

1       BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

2                       - - -

3   In the Matter of the       :  
4   Application of Columbus   :  
5   Southern Power Company for:  
6   Approval of its Electric   :  
7   Security Plan; an       : Case No. 08-917-EL-SSO  
8   Amendment to its Corporate:  
9   Separation Plan; and the   :  
10   Sale or Transfer of       :  
11   Certain Generating Assets.:

                             :  
8   In the Matter of the       :  
9   Application of Ohio Power :  
10   Company for Approval of   :  
11   its Electric Security     : Case No. 08-918-EL-SSO  
12   Plan; and an Amendment to :  
13   its Corporate Separation :  
14   Plan.                       :

12                       - - -

13                       PUBLIC HEARING

14   before Ms. Greta See and Ms. Kimberly Bojko, Hearing

15   Examiners, at the Park of Roses Shelter House, 3901

16   North High Street, Columbus, Ohio, called at 6:00

17   p.m. on Monday, October 27, 2008.

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1 APPEARANCES:

2 American Electric Power  
By Mr. Stephen Nourse  
3 One Riverside Plaza  
Columbus, Ohio 43215-2373

4  
On behalf of Columbus Southern Power  
5 and Ohio Power Company.

6 Janine L. Migden-Ostrander  
Ohio Consumers' Counsel  
7 By Ms. Jacqueline Roberts  
Assistant Consumers' Counsel  
8 Ten West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485

9  
On behalf of the Residential  
10 Ratepayers of Columbus Southern Power  
and Ohio Power Company.

11

12 Ohio State Legal Services  
By Joseph V. Maskovyak  
13 555 Buttles Avenue  
Columbus, Ohio 43215

14  
On behalf of the Appalachian People's  
15 Action Coalition

16 ALSO PRESENT:

17 Commissioner Ronda Hartman Fergus

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Monday Evening Session,

October 27, 2008.

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EXAMINER SEE: Good evening.

The Public Utilities Commission has

assigned for public hearing at this time and place

Case No. 08-917-EL-SSO being captioned:

In the Matter of the Application of Columbus Southern

Power Company for Approval of its Electric Security

Plan; an Amendment to its Corporate Separation Plan;

and the Sale or Transfer of Certain Generating

Assets.

It is also the local public hearing for

Case No. 08-918-EL-SSO, being captioned:

In the Matter of the Application of Ohio Power

Company for Approval of its Electric Security Plan;

and an Amendment to its Corporate Separation Plan;

and an Amendment to its Corporate Separation Plan.

I'd like to call to your attention

20 there's also Commission personnel in the room. They  
21 are in the back, and standing is Ms. Jones, and by  
22 the door is Ms. Mitchell. If you have any questions  
23 that are unrelated to the electric security plan case  
24 and you want some additional information from the

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1 Commission, please approach either of those  
2 individuals and they will try to get your question  
3 answered or direct you to whom you need to contact at  
4 the Commission to get the information that you need.

5 I note there are a number of parties that  
6 have filed motions to intervene in the case, which  
7 means they are participating in the case. There are  
8 intervenors that represent commercial customers,  
9 industrial customers, and there are various  
10 residential consumer advocates.

11 At this time I'd like to ask counsel for  
12 CSP and the Ohio Power and counsel for the other  
13 intervenors that are present to enter an appearance  
14 on the record.

15 MR. NOURSE: Thank you, your Honor on  
16 behalf of Columbus Southern Power and Ohio Power  
17 Company, Stephen T. Nourse, senior counsel, One  
18 Riverside Plaza, Columbus, Ohio 43215.

19 EXAMINER SEE: Mr. Nourse, do you have

20 any individuals from AEP that are here to address any

21 individual's utility service questions?

22 MR. NOURSE: Yes, we do. We have service

23 representatives back in this corner over here right

24 by the PUCO table. Maybe you could stand for us.

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1 They are happy to answer any questions for people  
2 afterwards to address those types of issues.

3 Thank you.

4 EXAMINER SEE: On behalf of the Ohio  
5 Consumers' Counsel.

6 MS. ROBERTS: Your Honor, Jacqueline  
7 Roberts on behalf of the Ohio Consumers' Counsel,  
8 Janine Migden-Ostrander, who by law in the proceeding  
9 represents the interest of all Ohio consumers. We  
10 have several people with us today that are here to  
11 answer your questions and provide information.

12 Can you wave? They are in the back with  
13 a table of information, and they will be happy to  
14 help you if you have any questions.

15 EXAMINER SEE: Is there counsel for any  
16 of the other intervenors in this matter present  
17 today?

18 MR. MASKOVYAK: My name is joe Maskovyak.  
19 I'm with Ohio State Legal Services Association, part

20 of legal services that represent the Appalachian  
21 People's Action Coalition, which is a consortium of  
22 low-income consumers in southeast Ohio representing  
23 their interest here.

24 EXAMINER SEE: Thank you.

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1           As Commissioner Fergus mentioned, this is  
2 the last public hearing in a series that the  
3 Commission has scheduled that were held in various  
4 locations throughout AEP-Ohio's service territory.  
5 I'd also note that it is the first step in a dual  
6 hearing process. The next phase is the evidentiary  
7 hearing scheduled to commence on November 17 at the  
8 offices of the Public Utilities Commission.

9           At that hearing it will give the company,  
10 the intervenors, and the staff of the Commission an  
11 opportunity to present evidence in support of their  
12 respective positions.

13          As Commissioner Fergus also noted, when  
14 you came in tonight, you were given an opportunity to  
15 sign up on a sheet to come here and present testimony  
16 tonight. We will ask you to come forward. You can  
17 stand or sit at this table, whichever is most  
18 comfortable for you, and face towards the audience so  
19 the court reporter can clearly hear you and record

20 what is being said.

21 If you missed the opportunity to sign up,

22 feel free to do it at any point during the hearing,

23 or at the conclusion of the hearing I'll ask again if

24 there is someone that wishes to offer testimony that

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1 did not sign up. If when I call your name or  
2 Ms. Bojko calls your name you have changed your mind,  
3 please just indicate that you pass and we will move  
4 on to the next witness.

5 I'll also ask that you go through your  
6 comments but respect that there are others behind you  
7 that also wish to offer testimony.

8 You will also be asked to affirm or swear  
9 that the information you are giving is true, to state  
10 and spell your name for the record, and go ahead and  
11 give your statement. As a witness you may be  
12 cross-examined by counsel or the other intervenors.

13 I indicated that the tonight's hearing is  
14 being transcribed and that the court reporter is  
15 recording everything that is said here tonight. If  
16 you plan to testify, speak loudly and clearly so the  
17 record is accurate.

18 If you have a prepared statement and  
19 you're willing to give a copy of that to the court

20 reporter, it makes the record clearer and she knows  
21 exactly what you mean and the acronyms that you are  
22 using.

23 Again, we appreciate your participation  
24 in tonight's hearing, and we want to give everyone a

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1 chance to speak. Are there any questions about the  
2 process?

3 Hearing none, we will call the first  
4 witness.

5 EXAMINER BOJKO: Rosemary Applegate.

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

8 MS. APPLGATE: My name is Rosemary  
9 Applegate. I live at 1544 Zettler Road, Columbus  
10 43227.

11 - - -

12 ROSEMARY APPLGATE

13 being first duly sworn, as prescribed by law, was  
14 examined and testified as follows:

15 DIRECT TESTIMONY

16 MS. APPLGATE: It's unfortunate we don't  
17 have a microphone tonight and I will speak as loudly  
18 as I can. If someone back there can't hear me, wave  
19 your hand because I know what it is like to be in a

20 meeting where you can't hear. I wear an aid myself,  
21 and I have been frustrated many times so I don't want  
22 that to happen tonight. If you can hear now, I will  
23 begin.

24 Commissioners and ladies and gentlemen, I

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1 appreciate coming come here. I may have some  
2 questions to begin with and then I will go on with  
3 what I have to say.

4 I assume that the concept of raising the  
5 prices started perhaps a year and a half a year ago,  
6 two years ago. Am I right? How long ago did you  
7 decide you would do this?

8 EXAMINER SEE: Ms. Applegate, this is  
9 your opportunity. This is not something we decided  
10 so go ahead.

11 MS. APPLEGATE: Okay, then I will assume  
12 it was some time ago, and maybe two years ago,  
13 perhaps. I don't know. And then they went to the  
14 PUCO and then they came here and they are probably  
15 trying to present this to people now.

16 Well, then there was September 15 and all  
17 the weeks that followed which have caused all of us  
18 financial stress. Probably no one here has not been  
19 touched by that, and I think that it's a serious

20 situation and I might even say it is critical for a

21 lot of people.

22 And I'm going to say that perhaps the

23 concept of this raise in rates was then, but this is

24 now, and now is different than then, and I think we

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1 should ask the PUCO and ask AEP to try to think of  
2 this raise in real time, which is now when people are  
3 struggling. People are really struggling.

4 In fact, one of our candidates said not  
5 too long ago people are scared, and he was talking  
6 about the financial situation, people are frustrated,  
7 and he even said some people are outraged. Well, the  
8 people are scared, and I'm scared. I'm scared and  
9 frustrated with corporate mind-set that says the  
10 costs always must go to the consumers. And I think  
11 that that's unfair.

12 My message to the PUCO and to AEP is to  
13 say this is no time for a raise. Our country is in a  
14 critical situation, and please listen carefully to  
15 what I say. It may not affect you as much as some  
16 others, but all the experts are saying: Sit tight.  
17 Hold on. Wait. Hang in there and everything's going  
18 to be all right, but that's not now, that's later.

19 I don't think this is any time to raise

20 prices for anything because we may be all right later

21 but that's if the prices aren't raised and we don't

22 have serious inflation. We don't know if that is

23 going to happen.

24 I think if we raise the rates now,

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1 especially at 15 percent now and for two years, AEP  
2 may be part of the spiral that takes us down. It may  
3 be a small part but it could very easily be a part of  
4 the financial problems being worsened and causing  
5 more problems for our country. It started in New  
6 York. Then it went to the country, and now it has  
7 spread through the world. It's like a plague.

8         And I implore you to consider this. I  
9 think your timing is incredibly bad. Did everybody  
10 see the Dispatch this morning? 14 percent up since  
11 last year of shut-offs. We all know that's a high  
12 percentage. That's double digits, and it could get  
13 worse, and that's even without the increase, people.

14         So I think there's the promise it will  
15 get worse, and I'm just going to give you a couple  
16 notes that I know that has happened to me. I'm 77.  
17 I'm retired and I have a pension, a small pension,  
18 but I work a small job part time. In the last three  
19 months I've had two people over 75, acquaintances of

20 mine, who said: Rosemary, do you know where I can

21 find a job? Are they hiring at your place?

22 These are people that have been retired,

23 and it is a serious situation. I also want to say

24 that yesterday I went out and I was distributing the

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1 pamphlets, the notes from our Eastside Community  
2 Association. I am a trustee of that, and twice a  
3 year we put out a little paper. And as I was going  
4 through the neighborhood on my street, which is a  
5 little more than a half a mile long, there were six  
6 empty houses.

7       And this is serious. AEP doesn't make  
8 any money on empty houses. So I think you need to  
9 make it possible for people to have affordable  
10 electric because we're in a bad time. So I think  
11 when things are bad, it's time for the company to get  
12 mean and lean and start to find where they can save  
13 money.

14       And one of the things I think that is  
15 serious about AEP is that they can't afford their  
16 CEO, 19.5 million for one year. That's what they  
17 said on the television. I think it's incredibly bad  
18 taste that they're coming to us now and asking for  
19 more money. This is one person. I don't know what

20 else there is in their salary range, but I think  
21 there needs to be some kind of regulation that says  
22 when profits are good enough to pay that, then  
23 they're good enough to not have a raise.  
24 So with that I'm going to say again, I'm

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1 not asking anyone to feel sorry for me. That's not  
2 while I'm here. I'll get through this. I've gotten  
3 through worse, and I have a plan, and that is to use  
4 less electricity, which I will do, and I ask AEP to  
5 go back to the drawing board, step back for a year,  
6 come back in a year, leave the rates the way they  
7 are, and find out what you can do to have a more  
8 efficient company. And I ask you again to step back  
9 and wait. This is no time to raise rates.

10 Thank you very much.

11 EXAMINER BOJKO: Mr. Matt Vaccaro.

12 Please state your name and address for  
13 the record

14 MR. VACCARO: My name is Matt Vaccaro. I  
15 live at 1191 St. Clair over Columbus, Ohio.

16 - - -

17 MATT VACCARO

18 being first duly sworn, as prescribed by law, was  
19 examined and testified as follows:

20 DIRECT TESTIMONY

21 MR. VACCARO: I'm here not just for

22 myself but for a lot of other people, too, because

23 I'm also chair also of the Mile Area Grove

24 Commission. The Mile Grove as of last year,

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1 54 percent of our residents live below poverty level.  
2 That's 54 of existing residences. 193 of those are  
3 boarded-up homes. We are a very poor area of the  
4 community. What is really a travesty, we live just  
5 right next to the transmission subplant of AEP there  
6 at Fifth Avenue.

7 So we're all angry. We're all  
8 frustrated. We are at a time when the markets are  
9 out of control. I feel a 15 percent rate increase  
10 every year for the next three years is going to be a  
11 nail in my coffin.

12 Now, I've managed to pay my bills barely  
13 for the last 12 years since I'm not able to work.  
14 And my wife is making 23,000 for last five years, and  
15 I have done this without food stamps or any kind of  
16 subsidy whatsoever, but if they do this, that's going  
17 to be it. I won't be able to do it. I couldn't pay  
18 my mortgage last month. I was able to work with some  
19 people and worked out a way where we can do it

20 without going out and asking for money, but if you

21 add this big rate increase I can't do it.

22 Now, I'll say on the other side of the

23 coin I've worked with people, customer service with

24 AEP, and if I was to rate them for customer service

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1 over the other utilities, I would say they're  
2 probably one of the best in understanding that I have  
3 ever worked with. They are polite. They are  
4 sympathetic, and they really care, but, again,  
5 they're still employees that have to do what they're  
6 told

7       So I have to give them that credit. But  
8 I don't think we're being told everything either.  
9 Unfortunately it's just only hearsay. I talked to  
10 some of the employees at AEP right after the wind  
11 storm because we all lost power. They said part of  
12 this rate increase was to bring in what they call  
13 smart meters. They are remote-controlled meters  
14 controlled from a hub elsewhere, not just on your  
15 house.

16       So I did have research on them, and  
17 they're using them out West, and when they installed  
18 them, people's bills increased dramatically. So  
19 before I would be willing to embrace that kind of

20 technology, I like to see some discipline in place.  
21 If you can manipulate your power meters from a  
22 distance, who else can because there's always going  
23 to be someone out there looking for ways to steal  
24 power.

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1           It always seems like when the chips are  
2 down -- we're all hurting, we all have no money,  
3 everybody's rising up -- if it's not the utilities,  
4 it's the unions and the school boards, they are  
5 demanding more money.

6           Well, the reason there isn't any more  
7 money is because we're all hurting so why can't we  
8 all just kind of work together to hold down prices  
9 until we can make things better? This market is  
10 going to have to stabilize in order for things to get  
11 better. I'll quote the Reagan administration. When  
12 Ronald Reagan first got into office, he said: High  
13 energy prices is the worse thing for a recovering  
14 economy.

15          That's what's happening. In order for  
16 this economy to recover, we have to keep energy  
17 prices down; in other words, AEP's going to have to  
18 give a little before they gain a lot.

19          The other point I want to touch on,

20 something the lady there didn't mention what these  
21 rates are supposed to cover. The CEO talked about  
22 working and helping, investing, helping with the low  
23 income. I didn't hear anything of out of you when  
24 you made that presentation. But we've tried to work

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1 with AEP in the past. They're hard to contact and  
2 work with the upper management.

3 Out West people put in solar panels. Why  
4 can't they do that here? What happens is the people  
5 put in solar panels and then sell the electricity  
6 that is generated by the solar panels back to the  
7 company. Why can't they do it for the low income  
8 here? Let AEP install the solar panels, I'll rent  
9 you my roof for that.

10 I'm serious. What difference does it  
11 make? I will rent my roof. I'm at home all day.  
12 The only thing I have on is one television so those  
13 solar panels will generate a tremendous amount of  
14 electricity so I'll be using a very little bit. A  
15 lot can go back to the company.

