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Public Utilities Commission of Ohio
Case No. 10-388-EL-SSO

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Tuesday, April 20, 2010, 6:00 p.m.

In The Matter of Application of Ohio
Edison Company, the Cleveland Electric
Illuminating Company, and the Toledo Edison
Company for authority to establish a Standard
Service Offer pursuant to Section 4928.143 of the
Revised Code in the form of an Electric Security
Plan.

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1 ATTORNEY EXAMINER SEE: Let's go on the
2 Record.

3 We call for hearing at this time Case No.
4 10-388-EL-SSO, being entitled "In The Matter Of
5 Application of Ohio Edison Company, the Cleveland
6 Electric Illuminating Company, and the Toledo
7 Edison Company for authority to establish a
8 Standard Service Offer pursuant to Section
9 4928.143 of the Revised Code in the form of an
10 Electric Security Plan."

11 As I said before, my name is Greta See.
12 I'm an attorney examiner with the Public Utilities
13 Commission assigned to preside over this hearing
14 this evening. I will now take appearances of
15 counsel for the intervenors to the case.

16 On behalf of the company.

17 MS. MILLER: Ebony Miller. I'm here on
18 behalf of the Cleveland Electric Illuminating
19 Company, Ohio Edison, and the Toledo Edison
20 Company.

21 ATTORNEY EXAMINER SEE: On behalf of OCC.

22 MR. REESE: Thank you, Your Honor. I'm
23 here on behalf of the residential consumers of
24 FirstEnergy and on behalf of the Ohio Consumers'
25 Counsel Janine Migden-Ostrander. I'm Richard

1 Reese. And we are not a signatory to the
2 settlement.

3 ATTORNEY EXAMINER SEE: Is there counsel
4 for any other intervenors present tonight?

5 Okay. As I mentioned before, there are
6 representatives from members of the Commission,
7 OCC, and FirstEnergy here tonight. If you have
8 any questions about your utility service other
9 than the case, I'd ask that you see them after the
10 hearing. Or if you want to step outside and see
11 Miss Bowman with the Commission, you can do that
12 at any time before you leave.

13 The Electric Security Plan is the focus
14 of tonight's hearing, so I'd ask that you refine,
15 limit your comments to that. I know you're
16 already aware of the fact that there are public
17 hearings going on throughout the state for this.
18 In addition to tonight's hearing, there will be
19 three others. There were two held last night.
20 The remaining are in North Ridgeville, Austintown,
21 Springfield. I believe there's one more. I can't
22 recall the location.

23 MR. PERSON: Kirkland.

24 ATTORNEY EXAMINER SEE: In Kirkland. An
25 evidentiary hearing is also being conducted before

1 the Commission and it began today, and that is
2 going on in Columbus. The purpose of that hearing
3 is to allow the company, the Commission staff, and
4 other intervenors to present witnesses and expert
5 testimony in support of their various positions.

6 As I said before, the purpose of the
7 hearing here is to give the public an opportunity
8 to, to give their comments on FirstEnergy's
9 application. We will not be hearing from the
10 company -- from the companies or the staff or the
11 intervenors tonight. This is your opportunity.

12 I will remind you, though, that when you
13 come forward you may be cross-examined by counsel
14 for the company or OCC. When you arrived -- Miss
15 Bowman was at the table outside -- you may have
16 been asked if you plan to offer testimony tonight.
17 And if you did, you signed in on a, a sign-in
18 sheet. I'll be using that sheet as the order to
19 take witnesses.

20 If for some reason, although you signed
21 in, you want to pass and don't want to offer
22 testimony, simply indicate that when I call your
23 name. If you wish to offer testimony and did not
24 sign in, you can go outside and sign the sheet.
25 Or at the end when everybody else is done giving

1 testimony, I'll open it one more time for anybody
2 that wants to offer testimony.

3 Before you give your statement, I will
4 swear you in and I will ask you to give your name
5 and address. As you noticed, there's a court
6 reporter sitting to my right; and everything that
7 is being offered tonight to go into the docket is
8 being transcribed by the court reporter.

9 I want to emphasize that the handout that
10 you may have received that indicated that there
11 was a, an agreement or a stipulation that was
12 entered into by the parties to the case does not
13 include all of the interested parties that have
14 filed for intervention to participate in the case.
15 It's only some of the parties.

16 If you go to the Commission's website and
17 go into the Docketing Information System, you can
18 put in the case number which is 10-388-EL-SSO; and
19 it will pull up everything that has been filed in
20 the case. If you highlight the document, the date
21 of the document, you can actually see a copy of
22 it. If you go to the last page, you'll be able to
23 see all the parties that have signed onto the
24 agreement.

25 In some instance, they may not have

1 signed on when it was initially filed. You may
2 have to look and see if there's been a letter
3 filed that indicated their agreement after the
4 date that it was filed with the Commission.

5 Are there any questions about the taking
6 of testimony and the hearing process?

7 MR. PERSON: No. But I do have a
8 question about your title of this. You call it
9 the Electric Security Plan.

10 ATTORNEY EXAMINER SEE: Yes.

11 MR. PERSON: Isn't this a request for
12 rate increases? Or am I missing the boat here?

13 ATTORNEY EXAMINER SEE: It's, it's
14 referred to as an Electric Security Plan pursuant
15 to the statutes. Okay.

16 MR. PERSON: And what does that mean to
17 me? It's not -- that doesn't -- does that mean
18 it's not a request for increasing rates? Or it is
19 a request for increasing rates?

20 ATTORNEY EXAMINER SEE: I'm simply
21 referring to it the way it is referred to in the
22 statutes that govern the Commission.

23 MR. PERSON: But what does it mean?

24 MR. PERSON: It's a rate increase; right?

25 ATTORNEY EXAMINER SEE: You can call it

1 whatever you like. I'm simply referring to it in
2 the statute the way it's been assigned.

