

FILE

## PUBLIC UTILITIES COMMISSION OF OHIO

No. 11-351-EL-AIR, et al.

AMERICAN ELECTRIC POWER

APPLICATION FOR RATE INCREASE

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PUCO

## PUBLIC HEARING

GLENWOOD MIDDLE SCHOOL AUDITORIUM

1015 44TH STREET, N.W., CANTON, OHIO 44709

OCTOBER 18, 2011, 6:00 P.M.

- - - - -

Mandy L. Willey, Attorney Examiner  
Todd A. Snitchler, Chairman  
Public Utilities Commission  
180 East Broad Street  
Columbus, Ohio 43215-3793

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1 MS. MANDY WILLEY: The Public Utilities  
2 Commission of Ohio is called for public hearing at  
3 this time and place.

4 Case Nos. 11-351-EL-AIR and 11-352-EL-AIR,  
5 captioned "In The Matter of the Application of  
6 Columbus Southern Power Company and Ohio Power  
7 Company, individually, and, if their proposed merger  
8 is approved, as a merged company, collectively AEP  
9 Ohio, for an increase in electrical distribution  
10 rates."

11 Case Nos. 11-353-EL-ATA and 11-354-EL-ALA,  
12 captioned "In The Matter of the Application of  
13 Columbus Southern Power Company and Ohio Power,  
14 collectively AEP Ohio, for tariff approval."

15 And Case Nos. 11-356-EL-AAM and  
16 11-358-EL-AAM, captioned "In The Matter of the  
17 Application of Columbus Southern Power Company and  
18 Ohio Power Company for approval to change accounting  
19 methods."

20 My name is Mandy Willey and I'm an attorney  
21 examiner with the Commission's Legal Department.  
22 Along with me is Todd Snitchler, who you just heard  
23 speak, as well as Michael Fraizer of the  
24 Commission's office of Public Affairs and Lawrence  
25 Hampton of the Commission staff.

1                   At this time, I will take appearances on  
2                   behalf of the parties that would include the company  
3                   as well as any intervenors. Let's begin with the  
4                   company.

5                   MR. YAZEN ALAMI: Appearing today on behalf  
6                   of the companies, Columbus Southern Power Company  
7                   and Ohio Power Company, is myself Yazen Alami. My  
8                   colleagues Matt --

9                   MS. PERSON: We can't hear back here.

10                  MR. YAZEN ALAMI: Appearing on behalf of  
11                  the companies, Columbus Southern Power Company and  
12                  Ohio Power Company, is myself Yazen Alami. My  
13                  colleagues, Matthew Satterwhite and Ann Vogel, are  
14                  unable to attend today. And also attending on  
15                  behalf of the company is vice president Mr. Selwyn  
16                  Diaz. Thank you.

17                  MS. MANDY WILLEY: Thank you. Are there  
18                  any other intervenors present this evening that  
19                  would like to enter an appearance?

20                  It appears there are no other intervenors  
21                  present this evening that would like to enter an  
22                  appearance.

23                  On February 28th, 2011 --

24                  MS. PERSON: Excuse me. Your microphone  
25                  isn't coming through either right now.

1 MR. PERSON: What do you mean by  
2 intervenor?

3 MS. MANDY WILLEY: Intervenor is a party  
4 who has filed a motion to intervene in this case and  
5 have been granted admission by the Commission.

6 February 28th, 2011, Columbus Southern  
7 Power Company and Ohio Power Company, which are  
8 operating companies out of American Electric  
9 Power-Ohio, filed an application with the Commission  
10 to increase electric distribution rates, for a  
11 tariff approval, and for approval to change  
12 accounting methods.

13 This local public hearing is only one  
14 aspect of the case process. Public hearings are  
15 also scheduled to occur in Lima and Columbus. And a  
16 public hearing date occurred in Marietta, Ohio. An  
17 evidentiary hearing is currently scheduled to begin  
18 on November 14th at 10:00 at the PUCO offices in  
19 Columbus. The purpose of that evidentiary hearing  
20 in Columbus is for the companies, Commission staff,  
21 and intervenors to present their expert witness  
22 testimony in support of their positions in these  
23 cases.

24 The purpose of tonight's hearing, however,  
25 is to receive comments from the public. We will not

1           being hearing from the companies tonight, as we have  
2           already heard their proposal. This is not a  
3           question-and-answer session. But tonight is about  
4           hearing from the public. And it's your opportunity  
5           to let the Commission know what you think about the  
6           company's application.

