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PUBLIC UTILITIES COMMISSION OF OHIO

PUBLIC HEARING

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CASE NUMBER: 13-2385-EL-SSO

AND

CASE NUMMBER: 13-2386-EL-AAM

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Wednesday, April 30, 2014

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In the Matter of the Application of Ohio
Power Company for Authority to Establish a
standard service Offer Pursuant to R.C. 4923.143
in the Form of an Electric Security Plan, case
No. 13-2385-EL-SSO

In the Matter of the Application of Ohio
Power Company for Approval of Certain Accounting
Authority, Case No. 13-2386-EL-AAM.

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PUCO

1 APPEARANCES

2 Gretta See, Hearing Officer.

3 Asim Haque, Commissioner

4 Edmund "Tad" Berger, OCC

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1 HEARING OFFICER: Good evening. Thank you
2 all for coming out.

3 I would like to get the hearing started.

4 Scheduled for hearing at this day and this
5 time --

6 MALE AUDIENCE MEMBER: Use the mic.

7 HEARING OFFICER: I'm sorry?

8 MALE AUDIENCE MEMBER: Use the mic.

9 HEARING OFFICER: You can't hear me?

10 MALE AUDIENCE MEMBER: No.

11 HEARING OFFICER: Is that better?

12 Okay. Let me start over. Scheduled for
13 hearing at this time before the Public Utilities
14 Commission of Ohio is Case Number 13-2385-EL-SSO
15 entitled In the Matter of the Application of Ohio
16 Power Company for authority to establish a
17 standard for this offer pursuant to Revised Code
18 Section 4928.143 in the matter of a form of an
19 electric security plan, and Case Number 13-2386-
20 EL-AAM entitled, In the Matter of the application
21 of the Ohio Power Company for approval of certain
22 accounting authority.

23 My name is Greta See. I'm an attorney
24 examiner in the legal department. Sitting next
25 to me is Commissioner Asim Haque.

1 Commissioner Haque, do you have a few words?

2 COMMISSIONER: Sure. Thank you, Greta. Good
3 evening and thanks to everybody for joining us at
4 this local public hearing regarding this pending
5 rate case.

6 As Ms. See mentioned, my name is Asim Haque.
7 I'm one of five Commissioners of the Public
8 Utilities Commission of Ohio. I'm a newer
9 Commissioner, appointed in June of last year.
10 And this is actually the first electric security
11 plan case that I will have the opportunity to
12 hear.

13 Despite me being a newer Commissioner, what I
14 know to be fundamentally important in this
15 process is the feedback received through events
16 like this one. For those of you in the crowd,
17 I'm hopeful that there is a body or association
18 representing you in Columbus over at the
19 Commission, whether you're a residential
20 consumer, a small business, a manufacturer, any
21 other commercial enterprise. But a venue like
22 this one, it gives you the opportunity to provide
23 direct feedback to us at the Commission. It is
24 an invaluable part of the rate case process. It
25 is important. It is impactful. And I thank all

1 of you for being here and participating in this
2 process tonight.

3 Ms. See who is one of our very best attorney
4 examiners at the Commission will describe how
5 tonight's hearing will work. And I'll be
6 carefully listening alongside of her. I also
7 wanted to briefly introduce the other staff
8 members of the PUCO who are with us tonight.
9 Jill Coker from the Office of Public Affairs.
10 Lawrence Hampton from our Service Monitoring
11 Enforcement Department. James Lee from our
12 Office of Retail Competition. And my aide, Becky
13 Walker.

14 All of these folks can answer questions for
15 you after the hearing if you decide you don't
16 want to provide formal testimony this evening.
17 Thank you again for joining us, and I'll look
18 forward to hearing your testimony tonight.

19 HEARING OFFICER: At this time I would like
20 to take appearances of the parties on behalf
21 company.

22 MR. SATEROID: Thank you, Your Honor, vice-
23 chairman Haque, on behalf of Ohio Power Company,
24 Matthew Sateroid, 1 Riverside Plaza, Columbus
25 Ohio, 43215. Also with me tonight, I have Gary

1 Spitsnogle, vice president of regulatory and
2 finance. And if I could just add, if anybody has
3 any questions that go beyond the purpose of the
4 hearing, just with their bill or something else,
5 we do have agency representatives in here. Just
6 see us afterwards. We're happy to talk about
7 that.

8 HEARING OFFICER: I would like to note that
9 there are approximately 30 parties that have
10 requested intervention in this proceeding. Those
11 parties represent residential consumers,
12 including low income residential consumers. Also
13 here entering an appearance tonight on behalf of
14 the office of the Ohio Consumer Counsel.

