

FILE

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IN THE MATTER OF THE APPLICATION OF OHIO  
EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING  
COMPANY AND THE TOLEDO EDISON COMPANY  
FOR AUTHORITY TO INCREASE RATES FOR  
DISTRIBUTION SERVICE, MODIFY CERTAIN  
ACCOUNTING PRACTICES AND FOR TARIFF APPROVALS.

07-551-EL-AIR  
07-552-EL-ATA  
07-553-EL-AAM  
07-554-EL-UNC

\* \* \* \* \*

DATE OF HEARING: Wednesday, March 12, 2008

TIME: 1:30 p.m.

PLACE OF HEARING: One Government Center  
Council Chambers  
Toledo, Ohio 43624

REPORTER: LORI L. UDOWSKI

\* \* \* \* \*

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34  
35

\* \* \* \* \*

Wednesday Afternoon Session

March 12, 2008

1:28 p.m.

\* \* \* \* \*

MS. BOJKO: Let's go on the record. Good afternoon. The Public Utilities Commission of Ohio has assigned for public hearing at this time and place Case Nos. 07-551-EL-AIR, 07-552-EL-ATA, 07-553-EL-AAM, 07-554-EL-UNC being captioned In the Matter of the Application of Ohio Edison Company, the Cleveland Electric Illuminating Company and the Toledo Edison Company for Authority to Increase Rates for Distribution Service, Modify Certain Accounting Practices and for Tariff Approvals.

My name is Kimberly Bojko, with me today is Gregory Price. We are the attorney examiners that have been assigned to this proceeding.

At this time I would like to take appearances of the parties that have intervened in this proceeding. We will begin

1 with the company.

2 MR. HAYDEN: On behalf of the  
3 Companies Mark A. Hayden, 76 South Main  
4 Street, Akron, Ohio, 44308.

5 MS. BOJKO: Thank you.

6 MR. REESE: On behalf of the  
7 Ohio Consumers' Counsel on behalf of the  
8 residential rate providers, the First Energy  
9 Companies and the Office the Ohio Consumers  
10 my name is Rick Reese.

11 MS. BOJKO: Thank you.

12 MS. KOVACIK: Thank you. Leslie  
13 Kovacik on behalf of the City of Toledo.

14 MS. BOJKO: Thank you. Are  
15 there any other intervenors, parties to the  
16 proceeding present that would like to give an  
17 appearance that this time?

18 Seeing none, at the hearing tonight  
19 there are representatives from the  
20 Commissions Service Monitoring Enforcement  
21 Department which are over, seen by the door  
22 and also we have tonight, or this evening, or  
23 this afternoon, excuse me, we have  
24 representatives from the First Energy  
25 Company. They are here to either answer your

1 questions about this case specifically or  
2 they can answer a question about a utility  
3 matter other than the rate increase  
4 proceeding which is the focus of the case  
5 today. Would this First Energy  
6 representatives please raise your hand. If  
7 you have any questions for them you may  
8 contact one of them after the public hearing  
9 tonight.

10 On June 7, 2007 Ohio Edison  
11 Company, the Toledo Edison Company and the  
12 Cleveland Electric Illuminating Company  
13 collectively known as the First Energy  
14 Companies have filed applications with the  
15 Commission to increase their electric  
16 distribution rates. As part of that rate  
17 case proceeding the Commission staff prepared  
18 and they filed a staff report for each  
19 company on December 4, 2007, and I have a  
20 copy, this is the Toledo Edison which is the  
21 service territory that we are in. This is  
22 the staff report that our staff at the  
23 Commission, independent body, put together  
24 and made recommendations about the First  
25 Energy rate application. You can obtain this

1           either by visiting the Commission's website  
2           or you can also call the Commission's phone  
3           number which is 1.800.686.PUCO, and the  
4           website is [www.puco.ohio.gov](http://www.puco.ohio.gov).

5                     There have been twelve local public  
6           hearings scheduled in this case and this is  
7           only one aspect of the rate case process.  
8           The evidentiary hearing in this case began on  
9           January 29, 2008 at the Commission in  
10          Columbus, Ohio. That hearing lasted several  
11          weeks and the purpose of that hearing was to  
12          allow the companies, the Commission staff and  
13          the intervenors in this case to present  
14          witnesses and evidence either in support of  
15          their positions in the case or in opposition  
16          to the Companies' rate case filing.

17                    The purpose of today's public  
18          hearing is to receive comments from the  
19          public regarding First Energy's proposed  
20          rates. We will not be hearing from the  
21          companies, the staff or any intervenors in  
22          the proceeding today. It is your  
23          opportunity, the members of the public, to  
24          let the Commission know what you think about  
25          the Companies' request to increase its rates.

1                   When you arrived there was a sign  
2                   up sheet by the door. We are asking that  
3                   anybody that wishes to offer testimony today  
4                   sign up and we will go in the order that they  
5                   sign that, they signed up. If you missed  
6                   that opportunity, it's still available,  
7                   please go over and sign your name and you  
8                   will be called to testify in the order that  
9                   you have signed up.

10                  Before you begin your statement we  
11                  would ask your name and your address. Your  
12                  testimony will be considered a part of the  
13                  official record of the case to be reviewed by  
14                  the Commissioners before they make their  
15                  final decision. All testimony will be under  
16                  oath and attorneys for the company and other  
17                  intervenors in the case are allowed to ask  
18                  you questions about your statement while you  
19                  are under oath.

20                  Should you decide that you do not  
21                  want to testify when your name is called,  
22                  please merely pass to the next witness.

23                  Today's hearing is being  
24                  transcribed by a court reporter, please speak  
25                  clearly so that the court reporter can

1 accurately reflect your comments on the  
2 record. If you have a prepared written  
3 statement it will be helpful for you to  
4 provide a copy of that to the court reporter  
5 as well.

6 We appreciate your participation in  
7 today's hearing and we want everyone who  
8 wishes to make a public statement to be able  
9 to do so, and there are still many people so  
10 at this time we will begin the witnesses'  
11 testimony. And if somebody else would like  
12 to add their name, you may do so at the door.

13 Our first witness this afternoon  
14 will be Bill Koon, Republic Mills,  
15 Incorporation. Mr. Koon.

16 MR. KOON: Yes.

17 MS. BOJKO: You're providing  
18 your written comments to the court reporter?

19 MR. KOON: Yes. Would you like  
20 a, would you like a copy?

21 MS. BOJKO: Yes, that would be  
22 wonderful.

23 \* \* \* \* \*

24 WILLIAM H. KOON

25 Having been first duly sworn, testified



1 as follows:

2 MS. BOJKO: Mr. Koon, you may  
3 begin.

4 MR. KOON: Thank you. My name  
5 is William Koon. I am president of Republic  
6 Mills located in Okolona, Ohio, located about  
7 five miles west of Napoleon and eight miles  
8 east of Defiance, Ohio. My company is a  
9 customer of Toledo Edison.

10 Republic Mills, a family owned and  
11 operated business, having its beginnings more  
12 than 65 years ago strictly as a livestock  
13 feed manufacturer produced under the name of  
14 Hudson Feeds. As the years have gone by and  
15 the agricultural industry has changed, so has  
16 Republic Mills. Today it has a manufacturing  
17 facility specializing in various agricultural  
18 and non-agricultural capacities with services  
19 that include trucking, warehousing and custom  
20 milling and pelleting.

21 Our facility, located on  
22 approximately five acres, employs 15 people.  
23 The company has been a customer of Toledo  
24 Edison for more than 35 years and receives  
25 service from three separate electric meters.

1 Electricity comprises about 10% of our  
2 operating costs. Annually our business  
3 consumes about 450,000 kilowatt hours of  
4 electricity and has a demand factor of 320  
5 KW. We are on Toledo Edison's small general  
6 service tariff when we use our own generator  
7 and on a medium general service tariff when  
8 we are not using our own generator.

9 One would think that, as a fairly  
10 substantial customer with a long standing  
11 relationship with Toledo Edison, we would be  
12 about to resolve service problems easily and  
13 efficiently. However, we have not been able  
14 to do so. Our service problems with Toledo  
15 Edison span almost a decade, and during that  
16 period we have been dealing with primarily  
17 one unresolved problem - line disturbances.

