

Security Plan.

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

3 Scheduled for hearing at this time
4 in Cleveland, Ohio, before the Public Utilities
5 Commission is case number 10-388-EL-SSO being
6 captioned in the Matter of Application of Ohio
7 Edison Company, Cleveland Electric Illuminating
8 Company, and Toledo Edison Company for Authority
9 to Establish a Standard Service Offer Pursuant
10 to Section 4928.143 of the Revised Code in the
11 form of an Electric Security Plan.

12 My name is Greta See. I'm an
13 attorney examiner with the Public Utilities
14 Commission assigned to preside at this hearing
15 today. At this time I would like to take
16 appearances of the counsel for the intervenors.
17 On behalf of the company?

18 MS. MILLER: On behalf of Ohio
19 Edison, Toledo Edison Company, and Cleveland
20 Electric Illuminating Company my name is Ebony
21 Miller, counsel for the company.

22 ATTORNEY EXAMINER SEE: On behalf of
23 Ohio Consumers' Counsel.

24 MR. REESE: Thank you. On behalf of
25 the residential rate payers of First Energy, on

1 behalf of the Ohio Consumers' Counsel, Janine
2 Migden-Ostrander, I'm Richard C. Reese,
3 assistant consumers' counsel.

4 ATTORNEY EXAMINER SEE: Is there
5 counsel for any of the other intervenors at the
6 hearing today?

7 MR. MEISSNER: Good afternoon. My
8 name is Joseph Patrick Meissner. I'm an
9 attorney with Legal Aid. I'm proud to be here
10 on behalf of Citizens Coalition, which is made
11 up of people and representatives of people who
12 are especially affected by any kind of rate
13 increase, this include the low income customers
14 here in Ohio of all three companies. Thank you,
15 Your Honor.

16 ATTORNEY EXAMINER SEE: As Mr. Davis
17 indicated, there is a representative from the
18 SMED, Service Monitoring and Enforcement
19 Division, Ms. Bowman. You likely met her as you
20 came in and she asked if you wanted to sign in
21 to offer testimony.

22 If you didn't sign in and wish to
23 offer testimony, please go out when there's a
24 break and sign your name on the list. I will be
25 taking testimony in order of the names that have

1 signed up, so that whomever was first to come to
2 the hearing, will be the first to offer
3 testimony. If you have not signed in and at the
4 end you decide that you want to, I will offer an
5 opportunity to offer testimony at that time.

6 Although Mr. Davis gave you a little
7 background about the application filed by First
8 Energy, just to give you a slightly different
9 brief synopsis what it involves, on March 23rd
10 First Energy filed with the Commission an
11 application along with the signed agreement by
12 several parties to establish the next Electric
13 Security Plan for the company, it's commonly
14 referred to as ESP, for the supply and pricing
15 of electric service from June 1st, 2011 through
16 May 31st, 2014.

17 The electric generation rates under
18 the new plan would, again, be determined by a
19 competitive bid conducted by an independent bid
20 manager as they were in the company's previous
21 ESP plan. Under the proposed ESP, First
22 Energy's distribution rates will remain frozen
23 through May 31st, 2014. The company would also
24 establish a mechanism in 2012 to recover
25 improvements, to recover the cost for

1 improvements to the company's distribution
2 system. The cost of recovery would be subject
3 to quarterly filings and annual audits by the
4 Public Utilities Commission. First Energy would
5 continue to promote economic development, job
6 retention, energy efficiency, conservation, and
7 low income programs.

8 In addition to the hearing tonight
9 and others conducted last night, there's a total
10 of eight local public hearings. One will held
11 this evening at 6:00 in Garfield Heights at
12 council chambers. Another will be held in North
13 Ridgeville tomorrow, one is in Austintown
14 tomorrow, and one in Springfield on Thursday
15 evening. In addition to the eight public
16 hearings, there's an evidentiary hearing, and
17 it's scheduled to be in Columbus this morning.

18 The purpose of the hearing is to
19 allow the companies, staff, and other
20 intervenors to present witnesses and testimony
21 in support of their position in the case. And
22 as you heard before, there's a number of
23 intervenors in the case, including the company,
24 Ohio Consumers' Counsel, Ohio Partners for
25 Affordable Energy, Industrial Energy Users, Ohio

1 Hospital Association, Association of Independent
2 Colleges and Universities of Ohio, Ohio Schools
3 Council, Nucor Steel, City of Cleveland, Ohio
4 Manufacturers Association, and the Kroger
5 Company.

6 The purpose of the public hearing,
7 what we're doing here this afternoon, is to get
8 comments from the public. We'll not hear from
9 the company, the staff, or OCC. It's your
10 opportunity to discuss the issue associated with
11 this application that you feel is important.
12 You may, however, be cross-examined by the
13 company or OCC, and I may ask questions to
14 ensure the record for the Commissioners is
15 clear.

16 Before you make your statement, you
17 will be sworn in, and I will ask you to state
18 your name and address for the record. You'll
19 note that sitting immediately to my left is a
20 court reporter who is transcribing everything
21 that is said tonight and it will become part of
22 the record that the Commissioners will use for
23 consideration in this case.

24 We appreciate you taking your time
25 today, and we'll start the hearing at this

1 point. First, let me ask, are there any
2 questions about the process today?

3 Okay. If not, let me call to the
4 stand Greg Fedak. And I apologize now for
5 butchering any names.

6 ATTORNEY EXAMINER SEE: Mr. Fedak,
7 am I pronouncing your name correctly?

8 MR. FEDAK: No.

9 ATTORNEY EXAMINER SEE: Tell me how
10 you pronounce it.

11 MR. FEDAK: Fedak.

12 ATTORNEY EXAMINER SEE: Mr. Fedak,
13 please raise your hand.

14 (Mr. Fedak was sworn.)

15 ATTORNEY EXAMINER SEE: State and
16 spell your name for the record and provide us
17 with your address.

18 MR. FEDAK: Hi. My name is Greg
19 Fedak, F-e-d-a-k. My address is 8960 Ivy Oval,
20 North Royalton, Ohio.

21 My wife Phyllis and I purchased an
22 all electric home 25 years ago in North
23 Royalton. The home was built in 1980. It's
24 heavily insulated. The insulation in my attic
25 is about four inches above the rafters. There's

1 no storage in the attic because of the
2 insulation.

3 Within the last three years, I have
4 completed replacing all the windows in the home
5 with the best Pella state-of-the-art insulated
6 windows I can buy. My house is very tight. In
7 the summer we rarely need air conditioning
8 because it's cool, and the furnace doesn't run
9 that much in the wintertime except when it gets
10 really cold.

11 Some time ago, maybe six to ten
12 years ago, I got a letter from CEI, and they
13 offered me an opportunity to replace my electric
14 heat pump and CEI would cover any labor and
15 parts expense for five years if I signed up for
16 this program, and I did and I bought the best
17 heat pump that I could get.

18 About three years ago First Energy
19 sent me a letter and they said that if I wanted
20 one, they would send somebody out and replace my
21 existing thermostat with a really top-notch
22 thermostat, the programable over-the-Internet
23 from the computer anywhere. I had that
24 thermostat installed, and I just love it.