15 MR. BERGER: Yeah. Good evening Your Honor.
16 My name is Edmund Berger. I represent the office
17 of the Ohio Consumer Counsel, 10 West Broad
18 Street, Columbus, Ohio, 43215. I'm happy -- if
19 any consumers have questions regarding the case
20 from a consumer perspective, I'm happy to speak
21 to them after the hearing. Thank you.

22 HEARING OFFICER: Thank you. Are there any
23 counsel for any of the other interveners that are
24 present tonight?

25 Okay. As I initially stated, there are 30

1 parties that have requested intervention in this
2 matter, and they represent not only residential
3 consumers, but commercial customers, industrial
4 customers, inter -- environmental interests, as
5 well as the staff of the Commission will be
6 participating in this hearing.

7 Just a little bit about the application. On
8 December 20th, Ohio Power Company filed and
9 application with the Commission to establish a
10 standard service offer in the form of an electric
11 security plan -- or what we refer to as an ESP --
12 to be effective from June 2015 through May 2018.

13 The Commission scheduled five local public
14 hearings of this -- of one being this one. There
15 was one last night in Columbus. And there will
16 be another hearing in Canton, and one in
17 Marietta, and another during the day in the
18 central Ohio area.

19 The purpose of this evening's hearing is not
20 a public answer session. It is an opportunity
21 for you to tell the Commission what you think
22 about the application that has been filed.

23 Tonight's hearing is being transcribed by a
24 court reporter. If you plan to offer testimony,
25 please speak clearly so that the court report can

1 accurately reflect your comments on the record.
2 If you've prepared a written statement, it would
3 be helpful if you would leave it with the court
4 reporter after you've concluded your testimony.

5 When you arrived, there was a sign-in sheet
6 if you wanted to offer testimony. After the
7 introduction is over, we'll begin going down the
8 list of parties that want to offer testimony.
9 When you come forward, you will be asked to
10 affirm that the information you're giving is
11 true, and to state and spell your name for the
12 record, as well as give your address.

13 Your testimony will be considered part of the
14 official record in this case and will be reviewed
15 not only by Commissioner Haque, but the other
16 Commissioners.

17 Additionally, counsel for the parties that
18 are present, in this case, the company and OCC,
19 and I and Commissioner Haque will have an
20 opportunity to ask you questions to clarify your
21 comments.

22 If you decide after I call your name that you
23 no longer want to offer testimony, you can merely
24 indicate that you pass.

25 The Commission appreciates you giving up your

1 evening and coming out.

2 Are there any questions about the process
3 tonight?

4 If there aren't any, well start with the
5 witnesses. First name I have is Mr. James
6 Handle. And forgive me if I mispronounce your
7 name. James T. Handle.

8 MR. HANDLE: Well, if it's the first one on
9 the list, it may be my name. And I just simply
10 registered as present. I do not offer comments
11 at this time.

12 HEARING OFFICER: Okay. The other witness I
13 have on the list is a Jeff Sprague.

14 MR. SPRAGUE: Sprague.

15 HEARING OFFICER: Mr. Sprague, would you
16 raise your right hand, please?

17 - - - - -

18 JEFF SPRAGUE

19 After having been first duly affirmed, as hereinafter
20 certified, was examined and testified as follows:

21 - - - - -

22 HEARING OFFICER: Thank you. Please state
23 and spell your name for the record, and give us
24 your address.

25 MR. SPRAGUE: Jeff Sprague, S-P-R-A-G-U-E.

1 144 South Main Street, Lima, Ohio, 45801.

2 Thank you for the opportunity to give my
3 testimony tonight. I represent the Allen
4 Economic Development Group that has a strong
5 partnership with AEP.

6 The Allen Economic Development Group is the
7 leading economic development agency for Allen
8 County. As the leading economic development
9 agency, we work to attract new business to our
10 community, along with retaining and growing our
11 existing business.

12 Economic development is a competitive
13 business where companies are enticed by states
14 and communities with aggressive incentives and
15 infrastructure.

16 AEP has been and continues to be an important
17 partner in economic development. AEP works
18 closely with the Allen Economic Development Group
19 to assist companies with their electric
20 infrastructure. Working in partnership, we have
21 jointly met with a number of companies in Allen
22 County to assist with their electrical
23 questions. AEP has always been responsive and
24 supportive of our efforts.

