

BEFORE THE PUBLIC UTILITIES

COMMISSION OF OHIO

- - -

IN THE MATTER OF THE APPLICATION
OF OHIO EDISON COMPANY, THE
CLEVELAND ELECTRIC ILLUMINATING
COMPANY, AND THE TOLEDO EDISON
COMPANY FOR AUTHORITY TO PROVIDE
FOR A STANDARD SERVICE OFFER
PURSUANT TO R.C.4928.143 IN THE
FORM OF AN ELECTRIC SECURITY
PLAN

- - -

BE IT REMEMBERED that upon the
hearing of the above-entitled matter held at
Cleveland City Hall, Cleveland, Ohio, before
Commissioner Todd Snitchler and Attorney
Examiner Mandy Willey, and commencing on
Tuesday, the 12th day of June, 2012, at 6:00
p.m., the following proceedings were had.

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APPEARANCES:

On Behalf of the FirstEnergy:

FirstEnergy Corporation

By: Arthur E. Korkosz, Esq.
76 South Main Street
Akron, Ohio 44308
330-384-5849

- - -

1 COMMISSIONER SNITCHLER: Good
2 evening. It's just after 6:00. In the
3 interest of your time we would like to get
4 started. I'm Todd Snitchler. I'm the chairman
5 of the Public Utilities Commission of Ohio. I
6 wanted to thank you for taking time out of your
7 schedules to come and provide your comments to
8 the Commission as we're involve in this ESP
9 proceeding for FirstEnergy. Mandy Willey is the
10 attorney examiner who will be running the
11 meeting tonight.

12 Before we begin I want to thank you
13 for the chance to come up here. This is my
14 first opportunity to be in city council
15 chambers. This is quite a nice facility and
16 we're grateful for the use of the facility.

17 As far as the ground rules, as far
18 as testimony, we'll ask you to come up to this
19 microphone so the court reporter can record what
20 you're saying. It's going to become part of our
21 record. We're going to call you in the order
22 you signed up. Mandy will start the proceeding
23 and put everything on the record. With that, I
24 will turn it over to her and thank you for
25 coming tonight.

1 MS. WILLEY: Thank you, Chairman.
2 The Public Utilities Commission of Ohio has
3 assigned for public hearing at this time and
4 place 12-1230-EL-SSO which is captioned in the
5 matter of the application of Ohio Edison
6 Company, The Cleveland Electric Illuminating
7 Company, and The Toledo Edison Company for
8 authority to provide for a standard service
9 offer pursuant 4928.143 of the Ohio Revised Code
10 in the form of an Electric Security Plan.

11 My name is Mandy Willey. I'm an
12 attorney examiner with the Public Utilities
13 Commission and I will be conducting the hearing.
14 With me here is Todd Snitchler, chairman of the
15 Public Utilities Commission, who just greeted
16 you here. In addition there are commission
17 personnel representing are service monitoring
18 and enforcement and our public affairs
19 department who greeted you in the hallway.
20 These PUCO staff members are available if you
21 have a question concerning the utility's
22 application which is the focus of tonight's
23 hearing.

24 At this time I would like to take
25 appearance on behalf of the parties. We'll

1 begin with the company.

2 MR. KORKOSZ: On behalf of the
3 applicants Arthur Korkosz, 76 South Main Street,
4 Akron, Ohio 44308.

5 MS. WILLEY: Thank you. Any other
6 parties to intervene in this case who wish to
7 make an appearances tonight?

8 MR. RIDICH: Robert Ripich, 12314
9 Elmwood Avenue.

10 MS. WILLEY: Any other parties who
11 intervened in this case who wish to make an
12 appearance?

13 Thank you. FirstEnergy filed this
14 application on April 13, 2012. Additionally on
15 April 13, 2012, a stipulation was filed in this
16 proceeding which was signed by several of the
17 intervenors in this case. The local public
18 hearings scheduled in this case are only one
19 aspect of the process in this case. Evidentiary
20 hearing also took place June 4 until June 8 of
21 this year at the Commission offices in Columbus.

22 The subject of today's hearing is
23 the application filed by FirstEnergy pursuant to
24 Section 4928.141 of the Ohio Revised Code to
25 provide for a standard service offer. That

1 application includes a stipulation and
2 recommendation agreed to by various parties
3 regarding the terms of the proposed standard
4 service offer.

5 In its stipulation FirstEnergy
6 represents that it and numerous other parties
7 engaged in a wide range of discussion over a
8 period of time related to the development of a
9 standard service offer which extends with
10 modification the standard existing standard
11 service offer approved by the Commission in case
12 number 19-388-EL-SSO for an additional two
13 years.

14 The purpose of this evening's public
15 hearing is to receive comments from the public
16 regarding FirstEnergy's application in this
17 case. It is not a question and answer session.
18 It's your opportunity to let the Commission know
19 about the company's application.

20 As you can see this meeting is being
21 transcribed by a court reporter. If you plan to
22 testify please speak clearly so the court
23 reporter can accurately reflect your comments on
24 the record. Also if you have prepared a written
25 statement it would be very helpful if you leave

1 that on the podium up here or provide it to the
2 court reporter.

3 When you arrived you were offered an
4 opportunity to sign up to testify by Mr. Hampton
5 and Mr. Frazier. After I finish my introduction
6 I will begin calling witnesses from the sign up
7 sheet. I will ask you to come up to the table
8 where you see this tall microphone. Please face
9 the court reporter. Before you give your
10 comments state your name and address and before
11 you give your testimony I will ask you to take
12 an oath that what you're about to say the truth.
13 Your testimony will be transcribed by the court
14 reporter and considered part of the official
15 record in this case and reviewed by the
16 commission before the commission makes its final
17 decision on this application. Additionally the
18 parties to the case, including the company or
19 Chairman Snitchler will be permitted to ask you
20 questions about your statement.

21 If your name is called and you
22 decide you do not want to testify, you can state
23 pass and we'll move on to the next witness.
24 Once you are finished testifying or if you're
25 just here to observe you are free to leave any

1 time you wish. The Commission appreciates your
2 participation at this hearing and wishes
3 everyone giving a statement to have the
4 opportunity. We would ask you to please keep
5 your comments to a reasonable length of time.

6 COMMISSIONER SNITCHLER: We will
7 begin calling witnesses forward. I will
8 apologize if I mispronounce your name. I'm not
9 the best. Our first witness is Bob Ripich.

10 (Witness sworn.)

11

12 MS. WILLEY: Please state and spell
13 your name.

14 MR. RIPICH: My name is Robert
15 Ripich, R-i-p-i-c-h, address is 12314 Elmwood
16 Avenue, Cleveland, Ohio.

17 I would like to say that, first of
18 all, my position is America Tank & Fabricating,
19 the company I represent, vice president of
20 facilities. I manage over 300,000 square feet
21 in properties and buildings, over 200 employees,
22 and we spend about a half million dollars in
23 electricity each year. We're a steel fabricator
24 and so we have a lot of large motors in our
25 facilities through the Cleveland, Ohio area.

1 Also we have been making an
2 investment through our facilities to be more
3 energy efficient. We're very happy CEI has been
4 supporting us through that investment through
5 lighting, power correction for our large machine
6 motors and equipment, and also made some larger
7 improvement in the HVAC equipment. We certainly
8 embrace the opportunity to stabilize rates in
9 the future. Industry can be very difficult at
10 times and it's very helpful to have the
11 stabilized energy costs. That's all have.

12 MS. WILLEY: Thank you.

13 COMMISSIONER SNITCHLER: Next up is
14 Natalie Ulrich. Next is Charles Laszlo.

15 (Witness sworn.)

16 MS. WILLEY: Would you please state
17 and spell your name and address for the record.

18 MR. LASZLO: Charles Laszlo,
19 L-a-s-z-l-o. I'm the building operations
20 manager at Severance Hall. I will give you that
21 address, 11001 Euclid Avenue, Cleveland.

