

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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

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

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PROCEEDINGS

before Steven D. Lesser, Commissioner, and Ms. Greta
 See, Hearing Examiner, at Washington State Community
 College, 710 Colgate Drive, Marietta, Ohio, called at
 6:00 p.m. on Monday, June 13, 2011.

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ARMSTRONG & OKEY, INC.
 222 East Town Street, 2nd Floor
 Columbus, Ohio 43215
 (614) 224-9481 - (800) 223-9481
 Fax - (614) 224-5724

- - -

APPEARANCES:

American Electric Power
By Mr. Matthew Satterwhite
1 Riverside Plaza
Columbus, Ohio 43215-2373

On behalf of Columbus Souther Power
Company and Ohio Power Company.

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

On behalf of the residential utility
customers of Columbus Southern Power
Company and Ohio Power Company.

McNees, Wallace & Nurick, LLC
By Mr. Samuel C. Randazzo
Fifth Third Center, Suite 1700
21 East State Street
Columbus, Ohio 43215-4288

On behalf of Industrial Energy Users -
Ohio.

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Monday Evening Session,
June 13, 2011.

- - -

EXAMINER SEE: Scheduled for hearing at this time before the Public Utilities Commission of Ohio is case numbers 11-346-EL-SSO and 11-348-EL-SSO captioned In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, and case numbers 11-349-EL-AAM and 11-350-EL-AAM captioned In the Matter of the Application of Columbus Southern Power and Ohio Power Company for Approval of Certain Accounting Authorities.

My name is Greta See, I'm an attorney examiner for the Public Utilities Commission, and also presiding with me this evening is Commissioner Steven D. Lesser.

At this time I'd like to take note of counsel for the parties. On behalf of the company.

MR. SATTERWHITE: Matthew Satterwhite, Columbus Southern Power and Ohio Power Company.

EXAMINER SEE: And on behalf of the intervenors. Ms. Hotz.

1 MS. HOTZ: My name is Ann Hotz, and I'm
2 an attorney, I work for Janine Migden-Ostrander, and
3 she's the Ohio Consumers' Counsel. We represent AEP
4 residential customers in this case. With me is Andy
5 Tinkham, he's from our Outreach and Education
6 section. And if anyone has any questions or
7 problems, please feel free to approach us after the
8 hearing. Thank you.

9 EXAMINER SEE: On behalf of the
10 Industrial Energy Users of Ohio.

11 MR. RANDAZZO: Yes. My name is Sam
12 Randazzo. I work with commercial and industrial
13 customers in this area and other areas of the state
14 to try to help them deal with issues that affect the
15 price availability of energy, electricity being one.
16 We are representing that organization in the
17 proceedings that the examiner and Commissioner Lesser
18 described. So I look forward to hearing your
19 comments tonight. Thank you very much.

20 EXAMINER SEE: Is there counsel present
21 for any of the other intervenors in the case?

22 (No response.)

23 EXAMINER SEE: Seeing none, we'll move to
24 the first witness. And please forgive me if I
25 mispronounce your name. Our first witness is Harold

Montgomery. Mr. Montgomery. Could you please raise your right hand, sir.

(Witness sworn.)

EXAMINER SEE: Thank you. Please go ahead. State your name and address for the record.

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HAROLD MONTGOMERY

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

DIRECT TESTIMONY

MR. MONTGOMERY: Harold Montgomery, 18 Locust Street, Gallipolis, Ohio. On behalf of the Board of Gallia County Commissioners, President Lois Snyder, Vice President Joe Foster, and myself, Harold Montgomery, I would like to offer testimony regarding case number 11-346-EL-SSO and 11-348-EL-SSO.

Gallia County and AEP have a long and important relationship and, therefore, I would like to express my support for AEP's electric security plan that was filed with PUCO earlier this year. The ESP is a comprehensive strategy describing how the company will provide electricity to its customers during the period of 2012 through May 2014.

The ESP also introduces the Ohio Growth Fund, a \$25 million shareholder contribution designed

1 to work in partnership with state and local agencies
2 and private sector leaders to attract new investment
3 and job growth throughout AEP's Ohio service area.

4 AEP-Ohio has a long history of support
5 for economic development in its service territory and
6 the proposed ESP includes a continuation of that
7 support as well as significant new investment in
8 programs and customer offerings. The Growth Fund
9 would provide resources for attracting new businesses
10 and helping existing business customers expand.

11 Economic development mini grants were
12 established to assist local economic development
13 organizations with funding to address local needs.
14 Gallia County was a recipient of such grant that was
15 utilized for website creation for our Economic
16 Development office and can be found at
17 www.growgallia.com. This website is utilized to
18 promote new and existing industries for expansion
19 projects that create new jobs, retain existing jobs,
20 and generate new investment in our county.

21 Through the Turning Point Solar project
22 the ESP requests regulatory recovery of significant
23 new investment that will lead to the creation of
24 hundreds of new manufacturing jobs in Ohio. The plan
25 adds renewable energy sources to the company's

1 generation mix, continues AEP's energy efficiency
2 efforts, and gives customers an option to directly
3 purchase a portion of their electricity from the
4 renewable sources. The ESP also proposes a tariff to
5 support customers who choose plug-in electric
6 vehicles.

7 AEP-Ohio serves more than 1-1/2 million
8 customers, more than 1,000 communities in 61 of
9 Ohio's 88 counties. Taken together the supply and
10 delivery business segments form the foundation of
11 AEP-Ohio's substantial economic impact in the state,
12 which is estimated to exceed \$2 billion annually.
13 AEP employs more than 6,000 people in the state with
14 over 699 million in wages, and in 2010 AEP paid
15 348 million in Ohio taxes and made capital
16 investments of \$513 million.

17 It is for all the reasons stated that I
18 and the Gallia County Board of Commissioners are in
19 full support of AEP-Ohio's ESP plan. Thank you for
20 the opportunity to give testimony on this most
21 important issue that has a direct impact on the
22 economic recovery, not only for Gallia County, but
23 the entire service area of AEP.

24 EXAMINER SEE: Thank you.

25 Dr. Chad Brown. Dr. Brown, if you'd

1 raise your right hand, please.

2 (Witness sworn.)

3 EXAMINER SEE: Thank you. Please state
4 your name and address for the record.

5 - - -

6 DR. CHAD BROWN

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

9 DIRECT TESTIMONY

10 DR. BROWN: Good evening. My name is
11 Chad Brown. My address is 65 Oberly Road, Carroll,
12 Ohio. I am here as the vice president for Academic
13 Services and Work Force Development at Zane State
14 College. If you are not familiar with Zane State, we
15 are a two-year community technical college in
16 Zanesville, Ohio. We have been a long-time partner
17 of AEP's educational efforts and I wanted to share a
18 few thoughts about that with you.

19 In 2007 AEP joined a joint venture with
20 us and two other community colleges to work towards
21 increasing the power generation work force. We all
22 are dealing with the challenges of the drain of our
23 work force, particularly in technical areas and,
24 again, AEP stepped up to support this power
25 generation program which was a collaborative effort

1 to train power generator technicians in Ohio,
2 Kentucky, and West Virginia.

3 In 2010, as was already mentioned, AEP
4 along with Zane State College stood aside Governor
5 Strickland as he signed the memorandum of
6 understanding to bring Turning Point Solar project to
7 Noble County.

8 We have done a number of different things
9 with AEP to try and conserve dollars and cut training
10 costs such as in-truck training where we do
11 computerized training that is broadcast to
12 technicians in their trucks so that they can
13 reference that during work time.

