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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
 Application of Columbus :
 Southern Power Company and :Case No. 11-351-EL-AIR
 Ohio Power Company, :Case No. 11-352-EL-AIR
 Individually and, if :
 Their Proposed Merger is :
 Approved, as a Merged Company :
 (collectively, AEP Ohio) :
 for an Increase in Electric :
 Distribution Rates. :

In the Matter of the :
 Application of Columbus :
 Southern Power Company and :Case No. 11-353-EL-ATA
 Ohio Power Company :Case No. 11-354-EL-ATA
 Individually and, if :
 Their Proposed Merger is :
 Approved, as a Merged Company :
 (collectively, AEP Ohio) :
 for Tariff Approval. :

In the Matter of the :
 Application of :
 Columbus Southern Power :Case No. 11-356-EL-AAM
 Company and Ohio Power :Case No. 11-358-EL-AAM
 Company, Individually and, if :
 Their Proposed Merger is :
 Approved, as a Merged Company :
 (collectively, AEP Ohio) :
 for Approval to Change :
 Accounting Methods. :

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PROCEEDINGS

before Ms. Katie L. Stenman, Hearing Examiner, at the
Public Utilities Commission of Ohio, Lima Senior High
School, 1 Spartan Way, Lima, Ohio, called at 6:00
p.m. on Monday, October 24, 2011.

- - -

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APPEARANCES:

Mike DeWine, Ohio Attorney General
Public Utilities Section
By Ms. Katie L. Stenman
Assistant Attorney General
180 East Broad Street, 6th Floor
Columbus, Ohio 43215-3793

On behalf of the staff of the Public
Utilities Commission of Ohio.

ALSO PRESENT:

Mr. Matt Butler.

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1 Monday Evening Session,

2 October 24, 2011.

3 - - -

4 HEARING OFFICER STENMAN: Thank you.

5 Go on the record. The Public Utilities
6 Commission of Ohio has called for public hearing at
7 this time and place Case Numbers 11-351-EL-AIR,
8 11-352-EL-AIR, 11-353-EL-ATA, 11-354-EL-ATA,
9 11-356-EL-AAM and 11-358-EL-AAM, caption in the
10 matter of the application of Columbus Southern Power
11 Company and Ohio Power Company, individually, and if
12 their proposed merger is approved as merged
13 companies, collectively AEP Ohio, for an increase in
14 electric distribution rates, for tariff approval and
15 for approval to change accounting methods.

16 Again, my name is Katie Stenman. I'm one
17 of the attorney examiners with the Commission's legal
18 department, and I've been assigned to preside over
19 this hearing.

20 Along with me is Matt Butler, the
21 Commission's public affairs department and Tonya
22 Toles, the Commission's service monitoring and
23 enforcement department.

24 At this time I'll take appearances on
25 behalf of the parties and any interveners that are

1 here starting with the company.

2 MS. MILLER: Hi, Erin Miller on behalf of
3 Ohio Power Company and Columbus Southern Power
4 Company. At this time I'd also like to enter an
5 appearance on behalf of my colleagues who are not
6 present, Matt Satterwhite and Ann Vogel.

7 HEARING OFFICER STENMAN: Can you spell
8 the names.

9 MS. MILLER: Satterwhite,
10 S-a-t-t-e-r-w-h-i-t-e, and Ann Vogel, V-o-g-e-l.

11 HEARING OFFICER STENMAN: Thank you. Are
12 there any interveners present tonight?

13 On February 28, 2011 Columbus Southern
14 Power Company and Ohio Power Company, which are
15 operating companies of American Electric Power Ohio,
16 filed applications with the Commission for an
17 increase in electric distribution rates, for tariff
18 approval, and for approval to change accounting
19 methods.

20 This local public hearing is only one
21 aspect of the case process. Public hearings have
22 also occurred in Marietta and Canton and are
23 scheduled to occur in Columbus.

24 An evidentiary hearing is also scheduled
25 to begin on November 14 at 10 a.m. at the PUCO

1 offices in Columbus, Ohio.

2 The purpose of the evidentiary hearing is
3 for the companies, Commission's staff, and other
4 interveners to present their expert witness testimony
5 and provide evidence in support of their positions in
6 this case.

