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BEFORE THE
PUBLIC UTILITIES COMMISSION

CASE NOS: 12-1685-GA-AIR
12-1682-EL-AIR

In the Matter of the Application of Duke Energy Ohio for an increase in its Electric Distribution Rates, for Tariff Approval to Change Accounting Methods, and Case Nos. 12-1685, 1686, 1687, and 1688, in the Matter of the Application of Duke Energy Ohio for an increase in its Natural Gas Distribution Rates, for Tariff Approval, for Approval of an Alternative Rate Plan for Gas Distribution Service, and for Approval to Change Accounting Methods.

The above-public hearing was held

before the Public Utilities Commission of Ohio, at the Fairfield Township Administrative Building, 6032 Morris Road, Fairfield Township, Hamilton, Ohio 45011, before Katie Stenman, Attorney Examiner with the Public Utilities Commission of Ohio, on Tuesday, February 19, 2013, at 6:30 p.m., before Terence M. Holmes, professional court reporter, and notary public within and for the State of Ohio.

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Cincinnati, Ohio 45240
(513) 442-3308

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1 APPEARANCES:

2

3 On Behalf of the Public Utilities Commission of
4 Ohio:

5

6 Katie Stenman
7 Attorney Examiner
8 180 East Broad Street
9 Columbus, Ohio 43266-0573

8

On Behalf of Company, Duke Energy:

9

10 Elizabeth Watts
11 Duke Energy
12 139 East Fourth Street/1303-Main
13 P.O. Box 950
14 Cincinnati, Ohio 45202

12

On Behalf of the Intervener, Office of the
13 Ohio Consumers' Counsel:

14 Joseph P. Serio
15 Assistant Consumers' Counsel
16 10 West Broad Street, Suite 1800
17 Columbus, Ohio 43215-3485

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1 P R O C E E D I N G S

2 ATTORNEY EXAMINER: Let's go ahead and
3 get started. The Public Utilities Commission of Ohio
4 has assigned for public hearing at this time and place
5 Case Nos. 12-1682, 1683, and 1684, which are captioned
6 In the Matter of the Application of Duke Energy Ohio
7 for an increase in its Electric Distribution Rates,
8 for Tariff Approval, and for Approval to Change
9 Accounting Methods, and Case Nos. 12-1685, 1686, 1687,
10 and 1688, which are captioned in the Matter of the
11 Application of Duke Energy Ohio for an increase in its
12 Natural Gas Distribution Rates, for Tariff Approval,
13 for Approval of an Alternative Rate Plan for Gas
14 Distribution Service, and for Approval to Change
15 Accounting Methods.

16 My name is Katie Stenman and I'm one of
17 the attorney examiners assigned by the Public
18 Utilities Commission of Ohio to preside over this
19 hearing. Also with me from the Commission are Matt
20 Shilling and Jason Gilham from the Public Affairs
21 Department and Tanya Stewart and Darita Patterson from
22 the Commission's Service Monitoring and Enforcement
23 Division. These staff members are representatives of
24 Duke Company are available if you have any questions
25 concerning a utility matter tonight which is not focus

1 of the application.

2 Also, I want to make clear that this
3 hearing has been organized by the Utility Commission,
4 and while Fairfield Township has provided us their
5 venue, they did not organize this hearing, and I want
6 to thank them for their hospitality.

7 At this time I would like to start
8 making appearances on behalf of the parties, starting
9 with the company.

10 MS. WATTS: Thank you, Your Honor, on
11 this cold evening. On behalf of Duke Energy Ohio,
12 Elizabeth Watts.

13 ATTORNEY EXAMINER: Thank you. And do
14 we happen to have any interveners present?

15 MR. SERIO: Thank you, Your Honor. On
16 behalf of the Residential Utility Customers for Duke,
17 Bruce J. Weston, Consumers' Counsel. My name is
18 Joseph Serio. With me tonight is Ray Foeller. If
19 anyone has questions that we can answer for you, we'd
20 be happy to do so.

21 ATTORNEY EXAMINER: Thank you. Are
22 there any other interveners that I've missed? All
23 right. Moving forward, Duke filed these applications
24 on July 9, 2012. In the electric rate case, Duke
25 seeks a rate increase that would generate

1 approximately \$86,000,000 of additional revenue, or an
2 increase of approximately 24% over current revenue.
3 The Public Utilities Commission staff report was
4 issued in January. After its review of Duke's records
5 and application, the staff of the Commission
6 recommended a revenue increase of between 37,000,000
7 and 46,000,000, or an increase of approximately 10 to
8 12 and a half percent over current revenue. Just to
9 be clear, the staff report is a recommendation only,
10 and the Commission may implement some of the
11 suggestions made in the staff report and reject
12 others.

13 In the Gas Rate Case, Duke seeks a rate
14 increase that would generate approximately \$44,500,000
15 and a half million dollars of additional revenue, or
16 an increase of approximately 18% over current revenue.
17 Upon review, the staff of the Commission recommended a
18 revenue decrease from the current revenue of between
19 approximately 11,000,000 and approximately 3,000,000,
20 or a decrease from approximately 3.88% of current
21 revenue.

22 The local public hearings scheduled in
23 this case are just one aspect of the case process. An
24 evidentiary hearing is also scheduled to commence on
25 March 25th the Commission offices in Columbus. There

1 are also three subsequent local public hearings
2 scheduled for this week and next week in the Duke
3 service territory.

4 The purpose of this evening's hearing
5 is to receive comments from the public regarding
6 Duke's applications in these cases. It is not a
7 question-and-answer session. This is your opportunity
8 to let the Commission know what you think about these
9 applications. Tonight's hearing is being transcribed
10 by a court reporter. So if you plan to testify,
11 please speak plainly and clearly so he can accurately
12 reflect your comments. Also, if you have prepared a
13 written statement, if you would leave that with him at
14 the conclusion of your statement so that he can
15 accurately transcribe your comments.

16 When you arrived, you were offered the
17 opportunity to sign up to testify. When I finish my
18 introduction, I will begin calling witnesses forward in
19 the order that they signed up. Before you give your
20 comments, I'll ask you to take an oath affirming that
21 you're about to tell us is the truth. So state your
22 name and address for the record. And also to let me
23 know if you intend to give comments on the electric
24 rate case, the gas rate case, or both.

25 Testimony given tonight will be

1 considered part of the official record in this case,
2 and it will be reviewed by the Commission before they
3 make their final decision on the application.
4 Additionally, if the parties to this case, and I will
5 have the opportunity to ask questions if you make a
6 statement. If you decide when your name is called
7 that you do not want to make a statement, please pass.
8 Once you're finish testifying, you're free to leave or
9 if you're just here to observe tonight, you're free to
10 leave at any time.

11 After I call all the witnesses forward
12 who have signed up, I will give anyone who did not
13 sign up an opportunity to make a statement. The
14 Commission appreciates your participation in tonight's
15 hearing, and since we do have a full room and we want
16 everyone to have the opportunity to make a statement,
17 please do limit comments to a reasonable length. At
18 this time I will be calling people forward. Michael
19 Spinelli. Come on up to the podium. Please raise
20 your righthand.

21 (Sworn by Attorney Examiner)

22 MR. SPINELLI: Yes.

23 Whereupon,

24 MICHAEL SPINELLI

25 of lawful age, a witness herein, having been duly

1 sworn, as hereinafter certified, was examined and
2 testified as follows:

3 ATTORNEY EXAMINER: Please state your
4 name and address for the record, and also which cases
5 you're --

6 MR. SPINELLI: I'm Michael Spinelli, I
7 live at 3396 Rippling Lake Court here in Fairfield
8 Township.

9 ATTORNEY EXAMINER: Thank you. And
10 you're here to testify about the gas, electric cases,
11 or both?

12 MR. SPINELLI: Both.

13 ATTORNEY EXAMINER: Thank you. Go
14 ahead.

15 MR. SPINELLI: I'm primarily here
16 because I was motivated to speak on behalf of myself
17 and my wife. I'm very concerned about the prospect of
18 residents outside of the City of Cincinnati having to
19 pay against the new facility's relocation and
20 transportation rider that's gonna be part of this rate
21 increase. Basically that's what was reported recently
22 in the paper involving somewhere in the neighborhood
23 of \$17.00 additional to pay for the cost of moving the
24 infrastructure necessary to move utilities for the
25 light rail that's being -- gonna be built in

1 Cincinnati.

2 Basically what I'm here to say,
3 basically is, I did not vote for a light rail in the
4 City of Cincinnati; no one in Butler County did. If I
5 did, it would be different, but I did not. Therefore,
6 if a judge involved in the case rules in favor of the
7 City of Cincinnati, Duke is -- tends to pass on their
8 increase, the cost of removing those utilities to Duke
9 users. I oppose this, and again for the reasons I
10 explained. I did not vote for light rail in
11 Cincinnati and do not believe that I should have to
12 pay for the costs.

