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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

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

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

- - -

PROCEEDINGS

before Ms. Sarah Parrot, Attorney Examiner, at the
Lima Senior High School, One Spartan Way, Lima, Ohio,
called at 6 p.m. on Wednesday, June 8, 2011.

- - -

PUBLIC TESTIMONY - LIMA

- - -

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APPEARANCES:

American Electric Power
By Ms. Anne M. Vogel
One Riverside Plaza
Columbus, Ohio 43215-2373

On behalf of the Applicant.

Janine L. Migden-Ostrander,
Ohio Consumers' Counsel
By Mr. Terry L. Etter,
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

On behalf of the Residential Customers of
AEP.

- - -

1 Wednesday Evening Session,

2 June 8, 2011.

3 - - -

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

18 My name is Sarah Parrot. I am an
19 Attorney Examiner with the Commission's Legal
20 Department. Along with me this evening are Matt
21 Butler from the Office of Public Affairs and Cindy
22 Mack who is with the Commission's Service Monitoring
23 and Enforcement Department. Should you have
24 questions this evening about a billing or service
25 issue, please feel free to see either one of them,

1 and they will help point you to the information that
2 you need.

3 There are numerous parties in these
4 cases. They represent residential customers,
5 commercial customers, industrial customers. And at
6 this time I would ask those parties that are present
7 this evening to stand and enter an appearance and
8 let's begin with the companies.

9 MS. VOGEL: My name is Anne Vogel on
10 behalf of Ohio Power Company and Columbus Southern
11 Power Company, and I am here with several
12 representatives of the company including customer
13 service representatives. If you have questions for
14 the Company unrelated to the electric security plan,
15 you are welcome to see them after the hearing. Thank
16 you.

17 EXAMINER PARROT: Thank you. And on
18 behalf of the Ohio Consumers' Counsel.

19 MR. ETTER: Thank you, your Honor. On
20 behalf of the Ohio residential utility customers, the
21 Office of the Ohio Consumers' Counsel, Janine
22 Migden-Ostrander, Consumers' Counsel, I am Terry L.
23 Etter, Assistant Consumers' Counsel. Our address is
24 10 West Broad Street, Suite 1800, Columbus, Ohio
25 43215. Also from our office here is Amy Carles. She

1 is an outreach and education specialist, and she will
2 also be glad to answer any questions anyone has.

3 EXAMINER PARROT: Thank you very much.
4 Are there any other Intervenors that are present this
5 evening?

6 All right. On January 27, 2011, Columbus
7 Southern Power Company and Ohio Power Company which
8 are operating companies of AEP Ohio filed an
9 application with the Public Utilities Commission of
10 Ohio to establish a standard service offer in the
11 form of an electric security plan which we commonly
12 refer to as an ESP.

13 This local hearing this morning is only
14 one aspect of this case. We have already held two
15 public hearings this week, one in Columbus and one in
16 Canton. Additional public hearings are scheduled for
17 next week, one in Marietta and one at the
18 Commission's offices in Columbus.

19 Additionally there is an evidentiary
20 hearing that is scheduled to begin at the PUCO
21 offices on July 20 at 10 a.m. The purpose of that
22 hearing is for the Company, Commission Staff, and the
23 Intervenors to present their expert witness testimony
24 and to offer evidence in support of their positions
25 in these cases.

1 The purpose of tonight's hearing is to
2 hear from the public. We do want to hear from you.
3 You will not be hearing from the Company this
4 evening. We are here to hear what the public has to
5 say about AEP Ohio's proposal.

6 When you arrived this evening, you were
7 given the opportunity to sign in and offer your
8 testimony. If you have not done that, please feel
9 free to sign in at any time at the table to my left.
10 When I reach the end of the list of witnesses, I will
11 also ask if there is anyone else at that point who
12 wishes to offer testimony.

13 I will be taking witnesses in the order
14 in which you have signed up. I will call you
15 forward, and I will ask you to take an oath or
16 affirmation stating that what you are about to say is
17 the truth. I will ask your name and address, and
18 then your testimony at that point would be considered
19 part of the official record in these cases and will
20 be reviewed by the Commissioners before they issue a
21 decision. Attorneys for the Company and the other
22 parties that are here this evening may ask you
23 questions.

24 If you decide you do not wish to testify,
25 please just let me know you wish to pass to the next

1 witness, and once you have finished or you decide you
2 do not wish to testify, you, of course, are free to
3 leave at any time.

