

## BEFORE THE PUBLIC UTILITIES

## COMMISSION OF OHIO

- - -

IN THE MATTER OF THE APPLICATION  
OF OHIO EDISON COMPANY, THE  
CLEVELAND ELECTRIC ILLUMINATING  
COMPANY, AND THE TOLEDO EDISON  
COMPANY FOR AUTHORITY TO PROVIDE  
FOR A STANDARD SERVICE OFFER  
PURSUANT TO R.C.4928.143 IN THE  
FORM OF AN ELECTRIC SECURITY  
PLAN

- - -

BE IT REMEMBERED that upon the  
hearing of the above-entitled matter held at  
Cleveland City Hall, Cleveland, Ohio, before  
Commissioner Todd Snitchler and Attorney  
Examiner Mandy Willey, and commencing on  
Tuesday, the 12th day of June, 2012, at 6:00  
p.m., the following proceedings were had.

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## APPEARANCES:

On Behalf of the FirstEnergy:

FirstEnergy Corporation

By: Arthur E. Korkosz, Esq.  
76 South Main Street  
Akron, Ohio 44308  
330-384-5849

- - -

1                   COMMISSIONER SNITCHLER:   Good  
2   evening.   It's just after 6:00.   In the  
3   interest of your time we would like to get  
4   started.   I'm Todd Snitchler.   I'm the chairman  
5   of the Public Utilities Commission of Ohio.   I  
6   wanted to thank you for taking time out of your  
7   schedules to come and provide your comments to  
8   the Commission as we're involve in this ESP  
9   proceeding for FirstEnergy.   Mandy Willey is the  
10   attorney examiner who will be running the  
11   meeting tonight.

12                   Before we begin I want to thank you  
13   for the chance to come up here.   This is my  
14   first opportunity to be in city council  
15   chambers.   This is quite a nice facility and  
16   we're grateful for the use of the facility.

17                   As far as the ground rules, as far  
18   as testimony, we'll ask you to come up to this  
19   microphone so the court reporter can record what  
20   you're saying.   It's going to become part of our  
21   record.   We're going to call you in the order  
22   you signed up.   Mandy will start the proceeding  
23   and put everything on the record.   With that, I  
24   will turn it over to her and thank you for  
25   coming tonight.

1 MS. WILLEY: Thank you, Chairman.

2 The Public Utilities Commission of Ohio has  
3 assigned for public hearing at this time and  
4 place 12-1230-EL-SSO which is captioned in the  
5 matter of the application of Ohio Edison  
6 Company, The Cleveland Electric Illuminating  
7 Company, and The Toledo Edison Company for  
8 authority to provide for a standard service  
9 offer pursuant 4928.143 of the Ohio Revised Code  
10 in the form of an Electric Security Plan.

11 My name is Mandy Willey. I'm an  
12 attorney examiner with the Public Utilities  
13 Commission and I will be conducting the hearing.  
14 With me here is Todd Snitchler, chairman of the  
15 Public Utilities Commission, who just greeted  
16 you here. In addition there are commission  
17 personnel representing are service monitoring  
18 and enforcement and our public affairs  
19 department who greeted you in the hallway.  
20 These PUCO staff members are available if you  
21 have a question concerning the utility's  
22 application which is the focus of tonight's  
23 hearing.

24 At this time I would like to take  
25 appearance on behalf of the parties. We'll

1       begin with the company.

2                   MR. KORKOSZ:   On behalf of the  
3       applicants Arthur Korkosz, 76 South Main Street,  
4       Akron, Ohio 44308.

5                   MS. WILLEY:   Thank you.   Any other  
6       parties to intervene in this case who wish to  
7       make an appearances tonight?

8                   MR. RIDICH:   Robert Ripich, 12314  
9       Elmwood Avenue.

10                  MS. WILLEY:   Any other parties who  
11       intervened in this case who wish to make an  
12       appearance?

13                  Thank you.   FirstEnergy filed this  
14       application on April 13, 2012.   Additionally on  
15       April 13, 2012, a stipulation was filed in this  
16       proceeding which was signed by several of the  
17       intervenors in this case.   The local public  
18       hearings scheduled in this case are only one  
19       aspect of the process in this case.   Evidentiary  
20       hearing also took place June 4 until June 8 of  
21       this year at the Commission offices in Columbus.

22                  The subject of today's hearing is  
23       the application filed by FirstEnergy pursuant to  
24       Section 4928.141 of the Ohio Revised Code to  
25       provide for a standard service offer.   That

1 application includes a stipulation and  
2 recommendation agreed to by various parties  
3 regarding the terms of the proposed standard  
4 service offer.

5 In its stipulation FirstEnergy  
6 represents that it and numerous other parties  
7 engaged in a wide range of discussion over a  
8 period of time related to the development of a  
9 standard service offer which extends with  
10 modification the standard existing standard  
11 service offer approved by the Commission in case  
12 number 19-388-EL-SSO for an additional two  
13 years.

14 The purpose of this evening's public  
15 hearing is to receive comments from the public  
16 regarding FirstEnergy's application in this  
17 case. It is not a question and answer session.  
18 It's your opportunity to let the Commission know  
19 about the company's application.

20 As you can see this meeting is being  
21 transcribed by a court reporter. If you plan to  
22 testify please speak clearly so the court  
23 reporter can accurately reflect your comments on  
24 the record. Also if you have prepared a written  
25 statement it would be very helpful if you leave

1       that on the podium up here or provide it to the  
2       court reporter.

3               When you arrived you were offered an  
4       opportunity to sign up to testify by Mr. Hampton  
5       and Mr. Frazier. After I finish my introduction  
6       I will begin calling witnesses from the sign up  
7       sheet. I will ask you to come up to the table  
8       where you see this tall microphone. Please face  
9       the court reporter. Before you give your  
10      comments state your name and address and before  
11      you give your testimony I will ask you to take  
12      an oath that what you're about to say the truth.  
13      Your testimony will be transcribed by the court  
14      reporter and considered part of the official  
15      record in this case and reviewed by the  
16      commission before the commission makes its final  
17      decision on this application. Additionally the  
18      parties to the case, including the company or  
19      Chairman Snitchler will be permitted to ask you  
20      questions about your statement.

21             If your name is called and you  
22      decide you do not want to testify, you can state  
23      pass and we'll move on to the next witness.  
24      Once you are finished testifying or if you're  
25      just here to observe you are free to leave any

1 time you wish. The Commission appreciates your  
2 participation at this hearing and wishes  
3 everyone giving a statement to have the  
4 opportunity. We would ask you to please keep  
5 your comments to a reasonable length of time.

6 COMMISSIONER SNITCHLER: We will  
7 begin calling witnesses forward. I will  
8 apologize if I mispronounce your name. I'm not  
9 the best. Our first witness is Bob Ripich.

10 (Witness sworn.)

11

12 MS. WILLEY: Please state and spell  
13 your name.

14 MR. RIPICH: My name is Robert  
15 Ripich, R-i-p-i-c-h, address is 12314 Elmwood  
16 Avenue, Cleveland, Ohio.

17 I would like to say that, first of  
18 all, my position is America Tank & Fabricating,  
19 the company I represent, vice president of  
20 facilities. I manage over 300,000 square feet  
21 in properties and buildings, over 200 employees,  
22 and we spend about a half million dollars in  
23 electricity each year. We're a steel fabricator  
24 and so we have a lot of large motors in our  
25 facilities through the Cleveland, Ohio area.



1                   Also we have been making an  
2                   investment through our facilities to be more  
3                   energy efficient. We're very happy CEI has been  
4                   supporting us through that investment through  
5                   lighting, power correction for our large machine  
6                   motors and equipment, and also made some larger  
7                   improvement in the HVAC equipment. We certainly  
8                   embrace the opportunity to stabilize rates in  
9                   the future. Industry can be very difficult at  
10                  times and it's very helpful to have the  
11                  stabilized energy costs. That's all have.

12                  MS. WILLEY: Thank you.

13                  COMMISSIONER SNITCHLER: Next up is  
14                  Natalie Ulrich. Next is Charles Laszlo.

15                  (Witness sworn.)

16                  MS. WILLEY: Would you please state  
17                  and spell your name and address for the record.

18                  MR. LASZLO: Charles Laszlo,  
19                  L-a-s-z-l-o. I'm the building operations  
20                  manager at Severance Hall. I will give you that  
21                  address, 11001 Euclid Avenue, Cleveland.

