

BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

**ORIGINAL**

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

Case No:  
~~06-22-EL-SLF~~  
06-222-EL-SLF

The aforementioned proceedings took place before the  
Greta M. Neeley-See, Attorney Examiner for the Public  
Utilities Commission of Ohio, and transcribed by Wendy S.  
Bailey, Court Reporter and Notary Public in and for the  
State of West Virginia, January 24, 2007, at the  
Washington State Community College, Marietta, Ohio,  
commencing at 6:02 p.m.

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1 January 24, 2007

2 P R O C E E D I N G S

3 MS. NEELEY-SEE: Ladies and gentlemen, if you  
4 would take a seat, please. I don't plan on using the  
5 microphone. Can everyone hear me okay? Okay.

6 My name is Greta See. I am an attorney with the  
7 Public Utilities Commission of Ohio. The Public Utilities  
8 Commission of Ohio assigned for public hearing at this  
9 time Case No. 06-222-EL-SLF in the matter of the  
10 Self-Complaint of Columbus Southern Power Company and Ohio  
11 Power Company concerning the Implementation of Programs to  
12 Enhance Distribution Service Reliability.

13 I am an attorney with the Public Utilities  
14 Commission of Ohio and we will be conducting a hearing  
15 today. When you arrived, you were met by two individuals.  
16 They are commission personnel and are with the enforcement  
17 division. They asked you if you would like to offer  
18 testimony. I will be starting with that sheet and going  
19 down that sheet. When your name is called, you will come  
20 forward and I will ask you to do a couple of other things.  
21 If you did not sign up and you wish to offer testimony, go  
22 in the hall at any time and sign up. There are also a  
23 couple of sheets there that would allow you that, if you  
24 didn't offer testimony, if you want to state if you  
25 support or oppose the programs, you can sign your name to

1 either sheet to show your support or opposition.

2 In addition to the support personnel outside,  
3 there is someone from the Public Affairs Department, there  
4 are representatives of Ohio Power Company available if you  
5 have questions other than what we are addressing tonight,  
6 and in a minute I will ask them to introduce themselves.

7 Immediately to my left is Rick Reese. He is  
8 Assistant Consumer's Counsel, a representative of the  
9 Office of the Ohio Consumer's Counsel. He may  
10 participate.

11 There are also several other individuals that  
12 are participating in this proceeding, and they will  
13 represent the interests of their constituents.

14 On October 6, Columbus Southern Power Company,  
15 which you will hear also addressed as AEP Ohio, filed with  
16 the Commission a service viability program to recover the  
17 cost of this program. Other intervenors who likewise have  
18 a proposal will offer testimony about their positions. As  
19 you may already know, the Commission has scheduled six  
20 local public hearings in this case. Local public hearings  
21 have been held in Lima, Canton, and Zanesville. There is  
22 a hearing scheduled for tomorrow night in Athens. I would  
23 like to add that pending with the Commission at this time  
24 is a request by OCC for an additional public hearing in  
25 the Columbus metropolitan area.

1           There are two parts to this proceeding, the  
2 local public hearing in the various communities, and then  
3 there is an evidentiary hearing that is scheduled to start  
4 on February 27 at the Commission's offices in Columbus.  
5 The purpose of that hearing is to allow AEP Ohio and the  
6 other intervenors to offer testimony, and the purpose of  
7 tonight is to get comments from the public. We will not  
8 be hearing from the company or the staff or OCC tonight.

9           For those of you that want to offer testimony,  
10 once I call your name, I will ask you to come forward. I  
11 will ask you to be sworn in or affirm that the information  
12 that you are about to give is true, and then I will ask  
13 you to state and sometimes spell your name for the record.

14           As you may have noticed, sitting to my far left  
15 is a court reporter who is transcribing tonight's hearing  
16 for the Commission's records. Are there any questions  
17 about the process?   Okay.

18           THE WITNESS: How much weight does this hearing,  
19 the local hearing when people give testimony, when they  
20 make comments and questions and whatever -- you know, is  
21 that taken into consideration?

22           MS. NEELEY-SEE: Yes. That becomes a part of  
23 the official transcripts that the Commission uses to  
24 consider AEP's claim or proposal.