4 Tonight's hearing as I mentioned is being
5 transcribed by a court reporter. That means she is
6 taking down in typewritten fashion everything that is
7 said this evening. If you plan to testify, please
8 speak up and speak clearly so that she can accurately
9 reflect your comments, and if you prepared a written
10 statement, it would be very helpful if you would give
11 a copy of that statement to the court reporter when
12 you finish testifying.

13 We appreciate your testimony this
14 evening, and we want everyone who wishes to offer
15 testimony to do so. So please limit your statements
16 to a reasonable length of time.

17 And are there any questions about the
18 process that I have just described before we begin to
19 call the witnesses forward?

20 All right. At this time I will turn the
21 podium over to our witnesses, and we will proceed.
22 Our first witness is Bambi Markham, and I apologize
23 in advance if I mispronounce names. Please correct
24 me.

25 - - -

1 BAMBI MARKHAM

2 being first duly sworn, as prescribed by law, was
3 testified as follows:

4 DIRECT EXAMINATION

5 EXAMINER PARROT: Please state your name
6 and address for the record.

7 THE WITNESS: My name is Bambi Markham.
8 I am the CEO of West Ohio Food Bank at 1308 East
9 Kibby here in Lima.

10 EXAMINER PARROT: Thank you. Please
11 proceed.

12 THE WITNESS: I would just like to share
13 with you on behalf of our West Ohio Food Bank Board
14 of Trustees, our staff, our 140 plus member agencies,
15 all of their volunteers, and the families that are
16 receiving food through our partnership in our 11
17 counties here in west Ohio.

18 I am very grateful and appreciative of
19 the support that we have received from AEP Ohio
20 during the last two years and wanted to just be on
21 record and share that with those moneys that we've
22 received we have been able to help 6,221 families,
23 four persons to a family at 12 meals or four-day
24 supply of food to put meals on their table at home.

25 And without the support that we have had

1 from AEP Ohio we would not have been able to have
2 provided that kind of food through the networks that
3 we belong to and that go through and go out then to
4 our member charities that we have.

5 We continue to be a nonprofit service
6 organization dedicated to alleviating the hunger in
7 the west Ohio area by uniting the public and the
8 private sectors in raising awareness of hunger needs.
9 Our primary commitment to those 11 counties we serve
10 is to find, rescue, distribute food to hungry people
11 through an efficient network of charities.

12 Without AEP's help we would not have been
13 able to help these 6,000 families that we have been
14 able to provide meals to from the food bank. With
15 these moneys and the networks that we have with
16 donating food that we purchase we are actually able
17 to put out nutritious meals to these families at a
18 25-cent cost. And so we are very proud of that. We
19 worked very hard. We stepped through a lot of
20 regulations to be able to do that.

21 So we truly do appreciate the past
22 support and we continue to look into the future for
23 financial assistance as well as developing some
24 partnerships among the AEP employees to volunteer in
25 helping to prepare and pack boxes and then helping us

1 to do some distributions throughout our service area
2 in the areas that AEP is in.

3 So at this time thank you for the
4 opportunity to share this and we are just grateful --
5 very grateful, appreciative.

6 EXAMINER PARROT: Thank you very much.

7 Our next witness is Marcel Wagner.

8 - - -

9 MARCEL WAGNER

10 being first duly sworn, as prescribed by law, was
11 testified as follows:

12 DIRECT EXAMINATION

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

15 THE WITNESS: My name is Marcel Wagner.
16 My office is at 144 South Main Street in Lima, Ohio,
17 and I am the president and CEO of the Allen Economic
18 Development Group. We have had a longstanding
19 partnership with AEP Ohio, and it's been very, very
20 beneficial for our community.

21 I have a written statement. The Allen
22 Economic Development Group is the countywide
23 development organization for Lima and Allen County.
24 In our role, the pricing, supply and stability of
25 electric power service is extremely important for the

1 retention of the existing business in our community
2 and for the ability to attract new industrial,
3 commercial and retail investments.

4 The long-term stability of rates is
5 critically important to all of our industrial
6 customers and member businesses. The competitive
7 environment now is not simply with neighboring states
8 but global. In order to protect and maintain the
9 high quality manufacturing jobs in Lima and Allen
10 County the cost of electricity is one of those
11 variables that can move production to other
12 locations. Competitive and stable rates assist our
13 local efforts to create and sustain these good jobs.

14 Equally important with the rate structure
15 is the integrity of service. Most companies
16 considering Allen County for a new facility will talk
17 to other manufacturing companies about the
18 consistency and the quality of the power provided.