22 With the new rate schedules we
23 qualified for the general subtransmission rate.
24 Also with the availability to shop for
25 generation suppliers this lowered our costs. We

1 participated in the FirstEnergy non-standard
2 lighting incentives for business program. This
3 added to the overall cost savings by lowering
4 electrical usage for lighting in our public and
5 back of house spaces. The changing of our rate
6 schedule, selecting a generation supplier, and
7 participation in the lighting incentives for
8 business program have reduced our overall
9 electrical costs by approximately 50 percent
10 over the past four years.

11 FirstEnergy continues to be
12 efficient in the restoration process when our
13 power goes out. They have also established not
14 only good business relationship with us, but
15 continue to maintain excellent communication
16 with us during power outages and planned
17 shutdowns. Thank you.

18 COMMISSIONER SNITCHLER: Our next
19 witness Patricia McKenna.

20 (Witness sworn.)

21 MS. WILLEY: Thank you. Would you
22 please state and spell your name and give your
23 address for the record.

24 MS. MCKENNA: Patricia McKenna,
25 M-c-K-e-n-n-a, 20110 Lorain Road, Fairview Park,

1 Ohio.

2 Okay. My name is Patricia McKenna.
3 I'm a customer of the Illuminating Company. I'm
4 here today to put on public record my request
5 that the commission continue to the one year
6 rate guarantee policy rather than changing to a
7 three year plan. This coupled, with the
8 commitment from FirstEnergy to invest in
9 renewable energy and energy efficiency education
10 to exceed Ohio's minimum regulations. And, and
11 this is a big and, and I ask that we have a
12 public commitment from the Commission that they
13 will without delay hold FirstEnergy for the
14 dollars they have not spent on energy
15 efficiency.

16 I urge the commission to say no and
17 not allow this company to collect the hard
18 earned money from our pockets yet again. With
19 more investments going into renewable energy
20 FirstEnergy by every company but FirstEnergy
21 prices will ultimately go down and none of us
22 wants to continue to pay a higher rate than
23 necessary which is what could happen with a
24 three year rate guarantee at this point in time.

25 FirstEnergy's complete and utter

1 arrogance with respect to Ohio's regulations and
2 our Public Utilities Commission refusal to hold
3 the company accountable for their actions or
4 lack thereof is simply unacceptable. I have no
5 doubt in my mind what would happen to me if I
6 were to violated the law dumped as much mercury
7 and toxins in our air and water as FirstEnergy
8 as dumped. I doubt I could simply ask for yet
9 another waiver this year. I would be in jail if
10 not tarred and feathered in Public Square and
11 burned at the stake and deservedly so.

12 I'm note in agreement with the way
13 the United States handles these types of
14 situations. My suggestion is that we stop
15 slapping the wrists and granting waivers to
16 these law breakers and start revoking licenses
17 to operate in the U.S. there are hundreds of
18 companies out there chomping at bit to get a
19 piece of the renewable energy action.
20 FirstEnergy, quite obviously, does not have any
21 interest in evolving into that future. I say we
22 move ahead with progressive energy companies and
23 allow FirstEnergy to apostatize.

24 To conclude, FirstEnergy is not
25 ready to provide its customers a fair, just and

1 reasonable rate. The company is not will to
2 pursue savings for its customer without a
3 windfall profit somewhere in the pages. So I'm
4 here today to ask the Commission to insist that
5 this company start complying with Ohio
6 regulations starting tomorrow morning and stick
7 to the one year rate plan. Thank you.

8 COMMISSIONER SNITCHLER: The next
9 witness tonight is Tom Mendelsohn.

10 (Witness sworn.)

11 MS. WILLEY: Please state your name
12 and address for the record.

13 MR. MENDELSON: My name is Tom
14 Mendelsohn, T-o-m M-e-n-d-e-l-s-o-h-n. I would
15 like to start by giving you a couple of
16 vignettes. At the beginning of the Fuel Fund
17 Assistant Program for the Empowerment Center of
18 Greater Cleveland a woman came in with a request
19 for assistance with her light bill. Her
20 neighbor had been allowing her to plug into
21 their electricity with an industrial size
22 extension cord so she could cook food for her
23 children and keep a breathing machine
24 functioning for one of her children that had
25 asthma. The Fuel Fund enabled the individual

1 electricity service to be reconnected.

2 Ms. S came to our offices
3 overwhelmed with what she was facing as a result
4 of her daughter being forced to leave her
5 apartment at a different address. She used her
6 own income to help her daughter with relocation
7 expenses. Mrs. S was left with insufficient
8 income to cover her utility bill. ECGC, with
9 the help of the Fuel Fund, was able to process a
10 payment for her electricity.

11 One more vignette. Mr. B had been a
12 victim of a robbery and unfortunately all his
13 income for the month was in his wallet after
14 cashing his monthly check at the bank.
15 Consequently he did not have enough funds to pay
16 his electric bill. He came to the empowerment
17 Center where arrangements were made to cover his
18 bill.

19 FirstEnergy initiated a fuel fund in
20 2009 to provide emergency assistance for the
21 payment of electric bills beginning in 2009.
22 Each year since then FirstEnergy has allocated
23 funding to assist the residents of northeast
24 Ohio living on low incomes to pay balances for
25 their electric bills. Three agencies, Cleveland

1 Housing Network, Consumer Protection
2 Association, and the Empowerment Center of
3 Greater Cleveland, also known as the Citizens
4 Coalition, received approval to provide
5 assistance for CEI customers. Each year
6 thousands of consumers across the thresholds of
7 our offices seeking assistance with their
8 utility bill payments. The fuel fund helps both
9 our consumers and FirstEnergy because it
10 ultimately reduces the debt burden for the
11 consumer, for the utility and for the community.

12 The funding provided by FirstEnergy
13 has benefited low income residents of Cuyahoga
14 County, Geauga, Lake, Ashtabula, Lorain, as well
15 as other several surrounding counties in
16 northeast Ohio. Recipients of this assistance
17 must have -- may have incomes up to 200 percent
18 of the federal poverty guidelines. This is a
19 basic need safety net program which prevents
20 housing insecurity for individuals living on low
21 incomes.

22 It is critical this program
23 continues to provide assistance for people
24 living in poverty. Due to daily living
25 constraints many impoverished people face it's

1 not uncommon for them to have to chose between
2 buying food for their family or paying their
3 medical expenses or provide -- to use their
4 funds for transportation for work or paying
5 their utilities. The fuel fund provides some
6 critical relief by helping families address
7 their utility assistance needs.

8 On behalf of the Empowerment Center
9 of Greater Cleveland, the Consumer Protection
10 Association, the Cleveland Housing Network,
11 collectively known as the Citizens Coalition, I
12 urge the PUCO to approve the plan to extend the
13 period of time for the standard service offer to
14 extend through 2016. This will enable more low
15 income residents to receive emergency utility
16 assistance sustaining their services and
17 preventing insecurities in their housing. Since
18 2009 Consumer Protection has assisted 4,917
19 individuals as a result of the funding provided
20 by the Fuel Fund. Since 2009 the Empowering
21 Center of Greater Cleveland just assisted under
22 6,000 individuals as a result of the funding
23 support provided by the fuel fund to date.
24 Figures for Cleveland Housing Network can be
25 forward following tonight's meeting. I did not

1 have it in time for tonight's meeting. Signed
2 and submitted by Tom Mendelsohn. Thank you.

3 COMMISSIONER SNITCHLER: Our next
4 witness is Sue Steigerwald.

5 (Witness sworn.)

6 MS. WILLEY: Please state your name
7 and give your address for the record.

8 MS. STEIGERWALD: My name is Sue
9 Steigerwald. My address is 10731 Beachwood
10 Drive Kirtland, Ohio 44094.

11 As founder of CKAEP, Citizens for
12 Keeping the All Electric Promise, I am concerned
13 about the effects of this ESP and stipulation
14 for all customers, but especially for electric
15 heating customer like myself and the other
16 205,000 across northeast Ohio. Electric heating
17 customers use three times as much for an average
18 of 26,000 kilowatts annually, where gas heating
19 customers use an average about 9,000 kilowatts
20 annually. During the winter months an electric
21 heating customer can easily use 3,000 to 5,000
22 kilowatts compared to 750,000 kilowatts that a
23 typical customer uses. I bring this to your
24 attention now so that you can carefully consider
25 the billing pacts of any volumetric riders of

1 the CSP such as rider DCR especially to the
2 winter heating bills of electric heating
3 customers.

