Date of Hearing: $\qquad$ $6 / 13 / 11$

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11.346 \text {-EL-S5O - } 11-348-E L-5 S O
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Case No. $11-349-E L-A A M \quad$ I $11-350$-EL-AAM
PUCO Case Caption: $\qquad$
Columbus southern Power Co. Ohio Power Company
$\qquad$
$\qquad$

List of exhibits being filed:

- Critter teximonw submitted at public hearing on 6/13/11.
- Sign -in sheets
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Reporter's signature: Yuaria / lipailo Jones
Date Submitted: $\qquad$ $6 / 22 / 11$

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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. :

## 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.

ARMSTRONG \& OKÉY, INC.
222 East Town Street, 2nd Floor Columbus, Ohio 43215
(614) 224-9481 - (800) 223-9481 Fax - (614) 224-5724 Commission
$\qquad$
DATE: $\qquad$ LOCATION: Marie te OH

If you would like to provide testimony, please PRINT your name and address below.


Ohio

Public Utilities Commission

Public Hearing Witness Sign-in Sheet

COMPANY: $\qquad$ CASE NO.: $\qquad$
DATE: $\qquad$ LOCATION: $\qquad$
If you would like to provide testimony, please PRINT your name and address below.


Ohio $\begin{aligned} & \text { Public Utilities } \\ & \text { Commission }\end{aligned}$


COMPANY: ABD CASE NO.: $\qquad$ 11-3He et al.
DATE: $6-13-11$ Location: Marietta

If you would like to provide testimony, please PRINT your name and address below.


June 13, 2011
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215
RE: Testimony for AEP Ohio ESP - Case Nos. 11-346-EL-SSO and 11-348-EL-SSO
On behalf of the Board of Gallia County Commissioners, President Lois Snyder, Vice-President Joe Foster and myself, Commissioner Harold Montgomery, I would like to offer testimony regarding Case \#'s 11--346-EL-SSO \& 11-348-EL-SSO.
Gallia County and AEP have a long and important relationship and therefore I would like to express my support of AEP's Electric Security Plan (ESP) that was filed with the PUCO earlie this year. The ESP is a comprehensive strategy describing how the company will provide electricity to its customers during the period 2012 through May 2014.
The ESP also introduces the Ohio Growth Fund, a $\$ 25$ million shareholder contribution designed to work in partnership with state and local agencies and private sector leaders to attract new investment and job growth throughout AEP Ohio's service teritory. AEP Ohio has a long history of support for economic development in its service territory and the proposed ESP includes a continuation of that support as well as significant new investment in programs and customer offerings. The Growth Fund would provide resources for attracting new businesses and helping existing business customers expand.
Economic Development Mini Grants were established to assist local economic development organizations with funding to address local needs. Gallia County was a recipient of such a grant that was utilized for website creation for our Economic Development Office and can be found at www.growgallia.com. This website is utilized to promote new and existing industries for expansion projects that create new jobs, retain existing jobs and generate new investment in our County.
Through the Turning Point Solar project, the ESP requests regulatory recovery of significant new investment that will lead to the creation of hundreds of new manufacturing jobs in Ohio.
The plan adds renewable energy sources to the company's generation mix, continues AEP's energy efficiency efforts and gives consumers an option to directly purchase a portion of their electricity from renewable sources. The ESP also proposes a tariff to support customers who choose plug-in electric vehicles.
AEP Ohio serves more than 1.5 million customers and more than 1,000 communities in 61 of Ohio's 88 counties. Taken together the supply and delivery business segments form the foundation of AEP Ohio's substantial economic impact in the state, which is estimated to exceed $\$ 2$ billion annually. AEP employs more than 6,000 people in the state with over $\$ 699$ million in wages and in 2010 AEP paid $\$ 348$ million in Ohio taxes and made capital investments of $\$ 513$ million.
It is for all the reasons stated above that I and the Gallia County Commissioners are in full support of AEP Ohio's ESP Plan. Thank you for the opportunity to give testimony on this most important issue that has a direct impact on the economic recovery, not only for Gallia County, but the entire service area of AEP. I would be glad to answer any questions you may have of me.

Harold G. Montgomery
Gallia County Commissioner

AEP HAS BEEN A HUGH PART OF THE BEVERLY-WATERFORD COMMUNITY FOR OVER 50 YEARS. THEY HAVE CONTRIBUTED TO THE WASHINGTON \& MORGAN COUNTY COMMUNITIES IN MANY WAYS. THEY ARE A MAJOR EMPLOYER AS WELL AS THE JOBS THAT ARE CREATED BY OTHER BUSINESSES THAT ARE USED TO SUPPORT THE PLANT OPERATIONS. THE EPA HAS GOOD INTENTIONS; HOWEVER THEY HAVE NOT GIVEN PROPER THOUGHT TO THE EFFECTS OF CLOSING THE MUSKINGUM RIVER PLANT. THIS WILL CAUSE MAJOR JOB LOSSES AS WELL AS HUGH INCREASES IN THE UTILITY COSTS FOR AN AREA THAT IS ALREADY STRUGGLING DUE TO THE POOR ECONOMIC CONDITIONS OF THE LAST $21 / 2$ YEARS. IT WOULD MAKE MORE SENSE TO EXTEND THE TIMELINE TO ALLOW AEP TO COMPLY WITH THE REGULATIONS AND ALLOW FOR OTHER SOURCES TO HELP GENERATE THE ELIMINATED ELECTRICITY. IT IS TIME THAT WE USE COMMON SENSE IN MAKING THESE DECISIONS THAT AFFECT THE LIVELYHOOD OF FAMILYS, BUSINESSES, TOWNS, SCHOOL DISTRICTS \& COUNTIES. IT DOSEN'T APPEAR THAT SOCIETY IS READY TO REDUCE THE CONSUMPTION OF ELECTRIC POWER REGARDLESS OF HOW IT IS GENERATED.

Who is AEP? AEP is a major employer and good neighbor in our Northwest Washington County community. AEP is owned by shareholders, many whom are our neighbors and friends and many more through their retirement program investments.

As a neighbor of American Electric Power Co. I am concerned that in 2008, Barack Obama said: "So if somebody wants to build a coal-powered plant, they can; it's just that it will bankrupt them because they're going to be charged a huge sum for all that greenhouse gas that's being emitted." (Sen. Barack Obama, Interview With San Francisco Chronicle, 1/17/08) and I am concerned about the
Hazardous Air Pollutants Rule. I want to make you aware that the amount of time provided by the Clean Air Act to comply with this regulation is not sufficient. AEP has installed nine scrubbers in the last several years. A typical installation takes more than four years, assuming there are no problems and that an adequate supply of materials and labor is available. That may not be the case as utilities throughout the country compete for workers and the limited capacity available to construct control equipment. Given the number of installations that will be required nationwide along with the high potential for a shortage of labor and materials, the stated time frame is not realistic. These projects required by the government are beyond reason. The alternative fuels proposed by government will increase our electric cost by double in the next few years.

I feel that the process for the EPA's compliance has not been thoroughly thought through. The consequences to the economy would devastate small communities such as Lowell, Beverly, and Waterford. For example, the Muskingum River Plant in Beverly, Ohio - Units 1-4 (840 MW) will have to be retired by Dec. 31, 2014; and Muskingum River Unit 5 ( 600 MW ) may be refueled with natural gas with a capacity of 510 MW by Dec. 31, 2014, depending on regulatory treatment in Ohio. The loss of megawatts and jobs would directly impact the economies of these small Southeastern Ohio towns and we are already suffering from the economic downtown.

Compliance with the HAPs Rule, in conjunction with other pending regulations, will be expensive and disruptive. Please take the steps needed to allow AEP to comply at the least cost to the communities that they serve.

