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## TRANSCRIPT TO THE TESTIMONY OF:

PUCO Hearing  
Lima, Ohio  
May 3, 2012

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Case Nos: 11-346-EL-SSO, 11-348-EL-SSO,  
11-349-EL-AAM, 11-350-EL-AAM

Date Taken: May 3, 2012

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PUBLIC UTILITIES COMMISSION OF OHIO

PUBLIC HEARING

~ ~ ~ ~

CASE NUM0BERS:

11-346-EL-SSO, 11-348-EL-SSO,

11-349-EL-AAM and 11-350-EL-AAM

~ ~ ~ ~

Thursday, May 3, 2012

Lima, Ohio

~ ~ ~ ~

Public Utilities Commission of Ohio

Local Public Hearing, in The Matter of the  
Application of Columbus Southern Power Company  
and Ohio Power Company for Authority to Establish  
a Maintenance Service Offer pursuant to Section  
4928.143 Revised Code, and in the Matter of the  
Application for Columbus Southern Power Company  
and the Ohio Power Company for Approval of  
Circuit and Authority.

1 MS. SEE: Let's go on the record.

2 As Commissioner Roberto stated, my  
3 name is Gretta See and I'll be presiding over  
4 the hearing this evening. This is about --  
5 first let me tell you a little bit what we're  
6 -- what we want comments on this evening.  
7 This is about AEP's modified electric security  
8 plan. We need to know what the rate payers in  
9 Ohio think about the new plan that was just  
10 filed March 30th.

11 The reason why we're at this point is  
12 because there was a plan filed previously that  
13 the Commission ultimately rejected. So I'm  
14 here -- we're here tonight to hear your  
15 comments on that plan.

16 First, we're here on Case No. 11-346-  
17 EL-SSO, 11-348-EL-SSO and Case No. 11-349-EL-  
18 AAM, 11-350-EL-AAM entitled in the Matter of  
19 the Application of Columbus Southern Power  
20 Company and Ohio Power Company for Authority  
21 to Establish a Standard Service Offer Pursuant  
22 to Section 4928.143 Revised Code and for  
23 Approval of Certain Accounting Authority.

24 As Commissioner Roberto said,  
25 Commissioner Roberto and I will be presiding

1 over the hearing tonight. I am with the legal  
2 department. There are a couple other  
3 commission employees here: Lee Gary is at the  
4 back of the room and Jill Coker. If you have  
5 some questions about your utility services,  
6 they'll be here to address your  
7 billing/service issues. And we can do that  
8 after the hearing tonight.

9 Also in the room for AEP Ohio there  
10 are a number of customer service people here  
11 and Mr. Dias -- if you have questions or  
12 concerns about your electric service with AEP  
13 Ohio, you can see them at the end of the  
14 hearing and discuss it with them directly.  
15 But tonight I want to hear your testimony as  
16 to the new, modified rate plan that they're  
17 proposing.

18 First, let me just say it, I'm a  
19 little warm so please forgive me. I'm going  
20 to pull my jacket off. Need to be  
21 comfortable, need to be able to listen  
22 carefully.

23 At this time I would like to  
24 determine whether or not there is counsel for  
25 any of the parties to the proceeding in the

1 room.

2 Please state your name for the record  
3 please

4 MS. MILLER: Thank you, Your Honor.  
5 Erin Miller on behalf of Ohio Power Company.  
6 Address is One Riverside Plaza, Columbus, Ohio  
7 43215. Thank you.

8 MS. SEE: I don't think there is  
9 any -- counsel for any of the other  
10 intervening parties in the room but there is  
11 also a representative from Ohio Consumers  
12 Counsel here. And they can also address  
13 questions of residential customers who have  
14 issues with their bill or their service. We  
15 can take those after the hearings ends.

16 As I've already indicated, there are  
17 multiple parties, approximately 50 that have  
18 requested intervention in the case. They  
19 represent residential consumers, the company,  
20 the public utilities staff, small business,  
21 schools, industry, various facets of industry,  
22 Ohio Energy Council, industrial energy users.  
23 There are a wide range of interests  
24 represented in the case.

25 Tonight's local public hearing is the

1 last of four hearings. There were public  
2 hearings held in Columbus, Canton and  
3 Chillicothe. The evidentiary hearing will  
4 start back in Columbus on May 16th.

5 If for some reason you are not  
6 offering testimony tonight and you want to  
7 file written comments, you can send those in  
8 to the Commission. Be sure it indicates the  
9 case number that you're referring to, which is  
10 11-346, and it will be included in the  
11 Commission's docket.

12 As you may have already noticed,  
13 there's a court reporter in the room. She's  
14 transcribing everything that's said tonight  
15 and we'll -- your comments will become part of  
16 the record in the case.

17 I already have the list here for  
18 individuals who have signed up to offer  
19 testimony. When I call you forward I'll ask  
20 you to raise your right hand, ask you to swear  
21 or affirm that the information you're about to  
22 give is true and ask you to state, spell your  
23 name and give us your address. Okay.

24 You may get a question from counsel  
25 for the company to clarify the record. And I

1 may ask you a question to clarify the record.  
2 So appreciate your patience, your response to  
3 the questions. And if there are no questions  
4 about the process, we'll get started.

