

PUBLIC SERVICE COMMISSION

OF WEST VIRGINIA

CHARLESTON

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MONONGAHELA POWER COMPANY and*

THE POTOMAC EDISON COMPANY * 17-0296-E-PC

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HEARING TRANSCRIPT

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BEFORE: MICHAEL ALBERT,

Chairman

HEARING: Wednesday, September 6, 2017

6:00 p.m.

LOCATION: Parkersburg Municipal Building

Council Chambers

3rd and Avery Streets

Parkersburg WV

Reporter: Jordan Barry

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P R O C E E D I N G S

CHAIRMAN:

Good evening. My name is Mike Albert. I'm Chairman of the Public Service Commission of West Virginia. We're here this evening to take comment in a case captioned PSC Case Number 17-0296-E-PC. That case is Monongahela Power Company, Potomac Edison Company, Petition for Approval of Generation Resource Transaction and Related Relief.

This case involves a proposal filed by Monongahela Power, Potomac Edison for approval to purchase Pleasants Power Station from AE Supply for \$195 million. The Companies have requested a temporary transaction surcharge be implemented as a proposal of this transaction, if the transaction's approved, that will remain in place until new base rates are implemented.

In addition to that surcharge, the Companies propose an offset of what's called an EEC, which is a charge decrease, until the next EEC adjustment is expected in January of 2019. If approved, the Company seeks regs be implemented at the closing for the sale of transaction that would result in a net decrease of 1.6 percent by the offset of the surcharge to be expected in

1 the EEC increase.

2 We have already granted intervenor
3 status to any number of parties. Our own Consumer
4 Advocate Division is a party. The West Virginia Users
5 Group, West Virginia Solar United Neighborhoods, West
6 Virginia Citizens Action Group, Longview Power, LLC,
7 Sierra Club, Harrison County Power, LLC and Brooke County
8 Power, LLC, the West Virginia Business and Industry
9 Council.

10 Today this case has generated a great
11 deal of publicity and comment. We've received 995
12 signatures in the form of protestors to the transfer, 36
13 signatures in support. Those have come by petitions,
14 faxed letters, online letters and form letters. There
15 are any number of ways you can voice your position on
16 this with the Commission. And those are all --- can be
17 accessed throughout our website.

18 I want to stress one thing. This is
19 not an evidentiary hearing. It's public comment and
20 we're here to listen to your comments. This is not,
21 however, time or place to ask questions of the
22 representatives of the parties on the record. That is
23 done at our evidentiary hearing.

24 If you wish to ask questions, the
25 Commission Staff and the utility representatives here

1 tonight may be willing to answer your questions on an
2 informal basis after the formal comment period this
3 evening. I am aware that Mon Power has a room of
4 customer service representatives, which I think is out
5 that door to discuss any billing problems and other
6 inquiries not necessarily related to Pleasants Power
7 Station or other matters you want to discuss. You can
8 avail yourself for that opportunity as well.

9 If something is raised by public
10 comments that are not addressed in or that need clarified
11 at the hearing, we may ask the utility to address that
12 issue at a later evidentiary hearing. We will do that.
13 We can say what that hearing's about. These hearings are
14 about concerns that you have, particularly concerns that
15 may not be addressed in --- in some of the testimony that
16 was filed.

17 And there is a lot of testimony filed.
18 This case will generate --- probably all total the
19 transcripts from the hearing I know will be 4,000, 5,000
20 pages when all is said and done. We may --- we may be
21 there now. At this time I'm going to ask several of the
22 Counsel that I recognize to introduce themselves. And if
23 they care to introduce anybody else that's with them,
24 they can do that. Bob, you want to start?

25 ATTORNEY COMPTON:

1 Sure. Mr. Chairman, ladies and
2 gentlemen, my name is Robert Compton. I'm a Staff
3 attorney with the legal division of the Public Service
4 Commission. With me tonight is Jack Clark, also a Staff
5 attorney. And we're here to participate and help out in
6 any way we can and we look forward to hearing what you
7 have to say.

8 CHAIRMAN:

9 Mr. Lipscomb?

10 ATTORNEY LIPSCOMB:

11 Thank you, Mr. Chairman. My name's
12 Bobby Lipscomb. I'm an attorney with the Consumer
13 Advocate Division and we're charged by the statute with
14 representing residential ratepayers. And so I'm here
15 tonight to listen and to help out any way I can. Thank
16 you.

17 CHAIRMAN:

18 Mr. Jack.

19 ATTORNEY JACK:

20 Good evening, Mr. Chairman and
21 everyone. My name is Gary Jack. I'm an in-house counsel
22 for Mon Power and Potomac Edison located in Fairmont,
23 West Virginia. With me tonight is Holly Kauffman. She
24 is President of Mon Power located in Fairmont as well.
25 And I have a number of other employees and

1 representatives from Mon Power here as well. Thank you.

2 CHAIRMAN:

3 Let me say by way of further comments
4 that if you already filed a written protest, that's the
5 same as or as good as making a statement. If you want to
6 make a statement, that's fine.

7 We're not --- we're not suggesting that
8 you cannot do that. What we are saying is if you make a
9 statement before the Commission, if you have filed a
10 protest letter, petition or whatever, but we have ---
11 there is a substantial list of folks who have indicated
12 they want to speak.

13 So we'll --- we'll go through that. I
14 will --- again, I want to remind everybody that we're
15 only taking comments of members of the public. If you're
16 a member of a group that is an intervenor in the case,
17 you're not permitted to make comments at this hearing.
18 That gets a little squirrely on occasion, but --- but
19 basically, if you are an intervenor, your rights are as
20 set by our rules.

21 You can participate in the hearing,
22 submit testimony, cross examine, write briefs and do a
23 lot of things that protestants are not entitled to do.
24 So --- and as a part of that, you're entitled to submit
25 evidentiary testimony in the hearing. So our feeling is

1 that if you need not and should not be permitted to make
2 public statements at these public statement hearings.

3 We've got a large crowd. We got quite
4 a number of people who have indicated they want to speak.
5 Let me just take a couple more minutes and set sort of
6 the ground rules. As the first matter, turn off your
7 cell phones, silence them, put them on vibrate, whatever
8 you need to do. If you get a call or you're compelled to
9 make a call, please leave the room to do so.

10 We want to hear as many people as
11 possible that would like to speak, but again, we --- we
12 would encourage you to be brief and as precise as you
13 possibly can. You will see up here a clock. We have
14 through experience of many, many of these hearings
15 concluded that three minutes is enough time for most
16 folks to make their comments.

17 We don't have a trapdoor that's going
18 to spring open if the clock runs down and you haven't
19 finished, but I will encourage you to be --- remember
20 that there are lots of people here who also want to
21 speak.

22 This young lady over here is our court
23 reporter and has a very difficult time. She not only
24 must record everything we say, she's got to identify who
25 the people are that are saying it and take down comments

1 from me, comments from the people making the
2 presentations and otherwise keep track of the record to
3 make a meaningful and accurate record. I say that just
4 to tell you that obviously she cannot take down comments
5 by more than one person at a time. She's good, but she's
6 not that good.

7 She cannot transcribe these proceedings
8 if there's talking, laughing or otherwise making comments
9 and noises. This is our courtroom. Please remember
10 that. We don't --- we don't need applause. This is ---
11 we just need statements. I know there's --- sometimes
12 there's enthusiasm, but all that does is drag things out
13 and it's --- it's not necessary.

14 It's not in the record. It isn't going
15 to convince me one way or the other, so it isn't
16 necessary. This is not America's Favorite Video, or The
17 Gong Show or anything. Applause doesn't count, so just
18 --- I know there's temptation on occasion when somebody
19 says something you agree with and say, oh, yeah.

20 The way we will proceed is I'm just
21 going to take these names as they signed up, which is
22 basically the way I think you came in the door. If you
23 hear your name, please come forward to the microphone.
24 When you get to the witness stand or the microphone, I'd
25 ask you to state your full name, spell your last name.

1 There's lots of ways to spell --- to spell different
2 names. Wagner can be G-O-N-E-R, Smith can be with a ---
3 with a Y, so just spell your name for the court reporter
4 so she can get it down accurately.

5 You need to speak clearly into the
6 microphone. You'll be able to tell if you're in the
7 microphone because you'll hear yourself, so that's ---
8 that the microphone is on and you're being heard. And
9 also, the court reporter will be able to hear everybody
10 and the statements that are made.

11 If you have not yet signed up and wish
12 to speak, you can raise your hand and our clerk will come
13 and hand you the sign-up sheet. All right. With that
14 and with the idea of getting through as many of these as
15 we can, we'll go ahead and start down the list. The
16 first name is Jeff Herholdt. Mr. Herholdt.

17 MR. HERHOLDT:

18 Thank you very much. Again, the
19 spelling of the last name is H-E-R-H-O-L-D-T. I've been
20 Jeff Herholdt formally with the West Virginia Division of
21 Energy. I no longer have that job responsibility. I was
22 formerly with West Virginia Division of Energy --- and I
23 understand what you're saying about the microphone.

24 I'm here speaking in support of the
25 asset purchase. Pleasants Power Station has a capacity

1 of 1,368 megawatts. It's the fourth largest West
2 Virginia's --- of West Virginia's nine coal-fired power
3 plants. Six West Virginia plants have aggregate capacity
4 of 1,800 megawatts were closed within the last several
5 years due to Mercury and Air Toxic Standards as enforced
6 by the U.S. Environmental Protection Agency.

7 From 2012 to 2016 natural gas midstream
8 plants added 1.1 million megawatts of hours of demand
9 representing a 19 percent increase of Mon Power's
10 industrial sales. Pleasants Power Station was
11 responsible for \$297 million worth of output via direct
12 expenditures to the West Virginia economy. Pleasants
13 Power currently supports 600 jobs representing \$42.8
14 million in employee compensation.

15 Today's useful life --- today's useful
16 life of the Pleasants Station is beyond 20 years. Mon
17 Power predicts that electric production deficiency is
18 1,005 megawatts by 2020 assuming the sale or interests of
19 the Fayette County hydric property. This deficit is to
20 grow 1,449 megawatts by 2027. This forecast was earlier
21 provided to the PSC via the submission of Mon Power's
22 integrated resource property.

23 Mon Power sold its interest to
24 Pleasants Station --- sold its interest in Pleasants
25 Station to Allegheny Supply for \$1,733 per megawatt ---

1 per kilowatt, excuse me, in 2013. Mon Power is now
2 looking to buy the plant back for \$450 per kilowatt.
3 This is roughly 20 percent of what the plant sold for.
4 And another dynamic is the energy sector in West Virginia
5 is PJM. PJM stands for Pennsylvania, Jersey, Maryland.

6 It's our grid initiating with three
7 states. Pennsylvania and Virginia are forming a grid.
8 That grid now goes from New Jersey to Michigan. PJM ---
9 PJM is the regional administrator of our West Virginia's
10 electric grid. They are responsible for wholesale
11 transmission and sale of electricity from New Jersey to
12 Michigan.

13 West Virginia is a major net seller
14 into the PJM. PJM is predicting that by 2018, 120 coal
15 power generation plants will close due to EPA standards
16 in the PJM region. Again, PJM region is Michigan to
17 Maryland. 120 plants will be closing. This represents a
18 generation loss of 12,500 megawatts. The six power
19 plants that will close in West Virginia totaling 1,800
20 megawatts represents 14 percent of this total.

21 And in these six plants that close also
22 represent 20 percent of West Virginia's electric
23 generation capacity, but when we look at closures, the
24 other side of the coin is certainly what new generation
25 are we bringing online. There was two within the PJM

1 grid, you can look on the internet and see, new power
2 plants that are coming online and what is their time.

3 And Pennsylvania would have 1,660
4 megawatts of natural gas plants coming online. By 2020
5 Ohio has 895 megawatts of natural gas --- 885 megawatts
6 --- excuse me, 885 megawatts solar. Virginia 326
7 megawatts sold. The total is --- the total base load
8 capacity that is coming --- that is predicted to come on
9 new generation in our regional grid by 2020 is 2,555
10 megawatts.

