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1
      BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO
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     In the Matter of the
    Long-Term Forecast Report:
    of Ohio Power Company and :
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    Related Matters.
                               :Case No. 10-501-EL-FOR
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    In the Matter of the
    Long-Term Forecast Report:
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    of Columbus Southern Power:
    Company and Related
    Matters
                               :Case No. 10-502-EL-FOR
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                          PROCEEDINGS
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    before Mr. Jeffrey R. Jones, Attorney Examiner, at
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    the Public Utilities Commission of Ohio, 180 East
12
    Broad Street, Room 11-C, Columbus, Ohio, called at
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    10:00 a.m. on Wednesday, March 9, 2011.
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                     ARMSTRONG & OKEY, INC.
                222 East Town Street, 2nd Floor
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                     Columbus, Ohio 43215
                (614) 224-9481 - (800) 223-9481
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                      Fax - (614) 224-5724
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2 **APPEARANCES:** 1 2 Mike DeWine Ohio Attorney General By Mr. Thomas W. McNamee 3 Assistant Attorney General 4 Public Utilities 180 East Broad Street, Floor 9 5 Columbus, Ohio 43215-3793 On behalf of the Staff of the Public 6 Utilities Commission of Ohio. 7 American Electric Power 8 By Mr. Matthew J. Satterwhite Senior Counsel-Legal Department 9 1 Riverside Plaza Columbus, Ohio 43215 10 On behalf of AEP. 11 Ohio Consumers' Counsel By Mr. Terry Etter 12 Assistant Consumers' Counsel 13 10 West Broad Street, Suite 1800 Columbus, Ohio 43215-3485 14 15 On behalf of the party 16 Calfee, Halter & Griswold, LLP By Mr. N. Trevor Alexander 1100 Fifth Third Center 17 21 East State Street Columbus, Ohio 43215-4243 18 19 On behalf of First Energy. 20 McNees, Wallace & Nurick, LLC By Mr. Joseph E. Oliker 21 21 East State Street, 17th Floor Columbus, Ohio 43215-4228 22 On behalf of Industrial Energy Users 23 of Ohio. 24 25

Wednesday Morning Session,
March 9, 2011.

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HEARING EXAMINER JONES: Let's go the record. The Public Utilities Commission of Ohio has called for hearing at this time and place Case No. 10-501-EL-FOR, that being in the matter of the long-term forecast report of Ohio Power Company and related matters; as well as Case No. 10-502-EL-FOR, that being in the matter of the long-term forecast report of Columbus Southern Power Company and related matters.

My name is Jeffrey R. Jones. Joining me when this hearing commences at a later point in time will be Greta See. We are Attorney Examiners with the Legal Department of the Public Utilities

Commission of Ohio and we've been assigned to hear this case.

At this time, I'm going to take appearances on behalf of the parties. On behalf of Ohio Power Company and Columbus Southern Power.

MR. SATTERWHITE: Thank you, Your Honor. Matthew Satterwhite, One Riverside Plaza, Columbus, Ohio 43215. Also appearing throughout the case will be Steven Nourse.

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HEARING EXAMINER JONES: Thank you. On behalf of the Public Utilities Commission.
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MR. MCNAMEE: On behalf of the Staff of the Public Utilities Commission of Ohio, Michael DeWine, Attorney General of the State of Ohio; William L. Wright, Chief Public Utilities Section; and I am Thomas W. McNamee, Assistant Attorney General, trial counsel in this case. The address is 180 East Broad Street, Columbus, Ohio.

HEARING EXAMINER JONES: Thank you,
Mr. McNamee. On behalf of the Office of the Ohio
Consumers' Counsel.

MR. ETTER: Good morning, Your Honor. On behalf of Ohio's residential utility customers, the Office of the Ohio Consumers' Counsel, Janine L. Migden-Ostrander, Consumers' Counsel. We are at 10 West Broad Street, Suite 1800, Columbus, Ohio 43215. I am Terry L. Etter, Assistant Consumers' Counsel. HEARING EXAMINER JONES: Thank you. Are there any other parties to the case who have filed

MR. ALEXANDER: On behalf of First Energy Solutions, Trevor Alexander from Calfee, Halter and Griswold, 21 East State Street, Suite 1100, Columbus, Ohio 43215.

motions to intervene? Yes, sir.