Coal is the major energy source for electricity and is the least cost supplier for electricity in our region.

AEP has always been a friend, as are the other small businesses that serve our community. Small businesses and major industry sites will be closed because of higher rates brought on by the policies of an out of control government. These policies not only bankrupt the coal-fired energy producer, but will bankrupt each and every business and household.

[^0]I worked for a public electric utility co. for 28 years.
Belpre, OH 45714
I see this pate increase 5 as a way to play mind games with consumers and the PUCK.

With the creation of these numerous riders and the other break-down of rates already on our bills, AEP is creating a host of ways in which they will be able to keep coming back to you for rate increases.

They will come back to you saying that "...they haven't had an increase in a certain rider for so many years and perhaps ask for a 10 or $20 \%$ increase. And they will keep doing that non-stop in what appears to be in small increments, which will in reality, make large increases in our bill by the time all of them are added up.

Are not all these riders expenses in the cost of producing and delivering electricity?

If so, let AEP present to the PUCO the total cost for producing electricity. Let it be reflected in a total \% so you and the consumer can see what the real rate of increase is truly going to be.

I realize the EPA is making it extremely difficult for electric utilities right now.

And the economic environment is making it difficult on AEP's customers to survive as well.

An AEP representative recently spoke to the local Chamber of Commerce in Meigs County and said, "... we are not about to allow the current economic environment affect our "Margin of Profit."

Why shouldn't it affect theirs, it's affecting ours! And then on top of everything, AEP keeps coming back and asking for increases far exceeding inflation.

We are living on less, maybe they can sacrifice a little on behalf of their loyal customers!?

San Francisco has established, "Citify of Refuge" so illegal aliens can hide from the laws of the Federal government and there by deportation.

Perhaps AEP should lobby as hard in Columbus to make Ohio a "State of Refuge" from the burdensome rules and regulations of the EPA. Af then lab Bred
 AEP could gain stature in the eyes of their customers by making this state business friendly again. And if they did this, that, nouldothey Roue to customers hot ha ge ask for these anti-business / anti- jobs electric rate increases!

Good Evening, My name is Michael Lorentz the current Mayor of Belpre, Ohio My purpose for being here tonight is to voice my concerns over the AEP's Electric Security Plan which would significantly increase the generation rates for our residents and small business.

With this plan in place it also restricts our ability to shop for lower rates. What option does this now give the near $40 \%$ of our citizens that are over 62 years of age?

Belpre has seen their electric bills rise from around $\$ 68$ dollars a month with Monongahela Power in 2005 to now $\$ 118$ under the Columbus Southern Power Rates. This is about $73 \%$ in less than 6 years.

Based on AEP"s summary of their ESP filing we are now looking at another 15\% in 2012 and another 5\% in 2013.

Again I will ask you what options does this leave almost $40 \%$ of the residents of my city that are over the age of 62 and existing on fixed incomes?

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

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

AEP's request for Non-bypassable riders will hurt consumer's ability to shop for competitive electrical providers. However this cannot be fully evaluated
since there is no cost information available for the newly proposed riders. (One can assume that they will not be at zero cost)

AEP's strategy appears to be to provide barriers to competition so that they can maintain high electric rates and collect additional revenue through riders from all customers (whether the customer chooses to take generation service from AEP or a third party supplier)

In reality, the non-bypassable riders would lock local consumers into the worst of all worlds; high electrical rates with non-bypassable riders, preventing consumers from shopping to lower their bills. This does not seem consistent with the intent of developing competitive markets that Ohio's Electrical Deregulation legislation was supposed to promote.

Belpre is fortunate to have the river, a working rail system, and the four lane highway running through our city. Even with these important resources it is still impossible to compete with our neighbor state due to utility costs.

In Closing; I request that the Public Utility Commission of Ohio support the residents and small businesses in our area by:

1. Requiring AEP-Ohio to fully identify the cost impacts of all its ESP proposals ( Including the riders)
2. Reject non-bypassable riders and charges that block opportunities for consumers to reduce their electric bills by shopping, and discourage competitive suppliers from entering our region.
3. Make sure that our local economy is not disadvantaged by uncompetitive electric prices

Table DP-1. Profile of General Demographic Characteristics: 2000
Geographic Area: Belpre city, Ohio
[For information on confidentiality protection, nonsampling error, and definitions, see text]

| Subject | Number | Percent | Subject | Number | Percent |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Total population. | 6,660 | 100.0 | HISPANIC OR LATINO AND RACE Total population | 6,660 | 100.0 |
| SEX AND AGE |  |  | Hispanic or Latino (of any race).... | 32 | 0.5 |
| Male | 3,042 | 45.7 | Mexican | 9 | 0.1 |
| Female. | 3,618 | 54.3 | Puerto Rican. | 11 | 0.2 |
| Under 5 years | 417 | 6.3 | Cuban |  |  |
| 5 to 9 years | 354 | 5.3 | Other Hispanic or Latino | 12 | 0.2 |
| 10 to 14 years | 373 | 5.6 | Not Hispanic or Latino | 6,628 | 99.5 |
| 15 to 19 years | 390 | 5.9 | White alone. | 6,372 | 95.7 |
| 20 to 24 years | 408 | 6.1 | RELATIONSHIP |  |  |
| 25 to 34 years | 824 | 12.4 | Total population. | 6,660 | 100.0 |
| 35 to 44 years | 936 | 14.1 | In households. ...... | 6,659 | 100.0 |
| 45 to 54 years | 956 | 14.4 | Householder | 3,058 | 45.9 |
| 55 to 59 years | 408 | 6.1 | Spause | 1,466 | 22.0 |
| 60 to 64 years | 367 | 5.5 | Child... | 1,642 | 24.7 |
| 65 to 74 years 75 to 84 years | 637 | 9.6 | Own child under 18 years | 1,263 | 19.0 |
| 75 to 84 years | 466 | 7.0 | Other relatives . . . . | 227 | 3.4 |
| 85 years and over | 124 | 1.9 | Under 18 years | 93 | 1.4 |
| Median age (years) | 41.2 | ( X ) | Nonrelatives | 266 | 4.0 |
| 18 years and over | 5,271 | 79.1 | Unmarried partner | 136 | 2.0 |
| Male . | 2,345 | 35.2 | In group quarters... |  |  |
| Female. | 2,926 | 43.9 | Noninstitutionalized population | 1 |  |
| 21 years and over | 5,054 | 75.9 |  |  |  |
| 62 years and over | 1,448 | 21.7 | HOUSEHOLD BY TYPE |  |  |
| 65 years and over. | 1,227 | 18.4 | Total households. | 3,058 | 100.0 |
| Male. | 457 | 6.9 | Family households (families). | 1,923 | 62.9 |
| Female. | 770 | 11.6 | With own children under 18 years | 772 | 25.2 |
|  |  |  | Married-couple family ..... | 1,466 | 47.9 |
| RACE |  |  | With own children under 18 years | 501 | 16.4 |
| One race | 6,577 | 98.8 | Female householder, no husband present | 349 | 11.4 |
| White | 6,394 | 96.0 | With own children under 18 years. | 212 | 6.9 |
| Black or African American | 140 | 2.1 | Nonfamily households .... | 1,135 | 37.1 |
| American Indian and Alaska Native | 7 | 0.1 | Householder living alone | 999 | 32.7 |
| Asian | 28 | 0.4 | Householder 65 years and over | 429 | 14.0 |
| Asian Indian | 6 | 0.1 |  |  |  |
| Chinese Filipino. | 4 5 | 0.1 | Households with individuals under 18 years ... Households with individuals 65 years and over | 848 926 | 27.7 30.3 |
| Japanese. | 4 | 0.1 |  |  |  |
| Korean... | 3 |  | Average household size. | 2.18 | (X) |
| Vietnamese. | 1 |  | Average family size. | 2.73 | (X) |
| Other Asian ${ }^{1}$ | 5 | 0.1 |  |  |  |
| Native Hawaiian and Other Pacific Islander |  |  | HOUSING OCCUPANCY |  |  |
| Native Hawailian. |  |  | Occupied housing units.. |  |  |
| Guamanian or Chamorro. |  |  | Occupied housing units ...... Vacant housing units. . . . . . | 3,058 225 | 93.1 6.9 |
| Samoan...... |  |  | Vacant housing units. <br> For seasonal, recreational, or | 225 | 6.9 |
| Other Pacific Islander ${ }^{2}$ Some other race . . . . |  | 0.4 |  | 16 | 0.5 |
| Two or more races | 8 | 1.2 | Homeowner vacancy rate (percent) | 1.5 |  |
| Race alone or in combination with one |  |  | Rental vacancy rate (percent)... | 8.4 | (X) |
| or more other races: ${ }^{3}$ |  |  |  |  |  |
| White | 6,469 | 97.1 | Occupied housing units |  |  |
| Elack or African American | 189 | 2.8 | Owner-occupied housing units | 2,017 | 66.0 |
| American Indian and Alaska Native. | 37 | 0.6 | Renter-occupied housing units | 1,041 | 34.0 |
| Asian | 52 | 0.8 | Renter-occupled housing unis |  |  |
| Native Hawailan and Other Pacific Islander. | 2 |  | Average household size of owner-occupied units. | 2.24 | (X) |
| Some other race | 10 | 0.2 | Average household size of renter-occupied units. | 2.06 | (X) |