7                       When you arrived, you were offered the  
8           opportunity to sign up to testify outside the door.  
9           If you missed that opportunity, you may still sign  
10          up. Mr. Hampton from the Commission staff is just  
11          outside the door; he can assist you with that. And  
12          you can also -- we can take your testimony after  
13          those who are already on the sign-in sheet if you  
14          change your mind and decide you want to testify  
15          tonight.

16                      I will ask at the end of testimony if there  
17          is anyone else that wishes to offer testimony, that  
18          you have the opportunity. We will be taking  
19          witnesses in the order in which they signed up.

20                      Chairman Snitchler will call you forward to  
21          the podium. And I will ask you to take an oath that  
22          what you are about to say is the truth before you  
23          testify. I will also ask for your name and your  
24          address for the Record.

25                      Your testimony that you give this evening

1 will be considered part of the official record of  
2 the case, and it will be reviewed by the Commission  
3 when they make their final decision in this case.  
4 Attorneys for the company and intervenors who are  
5 present may also ask questions about your testimony,  
6 if they want to do so, by Chairman Snitcher and I.

7 If we call your name and you don't wish to  
8 testify, you can indicate that you want to pass on  
9 to the next witness. Additionally, if you're here  
10 to observe or after you give testimony, you are free  
11 to leave at any time you wish.

12 Tonight's hearing is being transcribed by a  
13 court reporter, as you can see. She is writing down  
14 everything that occurs here this hearing. If you do  
15 plan to testify, please speak plainly and clearly so  
16 that she can accurately reflect your comments.  
17 Also, if you have prepared a written statement, it  
18 would be helpful if you provide a copy of that to  
19 the court reporter.

20 We sincerely appreciate your participation  
21 in the hearing tonight. And we do wish everyone who  
22 wants to testify to have the opportunity to do so.  
23 So please try and keep your comments to a reasonable  
24 amount of time.

25 Are there any questions about the process

1           that we will follow tonight before we get started?

2                   All right. At this time, Chairman  
3           Snitchler will begin calling witnesses forward.  
4           Thank you.

5                   MR. TODD SNITCHLER: Mr. William Daugherty.

6                   MR. DAUGHERTY: Do you want to swear me in?

7                   MS. MANDY WILLEY: Would you please state  
8           your name and address for the Record.

9                   MR. DAUGHERTY: William Daugherty, 5689  
10          Eastview Street, Northeast, Louisville, Ohio.

11                  MS. MANDY WILLEY: Will you also spell your  
12          last name for the record, please.

13                  MR. DAUGHERTY: D A U G H E R T Y.

14                  MS. MANDY WILLEY: Thank you. Please raise  
15          your right hand.

16                   (William Daugherty was duly sworn.)

17                  MS. MANDY WILLEY: Thank you.

18                  MR. DAUGHERTY: Good evening. Can you hear  
19          me in the back? I'm normally loud. I don't need a  
20          mike most of the time.

21                   Well, here we go again. I was here about  
22          three months ago about the AEP insurance plan or, as  
23          they call it, the security plan. You know, I feel  
24          like I'm spitting in the wind. As I heard then and  
25          as I know now, I will hear how giving AEP is to

1 provide grants to colleges and how they help  
2 Canton's Hall of Fame activities with the Chamber of  
3 Commerce. And, boy, this sounds good. But whose  
4 money is this?

5 The only money you get is consumers' must  
6 -- money. And isn't that right? So it's easy to  
7 give away money to have people sing your praises.

8 But AEP did overcharge us to a tune of 787  
9 million dollars in overcharges which the PUCO  
10 wrongly approved, so said the Ohio Supreme Court.  
11 And AEP should pay the customers back. But will AEP  
12 pay us the full amount? No. The PUCA -- PUCO cut a  
13 deal with them to pay only 75 million which I think  
14 amounts to about 12 cents to each customer over a  
15 three-month billing cycle.

16 What I want to know is why the Ohio  
17 Consumers' Counsel had to bring this to court, not  
18 to PUCO. Are they not our watch dogs? Right now  
19 the Ohio Consumers' Counsel has had its fundings  
20 cut. As you see, they're not represented here by  
21 anybody.

22 I have no faith in PUCO to look out for our  
23 customers. You are now just a rubber stamp when it  
24 comes to rate increases, just like all government  
25 officials who never oppose a tax increase.