25 I think that First Energy and CEI

1 showed me over the years they valued the
2 all-electric homeowner's business, and I felt
3 like I was secure with an all-electric home,
4 although there are some disadvantages. If you
5 ever spent any time in an all-electric home in
6 the wintertime, it's not as comfortable as gas.
7 If you hold your hand over the register where
8 the air is blowing out, it's cool to the touch,
9 you know, it's a little bit scary if you've
10 grown up in a gas home to feel cool air coming
11 out where the heat is supposed to be, but that's
12 the way it is.

13 In my home, my thermostat turns down
14 to 58 degrees at 10:00 at night. And the
15 temperature is set for 58 degrees so the furnace
16 doesn't run for hours and hours. It might not
17 run all night. At 9:00 the next morning, the
18 thermostat setting goes up to 64 degrees. So
19 it's pretty cold when I get up in the morning.

20 At 2:00 in the afternoon my
21 thermostat goes to 66, and that's as warm as it
22 gets in my house. It's pretty cool. We walk
23 around pretty well bundled up all day.

24 And I got the notification last
25 summer that they were going to do away with the

1 all-electric home discount, so that sort of
2 severely affected the way I set my thermostat.

3 In January of '09 I used 5,072
4 kilowatt hours. The rate they charged me was
5 1.9 cents per kilowatt hour, and my bill was
6 305.36, which was the first and only electric
7 bill I had over \$300. My house is about 3,000
8 square feet.

9 In January 2010, with my low
10 thermostat settings, I only used 3,997 kilowatt
11 hours and my bill was \$402.88. The new rate per
12 kilowatt hour was 4.93 cents per kilowatt hour
13 which comes to a 259 percent rate increase.

14 I'm a retired postal worker. Taxes
15 on my house are pretty high. My income is not
16 anywhere near what it used to be. And I
17 anticipate within the next two to five years
18 having to sell my home to downsize, lower taxes,
19 lower utilities, lower upkeep on the home. And
20 without a return to that permanent all-electric
21 utility discount, my home is unsellable.

22 Anybody who would be looking at my
23 home with the current rate structure the way it
24 is would be looking at a house payment and
25 electric bill equivalent to another house

1 payment.

2 I won't be able to sell my house.
3 At some point in time in the next five years or
4 so, my income is going to be eaten up by
5 inflation, and it's going to be a financial
6 crush for me.

7 I need a permanent all-electric
8 discount. I need help. I need help from the
9 Public Utilities Commission, and there's a lot
10 of us just like me. Thank you.

11 ATTORNEY EXAMINER SEE: Thank you.
12 Mark Lammon. Mr. Lammon, if you would raise
13 your right hand.

14 (Mr. Lammon was sworn.)

15 ATTORNEY EXAMINER SEE: Please state
16 and spell your name.

17 MR. LAMMON: I'm sorry, I jumped the
18 gun. Mark Lammon, 50 Public Square, Suite 825,
19 Cleveland, Ohio.

20 My name is Mark Lammon. I represent
21 the Downtown Cleveland Alliance. I have a
22 prepared statement that my organization wishes
23 to state.

24 ATTORNEY EXAMINER SEE: If you have
25 a prepared statement, if you can provide the

1 court reporter with a copy.

2 MR. LAMMON: I would be happy to.

3 Over the last ten years, downtown
4 Cleveland has seen its population more than
5 double to nearly 10,000 people. These people
6 flock to downtown to take advantage of all the
7 amenities that are matched nowhere else in the
8 region or state. The diverse residential
9 buildings add to this mix by offering loft-style
10 living and modern new construction. The
11 buildings of downtown have an average occupancy
12 rate of over 90 percent. This is a testament
13 that more and more people want to live in
14 Cleveland's Downtown.

15 Many of the first buildings to be
16 rehabilitated into living space used
17 all-electric utility systems. In fact, 1,221
18 units representing approximately 1850 residents
19 use all-electric systems and received the
20 all-electric rate. In addition, another 1,207
21 units use a combination of systems that use
22 electricity to produce heat or air-conditioning.
23 That is nearly 3,750 people, over one-third of
24 downtown residents that have been affected by
25 the rate increase seen in the last few months.

1 The buildings cannot be retrofitted
2 to other heating and cooling systems without
3 effectively gutting them and starting from
4 scratch. Electric air and water heating will
5 never be competitive with gas; it will always be
6 more expensive. These all electric units use
7 more electricity to heat space and water than
8 comparable units that are heated by natural gas;
9 as a result this distribution rate increase
10 disproportionately affects these all-electric
11 users. This will hurt the downtown living
12 dweller harder than a comparable gas-heated unit
13 in the suburbs.

14 If the all-electric rate ceases to
15 continue, downtown residential growth will be
16 severely hampered. The initial population drop
17 could take several years to overcome and all the
18 momentum from the last ten years will stop.
19 Neighborhoods like the warehouse district, with
20 the largest concentration of all-electric
21 apartments, will see people leave in droves as
22 some of their electric bills become nearly
23 one-half of their rent. Large buildings with
24 over a hundred units will no longer be
25 marketable living options and will go empty.

1 Please do not continue on this
2 fast-track. Eliminating the all-electric rate a
3 few years ago has caused the PUCO to go back and
4 issue two orders in the past few weeks.
5 Continuing on a similar path without a full
6 understanding of how this will affect users in
7 downtown will be a disservice.

8 Many of the units in question are
9 also on the verge of becoming for-sale
10 properties, and almost 300 of these all-electric
11 units are condo conversions. These buildings
12 will no longer be marketable against others in
13 downtown and throughout the region. Current
14 condo owners who need to move will no longer be
15 able to sell their units and property value will
16 drop dramatically.

17 Downtown Cleveland's future as a
18 residential hub is at stake with the question of
19 this electric rate increase request. The loss
20 of population would be a step in the wrong
21 direction, not only for downtown Cleveland but
22 for the state of Ohio, which seeks to retain and
23 attract talented young professionals, whom
24 represent that vast majority of downtown
25 Cleveland residents.

1 The PUCO must make the all-electric
2 rate continue for the life of these residential
3 buildings, and the rate must stay with the unit
4 no matter when the resident moved in, and must
5 be transferable in the case of for-sale units.
6 It is only with this that we can be assured that
7 Downtown Cleveland remains a competitive
8 residential market for years to come.

9 Thank you.

10 MS. MILLER: May I ask a few
11 questions?

12 ATTORNEY EXAMINER SEE: Yes.

13 MS. MILLER: Are you aware that the
14 electric heating issue is not part of this case?

15 MR. LAMMON: No, I'm not.

16 MR. MILLER: So you're not aware
17 it's part of a separate proceeding. Would it
18 change your testimony if it was part of a
19 separate proceeding whether we went from ESP or
20 MRO we would have to handle the electric heating
21 issue in another proceeding?

22 THE WITNESS: No. Even a
23 distribution rate increase would dramatically
24 affect downtown.

25 MS. MILLER: When you say

1 distribution rate increase, are you referring to
2 a specific increase?

3 THE WITNESS: Under this plan.

4 MS. MILLER: Do you know what the
5 increase would be?

6 THE WITNESS: No.

7 ATTORNEY EXAMINER SEE: Thank you.
8 David Hughes. Mr. Hughes, raise your right
9 hand.

10 (David Hughes was sworn.)

11 ATTORNEY EXAMINER SEE: State and
12 spell your name for the record and provide your
13 address.

14 MR. HUGHES: David Hughes,
15 H-u-g-h-e-s. My address is 7394 Bank Street,
16 Madison, Ohio 44507. I'm speaking as a First
17 Energy rate payer. I'm also the executive
18 director of Citizens Power, an energy advocacy
19 organization, and we are a party to this
20 proceeding.