22                  With the new rate schedules we  
23                  qualified for the general subtransmission rate.  
24                  Also with the availability to shop for  
25                  generation suppliers this lowered our costs. We

1 participated in the FirstEnergy non-standard  
2 lighting incentives for business program. This  
3 added to the overall cost savings by lowering  
4 electrical usage for lighting in our public and  
5 back of house spaces. The changing of our rate  
6 schedule, selecting a generation supplier, and  
7 participation in the lighting incentives for  
8 business program have reduced our overall  
9 electrical costs by approximately 50 percent  
10 over the past four years.

11 FirstEnergy continues to be  
12 efficient in the restoration process when our  
13 power goes out. They have also established not  
14 only good business relationship with us, but  
15 continue to maintain excellent communication  
16 with us during power outages and planned  
17 shutdowns. Thank you.

18 COMMISSIONER SNITCHLER: Our next  
19 witness Patricia McKenna.

20 (Witness sworn.)

21 MS. WILLEY: Thank you. Would you  
22 please state and spell your name and give your  
23 address for the record.

24 MS. McKENNA: Patricia McKenna,  
25 M-c-K-e-n-n-a, 20110 Lorain Road, Fairview Park,

1 Ohio.

2                   Okay. My name is Patricia McKenna.  
3 I'm a customer of the Illuminating Company. I'm  
4 here today to put on public record my request  
5 that the commission continue to the one year  
6 rate guarantee policy rather than changing to a  
7 three year plan. This coupled, with the  
8 commitment from FirstEnergy to invest in  
9 renewable energy and energy efficiency education  
10 to exceed Ohio's minimum regulations. And, and  
11 this is a big and, and I ask that we have a  
12 public commitment from the Commission that they  
13 will without delay hold FirstEnergy for the  
14 dollars they have not spent on energy  
15 efficiency.

16                   I urge the commission to say no and  
17 not allow this company to collect the hard  
18 earned money from our pockets yet again. With  
19 more investments going into renewable energy  
20 FirstEnergy by every company but FirstEnergy  
21 prices will ultimately go down and none of us  
22 wants to continue to pay a higher rate than  
23 necessary which is what could happen with a  
24 three year rate guarantee at this point in time.

25                   FirstEnergy's complete and utter

1       arrogance with respect to Ohio's regulations and  
2       our Public Utilities Commission refusal to hold  
3       the company accountable for their actions or  
4       lack thereof is simply unacceptable. I have no  
5       doubt in my mind what would happen to me if I  
6       were to violated the law dumped as much mercury  
7       and toxins in our air and water as FirstEnergy  
8       as dumped. I doubt I could simply ask for yet  
9       another waiver this year. I would be in jail if  
10      not tarred and feathered in Public Square and  
11      burned at the stake and deservedly so.

12               I'm note in agreement with the way  
13      the United States handles these types of  
14      situations. My suggestion is that we stop  
15      slapping the wrists and granting waivers to  
16      these law breakers and start revoking licenses  
17      to operate in the U.S. there are hundreds of  
18      companies out there chomping at bit to get a  
19      piece of the renewable energy action.  
20      FirstEnergy, quite obviously, does not have any  
21      interest in evolving into that future. I say we  
22      move ahead with progressive energy companies and  
23      allow FirstEnergy to apostatize.

24               To conclude, FirstEnergy is not  
25      ready to provide its customers a fair, just and

1 reasonable rate. The company is not will to  
2 pursue savings for its customer without a  
3 windfall profit somewhere in the pages. So I'm  
4 here today to ask the Commission to insist that  
5 this company start complying with Ohio  
6 regulations starting tomorrow morning and stick  
7 to the one year rate plan. Thank you.

8 COMMISSIONER SNITCHLER: The next  
9 witness tonight is Tom Mendelsohn.

10 (Witness sworn.)

11 MS. WILLEY: Please state your name  
12 and address for the record.

13 MR. MENDELSON: My name is Tom  
14 Mendelsohn, T-o-m M-e-n-d-e-l-s-o-h-n. I would  
15 like to start by giving you a couple of  
16 vignettes. At the beginning of the Fuel Fund  
17 Assistant Program for the Empowerment Center of  
18 Greater Cleveland a woman came in with a request  
19 for assistance with her light bill. Her  
20 neighbor had been allowing her to plug into  
21 their electricity with an industrial size  
22 extension cord so she could cook food for her  
23 children and keep a breathing machine  
24 functioning for one of her children that had  
25 asthma. The Fuel Fund enabled the individual

1 electricity service to be reconnected.

2 Ms. S came to our offices  
3 overwhelmed with what she was facing as a result  
4 of her daughter being forced to leave her  
5 apartment at a different address. She used her  
6 own income to help her daughter with relocation  
7 expenses. Mrs. S was left with insufficient  
8 income to cover her utility bill. ECGC, with  
9 the help of the Fuel Fund, was able to process a  
10 payment for her electricity.

11 One more vignette. Mr. B had been a  
12 victim of a robbery and unfortunately all his  
13 income for the month was in his wallet after  
14 cashing his monthly check at the bank.  
15 Consequently he did not have enough funds to pay  
16 his electric bill. He came to the empowerment  
17 Center where arrangements were made to cover his  
18 bill.

19 FirstEnergy initiated a fuel fund in  
20 2009 to provide emergency assistance for the  
21 payment of electric bills beginning in 2009.  
22 Each year since then FirstEnergy has allocated  
23 funding to assist the residents of northeast  
24 Ohio living on low incomes to pay balances for  
25 their electric bills. Three agencies, Cleveland

1     Housing Network, Consumer Protection  
2     Association, and the Empowerment Center of  
3     Greater Cleveland, also known as the Citizens  
4     Coalition, received approval to provide  
5     assistance for CEI customers. Each year  
6     thousands of consumers across the thresholds of  
7     our offices seeking assistance with their  
8     utility bill payments. The fuel fund helps both  
9     our consumers and FirstEnergy because it  
10    ultimately reduces the debt burden for the  
11    consumer, for the utility and for the community.

12             The funding provided by FirstEnergy  
13    has benefited low income residents of Cuyahoga  
14    County, Geauga, Lake, Ashtabula, Lorain, as well  
15    as other several surrounding counties in  
16    northeast Ohio. Recipients of this assistance  
17    must have -- may have incomes up to 200 percent  
18    of the federal poverty guidelines. This is a  
19    basic need safety net program which prevents  
20    housing insecurity for individuals living on low  
21    incomes.

22             It is critical this program  
23    continues to provide assistance for people  
24    living in poverty. Due to daily living  
25    constraints many impoverished people face it's

1 not uncommon for them to have to chose between  
2 buying food for their family or paying their  
3 medical expenses or provide -- to use their  
4 funds for transportation for work or paying  
5 their utilities. The fuel fund provides some  
6 critical relief by helping families address  
7 their utility assistance needs.

8 On behalf of the Empowerment Center  
9 of Greater Cleveland, the Consumer Protection  
10 Association, the Cleveland Housing Network,  
11 collectively known as the Citizens Coalition, I  
12 urge the PUCO to approve the plan to extend the  
13 period of time for the standard service offer to  
14 extend through 2016. This will enable more low  
15 income residents to receive emergency utility  
16 assistance sustaining their services and  
17 preventing insecurities in their housing. Since  
18 2009 Consumer Protection has assisted 4,917  
19 individuals as a result of the funding provided  
20 by the Fuel Fund. Since 2009 the Empowering  
21 Center of Greater Cleveland just assisted under  
22 6,000 individuals as a result of the funding  
23 support provided by the fuel fund to date.  
24 Figures for Cleveland Housing Network can be  
25 forward following tonight's meeting. I did not



1 have it in time for tonight's meeting. Signed  
2 and submitted by Tom Mendelsohn. Thank you.

3 COMMISSIONER SNITCHLER: Our next  
4 witness is Sue Steigerwald.

5 (Witness sworn.)

6 MS. WILLEY: Please state your name  
7 and give your address for the record.

8 MS. STEIGERWALD: My name is Sue  
9 Steigerwald. My address is 10731 Beachwood  
10 Drive Kirtland, Ohio 44094.

11 As founder of CKAEP, Citizens for  
12 Keeping the All Electric Promise, I am concerned  
13 about the effects of this ESP and stipulation  
14 for all customers, but especially for electric  
15 heating customer like myself and the other  
16 205,000 across northeast Ohio. Electric heating  
17 customers use three times as much for an average  
18 of 26,000 kilowatts annually, where gas heating  
19 customers use an average about 9,000 kilowatts  
20 annually. During the winter months an electric  
21 heating customer can easily use 3,000 to 5,000  
22 kilowatts compared to 750,000 kilowatts that a  
23 typical customer uses. I bring this to your  
24 attention now so that you can carefully consider  
25 the billing pacts of any volumetric riders of

1 the CSP such as rider DCR especially to the  
2 winter heating bills of electric heating  
3 customers.

