

ORIGINAL

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

\* \* \* \* \*

In the Matter of the Self-Complaint of  
Columbus Southern Power Company and  
Ohio Power Company Regarding the  
Implementation of Programs to Enhance  
Distribution Service Reliability

Case No.  
06-222-EL-SLF

\* \* \* \* \*

## PUBLIC HEARING

The following public hearing was taken before  
Catherine L. Cordy, Court Reporter, Thursday, January 25,  
2007, at 6:00 p.m. - 7:33 p.m., at the Baker University  
Center, # 1 Parkplace, Room 242, Athens, Ohio.

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APPEARANCES

APPEARING FOR THE PUBLIC UTILITIES COMMISSION OF OHIO:

Greta See

ATTORNEY EXAMINER  
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1-614-728-2849

APPEARING FOR THE OHIO CONSUMERS' COUNSEL:

Jeffrey L. Small, Esq.

ASSISTANT CONSUMERS' COUNSEL  
10 West Broad Street, Suite 1800  
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APPEARING FOR AMERICAN ELECTRIC POWER:

Steven T. Nourse, Esq.

SENIOR COUNSEL, REGULATORY SERVICES, LEGAL DEPT  
1 Riverside Plaza  
Columbus, Ohio 43215  
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1                   ATTORNEY EXAMINER SEE: The Public Utilities  
2 Commission of Ohio has scheduled for public hearing at  
3 this place in time, Case No. 06-222-EL-SLF, being  
4 captioned In the matter of the Self-Complaint of Columbus  
5 Southern Power Company and Ohio Power Company Regarding  
6 the Implementation of Programs to Enhance Distribution  
7 Service Reliability. As I informed you a few minutes  
8 ago, I am Greta See. I am an attorney examiner with the  
9 Public Utilities Commission, and I will be conducting the  
10 hearing tonight. When you arrived you were likely  
11 greeted by two individuals from the Public Utilities  
12 Commission. They are with our Consumer Service  
13 Monitoring and Enforcement Division. I keep forgetting  
14 their new name. They probably asked you if you wanted to  
15 offer testimony this evening, and you were given an  
16 opportunity to sign in. Don't fear if you change your  
17 mind in the middle of the process. You can either go out  
18 and sign your name, and I will be taking witnesses in the  
19 order that they signed up. However, if you determine at  
20 the end of the hearing that you have changed your mind  
21 and want to give testimony and haven't signed up, you  
22 will be provided that opportunity. When I call your  
23 name, if you've decided that you no longer wish to give  
24 testimony, just let me know that you pass and we'll go on

1 to the next witness. If you are giving testimony, I will  
2 ask you to come to the front, state and spell your name  
3 for the record and provide us with your address; and then  
4 you can go on with your testimony. I would ask that if  
5 you have a written statement, if you could please provide  
6 the court reporter with a copy of it, it would be  
7 helpful.

8 As you noticed, there is someone recording,  
9 making a transcript for the Commission. She records  
10 everything that's said here tonight because it becomes  
11 part of the Commission's record in this case. Okay?

12 When you step forward, in addition to asking you  
13 for your name and address, you will be sworn in and I'll  
14 ask you to swear or affirm that the information you are  
15 about to give is true. Okay?

16 You'll also notice that there are two other  
17 gentlemen sitting at the table with me. There is counsel  
18 for the company and in addition there is counsel for the  
19 Ohio's Consumers' Counsel. Sitting immediately to my  
20 right is Steve Nourse with Columbus Southern Power, Ohio  
21 Power Company. And further down the table is Mr. Jeff  
22 Small for the Office of Consumers' Counsel. I'm sorry,  
23 sometimes I may refer to it as AEP Ohio. I may use them  
24 interchangeably. And I will most likely refer to the

1 Office of Consumers' Counsel as OCC. Okay?

2 OCC is an intervener in this proceeding, as  
3 there are several other interveners. OCC will be  
4 representing the interest of Ohio's residential  
5 customers. There are several other interveners that  
6 represent various industrial and commercial interveners.

7 As part of the process in this case, not only  
8 are there public hearings throughout the state of Ohio,  
9 there have been four hearings, there is this hearing and  
10 there is an additional hearing scheduled for January 31st  
11 in Newark. I'll also note that Ohio's Consumers' Counsel  
12 has filed a motion for an additional hearing in the  
13 Columbus area.

14 In addition to the public hearings, there will  
15 be an evidentiary hearing held in Columbus, Ohio, whereas  
16 AEP Ohio, OCC, the staff for the Commission and other  
17 interested interveners will have an opportunity to  
18 present witnesses and to be cross-examined. We will not  
19 be hearing from Commission staff or AEP Ohio, them  
20 presenting their witnesses or their positions tonight.

21 Part of staff's duties in this case is to review  
22 AEP Ohio's plan, to review their service performance and  
23 to submit testimony setting forth staff's position on the  
24 plan. OCC and the other interveners will be doing the

1 same thing.

2 After we take appearances of counsel, we will be  
3 starting the hearing. But before I go there, I'd like to  
4 ask if there are any questions about the process.

5 At this time, I'd like to take appearances of  
6 counsel for the company.

7 MR. NOURSE: Thank you, Your Honor. I'm Steven  
8 Nourse with the AEP Service Corporation on behalf of Ohio  
9 Power, Columbus Southern Power, senior counsel. My  
10 address is One Riverside Plaza, Columbus, Ohio 43215.

11 ATTORNEY EXAMINER SEE: I'm sorry. Mr. Nourse,  
12 while you were up -- I forgot to mention there may be  
13 staff personnel from OCC as well as the company and they  
14 can address issues -- other service issues that aren't  
15 related to tonight's hearing for you. Sometimes there  
16 are individuals that need other questions answered. I'd  
17 ask Mr. Nourse to point those out.

18 MR. NOURSE: Those folks are over here. Jeff  
19 Renny, John Buck, Solan Dias. Thank you.

20 ATTORNEY EXAMINER SEE: On behalf of Ohio's  
21 Consumer counsel?

22 MR. SMALL: Thank you, Your Honor. On behalf of  
23 the residential customers of Columbus Southern Ohio Power  
24 Company, Janine Migden-Ostrander, the consumers' counsel;

1 I'm Jeffrey L. Small, trial counsel for the Consumers'  
2 Counsel. Also appearing in this case will be Richard C.  
3 Reese, assistant consumers' counsel. Office of the Ohio  
4 Consumers' Counsel, 10 West Broad Street, Suite 1800,  
5 Columbus, Ohio 43215. And as the hearing examiner said,  
6 the office of the Ohio Consumers' Counsel represents the  
7 residential customers of the companies in this particular  
8 proceeding. And we also have individuals with us tonight  
9 who can answer questions, if you have them, after the  
10 hearing. Thank you.

11 ATTORNEY EXAMINER SEE: Okay. So first witness  
12 is Mr. Larry Payne.

13 Mr. Payne, raise your right hand.

14 Do you affirm the information you are about to  
15 give is true?

16 MR. PAYNE: I do.

17 ATTORNEY EXAMINER SEE: Thank you. Please state  
18 and spell your name for the record and provide us with  
19 your address.

20 MR. PAYNE: Larry Payne, P-a-y-n-e. 449 East  
21 State Street.

22 ATTORNEY EXAMINER SEE: That's Athens, Ohio?

23 MR. PAYNE: Athens, Ohio. Correct.

24 ATTORNEY EXAMINER SEE: Thank you. Please

1 proceed.

2 MR. PAYNE: As I mentioned, I'm Larry Payne. I  
3 am the membership coordinator for the Athens area Chamber  
4 of Commerce. I just wanted to make a brief report.

5 Thirty-three percent of respondents during a  
6 Chamber 2006 business expansion and retention interview  
7 stated that they did have electrical service issues and  
8 that this did affect their business. The geographic  
9 areas that they experienced this in were East State  
10 Street in the downtown area of Athens. At our  
11 January 19th meeting of the Chamber board of directors,  
12 the board stated that they were concerned about this  
13 issue but are sure that AEP has and will continue to make  
14 necessary upgrades in our service area. I spoke with the  
15 business in Nelsonville today because that had been a  
16 business who indicated they had issues in the past in  
17 this certain location. And she stated that there had  
18 been repairs in her area and that there was even a crew  
19 out there yesterday and that she had no issues.

20 So basically what I want to say is we have  
21 interviewed our members and there are obviously some  
22 service areas but there are other businesses who says  
23 there have been improvements made in the last year and  
24 that they were satisfied. Thank you.



1 ATTORNEY EXAMINER SEE: Thank you.

2 Mike Turner?

3 Mr. Turner, would you please raise your right  
4 hand

5 Do you affirm that the information you are about  
6 to give is true?

7 MR. TURNER: I do.

8 ATTORNEY EXAMINER SEE: Thank you. Please state  
9 and spell your name for the record and provide us with  
10 your address.

11 MR. TURNER: Mike Turner. It's T-u-r-n-e-r.  
12 And I'm representing United Seniors Of Athens County.  
13 That's 701 East State Street, Suite 101, Athens, Ohio  
14 45701.

15 In preparing, I didn't prepare actually written  
16 testimony because various things got in the way. But I  
17 did want to start out and I may be on a tangent for a  
18 second but you'll see where I'm going.

19 On electric bills, we see things like generation  
20 service, transmission service, distribution service,  
21 customer charge and transition charge, which the bill  
22 says it's supposed to go away at some point. And when  
23 you look through the definitions on the back of the bill,  
24 it says that -- under Customer Charge, there is a thing

1 called Service Line Maintenance as part of that. And we  
2 also notice that it says, "Only partially covered in this  
3 amount."

4 What we basically have at United Seniors is a  
5 number of low income seniors who are struggling right now  
6 in order to meet the needs that they have. You know in  
7 your own pocket book what's been happening with costs as  
8 far as gasoline, natural gas, those kinds of things. And  
9 so seniors are having a real struggle. And it seems like  
10 this would be an additional burden, obviously, on them.  
11 Certainly we need reliable service. A lot of our seniors  
12 rely on that for things like nebulizers and oxygen, those  
13 kinds of issues, so we need reliable service. Our  
14 concern is that possibly we should look to another payor  
15 group. As I just happened to look at the stock price of  
16 American Electric Power, this would have been on the  
17 24th, they have a stock price right now of \$43, plus or  
18 minus. Of course, the market did tank today about 100  
19 points, so it's probably different than that. But as you  
20 go back through five years, you will see an ebb and flow  
21 of that price. But one thing you will also notice is,  
22 that for 387 consecutive quarters they have been able to  
23 pay a dividend to their shareholders. And the  
24 shareholders actually owning the business, I think, would

1 be a logical place to look for the kind of upgrades that  
2 rate payors pay on a regular basis in their monthly bill.  
3 And obviously a corporation needs to have a good position  
4 and we don't want them to go bankrupt or anything like  
5 that. But I think the issue would be for the company to  
6 demonstrate first with their own resources that they can  
7 fix the things like on East State Street and the various  
8 locations and then come back and look to see if there's a  
9 possibility of a rate increase.

10 So my suggestion is that the rate increase not  
11 be granted and that possibly the company look for  
12 resources within itself and then present that after the  
13 reliability issues have been solved as a possibility of  
14 further increases from that point on but not at this  
15 time.

16 ATTORNEY EXAMINER SEE: Thank you.

17 MR. TURNER: Thank you.

18 ATTORNEY EXAMINER SEE: I hope I pronounce the  
19 name correctly, I'm not sure. It's -- is there a David  
20 Ingram?

21 MR. INGRAM: Yep.

22 ATTORNEY EXAMINER SEE: Is that correct?

23 MR. INGRAM: Yeah.

24 ATTORNEY EXAMINER SEE: Mr. Ingram, please raise

1       your right hand.

2               Do you affirm that the information you are about  
3       to give is true?

4               MR. INGRAM: I do.

5               ATTORNEY EXAMINER SEE: Thank you. Please state  
6       and spell your name for the record and give us your  
7       address.

8               MR. INGRAM: I am David C. Ingram, I-n-g-r-a-m.  
9       I live at 120 Morris Avenue in Athens.

10              Good evening. Thank you for coming to Athens  
11      and giving the local residents an opportunity to be  
12      heard. I am a member of the Near Eastside Neighborhood  
13      Association and a member of the Athens City Shade Tree  
14      Commission. While I am not representing these entities  
15      at these hearings, there's at least some observations on  
16      AEP's tree clearance in Athens that have been raised by  
17      residents of Athens, with these entities together with my  
18      personal observations, that I wish to testify about.

19              Whenever AEP's contractors are in town, both  
20      NENA and the Shade Tree Commission receive complaints  
21      about the quality of work being done. We all recognize  
22      the need to prevent trees falling on the high voltage  
23      lines and agree that no large or medium sized shade trees  
24      should be planted or allowed to grow near these lines.

1 We have had meetings with AEP representatives, and they  
2 claim that their policies do not allow their contractors  
3 to do the things that I will show you in the photographic  
4 evidence that they do. They leave trees with 50 percent  
5 of their branches gone where their own procedures require  
6 that such trees should be removed. They stub cut  
7 branches and they leave torn branches.

8 In the first two photographs in the evidence you  
9 can see torn branches and stub cuts.

10 ATTORNEY EXAMINER SEE: Mr. Ingram, do you have  
11 another copy?

12 MR. INGRAM: I've given a copy to the --

13 ATTORNEY EXAMINER SEE: Do you have an  
14 additional copy?

15 MR. INGRAM: I'll leave you this copy.

16 There's more photographic evidence of stub cuts  
17 there. There's a tree there with over 50 percent of its  
18 branches gone. Clearly unstable. It's a liability to  
19 the property owner.

20 These are clearly candidates for removal and AEP  
21 should be required to remove these trees and not leave  
22 them standing. The Shade Tree Commission has stated that  
23 it would prefer AEP to remove trees in the right-of-way  
24 and not butcher them. AEP contractors routinely leave

1 hideously disfigured trees that reduce property values,  
2 require further pruning to remedy the damage, detract  
3 from the beauty of Athens and often kills the trees over  
4 time.

5 As you can see in the photocopied article from  
6 the Wall Street Journal -- again, I'll have a copy  
7 attached to this thing at the end -- AEP can win awards  
8 from its tree care. This is a company that can choose to  
9 do the right thing. That they choose not to in this area  
10 shows the contempt that they hold their customers in this  
11 area. I submit that if they are to get a rate rise, it  
12 should be tied to the quality of their tree care.

13 ATTORNEY EXAMINER SEE: Thank you, Mr. Ingram.

14 MR. INGRAM: Thank you.

15 ATTORNEY EXAMINER SEE: Peggy Lee?

16 Ms. Lee, before you begin, please raise your  
17 right hand.

18 Do you affirm that the information you are about  
19 to give is true?

20 MS. LEE: Yes.

21 ATTORNEY EXAMINER SEE: Thank you. Please give  
22 us your -- state your name and address for the record.

23 MS. LEE: Yes. Peggy Lee, L-e-e. I am a staff  
24 attorney with Southeastern Ohio Legal Services, 1005 East

1 State Street, Suite 10, Athens, Ohio 45701.

2 ATTORNEY EXAMINER SEE: Could you slow down a  
3 bit, too, please?

4 MS. LEE: Oh, I'm sorry. Southeastern Ohio  
5 Legal Services, 1005 East State Street, Suite 10, Athens,  
6 Ohio 45701.

7 ATTORNEY EXAMINER SEE: All right. Thank you.

8 MS. LEE: Good evening. Thank you for allowing  
9 me the opportunity to speak on the issue of AEP's  
10 proposed rate increases.

11 I have introduced myself. I am a staff attorney  
12 with the Athens area office of Southeastern Ohio Legal  
13 Services. We serve low income clientele in Athens,  
14 Meigs, Vinton and Gallia counties.

15 As an attorney whose practice includes public  
16 utility issues and who lives in an area serviced by AEP,  
17 I am opposed to the proposed 71 million dollars in rate  
18 increases; and I believe the PUCO should be as well.