21 ATTORNEY EXAMINER SEE: You said you
22 were with whom?

23 MR. HUGHES: Citizens Power.

24 The first thing I would like to go
25 into is a few specific issues we're concerned

1 about with regard to the ESP.

2 It's our understanding that the
3 capital recovery charge could provide First
4 Energy with a distribution rate increase of up
5 to 390 million dollars in the next
6 two-and-a-half years. Our concern is that
7 this -- the way the language is written in the
8 ESP, this would kind of do away with normal
9 distribution rate case where the utility would
10 have to come in and make its case for these
11 distribution expenses and then get to be able to
12 recover what was approved.

13 The language that is in the ESP and
14 in the testimony kind of permits the company to
15 make these expenditures. And then after the
16 fact, parties can object but not necessarily
17 block the expenditures. So it's a very sort of
18 loose paradigm, I think, in terms of the company
19 being able to go out, make these expenditures,
20 and get this recovered. I really think that the
21 company should, if they want to have a
22 distribution rate increase, they should file an
23 application in a separate proceeding and request
24 that increase and then there should be a full
25 vetting of the issues in a development of a

1 record in that proceeding. That is one thing.

2 The other thing is we're concerned
3 that the company's plan to move from MSO to PJM,
4 to move from one regional transmission
5 organization to another should not be part of
6 this proceeding.

7 The EST, really that is a
8 stipulation filed March 23rd, is full of all
9 kind of goodies for the company and full of all
10 kind of issues that are unrelated really to the
11 ESP and should not be in there. We believe this
12 move from the MSO to PJM should not be in the
13 ESP, number one.

14 Number two, PUCO has supposedly been
15 investigating this move to make sure its
16 beneficial to First Energy customers. ESP calls
17 for an end to that investigation and for no
18 opposition to this move from MSO to PJM and we
19 think that is completely inappropriate. That
20 move from MSO to PJM could impact rate payers
21 including me. And the costs associated with
22 that should not be passed onto the rate payers.
23 Even the Federal Energy Regulatory Commission --

24 ATTORNEY EXAMINER SEE: I'm sorry,
25 excuse me. Whoever has their cell phone on, cut

1 it off.

2 MS. MILLER: While we're at this
3 break --

4 ATTORNEY EXAMINER SEE: We're still
5 on the record.

6 MS. MILLER: I would like to be on
7 the record while he's pausing. I would like to
8 object to his testimony. He is a represented
9 party in this case, and he had an opportunity to
10 present this part of this case at the hearings
11 now being conducted, if he would have liked an
12 opportunity. I wanted to see where he was
13 coming with the testimony and any issues present
14 his until in this proceeding.

15 ATTORNEY EXAMINER SEE: Other
16 parties are not given this opportunity.

17 MR. HUGHES: We have not filed
18 expert testimony.

19 ATTORNEY EXAMINER SEE: Are you a
20 First Energy rate payer?

21 MR. HUGHES: Yes.

22 ATTORNEY EXAMINER SEE: We'll allow
23 you to continue. It is a public hearing.

24 THE WITNESS: So to repeat, I would
25 like to see the MSO and PJM part of this

1 stipulation removed. And the costs involved in
2 moving from MSO to PJM should be, you know,
3 costs that the company covers not the customer,
4 even the Federal Energy Regulatory Commission
5 said this is a business decision and companies
6 should pay these costs and not the customer, and
7 I can cite that FRC decision.

8 Also in this ESP is the First Energy
9 Allegany power merger proceedings, which we also
10 think should not be part of the ESP. And the
11 ESP is asking that the commission not assert its
12 jurisdiction to investigate that merger. That
13 merger can have consequences for First Energy
14 customers. We think that should be removed from
15 the ESP. These are examples how all kinds of
16 separate proceedings and major issues are being
17 thrown into this big package called this ESP so
18 the company can get all these things approved in
19 one fell swoop.

20 We also object to the process that
21 occurred here. The first discussion about this
22 ESP was when a document was circulated on
23 February 25th, and then in a month the
24 stipulation was filed. It was an extremely
25 fast-track process, very little opportunity for

1 issues to be vetted. The company didn't even
2 discuss or contact Citizens Power and discuss it
3 directly with us. Then they filed on March 23
4 and asked the Commission to make a decision on
5 May 5th.

6 This is a huge case. It's a huge
7 amount of money affecting millions of customers
8 and they want to fast-track this at a ridiculous
9 schedule.

10 We don't believe there is any reason
11 for that. We think the commission could keep
12 the current rates in place and make sure all the
13 issues are vetted, make sure they make the right
14 decision in this proceeding.

15 I just want to say as a First Energy
16 customer, we have been dealing with this company
17 for a long time. I personally have been damaged
18 and harmed economically by First Energy when
19 they decided to build their nuclear plant.
20 Those plants were nine billion dollars over
21 costs, and the commission put them in the rate
22 base illegally in 1999, and that cost us nine
23 billion dollars.

24 In 2005, in the rates stabilization
25 proceeding plan for First Energy, the Commission

1 approved about nine billion more dollars for
2 First Energy, extended their cost recovery.
3 There's other proceedings they got hundreds of
4 millions of dollars, for example, in the
5 proceeding to implement Senate Bill 3 the
6 Commission permitted them to count customer
7 switches from First Energy to First Energy
8 Services, saving the company up to 500 million
9 dollars in refunds which we would have gotten.

10 Basically the commission has, in our
11 view, done the bidding of First Energy and
12 permitted a transfer of 20 billion dollars from
13 rate payers pockets to this. We're asking that
14 you don't continue this pattern in this ESP
15 case. It just absolutely would be unfair to the
16 customer and the region's economy.

17 ATTORNEY EXAMINER SEE: Ms. Miller,
18 did you have any cross?

19 MS. MILLER: Just a few questions.
20 You transferred a couple times from we and you
21 the rate payer. For the record to clarify, you
22 are not testifying on behalf of Citizens Power,
23 you're testimony has been offered today on
24 behalf of yourself as an individual, correct?

25 THE WITNESS: I can offer the

1 testimony as an individual, and we haven't
2 supplied testimony in the proceeding. This is
3 our opportunity to supply testimony.

4 MS. MILLER: I would like to have a
5 standing objection to the testimony being
6 offered on behalf of Citizens Power. They're a
7 party to the case, and they have a choice to
8 offer or not offer testimony in this case.

9 THE WITNESS: That's what we're
10 doing now. Where is the rule that says we can't
11 offer testimony?

12 ATTORNEY EXAMINER SEE:
13 Mr. Hughes --

14 MS. MILLER: I will move on.

15 You indicated certain costs passed
16 onto the customers without the commission having
17 an opportunity to review. Are you aware the
18 application does provide that all costs would be
19 audited by the Commission or Commission staff
20 before the customers would be billed for those
21 costs?

22 THE WITNESS: Which costs?

23 MS. MILLER: You indicated all these
24 costs being passed onto the customer.

25 THE WITNESS: Well, I went through

1 very specific issues in the case, and all
2 associated costs of each of those. Which one
3 are you speaking about?

4 MS. MILLER: Any cost before it's
5 passed onto the customer is reviewed by the
6 Commission or Commission staff. Do you
7 recognized that fact?

