

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. :

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PROCEEDINGS

before Ms. Greta See, Attorney Examiner, at the
 Public Utilities Commission of Ohio, 180 East Broad
 Street, Room 11-B, Columbus, Ohio, called at 12:30
 p.m. on Tuesday, June 14, 2011.

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PUBLIC TESTIMONY - COLUMBUS

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- - -

APPEARANCES:

American Electric Power
By Mr. Matthew Satterwhite
1 Riverside Plaza
Columbus, Ohio 43215

On behalf of the Applicants.

Janine L. Migden-Ostrander,
Ohio Consumers' Counsel
By Ms. Maureen R. Grady
Assistant Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

On behalf of the Residential Customers of
the Columbus Southern Power Company and
Ohio Power Company.

Ohio Poverty Law Center
By Mr. Michael Smalz
555 Buttles Avenue
Columbus, Ohio 43215

On behalf of the Appalachian Peace and
Justice Network.

McNees, Wallace & Nurick, LLC
By Mr. Joseph Olikier
Fifth Third Center, Suite 1700
21 East State Street
Columbus, Ohio 43215-4228

On behalf of IEU-Ohio.

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1 Tuesday Afternoon Session,
2 June 14, 2011.

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4 EXAMINER SEE: My name is Greta See. I
5 am the Attorney Examiner assigned to this case by the
6 Commission. Scheduled here today at this time before
7 the Public Utilities Commission is Case No. 11-33 --
8 I'm sorry, 346-EL-SSO, et al., entitled in the Matter
9 of the Application of Columbus Southern Power and
10 Ohio Power Company's Application for an Electric
11 Security Plan.

12 At this time I would like to take
13 appearances of the parties in this case. On behalf
14 of the companies.

15 MR. SATTERWHITE: Thank you, your Honor.
16 On behalf of the AEP Ohio companies, Columbus
17 Southern Power and Ohio Power, Matthew Satterwhite.
18 Also with me today and after the public hearing we
19 will have representatives in case people have
20 questions about general bills or general things that
21 go along with AEP. Feel free to seek me out and we
22 will get those things solved.

23 EXAMINER SEE: I believe there are other
24 parties in this case who have counsel here.

25 MS. GRADY: Thank you, your Honor. On

1 behalf of the residential ratepayers of the Columbus
2 Southern Power Company and Ohio Power Company, Janine
3 L. Migden-Ostrander, Consumers' Counsel, 10 West
4 Broad Street, Suite 1800, Columbus, Ohio 43215.
5 Thank you.

6 EXAMINER SEE: Is there counsel from any
7 other party to the case? Mr. Smalz.

8 MR. SMALL: Yes, Michael Smalz,
9 S-M-A-L-Z, of the Ohio Poverty Law Center
10 representing the Appalachian Peace and Justice
11 Network at the Ohio Poverty Law Center, 555 Buttlers
12 Avenue, Columbus, Ohio 43215.

13 EXAMINER SEE: Sir, go ahead.

14 MR. OLIKER: Joseph Oliker and Frank Darr
15 on behalf of Industrial Energy Users of Ohio, the law
16 firm McNees, Wallace & Nurick, 21 East State Street,
17 Columbus, Ohio 43215.

18 EXAMINER SEE: Okay. Any other counsel
19 in the audience tonight?

20 Okay. With that I would like to call the
21 first witness. Kevin Crowley.

22 Mr. Crowley, please raise your right
23 hand.

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KEVIN J. CROWLEY

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

DIRECT EXAMINATION

EXAMINER SEE: Thank you. Please state,
spell your name, and give us your address and
continue with your testimony.

THE WITNESS: My name is Kevin Crowley,
and the address is 138 Johnson Drive, that's
Delaware, Ohio.

Ma'am, if I could, I just want to read a
letter quickly and then maybe just share a couple of
statistics that might put that into context. I can
be very brief.

I would like to thank you for this
opportunity to express my appreciation for the
financial assistance and community partnership
provided by AEP Ohio and the American Electric Power.
I also appreciate the opportunity to describe how
that assistance has benefited People in Need,
Incorporated, of Delaware County, Ohio, and more
importantly, the low-to-moderate income families and
individuals we serve.

For more than 25 years PIN served the
community from a century-old, three-story residential

1 home in Delaware. As the need for our services grew,
2 we outgrew the space and the house was no longer
3 adequate to serve the needs of the community.