19 First, experts at the Ohio Consumers' Counsel  
20 have determined through accounting data as reported in  
21 its press release dated January 19th, 2007, that AEP  
22 already collected 100 million dollars towards  
23 distribution maintenance from its customers over the last  
24 ten years or so. Of that 100 million dollars, 97 million

1 has not been spent. The PUCO knew about AEP's  
2 underspending back in 2003 when it also found that AEP  
3 violated portions of Ohio's Electric Service and Safety  
4 standards.

5 Despite this, AEP now claims the need for a rate  
6 increase totaling about 71 million dollars to fund 18  
7 months of a 5-year plan upgrade of its system. Why would  
8 71 million dollars be necessary if their own ledgers  
9 reflect that they should have 97 million dollars at its  
10 disposal already? Why hasn't AEP established where this  
11 money has gone? And more importantly, why isn't AEP  
12 already providing reliable service under current rates  
13 when it is bound by legal standards of basic minimum  
14 service? The most harrowing thought is that if 71  
15 million dollars is the amount necessary to fund 30  
16 percent of its planned upgrade, AEP is really asking for  
17 at least 236 million dollars in additional rate increases  
18 over the next five years, assuming a flat ratio.

19 Another piece to our opposition to the rate  
20 increases is the simple fact that AEP has failed to  
21 establish that it is currently providing adequate and  
22 reliable service as it promised when rates were increased  
23 back in the '90s. It is clear from the testimony this  
24 evening, as you will see, that AEP service is not



1 reliable. And, in fact, my office alone has withstood  
2 hours of power outages that rendered us unable to provide  
3 much needed service to our low-income clientele. No  
4 corporation would reward an under-performing employee  
5 subject to minimum performance standards by increasing  
6 their salary, and as such, the PUCO should not allow AEP  
7 to increase its rates.

8 In this day and age which has seen its share of  
9 corporate scandal with the likes of Enron, the PUCO must  
10 be vigilant over public utility companies' request for  
11 rate increases without full accountability for and proof  
12 of reliable service.

13 Finally, we Legal Services attorneys are keenly  
14 aware of the current hardships imposed by the AEP rates  
15 currently in place even with additional assistance from  
16 programs such as HEAP, emergency HEAP and PIPP, also  
17 known as the Percentage of Income Payment Plan. We know  
18 firsthand that there would be multitudes of families and  
19 children and elderly people that would be without  
20 electric service if not for these additional safety nets  
21 in place. Yet, we have heard nothing about AEP offering  
22 additional deductions or forgiveness of utility costs for  
23 its low income consumers to bridge the gap once the rate  
24 increases are in place, and there are no increases

1 anticipated at this time for those assistance programs.

2           Given this combination, it is not difficult to  
3 foresee higher rates of shutoff and possibly homelessness  
4 as a result for the low income communities throughout  
5 AEP's service territory. The PUCO should take into  
6 consideration the cost to the State of Ohio and the local  
7 counties in homelessness services and even potential  
8 community-based medical services required by a low income  
9 household after a shutoff occurs as a result of a loss of  
10 heating or cooling. Without a binding commitment by AEP  
11 to increase assistance or forgiveness to low-income  
12 customers to cover the additional cost created by the  
13 rate increases, I cannot in good conscious, nor should  
14 the PUCO, allow AEP's request to further degrade the  
15 living conditions of my clients.

16           Thank you for your time and attention.

17           ATTORNEY EXAMINER SEE: Thank you, Ms. Lee.

18           Merial Grimes?

19           MS. GRIMES: I've decided not to testify.

20           ATTORNEY EXAMINER SEE: Crystal Ratliff?

21           Please raise your right hand.

22           Do you affirm that the information you are about  
23 to give is true?

24           MS. RATLIFF: I do.

1 ATTORNEY EXAMINER SEE: Thank you.

2 Please state and spell your name for the record  
3 and give us your address.

4 MS. RATLIFF: Crystal Ratliff. C-r-y-s-t-a-l  
5 R-a-t-l-i-f-f. Community Services Coordinator for  
6 Hocking, Athens, Perry Community Action. Address is  
7 11100 State Route 550, Athens, Ohio.

8 Good evening. Again, thank you for the  
9 opportunity to speak tonight.

10 Our agency through advocacy and a broad variety  
11 of services strives to help families and individuals  
12 achieve an improved quality of life by working to  
13 alleviate the hardships of poverty. We focus on areas  
14 such as community development to improve local  
15 communities, nutrition for children of all ages,  
16 employment and training and safe and affordable housing.

17 I am responsible for managing the HEAP, or Home  
18 Energy Assistance Program, for Hocking, Athens and Perry  
19 counties. This program helps low income individuals with  
20 a one-time heating assistance benefit in the winter  
21 months as well as assist low income elderly individuals  
22 with their electric bills during the summer season.  
23 Currently we are assisting about 7,500 households each  
24 year. Of these households, 62 percent are AEP customers.

1 Since 2005, we have experienced 28 percent increase in  
2 the number of clients assisted because of higher costs in  
3 utilities. In my position I witness firsthand how the  
4 effects of high utility costs influence people's lives.

5 Our clients primarily fall in two categories.  
6 Either those living on a fixed income or those classified  
7 as working poor families. Both whom simply cannot afford  
8 to meet their electric obligations. They need some sort  
9 of assistance to help get them through. Granted, AEP  
10 does offer payment plans to help residents deal with  
11 their high cost; but these plans, such as PIPP, or the  
12 Percentage of Income Payment Plan, have their downfalls  
13 and not the complete solution for clients. If AEP's  
14 proposal is accepted and residents' costs do indeed  
15 increase, more people are going to have to be placed on  
16 these plans.

17 With the nature of our area's geography, I can  
18 understand the difficulty AEP must experience in the  
19 managing of reliability, maintenance and repairs.  
20 However, when I see reports that say they are under spent  
21 on their distribution maintenance fund but need an  
22 increase to be more reliable, I have to ask why. Our  
23 economy is such that with unemployment rates higher than  
24 the national average, low paying jobs and costly medical

1 care, people cannot financially afford an increase. Even  
2 if it averages \$10 a month per household, to most of my  
3 clients, they do not have an extra \$10 to spare.

4 We strongly recommend that this proposal by AEP  
5 be rejected by the PUCO. How can it be justified to our  
6 citizens that their cost will increase when service is  
7 not reliable, repairs are not done, rural residents have  
8 outdated equipment and AEP has unspent maintenance funds?  
9 While we expect AEP to do what is necessary to provide  
10 reliable service and we recognize that AEP should be  
11 fairly compensated for the service it does provide, we  
12 also expect that -- I lost my place -- we also expect  
13 that reliability and maintenance to be considered a  
14 standard of service. We shouldn't reward companies for  
15 their shortfalls, especially at the cost of residents'  
16 pocket books.

17 Thank you again for giving me the opportunity to  
18 speak tonight.

19 ATTORNEY EXAMINER SEE: I need a copy. Do you  
20 have one more?

21 MS. RATLIFF: I sure do.

22 ATTORNEY EXAMINER SEE: Michael Wickham?

23 Mr. Wickham, please raise your right hand.

24 Do you affirm that the information you are about

1 to give is true?

2 MR. WICKHAM: I do.

3 ATTORNEY EXAMINER SEE: Thank you.

4 Please give us your name and address.

5 MR. WICKHAM: My name is Michael Wickham,  
6 W-i-c-k-h-a-m. 140 Grovenor Street, Athens, Ohio  
7 45701.

8 I wanted to come tonight just to speak briefly  
9 as a residential customer about a situation which I've  
10 had in my neighborhood and particularly at my residence.  
11 I started taking records in June of power outages and/or  
12 what I consider blinks -- I don't know what the technical  
13 term is -- where the power was interrupted. In just  
14 looking over these, I found out that there were 18 such  
15 blinks and 7 extended power outages from the time of  
16 June 11th, 2006, through December 16th, 2006.

17 I wanted to give this as an example of the kind  
18 of power supply and service that I feel like I've not  
19 been getting. I made AEP aware of this, and they've  
20 checked -- initially they checked, weren't sure whether  
21 it was in my line or in the service line. They checked  
22 things at my house and on my line. At various times when  
23 I would call they would say, "Well, there's no" -- "we  
24 can't see that there's been an interruption in your

1 service."

2 Something happened in the late fall, though. I  
3 don't know what it was. Apparently some other people  
4 complained; AEP felt there was a reason to look into the  
5 situation in my neighborhood. And I think as of the  
6 middle of December, the problem has probably been fixed.  
7 There don't seem to be any more of these blinks or  
8 outages for an extended period of time. So I think they  
9 did come along and fix. But I started taking records in  
10 June but it was before this that the situation was  
11 happening.

12 So thank you.

13 ATTORNEY EXAMINER SEE: Mr. Wickham, hold on a  
14 secon.

15 Mr. Small, you had a question?

16 MR. SMALL: Just one quick question.

17 ATTORNEY EXAMINER SEE: Sure.

18 MR. SMALL: You mentioned the seven extended  
19 outages.

20 MR. WICKHAM: Yeah.

21 MR. SMALL: And you later on in -- in your  
22 testimony you mentioned that AEP couldn't determine that  
23 there was a problem. Was that also in reference to those  
24 extended outages?

1 MR. WICKHAM: Yes. I should make that clear.  
2 Those were in reference to the short blinks where you --  
3 it's just enough of an interruption that you have to  
4 reset clocks, lights, alarms, computers.

5 MR. SMALL: So the shorter ones, they didn't  
6 even know they occurred. The longer ones, they did know  
7 they occurred?

8 MR. WICKHAM: It seemed that way initially,  
9 yes.

10 And I think that the later outages, perhaps in  
11 November and December, was when they were actually doing  
12 upgrades. So --

13 MR. SMALL: Thank you.

14 ATTORNEY EXAMINER SEE: Thank you, Mr. Wickham.  
15 Debbie Phillips?

16 Ms. Phillips, please raise your right hand.

17 Do you affirm that the information you are about  
18 to give is true?

19 MS. PHILLIPS: I do.

20 ATTORNEY EXAMINER SEE: Thank you.

21 Please state your name and address for the  
22 record.

23 MS. PHILLIPS: Debbie Phillips, P-h-i-l-l-i-p-s.  
24 I live at 48 Hudson Avenue. I am a member of Athens City



1 Council. And I should be clear that I'm speaking for  
2 myself, although I think it's fair to say that the  
3 general concern is shared by members of council.

4 Last year it was brought to council's attention  
5 that there was a significant problem with frequent  
6 outages and problems with service in particular areas of  
7 town, especially the north end of Court Street. There  
8 were transformers that were catching on fire. I  
9 witnessed one of these where one -- it just sounded like  
10 loud fireworks and we went outside and looked and there  
11 was insulation burning and falling off of the wires. So  
12 this was brought to council's attention by some of the  
13 business owners in that part of our downtown area. And  
14 we discussed this in two different committee meetings at  
15 city council. We did draft a resolution, which we were  
16 intending to pass. But AEP requested that we wait and  
17 have them come to a committee meeting and come and talk  
18 with us, which we did.

19 There were, I think, eleven representatives of  
20 AEP who attended that meeting and described to us their  
21 plans to upgrade the system and showed a lot of  
22 information about some of the issues and how this was  
23 occurring. One of the things that was talked about is  
24 the fact that they don't always know when businesses or

1 residences add additional loads to the system and that it  
2 was really just below capacity. It seemed to some of us,  
3 at least on council, that just from the meters and the  
4 billing that it should be evident if there had been load  
5 increases. And there should be an ability to really  
6 assess the load that's on different portions of the grid  
7 and what the needs are in terms of capacity.

8 At that time, we agreed to table that resolution  
9 because they did describe a plan to upgrade the equipment  
10 and address the safety concerns. I think the other  
11 concern that was raised by businesses in that part of  
12 town were significant financial impacts, whether  
13 restaurants had to close and just lose out on business on  
14 some of the more significant weekends here in Athens,  
15 along with significant losses of inventory in some of the  
16 restaurants and food-related businesses.

17 At that time, I do not recall any mention of a  
18 rate increase needed to pay for the infrastructure  
19 upgrades that I think everyone acknowledged were needed  
20 in that part of town. And given the information provided  
21 by the office of the Consumers' Counsel about the money  
22 that has already been collected for ongoing maintenance,  
23 it seems to me that should be ongoing and a standard  
24 business practice. I would object to raising rates in

1 order to cover something if the money hasn't already been  
2 spent on maintenance that has been collected from  
3 customers.

4 I do have a copy of the tabled resolution, which  
5 we never voted on, which I can leave with you if you're  
6 interested.

7 ATTORNEY EXAMINER SEE: Okay.

8 MS. PHILLIPS: There you go.

9 ATTORNEY EXAMINER SEE: Ms. Phillips, what is  
10 your intention with this since --

11 MS. PHILLIPS: We did not vote on it and we  
12 tabled it --

13 ATTORNEY EXAMINER SEE: I'm sorry. I asked  
14 Ms. Phillips what was her intentions since this had not  
15 been approved by the council.

16 MS. PHILLIPS: It was our intention, I think at  
17 that time, to see how they did as far as addressing our  
18 concerns, before coming back and taking formal action on  
19 it as a council. So we tabled it at that time and we  
20 have not brought it off the table. I just, I guess,  
21 wanted you all to know that this is something that had  
22 been a concern to the City in terms of reliability and  
23 also safety.

24 ATTORNEY EXAMINER SEE: Okay. Do you feel you

1 have adequately described the concerns?

2 MS. PHILLIPS: Yes.

3 ATTORNEY EXAMINER SEE: Okay.

4 MS. PHILLIPS: Okay. Thank you.

5 ATTORNEY EXAMINER SEE: Were there any  
6 questions, gentlemen?

7 MR. NOURSE: No, Your Honor.

8 MR. SMALL: No.

9 ATTORNEY EXAMINER SEE: Lois Whealey? Is that  
10 correct?

11 MS. WHEALEY: Whealey.

12 ATTORNEY EXAMINER SEE: Whealey.

13 Ms. Whealey, will you raise your right hand.

14 Do you affirm that the information you are about  
15 to give is true?

16 MS. WHEALEY: Yes.

17 ATTORNEY EXAMINER SEE: Thank you.

18 Please state -- provide us with your name and  
19 address and spell your last name, please.

20 MS. WHEALEY: My name is Lois Whealey,  
21 W-h-e-a-l-e-y. I live at 14 Oak Street in Athens.

22 And the -- I -- as you can tell, I've been  
23 around for quite a long time. And I can remember days  
24 before we had as widespread electric service as we enjoy

1 today and I certainly appreciate that. And I think all  
2 of us appreciate it even more when it is interrupted and  
3 we suddenly find we have to scramble to find candles and  
4 this sort of thing and begin to worry about our frozen  
5 goods, perhaps, and out refrigerators not working. We  
6 are so dependent on electricity today, amazingly  
7 dependant; and we only realize when it goes off how  
8 dependent we are. I think what I have to say is sort of  
9 more a general comment, though.

10 I can recall a time about 15 or 20 years ago,  
11 this is historic also, when I suddenly noticed in the  
12 paper one time that American Electric Power was the  
13 largest company of its type in the United States which  
14 was not paying certain federal taxes. And the reason  
15 they were not paying those taxes was that they had such  
16 large scale upgrades of service and so on, new plants and  
17 so on that they were paying for that they did not have to  
18 pay. Because they had -- you know, those were taken off  
19 their taxes. And I'm just wondering. I know American  
20 Electric Power is as large as it ever was. I've seen  
21 information in the paper that we have not had a rate  
22 increase for ten years. I believe that's correct. That  
23 we've not had a rate increase for quite some time. But  
24 it has been pointed out by the Southeast Ohio Legal

1 Services persons that -- that quite a bit of money has  
2 been saved over that ten-year period, supposedly to  
3 increase the service of AEP. And yet a substantial rate  
4 increase is being proposed at this time. And I'm just  
5 wondering about these rate increases, whether they really  
6 are necessary. And I think that the people should be  
7 asking these questions around the state, of the power  
8 company, and make it clear so that Public Utilities  
9 Commission of Ohio will be able to answer either pro or  
10 con for the request for the rate increase.