16 It's the same principle whether I install  
17 and sell the solar power back; it's just their  
18 equipment. I sell the house, and they can take the  
19 equipment unless the new owner comes up with an

20 agreement.

21           And here's something else. We've got  
22 about five acres -- that might be a little high,  
23 maybe four acres -- at the transmission plant or  
24 subplants, whatever you want to call it on Fifth

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1 Avenue. And you know where it's at, just past  
2 St. Clair on Fifth Avenue. We have tried to turn it  
3 into a park for seniors citizens because in our  
4 community we don't have a place where senior citizens  
5 can enjoy the peace and quiet without a lot of people  
6 around or a lot of small children because we have  
7 places for small children.

8 But they didn't want to work with us on  
9 that. Okay, now, we have this big, huge piece of  
10 land out there. Why can't' you put solar panels on  
11 it right there right next to the transmission station  
12 where you can send it back, where you can generate  
13 more power and save money?

14 Because the bottom line is coal, no  
15 matter what you do, I don't care all the scrubbers  
16 you can buy, that stills adds to the atmosphere, and  
17 we're out of time because the latest research said  
18 that what's going at the North Pole with global  
19 warming, we're 50 years too soon in order to be in

20 the situation we're in now, and with the latest  
21 research, and it scares me, we need to do something  
22 now.

23 And all I can say I'm not going to blame  
24 AEP for everything, but we know what is going on.

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1 It's a complicated issue, but it's going to take all  
2 of us coming together to fix the problem. It's not  
3 going to be government. It's not going to be these  
4 individual politicians or these CEOs. No matter  
5 what, it is going to happen. You're going to have  
6 it, and it's going to take us to fix the problem.

7 Thank you.

8 EXAMINER BOJKO: Mr. David Celebrezze.

9 Please state your name and address for  
10 the record.

11 MR. CELEBREZZE: David Celebrezze, 1459  
12 West Lane Avenue, Apartment A, Columbus, Ohio 43221.

13 - - -

14 DAVID CELEBREZZE

15 being first duly sworn, as prescribed by law, was  
16 examined and testified as follows:

17 DIRECT TESTIMONY

18 MR. CELEBREZZE: If you can't hear me in  
19 the back, please raise your hand.

20 I appreciate this opportunity to comment  
21 on AEP's proposal. I have shaved off some of my  
22 verbal testimony in the interest of time. My concern  
23 with the proposal is that it goes too far too quickly  
24 and hurts ratepayers no matter what steps they take

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1 to reduce their energy consumption. A 45 percent  
2 increase over three years is excessive. I don't know  
3 any business that can raise their prices by that much  
4 and survive unless that business has a monopoly

5 I am troubled, puzzled about many parts  
6 of this plan. First AEP wants to increase its energy  
7 efficiency. I applaud this goal. The more the  
8 utilities can reduce their carbon footprint is a good  
9 thing. Ohio utilities have hundreds of millions of  
10 tons greenhouse gases into the air which heavily  
11 contributes to climate change

12 What I am puzzled about is energy  
13 efficiency usually means you save money either in the  
14 short, medium or long run. So why does AEP need to  
15 hike up the rates in order to save money when they're  
16 getting it back in energy efficiency?

17 Second, AEP mentions the energy federal  
18 mandated carbon tax. This tax is not in place yet.  
19 How do they know what it is going to be? Are they

20 supportive of a reasonable tax supported by  
21 environmentalists? Why cannot they use the money  
22 they save by being more energy efficiency towards the  
23 tax? If this tax has a carbon trade system, they  
24 could reduce their emissions. They would have

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1 allowances left over they could sell for profit to

2 other utilities.

3 Third, green jobs and energy generation

4 is a thing of the present and the future. The old

5 dirty paradigm of burning coal is slowly

6 transitioning out. In order to get up with the

7 times, AEP has to invest in green jobs and energy

8 efficiency. But has AEP performed a study to see how

9 the rate increase would impact low-income individuals

10 and families? If not, why not? And when can it be

11 done? If so, what are the results? How is this

12 going to affect small business? Is AEP going to do a

13 study to find out? Again, if not, why not? If so,

14 what are the results?

15 Are AEP green jobs going to focus on

16 training low-income individuals and retrofitting old

17 buildings to be energy efficient? I understand why

18 there would need to be some type of bump up in how

19 much you pay for electricity, and it seems AEP is

20 using this opportunity to take advantage of its  
21 customers, customers such as myself who have no other  
22 option but to get my electricity from AEP. So I ask  
23 the Public Utilities Commission of Ohio to deny AEP's  
24 request for a 45 percent increase in charges over the

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1 next three years.

2           However, if the Commission approves this  
3 plan, it needs to be responsible. The world's  
4 leading scientists say we need to cut greenhouse gas  
5 emissions by 80 percent from 1990 levels by 2050. If  
6 this rate increase is approved, AEP must guarantee  
7 that it can cuts its emissions by this level or more.  
8 If they can't make that guarantee, then they are just  
9 blowing smoke in our faces and fouling the planet.

10           Thank you for this opportunity to come.

11           EXAMINER BOJKO: Eugene Parkison.

12                   - - -

13                   EUGENE PARKISON

14 being first duly sworn, as prescribed by law, was  
15 examined and testified as follows:

16                   DIRECT TESTIMONY

17           MR. PARKISON: My name is Eugene R.  
18 Parkinson, and I am the mayor of the Village of  
19 Lexington. Lexington is a known as a small community

20 about 60 miles north of here. We get our power from

21 AEP. I've been mayor of the Village for about 25

22 years so I think I can speak with a little bit of

23 experience.

24 In years past we felt like we were at the

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1 end of AEP lines. We received little attention to  
2 our problems. Sure, they responded to a power  
3 outage, but that would be about the extent of it.

4       The Village and I started a program  
5 working for economic development, growing some new  
6 businesses and asking AEP to be involved. We had  
7 experienced power outages it seemed like once a week  
8 or more, and some were very extensive. We held  
9 several local meetings that AEP attended. There were  
10 several letters sent, including to the PUCO.

11       The conclusion was without good clean  
12 power our hopes and theirs for development were slim  
13 and none. Several businesses decided to locate in  
14 our area. With this we were destined not to be just  
15 a small village south of Mansfield but rather our  
16 future looked bright.

17       With cooperation AEP has assisted us with  
18 economic development grants, including upgrade and an  
19 adding an additional substation, which has greatly

20 reduced any power outages we were experiencing, and  
21 they have established a good neighbor policy with  
22 both our businesses and our residents. We will  
23 always have tornadoes, ice storms, windstorms similar  
24 to what we experienced recently, but through our

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1 association with AEP, I hope they will give us --  
2 promptly serve our residents and most of all our  
3 businesses expeditiously, professionally, and timely.

4 I am convinced that our partnership,  
5 which includes progressive upkeep and continual  
6 upgrades to plant and equipment and right-of-way,  
7 forces them to come before you today. This is where  
8 my experience kicks in. You cannot provide increased  
9 services without considering the rates. We all know  
10 what is happening in our cost of operation both of  
11 homes and businesses as well as municipalities.  
12 Please consider their role in development of Ohio as  
13 we consider them in development for Lexington.

14 Thank you.

15 EXAMINER BOJKO: Mr. Mike Davis.

16 - - -

17 MIKE DAVIS

18 being first duly sworn, as prescribed by law, was  
19 examined and testified as follows:

20 DIRECT TESTIMONY

21 MR. DAVIS: My name is Mike Davis, 4486

22 Haybury Drive in New Albany.

23 Good evening. I'm Mike Davis, vice

24 president of development with United Way, and I'm

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1 here to express our appreciation and gratitude for  
2 the engagement and the commitments to community that  
3 AEP expresses both currently and over the years.

4       We address the issues about how do we  
5 educate this community and improve education? How do  
6 we increase income in the community for folks who  
7 need training and so forth? How do we make sure it's  
8 a healthy community? And how do we address homes and  
9 make sure people can live in homes in safe  
10 neighborhoods.

11       And AEP is one of our key partners, and  
12 most of that support is from the employees of AEP,  
13 both employees and the leadership who sit on  
14 committees, volunteer their time, go out and improve  
15 the community by their time and their work and their  
16 efforts. So we simply want to take this opportunity  
17 to say how important AEP is in our community, how  
18 important they are in addressing the most issues in  
19 central Ohio.

20           When you look at volunteering time,  
21   there were more than 120 volunteers who came out for  
22   Community Fair today to help address the issues we're  
23   discussing this evening, to help people improve their  
24   lives and improve the conditions in which we all

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1 live.

2           When we look at contributions, last year  
3 most of the \$1.9 million that was contributed from  
4 the employees through their organization of AEP is  
5 coming to address the issues for measurable results  
6 about how do we advocate, how do we get more people  
7 to volunteer, and how do we financially support the  
8 experts out in the communities doing the work to  
9 address the issues that are most important in central  
10 Ohio and Columbus.

11           So we want to take this opportunity to  
12 thank you. We appreciate your engagement and support  
13 in the past and appreciate your time this evening.

14           AUDIENCE PARTICIPATION: Do you want your  
15 light bill to go up \$50 a month in three years? Can  
16 you afford that?

17           MR. DAVIS: I'm here to address the  
18 support they provide.

19           EXAMINER SEE: Gentlemen, I'm sorry, if

20 you would like to speak at the end of the hearing,  
21 please go ahead. We need to continue and let the  
22 other people who have come here tonight to offer  
23 testimony go ahead and have the opportunity to give  
24 their statement.

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1 EXAMINER BOJKO: Mr. Robert Huff.

2 MR. HUFF: I will pass.

3 EXAMINER BOJKO: Betty Ann Wernet.

4 MS. WERNET: I will pass.

5 EXAMINER BOJKO: Mr. Russ Meeker.

6 Please give your name and address.

7 MR. MEEKER: Russ Meeker, 628 Bins

8 Boulevard, Columbus, Ohio.

9 - - -

10 RUSS MEEKER

11 being first duly sworn, as prescribed by law, was

12 examined and testified as follows:

13 DIRECT TESTIMONY

14 MR. MEEKER: Good evening. My partner,

15 Mary Cunningham, and I are both residents of the

16 Columbus area, and we're business owners. Our

17 company, Renewable Concepts & Design, promotes

18 renewable energy and energy efficiency.

19 We are here this evening to address two

- 20 aspects of the current AEP rate case: The
- 21 distribution and use of AEP's \$75 million shareholder
- 22 set-aside for energy efficiency and renewable energy
- 23 and streamlined customer access to net metering.
- 24 In 1934 AEP President George Tidd said:

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1 "We are citizens of each community we serve and take  
2 an active part in its affairs. Like any other  
3 citizen, we want our neighbors to think well of us.  
4 We prosper only as the community prospers, so we help  
5 it thrive in every way we can."

6       We would like to acknowledge and thank  
7 AEP of Ohio for their continued commitment to the  
8 community and environment as demonstrated by: The  
9 2000 Outstanding Environmental Education Program  
10 Award from the Environmental Education Council of  
11 Ohio; the 2003, 2004, 2005 Advocacy Excellence Award  
12 from the Edison Electric Institute; the 2005 EPA  
13 Climate Protection Award; the 2006 Community Service  
14 Award from the American Council of the Blind of Ohio;  
15 and most recently their support of the 2008 Hilltop  
16 Green Summit this month. These are just a few  
17 examples of the recognition that AEP has received  
18 over the years from various organizations.

19       AEP also has shown strong support of

20 energy awareness in education demonstrated by the  
21 development and implementation of "Learning From  
22 Light" and "Learning From Wind," environmental  
23 education programs. Their support is also shown by  
24 support of "Watts On Schools" and "Ohio Schools Going

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1 Solar." Through these programs AEP partners with  
2 learning institutions to install 1 kW solar sheet  
3 voltaic systems.

4 We at Renewable Concepts & Design commend  
5 you for your community, environmental and educational  
6 efforts. Again, as Tidd said, "Besides, it makes  
7 good business sense. We prosper only as the  
8 community prospers so we help it thrive in every way  
9 we can."

10 We suggest that AEP continue its  
11 leadership role in advancing renewable energy sources  
12 to help meet our energy needs, both within their  
13 service areas and in the whole state of Ohio. This  
14 leadership would mean good green jobs and economic  
15 growth.

16 In response to Ohio House Bill 221, AEP  
17 is seeking to purchase up to 300 megawatts of  
18 renewable energy by 2010 and would also provide  
19 \$75 million in shareholder funds over three years to

20 support programs for low-income customers, economic  
21 development, energy efficiency, and the installation  
22 of renewable energy systems.

23 Renewable Concepts & Design proposes that  
24 AEP commits to providing a portion of this set-aside

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1 to install renewable energy systems. At this point  
2 the primary barrier to the installation of renewable  
3 energy systems is the up-front cost. We suggest AEP  
4 allocate a portion of these \$75 million for customer  
5 assistance in the amount of 25 percent of their down  
6 payment cost for a lease-to-own, rent-to-own, or  
7 rental systems.

8 This investment would provide a  
9 tremendous boost to customers and the implementation  
10 of renewable energy. In addition, this initiative  
11 would increase AEP's renewable energy contribution  
12 towards Ohio's advanced energy standard.

13 In keeping with the spirit of Ohio Senate  
14 Bill 3, Renewable Concepts & Design is seeking AEP's  
15 assistance to eliminate the legal and regulatory  
16 barriers to advancing renewable energy. On the AEP's  
17 website under Corporate citizenship the following  
18 statement is made: "Small to midsize renewable  
19 energy sources are relatively easy to tie into a

20 customer's facility or the distribution."

21 We call on AEP to provide streamlined

22 opportunities for equal access to the promise of the

23 emerging green economy as Ohio reinvents itself.

24 Let's take advantage of and utilize Ohio's strengths

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1 in manufacturing, innovation, and research facilities  
2 to advance renewable energy for good green jobs and  
3 economic growth throughout Ohio, in both urban and  
4 rural markets.

5 Thank you for the opportunity to add this  
6 testimony tonight regarding American Electric Power's  
7 electric security plan. Thanks very much.

8 EXAMINER BOJKO: Mr. Mark Harville.

9 Please proceed and give your name and  
10 address.

11 MR. HARVILLE: Mark Harville, 3264 Fisher  
12 Road, Columbus, Ohio 43204.

13 - - -

14 MARK HARVILLE

15 being first duly sworn, as prescribed by law, was  
16 examined and testified as follows:

17 DIRECT TESTIMONY

18 MR. HARVILLE : Ms. Fergus, Ms. Bojko,  
19 Ms. See, thank you for the opportunity to speak at

20 this evening's hearing. I like this tee shirt that

21 says "Everything Solar." I think it has a lot of

22 impact.

23 I'll be very succinct and straight to the

24 point, even though it takes an hour and half for me

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1 to watch 60 Minutes.

2 I'm a 13-year public Ohio employee for a  
3 state governmental agency, and I was infuriated when  
4 I was made aware of this 45 percent rate increase  
5 that American Electric Power is attempting to push  
6 onto its consumers. Bear in mind I work in a public  
7 capacity. I did today just exactly like I did for  
8 the last 13 years. I am familiar with government. I  
9 am familiar with the PUCO process, not the authority  
10 one. But I would like to ask you three a rhetorical  
11 question. When was the last time that you three,  
12 probably just like myself, I bet you haven't had a  
13 15 percent raise in one year in a long time.

14 In the same manner I would ask everyone  
15 in the audience, when was the last time? Let me see  
16 a hand, anybody that had a 15 percent raise last  
17 year, and I'm not picking on the attorneys in the  
18 room. Except for the attorneys, okay.

19 Our past two governors going back

20 actually quite a long time before I was in the public  
21 service came up with the simple phrase: Do more with  
22 less. I lived with that as a part of my life five  
23 days a week for the last 13 years. I would implore  
24 AEP to even scratch at this concept. If they would

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1 scratch at this concept, maybe 15 percent per year  
2 for three years would not be what they feel would be  
3 reasonable.

4 As far as the corporate structure goes,  
5 every state agency straight across board, Governor  
6 Strickland: Trim-trim-trim. What's wrong with the  
7 CEO of AEP telling all his departments to do the same  
8 thing while maintaining federal and state compliance?