4 As part of the second ESP the  
5 Commission approved in 2010 they approved the  
6 accelerated collection of rider RDD which along  
7 with the elimination of some electric heating  
8 discounts dramatically increased the winter  
9 heating bills of electric heating customers by  
10 as much as 100 percent. When questioned during  
11 a hearing by Representative Lundean in February  
12 2010 then chief of staff Steven Musser admitted  
13 the Commission did not fully understand the bill  
14 impasse to electric heating customers of the  
15 changes it approved. Further investigation into  
16 the matter showed this to be true for many  
17 reasons but mainly because FirstEnergy failed to  
18 provide billing pacts for the electric heating  
19 customers and some of the regulatory agencies  
20 appeared to have no idea electric heating  
21 customers used that much energy. I bring this  
22 up to make sure the same mistakes were not made  
23 again.

24 There are many areas of concern in  
25 this stipulation. The first area is that as

1 usual FirstEnergy arrogantly asked for expedited  
2 approval of the settlement which as filed the  
3 very same day the application was filed. Since  
4 then 16 other have intervened and they as well  
5 as the Commission deserve the full 275 days to  
6 evaluate this proposal. Additionally,  
7 FirstEnergy is asking to change the bid process  
8 for three years. They claim they want to do  
9 this to benefit customers by locking in  
10 historically low prices. However, in my opinion  
11 FirstEnergy never does anything to benefit the  
12 customer unless it equally benefits themselves.  
13 Expert testimony already filed in this case  
14 shows how it's just as likely generation costs  
15 to consumers will go up as it would go down if  
16 the auction is changed to three years. This is  
17 because of the uncertain of the ATSI zone market  
18 due to plant closings and transmission upgrades.  
19 If this happens FirstEnergy Solutions, a  
20 subsidiary of FirstEnergy, stands to profit  
21 greatly from the cautious bids of suppliers  
22 outside of the ATSI zone.

23 Another part of the ESP and  
24 Stipulation that is problematic is FirstEnergy's  
25 request to exclude deferred interest income that

1     should be counted when testing for significantly  
2     excessive profits. This should be an easy one  
3     for the Commission to reject because it already  
4     set precedent in the 2009 AEP Ohio's case where  
5     it ruled deferred interest income should not be  
6     excluded.

7                 There are two parts to the  
8     stipulation that should be fully rejected and  
9     handled outside of the ESP as separate issues.  
10    The first is the distribution of lost revenues  
11    from energy efficiency programs, which as stated  
12    could allow FirstEnergy to collect hundreds of  
13    millions of dollars. Likewise, a continuation  
14    of the DCR rider should be handled in a separate  
15    case where it can be fully understood by all  
16    parties whether or not FirstEnergy really needs  
17    an additional 405 million dollars in  
18    distribution system investments that will be  
19    passed along to unsuspecting customers.

20                I end my testimony by explaining  
21    that I reviewed all the 339 page of documents  
22    FirstEnergy filed with this ESP application and  
23    stipulation, including the expert testimony and  
24    all the exhibits; yet again nowhere did I find  
25    any explanation of expected bill impacts to

1 customers. When I first became an advocate for  
2 all electric homeowners, it ws shocking to me  
3 that the Commission actually approved the 2010  
4 ESP without fully understanding bill impacts.  
5 I've also learned how extremely complicated rate  
6 setting is and how FirstEnergy manipulates other  
7 parties to follow its wishes. I remind the  
8 Commission that all the general public cares  
9 about is what is my bill going to be at the end  
10 of the month. It's the Commission's job to know  
11 what the bill impacts are and to protect the  
12 general interest of the customer. I urge the  
13 Commission to request expected bill impact from  
14 FirstEnergy for all customers, but especially  
15 for electric heating customers before it  
16 approves any part of this ESP for stipulation.

17 COMMISSIONER SNITCHLER: Our next  
18 witness tonight is Connie Kline.

19 (Witness sworn.)

20 MS. WILLEY: Please state and spell  
21 your name and give your address.

22 MS. KLINE: Connie Kline,  
23 C-o-n-n-i-e K-l-i-n-e, 38531 Dodds Landing  
24 Drive, Willoughby Hills, Ohio.

25 For a bit of levity I have a couple

1 props here for you, but I assure you my  
2 testimony is dead serious. The cartoons are  
3 also on the reverse side of the testimony.

4 I want to thank you for the  
5 opportunity to address the PUCO today, although  
6 I'm unsure why I keep testifying at these  
7 proceedings because the residential consumer's  
8 voice and trust seemed to be ignored at best and  
9 violated at worse. It would be so refreshing if  
10 residential ratepayers received some PUCO  
11 protection against FirstEnergy's assaults, as I  
12 like to call them. The theme of my testimony is  
13 the big screw as depicted in these two cartoons.

14 I'm an all electric customer in the  
15 greater Cleveland area who got royally screwed  
16 with the PUCO decision in case no. 10-388-EI-SSO  
17 to allow FirstEnergy to drastically shorten the  
18 calendar time to which the residential  
19 generation credit applies and eventually phase  
20 out and eliminate the credit altogether.

21 While the PUCO had no control over  
22 last moth's PJM capacity auction, apparently the  
23 chairman has acknowledged that FirstEnergy's  
24 announcement of the four coal plant closings so  
25 close to the auction drove up bidding prices.

1 To add insult to injury, during peak demand  
2 times, prices will be two and a half times  
3 higher in the greater Cleveland service  
4 territory due to transmission congestion, a  
5 problem FirstEnergy neglected for years.  
6 Screwed again.

7 Because FirstEnergy wants to hold an  
8 auction to secure generation rates for three  
9 rather than one or two years, market uncertainty  
10 compound by the coal plant closings, could cause  
11 bidders to further drive up prices because they  
12 do not want to assume risks and commit to prices  
13 that far out. According to the OCC FirstEnergy  
14 has failed to estimate the impact on customers'  
15 bills by the competitive bidding process.  
16 Screwed again.

17 FirstEnergy is seeking up to 405  
18 million dollars over two years for distribution  
19 costs without specifying what reliability  
20 improvements will be made. In 2009's full  
21 review of distribution costs the utility could  
22 only justify -- that should be a dollar sign --  
23 137 million dollar increase or 40 percent of the  
24 request. FirstEnergy has to revise its  
25 reliability standards by 2014 and should be

1 mandated to complete this review before  
2 customers are screwed any more by increased  
3 distribution charges.

4 Lastly, FirstEnergy wants to exclude  
5 deferred interest income that should be counted  
6 when testing for excessive profits which would  
7 further screw customers. If this income was  
8 excluded, customers might actually receive a  
9 refund. Thank you.

10 MS. WILLEY: Thank you.

11

12 COMMISSIONER SNITCHLER: Your next  
13 witness Randal Jones.

14 (Witness sworn.)

15 MS. WILLEY: Please state and spell  
16 your name and give your address.

17 MR. JONES: My name is Randall  
18 Jones, J-o-n-e-s, 4136 Creek Road in Conneaut,  
19 Ohio 44030.

20 Good evening. As I said my name is  
21 Randy Jones. I'm the executive director of the  
22 United Way of Ashtabula. Our United Ways raises  
23 funds for 23 charities operating within  
24 Ashtabula county.

25 There were 708 foreclosure filings



1       in Ashtabula. Ashtabula has the eighth highest  
2       foreclosure rate of all counties in Ohio. You  
3       might ask why I would present such facts at this  
4       meeting concerning FirstEnergy's electric  
5       security plan proposal. I offer these  
6       statistics because our United Way and our  
7       partner agencies such as Legal Aid, Community  
8       Action, Catholic Charities, and others work with  
9       families to help them avoid foreclosure. This  
10      keeps families from financial catastrophe and  
11      helps stabilize neighborhoods.

12               United Way agencies assist low  
13      income families who struggle with utility bills  
14      or who need their homes weatherized. We can do  
15      this these in part because of the generosity of  
16      FirstEnergy and FirstEnergy employees.

