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THE PUBLIC UTILITIES COMMISSION OF OHIO

PUBLIC HEARING

PUCO

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IN RE: CASE NO. 10-176-EL-ATA

Thursday, November 18, 2010

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PUCO Local Public Hearing in the Matter of the
Application of Ohio Edison Company, The Cleveland
Electric Illuminating Company, and the Toledo
Edison Company for Approval of a New Rider and
Revision of an Existing Rider, taken before me,
the undersigned, Katrina Dearborn, a Notary
Public in and for the State of Ohio, at
Springfield, Ohio, commencing at 6:00 p.m.
the day and date above set forth.

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1 MR. PRICE: Good evening. The
2 Public Utilities Commission of Ohio is
3 set for hearing at this time and this
4 place, Case Number 10-176-EL-ATA, in the
5 Matter of the Application of Ohio Edison
6 Company, Cleveland Electric Illuminating
7 Company, and Toledo Edison for approval
8 of a Rider and Revision of an existing
9 rider.

10 With me is Valerie Lemmie, one of
11 the members of the Commission. We'll
12 begin with a short introduction from
13 Commissioner Lemmie.

14 MS. LEMMIE: The Public Utilities
15 Commission of Ohio is the agency charged
16 with meeting all of the needs that
17 residents have with respect to public
18 utilities. We are responsible for
19 setting the rates and ensuring that
20 consumers have access to safe, reliable
21 electric -- in this case -- services.
22 And we are responsible for regulating
23 natural gas and other utilities, as
24 well.

25 There are five Commissioners and

1 they're appointed to five-year terms on
2 a rotating basis by the Governor. It is
3 the staff that analyzes the filings that
4 are made by utility companies and others
5 that are interested in what the utility
6 companies have filed.

7 We regulate providers of electric
8 and natural gas, as I said before.
9 Other regulated utilities include local
10 and long distance telephone service. We
11 are an organization that works very hard
12 to listen to all of the interests that
13 are before us and make the decision
14 based on recommendations from staff,
15 those interested parties that file for
16 participation in the case, and other
17 interests groups.

18 The case history with respect to
19 the all-electric rates by First Energy,
20 initially it was implemented in the
21 1970s during the early energy crisis.
22 The rates were designed to promote the
23 use of electricity. As a result,
24 customers have lived in all-electric
25 homes purchasing electricity at a

1 discount. In 2006 the PUCO approved an
2 agreement between the FirstEnergy
3 Company, the Public Utilities Commission
4 of Ohio staff, the Office of Ohio
5 Consumers Counsel and the Cities of
6 Akron, Cleveland, and Toledo which
7 established electric generation prices
8 through the end of 2008. It was called
9 the Rate Certainty Plan. Now, remember,
10 it was one of the higher regulated
11 utilities in 1999. At that time the
12 all-electric rate was eliminated for new
13 customers beginning in 2007, while the
14 customers who were receiving the
15 discounted rate were grandfathered or
16 carried over, if you will.

17 In 2009, as part of the review of
18 financials, the grandfathered
19 all-electric customers were moved to the
20 standard residential generation rate but
21 they still received a discount; \$01.9
22 kilowatt hour generation discount.
23 \$01.9 per kilowatt hour generation
24 discount. At the beginning of the last
25 winter still in cycle, many customers

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1 saw their bills increase significantly.
2 The PUCO received hundred of contacts
3 from FirstEnergy customers and public
4 officials expressing their concerns.

5 Shortly thereafter, the PUCO
6 directed FirstEnergy to reinstate the
7 all-electric discounted rate through May
8 31 of 2011.

9 The PUCO then directed the staff to
10 investigate the potential long-term
11 solutions to the all-electric rate
12 issue. And on September 24th of this
13 year, the staff filed a report that
14 included a range of options regarding
15 proposed rates and discount. This
16 report can be accessed on our website,
17 WWW.PUCO.Ohio.gov.

18 Today we are holding a public
19 hearing in Springfield, Ohio, as we are
20 in the other parts of the FirstEnergy
21 territory, with a total of six hearings
22 being scheduled to date.