1           Let's take a look at what AEP wants to get  
2 from us now. We now pay \$3.82 a month and it's  
3 known as a customer charge. AEP wants to raise it  
4 to \$8.57 a month. This is an increase of \$4.75.  
5 They say it's a 50-percent increase. I say it's a  
6 hundred percent. I'd like to hear what they're  
7 going to do with this increase. Will we get better  
8 service? Or is it just for profit?

9           Last night I lost power for about four  
10 hours. And I had no power and I had no power  
11 because I lost it and did not use it. Will I be  
12 charged for that four hours because you don't want  
13 to lose any money under your security plan?

14           Let's "sock it to the people." Who do you  
15 think we are? Stupid? That we're going to sit back  
16 and do nothing but listen to the spin you put out in  
17 your gospel?

18           This rate is over the top. I'm looking at  
19 a sales tax increase. The schools need more taxes.  
20 I have not had a cost of living increase in two  
21 years. Everybody's telling me there's no cost of  
22 living. Have you gone to the store? Have you  
23 bought food? It's gone up. We've all been told we  
24 have to suffer. But all I hear is "let's take more  
25 from me." Things are not getting any better but

1 worse.

2 So bring on the love fest. Spin how good  
3 the company is. AEP is bringing it on but it will  
4 fail -- fall on my dead ears -- deaf ears. I've  
5 heard it all before. I know what I say will fall on  
6 deaf ears at the PUCO. It does not give a damn what  
7 the public thinks or how much we suffer.

8 But I have to have my say. So, you know,  
9 you can't full -- you can't fool all of the people.  
10 Thank you very much.

11 MR. TODD SNITCHLER: Our next witness is  
12 Steven Silver.

13 MS. MANDY WILLEY: Please state and spell  
14 your name.

15 MR. SILVER: Steven E. Silver.

16 MS. MANDY WILLEY: Spell your last name.

17 MR. SILVER: S I L V E R.

18 MS. MANDY WILLEY: Thank you. Please raise  
19 your right hand.

20 (Steven E. Silver was duly sworn.)

21 MR. SILVER: Mr. Snitchler, PUCO  
22 Commissioner, AEP, and fellow consumers, I first  
23 want to thank the PUCO for holding this meeting and  
24 the three others around the state.

25 I would like you to look out at the crowd

1 and see a very pittance of AEP customers. Why is  
2 this, No. 1? How have you notified the consumers  
3 about these meetings? If you truly want to hear  
4 from the people, the consumers, put a notice in  
5 their AEP bill. I guarantee you will fill this  
6 room. I only heard about it this morning on the  
7 radio and had to cancel something in order to come  
8 tonight. So I request personally that for all  
9 future meetings you put a notice in the electric  
10 company's bill to consumers. That way there's no  
11 if's and but's about it; we will know.

12 I now would like to ask you about something  
13 from your mission statement that Mr. Snitchler read  
14 a little bit earlier, something about reliable  
15 utilities' services at fair prices. Those "fair  
16 prices" are being stipulated by a big business of  
17 representation we have in the front row right where  
18 I'm sitting.

19 Those are not representation of the common  
20 man or woman. And 99.98 percent of the consumers  
21 for AEP are the common people. We are the people  
22 that are footing this bill. We are the people that  
23 are paying for the clothes on their back and for  
24 everything. We, the people, are. So I'm asking you  
25 to be fair. I'm a simple, common man. Increasing

1 my bill will cause a hardship to myself, my  
2 household, as well as I am sure for many many  
3 consumers.

4 You have already allowed AEP to increase  
5 their rates in 2009. This -- well, I'll just give  
6 you the figures for Ohio Power. Since 2009, for the  
7 last three years, AEP has increased their rates 23  
8 percent. For Columbus Southern Power, they've  
9 increased their rates in the last three years for 19  
10 percent. I assume that that would have to be okayed  
11 by PUCO.

12 According to your electric service -- or,  
13 I'm sorry, your electric security plan, in 2011 --  
14 and you didn't really mention this -- but in 2011,  
15 unless I'm reading this incorrectly, they were  
16 requesting an increase of 6.3 percent for Ohio Power  
17 customers and 3 percent in 2011 for Columbus  
18 Security -- or, I'm sorry, Columbus Southern Power  
19 Company customers. That was -- I don't know if  
20 that's on top of what you said they're now asking  
21 which was 17.3 percent for Ohio Power, 9.5 percent  
22 for Columbus Southern Power. All I know is I don't  
23 know anyone whose salaries have gone up by 23  
24 percent in the last three years. Maybe someone here  
25 or someone in the front row but certainly not mine.