13 I wish to also point out something for
14 the record that has bothered me since last July, and
15 that has to do with the merger that occurred between
16 Progress Energy and Duke Energy.

17 The Public Utilities Commission of
18 North Carolina agreed to this merger, and the day
19 following that merger, the CEO, the former CEO of
20 Progress Energy was asked to either resign or be
21 fired. He basically was CEO of the new merged company
22 for a total of 20 minutes, and for that he received
23 \$10.3 million dollars.

24 In addition, Duke agreed to pay \$7.4
25 million in excise taxes, basically taxes against that

1 severance pay that he was going to -- of that \$10.3
2 million dollars.

3 Since I was an employee of Beckett
4 Paper and received only eight weeks of severance after
5 29 years of service, the idea that an individual can
6 receive in the neighborhood of \$18,000,000 of
7 severance for 20 minutes of pay bothered me. And I
8 wish to only bring this up, because in the article I
9 have here, I provide a copy, that I found on the
10 internet. Basically the North Carolina Utilities
11 Commission had a great deal of problem with the
12 concept of the idea that the agreed-to CEO of this
13 merged company was gone be fired the same day it was
14 effected, and as a result -- I don't trust them,
15 especially after that. So, I just thought I'd point
16 that out on record. I'll -- You're welcome. I'll
17 leave you a copy of this article. It's available on
18 the internet.

19 (Article, marked for identification
 as Exhibit 1.)

20 ATTORNEY EXAMINER: Thank you. We'll
21 mark that as Exhibit 1.

22 MR. SPINELLI: That's the only
23 statement I have.

24 ATTORNEY EXAMINER: Thank you, sir.
25 Robert Krieger. And I apologize, I will butcher a lot

1 of names tonight.

2 MR. KRIEGER: Actually you got it, got
3 it correct, it is Krieger.

4 ATTORNEY EXAMINER: Could you raise
5 your right hand.

6 (Speaker was sworn)

7 MR. KRIEGER: Yes.

8 Whereupon,

9 ROBERT KRIEGER

10 of lawful age, a witness herein, having been duly
11 sworn, as hereinafter certified, was examined and
12 testified as follows:

13 ATTORNEY EXAMINER: Please state your
14 name and address for the record and also which cases
15 you wish to comment on.

16 MR. KRIEGER: I'm Robert Charles
17 Krieger. Address is 1907 Krucker Road, Hanover
18 Township, Butler County, Ohio. I wish to talk mainly
19 on the electric side of that because that's what
20 affects me directly. Other than for -- Allow you to
21 know I'm also a Duke shareholder, so you know where
22 I'm -- I have -- I only have Duke electric, I don't
23 have Duke gas.

24 My problem is not with Duke trying to
25 recover the cost of the facility infrastructure

1 relocation for the Cincinnati project. My problem is
2 today's economy, Federal Government was a 17 trillion
3 in debt. State of Ohio, we're hurting on budgets,
4 local government. A city, specifically Cincinnati,
5 wants to put in a tashmahal-ish type transportation
6 system that could be done a lot cheaper and pass the
7 rate increases onto people in the region. They've
8 tried it before with income tax. Them wanting us to
9 pay for their stadiums. Fortunately our governments
10 have shut them down. Hopefully the government of Ohio
11 will shut the City of Cincinnati from spending money
12 of people other than the people that are represented
13 by the -- they represent. They don't represent any of
14 us out here, since -- talking about city elected
15 officials.

16 They're ramrodding the project in
17 that's costing Duke significant numbers, and also in
18 presentations in application, even discussion today,
19 there is no end time for this rate increase. So, when
20 X number of dollars is paid to be located, they can --
21 if the rate increase is there, I have heard nothing
22 that says the rate increase will revert back and stop.
23 And that should be for any customers, even if it's
24 only in the Cincinnati areas, but as well as -- and
25 especially as well we're paying for it out here. I

1 mean that would give undo profit for passing on cost.
2 And that's the basis of my testimony, I guess you're
3 it calling here.

4 ATTORNEY EXAMINER: Thank you.

5 MR. KRIEGER: Okay.

6 ATTORNEY EXAMINER: Mark Haverkos.

7 Please raise your right hand.

8 (Sworn by Attorney Examiner)

9 MR. HUTCHINSON: I do.

10 Whereupon,

11 MARK HAVERKOS

12 of lawful age, a witness herein, having been duly
13 sworn, as hereinafter certified, was examined and
14 testified as follows:

15 ATTORNEY EXAMINER: Thank you. State
16 your name and address for the record and which cases
17 you're testifying regarding?

18 MR. HAVERKOS: Mark Haverkos, 7356
19 Weathers Field Drive, West Chester, Ohio, and I'm here
20 to testify on both issues. According to the paperwork
21 that was passed out this evening, the green and yellow
22 sheets, Duke is trying to recover 86.6 million for
23 electric and 46 million for gas, with a combined
24 \$132,000,000 in recovery. I'd like you to remember
25 that number.

1 I have with me two newspaper articles
2 from last year. The first one is from July the 3rd of
3 last year, from an Indianapolis newspaper. "In the
4 past two years, Duke's CEO has spent a vast amount of
5 time trying to put out fires in Indiana as a growing
6 ethics scandal that the company threatened to derail
7 the completion of a huge new power plant in Edwards
8 Court."

9 In May, Duke reached a settlement with
10 leading critics over who should pay more than the 1.3
11 billion in cost overruns at the plant. That July 3rd
12 article was just six days before Duke requested this
13 increase. Then just three days before Duke requested
14 this increase, a little bit of a change from what our
15 first speaker had told the audience. "After just five
16 hours on the job, Duke Energy's CEO, Bill Johnson, was
17 suprising removed from his Chief Executive post and
18 given a stunning 44.4 million dollar severance
19 package." And that's from an article in
20 Forbes magazine.

21 So back to our \$132,000,000 that Duke
22 is trying to recover from gas and electric. I would
23 suggest that Duke just eliminate three of their
24 employees at a cost of 44,000,000 each to come up with
25 their own 132,000,000 for their own mismanagement.

1 Thank you.

2 ATTORNEY EXAMINER: Thank you, sir.

3 Joe Schlechtinger. Would you please raise your right
4 hand?

5 (Sworn by Attorney Examiner)

6 MR. SCHLECHTINGER: I do.

7 Whereupon,

8 JOE SCHLECHTINGER

9 of lawful age, a witness herein, having been duly
10 sworn, as hereinafter certified, was examined and
11 testified as follows:

12 ATTORNEY EXAMINER: Thank you. Please
13 state your name and address and which cases you are
14 testifying regarding for the record?

15 MR. SCHLECHTINGER: My name is Joe
16 Schlechtinger. 4236 Brown Farm, Hamilton, Ohio. It's
17 actually in Ross Township. I don't have a prepared
18 statement, but I whipped up something here on a piece
19 of paper as I was sitting in my chair. I can
20 understand them wanting to recover their expenses they
21 incur for the improvements and maintenance on the
22 systematic things throughout the place and everything,
23 but like the taxes for the sports complex down in
24 Cincinnati, I living in Butler County, don't have to
25 incur that expenses, because when I go to Hamilton

1 County I buy, purchase something and then I'll pay for
2 it then, but I won't have to incur those expenses
3 living in Butler County, and that's my choice being
4 that I don't want to do that.

5 I feel the same about the streetcar
6 expense, that I don't want the streetcar. I didn't
7 vote for it. It's not in my county. I'll never use
8 it, and therefore if Duke is going to raise my
9 electric rate, and all I have is electric by the way,
10 that's my focus here. They're gonna raise my electric
11 rate because they're gonna charge Duke money to put
12 this thing in. It's as if Cincinnati don't have the
13 money to pay for this thing, so they're gonna hit Duke
14 and Duke is gonna hit me and I'll never go down there
15 and ride that thing. So I don't want to see my rates
16 go up as a function of that. So if Duke does raise my
17 rates, I'll fire 'em and get another electric company.
18 Thank you.

