

¹² PUCO, “[Ohio Municipal Electric Utilities \(PDF\)](https://www.puco.ohio.gov),” available on PUCO’s website, [puco.ohio.gov](https://www.puco.ohio.gov).

Choice of electric generation service provider

EDUs, since the deregulation of electric service in 1999, generally do not provide electric generation service. Since deregulation and the enactment of the CRES law, electric generation service is provided by CRES providers that are certified by PUCO.

Under the CRES law, electric customers may choose to buy electric generation service from a CRES provider. Or, customers may receive generation service by default from the EDU serving that area at the standard service offer (SSO) price, if they don't choose service from a CRES provider.¹³ Because of the possibility that customers may not choose a CRES provider, an EDU must establish, under the CRES law, an SSO price through an electric security plan or a market rate offer.¹⁴ Customers of municipal electric utilities and members of electric cooperatives cannot shop for electric generation service. Although electric cooperatives have the authority under Ohio law to become certified CRES providers, they have not elected to participate in the wholesale power market.¹⁵

¹³ R.C. Chapter 4928; S.B. 3 of the 123rd General Assembly, effective October 5, 1999.

¹⁴ R.C. 4928.141, 4928.142, and 4928.143.

¹⁵ R.C. 4928.08; Guernsey-Muskingum Electric Cooperative, "[Deregulation and Choice](#)," available on the cooperative's website, gmenenergy.com.