11 Pleasants generation capacity equals 54
12 percent of the new base load power being brought online
13 in our region. Regional grid sufficiency is another
14 important reason for the approval of the Mon Power
15 purchase of the Pleasants Power Station. Thank you.

16 CHAIRMAN:

17 Thank you, sir. Carl Guphrie.

18 MR. GUPHRIE:

19 Thank you, Mr. Chairman. My name is
20 Carl Guphrie. Last name is spelled G-U-P-H-R-I-E. I'm
21 speaking in support. Thank you for the opportunity to
22 express our support for Mon Power's petition to purchase
23 the Pleasants Power Plant from Allegheny Energy Supply.

24 As Executive Director of Pleasants
25 County Development Authority, we support this transaction

1 since it is a total win for our county and the whole
2 State of West Virginia. Not only will it preserve around
3 240 jobs and provide not only for their families, but
4 also it's a major impact on our local businesses. It is
5 the largest taxpaying entity in our county which helps
6 support our --- our county government as well as our
7 education system and goals.

8 The 3.4 million tons of coal per year
9 that it consumes not only provides much needed coal
10 service tax revenues, but it also helps preserve West
11 Virginia's coal industry. According to the latest energy
12 forecast, Mon Power will need to increase its power
13 output by 1,400 megawatts in the next 10 years to meet
14 the energy demands of its customers.

15 Pleasants Power produces 1,300
16 megawatts, which is sold, in agreement it cannot be sold
17 directly to West Virginia customers. The approval of
18 this transaction would allow this power to be used to
19 power West Virginia homes and businesses.

20 As Mon Power's PSC filing illustrates,
21 this transaction will not only allow the utility to meet
22 the growing demand for consumer needs for the foreseeable
23 future at a lower cost to the customers from day to day,
24 but it also secures a continuing operation of a first
25 rate facility that's already received millions of dollars

1 in upgrades to meet the latest environmental standards.

2 We believe West Virginia should do
3 everything in its power to preserve and provide access to
4 affordable, reliable electricity. We encourage the PSC
5 to approve Mon Power's request to purchase Pleasants
6 Power Station. Thank you.

7 CHAIRMAN:

8 Thank you, Mr. Guphrie. Eric Engle.

9 MR. ENGLE:

10 Good evening. My name is Eric Engle.
11 Last name is spelled E-N-G-L-E. I'm a resident of the
12 City of Parkersburg and a ratepayer to Mon Power. I want
13 to thank the Public Service Commission for holding this
14 hearing and listening to our concerns as West Virginia
15 citizens.

16 I'm here this evening because I am
17 opposed to the purchase of the Pleasants Power Plant by
18 Ohio based First Energy's subsidiaries Mon Power and
19 Potomac Edison, from another FirstEnergy subsidiary
20 Allegheny Energy Supply.

21 This deal will cost the average
22 residential household in the applicable areas of West
23 Virginia a total of \$69 more per year for the next 15
24 years, a present value --- excuse me, a present value
25 loss of \$470 million for a total of 552,000 West Virginia

1 ratepayers in the applicable areas. The acquisition of
2 the Harrison power plant four years ago has already cost
3 these same ratepayers more than \$160 million so far.

4 I share the concern of others in the
5 Mid-Ohio Valley that approximately 190 workers, as I
6 understand it, would lose their jobs if the Pleasants
7 Power Plant were to close down, which is not a certainty,
8 because of lack of the sale, but we have to compare the
9 potential loss of approximately 190 jobs of highly-
10 skilled and well-trained workers to the increased rates
11 of over half a million ratepayers in a state whose
12 economy is in dire straits like West Virginia.

13 This transfer from the Ohio unregulated
14 energy market to the West Virginia regulated energy
15 market is about maintaining profitability for the
16 Executives and Board of First Energy. It is not about
17 what is best for those who receive services from First
18 Energy's subsidiaries in West Virginia. I humbly ask
19 that the Public Service Commission see this transfer for
20 what it is, a bad deal for West Virginia's Mon Power and
21 Potomac Edison customers. Please vote no on this
22 transfer. Thank you.

23 CHAIRMAN:

24 Thank you, Mr. Engle. Jean Ambrose.

25 MS. AMBROSE:

1 Thank you so much, Commissioner Albert,
2 for coming up from Charleston. It's so appreciated and
3 I'm standing here as a Mon Power customer. My name is
4 Jean Ambrose, A-M-B-R-O-S-E, and I am opposed to the
5 sale. I live in a rural part of Wood County and our
6 electrical service is not very good. I'm not criticizing
7 the linemen and all of the hardworking people of Mon
8 Power, but the facts remain is that I've lost power twice
9 in the last eight weeks for a day.

10 Every time it's windy, we have to reset
11 all our clocks and all this. It's a fact of our life.
12 Now, we understand that people in a rural area pay more
13 for utilities because there aren't enough customers to
14 make a profit, but it means that we already pay a premium
15 for our service compared to what we pay in Charleston for
16 service that just isn't very good.

17 As a rural person, I'm looking to the
18 PSC to think about us struggling to have a good life that
19 allows us to participate in modern internet technologies.
20 We need you to create policies and incentives to adopt
21 technologies that would increase the reliability and
22 sustainability of our electrical grid. What are the
23 technologies that are being tried around the country and
24 around the world in rural areas?

25 Your mission statement says you want to

1 be a nationally recognized leader in utilities regulation
2 and you want to improve the standard of living and
3 quality of life for the people of West Virginia. So why
4 was there a narrow bid process that was stacked to ensure
5 predetermined results and will be an anchor around our
6 necks as we try to transition to the energy systems of
7 the future?

8 I have tried very hard to understand
9 this transaction and for the life of me I don't see that
10 it's bringing smarter technology or better maintenance to
11 my electrical service, which I need it every day. This
12 sale is going to tie up Mon Power's resources for years
13 to come and it's going to tie our region to supporting an
14 aging plant when everyone around us is switching to
15 natural gas and increasing their renewables to generate
16 electricity.

17 As has already been said, we're already
18 suffering from increases due to the bad decision to
19 approve the Harrison power plant. What might an open,
20 competitive bid process have produced to create that new
21 capacity that everybody is talking about First Energy
22 needs? I'm voluntarily paying an extra \$5 a month to
23 have my electricity come from renewables and I know a lot
24 of people are doing the same thing.

25 I would gladly pay a premium to Mon

1 Power if they were using their resources to fund a
2 transition to the electrical system of the future as a
3 partner of the PSC and our public utility so that West
4 Virginia could be a nationally recognized leader, but
5 this is money down a rat hole.

6 There should be no approval of this
7 sale until there's been a process with intent to move us
8 into the 21st century, something that we could all be
9 proud of instead of something that to me really looks
10 like crummy capitalism. Thank you, sir.

11 CHAIRMAN:

12 Kim Kramer.

13 MS. KRAMER:

14 My name is Kim Kramer and I live in
15 Parkersburg. Last name is spelled K-R-A-M-E-R. I would
16 very much like to thank you for holding this public
17 hearing in our region, which is directly affected by the
18 proposal of this sale/purchase of the Willow Island
19 facility in Pleasants County. I'm speaking out against
20 your potential approval of this sale.

21 One disarming aspect of this request is
22 that the cost and any losses will be borne by consumers
23 and investors who are promised earnings will assume no
24 risk. This is ludicrous. This is like saying what's
25 mine is mine and what's yours is mine. When any of us

1 invest we know that we will share in the profits. We
2 also know that we must share in losses that may be
3 incurred. Sometimes our retirement earnings are good,
4 and some quarters and years there is a loss. Why should
5 this not hold true for this sale?

6 The Harrison Power Plant was approved
7 under this exact type of transaction that's being
8 proposed and has already cost their consumers \$160
9 million increase in rates, and it's still increasing.
10 The estimate of the rate increases for this plant's
11 purchase is conservatively estimated to be at least \$470
12 million. I reviewed my last two electric bills which
13 totaled \$300 for a very small and modest home, and I'm a
14 very conscious conserver of energy.

15 In spite of all I do, this is what I
16 must pay. Nowhere in this proposal do I see a benefit,
17 not to cost savings, or better delivery of services or
18 improvement of the grid. I see a plant that is outdated
19 being sold in a scheme to line the pockets of a few with
20 short-term profits at the great expense of many. This is
21 a Hail Mary, last minute money grab of this inefficient
22 and outmoded plant. And I urge you to please not approve
23 it. Thank you.

24 CHAIRMAN:

25 Thank you, Ms. Kramer. Cindy Taylor.

1 MS. TAYLOR:

2 I'm Cindy Taylor, T-A-Y-L-O-R. Am I
3 doing okay?

4 CHAIRMAN:

5 You're doing fine.

6 MS. TAYLOR:

7 Okay. Commissioner Albert, I'm pleased
8 that you came to our region and are giving me the
9 opportunity to more fully understand the decisions that
10 lay ahead for your Public Service Commission regarding
11 the Pleasants Power Plant. I've carefully reviewed the
12 assessments of the situation and I urge you to look at
13 the outcomes for the consumers of today and in the
14 future.

15 The purchase of this failing, outdated
16 coal power plant is not in the best interest of the
17 consumers who have to bear the financial burden in a bad
18 decision. As a Mon Power customer, I oppose this sale.

19 It's clear to me that First Energy is
20 seeking to maximize profits at the expense of West
21 Virginia customers. It's simply a corporate bailout.
22 There are alternatives, including the use of clean energy
23 that offer a better outcome for the economy, health and
24 well-being of West Virginia citizens. Please consider
25 them carefully.

1 The public relies on your decision that
2 will impact us for many years to come. According to the
3 values statement on the website, the Public Service
4 Commission strives for consumers to receive the best
5 value in utility service from financially viable and
6 technically competent companies. Please do not approve
7 this sale.

8 CHAIRMAN:

9 Thank you. Giulia Mannaria. Is that
10 right?

11 MS. MANNARIA:

12 Mr. Chairman, welcome to Wood County.
13 Thank you for being here in Parkersburg. My name is
14 Giulia Mannaria. The first name is spelled G-I-U-L-I-A.
15 The last name is M-A-N-N-A-R-I-A. I am a Mon Power
16 customer living in Belleville, West Virginia.

17 I oppose the proposed transfer of First
18 Energy Corporation's Pleasants Power Plant to West
19 Virginia subsidiaries Mon Power Potomac Edison. I don't
20 believe the transfer is in the public interest. It seems
21 to be for the benefit of First Energy shareholders rather
22 than utility customers like me.

23 I don't quite know the particulars, but
24 because of rules governing West Virginia utilities
25 transferring ownership from an unregulated subsidiary in

1 Ohio to regulated subsidiaries in West Virginia somehow
2 guarantees the Ohio shareholders will make a profit while
3 West Virginia customers are saddled with the costs of the
4 power plant's continued operation as well as the
5 reliability of the coal action. I say saddled with the
6 costs because it's my understanding this plant is
7 struggling.

8 It is old, it's expensive to run, it is
9 uncompetitive in today's energy market as well as future
10 energy markets. Investing ratepayers' dollars in a giant
11 and aging coal plant exposes them to financially
12 unacceptable risks. We have an example of what will most
13 likely happen in October 2013, PSC approved a sale by
14 First Energy Corporation of the Harrison power plant to
15 Mon Power Potomac Edison.

16 In the long run, the sale is, as
17 customers and a couple other speakers have already
18 mentioned, that \$160 million loss, and customers are
19 expected to continue losing money for decades into the
20 future. I'm certain we will also see rates rise in the
21 coming years as a result of this sale.

22 As a senior citizen on a limited and
23 fixed income and living in a house that is totally
24 electric, I'm very concerned about what effect this sale
25 will have on my electric rates. I'm aware that First

1 Energy submitted information which predicted an extensive
2 demand flow and a shortfall generation capacity in the
3 coming decade.