17               Our United Way recently announced  
18      that it would provide \$570,000 to Ashtabula  
19      County charities in the coming year.  
20      FirstEnergy and its employees provided \$62,000,  
21      or 11 percent of that total through their  
22      pledges to our United Way. Those pledges will  
23      provide much more than foreclosure and energy  
24      assistance mentioned earlier. It will support  
25      home delivered meal programs for the elderly,

1 recreational and educational opportunities for  
2 children, mentoring programs for adolescents,  
3 and protection for the most vulnerable in our  
4 community.

5 And it's not just Ashtabula County  
6 that benefits from the generosity shown by  
7 FirstEnergy. Under the proposed two year  
8 extension of the Electric Security Plan  
9 FirstEnergy will continue to provide 10 million  
10 dollars in economic development and assistance  
11 to low income customers throughout the region,  
12 including \$4.5 million to assist low income  
13 customers from Fuel Fund contributions and \$5  
14 million for low income weatherization and energy  
15 efficiency programs. The proposed Electric  
16 Security Plan would also support our neediest  
17 electric customers by offering those in the  
18 Percentage of Income Payment Plan a 6 percent  
19 discount off their electricity rate.

20 I encourage you to support  
21 FirstEnergy's proposed Electric Security Plan  
22 because it will help FirstEnergy remain  
23 competitive. A competitive FirstEnergy will  
24 continue to provide high quality, high paying  
25 jobs which our communities desperately need. It

1 will also guarantee that this company and its  
2 employees will continue their generous support  
3 to the communities in which they operate. Thank  
4 you.

5 COMMISSIONER SNITCHLER: Our next  
6 witness is Mary Alice Frank.

7 (Witness sworn.)

8 MS. WILLEY: State and spell your  
9 name and give.

10 MS. FRANK: My name is Mary Alice  
11 Frank, M-a-r-y A-l-i-c-e F-r-a-n-k, 3747 Euclid  
12 Avenue, Cleveland, Ohio 44115.

13 As I said my name is Mary Alice  
14 Frank, chief executive officer of the American  
15 Red Cross in northeast Ohio. I'm here to  
16 testify in support of FirstEnergy's proposal to  
17 extend its current electric rate plan through  
18 2016.

19 The Red Cross has enjoyed a valuable  
20 partnership with FirstEnergy for several  
21 decades. Our missions are in alignment with  
22 each other in the emergency work both of our  
23 organizations perform, so we have a great deal  
24 of respect for their professionalism in dealing  
25 with natural disasters and keeping their

1 facilities running 24/7 under challenging  
2 conditions. They are an excellent community  
3 partner that takes their responsibility to  
4 customers and communities very seriously.

5 Not only do they respond swiftly  
6 when power is interrupted by storms, they have  
7 provided much needed financial support to  
8 further the mission of the American Red Cross.  
9 Since 1985 FirstEnergy has donated \$1,235,304 to  
10 the American Red Cross. This includes operating  
11 support across our region, as well as event  
12 sponsorship, matches to employee gifts, and  
13 disaster support. We find the support we  
14 receive from FirstEnergy to be invaluable. By  
15 extending the rate plan, FirstEnergy will be  
16 able to maintain its high standard of service  
17 and community investment. And they will  
18 accomplish this while keeping their base  
19 distribution rates frozen at their current  
20 levels.

21 I lend my support to FirstEnergy's  
22 ESP. We encourage the Public Utilities  
23 Commission to approve this request because we  
24 believe that extending the plan through 2016 is  
25 in the best interest of Ohio communities and

1 businesses. Thank you.

2 COMMISSIONER SNITCHLER: Our next  
3 witness is Joann Randall.

4 (Witness sworn.)

5 MS. WILLEY: Please state and spell  
6 your name.

7 MS. RANDALL:

8 A. Joann, J-o-a-n-n, Randall,  
9 R-a-n-d-a-l-l, 8124 Weston Drive, Chagrin Falls,  
10 Ohio. I am the resource and volunteer manager  
11 at United Way Services of Geauga County. I'd  
12 like to express my full support for  
13 FirstEnergy's ESP proposal.

14 United Way Services of Geauga County  
15 has had a strong community partnership with  
16 FirstEnergy for more than a decade. FirstEnergy  
17 has partnered with United Way not only with  
18 dollars but with service too.

19 Mia Moore, director of external  
20 affairs, was a member on our board of directors  
21 for eight years. While on the board she served  
22 as the marketing committee chairperson and spent  
23 two years as a campaign chairperson. Mia was  
24 instrumental in helping United Way reach  
25 campaign goals in 2006 of over \$610,000 and in

1 2007 of over \$678,000. FirstEnergy is currently  
2 represented on our board by FirstEnergy Employee  
3 Bill Snyder.

4 FirstEnergy employees have actively  
5 engaged in volunteerism through the United Way  
6 in multiple days of caring, including washing  
7 windows at the YMCA in Munson Township, painting  
8 at the Therapeutic Riding Center in Bainbridge,  
9 and building a playground in conjunction with  
10 the Geauga County Metropolitan Housing  
11 Authority.

12 The assistance provided to many of  
13 our community members through the PIPP program  
14 cannot be under estimated. In 2012 over 1,200  
15 Geauga County families were enrolled in PIPP.  
16 If this program was unavailable, other social  
17 services in the county would have to make up the  
18 gap. This would greatly impact the most  
19 vulnerable members of our community.

20 In terms of dollars, FirstEnergy has  
21 been extremely generous. The tens of thousands  
22 of dollars contributed yearly add greatly to the  
23 United Way to meet community needs. These  
24 donations are made up of employee contributions  
25 and corporate gifts through FirstEnergy

1 Foundation an add up to more than \$283,000 since  
2 2001.

3 Most recently FirstEnergy Foundation  
4 responded to a tragedy in our county by  
5 contributing to the Chardon Healing Fund which  
6 goes toward the healing of Geauga County in  
7 response to the recent Chardon High School  
8 shooting.

9 Thank you for the opportunity to  
10 speak on behalf of the partnership between  
11 United Way Services of Geauga County and  
12 FirstEnergy. We encourage the commission to  
13 approve this plan. Thank you.

14 COMMISSIONER SNITCHLER: The next  
15 witness tonight is Noreen Kuban.

16 Brian Anderson? Is Brian still  
17 here? We'll come back to Brian. Laura Jones?  
18 Betty, I'm going to wreck your last name,  
19 Kimbreis? Pass as well.

20 Mark Helzer?

21 (Witness sworn.)

22 MS. WILLEY: State and spell your  
23 name and give your address for the record.

24 MR. HELZER: Mark Helzer, M-a-r-k  
25 H-e-l-z-e-r, 2721 East 90th Street, Cleveland,

1 Ohio.

2 I am the project coordinator for  
3 Micelli's Dairy Product. We're a family-owned  
4 business, the largest privately held ricotta  
5 maker in the United States, and we employ  
6 approximately 150 employees in our facility in  
7 Cleveland, and we are going through an  
8 expansion, 16 million dollar plus expansion at  
9 our facility.

10 We've worked extensively with  
11 FirstEnergy obtaining the necessary power to do  
12 this project through this expansion. We went  
13 from 750 KVA up to 5 megawatt mix unit, which is  
14 a modular integrated transmission transformer  
15 substation. It's the first one FirstEnergy put  
16 in, and they've worked with us quite closely to  
17 obtain the necessary power to do this project.  
18 At this point we went from the local 5 KVA up to  
19 the 36,000 volt subtransmission lines. By doing  
20 that, that will allow us to shop for competitive  
21 rates through the open market.

22 And also in addition that it gets us  
23 on a more reliable power source. The local  
24 lines, people hitting the pole, a storm, we  
25 would be down, our production goes down and it's



1 quite costly. By ownership on the  
2 subtransmission line it's a more reliable power  
3 source for production needs.

4 Micelli is currently reviewing the  
5 current pending and future energy efficient  
6 projects working with a third-party vendor and  
7 FirstEnergy for credits on our energy  
8 efficiency. Our expansion, we're in a  
9 transition period right now, our expansion is  
10 included in a lot of these projects. And we're  
11 looking to turn a lot of our existing facilities  
12 into a more efficient lighting and motors and  
13 power correction equipment. So they've worked  
14 with us on different projects.

15 Micelli's is always looking for  
16 economic development opportunities through  
17 grants, through loans, through our local  
18 utilities, business community, banks, financial  
19 institutions.

20 So Micelli's supports FirstEnergy's  
21 request for extending the ESP. I thank you for  
22 the opportunity to speak before the commission.