8 MR. HUGHES: Well, I think you have
9 to be specific for me but, for example, the cost
10 to move from MSO to PJM, they're just saying
11 don't even investigate that move. So if there
12 are costs associated with it, how do we know
13 those are going to be fair because they are
14 going to be able to get passed onto the customer
15 at some point.

16 I don't see anything in the
17 testimony. I don't see any audit involved
18 there.

19 MS. MILLER: Did you read the
20 application and all the testimony?

21 THE WITNESS: Yes.

22 MS. MILLER: And if there was an
23 audit in the testimony or if the Commission had
24 a chance to review costs before passing them on
25 to the customer --

1 MR. HUGHES: If the language says
2 that. It doesn't say that in the stipulation of
3 language. It says the commission has the option
4 or the discretion to conduct an audit after the
5 expenses are made. I can cite you that part of
6 the testimony.

7 MS. MILLER: I'm well familiar with
8 that.

9 THE WITNESS: It's not a sure audit,
10 number one, and it's after the fact. Who knows
11 whether they find that the company was imprudent
12 with expenditures, whether or not customers --

13 MS. MILLER: I disagree with your
14 interpretation, but I don't have any more
15 questions for you.

16 ATTORNEY EXAMINER SEE:
17 Mr. Meissner.

18 MR. MEISSNER: I have one question
19 of Mr. Hughes. Mr. Hughes, are you aware that
20 if the Commission does audit those costs, which
21 counsel for First Energy refers to, that may not
22 involve looking at the prudence or
23 reasonableness of those expenses.

24 MR. HUGHES: Right. That's a big
25 part of the problem. That's what I was alluding

1 to. It just takes a look at costs. It doesn't
2 look at, for example, in a formal distribution
3 case the company has to come in and said here's
4 what we propose to spend and here's what we
5 propose to spend it on. The parties would have
6 a right to investigate through discovery whether
7 or not the company is making a prudent decision
8 in that case. Costs could be passed on at that
9 point.

10 In this case they can spend the
11 money and the Commission can decide whether or
12 not it wants to do an audit. If it does an
13 audit, it has to show those expenses were spent.
14 It doesn't have to decide whether or not they
15 should have been spent or not. So we'll be on
16 the hook for that, even if it's not legitimate
17 expenditures.

18 MR. MEISSNER: Thank you, Your
19 Honor.

20 ATTORNEY EXAMINER SEE: Thank you,
21 Mr. Hughes. David Anderson.

22 MR. ANDERSON: May I apologize
23 for --

24 ATTORNEY EXAMINER SEE: Would you
25 like to pass?

1 MR. ANDERSON: I would. It's a
2 common mistake coming in. My wife is the
3 spokesperson for this hearing.

4 ATTORNEY EXAMINER SEE: Ms.
5 Anderson, would you like to offer testimony this
6 afternoon?

7 MS. ANDERSON: Yes.

8 ATTORNEY EXAMINER SEE: Step
9 forward. And you are Ms. Antonnette Anderson?

10 THE WITNESS: Antonnette Anderson.
11 Good afternoon.

12 ATTORNEY EXAMINER SEE: Hold on just
13 a second. Spell your name.

14 MS. ANDERSON: A-n-t-o-n-n-e-t-t-e
15 Anderson with an O.

16 ATTORNEY EXAMINER SEE: Please
17 provide us your address.

18 MS. ANDERSON: 11420 Thrush,
19 T-h-r-u-s-h, Avenue, Downstairs, Cleveland, Ohio
20 44111.

21 ATTORNEY EXAMINER SEE: Please
22 proceed with your testimony.

23 MS. ANDERSON: Thank you. I was
24 simply saying good afternoon earlier. Good
25 afternoon to the audience as well.

1 I represent the Empowerment Center
2 of Greater Cleveland. I'm a part of the
3 membership council, and I am speaking for many
4 voices today.

5 We have seen our citizens, we have
6 grandparents taking care of their children, we
7 have families with and without children. We
8 have increases across the board in everyday
9 life except for wages and jobs are increasing.
10 Therefore, we're asking that you don't make the
11 increase on the customer but leave that burden
12 upon the vendors.

13 Large corporations will benefit, and
14 then they will increase energy, they will
15 utilize it, and that cost is passed along to the
16 customers. If you lose your job, how can you
17 balance whether or not you're going to pay for
18 medication versus pay your light bill. It's
19 kind of difficult to do that and people have
20 said that.

21 The community needs to be a part of
22 all decisions. We are the customer, and that's
23 the America way, to be a part of it and help in
24 decision making. We know that things are going
25 to go up. They're not going to stay the same

1 price forever, but if we can be a part of that
2 decision and not come so soon, so abruptly,
3 maybe it can be handled with room for
4 adjustment, some people will have to get another
5 job but we need to be a part of the decision.
6 We can't have everything going up all at once.
7 It's a domino affect, one company goes up, the
8 next company goes up, when the gas goes up, all
9 the vehicles want to charge and so on and so
10 forth.

11 They have to charge for bringing
12 electricity. They have to pay their workers
13 more, they have to, everything goes up with the
14 wages. If everything goes up except household
15 income, it's going to be a hardship on a lot of
16 families.

17 And we are the voices of Cleveland.
18 I'm here to speak for all of them. That's it.
19 Any questions?

20 ATTORNEY EXAMINER SEE: Thank you
21 very much, Ms. Anderson.

22 John Carney. Mr. Carney, if you
23 would raise your right hand.

24 (John Carney was sworn.)

25 ATTORNEY EXAMINER SEE: Please state

1 and spell your name for the record.

2 MR. CARNEY: John Carney, J-o-h-n
3 C-a-r-n-e-y. My address is 2001 Crocker Road,
4 Westlake, Ohio.

5 ATTORNEY EXAMINER SEE: Go ahead.

6 THE WITNESS: Thank you. Just by
7 way of introduction, I am a developer and owner
8 of apartments, and certain apartments that have
9 been converted to condominiums in downtown
10 Cleveland. I just got off being on the Downtown
11 Cleveland Alliance and you heard from Mark, who
12 I thought did a terrific job.

13 My partners and I started in 1900 --
14 1990 rehabilitating approximately 500 apartments
15 in six or seven buildings in downtown Cleveland.
16 In addition, we did a completely commercial
17 project. We were right there in the beginning
18 of all-electric.

19 By the way, I know this case is not
20 all-electric. But the reason all-electric is
21 important and the Commission should know it,
22 nobody in their right mind heats hot water with
23 electricity when gas is an option or propane.
24 Nobody heats space when gas is an option.

25 So we were promoted over a long

1 period of time by CEI, from the horse's mouth I
2 spoke to their representatives during these
3 negotiations and they convinced us to go
4 all-electric. So our tenants and people who buy
5 units we convert to condominiums to bring
6 property ownership downtown use more electricity
7 than the average or common apartment any place
8 else in our community where they use gas.

9 When I talk about all-electric, the
10 reason I'm doing it is because we are burdened
11 more than the average customer by any rate
12 increase or any change in the tariffs. When I
13 say heavily marketed, in our initial project we
14 were prepared to go with a gas heat system. CEI
15 came to us -- they hadn't done the all-electric
16 residential rate for apartments. They had been
17 doing it for houses since the '70s because there
18 was no gas. And they said in this building
19 we'll dell you in bulk and you sub it and that's
20 what we did. After that they came up with the
21 all-electric residential rate and our second
22 phase of the first building and in the rest of
23 the buildings.