14 AEP has also stepped up to support the
15 Advanced Science and Technology Center that we are
16 constructing in Zanesville which will provide a
17 state-of-the-art facility to expand our
18 electrical/electronics training program as well as
19 our IT security programs, and what is important about
20 this is that Zane State College is one of the largest
21 suppliers, if not the largest single supplier, of
22 labor force to AEP.

23 With more than 6,000 employees in the
24 state of Ohio one has to recognize that those jobs
25 far exceed just the 6,000 that are on record with

1 AEP. When we deal with situations such as this, we
2 deal with CDL drivers, we deal with a number of
3 ancillary things that go just beyond the power
4 generation work force.

5 AEP also supports internships. Many of
6 the internships, if not nearly all of the internships
7 that they offer to our students in our
8 electrical/electronics program turn into long-term
9 employment opportunities, and it has been stated that
10 their close affiliation with the college, by serving
11 on our advisory boards, helps to offset training
12 costs of up to \$60,000 per new employee over the
13 lifetime of that employee by being engaged in the
14 educational effort right from the beginning.

15 In addition, we offer a collaborative
16 effort with Miami University of Ohio whereby AEP
17 employees complete their baccalaureate degree through
18 a distance education format utilizing college
19 resources and an evening program to allow for
20 opportunities for movement within the company and
21 also then opening up new entry-level jobs. Thank
22 you.

23 EXAMINER SEE: Thank you.

24 Glen Miller. Raise your right hand,
25 please, sir.

1 (Witness sworn.)

2 EXAMINER SEE: State and spell your name
3 for the record and continue with your testimony.

4 MR. G. MILLER: My name is Glen Miller.
5 My address is 145 Fairway Drive, Beverly, Ohio.

6 EXAMINER SEE: Go ahead.

7 - - -

8 GLEN MILLER
9 being first duly sworn, as prescribed by law,
10 testified as follows:

11 DIRECT TESTIMONY

12 MR. G. MILLER: I am the president of the
13 Muskingum Valley Area Chamber of Commerce in Beverly
14 and, as most of you know, right up the river from
15 Beverly is the Muskingum River power plant. So I
16 would like to say tonight AEP has been a huge part of
17 the Beverly-Waterford community for over 50 years.
18 They have contributed to the Washington and Morgan
19 County communities in many ways. They are a major
20 employer as well as the jobs that are created by
21 other businesses that are used to support the plant
22 operations.

23 The EPA has good intentions, however,
24 they have not given proper thought to the effects of
25 closing the Muskingum River plant. This will cause

1 major job losses as well as a huge increase in the
2 utility costs for an area that is already struggling
3 due to poor economic conditions of the last
4 two-and-a-half years.

5 It would make more sense to extend the
6 time line to allow AEP to comply with the regulations
7 and allow for other sources to help generate the
8 eliminated electricity. It is time that we use
9 common sense in making these decisions that affect
10 the livelihood of families, businesses, towns, school
11 districts, and counties.

12 It doesn't appear that society is ready
13 to reduce the consumption of electric power
14 regardless of how it is generated. Our chamber
15 believes that one reason why AEP is asking for this
16 rate increase is because of EPA has put so many
17 regulations on coal-fired power plants, and that is
18 one reason why they're asking for this rate increase.
19 No one wants to pay additional rates, but we all put
20 the blame on EPA is causing all this.

21 Let me read you this: As a neighbor of
22 American Electric Power Company I am concerned that
23 in 2008 President Obama said, quote -- now, this is
24 in the San Francisco paper, "So if somebody wants to
25 build a coal-powered plant, they can; it's just that

1 it will bankrupt them because they're going to be
2 charged a huge sum of all the greenhouse gases that's
3 being emitted."

4 So I think tonight -- no one here tonight
5 wants a rate increase, but this is the cause of it.
6 And AEP has been a big help in the Beverly-Waterford
7 area over the years. They have supported our
8 schools. They have supported our chamber. They have
9 supported everything around our area. We cannot say
10 anything bad about AEP in the Waterford-Beverly area.

11 But for you folks that has to decide
12 this, I would ask you to be very conservative on the
13 rate increase. I thank you very much.

14 EXAMINER SEE: Thank you.

15 (Applause.)

16 EXAMINER SEE: Just to remind you, if you
17 have a written statement that you're following as you
18 go through your testimony, if you could please leave
19 it at the corner of the steps for the court reporter.

20 Next witness, James Black.

21 (Witness sworn.)

22 EXAMINER SEE: Thank you. Please state
23 your name, give us your address for the record, and
24 continue with your testimony.

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JAMES BLACK

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

DIRECT TESTIMONY

MR. BLACK: James Black, Beverly, Ohio.
It's 632 Lovers Lane, Beverly, Ohio. I just wanted
to reinforce what Glen has said is that in light of
the announcement Thursday which makes the economic
portion of this ESP very, very important to us
because the economy of the area is going to be very
fragile, AEP Muskingum River plant has been the
backbone of the local economy. Their employees are
very, very involved in the local community; they
contribute as volunteer firemen and EMTs, they are on
the chamber board, and their involvement in economic
development and the AEP economic development has
always been very, very important to our area, they
have supported it in great detail.

And we feel that the economic development
portion of this ESP is very important in our recovery
in the area, that we have our work ahead of us, and
AEP seems to be on board to help us. Thank you.

EXAMINER SEE: Thank you.

Roger Spring. Please raise your right
hand.

1 (Witness sworn.)

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

4 - - -

5 ROGER SPRING

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

8 DIRECT TESTIMONY

9 MR. SPRING: My name is Roger Spring, 738
10 Brann Road, Belpre, Ohio. I worked for a public
11 utility company, electric company, for 28 years
12 before I retired. I see this system of increases as
13 a way to play mind games with the consumers as well
14 as the PUCO. With the creation of these numerous
15 riders and the other breakdown of rates that are
16 already on our bills AEP is creating a host of new
17 ways in which they will be able to keep coming back
18 to you for rate increases.

19 They will come back to you saying they
20 haven't had an increase in a certain rider for so
21 many years and perhaps ask for 5 or 10 or 20 percent,
22 but that's not on the total bill, that's just on this
23 rider. And they will keep doing that nonstop for
24 what appears to be in small increments which will, in
25 reality, make large increases in our bills by the

1 time all of this is added up.

2 Are not all of these riders' expenses in
3 the cost of producing and delivering electricity? If
4 so, let AEP present to the PUCO the total cost of
5 producing electricity. Let it be reflected by --
6 reflected in a total percent so that you and the
7 consumer can see what the real rate of increase is
8 truly going to be.

9 I realize the EPA is making it extremely
10 difficult for electric utilities right now, and the
11 economic environment is making it difficult on AEP's
12 customers to survive as well.

13 An AEP representative recently spoke to,
14 and I believe it may have been the Chamber of
15 Commerce in Meigs County, said to the effect that "We
16 are not about to allow the current economic
17 environment to affect our margin of profit." Why
18 shouldn't it affect theirs? It's affecting ours.

19 And then, on top of everything, AEP keeps
20 coming back and asking for increases exceeding
21 inflation. We are living on less, and maybe they can
22 sacrifice a little on behalf of their loyal customers
23 as well.

24 San Francisco has established itself as a
25 city of refuge so illegal aliens can hide from the

1 laws of the federal government and thereby avoiding
2 deportation. Perhaps AEP should lobby as hard in
3 Columbus to make Ohio a state of refuge from the
4 burdensome rules and regulations of the EPA. If they
5 lobbied for that as hard as they lobby for rate
6 increases, then their company's profits would
7 increase and the consumer would benefit as well
8 as new businesses were established.