4 In May of 2009, we publicly launched The
5 Campaign for Possibilities, an \$850,000 capital
6 campaign to assist with the purchase and renovation
7 of the new facility, to buy the needed equipment, and
8 to generate additional operating revenue. Although
9 this was not an opportune time to start a capital
10 campaign with the nation in an economic downturn, we
11 determined we must forge ahead as the need for
12 services was steadily increasing.

13 When AEP stepped up as a lead donor with
14 a generous \$150,000 three-year pledge, other
15 businesses and individuals felt confident enough in
16 our efforts to also invest in the community by
17 supporting the capital campaign.

18 We found a suitable building and entered
19 into a short-term mortgage and were able to move into
20 the facility in August of 2009 and begin operations
21 while continuing with the capital campaign. Before
22 moving into the new facility our maximum output of
23 food topped out at nearly 51,000 meals in our last
24 year at the old building. Moving into our current
25 facility has increased food distribution to over

1 70,000 meals in the first year and a projected
2 increase to over 85,000 this year.

3 Our new facility allows us to accept
4 windfall donations and purchase food in bulk from
5 Mid-Ohio Foodbank and other sources thereby
6 increasing our buying power. We have also been able
7 to implement efficiencies that increase our capacity
8 to serve the growing numbers of Delaware County
9 residents who turn to us in their time of need.

10 AEP played a significant role in this
11 endeavor by investing in our mission to serve the LMI
12 families and individuals in Delaware County not today
13 but also in the future as well.

14 And just to make this very brief when I
15 compared January to May of our last year in the home
16 and compared that to the same timeframe this year, we
17 have been able to increase our number of families
18 served by over 60 percent. We have increased the
19 number of meals by more than 59 percent. And the new
20 facility has allowed us to accept, and these are
21 things we couldn't do in the old facility, 9,000
22 pounds of baked goods and 13,000 pounds of fresh
23 produce that we have been able to distribute so far
24 this year.

25 We have a case load in the food pantry of

1 more than 2,300 households, and we are currently
2 adding one new family every day.

3 I just want to thank you for this
4 opportunity to express those thoughts. And, ma'am, I
5 do have a copy of the letter that I have written.

6 EXAMINER SEE: Thank you.

7 Next witness is E.J. Thomas. Mr. Thomas,
8 if you would please raise your right hand.

9 - - -

10 E.J. THOMAS

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

13 DIRECT EXAMINATION

14 EXAMINER SEE: State and spell your name
15 for the record and give us your address.

16 THE WITNESS: E.J. Thomas, 3140
17 Westerville Road, Columbus, Ohio. Your Honor, I am
18 here to testify today as Chairman of Habitat for
19 Humanity Ohio and not on the rate request but rather
20 on the issue of AEP's good corporate citizenship over
21 the years in our opinion.

22 Their combination of shareholder not
23 ratepayer funded assistance and volunteer
24 participation have helped the Columbus affiliate
25 build seven houses in as many years and a number of

1 others throughout their service territory. AEP has
 2 financially supported our efforts to build greener
 3 homes and most recently has provided us with an
 4 incentive to retrofit our entire 46,000 square foot
 5 building with state-of-the-art energy efficient
 6 lighting. For all these reasons AEP has been a
 7 significant player in the continued sustainability
 8 and growth of Habitat for Humanity in central and
 9 southern Ohio.

10 The success of nonprofit organizations in
 11 the region clearly relies on a corporate philosophy
 12 that provides generous financial and volunteer
 13 support. And in that regard AEP has stepped up year
 14 after year. For that many low income families in
 15 Ohio are most grateful for their home ownership that
 16 they wouldn't have had any other way. Thank you.

17 EXAMINER SEE: Thank you, Mr. Thomas. If
 18 you have it, you could leave your written statement
 19 with the court reporter.

20 THE WITNESS: Yes, and there is a letter
 21 to the Chairman as well.

22 EXAMINER SEE: Is that letter for the
 23 Chairman of the Commission?

24 THE WITNESS: Yes.

25 EXAMINER SEE: If you would just set it

1 there, I will get it when the proceedings are over.