18 The purposes of my testimony is to  
19 give you a 30-second synopsis of our service  
20 problems because, in our view, Toledo Edison  
21 should not be able to increase its rates if  
22 the company ignores legitimate customer  
23 complaints and apparently deliberately  
24 strings us along with poor service because,  
25 as a monopoly, it can.

1                   For almost ten years, Republic  
2                   Mills has been attempting to resolve with  
3                   Toledo Edison the issue of line disturbances  
4                   that Toledo Edison has claimed were the  
5                   result of Republic Mills' operations -  
6                   specifically, the fact that, intermittently,  
7                   Republic Mills, with Toledo Edison's  
8                   approval, has attached its 200 horsepower  
9                   motor to Toledo Edison's lines. We have  
10                  maintained that our motor has nothing to do  
11                  with disturbances that Toledo Edison has laid  
12                  at our feet. After discussing this on and  
13                  off for years, at one point, both parties  
14                  agreed to split the cost of a technician,  
15                  chosen by Toledo Edison, to examine the 200  
16                  horsepower motor in question, and to issue  
17                  his findings with respect to the motor  
18                  allegedly causing the disturbances. The  
19                  technician concluded that the motor was not  
20                  the cause of the line disturbances.

21                       Nonetheless Toledo Edison continued  
22                       to claim that our motor was the cause of its  
23                       poor line service and insisted that we take  
24                       it off the Toledo Edison line. Our company  
25                       was compelled to invest in a 550 kilowatt

1 generator that we have used off and on during  
2 the long years of our dispute with Toledo  
3 Edison. However, at times it is cost  
4 efficient to rely on Toledo Edison for most,  
5 if not all, of our electricity needs.  
6 Because Toledo Edison was apparently not  
7 satisfied with its chosen expert's  
8 conclusions that our motor was not the cause  
9 of line disturbances in our area, we employed  
10 a professional engineer to try to get to the  
11 bottom of the problem. He concluded that the  
12 cause of the disturbances stemmed from the  
13 removal by Toledo Edison of a substation  
14 around 1989. The 200 horsepower motor in  
15 question was first installed in 1976, with  
16 Toledo Edison designing our service to handle  
17 this particular motor. No complaints about  
18 the motor occurred until several years  
19 following the removal of the substation, and  
20 more customers came on line which accentuated  
21 the quality of service issue.

22 Throughout the period of the  
23 dispute, even though we have had numerous  
24 discussions and meetings, Toledo Edison has  
25 refused to install a separate line - to

1           either Republic or one of its other customers  
2           served by the present single line - to  
3           ameliorate the situation even though Toledo  
4           Edison sought easements for a new line and on  
5           more than one occasion stated that it would  
6           install a new line. At one point in 2006, we  
7           were told by Howard Call, of Toledo Edison,  
8           that he was scheduling a crew to construct a  
9           new line to correct the problem.

10          Furthermore, Toledo Edison has refused to  
11          acknowledge the findings of the technician  
12          hired to investigate the effect of Republic  
13          Mills' motor on the Toledo Edison line, and  
14          Toledo Edison stated that it will take no  
15          further action unless the Public Utilities  
16          Commission of Ohio orders it to take specific  
17          actions.

18                 Today I am appearing to urge the  
19          Commission that, before it grants Toledo  
20          Edison a rate increase, it order Toledo  
21          Edison to take steps to resolve the  
22          disturbances on their line that do not  
23          involve Republic Mills having to remove our  
24          motor from the Toledo Edison line.

25                 Thank you.

1 MS. BOJKO: Thank you. Next we  
2 have Ms. Tina Skeldon Wozniak.

3 \* \* \* \* \*

4 TINA SKELDON WOZNIAK

5 Having been first duly sworn, testified  
6 as follows:

7 MS. BOJKO: Could you please  
8 state your name and address for the record.

9 MS. SKELDON WOZNIAK: I'm Tina Skeldon  
10 Wozniak, Lucas County Commissioner, One  
11 Government Center, Toledo, Ohio.

12 I will be brief. I want to thank  
13 the PUCO for coming today to have, giving us  
14 the opportunity to have a hearing.

15 I realize today is about the  
16 distribution case. Whether it's this case or  
17 any other case that comes before, you we  
18 continue to fight and express our concerns  
19 that our community cannot afford any  
20 increases.

21 I'd also like to share with you  
22 that oftentimes our community feels neglected  
23 when it comes to relief on these energy  
24 issues. When it comes to our businesses or  
25 when it is about our residents we continue to

1           feel the neglect and our high prices that we  
2           have to consistently feel impacted by.

3                     It's also not a surprise to you to  
4           hear it is raining in Lucas County. We need  
5           sunshine when it comes to paying high bills.  
6           We are here today to urge the PUCO to  
7           understand our concern.

8                     We, we're, we believe that utility  
9           rates in general cause us to be in a  
10          situation, for both residents and businesses  
11          to feel the need to move either across the  
12          line to Michigan or down to a better rate for  
13          them, even as close as thirty miles into the  
14          Bowling Green and Wood County area. We  
15          believe that this is a constant drain for  
16          both our families who are, especially those  
17          who are the working families who are the  
18          prime numbers of families that live in our  
19          local area.

20                    We need relief. We need help. We  
21          need to continue to work together to get this  
22          job done.

23                    I'm happy to speak for tens of  
24          thousands of rate payors and businesses who  
25          we believe we are representing, the relief,

1                   who deserve relief and who are looking to the  
2                   PUCO for solutions.

3                   Thank you.

4                   MS. BOJKO:                   Thank you.

5                   Mr. Chris Hill and Mr. Mark Frye. I'm sorry,  
6                   Mr. Chris Hill and Mark Frye.

7                   \* \* \* \* \*

8                   CHRIS HILL and MARK FRYE

9                   Having been first duly sworn, testified  
10                  as follows:

11                  MS. BOJKO:                  Could you please  
12                  state your name and your address for the  
13                  record.

14                  MR. HILL:                  I'm Chris Hill, I'm  
15                  Director of Facility Operations for Toledo  
16                  Public Schools, and the address is 1701 East  
17                  Broadway, Toledo, Ohio.

18                  I would like to begin by thanking  
19                  the Commission for having the opportunity to  
20                  set here -- you're sitting, I'm standing --  
21                  I'm setting in the hot seat, I guess. But at  
22                  any rate we appreciate the opportunity to  
23                  take the time to hear what we have to say.  
24                  We appreciate it.

25                  The Toledo Public Schools have had



1 the long standing Energy for Education, we've  
2 had the whole process, it's been very useful  
3 for us. It saves us money. Those dollars  
4 are going into the classroom.

5 We are a large urban school  
6 district, we have employees that haven't had  
7 raises in five years. Now, when we look at  
8 buying vehicles we're up-dating our yellow  
9 fleet with pre-owned and used school buses.  
10 Every penny, nickel we get is very  
11 significant.

12 It has enormous impact on Toledo  
13 Public Schools. The current Energy for  
14 Education program will expire on December 31,  
15 of 2008. This will cause the electric rates  
16 to go up for Toledo Public School  
17 13.4 percent, that will cost Toledo Public  
18 Schools \$400,000. \$400,000, folks, is a lot  
19 of money to Toledo Public Schools.

20 Any new distribution rate increase  
21 authorized by the Commission will go on top  
22 of that. We're looking at, you know, we're,  
23 we can't absorb those kinds of costs.

24 Furthermore, the load  
25 characteristics of our school district are

1 favorable to the utility in the summer, we're  
2 at a low when other people, when the demand  
3 for electricity is high, that's when we idle  
4 back. Also at the end of the day is when the  
5 demand for electricity is high, we level  
6 back.

7 We feel as a result of that low  
8 profile, the nature of what we do that, you  
9 know, special consideration should be given  
10 to the school district. This hits the school  
11 district hard, with the loss of the Energy  
12 for Education Program.

13 An alternative to that would be to  
14 have the schools participate in business  
15 distribution credit, this would be a  
16 tremendous help for Toledo Public Schools and  
17 all the schools in the great State of Ohio.  
18 You here all kinds of folks say we in the  
19 educational business, we're all about kids.  
20 We are all about kids, that's the core of our  
21 business. But it's further and deeper than  
22 that, we're about building and stabilizing  
23 our society. What we do at Toledo Public  
24 Schools impacts the City of Toledo, by the  
25 citizens that inhabit the community, by the

1 quality of the people that are our graduates.  
2 The great State of Ohio, it will help the  
3 kids.