9 AEP could gain stature in the eyes of
10 their customers by making this state business
11 friendly again. And, if they did this, they would
12 have to -- let's see. They could gain stature in the
13 eyes of their customers by making this state business
14 friendly again, and if they did this, they wouldn't
15 have to ask for these anti-business, anti-jobs
16 electric rate increases. Thank you.

17 (Applause.)

18 EXAMINER SEE: Mr. Spring, if you can
19 leave your statement please. Thank you.

20 Glenn Hewmay? 720 Front Street.

21 MR. NEWMAN: Newman.

22 EXAMINER SEE: Newman. Mr. Newman.

23 MR. NEWMAN: Obviously English isn't my
24 first language, nor writing. Glenn Newman.

25 COMMISSIONER LESSER: Newman.

1 MR. NEWMAN: 220 Front Street, Marietta,
2 Ohio.

3 EXAMINER SEE: Okay.

4 MR. NEWMAN: Every day to me is a new day
5 too.

6 EXAMINER SEE: Do you want to raise your
7 right hand?

8 MR. NEWMAN: I can.

9 (Witness sworn.)

10 EXAMINER SEE: Okay. Go ahead,
11 Mr. Newman.

12 MR. NEWMAN: New man.

13 - - -

14 GLENN NEWMAN

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

17 DIRECT TESTIMONY

18 MR. NEWMAN: Thank you very much. I want
19 to thank the young man that just finished because in
20 our confused world that we now live in where up is
21 down and down is up, we have no idea what's left or
22 right coming from Washington or any other part of the
23 government.

24 There is one great thing: As long as we
25 keep the people blurred with the left hand and

1 something always in motion with our left hand, we can
2 really nail them with the right hand.

3 There's no greater friend of AEP than is
4 the EPA. Let EPA bring on all they want to do,
5 rattle, shut down, force whatever they want to do,
6 when AEP knows that they will pass that right on to
7 us. And we the people, the grassroots little people,
8 will have to take it.

9 No greater friend of big business is big
10 government, and no greater friend of big government
11 is big business. They have public relations that
12 just pour out. They have attorneys by the ton. And
13 what do we have? Bless your hearts for coming out,
14 and thank you for coming down to hear us. Sincerely,
15 thank you very much.

16 I'm a small business owner in Ohio and
17 West Virginia. AEP does produce power over there.
18 Bills are different over there, vastly different in
19 West Virginia.

20 So we have a retail business and so,
21 consequently, our business is going to be
22 dramatically affected because AEP allowed the EPA,
23 without any blowback, fight for our rights or our
24 expenses, just accepted it, passed it on, shut them
25 down, and all the cost comes to you.

1 Ladies and gentlemen, stand up for your
2 rights and your home. There will be people in the
3 next year or two that will be going -- groping
4 through the dark to find their medicine or they'll
5 turn their lights on but they can't afford it.

6 When any corporation is virtually
7 guaranteed a margin of profit, mine's not, and I dare
8 say very few real businesses are with the exception
9 of utilities, something is very wrong. Thank you for
10 coming out, listening, participating, and being part
11 of what we the people are. Big government, big
12 business, collusion. Thank you very much.

13 (Applause.)

14 EXAMINER SEE: Michael Lorentz. Please
15 raise your right hand.

16 (Witness sworn.)

17 EXAMINER SEE: State and spell your name
18 for the record and continue with your testimony.

19 - - -

20 MICHAEL LORENTZ
21 being first duly sworn, as prescribed by law,
22 testified as follows:

23 DIRECT TESTIMONY

24 MR. LORENTZ: Good evening. My name is
25 Michael Lorentz. I live at 809 Mary Street in the

1 city of Belpre, and I'm the current mayor of that
2 city.

3 My purpose for being here tonight is to
4 voice my concern over AEP's electric security plan
5 which would significantly increase generation rates
6 for residents and small businesses. With this plan
7 in place it also restricts our ability to shop for
8 low rates. What option does this now give the nearly
9 40 percent of our citizens that are over 62 years of
10 age in our city?

11 Belpre has seen their electric rates rise
12 from the amount of \$68 a month with Mon Power in 2005
13 to now 118 under the Columbus Southern Power rates.
14 This is about a 73 percent increase in six years.

15 Based on AEP's summary of the ESP filing
16 we're now looking at another 15 percent in 2012 and 5
17 in 2013. Again, I'll ask you, what options does this
18 leave almost 40 percent of our residents of my city
19 that are over the age of 62 and soon will be living
20 on a fixed income, if not now.

21 It is hard for me to understand the
22 justification for an increase in base generation
23 given that Columbus Southern Power was recently found
24 to have excessive earnings in 2009 which required
25 them to return 42.6 million to their customers.

1 Additionally, you will find that the
2 average Columbus Southern Power residential customer
3 already pays higher rates than the customers in
4 West Virginia and Kentucky territories that are
5 served by other AEP subsidiaries; this allows
6 Columbus Southern Power to earn a higher return than
7 these other AEP subsidiaries.

8 AEP's request for nonbypassable riders
9 will hurt consumers' ability to shop for competitive
10 electrical providers, however, this cannot be fully
11 evaluated since there's no cost information available
12 for the newly proposed riders. One can only assume
13 they will not be at zero cost.

14 AEP's strategy appears to be to provide
15 barriers to competition so that they can maintain
16 high electric rates and collect additional revenues
17 through riders from all customers, whether the
18 customer chooses to take generation service from AEP
19 or a third-party supplier.

20 In reality, the nonbypassable riders will
21 lock local consumers into the worst of all worlds,
22 high electric rates with nonbypassable riders,
23 preventing consumers from shopping to lower their
24 bills. This does not seem consistent with the intent
25 of developing competitive markets that Ohio's

1 electrical deregulation legislation was supposed to
2 promote.

3 Belpre's fortunate to have a river and a
4 working rail system and a four-lane highway running
5 through our city. Even with these important
6 resources it's still near impossible to compete with
7 our neighbor state due to utility costs.

8 In closing, I request that the Public
9 Utilities Commission of Ohio support the residents
10 and small business in our area by requiring AEP to
11 fully identify the cost impacts of all ESP proposals,
12 including the riders; reject nonbypassable riders and
13 charges that block opportunities for consumers to
14 reduce their electric bills by shopping and
15 discourage competitive suppliers from entering our
16 region; and make sure that our local economy is not
17 disadvantaged by uncompetitive electric rates.

18 Thank you. I have left a packet of all
19 that with you.

20 EXAMINER SEE: Thank you.

21 (Applause.)

22 Gary L. Rossiter.

23 MR. ROSSITER: Yes. That's correct. I'd
24 like to pass.

25 EXAMINER SEE: You'd like to pass, okay.

1 Robert Nan. Mr. Nan, would you raise
2 your right hand, please.

3 (Witness sworn.)

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

6 MR. NAU: Robert Nau, 54461 Marietta
7 Road, Pleasant City, Ohio.

8 EXAMINER SEE: Sir, pronounce your last
9 name again for me.

10 MR. NAU: Pardon?

11 EXAMINER SEE: What is your last name
12 again? Now?

13 MR. NAU: N-a-u.

14 EXAMINER SEE: N-a-u, okay. Thank you.

15 - - -

16 ROBERT NAU

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

19 DIRECT TESTIMONY

20 MR. NAU: I'd just like to say that Ohio
21 Power's been friendly to our county for all the years
22 that I've been around. They've been a major part of
23 our community. They've supported us. They're
24 bringing, hopefully, the solar farm to Noble County
25 which will be an alternate source of energy for

1 everybody. It will be the long-term goal of our
2 people here in Noble County, and I would like -- I
3 mean, I don't support the increase, but I support the
4 fact that they're investing a lot of money in our
5 community to put this solar farm in place and, you
6 know, the money's got to come from somewhere. So
7 that's pretty much it.