19 ATTORNEY EXAMINER: Thank you. Jim
20 Schellenbach.

21 MR. SCHELLENBACH: I'll pass.

22 ATTORNEY EXAMINER: Thank you. William
23 Rigling?

24 MR. RIGLING: I'll pass.

25 ATTORNEY EXAMINER: Thank you. Jim

1 Hutchinson. Please raise your right hand.

2 (Sworn by Attorney Examiner)

3 MR. HUTCHINSON: I hope so.

4 Whereupon,

5 JIM HUTCHINSON

6 of lawful age, a witness herein, having been duly sworn,
7 as hereinafter certified, was examined and testified as
8 follows:

9 ATTORNEY EXAMINER: Thank you. Please
10 state your name and address and which cases you're
11 testifying regarding?

12 MR. HUTCHINSON: Jim Hutchinson,
13 H-u-t-c-h-i-s-o-n. 6171 Stone Hill Drive, Fairfield,
14 Ohio. I'd like to address the relocation of the
15 electric lines. If a lot of you have followed this
16 issues, starts from Mayor Mallory's folly --
17 trolley-folly. This thing is only going to travel
18 five or six miles backwards and forwards like the
19 train on Mr. Roger's neighborhood house years ago, you
20 know. I don't see where Duke Energy thinks that they
21 should encumber people outside of the Cincinnati area
22 who do not want the trolley, who will not use the
23 trolley. Why would they even think of encumbering us
24 with taxes like this? It's absolutely totally unfair,
25 I think it's unjustified. I think they ought to be

1 honest about this. Thank you.

2 ATTORNEY EXAMINER: Thank you. Mike
3 Derickson. Please raise your righthand.

4 (Sworn by Attorney Examiner)

5 MR. DERICKSON: I do.

6 Whereupon,

7 MIKE DERICKSON

8 of lawful age, a witness herein, having been duly sworn,
9 as hereinafter certified, was examined and testified as
10 follows:

11 ATTORNEY EXAMINER: Thank you. Please
12 state your name, address and which cases you're
13 testifying regarding.

14 MR. DERICKSON: It's Robert M.
15 Derickson, 6906 Millikin Road, Liberty Township, Ohio.
16 I come before this PUCO meeting to express my concerns
17 with Duke Energy. We had GC&E when I first moved out
18 here; excellent.

19 Back in December, Duke come to my
20 house, or had one of their companies that they hire
21 come to my house, and he come up to the house and he
22 says, "I want to change out your meters. I'm gone put
23 smart meters on." I says, "Sorry, but you're not
24 putting a transmitting device in my basement." "Well,
25 if you don't let us, we're gonna shut your power off."

1 I said, "That's my gas meter. We got an electric
2 meter outside, you can put it on there." "Don't make
3 any difference." You don't let us do that in the
4 basement, we're shutting your electric off." I said,
5 "Well, shut it off. I got a generator and I got gas."
6 "So, well, we'll take and disconnect your gas at this
7 curb." I said, "Go ahead." So I went on and I put
8 200 amp service in, went totally electric, shut my gas
9 off, and I've been hassled by 'em ever since because
10 they want to come in and still put that meter on
11 downstairs. I says, "Shut it off at the curb. Get
12 your equipment out of my basement. Put the meter
13 outside and quit hassling me." And they still haven't
14 put, done it out there at the curb.

15 So, the PUCO should take and protect us
16 citizens with this kind of treatment. It doesn't make
17 sense to have these people treating us this way. And
18 then they come up and I read on the internet, and this
19 just come out February 13th, "Duke Energy writes off
20 10 million loan for the Democratic Convention in South
21 Carolina, or North Carolina." That Rogers, Jim Rogers
22 was supposed to leave at the end of December, still
23 hasn't left. He's the one that gave 'em this loan.
24 Now, they're asking for a rate increase for us to pay
25 to help them out with their loan. People, that's

1 wrong. And we can't get rid of Duke Energy because
2 they're the only ones here. If we can get rid of Duke
3 and get another company in here, we wouldn't have a
4 problem. So I think it's the PUCO's time to say,
5 enough is enough. Enough is enough. They don't know
6 how to manage their business, or they do and they know
7 how to rip us off, one way or the other. So, that's
8 my thing is, that I'm very upset that they can come
9 into my house and put a meter in there that transmits.
10 They're not gonna do it. Thank you.

11 ATTORNEY EXAMINER: Thank you. Ronald
12 Alexander.

13 MR. ALEXANDER: I'll pass at this time.

14 ATTORNEY EXAMINER: Thank you. Walter
15 Sold. Please raise your right hand.

16 (Sworn by Attorney Examiner)

17 MR. SOLD: I do.

18 Whereupon,

19 WALTER SOLD

20 of lawful age, a witness herein, having been duly
21 sworn, as hereinafter certified, was examined and
22 testified as follows:

23 ATTORNEY EXAMINER: Thank you. Please
24 state your name and address for the record and also
25 which cases you're testifying regarding?

1 MR. SOLD: My name is Walter Sold and I
2 live on 5316 Shady Meadows Drive, right behind the
3 Route 4, and I want to talk for gas and electric for
4 the simple reason I get my power from two different
5 companies, not from Duke, but I have to. In the
6 summer time I pay \$4.00 of gas, but I have to pay
7 \$40.00 for Duke to get the gas \$4.00 worth to my house
8 which is outrageous. It's robbery. What the hell
9 they think they're doing?

10 And the same thing goes for the
11 electric rate. My last bill I got I paid \$86.00 just
12 for transporting it. What is the difference between
13 transporting and delivery? It's one in the same
14 thing, but they're using two different words so they
15 can gouge you more money off. That's all they do is
16 gouge the customers of money.

17 I'm retired, I live from
18 paycheck-to-paycheck from pension, from
19 retirement-to-retirement, and every month I get bigger
20 gauging from Duke, plus they want \$17.00 to relocate
21 the lines in Cincinnati between Mason, Hamilton,
22 Fairfield and Fairfield Township. If they get their
23 way, they collect \$11,000,000 a year, and it only cost
24 them \$50,000,000 to relocate the lines. How much --
25 is on here? Aren't those executives not satisfied

1 anymore with \$10,000,000 of bonus a year. They want
2 \$100,000,000 a year. I tell 'em to go to hell and go
3 to work. Get off the duff for a change and do actual
4 work. I mean to sit there and charging -- they give
5 you a chart. The bottom of the chart -- at the top of
6 the chart of the line is a difference between
7 \$20,000,000 depending how thick you make the line.
8 They want the top of the line. They're not satisfied
9 with the bottom of the line.

10 Every one in here works for a living,
11 not because they have nothing else to do, like the
12 executive of theirs at Duke. When CG&E was in here,
13 since that, we got an 80% increase in rates, and Duke
14 promised they will not increase the rates if they take
15 over. Where is the promise? What are they,
16 politicians? Do they have Alzheimer that they forgot
17 all of a sudden what they were promising? One of us
18 must be do. I really -- I go on one channel and say
19 fire those guys and get the \$132,000,000 to get you
20 bonus a year and use it for that. They'd be a lot
21 better off without them. And that's all I have to
22 say.

23 ATTORNEY EXAMINER: Thank you. Michael
24 Siegmann.

25 MR. SIEGMANN: I pass.

1 ATTORNEY EXAMINER: John Gadberry.

2 Please raise your righthand.

3 (Sworn by Attorney Examiner)

4 MR. GADBERRY: I do.

5 Whereupon,

6 JOHN GADBERRY

7 of lawful age, a witness herein, having been duly
8 sworn, as hereinafter certified, was examined and
9 testified as follows:

10 ATTORNEY EXAMINER: Thank you. Please
11 state your name and address and cases you're
12 testifying regarding.

13 MR. GADBERRY: My name is John
14 Gadberry, I live at 3860 Millikin Road, Fairfield
15 Township. I got a couple issues: One is they wanting
16 all that money down there in Cincinnati to relocate
17 all that power lines. Mark Mallory wanted that
18 trolley, you ought to let him pay for it, 'cause we,
19 Butler County has got nothing to do with Hamilton
20 County. And then they -- they put -- they put the
21 stadium in down there and they can't even pay for
22 that, now they got to pay for a trolley system.

23 And my second issue is Duke Energy
24 wants to have a utility unlimited access to the
25 customer's private property to install equipment

1 without compensation with the customer. They have no
2 right to come onto your property unless you invite
3 them, and I don't think they should be able to do that
4 without any compensation. That's all I have to say.