11 The other thing I would like to mention is that  
12 nowadays we have so many larger concerns which have to do  
13 with electric power, such as the possibility of numerous  
14 new power plants being built at a cost of billions of  
15 dollars. Some of them in this region as well. What is  
16 being done by AEP to investigate and employ alternative  
17 forms of fuel? Is there a possibility of having green  
18 power options, where you can -- as I understand, in some  
19 other states you can opt for wind power if possible.  
20 What sorts of things are being done? Is this being  
21 considered by the company, these alternative forms of  
22 power?

23 And with our melting glaciers and so on, we are  
24 looking at global climate change as a real possibility.

1 It was even mentioned for the first time by the President  
2 in the State Of The Union message the other night. So I  
3 think that there are really large concerns that should be  
4 addressed by the company and that should be kept in mind  
5 by Public Utilities Commission as it looks at the  
6 specifics of a rate increase.

7 Thank you.

8 ATTORNEY EXAMINER SEE: Thank you.

9 ATTORNEY EXAMINER SEE: Paul Wiehl?

10 MR. WIEHL: Wiehl.

11 ATTORNEY EXAMINER SEE: Wiehl.

12 Mr. Wiehl, would you please raise your  
13 right hand.

14 Do you affirm the information you are about to  
15 give is true?

16 MR. WIEHL: Yes.

17 ATTORNEY EXAMINER SEE: Please state and spell  
18 your last name for the record and give us your address.

19 MR. WIEHL: My name is Paul Wiehl, W-i-e-h-l. I  
20 live at 3 Mary Street, Athens, Ohio 45701.

21 I wear the hat as a city council member, first  
22 warden. I am also chair of the environment committee for  
23 the city, committee -- counsel committees, as well as the  
24 liaison with the Shade Tree Commission in Athens. So I

1 have various hats on.

2 I didn't really prepare that much. I wish I  
3 did. Basically Mr. Ingram mentioned some of the tree  
4 trimming problems that we have within the city. And  
5 Debbie Phillips, fellow council member, mentioned the  
6 resolution that we had brought up and tabled.

7 I thought at the time when AEP came through they  
8 were fairly responsive to the meeting we had concerning  
9 the resolution. I subsequently met with them concerning  
10 tree trimming activities. They said they are following  
11 standards but again -- I am not an expert on trees, but I  
12 have seen a lot of butchered trees in my city and I am  
13 aware they could do better.

14 As for the tabling of the resolution, I think  
15 the jury is still out on that. One of the things that  
16 came up at the meeting -- and I don't remember the time  
17 frame that they're talking about in terms of what they  
18 considered and how they considered. But I do remember  
19 walking away saying the outage was of such duration that  
20 you could still have your computer shut down and it not  
21 be called an outage. I think the term Mr. Wickham said  
22 was a blink. And the data they were giving us were  
23 recording various outages but not the blinks, I think.  
24 So I was kind of concerned with that. At least, that's



1        what I walked away with from that meeting.

2                Let me say, they have been responsive, though.  
3        I met with them about a month later, Mr. Buck over there.  
4        We concerned -- talked about better communication with  
5        the property owners, when the trees are being trimmed,  
6        some consultation if it's a choice between butchering the  
7        tree or removing the tree. I think some of the people  
8        get upset when they see the trees half cut. I think  
9        there's still room for improvement in terms of  
10       instituting a tree replacement system of some kind,  
11       consultation with the owners, say, "This tree is not  
12       appropriate," better communication with their  
13       contractors. Because I have a -- again, I field a lot of  
14       these questions from citizens who was upset that a pear  
15       tree was going to be removed because it was going to hit  
16       the power lines overhead. And pear trees are dwarf trees  
17       and they wouldn't reach the power lines.

18               As I say, they have been responsive. I received  
19       probably about almost a dozen e-mails from Mr. Buck and  
20       Mr. Stanley, I think it is, concerning outages. I am  
21       getting cc'ed from the mayor. So they're informing us  
22       when there are planned outages or when activities occur.

23               I guess I really have to nay or yea about rate  
24       increase. I'm not that versed in it but if there are

1       going to be improvements -- Lois talks about Green  
2       Energy. I was just up visiting my folks up in  
3       Massachusetts. They pointed to a lamp shade on the bed  
4       table and said that the electric company gave it to them  
5       because it's a fluorescent lamp. And there's about a  
6       half a dozen in the house. Two that I recognized in the  
7       bedroom. But that's it. They are giving lamps out with  
8       fluorescent bulbs in them. That's an interesting concept  
9       to reduce energy use.

10               I think a couple years ago during the Y2K I had  
11       some friends buying photo lutaics (phonetic.) And they  
12       said, "Well, it's going to be a good bargain anyway  
13       because of the quality of electricity." And, of course,  
14       these are friends that live out on the hillside. And I  
15       figured quality of electric, are we talking about  
16       electrons that are, you know -- granola eating electrons?  
17       But what they are talking about is how the power comes on  
18       and how it does stay on, the surges and the blinks. I  
19       realize that now, six years later, when they talked about  
20       the quality of electricity. Because I always thought it  
21       was just electricity going through the lines and that's  
22       about it. You know, how do you gauge what it is? Except  
23       when you have a surge or a blink.

24               That's really all I have to say about it. If

1       they are going to require a rate increase, I would like  
2       to see some better practices in place. I would say, they  
3       have been responsive to us as members of the council.  
4       And again, I think they have been doing some improvements  
5       along the way. But I say the jury is still out. We'll  
6       still hear from it when the next round of tree trimming  
7       goes through.

8               ATTORNEY EXAMINER SEE: Thank you, Mr. Wiehl.

9               Ann Rubin?

10              Do you affirm that the information you are about  
11      to give is true?

12             MS. RUBIN: I do.

13             ATTORNEY EXAMINER SEE: Thank you.

14             Please give us your name and address for the  
15      record.

16             MS. RUBIN: My name is Ann Rubin. My last name  
17      is spelled R-u-b-i-n. I am here today in two capacities.  
18      One, I am the managing attorney at Southeastern Ohio  
19      Legal Services and our office is located at 1005 East  
20      State Street in Athens. I am also a customer on the  
21      Neareast Side at 88 Maple Wood Drive in Athens city, and  
22      I have concerns about the quality of the service that is  
23      being provided at both of these locations. And would ask  
24      the PUCO to please investigate the reliability of the

1 service that is being provided to the customers here in  
2 Southeastern Ohio before approving additional money in  
3 the form of a higher rate to be paid to AEP.

4 First let me talk about the -- put a little meat  
5 on the bones of what Peggy talked about at our office in  
6 Athens. Our office has had at least in the last year  
7 four very memorable long disruptions of power. In other  
8 words, lasting several hours. And those -- I'm not sure  
9 how long because most of them have happened in the  
10 morning when no one has been there, but they go on. We  
11 have had to close down our office entirely because no one  
12 can work in the dark. And also when the electricity goes  
13 off, our telephone service is interrupted. So we do not  
14 have phone service in our office when we do not have  
15 power. So that has been very -- made it very difficult  
16 for us to conduct just routine business.

17 And let me say, we represent low income persons  
18 around four counties. And many of our clients are  
19 calling us in pretty dire circumstances on an emergency  
20 basis. And when they can't reach us, it often can have  
21 very serious consequences. So that is an important  
22 problem for us. We have the loss of productivity for our  
23 staff, we also have issues that have involved damage to  
24 the equipment in terms of our -- our lines involving our

1 computers from the electric surges in the building. We  
2 also -- we have had these four major outages. One was in  
3 February of '06, not quite a year ago. One was at the  
4 end of November of '06. One was in December of '06. And  
5 we had one -- our last one was on January 8th of this  
6 year.

7 Like Mr. Wickham, we have also had these blinks,  
8 okay, so that our phones -- long enough for our phones to  
9 go dead and our computers to shut down. So it is very  
10 disruptive, again, for our day-to-day operation. And  
11 that happens on a fairly frequent basis where we are  
12 located on East State Street.

13 Let me talk to you a little bit about my  
14 situation at home, also, since I am also living on the  
15 Neareast side of Athens. And we have had this problem  
16 Mr. Wickham described up on Grovoner Street. Over this  
17 summer we had almost on a daily basis these blinks of  
18 power where the power would go off. And I could tell  
19 that because, like he described, everything had to be  
20 reset when I came home from work. In fact, my daughter  
21 was home from college over the summer and was at home and  
22 could tell me that was exactly what was going on. That  
23 we had one serious outage that lasted from late afternoon  
24 until fairly late at night on my block that affected

1       about half of the block when a transformer blew up. And  
2       my house had electricity but I will say my neighbors,  
3       many of whom are elderly men and women and also some  
4       families that have very young children, were out on the  
5       street in the summer on a hot evening just trying to wait  
6       for the power to come on. As Ms. Whealey was describing,  
7       we do get used to it. And it was very uncomfortable for  
8       those families.

9               I want to talk about a problem that may be  
10       unique that we see as attorneys for Legal Services. But  
11       it does go to the issue of customer service at AEP. Over  
12       the last few years I have run into several instances  
13       where we have some rather either creative or nefarious  
14       landlords, depending on how you want to look at the  
15       situation, who want to avoid the court system as a means  
16       to evict their tenants. And they know it's against the  
17       law to just simply shut off someone's electricity to  
18       force them to move, but they somehow have figured out  
19       that they can call AEP and tell them that they want the  
20       service changed into their name. And AEP will allow them  
21       to do that. Which, in effect, if the landlord doesn't  
22       pay a deposit or ask to have it shut off, the landlord  
23       then is having the electricity shut off. And AEP is not  
24       giving notice to the actual customer who is the tenant

1 and, in fact, has been on one occasion very resistant to  
2 restoring the service to the tenant who had never asked  
3 to have the electricity shut off.

4 And as an attorney confronted with those  
5 problems, you know, I'll start out calling the service  
6 representative. We have a very hard time getting through  
7 to the representative. When we get through to the  
8 representative, they will not rectify the problem; and we  
9 have to go up to the company's legal staff in order to  
10 begin to get anyone to pay attention to that problem.  
11 And I know from talking to some of my other colleagues in  
12 other offices that they have seen this practice as well.

13 Finally just to again echo what my colleague,  
14 Peggy Lee, had mentioned, this rate increase has a very  
15 detrimental impact on our clients who are the poor and  
16 working poor, when they have many competing needs for  
17 what to do with the limited amount of income. We are in  
18 a rural area and the expenses for transportation to get  
19 to a low-wage job really are hurting some families. And  
20 I was in court this afternoon with a woman down in Meigs  
21 County. I knew I was coming here tonight so I just  
22 wanted to talk to her about what her electric bill is  
23 like right now. She is on SSI, which means her income is  
24 in the neighborhood of \$600 a month. She lives in a

1 mobile home with gas heat in a rural community down in  
2 Meigs County, and she's paying over \$100 a month right  
3 now for electricity. So you're talking about a large  
4 percentage of her income for one utility bill. So I hope  
5 you will bear in mind the people who are living on this  
6 type of income -- and Ms. Ratliff also I think was  
7 alluding to the people her agency serves that are on a  
8 fixed income -- and if any rate increase is going to be  
9 considered, that there be some additional means put in  
10 place to help low income families avoid the  
11 disconnections from their high electric bills.

12 Thank you for coming to Athens and listening to  
13 us here today.

14 ATTORNEY EXAMINER SEE: Thank you.

15 Ron Docie. I messed that up, didn't I?

16 MR. DOCIE: Close. Docie.

17 ATTORNEY EXAMINER SEE: Docie.

18 Mr. Docie, please raise your right hand.

19 Do you affirm that the information you are about  
20 to give is true?

21 MR. DOCIE: Yes.

22 ATTORNEY EXAMINER SEE: Please state and spell  
23 your name for the record and give us your address.

24 MR. DOCIE: Ron, R-o-n, Docie, D-o-c-i-e.



1 73 Maple Wood Drive, Athens, Ohio.

2 I'd like to present what I think are two solid  
3 and potentially unarguable proposals of how rates can be  
4 reduced for consumers and how costs can be lowered for  
5 consumers.

6 Now, we have talked at lot about power outages  
7 and these little blinks, which I am subject to also. And  
8 one of the first responses that I see happening is a  
9 cut-and-slash program to say, "Oh, people are complaining  
10 out there about outages. Let's get the people with the  
11 chain saws out and start really aggressively cutting  
12 right-of-ways." And I've watched this happen in the last  
13 couple years. And the -- although I want to talk about  
14 trees, this is really more about energy conservation and  
15 reducing rates than it is about trees, per se.

16 Now, I believe that AEP and electric companies  
17 like them have an agenda; and that agenda is to hopefully  
18 not have trees in right-of-ways. They can achieve this  
19 in the country when there are right-of-ways, and this is  
20 exactly what they do. High power lines and so forth when  
21 you go in the countryside, now that they have just  
22 finished a very aggressive clearing program, they clear  
23 them to the ground, Dog Woods and all. For the reason of  
24 if lines are down, it's a safety hazard, when the men go

1 in, or women, to deal with the lines, to have them  
2 tangled in sticks. Now, when these same safety people  
3 look at a right-of-way in the city of Athens and they are  
4 thinking of terms of safety, I really do believe they  
5 wished there was not a tree there. Because if there's a  
6 line down or problem, they want clear access. In fact, I  
7 think it's somewhat irresponsible and maybe so far as to  
8 say stupid to plant or have trees that want to grow to  
9 100 feet in a space under a power line where you know  
10 you're going to be limited to 50 or less. That's a  
11 recipe for disaster.

12 But the fact of the matter is, is we do  
13 currently have a tree city and we have trees in  
14 right-of-ways in the city of Athens, in yards. Now, in  
15 the diagram -- in the photos that I gave you, these are  
16 trees that I have -- three trees in particular that I  
17 have watched over the period of 12 years. There's a big  
18 difference between -- in A, between Tree One and Tree  
19 Two. Now, first of all, I believe these trees have been  
20 meticulously and very carefully trimmed by the power  
21 company. And I'm not here to complain that they did  
22 something wrong. In fact, when I'm standing out there  
23 watching them with some experience as a selective cut  
24 logger and understand going back to the laterals and so

1       forth, I think they take an extra measure to do them  
2       right. But you can see a distinct difference between  
3       Tree One and Tree Two. Tree One actually looks like a  
4       tree. It's providing shade for the home that's behind  
5       it. Tree Two is more like a confused brown cactus trying  
6       to grow some leaves. Tree 2 -- or No. 2 is indeed a  
7       tree, in case you are having trouble recognizing that.

8               Now, these tree, the three I'm going to talk  
9       about, Tree One, Tree Two and Tree Three, all began their  
10      life about the same size, they have about the same  
11      diameter, they are positioned about the same place on  
12      properties relative to street and property line, they had  
13      about the same canopies when they started out. So in 12  
14      years I watched these trees grow. But there's a huge  
15      difference between Tree One and Tree Two. And if you  
16      look at B, that is Tree Two there, that kind of looks  
17      like a tree. And when you go in the opposite direction  
18      of the street and you look at Tree One compared to Tree  
19      Three, Tree Three looks much like Tree Two, the one on  
20      the other side of it, a confused cactus.

21              Now, it's obvious that Tree Two and Three are  
22      not providing a whole lot of shade for the land owners  
23      compared to Tree Two. Plus some might call them an  
24      eyesore. I think they both apparently have -- they have

1       passed the safety practices and the clearance practices  
2       for the lines. The difference is is the person behind  
3       the house for Tree No. 1 is going to get substantially  
4       more shade and -- throughout the summer and therefore if  
5       they are using an electric powered air conditioner, are  
6       not going to have to crank it up as much and pay for as  
7       much electricity. They are going to have to pay for more  
8       electricity.