4 Thank you for your consideration.

5 MS. BOJKO: Thank you.

6 MR. FRYE: My name is Mark  
7 Frye, I'm with Palmer Energy Company, 2455  
8 North Reynolds Road, Toledo, Ohio, 43615.

9 Palmer Energy is a consultant for a  
10 number of, a number of large industrial  
11 commission operations around Ohio including  
12 Toledo Public Schools. My particular  
13 comments today are in relation to what impact  
14 that would have on just a standard average  
15 elementary school for Toledo Public Schools,  
16 what kind of increase the distribution rate  
17 increase would have on that average school.

18 Unfortunately, Toledo Edison is  
19 basically asking for a substantial  
20 restructuring of the methodology which  
21 creates rates. They are going from a  
22 consumption and utilization based rate  
23 structure and they have proposed a voltage  
24 rate structure. I understand that one of the  
25 public utilities actually has that type of

1 structure, I understand they want to move  
2 that forward and put those on the Toledo  
3 Edison system but they need to understand the  
4 impact that would have on somebody like the  
5 Toledo Public Schools.

6 An average elementary school right  
7 now would pay one and a half to two cents a  
8 kilowatt hour for the distribution charges.  
9 The increase that they would see by switching  
10 to a general service rate structure because  
11 of the voltage they are being served at is  
12 about \$5,500 a year between the general  
13 service rate and the general and primary rate  
14 structures that Toledo Edison has included.  
15 \$5,500 a year is a pretty substantial sum of  
16 money and the only difference the Toledo  
17 Public Schools would have is whether they own  
18 the transformer or whether they don't own the  
19 transformer.

20 It's difficult for me to believe  
21 that there's a \$5,500 a year difference  
22 between a general service rate which they  
23 don't own the transformer and a primary rate  
24 when they do own the transformer. That may  
25 put somebody in the business of buying

1 transformers, but the net result, this is a  
2 substantial increase to Toledo Public  
3 Schools. They have about sixty elementary  
4 schools, as Mr. Hill has informed me, and  
5 obviously are in the process of building more  
6 with the Ohio Schools Facility Council  
7 monies.

8 There's an awful lot of money at  
9 stake here, not just Energy for Education  
10 Program but also for the distribution  
11 charges.

12 Thank you very much.

13 MS. BOJKO: Do you have any  
14 other comments?

15 MR. FRYE: No.

16 MS. BOJKO: Thank you.  
17 Mr. George Davis, Jr.

18 \* \* \* \* \*

19 GEORGE DAVIS, JR.

20 Having been first duly sworn, testified  
21 as follows:

22 MR. DAVIS: My name is George  
23 Davis, Jr. I live at 3545 Victory Avenue,  
24 Toledo, Ohio. I'm 16 year retiree. I  
25 understand we have the highest rates in the

1 country right now, you want to increase it  
2 some more? First Energy, Toledo Edison wants  
3 to increase their rates. What they need to  
4 do is decrease them. Rates are going up,  
5 it's not fair for people that are living on a  
6 fixed income like I am. I don't get any  
7 raises or anything. I can still get Social  
8 Security, that doesn't mean a thing. I'm  
9 trying to keep my head above water.

10 Now, where I live mostly are all  
11 retirees, we're all catching it. We're all  
12 catching heck. It's just not right. So,  
13 appreciate it, the PUCO rubber stamp for the  
14 utility companies, they bend over backwards  
15 and give it to them. Give us, give us  
16 something for a change, decrease the rates,  
17 not increase them.

18 Thank you very much.

19 MS. BOJKO:

Mr. Richard Eppard.

20 \* \* \* \* \*

21 RICHARD EPPARD

22 Having been first duly sworn, testified  
23 as follows:

24 MR. EPPARD:

My name is Richard  
25 Eppard, I live at 5222 West Bancroft Street,

1 Toledo, 43615.

2 I have a bill right here, it's from  
3 First Energy Solutions. I have a  
4 transmission rate of 3 percent right on this  
5 bill and it says from 2006. If anybody wants  
6 to see it they can see it right now. And  
7 with the way the retirees, just like George  
8 Davis said, all the retirees who have the low  
9 income in the City of Toledo right here, we  
10 are paying the highest not only on the  
11 electricity but gas and everything else.  
12 People can't afford it anymore. Somebody has  
13 got to start cutting back. Your gas prices  
14 just went up, and that's going to help out a  
15 lot with what they are trying to do right  
16 here? You're going to set these people back  
17 so they will have to choose either to eat or  
18 to move out of their homes or something else  
19 because of what you're trying to do right  
20 here in this paper.

21 It's already been raised in 2006  
22 3 percent. Now, if anybody wants to see it,  
23 like I said, I have it right here in black  
24 and white. Thank you.

25 MS. BOJKO:

Thank you. Next we

1 have Councilman George Sarantou.

2 MR. SARANTOU: I apologize in  
3 advance if I do not say your names properly.

4 \* \* \* \* \*

5 GEORGE SARANTOU

6 Having been first duly sworn, testified  
7 as follows:

8 MS. BOJKO: Please state your  
9 name and address.

10 MR. SARANTOU: I am George  
11 Sarantou, I'm a Toledo City Councilman at  
12 Large. I'm here today to talk about the  
13 distribution costs. First, I'd like to read  
14 into the record a letter from the Honorable  
15 Mayor from the City of Toledo who could not  
16 be here, then I'll have a short statement  
17 addressed to the Public Utilities Commission  
18 of Ohio.

19 Chairman Schriber and Members of  
20 the Public Utilities Commission of Ohio:

21 Thank you for holding a public  
22 hearing in Toledo to receive comments  
23 regarding the proposed Toledo Edison  
24 distribution rate increase. I would have  
25 appeared in person, but I am out of the state



1 and would instead like to have these remarks  
2 read into the record on this important  
3 matter.

4 We are facing challenging times in  
5 northwestern Ohio due to the subprime  
6 mortgage crisis and the credit crunch that is  
7 gripping the nation. Our region, with its  
8 declining manufacturing base, has been hit  
9 hard by the real estate downturn which has  
10 caused the number of foreclosures to double  
11 in one year. As home values decrease and  
12 energy costs rise, our low-income families  
13 and senior citizens are squeezed to the  
14 breaking point. As they tighten their belts,  
15 they want to see that their public servants  
16 are doing everything they can to minimize the  
17 cost increases that affect basic services.  
18 As the Mayor of Toledo, it is my duty to  
19 protect the interests of our citizens. As  
20 members of the Public Utilities Commission of  
21 Ohio, it is your duty as well.

22 My review of Toledo Edison's rate  
23 request leads me to conclude that the  
24 increase is not warranted. For starters, the  
25 Commission's own staff report showed that the

1 request is 35% too high. In addition, we are  
2 not receiving nearly the level of service  
3 that justifies the current high rates, let  
4 alone substantially higher rates. The number  
5 of Toledo Edison employees in the city has  
6 been decimated and maintenance has suffered.  
7 Streetlights are not repaired within the time  
8 periods mandated by the Commission in the  
9 company's tariffs and there are persistent  
10 outages. On March 1<sup>st</sup>, my wife and I counted  
11 fifty street lights out in the brief stretch  
12 between the University of Toledo's Scott Park  
13 and main campuses. Utility poles are also  
14 neglected and rusting. Response to  
15 complaints is woefully slow.

16 At the same time we are facing  
17 inadequate service, we read that the pay of  
18 First Energy's CEO totaled \$13.9 million last  
19 year. This is an unjustifiable amount for  
20 the head of a regulated monopoly. First  
21 Energy recently announced record 2007 profits  
22 of \$1.31 billion. It is clear that neither  
23 First Energy executives nor its shareholders  
24 are suffering. On the contrary, they are  
25 making record amounts in a bad economy.

1           Despite these windfall profits, the company  
2           now wants to exact higher rates from the very  
3           customers who are facing financial hardships.