25           THE WITNESS: Are people's questions and voices

1 really being heard?

2 MS. NEELEY-SEE: This transcript is being  
3 transcribed so that everything will be read by the  
4 Commissioners, yes.

5 THE WITNESS: What bearing does money have on  
6 this hearing? What I am saying is, are they putting money  
7 out to get what they want from the public, AEP?

8 MS. NEELEY-SEE: Okay. I'm cannot speak to what  
9 AEP is doing, but the Commission is the one that scheduled  
10 the public hearing, for people to come out so that we can  
11 hear what you think.

12 THE WITNESS: I would like to know because money  
13 does talk.

14 MS. NEELEY-SEE: I am saying as to who scheduled  
15 the hearing, that is the Commission.

16 THE WITNESS: Maybe you can answer this  
17 question; what is the purpose of AEP's request for  
18 increasing the rates? What is behind all of this?

19 MS. NEELEY-SEE: I can't speak to that.

20 THE WITNESS: You can't testify to a situation  
21 that you have no insight into.

22 MS. NEELEY-SEE: The application is what the  
23 testimony is about. Everything that is in the file in  
24 this case is available on the Commission's site. I would  
25 also add that the application, the staff report is outside

1 on the table, that you can go and pick up a copy.

2 THE WITNESS: It outlines the reason for the  
3 request for the rate increase by AEP?

4 MS. NEELEY-SEE: The application should. It is  
5 on the table here tonight. You can go on-line and see  
6 what was filed by AEP.

7 THE WITNESS: So the Commission is here about  
8 consumer confidence.

9 MS. NEELEY-SEE: Yes.

10 THE WITNESS: That is it.

11 MS. NEELEY-SEE: Yes. Any more questions at  
12 this time? This is Mr. Resnik on behalf of AEP.

13 MR. RESNIK: I am appearing on behalf of Ohio  
14 Power Company and Columbus Souther Power. We have  
15 representatives from the company here in the front row,  
16 and we have others from the company in the second to last  
17 row.

18 MS. NEELEY-SEE: Okay.

19 MR. REESE: Thank you. I am Rick Reese,  
20 Residential Utility Consumer Advocate. There are four  
21 staff members from the Ohio Consumer's Counsel in the back  
22 row of the auditorium that would be happy to talk with you  
23 at the conclusion of the hearing to give you some  
24 particulars on the case, and we can arrange to have  
25 anything sent to you that you would like to have sent to

1 you. It is already documented.

2 MS. NEELEY-SEE: First witness is Bob Flygar.  
3 Please step to the podium.

4 BOB FLYGAR, WITNESS, SWORN.

5 Please state your name and spell the last name.

6 THE WITNESS: My name is Bob Flygar and I have  
7 written copies of my testimony if you would like.

8 MS. NEELEY-SEE: Yes, we would.

9 THE WITNESS: My name is Bob Flygar, and I am  
10 recently retired as the Manager of Commercial and Site  
11 Services at Eramet Marietta, Inc. But I am here tonight  
12 representing Eramet. I have given you written copies and  
13 request that they are submitted for the record, and I  
14 would like to briefly summarize the comments that I have  
15 made, rather than read the entire testimony.

16 I am here this evening on behalf of Eramet  
17 because of the importance of the price and availability of  
18 electricity to Eramet's facilities in Marietta. More  
19 specifically, I am here to discuss AEP's pending Enhanced  
20 Distribution Service Reliability Plan as submitted and to  
21 explain why Eramet opposes the proposed plan.

22 For those of you who don't know much about  
23 Eramet, we produce manganese ferroalloys that are  
24 essential in the steelmaking process; hardeners used in  
25 the aluminum industry; and high purity chromium alloys

1 used in the specialty steel and superalloys industries.  
2 Eramet has owned the plant in Marietta since 1999 and the  
3 plant has been in operation for approximately 50 years.  
4 We currently employ approximately 405 employees. We have  
5 an annual payroll of about 36 million dollars. We  
6 purchase approximately 25 million dollars in goods and  
7 services from local business per year and pay roughly 3  
8 million dollars in state and local taxes each year. We  
9 estimate that our impact on the local economy is 65  
10 million dollars annually.

