BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus)	
Southern Power Company and Ohio Power)	
Company for Authority to Establish a Standard)	Case No. 11-346-EL-SSO
Service Offer Pursuant to § 4928.143, Ohio)	Case No. 11-348-EL-SSO
Rev. Code, in the Form of an Electric Security)	
Plan)	
)	
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)	
In the Matter of the Application of Columbus)	Case No. 11-349-EL-AAM
Southern Power Company and Ohio Power)	Case No. 11-350-EL-AAM
Company for Approval of Certain Accounting)	
Authority)	
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DIRECT TESTIMONY OF DREW HASTINGS ON BEHALF OF THE CITY OF HILLSBORO, OHIO

Respectfully Submitted,

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Attorneys for the City of Hillsboro, Ohio

- 1 Q. Please state your name and business address.
- 2 A. My name is Drew Hastings, and my business address is 130 North High Street,
- 3 Hillsboro, Ohio 45133.
- 4 Q. Have you ever testified before the Public Utilities Commission of Ohio?
- 5 A. No I have not.
- 6 Q. Please describe your affiliation with the City of Hillsboro, Ohio.
- 7 A. I currently serve as the Mayor of the City of Hillsboro ("Hillsboro"). In my role
- 8 as Mayor, I manage and provide direction to all departments and employees in
- 9 Hillsboro, while carrying out policy directives provided to me by Hillsboro's City
- 10 Council. In that capacity, I have developed an understanding of municipal
- services both provided to, and provided by Hillsboro, and more specifically, the
- electricity services procured by Hillsboro from the Ohio Power
- 13 Company/Columbus Southern Power (the "Companies").

14 Q. Could you share some of your professional background with us?

- 15 A. I have approximately 35 years of experience as a self-employed business owner
- and real estate developer. This experience has given me much insight into what is
- 17 required to budget for businesses, with utility costs obviously being an important
- variable in that budgeting process. I have carried this experience over into my
- role as Mayor of Hillsboro.
- 20 Q. Please briefly describe some attributes of the City of Hillsboro.
- 21 A. As of the 2010 census, Hillsboro has a population of 6,605 with a median age of
- 22 40. The per capita income is \$18,552 with a median household income of
- \$33,759. 25% of the population earns an income below poverty level. The

- 1 median value of a home in the City is \$96,700. There are 510 businesses in the City generating total sales of \$586,080,000.
 - Q. Please describe Hillsboro's electricity use.

- A. Currently, Hillsboro relies upon the Companies to provide electricity to municipal buildings and facilities. Hillsboro also relies upon the Companies to provide electricity to municipal traffic signals and street lights, and spends in excess of Three Hundred Thousand Dollars (\$300,000.00) on just these two uses annually. Hillsboro is a large user of electric services and this proceeding will have a significant impact on the cost and manner in which Hillsboro continues to obtain and pay for its electric service.
- 11 Q. Please explain why Hillsboro has intervened in this case.
 - A. Hillsboro is participating in this case to ensure that its electricity bills don't see a drastic increase, but also to protect the interests of Hillsboro's constituency, both residential and business. The Companies previously approved rate plan had a significantly negative impact on some of Hillsboro's constituents, especially Hillsboro's businesses. We needed to do something for our citizens. We felt it was important to participate in the process and communicate our concerns. We attended the public comment meeting at the Public Utilities Commission of Ohio on March 23, 2012, where we initially expressed our dismay over the previously approved increased rates. Intervening in this proceeding is one way to make sure that the collective voices of the citizens of City of Hillsboro are heard.

22 Q. Could you talk about Hillsboro's businesses briefly?

A. Hillsboro is a growing community, but the majority of the businesses in Hillsboro are smaller scale businesses. These businesses operate on a very tight budget, and to see how the Companies' previously approved rate plan negatively impacted these small businesses was difficult for our community.

Q. Please explain how rate increases stifle economic development in Hillsboro?

A.

A.

The economy is stagnant, profit margins are thin and we compete in a global marketplace. Very simply, if Hillsboro and its business constituency are all paying more for electricity than in the past, then economic development, job growth and retention in Hillsboro will be natural victims of these rate increases. If Hillsboro as a public service provider has to pay more for its electricity, those costs will trickle down to its residents and businesses. If Hillsboro's businesses have to pay more for electricity, they may have to fire employees or worse, close their doors. Increased costs to do business and perform municipal services means more money leaving the pockets of Hillsboro, its residents and its businesses. There will be less money, then, to reinvest and pursue growth of our local economy.

Q. What can the Companies do assist in economic development endeavors on the local level?

First, again, raising electric rates does not assist any community in their economic development endeavors. Beyond this though, the Companies could also meet with individual communities to discuss potential project partnerships, and could also make an investment in these communities through the deployment and distribution of funding for economic development. It is my understanding that an

1 economic development fund existed in a	he previous plan that was approved by the
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Public Utilities Commission, but such emphasis on economic development does

3 not exist in the most recently filed plan.

4 Q. Is Hillsboro currently a governmental aggregator?

5 A. No, but we'd like to at least have the option to become an aggregator of

electricity. We want the option to shop for the best rates for our constituency and

to aggregate if our City Council so desires. My hope is that this rate plan

submitted by the Companies wouldn't place restrictions on Hillsboro if it chose to

become an aggregator of electricity.

10 Q. Thank you Mayor Hastings. Does this conclude your testimony?

11 A. Yes it does.

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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Direct Testimony of Drew Hastings on Behalf of The City of Hillsboro, Ohio was served upon the parties of record listed below this 4th day of May, 2012 via electronic mail.

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Summary: Testimony Direct Testimony of Drew Hastings on Behalf of The City of Hillsboro, Ohio electronically filed by Mr. Asim Z. Haque on behalf of City of Hillsboro, Ohio