

FILE

BEFORE THE PUBLIC UTILITIES

COMMISSION OF OHIO

- - -

In the Matter of the )  
Application of Columbus ) 11-346-EL-SSO  
Southern Power Company and ) 11-348-EL-SSO  
Ohio Power Company for )  
Authority to Establish a )  
Standard Service Offer )  
Pursuant to 4928.143, Ohio )  
Revised Code, in the Form )  
of an Electric Security Plan)

- - -

In the Matter of the )  
Application of Columbus ) 11-349-EL-AAM  
Southern Power Company and ) 11-350-EL-AAM  
Ohio Power Company for )  
Approval of Certain )  
Accounting Authority. )

- - -

BE IT REMEMBERED that upon the  
hearing of the above-entitled matter held at  
Glenwood Middle School, 1015 44th Street, NW,  
Canton, Ohio, and held on Tuesday, the 7th day  
of June, 2011, at 6:00 p.m., the following  
proceedings were had.

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## APPEARANCES:

## Ohio Public Utilities Commission:

Todd A. Snitchler, Chairman  
Sarah J. Parrot, Attorney Examiner  
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Columbus, Ohio 43215  
(614) 466-6849

On Behalf of Columbus Southern Power  
Company and Ohio Power Company:

By: Steven T. Nourse, Attorney at Law  
1 Riverside Plaza  
Columbus, Ohio 43215  
(614) 716-1608

## On Behalf of Ohio Consumers' Counsel:

By: Kyle Lynn Verrett, Attorney at Law  
10 West Broad Street  
Columbus, Ohio 43215  
(614) 466-8574

- - -

1 MS. PARROT: We will now commence  
2 the official record of the local hearing this  
3 evening. The Public Utilities Commission of  
4 Ohio has assigned for public hearing at this  
5 time and place Case Number 11-346-EL-SSO and  
6 11-348-EL-SSO being in the Matter of the  
7 Application of Columbus Southern Power Company  
8 and Ohio Power Company for Authority to  
9 Establish a Standard Service Offer Pursuant to  
10 Section 4928.143, Revised Code, in the Form of  
11 an Electric Security Plan and Case Number  
12 11-349-EL-AAM and 11-350-EL-AAM captioned in  
13 the Matter of the Application of Columbus  
14 Southern Power Company and Ohio Power Company  
15 for Approval of Certain Accounting Authority.

16 My name is Sarah Parrot and I'm an  
17 attorney examiner with the Commission's Legal  
18 Department and I will be conducting the  
19 hearing this evening and along with me, of  
20 course, is Chairman Todd Snitchler.

21 Also with us this evening are  
22 staff from the Commission. We have Jill  
23 Kocher with us. She's sitting here in the  
24 front row and then also Darita Patterson who  
25 was out in the lobby and welcomed you this

1 evening.

2           They're here to answer any  
3 questions you may have about a billing or  
4 service issue, other than what's the purpose  
5 of the hearing tonight, which is American  
6 Electric Power's Electric Security Plan  
7 proposal, but if you do have questions about  
8 service or billing issues they're here to help  
9 you with those questions.

10           There are a number of parties who  
11 are participating in these cases and they're  
12 representing commercial, industrial and  
13 residential customers and at this time I would  
14 ask that counsel for the parties that are  
15 present this evening to stand and make an  
16 appearance beginning with the company.

17           MR. NOURSE: Thank you, Your  
18 Honor. I'm Steve Nourse. I'm an attorney  
19 representing Columbus Southern Power and Ohio  
20 Power Company in these cases. We also have  
21 Bill Oles somewhere. Bill, could you stand up  
22 just to make sure everybody sees who you are.  
23 If you have any questions that relate to  
24 service or billing, Bill can help out. He'd  
25 be happy to stay and answer those questions if

1       you need him.   Okay.   Thank you, Your Honor.

2                   MS. PARROT:   Thank you.   And on  
3       behalf of the Ohio Consumers' Counsel.

4                   MS. VERRETT:   Thank you, Your  
5       Honor.   On behalf of the Ohio Consumers'  
6       Counsel, Ms. Janine Migden-Ostrander, 10 West  
7       Broad Street, Columbus, Ohio 43215 and on  
8       behalf of the residential customers of the  
9       American Electric Power Company I'm Kyle  
10      Verrett, Assistant Consumers' Counsel.   Also  
11      entering an appearance for Maureen Grady and  
12      Terry Etter for this case.

13                   Also here with me tonight is  
14      Anthony Rodriguez, Senior Media Specialist.  
15      If you have any questions afterwards, please  
16      feel free to see either myself or Anthony or  
17      to call our office at 1-877-PIC-KOCC.   Thank  
18      you.

19                   MS. PARROT:   Are there any other  
20      interveners present this evening?   All right.

21                   On January 27th, 2011, Columbus  
22      Southern Power Company and Ohio Power Company,  
23      which are operating companies of AEP Ohio,  
24      filed an application with the Commission to  
25      establish a Standard Service Offer in the form

1 of an Electric Security Plan, which is  
2 commonly known as an ESP.

3 This local hearing this evening is  
4 only one aspect of the case process. There  
5 are hearings also scheduled to occur in Lima,  
6 Marietta and at the PUC offices in Columbus.

7 The evidentiary hearing for this  
8 case is scheduled to begin this summer,  
9 specifically on July 20th at 10:00, at the  
10 PUCO offices in Columbus. The purpose of the  
11 evidentiary hearing is to allow the company,  
12 Commission staff, OCC and other interveners in  
13 the case to offer their expert witness  
14 testimony and to advocate for their position  
15 on the case.

16 The purpose of tonight's hearing  
17 is to hear from the public. We want to hear  
18 from you about AEP's proposal and we will not  
19 be hearing from the company this evening.  
20 Again, the purpose is to hear from the public  
21 and it's your opportunity this evening to let  
22 the Commission know what you think about AEP's  
23 proposal.