5 ATTORNEY EXAMINER: Thank you. Stan
6 Willis. Please raise your right hand.

7 (Sworn by Attorney Examiner)

8 MR. WILLIS: Yes.

9 Whereupon,

10 STAN WILLIS

11 of lawful age, a witness herein, having been duly
12 sworn, as hereinafter certified, was examined and
13 testified as follows:

14 ATTORNEY EXAMINER: Thank you. Please
15 state your name and address and which matter you're
16 here to testify regarding?

17 MR. WILLIS: Stan Willis, 7629 Newkirk
18 Drive, Fairfield Township. Just address both of 'em.
19 Duke Energy has to make a profit, that's the reason
20 they're in business. They're asking for 24% and 19%
21 increases is kind of high for, you know, the shape our
22 economy is in. Many people have not gotten raises for
23 many years or been laid off.

24 But the main point I want to address,
25 the facility's relocation and transportation rider.

1 We're not seeing that supposedly just affected people
2 in the area, for instance the streetcar that the
3 project is taking place in, but it also is a hidden
4 tax for these subdivisions. These costs can be
5 hidden. Wouldn't have to be reported in the total
6 cost of the project, and there's too much room for
7 corruption and abuse what we've seen from government's
8 sake cannot be trusted.

9 And government entity should not be
10 receiving preferential treatment and a public
11 utilities should not be used to build for their
12 projects. So, since the public's cost of the project
13 will be lower, that probably tempt the government to
14 spend more money for other things. So that's all I
15 got to say.

16 ATTORNEY EXAMINER: Thank you. Ann
17 Baldrige.

18 MS. BALDRIDGE: I'll pass.

19 ATTORNEY EXAMINER: Brian Shrive.
20 Please raise your right hand.

21 (Sworn by Attorney Examiner)

22 MR. SHRIVE: I do.

23 Whereupon,

24 BRIAN SHRIVE

25 of lawful age, a witness herein, having been duly

1 sworn, as hereinafter certified, was examined and
2 testified as follows:

3 ATTORNEY EXAMINER: Name, address, and
4 what you're here to testify regarding.

5 MR. SHRIVE: Thank you. Brian Shrive,
6 3638 Brentwood, Cincinnati, Ohio, and I'm going to
7 speak to the electric tax issue and specifically the
8 streetcar rider FRT.

9 I'm an attorney in Cincinnati and so
10 I've had the unfortunate pleasure of having a chance
11 to vote on the streetcar twice, but I really want to
12 focus on this FRT issue. I oppose the, what we call
13 the "streetcar tax" here in Cincinnati in the area.
14 There are a myriad of reasons to oppose it. I'm gonna
15 focus on two of them that I believe are most
16 important. First, as been touched on slightly here
17 tonight, this is essentially granting a taxing
18 authority to utilities, and that is far beyond, I
19 think what is ever been envisioned or contemplated by
20 the State of Ohio or its statute.

21 Additionally, this -- I think we all
22 understand in concept the FRT is intended to be
23 applied only to City of Cincinnati rate payers, but as
24 the Office of the Ohio Consumers' Counsel pointed out
25 in their letter objecting to some findings in the

1 staff report. Through the use of the uncollectible's
2 rider, if the FRT is approved, the folks of Butler
3 County, Warren County, Clermont County, Adams, will
4 be, will be paying the cost of the streetcar, and that
5 is simply really unacceptable.

6 Additionally, the PUCO is kind of an
7 interesting position here, a bit of a dilemma. The
8 rider would force payment by non-Cincinnati rate
9 payers through the use of the uncollectibles rider.
10 Additionally now recently Duke has filed a lawsuit
11 against the City of Cincinnati. I have a copy of Page
12 5 of that complaint. There's a relevant portion there
13 in the bottom, but I'd like to just read this if I
14 could. "As a consequence, the relation cost resulting
15 from the city's streetcar project will by law be born
16 by Duke Energy Ohio customers, potentially including
17 those customers located outside the City of Cincinnati
18 if the city is successful in changing the established
19 law," et cetera, et cetera. And that is a real issue
20 here, because what we've seen is Duke has said one way
21 or the other we want the entire region to pay the cost
22 of City of Cincinnati's streetcar.

23 I'm asking the PUCO to come out
24 strongly in favor of the residents and rate payers and
25 say, we will allow. There's kind of a -- really kind

1 of a way the window for the PUCO to say we do agree
2 with Duke if the City of Cincinnati should pay the
3 cost of the streetcar through its own state taxing
4 authority. The City of Cincinnati should pay that
5 bill. We will not allow -- The PUCO should not allow
6 Duke to enter into a back-room deal with the City of
7 Cincinnati to force that cost onto the electric bills.
8 So you should deny the second part of the FRT and
9 approve the first that allows Duke to insist that the
10 City of Cincinnati pay that bill.

11 I have copies. I've handed some out to
12 folks already of that Page 5 litigation and I happen
13 to give a couple of copies to you, as well.

14 (Page 5 of Litigation, marked for
identification as Exhibit 2.)

15 ATTORNEY EXAMINER: Why don't you give
16 me one copy. Will be Exhibit 2 from to Cincinnati
17 hearing. Thank you. Debby Broyles.

18 MS. BROYLES: Pass.

19 ATTORNEY EXAMINER: John Dorrel.
20 Please raise your right hand.

21 (Sworn by Attorney Examiner)

22 MR. DORREL: Yes.

23 Whereupon,

24 JOHN R. DORREL

25 of lawful age, a witness herein, having been duly

1 sworn, as hereinafter certified, was examined and
2 testified as follows:

3 ATTORNEY EXAMINER: Name and address
4 and subject matter?

5 MR. DORREL: John Dorrel, 6009 Dartford
6 Way, Liberty Township, and I'm here to address both
7 issues, and my concerns are basically to echo many of
8 the concerns already echoed here, and that is that I
9 look at this as a tax, and I don't think that we
10 should be paying Duke a tax. I look at this as
11 something that was voted on by the residents of
12 Cincinnati, Hamilton County, not Butler County. So, I
13 think it's unjust that we have to pay for, for their
14 expenses. And I agree with the previous gentleman
15 that it should be up to the Cincinnati. If the
16 project requires this, then the project, the streetcar
17 project should pay for the cost, and also I think,
18 agree with everybody else that Duke's mismanagement of
19 funds would like more than pay for this, and probably
20 eliminate many rate increases proposed down the line.
21 Thank you.

22 ATTORNEY EXAMINER: Thank you. Joe
23 Kramer. Please raise your right hand.

24 (Sworn by Attorney Examiner)

25 MR. KRAMER: I do.

1 Whereupon,

2 JOE KRAMER

3 of lawful age, a witness herein, having been duly
4 sworn, as hereinafter certified, was examined and
5 testified as follows:

6 ATTORNEY EXAMINER: Thank you. Name,
7 address, subject matter?

8 MR. KRAMER: My name is Joe Kramer,
9 1107 Covedale Avenue. I work for Henkle Schueler &
10 Associates out in Lebanon, Ohio. We work with,
11 primarily with industrial companies that are around
12 the region, around Southwestern, Ohio, and we're
13 building a plant in Fairfiled right now that's
14 creating over a 100 jobs. Building a plant in Lebanon
15 that's creating over 100 jobs, 130 jobs, and all of
16 our customers focus on the reliabiity of the
17 infrastructure with both gas and electric
18 infrastructure and that's what makes this region
19 competitive.

20 When we look at companies, when we work
21 with companies that are going to provide jobs for our
22 citizens, versus Indianapolis, versus Columbus,
23 electric rates are much higher up state.

24 We've seen what happens when we lose
25 power, even at the Super Bowl when lights went out,

1 everything stops. Companies can't afford stops. They
2 have to have reliable systems. And I have the PUCO
3 focus on the larger issue. I don't mean focused on
4 the streetcars, but jobs for our citizens in this
5 Southwestern, Ohio region are critical. We don't have
6 enough of them. Reliable infrastructure, both gas and
7 electric is essential. And what Duke is asking for is
8 focus on reliability of that infrastructure, both for
9 residents, but especially for our businesses that
10 provide jobs, we have to have reliable systems. Right
11 now we have those, but if we don't keep up over time
12 we'll lose that competitive edge, we'll lose jobs over
13 time. Thank you.

