

HOUSE BILL 249

TESTIMONY OF AMERICAN POWER & LIGHT (AP&L)

ROWLAND S. GILLER, III, Pres. and CEO

OHIO HOUSE PUBLIC UTILITIES COMMITTEE

January 30, 2018

Good morning, Chairman Cupp, Vice-Chairman Carfagna, Ranking member Ashford and distinguished members of this Committee. It is an honor to be given this opportunity to present this testimony before you today. My name is Rowland S. Giller, III, and I am the Chief Executive Officer of American Power & Light (AP&L) and Columbus & Central Ohio Systems, Inc. (CCOS), Metro Development and Triangle Development. These companies founded locally are long-time, established Central Ohio companies employing well over 800 Ohioans. Additionally, our combined organizations have constructed over 45,000 multifamily units in central Ohio over the past 50 years. While I have provided the Committee with a written copy of my testimony, rather than read you the text; I will summarize my comments and then turn to answering any and all of your questions.

American Power & Light (AP&L) was formed in 2003 to meet the ever-changing market conditions within the real estate development community. As we all will recall, this was the beginning of the residential real estate boom. At that time, the default utility determined that multifamily and commercial developments were not as important to their business model as a single-family development. Therefore, they began to impose greater delays on the installation at these particular types of developments as well as, enacted a per door aid to construction fees, which would ultimately increase the cost of the developments which would ultimately all be passed on to the individual customers. As developers, we were forced to search out a market-competitive way to install and manage the on-property electrical infrastructure at all of our multifamily/commercial developments. Currently, AP&L services over 120 master-meter apartment and commercial developments throughout Central Ohio. We have over 13,500 individual customers that we work with on a daily/monthly basis. Our in-house customer service team on behalf of the property owner deals with each and every customer inquiry with the utmost professionalism and respect for the customer.

I think it is important for me to give you a little more context on exactly what we provide to the owners and development partners as well as their individual tenants. Not only do we manage the monthly meter reading and customer billing process, but we also design, install, and pay for primary distribution systems for our developers/owners. Our responsibility does not stop with the upfront infrastructure installation, but it also extends to any and all normal or catastrophic maintenance of the infrastructure including the individual unit meters, transformers, streetlights, and any of the corresponding in-ground wiring. We also monitor the energy markets and purchase large blocks of energy, which includes traditional generation such as coal and natural gas, but we also purchase renewable energy for our owner/developer clients.

As your committee is heavily involved in the utility industry, you obviously have a far greater understanding of the complexity that goes into setting a utility rate and I think the general public just does not have the time to dig deep into the details to understand what makes up a single utility rate. I believe that a greater level of disclosure when they execute the lease document would help customers further understand what really matters to them, which is how much they should expect to pay if they use an average amount of electricity for any given month and what they can save if they conserve.

I would first like to commit to you that we are in full support of common sense legislation and have worked with the legislature previously and currently to try to add some insight and perspective of the actual business model and the facts in the field versus some of the hyperbole that came from the local media. With that said, this legislation is a thinly veiled attempt to ban submetering, and as such, I ask you to oppose the bill.

While I would be happy to continue working with members of this committee on legislation to enhance consumer protections and preserve property rights for property owners, this bill is not a vehicle for such action. I ask that the committee continue its work on submetering in a separate piece of legislation.

I want to again thank you for the opportunity to stand in front of you and explain some of our thoughts regarding the industry and the legislation that is in front of you today. At this time, I would be more than happy to answer any and all questions from the committee or individual members.