

BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

[Greenville, South Carolina]

HEARING # 09-11075

NOVEMBER 23, 2009

6:00 P.M.

DOCKET NO. 2009-226-E:

DUKE ENERGY CAROLINAS, LLC - Application for Authority to Adjust
and Increase Electric Rates and Charges

TRANSCRIPT OF TESTIMONY
AND PROCEEDINGS

VOLUME 2

HEARING BEFORE: John E. "Butch" HOWARD, *VICE CHAIRMAN*; and
COMMISSIONERS David A. WRIGHT, G. O'Neal HAMILTON, Swain E.
WHITFIELD, and Randy MITCHELL.

ADVISOR TO COMMISSION: Josh Minges, Esq.

STAFF: Charles L.A. Terreni, Chief Clerk/Administrator; Jocelyn
G. Boyd, Deputy Clerk; Phil Riley and William O. Richardson,
Advisory Staff; Patty Sands, Executive Staff; and Jo Elizabeth M.
Wheat, CVR-CM-GNSC, Court Reporter.

APPEARANCES:

CATHERINE E. HEIGEL, LARA S. NICHOLS, ESQUIRE,
and FRANK R. ELLERBE III, ESQUIRE, representing DUKE
ENERGY CAROLINAS, LLC, APPLICANT

JEFFREY M. NELSON, ESQUIRE, and SHEALY BOLAND
REIBOLD, ESQUIRE, representing THE OFFICE OF REGULATORY
STAFF

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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P R O C E E D I N G S

1
2 **VICE CHAIRMAN HOWARD:** Good evening, ladies
3 and gentlemen. Thank you for coming to this night
4 hearing, public hearing, on the Duke Energy rate
5 increase. My name is John Howard, John 'Butch'
6 Howard, and I'm vice chair of the Commission. I'm
7 pinch-hitting tonight for our chairman, Lib
8 Fleming, whose husband recently passed away.

9 At this point, I'd like to introduce the other
10 Commissioners to you. On my far right is Swain
11 Whitfield. Seated next to Swain is Randy Mitchell.
12 On my far left is is O'Neal Hamilton. Seated next
13 to him is David Wright.

14 At this time I'll turn it over to our
15 attorney, Josh Minges, to read the docket.

16 **MR. MINGES:** Thank you. Good evening. This
17 proceeding before the Public Service Commission in
18 Docket No. 2009-226-E concerns the application of
19 Duke Energy for an increase in its rates and
20 charges.

21 A public hearing has been scheduled in this
22 matter at 6 p.m. on November 23, 2009, at the
23 Greenville County Council Chambers, in Greenville,
24 South Carolina.

25 The parties at tonight's hearing are: Duke

1 Energy, and I'll ask them to please introduce
2 themselves.

3 **MS. HEIGEL:** Yes. Mr. Vice Chairman, members
4 of the Commission, on behalf of Duke Energy
5 Carolinas, Catherine Heigel. Along with me this
6 evening, Lara Nichols and Mr. Frank Ellerbe.

7 We also would like to ask the Commission's
8 leave to have opening comments from Mr. George
9 Acker on behalf of Duke Energy Carolinas, and Mr.
10 Acker is the director of the southern region for
11 Duke Energy Carolinas. I'd also like to point out
12 at the outset that Ms. Barbara Yarbrough is here.
13 She can handle any customer-relations issues that
14 could arise this evening, and we welcome people to
15 see her after the hearing. Thank you.

16 **MR. MINGES:** Okay. And we also have the
17 Office of Regulatory Staff, and they're represented
18 by Jeff Nelson and Shealy Reibold. If I could ask
19 you to --

20 **MR. NELSON:** Thank you. Mr. Chairman and
21 members of the Commission, I'm Jeff Nelson.
22 Together with Shealy Reibold, we represent the
23 Office of Regulatory Staff tonight. Also with us
24 is Michael Seaman-Huynh from our Electric
25 Department back here, and Mr. Chad Campbell who is

1 with our Consumer Services Division. Thank you.

2 **MR. MINGES:** Thanks. Now, in a moment I'll be
3 calling the names of those who've signed to speak,
4 to come forward and be sworn in. Please make sure
5 you give your name and address, and then you may
6 proceed with your testimony. Make sure you speak
7 into the microphone, for the court reporter,
8 because what you say tonight will become part of
9 the record in the case. Also, after you're done,
10 please remain at the podium for any questions that
11 the parties or the Commissioners might have.

12 I'd like to remind everybody that this public
13 hearing is your time to be heard on the proposed
14 rate increase, but the Commissioners will not be
15 taking any questions.

16 Lastly, Duke and ORS will be available after
17 the hearing for any questions that you might have.
18 Lastly, the evidentiary hearing in this matter,
19 which is the hearing where we take the evidence
20 from the parties, will be held in Columbia at the
21 Commission's hearing room on November 30th at 10:30
22 a.m. Those who speak tonight will not be permitted
23 to speak at that hearing.

24 And now I'll call the first witness. Thurman
25 Julian, would you come forward please and be sworn

1 in?

2 [Mr. Julian sworn/affirmed]

3 **MR. MINGES:** I'm sorry, I -- can I get an
4 opening statement from George Acker first? I
5 apologize for that.

6 **MS. HEIGEL:** Thank you.

7 **MR. RICHARDSON:** We'll call you back.

8 **WITNESS JULIAN:** Okay.

9 [Witness sworn/affirmed]

10 THEREUPON came,

11 **G E O R G E A C K E R ,**

12 who, having been first duly sworn/affirmed, testified as
13 follows:

14 **WITNESS:** George Acker. And my address is 124
15 Oaks Court, in Pickens, South Carolina.

16 Let me start by thanking the Commission for
17 allowing us to be here this evening. I consider it
18 a privilege to talk on behalf of Duke Energy.
19 Thank you for your time.

20 I've been with Duke 29 years. Twenty-six of
21 those have been in the Upstate of South Carolina,
22 the ten-county area basically from Abbeville to
23 Oconee to Spartanburg to Cherokee County. And I
24 really do appreciate the opportunity to talk a
25 little bit about the rate case that we have right

1 now, and also to listen to the public as they make
2 their comments, about where we are.