24 When you arrived, you were offered  
25 the opportunity to sign a sheet to offer your

1 testimony this evening. You may, if you  
2 haven't already done so, you may sign up at  
3 any time by adding your name to the list at  
4 the back of the room.

5 When I reach the end of the list,  
6 I will ask if there's anyone else who at that  
7 time wishes to offer testimony. The witnesses  
8 will be called in the order that they signed  
9 up. Before giving your testimony you will be  
10 asked to take an oath or offer affirmation  
11 stating that what you are about to say is the  
12 truth. I will ask for your name and address  
13 and your testimony will then be considered  
14 part of the official record in the case, which  
15 is reviewed by the Commissioners before they  
16 issue a decision.

17 Attorneys may ask you questions  
18 while you're under oath. If you decide you do  
19 not wish to testify, just let us know that you  
20 have decided not to and pass to the next  
21 witness. And once you have finished, you may  
22 leave at any time.

23 Tonight's hearing, as I mentioned,  
24 is being transcribed by a court reporter.  
25 That means that she's taking down everything

1     that's said. So please speak plainly and  
2     clearly and speak up so that she can hear you.  
3     If you have a prepared written statement, it  
4     would be very helpful if you would give a copy  
5     of that statement to her when you finish with  
6     your testimony.

7                 We appreciate your participation  
8     this evening and we want everyone who is here  
9     who wishes to speak to have the opportunity to  
10    do that.

11                Are there any questions before we  
12    begin to call the witnesses forward? All  
13    right. Seeing none we will begin with the  
14    witness testimony.

15                MR. SNITCHLER: First witness  
16    tonight is Pat Comanitz.

17                MS. PARROT: Please raise your  
18    right hand.

19                PAT COMANITZ  
20    of lawful age, a Witness herein, called for  
21    examination, as provided by the Ohio Public  
22    Utilities Commission, being by Ms. Parrot  
23    first duly sworn, as hereinafter certified,  
24    testified and said as follows:

25                MS. PARROT: Thank you. Please



1 state your name and address.

2 MS. COMANITZ: My name is Pat  
3 Comanitz, 330 University Drive, NE, New  
4 Philadelphia, Ohio 44663.

5 MS. PARROT: Thank you.

6 MS. COMANITZ: Thank you. My name  
7 is Pat Comanitz, as I said. I work at Kent  
8 State University Tuscarawas. My position  
9 there is Director of Business and Community  
10 Services. That position is -- includes  
11 everything that is a non credit class through  
12 that department including workforce  
13 development and anything that is of a personal  
14 development nature.

15 What I wish to say about American  
16 Electric Power today does not really have to  
17 do with the rate increase, but what it does  
18 have to do with is with their partnering in  
19 economic development.

20 One thing that American Electric  
21 Power did offer this past year was a POWER  
22 grant for unemployed, underemployed people who  
23 wanted to get a leg up and get back to work.

24 I applied for that grant through  
25 the Tuscarawas County Commissioner's Office

1 and we were awarded \$100,000 to help put  
2 people through some classes to get them back  
3 to work.

4 The criteria for that grant were  
5 low income Ohioans who, as I said, were either  
6 unemployed or underemployed to build some  
7 skills that would be necessary to get  
8 themselves into a career.

9 Some of the targeted industries  
10 for that grant were advanced energy, aerospace  
11 and aviation, agriculture and food processing,  
12 bioscience and bioproducts, corporate and  
13 professional services, distribution and  
14 logistics, instrument controls and  
15 electronics, motor vehicle and parts  
16 manufacturing, polymer and advanced materials.

17 POWER grant funds were limited to  
18 new workforce development initiatives and  
19 these were things that had never been offered  
20 before on our campus. I did find a program  
21 that was an online program. It was a  
22 certified sustainability professional  
23 certificate that we could offer to women in  
24 particular, which was one of the criteria of  
25 the grant, for women with a high school

1 diploma or GED equivalency who were either  
2 unemployed or underemployed, which included  
3 classes in green purchasing fundamentals,  
4 sustainability and corporate social  
5 responsibility essentials, carbon strategies,  
6 leadership and environmental management  
7 systems, which is an introduction to various  
8 ISO requirements.

9           These kinds of classes will help  
10 give these women an entry level position into  
11 businesses who are either green conscious or  
12 providing green careers and green businesses,  
13 green products for their customers.

14           AEP has always been a wonderful  
15 business partner and we certainly do commend  
16 them and appreciate the fact that they're  
17 willing to help those who are underprivileged  
18 and unemployed to help get a leg up in the  
19 career field so that they can help provide  
20 more income for their families.

21           MS. PARROT: Thank you. Any  
22 questions?

23           AUDIENCE MALE: Is this a program  
24 that's already in effect?

25           MS. COMANITZ: Yes.

1 AUDIENCE MALE: It doesn't have  
2 anything to do with the proposal that's on the  
3 table before the Commission?

4 MS. COMANITZ: No.

5 MR. SNITCHLER: Our next witness  
6 tonight is Alice Stephens.

7 MS. PARROT: Please raise your  
8 right hand.

9 ALICE STEPHENS  
10 of lawful age, a Witness herein, called for  
11 examination, as provided by the Ohio Public  
12 Utilities Commission, being by Ms. Parrot  
13 first duly sworn, as hereinafter certified,  
14 testified and said as follows:

15 MS. PARROT: And please state your  
16 name and address for the record.

17 MS. STEPHENS: Alice Stephens, 822  
18 30th Street, NW, Canton 44709. My name is  
19 Alice Stephens. I'm the Executive Director of  
20 the Workforce Investment Board for Stark and  
21 Tuscarawas Counties and The Employment Source,  
22 which is a one-stop employment training center  
23 in those two counties.

24 I'm not here today to talk about  
25 the rate portion of the ESP filing. I'm going

1 to talk on the lines of what the last witness  
2 was talking about.