23 COMMISSIONER SNITCHLER: Our next  
24 witness is Thomas Gruen.

25 (Witness sworn.)

1 MS. WILLEY: Please state and spell  
2 your name and give your address.

3 MR. GRUEN: Thomas Gruen, G-r-u-e-n,  
4 Habitat for Humanity, Newbury, Ohio. As stated,  
5 my name is Thomas Gruen, I'm president of the  
6 board of trustees of Habitat for Humanity. With  
7 me is Betty Kimbrew who is executive director of  
8 our affiliate.

9 We are here to support the role that  
10 FirstEnergy has played in its community outreach  
11 programs. Habitat for Humanity builds or  
12 rehabilitates homes for low income families in  
13 need of safe and decent homes. Families are  
14 selected by meeting three criteria: Need,  
15 willingness to partner with us, and ability to  
16 pay no-interest mortgage. The selective family  
17 works up to 400 hours on their home, often  
18 side-by-side with our construction crews in the  
19 office or at our ReStore, depending on their  
20 abilities. Once their home is finished,  
21 families pay a monthly no-interest mortgage and  
22 become members of their community with pride of  
23 homeownership.

24 The money for constructing these  
25 homes comes in large part from local donations.

1 Over the last ten years FirstEnergy has been a  
2 significant contributor to our program in Geauga  
3 County providing a substantial amount of money  
4 needed to build a house. In addition,  
5 volunteers from the company have donated their  
6 time working with our construction crews or  
7 helping in the office or at the ReStore.

8 FirstEnergy has been prompt in  
9 getting us connected to both temporary and  
10 permanent power in our construction site and  
11 adjusting to our construction schedule, often  
12 responding on short notice.

13 FirstEnergy has guided us  
14 establishing the standards for constructing  
15 energy-efficient homes. All of the new homes  
16 built in the last five to seven years have been  
17 rated five star energy efficient homes, the  
18 highest rating possible. The energy efficient  
19 homes greatly reduce the cost of heating and  
20 cooling saving money for our families.

21 We are grateful for FirstEnergy's  
22 community support program and appreciate the  
23 help they have given our affiliates. We hope  
24 that we will be able to continue their programs  
25 and support them in their ESP endeavor. Thank

1 | you.

2 COMMISSIONER SNITCHLER: The next  
3 witness Paul Harris.

4 (Witness sworn.)

5 MS. WILLEY: Please state and spell  
6 your name and give our.

7 MR. HARRIS: Paul Harris, P-a-u-l  
8 H-a-r-r-i-s, 9554 Bainbridge Road, Chagrin  
9 Falls, Ohio.

10                   It's a privilege to be here to  
11       represent the Geauga County Fair.  On behalf of  
12       the fair we would like to convey our support of  
13       FirstEnergy's electric security proposal.

14                   The Geauga County Fair is Ohio's  
15    oldest fair celebrating it's 190th year.  The  
16    grounds are located Burton, Ohio, the center of  
17    Gauga County.  The five day annual event has an  
18    attendance in excess of 225,000 people each  
19    year.

20                   The fair has enjoyed a strong  
21       working relationship with FirstEnergy over the  
22       years and has benefited directly from the  
23       community support programs by way of equipment  
24       donations that and equipment retiree programs.

25                   The fairgrounds has also been used

1 as a training facility for FirstEnergy employees  
2 through a large line installation project that  
3 expanded to our campground and provide service  
4 to that area.

5 The fair is a bit different than  
6 most in regards to usage s it is constant and  
7 mostly moderate through the year. As the fair  
8 rolls around over Labor Day weekend we need  
9 exceed the exceed the capacity on the grounds  
10 for those five days of that event. This poses  
11 challenges as you can imagine and FirstEnergy  
12 has always been there to answer our calls for  
13 help. They have been there willing to come to  
14 the grounds at a moment notice and help us with  
15 any dilemma we may have.

16 The fairground are used throughout  
17 the year by the entire community and during the  
18 fair we have always believed that an investment  
19 in the fair is an investment in the community.  
20 This is a policy that FirstEnergy has supported  
21 through their programs with us.

22 It is our firm belief based on our  
23 working relationship with company that they have  
24 everyone's best interest in mind with this  
25 proposal and have our complete support. Thank

1       you.

2                   COMMISSIONER SNITCHLER:   The next  
3       witness is Colleen Orsburn.

4                   (Witness sworn.)

5                   MS. WILLEY:   Please state and spell  
6       your name and give your address for the record.

7                   MS. ORSBURN:   Colleen Orsburn,  
8       C-o-l-l-e-e-n O-r-s-b-u-r-n, my address is 395  
9       Lindenwood Avenue, Akron, Ohio.

10                   Good evening.   I am an Ohio Edison  
11       customer, Ohio Edison being one of the operating  
12       companies for FirstEnergy.   I would like to  
13       thank the commission for the opportunity to  
14       address one of the issues before it.

15                   Most of us here have agreed about  
16       the benefits of energy efficiency.   The three  
17       monetary benefits to ratepayers include, first,  
18       lowering our electric bills due to reduced use;  
19       second, delayed cost of new power plant  
20       construction due to reduced demand; and, third,  
21       payment in the PJM capacity market for delivered  
22       efficiencies that offset future peak demand.

23                   As FirstEnergy has no market  
24       competition ratepayers here must rely on  
25       FirstEnergy to act on our behalf and on this

1 Commission to protect our interest. In order to  
2 obtain energy efficiency's third monetary  
3 benefit to ratepayers, those payments to the PJM  
4 capacity market FirstEnergy must participate  
5 fully in that market. To date, FirstEnergy has  
6 bid into that market only a small fraction of the  
7 efficiency resources its territory has acquired  
8 and will continue to acquire under the  
9 requirements of Ohio's energy efficiency  
10 standard. By participating only minimally in  
11 the capacity market, FirstEnergy has left tens  
12 of millions of dollars ratepayers savings on the  
13 table.

14 As a ratepayer I am requesting that  
15 the Commission require FirstEnergy to  
16 participate fully in future PJM capacity market  
17 auctions and that the Commission support that  
18 participation with technical assistance and  
19 intrastate and interstate cooperation. Thank  
20 you.

21 COMMISSIONER SNITCHLER: Our next  
22 witness tonight is Andrew Grant.

23 (Witness sworn.)

24 MS. WILLEY: Please state and spell  
25 your name and give your address.

1                   MR. GRANT: Andrew Grant, G-r-a-n-t,  
2                   170 Overwood Road, Akron, Ohio.

3                   My name is Andrew Grant. I'm a  
4                   principle of Biomass Power Projects, a developer  
5                   of construction of small apartments, formerly a  
6                   manager of Babcock and Wilcox, and formerly a  
7                   manager of FirstEnergy's combined utility CHP  
8                   Development Group.

9                   My comments tonight are in reference  
10                  to both the FirstEnergy's proposal to replace  
11                  its outdated Lake Erie power plant with a one  
12                  billion dollar transmission upgrade at our  
13                  expense and also the ongoing FirstEnergy demand  
14                  fees and standby costs that are Ohio CHP  
15                  customers have to pay even if the customer never  
16                  uses the standby power.

17                  First, I recommend that the PUCO  
18                  examine as a replacement for the Lake Erie plant  
19                  use of CHP cogeneration specifically used in the  
20                  state of Texas. In the 1980s this was an issue  
21                  opposed by state utilities in Texas but  
22                  experience soon showed, A, that individual CHP  
23                  units have a liability than the individual  
24                  central utility plan, and B, that a fleet of CHP  
25                  is 100 percent available at 94 to 96 percent of



1 its capacity. Such gas fired CHP units which  
2 operate and are sold to private industry for  
3 instance like the industry in Ashtabula can more  
4 than replace the Lake Erie plant and use cheap  
5 Ohio natural gas, but not if utilities are  
6 allowed to continue to charge standby costs a  
7 deliberate barrier to CHP.

8 Second, I direct the PUCO's  
9 attention to southern company's program via it's  
10 subsidiary Georgia Power to replace peak  
11 capacity in Atlanta when the local coal  
12 foundries were shut down to eliminate air  
13 pollution. Georgia Power enrolled all the CHP  
14 in Atlanta to be dispatched to meet peak power  
15 demand. This has been a successful, low-cost  
16 program.