1                   Anybody back there, if your salary's gone  
2 up 23 percent in the last three years, please raise  
3 your hand for me.

4                   (Crowd response.)

5                   MR. SILVER: Everything is going up. Three  
6 years ago AEP was asking for a 45-percent increase  
7 of their rates. I remember that, 45 percent over a  
8 three-year period. So they got half of that, 23  
9 percent for Ohio Power. It's time to put an end to  
10 this. It's time that they learn to live within  
11 their means, because we have to.

12                   No more increases. And from now on, again,  
13 I request the PUCO be fair, not only to us and the  
14 consumers that are speaking now, but be fair by  
15 letting us know by a mailer of these meetings.  
16 Thank you.

17                   MS. MANDY WILLEY: Thank you for your  
18 comments. That concludes the witnesses who signed  
19 up to testify.

20                   Is there anyone in the audience now that  
21 would like to testify?

22                   Seeing no one, I'd like to thank everyone  
23 for coming out here this evening. This will  
24 conclude this evening's public hearing. And this  
25 transcript from this hearing will be submitted on

1 the record for the Commission's consideration in  
2 this case.

3 I would encourage the company  
4 representatives to stay after for a few minutes.  
5 And the Commission staff, Chairman Snitchler, and I  
6 will also stay around for a few minutes if you have  
7 any questions of us. Thank you and have a nice  
8 evening.

9  
10 (The hearing concluded at 6:25 p.m. )  
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## C E R T I F I C A T E

STATE OF OHIO


COUNTY OF STARK

I, Jocelyn S. Harhay, RPR, Notary Public in and for the State of Ohio, do hereby certify that the PUCO hearing held October 18, 2011, was to the best of my ability reduced to machine shorthand, afterwards transcribed under my direction by means of computer, and that to the best of my ability the foregoing is a true and correct transcript of the PUCO hearing held October 18, 2011.

I further certify that this PUCO hearing held October 18, 2011 was taken at the time and place in the foregoing caption specified.

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

IN WITNESS WHEREOF, I have hereunto set my hand at Hartville, Ohio, on October 30, 2011.

  
Jocelyn S. Harhay, RPR,  
Notary Public

My Commission expires: June 15, 2013.

[illegible]



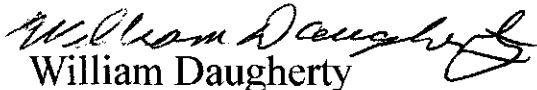
Well here we go again. I was here about 3 months ago about the AEP'S insurance plan or as they call it security plan. You know I feel like I'm spitting into the wind. As I heard then and as I know now I will hear how giving AEP is to provide grants, to collages, how it helps the Canton hall of fame activities with the chamber of commerce, boy this sounds good but who money is this? The only money you get is customer money right? So it is easy to give away money to have people sing your praises. But did AEP over charge us by the tune of \$787 million in over charges which the PUCO wrongly approved so said the Ohio Supreme Court and AEP should pay the customer back. But will AEP pay us the full amounts NO the PUCO cut a deal to pay us only \$75 million. Which I think amount to about 12 cent over 3 months billing cycle.

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Lets take a look at what AEP wants to get from us right now we pay \$3.82 for customer charge, AEP wants to rise it to \$8.57 this is a increase of \$4.75 That over a 100%. I like to hear what they will do with the increase, will we get better service or will it be just profit. Well last night we lost power for about 4 hrs under the new security plan will I be charged for the 4 hrs I had no power because you lost 4hrs that I did not use? We know you don't want to lose any charges. Let's sock it to the people. Who do you think we are stupid that we will sit back and do nothing but listen to the spin you put out as gospel. This rate is over top I'm look at a sales tax increase , schools need more taxes,. I have not had a cost of living increase in 2yrs but every thing goes up and up. We are told all

have to suffer, but all I hear is let's take more from me. Things are not getting better but worse.

So bring on the love fest spin how good a co. AEP is bring it on but it will fall on my dead ears because I heard it all before. I know what I say will fall on deaf ears at the PUCO does not give a dam what the public thinks or how much we suffer but I had my say so you know you can't full all the people. Thank You

  
William Daugherty

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