9               Now, if I were an AEP power company and I had  
10       excuse to cut all the trees that are providing shade,  
11       that would be a self-serving thing because then my  
12       shareholders are going to make more money because I am  
13       selling more electricity. But to my knowledge, we are  
14       under demand side management. And it's an obligation of  
15       the power company to take measures to provide win-win  
16       solutions that will help its rate payors reduce their  
17       cost of electricity.

18              Now, the reason, the real reason Tree One looks  
19       the way it is and not even close to the way Tree Two and  
20       Three looks, is because my neighbor who goes to work  
21       every day at a different place asked me -- because I have  
22       an office in my home and I am sitting right across the  
23       street, asked me to ask the people who trim the trees to  
24       not trim them aggressively.

1           So the three times -- no, I think it's four  
2 times that they have come out to trim trees, they have  
3 only trimmed them two of the times. Not four of the  
4 times. The one time my neighbor was so irate that she  
5 parked her cars in front there so they couldn't get their  
6 trucks under there so they wouldn't trim them and they  
7 got disgusted and left and they obviously didn't have to  
8 because there wasn't a safety issue. To my knowledge,  
9 Tree One has never been a problem or never reached the  
10 lines to create any kind of outage whatsoever. This is  
11 not a matter of outages.

12           The other time when I was standing there talking  
13 to them about going back to laterals and so forth, they  
14 were able to not aggressively trim the tree as much  
15 because they hadn't started to do it to begin with. Once  
16 they start a practice of trimming back the way they did  
17 with Trees Two -- Tree Two and Tree Three, it's out of  
18 control at that point. At that point, the limbs start  
19 growing aggressively up, they have to trim back to the  
20 first lateral and that tree will never get a head start,  
21 it will die.

22           I've watched -- this is Maple Wood Drive. Two  
23 maple wood trees were planted on every lot along through  
24 there, every house from numbers 1 down through 100. Each

1 lot had two maple trees. Of those maple trees today, all  
2 of which are under the power lines, one exists, on one  
3 lot. Now, it's been trimmed using a drop crotch  
4 procedure, which they use in other parts of Ohio and they  
5 seem to have an obsession not to want to use in our area.  
6 Using such creative pruning practices if it was done here  
7 would allow fuller trees, prettier trees, more cost  
8 savings for the homeowner. And the person in front of  
9 Tree No. 1 had half the cost associated with tree  
10 trimming. They were able to accomplish the same goal  
11 with Tree One with half the number of tree trimmings, as  
12 Trees No. Two and Three. That's a cost savings alone to  
13 not -- if the company in cases like that can save cost  
14 and not -- just go right by the tree or hit it less  
15 aggressively.

16 And my second surefire way to reduce rates and  
17 energy costs in the future, of course, is to consider  
18 using the source of electricity more from the sun or wind  
19 and less from coal and certainly not from nuclear  
20 power.

21 ATTORNEY EXAMINER SEE: Before you go on, I want  
22 to make sure I have the name of the tree trimming  
23 practice. Hearing it correctly, writing it correctly,  
24 you said it's drop crotch tree trim?

1           MR. DOCIE: Well, it's generally called drop  
2 crotch pruning. And that's a practice whereby if there's  
3 an electric line, they will trim on one side or both  
4 sides so that you can still get some shade, whatever  
5 other use you want out of it, and still leave -- still  
6 leave it so that there's no obstruction with the lines.

7           ATTORNEY EXAMINER SEE: So it still leaves a  
8 full canopy on the tree?

9           MR. DOCIE: Well, look at it this way. You have  
10 a line going down through there. If you are going to  
11 have the tree there, the tree will be the obstacle -- an  
12 obstacle for safety no matter how you shake it. So if  
13 the tree is going to stay there, you can just chop it off  
14 like they did for Two or Three, they can give a little  
15 room like they did Tree One and eventually they can let  
16 it grow out some. I mean, trees have their life.

17           See, the point here is that even though -- as a  
18 person who lives in House No. 1, if they can reduce --  
19 you know, this is a 12-year process to get to here. This  
20 can be another 12-year process. There's potentially 20  
21 years of shade for that house, that if you do practices  
22 like you do in Two and Three, that person's not going to  
23 have that shade and for 20 years they are going to be  
24 paying higher utility bills as a result of it in the

1 summer if they use an air conditioner.

2 ATTORNEY EXAMINER SEE: Okay.

3 MR. DOCIE: And then, of course, for No. 2 the  
4 use of solar and whatever it takes for all that sort of  
5 thing, for all the obvious reasons that seem obvious to  
6 most people except for American Electric Power.

7 Okay. Thank you.

8 ATTORNEY EXAMINER SEE: Thank you, Mr. Docie.

9 Loraine McCosker?

10 Do you affirm that the information you are about  
11 to give is true?

12 MS. LA COSTA: Yes, I do.

13 ATTORNEY EXAMINER SEE: Thank you.

14 Please state your name and spell your name in  
15 order.

16 MS. MCCOSKER: My name is Loraine McCosker.  
17 It's spelled M-c C-o-s-k-e-r. And my address is  
18 59 Elmwood Place in Athens.

19 I'm here as a citizen tonight, but I do serve in  
20 an advisory capacity with the Ohio Sierra Club and  
21 Appalachian Ohio Sierra Club. So some of the things I am  
22 going to talk about are environmentally related. And I  
23 feel very strongly about this rate increase because I  
24 feel like we need to address the environmental issues



1       that AEP is not.

2               AEP rate increases are proposed at \$2.30 per  
3 month to fund 130 million dollars that will be used to  
4 clear vegetation and to improve equipment. The Ohio  
5 Consumers' Counsel spokeswoman, Janine Migden-Ostrander,  
6 has stated that the plan to increase cost to consumers  
7 should be rejected. The OCC has stated that AEP has  
8 collected 71 million dollars needed for improvements in  
9 the first 15 months of a five-year plan that they  
10 developed.

11              AEP is the largest generator in the U.S. of  
12 electricity and owns and operates approximately 80 power  
13 plants, 50 of which are coal fired. It is the largest  
14 coal burning utility in the U.S. It serves more than  
15 five million customers throughout eleven-state  
16 electricity transmission and distribution groups. They  
17 had a gross revenue of 7.6 million dollars in 2005.

18              Firstly and mostly I have concerns that AEP  
19 continues to rely on coal to produce electricity. There  
20 have been requests through the Public Utility Commission  
21 to have Ohio customers fund the IGCC plant in Meigs  
22 County that would then generate electricity to five  
23 states. This would be paid for by Ohio consumers. This  
24 has recently been delayed due to an increase in

1 production cost related to steel and other fossil fuel  
2 dependent materials. And there will be a -- a public  
3 hearing regarding the water permit on March 1st regarding  
4 that IGCC plant. Oh, is it 6th? Okay.

5 Although this technology has been popularized as  
6 a clean coal technology, it is not. The capability of  
7 sequestering carbon dioxide has not been developed for  
8 this region with our geology. AEP pumps out more carbon  
9 warming -- more global warming carbon dioxide than any  
10 other American Power Company. Ohio generates 1 percent  
11 of all greenhouse gases worldwide. So our population is  
12 approximately 11 million and we generate 1 percent of all  
13 greenhouse gases on the planet. I think that's something  
14 that we should sit and really think about.

15 Recently Prime Minister of England, Tony Blair,  
16 released a report with his treasurer that indicated that  
17 5 to 20 percent of the gross national product worldwide  
18 would be reduced. He called for bold and decisive action  
19 to cut carbon dioxide emission and stem the worst of the  
20 temperature rise. This -- he -- they asked for 30  
21 percent in 2020 and 60 percent by 2060. In the State Of  
22 The Union this week, as Lois Whealey pointed out, for the  
23 first time our president addressed global warming and the  
24 concerns of how we needed to address this using new

1 technologies.

2 AEP uses more coal than any other energy  
3 provider in the western hemisphere with a total volume of  
4 mountaintop removal coal equivalent to 25 percent of coal  
5 exports from West Virginia. Efforts to utilize  
6 alternative energies have been limited by AEP while  
7 consumers may not buy green energy forms.

8 Additionally if AEP supported energy-efficient  
9 standards through the education of consumers and offered  
10 energy audits for consumers and customers, the need for  
11 increase of voltage on transformers could be reduced,  
12 thereby reducing the demands of electricity capacity.  
13 This is obviously also a responsibility of our state and  
14 local government.

15 Just to point out that Green Power is offered to  
16 50 percent of retail customers in the United States.  
17 Green Power refers to electricity supplied in whole or  
18 part by renewable energy sources such as wind and solar,  
19 geothermal, hydropower and various forms of biomass.  
20 Increasingly electricity customers are given electricity  
21 supply options. However, AEP does not offer this to  
22 consumers.

23 Now to talk about trees, because trees are an  
24 issue in Athens. And I am very familiar with trees and

1 different utility companies that -- and cities that have  
2 provide -- who formulated master plans in regard to urban  
3 tree planting. They look at the electricity lines. You  
4 do not have to remove your trees. You plant them in the  
5 right place. You don't have to go in and hack away at  
6 them. I stood on Elm Wood Place one day talking to  
7 Mr. Stanley and I feel like we helped protect one of the  
8 older elms that was on that. And I feel like if we had  
9 an aggressive approach to working with AEP, I think that  
10 they would listen.

11 I've been horrified by the tree trimming removal  
12 and vegetation clearing practices of AEP. This has been  
13 discussed with Steve Stanley and a host of the AEP  
14 representatives at city council. There was a suggestion  
15 and request to ensure an arborist was present during the  
16 trimming and cutting of trees. So there are techniques  
17 as Ron pointed out. This is 2006 -- or 2007, and I think  
18 we can address these in a meaningful and good way.

19 Studies have shown that in addition to the  
20 aesthetic value of urban trees, that they modify the  
21 climate of a city and improve urban thermal comfort in  
22 hot climates. Athens in a hot climate in the summer.  
23 It's freezing today, but it's very hot and humid. It's  
24 like Florida in the summer. Trees effect energy use in

1 buildings, through both direct and indirect processes.  
2 The direct effects are reducing solar heat gained through  
3 windows, walls and roofs by shading and reducing the  
4 radiant heat gained from the surroundings. A study  
5 published in the Journal of Arbor Culture, Volume 24,  
6 No. 4, July 2002, by David Knowack, who is a USDA forest  
7 service study, found that the total compensatory value  
8 for the urban forest of the lower 48 states is estimated  
9 at 2.4 trillion dollars. This is 3.8 billion trees with  
10 an average compensatory value of \$630.

11 So in the state of Ohio, we have a compensatory  
12 value of trees at 121 million dollars, with an average of  
13 8.5 percent of the urban forest in the state. So that's  
14 not a lot of trees in our urban areas.

15 So I would like to suggest that when these trees  
16 are removed, that the -- the City, wherever that tree  
17 would be located, would be compensated by AEP.

18 So to reiterate, my primary concerns are that  
19 AEP needs to offer energy-efficiency education. Recently  
20 our state representative, Jimmy Stewart, he is working on  
21 legislation to introduce energy efficiency. I also would  
22 like them to offer Green Energy sources. I would like  
23 AEP to stop utilizing mountaintop removal coal. It's 25  
24 percent of the coal that they burn, it's a lot. I

1       learned today that the amount of coal that Ohio  
2       University uses -- I better not quote that. I can't  
3       remember.

4               I do not agree to further financially support  
5       the removal of vegetation that I think is critical for  
6       global warming reduction. I do not agree with the rate  
7       increase to continue this method of energy generation by  
8       AEP. And I would like them to design a tree planting  
9       master plan and implementation process that would assist  
10      in decreasing carbon dioxide and reducing energy  
11      electricity demand while improving urban air quality.

12             Thank you.

13             ATTORNEY EXAMINER SEE: I notice that most of  
14      your speech was typed out. Do you have a copy for the  
15      court reporter?

16             MS. MCCOSKER: I do. It's a little messy but  
17      yes.

18             ATTORNEY EXAMINER SEE: You do have a copy.  
19      Okay.

20             ATTORNEY EXAMINER SEE: Melissa Young?

21             Ms. Young, do you affirm that the information  
22      you are about to give is true?

23             MS. YOUNG: Yes.

24             ATTORNEY EXAMINER SEE: Thank you.

1           Please state and spell your name for the record  
2           and provide us with your address.

3           MS. YOUNG: My name is Elisa Young, and it's  
4           spelled E-l-i-s-a. My last name is Young, Y-o-u-n-g. My  
5           address is 48360 Carmel Road, Racine, Ohio 45771.

6           ATTORNEY EXAMINER SEE: Go ahead.

7           MS. YOUNG: I am absolutely opposed to this. I  
8           think that AEP is externalizing more and more of their  
9           costs to rate payors, and there are costs that we're  
10          paying already that don't even begin to show up on our  
11          utility bills. This is a picture of one of the power  
12          plants that has emissions blowing across our local soccer  
13          field and basketball field over in Racine. AEP isn't  
14          paying anything about our medical bills. We've got  
15          children with asthma, we have people developing cancer.  
16          So I would like to point out that their cost to our life  
17          is not being tallied into these utility bills. And for  
18          them to expect us to pay to put in more power lines, to  
19          continue to poison our communities is unreasonable.  
20          They've already approved, what, 24 million dollars so far  
21          on the IGCC? And now this is another 71 million dollars  
22          on power lines? So we're looking at a billion dollars  
23          there, and that's not even all of the IGCC costs. They  
24          gave us the first estimate at 1.6 billion dollars. Every

1 place that one of these has been proposed across the  
2 United States has raised about two and a half billion.  
3 And those costs are open-ended. So how much are we going  
4 to end up subsidizing them to continue to do this to our  
5 county? Our county right now is being opened up for  
6 intensive mining. And you guys are talking about trees.

7 This is a picture of AEP land that is being  
8 clear cut to be mined and have a coal processing facility  
9 put in our community which will dump chemicals on us.  
10 And they are doing it on a forestry -- under forestry,  
11 which isn't regulated. And so there's no consideration  
12 of habitat, of species, of flooding. And all of those  
13 costs, the damage to our roads from the trucks that are  
14 running the timber out to make ready for the mining to  
15 fuel their power plants is being outsourced to us as  
16 residents. I don't see that on our utility bills.

17 This is a picture of what they dumped on our  
18 roads this week, when it snowed. We are getting power  
19 plant waste dumped on our roads. If you haven't ever  
20 seen power plant waste, you can walk out to the end of my  
21 driveway and pick it up. This is chocked full of  
22 mercury, arsenic, lead; and it's impacting our health.  
23 That's not showing up on our utility bills. They're  
24 certainly not reimbursing us for their impact to our



1 health.

2 This is a picture of their emissions blowing  
3 across our farm from Cheshire.

4 Now, we live in a county where a lot of people  
5 don't have health insurance. And so to expect people to  
6 pay for the medications, for asthma, for their children,  
7 for respiratory issues that are a direct result from the  
8 air emissions that we are breathing is unreasonable.

9 If you are going to consider asking me as a rate  
10 payor to put out 1.6 billion dollars toward renewable  
11 energies that would not poison me, I would do it in a  
12 heartbeat. I would do it in a heartbeat. But you're  
13 opening up our county for increased mining that's going  
14 to take our water, it's going to damage the integrity of  
15 our county. You want to run power lines through and take  
16 out more trees.

17 The power lines that are already there have made  
18 it so that I can't work at home. It's affected my job.  
19 There's a lot of electromagnetic radiation that comes off  
20 the power lines. And my electronic equipment from the  
21 hospital can't stay connected. So now I have to drive 45  
22 minutes to work on site.

23 I don't know that people in urban areas are  
24 facing these same impacts. But the reality is is that

1       you're setting up a sacrifice done in our county for AEP  
2       and this needs to stop. To ask us to pay for it is too  
3       much.