4                   To make matters worse, the Senate  
5           Bill 221 re-regulation bill is pending before  
6           the General Assembly. Rather than allow the  
7           multi-billion dollar transition charges to  
8           fall off as originally intended, the proposed  
9           legislation will give the charges new life  
10          despite the fact that the transition costs  
11          have been paid and we still do not have the  
12          competition promised by Senate Bill 3. As a  
13          result, customers will pay for First Energy's  
14          generation facilities a second or third time.  
15          Why hasn't the Commission asked for an  
16          accounting of the transition charges? Do you  
17          know how much has been collected and how much  
18          more will be collected if the re-regulation  
19          passes?

20                   I understand the re-regulation  
21          legislation involves generation issues and is  
22          separate from the distribution rate case  
23          before the Commission. However, it involves  
24          dollars that will flow to the company's  
25          bottom line and is a factor that should be

1 taken into account when setting the company's  
2 rate of return. The windfall that First  
3 Energy will receive from re-regulation should  
4 offset the need for a distribution rate  
5 increase.

6 First Energy's record corporate  
7 profits should also be considered when  
8 evaluating the rate case request. Companies  
9 that provide exemplary service at low rates  
10 should be awarded a high rate of return.  
11 However, our citizens receive substandard  
12 service and pay unaffordable rates. The  
13 Commission should set First Energy's rate of  
14 return at the lowest possible level.  
15 Additionally, fairness demands that the PUCO  
16 declare the First Energy's shareholders, not  
17 its customers, must foot the bill for the  
18 CEO's exorbitant pay.

19 Regulatory proceedings cannot be  
20 left solely to an accounting of costs. There  
21 are equitable issues that must be part of the  
22 equation. In deciding this case, you must  
23 take into account Ohio's poor economy, the  
24 upcoming re-regulation charges along with  
25 First Energy's shoddy service, exorbitant

1 executive pay and excessive corporate  
2 profits. Those factors weigh heavily against  
3 an increase in distribution rates.

4 The whole point of utility  
5 regulation is to prevent a monopolistic  
6 service from earning monopolistic returns.  
7 The granting of an increase to First Energy,  
8 at a time of record profits, will signal that  
9 Ohio does not intend to regulate monopolies  
10 or, more importantly, protect the public  
11 interest. For the sake of our citizens and  
12 the state's economic well-being, that must  
13 not be allowed to occur. The First Energy  
14 request for a rate increase must be denied.

15 From Toledo - an International  
16 Award Winning City! Carlton S. Finkbeiner,  
17 Mayor.

18 Now, as an at large City Councilman  
19 I have just a couple of brief comments.

20 I, too, am concerned, as all of us  
21 at Toledo City Council, regarding these  
22 rates. And for several decades unfortunately  
23 the residents of Toledo, Lucas County and  
24 northwestern Ohio have been burdened with the  
25 fact that we pay some of the highest

1           electrical rates in the State of Ohio. For  
2           example, as of the February 15, 2008 PUCO  
3           Ohio Utility Rate Survey the Electric Rate  
4           for Residential Customers Survey indicated  
5           for residential that the average cost in  
6           February of '08 in Canton, Ohio was \$64 per  
7           month, it was \$78 in Columbus, it was \$76 in  
8           Dayton, it was \$82 in Cincinnati and \$86 in  
9           Cleveland, but in Toledo, as usual, our  
10          residential electric rates average \$91 per  
11          month.

12                       Also for decades our commercial  
13          electric rates have been some of the highest  
14          in Ohio. As of the February 15, 2008 report  
15          from the Public Utilities Commission the  
16          average First Energy customer in Toledo  
17          commercial customer paid double, double the  
18          rate that a Canton, Ohio commercial customer  
19          paid. And, in fact, out of the eight major  
20          cities in Ohio Toledo continues to have the  
21          highest commercial rates.

22                       These high commercial and  
23          residential rates have affected not just the  
24          business owners but also the typical business  
25          person who's just trying to make a living to

1 support his or her family.

2 For example, I'm talking about the  
3 business person that owns a barber shop, a  
4 small diner, a tavern, a dry cleaning, a  
5 coffee shop, these people are the backbone of  
6 the great American free enterprise system.  
7 These fine people of Toledo and vicinity have  
8 been burdened with these high electrical  
9 rates far more than the people of Columbus,  
10 Cincinnati and Dayton. And when you look at  
11 Toledo or Lucas County we have approximately  
12 450,000 people who have shared this burden  
13 for years.

14 Furthermore, we know that First  
15 Energy is making huge profits. And when you  
16 look at the reports you'll find that 2006  
17 First Energy had an operating income net  
18 income of \$1,254 million. And, of course, in  
19 '07 they moved up a little bit and they made  
20 \$1,309 million. Boil that down to just the  
21 Toledo Edison area and their net income in  
22 '07 was \$91 million. So, the question  
23 becomes why should we have to pay higher  
24 distribution costs when they are making so  
25 much more money? They are not hurting, they

1 are doing very, very well.

2 Let me just conclude with this  
3 statistic. We believe that the average  
4 residential user in Toledo who uses about 750  
5 kilowatts per month will basically receive  
6 about a 17 percent increase if these  
7 distribution costs are raised to about \$57  
8 more a year. Look at the small business  
9 owner, let's look at the Coney Island across  
10 the street. They use on average maybe 8,000  
11 kilowatts per month. Their bill will raise  
12 nearly \$800 a year, that's a 29 percent  
13 increase.

14 Let me finally conclude as was  
15 stated earlier, public Toledo schools, the  
16 average elementary school, they have a  
17 285 percent increase in their bill.

18 The bottom line is this, the  
19 business community, the labor community,  
20 residential customers, democrats,  
21 republicans, independents all want lower  
22 electric rates in Toledo. We want more  
23 competition and we want more choice. We  
24 believe if distribution rates are raised this  
25 is overall going to hurt every single citizen



1 including all the good economic development  
2 efforts we're making to attract new jobs in  
3 this community.

4 We ask for the Public Utilities  
5 Commission to represent consumers for a  
6 change and not grant this huge increase.

7 Thank you very much.

8 MS. BOJKO: We have Councilman  
9 D. Michael Collins.

10 \* \* \* \* \*

11 D. MICHAEL COLLINS

12 Having been first duly sworn, testified  
13 as follows:

14 MR. COLLINS: My name is D.  
15 Michael Collins. I'm a Councilman with the  
16 City of Toledo, I represent District Two.

17 I'm not going to go into great  
18 detail in terms of the data that has just  
19 been presented from the Mayor of our City and  
20 my colleague at Council, Councilman Sarantou.  
21 I believe the numbers are there and the  
22 effects are there.

23 But I would like to make the  
24 following comments for the record and I have  
25 a series of E-mails here that I would like to

1 introduce for the record but not necessarily  
2 read for the constraints of time.

3 Would that be acceptable?

4 MS. BOJKO: You'd just like to  
5 attach them to the record?

6 MR. COLLINS: I would like to  
7 attach them to the record rather than just  
8 read them into the record. They speak for  
9 themselves.

10 MS. BOJKO: Yes, we will mark  
11 them as exhibits to the record today.

12 MR. COLLINS: Thank you. To begin  
13 with the City of Toledo has 91,000  
14 households. Of those 91,000, one-third are  
15 on fixed incomes. They certainly do not have  
16 the opportunity to have the ability to raise  
17 their fixed income situations by such  
18 astronomical percentages as being now put,  
19 voiced upon them by a monopolistic energy  
20 source that realistically in my opinion fails  
21 to meet many of the standards the way  
22 business should be run.

23 The nature of a monopoly is to  
24 engage in a business and provide fair and  
25 equitable rates for service. Their profit

1 and loss statements clearly define that their  
2 profit is beyond what could be normally  
3 expected. And I understand the nature of  
4 private industry is to produce a profit to  
5 satisfy the existence of the stake holders  
6 who are basically the shareholders, but in  
7 the case of a utility, the municipality, the  
8 residents, they are also stake holders  
9 because they have allowed this condition to  
10 exist. The lobbying efforts that are voiced  
11 upon the folks in Columbus that make these  
12 laws which create for them the ability to  
13 come after the consumer realistically must be  
14 placed in balance to what is the better  
15 service to the State of Ohio and its  
16 residents, in this particular case Toledo and  
17 northwestern Ohio at large.

18 The world of private sector the  
19 bottom line is the goal. Councilman Sarantou  
20 and the Mayor very effectively defined how  
21 they are responding to this goal.

