

FILE

PUCO Hearing All-Electric Matter – North Ridgeville, Ohio (November 22, 2010)

Testimony by:

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Good evening!

PUCO

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My name is Brian Kurz and I live at 32589 Spinnaker Dr. Avon Lake, Ohio 44012. I live in The Landings subdivision which was built in the 1970s as an all-electric development. There are currently 108 homes and 100 condos/townhomes.

The Landings Homeowners can be categorized in some of the following:

- Young families with children and ones with one wage earner
- Retired homeowners who are living on a fixed incomes
- Older Families with college aged children who are struggling to pay tuition

We experienced last winter a neighborhood-wide, dramatic increase in the cost of heating our all-electric homes. In some cases, electricity bills doubled or more when comparing December 2009 bills to December 2008 bills. Economic hardships were placed on our subdivision not only with increase electric bills but by the added negative impact on our home values during a time when the real estate market has experienced its downturn as well. Homeowners who had lost their jobs were struggling to make ends meet as well. I ask you...who could possibly have been ready to pay the incredibly high electric bills.

Some homeowners have stated that the notice given by First Energy about the change in the billing before last winter would cause increases on average of 2.7% annually for residential customers. Homeowners in The Landings had received bills for December 2009 in amounts ranging from \$500, \$800 and \$1,000-or-more per month. Imagine having an electric utility bill that was as much or more than a mortgage?

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Other impacts of the removal of the all-electric discount:

- Homes started to buy bulk firewood to heat as an alternative and keep families comfortable
- I basically froze in my house last winter by keeping the thermostat to a minimum.
- Many of us were wearing our outside coats, hats, and gloves on the inside of our homes
- Homeowners were drying clothes on clothes lines and inside the home by whatever baseboard heater was on
- Lights in our development were turned off and we bought lots of candles
- When you have a spike like this in one bill, there are other things that get cut like eating, paying other bills, saving, paying for school, not traveling far and saving funds for gasoline (all of this in these bad economic times...am sure homeowners have yet to recover from these trying times)

We live in the fear of what is going to happen next with the all-electric discount.

Some homes were on the market for a very long time and am certain the uncertainty due to the all-electric discount played a part.

The Landings subdivision does not have gas lines going directly down those streets with all-electric homes. The Landings is supposedly surrounded by gas lines that could be brought into the subdivision but at a cost to the homeowners. Other all-electric neighborhoods and homes that are sitting isolated in some areas may not be as fortunate to have gas lines so close to their homes.

Running natural gas lines to the homes will take months. Many of The Landings homes are baseboard heated homes that never had duct work installed. Homeowners with baseboard heated homes will need to retrofit their homes with duct work and other structural changes. The cost of converting the subdivision to natural gas will need to be budgeted by each homeowner.

Our subdivision took action last winter once the high electric bills hit us hard!

Our subdivision formed a committee to address the crisis. We surveyed our entire homeowners so we could estimate the cost of other energy sources.

I estimate the cost to convert the subdivision to natural gas could be as much as \$4,000,000.

Included in the estimate are:

- Gas lines
- Gas Furnaces
- Other equipment (humidifiers, high efficiency filters, UV light filtration systems)
- Inside home conversion plates
- Gas water heaters
- Gas stoves
- Gas dryers
- Installing duct work
- Structural changes

No one will want to buy an all-electric home if the discount is removed. It is just not affordable. I can't stress this enough!!!

The home value of a subdivision with 108 homes and 100 condos/townhomes will have a negative effect on the whole community of Avon Lake (lost revenues, passing levies for schools and operating costs, etc.)

I can not underestimate the impact of having the all-electric discount removed. It will be costly for everyone to convert to another energy source. We will be basically 'stuck' in our homes with diminishing market value and high cost of electricity. Please ensure the all-electric discount is made permanent forever and do not allow our subdivision to be devastated economically.

Thank you for your time!

The Landings (estimate to convert to natural gas)

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	Condo	Homes	TOTAL	Avg				
Gas Furnace	640000	578000	1218000	6,767	furnace average	28900	4	7225
Humidifiers	25000	20000	45000	250				
High efficiency filters	80000	64000	144000	800				
UV light filtration	20000	16000	36000	200				
Inside plate	150000	28000	178000	989				
Gas water heater	320000	256000	576000	3,200				
Gas stove	60000	64000	124000	689				
Gas dryer	60000	48000	108000	600				
Duct work	300000	390000	690000	3,833	36	48	0.75	80
Structural changes	150000	240000	390000	2,167				60
	1,805,000	1,704,000						
Cost of conversion	3,509,000			19,494				
Columbia Gas (est.)	400,000							
	<u>3,909,000</u>			21,717				

Stack Heating & Cooling
(estimates)
convert the Landings
to Natural Gas

5/11/10

HVAC Options

	<u>Builders Model</u>	<u>Premium Model</u>	<u>Ductwork*</u>
Condo			
70,000btu furnace	\$2800	\$4400	
2-ton a/c	\$2990	\$6400	
Ranch			
70,000btu furnace	\$2800	\$4400	\$1000-3000
2.5-ton a/c	\$3350	\$7400	
Split Level			
70,000btu furnace	\$2800	\$4400	
3-ton a/c	\$3600	\$7400	
Colonial			
90,000btu furnace	\$2900	\$4700	\$3500-\$6500
3.5-ton a/c	\$3850	\$7700	

Options

Humidifiers	\$250
High efficiency filters	\$100 - \$800
UV light filtration	\$200

Gas Water Heaters

Standard tank-type power vented	\$1500
High efficiency tankless	\$3200

Gas Connections in house

Gas piping will depend on number of connections required. A basic manifold with room for five connections will start at \$350.00 (Condos could be look at up to \$1500 per unit depending on layout)

There are three levels of equipment between Builders and Premium. All equipment quoted is Lennox brand.

*If you have baseboard heat you may need a complete duct system or at the minimum your existing ductwork for the air conditioning may need to be modified.

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