[^1]Source: U.S. Census Bureau, Census 2000.

Table DP-2. Profile of Selected Social Characteristics: 2000
Geographic area: Belpre city, Ohio
[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

| Subject | Number | Percent | Subject | Number | Percent |
| :---: | :---: | :---: | :---: | :---: | :---: |
| SCHOOL ENROLLMENT <br> Population 3 years and over enrolled in school.......... | 1,440 | 100.0 | NATIVITY AND PLACE OF BIRTH <br> Total population. Native. | 6,755 6,713 | 100.0 99.4 |
| Nursery school, preschaol | 126 | 8.8 | Born in United States | 6,699 | 99.2 |
| Kindergarten | 86 | 6.0 | State of residence | 1,927 | 28.5 |
| Elementary school (grades 1-8) | 617 | 42.8 | Different state. | 4,772 | 70.6 |
| High school (grades 9-12) | 307 | 21.3 | Born outside United States | 14 | 0.2 |
| College or graduate school | 304 | 21.1 | Foreign born. Entered 1990 to March 2000 | 42 | 0.6 |
| EDUCATIONAL ATTAINMENT |  |  | Naturalized citizer | 35 | 0.5 |
| Population 25 years and over | 4,747 | 100.0 | Not a citizen | 7 | 0.1 |
| Less than 9th grade | 292 | 6.2 |  |  |  |
| 9th to 12th grade, no diploma. | 534 | 11.2 | REGION OF BIRTH OF FOREIGN BORN |  |  |
| High school graduate (includes equivalency). | 1,751 | 36.9 | Total (excluding born at sea). . . . . . . . | 42 | 100.0 |
| Some college, no degree. . . . . . . . . . . . . . . . | 1,201 | 25.3 | Europe. | 28 | 66.7 33.3 |
| Associate degree. | 326 | 6.9 | Asia | 14 | 33.3 |
| Bachelor's degree | 448 | 9.4 | Africa . . | - | - |
| Graduate or professional degree | 195 | 4.1 | Oceania..... <br> Latin America | - |  |
| Percent high school graduate or higher | 82.6 | (X) | Northern America. |  | - |
| Percent bachelor's degree or higher . . . . . . . . . . . . | 13.5 | (X) | LANGUAGE SPOKEN AT HOME |  |  |
| MARITAL STATUS |  |  | Population 5 years and over. | 6,284 | 100.0 |
| Population 15 years and over . . . . . . . . . | 5,568 | 100.0 | English only | 6.125 | 97.5 |
| Never married . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 1,131 | 20.3 | Language other than English ...... . . . . | 159 | 2.5 |
| Now married, except separated | 2,956 | 53.1 | Speak English less than "very well" | 33 | 0.5 |
| Separated. | 128 | 2.3 | Spanish. | 77 | 1.2 |
| Widowed. | 552 | 9.9 | Speak English less than "very well" | 26 | 0.4 |
| Female. | 495 | 8.9 | Other Indo-European languages | 82 | 1.3 |
| Divorced | 801 | 14.4 | Speak English less than "very well" | 7 | 0.1 |
| Female. | 485 | 8.7 | Asian and Pacific island languages... Speak English less than "very well" | - | - |
| GRANDPARENTS AS CAREGIVERS <br> Grandparent living in household with one or more own grandchildren under 18 years $\qquad$ | 86 | 100.0 | ANCESTRY (single or multiple) <br> Total population. Total ancestries reported | $\begin{array}{r}6,755 \\ 5,601 \\ \hline 18\end{array}$ | 100.0 82.9 0.3 |
| Grandparent responsible for grandchildren ...... | 40 | 46.5 | Arab | 18 | 0.3 |
| TERAN STATUS |  |  | Danish | 6 | 0.1 |
| Civilian population 18 years and over . . | 5,339 | 100.0 | Dutch | 199 | 2.9 |
| Civilian veterans . . . . . . . . . . . . . . . . . . . . . . . . . . . | -909 | 17.0 | English. . . . . . . . . . . . | 684 | 10.1 |
|  |  |  | French (except Basque) ${ }^{1}$ | 147 | 2.2 |
| DISABILITY STATUS OF THE CIVILIAN |  |  | French Canadian ${ }^{1}$ | - | - |
| NONINSTITUTIONALIZED POPULATION |  |  | German | 1,233 | 18.3 |
| Population 5 to 20 years. . . . | 1,171 | 100.0 | Greek. | 19 | 0.3 |
| With a disability . . . . . . . . . . . . . . . . . . . . . . . . . . . . | 115 | 9.8 | Hungarian | 27 | 0.4 |
| Population 21 to 64 years. . . . . . . . . . . . . | 3,902 | 100.0 | lrish. | 791 | 11.7 |
| With a disability | 786 | 20.1 | Lithuanian | 97 | 1.4 |
| Percent employed | 53.3 | (X) | Norwegian. | 60 | 0.9 |
| No disability | 3,116 | 79.9 | Polish. . . . | 52 | 0.8 |
| Percent employed. . . . . . . . . . . . . . . . . . . . . . . | 76.5 | (X) | Portuguese | 6 | 0.1 |
| Population 65 years and over. | 1,211 | 100.0 | Russian | 6 | 0.1 |
| With a disability | 509 | 42.0 | Scotch-Irish. | 132 | 2.0 |
|  |  |  | Scottish | 53 | 0.8 |
| RESIDENCE IN 1995 |  |  | Slovak | 12 | 0.2 |
| Population 5 years and over . . . . . . . . . . . | 6,284 | 100.0 | Subsaharan African. | - | - |
| Same house in 1995. | 3,737 | 59.5 | Swedish. | 13 | 0.2 |
| Different house in the U.S. in 1995 | 2,539 | 40.4 | Swiss | 15 | 0.2 |
| Same county | 1,400 | 22.3 | Ukrainian. | 24 | 0.4 |
| Different county | 1,139 | 18.1 | United States or American. | 1,172 | 17.4 |
| Same state | 190 | 3.0 | Welsh. | 83 | 1.2 |
| Different state. | 949 | 15.1 | West Indian (excluding Hispanic groups) | - | - |
| Elsewhere in 1995. | 8 | 0.1 | Other ancestries | 748 | 11.1 |

[^2]Source: U.S. Bureau of the Census, Census 2000.