4 However, this shortfall only occurs if
5 First Energy actually sees demand grow by more than two
6 percent each year. Also, according to an independent
7 energy and economics consulting firm that evaluated this
8 proposed sale, First Energy relied on questionable gas
9 coal and energy price consumptions rather than more
10 reasonable ones. First Energy's narrow set of criteria
11 shows a bias for their predetermined goal of transferring
12 the plant.

13 Even if demands will increase, it is
14 less financially risky to their customers to purchase
15 capacity as needed on the market. Also, there are many
16 other ways that First Energy can minimize demand growth
17 including demand response technology, energy efficiency
18 programs and investment into renewables like solar, wind
19 and biomass.

20 These are viable and necessary
21 alternatives. Finally, an aggressive energy efficiency
22 program could reduce power demand by 1.2 percent per
23 year, according to a 2012 analysis. It is the cheapest
24 and simplest way to minimize energy demand growth. In
25 addition to saving customers money, energy efficiency

1 programs create jobs and business opportunities. Rather
2 than spending \$195 million on another dirty, coal-fired
3 power plant, First Energy should be working to build a
4 more sustainable clean energy economy even here in West
5 Virginia.

6 No, Mon Power or Potomac Edison
7 customers are going to lose electrical service if we
8 don't buy this expensive, dirty power plant, but given
9 past experience, First Energy customers will pay more for
10 their electrical service in the long run if the sale is
11 made.

12 The PSC's mission statement of
13 increasing West Virginia's economic competitiveness as well
14 as their mission statement of improving the standard of
15 living and quality of life for the people in West
16 Virginia will best be served by rejecting the proposed
17 transfer. Thank you, sir.

18 CHAIRMAN:

19 Thank you, ma'am. John Fitzpatrick.

20 MR. FITZPATRICK:

21 Thank you, Chairman. Fitzpatrick,
22 F-I-T-Z-P-A-T-R-I-C-K. My name's John Fitzpatrick and I
23 am the Mayor of the City of Belmont in Pleasants County.
24 It is not often that a small-town mayor can speak to an
25 issue of statewide importance, but that is exactly what

1 Pleasants Power Station means to our community and to the
2 entire State of West Virginia.

3 Belmont is a small city, but we have
4 plenty to offer, our schools, beautiful scenery and
5 wonderful neighbors. We value our quality of life and
6 that includes low cost energy. Mon Power has shown that
7 it needs more capacity to meet customer energy needs in
8 years to come. The Pleasants Power Station is clearly
9 the most cost effective purchase available to provide
10 continued access to reliable, affordable electricity.

11 We need this not just for our local
12 homes, but for industrial purposes. The Pleasants Power
13 Station contributes to local and state tax base funding
14 government services and schools both directly and via
15 coal severance revenues. These revenues flow to all West
16 Virginia cities and counties, and while that may seem
17 minor to some, I can assure you that the City of Belmont
18 finds coal severance to be of great value to our little
19 town.

20 The Pleasants Power Station is a large
21 part of our county. Without this transaction, Pleasants
22 County will see a vibrant facility having undergone
23 massive upgrades in the last several years to be
24 relegated to an industrial graveyard and we will lose at
25 least 200 direct jobs and countless other jobs and

1 supporting businesses. The Public Service Commission has
2 this chance to allow a great industrial neighbor to have
3 a bright future and to provide families and businesses
4 with affordable power for years to come.

5 The poet John Donne wrote once no man
6 is an island and if a clod be washed into the sea,
7 England is the less. Chairman, I submit that the
8 Pleasants Power Station is not an island, it is part of a
9 whole. And if this transaction falls through, I fear
10 that this town, this county, this valley and this state
11 will be the less. I thank you, sir.

12 CHAIRMAN:

13 Thank you, Mayor, for your comment.
14 Reverend Janice Hill.

15 MS. HILL:

16 You must not be a real Texan, not from
17 Texas because it's Janice Hill, H-I-L-L.

18 CHAIRMAN:

19 Oh, I'm sorry. My apologies.

20 MS. HILL:

21 No, that's probably not --- just my
22 name isn't usually ---.

23 CHAIRMAN:

24 I apologize.

25 MS. HILL:

1 No, that's no need. I want to thank
2 you so much for your interest and allowing us to speak
3 and to listen to what we have to say. I'm here tonight
4 to ask you to vote against the proposed sale. Practical,
5 if this was such a great deal for West Virginia, why are
6 they selling it? The risk falls on Mon Power and Potomac
7 Edison's customers. As a recent test indicates and not
8 be unrealistic optimistic consumption that things will be
9 different in the future.

10 The risks will be great, and if the
11 risks were not great, they would not be selling it. I
12 for one am not willing to take on what they so easily
13 pass off as a good deal for us. As the previous speaker
14 mentioned John Donne, we are all connected. No man is an
15 island and so what happens in this case affects everyone
16 in West Virginia and not for the good. Rates are going
17 to go up again.

18 The average household will pay we heard
19 approximately \$69 more each year for the next 15 years,
20 which amounts to a net present value of \$470 million.
21 Increased electricity rates will be detrimental not only
22 to the individual, but also to non-profits and
23 businesses, hence the cost of doing business increases.

24 As a believer in the faith community,
25 every extra cost takes away from our ability to provide

1 services for our community. I can assure you we are much
2 more concerned with helping out local food banks,
3 providing clothing for those in need and assisting in
4 paying water bills for people. And those in our
5 community need help much more so than paying an
6 electricity bill. Our ability to help others will
7 decrease and businesses will increase prices in an
8 already less than robust economy. This is in everyone's
9 business proposal. I urge you to vote against this sale.

10 CHAIRMAN:

11 Thank you very much. Gary Thompson.

12 MR. THOMPSON:

13 Thompson, T-H-O-M-P-S-O-N.

14 Commissioner, I want to sincerely thank you for --- for
15 being here and holding this hearing this evening. I
16 suspect by the end of the evening you will take --- have
17 had an earful and probably want to go home. I am here to
18 argue against this sale.

19 I believe that Mon Power's RFP for this
20 project was not truly a competitive solicitation, but it
21 was, in fact, justification for a financial decision that
22 First Energy had already made. First Energy is the
23 parent company for Mon Power and Allegheny Energy Supply.
24 That makes them affiliates.

25 As early as April 2016, First Energy

1 executives confirmed their intention to transfer the
2 Pleasants Power Plant from AES, with an unregulated rate
3 base, to Mon Power with a regulated rate base. You heard
4 what another person said the --- the ramifications of
5 that is going to be. As a result, this request for
6 proposal for the project was issued in December 2016.
7 Remember they made their intent clear in April, but that
8 RFP was heavily biased in favor of Pleasants.

9 The RFP did not foster a genuine
10 competitive bid as outlined by FERC. The FERC uses four
11 criteria to determine a competitive bid, definition,
12 oversight, transparency and evaluation. On all four
13 counts this RFP fails. Definition, failed. Mon Power's
14 RFP was written to exclude products that could
15 appropriately fill the issuing company's objectives, with
16 the RFP's requirements heavily biased in favor of
17 Pleasants.

18 Under the RFP, which sought 1,300
19 megawatts of generating capacity, bids were generally
20 limited to facilities within Allegheny Power Systems
21 transmission zone, eliminating or discouraging power
22 plants located in the southern half of Western Virginia
23 as well as in the Wheeling and Moundsville area and other
24 areas.

25 The RFP did not consider bids for long-

1 term power purchase agreements, generators whose unforced
2 capacity was less than 100 megawatts or renewable
3 resources such as wind and solar. By doing so Mon Power
4 excluded an array of products that would have
5 appropriately fulfilled the RFP's stated objectives.

6 Two and three, oversight and
7 transparency, failed. The RFP was not designed by an
8 independent third party. The designers of the RFP set
9 forth the prequalifying criteria, the evaluation criteria
10 and all other aspects of the RFP, each of which must be
11 kept free of affiliate preference. There are multiple
12 approaches that FERC has for ensuring independency during
13 the process of designing an RFP.

14 Mon Power followed none of them. What
15 they did was they assumed much of the responsibility for
16 the RFP's design themselves. The RFP was then
17 administered by a private consulting firm, which failed
18 to exercise independence in the crucial design phase of
19 the RFP. Rather than conduct a transparent process, the
20 consultant and Mon Power engaged in a closed process in
21 which two entities designed nearly every aspect of the
22 RFP.

23 They --- they created all of that
24 criteria and then Mon Power's involvement in the RFP
25 design, and the absence of a third-party oversight

1 demonstrate that the standards of transparency and
2 oversight were not observed.

3 Four, evaluation, failed. To meet the
4 evaluation principle an RFP should clearly specify the
5 price and non-price criteria under which the bids are
6 evaluated. The FERC stressed that all criteria should be
7 specific and detailed so that all bidders can effectively
8 respond. And --- and noted that clear evaluation to
9 ensure the RFP does not give advantage to an affiliate.

10 You know, my time is up. I am going to
11 stop right here. The rest of my statement is in the ---
12 is in here and I will give it to the young lady over
13 there, but I urge you. These are all reasons to reject
14 this. This was a plan that was --- that was set out to
15 allow a decision that First Energy had already made.

16 CHAIRMAN:

17 Thank you, Mr. Thompson. Lydia
18 Covranchi.

19 MS. COVRANCHI:

20 Lydia Covranchi, C-O-V-R-A-N-C-H-I.
21 And I'm also here in opposition of this sale. I am a Mon
22 Power customer and everything I've read about this does
23 not benefit the customers at all. And as a mom of two
24 students in college who I'm paying their utility bills as
25 well in their apartments, I know \$69 doesn't sound like

1 very much, but in a state where people are struggling
2 economically \$69 makes a difference and that could be
3 going on for 15 years.

4 It's a lot. It's a lot to expect from
5 customers who really don't have any say. I do appreciate
6 you coming tonight and listening to our concerns, but for
7 me I've already been hit three times because I have two
8 kids that I pay utility bills for. So I would just urge
9 you to consider the consumer and what it really means to
10 us and for those of us who are struggling economically
11 and please don't approve this sale. Thank you.

12 CHAIRMAN:

13 Thank you. Kenneth Westfall.

14 MR. WESTFALL:

15 Thank you, Commissioner, for holding
16 this meeting. My name is Kenneth Westfall,
17 W-E-S-T-F-A-L-L. I'm the owner and operator of Pine Hill
18 Pottery in Harrisville, West Virginia and I'm asking you
19 to deny the sale of Pleasants Power. The sale of the
20 Pleasants Power I liken to a three shell game and we the
21 ratepayers are finding --- are tasked with finding the
22 pea. We all know in this game there's no pea under any
23 shell.

24 I've been a customer of Monongahela
25 Power, Allegheny Power and now Mon Power for 33 years.

1 Through these years, it was expounded that because our
2 power was coal-fired that we would have the cheapest rate
3 pretty much in the entire country and at the time it was
4 lead to believe into the next several decades. Times
5 have changed. First Energy seems to have made --- have
6 not made management decisions that took in consideration
7 of these changes and converted to a cheaper, cleaner,
8 natural gas that's more than plentiful in West Virginia.

9 I say they haven't changed because I
10 see no proposal from First Energy to build any new hot
11 gas turbine coal generation plants in West Virginia and
12 yet other country --- other companies are in the process
13 of building three new natural gas-fired plants in West
14 Virginia. I ask why should we, the ratepayers, take on a
15 risk of a higher rate because First Energy wants to dump
16 an out of date plant on the West Virginia ratepayers?

17 To change from an unregulated plant to
18 a regulated plant removes First Energy's stockholders
19 from having to take on any of the possible loss of this
20 coal-fired power plant that currently is not able to ---
21 to compete on an unregulated market. We are a perfect
22 example of what's going to happen if this sale goes
23 through and that's the sale in Harrison power plant.