7 The purpose of tonight's public hearing,
8 however, is to receive comments from the public. We
9 will not be hearing from the company tonight as we
10 already have their application.

11 Today is about hearing from the public,
12 and it's your opportunity to let the Commission know
13 what you think about AEP's proposal.

14 When you arrived, you were offered the
15 opportunity to sign up to testify. If you missed
16 that opportunity, you may still sign up at any time
17 during the hearings.

18 Also at the end of the hearing I will ask
19 if anyone wishes to give testimony who did not sign
20 up. I'll take the witnesses in the order in which
21 they signed up and will call you forward and ask you
22 to take an oath that what you're about to say is the
23 truth before you begin your testimony.

24 I will also ask for your name and address
25 for the record. If you could please spell your last

1 name for the court reporter.

2 Your testimony this evening is considered
3 part of the official record and will be reviewed by
4 the commissioners before they make their final
5 decision.

6 The attorney for AEP that is present
7 tonight will be able to ask you questions if she so
8 chooses. If you decide you don't wish to testify at
9 any time when I call your name, you may simply pass.

10 Additionally, once you give your
11 testimony or if you're simply here to observe, you
12 may leave at any time.

13 As I said before, tonight's hearing is
14 being transcribed by a court reporter which means
15 that she's writing down everything that you say in
16 typewritten fashion, so please speak plainly and
17 clearly so that she can accurately reflect your
18 comments.

19 Also if you prepared a written statement,
20 it would be helpful if you could provide that to the
21 court reporter at the conclusion of your testimony.

22 The Commission appreciates your
23 participation in this evening's hearing, and we want
24 to make sure that everyone who wants to testify has
25 the opportunity to do so, so I would just ask that

1 you keep your comments to a reasonable length.

2 Are there any questions before we begin
3 taking testimony?

4 Okay. And I apologize in advance when I
5 butcher your names.

6 Marva Collins please come on up to the
7 podium.

8 (Witness sworn.)

9 HEARING OFFICER STENMAN: Thank you.
10 Please state and spell your name for the record and
11 give your address.

12 MS. MARVA COWAN: Marva A. Cowan, my
13 address is 760 South Elizabeth Street in Lima, Ohio.

14 HEARING OFFICER STENMAN: Go ahead.

15 - - -

16 MARVA COWAN

17 presented herself as a public witness, and being
18 first duly sworn, testified as follows:

19 DIRECT TESTIMONY

20 First of all, I'd like to thank you for
21 the opportunity to be here tonight.

22 Based on my occupation that I do, I see
23 people that are in need every day, but tonight I'm
24 here to speak on behalf of myself and my family
25 because we're working people who -- there aren't any

1 programs, low income programs for, and I do know that
2 there is a cost to doing business. I have an MBA, so
3 I realize that companies are in business to make
4 money.

5 However, I implore you that based on the
6 state of the economy today, the fact that wages are
7 not going up but expenses are going up, prescriptions
8 are going up, all of our costs are going up including
9 our utility costs. And so we sit back and there is a
10 new face to the folks that now find themselves trying
11 to figure out what it is they are going to do.

12 And so I implore you to think about the
13 folks who are working, the folks who are not working
14 too, some of them due to no cause of their own found
15 themselves unemployed, but just to think about the
16 people on Main Street.

17 And when you make those decisions that
18 you would base those decisions on the fact that we,
19 the people, we need help too. We also would like to
20 enjoy our liberties and our freedoms as well.

21 I want to look forward to a time when I
22 don't have to worry about how I'm going to meet my
23 prescription costs because my electric went up and my
24 other utilities went up and my wages didn't go up.

25 And so I'd just like to say on behalf of

1 my family, my mom who worked at Ford for 30 years who
2 sits down at the beginning of the month when she gets
3 her pension and her Social Security and she says to
4 me, "You know, I feel like I'm on welfare. And
5 that's not a good feeling." She's put her time in.
6 She should be enjoying her retirement.

7 In this great country that we live in, we
8 should be able to enjoy things without having to
9 worry about everything.

10 I started this out by saying I know the
11 cost of doing business is quite expensive. And for
12 those of us who have jobs, we're blessed beyond
13 measure to have those jobs because what we see every
14 day is factories closing down, businesses
15 right-sizing. We see factories moving to other
16 countries.