4 As part of the second ESP the
5 Commission approved in 2010 they approved the
6 accelerated collection of rider RDD which along
7 with the elimination of some electric heating
8 discounts dramatically increased the winter
9 heating bills of electric heating customers by
10 as much as 100 percent. When questioned during
11 a hearing by Representative Lundean in February
12 2010 then chief of staff Steven Musser admitted
13 the Commission did not fully understand the bill
14 impasse to electric heating customers of the
15 changes it approved. Further investigation into
16 the matter showed this to be true for many
17 reasons but mainly because FirstEnergy failed to
18 provide billing pacts for the electric heating
19 customers and some of the regulatory agencies
20 appeared to have no idea electric heating
21 customers used that much energy. I bring this
22 up to make sure the same mistakes were not made
23 again.

24 There are many areas of concern in
25 this stipulation. The first area is that as

1 usual FirstEnergy arrogantly asked for expedited
2 approval of the settlement which as filed the
3 very same day the application was filed. Since
4 then 16 other have intervened and they as well
5 as the Commission deserve the full 275 days to
6 evaluate this proposal. Additionally,
7 FirstEnergy is asking to change the bid process
8 for three years. They claim they want to do
9 this to benefit customers by locking in
10 historically low prices. However, in my opinion
11 FirstEnergy never does anything to benefit the
12 customer unless it equally benefits themselves.
13 Expert testimony already filed in this case
14 shows how it's just as likely generation costs
15 to consumers will go up as it would go down if
16 the auction is changed to three years. This is
17 because of the uncertain of the ATSI zone market
18 due to plant closings and transmission upgrades.
19 If this happens FirstEnergy Solutions, a
20 subsidiary of FirstEnergy, stands to profit
21 greatly from the cautious bids of suppliers
22 outside of the ATSI zone.

23 Another part of the ESP and
24 Stipulation that is problematic is FirstEnergy's
25 request to exclude deferred interest income that

1 should be counted when testing for significantly
2 excessive profits. This should be an easy one
3 for the Commission to reject because it already
4 set precedent in the 2009 AEP Ohio's case where
5 it ruled deferred interest income should not be
6 excluded.

7 There are two parts to the
8 stipulation that should be fully rejected and
9 handled outside of the ESP as separate issues.
10 The first is the distribution of lost revenues
11 from energy efficiency programs, which as stated
12 could allow FirstEnergy to collect hundreds of
13 millions of dollars. Likewise, a continuation
14 of the DCR rider should be handled in a separate
15 case where it can be fully understood by all
16 parties whether or not FirstEnergy really needs
17 an additional 405 million dollars in
18 distribution system investments that will be
19 passed along to unsuspecting customers.

20 I end my testimony by explaining
21 that I reviewed all the 339 page of documents
22 FirstEnergy filed with this ESP application and
23 stipulation, including the expert testimony and
24 all the exhibits; yet again nowhere did I find
25 any explanation of expected bill impacts to

1 customers. When I first became an advocate for
2 all electric homeowners, it ws shocking to me
3 that the Commission actually approved the 2010
4 ESP without fully understanding bill impacts.
5 I've also learned how extremely complicated rate
6 setting is and how FirstEnergy manipulates other
7 parties to follow its wishes. I remind the
8 Commission that all the general public cares
9 about is what is my bill going to be at the end
10 of the month. It's the Commission's job to know
11 what the bill impacts are and to protect the
12 general interest of the customer. I urge the
13 Commission to request expected bill impact from
14 FirstEnergy for all customers, but especially
15 for electric heating customers before it
16 approves any part of this ESP for stipulation.

17 COMMISSIONER SNITCHLER: Our next
18 witness tonight is Connie Kline.

19 (Witness sworn.)

20 MS. WILLEY: Please state and spell
21 your name and give your address.

22 MS. KLINE: Connie Kline,
23 C-o-n-n-i-e K-l-i-n-e, 38531 Dodds Landing
24 Drive, Willoughby Hills, Ohio.

25 For a bit of levity I have a couple

1 props here for you, but I assure you my
2 testimony is dead serious. The cartoons are
3 also on the reverse side of the testimony.

4 I want to thank you for the
5 opportunity to address the PUCO today, although
6 I'm unsure why I keep testifying at these
7 proceedings because the residential consumer's
8 voice and trust seemed to be ignored at best and
9 violated at worse. It would be so refreshing if
10 residential ratepayers received some PUCO
11 protection against FirstEnergy's assaults, as I
12 like to call them. The theme of my testimony is
13 the big screw as depicted in these two cartoons.

14 I'm an all electric customer in the
15 greater Cleveland area who got royally screwed
16 with the PUCO decision in case no. 10-388-EI-SSO
17 to allow FirstEnergy to drastically shorten the
18 calendar time to which the residential
19 generation credit applies and eventually phase
20 out and eliminate the credit altogether.

21 While the PUCO had no control over
22 last moth's PJM capacity auction, apparently the
23 chairman has acknowledged that FirstEnergy's
24 announcement of the four coal plant closings so
25 close to the auction drove up bidding prices.

1 To add insult to injury, during peak demand
2 times, prices will be two and a half times
3 higher in the greater Cleveland service
4 territory due to transmission congestion, a
5 problem FirstEnergy neglected for years.
6 Screwed again.

7 Because FirstEnergy wants to hold an
8 auction to secure generation rates for three
9 rather than one or two years, market uncertainty
10 compound by the coal plant closings, could cause
11 bidders to further drive up prices because they
12 do not want to assume risks and commit to prices
13 that far out. According to the OCC FirstEnergy
14 has failed to estimate the impact on customers'
15 bills by the competitive bidding process.
16 Screwed again.

17 FirstEnergy is seeking up to 405
18 million dollars over two years for distribution
19 costs without specifying what reliability
20 improvements will be made. In 2009's full
21 review of distribution costs the utility could
22 only justify -- that should be a dollar sign --
23 137 million dollar increase or 40 percent of the
24 request. FirstEnergy has to revise its
25 reliability standards by 2014 and should be

1 mandated to complete this review before
2 customers are screwed any more by increased
3 distribution charges.

4 Lastly, FirstEnergy wants to exclude
5 deferred interest income that should be counted
6 when testing for excessive profits which would
7 further screw customers. If this income was
8 excluded, customers might actually receive a
9 refund. Thank you.

10 MS. WILLEY: Thank you.

11

12 COMMISSIONER SNITCHLER: Your next
13 witness Randal Jones.

14 (Witness sworn.)

15 MS. WILLEY: Please state and spell
16 your name and give your address.

17 MR. JONES: My name is Randall
18 Jones, J-o-n-e-s, 4136 Creek Road in Conneaut,
19 Ohio 44030.

20 Good evening. As I said my name is
21 Randy Jones. I'm the executive director of the
22 United Way of Ashtabula. Our United Ways raises
23 funds for 23 charities operating within
24 Ashtabula county.

25 There were 708 foreclosure filings

1 in Ashtabula. Ashtabula has the eighth highest
2 foreclosure rate of all counties in Ohio. You
3 might ask why I would present such facts at this
4 meeting concerning FirstEnergy's electric
5 security plan proposal. I offer these
6 statistics because our United Way and our
7 partner agencies such as Legal Aid, Community
8 Action, Catholic Charities, and others work with
9 families to help them avoid foreclosure. This
10 keeps families from financial catastrophe and
11 helps stabilize neighborhoods.

12 United Way agencies assist low
13 income families who struggle with utility bills
14 or who need their homes weatherized. We can do
15 this these in part because of the generosity of
16 FirstEnergy and FirstEnergy employees.