14 ATTORNEY EXAMINER: Thank you. Susan
15 McLaughlin. Please raise your right hand.

16 (Sworn by Attorney Examiner)

17 Whereupon,

18 SUSAN McLAUGHLIN
19 of lawful age, a witness herein, having been duly
20 sworn, as hereinafter certified, was examined and
21 testified as follows:

22 MS. McLAUGHLIN: Yes.

23 ATTORNEY EXAMINER: Name, address and
24 subject matter?

25 MS. McLAUGHLIN: Susan McLaughlin, 6787

1 Eagle Creek Drive, Liberty Township, Ohio, and my
2 basic thing is that Duke needs to cut costs. I am
3 against the rider. I'm against passing on uncollected
4 bills to the region, not responsible. It sets a bad
5 precedent because who else could have the same issue
6 as the streetcar. Maybe Dayton will want, maybe the
7 City of Hamilton will want it. To pass it on outside
8 of that taxing authority is wrong.

9 The next thing I'm against is the rate
10 increase of 24%, both electric and gas. It doesn't
11 just get passed onto the homeowner, it gets passed
12 onto the schools, the local government, the townships,
13 and it all comes back to the taxpayer. Those
14 increased costs can only come from one source, that's
15 people that pay their bills and people that pay their
16 taxes. We ask our local government agencies, whether
17 it be schools or the county, tighten your belt, don't
18 spend money you don't have, live within your means.

19 Sounds to me like Duke has made some
20 decisions that \$10,000,000 write off for the
21 Democratic Convention. When I hear about the cost
22 salaries, I guess my message is cut cost. Where have
23 they cut with inflation in the country being minimal,
24 almost none? How can you justify a 24% rate increase?
25 It makes no sense.

1 You know if there's no increased cost,
2 what is the issue? The issue is they're trying to
3 recover other things or pay for other expenses. That
4 is my message, cut costs, don't increase costs. Thank
5 you.

6 ATTORNEY EXAMINER: Thank you. Richard
7 Wheeler. Please raise your right hand.

8 (Sworn by Attorney Examiner)

9 MR. WHEELER: Yes.
10 Whereupon,

11 RICHARD WHEELER
12 of lawful age, a witness herein, having been duly
13 sworn, as hereinafter certified, was examined and
14 testified as follows:

15 ATTORNEY EXAMINER: Thank you. Name,
16 address, and subject matter?

17 MR. WHEELER: Richard Wheeler, 3230
18 Springcrest Drive. Like to echo what everyone else
19 has said here, but I'd like to remind PUCO that we're
20 doing a monopoly here. You have the choice to change
21 who generates electricity and gas and there's a number
22 of issues. We don't have a choice in the distribution
23 charge that the rider that they make. That's given to
24 us no matter what, pretty much, as far as I know. I
25 tried electrical change one time and it was different,

1 but that is a precedent-setting move by an
2 organization to cut cost from my local utility move
3 and have them distributed to a wider area, like the
4 previous speaker said. Someone of Toledo or Cleveland
5 or someone else wants to do that and it gets wider and
6 wider spread. So we're depending on the PUCO to stand
7 up -- own customers to restrict these kind of moves by
8 organization which we no power over. That's all I
9 have to say.

10 ATTORNEY EXAMINER: Thank you. George
11 Hafziger. Please raise your right hand.

12 (Sworn by Attorney Examiner)

13 DR. NAFZIGER: I do.

14 Whereupon,

15 DR. GEORGE NAFZIGER

16 of lawful age, a witness herein, having been duly
17 sworn, as hereinafter certified, was examined and
18 testified as follows:

19 ATTORNEY EXAMINER: Thank you.

20 DR. NAFZIGER: My name is Dr. George
21 Nafziger, I live at 6035 Ash Hill Court, West Chester,
22 Ohio. I want to two issues. First, I'm opposed to
23 the rate increases that will result from the
24 relocation of the utilities in downtown Cincinnati to
25 support trolley car. I was a real property manager in

1 Mound Department of Energy facility Miamisburg for
2 many years and I dealt with easements on many
3 occasions. The problem is that Duke has easements
4 that are in the way of the utilities. Those are a
5 real property real estate issue. Now, the government
6 has a right through and the domain to seize real
7 estate for the public school in the Constitution, but
8 I believe it's the Keyo case in New England for both
9 the law to be passed in Ohio which says, that you
10 cannot seize it simply 'cause of increase of taxes or
11 other issues like that. It seems to me that what Duke
12 Energy is doing is entering into an agreement with the
13 City of Cincinnati where they can allow a seizure of
14 their easements which would be a violation of this
15 Ohio law, because the purpose of the trolley car is to
16 bring tax revenues into the city and transfer this
17 real estate. So is violating a law that exist by
18 deceit.

19 The second thing I'd like to speak
20 about, and the gentleman who spoke earlier, cost of
21 energy is a big portion of doing business. Any
22 industry in Cincinnati is looking at a major increase
23 in its utility cost is going to find itself
24 uncompetitive. I used to work at the Corning Glass
25 plant in Greenville, Ohio. It used more gas and more

1 electricity than the entire city of Greenville. That
2 corporation, that business was a mature business, very
3 thin profit margin. It's an old business. Look at AK
4 Steel in Butler County, uses a lot of electricity and
5 a lot of gas.

6 They will cease being competitive
7 because their cost will be driven up, and as soon as a
8 big company like that starts having its cost drive up
9 to going out of business or relocate and that's jobs
10 in Butler County that will go away.

11 So, on those two bases, not only the
12 fact that this will drive jobs in the Butler County
13 region and the time when we're in hard economic times,
14 but the fact that I believe that this is a back-door
15 deal to avoid and the recent laws passed in Ohio
16 regarding eminent domain and seizing properties for
17 the purpose of increasing tax revenues to governmental
18 agencies is illegal. Thank you.

19 ATTORNEY EXAMINER: Thank you. Howard
20 Framer. Please raise your right hand.

21 (Sworn by Attorney Examiner)

22 MR. FRAMER: As good as our politicians
23 would. Okay.

24 Whereupon,

25 HOWARD FRAMER

1 of lawful age, a witness herein, having been duly
2 sworn, as hereinafter certified, was examined and
3 testified as follows:

4 ATTORNEY EXAMINER: Name, address and
5 subject matter.

6 MR. FRAMER: Howard Framer, 2926
7 Fairways Drive, Fairfield Township. As you can tell
8 I'm not a young man. I've been around since dirt was
9 born, at least my grand kids think so, but I've also
10 worked for large corporations over 37 years and I have
11 for high tech business, and I can tell you in my
12 business, and I'm here to talk about potential rate
13 for Butler County and surrounding counties, is that
14 when you take on a new project or considering a new
15 project, you have to review all the potential
16 obstacles, okay, and you have to research those with
17 the best sources you have, and you don't go ahead with
18 a project until all your obstacles are figured out and
19 how they're going to be handled ahead of time, not
20 after the fact, okay. They proceeded to go ahead with
21 a project here that they didn't even know what their
22 real cost was gonna be. They had no idea, they did
23 nothing to figure up out the utility issue first to
24 make it part of the packet. So it was a totally
25 poorly thoughtout project to begin with, and I

1 personally feel it's an unnecessary project.

2 We in the Sidney, Butler County
3 obviously didn't have an opportunity to vote on it for
4 sure, okay. It does for our infrastructure. All it
5 does is put a tax burden on us that if Mallory and
6 Qualls wants this system, tell them to write the check
7 for it.

8 I understand Duke -- My other comment
9 is that Duke is called a public utility company. If
10 it was truly a public utility company, they wouldn't
11 make a profit, and they sure as heck wouldn't be
12 giving out bonuses like they're doing for, and loans
13 for conventions and bonuses for bosses and so forth,
14 Point 1, okay.

15 In addition, you know in my business I
16 have to accept risk management, and if I make a
17 mistake in what I quote to my customers, I have to eat
18 that loss, and I can't pass it onto my customers or I
19 won't have customers. I don't have that option with a
20 utility company, and they come to recover all of their
21 losses they don't even eat any themselves and that's
22 totally unacceptable, and why I look for PUCO to
23 protect the residents of the State of Ohio, and I
24 think you need to be doing a better job of that; okay.

25 Cincinnati has money like this to waste

1 on a streetcar, that is Mallory's folly, I think they
2 ought to consider taking that money and better
3 investing it like in their public school system which
4 they can't get enough funds to straighten it out or
5 police protection to kill all new murders every night
6 in Over-the-Rhine and other areas of downtown
7 Cincinnati, period. Money, more respect.