3 I'd like to discuss AEP's  
4 partnership with workforce and economic  
5 development in those two counties. The  
6 mission of the Workforce Investment Board and  
7 The Employment Source is to assist area  
8 businesses in meeting their workforce needs  
9 and assisting job seekers obtain employment,  
10 thus playing a significant role in supporting  
11 the economic prosperity of our communities and  
12 their citizens.

13 AEP supports our mission. Here  
14 are some examples of how they do that. AEP  
15 employees have volunteered their time for the  
16 past four years by serving on the Workforce  
17 Investment Board Executive Committee and the  
18 Dislocated Worker Committee assisting with  
19 designing workforce program services,  
20 administration and policy development. One  
21 employee currently holds an officer position  
22 on the board.

23 AEP is in touch with the  
24 educational needs of our communities and  
25 donates not only their time and expertise, but

1 dollars towards green technology programming  
2 through the POWER grant you just heard about  
3 and funding and staffing for linesman training  
4 at our local adult education center. These  
5 programs train individuals for employment and  
6 encourage employers to create jobs in our area  
7 because of the skilled labor force that is  
8 available. This, in turn, increases our tax  
9 base.

10 AEP has always been active in  
11 economic development, especially in regard to  
12 company expansion and retention, and  
13 attraction of new business to the area.  
14 Whenever a company is seeking to locate in  
15 Stark or Tuscarawas Counties, AEP is part of  
16 the economic development team that comes to  
17 the table to meet with the prospective  
18 employer and help assist with a smooth  
19 transition into our area.

20 Over the past year AEP has  
21 participated in a two-county initiative with  
22 The Employment Source called the Regional  
23 Business Network. This network reaches out to  
24 existing employers to determine their  
25 challenges and opportunities and to help with

1 retention and expansion efforts. In addition  
2 to this, AEP's new Ohio Growth Fund Program  
3 will be key in new investment and job growth  
4 for our region and for Ohio.

5 AEP is an integral part of  
6 workforce and economic development in our two  
7 counties and we value their partnership.

8 MS. PARROT: Thank you very much.

9 MR. SNITCHLER: Our next witness  
10 today is Bill Dougherty.

11 MS. PARROT: Please raise your  
12 right hand.

13 BILL DOUGHERTY  
14 of lawful age, a Witness herein, called for  
15 examination, as provided by the Ohio Public  
16 Utilities Commission, being by Ms. Parrot  
17 first duly sworn, as hereinafter certified,  
18 testified and said as follows:

19 MS. PARROT: Please state your  
20 name and address for the record.

21 MR. DOUGHERTY: Bill Dougherty,  
22 5689 Eastview Street, one word, Louisville,  
23 Ohio 44641.

24 All right. I don't think I'll  
25 need the mike. You should be able to hear me.

1 I'm a petty officer for 23 years in the Navy.  
2 So you'll be able to hear me.

3 This is the second time that I've  
4 come to a hearing on AEP. First time was two  
5 years ago when AEP wanted to raise their rates  
6 50 percent and at that time I thought it was  
7 too high. And as far as the PUCO is  
8 concerned, I know that your mission statement  
9 says PUCO is to ensure customers safe and  
10 reliable service at a fair price. And in  
11 these hard times, when people are losing their  
12 homes and jobs, it's not the time to raise  
13 rates.

14 I'm retired and I have not  
15 received a cost of living increase the past  
16 two years, but taxes have went up, gas and oil  
17 went up and now they're talking about in the  
18 county our sales tax might go up. All of this  
19 has got to stop.

20 Now it's the electric company's  
21 turn to squeeze more money out of us and let's  
22 look at what they want. The Electric Security  
23 Plan or, as I call it, an insurance plan in  
24 which the customer is the insurance company.

25 Let's look at what AEP wants. An



1     increase of 14.9 percent to our bill right off  
2     the top. AEP wants to add new charges and  
3     also new ones such as charges to recover costs  
4     that are the result of major storms. AEP  
5     wants to add nine new riders to recover costs  
6     for renewable energy, deferrals from the  
7     current rate plan, carbon capture and power  
8     plant closures. The fuel related cost alone  
9     amounts to 135 million in costs to us in the  
10    years 2012 through 2018. Doesn't this sound  
11    like an insurance plan at whose expense? Us.

12                 They call this a security plan or,  
13    as I like to call it, an insurance plan. This  
14    is a catch phrase right now for everybody who  
15    wants to raise costs or taxes. We all read in  
16    the paper we have to kind of tighten our  
17    belts. Well, mine is so tight I can't tighten  
18    it any more.

19                 When the schools want more money  
20    they cut busing, football. They add pay to  
21    play. They add charges to the parents until  
22    the levy passes. The county used 9-1-1 as a  
23    safety issue. Now the sheriff he decides he's  
24    going to lay off his deputies. Let's scare  
25    the public.

1                   If I'm not mistaken, we pay a  
2           distribution charge each month of \$30.91 and a  
3           transmission charge of \$6.06. Also a customer  
4           charge of \$3.82 and none of this ties in to  
5           what electricity we use. This total comes on  
6           my bill to \$40.79 and I haven't used one  
7           kilowatt of hours.

8                   The electricity I used last month  
9           cost me \$45.78. With the other charges it  
10          came to \$86.57. They want to raise the  
11          customer charge from \$3.82 to \$8.40. That's  
12          more than double what we pay now. And what  
13          will we get? Is it going to be our money's  
14          worth? What have they done all these years  
15          with the customer charge of \$3.82 and a  
16          distribution service which is to take care of  
17          the wires, the poles, the transmission lines  
18          of \$30.91?

19                   I've been a resident of Stark  
20          County for over 33 years. If you add up these  
21          charges, that's a lot of money. What do they  
22          do? They come and say they need money for  
23          security and to keep the system running. Now  
24          they want to fix equipment they let go over  
25          the years.

1                   Was there a maintenance plan  
2 before this new one? In the Navy we have a  
3 PMS program and it's not new. We've been  
4 using it for years and it's a great plan if  
5 it's used properly. So where did all the  
6 money go when it's to pay the company  
7 officials and stockholders?