17 Our United Way recently announced
18 that it would provide \$570,000 to Ashtabula
19 County charities in the coming year.
20 FirstEnergy and its employees provided \$62,000,
21 or 11 percent of that total through their
22 pledges to our United Way. Those pledges will
23 provide much more than foreclosure and energy
24 assistance mentioned earlier. It will support
25 home delivered meal programs for the elderly,

1 recreational and educational opportunities for
2 children, mentoring programs for adolescents,
3 and protection for the most vulnerable in our
4 community.

5 And it's not just Ashtabula County
6 that benefits from the generosity shown by
7 FirstEnergy. Under the proposed two year
8 extension of the Electric Security Plan
9 FirstEnergy will continue to provide 10 million
10 dollars in economic development and assistance
11 to low income customers throughout the region,
12 including \$4.5 million to assist low income
13 customers from Fuel Fund contributions and \$5
14 million for low income weatherization and energy
15 efficiency programs. The proposed Electric
16 Security Plan would also support our neediest
17 electric customers by offering those in the
18 Percentage of Income Payment Plan a 6 percent
19 discount off their electricity rate.

20 I encourage you to support
21 FirstEnergy's proposed Electric Security Plan
22 because it will help FirstEnergy remain
23 competitive. A competitive FirstEnergy will
24 continue to provide high quality, high paying
25 jobs which our communities desperately need. It

1 will also guarantee that this company and its
2 employees will continue their generous support
3 to the communities in which they operate. Thank
4 you.

5 COMMISSIONER SNITCHLER: Our next
6 witness is Mary Alice Frank.

7 (Witness sworn.)

8 MS. WILLEY: State and spell your
9 name and give.

10 MS. FRANK: My name is Mary Alice
11 Frank, M-a-r-y A-l-i-c-e F-r-a-n-k, 3747 Euclid
12 Avenue, Cleveland, Ohio 44115.

13 As I said my name is Mary Alice
14 Frank, chief executive officer of the American
15 Red Cross in northeast Ohio. I'm here to
16 testify in support of FirstEnergy's proposal to
17 extend its current electric rate plan through
18 2016.

19 The Red Cross has enjoyed a valuable
20 partnership with FirstEnergy for several
21 decades. Our missions are in alignment with
22 each other in the emergency work both of our
23 organizations perform, so we have a great deal
24 of respect for their professionalism in dealing
25 with natural disasters and keeping their

1 facilities running 24/7 under challenging
2 conditions. They are an excellent community
3 partner that takes their responsibility to
4 customers and communities very seriously.

5 Not only do they respond swiftly
6 when power is interrupted by storms, they have
7 provided much needed financial support to
8 further the mission of the American Red Cross.
9 Since 1985 FirstEnergy has donated \$1,235,304 to
10 the American Red Cross. This includes operating
11 support across our region, as well as event
12 sponsorship, matches to employee gifts, and
13 disaster support. We find the support we
14 receive from FirstEnergy to be invaluable. By
15 extending the rate plan, FirstEnergy will be
16 able to maintain its high standard of service
17 and community investment. And they will
18 accomplish this while keeping their base
19 distribution rates frozen at their current
20 levels.

21 I lend my support to FirstEnergy's
22 ESP. We encourage the Public Utilities
23 Commission to approve this request because we
24 believe that extending the plan through 2016 is
25 in the best interest of Ohio communities and

1 businesses. Thank you.

2 COMMISSIONER SNITCHLER: Our next
3 witness is Joann Randall.

4 (Witness sworn.)

5 MS. WILLEY: Please state and spell
6 your name.

7 MS. RANDALL:

8 A. Joann, J-o-a-n-n, Randall,
9 R-a-n-d-a-l-l, 8124 Weston Drive, Chagrin Falls,
10 Ohio. I am the resource and volunteer manager
11 at United Way Services of Geauga County. I'd
12 like to express my full support for
13 FirstEnergy's ESP proposal.

14 United Way Services of Geauga County
15 has had a strong community partnership with
16 FirstEnergy for more than a decade. FirstEnergy
17 has partnered with United Way not only with
18 dollars but with service too.

19 Mia Moore, director of external
20 affairs, was a member on our board of directors
21 for eight years. While on the board she served
22 as the marketing committee chairperson and spent
23 two years as a campaign chairperson. Mia was
24 instrumental in helping United Way reach
25 campaign goals in 2006 of over \$610,000 and in

1 2007 of over \$678,000. FirstEnergy is currently
2 represented on our board by FirstEnergy Employee
3 Bill Snyder.

4 FirstEnergy employees have actively
5 engaged in volunteerism through the United Way
6 in multiple days of caring, including washing
7 windows at the YMCA in Munson Township, painting
8 at the Therapeutic Riding Center in Bainbridge,
9 and building a playground in conjunction with
10 the Geauga County Metropolitan Housing
11 Authority.

12 The assistance provided to many of
13 our community members through the PIPP program
14 cannot be under estimated. In 2012 over 1,200
15 Geauga County families were enrolled in PIPP.
16 If this program was unavailable, other social
17 services in the county would have to make up the
18 gap. This would greatly impact the most
19 vulnerable members of our community.

20 In terms of dollars, FirstEnergy has
21 been extremely generous. The tens of thousands
22 of dollars contributed yearly add greatly to the
23 United Way to meet community needs. These
24 donations are made up of employee contributions
25 and corporate gifts through FirstEnergy

1 Foundation an add up to more than \$283,000 since
2 2001.

3 Most recently FirstEnergy Foundation
4 responded to a tragedy in our county by
5 contributing to the Chardon Healing Fund which
6 goes toward the healing of Geauga County in
7 response to the recent Chardon High School
8 shooting.

9 Thank you for the opportunity to
10 speak on behalf of the partnership between
11 United Way Services of Geauga County and
12 FirstEnergy. We encourage the commission to
13 approve this plan. Thank you.

14 COMMISSIONER SNITCHLER: The next
15 witness tonight is Noreen Kuban.

16 Brian Anderson? Is Brian still
17 here? We'll come back to Brian. Laura Jones?
18 Betty, I'm going to wreck your last name,
19 Kimbreis? Pass as well.

20 Mark Helzer?

21 (Witness sworn.)

22 MS. WILLEY: State and spell your
23 name and give your address for the record.

24 MR. HELZER: Mark Helzer, M-a-r-k
25 H-e-l-z-e-r, 2721 East 90th Street, Cleveland,

1 Ohio.

2 I am the project coordinator for
3 Micelli's Dairy Product. We're a family-owned
4 business, the largest privately held ricotta
5 maker in the United States, and we employ
6 approximately 150 employees in our facility in
7 Cleveland, and we are going through an
8 expansion, 16 million dollar plus expansion at
9 our facility.

10 We've worked extensively with
11 FirstEnergy obtaining the necessary power to do
12 this project through this expansion. We went
13 from 750 KVA up to 5 megawatt mix unit, which is
14 a modular integrated transmission transformer
15 substation. It's the first one FirstEnergy put
16 in, and they've worked with us quite closely to
17 obtain the necessary power to do this project.
18 At this point we went from the local 5 KVA up to
19 the 36,000 volt subtransmission lines. By doing
20 that, that will allow us to shop for competitive
21 rates through the open market.

22 And also in addition that it gets us
23 on a more reliable power source. The local
24 lines, people hitting the pole, a storm, we
25 would be down, our production goes down and it's

1 quite costly. By ownership on the
2 subtransmission line it's a more reliable power
3 source for production needs.

4 Micelli is currently reviewing the
5 current pending and future energy efficient
6 projects working with a third-party vendor and
7 FirstEnergy for credits on our energy
8 efficiency. Our expansion, we're in a
9 transition period right now, our expansion is
10 included in a lot of these projects. And we're
11 looking to turn a lot of our existing facilities
12 into a more efficient lighting and motors and
13 power correction equipment. So they've worked
14 with us on different projects.