9 This burden that they want to create  
10 should not be passed on to the consumers. In reading  
11 the literature that was handed out when I walked in,  
12 I saw I think it was on the blue sheet of paper, it  
13 said \$75 million over three years to benefit low  
14 income, economic development, and energy efficiency  
15 renewable energy systems.

16 In this day and age I think the most  
17 important category out of all is the low-income  
18 aspect in the sector of this society, and I'm damn  
19 sure I'm not expecting to see \$75 million going to

20 that sector that they have described. There's no  
21 guarantee how this is going to be used, and  
22 furthermore, these adverse effects of this  
23 45 percent, we haven't even talked about fixed  
24 income, seniors, middle class. I've talked about the

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1 lower-income folks.

2           And within the last couple of weeks on  
3 a Sunday night talking about the seniors for a  
4 minute, I saw one of the reporters comment on that  
5 social security is going to see its biggest increase,  
6 four or five percent, not 15 percent, and I'm darn  
7 sure not 15 percent over three years. The seniors in  
8 this community that get service by AEP will be lucky  
9 if they see their social security checks go up five  
10 percent for three years. The last time I did math,  
11 45 percent even at an assumed five percent increase,  
12 doesn't equal 45 percent; it equals being the whole  
13 greater than what a lot of the citizens in the  
14 community already are. I, for one, have got stable  
15 employment, which I'm thankful for, but my raise will  
16 not be 15 percent this year.

17           In closing comment, one of the greatest  
18 things that is going to be taxing the community is  
19 the retirement of our baby boomers. Madam

20 Commissioner, if the PUCO allows this 15 percent over  
21 three years to go through -- I'm saying this as a  
22 private citizen, not as a public employee. Everybody  
23 get that little paper when they came in? I would  
24 draw your attention to the first bullet point about

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1 the PUCO, and I quote: "The state agency charged  
2 with assuring all our residential and consumers  
3 access to adequate, safe, reliable utility services  
4 at fair prices while facilitating an environment that  
5 provides competitive choices."

6 Madam Chairman, I would assume this  
7 probably goes probably towards maybe intertwined with  
8 a mission statement. The approval of 15 percent over  
9 three years for a total of 45 in my opinion, and  
10 solely my opinion, does not constitute utility  
11 services at a fair price.

12 Thank you.

13 EXAMINER BOJKO: J. R. Haller.

14 Please state your name and address.

15 PARTICIPANT: J. R. Haller. I reside in  
16 Upper Arlington, 4235 Oxford Drive, right next to  
17 Coach Tressel. I won't probably name drop him as  
18 much as I usually do.

19 - - -

20 J. R. HALLER

21 being first duly sworn, as prescribed by law, was

22 examined and testified as follows:

23 DIRECT TESTIMONY

24 MR. HALLER: Most of you have seen the

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1 newspapers out there. I know a lot of you have them  
2 there, and I got a kick out of a lot of them. One of  
3 the things, "Utility Shutoffs Hitting Home," I  
4 underlined the "electricity" with yellow because most  
5 of the people I talked to aren't aware that you're  
6 not going to have any heat when your electric goes  
7 off. Most of you here probably know that, when the  
8 electric goes off, you don't have a blower in your  
9 motor. A lot of people don't know that. You're not  
10 going to have any heat. I hate to bust your bubble  
11 for a few of you, but you're not going to have any  
12 heat. So you have twofold, you have gas and  
13 electric. So it's very important. Electricity we  
14 got is an unbelievable necessity.

15       The one article I pulled out here  
16 especially was the quote that I got out of the  
17 Wednesday's edition last week that's got the AEP  
18 spokeswoman, Terri Flora. Is she here tonight? That  
19 would be you?

20           This is addressed to you. It says: "We  
21 are hearing what we knew we'd hear," said AEP  
22 spokeswoman, Terri Flora.

23           Well, I don't know if you heard this yet  
24 or not, but the Canadians that came down that set up

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1 our neighborhood over in Arlington with the electric,  
2 it's a Canadian outfit that helped AEP. They brought  
3 in subcontractors to get the electricity back on,  
4 slammed AEP pretty hard, and I'd like to have the  
5 Public Utilities Commission check into that, call  
6 some of them. It's the one that did the work in our  
7 area, 4235 Oxford Drive.

8       There was about four trucks there when I  
9 came back from the Ohio State game that day, and I  
10 thought it was AEP, and I was going to tie into them.  
11 I looked at the side of the trucks and it had funny  
12 markings on it. I said: I don't know what's up on  
13 this. I went over and I shook the guy's hand and I  
14 said: Where are you guys from? He said: We're from  
15 Canada. And I said: Well, I'll shake your hand. I  
16 said: It's a good thing you're not from American  
17 Electric Power because I would have castigated you.

18       I said "castigated," people. I didn't  
19 say "castrated."

20           Well, I'm telling you he told me, he  
21   said: Son -- he called me son. I'm retired and he  
22   called me son. He said: We are down here doing a  
23   job. He says: It's unbelievable, the maintenance  
24   program that these people have down here.

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1           These were electricians from Canada now  
2   telling us about how bad our maintenance program was  
3   here trimming the trees. Now, along the main roads  
4   you can see it's pretty well trimmed. That's what  
5   you can see as you drive by. Go back in the  
6   alleyways and the byways and see how it's trimmed  
7   back there.

8           And I would invite the Public Utilities  
9   Commission tonight to come where we live between  
10   Tressel and my place, the whole corridor back there  
11   where they trimmed out, where we have had numerous  
12   outages. Heck, I went out and bought a whole house  
13   generator a couple years ago after the ice storm  
14   because I didn't want to go through anymore of that.

15           And thank God we had it, but most of my  
16   neighbors lost all the food in their icebox. They  
17   lost all the food in one day in the icebox. The  
18   freezers were full of meat, everything gone,  
19   thousands of dollars. We were very fortunate. We

20 were one of them that had a generator that we could

21 at least hook it up.

22 I tried to get a generator for my

23 neighbor across the street, and he said: J. R., I

24 thank you for it, but, he said: Son, I can't use it.

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1 I've lost everything now. What good is it going to  
2 do to fire up a gas generator just to load my icebox  
3 up again? The damage is done.

4 I guess what it boils down to is that  
5 American Electric Power thinks a lot of themselves to  
6 pay a guy that kind of money. I mean I don't know  
7 what -- is this corporate greed or what? Is this  
8 corporate greed? I think the next president needs to  
9 look into this. The next president needs to look  
10 into AEP on corporate greed. \$19 million  
11 compensation for a guy in an ivory tower down there.  
12 That's unbelievable. \$1.1 billion last year in  
13 earnings, and they're coming back to us .

14 Now, I was a salesman. That's how I made  
15 my money over the years, and I think to be truthful,  
16 I think that what AEP wants is about five percent and  
17 asked high to try and get the low figure. I really  
18 think that's the truth. They can't be -- they can't  
19 be asking 15 percent all this time, three years in a

20 row. They can't be doing it. They're asking high to  
21 get low. Don't you agree with that? I believe that,  
22 absolutely do.

23 And even five percent is too much I think  
24 with the money they're making and the times we're in

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1 right now. It's too much. I'm going to preach a  
2 little bit longer, and then I'm going to let it go.

3 I'll tell you what, I'm retired now. I  
4 have three grandchildren I adopted, and times are  
5 hard. I'm having a hard time myself. I have 70  
6 rental properties that my wife and I have. We own  
7 them. And I'm here to speak to the landlords  
8 tonight. Are there any landlords here tonight? Not  
9 many. Well, the landlords are suffering -- there,  
10 you got a couple.

11 The units I've got, I'm with the  
12 gentleman over here. I'm in Mile Grove here. I have  
13 some units in the university. I'm an Ohio State  
14 graduate by the way. The whole east side of the city  
15 over at the university are suffering. It's festering  
16 like a boil.

17 Now they're taking it back. I rent to a  
18 lot of women. Most of my rentals are women with  
19 small children. I have 30 Section 8 and so lower

20 income and I have some regular occupancy. We have

21 done very well with them, but it's a constant battle.

22 These people can't tolerate a 15 percent increase.

23 It's going to be hard just for five percent.

24 And one thing I want to ask the Public

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1 Utilities Commission tonight is to ask AEP to do is  
2 come out with a new box that will keep people from  
3 tampering with it. They peel these boxes back like a  
4 sardine can. They come out, AEP will put a lock on  
5 them, and I got three of them like that going on now.  
6 I just put one woman under eviction for doing it  
7 because I'm the one that's got to pay for the box  
8 when they come out and turn the women's electricity  
9 off and take this whole box. They'll take the meter  
10 and all. But you can peel these boxes back. They  
11 got to come out, the money they're making, with a  
12 theft-proof box that they can't tamper with, not to  
13 mention killing themselves.

14         We had electric power on one of our units  
15 that he peeled the box back. We lost electric power  
16 on one of our units where the guy tried to pry it  
17 back and blew the electricity out for the whole  
18 building. It cost us \$3,000 to get the electric  
19 installed with a licensed electrician, which AEP

20 requires because they get in there and tamper with  
21 those boxes. So I would ask them to come up with a  
22 theft-proof box to avoid that issue.

23 The generator I bought, I bought it one  
24 year same as cash, \$8,000. Thank God I had it

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1 because I saved my food. I had both my iceboxes. I  
2 still had to boil my coffee in the restroom. It's a  
3 whole house but when you have a bigger house, you can  
4 only get part of it to work. Tressel, the football  
5 coach, got the same problem so we're in the same boat  
6 together.

7 I took my generators out to people that  
8 had freezers. I had some small ones because I have a  
9 business and I can afford to loan them out with so  
10 many people losing all their food. I hate to figure  
11 the thousands and thousands of dollars in lost food,  
12 especially for the lower income that had to supply  
13 themselves and didn't get a repeat on it from the  
14 government.

15 The one thing where I heard this story  
16 from the Canadians, that they were really slamming  
17 AEP for the amount of maintenance done on this work  
18 down here in Ohio. They couldn't believe it. And I  
19 thought, man, this is pretty good stuff because you

20 don't get this secondhand. I just happened to get  
21 it, you know, secondhand. But since we're right here  
22 and testifying like a jury trial tonight, I was asked  
23 to testify, I thought I'd just talk. I would ask  
24 like a judge would do with a jury, being the PUCO,

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1 and invite you out to the crime scene to show you the  
2 area I'm talking about where they have actually  
3 trimmed out the wires now and it still isn't very  
4 good. The next storm we will go down again.

5 They spent all day about seven months ago  
6 trimming them out, shut the electric off for a whole  
7 day and trimmed it out and it's still not very good.  
8 That's the orange and green truck, Asplundh, or  
9 however you pronounce that that comes out and does  
10 the work for them. I would invite you out to the  
11 crime scene like a judge to a jury to see what I'm  
12 talking about and know what I'm talking about  
13 tonight.

14 Thank you.

15 EXAMINER BOJKO: Mr. Seth Porter.

16 State and spell your name please.

17 MR. PORTER: Seth Porter, 2627 North  
18 Fourth Street, Columbus, Ohio, 43200.

19 - - -

20                    SETH PORTER

21    being first duly sworn, as prescribed by law, was

22    examined and testified as follows:

23                    DIRECT TESTIMONY

24            MR. PORTER: My name is Seth Porter. I

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1 grew up in south central Ohio. I graduated from Ohio  
2 State. I purchased a home in Columbus three years  
3 ago. I plan to remain in Columbus. My reason for  
4 being here today is to express my outrage that AEP  
5 would even consider a 45 percent increase over three  
6 years of our electric bills.

7 Private firms are operating in this  
8 economy with tightening budgets, shrinking margins,  
9 and lower profits. My employer imposed a hiring  
10 freeze and eliminated all bonuses. We're looking at  
11 times right now that are tough everywhere across the  
12 board, and it's the public utility monopoly alone  
13 that is even making the idea of a 45 percent increase  
14 possible, and I think it's disgusting.

15 If AEP has the money to give \$20 million  
16 to its CEO and \$10 million to Mayor Coleman's park  
17 downtown, I think it has room in its budget to trim  
18 some fat and withdraw the plan to raise our rates by  
19 45 percent.

20           Don't allow the monopoly to cripple our  
21   economy worse than it already has. Vote against the  
22   rate increase, Commissioners.  
23           That's all I have.  
24           EXAMINER BOJKO: Mr. Richard Chaney.

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1 MR. CHANEY: I'll pass.

2 EXAMINER BOJKO: Mr. Dave Martin.

3 State your name and address.

4 MR. MARTIN: Dave Martin, 5092 Cemetery  
5 Road, Hilliard.

6 - - -

7 DAVE MARTIN

8 being first duly sworn, as prescribed by law, was

9 examined and testified as follows:

10 DIRECT TESTIMONY

11 MR. MARTIN: Well, I don't really have a  
12 script, and I hopefully I'll be talking loud enough  
13 that everyone can hear me but I'll try to fill in in  
14 points that I don't think have been covered. It's a  
15 little bit of an education type process.

16 I consider myself one of the leading  
17 experts from the average Joe citizenry. I followed  
18 this issue for about 12 or 15 years. And back when  
19 they were proposing the deregulation law of 1999, I

20 was actually a guest on ONN's Look Who's Talking

21 show.

22 I have a little bit of background in

23 what's going on. And at that particular time I

24 thought that deregulation of the utilities that is

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1 going on all over this country is the biggest con,  
2 the biggest scam, the biggest consumer ripoff in the  
3 history of the country, and all you need to do is  
4 mention Enron. Does anyone remember Enron? That was  
5 all about the deregulation of the utilities in this  
6 country.

7 Now, speaking as far as Ohio goes, it's  
8 been a complete joke what has gone on, and I don't  
9 have to mention to anybody what has gone on with your  
10 natural gas price increases over a number of years  
11 since that's been deregulated.

12 Now, I guess the biggest point I want to  
13 make about the electricity is that this is not just a  
14 15 percent increase; this is actually 52 percent over  
15 three years with the added caveats in here because  
16 according to this flyer here from the OCC, that it  
17 also gives them the right to pass on all these added  
18 increases that will be put on with interest now.

19 It says: Beginning in 2012 AEP's plan

20 also seeks to recover costs from customers for a  
21 number of different caveats, which is a bunch of  
22 gobblity-gook really. But the bottom line is this,  
23 that they're going to keep on imposing massive  
24 increases on our bills over and over again, and

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1 believe me when I say this, the PUCO is not our  
2 friends. They're nothing more than the lap dogs of  
3 the big utilities. And the problem that I have is  
4 that this media is not doing a proper job covering  
5 what is going on.

6 And I heard, you know, it's already been  
7 talked about, our reliability. Well, I guess that's  
8 been called into question over the last couple of  
9 years and just a month or two ago. And as far as the  
10 lack of maintenance, I think it's well documented  
11 that when they put in deregulation, one of the things  
12 they took off was safeguards, anybody keeping an eye  
13 on this maintenance being performed, which we are  
14 finding out firsthand this maintenance has not been  
15 performed. They have not upgraded the equipment.

16 Well, it says in here they're going to  
17 upgrade the equipment. But guess who is going to pay  
18 for it? We're going to pay for it because it's going  
19 to be an added increase on our bills. So I guess my

20 biggest point is that 15 percent is completely out of  
21 the question. I really don't know if they need any  
22 increase seeing how they got millions and millions of  
23 dollars to spend on stupid advertisements in the  
24 local newspapers, on the local radios, on the

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1 television, et cetera, et cetera.

2 So the bottom line is they don't need any  
3 more money. It's time that the consumers get a  
4 break, and I guess that's all I got to say.

5 EXAMINER BOJKO: Mr. John Burke.

6 State your name and address for the  
7 record, please.

8 MR. BURKE: John Burke, 3110 Brookwood  
9 Drive, Portsmouth, Ohio.

10 - - -

11 JOHN BURKE

12 being first duly sworn, as prescribed by law, was  
13 examined and testified as follows:

14 DIRECT TESTIMONY

15 MR. BURKE: It's very difficult to follow  
16 that speaker that was just up here, and I'm a little  
17 bit different than the other presenters here this  
18 evening. I own an industrial company down in  
19 Portsmouth, Ohio, and it's kind of interesting, you

20 know, that the bread and butter product that we have  
21 is industrial and commercial heat pumps, which is a  
22 favorite with AEP. That dovetails right into our  
23 business, and that's been a real winner with us so we  
24 wish them great success.