8 I understand Duke wants to recover the
9 money that it's gonna cost to do this, on all honesty,
10 but for them, like I've already said, to try to
11 collect a 100% of it, is ridiculously. They need to
12 accept the cost of doing business, also. And I really
13 don't know why this is even a subject in Butler County
14 or any other county since it's not anything we got to
15 vote on, much less, why it even has gotten this far,
16 period.

17 It's not gonna do anything to our
18 infrastructure, and, you know, it's about time -- I
19 kind of look at public utilities like the old
20 companies, it's like the best form of legal age rape
21 I've ever seen, period. Dean Schmidt.

22 ATTORNEY EXAMINER: Please raise your
23 right hand.

24 (Sworn by Attorney Examiner)

25 MR. SCHMIDT: I do.

1 Whereupon,

2 H. DEAN SCHMIDT

3 of lawful age, a witness herein, having been duly
4 sworn, as hereinafter certified, was examined and
5 testified as follows:

6 ATTORNEY EXAMINER: Thank you. Name,
7 address, and subject matter.

8 MR. SCHMIDT: My name is Dean Schmidt.
9 I live at 7298 Mallard Drive, West Chester, and I
10 object to the unfairness of this whole plan of Duke's.
11 Duke is a large company, but it's a company and it
12 services many, many states. They have an awful lot of
13 customers to get an awful lot of revenue. Why do they
14 concentrate their overruns in this area where they're
15 losing money, so they try to make up for it? Now, the
16 Public Utilities Commission is for Ohio, okay, and I
17 don't know why the Public Utilities Commission could
18 even go along with this, which is taxation without
19 representation. That's all I have to say.

20 ATTORNEY EXAMINER: Thank you. Larry
21 Southwick. Please raise your right hand.

22 (Sworn by Attorney Examiner)

23 MR. SOUTHWICK: Yes, ma'am.

24 Whereupon,

25 LARRY M. SOUTHWICK

1 of lawful age, a witness herein, having been duly
2 sworn, as hereinafter certified, was examined and
3 testified as follows:

4 ATTORNEY EXAMINER: Thank you. Name,
5 address and subject matter.

6 MR. SOUTHWICK: My name is Larry
7 Southwick, I live 992 Marion Avenue. I'm actually in
8 the Cincinnati taxing area that the, that the rate to
9 increase would apply to, so I feel particularly
10 motivated to come up here since I wasn't gonna be able
11 to attend some of the meetings down in Cincinnati.

12 First off, the streetcars, and I'm
13 quite familiar with streetcars and their long history
14 and particularly their long history in Cincinnati, and
15 they were very vital in growing neighborhoods and
16 growing suburbs and provided transportation for a busy
17 city, but the busy city found out 60 years ago that
18 they didn't need streetcars anymore, and the reason
19 they didn't need streetcars anymore, of part of the
20 reasons applied to trying to reapply that same idea
21 again and wanted destruction in the city streets. If
22 you've ever looked at many pictures in the City of
23 Cincinnati with streetcars around, it's appalling how
24 difficult it was for the two to blend, and in fact
25 belonging to some associations with former people that

1 were associated with the trolley company, they talked
2 continually of the difficulty in dealing with traffic
3 in downtown Cincinnati and turning curbs at
4 intersections and so on.

5 The second thing is, the streetcar in
6 and of its nature is locked to steel rails, and that
7 means they have one path to go. And one of the things
8 they found was if you had snow storms or down power
9 lines or flooded broken mains, that type of thing, the
10 streetcar couldn't run on its track, and so you don't
11 have that transportation anymore, and so therefore
12 it's really not as viable as what they -- They turn
13 busses and busses still run on all these same routes,
14 and the streetcar isn't gonna replay any of those.
15 They are not gonna take cars off the streets.

16 The thing goes as somebody noted
17 basically from nowhere-to-nowhere, and I live -- and I
18 live north of nowhere and it certainly isn't gonna
19 help me. And the cars that are on the city streets
20 that these things are gonna obstruct are from outside
21 of this area. They aren't gonna be taken off of any
22 streets if they --

23 City wants to encourage the
24 construction of new housing in Over-The-Rhine then
25 they should do something somewhat along the lines that

1 what somebody earlier attested to was, A, clean up the
2 streets, get the crime off the streets, and, B, make
3 it a little bit less onerous to own property in
4 Cincinnati from a taxing standpoint.

5 The other thing is on the estimates --
6 So this is a bad idea and I don't think the PUCO
7 should be encouraging the power company to fund a bad
8 idea. The estimates are likely low, and as been noted
9 -- and I'm a engineer, professional engineer and I
10 know, you know, how these estimates get put together,
11 especially at this stage, and since the estimates are
12 probably low, they're gonna have to be adding
13 additional funding down the road and that means
14 probably more rate increases, so this isn't gonna be
15 the last one.

16 The other thing is the state has
17 refused to grant the funding that have been granted
18 earlier and they -- On the federal level, the Federal
19 Transportation bill has been specifically delimited
20 from helping Cincinnati streetcar. So I don't know
21 where Mallory is getting this money, and you say
22 you'll have him write, write the check. So what he's
23 gonna do is gonna tax me since I'm in Cincinnati, so
24 you guys, you'll be fine, but I still got to pay --
25 I'm gonna have to pay that bill.

1 Many cities also have tried new
2 streetcar systems, and they -- some are successful and
3 some have enough density of population to work, but
4 this isn't the case. First off, where they're going
5 doesn't have any density hardly at all, 'cause there
6 are people that aren't gonna ride streetcars for sure,
7 then they pick your pocket, but they're not gonna ride
8 the streetcars, so the density is not there to support
9 the increase.

10 What happens when these things aren't
11 successful or when they get in construction they find
12 out, oh, gee whiz, we didn't figure out that the
13 utility bill was gonna be three times as much as it
14 was, they start cutting costs, and The city has
15 already demonstrated that they -- that one way they're
16 gonna cut cost is reduce the safety standards this is
17 built to. One of the things that's in the standard
18 for building is the distance between the streetcar and
19 the power lines, and part of the \$20,000,000 estimate
20 plus that the power company came up with, included
21 this safety factor. One of the things the way they
22 got the cost down below that was by reducing that
23 safety factor.

24 Now, to give the power company credit,
25 they're no dummy, they put in language such as they

1 won't do that unless the streetcar company provides
2 proper safety procedures, so, you know, you're not
3 gonna see those savings, so that money is back in it
4 to start with. The other thing is that these
5 streetcar systems that are failing. What happens is
6 you don't have enough ridership, so the thing starts
7 in one place and goes to another place. So the busses
8 that go -- If I were gonna ride the bus to down, I'd
9 go straight downtown. That would be changed. That's
10 what happens, is that's often changed, then I would
11 ride a bus, go where the streetcar is, and then I'd
12 have to ride the city subsidized streetcar into
13 downtown, and I'm not gonna do that.

14 The Utility Commission, this
15 \$87,000,000, of course, includes a whole lot more than
16 the \$17,000,000 that the streetcar includes, and one
17 of the ways that -- I notice in looking at past rate
18 increase request is that there seems to be an
19 automatic -- well, we're only gonna give 'em 50% of
20 that or 40% of that, and that's fine, that's the way
21 probably his system works on the otherside, as well,
22 they know that's coming.

23 I would offer a further suggestion is,
24 why don't you cut a whole line item like \$17,000,000
25 out of it, and like also whatever it is for this rider

1 for people that won't pay their power bills. Do what
2 everybody else does that doesn't pay their power
3 bills, they get shut off.

4 So, in summary, I guess the electric
5 company should not be funding a bad idea. The
6 electric company should not be funding projects that
7 the city should pay for. The electric company should
8 not be allowed to bill customers for a bad idea, and
9 further, the PUCO should not permit the electric
10 company to bill their customers for a bad idea, so
11 thank you.

12 ATTORNEY EXAMINER: Thank you. Patrick
13 West. Please raise your right hand.

14 (Sworn by Attorney Examiner)

15 MR. WEST: Yes, I do.

16 Whereupon,

17 PATRICK WEST
18 of lawful age, a witness herein, having been duly
19 sworn, as hereinafter certified, was examined and
20 testified as follows:

21 ATTORNEY EXAMINER: Name, address and
22 subject matter.

23 MR. WEST: Patrick West, 3917 Fox Den
24 Court, Ross Township, Butler County. These people
25 here have already spoken on most of the issues that I

1 was gonna speak of, as well. Basically definately
2 here just to oppose and ask that the PUCO strongly
3 oppose that any of the residents in Butler County,
4 surrounding counties do not pay for any of the costs
5 that was all started from the City of Cincinnati Mayor
6 Mallory and John Schneider and those who thought that
7 the street rail car project would be a good idea,
8 modeled after Portland, Oregon. And we just don't
9 feel that we should be paying for that, and I'm
10 strongly asking you to strongly request that that is
11 not paid, burdened by the taxpayers, the businesses
12 and those in the surrounding counties and that's all I
13 have to say now.