15 Micelli's is always looking for
16 economic development opportunities through
17 grants, through loans, through our local
18 utilities, business community, banks, financial
19 institutions.

20 So Micelli's supports FirstEnergy's
21 request for extending the ESP. I thank you for
22 the opportunity to speak before the commission.

23 COMMISSIONER SNITCHLER: Our next
24 witness is Thomas Gruen.

25 (Witness sworn.)

1 MS. WILLEY: Please state and spell
2 your name and give your address.

3 MR. GRUEN: Thomas Gruen, G-r-u-e-n,
4 Habitat for Humanity, Newbury, Ohio. As stated,
5 my name is Thomas Gruen, I'm president of the
6 board of trustees of Habitat for Humanity. With
7 me is Betty Kimbrew who is executive director of
8 our affiliate.

9 We are here to support the role that
10 FirstEnergy has played in its community outreach
11 programs. Habitat for Humanity builds or
12 rehabilitates homes for low income families in
13 need of safe and decent homes. Families are
14 selected by meeting three criteria: Need,
15 willingness to partner with us, and ability to
16 pay no-interest mortgage. The selective family
17 works up to 400 hours on their home, often
18 side-by-side with our construction crews in the
19 office or at our ReStore, depending on their
20 abilities. Once their home is finished,
21 families pay a monthly no-interest mortgage and
22 become members of their community with pride of
23 homeownership.

24 The money for constructing these
25 homes comes in large part from local donations.

1 Over the last ten years FirstEnergy has been a
2 significant contributor to our program in Geauga
3 County providing a substantial amount of money
4 needed to build a house. In addition,
5 volunteers from the company have donated their
6 time working with our construction crews or
7 helping in the office or at the ReStore.

8 FirstEnergy has been prompt in
9 getting us connected to both temporary and
10 permanent power in our construction site and
11 adjusting to our construction schedule, often
12 responding on short notice.

13 FirstEnergy has guided us
14 establishing the standards for constructing
15 energy-efficient homes. All of the new homes
16 built in the last five to seven years have been
17 rated five star energy efficient homes, the
18 highest rating possible. The energy efficient
19 homes greatly reduce the cost of heating and
20 cooling saving money for our families.

21 We are grateful for FirstEnergy's
22 community support program and appreciate the
23 help they have given our affiliates. We hope
24 that we will be able to continue their programs
25 and support them in their ESP endeavor. Thank

1 you.

2 COMMISSIONER SNITCHLER: The next
3 witness Paul Harris.

4 (Witness sworn.)

5 MS. WILLEY: Please state and spell
6 your name and give our.

7 MR. HARRIS: Paul Harris, P-a-u-l
8 H-a-r-r-i-s, 9554 Bainbridge Road, Chagrin
9 Falls, Ohio.

10 It's a privilege to be here to
11 represent the Geauga County Fair. On behalf of
12 the fair we would like to convey our support of
13 FirstEnergy's electric security proposal.

14 The Geauga County Fair is Ohio's
15 oldest fair celebrating it's 190th year. The
16 grounds are located Burton, Ohio, the center of
17 Geauga County. The five day annual event has an
18 attendance in excess of 225,000 people each
19 year.

20 The fair has enjoyed a strong
21 working relationship with FirstEnergy over the
22 years and has benefited directly from the
23 community support programs by way of equipment
24 donations that and equipment retiree programs.

25 The fairgrounds has also been used

1 as a training facility for FirstEnergy employees
2 through a large line installation project that
3 expanded to our campground and provide service
4 to that area.

5 The fair is a bit different than
6 most in regards to usage s it is constant and
7 mostly moderate through the year. As the fair
8 rolls around over Labor Day weekend we need
9 exceed the exceed the capacity on the grounds
10 for those five days of that event. This poses
11 challenges as you can imagine and FirstEnergy
12 has always been there to answer our calls for
13 help. They have been there willing to come to
14 the grounds at a moment notice and help us with
15 any dilemma we may have.

16 The fairground are used throughout
17 the year by the entire community and during the
18 fair we have always believed that an investment
19 in the fair is an investment in the community.
20 This is a policy that FirstEnergy has supported
21 through their programs with us.

22 It is our firm belief based on our
23 working relationship with company that they have
24 everyone's best interest in mind with this
25 proposal and have our complete support. Thank

1 you.

2 COMMISSIONER SNITCHLER: The next
3 witness is Colleen Orsburn.

4 (Witness sworn.)

5 MS. WILLEY: Please state and spell
6 your name and give your address for the record.

7 MS. ORSBURN: Colleen Orsburn,
8 C-o-l-l-e-e-n O-r-s-b-u-r-n, my address is 395
9 Lindenwood Avenue, Akron, Ohio.

10 Good evening. I am an Ohio Edison
11 customer, Ohio Edison being one of the operating
12 companies for FirstEnergy. I would like to
13 thank the commission for the opportunity to
14 address one of the issues before it.

15 Most of us here have agreed about
16 the benefits of energy efficiency. The three
17 monetary benefits to ratepayers include, first,
18 lowering our electric bills due to reduced use;
19 second, delayed cost of new power plant
20 construction due to reduced demand; and, third,
21 payment in the PJM capacity market for delivered
22 efficiencies that offset future peak demand.

23 As FirstEnergy has no market
24 competition ratepayers here must rely on
25 FirstEnergy to act on our behalf and on this

1 Commission to protect our interest. In order to
2 obtain energy efficiency's third monetary
3 benefit to ratepayers, those payments to the PJM
4 capacity market FirstEnergy must participate
5 fully in that market. To date, FirstEnergy has
6 bid into that market only a small fraction of the
7 efficiency resources its territory has acquired
8 and will continue to acquire under the
9 requirements of Ohio's energy efficiency
10 standard. By participating only minimally in
11 the capacity market, FirstEnergy has left tens
12 of millions of dollars ratepayers savings on the
13 table.

14 As a ratepayer I am requesting that
15 the Commission require FirstEnergy to
16 participate fully in future PJM capacity market
17 auctions and that the Commission support that
18 participation with technical assistance and
19 intrastate and interstate cooperation. Thank
20 you.

21 COMMISSIONER SNITCHLER: Our next
22 witness tonight is Andrew Grant.

23 (Witness sworn.)

24 MS. WILLEY: Please state and spell
25 your name and give your address.

1 MR. GRANT: Andrew Grant, G-r-a-n-t,
2 170 Overwood Road, Akron, Ohio.

3 My name is Andrew Grant. I'm a
4 principle of Biomass Power Projects, a developer
5 of construction of small apartments, formerly a
6 manager of Babcock and Wilcox, and formerly a
7 manager of FirstEnergy's combined utility CHP
8 Development Group.

9 My comments tonight are in reference
10 to both the FirstEnergy's proposal to replace
11 its outdated Lake Erie power plant with a one
12 billion dollar transmission upgrade at our
13 expense and also the ongoing FirstEnergy demand
14 fees and standby costs that are Ohio CHP
15 customers have to pay even if the customer never
16 uses the standby power.

17 First, I recommend that the PUCO
18 examine as a replacement for the Lake Erie plant
19 use of CHP cogeneration specifically used in the
20 state of Texas. In the 1980s this was an issue
21 opposed by state utilities in Texas but
22 experience soon showed, A, that individual CHP
23 units have a liability than the individual
24 central utility plan, and B, that a fleet of CHP
25 is 100 percent available at 94 to 96 percent of

1 its capacity. Such gas fired CHP units which
2 operate and are sold to private industry for
3 instance like the industry in Ashtabula can more
4 than replace the Lake Erie plant and use cheap
5 Ohio natural gas, but not if utilities are
6 allowed to continue to charge standby costs a
7 deliberate barrier to CHP.

8 Second, I direct the PUCO's
9 attention to southern company's program via it's
10 subsidiary Georgia Power to replace peak
11 capacity in Atlanta when the local coal
12 foundries were shut down to eliminate air
13 pollution. Georgia Power enrolled all the CHP
14 in Atlanta to be dispatched to meet peak power
15 demand. This has been a successful, low-cost
16 program.