11 Our facility consumes approximately 700 million  
12 kilowatt-hours per year. Electricity constitutes about 19  
13 percent of the total production cost. Our electric rates  
14 have increased 27 percent in the last 12 months. For us  
15 to remain competitive in the markets, it is dependent upon  
16 the price of electricity.

17 As a result of the increases in the electricity  
18 price, it hit us hard and we had to find other ways to  
19 remain competitive. One of the things that we did is cut  
20 benefits to our employees. As you know, in this area we  
21 are on strike. We have been for approximately five  
22 months. This in addition to the electricity cost is  
23 negatively affecting the viability of the Marietta plant.

24 I personally worked 12 hour shifts for four and  
25 half months trying to keep the plant afloat. Even when



1 the strike ends we have a difficult situation in our  
2 survival, and that is mostly based on electricity and the  
3 uncertainty of what those rates will be. Something must  
4 be done and done soon in Southeast Ohio for industries  
5 such as ours to remain.

6 Eramet expects AEP to provide reliable service.  
7 We understand that they need to be fairly compensated for  
8 the service.

9 We also expect AEP to uphold their end of  
10 bargain and provide reliable service at a fair price.

11 We oppose this proposal for four reasons. Eramet  
12 pays distribution service charges even though we receive  
13 service at transmission voltage levels. We receive little  
14 or no benefit from any enhancement for the distribution  
15 service.

16 Secondly, we perceive AEP's plan as a request  
17 for Commission approval of increased rates without the  
18 scrutiny of the adequacy of AEP's existing distribution  
19 rates and without a clear demonstration of how or when  
20 AEP's customer's might benefit from the rate increase.

21 Third, in AEP's rate stabilization plan  
22 proceeding, the Commission granted their request for  
23 frozen distribution rates through 2008. AEP's rate  
24 stabilization plan allows for several opportunities, under  
25 specifically defined situations, where AEP has the option

1 to get rate increases.

2 As I understand it, AEP's plan does not fit in  
3 any of these specifically defined areas. Eramet supports  
4 the rate stabilization plan concept and does not believe  
5 that attempts to undermine the Commission's efforts to  
6 adopt rate stabilization plans are in the best interests  
7 of customers.

8 What the Commission did on the rate  
9 stabilization plan helped to address the problems that hit  
10 other states very hard. We know the Commission, the  
11 Governor, and the Ohio General Assembly work diligently  
12 and without delay to manage the remaining risks presented  
13 by an immature wholesale electric market as constructed by  
14 federal regulators.

15 Finally, it is our understanding that AEP's plan  
16 might be perceived as an effort to circumvent Ohio's laws  
17 mandating that utilities show their current rates are  
18 providing inadequate compensation before getting an  
19 increase in the rates. Looking at how the distribution  
20 rate increase proposal fits in the bigger picture, which  
21 includes AEP's efforts to secure cost recovery in excess  
22 of 1 billion dollars from customers for a proposed Ohio  
23 electric generating plant, it is easy to see why the  
24 Commission would understand why the customers feel they  
25 are getting the worst of all worlds.

1           AEP's distribution rate increase proposal is  
2 unbalanced when considered on its own and as part of the  
3 larger context surrounding AEP's Ohio operation.

4           I thank the Commission for coming to Marietta  
5 tonight for the public hearing, and for the opportunity to  
6 offer comments. Thank you.

7           MR. RESNIK: That was not a word for word  
8 reading. I ask what the witness indicated be a part of  
9 the record, as opposed to what is in the document. I have  
10 no questions.

11          THE WITNESS: My written report will not be part  
12 of the transcript?

13          MS. NEELEY-SEE: It will be included on file in  
14 the Commission file.

15          THE WITNESS: That is fine, because I think that  
16 the comments are very close and parallel it.

17          MS. NEELEY-SEE: Thank you. Les Douglas.

18                 LES DOUGLAS, WITNESS, SWORN

19                 State your name and your address for the record.

20          THE WITNESS: What is that?

21          MS. NEELEY-SEE: State your name and address.

22          THE WITNESS: Les Douglas, 227 District Park  
23 Road. Before I start, as you can see, I have a cold, so I  
24 won't be very long.