3 MR. PERSON: She can't --

4 ATTORNEY EXAMINER SEE: I'm referring to
5 it, as part of the hearing, to the way it's been
6 referred to in the statutes, in the laws that
7 refer to what electric utilities must do.

8 MR. PERSON: She has to remain neutral of
9 this matter, so we can't --

10 ATTORNEY EXAMINER SEE: So if --

11 MR. PERSON: What you are asking for, is
12 it a rate increase?

13 ATTORNEY EXAMINER SEE: Are there any
14 questions about the process, hearing process?

15 Thank you. Yes.

16 MR. PERSON: So the purpose of these
17 hearings -- understand that I am, I am ignorant of
18 that. I've never been to one of these before. I
19 don't know; maybe everybody here has been. So I'm
20 asking questions because I don't know.

21 The question is, do you have these
22 hearings and, and everybody that comes is supposed
23 to know exactly what's going on? You don't
24 contribute any information to us? Is that, is
25 that what you're telling us?

1 MR. PERSON: Yes.

2 ATTORNEY EXAMINER SEE: I can give you --

3 MR. PERSON: Is that a yes or no?

4 ATTORNEY EXAMINER SEE: I'm not, I'm not
5 on the stand. I'm trying --

6 MR. PERSON: I don't understand. I
7 asked --

8 ATTORNEY EXAMINER SEE: I'm giving you
9 information. I'm trying to give you basic
10 information, but I'm not trying to appear as if I
11 have already made a decision. I don't, I don't
12 represent any of the other interested parties. So
13 the best way for me to avoid appearing as if I
14 have made any decision on what the companies have
15 filed, what they're requesting versus what OCC or
16 what the industrial intervenors may have requested
17 is not to describe it, because I don't want it to
18 be attributed to me or to the Commission. I can't
19 make that decision as to whether they get an
20 increase at all.

21 MR. PERSON: So what I heard you say is
22 no?

23 ATTORNEY EXAMINER SEE: If that's what
24 you heard, that's fine.

25 Let me go to the first witness. The

1 first --

2 MR. PERSON: May I ask a question?

3 ATTORNEY EXAMINER SEE: I'm sorry. Go
4 ahead.

5 MR. PERSON: May I ask a question?

6 ATTORNEY EXAMINER SEE: Do you have a
7 question about the process tonight, sir?

8 MR. PERSON: Yes, I'm trying to answer.

9 ATTORNEY EXAMINER SEE: Okay.

10 MR. PERSON: I congratulate you on your
11 voice, loud voice. I can't hear anything of what
12 you said.

13 ATTORNEY EXAMINER SEE: Would you do me a
14 favor? Each time, I need you to raise your hand;
15 because if it goes down and people can't hear,
16 they won't know what's going on.

17 MR. PERSON: I hate to be repetitious.
18 Like this man said, what is it you want to find
19 out at this meeting so we know which way to go?
20 Or are we here wasting our time? Or is there a
21 specific something that you want to know about the
22 rates, about Garfield, about what?

23 ATTORNEY EXAMINER SEE: I want to know
24 what you think about the, I want to know what you
25 think about FirstEnergy's Electric Security Plan.

1 How is it going to affect you.

2 MR. PERSON: How would we know? It's
3 never been explained to us in detail. I haven't
4 got anything like that.

5 ATTORNEY EXAMINER SEE: Were you
6 expecting handouts today to describe to you --

7 MR. PERSON: Yes. I came seven minutes
8 ago and I got these handouts. I haven't had a
9 chance to read them yet.

10 MR. PERSON: So I'm thinking that you
11 guys want to raise, you want to raise our rates.
12 Am I wrong or am I right?

13 ATTORNEY EXAMINER SEE: I'm not -- which
14 "you guys" might you be referring to?

15 MR. PERSON: FirstEnergy.

16 MR. PERSON: Can you answer the question?

17 ATTORNEY EXAMINER SEE: Let's go off the
18 Record.

19 (Discussion off the Record.)

20 ATTORNEY EXAMINER SEE: Let's go back on
21 the Record.

22 I have some names here of individuals who
23 said that they wanted to offer testimony. As I
24 stated previously, at the -- once we have taken
25 all those that signed onto the list to offer

1 testimony tonight, I'll open it back up again for
2 anyone else that wishes to offer testimony.

3 First I'd like to call Calvin Powell.

4 MR. PERSON: That's me.

5 ATTORNEY EXAMINER SEE: Mr. Powell, raise
6 your right hand.

7 (Calvin Powell was sworn.)

8 ATTORNEY EXAMINER SEE: Please state and
9 spell your name for the Record.

10 MR. POWELL: Calvin Powell, C A L V I N,
11 P O W E L L.

12 ATTORNEY EXAMINER SEE: Go ahead with
13 your testimony.

14 MR. POWELL: Yes. I just wanted to ask.
15 I'm against this rate, rate increase totally. And
16 I am a small business owner. And I pay
17 FirstEnergy about \$15,000 a year in energy costs.
18 And also I'm a consumer. I live -- I'm a
19 homeowner and I'm one of those all-electric
20 customers that FirstEnergy just hates.

21 And but my concern is this. The economy
22 has been bad the past two years. And my business
23 has gone down and I cannot afford to see
24 FirstEnergy raise their rates again and charge me
25 more.

1 Now, I do have a question for Miss
2 Miller. I can, I cannot ask?

3 ATTORNEY EXAMINER SEE: At this point, we
4 need to take testimony from you. I'm sure Miss
5 Miller will be here after the hearing.