17 Gas fired CHPs today are comparable  
18 with installing a building HVAC system, that is  
19 they are now routine activity. Think enable our  
20 commercial buildings to meet the LEED standards  
21 for green construction and they save lots of  
22 cash for manufacturers such as our plant did in  
23 Ashtabula. We can expect wide-spread use of gas  
24 engine generators, micro turbines, regular gas  
25 turbines, and a few fuel cells. All except the

1 largest CHP installations at steel mills and  
2 chemical plants will use standard manufactured  
3 equipment. Utility connections are by a  
4 standard IUU and they help to build our small  
5 grids. Should higher gas prices return  
6 high-efficiency CHP units will protect our busy  
7 economy as AEP recently did with its purchase of  
8 the Fremont combine cycle plant.

9 I urgently request the PUCO to  
10 withdraw utility standby costs and demand fees  
11 for CHP units as a vital public service and also  
12 to hold utility fees to low cost accelerated  
13 inter-connection proceedings for CHP units of  
14 all substances. Thank you.

15 COMMISSIONER SNITCHLER: Next up is  
16 Dave Simons.

17 (Witness sworn.)

18 MS. WILLEY: Please state and spell  
19 your name and give your address for the record.

20 MR. SIMONS: Dave Simons, D-a-v-e  
21 S-i-m-o-n-s, I'm at 2361 Eaton Road, University  
22 Heights 44118. I'm representing the Ohio Sierra  
23 Club energy committee today. I'm also  
24 representing a new nonprofit start-up in  
25 Cleveland called the Cleveland 2030 district

1       which is an affiliate Architecture 2030. Both  
2       cases both organization have the goal of  
3       furthering beyond government energy by all means  
4       possible as quickly as possible. The case of  
5       the Cleveland 2030 District we're technical  
6       providers of building efficiency services and  
7       encouraging that in Cleveland.

8               First of all, we would like to thank  
9       the PUCO for in the recent past ordering  
10      FirstEnergy to implement all cost effective  
11      efficiency measures as soon as possible. We  
12      feel the potential for such efficiency  
13      investment exceeds probably half of all the  
14      energy we're using that we can cost effectively  
15      replace with efficiency techniques.

16             We have begun to implement that and  
17      we certainly can be implementing energy  
18      efficiency at a much faster rate than is  
19      required currently by Ohio law, and that would  
20      be the most cost effective means to move  
21      forward. It's cheaper to provide energy  
22      efficiency as a means of providing power than it  
23      is to provide new power or transmission of new  
24      power from any other source.

25             There are many techniques by which

1 we could enhance that. FirstEnergy has really  
2 fallen behind the other major utilities in Ohio  
3 in terms of it exceeding the requirement of the  
4 efficiency standard and could very easily cost  
5 effectively ramp up those efforts. We could  
6 start with -- we could have utilities provide  
7 level three energy efficiency on its -- for  
8 anybody who wants it, businesses, industry,  
9 homeowners. An investment of that type would  
10 be -- would much, more than pay for itself, much  
11 more than meet the three-to-one payment standard  
12 we now have for energy efficiency investment.  
13 We could ramp up energy efficiency instead of  
14 keeping open out motored, worn out, inefficient  
15 old coal fire power plant at great expense. We  
16 regard FirstEnergy's shutting of those plants  
17 prior to the requirement to shut them and then  
18 in effect compelling PJM to order them to remain  
19 open is a market manipulation that should not be  
20 allowed to stand and the PUCO should easily see  
21 through.

22 That the investment in transmission  
23 capacity, it depends on what we would like to  
24 see investments in energy transmission capacity  
25 that link central and western Ohio's wind rich

1 territories with the load demand in this area  
2 much more than we would like to see transmission  
3 capacity increasing transmission from other coal  
4 fired or coal fire plants elsewhere in the  
5 system. FirstEnergy has specific other means of  
6 meeting peak demands, and I guess this is really  
7 about meeting peak demands. We would like to  
8 see FirstEnergy complete the project at Norton  
9 of the compressed air storage facility which  
10 could yield hundreds of megawatts in capacity to  
11 assist them and would make the western Ohio wind  
12 resources dispatchable for capacity. And there  
13 are many more things we could go into with  
14 regard to this.

15 We would like PUCO to take a much  
16 more active role in guiding FirstEnergy's  
17 investment strategies going forward so we don't  
18 waste our money on ineffective energy means.  
19 Thank you.

20 COMMISSIONER SNITCHLER: Our next  
21 witness tonight is Matt Brakey.

22 (Witness sworn.)

23 MS. WILLEY: Please state and spell  
24 your name.

25 MR. BRAKEY: My name is Matt Brakey,

1 B-r-a-k-e-y. My address is 1530 Kew Road, Kew  
2 Cleveland Heights Ohio. As I said before my  
3 name is Matt Brakey. I'm president of Brakey  
4 Energy. My company provides comprehensive  
5 energy management services to some of the  
6 largest users of energy here in the state of  
7 Ohio. Here in the greater Cleveland area we  
8 work with Progressive Insurance, Greater  
9 Cleveland Regional Transit Authority, Cleveland  
10 Water Department, American Greetings, Micelli's  
11 Dairy Products to name a few. I am also  
12 chairman of the Industrial Energy Users of Ohio  
13 and we have come out in support of FirstEnergy's  
14 ESP and recommend that the commission approve  
15 it.

16 From a practical matter there would  
17 be very little difference whether the Commission  
18 approved or rejected the ESP. Rates are still  
19 going to be determined by an auction process.  
20 The capacity are going to be set by PJM. SB-221  
21 energy efficient mandates are going to remain.  
22 FirstEnergy is going to have to meet those  
23 independent of those ESP processes.

24 All of our client really without  
25 exception have seen their rates fall

1 significantly compared to what they were paying  
2 years before. Competition is working. The  
3 generation markets are at ten-year lows. Unlike  
4 some other utilities in the state of Ohio where  
5 they're seeing rates go up under quasi-regulated  
6 state, FirstEnergy continues to see rates go  
7 down.

8 I think approving the ESP will be  
9 good for Ohio ratepayers and it would be my  
10 recommendation that the Public Utilities  
11 Commission do so.

12 MS. WILLEY: Thank you.

13 COMMISSIONER SNITCHLER: Next up  
14 tonight is Tom Waltermire.

15 MS. WILLEY: would you please state  
16 and spell your name and give your address for  
17 the record.

18 MR. WALTERMIRE: Thomas Waltermire,  
19 W-a-l-t-e-r-m-i-r-e, president and CEO Team  
20 Northeast Ohio. Thank you for the opportunity  
21 to address you this evening.

22 Our organization is an economic  
23 development group representing 18 counties of  
24 northeast Ohio. Our principle task is to  
25 attract new business to this full region. We

1       also serve as the network partner for this  
2       region for the state's Jobs Ohio program.

3               It's important to note we have had a  
4       strong partnership with FirstEnergy from our  
5       formation in 2003. In fact, our first chairman  
6       of the board was a former CEO of FirstEnergy,  
7       Peter Berg. It's well-known that states,  
8       regions, and cities are completing more than  
9       ever for their share of economic development.  
10      FirstEnergy has been a tremendous ally in our  
11      region's efforts to attract new employers as  
12      well as retain and grow businesses we already  
13      have. In fact, in the last five years team NEO  
14      attracting succeeded in attracting 50 business  
15      representing -- approaching 5,000 new jobs to  
16      the region. And in many cases it's been the  
17      flexibility and aggressiveness of FirstEnergy  
18      that has allowed to us provide electrical supply  
19      to those new companies.

20             FirstEnergy is consistently  
21      demonstrating their commitment to economic  
22      development through continual investments which  
23      make our community competitive and FirstEnergy  
24      pledged to continue to do this work under the  
25      proposed ESP. Specifically its rate plan



1 provides one million dollars per year in  
2 economic development funds by extending the plan  
3 these investments would continue with the  
4 current levels for an additional two years.  
5 These investments help Ohio remain competitive  
6 in a global marketplace and the last ten years  
7 remarkably FirstEnergy has helped Team Neo in a  
8 wide array of economic development partners  
9 across the region to attract about 30 billion  
10 dollar in capital investment to which we can  
11 readily attract 60,000 jobs in this service  
12 area. Thank you very much.

13 COMMISSIONER SNITCHLER: Next  
14 tonight is lance Traves.

15 (Witness sworn.)