8 COMMISSIONER LESSER: Sir, what county
9 did you say?

10 MR. NAU: Noble.

11 COMMISSIONER LESSER: Thank you.

12 EXAMINER SEE: Thank you.

13 Steve Crum.

14 (Witness sworn.)

15 EXAMINER SEE: Thank you. Please state
16 and spell your name for the record.

17 - - -

18 STEVEN CRUM

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

21 DIRECT TESTIMONY

22 MR. CRUM: Steven Crum. Address is 46242
23 OR&W Tunnel Road, Caldwell, Ohio. Good evening. I
24 am Steven Crum, Business Manager of IBEW Local Union
25 number 972 here in Marietta, Ohio, and also President

1 of the Parkersburg-Marietta Building and Construction
2 Trades Council. My district covers several counties
3 in southeast Ohio including Noble and Washington
4 Counties.

5 I appear before you this evening to
6 express our strong support for the Turning Point
7 Solar Project that is to be built in Noble County,
8 Ohio, as proposed by American Electric Power Company
9 in its electric security plan. The IBEW, both
10 statewide and locally, have a long and meaningful
11 relationship with AEP. We recognize and strongly
12 support the participation of AEP in this project.

13 Many members of the IBEW are directly
14 employed by AEP or work at any given time on AEP
15 projects. This project will give us an opportunity
16 to do even more.

17 Let me point out that I am here to
18 support the Turning Point Solar Project and not
19 address the issues set forth in AEP's electric
20 security plan. I have not studied the other issues
21 in its electric security plan, nor its proposed rate
22 increase, however, to the extent a small rate
23 increase would bring jobs to the people of southeast
24 Ohio, I wholeheartedly support it.

25 The people of southeast Ohio and Noble

1 County need jobs that will be created by this
2 project. Many of my members are unemployed or
3 underemployed; they often have to travel great
4 distances to even seek work. We all know how
5 important it is to bring jobs to the county.

6 Efforts of this sort that will bring jobs
7 in the solar energy environment are especially unique
8 and important to our community. We have an
9 opportunity to be leaders in the area of solar
10 energy. The IBEW, the building trades, and I stand
11 ready, willing, and able to do so.

12 We support this project for many reasons.
13 It will bring clean energy to citizens of Ohio and
14 have a meaningful impact upon our communities. It
15 will assist utilities to comply with their renewable
16 portfolio standards.

17 The project is, to my understanding, a
18 joint venture with the New Harvest Ventures and Agile
19 Energy. New Harvest Ventures, an alternative energy
20 development company focused on environmentally and
21 economically distressed regions of the United States,
22 with leaders who are from southeast Ohio, are focused
23 on southeast Ohio development, and its partner, Agile
24 Energy, a leading developer of utility-scale plants,
25 together these two companies make up Turning Point

1 Solar, the developer of the solar project.

2 This project will bring over 300
3 construction-related jobs to southeast Ohio. Many of
4 these jobs will be within the electrical trades.
5 Bringing these types of jobs to the area is a benefit
6 to our members, to their families, and to local
7 communities in which they reside.

8 While my office is based in Marietta,
9 Ohio, I live in Caldwell. I am a past president of
10 the Noble Local Board of Education. I have seen
11 firsthand the impact the loss of jobs has had on our
12 residents. Many of our youngest, brightest, and best
13 are leaving our communities to seek employment
14 elsewhere. Any efforts to stem this tide and keep
15 our people in our communities is to be applauded.
16 This project will do so.

17 When I was president of the school board,
18 we often talked of ways to create opportunities to
19 keep people in our region. It is obvious that it
20 always comes down to jobs, jobs, and more jobs. I am
21 personally willing, and I know many of our residents
22 are also ready, to assume a small rate hike on our
23 electric bill in order to advance our local economy.
24 We must look at our future and recognize that only by
25 bringing jobs to our region will we have a chance to

1 obtain economic prosperity. Projects of this sort
2 are a great start.

3 Another reason why I support this project
4 is because it is an excellent use or reuse of the
5 land. This land had been previously mined for the
6 coal and the proposed usage represents the highest
7 and best use of the reclaimed land by putting it to
8 very productive use.

9 Most important, our IBEW members are
10 especially trained on solar projects of this sort.
11 The IBEW received a grant through the Ohio GROWS
12 program from the United States Department of Labor in
13 2010 for green energy training. We were one of 15
14 recipients nationwide to receive such grant.

15 This grant allowed us to train over 1,500
16 members statewide in the areas of wind, solar, and
17 energy management. This training has occurred in 20
18 training sites throughout Ohio including ours right
19 here in Marietta. Our training center in Marietta
20 has had over 70 IBEW members go through it and
21 receive training on solar energy. In other words,
22 right here in our community we have workers
23 specifically trained to do the work that will be
24 brought to the region.

25 The federal government grant has given us

1 this opportunity to do the training and we have done
2 so. This is a win-win situation for everyone.

3 People who go through our training
4 programs are journeymen and apprentice workers
5 specifically trained in the type of work to be
6 performed on this project. I am extremely proud of
7 our graduates of this program and the opportunities
8 that it creates.

9 By bringing this project to Noble County
10 we will be able to find suitable jobs for our
11 graduates. This is a great opportunity for Turning
12 Point Solar to employ highly skilled and trained
13 people on this exciting and unique project. As a
14 result, the IBEW, the building trades, and I
15 wholeheartedly support its swift approval. Thank
16 you.

17 EXAMINER SEE: Thank you.

18 Now the next individual that signed up,
19 I'm not sure about the last name so let me give you
20 the address. It's 46469 Sarahwill Road.

21 FROM THE FLOOR: Pass.

22 EXAMINER SEE: Pass.

23 Our next witness is -- I'm going to have
24 to give you the address again. 4445 State Route 555,
25 Little Hocking.

1 MR. KELBAUGH: Good evening.

2 EXAMINER SEE: Hello.

3 MR. KELBAUGH: The name is Bruce
4 Kelbaugh.

5 EXAMINER SEE: Bruce Kelbaugh.

6 MR. KELBAUGH: Sorry about the writing.
7 And I'm not related to Glenn.

8 EXAMINER SEE: Thank you, Mr. Kelbaugh.
9 Please raise your right hand. Do you affirm that the
10 information you're about to give is true?

11 MR. KELBAUGH: Any facts I do. Some will
12 be opinion.

13 EXAMINER SEE: Okay.

14 MR. KELBAUGH: Is that fair?

15 EXAMINER SEE: I can accept that.

16 MR. KELBAUGH: Okay.

17 EXAMINER SEE: Go ahead with your
18 testimony.

19 - - -

20 BRUCE KELBAUGH
21 being first duly sworn, as prescribed by law,
22 testified as follows:

23 DIRECT TESTIMONY

24 MR. KELBAUGH: I'm just a country boy
25 from western Washington County. My notes are on my

1 coffee cup here real quick.

2 My name is Bruce Kelbaugh, 4445 State
3 Route 555, Little Hocking, Ohio. I'm here
4 representing the Decatur Community Association. We
5 operate two community centers in western Washington
6 County. I'm also representing Western Washington
7 County Seniors. And I'm here speaking as a resident.

8 I've heard some very eloquent speakers
9 tonight speak about AEP and their being a good
10 corporate neighbor, and I commend them for that, but
11 I don't believe that's the issue. Are we saying if
12 you're a good neighbor, you get the increase, if
13 you're a bad neighbor, you're not? So I don't think
14 that's the issue. The issue here is whether or not
15 we increase the rates.