25                 My name is Les Douglas. I am the mayor of

1 Martins Ferry, Ohio. I have been in office six months.  
2 Actually, less than six full months. I took over. The  
3 mayor resigned, and I haven't had a chance to do a lot.

4 The Ohio Consumer Counsel asked me to testify.  
5 I am not going to testify about money. I am going to talk  
6 about services to the City of Martins Ferry. And I can't  
7 say too much because I don't know know a lot about it, but  
8 what I did do is talk to the city electrician and our  
9 service director, and what I do know about is the things  
10 that have happened in Martins Ferry. I expect it to be a  
11 lot more critical than I am going to be right now.

12 AEP has been pretty good to Martins Ferry,  
13 talking to the two people that I just mentioned. We had  
14 very few outages in Martins Ferry, and those outages were  
15 corrected very fast.

16 We have a few, couple of things that I do want  
17 to say about, though -- we have problems and stuff with  
18 telephone pole removals. We had some problems with the  
19 telephone pole removals. One case, according to the  
20 service director, was we had a hard time getting it out of  
21 the way. The second thing is much more important to us.  
22 The back of the city building was structures for the  
23 emergency squad truck, and the removal, what our service  
24 director said, is going to cost us around \$9000 to have  
25 taken care of.

1 All in all, like I said, I have not got a lot of  
2 bad things to say. I appreciate what AEP does for Martins  
3 Ferry, and I appreciate the Consumer Counsel having us  
4 here to speak.

5 MS. NEELEY-SEE: John Poling.

6 JOHN POLING, WITNESS, SWORN

7 State your name for the record and your address.

8 THE WITNESS: My name is John Poling;  
9 P-O-L-I-N-G, 123 Columbus Road, Marietta. Back in  
10 September of this year I got my monthly electric bill. I  
11 was shocked. \$187, and because of that, I read the fine  
12 print on the bill and saw they were going to add a  
13 surcharge for the storm damages west of here before we  
14 became a customer. That was approved by the Commission,  
15 it was approved by the Ohio Supreme Court, and I  
16 wholeheartedly disagree with that decision.

17 Now, when I read of the distribution charge  
18 proposed, my first reaction was, I am sure that AEP had in  
19 their operating expense for the maintenance. My question  
20 is, if they need this much now, what have they been doing  
21 over the past three or four years? Have they not been  
22 spending that money or maintaining their facility. And  
23 distribution is a part of their operating budget and  
24 maintenance distribution is a part of their budget, and I  
25 don't see any reason why we should be paying a surcharge

1 for maintaining distribution when it is in their annual  
2 budget. I think it is wrong. I don't think that we  
3 should have to pay it. That is all that I have to say.

4 MS. NEELEY-SEE: Thank you. Richard Thomas.

5 RICHARD THOMAS, WITNESS, SWORN

6 Please state your name and your address for the  
7 record.

8 THE WITNESS: Richard Thomas, address 255  
9 Boylen, Belpre, Ohio. First let me say a word to the Ohio  
10 Consumer Counsel for setting the hearing for public input.  
11 I am grateful that you have included key locations in  
12 Southeastern Ohio. Sadly, this part of the Buckeye state  
13 has been overlooked particularly by the powerful utility  
14 interests. As far as the residential consumer is  
15 concerned, the bottom line is who represents the consumer,  
16 who stands up for us when push comes to shove. The answer  
17 is clear, you must speak for the residential customer.  
18 You must speak for families who struggle to make ends  
19 meet. You must speak for the farm population. You speak  
20 for the widow and orphan and down and out.

21 What was once a luxury has now become a  
22 necessity. We have been dependent upon reliable services  
23 and rejoice in knowing that our concerns are heard. As a  
24 taxpayer and resident of Washington County, I must speak  
25 in opposition to the proposal to recover the cost through

1 rate increases. In my opinion it is unfair to impose a  
2 per diem upon the residents of our part of the state.  
3 Further, it is high time to reexamine the issue of cost  
4 recovery. While it may be relevant and appropriate in  
5 urban areas such as Columbus, Cleveland, it may not be  
6 appropriate or relevant in areas such as Belpre and  
7 Barlow.