5 Okay. Let me also ask you to forgive  
6 me if I mispronounce your name.

7 Is there a Marcel Wagner? Please  
8 step forward, sir.

9 - - - - -

10 MARCEL WAGNER

11 After having been first duly sworn,  
12 hereinafter testified as follows:

13 - - - - -

14 MS. SEE: Thank you. State and  
15 spell your name for the record.

16 MR. WAGNER: My name is Marcel  
17 Wagner, M-A-R-C-E-L, W-A -G-N-E-R. And my  
18 office is at 144 South Main Street in Lima,  
19 Ohio.

20 MS. SEE: Thank you.

21 MR WAGNER: In my role as the  
22 president and chief officer in the Allen  
23 Economics Development Group, my primary  
24 concern is with job creation and bringing new  
25 industry here. We've had a long-standing

1 partnership with AEP Ohio and it's been very,  
2 very beneficial for our community. The Allen  
3 Economic Development Group is a countywide  
4 development organization for Lima and Allen  
5 County. In our role, the pricing, supply and  
6 stability of electric power service is  
7 extremely important for the retention of  
8 existing business in our community and for the  
9 ability to attract new industrial, commercial  
10 and retail investment.

11 The long-term stability of rates is  
12 critically important to all of our industrial  
13 customers and member businesses. The  
14 competitive environment now is not simply with  
15 neighboring states but globally. In order to  
16 protect and maintain the high quality  
17 manufacturing jobs in Lima and Allen County,  
18 the cost of electricity is one of those  
19 variables -- in order to protect and maintain  
20 the high quality manufacturing jobs in Lima  
21 and Allen County, the cost of electricity is  
22 one of those variables that can move  
23 production to other locations. Competitive  
24 and stable rates assist or local efforts to  
25 create and sustain these good jobs. Equally



1 important with the rate structure is the  
2 integrity of service. Most companies  
3 considering Allen County for a new facility  
4 will talk to other manufacturing companies  
5 about the consistency and the quality of the  
6 power provided. Finally, incentives to  
7 attract new investments would be extremely  
8 important in our business.

9 Historically, AEP had provided an  
10 economic develop rider with discounted rates  
11 for electricity in the early years of the  
12 project when start-up costs are the greatest.  
13 Several of our neighboring and competing  
14 states offer this type of incentive. As  
15 economic development professionals, it's  
16 important to have these types of tools  
17 available as our community pursues the  
18 advanced manufacturing and other jobs to  
19 secure the future of Lima and Allen County.  
20 Thank you.

21 MS. SEE: Thank you.

22 Mike Knisley?

23 MR. KNISLEY: Knisley, yeah.

24 MS. SEE: Sorry about that.

MIKE KNISLEY

After having been first duly sworn,  
hereinafter testified as follows:

- - - - -

MS. SEE: I'm sorry. State and spell  
your name for the record.

MR. KNISLEY: Mike Knisley,  
K-N-I-S-L-E-Y. 1300 Bowman Road. I represent  
the Plumbers Pipefitter Service Technicians'  
Union here in Lima, as well as the Lima's  
Building and Construction Trades Council.  
Here tonight I'm allowing and moving forward  
with our support and with the ESP, we're  
speaking in favor of this for AEP. It's my  
understanding that AEP's Ohio plan doesn't  
restrict the ability of customers to shop for  
any retail electric supplier, either through  
community aggregation or directly with  
competitive retail electric suppliers and  
providers.

The capability to shop has existed  
long before AEP Ohio introduced the ESP and is  
supported by the plan. If it's the goal to  
really establish a truly competitive market  
place, AEP Ohio will be able to fully

1 implement this, which is best guaranteed  
2 through a predictable and orderly transition  
3 to the market, which this plan does. One  
4 thing that I think needs to be said is, AEP  
5 Ohio's commitment to the State of Ohio and the  
6 individual communities. They inject over 650  
7 million dollars per year just in taxes alone  
8 and has been a strong supporter of building  
9 and construction trades personnel. They work  
10 tremendously to provide job growth and  
11 business retention in our community and also  
12 over all, this promotes, as Marcel said,  
13 economic development and orderly transition  
14 with the market.

15 In closing, what I would like to  
16 really drill down is that AEP, through this  
17 plan, has to have a reasonable time to become  
18 competitive in the marketplace. It keeps  
19 their plants in the grid running. Any hasty  
20 plan could jeopardize that. And for years our  
21 building construction trade members, over 50  
22 years, have worked on these plants, not only  
23 in the Lima area, with the generating plant  
24 just west of us in Van Wert County, but all  
25 throughout the Ohio region, especially in the

1 Ohio River.

2 Any hasty transition is going to  
3 threaten the ability for the building  
4 construction trades to train new workers and  
5 develop their skills in this ever-challenging  
6 marketplace for trying to bring new people  
7 into the job training.

8 Lastly, other utilities have been  
9 able to go through a structured transition and  
10 we are asking this Commission to at least take  
11 a look at allowing AEP to be able to do the  
12 same thing.