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                 HEARING EXAMINER JONES: Thank you.
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    other parties that I've missed?
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                 MR. OLIKER: On behalf of Industrial
    Energy Users of Ohio, Joseph Oliker of the law firm
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5
    of McNees, Wallace & Nurick, 21 East State Street,
    Columbus, Ohio 43215, and I'm also entering an
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7
    appearance for Sam Randazzo. Thank you.
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                 HEARING EXAMINER JONES: Thank you.
    understand that's all the parties who have moved to
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    intervene in the case and I also understand that
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    there are public witnesses here who would like to
    testify today. And if that is the case, I will ask
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    them to come up however they want to. The first
13
    person can come up and take a seat and we'll swear
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15
    you in and let you give your testimony.
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                 MR. SATTERWHITE: Go first and get it out
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    of the way.
                 MS. MARIDA: You ready for us now?
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                 MR. MCNAMEE: Yes. It's painless,
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    really. (Laughter.)
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                 HEARING EXAMINER JONES: Yes.
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                 I will ask you to raise your right hand.
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                        PATRICIA MARIDA
    being first duly sworn, as prescribed by law, was
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examined and testified as follows:

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HEARING EXAMINER JONES: Thank you. You may be seated. Please give your name and address for the record.

MS. MARIDA: Okay. Yes. My name is Patricia Marida. It's M-A-R-I-D-A. And I live at 1710 Dorsetshire Road in Columbus.

And so today I came to say that I'm really happy to see that AEP has been working to upgrade its efforts with renewable energy to comply with the provisions of Ohio's Energy Bill. And I am in full support of Ohio's Energy Law, Senate Bill 221. It's important that the PUCO require all utilities to meet the full provisions of this law. So renewables are essential for controlling

greenhouse gas emissions and minimizing global

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warming.

We await a frightening future if we continue to burn fossil fuels at the rate we are now consuming them. Coal burning is destroying mountains, filling in streams with slag, destroying natural areas and ruining local people's lives. It is also causing dangerous mercury and particulate air

pollution. Every body of water in Ohio is under fish

advisory for mercury, which recommends limiting the number of meals of Ohio fish that we eat. It has been shown that wind and solar energy are now cheaper than new nuclear and efficiency is the cheapest source of energy of all. And all these things come without radioactive accidents and pollution, not to mention, the radioactive nuclear waste that will haunt generations to come.

2.2

The cost of nuclear power is far more than the cost of building a reactor. Billions of public dollars will need to be spent to clean up radioactive contamination from current nuclear plants and Wall Street will not fund nuclear so tax payers are being asked to pony up huge amounts of money for these energy dinosaurs. And the cost of fossil fuels is on the rise as they are becoming more scarce and more difficult to obtain. In the meantime, renewable energy has seen only a fraction of government research and development funding. If the massive handouts for nuclear and coal in the past had been shifted to renewables such as solar, wind and geothermal, we would be able to say goodbye to coal and nuclear by now.

So Ohioans, we want clean energy. And even with minimal support, solar and wind are

creating jobs and bringing innovations and innovators to Ohio. Ohio has an enormous wind resource and solar has been shown to be an important resource as well, even considering Ohio's cloudy days. In order for our energy providers to make the switch to renewable, they need to be able to make a fair profit from renewables. At the same time, if utilities can make far more money supplying energy with coal and nuclear, it is likely that they will continue to promote those.

2.2

Let me now say a word about centralized energy. Centralized coal and nuclear plants need out-sized, unsightly, transmission lines to carry the power from source to user. Solar and wind are almost everywhere and can be adapted to what we would term a humanscape. If the wind is not blowing somewhere, it is probably blowing somewhere else. The same can be said for the sun in the daytime. If the solar panel stops functioning, it will not cause a blackout to an entire region. Centralized electric power also lend itself to centralized political power in ways that endanger America's democratic process.

The PUCO can aid the transition from dirty energy that comprises our health to clean renewable energy and the PUCO can do this by

1 enforcing the law and promoting and protecting clean 2 energy and seeing that utilities can make a fair 3 profit in the process. And we thank AEP for continuing their work on solar and wind and other 4 5 renewables. 6 HEARING EXAMINER JONES: Thank you. Any 7 questions? 8 MR. SATTERWHITE: No. 9 MR. MCNAMEE: No questions. HEARING EXAMINER JONES: Seeing none, you 10 11 may step down. Thank you for your testimony. 12 MS. MARIDA: Thank you. 13 HEARING EXAMINER JONES: Next. Would you please raise your right hand. 14 15 16 YANG XING being first duly sworn, as prescribed by law, was 17 examined and testified as follows: 18 19 20 HEARING EXAMINER JONES: Thank you. 21 Please be seated and give your name and address for 2.2 the record. 23 MR. XING: My name is Yang Xing, my 24 address 6410 Busch Boulevard, Apartment 487, Columbus

Ohio 43229.