8 Judging from the public response, this should be  
9 enough incentive to up your conversation with the  
10 utilities companies to a new and a higher level, and above  
11 all, it is time to start looking for ways to maintain and  
12 upgrade our utility infrastructures without unduly  
13 jeopardizing the lives of those at the lowest end of the  
14 economic spectrum. Thank you.

15 MS. NEELEY-SEE: Rodney Taylor.

16 RODNEY TAYLOR, WITNESS, SWORN

17 Please state your name and address for the  
18 record.

19 THE WITNESS: Rodney Taylor, 7593 State Route  
20 550, Vincent, Ohio. First, I would like to say I am sorry  
21 that you all have no office. I called the 800 number by  
22 AEP four or five months ago. I said, "Where are you at?"  
23 and she said, "We don't have an office." I said,  
24 "Anywhere in the State of Ohio?" and she said, "No." I  
25 said, "How about Canton?" and she said, "No office in

1 Canton."

2 I get the Columbus paper, the Columbus Dispatch  
3 and December 10 had an article in here about the board  
4 members and stuff that go to the meetings and stuff and it  
5 states that their salary is \$150,000 a year. I could go  
6 work seven days a week and not make \$100,000. And she  
7 belongs to the board.

8 When you folks started with me on AEP, my first  
9 bill was \$175, and it wasn't a bad month. And the next  
10 month -- I was regularly paying 106 a month, and the next  
11 month it was 325. And I called and she said, "You know  
12 how it is."

13 I said, "Not really. The house got no bigger."  
14 I started working. I am retired, but I work part time and  
15 I see the electric trucks sitting there. And I said, "I  
16 am getting to work with no transportation," and she said,  
17 "We need some benefits."

18 I said, "What you are paying for the new vehicle  
19 would pay for us and account for a whole month's  
20 electric." And she said, "Well, we just got to have it."

21 And then the trucks, the three or four ton  
22 trucks that you see around, they stop and go in the  
23 restaurant or whatever, and they sit there and run. I  
24 have had a few diesel pickups, and you shut it off. You  
25 don't leave it running while you eat. You shut it off.



1 Diesel fuel is 2.65 now. That is crazy to sit there. I  
2 shut mine off. I don't leave it running, and I have gas  
3 on it.

4 She said, "Well the new poles and everything."

5 I said that my family built this house and in 50  
6 years, they have went through there one time.

7 She said, "We have to replace the poles and the  
8 lines and everything."

9 I said, "They ain't been replaced in the last 15  
10 years. What are you going to spend it on?"

11 Of course, a lot of people are on medication and  
12 stuff and don't have cars anymore. They figure now, I go  
13 down -- I go down there and I see old couples there and  
14 they say, "Well, we get medications today, but next week  
15 not because we pay utilities."

16 Everybody said that you cannot cut cost. It  
17 ain't a work truck, just a pickup. The rates that he is  
18 getting, he can drive his own vehicle. I don't want to  
19 pay for his gas five days a week running from Marietta to  
20 Barlow. I drove sometimes 100 miles a day to work and  
21 nobody bought my gas, and I pay it. He ought to be able  
22 to pay it.

23 I would say a third of the country is retired  
24 now, and you get your check, and the electric bill, you  
25 don't drive any place.

1           And holidays, they don't work holidays. That is  
2 what gets me. If you call a company, the electric, you  
3 call them at Thanksgiving, they say, "We are not working."  
4 If you work at a factory and they tell you to go to work,  
5 you work or you don't get paid. If you are serving a  
6 customer, you need to be there seven days a week and  
7 holidays. That is crazy. You can't make it, you ought  
8 not be in there and somebody else ought to be in there.  
9 That is all that I got.

10           MS. NEELEY-SEE: William Riggs.

11           WILLIAM RIGGS, WITNESS, SWORN

12           State your name and address.

13           THE WITNESS: William Riggs. I live in  
14 Washington County, 4170 State Route 26 in Marietta, Ohio.  
15 I am in Morgan County and I have rentals, and some I pay  
16 electric on and some I don't. One particular house, the  
17 bill, we kept paying the electric bill. Five times out of  
18 12 that meter was read wrong. It took several hours of my  
19 time to get that corrected.