Table DP-3. Profile of Selected Economic Characteristics: 2000
Geographic area: Belpre city, Ohio
[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

| Subject | Number | Percent | Subject | Number | Percent |
| :---: | :---: | :---: | :---: | :---: | :---: |
| EMPLOYMENT STATUS |  |  | INCOME IN 1999 |  |  |
| Population 16 years and over | 5,469 | 100.0 | Households | 3,092 | 100.0 |
| In labor force | 3,223 | 58.9 | Less than $\$ 10,000$. | 369 | 11.9 |
| Civilian labor force. | 3,223 | 58.9 | \$10,000 to \$14,999 | 356 | 11.5 |
| Employed | 3,042 | 55.6 | \$15,000 to \$24,999 | 565 | 18.3 |
| Unemployed | 181 | 3.3 | \$25,000 to \$34,999 | 534 | 17.3 |
| Percent of civilian labor force | 5.6 | (X) | \$35,000 to \$49,999 | 483 | 15.6 |
| Armed Forces. |  |  | \$50,000 to \$74,999 | 450 | 14.6 |
| Not in labor force | 2,246 | 41.1 | \$75,000 to \$99,999 | 180 | 5.8 |
| Females 16 years and over | 3,050 | 100.0 | \$100,000 to \$149,999. | 139 | 4.5 |
| In labor force | 1,599 | 52.4 | \$150,000 to \$199,999 | 9 | 0.3 |
| Civilian labor force. | 1,599 | 52.4 | \$200,000 or more | 7 | 0.2 |
| Employed | 1,555 | 51.0 | Median household income (dollars). | 29,603 | (X) |
| Own children under 6 years. | 497 | 100.0 | With earnings | 2,160 | 69.9 |
| All parents in family in labor force | 332 | 66.8 | Mean earnings (dollars) ${ }^{1}$ | 41,588 | (X) |
|  |  |  | With Social Security incorne | 951 | 30.8 |
| COMMUTING TO WORK |  |  | Mean Social Security income (dollars) ${ }^{1}$ | 11,806 | (X) |
| Workers 16 years and over | 2,982 | 100.0 | With Supplemental Security Income . . | 122 | 3.9 |
| Car, truck, or van - drove alone. | 2,629 | 88.2 | Mean Supplemental Security Income |  |  |
| Car, truck, or van - - carpooled | 175 | 5.9 | (dollars) ${ }^{1}$ | 6,899 | ( X ) |
| Public transportation (including taxicab) | 12 | 0.4 | With public assistance income | 96 | 3.1 |
| Walked. | 72 | 2.4 | Mean public assistance income (dollars) ${ }^{1}$ | 1,337 | ( X ) |
| Other means | 37 | 1.2 | With retirement income | 748 | 24.2 |
| Worked at home | 57 | 1.9 | Mean retirement income (dollars) ${ }^{1}$ | 14,506 | ( X ) |
| Mean travel time to work (minutes) ${ }^{\top}$ | 17.5 | (X) | Families | 1,935 | 100.0 |
| Employed civilian population |  |  | Less thar \$10,000. | 164 | 8.5 |
| 16 years and over | 3,042 | 100.0 | \$10,000 to \$14,999 | 163 | 8.4 |
| OCCUPATION |  |  | \$15,000 to \$24,999 | 280 | 14.5 |
| Management, professional, and related |  |  | \$25,000 to \$34,999 | 328 | 17.0 |
| occupations | 825 | 27.1 | \$35,000 to \$49,999 | 311 | 16.1 |
| Service occupations | 467 | 15.4 | \$50,000 to \$74,999 | 388 | 20.1 |
| Sales and office occupations | 985 | 32.4 | \$75,000 to \$99,999 | 171 | 8.8 |
| Farming, fishing, and forestry occupations. |  |  | \$100,000 to \$149,999. | 130 | 6.7 |
| Construction, extraction, and maintenance occupations | 246 | 8.1 | \$150,000 to \$199,999. |  |  |
| Production, transportation, and material moving |  |  | Median family income (dollars) | 36,401 | (X) |
| occupations | 519 | 17.1 | Per capita income (dollars) ${ }^{7}$ | 18,195 | (X) |
| INDUSTRY |  |  | Median earnings (dollars): |  |  |
| Agriculture, forestry, fishing and hunting, |  |  | Male full-time, year-round workers. | 31,743 | (X) |
| and mining . | 16 | 0.5 | Female full-time, year-round workers | 21,789 | ( X ) |
| Construction | 178 | 5.9 |  |  |  |
| Manufacturing. | 500 | 16.4 |  |  | Percent |
| Wholesale trade | 129 | 4.2 |  | poverty |  |
| Retail trade.... | 534 | 17.6 4 | Subject | level | poverty level |
| Transportation and warehousing, and utilities | 150 | 4.9 |  |  |  |
| Information | 44 | 1.4 |  |  |  |
| Finance, insurance, real estate, and rental and leasing | 134 | 4.4 | POVERTY STATUS IN 1999 <br> Families $\qquad$ | 234 |  |
| Professional, scientific, management, adminis- |  |  | With related children under 18 years. | 189 | 22.5 |
| trative, and waste management services. | 202 | 6.6 197 | With related children under 5 years. | 103 | 28.0 |
| Educational, health and social services | 600 | 19.7 |  |  |  |
| Arts, entertainment, recreation, accommodation and food services | 207 | 6.8 | Families with female householder, no husband present. . | 151 | 36.7 |
| Other services (except public administration) | 148 | 4.9 | With related children under 18 years. | 140 | 49.0 |
| Public administration. | 200 | 6.6 | With related children under 5 years. | 74 | 79.6 |
| CLASS OF WORKER |  |  | Individuals. | 1,025 | 15.2 |
| Private wage and salary workers | 2,434 | 80.0 | 18 years and over | 654 | 12.2 |
| Government workers. | 415 | 13.6 | 65 years and over. | 92 | 7.6 |
| Self-employed workers in own not incorporated business | 193 | 6.3 | Related children under 18 years Related children 5 to 17 years | 370 220 | 26.7 23.9 |
| Unpaid family workers |  |  | Unrelated individuals 15 years and over | 311 | 22.4 |

[^3]Table DP-4. Profile of Selected Housing Characteristics: 2000
Geographic area: Belpre city, Ohio
[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]


[^4]Source: U.S. Bureau of the Census, Census 2000
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AEP-OHIO'S PROPOSED ESP
Presumes a single merged company in Ohio called

"AEP-Ohio
Price to Compare
Proposed SSO Rates

Rates do not reflect mitigation impact of market transition rider
2012 Rates before ESP reflect current 2011 rates for generation \& transmission service, adjusted to reflect full cost 2011 fuel and environmental costs.


THE PLACEHOLDER RIDERS

Because of the many placeholder riders for which rates
have not been identified, customers cannot predict their
prices under the proposed ESP.
The change to the generation rate/price structure will
produce varying impacts on customers depending on
how much electricity they use and when they use it.
Rate class average increase percentages will not be
relevant to most customers.
The proposed ESP will result in higher generation
base rates for most customers although some
customers could experience a base rate decrease due
to generation rate design. But these observations do
not reflect the unknown rate increase impacts of the
proposed riders.
$\$ 68$
$\$ 118$
time due to AEP-Ohio's proposed riders with unknown amounts.
Note: Monthly bill amounts are for a residential customer consuming
$1,000 \mathrm{kWh}$ of electricity.