13 MS. SEE: Thank you.

14 Bambi Markham?

15 MS. MARKHAM: Markham.

16 MS. SEE: I'm sorry. Pronounce your  
17 last name, please, for me.

18 MS. MARKHAM: Sure. First name  
19 Bambi, B-A-M-B-I, last name Markham,  
20 M-A-R-K-H-A-M.

21 - - - - -

22 BAMBI MARKHAM

23 After having been first duly sworn,  
24 hereinafter testified as follows:

25 - - - - -

1 MS. SEE: Thank you.

2 MS. MARKHAM: I'm here representing  
3 the West Ohio Food Bank and the many  
4 volunteers, the many agencies that we have  
5 involved, our staff and our board of  
6 directors. And I wanted to be able to share  
7 that we are very much in support of what  
8 you're here about tonight. And that without  
9 the support that we have through AEP, not only  
10 financially, but from their individuals, we  
11 would not be able to carry through the mission  
12 that we have in bringing food in from the  
13 variety of networks that we have throughout  
14 the United States and bringing them into our  
15 food bank.

16 On a weekly basis we're serving  
17 between six and seven thousand individuals  
18 with food that they are not able to all the  
19 time provide at their homes. And we realize  
20 that AEP -- and we are quite a user of  
21 electrical at our place because we have 5,000  
22 square foot freezer where 11 semi loads of  
23 food go in. And we have 2,500 square foot  
24 cooler that we are storing food in. So we  
25 greatly appreciate our partnership and want to

1 support your endeavors here this evening.

2 Thank you.

3 MS. SEE: Thank you.

4 Doug Leuthold? Sir?

5 MR. LEUTHOLD: Yes.

6 MS. SEE: Can I ask, weren't you at  
7 the Columbus hearing?

8 MR. LEUTHOLD: Yes, I was.

9 MS. SEE: I think I mispronounced the  
10 name there, too, didn't I?

11 MR. LEUTHOLD: You did a pretty good  
12 job. In fact, my grandpa would be real  
13 pleased.

14 I've got a copy of this. I did not  
15 have a copy in Columbus.

16 - - - - -

17 DOUG LEUTHOLD

18 After having been first duly sworn,  
19 hereinafter testified as follows:

20 - - - - -

21 MS. SEE: Please proceed. State and  
22 spell your name for the record.

23 MR. LEUTHOLD: My name Doug  
24 Leuthold. Last name spelled L-E-U-T-H-O-L-D.  
25 Business is located at 100 Crossroads

1 Boulevard, Bucyrus, Ohio.

2 I'd like to thank the Public Utility  
3 Commission for this opportunity to speak this  
4 evening. I'm the president and sole owner of  
5 Advanced Fiber Technology, as I mentioned  
6 before, located in Bucyrus, Ohio. We convert  
7 waste paper into insulation and for fiber  
8 additives and various products, such as roof  
9 coatings, asphalt paving, rubber composites  
10 sealants, et cetera.

11 We are served by AEP Ohio. Our  
12 tariff is GS-2. We have 19 employees. I'm  
13 speaking as an example across Ohio's small  
14 business economic face related to the ESP.

15 AEP Ohio's portion, the distribution  
16 portion, our 23 January 2012 invoice went from  
17 1.67 cents per kilowatt hour to 4.79 cents per  
18 kilowatt hour, for a multiplier of 2.9 times  
19 greater. It's the same as gasoline from \$4 to  
20 almost \$12 a gallon. I think we'd all agree  
21 that's not a very pleasant thought. The  
22 difference is 3.1 cents per kilowatt hour. We  
23 consume slightly over four million kilowatt  
24 hours per year in our small business. Using  
25 round numbers, the impact on Advanced Fiber

1 Technology is a minimum additional \$124,000 a  
2 year. Our average annual manufacturing  
3 employee cost, including all benefits, taxes,  
4 et cetera, is slightly under \$40,000. So this  
5 impact is the same as three employees.

6 When we got our bill, our first thing  
7 was is, what happened? Unfortunately, if you  
8 look at your utility bill, there is absolutely  
9 no clarity as it relates to where this  
10 financial impact came from. So at that point  
11 in time we embarked on an effort to do some  
12 analysis to figure out what happened. Our  
13 demand charge went from 1.98 cents per  
14 kilowatt hour up to 3.76 cents per kilowatt  
15 hour or a multiplier of 1.9. I understand the  
16 demand charge increase was from a prior Public  
17 Utility Commission approved action that just  
18 so happened to coincide with the ESP  
19 implementation date. And I think that's  
20 important to remember because we're taking  
21 actions in isolated cases, yet they have a  
22 compounding impact as to how they apply.

23 In AEP's 10Q filing with the Security  
24 Exchange Commission on 27 April 2012, their  
25 executive overview stated, "the filing seeks



1 establishment of a new non by-passable retail  
2 stability rider to recover lost generation  
3 revenues to provide financial certainty and  
4 stability during the ESP's transition period.  
5 2011, AEP corporate net income was in excess  
6 of 1.9 billion dollars, up from 1.2 billion  
7 dollars, and that's with a "B", in the prior  
8 year.

9 AEP Ohio 2011 first quarter net  
10 income was 165 million dollars on 1.39 billion  
11 in revenue for 11.8 percent. That's net  
12 income. First quarter 2012 net income of 150  
13 million on 1.24 billion for 12.2 percent net  
14 income. These are net income levels that  
15 small businesses only dream of having while  
16 struggling just to keep our doors open. And I  
17 think those of you in the audience who are  
18 small businesses know exactly what I'm talking  
19 about.

20 I don't know where this is going to  
21 end up, but what I do know is our company  
22 competes daily in a marketplace with no  
23 financial certainty. I know that the  
24 marketplace establishes our selling price  
25 related to the quantity sold for our finished

1 product and there is no stability. Yet AEP  
2 desires financial certainty and stability  
3 while generating outsized net incomes compared  
4 to their customers. Low risk, high return,  
5 not the real world.