24 I use three electric kilns for my
25 pottery and my business works on a narrow margin of

1 profit, and the possible rate increase means nothing more
2 than a loss of income to me personally and my community.
3 I know what First Energy is saying is that if the sale
4 doesn't go through, they may have to close Pleasants
5 Plant and at least 200 West Virginians will directly lose
6 their jobs and possibly several more support companies.

7 If First Energy is so concerned for
8 lost jobs, why haven't they proposed building a new gas-
9 fired plant in this location? I do not think we should
10 be left holding the bag. Thank you, Commissioner.

11 CHAIRMAN:

12 Thank you, Mr. Westfall. Jane Hearne.

13 MS. HEARNE:

14 Thank you, Commissioner Albert, for
15 being here and listening. I'm Jane Hearne, H-E-A-R-N-E,
16 of Ritchey County, a Ritchey County resident. Though our
17 home and farm are not grid tied, we are powered with
18 natural gas and solar derived electricity.

19 My husband and I still have quite a lot
20 of concerns about our whole area, this proposed transfer
21 of ownership and what it does to our area residents,
22 businesses and its lack of grappling with long-term power
23 supply alternatives. I'd like to ask you to please vote
24 against this proposed sale. It's a corporate bailout.

25 The burden will be borne by the

1 consumers, many of whom worry they will not see a future
2 building of efficiency or a more diversified alternative
3 fuel --- fuel source at this plant. I'm a concerned
4 citizen. I do reside in Ohio Valley, I breathe its air,
5 care for our fellow residents, business owners and
6 extremely much about the health of our children and our
7 future.

8 I'd like to add that I do not see the
9 First Energy and the West Virginia PSC have factored in
10 the growth rate of renewable energy sources even in the
11 mid-Ohio Valley. I feel the handwriting is on the wall
12 nationally and globally and this is the air we breathe
13 and the water in which we swim. According to the Rural
14 Economic Forum, over 30 countries now have reached grid
15 parodies without subsidies. And parody, for those of you
16 who are aware, it means alternative energy sources can
17 now power and localize cost of electricity at less than
18 or equal to the price purchased from the power grid.

19 The U.S. Department of Energy has
20 reported that the photovoltaic industry now employs the
21 largest share of workers in the U.S. power generation
22 field now surpassing that of coal, gas and oil, which is
23 a national statistic, but we can't think that just
24 because we live in West Virginia, we're not part of this
25 whole picture. I feel we are coming closer and closer to

1 the tipping point needed to obtain smarter, healthier and
2 more economical energy plans with PSC's help.

3 Please do not fail to align your
4 wonderful missions statement with this proposal and
5 please do not approve the sale. Thank you.

6 CHAIRMAN:

7 Thank you, Ms. Hearne. Jill Parsons.
8 For planning purposes at about seven o'clock, we'll have
9 a break for about five minutes or so just in case ---
10 everything that everybody was thinking, we'd be a mess
11 without an occasional break.

12 MS. PARSONS:

13 Mr. Chairman, hello and thank you for
14 the opportunity to address the West Virginia Public
15 Service Commission today regarding the Pleasants Power
16 Station transaction. My name is Jill Parsons,
17 P-A-R-S-O-N-S, and I am the President and CEO of Chamber
18 of Commerce of the Mid-Ohio Valley, which is a coalition
19 of area businesses, industries, organizations and
20 professionals who work together to improve the economic
21 and cultural climate of our community.

22 Our role in Mid-Ohio Valley region
23 makes us proud to advocate for Mon Power's purchase of
24 the Pleasants Power Station. Not only will this
25 transaction allow First Energy to continue meeting the

1 ever-growing energy needs of customers far into the
2 future, it will also be a longstanding member of our
3 business community and operation.

4 We all know that West Virginia at times
5 struggles to retain an attractive business investment,
6 particularly the kind that provides good paying jobs that
7 allow the workers to provide for their families. The 200
8 jobs directly at this plant, plus the hundreds perhaps
9 thousands of jobs made possible because of that plant's
10 continued operation are precious to our community.

11 As a Chamber of Commerce who represent
12 the interests of businesses and the community as a whole,
13 we are the voice of business in the region and are
14 vitally involved in improving the local community and the
15 overall quality of life of Mid-Ohio Valley who has been
16 serving this region for almost 120 years.

17 Mon Power's purchase of the Pleasants
18 Power Station is good for the Mid-Ohio Valley and good
19 for West Virginia's community. Please approve this
20 transaction.

21 CHAIRMAN:

22 Let's go with Blair Couch.

23 MR. COUCH:

24 It's spelled C-O-U-C-H. Thank you,
25 Commissioner. I'm a Wood County Commissioner and small

1 business owner here in Wood County. I know firsthand the
2 Pleasants Power Station. I have a small rental car
3 business. They rent a good bit of cars from us and
4 they're a great customer.

5 I'm proud to be here today to support
6 their purchase, but more than that your countenance upon
7 this crowd to allow for them to sit and listen to
8 opposing views without talking to them is to be
9 commended.

10 As an elected official, I see so many
11 times that these organizations, these type of hearings
12 will end up in shouting matches going back and forth
13 during applause, but I'm proud of my fellow Wood
14 Countians here for allowing each other to speak in a way
15 that makes good sense.

16 But more to the point I believe those
17 200 jobs and more help support the community. We've
18 heard from a mayor of a small town what the loss of this
19 power station would mean to them. I'm sure we'll hear
20 from other elected officials from Pleasants County
21 primarily that understand the loss of this will hurt them
22 directly. And as someone that is in charge of a county
23 here in Wood, losses of major employers really cause a
24 lot of stress.

25 So my hope is that they maintain ---

1 they continue to rent cars from me and box trucks, and I
2 hope that they can help me support my little business
3 here in Wood County. And I would really note there's a
4 lot of people that I really think very highly on both
5 sides of the position. So as my role I feel that they
6 should stay. Thank you very much.

7 CHAIRMAN:

8 Thank you. John Armstrong.

9 MR. ARMSTRONG:

10 Thank you, Commissioner. John
11 Armstrong, A-R-M-S-T-R-O-N-G. I'm a retired West
12 Virginia teacher. I taught 34 years, most of it in
13 Pleasants County fortunately. For the last six years
14 I've been working for the local newspaper in Pleasants
15 County. So I've been covering this story for over two
16 years. Some of the comments up here tonight are just not
17 accurate.

18 We're not the fake news and I've
19 studied both sides of this and some of the numbers that
20 are being thrown out just amazes me. Some of the
21 comments I had down I don't want to repeat like the 240
22 workers is the actual number, \$6 --- \$5 and a half
23 million in taxes, but one thing I haven't been hearing is
24 about the impact this is going to have on our children,
25 my grandchildren.

1 We have one of the best school systems
2 in the state, and if we lose this power plant, our ---
3 you know, our taxpayers just paid for a \$30 million
4 facility. It's a state of the art educational facility.
5 We're going to have half-full classrooms because families
6 are going to have to pull up and leave Pleasants County.
7 The ripple effect on this whole area will be not --- not
8 devastating. That's not a strong enough word. It will
9 be catastrophic. We have to maintain this plant.

10 I've heard a lot of things about it
11 being dirty and old and outdated. Millions of dollars
12 have been put into this plant to keep it up to date. It
13 is compliant with EPA regulations far into the future,
14 exceeding what has been put out by the Obama
15 administration. And with Trump in office now some of
16 those regulations may be rolled back.

17 This is a long --- this plant can be a
18 long-term solution and, you know, we don't even know what
19 these new technology --- energy technologies will cost.
20 I've been around 67 years. I've never seen prices go
21 down. We're all going to pay more for things.
22 Personally I think --- and I'm a Mon Power customer. I
23 think I have a pretty good deal. I have an all electric
24 home and my electric bill is half of what my internet and
25 TV cable bill is. So I'm --- I'm glad to be a Mon

1 customer.

2 Last thing I just wanted to say is I
3 have --- I've had three grandkids move back here after 16
4 years of North Carolina, and the reason we kept telling
5 them to come back is because Pleasants County is such a
6 great place to --- to, you know, raise your family.

7 If this doesn't go through, as I said,
8 it's going to be devastating, so I hope that you would
9 consider voting for this sale. Thank you.

10 CHAIRMAN:

11 Thank you, sir. Let's go ahead and
12 take a five-minute break, get our court reporter some
13 water.

14 SHORT BREAK TAKEN

15 CHAIRMAN:

16 Gene Hearne. Mr. Hearne?

17 MR. HEARNE:

18 My name is Gene Hearne, H-E-A-R-N-E.
19 I'm a business owner in Pennsboro, West Virginia. I'm
20 here to oppose the transfer of ownership of Allegheny
21 Energy Supply from Ohio First Energy to West Virginia
22 First Energy Company, Mon Power and Potomac Edison. This
23 is not a positive move for West Virginians, the
24 electrical customers. Ohio's electrical production is
25 unregulated, West Virginian's is regulated.

1 If the Pleasants Power Station cannot
2 show a profit in current conditions, why would we want a
3 non-profitable power plant in West Virginia's economy?
4 With the advent of cheap gas prices and energy
5 renewables, we should not consider taking an antiquated
6 coal-fired plant that we will be forced to support with
7 higher rates.

8 There's a rapidly growing group of Mon
9 Power customers in this area who are installing
10 photovoltaic panels to supply their own needs.
11 Installations like this will reduce the need for Mon
12 Power and Potomac Edison to purchase a plant that have
13 economic, environmental and health concerns that will
14 magnify when the plant gets old.

15 Other reasons are finding ways to move
16 forward profitably, having diverse power sources, so
17 please do not approve the transfer of ownership.

18 As a postscript, I have installed
19 enough solar panels on my electric heating and plumbing
20 business to cover 80 percent of my electrical load as a
21 result of working with WV SUN Solar Cooperative. Thank
22 you.

23 CHAIRMAN:

24 Thank you, sir. Mr. Powell, you go
25 next. Next on deck is Michael Wells.

1 MR. POWELL:

2 Yes, sir. Thank you for the
3 opportunity. Jay Powell. I'm a County Commissioner from
4 Pleasants County. P-O-W-E-L-L. I'm one of three
5 Commissioners. All three of us are here at the time
6 along with our county administrators ---.

7 CHAIRMAN:

8 I apologize. I asked if you could
9 identify elected officials. We generally allow them to
10 go first, so I --- those elected officials in the
11 audience who are suffering with all the rest of you, you
12 get extra points for this. We generally take you out of
13 order, takes first.

14 MR. POWELL:

15 Well, that's not necessary at all.

16 OFF RECORD DISCUSSION

17 MR. POWELL:

18 But --- but with that said, I'm here in
19 dramatic support of allowing the transaction to happen.
20 We live in a county, we live in valley, we live in a
21 community that is desperate to see this entity continue
22 to thrive. They've been a very gracious neighbor in too
23 many ways to mention right now, to be honest with you.

24 But I know folks were talking about the
25 \$69 a year it's going to raise. The fact of the matter

1 is if you do the math, millions upon millions of dollars
2 will be lost. Not only individuals and families of West
3 Virginia, but the school system and the community. You
4 know, our state, you know, has had a lot of at one point,
5 popular or not popular, open for business. And who
6 doesn't want to be open for business, you know? And you
7 got --- you got an opportunity right now --- we're
8 looking at you because you got a big job right now. We
9 recognize that and we ask you keep them open for
10 business. We need you to keep them open for business.

11 Tonight I'm going to go home. I got
12 three daughters. Two of them are school age. I'm going
13 to help her with her homework. And I'm not ignorant
14 enough to know --- to think that the lights got to turn
15 on directly by First Energy this evening, but --- maybe
16 not at my house, but somewhere in this country right now
17 lights are turned on, there's a dad doing homework
18 because of what they've done.