Residential customer monthly bills: DISTRIBUTION RATE INCREASE In addition to the proposed ESP rate increases
(known and unknown), Columbus Southern has filed an application at the PUCO
requesting approval for an increase in
distribution rates.


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This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: the economic climate and growth in, or contraction within, our service territory and changes in market demand and demographic patterns, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing our ability to finance new capital projects and refinance existing debt at attractive rates, the availability and cost of funds to finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material, electric load, customer growth and the impact of retail competition, weather conditions, including storms, and our ability to recover significant storm restoration costs through applicable rate mechanisms, available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters, availability of necessary generating capacity and the performance of our generating plants, our ability to recover I\&M's Donald C. Cook Nuclear Plant Unit 1 restoration costs through warranty, insurance and the regulatory process, our ability to recover regulatory assets and stranded costs in connection with deregulation, our ability to recover increases in fuel and other energy costs through regulated or competitive electric rates, our ability to build or acquire generating capacity, including the Turk Plant, and transmission line facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs (including the costs of projects that are cancelled) through applicable rate cases or competitive rates, new legislation, litigation and government regulation including requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances or additional regulation of fly ash and similar combustion products that could impact the continued operation and cost recovery of our plants, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions (including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance), resolution of litigation (including the dispute with Bank of America), our ability to constrain operation and maintenance costs, our ability to develop and execute a strategy based on a view regarding prices of electricity, natural gas and other nuclear fuel and other energy-related commodities, changes in utility regulation, including the implementation of ESPs and related regulation in Ohio and the allocation of costs within regional transmission organizations, including PJM and SPP, accounting pronouncements periodically issued by accounting standardsetting bodies, the impact of volatility in the capital markets on the value of the investments held by our pension, other postretirement benefit plans and nuclear decommissioning trust and the impact on future funding requirements, prices and demand for power that we generate and sell at wholesale, changes in technology, particularly with respect to new, developing or alemative sources of generation, other risks and unforeseen events, including wars, the effects of investment, if any, in generating units that may be retired before the end of their previously projected useful lives.

## Investor Relations Contacts



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AEP Ohio ESP filing - Core Policy Issues

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Summary of ESP Filing

The proposed 2012-2014 AEP Ohio ESP contains a balanced set of customer programs, investment proposals, supply options and associated rate mechanisms. The terms of the proposed ESP offer AEP Ohio customers
stable and affordable electricity rates while offering investors reasonable financial stability and returns.
Summary of ESP Filing - Continued
Pre-tax earnings impact from proposed ESP (excluding potential earnings impact from trackers)
Net base $\$ 54 \mathrm{MM}$ or $1.4 \%$ year 1 (2012)
Net base $\$ 106 \mathrm{MM}$ or $2.7 \%$ in year $2(2013)$

- Net base \$106MM or 2.7\% in year 2 (2013) Proposed ESP Changes $\$ 65 \mathrm{MM}$
$(\$ 11 \mathrm{MM})$
$N / C^{*}=$ No change from prior year

Key Provisions Included in ESP



## Item Addressed

## Realization of efficiencies

One-time offer of longer term, reduced pricing option to energy-intensive customers Recovery of fuel expense
Risk mitigation for providing customers the option for standard service offer
Recovery of generating facility investment costs
Recovery of deferred fuel balance; securitization mechanism can ease customer burden
Recovery of incremental environmental capital carrying costs plus O\&M
Recovery of deferred fuel balance; securitization mechanism can ease customer burden
Recovery of incremental environmental capital carrying costs plus O\&M Limits first year changes for customer classes as rate subsidies are eliminated Recovery of potential cost increases $>\$ 35 \mathrm{MM}$ associated with the modification Recovery of generation-related facility closure costs
Note: List does not include all proposed or existing riders. See appendix for complete summary.
Generation Rate Realignment







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Market Transition Rider - Mitigates the Initial Impact of Rate Realignment


Alternative Long-Term Price Option
Economic Development Incentive for commercial or industrial customers requiring longer-term rate
certainty to support sustained investment and job growth
Customer has one time option to elect generation service from AEP Ohio for the term of this ESP plus
additional 3 years (approximately $51 / 2$ years)
Must commit between November 2011 and March 2012
Customer receives $15 \%$ discount off base generation rate for approximately $51 / 2$ years
Pricing after the current ESP period:
Base generation rates will continue under the proposed structure and increase by $5 \%$ each June 1 st starting
Customer continues to pay actual FAC rates
Customer will pay all other applicable riders
Subscription Limitations:
Commercial and Industrial accounts
Peak Demand greater than 200 kW
Initially available to 2,500 GWh of sales
 Risk Mitigation


List of ESP Riders - Existing and Proposed -

| Line | Rate Mechanism | Abbreviation | Bypassable | Distribution | Notes |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Current Riders |  |  |  |  |
| 2 | Universal Service Fund Rider | USF | -- | Yes |  |
| 3 | Advanced Energy Fund Rider | AEF | - | Yes | Expired 12/31/2010 |
| 4 | kWh Tax Rider | kWh Tax | -- |  | May be self-assessed under specific terms |
| 5 | Provider of Last Resort Charge | POLR | No |  | Option to avoid under specificic terms |
| 6 | Monongahela Power Litigation Termination Rider | Mon Power | - | Yes | Expires once amount collected |
| 7 | Transmission Cost Recovery Rider | TCRR | Yes |  |  |
| 8 | Fuel Adjustment Clause Rider | FAC | Yes |  |  |
| 9 | Energy Efficiency and Peak Demand Reduction Cost Recovery Rider | EE/PDR | -- | Yes |  |
| 10 | Economic Development Cost Recovery Rider | EDR | -- | Yes |  |
| 11 | Enhanced Service Reliability Rider | ESRR | -- | Yes |  |
| 12 | gridSMART ${ }^{\text {® }}$ Rider | gridSMART ${ }^{\text {® }}$ | -- | Yes |  |
| 13 | Environmental Investment Carrying Cost Rider | EICCR | No |  | the current bypassable rider is proposed to be |
| 14 |  |  |  |  | nombypassabien in the new ESP |
| 15 | Proposed Riders |  |  |  |  |
| 16 | Standard Offer Generation Service Rider | GSR | Yes |  | Relocation of base generation rates |
| 17 | Generation Resource Rider | GRR | No |  | Capital/solar investment |
| 18 | Alternative Energy Rider | AER | Yes |  | Relocation of RECs from FAC |
| 19 | Phase-In Recovery Rider | PIRR | - | Yes | Previous ESP deferrals, possibility of securitization |
| 20 | Distribution Investment Rider | DIR | -- | Yes |  |
| 21 | Market Transition Rider | MTR | -- | Yes |  |
| 22 | Generation NERC Compliance Cost Recovery Rider | NERCR | No |  |  |
| 23 | Facility Closure Cost Recovery Rider | FCCR | No |  |  |
| 24 | Carbon Capture and Sequestration Rider | CCSR | No |  |  |
| 25 |  |  |  |  |  |
| 26 | Other Provisions |  |  |  |  |
| 27 | Green Power Portfolio Rider | GPPR | -- |  | Voluntary |
| 28 | Rate Security Rider | RSR | - |  | Voluntary |
| 29 | Plug-In Electric Vehicle Tariff Costs | PEV | -- | Yes | Voluntary, Deferral of Costs |
| 30 | Emergency Curtailable Service Rider | ECS | -- |  | Voluntary, pending |
| 31 | Storm Damage Recovery Mechanism |  | -- | Yes | Reconciliation of storm experience to funding level |
| 32 | Pool Termination or Modification Provision |  | Yes |  |  |
| 33 | PIPP Uncollectibles | PIPP | - | Yes |  |