8                   I'm not against AEP making money  
9 but at a fair profit. Now they want us to pay  
10 for all the losses because of storms, because  
11 of plant closures. They want it all. I'd  
12 like to be in business and have a deal like  
13 that, that I would have no losses at all.  
14 This is ridiculous. I don't think it's fair  
15 that this is a charge for something that I  
16 don't get. AEP wants us to take all the risks  
17 in their doing business. This is not right.

18                   Let's look at some of AEP's  
19 earnings. In 2010 they made \$1.45 billion and  
20 this year on their -- on their internet page  
21 they're touting that they're going to have a  
22 dividend to their stockholders of 12 percent.  
23 I go to the bank and have an IRA. I'm lucky,  
24 lucky if I can get five percent, five cents.  
25 This is terrible. I don't know about you, but

1     it seems to me that the stockholders have a  
2     sweet deal.

3                 If you have a storm and people  
4     don't have any power because of a storm, if  
5     someone runs into a pole or knocks it out and  
6     we don't have any power, well, let's just  
7     recoup the cost on the next bill. We'll have  
8     to pay a service -- pay for service we did not  
9     receive.

10                I say you don't have to be taken  
11     in by the greedy folks at AEP. It's all smoke  
12     and mirrors. Don't let AEP force the customer  
13     to be their insurance company under the guise  
14     of a security program.

15                Thank you.

16                MS. PARROT: Thank you.

17                MR. SNITCHLER: Our next witness  
18     tonight is Gary Little.

19                MS. PARROT: Raise your right  
20     hand, please.

21                GARY LITTLE

22     of lawful age, a Witness herein, called for  
23     examination, as provided by the Ohio Public  
24     Utilities Commission, being by me first duly  
25     sworn, as hereinafter certified, testified and

1 said as follows:

2 MS. PARROT: Please state your  
3 name and address.

4 MR. LITTLE: Gary Little. The  
5 address is 330 University Drive, NE, New  
6 Philadelphia, Ohio.

7 I'm the Executive Director of the  
8 Community Improvement Corporation of  
9 Tuscarawas County.

10 I'd like to address AEP's economic  
11 development activities and read from a letter  
12 that I submitted to the Chairman on this  
13 subject.

14 The Community Improvement  
15 Corporation of Tuscarawas County is charged  
16 with the mission of economic and community  
17 development for the entire county. The  
18 majority of the CIC's membership derives from  
19 the business community, but also is  
20 represented by local elected officials  
21 throughout the county.

22 Over the past few years the CIC  
23 has been heavily engaged in the development of  
24 a high-tech research and technology park in  
25 the New Philadelphia area. AEP and others

1 provides electricity to this park and also  
2 provides the cabling for broadband services in  
3 the park.

4           Throughout this development  
5 process AEP has been an excellent partner in  
6 this community-wide effort to improve the  
7 economy of the region. Through the work of  
8 many people and also AEP with their provision  
9 of technical assistance, contract services and  
10 construction and even marketing support, the  
11 Tuscarawas Regional Technology Park has become  
12 a reality and expects to provide opportunities  
13 for entrepreneurs and high-tech company  
14 development in the Tuscarawas Valley region  
15 for years to come.

16           We have additionally seen AEP's  
17 active, team-player role in other economic  
18 development organizations throughout the  
19 region from Chambers of Commerce, to East Ohio  
20 Development Alliance, to the Ohio Economic  
21 Development Association, to our CIC and others  
22 throughout the region and also business and  
23 industry retention and expansion committees;  
24 all in productive efforts to sustain and  
25 improve the economic climate of the region.

1 MS. PARROT: Thank you.

2 MR. SNITCHLER: Our next witness  
3 tonight is Glenn Enslen. Did I say that  
4 right?

5 MS. PARROT: Raise your right  
6 hand, please.

7 GLENN ENSLEN  
8 of lawful age, a Witness herein, called for  
9 examination, as provided by the Ohio Public  
10 Utilities Commission, being by Ms. Parrot  
11 first duly sworn, as hereinafter certified,  
12 testified and said as follows:

13 MS. PARROT: Please state your  
14 name and address.

15 MR. ENSLEN: My name is Glenn  
16 Enslen, 6098 Vale View Drive, SW,  
17 Sherrodsville, Ohio.

18 MS. PARROT: Please proceed.

19 MR. ENSLEN: Good evening and  
20 thank you for the opportunity to present  
21 testimony in the matter of American Electric  
22 Power's Electric Security Plan.

23 I am by no means in a position to  
24 comment either way about the rate structure  
25 that is inherent within the plan, but I would

1     like to discuss the role that I have seen AEP  
2     play in community and economic development in  
3     Ohio.

4                   As the Deputy District Director  
5     for Congressman Zack Space from 2007 through  
6     2011 I was responsible for economic  
7     development activities within the 16  
8     Appalachian counties that make up the 18th  
9     Congressional District of Ohio.

10                   In this position I was charged  
11     with assisting companies that had an interest  
12     in creating jobs in our district. American  
13     Electric Power proved to be a very good  
14     partner in these efforts.

15                   Discussions began over three years  
16     ago about the creation of the largest solar  
17     farm east of the Mississippi River in Ohio,  
18     and specifically in Appalachian Ohio. This  
19     project will essentially cover 640 acres with  
20     solar panels and result in an investment of  
21     approximately \$250 million.

22                   As an integral part of the  
23     project, companies who chose to bid on  
24     providing components such as solar panels,  
25     trackers, timers and mounting racks will be



1 required to locate manufacturing facilities  
2 within the state of Ohio. As such, this  
3 project will become a major creator of jobs  
4 within the state, both at the site for  
5 construction and operation, as well as  
6 permanent manufacturing jobs by companies such  
7 as Isophoton from Greece.

8 The initial major hurdle that the  
9 project faced was to locate land that was  
10 suitable at a cost that would ensure the  
11 economic viability of the project. It was at  
12 this point that we approached AEP with the  
13 concept. After discussion they agreed that  
14 reclaimed strip mine land that they owned  
15 could be made available at a very favorable  
16 price.