16 And I reflect back, like the mayor of
17 Belpre, when we were under Monongahela Power, our
18 rates were much, much lower, and everyone said when
19 we went to AEP, things would magically become great.
20 Well, the only thing that's become great, from my
21 vantage point managing the budgets of the community
22 center, the seniors, and my house, is the rates have
23 gone up, it seems, every year.

24 So my opinion is today we're asking state
25 and local government, and probably each one of you

1 and me to reinvent how we provide services and
2 manage, and I think we should ask AEP to do the same
3 thing. I would ask you to vote against the increase.
4 Thank you.

5 (Applause.)

6 EXAMINER SEE: Joseph Augenstein.

7 MR. AUGENSTEIN: Pass.

8 EXAMINER SEE: Pass.

9 Bill or Berni -- Bader? Barber?

10 MR. BADER: Bader.

11 EXAMINER SEE: Bader.

12 MR. BADER: Bill Bader, 201 Fairway
13 Drive, Beverly, Ohio.

14 EXAMINER SEE: Please raise your right
15 hand.

16 (Witness sworn.)

17 EXAMINER SEE: Go ahead.

18 - - -

19 BILL BADER

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

22 DIRECT TESTIMONY

23 MR. BADER: This will be short and sweet.
24 I don't go into all these things that some of these
25 people have. I don't know about this solar energy.

1 I only know about me and my bills. We moved into
2 this area about 13 years ago, and at the time we had
3 Allegheny Power, and a couple years gone by and we
4 get another, so we're going to AEP.

5 Well, under Allegheny Power we were 3.5
6 cents per kilowatt-hour. Overnight we jumped to 5.7
7 cents per kilowatt-hour. Why? I thought a
8 commissioner for the public utility was to look out
9 for the people. Are they? Why did we bring another
10 company in and jumped the rate? Now the rate is 7.3
11 cents an hour. So we're more than double what we
12 were when we moved in here in the last ten years.
13 And what reason?

14 And I can't agree with some of these
15 people that get up here, I don't know if they're
16 working for AEP or who they're working for, that the
17 increase in rates is going to bring more business to
18 this area. I don't think so. I never saw an area in
19 the country where you increased taxes or increased
20 utility rates where you increase business.

21 (Applause.)

22 MR. BADER: I come from Pittsburgh with
23 one of the highest electric rates in the country,
24 Duquesne Light, and some high taxes, very high taxes,
25 and I don't know if you know it, but now Pittsburgh

1 actually, populationwise, is half the size of
2 Columbus. We were once the greatest steel city in
3 the world, and now half the size.

4 What do you think caused that? Do you
5 think those higher rates and higher taxes didn't do
6 it? It did, because the young people went elsewhere.
7 So I am against any rate increase. I'm a retired
8 person, and I sure don't look forward to any more
9 increased rates right now.

10 (Applause.)

11 EXAMINER SEE: Richard A. Vore.

12 MR. VORE: I want to pass. I used to be
13 a Democrat and I can't tell the truth.

14 (Laughter.)

15 EXAMINER SEE: Jerry Kasick.

16 (Witness sworn.)

17 EXAMINER SEE: State and spell your name
18 for the record, please.

19 MR. KASICK: I am Jerry Kasick,
20 K-a-s-i-c-k.

21 EXAMINER SEE: And your address?

22 MR. KASICK: Address is 107 Brentwood
23 Street, Marietta, Ohio.

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JERRY KASICK

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

DIRECT TESTIMONY

MR. KASICK: I'm here to present my
personal experience with Columbus Southern Power
Company operated as AEP-Ohio's electric distribution
utility for my account and to express my opposition
to the application of Columbus Southern Power Company
and the Ohio Power Company's, CSP/OP for
abbreviations, standard service offer.

These applications, if approved, would
significantly increase the rates for similarly
situated residential customers as myself and could
effectively restrict the residents of Marietta to
effectively achieve lower electric prices using the
local aggregation of retail electric loads that was
passed in a local election on May 3rd, 2011, by an
overwhelming 70.3 percent majority of the voters.

Over the last nine years I have
personally experienced a 69 percent rate increase on
my home's monthly electric bill from 2002 when
Allegheny Power supplied my electric service and the
total charges, including generation and distribution,
were 7.7 cents per kilowatt-hour, to the present

1 13.01 cents per kilowatt-hour total charges by
2 Columbus Southern Power which took over the service
3 in my area.

4 This 69 percent rate increase is despite
5 my family's actions to reduce our average electric
6 energy consumption by 18.6 percent over the last nine
7 years. By improving the energy efficiency of our
8 home and changing our energy utilization practices we
9 now use far less electricity, typically less than 275
10 kilowatt-hours per month, but the cost of our bill
11 has still increased by 44 percent during the same
12 period.

13 Although inflation over this period was
14 nominally 24 percent, according to figures from the
15 Federal Reserve Bank of Minneapolis, I appreciate
16 that the U.S. inflation statistics do not reflect the
17 details of recent spot price changes for Appalachian
18 coal which has increased approximately 75 percent
19 over the last three years according to the U.S.
20 Energy Information Administration, June 6th, Coal
21 News and Markets Report.

22 Based on data from summaries of the
23 CSP/OP SSO offering it appears that residential
24 consumers such as my family could see a total rate
25 increase of approximately 10 percent next year, and

1 another 5 percent in 2013, and the potential for
2 further undefined increases due to the riders in this
3 application.

4 I am concerned that the CSP/OP proposal
5 will increase costs for all of the residents in
6 Marietta and that conservation alone can never be
7 enough to mitigate the impact of the proposed and
8 potential increases.

9 I'm a bit skeptical about the
10 justification for such a substantial increase in the
11 base generation rates given that Columbus Southern
12 Power was recently found to have significantly
13 excessive earnings in 2009 requiring them to return
14 \$42.6 million to their customers, of which I would be
15 one. And I think it's in my month bill this month.

16 I am also concerned that there are
17 indications that this application includes AEP-Ohio's
18 proposal to burden the Columbus Southern Power
19 customers with an equal share of \$643 million in
20 deferred fuel cost revenues previously incurred and
21 owed by Ohio Power's customer base.

22 I am alarmed at AEP-Ohio's apparent
23 intention to charge Columbus Southern Power customers
24 for power previously consumed by Ohio Power
25 customers. How can the transfer of any portion of

1 these deferred charges possibly be justified as
2 beneficial to the Columbus Southern Power customer
3 base which did not use any portion of the generated
4 energy yet is expected to help pay?

5 I also am particularly concerned about
6 AEP-Ohio's request for ten new incompletely or
7 ill-defined nonbypassable riders which could be
8 expected to severely limit the economic benefit for
9 current Columbus Southern Power customers to shop for
10 a more competitive electric supplier since the
11 riders' charges will be applied to my account
12 regardless of who generates the electricity that I
13 use in the future.

14 To make this situation even more
15 incomprehensible, it's not possible to fully evaluate
16 the economic impact since there appears to be no cost
17 information available for the newly proposed riders.

18 Columbus Southern Power and Ohio Power's
19 applications appear to reflect AEP-Ohio's strategy of
20 creating barriers to competition so the companies can
21 maintain their comparatively high and ever-increasing
22 electric rates.

23 It also appears that the applications are
24 proposing to establish new means to collect
25 additional revenues through the use of nonbypassable

riders from all customers, whether the customer chooses to take generation service from CSP or Ohio Power or another supplier, including charges on new facilities well before they are 75 percent complete, which appears to be contrary to Ohio Revised Code, unless a waiver is explicitly granted on a case-by-case basis.