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1           Now, let me address the 15 percent  
2 increase. You're exactly right, sir, that compounded  
3 to us that represents 52 percent, not 45 percent.  
4 Our company uses an aggregate of about \$4 million of  
5 electricity a year so by 2011 we're going to be  
6 paying 6 million bucks for electricity.

7           And I'll just read you some comments we  
8 got from one of our customers about a 1.8 percent  
9 increase, and what these are the first sentences of  
10 five consecutive paragraphs written to me as a  
11 company president. And they read as follows: We  
12 find your price increase of 1.8 percent most  
13 disturbing. Our company is not in a position to  
14 grant any -- emphasis on "any" -- increases for  
15 2009. As you know, the entire industry is down due  
16 to housing and there is no relief in sight. Based on  
17 input from our management team, any increase from a  
18 supplier must be market tested to ensure viability of  
19 the request.

20           And finally: Over the last several  
21 months we have been contacted by several other  
22 suppliers looking for additional work with many  
23 stating that they are producing at 60 percent of  
24 capacity. We both know that the blanket solicitation

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1 will be well -- there will be a well qualified  
2 competitor willing to take the work that will have a  
3 positive result for our company.

4 Recognize again what happens to us. Half  
5 of that increase that we're putting through is due to  
6 increases in our energy costs. I think you can just  
7 imagine, you know, the hysteria and push-back that  
8 we're going to get when we try to pass on these  
9 15 percent annual increases for 52 percent interest  
10 compounded over three years.

11 I'd like to thank the Commission, and I  
12 plan to submit written comments through the mail.

13 Thank you.

14 EXAMINER BOJKO: Mr. Richard Tressler.

15 MR. TRESSLER: Pass.

16 EXAMINER BOJKO: Mr. Russ Murray.

17 I will put someone on deck so that they  
18 can be prepared. Ms. Erin Miller.

19 Please state your name and address for

20 the record.

21 MR. MURRAY: My name is Russ Murray, 2969

22 Scioto Place, Columbus, Ohio 43221.

23 - - -

24

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1                   RUSS MURRAY

2   being first duly sworn, as prescribed by law, was  
3   examined and testified as follows:

4                   DIRECT TESTIMONY

5           MR. MURRAY: Good evening. My name is  
6   Russ Murray, and I'm the executive director of the  
7   Ohio Cast Metals Association. Although it is not  
8   well-known, the Ohio metal casting industry is one of  
9   the largest in the United States. The Ohio Cast  
10   Metals Association represents Ohio metal casting  
11   facilities, also called foundries, and their many  
12   suppliers throughout the state of Ohio, and our job  
13   is to try and protect and preserve our industry.

14           Approximately 22,000 men and women are  
15   employed in our industry in manufacturing jobs that  
16   pay good wages with generally full benefit packages,  
17   including health insurance programs.

18           However, when I assumed this position in  
19   1992 more than 40,000 individuals were employed by

20 this industry. During that 2002-2001 recession, OCMA  
21 lost approximately 25 percent of its membership  
22 through bankruptcies and closures. We can only hope  
23 that we are better prepared for the coming recession.

24 I appear at today's public hearing as a

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1 result of our significant interest in issues that  
2 affect the price and availability of electricity for  
3 Ohio metal casting facilities. More specifically, I  
4 am here to convey our concerns relative to the  
5 Electric Security Plan that has been filed by the  
6 American Electric Power that if approved by the PUCO  
7 would establish the framework under which rates will  
8 be set for the next three years.

9       AEP's plans, everybody knows, is  
10 15 percent per year compounded to 52 percent over the  
11 three-year period. Given the state of Ohio's economy  
12 and the potential impact these rate increases would  
13 have upon Ohio manufacturers, including metal  
14 casters, these proposed increases are incredible.

15       Perhaps some comparisons between AEP and  
16 Ohio metal casters would be edifying. AEP is a  
17 monopoly regulated by the PUCO and virtually  
18 risk-free profit on their return to cap. Most people  
19 that get risk-free investments get it at two or three

20 percent. AEP and other utilities like them are  
21 closer to 10 or 12 percent on their capital, and it's  
22 risk-free.

23 The Ohio metal casters on the other hand  
24 is private, often family owned, like John's business,

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1 in an extremely competitive marketplace with profits  
2 in good times generally less than five percent. In  
3 bad times, you're lucky to get five or one or two  
4 percent.

5 AEP proposes a 15 percent increase every  
6 year for the next three years after receiving  
7 7 percent plus increases for the last four years.  
8 Ohio metal casters, as John pointed out, with  
9 competition from China and India creates great  
10 difficulty in increasing prices by a minimal amount,  
11 in his case, 1.8 percent.

12 AEP is able to pass on their various  
13 costs of regulation, fuel, raw materials, et cetera  
14 to consumers, especially if the increases jeopardize  
15 AEP's ability to meet their target profit levels.

16 Unfortunately, Ohio metal casters subject  
17 to increased costs for raw materials, fuel, wages,  
18 health insurance are not able to pass those costs on  
19 without extreme difficulty. Historically public

20 utilities are granted monopoly status and guaranteed  
21 a reasonable rate of return risk-free because it was  
22 perceived to be in the public interest. It is  
23 unfathomable to perceive a public interest that  
24 allows AEP to raise its rate by 15 percent per year

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1 for the next three years that would create 50 percent  
2 higher costs for Ohio metal casters and other Ohio  
3 manufacturers that would endanger their  
4 profitability, if not their viability, and endanger  
5 the many tens of thousands of jobs that could be lost  
6 if these proposed increases are allowed to stand.

7 Thank you.

8 EXAMINER BOJKO: Ms. Erin Miller.

9 Please state your name and address.

10 MS. MILLER: Erin Miller, 36 Grandview  
11 Place West, Westerville, Ohio 43081.

12 - - -

13 ERIN MILLER

14 being first duly sworn, as prescribed by law, was  
15 examined and testified as follows:

16 DIRECT TESTIMONY

17 MS. MILLER: Good evening. Can you hear  
18 me in the back? I will try to speak loudly here.

19 My name is Erin Miller. I am the

20 director of the Center for Energy & Environment at  
21 the Mid-Ohio Regional Planning Commission, and I am  
22 testifying on behalf of the Mid-Ohio Regional  
23 Planning Commission this evening.  
24 MORPC, Mid-Ohio Regional Planning

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1 Commission, and the Center for Energy & Environment  
2 at MORPC support the rules as presented for  
3 implementation of Senate Bill 221 advanced energy and  
4 energy efficiency provisions. These provisions  
5 directly support a major goal of MORPC's public  
6 policy agenda shaped by members of the Central Ohio  
7 Regional Policy Roundtable, which is group of diverse  
8 interests and representation throughout the 12-county  
9 region of central Ohio.

10 Our adopted goal is to promote energy  
11 efficiency and conservation as well as renewable and  
12 alternative energy. The implementation of energy  
13 efficiency measures are an important strategy to  
14 reduce greenhouse gas emissions and achieve air  
15 quality attainment for central Ohio, of which we are  
16 in nonattainment for air quality which hurts  
17 businesses and our health and everyone else, so this  
18 is one step to get us there.

19 AEP's proposal includes energy efficiency

20 measures and programs that will help consumers lower  
21 our bills in the long run. They plan to launch a  
22 highly visible energy efficiency program, including  
23 deployment of advanced technologies such as smart  
24 meters to help Ohio families save money; establish an

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1 energy efficiency collaborative, which we are serving  
2 on which will involve diverse stakeholders to assist  
3 AEP-Ohio in the speedy development and deployment of  
4 these efficiency programs.

5       We look forward to supporting the efforts  
6 of all involved in assisting AEP in the development  
7 their energy efficiency program. Recently we served  
8 on a similar program development team for Columbia  
9 Gas of Ohio. We have worked with Columbia Gas of  
10 Ohio to implement their Warm Choice Program for over  
11 20 years of which through that program we provided a  
12 wide range of energy efficiency services to  
13 low-income residents throughout Franklin County.

14       In the interest of complete coverage of  
15 the target population which has been set, the low  
16 income and middle income population, and eliminate  
17 redundant and overlapping actions, MORPC strongly  
18 believes it is imperative that all electric and gas  
19 utilities collaborate and be a partner in their

20 energy efficiency programs.

21           Lastly, as a nonprofit and a government

22 entity, MORPC understands the ramifications of AEP's

23 proposed rate increase. However, a note worth

24 addressing is that it is realistic for our energy

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1 rates to begin to increase due to the worldwide  
2 demand for increased energy fuel such as coal is  
3 affecting us here in Ohio. In China they're building  
4 a power plant a week and using all the coal reserves  
5 that we have been shipping coal over to China and  
6 India by the bushel load.

7       So we as a community I think need to  
8 acknowledge the era of cheap energy that we have  
9 enjoyed in the past is likely over because of  
10 worldwide demand, but if we strongly tie energy  
11 efficiency programs to AEP's plan, it is going to  
12 benefit everybody in the long run. We really need to  
13 invest in our aging electric infrastructure and in  
14 energy efficiency programs. This will spur new green  
15 jobs, increase efficiency and reliability of the  
16 delivery system for our electricity, and improve the  
17 economic and competitive advantage of our region and  
18 our state.

19       Thank you.

20 EXAMINER BOJKO: Jeff Wolf.

21 Ms. Angela Kypriotis will be next.

22 Your name and address.

23 MR. WOLF: Jeff Wolf, 3315 Scioto Run

24 Boulevard, Columbus, 43026.

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1                   - - -

2                   JEFF WOLF

3   being first duly sworn, as prescribed by law, was  
4   examined and testified as follows:

5                   DIRECT TESTIMONY

6           MR. WOLF: Good evening. My name is Jeff  
7   Wolf. I'm president of the Ohio Foundation of  
8   Independent Colleges, and I'm here to recognize the  
9   corporate citizenship of American Electric Power.  
10   I'm not here to take a stand on the position for or  
11   against.

12           The Ohio Foundation of Independent  
13   Colleges or OFIC is a nonprofit organization  
14   representing 34 of Ohio's independent liberal arts  
15   colleges and universities. In Franklin County those  
16   member colleges with main campuses include Capital  
17   University, Franklin University, Ohio Dominican  
18   University, and Otterbein College.

19           OFIC is one of the largest providers of

20 need-based scholarships for Ohioans attending our  
21 member institutions, thanks to the generosity of  
22 companies such as AEP. For the past 56 years AEP has  
23 been generously supporting our mission to assist Ohio  
24 citizens in attaining a college education. Few

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1 issues are more critical than the education of our  
2 youth.

3 Out of every ten students who start high  
4 school in Ohio fewer than 3 will earn a post  
5 secondary degree within ten years. In addition to  
6 its financial support, AEP has also provided our  
7 organization with strong volunteer leadership. This  
8 includes the involvement of AEP executives on our  
9 board of trustees as well as the involvement of AEP  
10 employees in our annual campaign.

11 However, AEP's corporate citizenship goes  
12 well beyond our organization. AEP and its employees  
13 have been major supporters of the United Way, as was  
14 stated earlier, Operation Feed and the Salvation Army  
15 in addition to numerous other nonprofit organizations  
16 focused on issues such as the environment, the arts,  
17 housing, safety, and basic health and human service  
18 needs.

19 AEP's corporate citizenship is being

- 20 publicly recognized by the Association of Fundraising
- 21 Professionals in November as part of National
- 22 Philanthropy Day. At this event AEP will receive the
- 23 Outstanding Large Corporation award for its
- 24 "commitment, leadership and philanthropy to the

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1 central Ohio community and state of Ohio."

2 In closing, AEP-Ohio and the state of  
3 Ohio is indeed fortunate to have a corporate citizen  
4 as community-minded as AEP.

5 Thank you.

6 EXAMINER BOJKO: Mr. Rod Bodwalh on deck.

7 MS. KYPRIOTIS: Angela Kypriotis, 14 West  
8 Lakeview Avenue, Columbus, Ohio, 43202.

9 - - -

10 ANGELA KYPRIOTIS

11 being first duly sworn, as prescribed by law, was  
12 examined and testified as follows:

13 DIRECT TESTIMONY

14 MS. KYPRIOTIS: Hi. I'm Angela  
15 Kypriotis, and I'm a social worker and associate  
16 director of the Clintonville B12 Community Resources  
17 Center right down the street from here. I'm here  
18 tonight to speak on behalf of the thousands of  
19 clients that we serve every year.

20           People have a misconception about  
21   Clintonville, and I'm here mainly to talk about the  
22   poor and underserved and the impoverished that we  
23   serve every day in our center. There actually are  
24   people that are poor living in Clintonville. We

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1 cover an area from Hudson all the way up to  
2 Worthington, including North Broadway Boulevard. Not  
3 everyone is on North Broadway. Not everyone can  
4 afford their electricity.

5 We have 45 percent renters in this  
6 neighborhood, in 43214. From North Broadway all the  
7 way up to Worthington has the highest percentage of  
8 seniors in Franklin County. This past year our food  
9 pantry served 1,076 households and 2,196 individuals  
10 living in poverty. Many do have jobs. Many are  
11 disabled. Many suffer from mental illness. They  
12 struggle every month to make ends meet.

13 We often tell folks to use the pantry  
14 instead of buying groceries so they can pay their  
15 utilities. It's easier for us to give people food  
16 than give them money to pay their utilities.

17 We traveled into the homes of over 300  
18 seniors this year, most whom live on social security  
19 alone. Those on social security and others

20 struggling financially have to make choices: Do I

21 eat? Do I keep the heat on?

22 I spoke to one senior the other day who

23 said he can't turn his heat on until the HEAP program

24 kicks in because he can't afford it. That starts on

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1 November 1. It snowed today. He said he will only  
2 turn it on once in the morning for an hour and once  
3 at night for an hour to keep the pipes from freezing.  
4 I think someone earlier mentioned that sometimes if  
5 you have gas heat your blower does not work. Those  
6 two things go together.

7       These folks cannot afford a 15 percent  
8 increase each year for three years. If the cost of a  
9 gallon of milk would increase 45 percent in three  
10 years, we would all be outraged.

11       In closing I hope you will consider the  
12 needs of our families with children and our seniors  
13 who struggle more than anyone. I hope you will  
14 consider other ways -- I hope AEP will consider other  
15 ways to make costs stretch out over a longer period  
16 of time. I support some of the previous testimony  
17 about how they can make cuts in other areas, and,  
18 obviously, we all know that none of us are getting  
19 raises.

20           Our families that we service at CRC  
21   aren't getting raises. Many of them are losing their  
22   jobs. The Chrysler plant closed down in Ohio. We  
23   have lots of families here who actually are working  
24   and still come to the food pantry for food, and we

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1 want their utilities to remain on. We know that some  
2 of them are the most high-risk folks who live in our  
3 neighborhood who we don't want to have to go without  
4 things, things like heat and power.

5 So that's it. Thank you.

6 EXAMINER BOJKO: Please state your name  
7 and address.

8 MR. BODWALH: My name is Rod Bodwalh. I  
9 live at 580 East Whittier.

10 - - -

11 ROD BODWALH

12 being first duly sworn, as prescribed by law, was  
13 examined and testified as follows:

14 DIRECT TESTIMONY

15 MR. BODWALH: I am a couch potato. Ask  
16 any of my friends, I am a lazy son of a gun, but when  
17 I saw this in the paper and the raises they want, I  
18 hit the ceiling, just like anybody else.

19 Do you know that AEP has a flight

20 department at Port Columbus at the Lane facility.

21 What did they need three jet airplanes for? I

22 finally figured it out. They made a billion dollars

23 in profit. The CEO is making -- I'm glad you're

24 sitting down -- \$1.5 million a month. So if you're

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1 making that kind of jack, you need a jet airplane to  
2 taxi your butt around the country and spread the  
3 wealth, right? I mean, how else are you going the  
4 spend that kind of money if you make 1.5 a month?

5 According to the fiscal statement they're  
6 making \$1.1 billion a year -- a year. What they  
7 really need to do is roll back the rates, not  
8 forward, because they're making plenty of money.