25 I can reference several examples of AEP's

1 direct involvement with economic development over
2 the past several months. One of our smaller
3 companies was looking at a potential new
4 location. The building of interest lacked the
5 electrical infrastructure needed to run the new
6 equipment. AEP was willing to map out a cost-
7 effective approach to upgrade the electric supply
8 while finding a pricing model that worked for the
9 customer. My second example involves three AEP
10 representatives. We are in the process of
11 helping a company decide on purchasing an
12 existing building in Allen County and moving
13 their operations here. The building contained a
14 number of electrical feeds. AEP's professional
15 staff looked into the historical data associated
16 with the building, drafted several proposals for
17 the customer and offered several incentives to
18 help bring the building up to current capacity.
19 This involvement helped bring new jobs to our
20 community, along with the capital investment
21 within the facility.

22 Economic Development is a competitive and
23 global business. The electric security plan
24 supports several critical items. As we try to
25 protect and grow the high quality jobs in Allen

1 County, the cost of electricity is the key
2 component. AEP Ohio customers will see a
3 decrease in the rates over the next three years
4 after this plan. This is important for our local
5 economy. Also, the continuation of the energy
6 efficiency in economic development riders are key
7 for current and future economic development
8 efforts.

9 A number of companies in Allen County have
10 taken advantage of these programs as they compete
11 globally to bring jobs into our community.

12 Finally, I would like to reference an area of
13 focus for AEP, creating new jobs with the focus
14 on military veterans. To deliver a good quality
15 product, a company must have been good
16 employees. AEP is no different. AEP has
17 identified the need to hire and train skilled
18 individuals. I commend them for their focus on
19 our military veteran. In closing now, the
20 Economic Development Group supports AEP's Ohio
21 Electric Security Plan. Thank you.

22 HEARING OFFICER: Any cross-examination for
23 the witness?

24 MR. SATEROID: No, thank you, Your Honor.

25 MR. BERGER: No, thank you, Your Honor.

1 HEARING OFFICER: Thank you very much.

2 Next witness is Jed Metzger.

3 MR. METZGER: Yes. Metzger.

4 - - - - -

5 JED METZGER,

6 After having been first duly sworn, as hereinafter
7 certified, was examined and testified as follows:

8 - - - - -

9 HEARING OFFICER: State and spell your name
10 for the record.

11 MR. METZGER: Jed Metzger, J-E-D,
12 M-E-T-Z-G-E-R.

13 HEARING OFFICER: And provide us your
14 address.

15 MR. METZGER: President seat of the Lima
16 Allen County Chamber. 144 South Main Street,
17 Lima, Ohio, 45801.

18 HEARING OFFICER: Go ahead.

19 MR. METZGER: Okay. Your Honor, AEP has been
20 a very good neighbor by providing the personnel
21 to attend not only the chamber meetings, but to
22 answer questions on current and future energy
23 needs and concerns. AEP continually supports
24 local businesses through, not only community
25 events, but has been a strong supporter of Allen

1 County as a whole.

2 Please allow me to add the Lima Allen County
3 Chamber of Commerce support to the growing number
4 of communities, organizations and individuals
5 speaking out in favor of AEP Ohio's Modified
6 Electric Security Plan.

7 It is my understanding that the purpose of
8 filing the ESP early will allow AEP Ohio to share
9 auction strategies and timing with competitive
10 retail electric service providers and others so
11 that they have additional time to develop more
12 offers that benefit the consumers and to fulfill
13 PUCO's objective for a full transition to the
14 market-based rates and generation supply.

15 The plan also supports, as my understanding,
16 AEP's efforts to improve the reliability while
17 lowering the overall electric costs.

18 The ESP will continue the distribution
19 investment rider and enhance service reliability
20 riders for the increase of reliability and
21 continued vegetation management. The ESP also
22 provides approval for the sustained and skilled
23 workforce rider to allow the company to recover
24 incremental costs associated with the creation of
25 new jobs, with a focus on hiring military

1 veterans.

2 AEP has been a strong community partner and
3 works to help provide job growth and business
4 retention in our community, both vital in
5 assuring the health and vibrancy of our
6 community. The company's recent ESP is a
7 compromise that provides the clarity and
8 direction for the company and its customers,
9 while providing much needed and -- much needed
10 certainty around critical public policy.

11 Overall, it is a plan that enhances the
12 retail shopping, promotes economic development,
13 asset investment and an orderly transition to
14 fully market-based generation rates.

15 AEP continues to be an integral part of the
16 Lima/Allen County communities, as well the
17 region, which is an important asset to businesses
18 and the entire community.

19 The Lima/Allen County Chamber of Commerce
20 supports AEP Ohio's Electric Security Plan as
21 proposed with the PUCO. Thank you.