19 And I know there's alternate resources
20 to make energy occur. We all recognize that. Matter of
21 fact in our community we have a hydroelectric plant. We
22 welcome that as well, but likewise we recognize that
23 y'all provided the coal and they've done a great job,
24 exceedingly great job. If you look at EPA standards,
25 it's doing a great job in not only meeting those, but

1 exceeding those standards and poured in millions of
2 dollars so they could do so.

3 We ask very humbly --- we're praying
4 for you and we recognize you got a big job, but recognize
5 that we have a community, we have a county, we have a
6 valley, we have a state. And I'll be dramatic and say we
7 have a country that's depending upon your decision to
8 make the right one. Please support the transition if you
9 would, please. Thank you, sir.

10 CHAIRMAN:

11 Thank you, Mr. Powell. Mr. Wells.

12 MR. WELLS:

13 Good evening. I'm Mike Wells. I'm
14 Superintendent of a school in Pleasants County. W ---.

15 CHAIRMAN:

16 Wayne Doun is next up. Go ahead. I'm
17 sorry.

18 MR. WELLS:

19 W-E-L-L-S. Some of these things have
20 been stated before. I'll try to be brief. Again, we're
21 here --- or I'm here to support Mon Power. If the plant
22 closes, we'll lose \$5.5 million in taxes to our school
23 system as well as our community and county government and
24 240 jobs. If the plant closes, it would obviously be
25 devastating for our school system.

1 Beyond the tax loss revenue for our
2 schools, they'll be fallout for many families and
3 children in our community who will probably move
4 elsewhere. That would impact our enrollment, which is
5 already decreasing, which is typical with a lot of school
6 systems throughout the state.

7 Mon Power has been a great business
8 partners with Belmont Elementary School in our community.
9 They're very involved in community activities and, again,
10 I would appreciate your support in that. Thank you.

11 CHAIRMAN:

12 Thank you. Mr. Doun and up next we
13 have Jody Murphy.

14 MR. DOUN:

15 Thank you, sir. This is a great
16 demonstration of democracy in action and we're all
17 getting along. It's kind of bad in a way because we
18 don't have those exciting newspaper articles.

19 I want to make a few comments some of
20 which I picked up as omissions. Capitalism is the bread
21 and butter of this country. We live it, we breathe it
22 and basically if --- it plays to our hard work, our
23 instincts and better ideas.

24 If someone has a better idea, it
25 usually will thrive. If somebody has a lesser idea or a

1 disadvantage, it may not thrive. Now, shift that into an
2 energy picture. We are an energy shift. It started off
3 with dung and wood for about the last 200,000 years and
4 then we went to coal from the late 1700s, for the last
5 200 years. Very good. In the late 1800s there was gas
6 and oil.

7 The coal has shifted in West Virginia
8 especially. Not only does coal have to compete with gas,
9 but it has to compete with western coal and Delaware
10 basin coal. And the BTU cost favors the west much over
11 us. It costs us \$4 a ton just to clean our coal. So
12 there are problems. A transition is taking place. Gas
13 appears to be the next future.

14 A point here that has been made is that
15 Pleasants Power is not going to just close no matter what
16 your decision is. It's a time thing. We're going to
17 transition. It's not this is it, we go from that to
18 something else. We do it over a period of time.

19 The money that's in our society in a
20 depression doesn't stop. The money stays there. It may
21 be held, it may be redistributed. The jobs are the same.
22 We may lose jobs for a while. Energy is the same way.
23 We don't just stop energy because Pleasants Power Plant
24 closes whenever it does and it'll be years down the road.
25 All right. I admire what --- what Mon Power has done.

1 Let me just briefly go over something
2 of a group called Shale USA, our energy advantage.
3 Twenty (20) years ago we had a lot of good things going
4 on in our area, but we were losing jobs. We had roads,
5 rivers, a good workforce, but we were still losing jobs.
6 Twenty (20) years later what's changed? Well, we have a
7 much better energy source now.

8 I'm not saying it's the next --- it's
9 the next thing. It's better because of competitiveness,
10 because there's an advantage for the future that coal
11 doesn't have. Now, Mon Power shifts to gas. The United
12 States Energy Information Service says that in 2010 three
13 percent of the gas in this country was produced from
14 southwestern Pennsylvania, from eastern Ohio and northern
15 West Virginia. In 2017, that's 30 percent. In 2010,
16 it's projected to be 35 percent, so there's an obvious
17 material shift coming.

18 We have an opportunity to take
19 advantage of this. The United States is now the number
20 one in the world in coal production. Gas versus coal,
21 gas is going to take over. How do we do this in a
22 comfortable fashion? I have great confidence in you all
23 in making your decision and I certainly will go with
24 whatever you say. You're going to have much more
25 information than us.

1 CHAIRMAN:

2 Well, I like that.

3 MR. DOUN:

4 My last several points here, my last
5 couple points. The federal government did not approve of
6 subsidization for Murray Energy, did it? My thing is why
7 would we put the burden on the backs of ratepayers? As
8 good an organization as Mon Power is and First Energy is
9 --- and I feel for them. They have a dilemma and they
10 have to work out of that dilemma, but it should not be on
11 the backs of ratepayers. That's basically it. Thank you
12 for this opportunity and hearing me.

13 CHAIRMAN:

14 Thank you, Mr. Doun. We appreciate
15 your comments. Jody Murphy? Mary Hughes, you're up
16 after Jody Murphy.

17 MR. MURPHY:

18 Jody Murphy, J-O-D-Y, M-U-R-P-H-Y. I'm
19 the Deputy Director of Pleasants Chamber of Commerce. As
20 I noted in my letter to the PSC in support of this
21 project, the coal-fired Pleasants Power Plant employs
22 more than 200 people. Pleasants County is also home to
23 hydro and gas-fired power plant. Those two plants
24 combined employ less than 50 people.

25 One of the biggest expense our gas

1 plant faces is the inability to heat up in the winter due
2 to lack of supply, a lack of gas line infrastructure that
3 will cost millions of dollars in upgrades in
4 infrastructure to alleviate this problem. Pleasants
5 Energy is ready now. It delivers now with reliable
6 feedstock which comes from West Virginia based coal mines
7 out of West Virginia.

8 When the Obama administration made new
9 regulations for air quality, the Pleasants energy plant
10 not only complied, they exceeded new regulations and came
11 out ahead of the curve to meet the federal mandates years
12 ahead of their requirements. Opponents of this deal says
13 there's no need for additional energy for decades. That
14 was stated less than a year ago and an environmental
15 group said, quote, dirty fossil fuels, the elimination of
16 dirty fossil fuels.

17 First Energy cited an economic study
18 from WVEUG that states demand for energy is expected to
19 grow in the next decade. That study points to Mark West
20 to their plant in Doddridge County. Currently there are
21 five hydrogenic plants in that county. Those plants
22 separate natural gas, methane, propane and use it by
23 reducing the temperature of gas as low as 120 degrees
24 minus 120 degrees Fahrenheit. At that low temperature
25 the gas turns to liquids. Also uses up a lot of energy.

1 According to the Department of Commerce, Mark West wants
2 to bring three more plants online this year and the next.
3 There is a need and there will be a greater demand for
4 power.

5 Now, as part of this deal, there's talk
6 that consumer rates will increase if the sale's approved.
7 One energy consultant says the plant transferred cost
8 revenue to residential customers is \$69 a year. That's
9 more than \$5 a month. That's \$5 a month. Hell, I'll pay
10 that gladly if it'll keep 240 people employed, standing
11 on my head, but that's not true. Based on the economic
12 study, the residential rate is expected to decrease by \$1
13 a month and three percent for larger industrial
14 customers.

15 And at this point I want to call your
16 attention to rates in 2009 in the close of Century
17 Aluminum. That closure resulted in the loss of 640 jobs
18 due to drop in aluminum prices and the inability to
19 obtain a competitive power contract. First Energy pays
20 close to \$5 million a year in taxes and giving thousands
21 every year to charities, fundraisers and events. They're
22 involved in everything in Pleasants County. All I have
23 to do is ask and they're here to help.

24 Their employees are involved in many
25 aspects of many communities and imagine the loss of those

1 families in your school, your county, your school system.

2 In closing, I find it incomprehensible
3 that a Board would vote to halt the sale of the plant
4 resulting in a loss of more than 240 jobs, millions in
5 local tax dollars and annual community charitable
6 contribution. In West Virginia coal has put food on the
7 table for families for generations including mine. I'm
8 the son of a coal mine foreman.

9 If we don't value coal and its
10 contributions to our economy, what kind of message are we
11 West Virginia sending to the rest of the country? Thank
12 you.

13 CHAIRMAN:

14 Thank you, Mr. Murphy. Mary Hughes.

15 MS. HUGHES:

16 I'm Mary Hughes, H-U-G-H-E-S. And I
17 was prepared to speak. I'm just saying that I oppose.

18 CHAIRMAN:

19 All right. Karen Campbell and then
20 Sarah Township.

21 MS. CAMPBELL:

22 I want to thank you for everything
23 you're doing. My name is Karen Campbell, K, Campbell
24 like the soup. I'm from Vienna, West Virginia. I want
25 to thank you for coming here this evening. My father was

1 the Utility Commissioner probably for a number of years
2 and I know it's an extremely difficult job to take
3 proposals from the industry and match it to the needs for
4 the citizens of West Virginia. I appreciate your good
5 work.

6 I want to just talk very briefly on two
7 things that have already been brought up from a little
8 bit different perspective. Reverend Hill, I'm here as a
9 member of mainline Protestant Church. We're a 105 year
10 old church. The big old building. If you look around
11 town, they are the longest institutions of old churches
12 that are the backbone of this community.

13 And quite frankly, with what's going on
14 in Wood County, West Virginia now, we are all struggling
15 to keep the doors open. We have a situation with so many
16 of our children have to leave to find jobs and inevitably
17 most of the rest of us leave to follow our children.

18 So it's --- we don't have a lot of new
19 people coming in. It's very difficult for churches.
20 We're trying to keep the doors open. We're counting
21 every penny.

22 Now, through my life I've seen lots of
23 times where energy prices have really gone up and so what
24 do we do? Well, we turn the thermostat down some in the
25 winter. We were really cold, but we saved a lot of

1 money, and then in the summer we made sure to turn it up.
2 We were a little hot, but we saved a lot of money.
3 Churches cannot do that. Churches are totally captive
4 prisoners of the electric company. Our church years ago
5 in Beckley had a fine player grand piano and we have no
6 organ. They must have a climate controlled situation,
7 that is exactly the right temperature and humidity or
8 those things are ruined.

9 So our church cannot cut back at all on
10 energy expenses. It costs us more if something happened.
11 As the Reverend mentioned, the good we try to do in the
12 community. And in our case just keeping the doors open.
13 So I ask you to please consider institutions like
14 churches who have no place to go when the rate goes up.

15 And second thing, I just --- Wayne Doun
16 alluded to this, but I'm a little surprised. There seems
17 to be a contradiction here. On the one hand people are
18 telling us, wow, look at this power plant. We really
19 upgraded this thing. We made all these improvements.
20 This thing's fantastic. We're ahead of the curve. Okay.
21 If you don't approve this, it's going to close and all
22 these jobs are going to be lost. So they're admitting
23 it's non-competitive. If it's a competitive plant, why
24 would it close because you make a decision in favor of
25 us, the ratepayers? There's a contradiction here.

1 It's got to be one way or another, and
2 I think it's pretty obvious by what they're doing if they
3 feel the plant is not competitive. Once again, thank you
4 very much for coming this evening.

5 CHAIRMAN:

6 Thank you. Sarah Township, then
7 Randall Rapp follows Ms. Townsend.

8 MS. TOWNSEND:

9 Again, Commissioner Albert, thank you
10 for coming here and listening to us. I'm here against
11 the proposal to sell the plant. I'm really against
12 spending \$105 million of which \$195 million, \$105.3
13 million is going to debt, or will be for debt. Debt that
14 has a debt service attached to it.