9 I thought of this while I was sitting  
10 back there. You know, who do they think they are, an  
11 oil company or something? Is that enough money?  
12 Cripes. They need to do what all of us are doing,  
13 tighten their belts - now; not three months from now  
14 and all that, now. We're doing it. They need to do  
15 it.

16 And let's not forget, you know, I hear  
17 all these accolades about their generosity. Who is  
18 AEP? Is it the CEO and his executives? All those  
19 executives 23 total, they make 36 million. Is that

20 enough? AEP is each and every one of you. You're  
21 paying for their generosity. He's not. He's on an  
22 airplane headed to Florida, toes in the sand. He's  
23 not paying for it. You are. You are AEP's  
24 generosity.

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1 Say no to AEP's greedy ways.

2 EXAMINER BOJKO: Thank you.

3 Jan Higdon.

4 (No response.)

5 EXAMINER BOJKO: Mr. Tom Moore.

6 State your name and address, please.

7 MR. MOORE: Tom Moore, 152 Olde Mound

8 Lane.

9 - - -

10 TOM MOORE

11 being first duly sworn, as prescribed by law, was

12 examined and testified as follows:

13 DIRECT TESTIMONY

14 MR. MOORE: I will talk in bullet points

15 today because we have been here. Hopefully you can

16 hear me. I don't know why we don't have microphones

17 but let's continue.

18 Let's start out with milking the cow.

19 Ohio accounts for 32 percent of all AEP's revenue,

20 Ohio has the largest population density than any  
21 other service area. That means when they run that  
22 764-kilowatt line, they're getting their money's  
23 worth. On top of that, AEP projects that their  
24 capital costs in Ohio is going to drop about

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1 40 percent the next three years.

2 On top of this, Ohio is also the largest  
3 unregulated power company in the whole AEP umbrella.  
4 All of the other factors that they deal with  
5 state-wise are regulated. On top of that, who can  
6 say by raising our rates that they won't subsidize  
7 lower power costs for our neighboring states.

8 Where will the new-found wealth go?  
9 Chances are it won't be in Ohio. If you can see a  
10 gap of 52 going up and 42 percent going down in  
11 capital expenditures, there's a gap.

12 Creating jobs in the infrastructure, we  
13 have had three major blackouts in the past ten years.  
14 The fact of the matter is burying power lines can  
15 create jobs and strengthen their infrastructure and  
16 strengthen our economy here in Ohio so we don't have  
17 to suffer here in Ohio again.

18 On top of that, instead of \$75 million in  
19 an undefined time line, they could probably spend

20 that to create jobs for Ohioans. The fact of the  
21 matter is that AEP has been charitable in the past.  
22 I don't want to deny that, but the fact of the matter  
23 is that Ohioans don't want to be a charity case in  
24 this package.

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1           When it comes down to it, deregulation is  
2 not working at all. Ohioans have no real choice  
3 since 2000 because the AEP tariffs has chased all of  
4 the competitors away. You go to ohiochoice.com,  
5 guess what? It does not exist anymore. There is no  
6 website for us to go to to search for power. It's  
7 noncompetitive.

8           Rates have increased more than  
9 100 percent since the year 2000, and they're  
10 proposing even further rate increases. At the same  
11 time it will be difficult to keep and attract  
12 industry here in Ohio, which, once again, demand is  
13 going down and so is the population. People have to  
14 leave here just to find decent work. You know, we  
15 lost a Honda plant to Indiana. Why do you think that  
16 is? Honda loves Ohio but they need to have a  
17 regulated energy company so they can budget those big  
18 capital expenditures. If not, guess what? They're  
19 going to our neighborhood state that has it. They

20 build the plants.

21 To continue on, small business, what can

22 I say, the rate increases take effect. My

23 electricity costs in the wintertime will equal that

24 of my rent. I am a small business owner, by the way

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1 I just do retail. I have no big expenditures.

2 Losing power for days means I lost business, and I

3 can't ever get it back.

4 Do you know what I'm saying? If they

5 invested in our infrastructure, I would not have to

6 go without income. People would not have to go, you

7 know, without their food or their means of life.

8 Well, let's see, us being a small

9 business, we pay a higher rate because we have what

10 is called a peak demand charge, \$9 a kilowatt. Isn't

11 that nice. I know that individual homeowners are

12 concerned, but these businesses, they're going to get

13 whacked. And then there's no assistance for small

14 businesses to pay their utility bills, and what

15 happens, they fold up. What happens, more

16 unemployment.

17 So to continue on, in conclusion since

18 Ohio currently has the highest rates in the AEP

19 network with the lowest projected capital costs in

20 the next three years, the current proposal will be  
21 another poison pill for the Ohio economy since the  
22 2000 AEP tariffs.

23 That's it.

24 EXAMINER BOJKO: Bill Anderson, and

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1 Teresa Layne will be on deck.

2 MR. ANDERSON: I will pass. I was going  
3 to say that the 15 percent over three years is  
4 52.0875 percent.

5 EXAMINER BOJKO: Teresa Layne.

6 State your name and address.

7 MS. LAYNE: Teresa Layne, 4897 Solar  
8 Drive, Columbus Ohio, 43214.

9 - - -

10 TERESA LAYNE

11 being first duly sworn, as prescribed by law, was  
12 examined and testified as follows:

13 DIRECT TESTIMONY

14 MS. LAYNE: Good evening. And I'm not  
15 sure if there are any AEP executives here this  
16 evening. I would like the record to reflect my own  
17 personal concerns. I walked in here tonight, and I  
18 thought it was a 45 percent increase over the next  
19 three years. Now I find out it's 52 percent. Hello.

20 I guess I have a challenge for the AEP  
21 company. I'm directing this at the Board of  
22 Directors, all top management -- all top  
23 management -- all executives and the CEO. I'm going  
24 to ask you instead of taking a 15 percent raise and

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1 the 45/52 percent over the next three years and  
2 giving it to your consumers, are you human enough and  
3 loving enough and do you care enough about your  
4 fellow Ohioans to take that pay cut yourself? Do you  
5 really care that much about your fellow human beings?

6 Now, if you're not, that's okay, but I  
7 don't want you to lay off AEP workers because those  
8 are the people that go out and do your work. I'm  
9 going to ask you if you get this rate hike, and I  
10 would like the PUCO and the Commission and Ohio  
11 Counsel, I would like them to guarantee me that the  
12 CEO and the executives and the top management do not  
13 under any circumstance make one red cent in the form  
14 of bonuses, salaries, benefits, gifts, perks, stocks  
15 and bonds, corporate write-offs, golden parachutes or  
16 any other compensation now, directly, indirectly, or  
17 in delayed compensation.

18 So if you can hear me, I can't afford  
19 this. I can't afford a 15 percent hike, let alone 45

20 to 52 percent. Are you willing, CEOs, to give back

21 to your community?

22 Thank you.

23 EXAMINER BOJKO: Mr. Gary Fink.

24 State your name and address, please.

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1           MR. FINK: Gary Fink, 206 East Stanton  
2 Avenue, Columbus, 43214.

3                   - - -

4           GARY FINK

5 being first duly sworn, as prescribed by law, was  
6 examined and testified as follows:

7           DIRECT TESTIMONY

8           MR. FINK: I still don't understand why  
9 they're putting in for such a rate increase. The  
10 last two years they made over a billion dollars.  
11 They're on track this year to make over a billion  
12 dollars.

13          I heard one spokesperson make the comment  
14 that we're exporting coal to China and India.  
15 Unfortunately, China is the number one producer of  
16 coal. The US is number two. Coal prices are down  
17 15 percent in the last six weeks. The U.S. Energy  
18 Information Administration is predicting coal prices  
19 to continue to drop.

20 I understand that the electric industry  
21 uses 90 percent of the coal produced in the United  
22 States. That's fine. I'm happy that they're  
23 employing the miners. I hope AEP doesn't continue to  
24 use rise of fuel costs as one reason to raise their

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1 rates. It doesn't make sense to me that they should.

2 Reliability, as we all know, we just went  
3 through another blackout. The PUCO in 2006 found  
4 that AEP was in violation of an agreement of 2003 to  
5 improve their service reliability; ordered, not  
6 fined, but ordered AEP to earmark \$10 million to  
7 improve their service reliability. I'm sorry, I'd  
8 like to be in a business where I'm not fined but told  
9 where to send my money.

10 Now, evidently it's already been  
11 demonstrated by AEP that they will not live up to  
12 their promises. If they can't follow an agreement in  
13 2003 and increase reliability, then what says when we  
14 give them this 15 percent over the next three years  
15 they're going to own up to this, to what they promise  
16 today? As one gentleman talked from Upper Arlington  
17 about the tree trimming service, it's been noted by  
18 the PUCO that AEP is lacking in their tree trimming  
19 services and in the their maintenance updates.

20           If you make over a billion dollars a  
21   year, any business should be putting money aside to  
22   maintain their physical plant and make improvements.  
23   The 15 percent we will pay over the next three years  
24   is probably not going there.

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1           As you already heard how much the CEO  
2 makes, I kind of wonder if he lives in the state of  
3 Ohio. As another individual pointed out, our  
4 surrounding states serviced by AEP are paying far  
5 less for their electricity than we are. As Governor  
6 Strickland recently said, maybe we should look at  
7 going back and regulating our utilities once again.  
8 Since we can't bring in other companies to provide us  
9 with electricity, perhaps that is what needs to be  
10 done.

11           If the PUCO approves these rate  
12 increases, then it will prove what that one gentleman  
13 also said about the PUCO, that you're in their back  
14 pocket. I won't say you're in their back pocket. I  
15 will just say you're inept. You're not listening to  
16 the consumer.

17           You have heard from small businesses.  
18 You're hearing from individuals. I'm an individual  
19 consumer. I moved back to this state three years

20 ago. I'll be more than happy to move back out of  
21 this state. If we can't regulate our electricity  
22 rates and keep them reasonable where we can afford  
23 them, then we have a problem. I understand that they  
24 may need an increase because of other costs, but

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1 15 percent is totally out of line.

2 Perhaps we should tie it to what the  
3 social security increase is on an annual basis. That  
4 way people receiving social security will not make  
5 more money but at least they'll stay on an even keel  
6 and stay at their current level of living.

7 Thank you for your time.

8 EXAMINER BOJKO: Tom Cannon.

9 Please state your name and address.

10 MR. CANNON: Tom Cannon, 5335 Old Creek  
11 Lane, Holland, 43036.

12 - - -

13 TOM CANNON

14 being first duly sworn, as prescribed by law, was  
15 examined and testified as follows:

16 DIRECT TESTIMONY

17 MR. CANNON: Thank you for the  
18 opportunity to speak. I came here at the prompting  
19 of one of my friends. I've never done this before so

20 please bear with me. I plan to make these bold  
21 points very short. But one thing I think we all need  
22 to remember is life isn't what you deserve; it's  
23 about what you negotiate, and we're leaving this  
24 negotiation to the PUCO.

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1           The speaker before me made some very  
2 valid points. This deal was brought to the PUCO at a  
3 period of very high commodity prices. Is it  
4 responsible to sign a three-year deal based on the  
5 fact that the assumptions were made at a time we were  
6 at high commodity prices?

7           Right now the cost of energy, oil,  
8 according to the Department of Energy, Central  
9 Appalachian Coal has dropped by \$20 a ton in the  
10 last six weeks, and the oil prices have dropped about  
11 \$85 a barrel over the last couple months. We are  
12 basically at 2006 levels there.

13          So in this period of high volatility, is  
14 it responsible to sign a three-year deal when  
15 commodity prices are that volatile? Copper, which is  
16 a huge input, aluminum which is a huge input are at  
17 three year lows. Carbon emission regulation is not  
18 set. Let's face it, we are in an election year. Two  
19 different philosophies are being stated so are we

20 serving the best interests of the consumers by

21 getting into a deal at this point in time that's

22 fixed?

23 My challenge to PUCO is to develop a plan

24 that is fair to the consumer and to American Electric

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1 Power by providing true competition in an area where  
2 there's really not competition. Let's give them  
3 quality metrics, such as customer service metrics,  
4 power reliability such as minutes of power that  
5 they're providing over the total available minutes  
6 they could provide; and then cost control metrics, if  
7 they develop efficiency, they get to keep that,  
8 75 percent or 100 percent of that. I don't care. If  
9 they're making advances in their business, they could  
10 certainly do that, and that's something we should  
11 challenge them to do. So these methods need to be  
12 kept in mind.

13 Thank you very much for the time, and,  
14 remember, please negotiate on our behalf.

15 Thank you very much.

16 EXAMINER BOJKO: Betsy Kirby.

17 (No response.)

18 EXAMINER BOJKO: JD Niceswanger.

19 (No response.)

20 EXAMINER BOJKO: Julie Wells.

21 MS. WELLS: Julie Wells, 950 East North

22 Broadway, Apartment 2, Columbus, Ohio, 43224.

23 - - -

24

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1                   JULIE WELLS

2   being first duly sworn, as prescribed by law, was  
3   examined and testified as follows:

4                   DIRECT TESTIMONY

5           MS. WELLS: The reason why I came tonight  
6   was because of the fact that I feel like AEP doesn't  
7   have the right to raise our rates at the rate they're  
8   requesting it. I know last month when we were out  
9   electricity for almost a whole week, I had a cell  
10   phone so I was able to call them up, not using a land  
11   line, but twice I called them about some question.

12           One was: Where do I find a local  
13   Laundromat because I was not able to use mine. It  
14   was like she didn't know the answer, couldn't tell me  
15   where to go. And then another concern I had was the  
16   fact that: Where do I get hot water? Okay, I  
17   realize probably out of state they answered the  
18   phones, but they couldn't give me a direct answer or  
19   didn't really answer directly my question. I got

20 nowhere.

21 Why should I give you a pay raise? I

22 feel like they're asking for a pay raise they don't

23 deserve. If they would have answered those

24 questions, then I would have been out the door.

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1           So another thing, too, they were saying  
2 earlier about the executives and the CEOs and about  
3 how much they make. How come they couldn't afford to  
4 turn around and put their bonus into food pantries  
5 because. Not everybody's income is low enough to get  
6 food stamps, for example, even though there's no  
7 groceries in the house because there's not enough  
8 money to go around.

9           Another thing that upset me when I got my  
10 electric bill when during the week it was out, it was  
11 a little higher than usual.

12          Thank you.

13          EXAMINER BOJKO: Mr. Dave Southan.

14          And on deck, Ms. Jody Swisher.

15          Please state your name and address.

16          MR. SOUTHAN: Dave Southan, 4318 Fair Oaks  
17 Drive, Columbus, Ohio, 43214.

18                         - - -

19                         DAVE SOUTHAN

20 being first duly sworn, as prescribed by law, was

21 examined and testified as follows:

22 DIRECT TESTIMONY

23 MR. SOUTHAN: Good evening, members of

24 PUCO, AEP. I'm the Clintonville commissioner for

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1 District 7. I sat here tonight and listened to the  
2 pros and cons. Commissioners, ladies and gentlemen,  
3 the present state of our declining economy, stocks  
4 and foreclosures, is this a smart way to treat the  
5 citizenry when all we hear is increase in fees and  
6 taxes; pensions and social security are not  
7 increasing? A lot of people are on fixed incomes, so  
8 to speak. 45 percent over three years is totally out  
9 of the question.

10 I represent the residents of my district.  
11 AEP, please consider going back to the drawing board,  
12 and in a year maybe our economic status will be on  
13 the road to recovery. We're going to see an increase  
14 in homeless. People can't their pay their electric  
15 bills. We've got over 400 homes in Clintonville that  
16 are vacant, and we're going to see a lot more. This  
17 is not over by a long shot. This country is on a  
18 road to decline. We need to bring this back, and we  
19 need help.

20           That's all I have to say. Thank you.

21           EXAMINER BOJKO: Swisher, Jody or John.

22           (No response.)

23           EXAMINER BOJKO: John Schneider.

24           (No response.)

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1 EXAMINER BOJKO: John McCabe.

2 MR. McCABE: John McCabe, 119 West North  
3 Broadway, 43214.

4 - - -

5 JOHN MCCABE

6 being first duly sworn, as prescribed by law, was  
7 examined and testified as follows:

8 DIRECT TESTIMONY

9 MR. McCABE: I don't understand why, I  
10 was reading in the paper, part of this is to help  
11 replace the revenues they lost when we lost as much  
12 as they did. I think if we lose, they should lose.  
13 Nobody is going to replace what I lost or what you  
14 lost or what any others lost, so why should we  
15 replace what they lost when the power was down for a  
16 week. I can't see that. Okay, that's just one.