22 HEARING OFFICER: Any cross for this
23 witness? Mr. Sateroid?

24 MR. SATEROID: No, thank you, Your Honor.

25 HEARING OFFICER: Mr. Berger?

1 MR. BERGER: No, thank you, Your Honor.

2 HEARING OFFICER: Thank you very much.

3 Mr. Handle did you wish to give testimony?

4 Is there anyone else present that wishes to
5 offer testimony tonight?

6 Please step forward, sir. Your name, please?

7 MR. SKINNER: Tim Skinner.

8 - - - - -

9 TIM SKINNER,

10 After having been first duly affirmed, as hereinafter
11 certified, was examined and testified as follows:

12 - - - - -

13 HEARING OFFICER: Please state and spell your
14 name for the record and give us your address.

15 MR. SKINNER: Tim Skinner, S-K-I-N-N-E-R.
16 Address is 1115 Fett Avenue, Lima, Ohio, 45801.

17 HEARING OFFICER: Could you spell "Fett" for
18 us?

19 MR. SKINNER: F-E-T-T.

20 HEARING OFFICER: Thank you?

21 MR. FETT: Thank you. I am currently serving
22 as the business agent of Sprinkler Fitters Local
23 Union 669, representing over 1,000 Sprinkler
24 Fitters in the State of Ohio, and also serve as
25 trustee on the Lima Construction Building Trades

1 Council for the Allen County area, representing
2 thousands of construction workers in area, also.

3 In our relationship with AEP we've always had
4 a great relationship and found them to be a good
5 community partner and neighbors. Their plants
6 across the State of Ohio provide thousands of
7 construction -- good paying construction and
8 maintenance jobs, employing my members and our
9 neighbors here in the area, and provide our
10 community with the needed economic development.
11 That being said, on behalf of myself, Sprinkler
12 Fitters throughout Ohio, and construction workers
13 in the Allen County area, we stand in support of
14 the ESP.

15 HEARING OFFICER: Any cross for this witness?

16 MR SATEROID: No, thank you.

17 MR. BERGER: No, thank you.

18 HEARING OFFICER: Thank you very much.

19 Is there anyone else present that wishes to
20 offer testimony? If that's all --

21 COMMISSIONER HAQUE: Thanks to all of you
22 that provided testimony. Thanks if you just came
23 and wanted to observe, thank you for that as
24 well. Again, this is an extremely important part
25 of the process. The testimony that is provided

1 here, as Attorney Greta See stated, becomes part
2 of the record for our review in the -- whether
3 the case goes to hearing or settling or whatever
4 it may be, this is now part of a record of the
5 case. And again, we're very, very grateful to
6 have you come and testify, and we're grateful to
7 the City of Lima for hosting us today. So thank
8 you very much.

9 HEARING OFFICER: With that, the hearing is
10 adjourned. Thank you.

11 - - - - -

12 (Hearing adjourned at 6:21 p.m.)

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1 The State of Ohio,)
) SS: CERTIFICATE
2 County of Cuyahoga.)

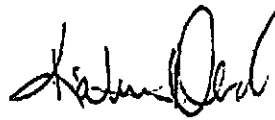
3 I, Katrina L. Dearborn, Notary Public within
4 and for the State of Ohio, duly commissioned and
5 qualified, do hereby certify that the within-
6 named witnesses were first duly sworn to testify
7 the truth, the whole truth, and nothing but the
8 truth in the cause aforesaid; that the testimony
9 then given by him/her was by me reduced to
10 stenotypy in the presence of said witnesses,
11 afterwards transcribed on a computer, and that
12 the foregoing is a true and correct transcript of
13 the testimony so given by him/her as aforesaid.

9 I do further certify that this arbitration
10 was taken at the time and place in the foregoing
11 caption specified and was completed without
12 adjournment.

11 I do further certify that I am not a
12 relative, employee of, or attorney for any of the
13 parties in the above-captioned action; I am not a
14 relative or employee of an attorney for any of
15 the parties in the above-captioned action; I am
16 not financially interested in the action; I am
17 not, nor is the court reporting firm with which I
18 am affiliated, under a contract as defined in
19 Civil Rule 28(D); nor am I otherwise interested
20 in the event of this action.

17 IN WITNESS WHEREOF I have hereunto set my
18 hand and affixed my seal of office at Cleveland,
19 Ohio on this 12th day of May, 2014.

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Katrina L. Dearborn, Notary Public
In and for the State of Ohio.
my commission expires 11-02-15.