It appears that the nonbypassable riders could further lock local customers into the worst possible combinations of high electric rates with the presence of nonbypassable riders which would negate any savings that might be achieved by switching suppliers.

Approval of the application with the inclusion of these nonbypassable riders does not seem consistent with the intent of the Ohio electrical deregulation legislation which was supposed to promote more competitive markets for the benefit of all consumers.

It is for these reasons that I request the PUCO to protect the Columbus & Southern Power customers from potentially harmful or noncompetitive impacts of the proposed applications being considered by either rejecting the application in its entirety or by accepting the application contingent upon

1 requiring AEP-Ohio to fully identify the cost impacts
 2 of all of its proposals, including all of the riders,
 3 rejection of any nonbypassable riders, tariffs, or
 4 charges that discourage third-party supplier
 5 competition, or that diminish the savings that
 6 consumers might achieve individually or through local
 7 legislative aggregation agreements by choosing an
 8 alternate supplier, and to fully account for future
 9 economic disadvantages that may be experienced by
 10 businesses within the local service area due to the
 11 proposed changes in the electric rate structure.

12 Thank you.

13 (Applause.)

14 EXAMINER SEE: Hershel McClure.

15 MR. MCCLURE: Pass.

16 EXAMINER SEE: Scott Miller. Please
 17 raise your right hand.

18 (Witness sworn.)

19 EXAMINER SEE: State and spell your name
 20 for the record and give us your address.

21 - - -

22 SCOTT MILLER

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

25 DIRECT TESTIMONY

1 MR. S. MILLER: Scott Miller, 7980 Floyd
2 Drive, The Plains, Ohio. Good evening. I'm Scott
3 Miller. I'm the Director of Energy and Environmental
4 Programs at Ohio University's Voinovich School of
5 Leadership and Public Affairs, and I'm pleased to
6 address you this evening on behalf of a portion of
7 American Electric Power's electric security plan, the
8 Turning Point Solar project, which is set to break
9 ground in Noble County beginning next year.

10 This unique project has the ability to,
11 quite literally, transform the landscape of southern
12 Ohio. The installation of a 50-megawatt solar array,
13 one of the largest in North America, will turn
14 hundreds of acres of former strip mine lands into a
15 regional asset that will alter the region's electric
16 landscape.

17 It will serve as an installation for the
18 region's school-age children who are clamoring for
19 opportunities to participate in the high-skilled,
20 high-tech jobs that are going to be the cornerstone
21 of the 21st century, and it's going to transform
22 the region's economy by allowing local citizens to
23 consider a more sustainable economic future, a future
24 that is not dependent on resource extraction here to
25 build the economy elsewhere, one where capital and

talent and knowledge are retained in this region to help build upon the unique beauty and culture that makes this region such a magnificent place to live and to raise a family.

To me, this is not just about energy. It's about Ohio's economic prosperity. Economics and energy are inextricably linked. Access to safe, reliable, and affordable energy has been the cornerstone of our state's economic well-being for more than a century and will be even more important in the future.

Southern and eastern Ohio are integrally linked to our state's economic well-being. Traditional sources of energy such as coal, oil, and gas has sustained our region's economy for more than a century, we have abundant reserves of all of them and they're all being developed to their maximum potential.

We have to use our indigenous resources wisely, but these sources alone will not meet our growing energy demand. We must begin to increase the proportion of energy generated from renewables given the enormous lead time it takes to conceive of, demonstrate, finance, permit, install, and gain wide-scale public acceptance of new energy

1 technologies, the time to begin that transition is
2 now. That is why coming here this evening was so
3 important to me.

4 The proposed Turning Point Solar project
5 is an exciting project. I have spoken with many of
6 the leaders of this partnership, I have shared my
7 views of how their plans can be improved, and it is
8 because of these conversations and the faith I have
9 in their ability that I stand before you this evening
10 and provide my support for this effort.

11 We have a lot of work ahead of us. Ohio
12 University's proud of our heritage as the first
13 institution of higher education in the northwest
14 territories. We were founded in 1804 and recently
15 celebrated our bicentennial, and I had the honor four
16 years ago of addressing our founders day celebration
17 by presenting an essay on the history of coal and its
18 importance to our region's economy.

19 Important as it has been and will
20 continue to be for our region's economic future, our
21 institution, just like AEP, is not looking solely at
22 coal to power its future. We are actively engaged in
23 research and economic development revolving around
24 new advanced energy technologies; we are revising our
25 curricula to meet the growing demand for adequately

1 trained professionals in the energy industry; and we
2 are working with policymakers and state and federal
3 agencies to change the way government, businesses,
4 and the education community collaborate; and we are
5 helping prepare Ohio citizens for a new energy
6 economy.

7 That is why we were pleased to be
8 included in the memorandum of understanding signed on
9 October 5th with the developers of this project and
10 other institutions of higher education in this
11 region.

12 It is because we face such huge energy
13 and environmental and economic challenges in the
14 coming years that we must face these challenges head
15 on. The developers of this project have brought
16 together a strong leadership team, they've secured
17 appropriate financing, and they've set in place an
18 achievable schedule that will help meet AEP's need to
19 comply with the solar requirements under SB 221 in
20 the near term while also bringing high-tech,
21 low-carbon electric generation to this region on
22 lands that are marginally productive today.

23 The project developers have added to this
24 project by working with suppliers, including
25 Isofotón, a leading European manufacturer of solar

panels, to locate its North American manufacturing and distribution operations in Ohio, bringing with it over 300 high paying clean technology manufacturing jobs. While Isofotón continues to look for an adequate location for its operations, I have conveyed my belief that manufacturing near where you plan to install is the best solution. Southeast Ohio has the labor force and the desire to build these photovoltaic cells, and it should be located here.

Without investments in our energy system through projects such as this we face the very real concern that we may not be able to meet our energy forecast in the future. What we've seen in Ohio economically in the last five years can be likened to an economic forest fire and, like a forest fire, there's a tendency to feel despondent after such an event, but now is not the time to withdraw from the challenges that lay ahead.

Now is the time to sow the seeds of our future and the seeds of our new energy economy and, just like a forest fire, there are green shoots that will soon appear. Those shoots of hope are projects like the Turning Point Solar project. They are the sorts of companies that our new energy and economic systems will be built upon. Thank you.

1 EXAMINER SEE: Thank you.

2 Mike Workman. Mr. Workman, thank you,
3 please raise your right hand.

4 (Witness sworn.)

5 EXAMINER SEE: State and spell your name
6 for the record and give us your address.

7 MR. WORKMAN: Mike Workman,
8 W-o-r-k-m-a-n, 79 North 8th Street, McConnelssville,
9 Ohio.

10 EXAMINER SEE: Go ahead with your
11 testimony.

12 - - -

13 MIKE WORKMAN
14 being first duly sworn, as prescribed by law,
15 testified as follows:

16 DIRECT TESTIMONY

17 MR. WORKMAN: Thank you for allowing us
18 to testify. We all appreciate the opportunity. I'm
19 not here to talk specifically about the ESP, electric
20 security plan. Quite honestly, I don't know all the
21 details of it. But what I'm here to talk about is
22 the short term versus the long term and what we see
23 versus what we don't see.

24 And I'd like for people in this room to
25 be aware of what AEP has done in my travels and make

1 you aware of what a good corporate citizen these
2 people are.

3 I'm involved in several things in my
4 community, one is with the Foundation for Appalachian
5 Ohio, one is with the CIC, our Community Improvement
6 Corporation, and one as a small business owner. I've
7 been in business for myself for about 16 years now.