17 And there's another thing that bothers me  
18 a great deal. I'm kind of old, you can tell, because  
19 I can't even talk, but I've been around a long time

20 and I haven't seen much of an improvement in the  
21 quality of the grid in this state. That's where I  
22 lived all my life so I don't know about the rest of  
23 the world, but I know that if Henry Ford had worked  
24 with his automotive industry through the years like

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1 AEP and some of the other electrics that represented  
2 us, we would still be driving Model Ts, because  
3 there's very little -- a squirrel can still put a  
4 transformer out. That's a little bit ridiculous.

5       The other thing of course somebody  
6 brought up, and I guess that's pretty true, I have to  
7 tell you I don't believe there's any such thing as  
8 any human being with enough mentality, shall we say,  
9 or enough knowledge or enough ability to be worth  
10 that much more than me that they're worth hundreds of  
11 thousands of dollars, no; billions of dollars, no.  
12 I'm not worth a lot, but I don't think that they have  
13 that much mentality that someone else can't run that  
14 company for a lot less and get the same thing  
15 accomplished. This is ridiculous, and I know most  
16 companies are doing that, not just this one.

17       I'm looking at notes I made while you  
18 were talking. Oh, I by the way, the lady made a  
19 comment there. I was on a generator for a week when

20 this power went down, which cost me quite a bit in  
21 gasoline, by the way. At the end of that when my  
22 next bill came, the bill was \$6 less than the  
23 previous month. Something very strange about that  
24 because that would pretty much indicate that I pay

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1 \$24 a month. I don't think that's correct.

2           Someplace along the line there is an

3 awful lot of money going an awful lot of places.

4 It's not going to the right place. I'd like to see

5 somebody put some money into building this grid the

6 way it should be. I'm not sure it's underground. I

7 don't have that expertise. I am sure that it hasn't

8 improved enough in the last 70 years.

9           I hope you're able to hear me. I'm doing

10 my best.

11           I don't think I have a lot more to say

12 except obviously no one in their right mind is going

13 to expect anyone to raise the price of anything

14 45 percent, 52 percent, whatever it might be. This

15 is just totally out of the question. Everyone in

16 here knows it, including the people that are thinking

17 about doing it.

18           Thank you.

19           EXAMINER SEE: Teresa Hartkeneyer.

20 Ms. Hartkeneyer.

21 (No response.)

22 EXAMINER SEE: James Sisto.

23 Please state your name and address for

24 the record.

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1 MR. SISTO: James Sisto, 1097 Highland

2 Drive, Columbus, 43220.

3 - - -

4 JAMES SISTO

5 being first duly sworn, as prescribed by law, was

6 examined and testified as follows:

7 DIRECT TESTIMONY

8 MR. SISTO: I'm here this evening on

9 behalf of the Central Ohio Community Improvement

10 Corporation. The Central Ohio Community Improvement

11 Corporation is a statutory nonprofit entity that was

12 created to help redevelop brownfield properties

13 within our community. Brownfield properties would be

14 old landfills, contaminated sites, sites that sit

15 unused and underutilized because they are

16 contaminated.

17 In 1992 or 1993 a brick company in

18 Gahanna, Ohio went out of business leaving some

19 bricks that were no longer of any value but two big

20 holes in the ground. The two big holes were filled  
21 up with trash by the company before it finally  
22 declared bankruptcy and the owner disappeared out of  
23 the state  
24 The landfill sat there for many years.

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1 Potential contaminated methane, which is a greenhouse  
2 gas, was released out into the air. There were some  
3 groundwater issues. They have been addressed now.  
4 We had an environmental blight in our community.

5 In 2005 then County Treasurer Rich  
6 Cordray and the Franklin County Commissioners decided  
7 to try to do something about these types of  
8 properties and, it caused the nonprofit Community  
9 Improvement Corporation to be formed. Our company,  
10 the Value Recovery Group that is a small business on  
11 the other side of the river here, was asked to be the  
12 asset manager to help this nonprofit entity with no  
13 budget to remediate and redevelop these types of  
14 properties.

15 The Central Ohio Community Improvement  
16 Corporation, being unfunded but with a very important  
17 mission, went out and sought different grant funds to  
18 help do this redevelopment and remediation of the  
19 landfill. The methane from that landfill, which is a

20 greenhouse gas, was being captured minimally and  
21 reused to actually heat and cool the old Lucent  
22 facility on East Broad Street. I don't know if any  
23 of you are familiar with that facility. It sits  
24 right across from the hospital complex.

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1           In the ice storm of 2004 that methane  
2 system got knocked out and basically the methane was  
3 just escaping out into the atmosphere. So in 2006  
4 the CIC went around and started looking around for  
5 different sources to develop a plan. The state of  
6 Ohio has a program called the Clean Ohio or CORE  
7 program, which is Issue 2. It's on your ballot, no  
8 speeches, but it's an important issue.

9           If it hadn't been for that, this landfill  
10 would still sit unaddressed. The Community  
11 Improvement Corporation capped the landfill  
12 controlling the contamination and hopefully the  
13 release of the methane, but it was still falling  
14 short of its ultimate goal of taking care of all its  
15 problems.

16           The Central Ohio Community Improvement  
17 Corporation then learned of a grant program from AEP  
18 and the Public Utilities Commission of Ohio called  
19 the Rate Stabilization Program. The CIC proposed to

20 the AEP and the PUCO to help upgrade the utility  
21 infrastructure on the site of the landfill and to  
22 complete the construction of the methane recovery  
23 system.  
24 A \$500,000 grant was awarded to the

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1 Community Improvement Corporation which helped us to  
2 finalize the work and brought electric service onto  
3 the site so that electricity can be produced from the  
4 methane coming off of the landfill so we're  
5 eliminating an environmental problem and we are going  
6 to be producing energy from it.

7       The AEP, PUCO, Ohio Economic Development  
8 Rate Stabilization Plan helped to cover the costs  
9 associated with the electric infrastructure and with  
10 the site methane extraction system. These grant  
11 dollars were essential for the redevelopment of the  
12 property, which will include a recreational area for  
13 the community and a business park.

14       The Bedford landfill was a public eyesore  
15 as well as a health and environmental hazard.  
16 Consequently, the majority of the property adjacent  
17 to this abandoned landfill was never developed. The  
18 COCIC and our company, with the help of AEP-Ohio and  
19 RFP funding is going to create a 192-acre business

20 park that will comfortably host 4,000 employees.

21 The Central Ohio Community Improvement

22 Corporation is looking at other programs throughout

23 the central Ohio area. We are looking to help them

24 with redevelopment of gas station sites that have

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1 been contaminated, old industrial sites that are no  
2 longer in use, and we hope to continue to look at  
3 some public grant programs such as the one I've just  
4 addressed.

5 Thank you.

6 EXAMINER SEE: Thank you.

7 Joyce Levenson.

8 Please state your name and address.

9 MS. LEVENSON: Joyce Levenson, 748  
10 Strawberry Hill Road, Columbus, Ohio, 43213.

11 - - -

12 JOYCE LEVENSON

13 being first duly sworn, as prescribed by law, was  
14 examined and testified as follows:

15 DIRECT TESTIMONY

16 MS. LEVENSON: Ladies and gentlemen, as  
17 you can see, I am a senior citizen, and I'm proud of  
18 it. I'm on a limited income, just like most senior  
19 citizens. I cannot -- cannot -- afford the increase

20 that is going on.

21 My question is -- and I read it in the

22 Dispatch and I'm not sure I read it right, but I

23 think I did. People say truth is often spoken in

24 jest, and the CEO was quoted as saying: Well, we're

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1 going to make the citizens pay for the blackout. I

2 believe that this increase is exactly that, and I

3 think it's wrong.

4 I don't think they know what they are

5 doing because they did not manage the trees. When I

6 ride by and see trees cut at the top, you never cut a

7 tree at the top. You trim, and you thin it, but when

8 you cut a tree at the top or a shrub at the top,

9 you're killing that tree. And I think they need to

10 go back and talk to an arborist on how to properly do

11 it because their people do not know how to cut a tree

12 or trim it.

13 Now, in this last storm I called to find

14 out how long our electric was going to be out. I

15 live maybe about a mile from the substation. Do you

16 know what they told me? I don't know, ma'am, I'm in

17 Michigan. Excuse me, I need to know from somebody

18 here in Columbus, not somebody in Michigan. I could

19 care less about the state up north, and I'm actually

20 from Alabama.

21 Thank you.

22 EXAMINER SEE: Thank you.

23 Glenna Kemper, Glenna Kemper.

24 (No response.)

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1 EXAMINER SEE: Patricia Sherman.

2 Please state your name and address for  
3 the court reporter.

4 MS. SHERMAN: Patricia Sherman, 287 East  
5 Dunedin Road, Columbus, Ohio 43214.

6 - - -

7 PATRICIA SHERMAN

8 being first duly sworn, as prescribed by law, was  
9 examined and testified as follows:

10 DIRECT TESTIMONY

11 MS. SHERMAN: Good evening. I learned  
12 more since I've been here then I really came here to  
13 say because now my complaint seems very, very small.

14 We're not commissioners or anything. We  
15 just live probably about a half mile from here. But  
16 prior to the hurricane that came through our area was  
17 on the grid that was off all the time for eight or  
18 nine hours. I am really here to testify in that I  
19 thought customer service was not hearing what we were

20 saying.

21 We saw two transformers from our back

22 porch blow. The third one blew during the hurricane,

23 and, you know, I'm not faulting AEP for what they

24 did. I thought they were fabulous. Although when

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1 they did repair that transformer and turn on the  
2 electric, we were out in ten seconds because again  
3 the wire that slid three times in June did fall  
4 again, came down on the street and kind of whipped  
5 around a little bit.

6           So we don't feel the customer service  
7 that we have gotten, that the maintenance of our  
8 lines, that our transformers, any of that. And as  
9 the fellow from Arlington said, the fellows that  
10 worked on our line were up from the south, Kentucky I  
11 think, and they said. Well, ma'am, it looks like a  
12 big rodent has chewed through that line.

13           And we were like: Oh, you're so sweet.  
14 It's midnight and bless your little hearts for doing  
15 this.

16           But I really feel they let it go for a  
17 very long time. So I'm not sure getting a raise and  
18 counting on them doing their maintenance to the  
19 infrastructure is really going to be something

20 they're going to do.

21 EXAMINER SEE: Pete Preissle.

22 Please state your name, spell it and give

23 your address to the court reporter.

24 MR. PREISSLE: My name is Pete Preissle,

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1 P-R-E-I-S-S-L-E. I live at 253 Croswell Road,

2 Columbus 43214.

3 - - -

4 PETE PREISSLE

5 being first duly sworn, as prescribed by law, was

6 examined and testified as follows:

7 DIRECT TESTIMONY

8 MR. PRIESSLE: I do have written remarks,

9 and I will give them to you afterwards if that's

10 okay.

11 My thanks to the PUCO for the opportunity

12 to respond to the AEP's rate increase request.

13 Others have spoken correctly tonight and at last

14 week's hearing about the hardships this increase

15 would cause. What I would like to introduce is

16 information that expands on the commodity cost

17 changes a couple of other folks have mentioned

18 tonight. After the Commission examines this

19 information, I believe it will rightly conclude that

20 it must turn down AEP's request.

21 I think it is fair to say that AEP's

22 primary justification for the request was their

23 expectation that they face greatly increased costs

24 for the fuel used in their power plants. My

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1 concluding this is based on what AEP stated in their  
2 formal filing document, the letter the Ohio president  
3 submitted with that filing, and their news release  
4 announcing the filing.

5         For example, quoting from Mr. Hamrock's  
6 letter, he stated: "Fuel and other commodity prices  
7 have more than doubled in very recent time." AEP  
8 filed its request in July. It is perhaps ironic  
9 that this was the very same time that the commodity  
10 price bubble burst. I expect everyone here knows the  
11 price of a barrel of crude oil has collapsed. From a  
12 high \$147, it has plunged nearly 60 percent to  
13 today's closing price of \$63. As someone said  
14 earlier, that is more than \$80 down on the commodity  
15 price. That has translated to a welcome low, a  
16 dramatic decline in the cost we pay to fuel our motor  
17 vehicles.

18         What is pertinent and the reason that we  
19 are here tonight is that the prices for the fuels

20 that AEP uses have also collapsed. Based on  
21 near-month futures contracts on the New York  
22 Mercantile Exchange, in just three months the price  
23 of Central Appalachian Coal has fallen nearly  
24 45 percent from a tad above \$141 per ton to slightly

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1 more than \$80 as of Friday.

2 The price of natural gas has declined at

3 an even greater rate, by more than 50 percent from

4 above \$13 per million Btus to less than \$6.25.

5 That's also as of Friday. Mr. Hamrock's statement

6 concerning the doubling of fuel prices was valid when

7 he made it in July. Now, however, prices have fallen

8 back to approximately where they were before the

9 doubling.

10 I think this negates AEP's primary reason

11 for the rate increase. Given that, as I said, I

12 believe the Commission will rightly conclude that it

13 must deny the request. I have copies of the graphs

14 with this price information on it that I will leave

15 with you.

16 Thanks for the opportunity.

17 EXAMINER SEE: Rick Mask. Rick Mask.

18 (No response.)

19 EXAMINER SEE: William Arnett.

20 Mr. Arnett, please state your name and

21 address.

22 MR. ARNETT: I'm William Arnett, 7288

23 Aplin Drive, Reynoldsburg Ohio, 43068.

24 - - -

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1                   WILLIAM ARNETT

2   being first duly sworn, as prescribed by law, was  
3   examined and testified as follows:

4                   DIRECT TESTIMONY

5           MR. ARNETT: My name is Bill Arnett, and  
6   I appreciate the opportunity to provide testimony. I  
7   did provide written testimony previously to the PUCO.

8           What I'd really like to say and give you  
9   my perspective on AEP a little bit, I've been doing I  
10   guess what you call economic development in Ohio now  
11   since 1995, and I've worked primarily in areas where  
12   AEP has been the service provider for electricity.

13          From my point of view and my perspective,  
14   and if you look at other parts of the state, we have  
15   been pretty lucky in the AEP service territory in  
16   terms of cheap electricity, especially when compared  
17   with other investor-owned utilities in Ohio, and it's  
18   based on the coal-fired power plants that AEP uses to  
19   generate the majority of its electricity.

20           So I understand that a 15/15/15,  
21 52 percent rate increase isn't anything that  
22 residential or business customers would look forward  
23 to. None of us want to pay any more than we do  
24 currently. I've been an AEP customer since 1990 so I

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1 will be living with whatever increase is approved,  
2 but from an economic development perspective in Ohio,  
3 we have been very fortunate throughout the years in  
4 terms of AEP's rates for the industries.

5 I also want to say briefly, because we  
6 still have people to present tonight, from an  
7 economic development perspective, AEP-Ohio has been a  
8 strong partner with local development organizations,  
9 as well as some of the larger regional chambers that  
10 work to bring in business to Ohio and work to retain  
11 the jobs we already have here.

12 I look at the ESP that AEP has submitted,  
13 the Electric Security Plan, and part of that  
14 partnership with Ohio talks about \$75 million of  
15 shareholder contributions for a variety of things,  
16 and one of the things that caught my attention was  
17 economic development. Truly economic development is  
18 important and truly AEP has been a strong partner for  
19 economic development in Ohio.

20 Thank you.

21 EXAMINER SEE: Thank you.

22 Please give you're name and address.

23 MR. KRIETEMEYER: Mark Krietemeyer,

24 K-R-I-E-T-E-M-E-Y-E-R, 4947 Sawmill Road, Columbus,

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1 Ohio 43235.

2 - - -

3 MARK KRIETEMEYER

4 being first duly sworn, as prescribed by law, was

5 examined and testified as follows:

6 DIRECT TESTIMONY

7 MR. KRIETEMEYER: I, like several people

8 who have spoken before, am somewhat new to this

9 forum. A lot of people gave statistics, and that is

10 all good, but I want to give a little bit of a

11 different perspective.