17 Gas fired CHPs today are comparable
18 with installing a building HVAC system, that is
19 they are now routine activity. Think enable our
20 commercial buildings to meet the LEED standards
21 for green construction and they save lots of
22 cash for manufacturers such as our plant did in
23 Ashtabula. We can expect wide-spread use of gas
24 engine generators, micro turbines, regular gas
25 turbines, and a few fuel cells. All except the

1 largest CHP installations at steel mills and
2 chemical plants will use standard manufactured
3 equipment. Utility connections are by a
4 standard IUU and they help to build our small
5 grids. Should higher gas prices return
6 high-efficiency CHP units will protect our busy
7 economy as AEP recently did with its purchase of
8 the Fremont combine cycle plant.

9 I urgently request the PUCO to
10 withdraw utility standby costs and demand fees
11 for CHP units as a vital public service and also
12 to hold utility fees to low cost accelerated
13 inter-connection proceedings for CHP units of
14 all substances. Thank you.

15 COMMISSIONER SNITCHLER: Next up is
16 Dave Simons.

17 (Witness sworn.)

18 MS. WILLEY: Please state and spell
19 your name and give your address for the record.

20 MR. SIMONS: Dave Simons, D-a-v-e
21 S-i-m-o-n-s, I'm at 2361 Eaton Road, University
22 Heights 44118. I'm representing the Ohio Sierra
23 Club energy committee today. I'm also
24 representing a new nonprofit start-up in
25 Cleveland called the Cleveland 2030 district

1 which is an affiliate Architecture 2030. Both
2 cases both organization have the goal of
3 furthering beyond government energy by all means
4 possible as quickly as possible. The case of
5 the Cleveland 2030 District we're technical
6 providers of building efficiency services and
7 encouraging that in Cleveland.

8 First of all, we would like to thank
9 the PUCO for in the recent past ordering
10 FirstEnergy to implement all cost effective
11 efficiency measures as soon as possible. We
12 feel the potential for such efficiency
13 investment exceeds probably half of all the
14 energy we're using that we can cost effectively
15 replace with efficiency techniques.

16 We have begun to implement that and
17 we certainly can be implementing energy
18 efficiency at a much faster rate than is
19 required currently by Ohio law, and that would
20 be the most cost effective means to move
21 forward. It's cheaper to provide energy
22 efficiency as a means of providing power than it
23 is to provide new power or transmission of new
24 power from any other source.

25 There are many techniques by which

1 we could enhance that. FirstEnergy has really
2 fallen behind the other major utilities in Ohio
3 in terms of it exceeding the requirement of the
4 efficiency standard and could very easily cost
5 effectively ramp up those efforts. We could
6 start with -- we could have utilities provide
7 level three energy efficiency on its -- for
8 anybody who wants it, businesses, industry,
9 homeowners. An investment of that type would
10 be -- would much, more than pay for itself, much
11 more than meet the three-to-one payment standard
12 we now have for energy efficiency investment.
13 We could ramp up energy efficiency instead of
14 keeping open out motored, worn out, inefficient
15 old coal fire power plant at great expense. We
16 regard FirstEnergy's shutting of those plants
17 prior to the requirement to shut them and then
18 in effect compelling PJM to order them to remain
19 open is a market manipulation that should not be
20 allowed to stand and the PUCO should easily see
21 through.

22 That the investment in transmission
23 capacity, it depends on what we would like to
24 see investments in energy transmission capacity
25 that link central and western Ohio's wind rich

1 territories with the load demand in this area
2 much more than we would like to see transmission
3 capacity increasing transmission from other coal
4 fired or coal fire plants elsewhere in the
5 system. FirstEnergy has specific other means of
6 meeting peak demands, and I guess this is really
7 about meeting peak demands. We would like to
8 see FirstEnergy complete the project at Norton
9 of the compressed air storage facility which
10 could yield hundreds of megawatts in capacity to
11 assist them and would make the western Ohio wind
12 resources dispatchable for capacity. And there
13 are many more things we could go into with
14 regard to this.

15 We would like PUCO to take a much
16 more active role in guiding FirstEnergy's
17 investment strategies going forward so we don't
18 waste our money on ineffective energy means.
19 Thank you.

20 COMMISSIONER SNITCHLER: Our next
21 witness tonight is Matt Brakey.

22 (Witness sworn.)

23 MS. WILLEY: Please state and spell
24 your name.

25 MR. BRAKEY: My name is Matt Brakey,

1 B-r-a-k-e-y. My address is 1530 Kew Road, Kew
2 Cleveland Heights Ohio. As I said before my
3 name is Matt Brakey. I'm president of Brakey
4 Energy. My company provides comprehensive
5 energy management services to some of the
6 largest users of energy here in the state of
7 Ohio. Here in the greater Cleveland area we
8 work with Progressive Insurance, Greater
9 Cleveland Regional Transit Authority, Cleveland
10 Water Department, American Greetings, Micelli's
11 Dairy Products to name a few. I am also
12 chairman of the Industrial Energy Users of Ohio
13 and we have come out in support of FirstEnergy's
14 ESP and recommend that the commission approve
15 it.

16 From a practical matter there would
17 be very little difference whether the Commission
18 approved or rejected the ESP. Rates are still
19 going to be determined by an auction process.
20 The capacity are going to be set by PJM. SB-221
21 energy efficient mandates are going to remain.
22 FirstEnergy is going to have to meet those
23 independent of those ESP processes.

24 All of our client really without
25 exception have seen their rates fall

1 significantly compared to what they were paying
2 years before. Competition is working. The
3 generation markets are at ten-year lows. Unlike
4 some other utilities in the state of Ohio where
5 they're seeing rates go up under quasi-regulated
6 state, FirstEnergy continues to see rates go
7 down.

8 I think approving the ESP will be
9 good for Ohio ratepayers and it would be my
10 recommendation that the Public Utilities
11 Commission do so.

12 MS. WILLEY: Thank you.

13 COMMISSIONER SNITCHLER: Next up
14 tonight is Tom Waltermire.

15 MS. WILLEY: would you please state
16 and spell your name and give your address for
17 the record.

18 MR. WALTERMIRE: Thomas Waltermire,
19 W-a-l-t-e-r-m-i-r-e, president and CEO Team
20 Northeast Ohio. Thank you for the opportunity
21 to address you this evening.

22 Our organization is an economic
23 development group representing 18 counties of
24 northeast Ohio. Our principle task is to
25 attract new business to this full region. We

1 also serve as the network partner for this
2 region for the state's Jobs Ohio program.

3 It's important to note we have had a
4 strong partnership with FirstEnergy from our
5 formation in 2003. In fact, our first chairman
6 of the board was a former CEO of FirstEnergy,
7 Peter Berg. It's well-known that states,
8 regions, and cities are completing more than
9 ever for their share of economic development.
10 FirstEnergy has been a tremendous ally in our
11 region's efforts to attract new employers as
12 well as retain and grow businesses we already
13 have. In fact, in the last five years team NEO
14 attracting succeeded in attracting 50 business
15 representing -- approaching 5,000 new jobs to
16 the region. And in many cases it's been the
17 flexibility and aggressiveness of FirstEnergy
18 that has allowed to us provide electrical supply
19 to those new companies.

20 FirstEnergy is consistently
21 demonstrating their commitment to economic
22 development through continual investments which
23 make our community competitive and FirstEnergy
24 pledged to continue to do this work under the
25 proposed ESP. Specifically its rate plan

1 provides one million dollars per year in
2 economic development funds by extending the plan
3 these investments would continue with the
4 current levels for an additional two years.
5 These investments help Ohio remain competitive
6 in a global marketplace and the last ten years
7 remarkably FirstEnergy has helped Team Neo in a
8 wide array of economic development partners
9 across the region to attract about 30 billion
10 dollar in capital investment to which we can
11 readily attract 60,000 jobs in this service
12 area. Thank you very much.

13 COMMISSIONER SNITCHLER: Next
14 tonight is lance Traves.

15 (Witness sworn.)