19 Finally, incentives to attract new
20 investments would be extremely important.
21 Historically, AEP provided an economic development
22 rider which discounted rates for electricity in the
23 early years of a project when startup costs are the
24 greatest. Several of our neighboring states provide
25 this type of incentive. As economic development

1 professionals, it is important to have these types of
2 tools available as our community pursues the advanced
3 manufacturing and other jobs that secure the future
4 of Lima and Allen County. Thank you.

5 EXAMINER PARROT: Thank you very much.

6 Our next witness is Jackie Fox.

7 - - -

8 JACKIE FOX

9 being first duly sworn, as prescribed by law, was
10 testified as follows:

11 DIRECT EXAMINATION

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

14 THE WITNESS: My name is Jackie Fox, and
15 I live at 2546 West Market Street in Lima, Ohio.

16 EXAMINER PARROT: Thank you.

17 THE WITNESS: Hi. My name is Jackie Fox.
18 I work with the Lima/Allen County Council on
19 Community Affairs. We are a nonprofit antipoverty
20 agency that serves about 7,000 people every year. We
21 have been the beneficiary of some of AEP Foundation's
22 funds to help with utility assistance and rent
23 assistance in the past and hopefully in the future,
24 so we know that American Electric Power is -- cares
25 about folks that are in need and are -- is working

1 with partner agencies like ours and others in the
2 community to help the poor.

3 I also know that there are many more
4 people in our community and in the state of Ohio that
5 are -- are struggling to make ends meet. In fact,
6 according to the U.S. Census we've had a 46 percent
7 increase of those folks that are living in poverty
8 just in the state of Ohio since 1999.

9 Now, I did a little search to see
10 basically where I thought AEP might stand in terms of
11 where they've been with their earnings since 2005.
12 And it looks like they are about the same in terms of
13 stock and dividend information since 2005, that AEP
14 is right where they were back in 2005. And that's
15 important because the folks that I'm talking about
16 and the folks that we serve are not in the same boat
17 they were in when it -- back in 2005 and that's
18 what's important and that's why I came to speak
19 today, that I think that although investment is
20 important in Ohio, of course, we want to maintain our
21 competitive status, but we cannot raise electric
22 rates for low income people who are suffering more
23 than they have ever suffered before. And that's my
24 testimony for today. Thank you.

25 EXAMINER PARROT: Thank you.

1 And our next witness is -- I apologize, I
2 think I am going to mispronounce this one -- Sam
3 Persotti, Persetti.

4 - - -

5 SAM BASSITT

6 being first duly sworn, as prescribed by law, was
7 examined and testified as follows:

8 DIRECT EXAMINATION

9 EXAMINER PARROT: Please state your name
10 and address.

11 THE WITNESS: Sam Bassitt, 604 Hefner
12 Drive, Lima, Ohio. My name is Sam Bassitt. I happen
13 to be an Allen County Commissioner. And in
14 preparation for this hearing I took the privilege of
15 speaking to many of the staff who are employed
16 throughout the county route -- about AEP. When you
17 asked if it's going to be my personal perception, it
18 does include the perception of some of our staff.
19 While I can't testify to their integrity, I think
20 they have done a pretty good job.

21 But I thank you for the opportunity to
22 make a few brief remarks this evening relative to the
23 AEP Electric Security Plan. I would like to organize
24 my remarks in terms of the general delivery of
25 electrical power services, the response and support

1 in times of weather emergencies, the support of
2 social services, and in terms of economic
3 development.

4 First, let me comment on the general
5 delivery of services. Our folks suggest that our
6 local representation for services or repairs has
7 always been outstanding. AEP has always been very
8 prompt in returning calls or finding information that
9 could benefit our needs. They have been proactive in
10 helping to work on our energy savings programs with
11 tips on what could be implemented to reduce our
12 costs. As you know, AEP has a program called
13 GridSMART Ohio, a self-directed incentive program to
14 help us recoup some of the costs from our energy
15 projects. We feel this is a very powerful program
16 which can greatly assist us since we are able to
17 generate power to add to the system thereby
18 recovering some of our costs. This is especially
19 appreciated since deregulation of utilities has the
20 effect of visiting the costs of any upgrades of
21 service or transformers upon the user or on us. We,
22 therefore, appreciate this opportunity to reduce some
23 of our costs.