12 I, too, am amazed at the percentage

13 increase expected, which is over 50 percent over

14 three years. I own a modest 1,400 square foot home

15 in northwest Columbus, and for 15 years now I've done

16 a fair amount as far as trying to keep my electricity

17 usage down, such as I think that I have two

18 incandescent lights left in the whole house. I have

19 used the pocket fluorescents and compact fluorescents

20 and in doing new windows and things, that kind of

21 thing so I have done what is reasonable.

22 There are, of course, some bigger steps

23 that could be taken, and due to these increases that

24 we're talking about, it seems like I'm going to have

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1 to do something expensive because -- first of all, I  
2 don't know if anyone else here has got an  
3 all-electric home, all-electric heat instead of  
4 gas/electric combination, but it is an all-electric  
5 home that I have.

6       So with an all-electric home there is  
7 currently a discount for the heating months. I think  
8 it's November through I want to say February or  
9 March. I'm not positive of the exact months, but  
10 there is a little bit of a rate break for the winter  
11 months for all-electric homes. And I have been told  
12 that that may be going away with this plan also,  
13 either going away or phrased out, which is very  
14 concerning to me.

15       So if I take my last January's bill,  
16 number of kilowatt-hours, and, again, I'm not one  
17 that lights up the entire yard with Christmas lights  
18 either. I have one tree. If I take the number of  
19 kilowatt-hours, my bill in 2011 would be more than my

20 mortgage and my taxes, \$850 for one month.

21 So that's just staggering. So I mean I

22 obviously would have to do something. I don't know

23 if it would mean get off electricity, move or

24 something. Something is really going to have to give

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1 if that's going to happen.

2 And, of course, that doesn't take into  
3 consideration if that rate break would go away, so  
4 that is more or less taking the rates on the sheet  
5 here times the number of kilowatt-hours I had in  
6 January. That is extremely alarming. That really is  
7 the main reason I'm here, one month electric bill  
8 more than my mortgage, and currently I'm in Dublin  
9 schools so it is not cheap school taxes, but it would  
10 still be more than my mortgage and my taxes for one  
11 month.

12 A few people have talked about the  
13 maintenance programs and things. I, too, and almost  
14 everyone lost power. I was out just for a little  
15 over a day, actually one of the lucky ones. I  
16 managed to pretty much save the freezer things, lost  
17 a couple of things out of the fridge. A neighbor, a  
18 couple neighbors weren't so fortunate, and in the  
19 process of one of the out-of-state crews coming in to

20 work on their electricity outage, they had a short  
21 conversation with my neighbor, and I was actually  
22 close by.

23 And more or less the neighbor told them:

24 Look, you guys aren't here. We have seen a lot of

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1 it. Once this outage is out, you have to call them  
2 and tell them they need to trim the lines. They're  
3 just bad everywhere. This crew was actually from  
4 South Carolina. So, you know, they have seen these  
5 kinds of winds. They know what they can do. I'm not  
6 saying those kind of winds are going to happen next  
7 month, but it is to say that they, too, did not think  
8 the maintenance was up to snuff.

9 I have brought my one January bill. I  
10 also brought my cheapest month bill, and it would  
11 still be \$250 after the rate increases.

12 So I would like to thank the PUCO for  
13 this forum, and I would really appreciate you denying  
14 this extreme rate increase.

15 Thank you.

16 EXAMINER SEE: Thank you.

17 Lloyd Moore.

18 Please state and spell your name and give  
19 your address.

20 MR. MOORE: May name is Lloyd Moore,

21 M-O-O-R-E. I reside at 355 Galloway Road, Galloway,

22 Ohio 43119.

23 - - -

24

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1                   LLOYD MOORE

2   being first duly sworn, as prescribed by law, was  
3   examined and testified as follows:

4                   DIRECT TESTIMONY

5           MR. MOORE: Commissioner Fergus and your  
6   very good helpers, and ladies and gentlemen,  
7   obviously, I didn't start this yesterday. I have  
8   been very fortunate, very blessed in many ways.  
9   Along with my years I'm getting along in the twilight  
10   of life, but I'm concerned about my fellow man, the  
11   citizens of the state of Ohio.

12           We haven't hit bottom yet, I'm afraid,  
13   economically. Hang on. It's going to be a tough  
14   ride.

15           Now, Commissioner Fergus, your very good  
16   helpers, I hope that you will choose to deny,  
17   emphatically deny, this ridiculous request of these  
18   irresponsible corporate citizens -- irresponsible  
19   corporate citizens -- that won't step up to the plate

20 and be patriots and be about the economic development

21 of the state of Ohio and our nation.

22 We're in deep trouble as a nation. I

23 happen to be a member of the Sons of the American

24 Revolution. I happen to have a daughter that's past

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1 regent, state of Delaware. Patriotic blood flows  
2 through my veins. Let me add that, God bless  
3 America.

4 How many of you folks are aware of  
5 hydroelectric-generated energy? Raise your hands,  
6 please. All of you. Please raise your hands. Are  
7 you aware of hydroelectric-generated energy? Well,  
8 I'm not surprised. I didn't see your hands come up  
9 either, members of American Electric Power.

10 I built a total electric Medallion home  
11 in 1968, 355 Galloway Road, Galloway, Ohio. I pay a  
12 lot of taxes. I try to be a responsible citizen of  
13 this state, my home state of Kentucky, and the United  
14 States. Ohio has been very good to me. I cannot say  
15 too many good things about the state of Ohio.

16 I've journeyed down 23 many times. US  
17 52, Scioto County, hydroelectric-generated  
18 electricity is at Greenup Dam on US 52. It furnishes  
19 all the electricity for Hamilton, Ohio, which the

20 last time I checked is about 60 to 80 thousand

21 people, since about 1960, somewhere along there.

22 But you don't have to go that far. I

23 will personally take you folks on a tour to a present

24 dam up with AEP. I'm sure you're aware of it, but

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1 I'll take you on a tour just in case, my gas, my  
2 automobile, and I drive electric. You'll ride pretty  
3 comfortable.

4       You don't have to go very far, right up  
5 here at O'Shaughnessy Dam is a hydroelectric  
6 generation facility that I believe that AEP, Columbus  
7 Southern Power torpedoed. They didn't want it to  
8 run. It's the most economic generated electricity  
9 the last time I checked. It's cheaper than solar.  
10 It's cheaper than any fossil fuel, petrochemical or  
11 otherwise.

12       Now, I'd like to go on for about 30  
13 minutes, maybe longer than 30 minutes, but I won't  
14 bore you. I respect that you need to get other  
15 things done.

16       And Ms. Rosemary, Madam Rosemary, you hit  
17 the nail right on the head. God bless you. God  
18 bless you, God bless you, and all the rest of the  
19 speakers, too. You did a fantastic job.

20           You, Commissioner Fergus, and your other  
21 commissioners and the leaders of the state of Ohio  
22 are in a very responsible position. We need to turn  
23 Ohio around economically, and we need to give the  
24 folks of Ohio, shine the light on a better way of

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1 life. Give them some hope. Let's put people back to  
2 work.

3 And corporate executives, I challenge you  
4 to step up to the plate, from the CEO down. Don't  
5 take it out on the worker. Don't take it out on the  
6 people that -- respectfully. I'm sure you try to do  
7 your job. You have a boss, too. Most people do. I  
8 do. I've had a boss since Valentine's Day 1954. I  
9 love her. She's a redhead. I was blessed with a boy  
10 and a girl, a son and a daughter, and they've done me  
11 proud. God bless them.

12 God bless you all. Have a good evening.  
13 Let's make Ohio great. Let's make the United States  
14 great. Come clean, corporate America. Come clean.  
15 Come clean. Come clean.

16 Drop the hammer on them. Thank you.

17 EXAMINER SEE: Please state, spell your  
18 name and address for the record.

19 MR. FRONTZ: Jeffrey, J-E-F-F-R-E-Y,

20 Frontz, F-R-O-N-T-Z, 310 Walhilla Road, Columbus,

21 Ohio 43202.

22 - - -

23

24

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1                   JEFFREY FRONTZ

2   being first duly sworn, as prescribed by law, was  
3   examined and testified as follows:

4                   DIRECT TESTIMONY

5           MR. FRONTZ: This is in reference to part  
6   of Senate Bill 221 that deals with the renewable  
7   energy portfolio. I'm concerned about the rulemaking  
8   that's going to take place. I want to make sure that  
9   the PUCO explicitly includes the environmental costs  
10   of carbon-based energy when they calculate the cost  
11   of compliance with renewable energy requirements.

12           This is the only way I believe that you  
13   can truly determine the cost of compliance. If we  
14   don't include the environmental costs in the  
15   compliance cost evaluations, the public is  
16   essentially subsidizing carbon-based generation.  
17   This not only causes problems with our environmental  
18   health, but also causes problems -- it doesn't  
19   support our renewable energy development in Ohio.

20 I think until a better mechanism is  
21 devised, the environmental costs of carbon-based  
22 generation can best be calculated by using a  
23 market-based approach by using the carbon credit  
24 trading that's taking place now.

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1           If PUCO does not adopt such an approach,  
2 it will effectively gut the renewable energy  
3 provisions of Senate Bill 221. The electric  
4 utilities will be able to claim that the costs of  
5 complying with renewable energy requirements exceeds  
6 the effectively subsidized costs of traditional  
7 carbon-based generation.

8           And just as a disclosure, I'm actually  
9 a shareholder of AEP. I'm an AEP ratepayer and have  
10 a very, very tiny interest in a company that develops  
11 renewable energy in Ohio.

12          Thank you.

13          EXAMINER SEE: Thank you.

14          Pat Semmelman.

15          (No response.)

16          EXAMINER SEE: Kenneth Nichols.

17          (No response.)

18          EXAMINER SEE: Kim Balzano.

19          (No response.)

20 EXAMINER SEE: Paul Finlayson.

21 (No response.)

22 EXAMINER SEE: Jerry Leard.

23 MR. LEARD: Here.

24 EXAMINER SEE: Virginia Songstad will be

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1 next.

2 MS. SONGSTAD: Pass.

3 EXAMINER SEE: Okay, thank you.

4 Peggy Fein.

5 (No response.)

6 EXAMINER SEE: Ty Marsh.

7 MR. MARSH: Here.

8 EXAMINER SEE: Mr. Marsh, you will be

9 right after Mr. Leard.

10 Please state and spell your name for the

11 court reporter and give your address.

12 MR. LEARD: My name is Jerry Leard,

13 L-E-A-R-D. I live at 2287 Indian Avenue, Columbus,

14 Ohio.

15 - - -

16 JERRY LEARD

17 being first duly sworn, as prescribed by law, was

18 examined and testified as follows:

19 DIRECT TESTIMONY

20 MR. LEARD: I would like the AEP-Ohio  
21 Electric Security Plan to include financial  
22 incentives for green energy production in the form of  
23 renewable energy credits. The renewable energy  
24 credits would be produced by generating electricity

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1 from solar, wind or biomass hardware on the

2 AEP-Ohio's customer's property.

3 AEP-Ohio could purchase the renewable

4 energy credits or aggregate and sell the accumulated

5 renewable energy credits produced by AEP-Ohio

6 customers.

7 Thank you.

8 EXAMINER SEE: Thank you.

9 Mr. Marsh, please state and spell your

10 name.

11 MR. MARSH: Ty, T-Y, Marsh, M-A-R-S-H.

12 150 South Front Street, Columbus, Ohio, 43201.

13 - - -

14 TY MARSH

15 being first duly sworn, as prescribed by law, was

16 examined and testified as follows:

17 DIRECT TESTIMONY

18 MR. MARSH: My name is Ty Marsh, and I

19 serve as president of the Greater Columbus Chamber of

20 Commerce. I'm also a lifelong resident of Columbus

21 most of my adult life and proud to call Clintonville

22 my home.

23 So Commission and staff, we're pleased to

24 have you in Clintonville, and come back on a day like

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1 today with no rain and see what a beautiful park,

2 what a beautiful setting.

3 I'm here today on behalf of the Columbus

4 business community, our 2,500 members of the Columbus

5 Chamber of Commerce, to express the importance of AEP

6 to our community overall and our business community.

7 At the chamber our mission is economic

8 development, growth and prosperity. That means that

9 we work hard every day to attract new companies to

10 our region and helping our local companies to grow

11 and prosper.

12 AEP has been and remains a strong partner

13 in our economic development initiatives which

14 ultimately produces jobs for our region. The key

15 responsibility of that economic development, one of

16 the ways we do attract customers and help them to

17 expand is infrastructure. It's important for

18 businesses to have access to reliable service.

19 In addition to keeping lights on in our

20 home, AEP makes it possible for our businesses to be  
21 productive. Entrepreneurs, major manufacturers, and  
22 auto producers, the output produced by these  
23 businesses are critical to our region's prosperity.  
24 AEP has been a strong corporate citizen in Columbus

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1 since 1980 and before as Columbus Southern, when AEP  
2 moved its corporate headquarters here from New York,  
3 and now AEP-Ohio employs more than 1,500 people  
4 locally, more than 7,000 in the state. That itself  
5 is a positive economic impact for our community and  
6 region.

7 As a company AEP-Ohio contributes  
8 millions of dollars to our community and our economic  
9 development and environment, education and other  
10 needs. The companies with its employees contributes  
11 to the constant improvement of the quality of our  
12 life in our community through financial investment,  
13 contribution and volunteer hours. I have no doubt  
14 that AEP continues to be committed to the growth and  
15 prosperity of our region. The chamber is proud to  
16 have AEP as one of our sponsors fulfilling our  
17 mission of growth and prosperity.

18 Thank you.

19 EXAMINER SEE: Nachy Kanfer.

20 After Mr. Kanfer is Dave Richards.

21 (No response.)

22 EXAMINER SEE: Stacy Pierce. Ms. Pierce,

23 you will be after Mr. Kanfer .

24 Please state and spell your name for the

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1 record.

2 MR. KANFER: I'm a private citizen,  
3 concerned ratepayer. My name is Nachy, N-A-C-H-Y,  
4 Kanfer, K-A-N-F-E-R. I reside at 106 North High  
5 Street, Apartment 303, Columbus Ohio State 43215.

6 - - -

7 NACHY KANFER

8 being first duly sworn, as prescribed by law, was  
9 examined and testified as follows:

10 DIRECT TESTIMONY

11 MR. KANFER: I want to thank the  
12 Commissioners first for the opportunity. I want to  
13 thank you all for coming. I want to thank the court  
14 reporter, who has a really hard job who has been  
15 unrecognized so far.

16 I want to echo also the concerns of  
17 everybody who has spoken here so far, concerns about  
18 their rates. I echo the concerns. I don't need to  
19 repeat them.

20           A couple small elements, detailed  
21 elements of the information we have been presented  
22 with. I note that there have been approximately \$178  
23 million dedicated to energy efficiency over the next  
24 three years by AEP. That's actually a considerable

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1 amount of money. It's substantially more than other  
2 utilities, namely FirstEnergy, that has contributed  
3 or promised to contribute nearly zero so I want to  
4 point that out.

5         However, unlike the lady who spoke for  
6 MORPC, there are some serious concerns in the details  
7 that remain unclear. First of all, it's unclear that  
8 this energy efficiency investment will be devoted to  
9 the entire AEP service area. That's important. Also  
10 it's important that it be spread out among all  
11 customer classes, not just industrial consumers  
12 benefiting from energy efficiency and not just  
13 commercial consumers but also residential consumers.

14         I'd also like to point out it's really  
15 important that this program be administered by a  
16 third party as well as monitored and verified by a  
17 third party. I don't think anybody wants a  
18 self-reporting situation going on here.

19         I'd also like to point out that AEP is

20 sponsoring a \$40 million public advertising campaign  
21 meant to convince you, the public, that coal is clean  
22 and cheap. You have all seen the commercials, the  
23 cute little plug that plugs into a piece of coal  
24 that's bright and cheery that talks about how it is

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1 keeping America safe and prosperous.

2 Well, coal is nothing but -- not but --

3 remotely close to clean. It cannot be mined cleanly.

4 It can be transported cleanly. It can't be processed

5 cleanly. It has to be washed with chemicals that go

6 to coal slurry, and sludge. It can't be burned

7 cleanly. We certainly don't know how to capture the

8 carbon yet along with other pollutants found in coal,

9 and it cannot be disposed of cleanly with the fly ash

10 and slag. That's just the clean part.