6 MR. POWELL: Well, then what I would like
7 to say is that now that I've been through this
8 process I can see why they're able to pass these
9 things without the public knowing, because this
10 process is so confusing. And it, they make it as
11 if it's not an increase, an increase. They've
12 changed the terminology for their benefit and for
13 whoever else's benefit -- it's not the consumer's
14 benefit -- to say, "Hey, it's some, some stability
15 program." We know what stability means and that's
16 not a rate increase. And from what I hear and
17 what I read in the newspaper, this is about a rate
18 increase --

19 ATTORNEY EXAMINER SEE: Okay.

20 MR. POWELL: -- a rate increase. Now if
21 I'm wrong, I apologize. If it's not about any
22 rate increase, then a year from now after they
23 pass this my rates go down, I'll send a letter out
24 saying, "Thanks a lot." But at this point in
25 time, I don't believe that's the case. Thank you

1 very much.

2 ATTORNEY EXAMINER SEE: Okay. Thank you.

3 MR. POWELL: Oh, am I supposed to answer
4 any questions?

5 ATTORNEY EXAMINER SEE: Counsel doesn't
6 have any cross-examination questions. They'll
7 indicate to me if they do.

8 Ron Tanski. Mr. Tanski.

9 (Ronald J. Tanski was sworn.)

10 ATTORNEY EXAMINER SEE: State and spell
11 your name for the Record and provide us your
12 address.

13 MR. TANSKI: The name is Ronald J.
14 Tanski. That's T A N S K I. 3590 Turnberry, T U
15 R N B E R R Y, Drive, Medina, Ohio, 44256.

16 ATTORNEY EXAMINER SEE: Okay. Continue
17 with your testimony.

18 MR. TANSKI: I would like to say that I
19 was dismayed to find out that these public
20 hearings are not being held in western counties of
21 Cuyahoga. Nor is there one meeting being held in
22 Medina. I drove the 40 miles to get here to be at
23 this meeting, and those people don't have the
24 opportunity to come if they don't have a way of
25 getting here over that period of time.

1 To continue what I have to say, I'd like
2 to comment about two items that could be
3 potentially in the tariffs, since we don't know
4 what's in the tariffs. The first subject deals
5 with a tariff, a tariff document that's already in
6 place, 08-935-EL-SSO.

7 I'm specifically looking at Page 14, Item
8 No. 28, and I will read it into the Record. "For
9 the April 1st, 2009 through April 1st, 2011
10 period, the companies will contribute, in
11 aggregate, \$25,000,000 to support economic
12 development and job retention including 7.5
13 million for projects identified by the OMA; 1
14 million for OPAC's Community Connections Program
15 or the Fuel Fund; Cleveland, Akron, and Toledo
16 will each have available at least \$500,000 and
17 other municipalities will have at least \$200,000
18 for economic development and job retention
19 activities; and to assist low income customers in
20 paying their electric bills, a Fuel Fund shall be
21 created consisting of \$2,000,000 per year for 2009
22 through 2011."

23 ATTORNEY EXAMINER SEE: And you indicated
24 that's from Case No. 08-935-EL-SSO?

25 MR. TANSKI: Page 14, Item 28.

1 ATTORNEY EXAMINER SEE: Okay.

2 MR. TANSKI: My question is, what
3 happened to the bond system in this state? When
4 you want economic development, you go out to the
5 people that live in this state and ask them to
6 pass a bond for economic development, for job
7 retention.

8 What this is doing is taking money from
9 everybody that's here, okay, and giving it to
10 whoever the PUCO the Ohio Manufacturers'
11 Association and any other association here decides
12 what to do with it. The people of this state
13 don't vote on it. This is the decision made
14 between Ohio Edison and any other electric utility
15 and the PUCO.

16 There is a bond system in place for just
17 those things. I can remember that in my 40 years
18 of voting I have had to vote on many bond issues
19 which call for economic development projects. By
20 demanding this from Ohio Edison, I don't believe
21 for one minute Ohio Edison raised its hand and
22 said, "We're going to give money for economic
23 development." I can't believe they're that
24 benevolent.

25 Are you?

1 ATTORNEY EXAMINER SEE: Counsel won't be
2 responding to questions.

3 MS. MILLER: I will respond when you're
4 finished.

5 MR. TANSKI: As a matter of fact, I will
6 tell you, Madam, that when I called the
7 authorities they told me the governor wants it in
8 the bill. Governor -- and I know who the PUCO
9 works for. They are appointed by the governor.

10 My second issue deals with an old rate
11 plan that I was on, 14-A. I bought my home in
12 1997. In order to get on 14-A, I had to put
13 certain electric appliances in my home. Okay.

14 ATTORNEY EXAMINER SEE: Would you be
15 referring to an all-electric rate?

16 MR. TANSKI: No. No. I think in some
17 circles it's referred to an all-electric rate.

18 ATTORNEY EXAMINER SEE: Okay.

19 MR. TANSKI: I've always heard it
20 referred to as 14-A.

21 ATTORNEY EXAMINER SEE: Okay.

22 MR. TANSKI: 14-A required me to put an
23 electric water heater in. I had to put an
24 electric light pole in front of my house. I had
25 to put a demand meter on my house which allowed

1 the electric company to turn down my electricity
2 at peak demand.

3 And then unilaterally this particular
4 08-935-EL-SSO came out, unilaterally just said,
5 "Too bad you put all that equipment in. We're not
6 doing anything about it." Is there anything in
7 this rate increase to help the people out who had
8 to do things in order to get the rate decrease? I
9 can answer that question. I think not. Because
10 it wasn't put in this increase.

11 Now that you've thrown out the agreement,
12 which I was talking about, and unilaterally to
13 discontinue 14, 14-A, is there anything in the new
14 tariff that will reduce the cost, to revert to a
15 less expensive form of energy which I think is the
16 goal of this whole thing?

17 You want to get energy use down in
18 electricity, okay, if I can convert everything I
19 have over to natural gas. I did that. I did that
20 for you. But there's nothing in there to help me
21 do that.

22 ATTORNEY EXAMINER SEE: Could you be --
23 "did that for 'you.'" Just so the Record is
24 clear, you're referring to whom?