17 The second major hurdle, of  
18 course, was to sell the electricity that the  
19 solar farm, Turning Point, would produce.  
20 Again, after much discussion AEP agreed to  
21 sign a power purchase agreement that would in  
22 essence guarantee the purchase of all the  
23 electricity generated by the site.

24 One must keep in mind that this  
25 type of purchase is far more difficult for the

1 utility than purchasing power from the grid  
2 since solar power is intermittent and the  
3 utility must maintain baseload.

4 Finally, as the project came  
5 together, additional capital was needed and,  
6 again, AEP came forward with the cash  
7 investment to push the project over the top.  
8 In reality, Ohio would not be gaining the  
9 largest solar farm east of the Mississippi  
10 River without the participation and help that  
11 AEP provided.

12 The Congressional office was  
13 approached by the largest producer of polymer  
14 plastic in the world. The corporation had  
15 discovered a plant that when harvested could  
16 be processed in a facility similar to an  
17 ethanol refinery and the resulting compound  
18 would replace the use of crude oil in the  
19 manufacture of plastic bottles and containers.  
20 In order to provide enough raw material to  
21 make the project economically viable the  
22 producer needed to lease or purchase 50,000  
23 acres of land within a 60 mile radius of  
24 Coshocton, Ohio.

25 Again, our office reached out to

1     AEP and asked if they would consider a  
2     favorable lease or sale of reclaimed land to  
3     the producer. AEP's response was immediate  
4     and positive. Their Community Affairs General  
5     Manager immediately joined us in meeting with  
6     the company and that involved the land  
7     department, as well as senior executives.

8             AEP also involved its scientists  
9     in determining if it would be feasible to burn  
10    a byproduct of the process, lignite, in their  
11    power plants. Although ultimately this  
12    project did not go forward, AEP displayed a  
13    strong willingness to invest many man hours in  
14    the project, consider favorable lease terms  
15    and offer additional assistance to try to  
16    attract this job creation project to Ohio.

17            Most of us are familiar with "The  
18    Wilds," one of the largest and most innovative  
19    wildlife research facilities in the world.  
20    The Wilds is a strong employer and a large  
21    provider of tourist dollars in southeastern  
22    Ohio. Again, made possible by the  
23    participation of AEP as the donor of 10,000  
24    acres for the facility to locate on.

25            In addition, as we worked

1 throughout the Congressional district to  
2 facilitate economic growth, AEP was at the  
3 table in every discussion. On each occasion  
4 as we pieced together incentive packages to  
5 attract new jobs AEP provided incentives to  
6 the companies in question.

7           Currently I serve as the Economic  
8 Director for Carroll County. I face the same  
9 difficulties as in my prior position  
10 representing a rural Appalachian county  
11 without the resources of nearby urban  
12 counties.

13           At this time we're working with  
14 three potential employers who have an interest  
15 in either moving to the county or expanding  
16 employment within the county. In each case,  
17 representatives of AEP are involved and  
18 willing to assist these companies in coming to  
19 our county.

20           One of these projects will  
21 constitute the largest investment ever made in  
22 Carroll County and could not, and I want to  
23 repeat, could not move forward without the  
24 cooperation and assistance of AEP.

25           Thank you for giving me the

1 opportunity to provide this testimony to you  
2 this evening.

3 MS. PARROT: Thank you very much.

4 MR. SNITCHLER: Our next witness  
5 tonight is Brenda Linnick.

6 BRENDA LINNICK

7 of lawful age, a Witness herein, called for  
8 examination, as provided by the Ohio Public  
9 Utilities Commission, being by Ms. Parrot  
10 first duly sworn, as hereinafter certified,  
11 testified and said as follows:

12 MS. PARROT: Please state your  
13 name and address.

14 MS. LINNICK: Brenda Linnick, 1085  
15 Greensview Drive, Wooster, Ohio 44691.

16 Public/private partnerships are  
17 the life blood of United Way. The partnership  
18 that United Way of Wayne and Holmes Counties  
19 has enjoyed with AEP is certainly no  
20 exception.

21 When asked whether or not I could  
22 or would be up to come here tonight to  
23 testify, it was a unanimous board decision  
24 that the partnership we enjoy with AEP was  
25 worth sharing with this group.

1                   While most of you are thinking in  
2 terms of AEP strictly in terms of funding our  
3 annual campaign, which, by the way, since '06  
4 they've reinvested in our community to the  
5 tune of about \$36,000, but more specifically  
6 in terms of grants which have enabled our  
7 community partners to help very low income  
8 residents in both Wayne and Holmes Counties.

9                   Last year People to People  
10 Ministries, one of Wayne County's largest  
11 emergency support agencies, received some  
12 \$11,386, which came in the form of two grants,  
13 which combined assisted 59 families to  
14 maintain a roof over their head.

15                  This year AEP has released an  
16 additional \$5,314 which, once again, has gone  
17 to People to People Ministries to assist  
18 individuals and families at risk of becoming  
19 homeless.

20                  We also received \$1,406 to share  
21 with the Holmes County Health Department which  
22 they used to provide primary and urgent health  
23 care to more than 30 people last year. This  
24 year we were awarded again a small grant to  
25 the tune of \$1,246 which the health department

1 will use in the same way.

2 And, finally, we applied and made  
3 a grant request to AEP asking for funding  
4 which would enable us to expand our two-county  
5 information and referral program. They  
6 granted us \$2500 which was utilized to help us  
7 transform this effort from a five day a week,  
8 8 to 5 operation to a 24/7, 365 days a year,  
9 2-1-1 program which, again, is utilized by --  
10 mostly by our highest risk populations.

11 I just want to say thank you for  
12 allowing me the opportunity to share this  
13 information about our collaborative endeavors  
14 with AEP.