24 In the last two buildings we did in
25 the late 1990s, CEI, when I say heavily

1 marketed, they paid us to put all-electric.
2 They called it an advertising fee. I'm an
3 attorney. I don't practice before you, and I
4 don't claim to have any competence in the way
5 utilities operate. Their counsel knows it much
6 better than all the rest of us trying to get.
7 We heard some of it from some knowledgeable
8 people.

9 My partners and I in one building
10 they gave us a \$100,000. In another one they
11 gave us \$40,000. And they were trying to
12 convince us to stick with all electric. It was
13 directly represented to us that these rates
14 would always stay. We said how can you do that,
15 give us a discount.

16 What they explained to us is this
17 isn't a discount. When people talk about a
18 discount, it's not really fair. This is an
19 all-electric rate but the reason it isn't a
20 discount, it was meant to make a level playing
21 field for heating the water and space in these
22 units. None of our people had a discount
23 heating water or heating space. It made the
24 electric competitive with gas.

25 And my partners and I invested 60

1 million dollars in various projects in downtown
2 Cleveland, based upon the representation, rates
3 in general will go up and all-electric
4 residential rates will go up but a different and
5 separate rate from, you know, the normal rate.

6 What happened with the changes that
7 they made this year is that we have lost
8 tenants. We've had tenant complaints. We have
9 a couple people here who are tenants in our
10 building speak to you or managers who hear these
11 complaints and what we lost.

12 We believe that in the prior rate
13 case that the OCC and PUCO were misled with the
14 idea some people were getting a discount and
15 having an advantage over others, and we don't
16 want to let it happen again if we can help.
17 That's why we're here. CEI told us that
18 actually by giving us this all-electric
19 residential rate they were making money. They
20 were pursuing their profit motive which they're
21 entitled to do. The reason they said they were
22 able to spread the load they built in their
23 generation of electricity or the peak days in
24 the summer air conditioning, now they were able
25 to spread some of that which became excess in

1 the winter, over heating in the winter and
2 heating water year round. It was a benefit to
3 them. It was not something where they were
4 giving us something.

5 Some of you probably remember CEI
6 advertised a ready kilowatt. They wanted
7 everybody to cook with electric and not cook
8 with gas. This new requested distribution rate
9 basically is going to increase our costs. I
10 mean I heard the number up to 390 million
11 dollars. That's the number that I'm referring
12 to. And it's going to affect our tenants and
13 people who buy our condominiums more than the
14 average user.

15 My understanding is if this doesn't
16 happen, that our rates my actually go down
17 because as one of the other people testified,
18 CEI has been recovering costs from prior
19 expenditures of theirs and some of those are
20 already going to be repaid. And if they don't
21 get a new ability to raise money on distribution
22 or other costs that we could see a rate
23 decrease, we may or may not see a rate decrease
24 but we could.

25 Finally, I believe that this fast

1 track process is wrong in that we need more time
2 to let the OCC and the public vetat this
3 proposed settlement. I looked at this today,
4 this was put out by PUCO, I take it, and it led
5 me to believe even the information in the
6 agreement because it says that the promoted ESP
7 was with agreement of the parties involved in
8 the case. If you look at the parties involved
9 in the case that are listed and it has OCC that
10 they're in agreement with this. So to me I'm
11 saying how can that be.

12 You also say the next step is you're
13 going to fully examine all of these issues and
14 evidence presented, and that's my point here.
15 You got to have time to be able to do that. I
16 don't think you can just do that in this fast
17 track and have all of your answers by May 5th.
18 We got know notice of this public hearing last
19 week, and you're getting some people here, but I
20 sure think there are more people who would have
21 an interest in this case.

22 So really, is there time for
23 adequate discovery, is there time to inform the
24 public based on the fast track.

25 Now, in the all-electric case, the

1 PUCO made a mistake, I think, and they corrected
2 it with a couple orders, one in March and one in
3 April. We really don't want to have another
4 mistake made because everyone is trying to get
5 this done on a fast track.

6 My final point, I guess I used that
7 word before, you issued an order March 3rd and
8 that order, I read it, that order said that it
9 was to make an adjustment credit to the people
10 hurt by that rate increase until it could be
11 studied and do it back to December 2008. What
12 did they do. They made it 2007. It also said
13 it was to apply to the all-electric rate. I
14 have your order right here. You can read it.
15 And they didn't do that either.

16 He said it only involves people if
17 they have been in the same particular
18 business -- residence since 2007. So they
19 basically, in my opinion, chose to completely
20 ignore your order or ignore it with respect to a
21 lot of people which included most of our
22 tenants, who by the way because our average
23 person lives there about a year and a half, so
24 there was no way that most of our people could
25 have been there since 2007.

1 If they can just ignore an order of
2 yours, which was just cleared up last week, I
3 question their moves in trying to rush this
4 through. Thank you.

5 ATTORNEY EXAMINER SEE: Hold on just
6 A second. Mr. Carney, you first said you
7 believe FE was ordered to make whole those
8 customers that had the all-electric rate as of
9 back to December 2008. You said the company
10 went back to 2007. I want to make sure the
11 dates you said in your testimony are correct.

12 MR. CARNEY: You know, I got your
13 order here.

14 ATTORNEY EXAMINER SEE: I'm not
15 asking you to review the order. I'm trying to
16 make sure the dates that you -- if I understood
17 you correctly, you first said in the order FE
18 was required to go back to December 2008.

19 MR. CARNEY: What I saw when I read
20 the order it said to charge people the rate to
21 December 2008. I can give you the paragraph, if
22 you let me look at it.

23 ATTORNEY EXAMINER SEE: That's not
24 what I was asking. You said the company went
25 back to 2007.

1 MR. CARNEY: That's what they did.

2 ATTORNEY EXAMINER SEE: So that is
3 what you intended to say?

4 MR. CARNEY: That's what they did.
5 In other words, it not only -- the order says
6 all, it said all all-electric, it didn't say you
7 can pick and choose who you're going to give
8 credit to. The order of the PUCO just came out
9 last week corrected that. But people in our
10 apartments had an extra two months of higher
11 rates than people taking care of with the first
12 order which should have covered our apartments.

13 ATTORNEY EXAMINER SEE: Okay.

14 MS. MILLER: You indicated that the
15 company went back to 2007. That was your own
16 personal bill or what you heard from your
17 tenants?

18 MR. CARNEY: This is what I heard.
19 I do not live there myself. We do have some
20 people here who do live there and may be able to
21 testify to their bills.

22 MS. MILLER: You do not have any
23 personal knowledge.

24 MR. CARNEY: I do not. I have
25 personal knowledge of seeing the bills of my

1 son, but it's not my bill.

2 ATTORNEY EXAMINER SEE:

3 Mr. Meissner. Mr. Carney, step back up.

4 MR. MEISSNER: First you and those
5 with you are owed a vote of thanks for all you
6 did for Cleveland.

7 This rate, the all-electric rate,
8 the proper rate you want right now, some people
9 say that rate results possibly in a subsidy or
10 some costs to the company, and then there's been
11 further issues about should other customers pay
12 that so-called subsidy. Is it your opinion any
13 kind of cost or subsidy that should be borne by
14 the company or stockholders not be spread to
15 other customers who are not all electric users.