11 We know that coal isn't cheap. That's

12 because they're coming to you now with a request for

13 a 52 percent increase because coal is so expensive.

14 I don't think AEP should be allowed to have it both

15 ways. If they really want cheap energy, they should

16 look to renewable sources that are becoming cheaper

17 by the day and will certainly be cheaper in the

18 decades to come. Solar is free and always will be as

19 long as we have the sun. And wind is free and always

20 will be as long as the sun is heating our atmosphere

21 and causing pressure changes and things that cause

22 the wind to blow.

23 And it is astonishingly shortsighted that

24 we continue to assume that we are going to have coal

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1 plants when coal is going to continue to rise. We  
2 are facing that right now. There is some volatility  
3 in the price, as people mentioned before, but the  
4 fact is that it's a fossil fuel and it will continue  
5 to rise. The nation is moving away from fossil  
6 fuels. Ohio should do the same, and AEP should do  
7 the same.

8 Thank you.

9 EXAMINER SEE: Ms. Pierce, please state  
10 and spell your name for the record and your address.

11 MS. PIERCE: Stacy Pierce, P-I-E-R-C-E,  
12 6308 Hilltop Trail Drive, New Albany, Ohio 43054.

13 - - -

14 STACY PIERCE

15 being first duly sworn, as prescribed by law, was  
16 examined and testified as follows:

17 DIRECT TESTIMONY

18 MS. PIERCE: AEP is proposing a  
19 15 percent increase to be absorbed by their

20 1.5 million Ohio customers leading to an overall

21 increase of 45 percent resulting in nearly

22 \$100 million in three years.

23 According to AEP this additional money is

24 to finance the rising costs of coal and the

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1 requirements of a new state energy law signed by  
2 Governor Strickland. Yet even the governor has  
3 stated: Even though he has not determined its  
4 validity, it does not meet the stable and predictable  
5 standard rate increases he had envisioned, and it  
6 does not seem like an appropriate or acceptable  
7 course of action. This was in the Columbus Dispatch.

8       AEP's Electric Security Plan has many  
9 great initiatives above and beyond the state  
10 requirements. These are great ideas outlined in the  
11 plan, but these ideas come at a cost higher than  
12 Ohioans can afford at this time.

13       Ohioans have one of the highest  
14 foreclosure rates in the nation. The bankruptcy rate  
15 is the tenth highest in the United States, and  
16 September's unemployment rate was 7.2 percent. We  
17 simply cannot afford this excessive increase in this  
18 relatively short period of time.

19       As I gathered information for this

20 meeting, I visited the AEP website and noticed it's a  
21 great place to work. As an employee of AEP, workers  
22 are entitled to work/life programs such as:  
23 Subsidized health club memberships; pet insurance;  
24 holiday parties, sporting events, performances,

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1 picnics, and more; service awards such as jewelry,  
2 artwork, electronics and many more.

3       According to Business First, AEP's CEO,  
4 Michael Morris, made \$19.7 million in total  
5 compensation for 2007, making him the highest paid  
6 executive with a public company in central Ohio. USA  
7 Today also reported Mr. Morris as one of the, quote,  
8 heaviest users of the company plane perks for family  
9 and weekend travel, getting nearly \$300,000 worth of  
10 travel subsidized by shareholders.

11       And I think it's important to note as  
12 well the day AEP filed this plan, they also reported  
13 second quarter earnings were up 56 percent to  
14 \$281 million compared with \$180 million for the  
15 second quarter of 2007.

16       Perhaps there are some benefits within  
17 the company that can be temporarily removed to  
18 provide additional funding for the proposed plan's  
19 initiatives. And it appears they are still managing

20 to increase revenue despite this economy so there may  
21 be funds currently available within the companies to  
22 support their plan.

23 Ohio's families are cutting back as  
24 nearly the cost of everything has gone up. Inflation

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1 is here and the markets show no end in sight. I  
2 understand a raise increase is necessary, as both  
3 Duke Energy and FirstEnergy also filed applications  
4 with the PUCO. However, their proposed rate  
5 increases are significantly lower than AEP's  
6 proposal.

7 I ask the PUCO to deny the current  
8 Electric Security Plan proposed by AEP, and I ask AEP  
9 executives to prioritize the initiatives and revise  
10 the plan to correlate with the times we are in.

11 If the 45 percent rate is passed, it will  
12 affect consumers at home as well as Ohio taxpayers.  
13 Schools, hospitals, grocery stores, municipalities  
14 and more all need to keep the lights on. They will  
15 have no choice but to increase their costs and pass  
16 them on to the consumer to absorb this excessive  
17 amount.

18 EXAMINER SEE: Kristen Arnold.

19 After Ms. Arnold, Ewan Oglethorpe.

20           Please state your name and address for

21 the record.

22           MS. ARNOLD: Kristen Arnold, 2311 Hoxton

23 Court, Columbus, Ohio, 43220.

24                   - - -

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1 KRISTEN ARNOLD

2 being first duly sworn, as prescribed by law, was  
3 examined and testified as follows:

4 DIRECT TESTIMONY

5 MS. ARNOLD: Hello. I just want to say  
6 that AEP commits to a total of \$178 million in  
7 efficiency spending in Ohio for the next three years.  
8 This funding commitment lacks some important details.  
9 Which classes of customers will receive efficiency  
10 savings? What kinds of programs will be offered?

11 We suggest that the money invested in  
12 energy efficiency be spent on each customer class and  
13 throughout the entire AEP service territory.

14 Also who will pay for the energy  
15 efficiency programs and who will benefit from them?  
16 AEP may offer certain industrial and commercial  
17 customers special deals in return for committed  
18 efficiency savings. Who will pay for these  
19 efficiency improvements and will residential

20 customers see a proportional share of the benefit?

21 We suggest that all customer classes pay

22 for energy efficiency programs, and I also oppose the

23 rate if it passes.

24 EXAMINER SEE: Thank you.

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1 Please state your name, spell it for the

2 court reporter and your address.

3 MR. OGLETHORPE: Ewan E-W-A-N, last name

4 Oglethorpe, O-G-L-E-T-H-O-R-P-E, 2305 Neil Avenue,

5 Columbus, Ohio 43201.

6 - - -

7 EWAN OGLETHORPE

8 being first duly sworn, as prescribed by law, was

9 examined and testified as follows:

10 DIRECT TESTIMONY

11 MR. OGLETHORPE: I would add on to what

12 Kristen just said, and we think that it should be put

13 into the laws that are being talked about that it

14 should be monitored who is running these efficiency

15 programs and the results that are coming from them.

16 They should not be self-regulated. And also it

17 should be put in how these savings will be verified.

18 Other states require that a third-party

19 administrator administrate, monitor the energy

20 efficiencies. So we suggest that the PUCO require a  
21 third-party administrator to administrate all the  
22 energy efficiency programs.

23         One more thing I'd like to add on is that  
24 taking a bigger look at the current energy scene here

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1 in Ohio and in the US, we've come to a very key  
2 turning point in the US. I'm originally from D.C.,  
3 and when I talk to my friends about energy and  
4 certain areas of the US which are very strong in  
5 renewable resources, Ohio certainly isn't one of the  
6 regions where that first comes to mind, California  
7 and things like that.

8 And so AEP can make huge steps in  
9 redefining its image. At the current moment they are  
10 the US's second largest carbon emitter, and in the  
11 world they are the seventh largest. It's despicable  
12 how a company can go on the way they are and  
13 their CEO make an absurd amount of money while they  
14 are killing the world around them. AEP can take  
15 giant steps in being a role model for smaller  
16 companies and even larger energy companies

17 And again with the coal issue, it's  
18 eventually going to run out and it is not  
19 sustainable. There is an abundant supply of solar

20 energy and wind energy so why not use that. It seems  
21 an absurd lack of foresight by AEP right now. They  
22 should redefine their image and move into renewable  
23 resources.

24 Thank you.

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1 EXAMINER SEE: Aleta Hunter.

2 After Ms. Hunter is Mouhamed Tarazi.

3 (No response.)

4 EXAMINER SEE: Please state and spell  
5 your name for the court reporter and give us your  
6 address.

7 MS. HUNTER: Aleta, A-L-E-T-A, Hunter,  
8 H-U-N-T-E-R, 2872 Betsy Ross Road, Columbus, Ohio,  
9 43207.

10 - - -

11 ALETA HUNTER

12 being first duly sworn, as prescribed by law, was  
13 examined and testified as follows:

14 DIRECT TESTIMONY

15 MS. HUNTER: My name is Aleta Hunter, and  
16 I come to you speaking I believe for many people that  
17 weren't able to be here because they're disabled or  
18 because for whatever reason they weren't just able to  
19 get out of their house. And, of course, just like

20 everyone else, I'm here to speak about the AEP rate

21 hikes and how much I'm against them.

22 We were asked to speak about how the rate

23 hike would affect us, and so I will try to make what

24 I have to say very brief. I will personally be

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1 affected significantly by this rate hike. With the  
2 economy as it currently is, I'm already struggling  
3 trying to make ends meet. Prices have already  
4 escalated high enough at the grocery stores, at the  
5 gas pump. Thank God prices are coming down some at  
6 the gas pump.

7 But these things are forcing many of us  
8 to make it from paycheck to paycheck; that is, you  
9 know, some of us are just barely doing that. My  
10 younger son moved in with me at the beginning of the  
11 year, and our plan was to help each other out  
12 financially. And it's only by the grace of God that  
13 we have been able to do what we can do, and we are  
14 still struggling at it.

15 My mother is a senior citizen. She's on  
16 a fixed income. She doesn't do near the things that  
17 she used to do because for one thing, not just  
18 because for health reasons -- and thank God she's in  
19 pretty good health -- but because she's on a fixed

20 income. She doesn't have extra money to do anything

21 extra.

22 My daughter and her family have combined

23 incomes with miscellaneous jobs, side jobs to help

24 them to continue to make it from day-by-day. They

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1 have four young children in school. They live in a  
2 single family home.

3 My family, my coworkers, and my church  
4 family, we're all finding ourselves in the same boat,  
5 as I'm sure quite a few of you here. My  
6 grandchildren's ability to go to college will be  
7 adversely affected not only by this rate hike but by  
8 all the other hikes in rates that are going on, a  
9 combination of these things.

10 A rate hike would cause many of us who  
11 are low to middle income families to lose -- possibly  
12 lose our homes, our businesses, our transportation,  
13 et cetera, if not completely shut us down.

14 AEP, I just want to say we really do not  
15 need this rate hike. This is the worst time to  
16 present this to us.

17 Thank you.

18 EXAMINER SEE: Will McCartney. And after  
19 Mr. McCartney, Mary Cunningham.

20           Please state and spell your name and give

21   your address to the court reporter.

22           MR. MCCARTNEY: Will, last name McCartney

23   M-C C-A-R-T-N-E-Y, 845 Minerva Avenue in Columbus.

24                   - - -

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1 WILL MCCARTNEY

2 being first duly sworn, as prescribed by law, was  
3 examined and testified as follows:

4 DIRECT TESTIMONY

5 MR. MCCARTNEY: I, too simply cannot  
6 afford 45/52 percent, whatever it is. What I really  
7 cannot afford is the disingenuous manner in which AEP  
8 is proposing to change a number of things about its  
9 infrastructure.

10 I have read the testimony of Mr. Assante.  
11 AEP proposes to remove your power meters, throw them  
12 away, and let you pay for it, and replace them with  
13 the so-called smart meters, which, again, you would  
14 pay for. That's the proposal.

15 That would go along with power monitoring  
16 and instantaneous power pricing, if you will, which I  
17 understand would set the stage for some types of  
18 possible efficiency by linking this meter to other  
19 things that may or may not shut off, hot water heater

20 or air conditioner or something like that.

21 Along with that is the replacement of

22 quite a few pieces of line equipment, which curiously

23 do not need to be depreciated, again, according to

24 this testimony. It is incumbent upon the Commission

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1 to get to the bottom of why this line equipment does  
2 not need to be depreciated, does not need to be  
3 covered by ratepayers. It's curious it all ends at  
4 one point in time.

5       So there's much more to this than the  
6 simple price of fuel. This is an effort to set the  
7 stage for a change in the infrastructure, and that  
8 may be something that's coming. It may be good. It  
9 may be bad. I don't know, but it's kind of working  
10 its way in from the bottom.

11       And one question that I have for the  
12 Commission at the moment is simply this: AEP would  
13 have us as ratepayers pay for all of this. What  
14 benefit do we get from it? AEP would own the  
15 equipment. That's the proposal. I can see that down  
16 the road AEP could use this equipment for certain  
17 things, but the question is what does AEP intend to  
18 contribute to this? As I read the testimony,  
19 absolutely nothing. The ratepayers will pay it all,

20 and oh, by the way, 10.8 percent return on investment

21 or return on equity, excuse me, while they're going

22 along there.

23 In addition, AEP has asked the Commission

24 in this filing for permission to pass along the cost

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1 of closing down any generating plants prematurely to  
2 ratepayers. Deregulation/not deregulation, you can't  
3 have your cake and eat it too. Which way is it going  
4 to be? The Commission needs seriously to address  
5 that question.

6 There's a whole lot more here than simple  
7 fuel, and it's been, I think, rather disingenuous of  
8 both AEP and the Commission that some of these other  
9 aspects have not been made more public.

10 Thank you.

11 EXAMINER SEE: Thank you.

12 Ms. Cunningham, please state your name  
13 and spell it for the court reporter and give your  
14 address.

15 MS. CUNNINGHAM: Mary Cunningham,  
16 C-U-N-N-I-N-G-H-A-M. My address is 628 Binns  
17 Boulevard, Columbus Ohio 43204.

18 - - -

19 MARY CUNNINGHAM

20 being first duly sworn, as prescribed by law, was

21 examined and testified as follows:

22 DIRECT TESTIMONY

23 MS. CUNNINGHAM: As we have heard

24 repeatedly, AEP is asking for a 15 percent increase

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1 in utility costs each year for the next three years.

2 That's in addition to the cost recovery that the

3 gentleman before me just alluded to. I won't even go

4 into that.

5 What I would like to talk about is that

6 AEP is forcing us as consumers to achieve energy

7 efficiencies to offset this increase. Now, that's

8 not necessarily a bad thing because we in the United

9 States are per person a much higher energy consumer

10 than anyone else in even the developing countries, so

11 we actually have a need to move towards those energy

12 efficiencies.

13 However, those who are most affected by

14 the proposed increases are the people who are already

15 doing more with less. Those who are most affected by

16 the proposal are those who pay energy costs that

17 amount to 30 percent of their fair market rent in

18 their area, 30 percent. This is true for 59 counties

19 in Ohio. You can imagine paying 30 percent of your

20 rent for your electricity. That's the average.

21 Even further in 87 of the 88 counties in

22 Ohio people pay 22 percent on average of their fair

23 market rent for their energy costs. If AEP itself

24 were able to achieve 15 percent efficiencies in each

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1 of the next three years, there would not be a need to  
2 increase costs for its customers.

3 Make no mistake, this would not be a  
4 totally altruistic move on their part as there are  
5 studies that show that every one dollar invested in  
6 energy efficiencies you get a \$3 return on that  
7 investment. This is an achievable goal and  
8 complements with Senate Bill 221 mandate for energy  
9 efficiencies, as well as Governor Strickland's state  
10 mandate for energy efficiencies.

11 We will be doing our part to do more with  
12 less if AEP can meet that effort equally.  
13 Increasingly consumer rates is the easy thing for AEP  
14 to do, and these are not easy times.

15 Thank you.

16 EXAMINER SEE: Thank you.

17 That concludes the witness list. Is  
18 there anyone here that has not already offered  
19 testimony that wishes to do so?

20 (No response.)

21 EXAMINER SEE: If that's the case, we

22 thank you for coming out this evening. Thank you for

23 your time and patience.

24 (The hearing concluded at 9:35 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a  
true and correct transcript of the proceedings taken  
by me in this matter on Monday, October 27, 2008, and  
carefully compared with my original stenographic  
notes.

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Rosemary Foster Anderson,  
Professional Reporter and  
Notary Public in and for  
the State of Ohio.

My commission expires April 5, 2009.

(RFA-8212)

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