4               I did make a suggestion when AEP's -- when the  
5       Public Utilities Commission was having the hearings about  
6       whether to approve the construction costs on rate payors'  
7       bills, if you were going to return that to us in any way.  
8       We keep hearing about how cheap coal is and how  
9       profitable it is. If it's cheap and it's profitable, why  
10      do they keep coming to rate payors and expecting us to  
11      pay for their business to be built and operated? They  
12      are not refunding it to us. I haven't seen any -- I  
13      mean, if they went to any financial institution and asked  
14      for a loan, if this was such a wonderful, profitable  
15      business that they could get a loan for it, they would be  
16      required to pay it back. They're not paying us -- are  
17      they going to pay us any of this 71 million dollars back  
18      now that they're adding on top of IGCC's construction  
19      costs? Is any of that 71 million -- is that -- in that  
20      proposal, is that going to come back to us? Will they  
21      refund it to us? I didn't have time to read it before I  
22      came here, but I assume probably not.

23               ATTORNEY EXAMINER SEE: Are you --

24               MS. YOUNG: You can't answer questions?

1           ATTORNEY EXAMINER SEE: The purpose of the  
2 hearing is for you to offer your testimony.

3           MS. YOUNG: Okay. Well, my testimony is that --

4           ATTORNEY EXAMINER SEE: If you wish to include  
5 that in the record, then that is an admission on the  
6 transcript.

7           MS. YOUNG: Okay. Then I would like to include  
8 that I would be less outraged by this proposal if there  
9 were some means for them to return this money to us in  
10 the form of grants for renewal energies, to install solar  
11 geothermal wind power for businesses and homeowners  
12 across the state. I think last year we had 14 million  
13 dollars in grants made available to us. But at the same  
14 time, we were asked to pay out 1.6 billion to build one  
15 power plant. That doesn't even begin to equal out.

16           If AEP would come up with a way to pay us back,  
17 I think it would be a little bit more palatable. But I  
18 think this is completely unreasonable. There isn't  
19 anyone here that could go out and open up a business and  
20 say, "You're going to pay me for it first." Or go to a  
21 bank, take out a loan and not be expected to pay it back.  
22 And AEP just doesn't have this right. The externalized  
23 costs that we're paying are too much.

24           So I'm opposed as a Meigs Countian, as an AEP

1 rate payor, as a family member of a community group that  
2 has come together to try and address the issues that are  
3 coming into our county, I am absolutely opposed to this.

4 There are just so many aspects of this. Every  
5 vacation day that I get seems to be going to a public  
6 meeting, or something to defend our community against  
7 what AEP is coming in and proposing. And I would like to  
8 have some of my free time back. They're not paying me  
9 for my vacation days to come to these meetings.

10 ATTORNEY EXAMINER SEE: Pictures?

11 MS. YOUNG: You are welcome to them. I can run  
12 off lots of them. Do you want any of the power plant  
13 waste?

14 ATTORNEY EXAMINER SEE: I don't need that.

15 MS. YOUNG: I don't either. Thank you.

16 ATTORNEY EXAMINER SEE: Is this the order in  
17 which you introduced them? I believe it is.

18 MS. YOUNG: The first one was the one with the  
19 emissions blowing across our children's playground. That  
20 was last.

21 ATTORNEY EXAMINER SEE: Okay.

22 MS. YOUNG: The power plant waste on our  
23 roads was -- that's the order. You just reversed them.  
24 That's the clear cut area and the wetlands. And that is

1 the power plant blowing across our playground.

2 ATTORNEY EXAMINER SEE: That is the last witness  
3 that signed up to offer testimony. At this time, I'd  
4 like to know if there's anyone else that wishes to offer  
5 testimony at this time that hasn't signed up.

6 If there is no further testimony to be offered  
7 tonight -- I'm sorry. That concludes the hearing. I'd  
8 like to thank you -- I'm sorry. There's a gentleman that  
9 just walked in. Did you want to offer testimony this  
10 evening?

11 MR. GOSNEY: I didn't sign in outside.

12 ATTORNEY EXAMINER SEE: That's okay. We are at  
13 the point in the proceeding --

14 MR. GOSNEY: Sure. Do I have to come up to the  
15 microphone?

16 ATTORNEY EXAMINER SEE: I'd like you to come  
17 forward.

18 I am going to ask you to give us your name and  
19 address and that you affirm that the information you are  
20 about to give is true. Okay?

21 MR. GOSNEY: Okay.

22 ATTORNEY EXAMINER SEE: So please state and  
23 spell your name for the record.

24 MR. GOSNEY: My name is Elahu Gosney, E-l-a-h-u.

1 Last name G-o-s-n-e-y. And my address is 20 Fairview  
2 Avenue.

3 ATTORNEY EXAMINER SEE: Mr. Gosney, do you  
4 affirm that the information you are about to give is  
5 true?

6 MR. GOSNEY: I do.

7 ATTORNEY EXAMINER SEE: Please raise your right  
8 hand.

9 Do you affirm the information you are about to  
10 give is true?

11 MR. GOSNEY: I do.

12 ATTORNEY EXAMINER SEE: Thank you.

13 Now can you give us your address.

14 MR. GOSNEY: Yes. 20 Fairview Avenue. And  
15 that's in Athens here.

16 ATTORNEY EXAMINER SEE: Please go ahead with  
17 your testimony.

18 MR. GOSNEY: Recently on my property AEP came  
19 through to do their tree trimming -- they call it tree  
20 trimming. It's more like clear cutting it seems now.  
21 And it doesn't appear to me that they are obeying any  
22 regulations. They are cutting down trees that are 40  
23 years old, that are marked with blue spray paint. Which  
24 I understand is spray paint you are supposed to -- it's

1 marked for trimming. And when I contacted them about it,  
2 basically they gave me the runaround. And they did a lot  
3 of damage to my property. They left all the tree limbs  
4 on my property, even when I asked them to remove them.  
5 And I complained about it to AEP. And -- and Steve  
6 Stanley, I believe was his name, I can't swear to that,  
7 though -- I spoke with someone at AEP who told me that I  
8 could be there when they were cutting, but they never  
9 notified me when they were going to come back. And they  
10 came back. And I stayed home for several hours to  
11 observe what they were cutting. I was told they wouldn't  
12 cut a certain tree and they waited until I left around  
13 3:00 p.m. and then they went and cut a bunch of branches  
14 off of it. So I'm really concerned about the way AEP is  
15 going about their tree trimming.

16 It doesn't seem like they're listening to the  
17 citizens, the property owners in Athens. They are  
18 ruining trees and cutting trees down to the ground that  
19 are 35, 40 years old.

20 And it's obviously a change in policy. There's  
21 no explanation as to why they are changing the policy, as  
22 far as I can tell. I would like them to look into  
23 possibly burying some of the lines.

24 If there is going to be some kind of rate

1       increase, using that money to -- instead of cutting down  
2       more trees or destroying more trees, I would like to see  
3       them use it maybe to plant some more trees to replace  
4       some of the ones that they've destroyed.

5               I think they need to look into their contractor  
6       and make sure their contractors know what tree -- what  
7       the trees are, what species the trees are. Because right  
8       now sometimes they don't.

9               And I guess that's about it.

10              ATTORNEY EXAMINER SEE: Thank you.

11              MR. GOSNEY: Thanks.

12              ATTORNEY EXAMINER SEE: I'd like to thank you  
13       all for giving up a portion of your evening and coming  
14       out to offer testimony tonight.

15              If there is no further witnesses, the hearing is  
16       concluded. Thanks.

17              (Whereupon, the hearing was concluded.)

18

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20

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22

23

24



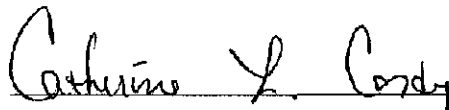
1 STATE OF OHIO, To-wit:

2 I, Catherine L. Cordy, a Notary Public and Court  
3 Reporter within and for the State aforesaid, duly  
4 commissioned and qualified, do hereby certify that the  
5 above hearing was taken by me and before me at the time  
6 and place specified in the caption hereof.

7 I do further certify that said hearing was correctly  
8 taken by me in stenotype notes, that the same was  
9 accurately transcribed out in full and reduced to  
10 typewriting, and that said transcript is a true record of  
11 the hearing.

12 I further certify that I am neither attorney or  
13 counsel for, nor related to or employed by, any of the  
14 parties to the action in which these proceedings were  
15 had, and further I am not a relative or employee of any  
16 attorney or counsel employed by the parties hereto or  
17 financially interested in the action.

18 My commission expires the 26th day of April, 2011.  
19 Given under my hand and seal this 1st day of March 2007.  
20  
21

22 

23 Catherine L. Cordy  
24 Notary Public-Court Reporter



CATHERINE L. CORDY, Notary Public  
in and For The State of Ohio  
My Commission Expires 4-26-11

Thank you Commissioner. Good evening....my name is Crystal Ratliff and I am the Community Services Coordinator for Hocking.Athens.Perry Community Action located here in Athens.

Our agency through advocacy and a broad variety of services, strives to help families and individuals achieve an improved quality of life by working to alleviate the hardships of poverty. We focus on areas such as early childhood education, employment and training, safe and affordable housing for low and moderate income residents, food and nutrition needs for residents of all ages as well as community development activities to improve our local communities. With all of that being said you can see Hocking Athens Perry Community Action Agency is an advocate for low-income families and individuals.



Hocking . Athens . Perry  
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An equal  
opportunity  
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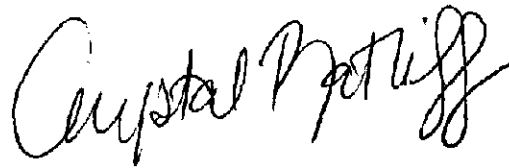
I am responsible for managing the HEAP or Home Energy Assistance Program for Hocking, Athens and Perry counties. This program helps low-income individuals with a one time heating assistance benefit in the winter months as well as assists low-income, elderly individuals with their electric bills during the summer season. Currently we assist about 7,500 households each year. Of these households, 62% are AEP customers. Since 2005, we have experienced a 28% increase in the number of clients assisted because of higher costs in utilities. In my position I witness first hand the affects of how utility costs influence people lives.

Our clients primarily fall into two categories. Either those living on fixed income or those classified as working poor families. Both whom simply cannot afford to meet their electric obligations. They need some sort of assistance to help get them through. Granted AEP does offer payment plans to help residents deal with their high costs, but these plans, such as the PIPP or the Percentage of Income Payment Plan, have their downfalls and are not the complete solution for clients. If AEP's proposal is accepted and resident's costs do in deed increase, more people are going to have to be placed on these plans.

With the nature of our area's geography I can understand the difficulty AEP must experience in the managing of reliability, maintenance and repairs. However when I see reports that say they are under spent on their distribution maintenance fund but need an increase to be more reliable, I have to question why? Our economy is such that with unemployment rates higher than the national average, low paying jobs, and costly medical care, people can not financially afford an increase. Even if it averages \$10 a month per household, to most of my clients, they do not have an extra \$10 to spare.

We strongly recommend that this proposal by AEP be rejected by the PUCO. How can it be justified to our citizens that their costs will increase when service is not reliable, repairs are not done, rural residents have outdated equipment and AEP has unspent maintenance funds? While we expect AEP to do what is necessary to provide reliable service and we recognize that AEP should be fairly compensated for the service it does provide, we also expect that reliability and maintenance to be considered standard of service. We shouldn't reward companies for their shortfalls, especially at the costs of resident's pocketbooks.

Thank you to the Public Utilities Commission of Ohio for the opportunity to offer these comments on behalf of Hocking Athens Perry Community Action. Are there any questions?

A handwritten signature in black ink, reading "Crystal Mettiff". The signature is written in a cursive style with a large, looped "C" and a long, sweeping "M".

Good evening, thank you for allowing me the opportunity to speak on the issue of AEP's proposed rate increases.

My name is Peggy Lee, and I am a staff attorney with the Athens area office of Southeastern Ohio Legal Services. We serve low-income clientele in Athens, Meigs, Vinton, and Gallia counties.

As an attorney whose practice includes public utility issues and who lives in an area serviced by AEP, I am opposed to the proposed \$71 million in rate increases and I believe that the PUCO should be as well.

First, experts at the Ohio Consumers' Counsel have determined through accounting data, as reported in its press release dated January 19, that AEP already collected \$100 million towards distribution maintenance from its customers over the last ten years or so. Of that \$100 million, \$97 million has not been spent. The PUCO knew about AEP's underspending back in 2003 when it also found that AEP violated portions of Ohio's Electric Service and Safety standards.

Despite this, AEP now claims the need for a rate increase totalling about \$71 million to fund **18 MONTHS** of a five-year planned upgrade of its system. Why would \$71 million be necessary if their own ledgers reflect that they should have \$97 million at its disposal already? Why hasn't AEP established where this money has gone? And more

importantly, why isn't AEP already providing reliable service under current rates when it is bound by legal standards of basic minimum service? The most harrowing thought is that if \$71 million is the amount necessary to fund 30% of its planned "upgrade", AEP is really asking for at least \$236 million in additional rate increases over the next 5 years, assuming a flat ratio.

Another piece to our opposition to the rate increases is the simple fact that AEP has failed to establish that it is currently providing adequate and reliable service as it promised when rates were increased in the 90's. It is clear from the testimony this evening that AEP's service is not reliable. In fact, my office alone has withstood hours of power outages that rendered us unable to provide much needed service to our low-income clientele. No corporation would reward an underperforming employee subject to minimum performance standards by increasing their salary, and as such, the PUCO should not allow AEP to increase its rates.

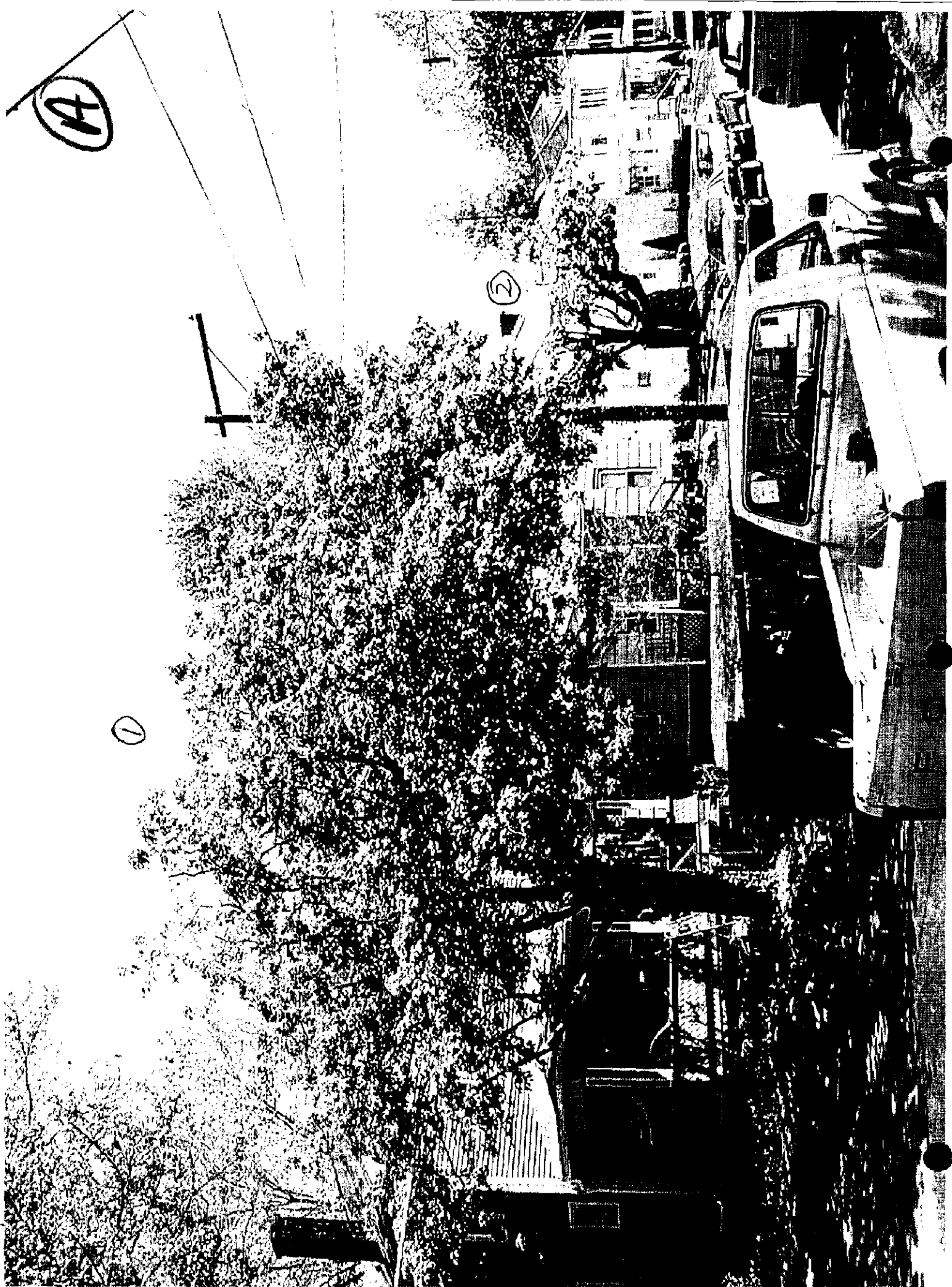
In this day and age which has seen its share of corporate scandal with the likes of Enron, the PUCO must be vigilant over public utility companies' requests for rate increases without full accountability for and proof of reliable service.