8 In my travels with meeting people at AEP,
9 mostly at the corporate level, I've been privileged
10 to work with them in creating opportunities for
11 people in our region. With the Foundation for
12 Appalachian Ohio, AEP in the past three years has
13 invested over \$600,000 in that organization to
14 create -- is that bothering everyone? Am I too
15 close? -- to create an education endowment that
16 serves the people in the region and all of
17 Appalachia, 32 counties. This endowment has reached
18 4,004 children to date and it's leveraged over \$2
19 million in additional endowments to the Foundation.

20 Number two, the CIC, I serve on that
21 board in Morgan County and, as you know, as we're
22 well aware, with the closing of four units at the
23 Beverly operation that's not good news to any of us.
24 But we've known this for quite a while.

25 AEP was up front with us several years

1 ago, and we worked with AEP and others to develop a
2 strategic plan for our county, Morgan County, to
3 replace some of those jobs and add additional jobs in
4 entrepreneurial jobs in our county, and that's our
5 focus for the future.

6 AEP is helping us invest in that future
7 by setting aside 650 acres of their land for
8 development for an entrepreneurial center and for the
9 purpose of creating new innovative businesses in our
10 county. I have no idea how many jobs that will
11 create, but in our estimation it will cover a major
12 portion of what we'll be losing in the four units.

13 I have also worked with AEP in my CIC
14 role in establishing and retaining businesses in our
15 county and establishing three new entrepreneurial
16 businesses over the past 32 months. With the help of
17 AEP we have created 404,000 -- I'll repeat that --
18 404,000 square feet of new manufacturing space and
19 that has resulted in over 300 new jobs in the past 32
20 months. Without AEP support and help I'm not sure
21 quite how we would have done it.

22 In my estimation, tonight's conversation
23 is on the moment, but what I'm more concerned about
24 is the future. And we need corporate partners like
25 AEP to continue to invest in the bigger picture.

1 And, personally, I support them, and that's all I
2 have to say. Thank you.

3 EXAMINER SEE: Okay. I have a first name
4 that I'm pretty sure about, the last name I'm not so
5 sure about. So is there a Carla, 230 Shawnee Lane?

6 Ma'am, tell me your last name, please.

7 MS. EVANS: My first name is Charla,
8 C-h-a-r-l-a, my last name is Evans, E-v-a-n-s. And I
9 apologize for my handwriting.

10 EXAMINER SEE: That's okay.

11 MS. EVANS: I'm not a physician or
12 anything.

13 EXAMINER SEE: Please raise your right
14 hand.

15 (Witness sworn.)

16 EXAMINER SEE: Okay. You've already told
17 us your name. Tell us your address.

18 - - -

19 CHARLA EVANS

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

22 DIRECT TESTIMONY

23 MS. EVANS: My office address is 230
24 Shawnee Lane, Gallipolis, Ohio. And I am the
25 superintendent of the Gallia County Local Schools. I

1 had previously submitted a letter to the chairman and
2 in that letter I told him that I was coming to offer
3 support for the AEP-Ohio security plan. AEP's -- and
4 I'm going to read from that letter, if I may, at
5 least partially.

6 EXAMINER SEE: Okay.

7 MS. EVANS: AEP's James Gavin Power Plant
8 is located in the Gallia County Local School District
9 and provides a considerable tax base which translates
10 to a major source of revenue for the school district
11 operations. Many of our students' parents are
12 employees of the power plant and their families enjoy
13 a middle class standard of living as a result of
14 these jobs.

15 In a school district that has 60 percent
16 of students participating in free and reduced meal
17 programs, this job source is critically important.
18 It's important not only as a source of income for
19 those families, but just as important so that
20 children can see that middle class way of life that's
21 been the heart of America.

22 AEP-Ohio's involvement in work force
23 development is important to our population. Their
24 participation in developing a two-year associate
25 degree program at the University of Rio Grande to

1 prepare future power plant operators represents a
2 win-win piece of this effort. In some cases
3 participants have been new high school graduates and
4 in others they have been individuals locked into
5 low-paying, dead-end jobs because they did not have
6 advanced education.

7 A number of our graduates have
8 successfully completed the program. Some have gained
9 employment with AEP while others are employed at
10 other industrial settings.

11 The AEP James Gavin plant provides more
12 than tax revenue for our school district. The staff
13 at the plant has partnered with our schools to
14 support curriculum and student activities. I feel
15 that it's important to cite a few of the activities
16 and programs.

17 Plant employees have been involved in
18 providing science curriculum when it was needed, and
19 I cite specifically the state's assessment tests
20 which most of the state of Ohio at the fourth grade
21 the curriculum lacked a piece on simple machines, and
22 AEP employees, their engineers, came and said, "We
23 can help with that" and created some
24 teacher-friendly, kid-friendly lessons that we were
25 able to put into operation immediately.

1 They've served as guides for students
2 pursuing various technical and engineering-related
3 studies. They've provided extern experiences for
4 district teachers, teachers from our schools who were
5 preparing students for the future, be it in
6 chemistry, engineering, labors, would go to the James
7 Gavin plant and they would be mentored by an employee
8 there for a week-long period during the summer.

9 They have allowed fund-raisers during
10 plant outages to support school districts.
11 Unfortunately, fund-raisers are a part of the heart's
12 blood of school district operations. They have
13 provided expert advice on various safety related
14 projects in the school district, and they have
15 supported and participated in the district's annual
16 academic festival.

17 In addition, district teachers have
18 participated in various AEP-sponsored professional
19 development focused on science curriculum. These
20 experiences have served to scaffold the learning of
21 both the teacher and his or her students. The return
22 to the community in terms of student growth over a
23 period of years is priceless.

24 AEP's Teacher Vision Grant program
25 provides incentives for teachers who want to try

1 something new in their classrooms and need just a
2 small amount of money to support the idea. While
3 \$500 may not seem like a lot of money, it can make a
4 difference for teachers who often spend hundreds of
5 dollars from their own paychecks on their classrooms
6 every year.

7 In an economically challenging time for
8 school districts these grants can also support the
9 school district budget -- can support what school
10 district budgets can not. I believe that this kind
11 of opportunity fosters a creativity and innovation
12 that is critical to good education.

13 Finally, like every other school district
14 superintendent in our state I face the challenge of
15 operating a school district on a shrinking budget.
16 My mission is still the same: To support all
17 students to achieve more. But we are more dependent
18 than ever on a steady supply of electric energy to
19 run the business of school.

20 Our schools have more technology than we
21 thought possible. Each piece uses electric energy to
22 operate. To safeguard this investment in technology
23 we are dependent on electric energy delivered in a
24 measured, secure manner. To date AEP has met their
25 obligation to us by doing just that. When there's

1 been a failure in their system, they've been good
2 partners and worked to remedy the problem, whether it
3 was the consequence of storm damage or a blown
4 transformer.

5 I know that this service comes at a cost,
6 and I also know that there is no free lunch. We're
7 willing to partner with AEP as they've partnered with
8 us.

9 Might I say that as our infrastructure
10 for technology has grown in the school district and
11 in our communities -- I live in the country. I live
12 on a farm. I'm one of those people who live two
13 miles from my office where we have fiber, and I don't
14 have high-speed internet. I have dial-up. I don't
15 have AEP as a personal provider at my location. I do
16 at a business location. And my rates are higher.

17 I can also say that if we don't protect
18 the infrastructure, and that means renewing it as it
19 needs to be renewed and maintaining it, then there
20 won't be a future. There are a lot of people out
21 here who, if we look in the mirror, are looking at
22 one another. We have to prepare the future for our
23 children even though we're not going to be there to
24 live in it.