23 This is your opportunity to tell us
24 your thoughts about the all-electric
25 rates. We're particularly interested in

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1 receiving your input on three issues.
2 And those issues are: If you are in an
3 all-electric home, what contracts or
4 written documentation do you have
5 regarding your electric rates now and in
6 the future.

7 Was there a commitment that the
8 rate would remain in the home for future
9 owners.

10 If you are in an all-electric home,
11 do you think the Commission should take
12 into account in setting rates any
13 difference in cost between heating a
14 home with natural gas or with
15 electricity.

16 All-electric homes have had
17 discounted rates for decades, however,
18 future events and policy changes, such
19 as federal environmental regulations and
20 wholesale market changes could make it
21 necessary to alter the discount that may
22 be approved in this case.

23 What is a fair way to move forward
24 or to phase in all-electric home bills
25 to accommodate these changes without

1 causing rate shocks and without
2 burdening other customers. If you
3 choose not to testify today but you wish
4 to submit your comments in writing,
5 please include the case number and send
6 it to the Public Utilities Commission of
7 Ohio at the address included on the fact
8 sheet when I arrived. And hopefully, if
9 you have not received it, there are fact
10 sheets at the door. And with that, that
11 is the opening discussion of the case
12 from the exhibition standpoint. We are
13 asking the same question in all of the
14 hearings. And I would now like our
15 attorney examiner to call for the
16 appearances.

17 MR. PRICE: Before we take our
18 witnesses, let's go ahead and take
19 appearance from the parties. For the
20 Company.

21 MR. BURK: On behalf of Ohio
22 Edison, Cleveland Electric Illuminating
23 and Toledo Edison, James W. Burk, 76
24 South Main Street, Akron, Ohio, 44308.

25 MR. PRICE: Thank you.

1 Mr. Alwein.

2 MR. ALWEIN: On behalf of the Ohio
3 Consumers' Counsel, Janine Migden-
4 Ostrander, Christopher J. Alwein,
5 Assistant Consumers' Counsel, 10 West
6 Broad Street, Columbus, Ohio, 43215.

7 MR. PRICE: We have had no
8 witnesses sign up to testify. Is there
9 anybody in the audience who did not have
10 an opportunity to sign up or has decided
11 they would like to testify?

12 Okay. Seeing none, I think we will
13 take a brief ten-minute recess in case
14 people are running behind. I know there
15 have been some traffic. Why don't we go
16 ahead and take a ten-minute recess.

17 - - - - -

18 (Thereupon, a recess was had.)

19 - - - - -

20 MR. PRICE: We've completed our
21 ten-minute recess and I guess I would
22 like to extend our invitation again to
23 anyone in the audience who would like to
24 testify.

25 Seeing none, we will go ahead and

adjourn. We will have two more public
hearings in North Ridgeville and
Kirtland and then the evidentiary
hearing will commence on November 29,
2010. Thank you all for attending.

- - - - -

(Hearing adjourned at 6:40 p.m.)

- - - - -

The State of Ohio,)
) SS: CERTIFICATE
County of Cuyahoga.)

I, Katrina L. Dearborn, Notary Public within and for the State of Ohio, duly commissioned and qualified, do hereby certify that the within-named witnesses were first duly sworn to testify the truth, the whole truth, and nothing but the truth in the cause aforesaid; that the testimony then given by him/her was by me reduced to stenotypy in the presence of said witnesses, afterwards transcribed on a computer, and that the foregoing is a true and correct transcript of the testimony so given by him/her as aforesaid.

I do further certify that this hearing was taken at the time and place in the foregoing caption specified and was completed.

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 for any of the parties in the above-captioned action; I am not financially interested in the action; I am not, nor is the court reporting firm with which I am affiliated, under a contract as defined in Civil Rule 28(D); nor am I otherwise interested in the event of this action.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my seal of office at Cleveland, Ohio on this 3rd day of December, 2010.

Katrina L. Dearborn, Notary Public
In and for the State of Ohio.

My commission expires 11-02-15.

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