Finally, we Legal Services attorneys are keenly aware of the current hardships imposed by the AEP rates currently in place, even with additional assistance from programs such as HEAP, emergency HEAP, and PIPP (the percentage of

income payment plan.) We know first-hand that there would be multitudes of families and children and elderly people that would be without electric service if not for these additional safety nets in place. Yet, we have heard nothing about AEP offering additional deductions or forgiveness of utility costs for its low-income consumers to bridge the gap once the rate increases are in place, and there are no increases anticipated at this time for the assistance programs.

Given this combination, it is not difficult to foresee higher rates of shutoff, and possibly homelessness as a result, for the low-income communities throughout AEP's service territory. The PUCO should take into consideration the costs to the State of Ohio and the local counties in homelessness services and even potential community-based medical services required by a low-income household after a shutoff occurs as a result of a loss of heating or cooling. Without a binding commitment by AEP to increase assistance or forgiveness to low-income customers to cover the additional costs created by the rate increases, I cannot in good conscience, nor should the PUCO, allow AEP's request to further degrade the living conditions of my clients.

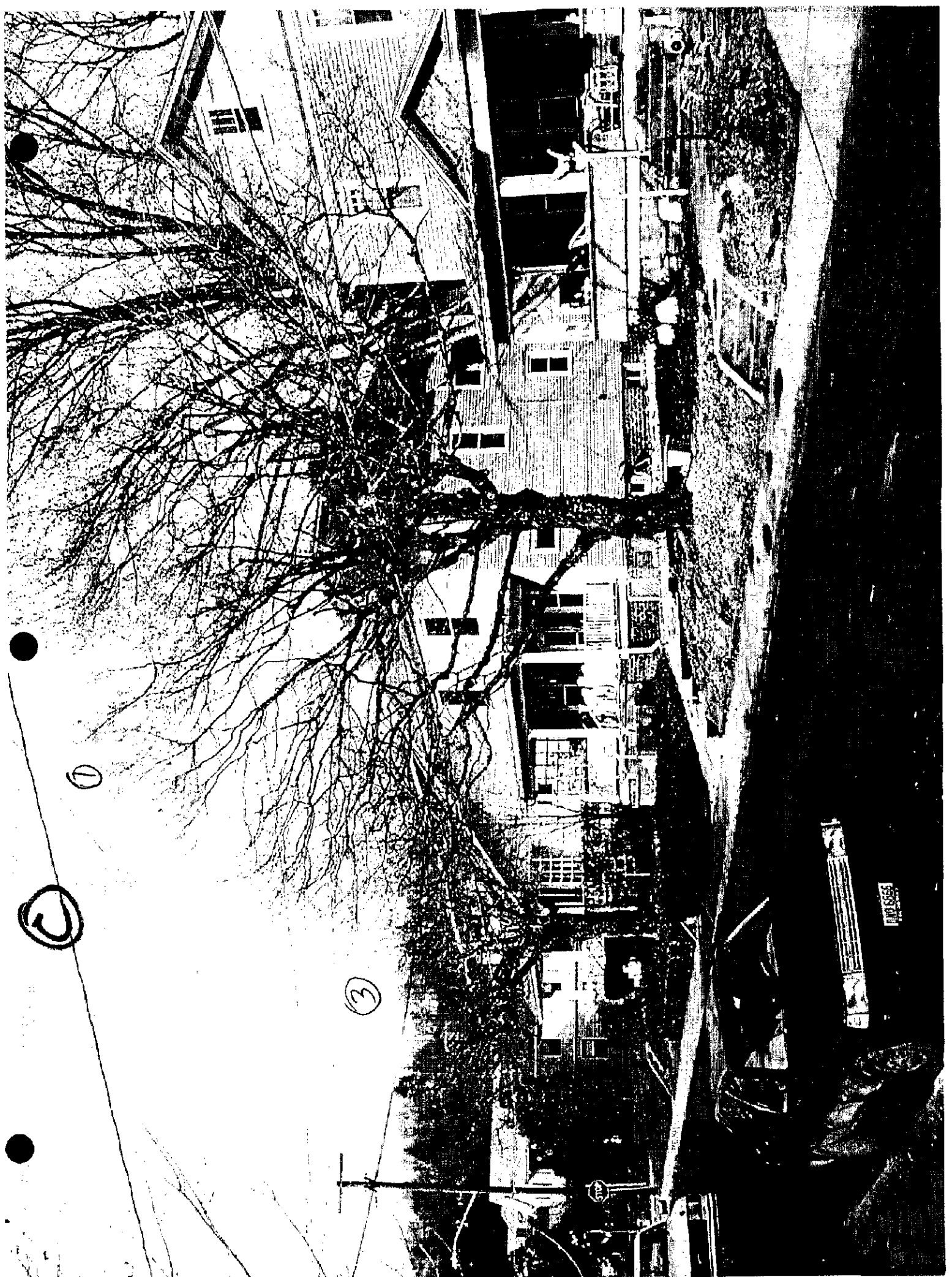
Thank you for your time and attention.





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11/11/68

Loraine McCosker  
59 Elmwood Place  
Athens Ohio 45701  
740-589-4070

AEP Rate Increases are 2.30 per person monthly, to fund 130 million that would be used to clear vegetation near lines and improve equipment.

I am a customer in Athens, and I would like to present my position why I do not support this customer increase.

AEP is the largest electricity generator in the US and owns and operates approximately 80 power plants, 50 of which are coal fired. It is the largest coal-burning utility in the US. AEP serves more than 5 million customers through its 11-state electricity transmission and distribution grid. They had a gross revenue of 7.6 billion dollars in 2005.

Firstly and most importantly, I have concerns that AEP continues to rely on coal to produce electricity. There have been requests to the Public Utility Commission to have Ohio customers fund the IGCC plant in Meigs County that will then generate electricity to five states. This has recently been delayed due to an increase in production costs related to steel and other fossil fuel dependent construction materials.

Although this technology has been popularized as a clean coal technology it is not. The capability of sequestering carbon dioxide has not been developed in this region due to the geology of the area where the plant is proposed. AEP pumps out more global warming carbon dioxide than any other American power company while consistently lobbying against any effort in Congress to limit global warming pollution. Between 1998 and 2004 AEP spent 7,261,051 on lobbying efforts to influence the rules and regulators that govern the utility industry according to the Center for Public Integrity.

Ohio generates 1% of all green house gases world wide.

Recently Prime Minister Blair of England issued a report that global warming would cost the world between 5-20% of gross national product each year. He called for "bold and decisive action" to cut carbon dioxide emission and stem the worst of the temperature rise. The British treasure secretary issued a report called for Europe to decrease its green house gases by 30% in 2020 and 60% in 2060.

President Bush asked for an awareness to use technology and attention to global climate change in his state of the union.

AEP uses more coal than any other energy provider in the western hemisphere purchasing a total volume of MTR coal equivalent to 25% of coal exports from the state of West Virginia annually.

Efforts to utilize alternative energies are limited by AEP while consumers may not buy green energy forms.

Additionally, if AEP supported energy efficiency through education of customers, and energy audits for its customers, the need for increased voltage on transformers would be

limited thereby decreasing the demands of electricity capacity. This is also a responsibility of state and local government.

AEP should offer green power to its customers.

What is Green Power?

The term "green power" generally refers to electricity supplied in whole or in part from renewable energy sources, such as wind and solar power, geothermal, hydropower, and various forms of biomass. Increasingly, electricity customers are being given electricity supply options, either as retail power markets open to competition or when their regulated utilities develop green pricing programs. More than 50% of retail customers in the United States now have an option of purchasing a green power product directly from their electricity supplier

Trees act as a method of sequestration of carbon dioxide, decrease electricity needs through cooling and protection from winds as well as mediating the temperatures in heat islands in urban areas. It is a poorly thought out practice to remove this vegetation improperly. Topping trees or removing half of their growth on one side creating a liability for the home owner is not an effective method of tree trimming in urban areas or in rural areas.

Finally, as a citizen of Athens, I have been horrified by the tree trimming, removal and vegetation clearing practices of AEP. This has been discussed with Steve Standley and with a host of AEP representatives at an Athens City Council meeting.

There was a suggestion and request to ensure that an arborist was present during the trimming and cutting of trees.

Studies have shown that in addition to the aesthetic value of urban trees they can modify the climate of a city and improve urban thermal comfort in hot climates.

Trees affect energy use in building through both direct and indirect processes. The direct effects are reducing solar heat gain through windows, walls, and roofs by shading and reducing the radiant heat gain from the surroundings

. A study published in the Journal of Arboriculture 28 (4) July 2002 by David Nowak of the USDA Forest Service found that the total compensatory value for the urban forests of the lower 48 states is estimated at 2.4 trillion dollars. This is 3.8 billion trees with an average compensatory value of \$630 per tree.

(Compensatory values are based in part on replacement costs and related to compensation of owner for tree loss. Ohio's compensatory value of trees is 120,970 million dollars with coverage of 8.5% of the urban areas of the state)

The Ohio Consumer's Counsel spokeswoman Janine Migden-Ostrander has stated that the plan to increase costs to customers should be rejected. The OCC has stated that AEP has collected \$71 million needed for improvements in the first 18 months of their five-year plan.

To reiterate:

AEP needs to offer energy efficiency education and green energy sources.

AEP should not continue to utilize mt top removal coal

I do not agree to further financially support removal of vegetation.

I do not agree with the continued reliance on coal for energy generation.

I do not agree with the rate increase to continue this method of energy generation by AEP.

AEP should design a tree planting master plan and implementation process that would assist in decrease carbon dioxide and reducing electricity demand while improving urban air quality.

AEP Hearing 1/25/07

My name is Larry Payne Membership Service Coordinator from the Athens Area Chamber of Commerce. 33% of the respondents during a Chamber 2006 Business Expansion/ Retention interview stated they had AEP electrical service issues, and that this affected their business in a negative way. Geographic areas that experienced the most problems included businesses located on East State Street Athens and the downtown area of Athens. At their January 19<sup>th</sup> meeting the Chamber Board of Directors stated their concern over this issue but <sup>are</sup> ~~is~~ sure AEP has and will continue to make the necessary upgrades in service to our area businesses. Today I spoke with a business in Nelsonville located in an area that has experienced a lot of problems in the past and she stated AEP has made improvements in her service and that there was even a crew working on her service yesterday.

I am David C. Ingram, I live at 120 Morris Avenue in Athens.

Good evening, Thank you for coming to Athens and giving the local residents an opportunity to be heard.

I am a member of the Near Eastside Neighborhood Association NENA and a member of the Athens City Shade Tree Commission. While I am not representing these entities at these hearings it is some observations on AEP's tree clearance in Athens that have been raised by residents of Athens with these entities together with my personnel observations that I wish to testify about.

Whenever AEP's contractors are in town both NENA and the Shade Tree Commission receive complaints about the quality of work being done. We all recognize the need to prevent trees from falling on the high voltage lines and agree that no large or medium sized shade trees should be planted or allowed to grow near these lines. We have had meetings with AEP representatives and they claim that their policies do not allow their contractors to do the things that I will show you in photographic evidence that they do. They leave trees with 50% of the branches gone where their own procedures require that such trees should be removed. They stub cut branches and they leave torn branches.

The first two pictures show a branch that have been allowed to tear, this taken was several days after the trimming. No effort was taken to repair the damage

The third picture shows evidence of topping and stub cuts.

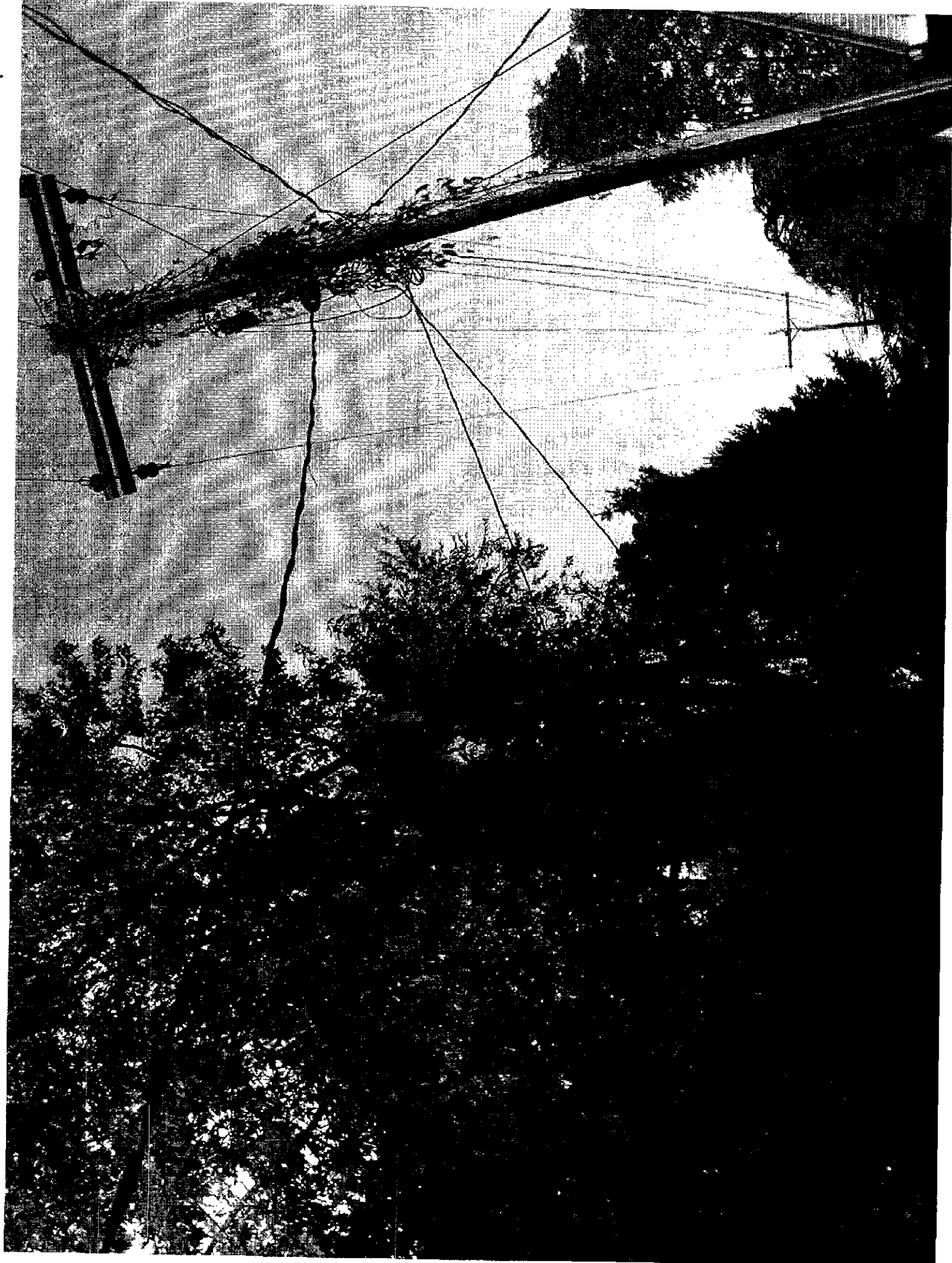
The fourth and fifth pictures show trees with 50% or more of their branches removed, clearly candidates for removal.