3 I'm certain many of the neighbors that I have
4 both in Greenville and Spartanburg, and the
5 Upstate, talk about how bad the economy is. We
6 have heard that. We also recognize that this is a
7 challenging time to ask customers to pay more.
8 Matter of fact, I'd bet the recession has touched
9 everyone in this room, either at home or at work.
10 At Duke we're not immune to business challenges.
11 In fact, we've been in a pretty tough spot the last
12 year or two. We're doing all we can to control
13 costs, but we have to keep our promises. Some of
14 those promises, we have an obligation to deliver a
15 vital service to our customers, vital electric
16 service. We cannot compromise the reliability that
17 is critical to our customers, both large and small.
18 We cannot ignore state and federal legislations
19 that guide many of our expenditures and our
20 operations, particularly related to environmental
21 impacts. Also importantly, we cannot stop planning
22 and investing in a power system that is essential
23 to the Upstate region that I call home. Bottom-
24 line, our current rates aren't sufficient to ensure
25 that we can continue to deliver on those promises.

1 It's important to note that the rate increase
2 would pay for investments we've already made.
3 Since our last rate case in South Carolina 18 years
4 ago, 1991, we've invested about \$14 billion in
5 power supply, environmental equipment, power lines,
6 operations, maintenance, and so on. An important
7 aspect of this rate case is our desire to take
8 steps that will better align rates among our
9 different customer classes -- residential,
10 commercial, and industrial -- to more accurately
11 reflect the costs we incur to serve each of these
12 classes. In addition to being fair, this proposal
13 will encourage more economic development and job
14 growth in the Upstate here in South Carolina.

15 I mentioned we're doing all we can to control
16 costs for ourselves and our customers. Look at our
17 rates. We've managed our business so well that our
18 rates are 37 percent below the national average and
19 31 percent below the norm for the Southeast. Look
20 at our plant operations, among the most efficient
21 in the nation. Look at our response to the
22 recession. In 2009 we're on track to find \$150
23 million in internal costs; we're going to cut
24 those, or have cut those, and we froze the salaries
25 for most employees. Look at our system customers.

1 Through our new energy efficiency programs, we can
2 help them save money. Look at the contributions we
3 make as a company and through our various
4 organizations to public assistance programs, such
5 as Share the Warmth, that provides financial
6 assistance to low-income customers for heating, as
7 well as the Duke Foundation and the United Way.

8 Thankfully, there are signs of an economic
9 recovery. Approving this rate case -- this rate
10 increase for Duke will allow the company to update
11 its costs, deliver on its promises, and prepare for
12 the energy challenges looming on the horizon.

13 Thank you, very much, for the privilege of
14 addressing you.

15 **VICE CHAIRMAN HOWARD:** ORS, any questions?

16 **MR. NELSON:** No questions, Mr. Chairman.

17 **VICE CHAIRMAN HOWARD:** Duke?

18 **MS. HEIGEL:** No questions.

19 **VICE CHAIRMAN HOWARD:** I didn't think so.

20 Commissioners?

21 [No response]

22 **VICE CHAIRMAN HOWARD:** You may be excused.

23 **WITNESS:** Thank you.

24 [WHEREUPON, the witness stood aside.]

25 **MR. MINGES:** Ms. Heigel, did you have anything

1 further or anybody else you'd like to have come
2 forward?

3 **MS. HEIGEL:** No.

4 **VICE CHAIRMAN HOWARD:** Not at this time?

5 **MS. HEIGEL:** Not at this time.

6 **MR. MINGES:** Mr. Julian, please come forward.

7 I apologize to you again for going out of order.

8 **MR. RICHARDSON:** Mr. Julian was sworn in.

9 Please state your name and address for the record.

10 THEREUPON came,

11 **T H U R M A N J U L I A N ,**

12 who, having been previously duly sworn/affirmed, testified as
13 follows:

14 **WITNESS:** Thurman Julian. 159 Woodside Road,
15 Simpsonville, South Carolina 29680.

16 I would like to thank you all for letting me
17 have a time to speak. I'm not no speaker, but with
18 the way the economy is and the way people are
19 getting laid off work, retired people that don't
20 draw any money hardly, we don't need no pay raise.
21 Y'all hide too much money now. And I'm sure that
22 y'all make plenty of money to where y'all don't
23 have to worry about your health insurance, you
24 don't have to worry about your sick pays or
25 vacations. I hadn't been on a vacation since back

1 in 1990. I hadn't been able to.

2 I have sickness in the family. My wife had
3 fibromyalgia back in 1980s -- in the 1980s, a
4 doctor misdiagnosed her. He told her she ought to
5 quit work, so they -- so she had to quit. They
6 didn't tell her to let her have her insurance; we
7 didn't know. The doctors wouldn't let her --
8 wouldn't do anything for her because we didn't have
9 no money for it. And our power bill back in '85
10 when we moved over there where we're at and bought,
11 it was under \$100. Now it's over \$200. Same
12 house, same way of living, and we heat by wood.

13 And now she's in the severe stage of
14 fibromyalgia. She's not able to do her housework.
15 Her medicine and doctor bills is more than what she
16 draws from the Social Security. And the people up
17 there, our senators in Washington, passes these big
18 raises for them and the retired people cannot get a
19 cost-of-living raise. We ain't had no raise in
20 awhile and won't get one next year unless they
21 change. It ain't right for y'all to give us a --
22 charge us for a power raise, with all them billions
23 of dollars y'all hide.

24 And if y'all read, if you have a King James
25 Bible and you read in Daniel, you'll find out what

1 God does for people that's in higher group, how he
2 done the kings, and how God takes care of his
3 people. Y'all can raise your rates if you want to
4 on us.

5 **VOICE:** Amen.