Description of Select Current \& Proposed Recovery Mechanisms
New self-build Generation (including renewables), demonstrated in IRP, recovered through Generation Resource Rider POLR Provision
Customer has right to switch generation service provider anytime - shopping rules apply
POLR Obligation has asymmetric risk to AEP Ohio
POLR calculation methodology similar to previous model, incorporates specific shopping rules
Proposed rate is $\sim \$ 0.20 \mathrm{MWh}$ below current level
POLR is non-bypassable; customers can avoid POLR if shopping and agree to return at market Recovery of Generation Related Facility Closure Costs
AEP Ohio generating fleet dedicated to Ohio customers
.-. Proposed mechanism to recover costs due to a closure of an Ohio-owned generation-related facility ypassable
Unamortized balance
Materials and supplies unique to the facility Asset Retirement Obligation (AROs)

- Retain Fuel Recovery Mechanism with Limited Modifications:
Fuel Adjustment Clause (FAC) Mechanism
\&) Eliminate current 2009-2011 ESP FAC Phase-In at end of 2011
Moving renewable energy certificates (RECs) into an alternative energy rider (bypassable)
Description of Select Current \& Proposed Recovery Mechanisms - continued


## Plug-In Electric Vehicles Tariff

」. Propose new tariff
For residential customers only (pilot program limited to $\sim 200$ customers)
Proof of purchase required for reimbursement of infrastructure cost incentives up to $\$ 2,500$

[^5]Pool Modification or Termination Provision
-1 ESP designed to accommodate the potential impact of the pool modification or termination
The company agrees to not seek recovery of the first $\$ 35 \mathrm{MM}$ of net impact of any pool modification or termination.
This value is to be based upon the estimated impact of the "as filed" pool modification or termination.
Any additional costs would be recoverable through a bypassable rider
Ensures that the PUCO and other Ohio parties have a vested interest in a fair resolution of the pool modification or
termination
Partnership with Ohio (PWO)

- Targets low income customers
$\$ 15 M M$ over 29 months
Neighbor to Neighbor Fund
Food banks
United Way funded programs
Programs to support education and job retraining
Description of Select Current \& Proposed Recovery Mechanisms - continued
- Support public-private partnerships for economic development
Distribution Investment Rider Mechanism
..) Includes all distribution capital and vegetation O\&M
- Supports four general program spend areas
Distribution asset management programs
Distribution capacity additions
Vegetation management program
mesboud (e) $\perp$ LZWSplu6 fuenbesqns
I New ED Fund projected at $\$ 25 \mathrm{M}$ over term of ESP
Attracts new business to Ohio
Assists existing businesses to expand operations
Use of funds includes:
. . Short term rate incentives (i.e., start-ups and expansions)
- Infrastructure investment
.d. Intended to be replaced by a similar rider requested in the Distribution Rate Case
Description of Select Current \& Proposed Recovery Mechanisms - continued
Storm Damage Recovery Mechanism
I Recognition of volatility of major storms (as defined by IEEE 1366)
Base request is $\$ 8.9 \mathrm{MM}$ based on five year average O\&M expense (adjusted for abnormal "Ike" storm)
True-up annual with creation of a regulatory asset or regulatory liability depending on the actual expense in a given
year
Generation NERC Compliance Cost Recovery Rider
Recovery of generation-related costs to meet compliance requirements imposed by NERC

Good evening, I am Steven Crum, Business Manager of I.B.E.W. Local Union 972 in Marietta Ohio and also President of Parkersburg-Marietta Building Trades. My district covers several counties of Southeast Ohio, including Noble and Washington Counties.

I appear before you tonight to express our strong support for the Turning Point Solar Project that is to be built in Noble County, Ohio, as proposed by American Electric and Power Company in its Electric Security Plan. The I.B.E.W., both statewide and locally, have a long and meaningful relationship with AEP. We recognize and strongly support the participation of AEP in this project. Many local members of the I.B.E.W. are directly employed by AEP or work at any given time on AEP projects. This project will give us an opportunity to do even more.

Let me point out that I am here to support the Tuming Point Solar Project and not address other issues set forth in AEP's Electric Security Plan. I have not studied the other issues in its Electric Security Plan nor its proposed rate increase. However, to the extent a small rate increase would bring jobs to the people of Southeast Ohio, I wholeheartedly support it.

The people of Southeast Ohio and Noble County need the jobs that will be created by this project. Many of my members are unemployed or under-employed. They often have to travel great distances to even seek work. We all know how important it is to the future of our local economy to bring jobs to this area. Efforts of this sort, that will bring jobs in the solar energy environment, are especially unique and important to our community. We have an opportunity to be leaders in the area of solar energy. The I.B.E.W. and I stand ready, willing and able to do so.

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

The project is to my understanding, a joint venture with New Harvest Ventures and Agile Energy. New Harvest Ventures, an alternate energy development company focused on environmentally and economically distressed regions of the United States, with leaders who are from Southeast Ohio and focused on Southeast Ohio development. And its partner, Agile Energy, a leading developer of utility scale plants. Together, these two companies make up Turning Point Solar, the developer of the solar project.

This project will bring over 300 construction related jobs to Southeast Ohio. Many of these jobs will be within the electrical trades. Bringing these types of jobs to this area is a benefit to our members, to their families and to the local communities in which they reside.

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

When I was President of the School Board, we often talked of ways to create opportunities to keep people in our region. It is obvious that it always comes down to jobs, jobs and more jobs. I am personally willing and I know many of our residents are also ready, to assume a small rate hike on our electric bill in order to advance our local economy. We must look at our future and recognize that only by bringing jobs to our region will we have a chance to obtain economic prosperity. Projects of this sort are a great start.

Another reason why I support this project is because it is an excellent use or re-use of the land. This land had previously been mined for coal and this proposed usage represents the highest and best use of this reclaimed land putting it to very productive use.

Most important, our I.B.E.W. members, are especially trained on solar projects of this sort. The I.B.E.W. received a grant through the Ohio Grows Program from the United States Department of Labor in 2010 for green energy training. We were one of 15 recipients nationwide to receive such a grant. This grant allowed us to train over 1,500 members statewide in the areas of wind, solar and energy management. This training has occurred in 20 training centers throughout Ohio including ours in Marietta, Ohio. Our training center in Marietta, Ohio, has had 70 I.B.E.W. members go through it and receive training on solar energy. In other words, right here in our community, we have workers specifically trained to do the work that will be brought to our region. The federal government grant has given us the opportunity to do this training and we have done so. This is a win-win situation for everyone.

People who go through our training programs are journeymen and apprentice workers specifically trained in the type of work to be performed on this project. I am extremely proud of our graduates of this program and the opportunities it creates. By bringing this project to Noble County, we will be able to find suitable jobs for our graduates. This is a great opportunity for Turning Point Solar to employ highly skilled and trained people on this exciting and unique project. As a result, the I.B.E.W. and I wholeheartedly support its swift approval.

I am available to take any questions that you may have and am more than willing to expand upon our training program and the benefits it provides to our community.