16 MS. WILLEY: Please state and spell  
17 your name and give your address.

18 MR. TRAVES: My name is Lance  
19 Traves, T-r-a-v-e-s. My address is 4096  
20 Sacramento Boulevard in Medina, Ohio. I am an  
21 Ohio Edison customer at both my residence and  
22 business. I am the president of a firm called  
23 Labrynth Management Group that is in Medina and  
24 we do environmental engineering consulting. I  
25 have also been fortunate or unfortunate to

1 participate in the sighting of a large  
2 co-generation facility that goes through a MISO  
3 connection and now PJM and therefore had some  
4 perspective of proceedings.

5           You have my complete comments, so I  
6 will summarize. I am here to essentially  
7 provide comments in opposition of FirstEnergy's  
8 request to have their current ESP extended for a  
9 three-year time period. I believe that  
10 FirstEnergy is requesting that essentially to  
11 provide any uncertainty of risks associated with  
12 market conditions onto the consumers in Ohio and  
13 not necessarily themselves.

14           I appreciate all the comments on  
15 FirstEnergy charitable and corporate governance,  
16 but I believe PUCO would recognize that  
17 FirstEnergy is an investor-owned utility and  
18 they have a fiduciary responsibility to its  
19 shareholders to maximize their value and that is  
20 in evidence by increasing their stock prices  
21 subsequent to the most recent PJM capacity  
22 market sale for 2015.

23           I don't believe PUCO has a reason to  
24 shorten or bifurcate the administrative hearing  
25 process, the evidentiary. FirstEnergy has not

1 provided substantial basis for the claims of  
2 marketplace competitiveness. There are numerous  
3 studies that have been put forth and the U.S.  
4 Energy Information Administration has facts  
5 relating to the decrease and use of energy in  
6 Ohio and surrounding states which has a direct  
7 impact on the ability FirstEnergy to receive  
8 premium pricing for their electricity.

9 For the past five years since 2008  
10 when the recession occurred and the tremendous  
11 decrease in manufacturing occurred, essentially  
12 there was an over capacity in the market that  
13 was reflected in the capacity market for PJM.  
14 That is disappearing fortunately because we have  
15 increased manufacturing and increased economic  
16 development. The ability of FirstEnergy on a  
17 strategic basis to lock in the current ESP for  
18 the next three years will allow them to take  
19 advantage of all the associated riders and  
20 provisions that maximize their shareholder  
21 value.

22 I would point out the joint consumer  
23 advocates have submitted an appeal to PUCO in  
24 regard to the administrative evidentiary process  
25 and I would request that appeal be granted as

1 part of my comments also.

2 Second, I would request that PUCO  
3 not authorize the three-year extension of  
4 FirstEnergy's rate plan because essentially we  
5 are in a very interesting time in energy. As  
6 you probably know, the senate and Governor  
7 Kasich just signed Senate Bill 315 which  
8 provides for some additional changes to energy  
9 resources in Ohio including a re-emphasis on  
10 distributing energy resources for industrial and  
11 combining power commercial projects. Those  
12 provides an opportunity for consumers in Ohio,  
13 the ratepayers, to gain a huge tremendous  
14 benefit from lower electric prices if the PUCO  
15 takes the opportunity in the intervening years  
16 to simply learn and listen to what is going on  
17 in the marketplace.

18 Essentially the extension of the  
19 three-year time period of FirstEnergy allows  
20 them to as competitors lock into a lot of the  
21 stability in their model and they're the ones  
22 that benefit.

23 The final point I would like to  
24 address is really associated with various  
25 barriers to generation resources in the current

1 rate schedules and which our a detriment to  
2 competition which FirstEnergy would propose is  
3 actually occurred which we all know is based on  
4 a decline that occurred in 2008 through 2011.  
5 That barrier is significant. I have done an  
6 interconnection process for a 135 megawatt power  
7 plant. My investment started in approximately  
8 2006 and still ongoing. We have transitioned to  
9 PJM. The PJM transmission process is  
10 significantly burdened with an overwhelming  
11 number of projects, some might be speculative  
12 but that is the process. Amp Ohio as submitted  
13 comments to FERK with regards to PJM plan for  
14 producing the interconnection cue, and I believe  
15 their comments I included are a significant  
16 guide to PUCO with respect to the barriers to  
17 great opportunities in economic development and  
18 low cost energy that are essentially prevented  
19 by current PJM process that FirstEnergy  
20 essentially already has significant hold in.

21 And, second, I would actually point  
22 out that current rate tariffs associated with  
23 demand charges or standby charges as the common  
24 folks talk about are not representative of new  
25 technologies. They do provide windfall profits

1     for companies such as domestic utilities as  
2     FirstEnergy. Essentially these projects would  
3     take peak load off the grid but at the same time  
4     FirstEnergy receives their payment for that  
5     power for 95 percent of the time that it's not  
6     even being used. I believe there are other  
7     state which multiple studies have indicated that  
8     change those types of onerous riders an result  
9     in a huge economic activity to distributing  
10    energy resources. Ohio is the third largest  
11    manufacturing state in the United States and to  
12    be ranked 46 or 48 in regard to cogeneration and  
13    power is a travesty. I think Governor Kasich  
14    and the current administration is wanting to  
15    change that.

16               The economic development that would  
17    occur from any of the benefits that FirstEnergy  
18    would impose to consumers from this three-year  
19    extension of the ESP is totally dwarfed by  
20    opportunities that would be available for that  
21    distributed energy resource.

22               I would request the Commission to  
23    continue with the one-year program under the  
24    current ESP, allow the Commission to learn  
25    during the marketplace that we're going to have

1 in the next two to three year and each year have  
2 the opportunity to improve conditions that Ohio  
3 consumers and obviously the competitive  
4 marketplace place plays in Ohio. I would leave  
5 that as all my comments. Thank you.

6 CHAIRMAN SNITCHLER: Next tonight is  
7 Shawn Juris.

8 (Witness sworn.)

9 MS. WILLEY: State your name and  
10 address for the record.

11 MR. JURIS: Shawn Juris, the  
12 spelling of that is S-h-a-w-n J-u-r-i-s, my  
13 address is 1470 Lincoln Avenue in Lakewood,  
14 Ohio.

15 Members of the committee, my name is  
16 Shawn Juris and I have been serving as a council  
17 member for Ward 3 in Lakewood since January 2011  
18 and I currently chair the public works  
19 committee.

20 Last summer the residents of Ward 3  
21 were hit hard with power outages and brownouts.  
22 The area with the most outages was the street I  
23 live on, so I can speak firsthand of those.  
24 Whether we call it a perfect storm, a comedy of  
25 errors, or bad luck it certainly took its toll.

1 We are a world power not a third world country  
2 and consider electricity a necessity to our  
3 quality of life. Alarm clocks, air  
4 conditioning, and fans cool us off, maybe not in  
5 here necessarily, and a surprising number of  
6 cases medical equipment treats what ails us. We  
7 rely on all these things which are powered by  
8 electricity that was incredibly inconsistent  
9 last summer.

10 Since last summer toward the  
11 beginning of fall solutions were provided  
12 following all of these incidents. FirstEnergy  
13 was open to work with the city of Lakewood to  
14 identify and correct these problems long term.  
15 Incidentally, they were also working hard with  
16 the city in 2007 following similar summer of  
17 outages to. According to an E-mail I have  
18 FirstEnergy was preparing to invest 1 billion  
19 dollars on capital improvements, maintenance,  
20 and operations for its energy delivery system.  
21 Apparently 1 billion dollars does not last as  
22 long as it used to.

23 Liaison that is assigned to Lakewood  
24 has done a nice job. She provides advance  
25 notice of planned outages and responds quickly



1 as issues arise. My personal frustration came  
2 from the lack of customer support that is  
3 employed by FirstEnergy for those who do not  
4 have this luxury.

5 While I tried my best to share  
6 insights with the constituents of my ward, the  
7 client interface when reporting a problem on  
8 weekends or after hours was incredibly poor.  
9 This exacerbates an emotional situation. I can  
10 appreciate the balance of staffing and the  
11 desire to maximum profits, it seems that  
12 communication could be improved dramatically  
13 when power failures do occur.

14 My understanding of the system as of  
15 last summer is when a call is made the only  
16 option is to report the outage. Information is  
17 not known or available to these operators to  
18 explain how widespread the outage is, where it  
19 originated from, or what a reasonable estimate  
20 for repairs will be. Naturally this information  
21 changes quickly as crews are sent out to  
22 investigate and it is difficult to determine  
23 repair time until damage is assessed. However,  
24 in this age of information this is what the  
25 public expects.