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HEARING EXAMINER JONES: Thank you. You may proceed with your statement.
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MR. XING: I am an AEP customer and the last year I think I attend all the hearings for the Duke Energy and I was happy to learn that AEP is setting a good example for the standard required by the energy efficiency and not like to -- well, from that hearing, I learned like AEP is doing work with job keeping up with the standard required as the PUCO on not trying to build a new nuclear plant, so I'm happy to know that. And I think I have got letters from AEP saying they are installing some meters to my apartment, which will help to reduce like -- I mean, it will help to monitor the electricity using, so that's a good way to try to increase the efficiency. And I encourage AEP to come in to inspect that. And I think as we can see the fossil fuel become more expensive these days and I strongly recommend AEP to consider increasing the efficiency before going to build a new coal plant for the energy use here. HEARING EXAMINER JONES: Does that complete your statement? Is there any questions? MR. MCNAMEE: None.

HEARING EXAMINER JONES: Seeing none, you may step down. Thank you.

MR. SATTERWHITE: Thank you.

HEARING EXAMINER JONES: Would you please raise your right hand.

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BEN WICKIZER

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

economy. That's it.

9 HEARING EXAMINER JONES: Thank you.

10 Please state your name and address for the record.

MR. WICKIZER: Ben Wickizer, last name is spelled W-I-C-K-I-Z-E-R, 850 Mohawk Street, Columbus,

13 Ohio.

HEARING EXAMINER JONES: You may proceed with your statement.

MR. WICKIZER: I'd simply like to say that over the past two years AEP has done an excellent job in meeting the efficiency and renewable standards resulting in reductions in pollution, increased financial savings for customers and new jobs. And as a customer, I'd like to see AEP continue these efforts so that Ohio can begin to transition off coal to a cleaner, green energy

HEARING EXAMINER JONES: Okay. Thank

you. Any questions?

MR. MCNAMEE: No questions, Your Honor.

MR. SATTERWHITE: Thank you.

HEARING EXAMINER JONES: Thank you. You may step down.

Would you please raise your right hand.

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ASHLEY ROHRBACH

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

HEARING EXAMINER JONES: Thank you. You may be seated. Could you please give your name and address for the record.

MS. ROHRBACH: My name is Ashley
Rohrbach, last name R-O-H-R-B-A-C-H. I live at 30
East Lane, Apartment 304. I am a student at Ohio
State, Fisher College of Business and recently, I
have been doing quite a bit of study into this issue
of the transfer to clean energy and what AEP has been
doing, as well as other energy companies in Ohio and
I'm actually quite impressed. It's a very, very
difficult thing to completely switch over from what
you've been doing; completely different business
model, different things to consider. I would like to

see that continued.

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Coal, as from what I understand, we have a lot of it, but it gets to be dirtier and dirtier because of in Ohio I know created the sea water so you have a lot of issues with Mercury. That concerns me particularly. I don't like the thought of things that cause birth defects being put in large quantities into our land and water. We've been seeing rises in birth defects as well as things like autism rates that I know Mercury contributes to and that kind of strikes home, so I really would like to see more clean energy investment.

I think that's the steps that America needs to take to become a stronger economy and to -- I mean, we are leaders in this world and we should be leading this revolution. Right now Germany and China are completely overtaking us and I think we have the ability to step it up, so thank you.

 $\label{eq:hearing_examiner_jones:} \mbox{ Thank you. Are} \\$ there any questions?

MR. SATTERWHITE: Thank you.

MR. MCNAMEE: No, Your Honor.

HEARING EXAMINER JONES: Thank you. You may be seated.

MR. LEARD: Good morning.

HEARING EXAMINER JONES: Good morning.
Would you please raise your right hand.

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JEROME LEARD

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

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HEARING EXAMINER JONES: Please be seated and please give your name and address for the record.

MR. LEARD: My name is Jerome Leard,

L-E-A-R-D, 2287 Indiana Avenue, Columbus, Ohio 43202.

L-E-A-R-D, 2287 Indiana Avenue, Columbus, Ohio 43202.

