

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Commission)	
Review of the Capacity Charges)	
of Ohio Power Company and)	Case No. 10-2929-EL-UNC
Columbus Southern Power Company.)	

**DIRECT TESTIMONY OF ROGER R. GEIGER
ON BEHALF OF NFIB/OHIO**

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I. INTRODUCTION.

Q. Please state your name and business address..

A. Roger R. Geiger. 10 West Broad Street, Suite 2450, Columbus, Ohio 43215.

Q. By whom are you employed and in what capacity?

I am employed as Vice President and Executive Director of the Ohio chapter of the National Federation of Independent Business ("NFIB/Ohio").

Q. Please describe your educational background.

A. I graduated from the Franciscan University of Steubenville, in Steubenville, Ohio, with a Bachelors of Arts in Political Science and History in 1983. I also received a Masters of Public Administration from The Ohio State University in Columbus, Ohio, in 1986.

Q. Please describe your work experience.

I joined NFIB/Ohio in 1989 as the State Director. NFIB is a nonprofit, nonpartisan organization dedicated to representing the voice of small and independent businesses. NFIB/Ohio currently has over 24,000 members statewide, ranging from large

corporations to small sole-proprietorships; however, the vast majority of NFIB/Ohio members employ twenty-five or fewer and have annual gross revenues of less than one million dollars. In my over two decades with NFIB/Ohio, I have worked with thousands of small-business owners acting as their advocate in order to help make their voice heard at the Statehouse and throughout the State of Ohio.

Q. Have you previously testified before the Commission?

A. No, I have not.

Q. Why are you doing so in this proceeding?

A. In the months following the Opinion and Order of the Public Utilities Commission of Ohio (“PUCO” or “Commission”) in December 2011, we received dozens of calls as well as emails from our members in the AEP-Ohio service territory upset over the recent rate changes and facing substantial increases—at least one who is claiming the increase to be as high as nearly three hundred percent.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide the Commission with some examples as to the impact of this proceeding upon our members and to convey the concerns of our members to the Commission. In addition, my testimony will explain NFIB/Ohio's position—and the position of our over 24,000 members—concerning the state's transition to a competitive electric marketplace and the reinstated two-tiered capacity pricing plan.

II. IMPACT ON SMALL BUSINESSES.

Q. What has been the impact on your members of the AEP-Ohio rates currently under reassessment by the Commission?

A. After receiving dozens of contacts from members throughout the AEP-Ohio

service territory, NFIB/Ohio became concerned about the significant price increases on Ohio's small businesses. With market-based electric rates at historic lows, the Commission's decision seemed to have the opposite effect, disproportionately driving up costs on small-business owners. At a time when Ohio is rebuilding from a nationwide economic recession, it seemed like a bad time to be increasing costs to the creators of two out of every three jobs in the State. NFIB/Ohio believes that small businesses are the backbone of our economy and their interests are just as important as their larger counterparts. As such, NFIB/Ohio welcomed the Commission's February 2012 Entry on the reconsideration of the AEP-Ohio rate plan.

Despite the Commission's reconsideration, however, the disparate impact felt by Ohio's small businesses has already taken its toll on the Ohio job market. For example, Doug, an NFIB member in Bucyrus, Ohio, and an employer of 19 individuals, saw his month-to-month electric bill climb from \$5,549.25 for 331,800 kilowatt/hours ("KWH") to \$13,546.21 for 282,600 KWH—an over two-hundred and eighty percent increase per KWH, despite having less usage. As a result, Doug has postponed filling three positions at his business because of the costs associated with the increase, pending resolution by the Commission. Having heard from numerous other small-business owners struggling to manage their own energy cost increases, we are certain that Doug is not alone. Escalating costs of doing business threaten the continued existence and vitality of our small-business owner members.

III. POSITION ON COMPETITIVE ELECTRICITY GENERATION SERVICE.

Q. Please explain NFIB/Ohio's position regarding a competitive electric marketplace.

A. NFIB/Ohio has long endorsed making Ohio a competitive state for electricity

generation service, dating back to our support expressed at the Ohio General Assembly nearly thirteen years ago. That remains our belief today. The core philosophy of NFIB/Ohio is rooted in the concept of free markets, limiting government intervention as necessary. In that spirit, we believe that rather than utilizing a cost-based mechanism, competitive forces should be allowed to set the capacity charge. But the reinstated capacity charge of two-hundred and fifty-five dollars per megawatt-day places the cost of shopping at a level that essentially denies customers the ability to shop elsewhere. At a time when open market pricing is less than ten percent of the AEP-Ohio charge, the Commission's reinstatement of the two-tiered capacity pricing scheme has had the effect of stifling competition and locking small-business owners into rates regardless of their desire to look elsewhere for their energy needs.

NFIB/Ohio strongly believes that a competitive market will allow all customers to offset the costs of potential rate increases by giving them the ability to shop for lower, more aggressively priced rates. That is the essence of the free market: may the best price win. Our members operate in that very environment day in and day out in order to remain competitive in the global marketplace. As such, it is important for the Commission to remain sensitive to how the decision made in this proceeding will impact Ohio's entrepreneurs and small-business owners if our great State is to flourish again.

Q. Does this conclude your testimony?

A. Not quite. In closing, I would like to underscore just how extraordinary NFIB/Ohio's intervention is in this case. Throughout our decades of advocacy for small businesses across the State, we have never asked to intervene in or become a party in a case before the Commission. Our unprecedented involvement in this case emphasizes the

importance of the ultimate decision rendered by the Commission in this proceeding in the lives of Ohio's job creators and it is exactly why NFIB/Ohio is asking that the Commission allow the competitive markets the opportunity to work by restoring a reliability pricing model.

Q. Does this conclude your testimony?

A. Yes it does.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing DIRECT TESTIMONY OF ROGER R. GEIGER ON BEHALF OF NFIB/OHIO was served by electronic mail, this 4th day of April, 2012, upon the following parties, or their counsel of record to this action:

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