2 Melissa Kempf. If you would please raise
3 your right hand.

4 - - -

5 MELISSA M. KEMPF

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

8 DIRECT EXAMINATION

9 EXAMINER SEE: Thank you. Spell -- state
10 your name and spell it and give us your address.

11 THE WITNESS: Melissa Kempf,
12 M-E-L-I-S-S-A K-E-M-P-F, address 111 Liberty Street,
13 Suite 150, Columbus, Ohio 43215.

14 EXAMINER SEE: Go ahead with your
15 testimony.

16 THE WITNESS: I'm Melissa Kempf from the
17 Community Shelter Board. Thank you for the
18 opportunity to speak to you today. AEP has been a
19 champion for basic human needs in central Ohio. You
20 may not know it but last year more than 8,000 people
21 right here in our community experienced homelessness.
22 Of those, over 1,700 were children.

23 The Community Shelter Board is a
24 public/private partnership tasked with leading the
25 community's plan to end homelessness. Our job is to

1 bring together many organizations to work as a system
2 focused on ending homelessness.

3 AEP has been investing in the Community
4 Shelter Board since 1995. They take philanthropy
5 very seriously and have chosen to invest in programs
6 that get real results for central Ohio citizens
7 living in poverty.

8 This past year we've seen a massive
9 increase in the number of families and individuals
10 seeking emergency shelter. This is a direct effect
11 of the deep and lingering recession. We will
12 continue to see the sustained need in our community
13 for the next few years. AEP is partnering with us to
14 focus on real solutions to address the root causes of
15 homelessness. They are a major investor in the
16 Community Shelter Board's work and they are an
17 amazing partner.

18 AEP's impact is deep and far-reaching.
19 With their current annual support, here are just a
20 few examples of their impact and investment in the
21 Community Shelter Board and our community. Their
22 support helps 75 individuals or 30 families to access
23 emergency shelters and resolve their housing crisis
24 as quickly as possible. The typical family is a
25 young mom less -- young mom with two young children

1 less than 7 years of age.

2 AEP's support helps fund outreach and
3 engagement services for 125 individuals living on the
4 streets, offering them needed services and helping
5 them get into stable housing.

6 Over the course of their involvement and
7 support we estimate that AEP has helped 555
8 individuals and family members move from homelessness
9 to housing.

10 We're talking about a responsible
11 corporation. We support AEP's Electric Security
12 Plan, and we applaud their engagement and support of
13 their neighbors. Thank you for your time.

14 EXAMINER SEE: Thank you.

15 Next witness is Brandon Feller.
16 Mr. Feller, if you would raise your right hand.

17 - - -

18 BRANDON FELLER
19 being first duly sworn, as prescribed by law,
20 testified as follows:

21 DIRECT EXAMINATION

22 EXAMINER SEE: State and spell your name
23 for the record.

24 THE WITNESS: My name is Brandon Feller,
25 B-R-A-N-D-O-N F-E-L-L-E-R.

1 EXAMINER SEE: And your address, sir.

2 THE WITNESS: 8999 Gemini Parkway, Suite
3 100, Columbus, Ohio 43240.

4 EXAMINER SEE: Go ahead with your
5 testimony.

6 THE WITNESS: Members of the Commission,
7 thank you for allowing me the time to address you
8 today. My name is Brandon Feller. I am the
9 President of the United Way of Delaware County. I'm
10 here to neither support nor oppose the proposed ESP.
11 Rather as a not for profit and community leader in
12 Delaware County I will share my experience as a
13 community partner and corporate citizen.

14 I have personally coordinated with AEP
15 and its representatives to identify community needs
16 and solutions that were funded through the use of AEP
17 grants. Some of these projects include purchasing
18 medical equipment and medications for our local free
19 health clinic, funding a program to provide rent
20 assistance to families on the verge of being evicted
21 and becoming homeless, and supplying multiple
22 agencies with infant formula, diapers, and wipes that
23 are for families that are struggling. Most recently,
24 this summer, kids from low income families in the
25 Delaware City School System that have significant

1 mental health issues and require access to clinical
2 assistance during the school year will now have
3 access to that same service during the summer break
4 as a result of a grant through AEP's Foundation.

5 The programs that I have described are
6 just in the last two years and only represent those
7 with which I have been directly involved. As an
8 engaged member of the community, I am aware of many
9 more investments AEP has made in Delaware County
10 during that time. Among those organizations that
11 have benefited include the Andrews House, Habitat for
12 Humanity of Delaware County, Delaware Area Career
13 Center, American Cancer Society, Strand Theater and
14 Cultural Arts Center, Delaware Rotary Club, Grady
15 Memorial Hospital Foundation, the Arts Castle, and
16 there are many others.