6 Since 1999 AEP Ohio has had ample  
7 opportunity to lead, as well as prepare, for  
8 competitive marketplace. Now they have staked  
9 out a position of phased, limited access to  
10 competitive markets while enjoying the  
11 financial benefits of this ESP as a backstop  
12 to ensure a net income percentage and return  
13 on shareholder equity that would be the envy  
14 of small businesses.

15 Retail customers are leaving AEP Ohio  
16 because their rates are not competitive or  
17 they are unwilling to compete on price, not  
18 because they're being forced to leave. It  
19 should be noted that some of the customers who  
20 have left simply switched to AEP Retail, thus  
21 staying under the corporate umbrella as an  
22 affiliate of AEP. Under such a scenario, they  
23 are simply switching from one pants pocket to  
24 the other pants pocket on the same pair of  
25 pants. How many have done this, I don't

1 know. The funds from that still stay in the  
2 corporate umbrella.

3 We currently have 19 employees and  
4 would normally be staffed at 22. My free  
5 market doesn't allow me to you raise my  
6 prices. Thus the impact of the proposed  
7 increase has already had a negative impact on  
8 our business and our community as I cancel  
9 filling the additional three position, pending  
10 resolution of rate hike.

11 Since 2006 the electric rates of AEP  
12 Ohio have increased annually and  
13 significantly. These increases have allowed  
14 AEP Ohio and their shareholders to earn very  
15 high returns in Ohio as previously mentioned.  
16 Shareholders who may or may not live in Ohio  
17 and not be directly impacted by the impact on  
18 small businesses located in Ohio. Now the  
19 market prices are finally providing us an  
20 opportunity to reduce our electric bills on a  
21 competitive basis. We have to compete for our  
22 customers every day in every way, and  
23 continuing to allow AEP Ohio to set prices  
24 based solely on their financial gain limits  
25 our company and other small businesses the

1 ability to compete. Therefore, we urge you to  
2 end the electric bill disadvantage for the  
3 electric consumers obtaining supply from a  
4 competitive supplier. Maybe, and just  
5 maybe -- and what I would really like to say  
6 is the word "should" -- AEP's shareholders  
7 bear some responsibility because their  
8 management and board of directors have failed  
9 to timely prepare for a competitive  
10 marketplace and the associated impact. The  
11 public should not bear the financial burden of  
12 this failure.

13 Before making your final decision,  
14 Commissioner Roberto, I ask you to take 30  
15 second and close your eyes. During those 30  
16 seconds, think about the three individuals  
17 that I did not hire. Think about their family  
18 members, think about the thousands of other  
19 small businesses across the economic face of  
20 Ohio who are going to be confronted with the  
21 same challenge. Thank you for your time.

22 MS. SEE: Thank you very much  
23 Mr. Leuthold.

24 Mike Sciranka?

25 Brad Deleruyelle?

1 MR. DELERUYELLE: You don't have to  
2 try it.

3 MS. SEE: How close was I?

4 MR. DELERUYELLE: Not close.

5 - - - - -

6 BRAD DELERUYELLE

7 After having been first duly sworn,  
8 hereinafter testified as follows:

9 - - - - -

10 MS. SEE: State and spell your name  
11 for the record.

12 MR. DELERUYELLE: My name is Brad,  
13 B-R-A-D, Deleruyelle, D-E-L-E-R-U-Y-E-L-L-E.  
14 It's a mouthful, I understand.

15 MS. SEE: And your address, please?

16 MR. DELERUYELLE: 248 Chippewa Drive,  
17 Ottawa, Ohio, 45875.

18 MS. SEE: Proceed please.

19 MR. DELERUYELLE: Thank you. I am  
20 also here opposed to this motion. I will save  
21 us all a lot of time because the gentleman  
22 from Bucyrus stole a lot of my thunder of what  
23 I had written down. I'm here, I guess, in my  
24 mind, representing not just myself, the tax  
25 payers of Ohio. I'm a treasurer of a school

1 district who has also felt these increases,  
2 and small businessmen.

3 It's my understanding that this case  
4 at hand is to change the way in which we go  
5 from a market based to a capacity charge for  
6 the billing. If I am incorrect on that,  
7 please feel free to correct me.

8 I find it funny that this market-  
9 based price that has worked well since 2007,  
10 that now would force AEP to lower their prices  
11 is now not a good thing. But since 2007 it  
12 was. As the gentleman from Bucyrus pointed  
13 out, I hear that Ohio jobs could be at stake  
14 if we don't approve this. But I find this  
15 hard to believe that when a company is showing  
16 730 million dollars in net income jump from  
17 the previous year ended that is easily  
18 obtained from their financial statements.

19 The problem that a gentleman like the  
20 one from Bucyrus who just spoke would face,  
21 he's going to be hit on his small business  
22 side. He's also going to be hit on his own  
23 personal residential side. But at the same  
24 time, as a taxpayer, he will be additionally  
25 hit from this because places like school

1 districts, cities, villages that also suffer  
2 from these rate increases that have no -- no  
3 additional income other than what comes from  
4 what they levy in additional taxes, that will  
5 passed on to him by all these different  
6 entities because they have no way of coming up  
7 with additional income. We can't raise prices  
8 on school students. We can't raise prices  
9 just to live in a city.