25 MR. TANSKI: 08-935-EL-SSO --

1 ATTORNEY EXAMINER SEE: Your other
2 statement was you, you converted and you "did that
3 for 'you.'" Who is the "you" that you're
4 referring to?

5 MR. TANSKI: Well, I did that for Ohio
6 Edison --

7 ATTORNEY EXAMINER SEE: Okay.

8 MR. TANSKI: -- at that point.

9 ATTORNEY EXAMINER SEE: That's okay.

10 MR. TANSKI: Pulling that 14-A out from
11 under me was done by that agreement.

12 ATTORNEY EXAMINER SEE: Okay.

13 MR. TANSKI: Okay. So here I am stuck
14 with high-energy-use equipment, because you're
15 raising the rates, okay; and if you allow this
16 agreement to go through, it's going higher.

17 ATTORNEY EXAMINER SEE: Okay.

18 MR. TANSKI: I'm not the only person with
19 all-electric homes. There's others hurting more
20 than I am. Okay. I know what I was told when I
21 put that equipment in. And I can tell you what
22 they tell me now because I've called Ohio Edison;
23 I've called others. I've called the PUCO. "Well,
24 you made that decision." That's their decision
25 [sic]. "You made that decision." And the answer

1 is they could care less.

2 ATTORNEY EXAMINER SEE: Okay.

3 Miss Miller.

4 MS. MILLER: I just have one question for
5 you.

6 MR. TANSKI: Sure.

7 MS. MILLER: If you were to learn that
8 the provision that you read regarding the
9 \$25,000,000 in economic development was funded by
10 FirstEnergy, which it was, and not rate payers,
11 would you agree that that is a substantial benefit
12 to the State of Ohio?

13 MR. TANSKI: Well, let me tell that you
14 what I learned, because you're asking me if I
15 learned. I'll tell you what I have learned.

16 MS. MILLER: I said if you were to learn.

17 MR. TANSKI: I learned that there was a
18 line item in that bill specifically for this.

19 MS. MILLER: I'm not sure what -- I guess
20 my question is that, I mean you read the
21 provision; you thought it was paid by rate payers.
22 If you were to learn it was actually paid by
23 FirstEnergy, would you agree that that's a
24 substantial benefit?

25 MR. TANSKI: If I send my money to

1 FirstEnergy, it certainly is paid for by
2 FirstEnergy. But you've taken my money in a line
3 item to give to a third-party.

4 MS. MILLER: A line item in the --

5 MR. TANSKI: In the utility bill. And
6 them to break down the utility bill. You will not
7 see it in what you get at home. You have to go
8 through everything in there and say, "What's in
9 this? What's in this? What's in this?" What you
10 find out, this is in there.

11 MS. MILLER: My direct question is, you
12 don't know if rate payers paid for that, do you?

13 MR. TANSKI: Yes, I do. That's what I'm
14 telling you.

15 MS. MILLER: You're assuming. I guess --

16 MR. TANSKI: I'm telling you I know the
17 rate payers have a line item in that bill for
18 economic development.

19 MS. MILLER: Do you have that language
20 that you read from, the actual document? Or did
21 you copy it down?

22 MR. TANSKI: This is the document. I
23 copied the page out. I read this.

24 MS. MILLER: May I approach?

25 ATTORNEY EXAMINER SEE: Yes.

1 MS. MILLER: May I read the entire
2 language for the Record?

3 MR. TANSKI: I read the whole thing.

4 ATTORNEY EXAMINER SEE: Do you have --

5 MR. TANSKI: You have here the same --

6 ATTORNEY EXAMINER SEE: Do you have any
7 indication of what the document is?

8 May I see it, Miss Miller?

9 MS. MILLER: Yes. I'm sorry. This
10 provision here.

11 ATTORNEY EXAMINER SEE: It's out of the
12 Commission Order. I can't read it.

13 MS. MILLER: I guess -- I mean I'll ask a
14 more direct question. Isn't it correct that the
15 provision said that the companies will contribute
16 an aggregate \$25,000,000 to support economic
17 development and job retention?

18 MR. TANSKI: I believe in the word
19 "will." Yes. Somebody's telling them to do it.

20 MS. MILLER: That's that this said, is
21 the companies will contribute, not rate payers;
22 correct?

23 MR. TANSKI: I hear what that says.

24 MS. MILLER: No further questions. I
25 don't want to belabor it. Thank you.

1 ATTORNEY EXAMINER SEE: Thank you,
2 Mr. Tanski.

3 Mildred Whitmore.

4 MS. WHITMORE: I pass.

5 ATTORNEY EXAMINER SEE: Okay.

6 Erwin Zaretsky.

7 MR. ZARETSKY: Zaretsky.

8 ATTORNEY EXAMINER SEE: Mr. Zaretsky --

9 MR. ZARETSKY: Yes.

10 ATTORNEY EXAMINER SEE: -- please raise
11 your right hand.

12 (Erwin V. Zaretsky was sworn.)

13 ATTORNEY EXAMINER SEE: Please state and
14 spell your name for the Record and provide your
15 address.

16 MR. ZARETSKY: Erwin V. Zaretsky. I'm
17 spelling the last name first: Z A R E, like in
18 echo, T, like in Tom, S K Y. First name Erwin, E
19 R W I N. Middle initial V. The address is 37645
20 Miles Road, Moreland Hills, Ohio, 44022.

21 ATTORNEY EXAMINER SEE: Go ahead with
22 your testimony.

23 MR. ZARETSKY: Madam Chairman, Miss
24 Miller, representative of FirstEnergy, members of
25 the OCC, other interested parties, fellow

1 citizens, I'm a licensed attorney and professional
2 engineer licensed in the State of Ohio. I also
3 did electric distribution for the U.S. Air force,
4 so I'm not unfamiliar with electric distribution,
5 electric power. I also have a few courses in
6 economics and I have, just happen to have an
7 all-electric home, so I am also familiar with the
8 current rates. And I've been following this for
9 almost a year now.