1                   As we move forward to remote  
2       readings of meters, I would imagine this  
3       information could be more accessible. It would  
4       be tremendous if the maintenance of this system  
5       could be more proactive rather than relying on  
6       an account to report an outage. Forgive me if  
7       I'm being naïve, but it would seem that if 30 to  
8       1,000 accounts stop spinning it's more likely  
9       due to an outage than everyone turning off their  
10      lights and unplugging everything at the same  
11      time.

12                  In closing, I do sincerely  
13      appreciate the capital improvements that were  
14      made last year by FirstEnergy. Hopefully, these  
15      efforts result in consistent service delivery.  
16      If the residents of Lakewood are again faced  
17      with brownouts and failures which impact their  
18      quality of life, I will be the first in line to  
19      open this discussion again.

20                  COMMISSIONER SNITCHLER: Next is  
21      Chuck Gallagher.

22                  (Witness sworn.)

23                  MS. WILLEY: Please state and spell  
24      your name and give your address for the record.

25                  MR. GALLAGHER: My name is Chuck

1       Gallagher, G-a-l-l-a-g-h-e-r, 9953 Aspen Court  
2       in Mentor, Ohio.

3               I own a steel business in Euclid but  
4       I'm here tonight as a private citizen against  
5       the extension of FirstEnergy's rate plan through  
6       2016. I want to have the opportunity to have my  
7       rate renegotiated on a yearly basis not locked  
8       in for three years. In the past when given the  
9       opportunity to lock in rates at my business or  
10      home I have not done so. Markets rise and  
11      markets fall, and I'm willing to take that risk.

12              One question I would pose to the  
13      panel and to people here tonight, having made  
14      this decision three years ago or ten years ago  
15      looking back would the lock in of rates have  
16      been a good thing now? Again, I will take that  
17      risk. Thanks for the opportunity.

18              COMMISSIONER SNITCHLER: Next is  
19      Krista Cabrera.

20                      (Witness sworn.)

21              MS. WILLEY: Please state and spell  
22      your name and give your address for the record.

23              MS. CABRERA: Krista Cabrera,  
24      C-a-b-r-e-r-a, I'm at 3040 Huntington Road,  
25      Shaker Heights, Ohio. I am here as an energy

1 consumer and a customer of FirstEnergy. And I  
2 rely on the Ohio Consumer Council to represent  
3 my interests. But it's my understanding that  
4 this current rate plan was not -- the Ohio  
5 Consumer Council was not involved and, in fact,  
6 when the rate plan went originally into effect  
7 the Ohio Consumer Council was not in favor of  
8 it. My request is that my interest, you know,  
9 part of having the Ohio Consumer Council  
10 involved in the rate plan would be my request.  
11 Thank you.

12 COMMISSIONER SNITCHLER: Next is  
13 H.G. Wardlaw.

14 (Witness sworn.)

15 MS. WILLEY: Please state your name  
16 and address for the record.

17 MR. WARDLAW: My name is H.G., those  
18 are the initials, Wardlaw, W-a-r-d-l-a-w, Jr.  
19 21838 Little Brook way, Strongsville 44149.

20 I am here to oppose the extension of  
21 the rate plan for three years. I do this for a  
22 number of reasons. My wife and I returned to  
23 Strongsville after the ending of my career due  
24 to a disability from an automobile accident.  
25 Our doctors at the Mayo Clinic and

1 Cleveland Clinic recommended that we move from  
2 our three level home, basement, first floor, and  
3 second floor because of the steep stairs and our  
4 issues with mobility. We acted upon those  
5 recommendations, and in March of 2008 we bought  
6 another home in Strongsville which is one of  
7 probably 1600 to 1700 homes in the Strongsville  
8 area that were built by one construction  
9 company, most of those are single floor homes on  
10 slab. Ours is on a slab and has a second story  
11 but it's just two of us now so everything we  
12 need is on that first floor.

13 We have had all electric rates since  
14 1989 when we bought our first house here. We  
15 were not afraid to buy an all electric house.  
16 After all those years it wasn't a bad thing.  
17 Not long after we bought the house we decided we  
18 would replace the heating and cooling equipment,  
19 the heat pumps. And we went from heat pumps  
20 that were 1984, '85 vintage to heat pumps that  
21 were 2008 vintage, 5 or 4 rating to 18 rating.  
22 By the way Wardlaw is a Scottish name and Scotts  
23 are known to be thrifty.

24 I have been in my career involved  
25 with dealing with dysfunctional public

1 organizations and it was a very rewarding field.  
2 I was able to come into organizations that were  
3 in serious trouble, some about to crash and  
4 burn, and get everybody together and bring  
5 people together and seek the common good in that  
6 organization, put everything on the table that  
7 has happened, not conceal it, not sugarcoat it,  
8 and then say do you want to continue to live  
9 like this or do you want to plan for a different  
10 future. And virtually every case the answer was  
11 yes.

12 And in the process I worked with  
13 organizations, the founding leaderships of  
14 Holiday Inns, very ethical, wise, faithful  
15 people. The current North American president of  
16 General Motors is somebody that I worked with in  
17 one of those institutions, and his father was  
18 the previous CEO of General Motors. The  
19 Weyerhaeuser family, trees and lumber and paper,  
20 ethical, wise people. I have looked at some of  
21 the stuff that is out there about FirstEnergy.  
22 I notice that they have used McKinsey &  
23 Associates as their consulting firm. The first  
24 time I noticed McKinsey & Associates was when  
25 Enron was using them. Jeff Skilling was, I

1       could be wrong, was one of their consultants.  
2       McKinsey & Associates has been involved with a  
3       number of companies. Sometimes it's good but  
4       not always. A company that fails to replace  
5       energy producing facilities and says let's  
6       extend the rate plan, let's not look at anything  
7       we can do differently, and then comes and asks  
8       for protection. Somebody once said one of the  
9       craziest things they ever saw, this is probably  
10      fictitious, a child who murdered his parents and  
11      went to the court pleading for mercy because he  
12      was an orphan. This to me about that  
13      intelligent.

14                   Cleveland, I'm reading from up  
15      there, a city that has achieved preeminence in  
16      industrial commerce and culture through  
17      enterprise of men and women who exercise  
18      scientific knowledge, inventive genius,  
19      productive labor and wise management, taking  
20      advantage of their favorable location on the  
21      greatest of all inland waterways and the  
22      proximity of rich mineral resources.

23                   I'm in awe of what I have seen in  
24      the recent stewardship of our electric utility  
25      in this area, And I have been a consumer since

1     1989. And last winter I called to report a  
2     power line that was down in Strongsville. And  
3     the person who answered phone, wherever they  
4     were located said, do we have business there?  
5     Please exercise wise leadership of our state, a  
6     state that I love. Thank you.

7                 COMMISSIONER SNITCHLER: The two  
8     that weren't here I'm going to call their names  
9     again. Brian Anderson or Laura Jones. I don't  
10    have anyone else signed up. I don't think  
11    there's anyone else that signed up outside.  
12    Anyone here that still wants to speak?

13                MS. WILLEY: I see no one else who  
14    would like to make a comment I would like to  
15    thank everyone for coming. This will conclude  
16    the public hearing. It will submitted on the  
17    record to the commission in this case. The  
18    staff and I will remain for a while if case you  
19    have any questions regarding the process or how  
20    you can file additional comments in this case if  
21    you wish to. Thank you and have a nice evening.

22                         (Hearing concluded.)  
23  
24  
25



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

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

I, Tami A. Mitchell, RPR and Notary Public within and for the State of Ohio, duly commissioned and qualified, do hereby certify that the proceedings were by me reduced to Stenotypy, afterwards transcribed upon a computer; and that the foregoing is a true and correct transcription of the proceedings so given as aforesaid.

I do further certify that these proceedings were taken at the time and place in the foregoing caption specified, and were completed without adjournment.

I do further certify that I am not a relative, employee of or attorney for any of the parties in the above-captioned action; I am not a relative or employee of an attorney of any of the parties in the above-captioned action; I am not financially interested in the action; and I am not, nor is the court reporting firm with which I am affiliated, under a contract as defined in Civil Rule 28(D).

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Akron, Ohio, on this 6th day of July, 2012.

-----  
 Tami A. Mitchell, RPR and Notary  
 Public in and for the State of  
 Ohio.

My Commission expires November 11, 2014.

**This foregoing document was electronically filed with the Public Utilities**

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Summary: Transcript PUCO Public Meeting

June 12, 2012 electronically filed by Mrs. Tami Mitchell on behalf of Bish & Associates