Good morning. I'd like to make some comments about the AEP electrical demand requirements. I'm an AEP customer and I would rather have my electricity provided by renewable energy than by the current and future technology for the coal and nuclear. And the reasons for that is the clean coal technology sounds like a good idea but there isn't any practical way of doing it right now and the recovery and transportation of the fuel is not clean so they never talk about that, but the technology to burn it might work some day and probably will cost a whole lot more than what they expect it to cost. And the nuclear part of the clean aspects of the AEP portfolio, that doesn't appeal to me at all, so I

prefer to have my electricity from solar or wind.

And the Senate Bill 221, the benchmarks in the Bill I think ought to be exceeded, the 25 by 25. I think that would be a better solution to our electrical needs than trying to do the other forms of clean technology.

And another good thing about the clean electrical supplies from solar and wind is that the jobs that they provide are new businesses. It would be job growth rather than trying to extend the fossil fuel industry another generation. It's going to go anyhow, you know, you're going run out of that stuff. The renewable aspects of generating electricity for me as a customer, as an AEP customer, I would prefer to come from renewable energy.

And there was a technical conference yesterday for AEP, the 11-346, the 11-348-EL-SSO and they already have in the workings the aspects of clean energy. Mr. Nelson, he talked about the generation resource rider where the customers, they can, you know, send money to AEP to, I think what they were saying, was to build and make their own electricity from renewable sources, the green rider part of it. And there's also the renewable energy credit financing that they talked about, which would,

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     if the customer had renewable energy systems on their
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    property, that would help pay for it. So AEP is
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    doing the right thing with those two rate cases. And
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     that's what I'd like to see happen. So you know,
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    those rate cases go through and have the new -- we
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    need electricity, there's no doubt about that.
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    You've got to have that or standard of living would
     just go right down the tubes, so I'd rather have it
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     from renewable energy than from the technology our
    grandfather's had.
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                 HEARING EXAMINER JONES: Thank you. Any
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    questions?
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                 MR. MCNAMEE: No questions. Thank you.
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                 MR. SATTERWHITE: No. Thank you.
                 HEARING EXAMINER JONES: Seeing none, you
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    may step down.
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                 Would you please raise your right hand.
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                          SARAH TURNER
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    being first duly sworn, as prescribed by law, was
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    examined and testified as follows:
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                 HEARING EXAMINER JONES: Thank you.
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    Please be seated. Give your name and your address
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    for the record, if you would, please.
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1 MS. TURNER: My name is Sarah Turner. 2 live at 456 East Sycamore Street, Columbus. 3 I just wanted to say that I think that 4 looking at the economics of furthering investing in 5 old coal plants makes a lot less sense from an 6 economic standpoint than investing in energy 7 efficiency and renewables, and that any future investments in energy or the transfer of costs for 9 these investments to customers should be moving steadily towards renewable energy and not pumping 10 11 more into the plants that have already sucked up a 12 lot of investment to be maintained. That's it. 13 HEARING EXAMINER JONES: Any questions? 14 MR. SATTERWHITE: Thank you. 15 MR. MCNAMEE: No. 16 HEARING EXAMINER JONES: Seeing none, you 17 may be seated. Thank you. Would you please raise your right hand. 18 19 20 JENNIFER MILLER 21 being first duly sworn, as prescribed by law, was 2.2 examined and testified as follows: 23 24 HEARING EXAMINER JONES: Thank you. 25 Please be seated and give your name and address for

the record.

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MS. MILLER: My name is Jennifer Miller,
422 East Whittier Street in Columbus, Ohio. I'm a
German Village homeowner. I'm a proud daughter of
Ohio. I've lived in Ohio my entire life. I'm a
mother of a 12-year-old. No, I don't really look old
enough for that. Thanks for that compliment.
(Laughter.)

is, I have family in First Energy's territory, I have family in Duke's territory and in AEP's territory and I even have some family in some municipals that have their own coal plants, and I want to say that I'm really glad that AEP is working hard at meeting Senate Bill 221. I'm pleased at how seriously the company is taking its efficiency and renewable investments. I think that that's really good for our environment, but I think it's good for their bottom line as well as our bottom line as customers.

I'm also glad to see that AEP is idling and also shutting down some of its oldest and dirtiest and most expensive coal plants. But I want to say that I am concerned about some of the filings that there's a clean coal rider in the IRP. And for me, coal, you know, carbon is just one of the

concerns with coal, that coal truly is not clean.