17 It has been my experience that AEP
18 invests in the communities with which it does
19 business and I personally have seen evidence of their
20 commitment to supporting local organizations that are
21 providing vital services. Thank you.

22 EXAMINER SEE: Thank you. Noel Williams.
23 Noel, is that correct?

24 MS. WILLIAMS: That's correct.

25 EXAMINER SEE: Ms. Williams, if you could

1 raise your right hand.

2 - - -

3 NOEL WILLIAMS

4 being first duly sworn, as prescribed by law,
5 testified as follows:

6 DIRECT EXAMINATION

7 EXAMINER SEE: State and spell your name
8 for the record and then give us your address.

9 THE WITNESS: Noel Williams, N-O-E-L
10 W-I-L-L-I-A-M-S, 233 South High Street, Suite 207,
11 Columbus, Ohio 43215.

12 Good afternoon and thank you for the
13 opportunity to testify here today. My name is Noel
14 Williams, and I am the president for the Columbus
15 NAACP, the National Association for the Advancement
16 of Colored People. Again, thank you for the
17 opportunity to testify today regarding my
18 organization's concerns about AEP Ohio's Electric
19 Security Plan. I'm here today to speak in opposition
20 to this specific proposal because it is not prudent,
21 either in the way AEP Ohio recovers cost or
22 determines future investments.

23 Specifically our concerns are regarding
24 two major components of AEP Ohio's proposal: No. 1,
25 the numerous nonbypassable riders to collect

1 generation -- I'm sorry, generation-related charges
2 from all customers regardless of whether they are
3 receiving their electricity supply from the utility
4 or a competitive retail electric supplier and, 2,
5 guaranteed cost recovery for investments without any
6 mechanism to ensure AEP Ohio has made the most
7 economical choice.

8 Furthermore, nonbypassable charges for
9 generation-related costs will supply -- will simply
10 lead to uneconomical investments that will be paid
11 for by all Ohio consumers.

12 As proposed, AEP Ohio wants customers to
13 bear the multi-billion dollar financial risk of its
14 investment decisions with no assurance that the
15 investments are the most economical solution for the
16 consumers of Ohio. Ohio AEP's proposal to give
17 guaranteed recovery of costs through nonbypassable
18 riders will not only significantly increase customer
19 costs but will sharply erode retail electricity
20 sharp -- shopping in Ohio AEP.

21 Customers that choose to purchase their
22 electric supply from a competitive provider will be
23 forced to pay twice, first, for the electric supply
24 they have purchased from a competitive provider and,
25 second, for Ohio AEP's generation-related costs

1 through nonbypassable riders.

2 This structure eradicates competitive
3 suppliers from the market thereby decreasing the
4 competitive pressures that keep costs down and spur
5 investment and innovation.

6 Customers must maintain the opportunity
7 to reduce their electric bills by obtaining supply
8 from a competitive provider.

9 Competition and customer choice provide
10 businesses with the ability to attain the most
11 competitive prices and innovative products that suit
12 their specific needs and help them to better manage
13 and control electricity costs.

14 The bottom line is AEP Ohio's proposal is
15 wrong. AEP's proposed Electric Security Plan will
16 place Ohio consumers at a long-term disadvantage
17 precluding future viable competitive options.
18 Considering these facts the Columbus NAACP stands
19 opposed to AEP Ohio's proposed Electric Security
20 Plan.

21 Thank you for the opportunity to address
22 you this afternoon. I have a copy of my written
23 testimony.

24 EXAMINER SEE: Okay. If you could leave
25 it with the court reporter, please.

1 Mark Totman. Mr. Totman, if you could
2 raise your right hand, please.

3 - - -

4 MARK TOTMAN

5 being first duly sworn, as prescribed by law,
6 testified as follows:

7 DIRECT EXAMINATION

8 EXAMINER SEE: State and spell your name
9 for the record, give us your address, and then
10 continue with your testimony.

11 THE WITNESS: Okay. Mark Totman, M-A-R-K
12 T-O-T-M-A-N, my address is 1188 Dublin Road,
13 Columbus, Ohio 43215.

14 Thank you, Commissioner, for allowing me
15 to testify today. My name is Mark Totman, and I am
16 the Legislative Director of the International Union
17 of Operating Engineers Local 18.

