

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. B. No. 143

Representative Sprague

A BILL

To amend section 5727.80 of the Revised Code to 1
clarify the definition of "electric distribution 2
company" for kilowatt-hour tax purposes. 3

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5727.80 of the Revised Code be 4
amended to read as follows: 5

Sec. 5727.80. As used in sections 5727.80 to 5727.95 of 6
the Revised Code: 7

(A) (1) "Electric distribution company" means either of the 8
following: 9

~~(1)~~ (a) A person who distributes electricity through a 10
meter of an end user in this state or to an unmetered location 11
in this state; 12

~~(2)~~ (b) The end user of electricity in this state, if the 13
end user obtains electricity that is not distributed or 14
transmitted to the end user by an electric distribution company 15
that is required to remit the tax imposed by section 5727.81 of 16
the Revised Code. 17

(2) "Electric distribution company" does not include ~~an~~ 18

~~end user of electricity in this state who self-generates~~ 19
~~electricity that is used directly by that end user on the same~~ 20
~~site that the electricity is generated or a any of the~~ 21
following: 22

(a) An entity that is a self-generator; 23

(b) An agent who does both of the following: 24

(i) Contracts with a self-generator; 25

(ii) Installs, owns, or operates an electric generation 26
facility or associated facilities to produce electricity that is 27
primarily dedicated to meeting some or all of the electricity 28
requirements of the self-generator. 29

(c) A person that donates all of the electricity the 30
person generates to a political subdivision of the state. 31
~~Division (A) (2) of this section shall not apply to a~~ 32

(d) A political subdivision in this state that is the end 33
user of electricity that is donated to the political 34
subdivision. 35

(B) "Kilowatt hour" means one thousand watt hours of 36
electricity. 37

(C) For an electric distribution company, "meter of an end 38
user in this state" means the last meter used to measure the 39
kilowatt hours distributed by an electric distribution company 40
to a location in this state, or the last meter located outside 41
of this state that is used to measure the kilowatt hours 42
consumed at a location in this state. 43

(D) "Person" has the same meaning as in section 5701.01 of 44
the Revised Code, but also includes a political subdivision of 45
the state. 46

(E) "Municipal electric utility" means a municipal corporation that owns or operates a system for the distribution of electricity.

(F) "Qualified end user" means an end user of electricity that uses more than three million kilowatt hours of electricity at one manufacturing location in this state for a calendar day for use in a qualifying manufacturing process.

(G) "Qualified regeneration" means a process to convert electricity to a form of stored energy by means such as using electricity to compress air for storage or to pump water to an elevated storage reservoir, if such stored energy is subsequently used to generate electricity for sale to others primarily during periods when there is peak demand for electricity.

(H) "Qualified regeneration meter" means the last meter used to measure electricity used in a qualified regeneration process.

(I) "Qualifying manufacturing process" means the performance of an electrochemical reaction in which electrons from direct current electricity remain a part of the product being manufactured.

(J) "Self-assessing purchaser" means a purchaser that meets all the requirements of, and pays the excise tax in accordance with, division (C) of section 5727.81 of the Revised Code.

(K) "Natural gas distribution company" means a natural gas company or a combined company, as defined in section 5727.01 of the Revised Code, that is subject to the excise tax imposed by section 5727.24 of the Revised Code and that distributes natural

gas through a meter of an end user in this state or to an 76
unmetered location in this state. 77

(L) "MCF" means one thousand cubic feet. 78

(M) For a natural gas distribution company, "meter of an 79
end user in this state" means the last meter used to measure the 80
MCF of natural gas distributed by a natural gas distribution 81
company to a location in this state, or the last meter located 82
outside of this state that is used to measure the natural gas 83
consumed at a location in this state. 84

(N) "Flex customer" means an industrial or a commercial 85
facility that has consumed more than one billion cubic feet of 86
natural gas a year at a single location during any of the 87
previous five years, or an industrial or a commercial end user 88
of natural gas that purchases natural gas distribution services 89
from a natural gas distribution company at discounted rates or 90
charges established in any of the following: 91

(1) A special arrangement subject to review and regulation 92
by the public utilities commission under section 4905.31 of the 93
Revised Code; 94

(2) A special arrangement with a natural gas distribution 95
company pursuant to a municipal ordinance; 96

(3) A variable rate schedule that permits rates to vary 97
between defined amounts, provided that the schedule is on file 98
with the public utilities commission. 99

An end user that meets this definition on January 1, 2000, 100
or thereafter is a "flex customer" for purposes of determining 101
the rate of taxation under division (D) of section 5727.811 of 102
the Revised Code. 103

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| <u>(O) "Self-generator" has the same meaning as in section</u> | 104 |
| <u>4928.01 of the Revised Code.</u> | 105 |
| Section 2. That existing section 5727.80 of the Revised | 106 |
| Code is hereby repealed. | 107 |