17 We want to live in this country and enjoy
18 this country and be able to live with some kind of
19 peace of mind that we don't have to worry that every
20 time we turn around, things are continually going up
21 beyond our measure.

22 When I started out with my education I
23 never thought that I would be sitting in back doing
24 the same thing that other people are doing, just
25 trying to figure out how I'm going to make it.

1 That's not why I went to college to get an MBA. I
 2 want to do more than just make it.

3 So I just ask you here tonight if you
 4 would just consider the people when you make your
 5 decisions on the rate increases, and keep us in mind
 6 because it's the people that also built this country.

7 Thank you.

8 HEARING OFFICER STENMAN: Thank you.
 9 Kathy Hennessy.

10 (Witness sworn.)

11 HEARING OFFICER STENMAN: Thank you.
 12 Please state your name and address for the record,
 13 spelling your name.

14 - - -

15 KATHY HENNESSY
 16 presented herself as a public witness, and being
 17 first duly sworn, testified as follows:

18 DIRECT TESTIMONY

19 Kathy Hennessy, H-e-n-n-e-s-s-y. Kathy
 20 with a K, and I live at 5544 Reservoir Road, Lima.

21 And I'm one of those retired people, I am
 22 semi-retired. I still work a few hours a week, but
 23 some of the information I've heard tonight isn't
 24 quite accurate because I have my bill here from last
 25 month. And since I am a retired teacher, I also do a

1 lot of math.

2 So my distribution service for last month
3 was 32.7 percent which is a lot higher than what she
4 said, 25 percent.

5 If you add another 17 percent onto that,
6 you're going to get almost 50 percent. And if you're
7 on a fixed income, it's really hard to make ends
8 meet. So I would just ask people to think about
9 that. Think about the people that, you know, you
10 might have a part-time job or you might be working
11 maybe 20 hours a week, but that's just to get by.
12 We're not getting ahead.

13 So think about all the people that are on
14 fixed incomes, whether it be retired people or not
15 before you let someone raise the rates 17 percent.

16 I also would like to know what the
17 generation service is, the transmission service and
18 the customer charge, because there's three other
19 things that we get charged. I'd like to know what
20 those are for. Okay.

21 HEARING OFFICER STENMAN: Thank you. If
22 you have any questions, Miss Toles is here from our
23 service monitoring enforcement department, she may be
24 able to answer those for you.

25 Barbara Garland.

1 (Witness sworn.)

2 HEARING OFFICER STENMAN: Thank you.
3 Please state your name and address, spelling your
4 name.

5 MS. BARBARA GARLAND: What was the part
6 after state my name and address?

7 HEARING OFFICER STENMAN: And spell your
8 name for the court reporter.

9 - - -

10 BARBARA GARLAND

11 presented herself as a public witness, and being
12 first duly sworn, testified as follows:

13 DIRECT TESTIMONY

14 Okay. My name is Barbara Garland. I
15 live at 228 West Vine Street, Lima, Ohio. 45804 is
16 my zip.

17 My name as far as spelling is
18 B-a-r-b-a-r-a, G., middle initial, G-a-r-l-a-n-d is
19 my last name.

20 I'm here today. I'm really not happy
21 with AEP.

22 I am on PIP. I was signed for \$39 a
23 month PIP program last November for the address I
24 live at.

25 If you total up for a year those \$39

1 payments for PIP, they add up to \$468. If you total
2 up for the year what I have paid AEP for PIP, it adds
3 up to \$476.79, but AEP claims they turned me off
4 because I owed them PIP money.

5 So that's my major reason that I was here
6 to speak tonight, but let's go on.

7 AEP, I've heard some of what's been
8 spoken already tonight, and I don't understand
9 because I am a 62-year-old woman.

10 When I come up as a child, our gas bills
11 wasn't this high. Our light bills wasn't this high.
12 When the bill came to my mother's house, it said pay
13 this much for your electricity. It didn't pay a
14 consumer fee, pay a fee for hunting coal, pay a fee
15 for hunting this, a fee for hunting that, and all
16 this extra stuff that's added in there. And, oh,
17 excuse me, and a fee for reading the meters.