The Shade Tree Commission has stated that it would prefer AEP to remove trees in the RoW and not butcher them. AEP contractors routinely leave hideously disfigured trees, that reduce property values, require further pruning to remedy the damage, detracts from the beauty of Athens, and often kills the trees over time.

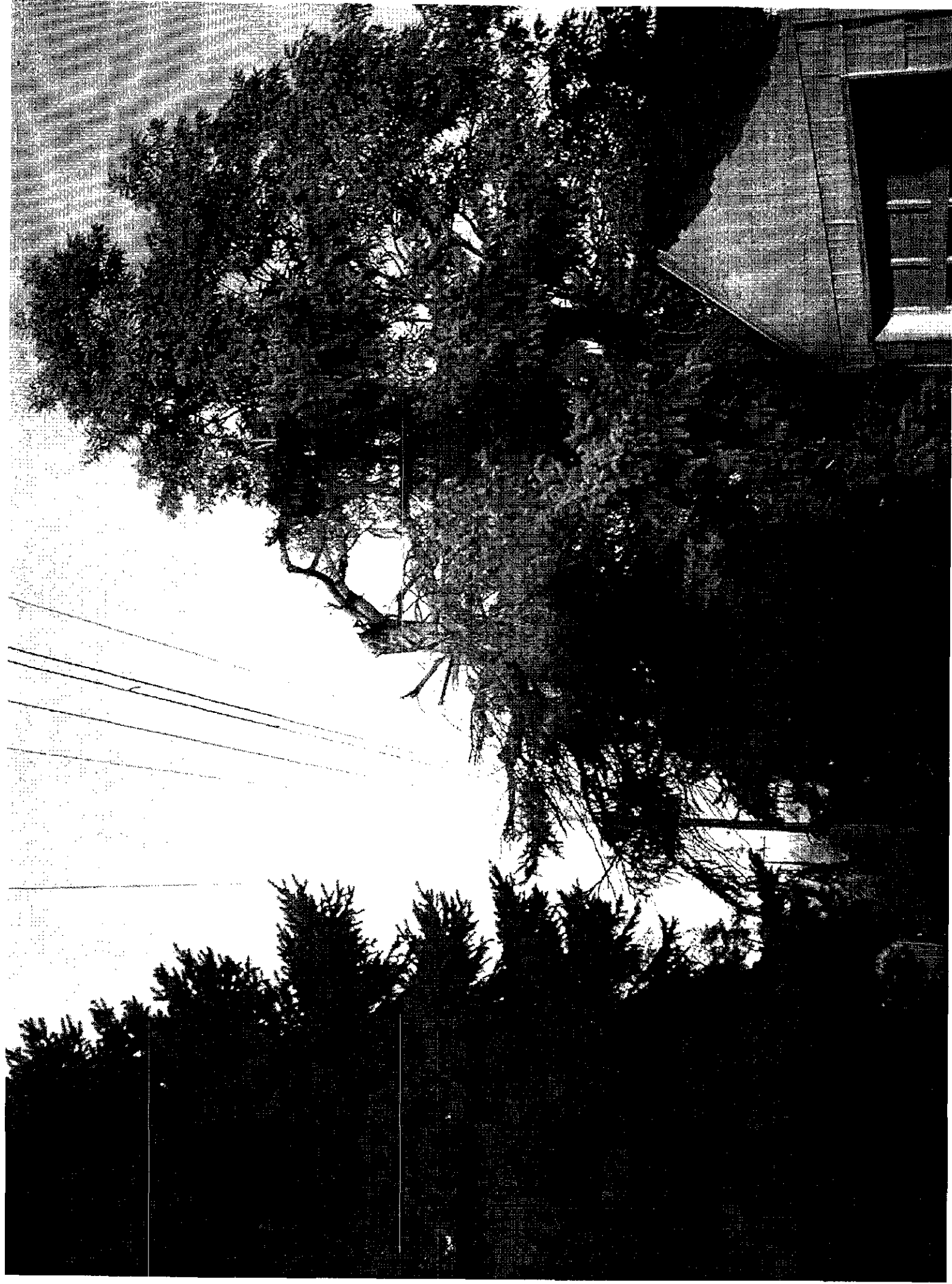
As you can see in this article photocopied from the Wall Street Journal, AEP can win awards from its tree care. This is a company that can choose do the right thing. That they choose not to in this area shows the contempt that they hold their customers in this area. I submit that if they are to get a rate rise it should be tied to the quality of their tree care.

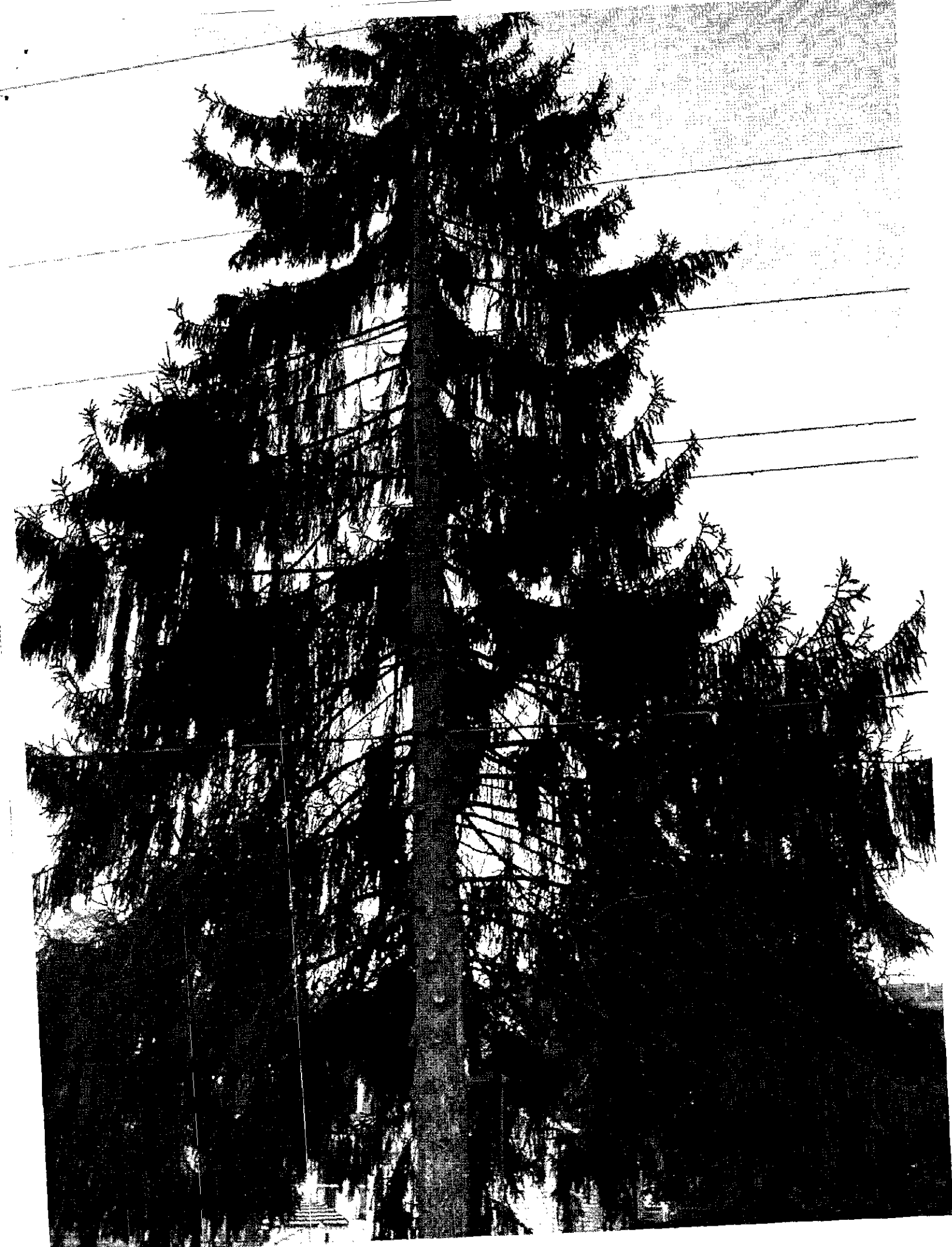


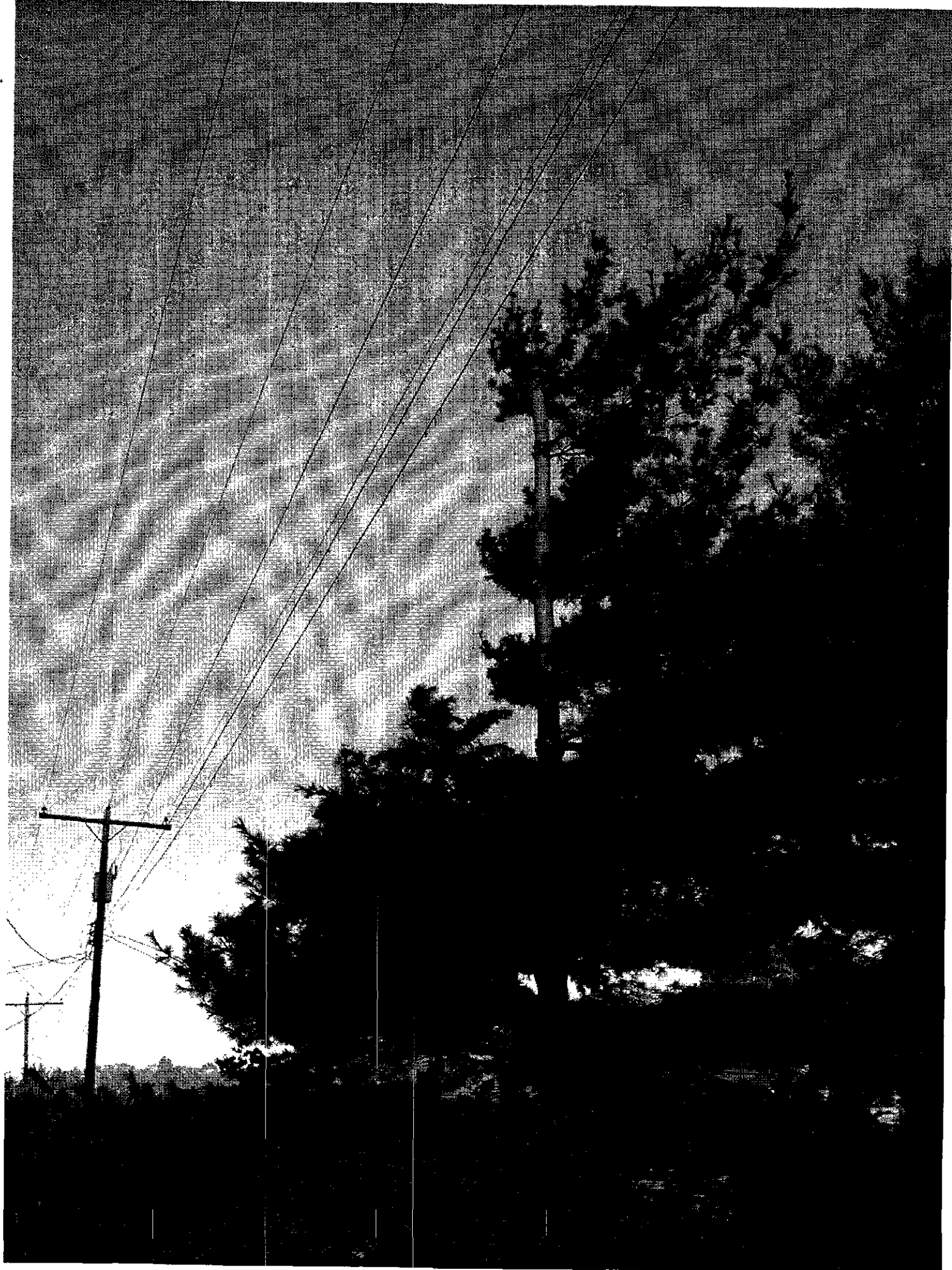












## ADVERTISEMENT

# National Arbor Day Foundation A Record One-hundred- Utilities With Tree Line

**O**ne-hundred-and-twenty-seven utility companies, serving a combined total of 67 million American households, have earned Tree Line USA designation from The National Arbor Day Foundation in 2005.

Tree Line USA recognizes utilities that implement a program of quality tree care, provide annual worker training in best tree care practices, and offer a tree planting and public education program. The Tree Line USA program is sponsored by the Arbor Day Foundation in cooperation with the National Association of State Foresters.

"Healthy trees and proper care, including safe, efficient line clearance, have never been more important for America's cities and towns," said John Rosenow, president of The National Arbor Day Foundation. "Because of this, Tree Line USA is more vital than ever before. Trees offer great environmental and economic benefits, including energy conservation, increased property values, and cleaner air and water.

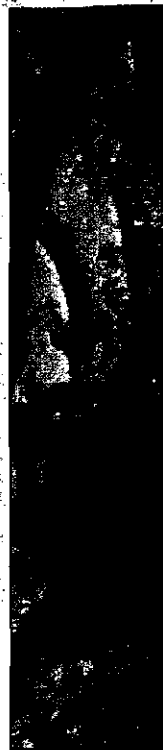
"Every year more utility companies embrace Tree Line USA. We're pleased to honor these leading utilities, those who live their commitment to both the environment and the people they serve."

Proper tree care plays an important part in providing reliable service, Rosenow added. Utilities that preserve community trees while providing reliable service achieve long-term operational savings and help beautiful trees live on

into the future. This can be accomplished through practices like natural pruning, in which trees are trained to grow around utility wires. "Natural pruning allows trees to keep more of their natural form, adding to the health and appearance of the trees," Rosenow said. "It's also cost-effective, since natural pruning doesn't have to be done as often as the destructive 'topping' of trees."

Natural pruning and many other approaches to effective tree care will be considered at the Arbor Day Foundation's twelfth annual Trees & Utilities National Conference, to be held April 18-20, 2005 at the downtown Embassy Suites in Omaha, Nebraska. The Tree Line USA awards will be presented during the conference, which is co-sponsored by the Utility Arborist Association. The conference brings together people who make decisions about the trees and vegetation that grow near utility lines above or below the ground, including utility professionals, arborists, and concerned citizens. Registration and additional information is available at [arborday.org/TUconference](http://arborday.org/TUconference).

Tree Line USA includes both investor-owned and public utilities of all sizes, ranging from those serving thousands of households in a single community to those serving millions across several states. All share a commitment to public education, tree planting, and quality tree care. Examples of their work include energy conservation programs through strategic tree planting, partnerships



Tree Line USA  
reliable utility service

## CONGRATULATIONS

to the Tree Line USA Utilities from  
the sponsors of this feature:

**DAVEY** 

 **The National  
Arbor Day Foundation**

**ASPLUNDH**

## No Topped Trees!



Tree Line USA opposes the practice of "topping" — cutting main branches back to stubs. Topping destroys the tree's beauty and seriously reduces a tree's ability to survive. Also, topped trees usually regrow weakly attached branches that can be hazardous to people and property nearby.