16 MS. WILLEY: Please state and spell
17 your name and give your address.

18 MR. TRAVES: My name is Lance
19 Traves, T-r-a-v-e-s. My address is 4096
20 Sacramento Boulevard in Medina, Ohio. I am an
21 Ohio Edison customer at both my residence and
22 business. I am the president of a firm called
23 Labrynth Management Group that is in Medina and
24 we do environmental engineering consulting. I
25 have also been fortunate or unfortunate to

1 participate in the sighting of a large
2 co-generation facility that goes through a MISO
3 connection and now PJM and therefore had some
4 perspective of proceedings.

5 You have my complete comments, so I
6 will summarize. I am here to essentially
7 provide comments in opposition of FirstEnergy's
8 request to have their current ESP extended for a
9 three-year time period. I believe that
10 FirstEnergy is requesting that essentially to
11 provide any uncertainty of risks associated with
12 market conditions onto the consumers in Ohio and
13 not necessarily themselves.

14 I appreciate all the comments on
15 FirstEnergy charitable and corporate governance,
16 but I believe PUCO would recognize that
17 FirstEnergy is an investor-owned utility and
18 they have a fiduciary responsibility to its
19 shareholders to maximize their value and that is
20 in evidence by increasing their stock prices
21 subsequent to the most recent PJM capacity
22 market sale for 2015.

23 I don't believe PUCO has a reason to
24 shorten or bifurcate the administrative hearing
25 process, the evidentiary. FirstEnergy has not

1 provided substantial basis for the claims of
2 marketplace competitiveness. There are numerous
3 studies that have been put forth and the U.S.
4 Energy Information Administration has facts
5 relating to the decrease and use of energy in
6 Ohio and surrounding states which has a direct
7 impact on the ability FirstEnergy to receive
8 premium pricing for their electricity.

9 For the past five years since 2008
10 when the recession occurred and the tremendous
11 decrease in manufacturing occurred, essentially
12 there was an over capacity in the market that
13 was reflected in the capacity market for PJM.
14 That is disappearing fortunately because we have
15 increased manufacturing and increased economic
16 development. The ability of FirstEnergy on a
17 strategic basis to lock in the current ESP for
18 the next three years will allow them to take
19 advantage of all the associated riders and
20 provisions that maximize their shareholder
21 value.

22 I would point out the joint consumer
23 advocates have submitted an appeal to PUCO in
24 regard to the administrative evidentiary process
25 and I would request that appeal be granted as

1 part of my comments also.

2 Second, I would request that PUCO
3 not authorize the three-year extension of
4 FirstEnergy's rate plan because essentially we
5 are in a very interesting time in energy. As
6 you probably know, the senate and Governor
7 Kasich just signed Senate Bill 315 which
8 provides for some additional changes to energy
9 resources in Ohio including a re-emphasis on
10 distributing energy resources for industrial and
11 combining power commercial projects. Those
12 provides an opportunity for consumers in Ohio,
13 the ratepayers, to gain a huge tremendous
14 benefit from lower electric prices if the PUCO
15 takes the opportunity in the intervening years
16 to simply learn and listen to what is going on
17 in the marketplace.

18 Essentially the extension of the
19 three-year time period of FirstEnergy allows
20 them to as competitors lock into a lot of the
21 stability in their model and they're the ones
22 that benefit.

23 The final point I would like to
24 address is really associated with various
25 barriers to generation resources in the current

1 rate schedules and which our a detriment to
2 competition which FirstEnergy would propose is
3 actually occurred which we all know is based on
4 a decline that occurred in 2008 through 2011.
5 That barrier is significant. I have done an
6 interconnection process for a 135 megawatt power
7 plant. My investment started in approximately
8 2006 and still ongoing. We have transitioned to
9 PJM. The PJM transmission process is
10 significantly burdened with an overwhelming
11 number of projects, some might be speculative
12 but that is the process. Amp Ohio as submitted
13 comments to FERK with regards to PJM plan for
14 producing the interconnection cue, and I believe
15 their comments I included are a significant
16 guide to PUCO with respect to the barriers to
17 great opportunities in economic development and
18 low cost energy that are essentially prevented
19 by current PJM process that FirstEnergy
20 essentially already has significant hold in.

21 And, second, I would actually point
22 out that current rate tariffs associated with
23 demand charges or standby charges as the common
24 folks talk about are not representative of new
25 technologies. They do provide windfall profits

1 for companies such as domestic utilities as
2 FirstEnergy. Essentially these projects would
3 take peak load off the grid but at the same time
4 FirstEnergy receives their payment for that
5 power for 95 percent of the time that it's not
6 even being used. I believe there are other
7 state which multiple studies have indicated that
8 change those types of onerous riders an result
9 in a huge economic activity to distributing
10 energy resources. Ohio is the third largest
11 manufacturing state in the United States and to
12 be ranked 46 or 48 in regard to cogeneration and
13 power is a travesty. I think Governor Kasich
14 and the current administration is wanting to
15 change that.

16 The economic development that would
17 occur from any of the benefits that FirstEnergy
18 would impose to consumers from this three-year
19 extension of the ESP is totally dwarfed by
20 opportunities that would be available for that
21 distributed energy resource.

22 I would request the Commission to
23 continue with the one-year program under the
24 current ESP, allow the Commission to learn
25 during the marketplace that we're going to have

1 in the next two to three year and each year have
2 the opportunity to improve conditions that Ohio
3 consumers and obviously the competitive
4 marketplace place plays in Ohio. I would leave
5 that as all my comments. Thank you.

6 CHAIRMAN SNITCHLER: Next tonight is
7 Shawn Juris.

8 (Witness sworn.)

9 MS. WILLEY: State your name and
10 address for the record.

11 MR. JURIS: Shawn Juris, the
12 spelling of that is S-h-a-w-n J-u-r-i-s, my
13 address is 1470 Lincoln Avenue in Lakewood,
14 Ohio.

15 Members of the committee, my name is
16 Shawn Juris and I have been serving as a council
17 member for Ward 3 in Lakewood since January 2011
18 and I currently chair the public works
19 committee.

20 Last summer the residents of Ward 3
21 were hit hard with power outages and brownouts.
22 The area with the most outages was the street I
23 live on, so I can speak firsthand of those.
24 Whether we call it a perfect storm, a comedy of
25 errors, or bad luck it certainly took its toll.

1 We are a world power not a third world country
2 and consider electricity a necessity to our
3 quality of life. Alarm clocks, air
4 conditioning, and fans cool us off, maybe not in
5 here necessarily, and a surprising number of
6 cases medical equipment treats what ails us. We
7 rely on all these things which are powered by
8 electricity that was incredibly inconsistent
9 last summer.

10 Since last summer toward the
11 beginning of fall solutions were provided
12 following all of these incidents. FirstEnergy
13 was open to work with the city of Lakewood to
14 identify and correct these problems long term.
15 Incidentally, they were also working hard with
16 the city in 2007 following similar summer of
17 outages to. According to an E-mail I have
18 FirstEnergy was preparing to invest 1 billion
19 dollars on capital improvements, maintenance,
20 and operations for its energy delivery system.
21 Apparently 1 billion dollars does not last as
22 long as it used to.

23 Liaison that is assigned to Lakewood
24 has done a nice job. She provides advance
25 notice of planned outages and responds quickly

1 as issues arise. My personal frustration came
2 from the lack of customer support that is
3 employed by FirstEnergy for those who do not
4 have this luxury.

5 While I tried my best to share
6 insights with the constituents of my ward, the
7 client interface when reporting a problem on
8 weekends or after hours was incredibly poor.
9 This exacerbates an emotional situation. I can
10 appreciate the balance of staffing and the
11 desire to maximum profits, it seems that
12 communication could be improved dramatically
13 when power failures do occur.