18 I am here to testify in favor of AEP
19 Ohio's Electric Security Plan. AEP has been a
20 long-time employer of the operating engineers. I
21 will keep it kind of simple today. Our -- I am
22 talking on job aspects of what AEP does for Ohio.
23 AEP's facilities around Ohio have created thousands
24 of high paying jobs with full benefits for our
25 members and many other trade unions for decades.

We feel the tradeoff for a few dollars a month extra compared to the U.S. jobs created and tax base is well worth the investment by our membership and members of our trades.

An example of this is similar to our membership does a lot of highway work, building work, utility work. We also support a gas tax today when there is \$4 gas out there, hovering around \$4. We also support a 10 to 15 cent gas tax to keep this nation's infrastructure moving so commerce can keep moving in this nation.

We seem to allow more jobs and more jobs to move out of this country. Well, some of these employers like AEP and some others are what keeps this country strong.

So with that we also support AEP's commitment to Ohio and the workforce and its workforce. And this is good for all Ohioans.

Thank you. I have a copy here.

EXAMINER SEE: Leave it with the court reporter.

Ronald Wharton.

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RONALD WHARTON

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

DIRECT TESTIMONY

EXAMINER SEE: State and spell your name
for the record.

THE WITNESS: Ronald Wharton, R-O-N-A-L-D
W-H-A-R-T-O-N, 3611 Keffer Court, Columbus, 43221.
I'm here as a private citizen today. I'm vehemently
opposed to this rate hike.

My wife and I are on fixed incomes. Our
electric bill last year on the budget plan was \$191 a
month. We just have a moderate-sized home. The
service is terrible. We lived in Alabama for 21
years, and in the 11 years we have been back in Ohio
our power has been out more than it ever was in
Alabama. Last week we lost power for nearly an hour
with a thunderstorm that wasn't even that bad. I
tried calling AEP, and all you get is a recorded
message. You can't speak to anyone.

So they just -- this rate increase is
just not justified in my opinion. Thank you.

EXAMINER SEE: Lois Wharton.

MS. WHARTON: Pass.

EXAMINER SEE: First, I am going to ask

1 for forgiveness before I attempt this last name. I
2 believe it's Samantha Trueto.

3 MS. TRUEBLOOD: Trueblood.

4 EXAMINER SEE: Trueblood, okay.

5 MS. TRUEBLOOD: Pass.

6 EXAMINER SEE: Megan Watson.

7 MS. WATSON: Pass.

8 EXAMINER SEE: Kevin Donnie? Is it
9 Daniels?

10 MR. DANIELS: Yes.

11 EXAMINER SEE: All right. Would you like
12 to offer testimony?

13 MR. DANIELS: Pass.

14 EXAMINER SEE: Claude Smith.

15 MR. SMITH: Pass.

16 EXAMINER SEE: Lauren Hines.

17 MS. HINES: I would also like to pass.

18 EXAMINER SEE: John Padgett.

19 MR. PADGETT: I would also like to pass.

20 EXAMINER SEE: Did I hear Mr. Padgett say
21 he wants to pass?

22 MR. PADGETT: Yes.

23 EXAMINER SEE: Okay. Kenny McDonald.

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KENNY McDONALD

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

DIRECT EXAMINATION

EXAMINER SEE: State and spell your name
for the record.

THE WITNESS: Kenneth McDonald,
K-E-N-N-E-T-H M-c-D-O-N-A-L-D, 150 South Front
Street, Columbus, Ohio 43215.

EXAMINER SEE: Go ahead with your
testimony.

THE WITNESS: I'm here today to support
AEP's Energy Security Plan. I am the CEO of Columbus
20/20, an organization that is designed and committed
to growing the economic base across central Ohio.
And AEP is a firm and important supporter and ally in
this effort.

Our mission is to recruit companies from
across the world, primarily a set of economic-based
companies here, many of which are manufacturing
companies where energy is critically important to
their operating costs. We are also trying to retain
the companies we do have in the critical economic
base of manufacturing companies that already exist in
Ohio and across central Ohio, and we are trying to

1 have entrepreneurs particularly in the energy --
2 field of energy and energy innovation and having a
3 flexible and innovative energy environment is very
4 critical to that for jobs here in central Ohio.

