



Senate Energy and Public Utilities Committee  
Chairman David Daniels

Testimony of

Kevin Schmidt  
The Ohio Manufacturers' Association

Regarding Senate Bill 248

Chairman Daniels, members of the Senate Energy and Public Utilities Committee, thank you for allowing me to testify today regarding Senate Bill (S.B.) 248. My name is Kevin Schmidt and I am the Director of Public Policy Services for the Ohio Manufacturers Association (OMA) where I've managed the association's energy policy work for over 7 years.

Manufacturing is the largest contributor to Ohio's economy, producing more than \$84 billion in goods annually, generating nearly 18% of Ohio's overall economy, and providing an annual payroll of \$38 billion, according to the most recent data available. Ohio is first, second or third among U.S. states in 84 NAICS categories of manufacturing. Manufacturers consume roughly one-third of all energy used in Ohio.

The OMA supports clarifying Ohio law regarding the securitization of certain utility costs or assets as a means to lower rates for customers. Securitizing costs or assets that have been approved by the Public Utilities Commission of Ohio and are fully adjudicated is nothing more than refinancing a loan. This type of refinancing has been used in other states to lower the costs of repairs for distribution systems after ice storms or hurricanes.

Granting the PUCO one more tool to lower costs for Ohio consumers via the financing order contained in S.B. 248 is good policy for Ohio. It is good policy no matter what the authorized costs or assets may be. This is because the bill clearly states that a utility may issue phase-in recovery bonds only after all judicial review is exhausted. Thus, customers are only subject to "refinancing" once it is settled that they own a debt. This provision is an essential protection for customers. After participating in numerous utility cases at the PUCO over the years I can assure you, if a utility wants to charge customers money for something people show up to challenge them.

Chairman Daniels, members of the committee, thank you for allowing me to testify today in support of S.B. 248. I'm happy to answer any questions the committee may have.