22 However, there's one thing  
23 different in the private sector or in a  
24 monopolized business. In the private sector  
25 there is not an offload of costs directed to

1 the consumer of those services or goods in  
2 order to protect their profitability. I'd  
3 like to repeat that. There isn't an offload.  
4 Ford cannot say we are going to increase the  
5 price of our car because we have to increase  
6 our profit margin by X percent per anum, that  
7 wouldn't fly in that market. We all know it  
8 wouldn't fly in that market. However, the  
9 utility can because they are a monopoly.  
10 They didn't worry about these problems in  
11 terms of their distribution costs when they  
12 should have prorated them a long time ago and  
13 they should have probably looked at a more  
14 pragmatic approach for distribution and that  
15 is burying their lines which they have not  
16 done for the most part, and then if the  
17 neighborhood requested this be done they  
18 wanted it to be then back billed off to the  
19 neighborhood.

20 So, I close by saying we would  
21 sincerely hope that you will listen and  
22 listen with the same intensity as the  
23 lobbyists are performing in Columbus. Listen  
24 with that same intensity because this state,  
25 this community has as stake holders, a big

1 risk with this, imagine from your own  
2 personal financial situation a fixed income  
3 wherein you're struggling to maintain your  
4 ability for taking the drugs, all of a sudden  
5 now you are looking at your cash flow per  
6 month being decimated as a result of a  
7 insurance of a profitability factor for a  
8 monopolized utility.

9 Please, when you deliberate and you  
10 think about whether or not they are fair or  
11 not, think about the stake holders that are  
12 in northwestern Ohio, are they being treated  
13 fairly by this monopolistic company who  
14 realistically only has one goal in mind and  
15 it isn't for the consumer, it's for their  
16 profitability.

17 Thank you.

18 MS. BOJKO: Mr. John  
19 Swartzlander. Move on. Loretta, Miss  
20 Loretta Thompson, Thomas, excuse me.

21 \* \* \* \* \*

22 LORETTA THOMAS

23 Having been first duly sworn, testified  
24 as follows:

25 MS. BOJKO: Could you please

1 state your name and address for the record.

2 MS. THOMAS: My name is Loretta  
3 Thomas, I live at 1527 Vance Street, Toledo,  
4 Ohio.

5 I also work with Block Watch 641 G  
6 and I did prepare a statement when I came  
7 here today, but I want to speak on behalf of  
8 seniors, young people that are unemployed and  
9 people who are suffering. And you set there  
10 and say there have been no rate increase to  
11 First Energy since 1996. My understanding, I  
12 agree with the gentleman over here, if you  
13 look at your bills there is rate increase  
14 because on a monthly basis I get my light  
15 bill, on there it states for distribution.  
16 Just to transmit the charges on my bill is  
17 higher than my usage charges. So, every  
18 month it's fluctuating, one month it's one,  
19 next month it's another.

20 What I'm wondering at this point  
21 why, if it's for distribution charge why  
22 don't they have one fixed rate and all of a  
23 sudden, I'm going to say this because it's  
24 the truth, I have a 108 year old dad. If I  
25 wasn't living and retired, we moved him out

1 of his place on account of utility bills.  
2 There's a lot of seniors in this state and in  
3 Toledo and like I was telling the people over  
4 in PUCO, most of the times when these things  
5 hit the newspaper, hit the news it's already  
6 been decided. You see in a couple months  
7 it's already there, it's already on your  
8 bill, it's already, the increases have been  
9 made already. For people who are retired  
10 such as myself and on a fixed income paying  
11 part of the medical now-a-days, you can't  
12 afford these rates. And there's no way in  
13 the world we haven't had an increase since  
14 1996. On a monthly basis it changes, my  
15 light is all over \$100. I live in a small  
16 space. The people who are unemployed and  
17 seniors, we can't afford it. We cannot  
18 afford it and we can't afford, saying right  
19 now that this is, has to be because these  
20 people are making enormous profits already.  
21 You cannot allow this to happen because some  
22 senior citizens such as my dad, if he didn't  
23 have a family he would be outdoors and he's  
24 very well sane and able to live by himself,  
25 he just happen to be 108 years old, I can't

1 afford these rates at 66 years old.

2 So, I'm looking at the seniors and  
3 unemployed who these bills are coming to and  
4 then we sit around and we say, well, okay,  
5 maybe this is like not going to take effect.  
6 Guess what? It is going to take effect if  
7 somebody don't have some common sense to say  
8 we're tired of all these rate increases. We  
9 can't do nothing about the gas pumps. We can  
10 decide in the State of Ohio we need an  
11 alternative source. We were better off when  
12 we just had Toledo Edison, now we have First  
13 Energy.

14 I'm asking you to consider what  
15 you're really doing. The economy being the  
16 way it is right now we can't afford an  
17 increase. Thank you.

18 MS. BOJKO: Councilman Collins,  
19 did you give the written E-mails to the court  
20 reporter? We're going to mark those as  
21 Exhibit 2. We already have an Exhibit 1  
22 which was testimony from another individual.

23 MR. COLLINS: Thank you very much.  
24 I apologize for the tardiness of bringing it  
25 back.



1 MS. BOJKO: Next we have Patrick  
2 Allen, please. Is Patrick Allen not here?  
3 Okay. We'll move on to Neal Troy.

4 \* \* \* \* \*

5 NEAL TROY

6 Having been first duly sworn, testified  
7 as follows:

8 MS. BOJKO: Please state your  
9 name and address.

10 MR. TROY: My name is Neal  
11 Troy. My residence is 4232 Tejon Road,  
12 Toledo, Ohio, 43623.

13 I'm here today on my personal  
14 situation, but I believe I may represent a  
15 significant number of people who are normally  
16 not going out in this. 39 years ago my wife  
17 and I built an all electric home, one of the  
18 things to consideration at that time was the  
19 rate that was available from Toledo Edison  
20 with the use of that energy relative to  
21 natural gas or other purposes. Consequently,  
22 we were involved in building a home using the  
23 help of Toledo Edison in the construction of  
24 the home and insulation with things and so  
25 forth like that.

1 In those 39 years, well, 38 of  
2 those years we had recognized the increase in  
3 rates as well as others have already stated.  
4 The fall of 2006, as this lady just recently  
5 somewhat referred to, I was informed with my  
6 electric bill at that point in time that the  
7 all electric rate would be available to us as  
8 long as we were a resident of that home.  
9 However, if we sold the home the purchaser  
10 would not have that rate and would revert to  
11 the normal residential rate.

12 I ask that they calculate what my  
13 cost would have been for my previous years,  
14 years' usage and what it was with the rate  
15 that would be applicable if I did not have  
16 the all electric rate. That calculation was  
17 found to be 27 percent increase. I felt at  
18 the time, I filed an objection with First  
19 Energy at the time based on that fact, and  
20 then another energy source could not be used  
21 in my home because there is no piping and no  
22 venting for a combustion system and,  
23 therefore, what they essentially do would be  
24 a de-valuation of my home in a normal  
25 marketplace.

1 My understanding of the present  
2 rate changes requested, and I understand you  
3 are only dealing with the transmission rate  
4 but that's part of the rate that they propose  
5 to change, that would be that, that rate that  
6 I've been under for the last 38, 39 years  
7 would be eliminated, I would be placed on  
8 residential, normal residential rate which  
9 means my, my energy costs would go up  
10 27 percent.

11 Now the Governors and legislation  
12 and other people's interest in conservation  
13 and reduction of greenhouse gases, I believe  
14 that an all electric home with a geothermal  
15 heat pump which I have would make more of an  
16 impact on those two concerns than many of the  
17 issues that are being considered. I was also  
18 informed by First Energy that if you approve  
19 the present rate structure I will no longer  
20 be grandfathered, my rate will automatically  
21 go up.

22 I went to EPA to find out the data  
23 that lists and found residential greenhouse  
24 gas emissions for the year 2005 was  
25 21.9 percent of the greenhouse gases emitted

1 by everything in this nation. A total, and  
2 that is of the total emissions, trillions of  
3 BTUs.

4 I went, then went to the Department  
5 of Energy data system, it shows that the  
6 average household, I'm not trying to throw  
7 any aspersions on those that have natural  
8 gas, that's what you've been using and I  
9 understand that, however, residents on an  
10 annual basis emit 11.4 metric tons of carbon  
11 dioxide, 80 kilograms of methane, 41 grams of  
12 sulphur fluorides. All electric homes'  
13 emissions of gases are zero, nothing.