10 So therefore, these entities are  
11 going to be taxing us more, while a company  
12 fights to charge us more, when yet their net  
13 income as has just jumped by that much in the  
14 last year before the thing that the Public  
15 Utilities Commission just approved then  
16 rejected, those rate increases we felt. That  
17 is what's at the heart of this matter. And as  
18 he said, they're competing against themselves  
19 with the AEP Retail Energy but yet want to  
20 frown upon the other companies that want to  
21 compete.

22 I personally don't have anything  
23 against AEP and the work that they do. But to  
24 try to pass on this charge to all of us and  
25 try to pass it off to me as a good thing, I

1 fail to see it. I have tried to look at it  
2 from their aspect and say okay, what do I not  
3 know. And when I pull up those income  
4 statements, when I look at what these  
5 increases basically mean, it's as if it's  
6 passing on a charge to the people that are  
7 trying to compete with them. So that way if I  
8 go with one of those people that compete with  
9 them, those people will have to pass on a  
10 higher charge to me so, therefore, it makes in  
11 impossible for them to be competitive. And  
12 again, if my understanding is correct -- I'm  
13 more than willing to have it explained to  
14 me -- but from what I've read of legislation,  
15 that's what I read. And as I try to search  
16 for a reason for it, the only ones I can come  
17 up with are greed and maintaining a monopoly.  
18 And I just do not think that's right and I  
19 don't think it's right for our government to  
20 support that in our state when it's going to  
21 hurt the citizens of this state the most.  
22 That's all I have.

23 MS. SEE: I have a question for you.  
24 You said you worked for a school district.

25 MR. DELERUYELLE: Yes, I do.



1 MS. SEE: May I ask which one?

2 MR. DELERUYELLE: Pandora Gilboa Local  
3 School District.

4 MS. SEE: Pandora?

5 MR. DELERUYELLE: Gilboa.  
6 G-I-L-B-O-A.

7 MS. SEE: Are they involved in the  
8 case through the Association of --

9 MR. DELERUYELLE: School Boards  
10 Association, school business officials.

11 MS. SEE: Are they actively involved  
12 in --

13 MR. DELERUYELLE: The Associations.  
14 We are a member of the Associations that are  
15 actively involved.

16 MS. SEE: And you also mentioned that  
17 you have a small business.

18 MR. DELERUYELLE: No. No. I have  
19 relatives that do.

20 MS. SEE: All right. Thank you.

21 MR. DELERUYELLE: Thank you.

22 MS. SEE: Bassitt?

23 MR. BASSITT: Yes.

24 MS. SEE: Your first name, sir?

25 MR. BASSITT: Sam.

1 MS. SEE: Sam.

2 MR. BASSITT: Little trouble with the  
3 legibility there, correct?

4 MS. SEE: I don't pronounce them very  
5 well anyway.

6 - - - - -

7 SAM BASSITT

8 After having been first duly sworn,  
9 hereinafter testified as follows:

10 - - - - -

11 MS. SEE: Please state and spell your  
12 name for the record.

13 MR. BASSITT: Sure. I'm Sam Bassitt,  
14 S-A-M, B-A-S-S-I-T-T.

15 MS. SEE: And your address, sir?

16 MR. BASSITT: 604 Hefner Drive, Lima,  
17 Ohio. I've been a resident of Allen County  
18 most of my life, born and raised here and, in  
19 particular, I have lived, worked, and raised a  
20 family here over the past 42 years. And have  
21 had careers in education and now as an elected  
22 official.

23 Interestingly, my father had a long  
24 and productive career as a lineman for AEP's  
25 predecessor, the Ohio Power Company here in

1 Lima, Ohio.

2           Tonight I'm here to offer testimony  
3 as a resident and as an Allen County  
4 Commissioner and to do so concerning AEP's  
5 modified electric security plan for what I  
6 think is now being referred to as ESP 2 or  
7 something like that. It was my privilege to  
8 have given testimony at a previous hearing  
9 here in Lima some time ago, and my remarks  
10 will be generally consistent with those  
11 previous remarks.

12           I first extend my appreciation to you  
13 to make these brief remarks relative to their  
14 plan. And there are about three perspectives  
15 I would like to present at this time, and they  
16 including, first, the general delivery of  
17 electrical services by AEP. Second, the  
18 response of an overall support of AEP to  
19 emergency situations, specifically weather-  
20 related. And third, the support of AEP to our  
21 community through social services and economic  
22 development initiatives.

23           First let me comment on the delivery  
24 of AEP services to Allen County residents and  
25 to the various county departmental electrical

1 power needs. As a resident, my neighbors and  
2 I have enjoyed reliable electrical power  
3 supplied by AEP in our larger community.  
4 Indeed, several years ago I had the privilege  
5 to buy a gas-fired generator as a backup  
6 system, just in case, you know. In the past  
7 four years I have used it once. And then our  
8 need for that generator was for a very brief  
9 interval of time before power was quickly  
10 restored. It's interesting, and as a county  
11 commissioner, that my perception and  
12 perceptions of the county forum of leaders  
13 that AEP has been very prompt in returning  
14 calls or finding information that could be a  
15 benefit to our situational needs. AEP, from  
16 my perception, has been proactive in helping  
17 to work for our energy saving programs and  
18 from time to time with tips on what could be  
19 implemented to reduce our costs.