6 **WITNESS:** I had -- I was in business at one
7 time, but I had to quit because my wife couldn't
8 get no insurance, and we couldn't have no insurance
9 because we couldn't pay for it. And then, so when
10 we -- I quit and went to work with a company to get
11 insurance, and then they wouldn't pay because she
12 had existing problems. There's a lot of weeks --
13 months that my wife does not get to leave the
14 property and the yard. She's not able to.

15 But God going to take care of me. Y'all do
16 what you want to to me. Might as well pull your
17 guns out and shoot me. That's what you're doing,
18 you're taken the people's money that ain't able to
19 pay for stuff, and it ain't right. But what I -- I
20 mean, I'm ready to meet the Lord but I don't want
21 to go today. I want to see my grandchildren -- my
22 grandchildren to grow up. I have a granddaughter
23 that lives with me, and I'd like to see my
24 children's children grow up. But we ain't going to
25 have nothing to grow up with. We can't pay our

1 taxes now.

2 I appreciate y'all letting me talk. The Lord
3 knows -- the Lord knows what I need, what I don't
4 need. And today -- I ask the Lord every day to do
5 that. And I pray for these leaders. If they're
6 not going to bring us -- help bring this country
7 back to God, I pray that he'll move us and put
8 somebody else in that will. But he knowed what I
9 needed today. He sent a man by, that another man
10 give him some money to give me. He knowed I needed
11 it. I didn't know who was -- where it was coming
12 from.

13 But y'all do what you want to. You're going
14 to anyway. Thank you.

15 **MR. MINGES:** Mr. Julian.

16 **VICE CHAIRMAN HOWARD:** Mr. Julian, we might
17 have some questions. Any questions, ORS?

18 **MR. NELSON:** No questions, Mr. Chairman.

19 **VICE CHAIRMAN HOWARD:** Duke, any questions?

20 **MS. HEIGEL:** No questions, Mr. Chairman.

21 **VICE CHAIRMAN HOWARD:** Commissioners?

22 [No response]

23 **VICE CHAIRMAN HOWARD:** Thank you, very much,
24 Mr. Julian.

25 **VOICE:** Thank you.

1 **VICE CHAIRMAN HOWARD:** You may be seated.

2 [WHEREUPON, the witness was excused.]

3 **MR. MINGES:** Rick Sumere1, would you please
4 come forward?

5 [Witness sworn/affirmed]

6 THEREUPON came,

7 **R I C K S U M E R E L ,**

8 who, having been first duly sworn/affirmed, testified as
9 follows:

10 **WITNESS:** My name is Rick Sumere1. My
11 residence is 4 Old Rockhouse Road in Greenville
12 29609. My business address is 124 Verde Boulevard.
13 And I give you both addresses because, in addition
14 to being a lifelong customer of Duke Energy, I've
15 also had a wide range of business relationships and
16 associations with them that I would like to share
17 with you, and incidences which I think set them
18 above most utility providers in a very important
19 service we all need.

20 In my early professional career as a developer
21 with a major insurance company, we developed
22 residential neighborhoods throughout the Southeast,
23 so I was able to observe firsthand and compare the
24 level of quality, service, and the cost that was
25 provided in communities throughout the Southeast,

1 and come home and take a look at our own power
2 bill, our own level of service, and see exactly how
3 fortunate we were to have Duke Energy as a service
4 provider.

5 Another phase of my career gave me the
6 opportunity to be involved in industrial
7 development, again, throughout the Southeast, but
8 primarily in South Carolina in the Upstate. I
9 can't tell you how many times we called on Duke
10 Energy to be a part of the team to help us convince
11 major industrial clients that the Upstate of South
12 Carolina is where they needed to bring jobs, where
13 they needed to bring their industry. Without fail,
14 we could always depend on them to not only have
15 folks on-site with technical capabilities, but they
16 also were in a position to make commitments to
17 generate -- no pun intended, but to create those
18 jobs, to provide the services that the client
19 needed, and to follow through without fail. We
20 never had a client that came back and said Duke
21 Energy was not one that -- could not follow through
22 with what they had promised.

23 So from my experience, they've been a huge
24 part of our economic development in the Upstate and
25 will be as we move out of this recession and move

1 forward, I'm comfortable with that.

2 The most recent experience I've had with Duke
3 is in my current position as president of Verde
4 Development. We're doing an 1,100-acre master plan
5 community. We undertook what was going to be one
6 of the largest underground installations of power,
7 I believe, in the Duke Energy system. It was
8 approximately three-quarters of a mile. The first
9 cost estimates were \$2.5 million. We, frankly,
10 could not see the economic benefit in doing that.
11 However, through a series of meetings, interviews,
12 innovative exchanges of ideas, that project was
13 delivered at \$1.3 million. So what we have is a
14 higher level of delivery, a better level of
15 reliability for our customers, frankly an
16 aesthetically more pleasing streetscape that we've
17 put in, and we think it's a long-term benefit for
18 our community, which, in turn, we think will
19 generate more jobs for the long term.

20 These are all great things. We would all love
21 to have them for free. Most of you I'm sure are
22 businesspeople. They can't be for free, so I guess
23 that raises the question of, is the rate increase
24 they are seeking enough or too much? My
25 experience, over some 35 years in the professional

1 business, is Duke has been a good steward. They've
2 been a good steward of their resources, they've
3 been a good steward of the environment, they've
4 been good stewards of their technology, they've
5 been good stewards of their electrical service, and
6 I find no reason to believe that they would be
7 anything less than good stewards of the dollars
8 that they need to continue to provide the level of
9 service they have for us during my career and my
10 lifetime. Thank you for your time.

11 **VICE CHAIRMAN HOWARD:** ORS?

12 **MR. NELSON:** No questions.

13 **VICE CHAIRMAN HOWARD:** Duke?

14 **MS. HEIGEL:** No questions.

15 **VICE CHAIRMAN HOWARD:** Commissioners?

16 **COMMISSIONER HAMILTON:** I have one.

17 **VICE CHAIRMAN HOWARD:** Commissioner Hamilton.

18 **EXAMINATION**

19 **BY COMMISSIONER HAMILTON:**

20 **Q** Hi, Mr. Sumere1. Happy to have you with us, sir.