14 I don't have the data, but I  
15 believe that per unit of energy used in a  
16 residence for heating and cooking by the  
17 emissions from generating equipment, the  
18 average emissions from generating equipment  
19 based on the same energy situation would be  
20 less than that of use of natural gas and  
21 other fuels for a home such as I've  
22 described.

23 The use of geothermal units in  
24 heating and cooling further reduces the  
25 energy consumption rates. The energy from

1 heating comes out of the water in the ground  
2 and ability to cool your home comes back into  
3 the water in the ground.

4 I think First Energy should be  
5 encouraged to have construction and/or  
6 conversion of residents to all electric  
7 situations, not penalizing those that are  
8 presently in existence. I believe that I  
9 speak for a significant number of homes in  
10 this area.

11 I request that you do not grant  
12 that provision of eliminating the all  
13 electric home rate for all electric homes,  
14 and that's to remove the restriction placed  
15 on me that if I sell my home the purchaser  
16 will not have that.

17 I thank you for your time.

18 MS. BOJKO: Thank you. Ken  
19 Smith.

20 \* \* \* \* \*

21 KEN SMITH

22 Having been first duly sworn, testified  
23 as follows:

24 MR. SMITH: Kenneth Smith, 3418  
25 Plumey Road in Northwood, Ohio 43619.

1 Hello, and thank you for hearing  
2 me.

3 My name is Ken Smith and I am a  
4 member of the Lake Local School Board of  
5 Education and I wanted to address a few  
6 issues.

7 Just a couple of years ago we  
8 struggled to get a levy passed to maintain  
9 the education of our children at Lake Local  
10 Schools. With the current funding system  
11 limiting any increase in tax revenues to  
12 schools, and with the condition of the State  
13 budget, all schools will be hurt by  
14 additional increases in expenses that we have  
15 no control over.

16 In the current two year budget  
17 cycle in the State of Ohio lake school as  
18 well as many others have had their level of  
19 funding frozen for both of these years.

20 MR. PRICE: Can you slow down  
21 for the court reporter.

22 MR. SMITH: I'm sorry, I'm a  
23 fast talker. With a 13.4% in electric rates,  
24 and possibly 40-50% or more increase in the  
25 distribution rates this is just making it

1 even harder for school districts to continue  
2 with their mission.

3 Schools all over Ohio are having a  
4 harder and harder time passing levies as the  
5 voters are concerned about their expenses, we  
6 just cannot continue to see these huge  
7 increases in our expenses.

8 My school district in one of 249  
9 schools who are part of the Ohio Schools  
10 Council and it is estimated that it will cost  
11 these schools collectively over \$11.7  
12 million, plus any other distribution or  
13 generation rate increases that may be  
14 approved. Where does that money come from,  
15 but from the pockets of the people that live  
16 in our school districts.

17 I want to thank you and we hope  
18 that the Commission would be sympathetic  
19 towards schools and look at us as a distinct  
20 group, worthy of the school rates which have  
21 been in effect for many years.

22 Thank you.

23 MS. BOJKO:

Evan Booth, please.

24 \* \* \* \* \*

25 EVAN BOOTH

1                   Having been first duly sworn, testified  
2                   as follows:

3                   MR. BOOTH:                   My name is Evan  
4                   Booth, I live at 2914 Wyndale Road, Toledo,  
5                   Ohio.

6                   Pretty much a lot of things can be  
7                   covered that's been said here, but I brought  
8                   an article from the February 26<sup>th</sup>, Toledo  
9                   Blade Business Section. There's an article  
10                  on First Energy, stated that their profit for  
11                  last year was \$1.3 billion. I could read the  
12                  article if that's necessary.

13                  First Energy Corporation parent of  
14                  Toledo Edison, said yesterday it had a record  
15                  profit last year of \$1.31 billion, or \$4.22 a  
16                  share, on revenue of \$12.8 billion. That was  
17                  up from \$1.25 billion, or \$3.81 a share, on  
18                  revenue of \$11.5 billion.

19                  For the fourth quarter, profit fell  
20                  2 percent, hurt by higher costs to buy power.  
21                  The company had a profit of \$268 million, or  
22                  87 cents a share, for the quarter ended  
23                  December 31<sup>st</sup>. That compares with a profit  
24                  of \$274 million, or 84 cents a share, in the  
25                  year-ago quarter.



1 Per share results were up because  
2 First Energy has bought back stock.

3 Revenue rose 15 percent in the  
4 quarter to \$3.1 billion from \$2.7 billion in  
5 the year-ago quarter.

6 My concern is this, is that this is  
7 also going to generate another \$340 million  
8 increase, this increase, like the gentleman  
9 over here said, the transaction fee going up  
10 3 percent. On my bill, I've called PUCO  
11 several times complaining about my bill. One  
12 of the things they charge you for is \$4.95 a  
13 bill to cover their billing department and  
14 also have their meter read. I'm paying for  
15 their employee which is not \$4.75 charge to  
16 have their meter read, which to me is not  
17 right. There's also a delivery charge which  
18 covers the line going from the pole to my  
19 house. This house was built in '56,  
20 everything, their equipment has been paid for  
21 for several years and how they justify  
22 raising the rates and robbing us people is  
23 beyond me. I can't believe they are even  
24 here. They should be out of this door and  
25 never come back and take their increase with

1                   them.

2                   MS. BOJKO:                   Victoria Jacobs.

3                   \* \* \* \* \*

4                   VICTORIA JACOBS

5                   Having been first duly sworn, testified  
6 as follows:

7                   MS. JACOBS:                   I'm Victoria Jacobs,

8 I live at 617 Sylvester, Toledo 43605.

9                   I'm just going to be repeating what  
10 everybody else has said. My husband and I  
11 are on a fixed income. I expect on my little  
12 bitty old pension, \$400 and some dollars, to  
13 get maybe \$18 at the end of the year, that's  
14 what's estimated. Till then I have to live  
15 without it. Where does that come in on our  
16 utility bills? I mean give us a break. This  
17 gentleman said his house was built in 1956,  
18 ours was built in 1929. All our stuff has  
19 been paid for, paid for, paid for.

20                   The thing about the street lights,  
21 we go through our neighborhood, find out  
22 street lights are out, report them then about  
23 it, well, maybe a day or two later, maybe a  
24 week later it will be fixed.

25                   I don't understand why everybody

1 has to be rich, rich, rich. Middle income  
2 has to get poorer and poorer and poorer and  
3 forget about the people that are, that don't  
4 have anything invested to rely on.

5 That's all I have to say.

6 MS. BOJKO: Barb Lovell.

7 \* \* \* \* \*

8 BARB LOVELL

9 Having been first duly sworn, testified  
10 as follows:

11 MS. LOVELL: I'm here, I am not a  
12 senior citizen.

13 MS. BOJKO: Before you begin,  
14 name and address, please.

15 MS. LOVELL: I'm sorry. My name  
16 is Barb Lovell, 541 Waggoner Boulevard,  
17 Toledo, 43612.

18 MS. BOJKO: Thank you.

19 MS. LOVELL: I'm not here as a  
20 senior citizen, I am not here because I live  
21 on a fixed income. My husband and I are both  
22 gainfully employed. We own our home. I have  
23 a child in college. I face the same issues  
24 that a senior citizen does. They are saying  
25 that this is, this distribution thing, that

1                   they need it to improve lines. Well, and  
2                   that the last distribution improvement  
3                   request they got was in 19, I believe you  
4                   said '96 or '97.

5                   I have lived in my home for ten  
6                   years, they have not come through and  
7                   repaired any lines in my neighborhood. I  
8                   suffer at least twice a year from having a  
9                   squirrel, yes, a little furry rodent running  
10                  down the lines and at least twice a year I  
11                  lose electricity. They have not improved my  
12                  neighborhood because my neighborhood was  
13                  established in 1927. The homes that are  
14                  there have been there.