 Washington State Community College，Marietta，Ohio（Page 1 of 2）

I am 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 Ohio Power Company＇s（CSP／OP）Standard Service Offer （SSO），presented as an Electric Security Plan（ESP）（PUCO Case No．11－346－EL－SSO；11－348－EL－SSO；－34为 increase the 点发e－rates for similarly situated residential customers as myself，and would effectively restrict the residents of Marietta to effectively achieve lower electric prices using the Local Aggregation of Retail Electric Loads which was passed in a local election on May 3， 2011 by an overwhelming 70．3\％ majority of the voters．

Over the last 9 years I have personally experienced a $69 \%$ rate increase on my home＇s monthly electric bill（from 2002 when Allegheny Power supplied my electric service and the total charges were 7.7 cents／KWH，to the present 13.01 cents／KWH total charges by Columbus Southern Power，which took over the service in my area from Allegheny Power）．

ACTINS
This increase $69 \%$ rate increase is despite my family＇s efforts to reduce our average electric energy consumption by $18.6 \%$ over the last 9 years．By improving the energy efficiency of our home，and changing our energy utilization practices we now use far less electricity（typically less than 275 $\mathrm{kWh} /$ month），but the cost of our average bill has increased by $44 \%$ during the same period．Although inflation over the same period was nominally $24 \%$（according to figures from the Federal Reserve Bank of Minneapolis），I appreciate the fact that U．S．inflation statistics do not reflect the details of recent spot price changes for Appalachian coal which has increased approximately $75 \%$ over the last three years （according to the U．S．Energy Information Administration June $6^{\text {th }}$ Coal News and Markets Report）．

Based on data from summaries of the CSP／OP of their SSO／ESP filing，it appears that residential consumers such as my family could see late rates increase approximately dy another 30\％in 2012 and further increase 4050 in 2013，and the potential for further undefined increases I am concerned that CSP／OP＇s proposal will increase costs for all of the residents of Marietta，and that

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IT TH 1 19 APDICATIN conservation alone can never be enough to mitigate the impact of the proposed and potential increases．

I am a bit skeptical about the justification for such a substantial increase in the base generation rates given that Columbus Southern Power was recently found to have significantly excessive earnings in 2009；requiring them to return $\$ 42.6 \mathrm{MM}$ to their customers．I am also concerned that there are indications that these applications include AEP－Ohio＇sproposal to burden Columbus Southern Power customers with a owed by Ohio Power＇s customer base．I am alarmed by AEP－Ohio＇s apparent intention to charge CSP customers for power previously consumed by OP customers．How can the transfer of any portion of these deferred charges possibly be justified as beneficial to the CSP customer base which did not use any portion of the generated energy，yet is expected to help pay for thateriefry？

Jerry Kasick Testimony 6/13/2011
PUCO Case No. 11-346-EL-SSO; 11-348-EL-SSO; 11-349-EL-AAM and 11-350-EL-AAM Washington State Community College, Marietta, Ohio (Page 2 of 2)

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I am also particularly concerned about AEP-Ohio's request for 10 new incompletely or men-defined nonbypassable riders which could be expected to severely limit the economic benefit for current CSP customers to shop for a more competitive electric supplier, since the rider's charges will be applied to my account regardless of who generates the electricity that I will use in the future. To make this situation even more incomprehensible, it is not possible to fully evaluate the economic impact since there appears to be no cost information available for the newly proposed riders by CSP/OP.

Columbus and Southern Power and Ohio Power's applications appear to reflect AEP-Ohio's strategy of creating barriers to competition, so that the Companies can maintain their comparatively high, and ever increasing electric rates. It also appears the CSP/OP applications are proposing to establish new means to collect additional revenues through the use of non-bypassable riders from all customers (whether the customer chooses to take generation service from CSP/OP (AEP-Ohio) or another supplier), including charges on new facilities well before they are $75 \%$ complete, which Alpheaty condrary to ORC, unless a waiver is explicitly granted on a case-by-case basis.

It appears that the non-bypassable riders could further lock local consumers into the worst possible combination; high electric rates with the presence of non-bypassable riders which would negate any savings that might be achieved by switching suppliers. Approval of the application with the inclusion of these non-bypassable riders does not seem consistent with the intent of Ohio's Electrical Deregulation legislation was supposed to promote more competitive markets for the benefit of all consumers.

It is for these reasons that I request the Public Utilities Commission of Ohio (PUCO) to protect the CSP customers from potentially harmful and non-competitive impacts of the CSP/OP (AEP-Ohio) applications being considered, by either rejecting the application in its entirety, or by accepting the application contingent upon:

1. Requiring CSP/OP (AEP-Ohio) to fully identify the cost impacts of all of it's SSO/ESP proposals (including all of the riders).
2. Rejection of any non-bypassable riders, tariffs or charges that discourage $3^{\text {rd }}$ party supplier competition, or that diminishildg the savings that consumers might achieve individually or through local legislative aggregation agreements by choosing an alternate supplier.
3. Fully account for future economic disadvantages that may be experienced by businesses, within the local service area, due to the proposed changes in the for electric rate structure.

Sincerely, Jerry Kasick
107 Brentwood Street
Marietta, Ohio 45750

## Verbal Testimony of Scott Miller before the PUCO

 On behalf of American Electric Power's Electricity Security PlanJune 13, 2011 - Washington State Community College, Marietta, Ohio

a.Godero-i'y environmental programs at Ohio University's Voinovich School of Leadership and Public Affairs, and it is my pleasure to address you this evening on behalf of a portion of American Electric Power's Electric Security Plan, the Turning Point Solar Project which is set to break ground in Noble County beginning next year. This unique project has the ability to; quite literally, transform the landscape in Southern Ohio. The installation of a 50 megawatt solar array, one of the largest in North America, will turn hundreds of acres of former strip mine lands into a regional that will alter this region. It will serve as an inspiration for the region's school-aged children who are clamoring for opportunities to participate in the high-skilled, high-tech jobs that are going to be the cornerstone of the $21^{\text {st }}$ century. And finally, it will transform the region's economy by allowing local citizens to consider a more sustainable economic future, a future that is not dependent upon resource extraction here to 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 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 a cornerstone of our state's economic wellbeing for more than a century and will be even more important into the future.

Southern and eastern Ohio are integrally linked to our state's economic wellbeing. Traditional sources of energy such as coal, oil and gas have sustained our region's economy for more than a century. We have abundant reserves of all of them, and they are all being developed to their maximum potential, given current market conditions. We have to use our indigenous sources of energy wisely, but these sources alone will not meet our growing demand for energy. 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 technologies, the time to begin that transition is now. That is why coming here this evening was so important to me. The proposed Turning Point Solar


 plants is $\mathbf{\xi}$ exciting. I have spoken with many of the leaders of this partnership. I have shared my views of how their plans can be improved and it is because of these conversations and the faith I have in their abilities that I can stand before you this evening and provide my support for this effort.

## Meeting Our Increasing Energy Demand

We have a lot of work ahead of us. The U.S. Energy Information Administration estimates that U.S. primary energy consumption will increase by $14 \%$ by $2035 .{ }^{1}$ Southern and eastern Ohio stand ready to meet this need because of our diverse energy research, educational and resource assets and because this region has always and will continue to be the energy hub for Ohio into the future.

## Ohio University

Ohio University is proud of our heritage as the first institution of higher learning in the Northwest Territories. Founded in 1804, we recently celebrated our bicentennial and four years ago, I was honored to be asked to address our institution at our annual founder's day celebration by presenting an essay on the history of the region's coal industry. Important as it has been and will continue to be to our region's economy our institution, just like AEP, is not looking solely at coal to power its future. We are actively engaged in research and economic development revolving around new advanced energy technologies, we are revising our curricula to meet the growing demand for adequately trained professionals in the energy industry, we are working with policymakers and state and federal agencies to change the way government, businesses and the education community collaborate, and we are helping prepare Ohio's citizens for a new energy economy.

That is why we were pleased be included in the Memorandum of Understanding signed on October 5th with the developers of this project and other institutions of higher education in
 Eommunity College
Consortium for Entergy, Ecohomics and the Environment (CE3)
At ohio University, we haye taken a noyel approach to meeting these energy chattenges. The Con\$ortium for Energy, EConomics and the Env/ronment (CE3) which I manaqe links Ohio Uniyersity's research and fechnology deployment assets to pomote the full contipuum to assist in idea creation, commercialization and job qreation. CE3 partnefs with dur techpology accelerator,-FechGROWTH Ohio, a Third Frontidr-furned program. TGO connects techhology businesses and entrepreneurs with operational assistance, grants and pre-seed funding. TGO's signature area includes advanced en \&rgy companies in the solar, geo-thermal, biomass and other alternative energy arenas.