21 **A** Thank you.

22 **Q** I believe in your statement you indicated on the
23 underground service for the new subdivision, the
24 rejected cost was 2 million plus?

25 **A** Right.

1 Q Came in at 1.3?

2 A Right.

3 Q What was done to change this?

4 A Primarily, we came up with a partnership that allowed us
5 -- working with Duke's specifications, we contracted
6 separately to put in the duct system that was going to
7 be required for this power system. We bid that out
8 separately, but in conjunction with Duke's engineers and
9 their specifications. Once that was in place, Duke
10 Energy then came in and actually provided the wiring and
11 put in place for us, so it was a huge savings. Part of
12 the savings, frankly, was the initial cost was based on
13 some historical data, and we had a little bit of a
14 unique situation. The roadway we were using, the right-
15 of-way was perfectly clear, it was perfectly straight.
16 But the important thing to me is, we had the opportunity
17 to go back and revisit with them and look at a variety
18 of ways to solve the same problem.

19 Q There was no subsidization?

20 A I'm sorry?

21 Q It was not subsidized --

22 A No, sir.

23 Q -- by Duke?

24 A No, sir.

25 COMMISSIONER HAMILTON: Okay. Thank you, sir.

1 **VICE CHAIRMAN HOWARD:** Any other questions,
2 Commissioners?

3 [No response]

4 **VICE CHAIRMAN HOWARD:** You may be excused.

5 **WITNESS:** Thank you

6 [WHEREUPON, the witness was excused.]

7 **WITNESS:** At this time, William Davis, would
8 you come forward, please?

9 [Witness sworn/affirmed]

10 THEREUPON came,

11 **W I L L I A M D A V I S ,**

12 who, having been first duly sworn/affirmed, testified as
13 follows:

14 **WITNESS:** My name is William Davis. My
15 address is 1507 North Parker Road, Greenville,
16 South Carolina 29609.

17 My comments are brief. I've been involved
18 with some community action newsletters and had
19 informed me about the Cliffside coal-burning power
20 station. And my comments are simple, that I'm a
21 large fan of renewable energy, and I do not believe
22 that coal is a clean source for energy production.
23 And I would not support and would not encourage any
24 energy increase, rate increase, that would support
25 such a product.

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VICE CHAIRMAN HOWARD: ORS?

MR. NELSON: No questions.

VICE CHAIRMAN HOWARD: Duke, any questions?

MS. HEIGEL: No questions.

VICE CHAIRMAN HOWARD: Commissioners?

[No response]

VICE CHAIRMAN HOWARD: Thank you, Mr. Davis.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Edward Paxton, would you come forward to be sworn, please?

[Witness sworn/affirmed]

THEREUPON came,

E D W A R D H . P A X T O N ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Edward Paxton. My mailing address is 1 York Circle, Greenville 29605. And I welcome you all to Greenville. You might ought to do it more often.

I commend you for your actions seven or eight years ago, regarding the co-gen plants in the southern part of Greenville County. And thank you, Mr. Bradley.

I assembled that which I was going to say

1 about this rate increase yesterday, and I learned
2 in reading the newspaper this morning that Duke had
3 rescinded much of their requested increase. And I
4 guess I'm not sure I know an awful lot about that,
5 because tonight the people I talked with at the
6 sign-up desk didn't seem to know about it, either.
7 So I guess an explanation ought to be in order
8 there somewhere. And as a result of all of this,
9 particularly what was in the paper this morning, I
10 started not to attend your hearing. Then I thought
11 about it and decided that this rescission-of-rates
12 thing was not anything but just another one of
13 Duke's foolishnesses, and that I did, in fact, have
14 something important to say.

15 Members of the Public Service Commission,
16 Duke's management has been playing games since
17 about 1982 with its customers. Prior to that, Duke
18 was a well-managed little G&T. In '81 they did
19 their first outside engineering job on a bunch of
20 co-gen plants for a company which I formed. That
21 was, so far as I know, their first private
22 engineering work. Then they decided to try to
23 become a darling of -- the darling of Wall Street,
24 a performance company, if you will. They got
25 involved in daisy-chaining power contracts on the

1 west coast. They went crazy with oil and gas.
2 They bought Monongahela Power & Light. They bought
3 Cincinnati Electric. And now they're knee-deep in
4 windmills in southern Wyoming. But most of all,
5 they've thumbed their royal noses at their retail
6 customers, who make up their revenue base, and they
7 have made it all but impossible for customers to
8 have a meaningful conversation or transaction with
9 them.

10 Members of the PSC, I think there needs to be
11 a stop to this foolishness, if you can do it. For
12 what it's worth, Duke's not nearly as arrogant as
13 what I'm seeing out of some more of these
14 utilities, such as AT&T. We need to address that
15 arrogance with dispatch. It's practically
16 impossible to have a conversation with AT&T. And
17 we need to do this in a way that makes these
18 customers -- makes these utilities more customer-
19 oriented, as in the days before 1980 when Bill Lee
20 was running that show. To put it bluntly, every
21 time I've tried to contact Duke Power and AT&T in
22 the past ten years, I've had to go to the State
23 Consumer Affairs office to get anyone to have a
24 meaningful conversation with me, and it's taken
25 weeks and weeks. And We're entitled to a lot

1 better. PSC, you, the Consumer Affairs office, and
2 this office of regulatory affairs need to be
3 working together for the benefit of the citizens.
4 I request it.

5 **VICE CHAIRMAN HOWARD:** Thank you. Any
6 questions, ORS?

7 **MR. NELSON:** No questions, Mr. Chairman.

8 **VICE CHAIRMAN HOWARD:** Questions from Duke?

9 **MS. HEIGEL:** No questions, but we would invite
10 Mr. Paxton to speak with any number of our
11 representatives who are here this evening.

12 **WITNESS:** Ma'am, would you speak up?

13 **MS. HEIGEL:** Is this on [indicating]?

14 **VOICE:** No.

15 **VICE CHAIRMAN HOWARD:** There's a red light on
16 it, a switch.