15                  I have no bang for my dollar,  
16                  nothing to show for it.

17                  Toledo Edison has a hell of a bang  
18                  for their buck. There has been testimony  
19                  before me that their profit was 1 billion  
20                  with a B. I'm struggling to send my child to  
21                  college, and they are trying to tell me their  
22                  distribution rates need improvement. No. My  
23                  service needs improving when a little furry,  
24                  probably weighs less than my toy poodle,  
25                  which weighs for the record 7.6 pounds, can

1 take out the electricity for twenty homes on  
2 a street.

3 I'm sorry, again, no bang for my  
4 buck.

5 My husband and I work hard. We  
6 work very hard. I am not a senior citizen  
7 and, yes, for the next ten years my income  
8 will go up, it's the way it is, I'm sorry for  
9 that, for the seniors whose don't go up. I  
10 do apologize because I do truly feel bad they  
11 are struggling. We have done everything that  
12 Toledo Edison has requested us to do to  
13 improve our costs. I went through my house,  
14 there's not one light in my home that does  
15 not have a fluorescent bulb, there is not one  
16 outlet in my home that has not been updated  
17 to where it's, you know, we've updated our  
18 electric service, we do not, I heat my home  
19 at 69 degrees because I can't afford to keep  
20 it higher, I have a set back thermostat so  
21 that when I am not at home my, I'm not  
22 heating an empty home. We sit around at  
23 night with blankets on so that my cost of  
24 heat is down. Yes, again, I heat with  
25 natural gas but I have to have a blower, I

1 have to run electricity to get my heat from  
2 the basement to the second floor.

3 And they are asking to have, the  
4 audacity to ask me to reach further into my  
5 pocket and pay for distribution that had, I  
6 don't know, maybe it's me, we are pro-active  
7 in our home ownership, we are pro-active in  
8 our car ownership. I do not wait till my car  
9 breaks down to get it fixed. I get the oil  
10 changed, I have my tires rotated and my  
11 brakes looked at. I am pro-active.

12 And it should not come down to the  
13 consumer to pay because a company with, may I  
14 repeat, \$1.3 billion in profit, because they  
15 decided not to be pro-active, they didn't  
16 keep up with their business lines, they  
17 didn't keep up with their residential lines,  
18 they are wanting everybody to build all these  
19 wonderful new homes and now they say, damn,  
20 shucky, darn, we didn't plan on the people  
21 needing more electricity. That is not my  
22 fault, that poor planning on their part  
23 should not mean higher rates on my part.

24 It is not fair, no way, no way,  
25 shape or form. I am not asking you to pay

1 for my son's college.

2 The PUCO was designed to help the  
3 consumer against just this, unjust raise in  
4 electric service. It seems to me, again, no  
5 bang for my buck.

6 The PUCO, they ask for 44 percent  
7 increase, you say, well, you know, we think  
8 44 is a little excessive, how about 24  
9 instead? How about for the consumers you  
10 say, you know what? You need to dig deep in  
11 your pocket, you need to take your profit and  
12 be pro-active. You need to help and say no.  
13 You know, the government expected our kids to  
14 just say no to drugs, why can't the PUCO tell  
15 the Toledo Electric Company and First Energy  
16 to just say no? Figure it out.

17 I have to figure out how I'm going  
18 to come up with the money to pay, I have to  
19 come up with the money for college, I have to  
20 come up with money to get my husband back and  
21 forth to Detroit so that he can attend his  
22 job because his job in Toledo was eliminated  
23 and that increases not only my bottom line in  
24 gas but my bottom line on car repairs and the  
25 rest of it. I see less of my husband.

1 Toledo Edison don't seem to care. They say  
2 well, geez, we weren't pro-active, we didn't  
3 keep up with our distribution line. Sorry,  
4 not my problem. Just like you're saying to  
5 yourself, sorry, not my problem your husband  
6 has to drive to Detroit, at least he's  
7 employed. But I don't see Toledo Edison  
8 coming to my help. I doubt if their CEO is  
9 going to sit there and say, you know what,  
10 Mrs. Lovell, you guys work hard, how about an  
11 extra \$1,000 a year in your pocket to help  
12 pay for your husband to go to Detroit? It's  
13 not fair.

14 And no, I'm not a senior, I'm not  
15 on a fixed income. But no matter how you  
16 look at it, obviously they are not on a fixed  
17 income either. What budget cuts has Toledo  
18 Edison taken? My service is not as good, I'm  
19 paying higher rates than ever. I don't see  
20 anybody asking Toledo Edison to cut back on  
21 them. And you know what's going to happen if  
22 they cut back if you tell them no? I can  
23 already tell you, service is not going to get  
24 better, it's going to decrease. They are  
25 going to, their attitude is going to be,



1 well, damn, we didn't get this money so we're  
2 going to have to layoff people.

3 They are saying it's distribution,  
4 I don't believe it. I don't believe it for a  
5 minute. This is not going to be  
6 distribution. It seems really funny to me  
7 that they requested this in June and I  
8 believe their Nuclear Regulatory Commission  
9 issued them a fine in April of last year, was  
10 it April? Does anybody know? I think it was  
11 April of last year they got a fine for the  
12 Davis Besse fiasco and now all of a sudden  
13 now they are saying whoa, wait, wait, wait,  
14 wait, wait, we need an increase for  
15 distribution. Davis Besse is supposed to be  
16 distributing, I believe it's still in shut  
17 down, ain't it? No bang for our buck and yet  
18 they want more. I don't think it's fair.

19 Thank you.

20 MS. BOJKO: Barbara Judy or  
21 Judge, is it Judy or Judge?

22 MS. JUDGE: It's Judge like in  
23 court.

24 MR. PRICE: Thanks.

25 \* \* \* \* \*

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BARBARA JUDGE

Having been first duly sworn, testified  
as follows:

MS. JUDGE: Can you hear me?

I'd like to, like the lady before me --

MS. BOJKO: I'm sorry, state  
your name and address for the record, please.

MS. JUDGE: Barbara Judge, 2114  
Silverpine Court, Toledo 43615.

Like the lady before me I have some  
concerns, too, and it's not only just the  
increase, but what the increase will do as  
far as our young people leaving. There was  
an article in the paper about all the doctors  
who are about to graduate are going to  
graduate on to some other state or some other  
part of Ohio. People are losing their jobs  
and the Toledo Edison wants more money. As  
far as I can see I don't see any  
justification for this area being the highest  
rate in probably the country, if not the  
highest close to it. If they want to  
increase their distribution perhaps instead  
of people moving out of the state and other  
places where they can find jobs which have

1           been lost because of the high utility rates,  
2           retail, we are no longer a manufacturing  
3           place because most of those jobs have been  
4           moved someplace else where they don't have to  
5           pay so much for their electricity to run  
6           their plants. It's getting so that people  
7           are just disappearing from this part of the  
8           country.

9                       Instead of raising the rates what  
10          they should do is lower them in line with the  
11          rest of the state and the country. They are  
12          way too high. They have been way too high  
13          for a long time and to raise rates again is  
14          unconscionable.

15                      Like people say, let them use their  
16          wonderful profit to take care of a lot of the  
17          things they need to do instead of forcing us  
18          to do it. The rate should be lower, not  
19          raised.

20                      Thank you.

21                      MS. BOJKO:                      Beth Kramer.

22                      \* \* \* \* \*

23                      BETH KRAMER

24                      Having been first duly sworn, testified  
25                      as follows:

1 MS. KRAMER: My name is Beth  
2 Kramer, I live at 2093 US 20 A in Swanton. I  
3 just want to tell you a little bit of my  
4 fiasco with First Energy.

5 I moved into my home in '99. At  
6 that time I had a cracked utility pole, took  
7 them two years to get a new one. The old one  
8 still stands there. It's an eye sore to my  
9 front yard, everybody that passes by. I have  
10 not received an electric bill since October  
11 of last year and it got to the point where I  
12 have now had to acquire a PO Box just to get  
13 my electric bill. Somebody down there cannot  
14 figure out why I have no utility bill come  
15 every month.

16 So, in my opinion it's just costing  
17 me a lot just to deal with the hassle and  
18 then turn around and you guys want to  
19 increase the rates.

20 Like everybody else here, you guys  
21 really need to consider decreasing the rates,  
22 taking your profit, putting it back into your  
23 company like a lot of the small business  
24 owners do.

25 You know, we're the third highest

1           foreclosure state in, that was to the last  
2           record in the United States. You know we  
3           have the highest rates of electric in the  
4           midwest. And I would just ask just from  
5           somebody that's just a middle age, you know,  
6           middle income that if you would just really  
7           consider decreasing it and putting the  
8           profits back into the company. I think that  
9           that would help in the long run for a lot of  
10          people.