20 As you know, AEP has a program called  
21 Grid Smart Ohio, a self-directed incentive  
22 program to help us recoup some of the cost  
23 from our energy projects. We feel this is a  
24 very powerful program which greatly assists us  
25 since we are able to generate a bit of power,

1 and to add to the system, thereby recovering  
2 some of our costs. This is especially  
3 appreciated since deregulation of utilities  
4 has affected the visitation of costs of any  
5 upgrades of service or the transformers we  
6 gain from time to time, and those costs are  
7 visited upon us the users. We, therefore,  
8 appreciate these opportunities to reduce some  
9 of those costs.

10 Second, let me offer my perceptions  
11 of the response of support in times of  
12 declared emergencies. Our Homeland Security  
13 Department reports to me and to others that  
14 during the past several winters we've had some  
15 severe service challenges. In fact, in 2010,  
16 icy conditions here in our community shut down  
17 most operations and generally limited the  
18 emergency access to Allen County citizens by  
19 emergency services. However, pre staging by  
20 AEP crews brought immediate and specific  
21 response to our community-wide situations.  
22 Indeed the pre staging of our fair -- at our  
23 fairgrounds clearly demonstrated the  
24 commitment AEP has to reply effectively to  
25 local needs. And in terms then -- in terms of

1 social services, I am personally aware that  
2 AEP has been resourceful by facilitating the  
3 targeting of resources, enabling other  
4 resources, other local resources, to support  
5 the homeless families of Allen County. In  
6 this regard, AEP has been a strong steward in  
7 the supply and support to the lives of those  
8 in genuine need in our community.

9 Finally, I believe that AEP has added  
10 to Allen County in its cross to promote  
11 economic development, and that's throughout  
12 our county. Indeed, today representatives  
13 visited Spencerville and assisted us in  
14 gaining support for needed electric power to  
15 bring in a new company into the village of  
16 Spencerville. We are very optimistic that  
17 some 50 jobs will be added, and a  
18 representative from AEP was helpful in that  
19 regard.

20 We all understand that economic  
21 development is all about jobs, jobs and more  
22 jobs. Most job settings require significant  
23 electric power support. And AEP has responded  
24 to those needs as requested and within the  
25 limits of opportunity. We would like to see

1 greater opportunities in our futures and we  
2 would anticipate this happening. We hope that  
3 this plan will provide for such opportunities  
4 to increase and stimulate the increase of jobs  
5 throughout this community.

6 While none of us like to see rate  
7 increases, a quick scan of past practices  
8 demonstrates our community has benefited  
9 greatly from the effective use of AEP  
10 resources, and thereby, we would like to  
11 predict the future potential of greater and  
12 greater benefits to our community.

13 I would like to thank you for  
14 expressing my opinions and be willing to  
15 respond to any questions you might have.

16 MS. SEE: Thank you.

17 Linda I. Mack.

18 - - - - -

19 LINDA I. MACK

20 After having been first duly sworn,  
21 hereinafter testified as follows:

22 - - - - -

23 MS. MACK: Whatever is most  
24 important.

25 MS. SEE: Please state and spell your

1 name for the record.

2 MS. MACK: Sure. Linda I. Mack  
3 L-I-N-D-A, I, middle initial. Bowling is my  
4 maiden name. Mack, M-A-C-K.

5 MS. SEE: And your address, ma'am.

6 MS. MACK: Well, currently it's 108  
7 East High Street, No. 414. That's about a  
8 block up here. Formally, I'll be speaking on  
9 that too. A very high crime rate area where I  
10 have the problems with AEP. Right off, they  
11 want me to do a little bit work for them as a  
12 community leader, to be one of their employees  
13 which is one of my essence to have people  
14 followed, come to find out. So they set her  
15 up. Then they turned around and, well, the  
16 crime ring around there caused my -- messed up  
17 the -- I had to use a space heater couple  
18 times cause they messed up -- took a part out  
19 of the furnace at one time. And I had to use  
20 a space heater, so it ran it up. I didn't get  
21 proper help for that either. I think it was  
22 kind of a set up.

23 And another time it wasn't kept up  
24 because the people was supposed to be keeping  
25 it up were on drugs. So I had to use the



1 space heater again. So I have a thousand  
2 dollar bill. Well, I hear that they're going  
3 to keep that up, so I was so-called temporary  
4 employee. So they're going to keep the bill  
5 forever because they know I'm supposed to be  
6 getting some money sometime. So they ain't  
7 going to keep it. They'll write it off like  
8 usual.

9 So if anybody -- I and the other  
10 woman -- and her name was something that began  
11 with a V. It's been quite a while, about  
12 four, five, six years ago. I wasn't expected  
13 all this now.

14 So anyway, they set her up. Then  
15 they stepped on me so, like, certain people  
16 operate, like Detroit, they get their talons  
17 into you. I was right in the middle of the  
18 crime in the Detroit ring right there five  
19 streets. They bring the transformers out but  
20 the gangsters tore them out. So anyway AEP  
21 was in the middle of it.