17 **MS. HEIGEL:** Well, how about now?

18 **VICE CHAIRMAN HOWARD:** There you go.

19 **MS. HEIGEL:** I'm sorry. We do have a number
20 of Duke Energy representatives that are here this
21 evening and would be more than happy to speak with
22 you after the hearing concludes. Thank you for
23 your comments.

24 **VICE CHAIRMAN HOWARD:** Would you point them
25 out so he'll know who they are?

1 MS. HEIGEL: We have Ms. Yarbrough here for
2 customer-service issues. Mr. Carter is here, Brett
3 Carter, who is president of the Carolinas utility,
4 as well. And, of course, I will be available.

5 VICE CHAIRMAN HOWARD: Did I ask the
6 Commissioners?

7 COMMISSIONER MITCHELL: No.

8 VICE CHAIRMAN HOWARD: You might have to come
9 back up. I haven't asked for Commissioner
10 questions yet. Commissioners, do you all have any
11 questions for Mr. Paxton?

12 COMMISSIONER HAMILTON: No.

13 COMMISSIONER MITCHELL: I don't either.

14 COMMISSIONER WRIGHT: I don't.

15 VICE CHAIRMAN HOWARD: Mr. Paxton, thank you
16 for coming.

17 [WHEREUPON, the witness was excused.]

18 MR. MINGES: Gregg Jocoy, would you please
19 come forward.

20 MR. JOCOY: I'd like to ask a question first.
21 It's my intention to testify on the 30th or
22 thereafter. I was unaware of the fact that we
23 could not testify here today and then again later.
24 I'm assuming that Mr. Acker will not be testifying
25 in Columbia?

1 MR. ELLERBE: Mr. Chairman, Mr. Jocoy has
2 prefiled testimony in the case.

3 MR. JOCOY: I did.

4 MR. ELLERBE: And that's correct, Mr. Acker
5 will not be testifying.

6 MR. JOCOY: That being the case, I would
7 prefer to defer until later.

8 VICE CHAIRMAN HOWARD: Thank you.

9 MR. JOCOY: Thank you, gentlemen.

10 MR. MINGES: I'm having a little trouble with
11 the next name. It's, I think, Charisse Krieger.

12 MS. KRIEGER: That's me.

13 MR. MINGES: Is that -- okay. I hope I didn't
14 mangle it too badly.

15 [Witness sworn/affirmed]

16 THEREUPON came,

17 C H A R I S S E W . K R I E G E R ,

18 who, having been first duly sworn/affirmed, testified as
19 follows:

20 WITNESS: Good evening. My name is Charisse
21 Krieger, and I live at 211 Morgan Court, in Greer,
22 South Carolina 29650. And I'm the president of
23 the River Downs Homeowners' Association.

24 VICE CHAIRMAN HOWARD: Ma'am, would you spell
25 your name for the record, please?

1 **WITNESS:** Sure. C-h-a-r-i-s-s-e K-r-i-e-g-e-
2 r.

3 **VICE CHAIRMAN HOWARD:** Thank you, very much.

4 **WITNESS:** Uh-huh. I just found out about the
5 rate increase when it was on the news and in the
6 local newspaper. I'd like to give a little
7 background for the Commission and for Duke. I was
8 born and raised in southern California and for 15
9 years lived in a suburb of Philadelphia: Lansdale,
10 Pennsylvania. Five years ago, my husband and I
11 were relocated here to Greenville, South Carolina,
12 and we are very, very happy with the difference in
13 our electric bills. In fact, we couldn't believe
14 the difference in our electric bills. However,
15 that first winter was a real surprise. That was
16 the first winter in 20 years that we went without
17 power for five days. It was miserable, it was
18 absolutely unforgivable, and I don't ever want to
19 have to go through that again.

20 So in my estimation, if this increase is going
21 to, absolutely, underground supply electrical lines
22 to every residential subdivision, every area of
23 Greenville County, so that we don't have to be
24 victims of another ice storm and the just -- I
25 mean, I felt like I was in the 1800s. I've never

1 endured anything like that, and I don't want to
2 have to do it again.

3 Now, the rate increase, according to the
4 paper, says it looks like it's only going to be
5 about an \$8 kilowatt-hour increase on residential.
6 I don't have a problem with that, at all. But what
7 I do have a problem with is the comment that was in
8 the paper made by Dukes Scott, which said that Duke
9 has agreed to accept a 10.7 percent return on
10 equity, instead of the 11.5 percent return it
11 originally sought. Gentlemen, everybody in this
12 room would love to see a 10.7 percent on our equity
13 in our homes, in our stock portfolios, and Duke
14 should not be the only one that is given this gift
15 by the PUC, unless there are absolute guarantees
16 that their customer service is going to improve --
17 I couldn't even find anybody in the customer
18 service department that could give me a ballpark
19 figure what my residential rates would increase,
20 let alone what the rate increase is going to be to
21 the River Downs Homeowners' Association.

22 Then, calling the County, the County
23 Attorney's office, I find out that Duke has worked
24 with numerous -- or, the County with Duke -- has
25 worked with numerous homeowners' associations in

1 Greenville County to form lighting districts. I
2 want to know why hasn't this been something that
3 Duke has done for every homeowners' association?
4 The homeowners' associations that are in lighting
5 districts today have seen 50 to 60 percent
6 decreases in their annual electrical rates. But
7 because River Downs just found out about this and
8 we can't go through the process until January to
9 June of 2010, Duke has already redone that rate
10 scale, so we are only going to see, if anything, a
11 10 percent decrease in what we are already paying.
12 And I don't think that's fair either.

13 So that's my input. I think that Duke needs
14 to do a little bit of soul-searching. I don't mind
15 paying for underground services to my home to keep
16 us safe during the winter months and hurricane
17 months, but not if they are going to see a 10
18 percent return on their equity. No. Thank you.

19 **VICE CHAIRMAN HOWARD:** Just a minute, ma'am.

20 **WITNESS:** Oh, sorry.

21 **VICE CHAIRMAN HOWARD:** ORS, any questions?