14 ATTORNEY EXAMINER: Thank you. Katy
15 Kern. Please raise your right hand.

16 (Sworn by Attorney Examiner)

17 MS. KERN: Yes.

18 Whereupon,

19 KATY KERN

20 of lawful age, a witness herein, having been duly
21 sworn, as hereinafter certified, was examined and
22 testified as follows:

23 ATTORNEY EXAMINER: Name, address --
24 Are you here for the electric, gas case or both?

25 MR. KERN: Electric case.

1 ATTORNEY EXAMINER: Electric. Okay.

2 Name and address.

3 MS. KERN: Katy Kern, 6099 Millikin
4 Road, Liberty Township, Ohio. And there's a reason
5 why none of us here, with a singular exception, live
6 in Cincinnati. The -- They're half-wit, and the
7 half-wit is king. I don't think we should have to pay
8 for any deadbeat who don't pay their bill, whether
9 they live in Cincinnati or they live in North Carolina
10 or they live in Washington, D.C.

11 I think the way Duke has framed the
12 debate with their riders and their slick presentation
13 is just a shell game, and Helen Keller can see that,
14 and we shouldn't have to pay for it. That's all.

15 ATTORNEY EXAMINER: That concludes the
16 list of folks who signed up to testify. Is there
17 anyone else who would like to give testimony tonight?
18 Let's start here and then just work down the row with
19 these three gentlemen first. Please raise your right
20 hand. We'll mark it as Exhibit 3.

21 (Mark Sennet Document marked for
identification as Exhibit 3.)

22 ATTORNEY EXAMINER: Please raise your
23 right hand.

24 (Sworn by Attorney Examiner)

25 Whereupon,

1 MARK SENNET

2 of lawful age, a witness herein, having been duly
3 sworn, as hereinafter certified, was examined and
4 testified as follows:

5 ATTORNEY EXAMINER: Please state your
6 name and address for the record?

7 MR. SENNET: Mark Sennet, 8685
8 Cincinnati-Dayton Road, West Chester.

9 ATTORNEY EXAMINER: Are you here to
10 testify for the electric or the gas case?

11 MR. SENNET: Gas, but mine is a little
12 different twist; okay.

13 ATTORNEY EXAMINER: Okay.

14 MR. SENNET: Everybody has their
15 concern. I'm saying, hey, "Please see if this is
16 fair! Enclosed is a copy of the gas bill for my
17 personal garage. I...turned on the furnace during
18 the extreme cold weather. Look at the base rate. I
19 called Duke Energy to ask them to have it based on a
20 residential rate. They were going to send an
21 inspector to look at my garage to see that it was just
22 for personal use. They called me back and said the
23 inspector said that the rule is that the garage is
24 billed commercially. Does that seem fair? No. I get
25 a bill flat rate that follows a fixed delivery charge

1 of \$45.00, a gas delivery rider for \$54.41 (sic) for a
2 total over \$95.00 without any usage. How did this get
3 by the PUCO? Common sense says this is not fair to
4 the consumer. I hope you please address the issue and
5 give me feedback. Thank's.

6 You know, and there's other people that
7 have a garage and they want to have a furnace in
8 there, maybe when it's really cold. They want to melt
9 the snow off their car. Well, this is almost \$1200.00
10 a year to melt snow off my car. Do you think that's
11 fair? No.

12 ATTORNEY EXAMINER: Thank you. And we
13 have some representatives from our Service Monitoring
14 and Enforcement Division, so I would encourage you to
15 stick around and talk with them afterwards. They
16 might be able to help you address your complaint.

17 MR. SENNET: Thank you.

18 ATTORNEY EXAMINER: I believe going
19 down the row.

20 MR. INMAN: My name is --

21 ATTORNEY EXAMINER: Raise your right
22 hand.

23 (Sworn by Attorney Examiner)

24 MR. INMAN: I do.

25 Whereupon,

1 RICHARD INMAN

2 of lawful age, a witness herein, having been duly
3 sworn, as hereinafter certified, was examined and
4 testified as follows:

5 ATTORNEY EXAMINER: Thank you. Name,
6 address and which case?

7 MR. INMAN: My name is Richard Inman,
8 2924 Winter Hill Drive, here in Fairfield Township.

9 ATTORNEY EXAMINER: Are you here for
10 the gas, electric case?

11 MR. INMAN: Mostly electric, but I
12 think it also rolls over to the gas distribution, as
13 well.

14 ATTORNEY EXAMINER: Okay.

15 MR. INMAN: I work for a private
16 company and I'm involved with several projects. I
17 would be fired to have any of my projects not include
18 all of the costs within a reasonable limit. In this
19 case here, the project not only is running over, but
20 that project is asking one of its vendors, one of its
21 suppliers to take on cost, and then PIP turn around
22 and ask my customers to pay for it, so, from that
23 perspective, I oppose it.

24 Beyond that, if you look at the
25 objections that part of the Ohio Consumers' Counsel,

1 they have a few points. I don't think they go far
2 enough, but their point there is that for Rider FRT
3 unfairly discriminates among customer classes, like
4 giving members of one class, government entities,
5 preferential treatment in paying the cost associated
6 with their requests for relocation of facilities. The
7 point there is that, that if I have to relocate
8 electric on my property, or if a business, whether
9 anyone over here at the mall or anyone else has to
10 relocate that, they don't have an option to pass it
11 onto their -- they don't have an option to turn around
12 and ask Duke to -- to charge their customers for it.
13 I have to pay for my own projects, and that's exactly
14 what Cincinnati should do here.

15 On other grounds, why should cost for
16 utility construction work associated with the
17 infrastructure projects be buried in the utility rate
18 increase? Transparency would suggest the project
19 burden the cost. I'm looking at here from perspective
20 of government transparency. At this point if the cost
21 for the entire project was that much more, why didn't
22 the tax payers have the option to vote on the project
23 with its total cost included? They include those
24 costs and pass those onto rate payers, even within
25 that jurisdiction, is wrong. To pass that onto the

1 folks outside of that jurisdiction is even worse. Why
2 should these costs be passed onto other Duke customers
3 outside the geographic boundaries of the government
4 entity involved? The point there is, is that that's
5 taxation without representation. As a few of the
6 folks here mentioned earlier, it is basically saying
7 Duke has taxing authority. In this case taxing
8 authority outside the jurisdiction of projects of
9 where the project was approved. Sets a dangerous
10 precedent by having a private company charge rate
11 payers for cost incurred on public project. Thus,
12 reducing the published cost of the project.

13 Now, the other part of that is, in
14 terms of setting a dangerous precedent, and as
15 mentioned earlier, that same -- Right now this is
16 Cincinnati. This could be Hamilton, could be
17 Fairfield. It could be any city in the state, could
18 be any municipality, could be a township, could be a
19 county, could be anyone other than the State and
20 Federal Government according to the way that this is
21 written, that's going to say I got this project, and
22 you know what, the taxpayers are only gonna accept
23 this much, but I'll put the total cost out there and
24 then I'll look like a hero by saving some money. How
25 am I saving the money? I'm gonna have the utility

1 company pick it up, but then on the back side, stab
2 'em in the back by saying all that money that we are
3 not going to charge you on your taxes, you're gonna
4 have to pay it because we're going to charge it
5 through the utility bills.

6 So having another agency that the
7 individual municipalities, whether it be city, a city,
8 a township, county, what have you, having the
9 authority to pass on those costs to a utility company,
10 which in turn acts as an agent for these government
11 entities to charge us without any possible
12 repercussion or, is just wrong.

13 Beyond that, that we have no
14 repercussion, because this is our utility bill. If we
15 don't pay these things, what happens, our utilities
16 get turned off. Oh, and then those get passed onto
17 somebody else to pay anyway, 'cause they're not gonna
18 lose any of their cost. Okay.