20           I feel that the rate increase that they are  
21 proposing and the service that we had in the last year  
22 went downhill from what it was a few years ago. The cost  
23 that I pay to the electric company I know is not near what  
24 Eramet or anybody else does, but I am a typical person  
25 trying to make a living, and the increase that they put on

1 us in the last 12 months is unfair. The service is not  
2 near what it was. We used to pay every two months. Now  
3 we pay it monthly. That is more money that they can use  
4 in their business. I think it is unfair. As a consumer,  
5 I oppose a rate increase at this time. Thank you.

6 MS. NEELEY-SEE: Mr. Taylor.

7 THE WITNESS: This first bill, when I got that  
8 third bill so high, they said I had to put in -- the next  
9 three months I paid \$75 a month on top of the bill. And I  
10 go to senior citizens' places and I talked to them and  
11 they went up. They added 30, 40, \$50 on top of these \$300  
12 bills.

13 MS. NEELEY-SEE: A. P. Bowman.

14 THE WITNESS: B-O-W-E-R.

15 A.P. BOWER, WITNESS, SWORN

16 Place state the name and address.

17 THE WITNESS: P.O. Box 20, Lowell, Ohio. What I  
18 would like to say is that, before AEP taking over the  
19 electrical service and Allegheny Power had it, I received  
20 I guess a lot of false information telling us how good AEP  
21 was, how much people appreciated it, AEP was going to take  
22 care of us. Allegheny Power was going to raise our rates.  
23 AEP says, "We are not going to do that."

24 The first bill that I got from AEP is about  
25 three times as high as my bills from Allegheny. Okay. I

1 knew that wasn't right. So I started a little  
2 investigation. Basically I couldn't get anybody at AEP  
3 that knew anything. They wouldn't give me an answer, what  
4 their rates was or anything. I had to get ahold of a  
5 state senator. She was a little bit of help. She got  
6 ahold of AEP and I finally did convince her what the rates  
7 was, it was 100 and something.

8           The number one thing is AEP listed the first  
9 bill that I got as a reading which was false. A  
10 representative that read the meter said that they did not  
11 read that meter that month, they estimated it. They  
12 estimated it for the next month also. So we didn't get an  
13 actual reading. I think Allegheny estimated it before AEP  
14 took over, so I think that they stuck it to them a little  
15 bit.

16           I am on Social Security, so I don't have a lot  
17 of money. I am 75 years old. Thank you. These  
18 corporations, our government and the corporations is  
19 running this country. We used to have, it was supposed to  
20 be for the people. Now it is for the corporations. That  
21 is where the money is. That is about all that I have to  
22 say.

23           MS. NEELEY-SEE: Dennis Harrington.

24           DENNIS HARRINGTON, WITNESS, SWORN

25           Please state your name and address for the

1 record.

2 THE WITNESS: Dennis Harrington, 7001 Muskingum  
3 River Road, Lowell, Ohio. I want to speak briefly in  
4 opposition to the proposal for the cost of the upgrade,  
5 partly as a citizen of our community and in my position as  
6 staff attorney at Southeastern Legal Services. I am a  
7 senior staff attorney with Southeastern Ohio Legal  
8 Services in Marietta, and we also serve Noble, Morgan, and  
9 Washington County.

10 I appreciate you attending the hearing because  
11 this is a poor area and isolated, and a lot of times we  
12 don't get our say on statewide issues. This is our chance  
13 to tell people what we think about this proposal.

14 I want to talk about five different points.  
15 Utility companies, the regulated ones as well as the  
16 unregulated ones, they have a tension between their duty  
17 to serve on one hand and their duty to make a profit to  
18 their shareholders on the other. I think in several  
19 respects AEP is off balance.