14 My understanding of the system as of
15 last summer is when a call is made the only
16 option is to report the outage. Information is
17 not known or available to these operators to
18 explain how widespread the outage is, where it
19 originated from, or what a reasonable estimate
20 for repairs will be. Naturally this information
21 changes quickly as crews are sent out to
22 investigate and it is difficult to determine
23 repair time until damage is assessed. However,
24 in this age of information this is what the
25 public expects.

1 As we move forward to remote
2 readings of meters, I would imagine this
3 information could be more accessible. It would
4 be tremendous if the maintenance of this system
5 could be more proactive rather than relying on
6 an account to report an outage. Forgive me if
7 I'm being naïve, but it would seem that if 30 to
8 1,000 accounts stop spinning it's more likely
9 due to an outage than everyone turning off their
10 lights and unplugging everything at the same
11 time.

12 In closing, I do sincerely
13 appreciate the capital improvements that were
14 made last year by FirstEnergy. Hopefully, these
15 efforts result in consistent service delivery.
16 If the residents of Lakewood are again faced
17 with brownouts and failures which impact their
18 quality of life, I will be the first in line to
19 open this discussion again.

20 COMMISSIONER SNITCHLER: Next is
21 Chuck Gallagher.

22 (Witness sworn.)

23 MS. WILLEY: Please state and spell
24 your name and give your address for the record.

25 MR. GALLAGHER: My name is Chuck

1 Gallagher, G-a-l-l-a-g-h-e-r, 9953 Aspen Court
2 in Mentor, Ohio.

3 I own a steel business in Euclid but
4 I'm here tonight as a private citizen against
5 the extension of FirstEnergy's rate plan through
6 2016. I want to have the opportunity to have my
7 rate renegotiated on a yearly basis not locked
8 in for three years. In the past when given the
9 opportunity to lock in rates at my business or
10 home I have not done so. Markets rise and
11 markets fall, and I'm willing to take that risk.

12 One question I would pose to the
13 panel and to people here tonight, having made
14 this decision three years ago or ten years ago
15 looking back would the lock in of rates have
16 been a good thing now? Again, I will take that
17 risk. Thanks for the opportunity.

18 COMMISSIONER SNITCHLER: Next is
19 Krista Cabrera.

20 (Witness sworn.)

21 MS. WILLEY: Please state and spell
22 your name and give your address for the record.

23 MS. CABRERA: Krista Cabrera,
24 C-a-b-r-e-r-a, I'm at 3040 Huntington Road,
25 Shaker Heights, Ohio. I am here as an energy

1 consumer and a customer of FirstEnergy. And I
2 rely on the Ohio Consumer Council to represent
3 my interests. But it's my understanding that
4 this current rate plan was not -- the Ohio
5 Consumer Council was not involved and, in fact,
6 when the rate plan went originally into effect
7 the Ohio Consumer Council was not in favor of
8 it. My request is that my interest, you know,
9 part of having the Ohio Consumer Council
10 involved in the rate plan would be my request.
11 Thank you.

12 COMMISSIONER SNITCHLER: Next is
13 H.G. Wardlaw.

14 (Witness sworn.)

15 MS. WILLEY: Please state your name
16 and address for the record.

17 MR. WARDLAW: My name is H.G., those
18 are the initials, Wardlaw, W-a-r-d-l-a-w, Jr.
19 21838 Little Brook way, Strongsville 44149.

20 I am here to oppose the extension of
21 the rate plan for three years. I do this for a
22 number of reasons. My wife and I returned to
23 Strongsville after the ending of my career due
24 to a disability from an automobile accident.
25 Our doctors at the Mayo Clinic and

1 Cleveland Clinic recommended that we move from
2 our three level home, basement, first floor, and
3 second floor because of the steep stairs and our
4 issues with mobility. We acted upon those
5 recommendations, and in March of 2008 we bought
6 another home in Strongsville which is one of
7 probably 1600 to 1700 homes in the Strongsville
8 area that were built by one construction
9 company, most of those are single floor homes on
10 slab. Ours is on a slab and has a second story
11 but it's just two of us now so everything we
12 need is on that first floor.

13 We have had all electric rates since
14 1989 when we bought our first house here. We
15 were not afraid to buy an all electric house.
16 After all those years it wasn't a bad thing.
17 Not long after we bought the house we decided we
18 would replace the heating and cooling equipment,
19 the heat pumps. And we went from heat pumps
20 that were 1984, '85 vintage to heat pumps that
21 were 2008 vintage, 5 or 4 rating to 18 rating.
22 By the way Wardlaw is a Scottish name and Scotts
23 are known to be thrifty.

24 I have been in my career involved
25 with dealing with dysfunctional public

1 organizations and it was a very rewarding field.
2 I was able to come into organizations that were
3 in serious trouble, some about to crash and
4 burn, and get everybody together and bring
5 people together and seek the common good in that
6 organization, put everything on the table that
7 has happened, not conceal it, not sugarcoat it,
8 and then say do you want to continue to live
9 like this or do you want to plan for a different
10 future. And virtually every case the answer was
11 yes.

12 And in the process I worked with
13 organizations, the founding leaderships of
14 Holiday Inns, very ethical, wise, faithful
15 people. The current North American president of
16 General Motors is somebody that I worked with in
17 one of those institutions, and his father was
18 the previous CEO of General Motors. The
19 Weyerhaeuser family, trees and lumber and paper,
20 ethical, wise people. I have looked at some of
21 the stuff that is out there about FirstEnergy.
22 I notice that they have used McKinsey &
23 Associates as their consulting firm. The first
24 time I noticed McKinsey & Associates was when
25 Enron was using them. Jeff Skilling was, I

1 could be wrong, was one of their consultants.
2 McKinsey & Associates has been involved with a
3 number of companies. Sometimes it's good but
4 not always. A company that fails to replace
5 energy producing facilities and says let's
6 extend the rate plan, let's not look at anything
7 we can do differently, and then comes and asks
8 for protection. Somebody once said one of the
9 craziest things they ever saw, this is probably
10 fictitious, a child who murdered his parents and
11 went to the court pleading for mercy because he
12 was an orphan. This to me about that
13 intelligent.

14 Cleveland, I'm reading from up
15 there, a city that has achieved preeminence in
16 industrial commerce and culture through
17 enterprise of men and women who exercise
18 scientific knowledge, inventive genius,
19 productive labor and wise management, taking
20 advantage of their favorable location on the
21 greatest of all inland waterways and the
22 proximity of rich mineral resources.

23 I'm in awe of what I have seen in
24 the recent stewardship of our electric utility
25 in this area, And I have been a consumer since

1 1989. And last winter I called to report a
2 power line that was down in Strongsville. And
3 the person who answered phone, wherever they
4 were located said, do we have business there?
5 Please exercise wise leadership of our state, a
6 state that I love. Thank you.

7 COMMISSIONER SNITCHLER: The two
8 that weren't here I'm going to call their names
9 again. Brian Anderson or Laura Jones. I don't
10 have anyone else signed up. I don't think
11 there's anyone else that signed up outside.
12 Anyone here that still wants to speak?

13 MS. WILLEY: I see no one else who
14 would like to make a comment I would like to
15 thank everyone for coming. This will conclude
16 the public hearing. It will submitted on the
17 record to the commission in this case. The
18 staff and I will remain for a while if case you
19 have any questions regarding the process or how
20 you can file additional comments in this case if
21 you wish to. Thank you and have a nice evening.

22 (Hearing concluded.)

23

24

25

C E R T I F I C A T E

STATE OF OHIO,)
) SS:
SUMMIT COUNTY,)

I, Tami A. Mitchell, RPR and Notary Public within and for the State of Ohio, duly commissioned and qualified, do hereby certify that the proceedings were by me reduced to Stenotypy, afterwards transcribed upon a computer; and that the foregoing is a true and correct transcription of the proceedings so given as aforesaid.

I do further certify that these proceedings were taken at the time and place in the foregoing caption specified, and were completed without adjournment.

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal of office at Akron, Ohio, on this 6th day of July, 2012.

Tami A. Mitchell, RPR and Notary
Public in and for the State of
Ohio.

My Commission expires November 11, 2014.

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