10 Excluding the all-electric rate, the
11 general population, representatives -- or now
12 "representatives" -- the customers of FirstEnergy
13 received approximately a 25- to 30-percent
14 increase in their per-kilowatt-hour rate. This is
15 before discount. The overall rate before discount
16 went from approximately 10 cents per kilowatt hour
17 to over 13 cents per kilowatt hour. I read 13.1
18 cents. I calculated 13.4 cents. It's variable
19 based upon usage.

20 The reason for the rate increase was
21 because last year, about 14 months ago, the PUCO
22 approved a distribution rate increase of
23 approximately a hundred and 37 million dollars.
24 That hundred 37 million dollars represented to the
25 consumer that 25- to 30-percent increase.

1 Now, according to the information that I
2 have available, based upon the ESP, included is
3 another rate increase for distribution of
4 \$390,000,000. That would increase the rate
5 increase from 14 months ago, going back to what
6 was before, 14 months ago, to 300 percent on the
7 distribution rate or, if I calculate correctly, a
8 75-percent rate in your, increase in your
9 per-kilowatt-hour cost of electricity before
10 discount.

11 It's like paying retail -- or wholesale
12 but giving a discount to wholesale when they give
13 you your discount rate. In the end, the consumer
14 is paying more money than he or she paid a year
15 and a half ago or December of 2008.

16 Now, let's point out, if this increase
17 goes up, and if my calculations are correct, the
18 consumer, at least in northeast Ohio, can be
19 paying up to 15 cents per kilowatt hour which is
20 approximately 50 percent more than a year and a
21 half ago.

22 As this gentleman testified, he's paying
23 \$15,000 in electric rates. You know what his
24 rates are going to be? Up to over \$20,000.
25 People who have all-electric homes who use a

1 significant amount of electricity are going to be
2 paying a hundred to a hundred and 50 percent more
3 than they paid a year and a half ago conceivably
4 just because of increased usage.

5 The PUCO have the responsibility in the
6 State of Ohio to look after the consumer. So does
7 the governor. So does the state legislature. In
8 March or June of last year, I called the PUCO.
9 And a gentleman on behalf of the PUCO said, you
10 know, "Don't blame us. Blame your state
11 legislature." So I contacted the state
12 legislature. I gave testimony there a few months
13 ago. I also called my state representative. They
14 said, "It's not our fault. It's the PUCO."

15 Now, my impression is this, that the PUCO
16 at least in the past had become a rubber stamp for
17 FirstEnergy. And while the State of Ohio and U.S.
18 government gives economic incentives to people,
19 people of low income -- an example, the City of
20 Cleveland has rehab housing which is
21 all-electric -- people can't afford to heat their
22 houses because of this. The rent is less than the
23 cost of electricity, people who have no jobs,
24 citizens struggling to stay in business, and the
25 State of Ohio allowed electric rates to go up.

1 Who's looking after the consumer? Who's
2 looking after the voter? Who's looking after the
3 small man? Not the State of Ohio. Not the State
4 of Ohio.

5 FirstEnergy is a public utility.
6 FirstEnergy took in last year, if my numbers are
7 correct, 13 billion dollars. The year before,
8 2008, they took in another 13 billion dollars.
9 2008 -- again, if my numbers are correct -- their
10 profit was 1 billion dollars. That's not a bad
11 profit out of 13 billion dollars.

12 Now, unfortunately their gross income
13 didn't go up in 2009. It stayed at 13 billion
14 dollars. But their profits went up to 1.3 billion
15 dollars, \$300,000,000 more, almost what they're
16 asking for the increase in the distribution rate.

17 Now, I don't know what a reasonable
18 return on equity is. I don't know what a
19 reasonable return is on gross sales. But we have
20 small businessmen here.

21 How much do you make on your gross sales,
22 7 percent, 5 percent, 4 percent?

23 MR. PERSON: Yeah.

24 MR. PERSON: Right. You're in the
25 ballpark now, yes.

1 MR. ZARETSKY: This is 13 percent, 13
2 percent. And they can't afford to take any
3 increased cost out of their profits? And then
4 this a public utility. This is not Microsoft. I
5 don't know what Bill Gates gets in an annual
6 salary. But I do know that Mr. Alexander, your
7 chairman/president, he gets 13 million dollars or
8 he gets 1 percent of the gross profits of the
9 company. I wonder how much of an increase he's
10 going to get if the PUCO increases their rate
11 \$390,000,000. Bet he gets a raise. I certainly
12 would give him a raise.

13 You know, even if assuming they deserved
14 an increase, which I question, of course, is this
15 the time to give them an increase? Is this a time
16 to put the screws to the consumer in Ohio? Is
17 this the time to put the screws to the small
18 businessman? I think not.

19 I think we got our priorities goofed up.
20 We're losing business here. And one of the
21 reasons, by the way, which has not been alluded to
22 or talked to -- I think it was in the paper --
23 FirstEnergy, because of reduced rates -- not
24 reduced rates but reduced usage, anticipates a
25 decrease of a hundred million dollars in revenue.

1 You can assume, allude to that, or
2 correct me if I'm wrong, as a result, the reason
3 for asking for this increase is to make up for the
4 hundred million dollars. But they're not asking
5 for a hundred million dollars. They're asking for
6 \$390,000,000.

7 And then they can -- they should be
8 taking that hundred million dollars out of their
9 gross profits or net profits. That's not alluded
10 to either. This is a monopoly. This is not a
11 competitive business. I don't have the
12 opportunity to ride down the block to another gas
13 station to get my energy.

14 Now, just for purposes of reference, if
15 you want to know what you're paying for your
16 electric rate, look at this from the equivalency
17 of gasoline. We all understand gasoline. No one
18 here understands, unless you're an engineer
19 perhaps, what a kilowatt hour is.