22 I'll get back to AEP. Seeing as the  
23 way they operate, money up front, which  
24 Detroit does also -- excuse me for saying all  
25 this, but they operate the same way so what

1 are they. Homeless also -- Detroit made me  
2 homeless, the bosses. They saw to it. They  
3 drug my family, whole bunch of stuff.  
4 Homeless, I got two ground places I go to full  
5 time: 625 East Street, middle of the whole  
6 crime I was living, until I got moved over  
7 here. Got out from over there. Moved over  
8 here. Headquarters, half of them is on  
9 drugs. Very bad shape. Looked like a  
10 concentration camp. This is no better. Can't  
11 breathe in the place. So anyway, back to  
12 AEP.

13 MS. ROBERTO: Ms. Mack. Excuse me.  
14 The court reporter is having difficulty.  
15 Could you slow down your speech, and please  
16 focus on your challenges with AEP.

17 MS. MACK: Okay. Well, if you work  
18 for them, they're putting the screws to you,  
19 let's put it that way. That's Detroit style.  
20 Also, they want the money up front. That's  
21 Detroit style. They have been trying to take  
22 over our family for many years. They are all  
23 on drugs one way or another. Got them in  
24 trouble. Lying on us everything but.

25 Being a mobile, it I wasn't up to

1       them. They wanted to step on us so they can  
2       replace them.

3               Here's one down here on 6 Harrison,  
4       another one they did in. They said they used  
5       too much electricity on the main level for  
6       Linda. So they're swinging my way. So I know  
7       of the followers. So this -- and I don't know  
8       the exact address anymore, and I don't think  
9       it's really 660. It's not considered. But it  
10      was somewhere around that area. And they  
11      trashed that on them real bad. And I couldn't  
12      make contact with them because they were  
13      afraid. But they turned off their electric  
14      and messed up their freezer and stuff.

15             When I was down in Waynesfield about  
16      '82, '83 they threw out a bunch of the things  
17      for me, turn it back on, blew out a bunch of  
18      old refrigerators and very coincidentally  
19      there was a freezer sale -- refrigerator sale  
20      here in town. So they got a bunch of their  
21      money. I parted out a bunch of refrigerators  
22      and we had a lot of lying around, probably  
23      some for all that stuff from the center  
24      building now. Moving on. Let me turn the  
25      page. Okay.

1           Let me see where this is all -- this  
2           is all same thing. It all amounts to the way  
3           some people -- they don't call them greedy  
4           guts for nothing. One of these guys, when  
5           they said about greedy, one of the names for  
6           Detroit mob is greedy guts so you know, what  
7           that is. Whole page full here.

8           Some of officials have to say what  
9           they have to say when they're under their  
10          control. That's known to me. And I think I  
11          said it around town enough times. Okay. Two  
12          homes have been me since I got set up --  
13          Detroit mob set up as trash. That's what it  
14          amounts to. Since I been homeless, got  
15          breathing problems now. Got asthma down  
16          there. Dizzy spells, wiped out, knocked you  
17          out. Battery acid down the -- in the sewer.  
18          Cement down there, stuck all that. Breathing  
19          problems, all that since that guy was there.  
20          So anyway, guy from Van Wert named is -- I  
21          don't know. Something like that. As for  
22          somebody saying the West Ohio Food Bank -- or  
23          AEP is so good, I been on West Ohio Food Bank  
24          as food for years. Never thought it was worth  
25          it. I went off once. Some of the people in

1 the community's been going back on it because  
2 I would do something about it. Got sick on  
3 the apple sauce last month. Threw up  
4 pesticides or something on the chicken. I  
5 think it was the chicken. Years ago they do  
6 them. I get sick if you eat of them in a  
7 row. Oh, we kept on getting sick. That was  
8 many years ago. Okay. So that's West Ohio  
9 Food Bank. And they had some chicken, I  
10 think, and they had got some up there north  
11 and definitely something bad in them. So that  
12 was in the last month I guess it was -- month  
13 before last. On the north end where they had  
14 up there by pangles(sic) -- yeah, up there  
15 by -- Okay.

16 MS. ROBERTO: Ms. Mack.

17 MS. MACK: I think that's -- my  
18 personal opinion, deregulation allows the OC  
19 to move in, allows business to get -- I guess  
20 that's it.

21 MS. ROBERTO: Ms. Mack, excuse me.  
22 Do you have anything you would like to add to  
23 the record about AEP?

24 MS. MACK: I think we need somebody  
25 honest to be running the show. They got three

1 sections here and you never know who you're  
2 dealing with. When they get too big, they  
3 abuse the people. And I've seen that many  
4 times. There is a lot of talk about Ford  
5 Motor right now, their retirees know that, and  
6 Ohio Steel the same thing.

7 MS. SEE: Thank you for adding this  
8 to the record.

9 MS. MACK: AEP some employee, which  
10 they don't have on the record for sure. But  
11 their keeping that thousand dollars and it's  
12 not properly my bill. The landlord didn't fix  
13 it. They had him on drugs. And there was a  
14 white crime ring operating and took a piece  
15 out of the furnace and tried to sell it back  
16 to me. My nephew was supposed to be taking  
17 care of the place.

18 MS. ROBERTO: Thank you for your  
19 testimony this evening.

20 MS. MACK: Okay.

21 MS. SEE: That was the last name I  
22 had signed up to offer testimony this  
23 evening. Is there anyone here that did not  
24 sign up that wishes to offer testimony?

25 Okay.

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KATHY HENNESSY

After having been first duly sworn,  
hereinafter testified as follows:

MS. SEE: Please state and spell your  
name for the record and provide us your  
address?