16 MR. CARNEY: I think that's a
17 completely spurious and phony issue. It's not a
18 real issue. There's never been a subsidy. If
19 anything, those with all-electric homes, those
20 people heating hot water with electric were
21 subsidizing everyone else for all those years.

22 It's my understand CEI reorganized.
23 I went through that with them. They wanted to
24 be a contractor on a building of ours, a
25 contractor for. They went to for profit

1 businesses and it's my understanding it's no
2 longer theirs, but they did this as a profit
3 motive for them. It was never a subsidized like
4 all other people to the all-electric users. It
5 might have been the other way.

6 MR. MEISSNER: Thank you, Your
7 Honor.

8 ATTORNEY EXAMINER SEE: Thank you,
9 Mr. Carney. Michael Carney. Any relation to
10 the last Mr. Carney?

11 THE WITNESS: Yes, actually my
12 father.

13 (Michael Carney was sworn.)

14 ATTORNEY EXAMINER SEE: Please give
15 us your name and address. Go ahead with your
16 statement.

17 MR. CARNEY: Michael Carney, 1300
18 West 9th Street, Cleveland, Ohio.

19 ATTORNEY EXAMINER SEE: Go ahead.

20 MR. CARNEY: I actually did not
21 bring my bills. I was not planning on
22 testifying today; however, I did not see many
23 residents I recognize in the crowd so I wanted
24 to submit testimony. That whether it's an
25 all-electric issue or not, my bills have sky

1 rocketed as of last June. People complain about
2 the all-electric discount of 30 percent. That's
3 a nice thing to have, but when my bill went up
4 by a hundred percent per kilowatt hour in one
5 month, and I received no notice of that, that
6 angered me.

7 I heard a lot of other people that
8 have very similar thoughts. In regards to the
9 ESP that is issued here, I just have to put on
10 the record that I'm completely against it. It
11 is stressing downtown residents, whether it be a
12 family, or young professionals, or people who
13 are retired. I can only assume this is an
14 people everywhere in the covered area. Thank
15 you.

16 ATTORNEY EXAMINER SEE: Thank you.

17 MS. MILLER: I just have a question.
18 Are we allowed to engage in friendly cross
19 today?

20 ATTORNEY EXAMINER SEE: Go ahead
21 with your question, Ms. Miller.

22 MS. MILLER: I wanted clarification.
23 I don't have a question before the next witness
24 but I have some direction.

25 ATTORNEY EXAMINER SEE: Thank you,

1 Mr. Carney.

2 Ms. Miller, you're counsel for the
3 company. You know the bounds of what goes on.
4 If you need clarification or you need to ask
5 questions to clarify the record, if you let me
6 know you're asking the question, go ahead.

7 Tom Mendelsohn. Mr. Mendelsohn
8 raise your right hand, please.

9 (Mr. Mendelsohn was sworn.)

10 ATTORNEY EXAMINER SEE: State and
11 give name for the record.

12 MR. MENDELSON: My name is Tom
13 Mendelsohn, M-e-n-d-e-l-s-o-h-n. And I'm at
14 3030 Euclid Avenue, Suite 100. Good afternoon.
15 I have already indicated my name. I work
16 everyday with an office called Empowerment
17 Center of Greater Cleveland, formally the
18 Welfare Rights. As an administrator of a
19 grassroots human service agency, I would like to
20 first express a sincere thanks to anybody that
21 is here from First Energy and CEI and if by any
22 chance there's somebody here from Dominion East
23 Ohio for the support that is has been provided
24 to the low income people in the greater
25 Cleveland area and actually throughout the state

1 of Ohio for the fuel funds that are provided for
2 low income residents.

3 Actually since 2008 and to date, the
4 agency that I'm affiliated with provided utility
5 assistance for more than 1500 people thanks to
6 the full fund support provided.

7 Since September 2009 with the First
8 Energy fuel fund support, the agency has
9 assisted 597 people and utilized 143,000 fuel in
10 fund allotment to date and seeing customers on a
11 daily basis and providing fuel fund assistance.

12 It's worthy to note that during the
13 period of time since 2008 with the support of
14 Dominion East Ohio, our organization has also
15 provided fuel fund assistance to First Energy
16 customers in the amount of almost \$66,000, and
17 those individuals were benefited as a result
18 because they were able to keep their utilities
19 up. We have been able to supplement fuel fund
20 assistance we received through a grant and
21 arrangement and affiliation that we have with
22 local foundation that provides assistance on a
23 case-by-case basis.

24 Periodically we have been able to
25 combine a number of resources to assist

1 individuals that are in need in Ohio, and
2 particularly Northeastern Ohio. We currently
3 are utilizing fuel funds from the 2009 rate case
4 from First Energy for customers and residents
5 requiring assistance. This fuel fund carries
6 through 2011. There continues to be a growing
7 need for energy assistance in our community with
8 the continued loss of jobs in our region, the
9 fuel fund assistance is a desperate need for
10 many low income residents in our community.

11 We have even been advised at the
12 Empowerment Center that there may be a need that
13 an adjacent county requires fuel fund support,
14 and we have indicated that we are willing to
15 assist these individuals in these additional
16 areas.

17 With the increases projected in this
18 proposal, why is it in the proposal it's missing
19 recommendation enabling the continuation of fuel
20 fund assistance after 2011. It seems
21 inappropriate to us there not be fuel funds
22 included as past practices demonstrated. There
23 should also be similar sums of money set aside
24 as with the current cycle. During the past fuel
25 fund support an amount was agreed to, I think in

1 the amount of six million dollars that is
2 divided amongst a number of different agencies
3 and we're suggesting that over next three years
4 a sum of 12 million dollars might be an
5 inappropriate figure to be included as fuel fund
6 support for those that are in need.

7 Here's an example of a consumer who
8 received some assistance as a result of the fuel
9 fund grant. KA came to our office for utility
10 assistance. Over a year ago she was erroneously
11 placed on a monthly payment plan. When she went
12 to reverify this year, it was found she was
13 dropped from the payment plan and was
14 immediately billed for back usage in the amount
15 of 4300.

16 The client had no support of income
17 due to layoff and could not pay the bill. It
18 was -- we were able to negotiate with the
19 utility company to keep the utility on. We also
20 negotiated a tracking and analysis and a
21 framework plan where the consumer will pay her
22 new payment plan amount on time every month and
23 then at the end of 12 months the utility company
24 will match the payment amount and deduct it from
25 the arrearages. Ultimately she's been able to

1 keep up her utilities with the plan being set up
2 to reduce her outstanding bill.

3 Without the fuel fund help and
4 without the collaboration among organizations
5 helping individuals in need, a plan that is
6 being proposed is just not appropriate and
7 should be amended to include a fuel fund as a
8 mechanism to help those in need.

9 The process being taken for this
10 proposed rate increase has come to light in the
11 community very abruptly. It seems that it is
12 hastily being brought for determination without
13 sufficient time to provide for public hearings
14 with a sufficient amount of time to get an
15 appropriate number of people here to provide a
16 variety of different input. The proposed rate
17 change may result in large increases for
18 customers who can ill-afford additional daily
19 living costs.

20 Many economically disadvantage
21 citizens are struggling in our economy in
22 Northeast Ohio. In addressing the issues of
23 transmission of energy it is our understanding
24 when a utility company decides to change its
25 transmission operation, they should comply with

1 the decision of the Federal Energy Regulatory
2 Commission, FERC, that was an order dated July
3 17, 2009. Language in that decision suggests
4 that the transmission owners that seek to change
5 the regional transmission systems should be
6 prepared to assume the cost attributed to their
7 decision. It's not to stipulate that customers
8 should receive an increase in their utility
9 costs.