15 MS. PARROT: Thank you very much.

16 MR. SNITCHLER: Our next witness,  
17 I'm going to get the last name wrong but I'll  
18 try anyway, Maria Heege.

19 MS. HEEGE: Heege. Close enough.

20 MS. PARROT: Please raise your  
21 right hand.

22 MARIA HEEGE  
23 of lawful age, a Witness herein, called for  
24 examination, as provided by the Ohio Public  
25 Utilities Commission, being by Ms. Parrot

1 first duly sworn, as hereinafter certified,  
2 testified and said as follows:

3 MS. PARROT: Please state your  
4 name and address.

5 MS. HEEGE: Maria Heege, 4825  
6 Higbee Avenue, NW, Canton, Ohio 44718.

7 Good evening. My name is Maria  
8 Heege and I'm President and CEO of United Way  
9 of Greater Stark County and I'm here tonight  
10 to share with you the work of United Way  
11 through the support of AEP.

12 As one of the largest non-profit  
13 funders in Stark County, our work is achieved  
14 through support from individuals, workplace  
15 and corporate donors. These relationships  
16 allow our United Way to work right here  
17 locally to fund programs that meet the needs  
18 of families and children. Currently United  
19 Way of Greater Stark County funds 96 programs  
20 at 39 agencies.

21 AEP has a long history of  
22 community stewardship in Stark County and let  
23 me highlight their most recent three year  
24 history with our United Way.

25 Through their annual United Way



1 campaign over the past three years AEP  
2 employees and corporate office has contributed  
3 over \$163,000 to help fund programs that  
4 provide day care, after school programming,  
5 help for seniors, counseling and much more.

6 In addition, through AEP's  
7 Partnership with Ohio, our local United Way  
8 has been fortunate to be the recipient of  
9 approximately \$26,000 per year over the past  
10 three years. These dollars were used for rent  
11 and mortgage assistance to help keep families  
12 from facing homelessness. Seventy individual  
13 families received assistance last year because  
14 of this resource.

15 Finally, through AEP Ohio Greater  
16 Stark County United Way has received \$25,000  
17 per year for the past three years in support  
18 of United Way's Education Initiative Care  
19 Team. This initiative is a holistic  
20 collaborative community approach to ensure  
21 children and their families have supports in  
22 place so that children can successfully  
23 graduate from school, go on to higher  
24 education or formal training, to help them  
25 find employment thus leading to family

1 stability. Currently the Care Team initiative  
2 is in 33 schools in 11 of our 18 districts.

3 Over the past three years AEP has  
4 invested a total of over \$320,000 back into  
5 Stark County through the programs and  
6 initiatives I've just shared with you.

7 In addition, AEP also provides  
8 support to the community through employee  
9 volunteerism. Here in Stark County AEP  
10 employees have provided nearly 60 volunteers  
11 during the past two years to our annual Day of  
12 Caring project to help the Boy Scouts and the  
13 Quail State Park with projects that would not  
14 be completed without the help of our Day of  
15 Caring volunteers.

16 United Way of Greater Stark County  
17 is fortunate to have a strong corporate  
18 supporter in AEP. A supporter that helps our  
19 local community through donations, as well as  
20 through the spirit of volunteerism.

21 Thank you.

22 MS. PARROT: Thank you.

23 MR. SNITCHLER: Our next witness  
24 tonight is Shawn Starlin.

25

1 SHAWN STARLIN

2 of lawful age, a Witness herein, called for  
3 examination, as provided by the Ohio Public  
4 Utilities Commission, being by Ms. Parrot  
5 first duly sworn, as hereinafter certified,  
6 testified and said as follows:

7 MS. PARROT: Please state your  
8 name and address for the record.

9 MS. STARLIN: Shawn Starlin, 1163  
10 Quinby Avenue, Wooster, Ohio.

11 I'd like to provide some incite  
12 regarding AEP's role in my local community.  
13 Holmes County Economic Development Council is  
14 a not-for-profit organization providing a wide  
15 range of services to the local business  
16 community in Holmes County.

17 In striving to strengthen the  
18 business environment, the council and its  
19 governing board have supported and engaged in  
20 a number of meaningful initiatives which have  
21 spurred growth, capital investment and, most  
22 importantly, job retention and creation.

23 In assuming a leadership position  
24 on the organization's board representatives  
25 from AEP have provided the vision and guidance

1 needed to see these projects through to  
2 fruition. In addition to the vast economic  
3 development experience they share AEP has  
4 given freely of its time and resources, which  
5 have helped to make the efforts of the  
6 Development Council possible.

7 In the fall of 2010 AEP awarded  
8 Holmes County a "Putting Ohioans to Work for  
9 Economic Recovery" or POWER grant. The  
10 purpose of this program is to provide low  
11 income job seekers and dislocated workers with  
12 the training required to update and augment  
13 their skills with the intent of successfully  
14 obtaining long-term employment. To date the  
15 POWER program in Holmes County has benefitted  
16 nearly a dozen dislocated workers providing  
17 them with the skills they need to thrive in  
18 the work environment.

19 As a corporate citizen and a  
20 development partner, AEP has and continues to  
21 help to support economic recovery and job  
22 growth in the Holmes County community.

23 MS. PARROT: Thank you.

24 MR. SNITCHLER: Our next witness  
25 tonight is Rod Crider.

1 ROD CRIDER

2 of lawful age, a Witness herein, called for  
3 examination, as provided by the Ohio Public  
4 Utilities Commission, being by Ms. Parrot  
5 first duly sworn, as hereinafter certified,  
6 testified and said as follows:

7 MS. PARROT: Please state your  
8 name and address.

9 MR. CRIDER: My name is Rod  
10 Crider, 542 East Liberty Street, Wooster,  
11 Ohio.

12 I'm here also to address the  
13 economic development aspects of the ESP that's  
14 been under consideration for AEP.

15 I am the Executive Director of the  
16 Wayne Economic Development Council and I,  
17 along with my other colleagues throughout this  
18 region, work to market our area for new jobs  
19 and new investment.

20 It's an extremely competitive  
21 field and electricity rates are very important  
22 to a company's consideration when thinking  
23 about expanding or relocating their business.