5 I have recently moved here within the
6 last year from North Carolina from a very different
7 regulated environment and in a state that competes
8 with Ohio on a regular basis and having a flexible
9 and teamwork approach to the regulatory environment
10 in recruiting companies and keeping companies is very
11 critical of that environment.

12 We support AEP's plan. Over 50 percent
13 of the companies that we are currently working with
14 are from the manufacturing sector. And we see this
15 not only holding steady but probably growing in the
16 future as we see a renaissance in advanced
17 manufacturing across -- across the U.S. and across
18 the country.

19 We think that this is critical for a
20 couple of reasons. We believe that this is the
21 economic base of so many of the 10 counties that we
22 represent and represents thousands and thousands of
23 jobs not only across our region but across all of
24 Ohio, in fact, was what much of our region was built
25 upon. No. 1, we think that continuous investment in

1 infrastructure is critically important in power
2 generation so that we continue to have reliable and
3 cost competitive energy in Ohio. No. 2, we think
4 flexibility of the plan and continued commitment in
5 our communities is critical.

6 And, finally, I would applaud AEP's
7 corporate citizenship and leadership in the
8 communities, in particular with the economic
9 development community and the economic development
10 organizations across our region. It's critical that
11 this continue and increase if we are going to grow
12 our economy, grow jobs, and remain competitive in
13 this very intense environment.

14 Thank you.

15 EXAMINER SEE: Thank you. Did you have a
16 written statement?

17 MR. McDONALD: I don't.

18 EXAMINER SEE: Okay. Bill Dingus.

19 - - -

20 BILL DINGUS

21 being first duly sworn, as prescribed by law, was
22 examined and testified as follows:

23 DIRECT EXAMINATION

24 THE WITNESS: And it's Bill Dingus,
25 B-I-L-L D-I-N-G-U-S, 216 Collins Avenue, South Point,

Ohio 45680.

EXAMINER SEE: Go ahead with your testimony.

THE WITNESS: I'm pleased to present testimony today, and I have a great experience in Ohio, 40 years of working with economic development starting back in the '60s working with Jim Rhodes and Jim Derk and a number of other individuals. And the interesting thing you have to put into this, you know, when we hear the testimonies today, we realize that AEP is a tremendous community citizen, that they truly care about the needs of the community, and they do try to give back and take a real corporate role. But beyond that I think they have great vision for the state of Ohio.

They, in turn, back in those days were part of the old Ohio Power system and they have comported with part of the Rhodes Raiders team that was united up until even the last year or two, we used their -- AEP's electronic format for the placement of prospective businesses and so on throughout the state, so they have been a strong partner in economic development.

They have great vision in that area, and I think the ESP -- the people concentrate only on the

1 small rate increase for the residential, but it's a
 2 much bigger picture because it truly is looking at
 3 the guaranteed availability of rate. Today -- today
 4 we are -- electricity, you know, it is -- it is -- it
 5 doesn't matter where it comes from, AEP or Duke
 6 Energy, from any other company. It's basically a
 7 commodity. We just want to make sure it's there,
 8 it's there on a regular supply, and it comes at a
 9 rate that you can depend on.

10 And I think that is an important part of
 11 having a plan on file that gives you an ongoing rate
 12 that we can sell to customers. The actual proposed
 13 rate for many of our industries actually will reduce
 14 it in our particular area, so it's not a negative for
 15 that, but the goals beyond that that AEP have
 16 committed to, the goals of partnering again with the
 17 state of Ohio and Jobs Ohio and putting forth money
 18 out of the corporate earnings to be a strong part
 19 again as they were 40 years ago to make this state
 20 great. That is very important.

21 Their vision of solar energy, you know,
 22 when you are down where we are, we're in truly
 23 southern Ohio, Lawrence County, you don't have flat
 24 land. You have to create it. You fill valleys. You
 25 knock hilltops off to create flat land. We don't

1 have wind. We never worry about the tornadoes
 2 because the wind with the hill pattern it's -- it's
 3 pretty well -- it's very unlikely. But you do have
 4 the one potential alternative energy and that is
 5 solar so we do support wholeheartedly any and all of
 6 your plans that you've been looking at in assisting
 7 AEP into investing in the long term in the
 8 alternative energy as well.