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And one example I'd like to give from Ohio is that last year there was a massive, massive coal slurry spill in Southeastern Ohio by Murray Energy. It was at least the tenth spill of its kind in Southeast Ohio by this company, over a quarter million tons of thick, black sludge coated one of the cleanest creeks in Southeast Ohio. It killed fish. It killed crawdads. It polluted waters that a community was relying on. The community that lived around that area couldn't possibly move away from this mine, so it was just constantly -- because of economic reasons, so we're talking about a community that's just always experiencing significant pollution from some dirty mines. Coal mining also destroys mountains. In Appalachia it causes black lung in our workers.

And so I just want to say that AEP has been a pretty bold leader on this and I want to ask that AEP continue to be even bolder. You know that efficiency and renewables are cheaper today; they're cheaper in the long run than any form of coal generation and certainly any form of nuclear power. And so I just ask that, you know, the PUCO and AEP really look at the full costs and also look at the

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entire life cycle.
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And I think that Senate Bill 221 was designed to create jobs and I think it was designed to protect consumers and designed to protect the environment and I think that the best way we can do that in the long-term is, of course, efficiency, but also renewables. Thank you.

HEARING EXAMINER JONES: Thank you. Any questions?

MR. SATTERWHITE: Thank you.

MR. MCNAMEE: None.

MR. ETTER: No.

HEARING EXAMINER JONES: Thank you. You may step down.

Are there any other public witnesses at this time?

Seeing none, do we have any procedural issues to take up as far as going through the evidentiary portion of this case at this time?

Mr. McNamee?

MR. MCNAMEE: No. I'm aware of nothing at this point. It was my motion that caused the hearing, I suppose I should speak to this now.

(Laughter.) But no, I'm unaware of anything. I would simply ask that the case be continued in order

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    to allow us the usual opportunity to try and work out
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    whatever issues may crop up and even to investigate
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    the case essentially.
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                 HEARING EXAMINER JONES: Okay. And I
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    assume with that you're including in your motion that
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    would notify the Bench when you are prepared to go to
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    hearing on this.
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                 MR. MCNAMEE: Oh, certainly.
                 HEARING EXAMINER JONES: -- or we need to
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    reschedule this evidentiary hearing portion of this
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    case?
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                 MR. MCNAMEE: Certainly.
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                 HEARING EXAMINER JONES: Any objection or
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    comments from counsel for the parties upon
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    Mr. McNamee's motion?
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                 MR. SATTERWHITE: No, Your Honor.
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                 MR. ETTER: No objection.
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                 MR. ALEXANDER: No objection.
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                 HEARING EXAMINER JONES: If not, the
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    Bench will grant Staff's motion for continuance of
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     the evidentiary portion of this hearing.
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                 MR. MCNAMEE:
                               There is one other thing.
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                 HEARING EXAMINER JONES: Okay.
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                 MR. MCNAMEE: I sort of feel constrained
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to do one other thing. I'd like to, you know, on

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    behalf of actually all the parties here and the
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    Bench, too, I'm sure, who appreciate all of you
    coming down to give testimony this morning. It's,
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    you know, it's a burden, but participating in
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     governance, participating in regulation is vital to
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    making America what it is and we appreciate you
    coming.
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                 THE PUBLIC:
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                              Thank you.
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                 HEARING EXAMINER JONES: Thank you.
                                                       Mr.
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    McNamee, you did steal my thunder. (Laughter.)
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    with that, we will grant the Staff's motion for
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    continuance in this matter.
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                 MR. SATTERWHITE: One thing that the
    publications, as evidenced by people showing up, are
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    already filed in the docket.
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                 HEARING EXAMINER JONES: I did see and
     thank you for mentioning that? So if there is
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    nothing further, we will stand adjourned at this
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    time.
           Thank you.
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                 MR. SATTERWHITE:
                                   Thank you.
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                 (Thereupon, the proceedings concluded at
    10:27 a.m.)
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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Wednesday, March 9, 2011, and carefully compared with my original stenographic notes.

Sandra D. Kin, Registered Professional Reporter and Notary Public in and for the State of Ohio.

My Commission Expires May 14, 2012.

(sdk-1291)

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ARMSTRONG & OKEY, INC., Columbus, Ohio (614) 224-9481

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

3/21/2011 1:26:37 PM

in

Case No(s). 10-0501-EL-FOR, 10-0502-EL-FOR

Summary: Transcript Transcript of Long-Term Forecast Report of Ohio Power Company hearing held on 03/09/11. electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Kin, Sandra Ms.