20 The equivalent of what you're paying in
21 electric rates is equivalent approximately to
22 paying \$4.51, \$4.50 per gallon of gasoline. Now,
23 if this rate goes through, the potential is you'll
24 be paying the equivalent of \$5.50 per gallon of
25 gasoline.

1 Now, I don't know how many of you have
2 all-electric cars here. Anyone have an
3 all-electric car? This is going to cost you more.
4 In fact, if you want an all-electric car now, it's
5 going to cost you more to drive an all-electric
6 car than a hybrid electric car in the state of
7 Ohio, at least northeast Ohio.

8 How many cars do you think is, are going
9 to be sold in Lordstown when they get people to
10 figure out that it's going to cost them more
11 money? How many businesses who are manufacturing,
12 are heavily into manufacturing in the state of
13 Ohio, small machine shops are going to stay, are
14 forced to stay in business because of electric
15 rates? How many testing laboratories that use a
16 lot of electricity, companies that use electric
17 motors and power are going to be able to maintain
18 their viability here because of electric rates?
19 How many people with long-term contracts for
20 manufacturing are going to increase or be able to
21 increase the cost to the consumer for their
22 product when their electric rates go up and/or
23 stay in business?

24 We're not talking a few cents. We're
25 talking a significant amount of money. Who's

1 looking after the interest of the voter and
2 citizens of the State of Ohio? I certainly hope
3 the PUCO is. I hope Governor Strickland is. I
4 hope the state legislature is. Because up to now,
5 people have been pointing fingers: You. You.
6 You. Not me.

7 It's now everybody. You're on notice.
8 Thank you very much.

9 ATTORNEY EXAMINER SEE: Okay. Thank you.

10 Do you have questions for this witness?

11 MS. MILLER: Yeah. I have one question.

12 ATTORNEY EXAMINER SEE: Okay.

13 MS. MILLER: You had indicated that one
14 rate plan is in effect and then the company comes
15 in with another rate plan and that's on top of the
16 old rate plan and created this pancake in effect.
17 Do you recognize that certain rates expire and
18 then new rates are put in place and the rates --
19 and it could result in a rate decrease? It's not
20 a pancake effect?

21 MR. ZARETSKY: Well, "could" is not
22 "probable." You're an attorney. You know the
23 difference between "could," "possible," and
24 "probable." Probability is rates will not go
25 down.

1 Now, you clarified something before I
2 spoke. Off the Record, you clarified something
3 when you indicated this was "to replace," the
4 \$390,000,000 was --

5 At least implied. You didn't say it per
6 se. Implied.

7 -- the \$390,000,000 was to replace the
8 hundred 37 million dollars distribution cost? Am
9 I correct?

10 MS. MILLER: No. And actually that's a
11 problem with a lot of your testimony. You take
12 two ideas and mix them. It's not correct. I mean
13 when you talk about a hundred and 37 --

14 MR. REESE: Objection, Your Honor. He's
15 testifying.

16 MS. MILLER: I'm -- he asked me a
17 question.

18 MR. PERSON: She's clarifying.

19 MS. MILLER: He asked me a question.

20 ATTORNEY EXAMINER SEE: Mr. Zaretsky and
21 Miss Miller, if you want to ask, clarify questions
22 or cross-examine this witness, you certainly may.
23 I'm not going to put your response to
24 Mr. Zaretsky's question in the Record. You
25 certainly can go off the Record and respond to

1 him.

2 MS. MILLER: Okay.

3 If you want to ask me questions, you
4 should probably ask me afterwards. I can't --

5 MR. ZARETSKY: We could talk --

6 MS. MILLER: -- can't answer your
7 questions.

8 MR. ZARETSKY: I'll stick around.

9 MS. MILLER: Are you aware that certain
10 rates expire and the new rates are put in place?
11 It's not like one rate continues and another rate
12 is on top?

13 MR. ZARETSKY: I understand that. But
14 whatever information has been publicly put out has
15 not been clear, precise, or complete. And
16 certainly it was stealth, because I saw nothing
17 directly from FirstEnergy with regard to the
18 rates. I got this from third-party information.

19 One other point I want to make by the
20 way. I think it's very important. Someone
21 alluded to this also. The notification that I got
22 that the meeting was going to be held, the
23 hearings are going to be held this week was eight
24 days ago. Where was public notice of these
25 meetings? Rhetorical question. Thank you very

1 much.

2 ATTORNEY EXAMINER SEE: All right. Thank
3 you.

4 MS. MILLER: Stephen Wert....

5 MR. WERTHEIM: Wertheim.

6 ATTORNEY EXAMINER SEE: Say it again,
7 sir.

8 MR. WERTHEIM: Wertheim.

9 ATTORNEY EXAMINER SEE: Wertheim. Okay.
10 Mr. Wertheim, raise your right hand, please.

11 (Stephen C. Wertheim was sworn.)

12 ATTORNEY EXAMINER SEE: Please state your
13 name. And I need you to definitely spell your
14 last name.

15 MR. WERTHEIM: Absolutely. Want a card?
16 Would that be easier?

17 ATTORNEY EXAMINER SEE: Yes.

18 THE REPORTER: Thank you.

19 MR. WERTHEIM: My name is Stephen
20 Wertheim, S T E P H E N, W E R T H E I M. And I
21 live at 4355 Baintree, University Heights, Ohio,
22 44118. I'm, I'm here today -- I'm the director of
23 a program called 2-1-1 First Call For Help. What
24 we are is a 24/7 information referral agency that
25 links people to various health and human services.

1 People contact us around the clock 24 hours a day.

2 We serve Cuyahoga, Geauga, and Medina County.

3 Something interesting happened last year.

4 For the first time ever, utility bill payment
5 assistance became our number 1 call. Even when we
6 look at what our top ten requests are for the
7 year, it was number 1. When we looked further,
8 what we saw was approximately 23,600 folks had
9 contacted us. And when we just looked back about
10 four years, we saw that that was a 100-percent
11 increase.