9 So -- so we indeed for both areas ask
 10 that you give serious consideration and positive
 11 action toward the Electrical Security Plan. We feel
 12 that program is one that is fair and equitable. More
 13 important it is very far reaching and foresighted
 14 that will be very beneficial to our future
 15 development.

16 And I would be pleased to answer any
 17 questions. I thought you were asking me. No
 18 questions.

19 EXAMINER SEE: Thank you. Jerrod Wilson.
 20 You'll pass.

21 Bo Chilton.

22 MR. CHILTON: Pass.

23 EXAMINER SEE: Steve, is there someone
 24 here from New Boston, Ohio? Sir, what is your name,
 25 please?

1 MR. WELLS: Steve Wells.

2 EXAMINER SEE: Well, okay.

3 MR. WELLS: Sorry about the handwriting.
4 It's not too good.

5 EXAMINER SEE: That's okay. We figured
6 it out.

7 MR. WELLS: Okay.

8 - - -

9 STEVE WELLS

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

12 DIRECT EXAMINATION

13 EXAMINER SEE: State and spell your name
14 for the record.

15 THE WITNESS: Steve Wells, S-T-E-V-E
16 W-E-L-L-S, 3781 Gallia Street, New Boston, Ohio
17 45662.

18 I thank you for the opportunity to
19 express my opinion on the energy saving plan
20 opposed -- or proposed by American Electric Power
21 Ohio. I am the Economic Development Director for
22 Scioto County which is in the very southern part of
23 the state. That county has had major competition for
24 a lot of years. We were a major industrial base and
25 then the steel mills and the shoe factories and the

1 foundries moved out. We have worked desperately as
 2 communities in southern Ohio to try to be more
 3 competitive with neighboring states just as West
 4 Virginia, Kentucky, Indiana, to address, attract
 5 economic development opportunities to Ohio and
 6 especially to southern Ohio. AEP has always been an
 7 extremely valuable partner in that, but we have seen
 8 a difference in the -- since the new rate structure
 9 that seems to have caused them to have a lot less
 10 confidence in the long-term rate of return.

11 We have seen less investment by a lot of
 12 companies. I used to be an industrial engineer for
 13 Western Electric out here on East Broad Street, for
 14 North American Aviation. I was an engineer for the
 15 Fruehauf Corporation. We now look at those types of
 16 corporations as prosperity lost because those
 17 companies could not sustain a rate of return that it
 18 took to keep those thousands of jobs in place.

19 Our steel mills that used to be in New
 20 Boston, Ohio, employed 5,000 people, the market took
 21 that away, took it offshore to -- eventually to
 22 China. We are very much in support of the energy
 23 saving plan as proposed by AEP because we see this as
 24 a tremendous opportunity to bring corporate
 25 development and job creation back to Ohio.

1 We see Ohio as a net loss state in job
2 creation. And it concerns us very deeply. I'm a
3 life-long resident of Ohio. I've seen many companies
4 come and go. And if they can't be competitive with
5 their cost of doing business, then they will be going
6 someplace else. They are always shopping as I would
7 if I were in their position.

8 I do not believe that the current
9 regulatory structure -- it not only discourages
10 investment by economic development prospects it
11 discourages investment in electric power generation
12 that has been a cornerstone of Ohio's economy. The
13 generation stations built up and down the river and
14 by the lakes and what have you provide thousands and
15 thousands of workers and has been billions of dollars
16 of investment to Ohio's economy. The current
17 volatile structure does not justify long-term
18 investor risk which will be a development detriment
19 as Ohio becomes a net importer of electricity, if we
20 do not go with the energy savings plan. That is my
21 total concern is what will happen to Ohio.

22 We highly value the expertise that AEP
23 Ohio has to assist us with job creation
24 opportunities. However, we have seen access to that
25 expertise shrink because they cannot justify

1 long-term investment based on short-term rate
2 guarantees in my opinion.

3 It is my opinion that the proposed AEP
4 Electric Security Plan provides stability and
5 financial comfort to businesses to increase job
6 opportunities in Ohio. It also provides the
7 incentive for AEP to increase investment in power
8 generation that will make Ohio competitive by keeping
9 rates at a reasonable level attracting new customers
10 and maintaining current operations. Thank you.