22 **MR. NELSON:** No questions from ORS.

23 **VICE CHAIRMAN HOWARD:** Duke, any questions?

24 **MS. HEIGEL:** No questions, but we would invite
25 you to speak with Ms. Yarbrough after the hearing

1 is over, to understand more about the underground
2 -- overhead-to-underground plan.

3 **WITNESS:** Well, I would just like to know if
4 that's part of the plan, with this increase. I
5 couldn't get anybody at your customer service --
6 you know, I've been trying to call. So, I don't
7 really want to stay till the end of the hearing to
8 talk to her tonight.

9 **MS. HEIGEL:** If you would like, I can arrange
10 for her to give you her phone number now, and
11 then --

12 **WITNESS:** I could leave her my phone number
13 and she will call me.

14 **MS. HEIGEL:** We would be happy to do that.
15 Thank you.

16 **WITNESS:** Okay.

17 **VICE CHAIRMAN HOWARD:** Just a minute. Just a
18 minute. Commissioners, any questions?

19 [No response]

20 **VICE CHAIRMAN HOWARD:** You may be excused.
21 Thank you, very much.

22 **WITNESS:** Thank you.

23 [WHEREUPON, the witness was excused.]

24 **MR. MINGES:** Terrence Roberts, would you
25 please come forward and be sworn in?

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[Witness sworn/affirmed]

THEREUPON came,

T E R R E N C E R O B E R T S ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Terrence Roberts, and my residence address is 104 Canebreak Drive, Anderson, South Carolina. My business address is 401 South Main Street, Anderson, South Carolina.

I'm speaking to you tonight in regards -- I'm the mayor of Anderson, and I just want to talk a little bit about the City's relationship with Duke Power. Part of my responsibilities as the mayor of Anderson is to attract new jobs, keep people employed, and also keep existing companies within our community. What concerns me at this point in time in our economy is that we have nearly 12,000 people unemployed. And what I can tell you is that when a company, from an economic development point of view, comes to our City to look at bringing jobs, one of the first things they look to is a reliable source of energy, and Duke Power does provide that for our community.

You know, one example, cities and municipalities very rarely -- and especially in

1 Anderson -- get an opportunity to participate in
2 economic development within our city limits,
3 outside of retail sales and commercial. However,
4 we did have an opportunity to attract a company a
5 year or so ago, that provided white-collar jobs to
6 our community. And that's very important in our
7 community, because we went through a textile era
8 and a manufacturing era, and basically what they've
9 been able to do is provide some of our citizens a
10 job that is less physically challenging and at a
11 good rate.

12 We also know that they are trying to move
13 other operations from other parts of the country to
14 our area, and one has to do with having a very
15 reliable source of electricity in regards to data.
16 And Duke Power was at the table with our City
17 representatives and also with our County economic
18 development people, to make sure that we hopefully
19 get those responsibilities, too.

20 As mayor of Anderson, and one thing that we
21 all do as far as municipalities in the Upstate, if
22 we don't provide fire, police, and water -- and
23 when the electricity goes out, I do get phone
24 calls. And, basically, I think two springs ago, we
25 had a freak hailstorm, a wind storm, that just

1 knocked out a lot of power in our community, in our
2 City. And our City, Duke brings in people and
3 we've got to find places for them to sleep, and
4 transport, and so forth. And so our Transportation
5 Department was very active in making sure that we
6 were able to keep people, the Duke Power people who
7 were in our community, repairing those power lines
8 and getting power up as soon as possible. It's in
9 our best interest to help these guys.

10 I hate to raise taxes. I don't like increased
11 fees. I understand it's been awhile since Duke has
12 raised rates. We all know that the cost of doing
13 business continually increases. We feel that, a
14 municipality point of view, we've got to make sure
15 we're good stewards of everybody's money. I've sat
16 around a table the last 22 years in our community
17 with representatives from Duke Power, and what I
18 can tell you is that they are good stewards, they
19 care about my community, and if this rate increase
20 is allowed, I can't help but think it will make our
21 State -- keep our State competitive in that
22 regards, and we're able to attract new businesses
23 and provide jobs for our community.

24 I thank you for allowing me to speak tonight.

25 **VICE CHAIRMAN HOWARD:** Thank you. ORS, any

1 questions?

2 MR. NELSON: No questions, Mr. Chairman.

3 VICE CHAIRMAN HOWARD: Duke, any questions?

4 MS. HEIGEL: No questions.

5 VICE CHAIRMAN HOWARD: Commissioners, any
6 questions?

7 COMMISSIONER MITCHELL: Yes, sir.

8 VICE CHAIRMAN HOWARD: Commissioner Mitchell.

9 EXAMINATION

10 BY COMMISSIONER MITCHELL:

11 Q Mayor, then, by your speech, you attribute, then, more
12 development in Anderson County with a closer cooperation
13 with Duke, personally? Do you think that they have,
14 over the last 10 or 15 years, aided your development
15 around Anderson, as far as their cooperation?

16 A I do, Commissioner. I think that whenever we ask them
17 to meet with a prospective client, they are there, or
18 their representatives are there. And they are very
19 open-minded, and I think they understand that we've got
20 to -- for us to be competitive, our rates have to be
21 attractive for people to come in.

22 COMMISSIONER MITCHELL: Thank you. That's all
23 I have.

24 VICE CHAIRMAN HOWARD: Any other questions?

25 [No response]

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VICE CHAIRMAN HOWARD: Mr. Roberts, thank you for coming. You may be excused.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Cynthia Eason, would you please come forward.

[Witness sworn/affirmed]

THEREUPON came,

C Y N T H I A E A S O N ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Cynthia Eason. My address is 828 Parkins Mill Road, Greenville, South Carolina 29607.

I am vice president of corporate and economic development for Greenville Technical College, and I would like to provide my support for the proposed extension of the bulk power marketing sharing program through Advance SC, which is under consideration as a part of Duke Energy's pending rate case.