MS. HENNESSY: Kathy Hennessy.  
K-A-T-H-Y, H-E-N-N-E-S-S-Y. 5544 Reservoir  
Road, Lima, Ohio, 45801.

I'm just here as a senior citizen, as  
a consumer of electricity. I did some math  
work over the past week since I heard about  
this meeting. And what I've -- the trees I've  
cut down from trying to figure out everything  
is that somebody has got a whole lunch of  
lawyers that really know how to do double talk  
on some things.

The one thing that I've gleaned from  
it is that, over the past year I've taken my  
kilowatt hours that I've used and I've taken  
how much it's cost me to do that, divided and  
found out how much I've used per kilowatt  
hour. I've also taken what it would be if I  
had a different company doing it, which I

1 started in January. I have a different retail  
2 company. So now I have something to compare  
3 from what it used to be and from what it is  
4 now. And from what I see, it looks to me like  
5 AEP is trying to take and put an increase on  
6 all of us because now we're choosing to go  
7 with somebody else and they're losing money  
8 because of it. Because before they were  
9 charging us generation cost plus transition --  
10 or transmission. Now they're just charging us  
11 distribution charges. So from the all the  
12 numbers that I've done with mine, on an  
13 average, I've -- I used about 711 kilowatt  
14 hours a year. I know that's not much. But if  
15 you take and put an increase on that, it's  
16 going to be an average of \$22 a month more  
17 from what I pay. When you're on Social  
18 Security, every bit counts.

19 And so I just would hope that they  
20 would have something for some of us people who  
21 are on Social Security with a fixed income,  
22 that they would think about us too. And I  
23 think that their corporate executives and all  
24 of their investors are making plenty of  
25 money. And the way I understand it, this



1 started back in 1999. And they've had 12  
2 years to figure out what to do with changing  
3 the market value of where they're at now. So  
4 I just don't think it's fair that all the  
5 consumers have to pay for things. That's  
6 all. Thank you.

7 MS. SEE: Thank you. Is there anyone  
8 else that hasn't offered testimony that wishes  
9 to do so?

10 - - - - -

11 TERESA ADAMS

12 After having been first duly sworn,  
13 hereinafter, testified as follows:

14 - - - - -

15 MS. SEE: Please state and spell your  
16 name for the record and provide us your  
17 address.

18 MS. ADAMS: Teresa, T-E-R-E-S-A,  
19 Adams, A-D-A-M-S. The address is 518 Calumet,  
20 C-A-L-U-M-E-T, Lima.

21 I hadn't planned on speaking  
22 tonight. I thought someone else might be here  
23 to speak on behalf of the city. I'm currently  
24 the fifth ward counselor in the City of Lima.  
25 And I attend neighborhood associations, two

1 that are, in fact, in my ward. And I hear  
2 from the residents like the previous speaker,  
3 of the elderly that are on fixed income. They  
4 look and check their bills. And they monitor  
5 and they do the math. And they've done it  
6 with the gas company and now they're looking  
7 at AEP.

8 The comments I receive, either  
9 through these meetings, through privilege of  
10 the floor here at Council, through phone calls  
11 to my home, they're scared and they're upset  
12 because they know they only have a certain  
13 amount of money that they need to stretch from  
14 month to month.

15 The director of the food bank that  
16 was here said they feed six to seven  
17 thousand. I think with this increase, that  
18 number is going to go up. And it's going be a  
19 lot of dark homes in the City of Lima and in  
20 the county, of people not having their lights  
21 on due to this. I know it's an issue before  
22 the City of Lima, in our development, in  
23 putting in lights, street lamps. We've retro  
24 fit. We try to go energy, green, and conserve  
25 as best we can to keep the dollars down

1 because right now we know there can be no  
2 increase in taxes to offset these increases  
3 that we're facing. But some villages, due to  
4 state budget cuts, they're actually turning  
5 their street lights off because they can't  
6 afford it. And I don't want to see that  
7 happen to the City of Lima. And this second  
8 proposal go-round, I'm here to oppose it. And  
9 I think, based on, you know, the number that  
10 were presented tonight on profits, their  
11 preplanning of years to do this, shouldn't  
12 fall on the back of the consumers and the  
13 small business owners. Thank you.

14 MS. SEE: Thank you.

15 Is there anyone else? I want to  
16 thank you all for coming in and offering  
17 testimony, particularly in light of the fact  
18 that it's a beautiful day outside. Thank you  
19 very much. There's nothing further. Hearing  
20 is adjourned.

21 - - - - -  
22 (Hearing concluded.)  
23 - - - - -  
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25

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

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

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

17 I do further certify that I am not a  
18 relative, employee of, or attorney for any of the  
19 parties in the above-captioned action; I am not a  
20 relative or employee of an attorney for any of  
21 the parties in the above-captioned action; I am  
22 not financially interested in the action; I am  
23 not, nor is the court reporting firm with which I  
24 am affiliated, under a contract as defined in  
25 Civil Rule 28(D); nor am I otherwise interested  
in the event of this action.

IN WITNESS WHEREOF I have hereunto set my  
hand and affixed my seal of office at Cleveland,  
Ohio on this 16th day of May, 2012.



Katrina L. Dearborn, Notary Public  
In and for the State of Ohio.  
My commission expires 11-02-15.