25 So I do offer my support, and I thank you

1 for your time.

2 EXAMINER SEE: Thank you.

3 Jack Moberg.

4 FROM THE FLOOR: He left.

5 EXAMINER SEE: Mr. Moberg left?

6 FROM THE FLOOR: Yes.

7 EXAMINER SEE: Ron Feathers.

8 Mr. Feathers, raise your right hand.

9 (Witness sworn.)

10 EXAMINER SEE: Please state and spell
11 your name for the record, give us your address, and
12 then continue with your testimony.

13 - - -

14 RON FEATHERS

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

17 DIRECT TESTIMONY

18 MR. FEATHERS: Ron Feathers, R-o-n
19 F-e-a-t-h-e-r-s, 5540 State Route 60, Marietta, Ohio.
20 Unlike many of the speakers who are here this
21 evening, I do not have anything prepared. And I'm
22 not here to bash AEP publicly or any way else. I
23 appreciate my electric. I love it. And I love to
24 use it. And I can appreciate the guys when they have
25 to work holidays and when they're out in the middle

1 of the storms to fix it, but that is not the issue
2 here tonight.

3 And the distinguished gentleman from the
4 Ohio University mentioned that in 1804 they were one
5 of the leading institutions to promote coal, and I
6 have no doubt about that, but the men and women who
7 were producing that coal were doing it with private
8 investment. If you would have tried to pull
9 something like this then, well, I don't know what
10 would have happened, but you might want to look at
11 what Samuel Adams and the Sons of Liberty did.

12 The effects on this local and business
13 group of people is going to be staggering. In 2007
14 we saw a rate increase of 7 -- or, 2009 we saw a rate
15 increase of 7 percent. In 2010 we saw a rate
16 increase of 6 percent, and again in 2011, another
17 6 percent rate increase. We need to know as
18 consumers exactly what's going on with that rate
19 increase, and we need to know how it's going to
20 effect our bills really before we can even voice.

21 We've got these nonbypassable riders that
22 is nothing more than a tax on top of your bill. And
23 by the way, one of those, as far as I understand it,
24 is called a carbon capture and sequestration rider.
25 It's a program that's only available in

1 West Virginia, but we're going to pay for it.

2 If this rate increase was caused by
3 regulations brought forth by that ten-mile square
4 city over in the District of Columbia, then it would
5 not just be for southeastern Ohio. It would be
6 across the board. And as I understand it, a similar
7 rate increase was rejected by the Public Utility
8 Commission of Ohio for southwestern Ohio.

9 (Applause.)

10 MR. FEATHERS: Many of the good people
11 have stood up here and spoke about all the great
12 things that AEP are doing, and I think it's
13 marvelous. I think it's wonderful that they're
14 working with the local schools. I think it's
15 wonderful that they're great corporate partners. But
16 what I need to ask you now, is it on your dime or is
17 it on theirs?

18 (Applause.)

19 MR. FEATHERS: See, I can be real
20 generous with your wallet.

21 FROM THE FLOOR: So is Obama.

22 MR. FEATHERS: That's another issue I
23 guess.

24 Let private capital, let private
25 investment, let those things initiate these

1 alternative energy programs; that's what they're
2 there for. We don't need more subsidy. We see
3 subsidy from DC; an \$80,000 car called the Chevy Volt
4 that they can't sell for 40.

5 So when it becomes very popular, then the
6 investment money will be there for solar energy, for
7 wind energy, as a matter of fact, for geothermal
8 energy, but until then the taxpayers and the small
9 business people and the residents do not need to pay
10 for those investments. I'm against this rate
11 increase. Thank you.

12 (Applause.)

13 EXAMINER SEE: That was the last witness
14 that had signed up to offer testimony. Is there
15 anyone else who did not sign up or has not offered
16 testimony this evening that wishes to do so?

17 MR. COLBERT: Yes, I do.

18 EXAMINER SEE: Sir.

19 MR. COLBERT: Bill Colbert from Pomeroy.
20 May I say a few words?

21 EXAMINER SEE: I need you to step
22 forward. Sir, what was your name again?

23 MR. COLBERT: Dale Colbert, 33884 Hiland
24 Road, Pomeroy, Ohio. And I do.

25 EXAMINER SEE: Let me ask you first.

1 (Witness sworn.)

2 EXAMINER SEE: Go ahead, sir.

3 MR. COLBERT: Unless I can make up
4 something.

5 - - -

6 DALE COLBERT

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

9 DIRECT TESTIMONY

10 MR. COLBERT: I sit back here and wonder
11 what in the world would somebody my age have to say,
12 and I got to thinking, we talked all about the
13 government, and they're down here to make sure we're
14 doing everything right and so on and so forth, and
15 they can help AEP give money out, dispense it all to
16 our school districts, our towns for ball fields,
17 this, and that. They do a good job.

18 But down in our country we have what we
19 call volunteerism. Baseball coaches. School
20 teachers that retire and go back and teach. Senior
21 projects, they go out and volunteer in the school
22 districts.

23 Down in Gallia County at Holzer Hospital
24 there's a lady lives out by Bidwell, Mrs. Payne, she
25 has over 20,000 -- over 20,000 volunteer hours at

1 that hospital. We gave her a Good Neighbor award,
2 Hometown Hero award a couple years ago. There's
3 another lady down there that's just got a few hours
4 less than she; she doesn't know it, but she's going
5 to get a Hometown Hero next month.

6 But we think in all our communities,
7 coaches, teachers, Boy Scouts, 4H leaders, how many
8 hundreds of hours do they give? But does AEP get tax
9 write-offs for all this that they're giving us,
10 giving away? But they want us to pay more, to pay
11 more, special items on our electric bill.

12 Now, just get back to 1804, as you talked
13 about, I had relatives that was there when the Lindys
14 [phonetic] came to Athens in 1804, a lot of you all
15 had them in Washington here before 1800, but they
16 didn't wait on somebody to come across the
17 Alleghenies and tell them what to do, some government
18 program. Self-initiative.

19 Now, just get back to our government.
20 Our industries. Our industry needs to be
21 self-reliable instead of having handouts off of old
22 people's backs in their electric bill; the spine of
23 America again.

24 I never can figure out -- I was on a
25 vacation in Barcelona, Spain, in 1971. That town

1 shut down at 9 o'clock at night. You could not see a
2 powered light up on the mountain from where we were
3 staying down. Electricity cost too much.

4 I was lucky enough to go behind the Iron
5 Curtain and see where there was electric, it was a
6 different life, but they'd been governed by a small
7 group of people controlling industry. We need to
8 think where 1804 was in the Ohio Valley versus what
9 the rest of the world is and how close we're getting
10 to the other side of the world.

11 There's good companies, but they don't
12 have to be given a handout at the end of the year by
13 us taxpayers. That's all.

14 (Applause.)

15 EXAMINER SEE: If there's no one else
16 that would like to offer testimony this evening, on
17 behalf of the Public Utilities Commission I'd like to
18 thank you all for taking your time in coming out this
19 evening to ensure that the Commission has your
20 opinion on the record. Thank you very much.

21 (Applause.)

22 (The hearing concluded at 7:40 p.m.)

23 - - -

CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Monday, June 13, 2011, and carefully compared with my original stenographic notes.

Maria DiPaolo Jones, Registered
Diplomate Reporter and CRR and
Notary Public in and for the
State of Ohio.

My commission expires June 19, 2011.

(MDJ-3856)

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Summary: Transcript Transcript of Columbus Southern Power Company public hearing held on 06/13/11 in Marietta electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Jones, Maria DiPaolo Mrs.