Since it was begun in 2004, Advance SC has awarded grants of over \$51 million to benefit residents and employers in the Upstate of South Carolina. My particular area of interest is

1 education, and in that area, Advance SC has granted
2 over \$14 million. These dollars are at work today
3 in the Upstate, improving the lives of South
4 Carolina citizens and helping us to improve the
5 competitiveness of business and industry through
6 workforce development.

7 My school, Greenville Technical College, has
8 received grants totaling \$4,148,500. These grants
9 have enabled us to expand our welding program,
10 introduce a manufacturing readiness program to
11 prepare individuals for entry-level manufacturing
12 careers, implement a registered electrician
13 apprenticeship program, implement a registered CNC
14 apprenticeship program, develop and deliver a
15 hands-on manufacturing processes program for wind
16 engineers.

17 Of the more than \$4 million received by
18 Greenville Tech, \$2.7 million was for projects done
19 in collaboration with our sister technical colleges
20 in the Upstate. Working together, these five
21 colleges have developed a world-class mechatronics
22 curriculum to provide mechanical, electrical,
23 electronics, and computer networking skills needed
24 to maintain advanced manufacturing operations; to
25 upfit labs at all five college, including

1 mechatronics and robotics trainers to support our
2 mechatronics programs; and provided professional
3 development for a cadre of mechatronics instructors
4 at our colleges.

5 Thanks to an Advance SC grant we have received
6 this year, the five-college collaboration is
7 launching a campaign called Dream It, Do It. This
8 is aimed at interesting young people in careers in
9 manufacturing. We know that the Upstate is blessed
10 with strong manufacturing assets that allow us to
11 compete in the global marketplace. I think we're
12 all very proud of that. It's critical that we
13 continue to attract well qualified young people
14 into careers needed to support manufacturing here
15 in South Carolina.

16 I appreciate your consideration of my request
17 that Advance SC be continued. It's truly making a
18 difference in Greenville and in Upstate South
19 Carolina. Thank you.

20 **VICE CHAIRMAN HOWARD:** ORS, any questions?

21 **MR. NELSON:** No questions, Mr. Chairman.

22 **VICE CHAIRMAN HOWARD:** Duke, any questions?

23 **MS. HEIGEL:** No questions, Mr. Chairman.

24 **VICE CHAIRMAN HOWARD:** Commissioners, any
25 questions?

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[No response]

VICE CHAIRMAN HOWARD: Ms. Eason, you can be excused. Thank you for coming.

[WHEREUPON, the witness was excused.]

MR. MINGES: This is the last person we have signed up to speak this evening -- oh, I take that back. Mel Pearce, will you please come forward.

[Witness sworn/affirmed]

THEREUPON came,

M A C P E A R C E ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Good afternoon. My name is Mac Pearce. I live at 4 Woodland Way Circle, in Greenville, 29601.

I really don't have a lot of issues with Duke's service and things like that. What I really would like to just bring to everybody's attention, what I consider a conflict of interest on Duke Energy's part with the State of South Carolina. Sometime late August, I think, the State of South Carolina and North Carolina had gotten into a little bit of a fight over the Catawba River water. Duke Energy, in conjunction with the City of Charlotte, North Carolina, filed briefs in court to

1 support the State of North Carolina against the
2 State of South Carolina. Our Attorney General of
3 South Carolina filed suit against them, and I
4 believe this case is now at the Supreme Court. I
5 do not know if it's had any resolution or not.

6 My conflict that I see is the fact that, on
7 the one hand, Duke Energy is siding with another
8 state in suing its customers, and on the other hand
9 they're asking for a rate increase. Now,
10 obviously, when you sue someone, you incur legal
11 fees, and it would, to me, be somewhat of a
12 conflict to ask for a rate increase when you're
13 incurring legal fees at your own bequest, so that's
14 my statement.

15 **VICE CHAIRMAN HOWARD:** Thank you, Mr. Pearce.
16 ORS?

17 **MR. NELSON:** No questions, Mr. Chairman.

18 **VICE CHAIRMAN HOWARD:** Duke, any questions?

19 **MS. HEIGEL:** No questions.

20 **VICE CHAIRMAN HOWARD:** Commissioners?

21 [No response]

22 **VICE CHAIRMAN HOWARD:** Mr. Pearce, thank you
23 for coming

24 [WHEREUPON, the witness was excused.]

25 **MR. MINGES:** Hal Johnson, would you please

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come forward.

[Witness sworn/affirmed]

THEREUPON came,

H A L J O H N S O N ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Hal Johnson. My home address is 33 Southland Avenue, Greenville, South Carolina. My work address, with the Upstate South Carolina Alliance, is 124 Verde Boulevard, Suite 202, Greenville, South Carolina.

I'm here as the CEO of the Upstate South Carolina Alliance, which is a marketing arm for the ten counties of the Upstate, and I'm here to tell the story about a company that has been a tremendous help in economic development for this region, as none other. Duke Energy has been beside us in every effort of marketing and branding this region for as long as our organization has been created, which has moved into its tenth year.

In addition to the Upstate Alliance, Duke Energy stands beside every county which we represent, with every project that comes into their territory, with the most competitive rates, and it's almost an easy win for us because of the

1 reliability and the competitiveness of their rates
2 in comparison to other regions in which we compete.

3 In my job, I'm blessed to travel the world.
4 And I'm also blessed to see many utility companies
5 that are out there. I've worked in several areas
6 in the State of South Carolina in economic
7 development: one with the State; one in
8 Orangeburg, South Carolina, in which we had a
9 municipal utility provider; and now in the Upstate,
10 in which we have multiple utility providers.

11 In dealing with Duke, what I can tell you is
12 -- when you look at just 2008, alone -- there's a
13 map that exists at the South Carolina Department of
14 Commerce that shows wins in this State, and it's
15 pretty interesting when you see those dots on the
16 map, where they are all located: 49 percent of the
17 companies that located in South Carolina last year,
18 49 percent of the capital investment, located in
19 this ten-county region, and they did so because of
20 the competitiveness of the rates. They did so
21 because of the reliability of Duke Energy. And for
22 us, as a marketing arm of the Upstate, it's our job
23 to go out and tell the great news about this region
24 and the assets that we have here.