18 And then every month you get threatened
19 because just about every month I get a bill that says
20 they are disconnecting me. Guess what? AEP
21 connected my electric on November the 10th of last
22 year. On November the 11th, I got a bill from AEP
23 for a hundred and some dollars, one day after they
24 connected me when I was signed for a \$39 a month PIP
25 payment.

1 And every month since then I have gotten
2 a disconnect bill from AEP. I feel that with all
3 this stuff going on, like I say, I don't understand.
4 Why is all these extra charges on there that wasn't
5 on my mom and dad's bill, but yet you guys were still
6 making a profit when they were paying their bills?

7 Boy, the profit must be really good now
8 compared to what we paid to pay our electric bills.

9 And the other part of it is, I, too, do
10 not feel that AEP should have a raise or any other
11 company when it comes to where there is an absolute
12 necessity for the product that is being put out
13 because the economy is not for these raises. The
14 people cannot pay it, just like Miss Collins said,
15 they are not getting raises on their checks, but the
16 raises are coming to the gas company, the light
17 companies, and all these big organizations and things
18 that we have to pay out. And even our groceries are
19 getting raises and our milk is up to almost \$4 a
20 gallon now.

21 And here is AEP back here and they've got
22 to be making an awful great profit because they don't
23 pay to do their own coal anymore or anything, and if
24 I was bringing forth a business to the public, if I
25 was selling something to the public, I would have to

1 say this is my price, not add all that little stuff
2 all in. This is my price. And then I would have to
3 bring forth spaghetti if I was running a restaurant,
4 for instance, or whatever. And I don't get to charge
5 extra little undercover things here with these --
6 with this plate of spaghetti. So why should AEP?

7 If I was running a business, I would have
8 to put forth to my business. If I go out here and
9 open this five and dime store, I've got to bring in
10 the five and dime merchandise to be sold. It's put
11 on a price tag on my merchandise. So whatever I pay
12 for that is worked in. It's put on that price tag.
13 After you see that price tag you don't see underneath
14 that price tag, well, I want a fee for this and a fee
15 for this and a fee for this and a fee for this on our
16 bills.

17 There are, like, three or four different
18 fees telling us, well, this is for the recovery of
19 this, this is for the recovery of that. This is a
20 customer fee payment. This is a that payment,
21 et cetera.

22 Okay. And I don't feel AEP should have a
23 raise, not only because of the economy, but because I
24 think AEP is making enough profit already.

25 That's all I have to say.

1 HEARING OFFICER STENMAN: Thank you.

2 MS. BARBARA GARLAND: Except that I'd
3 like my lights back on because you're overpaid here
4 and you turned me off.

5 HEARING OFFICER STENMAN: Jim Rohrer.

6 (Witness sworn.)

7 HEARING OFFICER STENMAN: Thank you.

8 Please state and spell your name for the court
9 reporter and your address.

10 - - -

11 JAMES ROHRER

12 presented himself as a public witness, and being
13 first duly sworn, testified as follows:

14 DIRECT TESTIMONY

15 James A. Rohrer, R-o-h-r-e-r, 2134
16 Wyandotte Drive, Lima, Ohio.

17 I've got so many things here I really
18 don't know where to take off. I guess I kind of
19 represent the gray hair society which we have
20 somewhat heard from.

21 But I would like to jump into a few
22 things. Let's just take my bill that I received
23 August -- it was dated, I should say, August 8 of
24 this year of '11.

25 And I went back and I tried to compare

1 that particular bill with the kilowatt hours that I
2 used, and I'm one of these strange people, I guess, I
3 save my utility bills.

4 And I had to go back to August of '08.
5 Now we're only talking three years. It's not that
6 much.

7 If this fly doesn't get out of here we're
8 going to kill him.

9 Anyhow, the increase was this, I paid
10 this time, this month, I should say, in August,
11 \$145.06.

12 In '08, I paid 105.37. Now the variance
13 in kilowatt hours was not right on the penny, but it
14 was awfully close.

15 In '11 it was \$1,348.

16 In '08, it was 1,325, just a few kilowatt
17 different.

18 But the increase, if you figure that out,
19 you're talking about a 35 percent increase in three
20 years. It's too much.