20 My own personal experience, I represent a lot of  
21 people, a lot of friends. I am a member of the Washington  
22 Electric Co-op. When I moved here, I was not familiar  
23 with co-ops. I didn't think that they were necessary. I  
24 did not care for the fact that they were not regulated. I  
25 must say in 15 years of experience with the Washington

1 Co-op, I don't see how they provide the high quality  
2 service that they do at a competitive rate, essentially  
3 compared to AEP and the predecessor. When the lines go  
4 down, they are right out to fix them. When trees grow  
5 into the lines, they trim them. To do them myself, I  
6 would be electrocuted.

7           Out where we live, this included a lot of AEP.  
8 If our power is out for any length of time, we don't have  
9 water because we have well water. And you know, of  
10 course, it is a hardship on farmers too. Maybe that is an  
11 issue that people in Columbus don't think about.

12           AEP, everything that I hear, the testimony, the  
13 increase, I don't see why they can't provide better  
14 service in the areas that I am talking about than they do.  
15 As I understand it, Washington Electric is spread thinner  
16 and does the job better than AEP. I think part of what is  
17 going on, the Co-op thinks in terms of customer service,  
18 AEP thinks about the bottom line, and they are thinking  
19 too much about the bottom line.

20           Second point I want to make, I read the OCC  
21 material preparing for this. I will say that one thing  
22 above all over, according to OCC, AEP has under spent  
23 about 97 million since 1992 and 2005 for distribution  
24 maintenance, and now they want to increase. I think that  
25 needs to be looked at very hard. I make that one point in

1 my testimony.

2           The third point I want to make is the -- I had  
3 a conversation today with a colleague and I asked him if  
4 there were any points that he thought were relevant that  
5 should be brought up with the Consumer Counsel and one  
6 thing that he talked about that bothers him, he runs the  
7 energy program which is energy for low income people, the  
8 emergency program. If you are facing shut off, you can  
9 make payment and they restore service. They had a  
10 different problem with this. In the Mon Power days, they  
11 have the client in the office, they pick up the phone and  
12 call Mon Power and get it straightened out and get the  
13 service back on. Now it is intolerable, impossible. You  
14 cannot call AEP and talk to someone. You die on hold.  
15 That was his frustration.

16           I also talked to a lady, a resident manager of  
17 the largest apartment complex in Marietta, and asked her  
18 if she had thoughts, and she said, "Yes. The rates are so  
19 high, it is killing our tenants here." Even the vacant  
20 units, they have to pay 60, \$70 per month to keep the  
21 power, and she doesn't understand that at all.

22           I do know that these rate -- any rate increases  
23 affect the lower and moderate income families around here  
24 and throughout the state a lot more than I think that  
25 people realize. Is it a small increase? It is not small.

1 That is really all that I have to say on that.

2 . And finally, I guess this ties back to the duty  
3 to serve and AEP's failure in this regard. We are still  
4 seeing -- we are seeing this in Athens too. Too often AEP  
5 will shut off a tenant's electricity when the electricity  
6 is in the landlord's name and the landlord hadn't paid the  
7 bill. AEP will shut off the tenants without prior  
8 notice, and it is unlawful. It is a pattern that  
9 continues, and we take care of it on a case by case basis  
10 and it continues to happen. I don't see any progress.

11 That is all that I have to say. In summary,  
12 there are service delivery problems, and I think the real  
13 problem is the failure of AEP. Thank you.

14 MS. NEELEY-SEE: Melissa Harris.

15 MELISSA HARRIS, WITNESS, SWORN

16 Please state your name and address.

17 THE WITNESS: State Route 7, Route 66, Marietta,  
18 Ohio. Even though my address is in Marietta, I do live in  
19 Barlow, and at first when AEP took over Barlow, I thought,  
20 "Great." Then month after month our bill went to 400 some  
21 dollars a month. With Allegheny, paying it every other  
22 month, it was 200 and some. It just keeps rising and  
23 rising.

24 A lot of people in the area in Barlow -- we know  
25 all over Washington County there are a lot of people that



1 is infirmed, and it is, "Do we pay the bill, pay AEP? Do  
2 we pay our prescription? Do we pay our rent." Well, the  
3 fact is right now, my family and I, we had to pay AEP  
4 every month and our rent got behind. We owe 1200 in rent  
5 because of this.

