



June 1, 2023

The Honorable Matt Dolan
Chair
Senate Finance Committee

Re: IDR Modernization

Chairman Dolan:

On behalf of the Greater Akron Chamber (GAC) and our over 2,200 members, I am writing to express our continued support for modernizing IDR regulations so that Ohio can continue growing its natural gas pipeline infrastructure. This will help make Ohio more competitive in its business retention, expansion, and attraction efforts and create jobs.

As a regional economic development organization, the GAC understands the value of having an economically efficient and sustainable infrastructure, especially in terms of site selection and business expansion. In a recent survey of national site selectors, utility infrastructure was ranked #3 out of 10 factors in choosing a state and site. Unfortunately, Ohio has numerous constrained areas that require natural gas companies to ask potential businesses to pay a large amount towards getting them natural gas. This delta between what the natural gas company contributes to the pipeline's cost and what it asks customers to pay is often the deciding factor in whether it chooses Ohio or goes elsewhere.

HB 319, passed in 2014, was an important first step in fixing this problem. It allows natural gas companies to petition the PUCO to provide dollars to help pay for natural gas pipeline extensions for projects that don't fit their economic models. The PUCO has authority to approve or deny and natural gas companies have to prove that there are economic development benefits before it is allowed to collect anything from its customers. A rider of up to 25 cents a month per customer per year could be approved if all of this is satisfactory to the PUCO. And it will only recover the amount that the natural gas companies can't pay because of its economic model.

Unfortunately, the law does not go nearly far enough. Pipeline expansion can be expensive and Ohio is losing projects because of the gaps in our infrastructure. Because of this, the GAC supports increasing the dollar amount from up to 25 cents a month to up to \$1.50 per month. Natural gas companies aren't asking for a handout but need help in some instances to extend lines in these cases that don't make economic sense to them. In this environment of low natural gas prices, now is the time to build out infrastructure and create jobs.

Ohio has been blessed with an abundance of natural gas. To the extent possible, we should encourage its use by Ohioans for the benefit of Ohioans and hope that the legislature will recognize this issue for the economic development imperative that it is. We support language being included within the state operating budget that would modernize IDR regulations and help grow our natural gas pipeline infrastructure.

Thank you for your continued leadership and consideration of this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Millard', is written over a light blue horizontal line.

Steve Millard
President & CEO