24 Second, let me describe AEP's response
25 and support in times of weather emergencies. Our

1 Homeland Security Department reports that during the
2 past several winter seasons we've had some severe
3 challenges as many others have. In 2010, icy
4 conditions shut down our community and generally
5 limited emergency access. However, pre-staging by
6 AEP crews brought immediate and specific response to
7 our situation. Indeed, the pre-staging at our
8 fairgrounds clearly demonstrated the commitment AEP
9 has to respond effectively to local needs.

10 In terms of support of social services, I
11 am personally aware that AEP has been resourceful by
12 facilitating the targeting of community resources to
13 support homeless families. In this regard, AEP has
14 been a strong steward in supply and support of the
15 lives of those in genuine need in our community.

16 Finally, let me offer a few comments on
17 AEP and economic development. We all understand that
18 economic development is all about jobs, jobs, and
19 more jobs. Most job settings require significant
20 electric power support, and AEP has responded to
21 those needs as requested and within limits of
22 opportunity. We would like to see greater
23 opportunity in the future, and we anticipate this --
24 that this plan will provide for such opportunity to
25 increase and stimulate the increase of jobs

1 throughout our community.

2 While none of us like to see rate
3 increases, a quick scan of the past practices
4 demonstrates our community has benefited greatly from
5 the effective use of AEP resources, and thereby we
6 predict the future potential of greater and greater
7 benefit.

8 I thank you for this opportunity to
9 express a few thoughts with you. Thank you.

10 EXAMINER PARROT: Thank you, Mr. Bassitt.

11 Our next witness is Sue Harrod.

12 - - -

13 SUE HARROD

14 being first duly sworn, as prescribed by law, was
15 testified as follows:

16 DIRECT EXAMINATION

17 EXAMINER PARROT: Please state your name
18 and address.

19 THE WITNESS: Sue Harrod, 3465 Early
20 Avenue.

21 EXAMINER PARROT: Please proceed.

22 THE WITNESS: I am an AEP customer, and I
23 don't think a rate increase would be feasible as
24 you've got the disabled, you've got the elderly. You
25 have population in general that cannot afford even

1 where they are at now. They have to get help, and
2 they can't afford it. They are either going to have
3 to pay their electric, medical, or whatever. I just
4 think it's not feasible for them. That's all.

5 EXAMINER PARROT: Okay. Thank you,
6 Ms. Harrod.

7 THE WITNESS: Thank you.

8 EXAMINER PARROT: And our next witness is
9 Andy Burkholder.

10 - - -

11 ANDY BURKHOLDER

12 being first duly sworn, as prescribed by law, was
13 testified as follows:

14 DIRECT EXAMINATION

15 EXAMINER PARROT: Please state your name
16 and address.

17 THE WITNESS: Andy Burkholder, 2673 North
18 Cole Street, Lima, Ohio.

19 EXAMINER PARROT: Thank you.

20 THE WITNESS: I don't have prepared
21 remarks because I just recently found out about this
22 meeting but just wanted to share my personal story of
23 where I'm at. I am an AEP customer. I have seven
24 children and, you know, we use a lot of electricity.
25 Washing machine is always running. Dishwasher is

1 always running. And because I have so many children
2 I went and bought a cost effective home. There's
3 nine of us living in an 1,800 square foot house which
4 is not a lot of room. We don't have expensive cars.
5 We have efficient cars, and we have what we need. We
6 didn't spend a lot of money buying cars. And our
7 monthly electric bill is more than my car payment and
8 my house payment put together.

9 So it's by far the largest expenditure
10 that our family has. And I've been in contact with
11 AEP and with the PUCO and with Jim Jordan's office
12 and with anybody that is willing to listen to see
13 what we can do and see what remedies there could be
14 or what actions we could take and really I've come up
15 against a brick wall everywhere I have gone and I'm
16 really unsatisfied with the amount of money that we
17 are spending.

18 I mean, my children aren't getting
19 clothes that they want because of our electric bill.
20 We don't eat the way we would eat because of our
21 electric bill. And any increase in the rates of the
22 electric to me is just ridiculous. I can't even
23 fathom it because we are completely strapped by our
24 electric now.

25 And, you know, we've had -- this has been

1 not just recent. This has been a long battle that
2 we've -- we've taken our checking account into
3 overdraft just to pay the electric bill. We went on
4 vacation and it was turned off while we were gone and
5 I came home and said, you know, I'm sorry. I was on
6 vacation. Can I pay the amount? And they said no.
7 Now, you have to pay the entire \$1,700. I said I
8 don't have \$1,700 to pay you. And they said, well, I
9 don't know what to tell you. Your food is going to
10 spoil, and you are not going to have lights or hot
11 water until you get \$1,700.