11 EXAMINER SEE: Thank you. Mr. Wells was
12 the last witness on the list this afternoon. If
13 there is anyone else present that has not offered
14 testimony that wishes to do so, please raise your
15 hand.

16 Ma'am, your name, please. Step forward.
17 Ma'am, your name.

18 MS. WEBB: Good afternoon. My name is
19 Cynthia, C-Y-N-T-H-I-A, Webb, W-E-B-B.

20 EXAMINER SEE: And your address, please.

21 MS. WEBB: 1053 Granville Road, Newark,
22 Ohio 43055.

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CYNTHIA WEBB

testified as follows:

DIRECT EXAMINATION

EXAMINER SEE: Okay. Please continue with your testimony.

THE WITNESS: Thank you. I stand before you to applaud AEP for its support of the programs. It served some of our most vulnerable in our communities. But as a social worker, I also think that our conversation needs to be around the impact a rate hike would have to citizens and what we have been witnessing in our communities are the number of citizens that are no longer employed due to the recession and the fact that we have not recovered from this recession.

Middle and lower class citizens, a few cents to some may mean whether or not I have -- can keep my electric bill and my lights on. As we continue to see the impact on -- in all areas, whether it's the state budget, what's happening on a national level, those most vulnerable in our communities may not be able to afford electricity in their homes.

And I ask that this be considered, to think about a basic necessity for many families which

1 they may be unable to pay. Thank you.

2 EXAMINER SEE: Thank you. Is there
3 anyone else that wishes to offer testimony this
4 afternoon?

5 If not, thank you all for taking the time
6 out of your day to come to offer testimony or to
7 support others that have. This -- as I said before,
8 this will become part of the Commission's transcript
9 in this case and as part of their decision in this
10 matter. Thank you very much. Bye-bye.

11 (Discussion off the record.)

12 - - -

13 HARRY PAPE
14 being first duly sworn, as prescribed by law,
15 testified as follows:

16 DIRECT EXAMINATION

17 EXAMINER SEE: Please state and spell
18 your name for the record.

19 THE WITNESS: My name is Harry,
20 H-A-R-R-Y, last name spelled like paper without the
21 R.

22 EXAMINER SEE: Okay.

23 THE WITNESS: Go ahead?

24 EXAMINER SEE: Give us your address.

25 THE WITNESS: 223 North Union Street in

1 Delaware, Ohio 43015.

2 EXAMINER SEE: Okay. Please go ahead
3 with your testimony.

4 THE WITNESS: As I said, my name is Harry
5 Pape, and I am the Director of Habitat for Humanity
6 and a Board Member of the Family Resource Center at
7 Woodward Elementary in Delaware, Ohio.

8 My comments pertain to my experience with
9 AEP's corporate citizenship and not specifically on
10 the rate request. Energy has a true cost, and as you
11 work to determine its value, I ask that you consider
12 AEP's efforts for conservation and their direct
13 financial support of low income customers. Habitat
14 serves families whose income falls between 30 and
15 50 percent area median income.

16 In addition to our traditional model of
17 building and selling homes, Habitat is starting a
18 program to help low income families maintain their
19 existing homes through weatherization, landscaping,
20 exterior repairs.

21 Our program called a Brush with Kindness
22 is designed to help families reduce their energy and
23 resource consumption. AEP was the first donor to
24 make a major investment in this program allowing us
25 to start the Brush with Kindness program in Delaware

County and to serve the first dozen customers.

In my three years on the Board of the Family Resource Center, an umbrella of the social service agency, we have helped hundreds of families through AEP's neighbor-to-neighbor program. The Family Resource Center's mission is to help families deal with all those things that negatively impact a child's ability to learn. Through AEP's neighbor-to-neighbor program we have been able to help families remove one more hurdle to a better education.

Nonprofits rely in part on corporate stewardship. In my experience AEP has invested wisely in efforts that directly impact the cost of energy for low income families and in programs that strengthen our community. Thank you for your time.

EXAMINER SEE: Thank you. And with that the hearing is closed.

(Thereupon, the hearing was concluded at 1:19 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 Tuesday, June 14, 2011,
and carefully compared with my original stenographic
notes.

Karen Sue Gibson, Registered
Merit Reporter.

(KSG-5372)

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Summary: Transcript Transcript of Columbus Southern Power Company public hearing held on 06/14/11 in Columbus electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Gibson, Karen Sue Mrs.