12 I've not seen anything like this. Even
13 when we look at things like food pantries, we saw
14 during the same period an 82-percent increase.
15 Homeless shelter, 23-percent. Even foreclosure
16 prevention was about an 8-percent. So this is,
17 this was quite a high increase.

18 We, we looked at it a little further.
19 Became very concerned. A couple of things. I
20 note that there are a lot of senior citizens here
21 tonight. I got to tell you that I have my AARP
22 card as well. So when we looked at what was
23 happening to seniors, we saw something that really
24 kind of surprised us as well, that basically as a
25 group then they represented about 2,000 of the

1 calls we got this year for utility bill payment
2 assistance.

3 And we saw that it went up. It was about
4 the same amount, about 98 percent during that same
5 period from 2006 to 2009. It's really -- what
6 really struck us about that, we were talking, we
7 were talking to seniors, many of whom were
8 homeowners who were having trouble staying in
9 their homes in spite of programs like, like HEAP
10 and programs like Homestead Exemption. They --
11 people who had long ago finished paying off their
12 mortgages weren't able to pay their utilities.
13 And it worries us because it will destabilize a
14 group of people.

15 What we also saw when we looked at the
16 numbers a little closer, another concern came up,
17 is that when we look at that increase overall in
18 the people asking for utility bill payment
19 assistance we found an increase of about 109
20 percent in the city itself, going to about
21 13,000 -- I'm sorry. It's late in the day -- 175
22 for last year.

23 But one of the things that's interesting
24 is that what we've seen this time that we didn't
25 see four years ago is almost no suburbs, with the

1 exception of Hunting Valley in, in Cuyahoga
2 County, that we didn't get requests for utility
3 assistance. And since we're sitting in Garfield
4 Heights, I should tell you that their increase
5 over the last four years increased about 302
6 percent.

7 I can understand folks say, "Well, this
8 is a fast-growing suburb and you would expect that
9 sort of thing, because there's diversity here."
10 But I should tell you that when we looked at a
11 place like North Olmsted -- we're getting calls
12 from places we've never gotten calls from
13 before -- their increase in the last four years
14 went up 320 percent.

15 I'll give you copies of this data --

16 ATTORNEY EXAMINER SEE: That would be
17 appreciated.

18 MR. WERTHEIM: -- when I'm done.

19 The concern we have is that any increase,
20 if there is an increase, is going to destabilize
21 more and more folks. About 50 percent of all our
22 calls are housing related. And our concern is, is
23 that the growth of this from the traditional
24 areas, areas that I know some of us here have
25 dealt with in the past in the city first, suburbs

1 are now something that's being affected
2 everywhere.

3 But one thing I did want to mention for
4 the man from Medina, Medina had gone up, Medina
5 City had gone up 250 percent in calls in the first
6 four -- in the last four years.

7 We're seeing that there is no area that
8 hasn't been affected. I think what's going on
9 here is, for lack of a better term, a game
10 changer. We understand that this system has been
11 in place for a long time, and we understand that
12 blame is being pointed in a number of different
13 directions. But we truly, as, as someone who
14 tries to link people to health and human services
15 and services in general, are really at a point
16 where we don't -- we fear next winter, that the
17 demand will be higher than we've ever seen before.

18 Thank you very much.

19 ATTORNEY EXAMINER SEE: Thank you. You
20 had a, you had a copy of this that you're reading
21 from --

22 MR. WERTHEIM: Yes.

23 ATTORNEY EXAMINER SEE: -- in case the
24 court reporter.... I'm sorry. Do you have
25 another copy? I'll give this copy to the court

1 reporter so that she can refer to numbers, make
2 sure they're correct. Thank you.

3 MR. WERTHEIM: Thank you.

4 ATTORNEY EXAMINER SEE: That was all of
5 the witnesses that I had on the list that signed
6 up.

7 You wanted to offer testimony, ma'am?

8 MS. BENEK: I didn't realize that anybody
9 that wanted to ask a question....

10 ATTORNEY EXAMINER SEE: You want to offer
11 testimony?

12 MS. BENEK: I'm sorry. I couldn't hear
13 you back there.

14 ATTORNEY EXAMINER SEE: This is off the
15 Record.

16 (Discussion off the Record.)

17 ATTORNEY EXAMINER SEE: Let's go back on
18 the Record.

19 I need you to raise your right hand.

20 (Martha Benek was sworn.)

21 ATTORNEY EXAMINER SEE: You have
22 questions for whom? You have questions for me or
23 you have questions for the representative from
24 FirstEnergy?

25 MS. WHITMORE: What I'm going to say is

1 true. That's all I'm going to tell you.

2 ATTORNEY EXAMINER SEE: If you have -- at
3 this point, I need you --

4 Let's go off the Record.

5 (Discussion off the Record.)

6 ATTORNEY EXAMINER SEE: Let's go back on.

7 MS. WHITMORE: I'm on the Record now?

8 ATTORNEY EXAMINER SEE: I need you to
9 state your name --

10 MS. BENEK: My name is --

11 ATTORNEY EXAMINER SEE: -- and give your
12 address.

13 MS. BENEK: -- Martha Benek, B E N E K.
14 I live in -- want the address?

15 ATTORNEY EXAMINER SEE: Yes.

16 MS. WHITMORE: 18612 Waterbury in Maple
17 Heights.

18 ATTORNEY EXAMINER SEE: Okay.

19 MS. WHITMORE: I merely wanted to make
20 some comments or ask questions. I didn't realize
21 that people were signing in to do this. Okay.
22 And I'm still not right apparently.