12 So, I mean, it -- like I said, this is
13 the biggest expenditure we as a family have and any
14 increase I am adamantly opposed to. That's it.
15 Thank you.

16 EXAMINER PARROT: Thank you,
17 Mr. Burkholder.

18 That concludes our witness list. Is
19 there anybody in the audience at this point that
20 wishes to come forward and offer testimony? Please
21 do so.

22 - - -

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1 GERALD BURTON

2 being first duly sworn, as prescribed by law, was
3 examined and testified as follows:

4 DIRECT EXAMINATION

5 EXAMINER PARROT: Please state your name.

6 THE WITNESS: My name is Gerald Burton.
7 I live at 739 North Baxter, Lima, Ohio.

8 EXAMINER PARROT: Please proceed.

9 THE WITNESS: Unlike some of the other
10 folks in here I did not prepare a statement, but I
11 think the one thing that everybody has to stop and
12 think about is the cumulative cost that is going on
13 in this community. Everything is going up. The city
14 of Lima has just doubled our water bills due to EPA
15 regulations. Our gas bills are going up.

16 I work with seniors every day. Today was
17 one of the hottest days of the year. We are not even
18 in summer, and we are getting calls about what can we
19 do about our electricity? We need air conditioning.
20 We need cooling. What can you do to help?

21 I work with LACCA. LACCA has had their
22 budget cut. The state is cutting their budget. The
23 Federal Government is cutting their budgets. They
24 haven't even got out their budgets yet, but the local
25 community is coming together. They are trying to

1 stay above ground. We have lost so many jobs out of
2 this community. Most people are working
3 underemployed. They are working, trying to raise a
4 family 8, 10 dollars an hour. They are going to the
5 local food banks. They are getting the community
6 commodity food boxes from the food bank. They are
7 going to the local food banks trying to supplement
8 their diet so they can use the money that normally
9 they would use to buy food. They are paying the
10 utilities so they can keep the electric on, so they
11 can keep the gas on, so they can keep the water on.

12 I'm not saying you don't need the money.
13 I lived in this town when the ice storm hit. Many of
14 my neighbors was without electric for several days
15 because there was so much damage. Limbs came
16 through, tore down lines off houses, limbs. Some
17 people were without power for 10 days. You need to
18 upgrade your lines. Nobody likes to be sitting at
19 home in the dark for two, three days wondering when
20 is my power going to be coming on during a winter
21 storm.

22 But the community is going through such a
23 commutative cost of all these raises in their budget.
24 Seniors have not received a budget increase for three
25 years. Three years ago they got a raise. Since then

1 their Medicare has gone up. Their medications have
2 gone up. We have seniors that cannot afford their
3 medication. They are choosing whether to eat or buy
4 medications.

5 We also have many seniors and senior
6 housing. This rate increase along with any other
7 rate increase affects their rent. All these things
8 come together. It's not denying you the money you
9 need to keep us in our comfort level that we enjoy.
10 All I'm asking is take a look at the community --
11 commutative cost to this community.

12 Yes, Mr. Bassitt, we need jobs. We need
13 electric. We need things reasonable. But you ought
14 to try to walk into a meeting at LACCA some cold
15 winter morning with 30 people that's been in line
16 since 5 o'clock in the morning trying to get help to
17 keep the gas or electric on because they got shut off
18 notices. LACCA is trying to keep this community's
19 lower income above water. That's all I have to say.
20 Thank you.

21 EXAMINER PARROT: Thank you. Is there
22 anybody else in the audience that wishes to come
23 forward at this time to offer testimony?

24 Well, we appreciate everyone for showing
25 up and being here this night tonight and offering

1 your testimony. As I mentioned earlier, if you
2 choose to send a written statement to the Commission,
3 please feel free to do that.

4 At this time the testimony that's been
5 offered this evening will be submitted to the
6 Commission and considered as part of the record in
7 this case and thank you very much, everyone.

8 (Thereupon, the hearing was concluded at
9 6:33 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Wednesday, June 8, 2011, and carefully compared with my original stenographic notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-5368)

- - -

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

6/22/2011 2:21:46 PM

in

Case No(s). 11-0346-EL-SSO, 11-0348-EL-SSO, 11-0349-EL-AAM, 11-0350-EL-AAM

Summary: Transcript Transcript of the Columbus Southern Power Company hearing held on 06/08/11 in Lima electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.