10 When energy efficiency programs are
11 concerned, it does not seem to follow
12 sequentially the customer finding energy
13 efficient ways to conserve energy should be
14 charged by the First Energy recovery payment
15 loss due to the lower energy consumption. There
16 should be a form of a bonus for conserved
17 utilization for a customer. A customer should
18 not be aware of lost revenue as a result of the
19 changes in their energy efficiency program. And
20 finally. As businesses negotiate for special
21 rate consideration that promote economic
22 development and job retention, how can PUCO
23 allow First Energy to charge a customer for the
24 energy costs for their expansion or, for that
25 matter, how can the PUCO allow First Energy to

1 charge customers for energy cost concessions
2 given to auto makers increasing their use over
3 2909 figures and customers to pay the surcharge
4 to convert costs of discounted rates to auto
5 makers. This appears as if to make an
6 assessment without providing representation or
7 discussions with those needing to be assisted.

8 On behalf of the Empowerment Center
9 of Greater Cleveland, I ask that you reject this
10 proposal as written. I encourage the language
11 written have the continuation of the fuel fund
12 support for the communities where there are low
13 income people in need. I recommend the
14 stipulation be rewritten moving the cost for
15 transmission back to the vendors and away from
16 the customers.

17 I recommend that the stipulation
18 place more of the cost for economic development
19 and retention on the businesses that are
20 requesting the cost breaks and away from the
21 citizens. Thank you for your consideration of
22 these comments. I have with me several members
23 of our membership council and you heard from one
24 already. And later I believe you'll hear from
25 one of the consumers who benefitted from the

1 fuel fund assistance that our agency provided.

2 Thank you.

3 MS. MILLER: I have one question.

4 If the agreement were amended to include the
5 fuel fund provision that you articulated, would
6 you support the agreement.

7 THE WITNESS: It would go a long way
8 to bring us on board with that. There is a
9 definite need for that fuel fund.

10 ATTORNEY EXAMINER SEE: Thank you.

11 Lauren Skirbunt.

12 How do you pronounce your last name?

13 MS. SKIRBUNT: Skirbunt.

14 ATTORNEY EXAMINER SEE: Ms. Skirbunt
15 raise your right hand.

16 (Ms. Skirbunt was sworn.)

17 ATTORNEY EXAMINER SEE: Please state
18 and spell your last name.

19 MS. SKIRBUNT: Lauren Skirbunt,
20 L-a-u-r-e-n S-k-i-r-b-u-n-t.

21 ATTORNEY EXAMINER SEE: Go ahead.

22 THE WITNESS: Hi. I'm a little
23 nervous. I wanted to speak pretty much on
24 behalf of myself, because I play kind of an
25 interesting role in the downtown Cleveland

1 residential area. I'm the property manager of
2 some of the apartment complexes in the downtown
3 area. I have been an apartment resident for the
4 past five years, and I just purchased a condo in
5 the past year. I'm kind of representing three
6 ball parks of experience in that area.

7 As far as my personal experience
8 with the apartment complex, I know when I moved
9 in I was about 700 square feet and paid an
10 average of 50 to 75, top out at a hundred
11 dollars in the wintertime for electric bills.

12 And in the condo I purchased over
13 this past year I saw my bills from about 35 to
14 50 dollars to 75 to 100 in winter to topping out
15 just under 300 in December. Within a year's
16 chunk of time of having been in the same space
17 and same amount of square footage for five
18 years, I can tell you that's a drastic
19 difference. I was struggling myself.

20 I can relate to my residents who
21 live in the same property. I had to see them
22 come in and struggle with the new rate that came
23 through, having people cry trying to figure out
24 how they're going to pay their rate along with
25 wondering what they're going to do because they

1 have to move out of the property. I have lost
2 residents because of the increases. And with
3 that being the case, they still are responsible
4 for their lease terms, so I got to be the
5 unfortunate villain and say you still need to
6 pay the rent for such-and-such month. It's a
7 very unfortunate circumstance watch this
8 happening all around you.

9 With the idea of new proposed rates
10 coming around, I don't know exactly what they're
11 going to be. I didn't see anything that said
12 exactly what they're going to be, but anything
13 that is going to adjust the ability for people
14 to live and survive in the downtown as we're
15 struggling and trying to make Cleveland survive
16 and revive as we are, currently as a city it's
17 difficult to put any challenge to anyone looking
18 to come in as a new resident, starting a new
19 job, getting off on their own.

20 I see a lot of people just out of
21 school, getting their first job, getting their
22 first places in a city, and to be smacked with
23 this kind of dilemma just off utility bills it's
24 very difficult for people to go through that and
25 it's very difficult to rent properties under

1 that. So as far as my job position to fill a
2 property, how am I supposed to fill a building
3 knowing that these people coming in -- I almost
4 need to start doing a disclosure statement, if
5 you come in and there's a new rate increase that
6 comes along, you are going to be looking at X,
7 Y, Z for your potential bills, plan on it.

8 You would have to lower our rate.
9 We're not going to make enough money as a
10 company. We need to get someone in there to
11 keep the business aligned. It's a huge struggle
12 between everything I suffered between -- whether
13 it's business, personal and friends watching
14 people go down in the struggle with it. I hate
15 the idea of facing another challenging winter,
16 and I guess that's where I stand. Thank you.

17 ATTORNEY EXAMINER SEE: Thank you.
18 Sue Pollotta? I'm having difficulty reading the
19 writing here. I believe it's you Sue or Suzie
20 P-o-l-l-o-t-t-a or l-l-a. Okay. I will take
21 that as a pass.

22 Is there an individual that lives on
23 Beta Avenue? What is your name?

24 MR. FRANK: You can't read my
25 writing. Reverend Mike frank.

1 ATTORNEY EXAMINER SEE: Come forward
2 Mr. Frank.

3 THE WITNESS: They used to keep me
4 after school so I could improve it and they gave
5 up.

6 ATTORNEY EXAMINER SEE: I believe
7 it, Mr. Frank.

8 (Michael Frank was sworn.)

9 ATTORNEY EXAMINER SEE: State and
10 spell your name for the record and give us your
11 address

12 MR. FRANK: F-r-a-n-k is how you
13 spell the last name, Michael Frank, 4420 Beta
14 Avenue, Newburgh Heights.

15 ATTORNEY EXAMINER SEE: Go ahead
16 with your statement.

17 MR. FRANK: You know, there's a lot
18 of different kinds of people who have spoken, a
19 lot of different kinds of people who are going
20 to be hurt by this proposal.

21 I'm just here as pastor of Broadway
22 Christian Church in Slavic Village of Cleveland,
23 Ohio, one of the poorest neighborhoods in all of
24 Cleveland. And I just kind of want to underline
25 some of the things that have been said.

1 One that this case is proposing to
2 raise already unbearable rates. And this is
3 from people who over the past several years have
4 had good profits, people who actually suggested
5 that you penalize poor people who use less
6 electricity because they're not using enough
7 electricity because they're not getting enough
8 money from them.

9 Furthermore, and just to underline
10 what was already said, this case does not extend
11 the fuel fund, let's alone raise it, both things
12 need to happen. Two things strike me about this
13 proposal. One is that the early Ebenezer
14 Scrooge would be delighted with this proposal
15 because it decreases a surplus in the
16 population.