23 But I did feel that when I came -- this
24 is my first public hearing --

25 ATTORNEY EXAMINER SEE: Okay.

1 MS. WHITMORE: -- in front of any kind of
2 Commission. I assumed that there would be some
3 introductory remarks by somebody which would give
4 us a clue as to what was going on. My biggest
5 regret is that I'm not a lawyer because I sure
6 didn't know what was going on for a while.

7 I question -- and I thank the people that
8 did speak. I thought you were very good and
9 expressed yourself and expressed what I, a lot of
10 what I wanted.

11 I went to open a CD today. When you talk
12 about the percentage of return, on a 24-month CD I
13 would have gotten 1.7 percent. That's my return.

14 And the Public Utilities Commission, we
15 are right now at this time concentrating on just
16 one utility which is looking for an increase.
17 Telephone legislation has gone through or I
18 believe it's in process in the legislature which
19 will also increase or in some way affect the kind
20 of service that we can expect from our telephone
21 companies. There is also the natural gas
22 industry, which is a public utility.

23 We're talking only about this. And, yes,
24 I, I understand the people who got all-electric
25 homes and found a 300-percent increase in their

1 utility. I really felt for them. I did,
2 seriously.

3 But you know, a few years ago, maybe
4 eight, ten years ago, our gas bills in the
5 wintertime jumped well over a hundred, a hundred
6 and 50 dollars. Nobody gave me a decrease in the,
7 in the gas rate or in the electric rate. So my
8 sister in an all-electric home has been telling
9 me, "Oh, my utility bills aren't so bad," until
10 this past year when she found out. Because their,
11 their heat was included.

12 So, yeah, it's really been bad. And I
13 agree with them; I wouldn't want a 300-percent
14 increase in my bill. And I feel that if it's, if
15 the Utilities Commission is supposed to be a state
16 function, the state represents us and you should
17 be looking out for keeping not only the electric
18 rates reasonable but to keep watching what the
19 heck's going on.

20 And, yes, I agree, our legislatures are
21 also to blame. How can you find out? You can't
22 even find out who your state senator is and your
23 state district representative. It's difficult.
24 You have to have --

25 Our local newspapers are closed. I don't

1 know what's happening in Maple Heights unless I go
2 down to city hall. And they say, "Look at the
3 notices." I don't have a computer.

4 We are now in the ignorant stage. We
5 can't get information. I knew about this
6 Utilities Commission meeting because it did appear
7 in the paper, in the Plain Dealer two times. So
8 for public notice, there was something in the
9 newspapers.

10 But how far did that go? This should be
11 like that one in Strongsville where people were
12 raising the roof. And they got their electric
13 rates somewhat reduced as a result of that. But
14 we're not raising the roof. We're just asking the
15 Public Utilities Commission, which somebody said
16 represented the people, to act as our
17 representatives and try to keep something from
18 jumping like this.

19 You have bills or presentations made two
20 years ago that haven't been cleared. And there's
21 another one in the wind and, "Let's get it out in
22 the next three, four, five weeks." This is
23 stupid.

24 The big thing is if you're going to rush
25 it, you're not going to do a good job. If you're

1 holding something for two years, why? Was there
2 something wrong with it? And what about the other
3 stuff that's nipping at your heels? The
4 telephone? The gas? We're just the ones that are
5 sitting there taking it.

6 I really think the Public Utilities
7 Commission has failed to represent the customer.
8 I believe it is, it, it is, as you say, a rubber
9 stamp for the utilities. I just -- and that is
10 proof.

11 I felt, I felt like when you come out and
12 say, "Well, did you sign this? You have to.
13 You're giving testimony," or something like that,
14 you're putting us down. You may not think so but
15 that's the feeling, like, "What did I say?"

16 She (indicating) tried to explain how she
17 felt to me. And when I tried to get your
18 attention, you know, that was a no-no.

19 But, anyway --

20 Right? You were trying to explain how
21 you felt because you didn't understand what was
22 going on?

23 You should change your meetings so that
24 you give an introduction so people know what we're
25 talking about. And are there going to be two

1 sides presented? Or is it only going to be one,
2 one entity that will be presenting its facts?

3 Thank you for listening to me. I'm
4 sorry. That's it.

5 ATTORNEY EXAMINER SEE: Thank you.

6 Is there anyone else that didn't give
7 testimony that wants to?

8 Okay. As I indicated before, the
9 information that was given to us tonight becomes
10 part of a transcript. It will be put into the
11 docket of the Commission's record of the case
12 along with all the other documents that have been
13 filed in the case. And once the Commission
14 reviews the evidence that's part of the record and
15 all the matters and all the documents that are put
16 into the docket, they will issue their Opinion and
17 Order on FirstEnergy's request.

18 Not sure when that will happen. But
19 there, as I said before, there are additional
20 public hearings in four -- I believe four more are
21 going on throughout FE's service territory.

22 I appreciate you taking out, the time out
23 of your evening and offering us your testimony
24 tonight. Thank you.

25 (The hearing concluded at 7:24 p.m.)

C E R T I F I C A T E

STATE OF OHIO

COUNTY OF STARK

I, Jocelyn S. Harhay, RPR, Notary Public in and for the State of Ohio, do hereby certify that the April 20, 2010, public hearing was to the best of my ability reduced to machine shorthand, afterwards transcribed under my direction by means of computer, and that to the best of my ability the foregoing is a true and correct transcript of the April 20, 2010, public hearing.

I further certify that this April 20, 2010, public hearing was taken at the time and place in the foregoing caption specified.

I further certify that I am not a relative or employee of an attorney of any of the parties in the above-captioned action and that I am not, nor is the court reporting firm with which I am affiliated, under a contract as defined in Ohio Civil Rule 28(D).

IN WITNESS WHEREOF, I have hereunto set my hand at Hartville, Ohio, on April 22, 2010.

Jocelyn S. Harhay, RPR,
Notary Public

My Commission expires: June 15, 2013.