24 More important than that is the  
25 reliability of electricity in the area. A

1 small outage in a company can cause an  
2 individual organization thousands of dollars.

3 I'll give you an example of one of  
4 the ways that AEP has addressed that in our  
5 community. Several years ago we had many  
6 local companies who were experiencing brief,  
7 but frequent, outages of their power. And, as  
8 I mentioned, this was costing them a lot in  
9 terms of labor costs, damage to equipment,  
10 startup costs, a lot of additional costs that  
11 weren't necessary.

12 Our local Chamber of Commerce did  
13 a survey of some of those businesses to help  
14 quantify what some of the issues were. AEP  
15 responded to those businesses by coming in to  
16 our community and investigating what has to be  
17 by now millions of dollars, to not only  
18 improve the infrastructure of the electrical  
19 system in our area, but also to clear lines  
20 and do other maintenance work to help make  
21 those businesses more competitive and more  
22 viable in our community.

23 Today I can say that we have had  
24 very few complaints over the last couple of  
25 years about outages. Thanks in large part to

1 the work that AEP has done in our area.

2 So I also wanted to join with my  
3 colleagues in saying that AEP is extremely  
4 active in economic development efforts.  
5 You've heard individual stories about how  
6 they're involved in each of the communities in  
7 which they operate. Wayne County and Wooster  
8 is no exception.

9 They provide not only their time  
10 but they provide their financial resources to  
11 assist us in our economic development efforts.  
12 And I understand that it's over \$2 million  
13 spent in Ohio on economic development activity  
14 in direct support of organizations like ours.

15 And that support comes in the way  
16 of operating dollars through their membership  
17 investments in our organization. It comes in  
18 the form of grants that are used for specific  
19 purposes like marketing, upgrading websites  
20 and other activities that may be specific to a  
21 time and a need. They provide technical  
22 assistance, which we've heard some other  
23 people talk about as well, and this is  
24 extremely important.

25 In our area we have established

1 something called a BioHio Research Park in  
2 partnership with the Ohio Agricultural  
3 Research and Development Center at The Ohio  
4 State University.

5 AEP was an integral part in  
6 providing the technical expertise to help us  
7 put that BioHio Research Park together and  
8 allowed us to qualify for the job site program  
9 under the Ohio Department of Development and  
10 today it is now one of only about three, or  
11 four possibly, job sites that are available  
12 throughout Ohio and, again, as another speaker  
13 mentioned, that could not have been done  
14 without the technical expertise provided by  
15 American Electric Power. They've been an  
16 important part of our business attraction and  
17 retention efforts for a number of years.

18 This proposed ESP will allow AEP  
19 to continue to be an active part of economic  
20 development throughout Ohio. As I understand  
21 the plan, it will, in fact, increase their  
22 level of support for economic development up  
23 to a level of potentially \$25 million that  
24 will assist with the New Jobs Ohio Program  
25 that's under consideration. It will help with



1 short-term rate incentive, which I said, is  
2 very important to help us in attracting new  
3 businesses to Ohio and overall I think it will  
4 not only allow them to maintain but increase  
5 their capacity to help us in attracting new  
6 jobs and investments across the state.

7 Thank you.

8 MR. SNITCHLER: Our next witness  
9 tonight is Terri Sandu.

10 TERRI SANDU  
11 of lawful age, a Witness herein, called for  
12 examination, as provided by the Ohio Public  
13 Utilities Commission, being by Ms. Parrot  
14 first duly sworn, as hereinafter certified,  
15 testified and said as follows:

16 MS. PARROT: Please state your  
17 name and address.

18 MS. SANDU: My name is Terri  
19 Sandu, 33464 Tullis, Avon, Ohio.

20 Like others tonight I wanted to  
21 talk about the important relationship and  
22 leadership that AEP Ohio has provided in  
23 support of Hard Hatted Women. I am the  
24 Executive Director of Hard Hatted Women.

25 HHW is a Cleveland based statewide

1 nonprofit organization and our mission is  
2 focused on helping women achieve economic  
3 self-sufficiency and we do that by promoting  
4 workplace diversity with a particular focus on  
5 trade and technical careers.

6 A majority of the women that we  
7 serve are unemployed and/or are part of the  
8 working poor. Many are also the primary or  
9 co-primary breadwinners for their family, so  
10 that the long-term impact of our work is to  
11 help move entire families from poverty to  
12 economic security. At the same time we are  
13 working closely with employers to tap the  
14 skills and talents of the entire workforce  
15 where women now represent about 50 percent.

16 Hard Hatted Women and AEP Ohio  
17 have been engaged in an emerging partnership  
18 since early 2009. In the spring of 2010 the  
19 company, through its Partnership with Ohio  
20 Initiative, made a \$50,000 investment in the  
21 work of HHW supporting regional expansion of a  
22 program called Women in Sustainable  
23 Employment.

24 We are very proud that this  
25 investment has been renewed in 2011 and that

1 we are able to continue building a partnership  
2 with AEP Ohio, which similar to other  
3 colleagues, involves also volunteerism and a  
4 lot of leadership from the company in how we  
5 get it done.

6 Through the WISE Pathways Program  
7 we are serving dislocated, working poor and/or  
8 low-income women who are supported to both  
9 understand the opportunities and also become  
10 excellent candidates for high-wage career  
11 opportunities that exist in our state in trade  
12 and technical fields. Those include those in  
13 the energy sector and other sectors such as  
14 construction, manufacturing and  
15 transportation.

16 With the support of employer  
17 partners like AEP Ohio Hard Hatted Women is  
18 building a state-wide network so that once  
19 women do enter these occupations, most of  
20 which remain nontraditional for women in the  
21 workplace, they do have networks of support  
22 which can help them to advance their careers  
23 and become industry leaders, again, supporting  
24 the long-term economic security of families.