17 The second is Charles Darwin might
18 be pleased because this would be a fine way to
19 cull the weak from the heard. But I want to
20 assure you that God Almighty will not be
21 pleased. These people we ignore who are poor
22 and weak are those for whom Jesus Christ died
23 and we will answer to God for our treatment of
24 them.

25 ATTORNEY EXAMINER SEE: Does that

1 conclude your statements, Mr. Frank.

2 MR. FRANK: Beg your pardon?

3 ATTORNEY EXAMINER SEE: Does that
4 conclude your statement?

5 THE WITNESS: That's it. I will try
6 to write better for you next time.

7 ATTORNEY EXAMINER SEE: Lavester
8 Young. Good morning, Mr. Young. If you would
9 raise your right hand.

10 (Lavester Young was sworn.)

11 ATTORNEY EXAMINER SEE: Please state
12 and spell your name for the record.

13 MR. YOUNG: Lavester Young, 15409
14 Euclid Avenue, Apartment 505, East Cleveland,
15 Ohio 44112.

16 ATTORNEY EXAMINER SEE: Go head with
17 your statement, sir.

18 MR. YOUNG: In the first place, I
19 didn't know about this until went down to
20 consumers because we don't get informed about
21 these things until a decision is made. I don't
22 think it's appropriate to raise -- for First
23 Energy to raise the rates because consumers
24 we're already hurting and we need help.

25 And the Empowerment Zone gave me

1 help. It was -- I'm a service connected
2 veteran. I got two honorable discharges. I got
3 hurt. I couldn't walk. I had my own business.
4 My business went under. I'm trying to say I
5 worked all my life. And these bills already are
6 unbearable and like I'm on medication, I have a
7 vaporizer, I have to have air conditioner in the
8 wintertime or I will be crippled again. And
9 that lots of people are in my same category.

10 I'm a service connected veteran. It
11 just so happen the best mistake I ever made was
12 joining the Army, because they pay for my
13 medication and give me a check every month. And
14 I have been trying to keep up with the bills. I
15 can't work. I would look love to work. I love
16 to go to school. In fact, I go to every school
17 I can. I'm in school right now, but I need some
18 help.

19 They helped me. I would like to
20 thank the Empowerment enter for helping me and
21 trying to help everybody else. I really
22 appreciate what you're doing, because the jobs
23 aren't out there, the bus fare is going up,
24 grocery is going up, and medication is going up.
25 I feel sorry for people that don't have

1 insurance that I have from the VA. I see them
2 crying and suffering, without electric, and they
3 got children and loved ones just like everybody
4 else. We can't afford it right now because the
5 whole economy is hurting. And that's all I have
6 to say.

7 Like I say, thank you again because
8 I would have been -- like in my house I would
9 need a seeing eye dog because I didn't have no
10 electric, no vaporizer or anything. I
11 appreciate your help. Thank you.

12 ATTORNEY EXAMINER SEE: Thank you,
13 Mr. Young.

14 Is there anyone that did not sign up
15 to offer testimony that wishes to do so now?

16 Mr. Meissner, you're counsel for one
17 of the parties. You're not raising your hand to
18 offer testimony?

19 MR. MEISSNER: I wanted to make
20 something is presented as unsworn testimony. It
21 was a witness. She called me before the
22 hearing. Her letter praises the fuel fund.
23 First Energy now has implied the fuel fund
24 shouldn't continue. I want to submit her letter
25 as part of the record of unsworn testimony.

1 ATTORNEY EXAMINER SEE: If you
2 provide it, I will see to it that it is docketed
3 under this case. And at this point, I would
4 remind everyone if they want to write in -- just
5 a minute, Mr. Reese. If you want to write to
6 the Commission or you know someone that would,
7 you can file a statement that will go into the
8 docket. You can file a statement that goes into
9 the docket so long as you make sure to include
10 the case number on your letter:

11 Mr. Reese?

12 MR. REESE: Yes, Your Honor,
13 something a little different here.

14 I want to object to the handout that
15 is being distributed by the PUCO staff this
16 evening. I wanted to call your attention to the
17 description of First Energy's agreement, the
18 pages are not numbered, I believe it's about six
19 or seven pages back. It says First Energy's
20 agreement and it says the proposed ESP was filed
21 with the agreement of the parties involved in
22 the case. On the very next page, the OCC is
23 listed as a party in the case.

24 I want to make it clear, that OCC
25 did not sign the settlement in this case.

1 ATTORNEY EXAMINER SEE: Will note
2 that you made that notation, Mr. Reese. You do
3 recognize as counsel for OCC this is not part of
4 the record. It's merely a presentation or
5 outline of the case that was used by us.

6 If anyone here wants to review the
7 agreement and determine who are parties to the
8 case or intervenors in this case that have
9 actually signed on, you can go into the
10 Commission's documents by going into the
11 Commission's Web site, going into the docketing
12 information system, inputting 10-0388, the case
13 number, and you can see all the documents that
14 have been filed in the case and, generally, if
15 you go to the last page of the stipulation
16 you'll see the parties that have signed on.

17 MR. REESE: Your Honor --

18 ATTORNEY EXAMINER SEE: If you go
19 past that, sometimes you can see they will
20 submit a letter after the date that the
21 stipulation is filed.

22 MR. REESE: I wanted to note the
23 standing objection. If this is what witnesses
24 are being provided with prior to their
25 testimony, it is incorrect.

1 ATTORNEY EXAMINER SEE: Okay. Thank
2 you, Mr. Reese.

3 If there's nothing further --
4 Mr. Meissner?

5 MR. MEISSNER: I would like to say
6 Citizens Coalition would join what Mr. Reese
7 just said. We would point out that the
8 stipulation people can look at which one of the
9 significant interests in the case which are the
10 residential consumers and they are not involved
11 in that stipulation at all. Thank you.

12 ATTORNEY EXAMINER SEE: Thank you
13 for that clarification.

14 MS. MILLER: I'm sorry, Your Honor.
15 Just to clarify Mr. Meissner's testimony. There
16 are residential customers represented in the
17 case Ohio Partners for Affordable Energy, their
18 clientele and residential customers, and they're
19 represented.

20 ATTORNEY EXAMINER SEE: Just because
21 people are parties or intervenors that does not
22 make them a party to the stipulation. So if
23 individuals that are interested in the case want
24 to confirm who has signed the agreement, I would
25 recommend you look on the Web site. If there

1 are no further -- if there's no one else that
2 wishes to offer testimony, public testimony
3 today, the hearing is adjourned. Thank you for
4 your time.

5 - - -

6 (Hearing concluded at 2:21 p.m.)

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C E R T I F I C A T E

STATE OF OHIO,)
) SS:
SUMMIT COUNTY,)

I, Tami A. Mitchell, RPR and Notary Public within and for the State of Ohio, duly commissioned and qualified, do hereby certify that the proceedings were by me reduced to Stenotypy, afterwards transcribed upon a computer; and that the foregoing is a true and correct transcription of the proceedings so given as aforesaid.

I do further certify that these proceedings were taken at the time and place in the foregoing caption specified, and were completed without adjournment.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Akron, Ohio, on this 26th day of April, 2010.

Tami A. Mitchell, RPR and Notary
Public in and for the State of
Ohio.

My Commission expires November 11, 2014.