15 Secondly, \$89.7 million in equity
16 that's being transferred back to First Energy. That
17 money can be used for something else. You said many
18 times during this evening that the plant is old. Yes, it
19 is. But that \$195 million can be used to maintain that
20 plant, to keep that plant operating. I really don't
21 understand the assumption that if you don't keep the
22 plant, if you don't allow this to go through, the plant
23 will close. But yet, the plant is worth \$195 million.
24 That doesn't make sense to me.

25 As a consumer of Mon Power Allegheny,

1 Monongahela Power for 47 years, I've been a proud
2 customer of the Company. I've been pleased with their
3 service, but I am concerned about the rate increase. I'm
4 concerned the \$470 million that will go out of this
5 community. I worry because the business has been passed
6 on to us individuals, but what happens to the non-
7 profits, the churches as Mrs. Campbell talked about?

8 I was one of those church treasurers
9 that at one point in time was paying \$2,600 a month a
10 check to the power company to keep that large building
11 open. But I also worry about the non-profits. It does
12 --- when you spend the money on utilities, you're not
13 spending it on your mission.

14 And you may not be aware that we do
15 help our less fortunate in this community every single
16 month with helping them pay their utility bills. The sad
17 thing is that we run out of money usually by the third
18 day of the month to pay those utility bills. So just
19 think of what will happen when there's more of a rate
20 increase. I'm opposed to the sale, but I want to keep
21 the power company --- power plant open. And I'm really
22 concerned that the assumption is it's one or the other.
23 Thank you very much.

24 CHAIRMAN:

25 Thank you.

1 MS. TOWNSEND:

2 T-O-W-N-S-E-N-D.

3 CHAIRMAN:

4 Randall Rapp. Then Bill Hutchinson is
5 up next.

6 MR. RAPP:

7 R-A-N-D-A-L-L, R-A-P-P, two Ps.
8 Commissioner, thank you for allowing us to speak this
9 evening. I'm Randall Rapp. I'm the Mayor of the City of
10 Vienna.

11 CHAIRMAN:

12 Thank you, Mayor, for coming.

13 MR. RAPP:

14 I'd like to take this opportunity to
15 voice my support for the Pleasants Power Station
16 transaction. As residents of the community, we value
17 clean air and clean water and also affordable
18 electricity. Through the Pleasants Power Station
19 transaction, West Virginia has the opportunity to
20 preserve all three. Mon Power has demonstrated
21 purchasing the Pleasants Power Plant and bringing it into
22 its utility system will help to meet future energy needs
23 by decreasing rates for homes and businesses.

24 This transaction will also keep the
25 Pleasants plant in operation, keeping more than 200

1 people employed and supporting the state's economy.

2 Critics of coal-fired power plants love
3 to say that coal is dirty and power plants pollute our
4 air and water works. I personally had the opportunity to
5 tour the Pleasants Power Station and I can attest to
6 their high standard operation. Having toured the ---
7 having never toured a power plant before, I expected to
8 see dirt and dust everywhere, but what I saw instead was
9 beyond a clean industrial facility. It was spotless. It
10 reminded me of a laboratory.

11 I'm someone who pays particular
12 attention to water quality and I can attest the water
13 leaving this power plant and going back into the Ohio
14 River is cleaner than what it was going in. I've seen
15 the filtration system where they recycle the water that
16 they use in the cooling towers and it's impressive what
17 they've done to improve the quality of that water.

18 This facility is clean, efficient and a
19 great neighbor to the mid-Ohio Valley. As a resident of
20 the City of Vienna, I hope the Public Service Commission
21 approves this transaction so this facility can continue
22 to provide good jobs and affordable coal-fired
23 electricity. Thank you.

24 CHAIRMAN:

25 Thank you, Mr. Rapp. Bill Hutchinson.

1 Then Wendy Tuck. Is that correct?

2 MR. HUTCHINSON:

3 Bill Hutchinson, H-U-T-C-H-I-N-S-O-N.

4 And I'd like to thank you for the opportunity to speak
5 before you. I represent the Parkersburg-Marietta
6 Building and Construction Trades Council. The Council
7 represents thousands of construction workers from West
8 Virginia and Ohio.

9 We support Mon Power on this matter and
10 urge the Commissioners to consider the fact that year
11 after year, day after day the Pleasants Power Station has
12 provided and hopefully will continue to provide
13 employment to thousands of local construction workers.

14 The most recent data I have available
15 shows since 2012, construction workers represented by the
16 Council including, but not limited to boilermakers,
17 carpenters, electricians, insulators, laborers,
18 pipefitters, sheet metal workers, cement masons,
19 millwrights, painters and iron workers have worked over 1
20 million labor hours in support of the maintenance and
21 improvements of the Pleasants Power Station.

22 This employment of highly skilled local
23 workers at good wages with benefits is important to the
24 economies of local area in the State of West Virginia.
25 Thank you for your consideration.

1 CHAIRMAN:

2 Thank you. Wendy Tuck who is followed
3 by Cathleen Roedersheimer. Roedersheimer? Roedersheimer
4 (changes pronunciation). All right.

5 MS. TUCK:

6 My name is Wendy Tuck. It's a lot
7 easier to say than Roedersheimer.

8 CHAIRMAN:

9 Spell it as well.

10 MS. TUCK:

11 Yes, like you tuck your kids in bed.
12 Again, I'd like to thank you very much for coming. It's
13 a privilege to be able to speak to you about our concerns
14 as constituents and residents of Wood County.

15 I work with a number of low income
16 families through West Virginia Birth to Three, and there
17 are times when families have not had money for
18 prescriptions, diapers. There just isn't a lot of extra
19 money. And I really do greatly understand the needs of
20 this community for energy sources for jobs, industrial
21 sources of power, and yet, I also think that you have a
22 tricky job. You're asked to be a fortune teller of
23 sorts. We really need to take into account what will be
24 the most good for the most people for the longest length
25 of time.

1 So I guess I --- I would just ask that
2 you to consider all the factors. There's a number of
3 them. One is that people talked about energy efficiency
4 about using the energy that we have well and better. And
5 one example of that is Mon Power has committed a certain
6 amount of their budget to energy efficiency. And they do
7 a lot for that. They send packets of how to conserve
8 energy, but I also know that other energy companies will
9 do an audit in your home where Mon Power does it online.

10 So there's a little bit of commitment
11 that they can make to making sure they're meeting the
12 demands through energy efficiency. And also, we do
13 cooperate with Mon Power to purchase part of our energy
14 through Arcadia, which is a wind system. So Mon Power is
15 also actively looking at ways that they can support
16 renewable energy already.

17 And the other thing is just the
18 competitive bidding and it seems like it's been --- when
19 you have First Energy, Ohio selling to First Energy West
20 Virginia, it's a little bit uneasy at best and maybe not
21 competitive at worst. And so I guess my --- I don't need
22 the questions answered tonight, but I haven't heard an
23 answer to whether the plant will close if the ownership
24 transfers.

25 And I'm also not sure if there's a

1 system in place for transferring the energy flow from the
2 grid in West Virginia if the power plant changes
3 ownership. I mean, I'm not sure what difference it makes
4 whether Ohio owns it or West Virginia. So those are just
5 some of my concerns and great deal of respect for your
6 --- your work and your decision. Thank you.

7 CHAIRMAN:

8 Kathleen Roedersheimer.

9 MS. ROEDERSHEIMER:

10 Wait 'til I spell it. I'm Kathleen
11 Roedersheimer. It's R-O-E-D-E-R-S-H-E-I-M-E-R. And I'm
12 here to talk in --- in opposition to the sale and it's on
13 the basis of a bidding process that I think is flawed.
14 It appears the PSC rules weren't followed in terms of
15 setting up a competitive process to buy more capacity,
16 which may have opened the process to alternative energy
17 solutions.

18 Mon Power, Potomac Edison issued a
19 request for a proposal, which is known as RFP, last year
20 the purchase power plant capacity, but the RFP heavily
21 favored plants in a narrow geographic region without
22 considering energy efficiency, renewables and long-term
23 power contracts. The RFP for Mon Power and Potomac
24 Edison was issued after First Energy first publicly
25 announced its intent to transfer the Pleasants plant to

1 Mon Power.

2 In comparison, the Dayton Power Light
3 process considered dozens scenarios while this process
4 used only one scenario, which may result in an increase
5 of energy prices. Mon Power Potomac Edison's negotiated
6 price to the plant is higher than recent evaluations of
7 other coal-fired plants in our region. Additionally,
8 consumers would be forced to acquire the liability of a
9 coal ash impoundment that is already nearly full and will
10 cost the ratepayers an estimated \$45 million in closer
11 costs.

12 It's hard to see the rates will not go
13 up for residential and business customers of Mon Power.
14 The bidding process should allow to review alternative
15 options. Thank you for this opportunity.

16 CHAIRMAN:

17 Thank you. Scott Marshall. And it
18 looks like Warren Peascog (sic). You're up next, Mr.
19 Peascog.

20 MR. MARSHALL:

21 Last name is Marshall, M-A-R-S-H-A-L-L.
22 I'm neither for nor against this plant. I am for people
23 keeping their jobs and I'm against a company wanting to
24 put more burden on my back to satisfy their stockholders.
25 If they can acquire this without passing on the costs to

1 the consumers, so be it. Then I'm for it, but I am taxed
2 into oblivion. I am charged up the nose on everything
3 around here.

4 I'm from Montana. We're not used to
5 all these taxes. All right? It comes down to bottom
6 line for me and my family, so y'all need to figure it
7 out.

8 CHAIRMAN:

9 Thank you, Mr. Marshall. Peascog.

10 MR. PEASCOE:

11 I'm Warren Peascoe. That's

12 P-E-A-S-C-O-E.

13 CHAIRMAN:

14 Oh, C-O-E. I'm sorry.

15 MR. PEASCOE:

16 A lot of people --- everybody ---.

17 CHAIRMAN:

18 Well, your E looks like a G.

19 MR. PEASCOE:

20 I question the growth assumptions and
21 the economics of First Energy's request. I believe that
22 a better investment would be made in energy efficiency.
23 There's an NRDC report that nationally over 40 years
24 energy accounts for nearly 2.2 million jobs, U.S. jobs.
25 That's ten times more than oil and gas drilling and 30

1 times more than coalmining.

2 Thanks to energy efficiency, annual
3 U.S. energy consumption is about the same now as it was
4 in 2000 even though the GDP has grown by 30 percent.
5 More efficient appliances save U.S. households an average
6 of \$500 per year on utility bills. On average residents
7 of the five least efficient states have seen their
8 electric bills increase twice as much as those in the
9 five states that have led on energy efficiency.

10 Ohio Environmental Council reports in
11 2012 that energy efficiency saved Ohio \$100 million and
12 created more than 4,000 jobs with a predicted cost
13 benefit ratio of 1.35. First Energy boasts in its 2016
14 annual report, a utility customer benefit from a wide
15 range of energy efficiency programs including residential
16 incentives for home construction and rebates on the
17 purchase of energy efficient products and commercial
18 incentives for lighting, motors, drives and other
19 equipment.

20 So clearly, even First Energy
21 acknowledges the importance of energy efficiency. So I'm
22 just not sure why they think the West Virginia economy is
23 going to grow so fast that they need to burden the West
24 Virginia ratepayers with the purchase of an obsolete
25 plant to meet this demand especially when they already

1 own the plant. So please vote against it. Thank you.

2 CHAIRMAN:

3 Tracey Westfall. Next is Jason
4 Harshbarger.

5 MS. WESTFALL:

6 Thank you for the opportunity to speak.
7 Nearly everything that I do involves electricity, in my
8 job, in my recreation, in my husband's business. I'm
9 finding it difficult that there's an implication that
10 disapproval of the sale of this plant is equivalent to
11 disapproval of the plant. I don't disapprove of the
12 plant. These people are great people.