6 Mom, she had to fork out \$150 a month in  
7 prescriptions even though she has insurance, and it's  
8 like, what do you do?

9 If you don't pay it, they shut you off. The  
10 bill comes and the disconnection notice is with it, and it  
11 is for that day.

12 My sister-in-law, I can verify twice this past  
13 summer when it was so hot, we got back to the house with  
14 the kids and there was no electric. The air conditioner  
15 was shut off, and it was burning up in there. It was like  
16 out in the mail, there is the electric bill. They said  
17 disconnection that day. Well, it took them about four  
18 hours to turn it back on.

19 The second time they did it, she had to come up  
20 with almost \$400 to get it turned back on, even though  
21 they sent the bill out two days before the disconnection  
22 and we received it on the day of disconnection.

23 Allegheny we didn't have that problem. This  
24 extra charges for all of this stuff, there is no way. We  
25 can't afford to pay that.

1           I mean, as Mr. Taylor said, you know, how can  
2 they sit and let the trucks run. My dad works for Reno  
3 Water. Okay? They are only allowed to bring the truck  
4 home and only allowed to use the Reno Water trucks to go  
5 out on service calls or check the pumps. Other than that,  
6 you have to use your own vehicle. So why do they get to  
7 take and use their vehicles, AEP vehicle and run all over  
8 town with them. That ain't right.

9           And my dad and them, they get a call on  
10 Thanksgiving, Christmas that there is something wrong,  
11 they have to drop everything and go.

12           And as far as replacing power lines and poles  
13 and stuff, I live up Route 7. I have lived there for I  
14 would say 20-some-odd years. We have a dusk to dawn light  
15 in our yard, and I figure we are paying for it because  
16 Allegheny could not figure out why we had such high bills,  
17 and now we are doubling and tripling them.

18           The transformer, it was replaced when Allegheny  
19 had it, which is like 15, 16 years ago. I have never seen  
20 them out there doing anything, replacing poles that are  
21 getting tore up, so why do we have to pay more surcharges?  
22 Washington County and Noble County and all of us, we can't  
23 afford this, and I wish somebody would listen to everybody  
24 tonight instead of just blowing it off. That is the way  
25 that we feel, and I am sure that everybody here feels the

1 same way. We have the meetings and everything, and it is  
2 just blow off, just like they do everything. Just blow  
3 you off, and it's not right. We are a community. We are  
4 not big like Columbus and Cincinnati.

5 I mean, Mon Power -- my power has not been shut  
6 off yet, but with Allegheny, when it did go off, they were  
7 there to fix it. AEP, if they disconnected it, you have  
8 to wait for 48 hours to turn it back on. That is the  
9 experience with my sister-in-law, and I believe they don't  
10 need -- you don't need to allow them to raise the charges.

11 I can't even understand this bill. I mean, it  
12 says here 327, and here the surcharge, and account balance  
13 807.83, and then it said the total due is 487.47. What do  
14 I owe?

15 But I hope you all have listened to what we said  
16 here tonight and take it into consideration. Thank you.

17 MS. NEELEY-SEE: Mrs. Taylor?

18 THE WITNESS: Yes.

19 MR. RESNIK: I will go over that with you.

20 MS. NEELEY-SEE: Is there anyone else present  
21 which would like to offer testimony here tonight?

22 (No response)

23 There are no other names listed on the sheet  
24 provided to me, and there isn't anyone else that wishes to  
25 offer testimony tonight. The hearing is adjourned. Thank

1 you for your time and coming out tonight.

2 (The hearing was adjourned at 7:00 p.m.)

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1 STATE OF WEST VIRGINIA, To-wit:

2 I, Wendy Conley Bailey, a Notary Public and Court  
3 Reporter within and for the State aforesaid, duly  
4 commissioned and qualified, do hereby certify that the  
5 proceedings in the matter of the self-complaint of  
6 Columbus Southern Power, et al., were taken by me and  
7 before me at the time and place specified in the caption  
8 hereof.

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

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

20 My commission expires the 19th day of January, 2010.  
21 Given under my hand and seal this 28th day of  
22 April 2007.

23

24

25 Wendy Conley Bailey  
Notary Public-Court Reporter