19 So I strongly oppose this. I strongly
20 call on Public Utilities Commission of Ohio to see
21 that there are serious flaws in both of these riders.
22 The rider 1 being the transportation rider, Rider FRT,
23 and the second being the uncollectible funds riders.
24 That's all for today. Thank you.

25 ATTORNEY EXAMINER: Thank you. We have

1 another gentleman over here.

2 MR. SCHUMACHER: Yes.

3 ATTORNEY EXAMINER: Please raise your
4 right hand.

5 (Sworn by Attorney Examiner)

6 MR. SCHUMACHER: I do.

7 Whereupon,

8 STAN SCHUMACHER

9 of lawful age, a witness herein, having been duly
10 sworn, as hereinafter certified, was examined and
11 testified as follows:

12 ATTORNEY EXAMINER: Name and address.

13 MR. SCHUMACHER: Stan Schumacher. I'm
14 on the other side of the river in St. Clair Township,
15 Trenton, Ohio, 5003 Kennedy Camp Road.

16 ATTORNEY EXAMINER: Are you here on
17 both the electric or the gas case?

18 MR. SCHUMACHER: Probably everything.

19 ATTORNEY EXAMINER: Okay. Go ahead.

20 MR. SCHUMACHER: Water and sewage, I'm
21 probably -- Anyway, what everybody said here, I agree
22 with wholeheartedly. I had no say so on the streetcar
23 whether it's going in or not. That's fine, but now
24 all of a sudden, I'm in a position where I will be
25 affected and all the people in the room will be

1 affected and we have no say so.

2 We heard that large businesses like AK
3 Steel and some of the others, their utilities are
4 going up. Well, across the river there's big brewery,
5 they use so much electricity, I can't believe how
6 much. Now, their prices may go up, but if utilities
7 go up, they may still do okay, because people will be
8 drinking more to forget about the bills they're
9 getting.

10 Okay. Also, the big companies aren't
11 the only ones who's gonna get this increase: Frisch's,
12 Menards, Lowes, Kroger's, Home Depot. Do you think
13 they're gonna eat that utility cost? So, you're not
14 gonna be paying the 24%, you'll be paying the 24 plus,
15 whatever these places pass on. Small restaurants and
16 stuff can't eat this. So we're gonna end up getting
17 it all, and we had no say so.

18 Well, if I'm -- Gonna get some things
19 off my mind since I'm here. The way that bill was
20 proposed and the people voted on it, was a travesty,
21 because to vote -- To get the streetcar stopped, you
22 had to vote, yes, and then yes you wanted the
23 referendum repealed. So many people did not know
24 this. So many people thought "no" meant no streetcar.
25 It should have been something like, do you want the

1 streetcar? Yes or no, then there would have been no
2 doubt about what they voted for; okay. That's it for
3 tonight. Thank you.

4 ATTORNEY EXAMINER: Thank you. Anyone
5 else? Okay. Come on up. Please raise your right
6 hand.

7 (Sworn by Attorney Examiner)

8 MR. LESTER: Yes.

9 ATTORNEY EXAMINER: Thank you.

10 Whereupon,

11 GARY LESTER

12 of lawful age, a witness herein, having been duly
13 sworn, as hereinafter certified, was examined and
14 testified as follows:

15 MR. LESTER: My name is Gary Lester, I
16 live in West Chester, 525 Tylers Crossing. I also run
17 a business in Fairfield. I built a new building,
18 Pleasant Avenue in Fairfield and I watched my electric
19 bill go from \$250.00 a month to over \$600.00 a month
20 from 2004 till now. If it keeps going up, naturally
21 labor rates is got to go up. It don't, it don't stop
22 here, it just goes on and just trickles down. And the
23 way they're trying to do this under the table it's
24 almost like this Obama Care they got, it's just
25 croaked. So, that's all I have to say.

1 ATTORNEY EXAMINER: Thank you. Would
2 anyone else like to give testimony?

3 MR. ORLEDGE: I'll speak.

4 ATTORNEY EXAMINER: Come on up. Please
5 raise your right hand.

6 (Sworn by Attorney Examiner)

7 MR. ORLEDGE: I do.

8 Whereupon,

9 MERRILL ORLEDGE
10 of lawful age, a witness herein, having been duly
11 sworn, as hereinafter certified, was examined and
12 testified as follows:

13 ATTORNEY EXAMINER: Thank you. Name,
14 address and subject matter.

15 MR. ORLEDGE: Merrill Orledge, 2210
16 Rolling Hills Boulevard, Fairfield. Everybody has
17 made a lot of good comments and like I think it
18 unanimous, we don't want this. We have county lines,
19 we have city lines, we have state boarders and we all
20 decide where we want to live, and I decided to live in
21 Butler County because I didn't want to be subject to
22 the moron decisions of the City of Cincinnati and
23 Hamilton County. Now, they make these decisions and
24 they want us to pay for 'em, and that's totally wrong,
25 we've all heard about that and we all agree with that.

1 Another comment a gentleman made back
2 there regarding the Smart meters. I worked in power
3 plants for 23 years in the military and we were the
4 prototype for that model, things that is in the market
5 and vice-versa that the military -- we called it the
6 EMTS. And so it's a remote monitoring device. So we
7 had to remote generators around the bases and stuff,
8 and so we'd see these from remote locations inside the
9 power plants and so we could determine whether the
10 power is off in those areas or whether we lost
11 commercial and the generator picks up, what the oil
12 pressure is and all that stuff.

13 Well, a spokesman for Duke Energy came
14 and spoke to us at another venue and he was telling us
15 that to upgrade grid system and all this stuff, and
16 then he starts talking about the, how these monitoring
17 systems will work, and so I spoke up and I said, "This
18 is not improving the grid system. It's not
19 modernizing the grid system, it's only improving the
20 monitoring of our power usage. And, you know, we
21 still got the same power lines, we still got the same
22 transformers, still got the same substations. If you
23 want to improve our grid system, let's get nuclear
24 power plants up on board, let's get some other type of
25 generator power plant. He was all -- when I was

1 commenting. And what's scaring me is that now they
2 can monitor our power usage, and I told him that my
3 decision and how much power I wanted dictate my
4 wallet, what I'm willing to spend on my electricity,
5 I'll pay for it, but for them to have the power to see
6 what we're doing in our home. And I commend the
7 gentleman for standing for that, and there's another
8 lady that did the same thing, and they did cut her
9 power off, and it was Governor Kasich who stepped up
10 and told 'em to put it back on. So, that's all I've
11 heard about that one. But as far as this electrical
12 and for the Duke Energy, it is a back-door tax.
13 They're trying to come around an out blank us and
14 treat us like ignorant fools; that we're not gonna
15 catch this, and I hope that Ohio catches onto this and
16 stops these government or these companies from going
17 to bed with government entities and giving us a
18 back-door tax.

19 ATTORNEY EXAMINER: Thank you. Anyone
20 else?

21 UNIDENTIFIED PERSON: Had enough yet?

22 ATTORNEY EXAMINER: We can go all
23 night. Last opportunity. All right. Well, seeing no
24 one else, I want to thank everyone for coming out
25 tonight. As I previously stated, this evening's

1 hearing was transcribed and it will be considered by
2 the Commission before they make their final decision.
3 The staff and I and the company we'll stick around for
4 a little while. If you have any questions about the
5 topic of this case or how to file any additional
6 comments. That's all I have. Thank you and have a
7 good evening.

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(At 8:00 p.m., public hearing adjourned)

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1 C E R T I F I C A T E

2

3 STATE OF OHIO :
: SS:
4 COUNTY OF BUTLER :

5

6 I, Terence M. Holmes, a duly qualified
7 and commissioned notary public within and for the
8 State of Ohio, do hereby certify that at the time and
9 place stated herein, and in the presence of the
10 persons named, I recorded in stenotypy and tape
11 recorded the proceedings of the within-captioned
12 matter, and that the foregoing pages constitute a
13 true, correct and complete transcript of the said
14 proceedings.

15 I further certify that I am not
16 counsel, attorney, relative or employee of any of the
17 parties hereto, or their counsel, nor am I financially
18 re in any way interested in the within action.

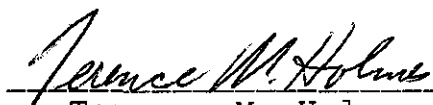
19 IN WITNESS WHEREOF, I have hereunto set
20 my hand at Cincinnati, Ohio, the 1st day of March,
21 2013.

22

23

24 My Commission Expires:
July 28, 2017

25


Terence M. Holmes
Notary Public -State of Ohio