13 They keep me in business, but stock
14 payers are --- or excuse me, stockholders should not
15 benefit off our backs. So I'm on the fence here.
16 Pleasants Power Station is an important part of the
17 economy in this valley. Energy is crucial to what we do,
18 but there are better ways to generate electricity than
19 coal. Nonetheless Pleasants Power Station and Mon Power
20 have invested heavily in this plant and I think it's to
21 be commended. Do we want to continue with that single
22 method?

23 I don't think so, but we need to not
24 disregard the fact that they have invested and that we
25 need energy now. We also need to be transitioning

1 forward to other sources of energy, which some companies
2 are doing. I think that First Energy Corporation could
3 do a better job at that.

4 Having said that, as a ratepayer, I
5 don't expect my rates to go down. I always believed they
6 would go up because as you use more the demand is more.
7 Everything we do in our world uses more energy now even
8 though I'm about as conservative with my electric as a
9 human being could be. There's not a light on in my house
10 that doesn't need to be on. I have fluorescent or LED
11 everywhere. I don't have incandescent bulbs. I don't
12 need the TV on to go away for hours. If it's on, I'm
13 using it.

14 So I really believe that conservation
15 is the real key to this, but nonetheless I want a cell
16 phone, I want a computer. So I want the energy to be
17 there, but I want to pay for what I deserve to pay for
18 and not pad the stockholder's pockets and not put someone
19 else in a situation where they're making a profit while
20 I'm having to pay more. When the weather is bad and the
21 trees fall down to take out the power lines, I expect
22 people to be there to fix it because I pay for that.

23 But I don't want to pay so that someone
24 can sit in an office somewhere and say, wow, you guys are
25 --- have a lot of problem with your trees down there, but

1 I'm going to sit up here and make extra money because I
2 put this sale in place that makes it easier for me to
3 make money while you pay for me.

4 And I don't --- that's not well said,
5 but it's --- I don't feel that we should pay for just for
6 the profit of others. We should pay for what we deserve
7 to pay for. Thank you.

8 CHAIRMAN:

9 Thank you.

10 MS. WESTFALL:

11 I'm sorry. W-E-S-T-F-A-L-L, first name
12 T-R-A-C-E-Y.

13 CHAIRMAN:

14 Delegate Harshbarger.

15 MR. HARSHBARGER:

16 Delegate Jason Harshbarger,
17 H-A-R-S-H-B-A-R-G-E-R. Thank you, Commissioner, for
18 tonight's meeting, letting everybody express their
19 thoughts and feelings on this issue.

20 I followed this issue a little bit and
21 I represent Ritchey in Pleasants County and the last two
22 Friday night at the football games I've had multiple
23 employees approach me that are employees of Pleasants
24 Power Station concerned with the fate of their employment
25 due to this --- you know, you guy's hearing here.

1 And I'm here to encourage you guys for
2 the approval of this acquisition. My concern is --- you
3 know, one of the options is go out on the open market and
4 purchase power. Well, if you look at the power market on
5 the open market, it's extremely volatile. You know, we
6 talk about oil and gas going up and prices at the pump,
7 but you start looking at electric generation and
8 megawatts on a hot day and certainly rolling blackouts
9 and brownouts, the price of megawatts are just
10 phenomenal.

11 We have a coal-fired power plant there
12 in Pleasants County that's instrumental in our community.
13 They're involved with the school system there, they have
14 employees that sit on a lot of different committees that
15 I've sat on that help the education system, the Ohio
16 Valley Technical Institute, employ about 204 employees,
17 provide tons of auxiliary jobs for the region.

18 One of the things we see is their
19 population for the jobs and that's one of my concerns.
20 This plant --- you know, whatever the fate of this plant
21 is, you know, our school systems are struggling right now
22 because of the decreased population and our state aid
23 funding. We're struggling every year from a statewide
24 aspect for funding for our school system. The power
25 plant there in Pleasants County has been a vital part of

1 the Pleasants County education system. Their
2 Superintendent, their county commissioner is top notch,
3 the facility there works with programs and involved with
4 a lot of youth activities in the county.

5 I just have a great concern, you know,
6 the fate of this plant. I know they invested a lot of
7 money over the years, which I commend them for the SCRs,
8 the scrubbers to meet all the regulations that the
9 government's put on them.

10 And we just see --- our power
11 consumption also --- someone mentioned the Mark West
12 facility. A lot of them rely on electrical compression
13 that drives their processes. One facility has 24,000
14 horsepower compression, another one 12,000 horsepower
15 compressor that's all electrical driven because they're
16 more reliable, so they don't have to shut those
17 facilities down to do maintenance on the turbine. You
18 know, those plants have been there, they've worked the
19 bugs out of it. It's --- it's a fine operating machine.

20 And we also see growth in this mid-Ohio
21 Valley and we're trying to create jobs in this region.
22 And if we turn around and shut down a facility that's
23 valuable, what kind of message are we sending to other
24 industries that we're not business friendly? And, you
25 know, one thing we talk about rates and our electric

1 rates. I've lived in multiple states throughout my
2 career and we still in West Virginia have one of the
3 lowest electric rates, and, you know, we take that for
4 granted every day. We flip the switch.

5 When I heard a lot of concerns about
6 their power lines, I know --- I believe First Energy's
7 got a program in place where they're starting to trim a
8 lot of their power lines throughout the state. I know a
9 guy from Ritchey County, Doddridge County, their
10 contractor been trimming power lines especially people
11 who live in rural areas to improve their --- their
12 reliability to their houses so they can have the
13 convenience of their home.

14 Commissioner, I appreciate you guy's
15 time this evening. I just encourage you to approve the
16 acquisition. Thank you.

17 CHAIRMAN:

18 Mr. Harshbarger, thank you. Judith
19 Peascoe with an E.

20 MS. PEASCOE:

21 Thank you for letting us speak tonight.
22 My name is Judith Peascoe, P-E-A-S-C-O-E, and I am
23 speaking against the purchase. The Pleasants plant is a
24 coal-fired plant. Governor Justice recently applied to
25 President Trump for \$15 per ton of coal purchased subsidy

1 for the power plant. He claimed that this was the only
2 way that coal-fired plants could be economically
3 competitive.

4 Governor Justice thus agrees that the
5 Pleasants plant is not economical. In addition, there is
6 no guarantee that the President can give the coal
7 industry the requested subsidy or that Congress will put
8 the subsidy in the budget. I don't feel that purchasing
9 a plant that requires financial subsidies to buy its fuel
10 makes economic sense.

11 According to The Intelligencer Wheeling
12 News-Register of September 4, 2017, Governor --- Ohio
13 Governor Kasich opened a new gas-fired electric
14 generating plant. He feels that the supplies of natural
15 gas justify developing new gas-fired plants and justifies
16 refusing to subsidize nuclear and coal-powered generating
17 plants. Why is Monongahela burdening West Virginians
18 with a plant that Ohioans don't want? Monongahela Power
19 Company has not aggressively promoted conservation.

20 My friends in Ohio who are served by
21 AEB have told me of getting assistance in insulating
22 their home and subsidies for installing heat pumps. This
23 spring I received a letter from Monongahela offering me
24 four energy efficient lightbulbs, including two CFLs.
25 This offer of a conservation program was too little too

1 late. I have been using CFLs for years.

2 Please don't burden West Virginians
3 with an obsolete power plant. We encourage the power
4 companies in West Virginia to implement strong
5 conservation members --- methods. Thank you very much.
6 Do you want this?

7 CHAIRMAN:

8 Jeff Fox.

9 MR. FOX:

10 Hello. My name is Jeff Fox and it's
11 spelled just like the animal, F-O-X.

12 I'm coming at this from a little bit
13 different angle today in I'm a 33-year member of IBEW
14 Local Union 968. Over that time frame, I've worked on
15 the Belleville hydroelectric project in the '90s. In the
16 2000s, I was across the river on a gas-fired electrical
17 generation plant in Waterford long before the Marcellus
18 Shale boom of our area.

19 Last year I was employed on a project
20 at Pleasants powerhouse that allowed for decreased
21 emissions through an install magnesium hydroxide system.
22 And last week I just finished the installation with my
23 fellow workers of a 113 kilowatt solar array on a local
24 school. And I have a diverse background in power and in
25 energy, and I've been thankful to have these

1 opportunities to work.

2 You've heard Mr. Hutchinson speak
3 earlier about the millions of man hours worked by local
4 labor that lived in Pleasants County, Wood County,
5 Washington County really around this region and has an
6 offshoot of some of that tax money that goes into the
7 Pleasants County area.

8 A couple --- a few years ago I had the
9 opportunity to work for nearly a year on the new St.
10 Mary's High School that was built. So, you know, my ---
11 my testimony here is based on jobs and I've heard a lot
12 of arguments, good arguments, from both sides.

13 But as a long time electrician I worked
14 in Cabot Carbon Black. That plant is now a field. I've
15 worked at Bore Warner, GE. It is now a field. I've
16 worked at Johns Mansfield in PM. It's a flat piece of
17 property. We've lost so many jobs in our area. We can't
18 afford to lose any more jobs or the ancillary jobs like
19 mine and many other of my brothers and sisters in the
20 building trades.

21 So I --- I want to see some type of
22 resolution here that can keep our rates affordable, but
23 at the same time keep area residents employed. Thank
24 you.

25 CHAIRMAN:

1 Thank you, Mr. Fox. Laura Yokochi.
2 Did I get that correct?

3 MS. YOKOCHI:

4 No.

5 CHAIRMAN:

6 No.

7 MS. YOKOCHI:

8 My name is Laura Yokochi, Y-O --- okay.
9 That's spelled Y-O-K-O-C-H-I. First name L-A-U-R-A. Now
10 it's not working. Okay. Thanks. Did you get the
11 spelling? Y-O-K-O-C-H-I. Laura, L-A-U-R-A. I'm a
12 resident of Salem, West Virginia in Harrison County. It
13 took me an hour to get here. I don't know if I'm one of
14 the people who came the furthest. I know some people are
15 here from Charleston.

16 I'm here as a customer of First Energy
17 Mon Power and I'm here to ask you to oppose this
18 transfer. I think saying no will help the Commission
19 remain faithful to their mission statement. I have a
20 copy of your mission statement here, and I believe each
21 one of these six items will be best fulfilled if we said
22 no and I can give some examples.

23 But first of all, I was surprised to
24 hear a lot of the people speaking saying that it's really
25 a great, wonderful plant with excellent energy efficiency

1 and low emission. But yet, it's going to close.

2 So First Energy owns Allegheny Energy
3 Supply, it owns Mon Power and it owns Potomac Edison. So
4 if it's not closed, First Energy will still own it. So
5 why are they closing it if it's such a wonderful plant?
6 They don't have to close it. Why do you think they're
7 closing it? The only thing I can think of is it's losing
8 money and they don't want it. They want us to pay for it
9 and that's really not fair. That's something to think
10 about.

11 I noticed a lot of the people speaking
12 here tonight are probably middle age and older and that's
13 because our children are grown. We have time to get out
14 in the evening, we have time to study the issues, but the
15 responsibility of the Commission is to take care of the
16 average customer who is busy every evening taking care of
17 children, helping with homework, going to ballgames and
18 so on. And I think that the best thing to do is to say
19 no to this proposal.

20 First of all, one of your vision
21 statements is we will work tirelessly to ensure ---
22 assure impartial and efficient resolution of all
23 jurisdictional issues. I think the fairest thing here
24 would be to say no because requiring West Virginia to pay
25 for something that Allegheny Energy Supply doesn't want

1 doesn't seem fair. The shareholders will benefit, but
2 West Virginians will lose. And if it is such a wonderful
3 plant, why are they getting rid of it?

4 The second one is public safety. The
5 Commission will assure public safety. Now, that doesn't
6 really seem to apply to this case, but maybe if you say
7 no, First Energy will be forced to diversify and find
8 better ways of obtaining energy. Third, an increase in
9 business investment, job creation/retention and the
10 state's overall competitiveness. I think saying no will
11 fulfill this goal also.