21 They shouldn't have been approved then,
22 and they shouldn't be approved now.

23 Now, there's another area down here on
24 the bottom of the bill that says "price to compare."
25 In other words, if we find a competitor price, which

1 I understand there are some of them moving in the
2 area now, and I had to go back a ways on this one,
3 but let's just go back to December 7 -- December 12
4 of '07. At that time it was 4.3 cents per kilowatt
5 hour that you had to beat.

6 This year it's 7 cents. Now, it doesn't
7 sound like much. It's just a big deal. You know,
8 what is it, 3.7 cents, somewhere in that range, but
9 that's a 63 percent increase. Not a two percent or
10 five percent, 63 percent.

11 And then there was other things that I
12 noticed that through newspaper periodicals that the
13 customer charge was going to increase from 3.82 to
14 \$8.40 a month.

15 And it kind of sounds like what Dominion
16 East Ohio has done on their gas bills. I would say
17 probably well over 50 percent of Dominion's customers
18 are buying their gas from other companies, but they
19 are still getting the huge rates. They are actually
20 on my gas bill. I know I'm off the subject. We're
21 talking electric, but I'm going to compare this.

22 On the gas bill, Dominion gets more for
23 distribution than what my company gets per hundred
24 cubic feet of gas. That's not right. It should
25 never have happened in the first place.

1 And I realize that the EPA has mandated a
2 lot of issues. I guess it's like too much
3 government. And they are in places they shouldn't
4 be, and they are too hard. And I realize that the
5 company has to abide by those. But at the same time,
6 let's go back for the last ten, fifteen years. You
7 knew it was coming and so did I and I'm just John Q.
8 Public. Why didn't you upgrade your equipment then?
9 Then you wouldn't have to be beating us to death for
10 rate -- huge rate increases?

11 There is another thing I read in the --
12 was a notification in the Lima newspaper. Of course,
13 number one item, the AEP (aka) Ohio Power Company,
14 whoever it was, they asked for distribution rate
15 increases. I understand that. We just discussed
16 that portion of it. But they also asked for tariff
17 approval. So evidently they are planning on changing
18 the tariff rating so I would like an explanation on
19 that tonight if you don't mind, please.

20 And also they ask for a change in
21 accounting methods.

22 Now, I say to myself, if their accounting
23 method is so great and fantastic the last 15 years,
24 ten years, whatever it might be, why do we have to
25 change now? Is it to make you guys sound poorer?

1 And that's my question, why?

2 I think I've pretty much stood my point.
3 I'm not happy with it, and I'm going to encourage the
4 Board to disallow any rate increase. In fact, I
5 encourage you to decrease it.

6 Thank you very much. I appreciate it.

7 HEARING OFFICER STENMAN: Thank you.

8 That concludes our witness list.

9 Is there anyone who did not sign up who
10 would like an opportunity to testify?

11 No one? Okay. Seeing no one, I'd like
12 to thank everyone for coming out tonight.

13 This will conclude this evening's public
14 hearing and will be submitted on the record for the
15 Commission's consideration of this case.

16 I'd encourage the company representatives
17 to stick around and we will stick around for a few
18 minutes if anyone has any questions.

19 Off the record.

20 (Thereupon, the hearing was concluded at
21 6:40 p.m.)

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CERTIFICATE

I do hereby certify that the foregoing is a true and correct transcript of the proceedings taken by me in this matter on Monday, October 24, 2011, and carefully compared with my original stenographic notes.

Deborah J. Guzzo, Registered
Professional Reporter and
Notary Public in and for the
State of Ohio.

My commission expires June 25, 2012.

(2812-DJG)

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in

Case No(s). 11-0351-EL-AIR, 11-0352-EL-AIR, 11-0353-EL-ATA, 11-0354-EL-ATA, 11-0356-EL-AAM, 1

Summary: Transcript Transcript of Columbus Southern Power Company and Ohio Power Company hearing held on 10/24/11 electronically filed by Mrs. Jennifer Duffer on behalf of Armstrong & Okey, Inc. and Guzzo, Deborah Mrs.