11                       That's all I have to say. Thank  
12          you.

13                   MS. BOJKO:                   Thank you. Go back  
14          one more time to David Drew.

15                   \* \* \* \* \*

16                   DAVID DREW

17                   Having been first duly sworn, testified  
18          as follows:

19                   MR. DREW:                   My name is David  
20          Drew, I live at 417 Potter Street, Toledo,  
21          Ohio, 43605.

22                   I was injured on the job eight  
23          years ago and I just now recently got  
24          disabled, finally got an income coming in  
25          which ain't much, just me and my wife. I'm

1 struggling. I got 18 months worth of  
2 electric bills in this folder, not one of  
3 them are ever the same when it comes to a  
4 related component delivery charge,  
5 transaction charge. We even get charged to  
6 be a customer, which makes no sense to me.

7 I get \$120 electric bill, they  
8 charge me \$67 to deliver it to my house, they  
9 charge me \$58 for a transaction fee, related  
10 component must be my meter I have on my house  
11 \$25. They are charging me \$156 on top of the  
12 \$120 I already paid them. It's all going --  
13 I can't afford to keep paying them.

14 So, I don't understand what they  
15 are trying to do here. Trying to run us out?  
16 It's up to you guys.

17 MS. BOJKO: I will try John  
18 Swartzlander one more time. And Patrick  
19 Allen. Okay.

20 Is there anybody else that would  
21 like to testify that did not sign up?

22 FEMALE: Am I allowed to ask  
23 a question?

24 MS. BOJKO: You can ask us a  
25 procedural question.

1 FEMALE: I don't know what  
2 that is.

3 MS. BOJKO: You can't ask us  
4 about the substantive part of the case. I  
5 really --

6 FEMALE: You can tell me yes  
7 or no. Did you give specifics as to why you  
8 feel the distribution rate needs to be  
9 increased? Was there a specific reason for  
10 that?

11 MS. BOJKO: I can answer your  
12 question as saying that the Commission has  
13 not yet made a ruling on the case. The  
14 application was filed back in June by the  
15 company. Last month we had approximately  
16 three weeks of hearings on the matter, we  
17 heard all the testimony from 60 witnesses  
18 approximately, either filed testimony or  
19 presented testimony, and the attorneys were  
20 there for numerous intervenors, numerous  
21 parties to the proceeding and then  
22 cross-examined the witnesses. That's what  
23 happened. And then the second part of that  
24 hearing process is to have public hearings  
25 which is what we're doing today. We have 12

1 of these public hearings scheduled all over  
2 the State of Ohio in First Energy's three  
3 service territories and we are listening to  
4 testimony, it is being transcribed and then  
5 the Commission, the five member Commission  
6 will make the ultimate decision on the case.

7 MS. THOMAS: There's only five  
8 members that are going to make the decision  
9 after hearing everyone? There's only five  
10 members, right?

11 MS. BOJKO: Yes.

12 MS. THOMAS: I'm going to say  
13 this off the record --

14 MS. BOJKO: We're still on the  
15 record, ma'am. We can't hear any more  
16 testimony.

17 MS. THOMAS: I'm not going to ask  
18 any questions. I thank you all for coming  
19 today and I thank our council people for  
20 taking the people, although our good Mayor  
21 wasn't here, taking the time to listen to  
22 some of us. When you take into consideration  
23 that we do have a Public Utility Commission  
24 for the State of Ohio, the consumer should  
25 not, we as consumers really shouldn't have to



1 be here today when you see these people are  
2 making billions of dollars in profit. You  
3 all shouldn't be here today. These people,  
4 don't take no five men panel to make a  
5 decision. We got a Public Utility Commission  
6 for the State of Ohio. If you look at every  
7 legislative thing that will happen with our  
8 Public Utility Commission, they never turn  
9 down any of these people for these raises.  
10 It always passes regardless of what anyone  
11 say. It always passes.

12 MS. BOJKO: Just to be clear,  
13 the five member is the Public Utilities  
14 Commission, they are the five commissioners,  
15 they are the public --

16 MS. THOMAS: Made up of brothers  
17 and sisters and in-laws. These are people  
18 that need to be chosen by the State of Ohio.  
19 We need to, in the sixties I used to go down  
20 to the Public Utilities, now in the seventies  
21 Public Utility Commission of State of Ohio.  
22 These people are not chosen, they are  
23 appointed. So, maybe that's part of the  
24 problem.

25 MS. BOJKO: You had your

1 opportunity to testify, as everybody has had  
2 the opportunity to testify. I'm mean I'm  
3 asking if there was someone that did not have  
4 an opportunity to sign up and that would like  
5 to be heard. We have heard all of you, it  
6 has been transcribed. We will take this  
7 back, the Commissioners will review the  
8 testimony and they will make the ultimate  
9 decision.

10 Sir, did you want an opportunity to  
11 testify?

12 MR. GILCREST: I have a question.  
13 Have you given any consideration to holding  
14 this type of meeting in the evening because  
15 of the number of people that are working?

16 MS. BOJKO: We have twelve local  
17 public hearings, we have some of those in the  
18 afternoon at 1:30 because there are some  
19 individuals that would like to come out  
20 during the day, and then we have many of  
21 those hearings, the majority are in the  
22 evening at 6:30. We have one this evening in  
23 Maumee at 6:30 tonight that we will all be  
24 attending. We have one tomorrow in Cleveland  
25 at 1:30 and in a Cleveland suburb at 6:30

1 tomorrow night, Shaker Heights. So, we do  
2 have them both at 1:30 and 6:30 to  
3 accommodate all people.

4 Could you state your name? The  
5 court reporter needs your name for the  
6 transcript.

7 MR. GILCREST: 2217 Thornridge  
8 Drive, Toledo, Ohio 43614.

9 MS. BOJKO: One more question  
10 and we're going to cut off.

11 MR. ALINGER: Procedural question.  
12 Would you like my name also? My name is  
13 James Alinger, 14704 Howard Road, Defiance,  
14 clear out in the west end that nobody thinks  
15 about.

16 My procedural question is this,  
17 considering this is the Public Utilities  
18 Commission, why don't we approach the public  
19 before we are approached by the intervenors  
20 and the utility companies and all of that  
21 when a rate case comes up? I think these  
22 public hearings should be held first to get  
23 some public input to the Public Utilities  
24 Commission before the stipulations,  
25 recommendations and side deals go into

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effect.

MS. BOJKO: The record is not finished, it's all a matter of scheduling. A lot of times the public hearings are held before the evidentiary hearings. There's no difference with regard to that. We hear all testimony, we record all testimony, it will all be considered.

I want to thank everybody for coming out today and for testifying and we will conclude, adjourn for the day. Thank you.

\* \* \* \* \*

Whereupon, the hearing was adjourned at 2:56 p.m.

\* \* \* \* \*

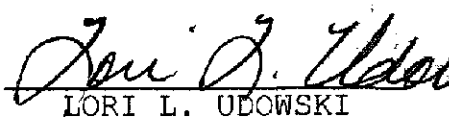
1 STATE OF OHIO :  
2 COUNTY OF LUCAS : C-E-R-T-I-F-I-C-A-T-E  
3

4 I, LORI L. UDOWSKI, Notary Public in and for the  
5 State of Ohio, duly commissioned and qualified, do hereby  
6 certify that the above and foregoing is a true and accurate  
7 transcription of the aforementioned matter.

8 I do further certify that I am not a relative,  
9 employee or counsel of any of the parties hereto, and  
10 further that I am not a relative or employee of any  
11 attorney or counsel employed by the parties hereto, or  
12 financially interested in the action.

13 I do further certify that I am not, nor is the  
14 court reporting firm with which I am affiliated, under a  
15 contract as defined in Civil Rule 28 (D).

16 IN WITNESS WHEREOF, I have hereunto set my hand  
17 and affixed my seal of office at Toledo, Ohio, on this 17th  
18 day of March, 2008.

19  
20   
21 LORI L. UDOWSKI  
22 Notary Public in and for the  
STATE OF OHIO

23 My Commission Expires: February 5, 2012.

24 \* \* \* \* \*

25