[^6]
## The Path Forward

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

The project developers have added to this project by working with suppliers including Isofoton, 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 Isofoton 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 cells. therwillloeate-theirmenufacturing-eporationcin_this_rogion.
 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 forecast demand growth in the coming decades. What we've seen in Ohio economically the last five years can be likened to a raging economic forest fire. 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 - the seeds of our new energy economy. Just like a forest fire, there are green shoots that soon appear. Those shoots of hope are projects such as Turning Point Solarafs-wollas-theducators_andresearchers.that have the pleasure of working with every_day-These
 "Pockets of locredible_Smartnos". These anton new energy and economic systems will
 and -Hook forward
Thank you for you tine

AEP Commitment
"Yeast that makes the dough rise"

- First four year commitment
$-\$ 150,000$ for FAO's community leadership and
philanthropy-building activities
$-\$ 375,000$ for educational grantmaking
endowment
- AEP has completed pledge

| AEP Investment Returns 2008-2011 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | FAO's Development \& Community Leadership |  | Resuits | AEP <br> Environment al Education Fund | Results |
| Investment One (2008): | \$15,000 | 1. | Engaged corporate sector in philanthropy in region, leveraging over $\$ 2$ million in corporate support | \$0 | Established fund |
| Investment Two (2009) | \$35,000 | 2. | Engaged 8,000 young minds in writing contest geared at developing confidence and pride in region | \$125,000 | Initiated Child of Appalachia Poetry Contest based around poems that prompted appreciation of natural resources; reach $X$ children |
| Investment <br> Three (2010) | \$50,000 | 3 4 | Secured $\$ 500,000$ from Wal-Mart, which lead to major investments in teachers <br> Secured JPMorgan Chase Foundation grant to provide data set for region | \$125,000 | In addition to administering contest, underwrote costs (less than $\$ 5,000$ ) to deliver Ora Anderson's DVD and curriculum on the development of the Wayne National Forest to every school district in Appalachian Ohio |
| Investment Four (2011) |  | 6 7 8 8 | Began incubating Ohio Appalachian Business Council <br> Community leadership process to incubate a STEMM Learning Platform for region <br> Developed Entrepreneurship on Wheels Program; delivered to dozens of schools <br> Reached well over 10,000 kids with COSI On Wheels <br> Grew giving overall in region (see insert chart) | $\$ 125,000$ | Will be providing an environmental education program, providing mini-grants of $\$ 500$ to $\$ 1,500$ to $23-47$ community groups |
|  | $\begin{aligned} & \text { Subtotal: } \\ & \$ 150,000 \end{aligned}$ |  |  | Subtotal: <br> $\$ 375,000$ |  |


| Anticipating the next five years of the AEP Environmental Education Endowment | Anticipating the next five years of the AEP Environmental Education Endowment |  |  |  |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | cted <br> tment <br> ne ( $8 \%$ ) |  | rt fee to 1.5\%) |  | ated in (5\%) |  | g balance |
| 2012 | \$ | 424,872 | \$ | 33,990 | \$ | 6,883 | \$ | 22,599 | \$ | 429,380 |
| 2013 | \$ | 429,380 | \$ | 34,350 | \$ | 6,956 | \$ | 22,839 | \$ | 433,936 |
| 2014 | \$ | 433,936 | \$ | 34,715 | \$ | 7,030 | \$ | 23,081 | \$ | 438,540 |
| 2015 | \$ | 438,540 | \$ | 35,083 | \$ | 7,104 | \$ | 23,326 | \$ | 443,193 |
| 2016 | \$ | 443,193 | \$ | 35,455 | \$ | 7,180 | \$ | 23,573 | \$ | 447,895 |
|  |  |  |  |  | \$ | 35,153 | \$ | 115,418 |  |  |
| By 2016, AEP's Environmental Education Fund is likely to have produced $\$ 35,000$ in support to FAO and $\$ 115,418$ in community mini-grants. Plus, the endowment will have grown to over $\$ 70,000$ more than the original gift |  |  |  |  |  |  |  |  |  |  |


| FAO Growth in giving over last 4 years |  |  |
| :---: | :---: | :---: |
|  | 2007 (year prior to AEP investment) | 2011 |
| Grants given | \$129,825 | \$313,254 in 2010.... Over $\$ 400,000$ projected in 2011 |
| Scholarships given | \$15,250 | \$70,583 in 2010...Over \$78,000 projected in 2011 |
| Writing contest reach | 902 | 4,055 |
| Community Leadership | 1. I'm a Child of Appalachia Award | 1. I'm a Child of Appalachia Award <br> 2. Ohio Appalachian Business Council <br> 3. STEMM Hub and Virtual Platform <br> 4. Regional Scorecard/Cradle to Career Movement <br> 5. SBA Entrepreneurship Advancement Initiative |
| Assets | \$4,717,865 | \$10,000,000 |
| Separate funds | 84 | 119 |
| Other items | One of first to be in compliance with National Standards 1 Geographic fund 1 school system endowment fund | Renovation project <br> Re-compliance for National Standards filed <br> 4 geographic funds <br> 3 school system endowment funds |

Next Stage
Community Leadership Activities
1.Complete Incubation of OABC.
2.Leverage this success into regional P-20 council/cradle to career movement that is part of the national network; effectively the rural model Community Leadership Capacity (sustainability)
3. Build asset and service base such as to secure $10 \%$ of budget through fees. Over 4 years, we will have developed a revenue stream that supports roughly $40 \%$ of our budget. This means we would move from raising $92 \%$ of funds to raising $52 \%$ of funds, a much more sustainable position that secures support to current funds and provides flexibility needed to help with opportunities that will arise in the future
Significantly increase corporate giving and effectiveness of corporate giving within region. 4. Corporate Giving Program.
5.Match Giving Challenge
Significantly increase individual giving and effectiveness of individual gifts within region. 6. ICAN! Menu
Support creation of unprecedented assets and partnerships in region's K-12 schools
7. Invest in 7 pilot school districts to develop our niche K-12 foundation services

[^7]
[^0]:    Muskingum Valley Chamber of Commerce Glen Miller, Chair

[^1]:    - Represents zero or rounds to zero. (X) Not applicable.
    ${ }^{1}$ Other Asian alone, or two or more Asian categories.
    ${ }^{2}$ Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.
    ${ }^{3}$ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

[^2]:    -Represents zero or rounds to zero. (X) Not applicable.
    ${ }^{1}$ The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechosiovakian. French includes Alsatian. French Canadian includes Acadian/Cajun. Irish includes Celtic.

[^3]:    -Represents zero or rounds to zero. (X) Not applicable.
    ${ }^{1}$ if the denominator of a mean value or per capita value is less than 30 , then that value is calculated using a rounded aggregate in the numerator. see text.
    Source: U.S. Bureau of the Census, Census 2000.

[^4]:    -Represents zero or rounds to zero. (X) Not applicable.

[^5]:    Second time-of-use meter installation will encourage off-peak usage for vehicle charging (AMI may be used if commúnication technology available)

[^6]:    ${ }^{1}$ U.S. Energy Information Administration. "Annual Energy Outiook 2010: Executive Summary." http://www.eia.doe.gov/oiaf/aeo/pdf/execsummary.pdf

[^7]:    Maximize writing contest
    8. Invest to make it a major branding effort increasing pride in region
    > - Outside evaluation of community leadership effectiveness (Steve Mayer)

    - Regional score card (Voinovich School)
    - Internal measures (7 our executive committee has developed)

    Measurement strategy