25 As the PUCO considers AEP Ohio's

1 proposed renewal to its Electric Security  
2 Plan, Hard Hatted Women presents this letter  
3 to demonstrate one example of how the company  
4 has acted on its commitment to supporting the  
5 long-term economic development of our state  
6 and has supported innovative approaches to  
7 mitigate the impacts of the national recession  
8 through its partnership with Ohio Initiative.

9 Thank you.

10 MS. PARROT: Thank you.

11 MR. SNITCHLER: Our next witness  
12 tonight is George Block.

13 MS. PARROT: I guess George left.

14 MR. SNITCHLER: Not seeing George  
15 we'll move to our next witness, which is Robb  
16 Hankins.

17 ROBB HANKINS  
18 of lawful age, a Witness herein, called for  
19 examination, as provided by the Ohio Public  
20 Utilities Commission, being by Ms. Parrot  
21 first duly sworn, as hereinafter certified,  
22 testified and said as follows:

23 MS. PARROT: Please state your  
24 name and address.

25 MR. HANKINS: My name is Robb

1 Hankins. I'm at 3968 Ashford Street, NW,  
2 Canton, Ohio. That's where I live at my  
3 house.

4 During the day I am the head of  
5 the County Arts Council called ArtsinStark.  
6 And what do arts have to do with economic  
7 development and with AEP?

8 My monthly utility bill at the  
9 Cultural Center for the Arts, which is 330,000  
10 square feet, is \$18,000 a month. Annual basis  
11 that's about \$220,000. I can tell you that I  
12 wish it was lower.

13 Our tenants, the Canton Symphony,  
14 the Canton Ballet, the Canton Museum of Art,  
15 Players Guild Theater and Voices of Canton  
16 also wish it were lower, but what's nice about  
17 working with AEP is they come in and say here  
18 are ways that you can lower your bill and for  
19 the last two years we've been doing that. And  
20 there have even been some months when we get a  
21 check back before we formed a great  
22 partnership.

23 The first thing I have to say  
24 about AEP is it's a company that tries to help  
25 you reduce your utility bills and I think

1     that's important.

2                     We're in the arts business and  
3     we're nonprofit. About five years ago we came  
4     up with this crazy idea. Said the arts can  
5     make smarter kids. Now in an age where the  
6     arts are systematically being cut out of all  
7     public education that's a pretty strange,  
8     somewhat crazy, idea. But we were so sure  
9     that we went to a whole bunch of people and we  
10    said, hey, we just want a three-year  
11    experiment to prove we're correct. It works  
12    other places, why wouldn't it work in Stark  
13    County?

14                    AEP was one of those companies we  
15    went to and they gave us modest support. Give  
16    you one example of what an innovative approach  
17    can achieve in doing things in Massillon,  
18    Ohio. Fourth graders got this program. It's  
19    called SMARTS with a big "arts" in the middle.

20                    Basically says that all the  
21    research shows kids, when they're excited,  
22    when they're learning through all five senses  
23    instead of just sitting there going, God, this  
24    is a long class. When is it going to get  
25    over? They learn faster, they learn better,

1 they're more excited. Well, we already knew  
2 that.

3 So we asked the Stark Educational  
4 Partnership to measure the results. They  
5 weren't our tests, they were state of Ohio  
6 tests. The kids that got this program, that  
7 took a chance on using a new way to teach,  
8 were fourth graders. One of the four fourth  
9 grade classes in Massillon got the program.

10 The very first year, and this is  
11 the final year this year, the average -- their  
12 goal was to improve reading scores by five  
13 percent annually. Very first year state of  
14 Ohio test scores went up by 11 percent.  
15 Teachers couldn't believe it. The principal  
16 couldn't believe it. Stark Educational  
17 Partnership was so surprised. Well, not  
18 surprised but excited. They said, well, let's  
19 look at all the other fourth graders in  
20 Massillon; compare the kids that got SMARTS to  
21 kids who didn't.

22 Fourth graders who got them did  
23 better in reading, did better in mathematics  
24 and when it came to state of Ohio reading  
25 tests two years ago the average fourth grader

1 in Massillon went up by two percent. Kids who  
2 got this program went up by 23 percent.

3 So I'm here tonight to simply say  
4 we work with a lot of companies in Stark  
5 County. Some of them are local, some of them  
6 are regional, some of them are national.

7 Discretion prevents me from  
8 telling you which ones don't give anything  
9 back, take a lot of money out of here, spend  
10 it in other places but don't give anything  
11 back.

12 We're here just to say that AEP is  
13 an innovative and fair company that gives back  
14 to its community. I'm not an expert on rate  
15 increases or on Electric Security Plans, but  
16 I'm here to say that I think they deserve a  
17 fair shake and I encourage you to give them  
18 one because they're a good company.

19 Thank you.

20 MS. PARROT: Thank you. That's  
21 all of the names on our witness list. Are  
22 there any members in the audience that wish to  
23 offer testimony at this time that didn't get a  
24 chance to sign the list, the sign-up sheet?  
25 Mr. Block, did he return by chance?



1                   Okay. Well, seeing none, that's  
2 the end of the witnesses this evening. We  
3 appreciate everyone coming and we thank you  
4 for offering your testimony. It will be  
5 submitted to the Commission for its  
6 consideration as part of the record in this  
7 case and thank you everyone for coming. We  
8 are adjourned.

9                   - - -

10                   (Hearing concluded at 7:00 p.m.)

11                   - - -

## C E R T I F I C A T E

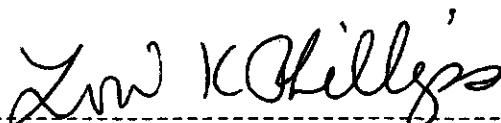
STATE OF OHIO, )  
                  ) SS:  
SUMMIT COUNTY, )

I, Lori K. Phillips, an RMR 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, counsel or attorney of any party, or otherwise interested in the event of this action.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Akron, Ohio, on this 13th day of June, 2011.



\_\_\_\_\_  
Lori K. Phillips, RMR and  
Notary Public in and for the State  
of Ohio.

My Commission expires December 2, 2015.