## 2005

AEP Public Service Company of Oklahoma-OK	City of St. Charles
AEP Texas Central Company-TX	City of Tallahassee
Alabama Power Company-AL	City Public Service
Ameren-IL, MO	City Water, Light
Austin Energy-TX	Cleco Power LLC
Baltimore Gas and Electric-MD	Clinton Utilities B
Benton Public Utility District-WA	Columbia Water I
Brigham City Light & Power-UT	Connecticut-DE, MD
Brownsville Public Utilities Board-TX	Cookeville Electr
CenterPoint Energy-TX	Cuivre River Elec
Chelan County PUD #1-WA	Delaware Electric
Choptank Electric Cooperative-MD	Duck River Electri

## ADVERTISEMENT

# Tree Line USA Honors

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*Tree Line USA utilities demonstrate that we can have both tree-filled communities and reliable utility services.*

*"The success of Tree Line USA illustrates that exemplary tree care remains at the forefront of community and company concerns."*

John Rosenow  
President  
The National Arbor Day  
Foundation

between Tree Line utilities and area schools, and discounted prices at nurseries on utility-friendly trees.

"The success and growth of these utilities and of the Tree Line USA program itself illustrate that exemplary tree care remains at the forefront of both community and company concerns," Rosenow said.

More information on Tree Line USA and the Trees & Utilities National Conference is available by calling The National Arbor Day Foundation at 888-448-7337 or by visiting [arborday.org](http://arborday.org).

## 2005 TREE LINE USA UTILITIES

Idaho-OK	City of St. Charles-IL	Golden Valley Electric Association-AK	Peninsula Light Company-WA
	City of Tallahassee-FL	Independence Power & Light-MO	PEPCO-DC, MD
	City Public Service of San Antonio-TX	Johnson City Power Board-TN	Pioneer Electric Cooperative-OH
	City Water, Light & Power-IL	Knoxville Utilities Board-TN	Public Service Company of New Mexico-NM
	Cleco Power LLC-LA	Lansing Board of Water & Light-MI	Rappahannock Electric Cooperative-VA
	Clinton Utilities Board-TN	Los Angeles Department of Water & Power-CA	Richland Energy Services-WA
	Columbia Water & Light Department-MO	Mishawaka Utilities-IN	Rochester Gas & Electric Corporation-NY
	Connectiv-DE, MD, NJ, VA	MidAmerican Energy Company-IA, IL, NE, SD	Sacramento Municipal Utility District-CA
	Cookeville Electric Department-TN	Morristown Utility Systems-TN	San Diego Gas and Electric Company-CA
	Cuivre River Electric Cooperative-MO	National City USA-MA, NH, NY, RI, VT	Shawano Municipal Utilities-WI
	Cuyahoga Falls Electric Department-OH	New York State Electric and Gas-NY	Southern California Edison Company-CA
	Delaware Electric Cooperative-DE	Ocala Electric Utility-FL	TXU Electric Delivery-TX
	Duck River Electric Membership Corporation-TN		
	Duquesne Light Company-PA		



- Trees & Utilities National Conference, and submit your registration.
- Learn about our other conferences and seminars and find out when and where they will be held.
- Visit [arborday.org/conferences](http://arborday.org/conferences).

## Visit Our Online Tree Pruning Guide

- Launch our animated Tree Pruning Guide and let Andy, your tutorial guide, teach you when to prune trees, keys to good pruning, and how to prune for strength and form.
- Practice pruning a tree in the virtual pruning lesson.

Visit [arborday.org/pruning](http://arborday.org/pruning).



## Join Our Free Online Community

- Share your stories, advice, know-how, and experiences.
- Learn from arborists, urban and community foresters, home owners, conservationists, and tree lovers everywhere.
- Grow your network of like-minded partners and friends who share your commitment to trees.
- Contribute to a community that works together to educate, inspire, and motivate people to plant and care for trees.

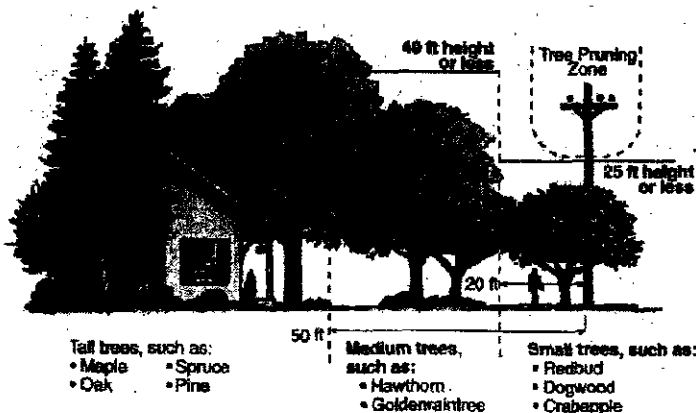
Visit [arborday.org/forums](http://arborday.org/forums).

## Learn How to Plant the Right Tree in the Right Place

- With careful planning, a little research and a simple layout, you can produce a healthy community forest.
- Download the art below to learn where to properly place your trees to avoid collisions with power lines and buildings.
- Before you plant, it is important to know what the tree will become. Check out our sizing guide to learn what your tree will look like as it nears maturity.

Visit [arborday.org/righttree](http://arborday.org/righttree).

### You can help by planting the right kinds of trees in the right places on your property:



- Plant taller trees away from overhead utility lines.
- Near or beneath utility lines, plant smaller trees that will not grow into the lines when they mature.
- Have all pruning near utility lines done by utility company crews. Don't try to do it yourself.
- Be aware that your street trees may be city-owned.

## Arbor Day Farm's Lied Lodge Offers Formal Me

A special "Stay and Play Golf Package at Arbor Day Farm" is being offered to attendees of the Trees & Utilities National Conference, to be held April 20, 2005 at the Downtown Embassy Suites in Omaha, Nebraska. As a pre-conference event, guests on Saturday, April 16, will be picked up at the central Omaha airport and taken to Lied Lodge & Center at Arbor Day Farm in nearby Nebraska City, and operated by The National Arbor Day Foundation. Arbor Day Farm is a National Historic Landmark and an original estate of Arbor Day founder J. Sterling Ward.

The Stay and Play Golf Package includes a night at Lied Lodge on Saturday, April 16, followed by unlimited golf on Sunday at Nebraska City's recognized ArborLinks golf course. Guests will be in Omaha on Sunday evening in time to prep for Monday, April 18 opening of the Trees & Utilities National Conference. The total cost of the package, including golf with cart and practice balls, is \$149.

"This is our way to introduce guests, especially those concerned with tree planting and environmental stewardship, to Arbor Day Farm, with its Lied Lodge & Conference Center, ArborLinks course, and the fun, educational, and

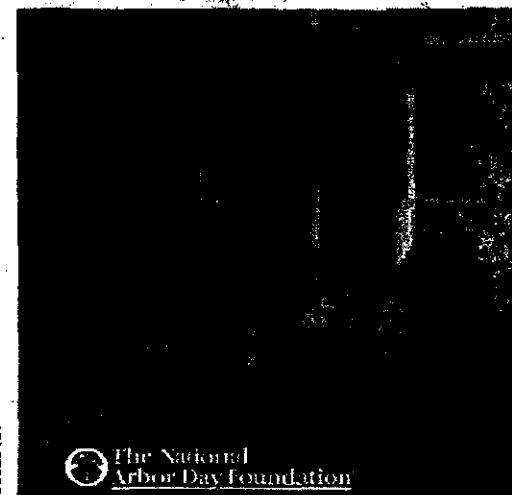
You Can

# 10 Free

Ten free flowering trees will be given to each person who joins The National Arbor Day Foundation. These free trees are part of the nonprofit Foundation's America's Greenest Town campaign.

The ten trees are 2 White Flowering Dogwoods, 2 Washington Hawthorns, 2 Goldenrain trees, 2 American Redbuds, and 2 Flowering Crabapples.

"These compact trees were selected for planting in large or small spaces, and they're better than tall trees for planting near overhead utility lines because they won't grow into the wires," John Rosenow, The National Arbor Day Foundation's president, said. "These free flowering



The National  
Arbor Day Foundation

00020401

# Arbor Day Farm's Lied Lodge & Conference Center Formal Meeting Space & Room for Personal Retreats

Play Golf Package at Arbor Day Farm is open to attendees of the twelfth annual National Conference, to be held April 18-19 at the Embassy Suites in Omaha. The conference event, guests arriving on the Play Golf Package will be picked up at the centrally located Lied Lodge & Conference Center in nearby Nebraska City. Owned by the National Arbor Day Foundation, Arbor Day Farm is a Historic Landmark and part of the legacy of the day founder J. Sterling Morton.

The Play Golf Package includes a night's stay at the Lied Lodge & Conference Center, April 16, followed by breakfast and lunch at Nebraska City's nationally recognized Lied Lodge & Conference Center. Guests will be returned to the Lied Lodge & Conference Center in time to prepare for the opening of the Trees & Utilities National Conference. The cost of the package, including unlimited practice balls, is \$149.

Introduce guests, especially those concerned with environmental stewardship, to the Lied Lodge & Conference Center, the fun, educational, family-oriented

Tree Adventure," said John Rosenow, president of The National Arbor Day Foundation. "We're proud to operate Arbor Day Farm in the spirit of conservation and respect for the environment embodied by J. Sterling Morton."

Lied Lodge & Conference Center offers 144 guest rooms and elegant, state-of-the-art appointments, and is heated and cooled with clean-burning waste wood. Guests enjoy an Olympic-size pool, a fitness room, and a rustic setting amid the forests of Arbor Day Farm. Conference attendees can also enjoy the full range of conference support services.

ArborLinks, named a top-ten "Best New Affordable Public Course" by Golf Magazine in 2003, is a model of wise environmental stewardship and conservation. Its narrow fairways and wild roughs require less fertilizer and pesticide.

And Arbor Day Farm's Tree Adventure welcomes guests of all ages. From witnessing thousands of seedling trees spring to life in the Lied Greenhouse to climbing a 50-foot tall observation tower along the Tree House Trail, visitors leave with a new appreciation for trees and the natural world.

To reserve your Stay and Play Golf Package, or for more information about Lied Lodge & Conference Center and the other attractions of Arbor Day Farm, call 800-546-5433 or visit [arbordayfarm.org](http://arbordayfarm.org).



For more information about Lied Lodge & Conference Center visit [arborday.org/liedlodge3](http://arborday.org/liedlodge3).

You Can Join The National Arbor Day Foundation and Get

## 10 Free Flowering Trees

As will be given to each person who joins the National Arbor Day Foundation. The nonprofit Foundation's Trees

White Flowering Dogwoods, 2 Goldenrain trees, 2 American Crabapples.

They were selected for planting in 1991 because they're better than tall-growing trees that block overhead utility lines because of their wires," John Rosenow, the president of the Foundation said. "These free flowering trees

will give your home the beauty of pink, white, and yellow flowers and also provide winter berries and nesting sites for songbirds."

The trees will be shipped postpaid at the right time for planting in your area, February through May in the spring, or October through mid-December in the fall, along with enclosed planting instructions. The six to twelve inch trees are guaranteed to grow or they will be replaced free of charge.

You will also receive a subscription to the Foundation's bimonthly publication, *Arbor Day*, and *The Tree Book* with information about tree planting and

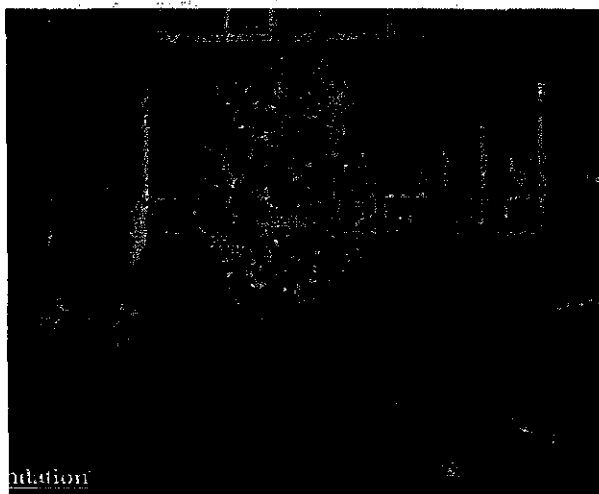
care with your six-month membership.

**America needs more trees**

The United States has lost a third of its forest cover in the last 200 years.

Our towns and cities should have twice as many street trees as we have today.

We need more trees around our homes and throughout our communities. We need more trees to protect our farm fields and our rivers and streams. To provide wood for our homes and a thousand products we use every day. Join today, and plant your Trees for America!



☒ **YES! Please send my 10 free flowering trees, and free Rose of Sharon. My \$10 membership contribution is enclosed.**



Name

Address

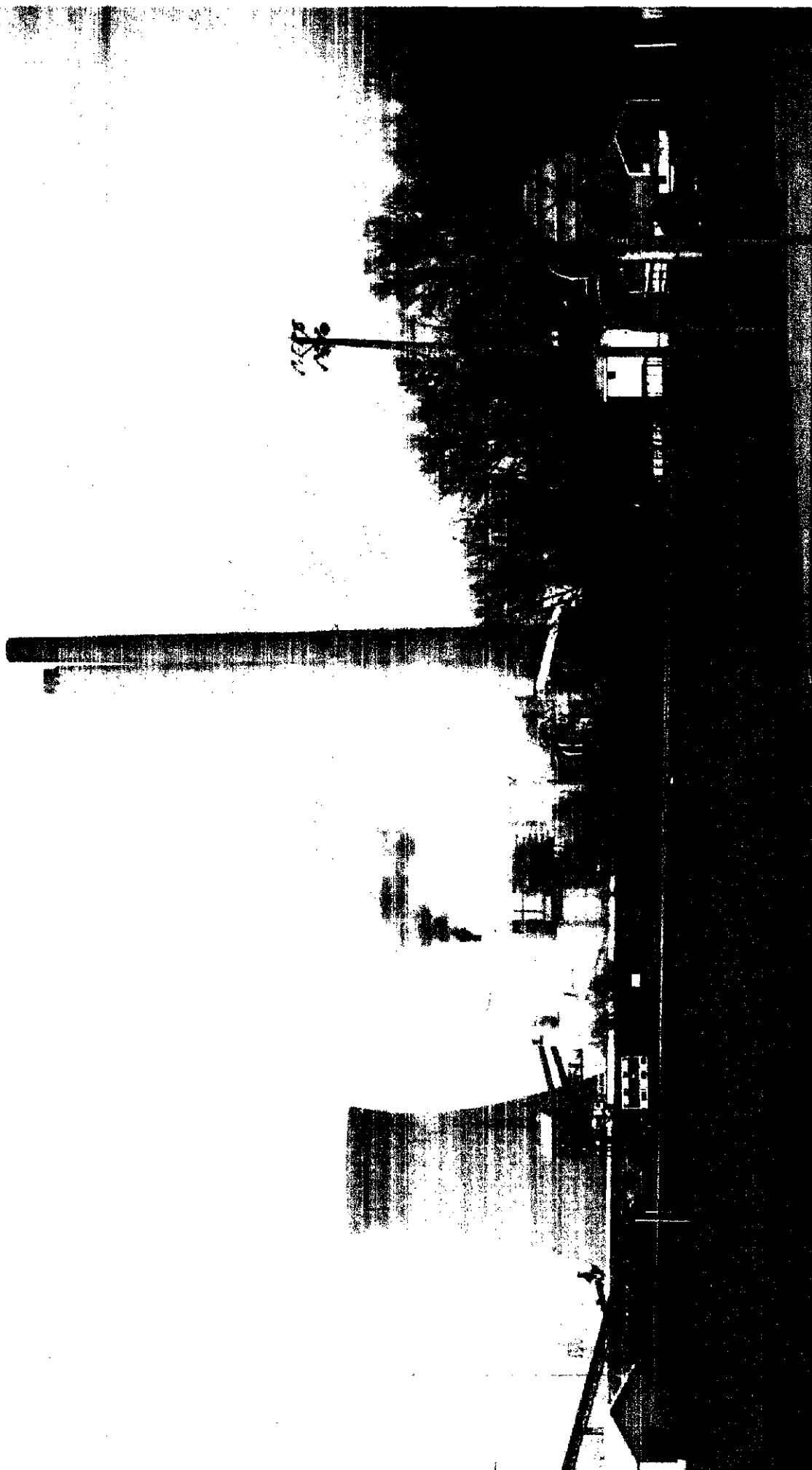
City

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National Arbor Day Foundation  
211 N. 12th Street • Lincoln, NE 68508

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