12 Our other company in West Virginia,
13 AEP, actually is supporting a diversification of energy.
14 They announced it in a study they did end of last year
15 that the expansion of renewable sources is a key driver
16 of growth, and they are trying to work on that. Why is
17 First Energy trying to stick with an older plant? Okay.

18 The third --- the fourth is improvement
19 in standard of living and quality of life for the people
20 of West Virginia. Saying no will improve the standard of
21 living and quality of life for the people of West
22 Virginia because we won't be burdened with the cost of a
23 plant that First Energy is trying to get rid of. We need
24 clean power and clean jobs, and I am sure that the people
25 who work at the plant are good people and assets to the

1 community.

2 First Energy doesn't have to close the
3 plant. They really should work to ensure that their
4 workers are not just left unemployed, but work to ensure
5 that they have a reasonable transition and can transition
6 to new jobs if they close. It's their responsibility.
7 It's not West Virginia's responsibility to support the
8 workers employed by First Energy. And a lot of people
9 that say I pay \$5 extra to help keep the plant open.
10 Well, we're already paying a fair price and I pay \$5
11 extra if my energy came from solar power. It doesn't.
12 It comes from First Energy, but I would pay extra.

13 Let's see. The fifth one, consumers
14 receive the best value in utility service from
15 financially viable and technically competent companies.
16 Saying no will fulfill this value also because First
17 Energy --- it has not managed their plant well or it
18 wouldn't be losing money. It would be more competitive
19 and they wouldn't want to get rid of it.

20 The sixth and last one, that utilities
21 receive an opportunity to earn a fair return on their
22 investment and regulated services. I agree. They
23 deserve a fair rate of return, but saying no will ensure
24 that they receive a fair rate of return and not an unfair
25 rate of return.

1 I think a lot of the people who have
2 --- who have spoken for the purchase because the plant
3 might close are giving you a false dichotomy. You don't
4 have just two choices. Why do we have two choices?
5 Either we buy the --- Mon Power buys the plant from its
6 sister company or brother company. I'm not sure how that
7 works with companies, but anyway, either they do that or
8 they'll close the plant. It seems like First Energy is
9 trying to blackmail us here.

10 Finally, consider the interests of our
11 West Virginia consumers, not the interests of First
12 Energy, which is after all an Ohio company. Consumers
13 should be the primary focus of the Public Service
14 Commission. West Virginians are depending on you, the
15 Commissioners, to get the answer right. Thank you for
16 the opportunity to speak.

17 CHAIRMAN:

18 Thank you. Morgan Leach. Bill Ambrose
19 is up next. As far as I can tell, he's the last one.

20 MR. LEACH:

21 Well, thank you for the time --- for
22 taking the time to stay here to listen to all of our
23 concerns that we have here today. My name is J. Morgan
24 Leach, L-E-A-C-H. I'm an alumni of WV College of Law, a
25 graduate of their Center for Energy and Sustainable

1 Development. I've spent many hours studying the energy
2 markets, the decline of coal, the rise of natural gas and
3 sustainable ways to develop our natural resources here in
4 the State of West Virginia.

5 Let me first say that our heritage as
6 loggers, as miners, as builders, as manufacturers and as
7 clay operators is something to be very proud of. The men
8 who built the plant that we're speaking of tonight in the
9 1970s literally give their lives to support our power
10 needs and we should greatly appreciate the value and
11 their contributions to our energy security.

12 However, the energy economy has changed
13 drastically since this plant went into operation in the
14 1980s. Innovations for renewable energy technologies and
15 the discovery of the Marcellus Shale have changed the
16 energy game forever and change is hard. It's especially
17 hard for those who may lose their jobs that this deal
18 does not go through. We can all understand the pressure
19 and the anxiety of such a life changing event for them,
20 but we cannot continue to keep non-competitive coal
21 plants on life support to benefit the few at the expense
22 of the many.

23 If this Commission approves the sale,
24 we will professionally put ourselves behind in the energy
25 game. Natural gas is about to boom in this area. It's a

1 bridge fuel that will usher in a new era of clean energy
2 generation that will support our nation, our state and
3 will support our communities. This power plant simply
4 cannot compete in the emerging energy economy. If we are
5 not ready to make this change today, we are seriously
6 hurting ourselves tomorrow.

7 Let me also say that this is not our
8 fault. It's not the ratepayer or the plant operator.
9 It's not their fault that First Energy refuses to
10 acknowledge the writing on the wall, that the coal-fired
11 power plant would eventually decline. It's not our fault
12 that they didn't plan to diversify their energy portfolio
13 or that they refuse to consider the long-term well-being
14 of their shareholders, their employees or their
15 customers.

16 Various calculations have now become
17 clear as day, and we cannot allow them to escape their
18 own bad planning and passing the bag off to us who are
19 the ones who ultimately pay. Voting against the sale of
20 this power plant is voting for the future prosperity of
21 West Virginia. This is our opportunity to take a stand
22 and demand the changes that are necessary. This is our
23 chance to embrace the energy economy in the future and to
24 take our place in it.

25 There will be new jobs in natural gas.

1 There will be new jobs in renewal energy technologies,
2 and there will be new jobs in building a smart energy
3 grid of the future. We will do like we have always done
4 and we will thrive. But it's up to you to make that
5 decision and I urge that this Commission vote against the
6 sale of the Pleasants Power Station. Thank you.

7 CHAIRMAN:

8 Thank you, Mr. Leach. Mr. Ambrose.

9 MR. AMBROSE:

10 Yes, sir. Bill Ambrose, A-M-B-R-O-S-E.
11 And I also want to thank you for coming up to us. I know
12 you didn't have to do it. I think we all sincerely
13 appreciated that. I wasted a whole day putting these
14 remarks together, because after listening to the people
15 wanting to support the sale, I decided I have to say
16 something else.

17 Let me start by saying that First
18 Energy has given two rationalizations basically if you
19 --- if you narrow it down, they've giving two
20 justifications for the sale. One of them is the
21 projected supply shortfall. We simply don't believe that
22 this is an issue. It's more complex than a supply
23 shortfall, but the bottom line is that West Virginia is
24 an energy exporting state. It produces more energy than
25 it uses, and therefore, the --- even if the plant were to

1 close, the energy that we have for the grid and there is
2 enough energy going into it from West Virginia's power
3 stations to provide for all the needs. If there should
4 ever be a time in the future when we need more capacity,
5 it should not come from the Pleasants Power Station.

6 The lead time West Virginia's generous
7 power capacity gives us should best be used to bring
8 cheaper, cleaner --- cheaper and cleaner energy sources
9 online. Primarily right now natural gas is proving
10 itself to be a real winner, but wind and solar is also
11 showing that it can be very competitive and it is
12 completely clean.

13 The --- the thing that I've been
14 thinking about is people speaking and basically it's what
15 Karen Campbell and the two Lauras touched on and that is
16 the contradiction, the irreconcilable contradiction at
17 the heart of First Energy's position. They --- this is
18 their second claim. Their second claim is that the
19 transfer will save people money, that it will save
20 ratepayers money and that the Pleasants Power Station
21 will supply secure energy for 20 years, secure
22 uninterrupted energy for 20 years and do so in a cost
23 competitive way.

24 The problem is their --- I think a lot
25 of people don't appreciate the fact that the current

1 owner of Pleasants Power Station, Allegheny Energy
2 Supply, it's also a subsidiary of First Energy. It
3 happens to be an Ohio based subsidiary of First Energy,
4 but it is still a subsidiary of First Energy. So this
5 transfer is --- and they're very keen to effect, is to
6 transfer from one subsidiary to another.

7 So there --- this --- and the
8 difference between the two subsidiaries is the nature of
9 the energy market they're in, which people have spoken on
10 it at great lengths. Competitive market that Allegheny
11 Energy supplies in does not provide enough income for the
12 plant to make it profitable. The regulated environment
13 of West Virginia would mandate rate increases until such
14 time as the plant became profitable.

15 This is the clear naked reality and it
16 absolutely contradicts First Energy's primary assertion
17 that this plant is a good move and, you know, that it's
18 --- it's the right choice for --- for West Virginia. And
19 it clearly is not or they wouldn't be wanting to transfer
20 it.

21 So the rationalization is that people
22 in favor of the transfer are all based on vested
23 interest. Now, essentially, this is so transparently
24 obvious that it really shouldn't need to be said, but
25 vested interest is just --- it may be an issue, but it

1 can't be the core basis upon which this kind of decision
2 is made. Power stations are not job brokers.

3 They're intended to provide the power
4 to large numbers of --- of citizens. And while there is
5 no doubt a large downside to this is community, it will
6 be okay because it's a vibrant community and it will
7 recover. It's really preposterous to assume that policy
8 that you all promulgate should be based on vested
9 interest at the expense of sound policy.

10 So the --- the gentleman said he would
11 be happy to pay the \$69, which he disputed was an
12 accurate number, you know, to be able to keep the
13 Pleasants Power Station open. I'm sure that's true, but
14 what about the 522,499 other ratepayers in this state? I
15 doubt that they would feel that. And so do the people in
16 Pleasants County actually want to admit to asking for a
17 subsidy from over a half a million other West Virginians?

18 As Wayne Doun said, and he's a very
19 mighty dentist he is, you know, that is not the way the
20 system is supposed to work. Good policy would dictate
21 that --- that you folks do the right thing for the
22 citizens of West Virginia and that you deny this sale.
23 It will not inevitably mean that the plant will close
24 immediately or even in the near term.

25 And it will provide breathing room for

1 the other sources of energy that are so vastly superior,
2 not only from an environmental point of view, but every
3 one of them from a cost point of view also. But
4 particularly natural gas has proven itself to be a --- a
5 --- a winner. So it's on that basis that I would
6 respectfully request that you deny the application to
7 transfer the plant. Thank you, sir.

8 CHAIRMAN:

9 Thank you, Mr. Ambrose. That's ---
10 that's everybody. You have repeatedly this evening
11 thanked me for coming out. I want to say the same back
12 at you as I said. These are --- I know that --- as I sit
13 here somebody said --- I heard one of them say well,
14 they're quiet. Well, that's --- we're supposed to be
15 quiet. We're supposed to listen to you.

16 I will tell you that there were very
17 few issues that were raised tonight that aren't contained
18 within the stacks and stacks of testimony that we will
19 look at, review, analyze and debate and litigate and
20 decide as we go forward with our hearings. This is a
21 long process. We have lots of active parties involved,
22 an array of wonderful lawyers and I think a very
23 competent Commission that we will --- I don't know
24 whether the decision we'll reach will make you happy.

25 I will tell you that the decision we

1 will reach will be --- as far as I'm concerned will be
2 very reasonable and we will try to do the best we can.
3 There's no --- there's no middle of the road sort of
4 thing. I mean, you've heard most of that tonight. We
5 will simply do the best we can with the record that we
6 developed, but I do want to thank you all for coming out
7 tonight and it's been very helpful.

8 So with that, we're going to close the
9 hearing record and God speed.

10 * * * * *

11 HEARING CONCLUDED AT 8:15 P.M.

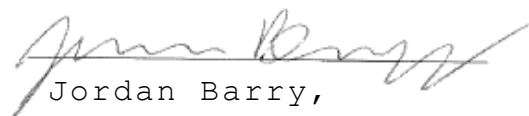
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CERTIFICATE

1
2
3 I hereby certify, as the stenographic reporter,
4 that the foregoing proceedings were taken stenographically
5 by me, and thereafter reduced to typewriting by me or under
6 my direction; and that this transcript is a true and
7 accurate record to the best of my ability.

8
9 I certify that the attached transcript meets the
10 requirements set forth within article twenty-seven, chapter
11 forty-seven of the West Virginia Code.

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14 
15 Jordan Barry,

16 Court Reporter
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