25 As I travel in Asia and I meet with companies

1 all the time and try to convince them to come here,
2 one of the things that they ask about time after
3 time after time, "What is the reliability of your
4 utilities," and, "What is the rates?" In China
5 alone we recruited a company here two years ago
6 into Duncan, and we located them in Duke's service
7 territory. When they signed their electric
8 agreement, they could not believe, number one, that
9 the costs were significantly lower than what they
10 paid in their own country; and number two, the
11 reliability that they never had to be cut off at
12 any time because of brown-outs or what have you, as
13 they saw in their own country.

14 As a marketing arm, we get to go and tell this
15 story all over, but what's important is this: As
16 an economic development group who looks for long-
17 term opportunities to market their region, it's not
18 just what we are marketing today; it's what we're
19 marketing in the future. And anytime we want to
20 have the best infrastructure or the best access to
21 utilities, it comes at a cost. And sometimes --
22 and our country, unfortunately, believes that we
23 should never raise a tax, that we should never
24 raise any kind of increase in our fees or what have
25 you, but yet they want the absolute best in their

1 utilities. In this case, we have a company that's
2 willing to invest in its future and invest in its
3 infrastructure. I believe that the rate increase
4 is absolutely worth what we will have in the
5 future, and I believe it gives us even more of a
6 competitive edge, as Duke continues to work on its
7 infrastructure so that we can go out and market and
8 recruit new opportunities, new talent, new jobs to
9 this region. And Duke gives us that opportunity.

10 I moved here five years ago. I, too, moved
11 here right after the ice storm. But I will tell
12 you that, as we deal with opportunities -- and
13 every time, you can call it a problem or an
14 opportunity. In this case, it was an opportunity
15 for my family. Unfortunately, the year before, we
16 had just experienced an ice storm, and
17 unfortunately, it took five days longer for us to
18 gain our utilities there than it did here. And so
19 the opportunity for recovery, the opportunity for
20 Duke to come in and help us get back on-line quick
21 was done. Was it done as quickly as we'd like?
22 No, and it wasn't done as quickly as anybody liked.
23 But as a resident, I think it was done very
24 sufficiently, given the severity of the storm.

25 You know, when we look at reliability, I look

1 at those areas across our country that have lower
2 rates than us, and it's interesting the phenomenon
3 of data service centers that are coming on-line.
4 And you go across the country today, and some of
5 the lowest cost utilities that are out there happen
6 to be hydropower. I challenge anyone to go and
7 find excess capacity on high reserves of
8 hydropower. You're not going to find it, and the
9 reason is, is because the data companies have all
10 located their facilities there, and they've located
11 them there because of the rates that are there.
12 They no longer have the capability of expanding
13 without building new infrastructure, which gives us
14 a leading edge and another reason to be more
15 competitive.

16 Second, I think it's important -- and I know
17 it's not a part of this today, but I think it's
18 important that we move forward with Duke's ability
19 to build the new Lee facility. I truly believe
20 that nuclear power is the right direction and it
21 needs to be considered in the definition of
22 renewable and sustainable energy. As we look at
23 one of the reasons why we have the reliable power
24 rates we have and the cost of the power rates we
25 have, is because of the solid base of nuclear

1 energy that we have in the State today, and I think
2 all of our citizens enjoy that. It's a big
3 investment, but in the long run the cost is well
4 worth it, because it allows us to have the
5 reliability that not only we need as citizens, but
6 the companies, to attract.

7 That's the end of my statement.

8 **VICE CHAIRMAN HOWARD:** Thank you. ORS?

9 **MR. NELSON:** No questions, Mr. Chairman.

10 **VICE CHAIRMAN HOWARD:** Duke?

11 **MS. HEIGEL:** No questions, Mr. Chairman.

12 **VICE CHAIRMAN HOWARD:** Commissioners?

13 Commissioner Whitfield.

14 **COMMISSIONER WHITFIELD:** Thank you, Mr.

15 Chairman.

16 **EXAMINATION**

17 **BY COMMISSIONER WHITFIELD:**

18 **Q** Mr. Johnson, I asked a question similar to this the
19 other night at another night hearing we had, and we all
20 know your area up here in the Upstate, you all have been
21 a hotbed of industry recruitment for a while, and then,
22 of course, we all know what's happened to the textile
23 industry. And I think you cited some numbers that the
24 Department of Commerce had on a map --

25 **A** Yes, sir.

1 **Q** -- I think, for your ten-county region. Could you tell
2 us very briefly where you anticipate heading in economic
3 development at this current stage, right now?

4 **A** Yes, sir. Well, obviously 2009 is a different year than
5 it was last year. I think that we'll still be at a
6 significant level in the State. But when you have a
7 Boeing announcement like you do -- one announcement like
8 that will tip the scale, just like BMW's announcement
9 tipped our scale in capital investment last year. But
10 when you look at the total number of companies that
11 invested in our region, there were 73 companies, and
12 that was made up of both new and expanding companies,
13 and one-third of those were international.

14 I think the Upstate is a hotbed for industry. It
15 has continued to be a hotbed this year. And I think as
16 even Duke's Advance SC program helped us with our new
17 regional strategic marketing study that we've just
18 completed and rolled out last week, I think that
19 strategy will allow us to continue to be the leading
20 economic engine in this State. I hope that answers your
21 question.

22 **COMMISSIONER WHITFIELD:** Yes, sir. Thank you.
23 That's all I have, Mr. Chairman.

24 **VICE CHAIRMAN HOWARD:** Any other questions?

25 [No response]

1 **VICE CHAIRMAN HOWARD:** Mr. Johnson, thank you
2 for coming.

3 **WITNESS:** Thank you, very much.

4 [WHEREUPON, the witness was excused.]

5 **MR. MINGES:** David Taylor, will you please
6 come forward.

7 [Witness sworn/affirmed]

8 THEREUPON came,

9 **D A V I D T A Y L O R ,**

10 who, having been first duly sworn/affirmed, testified as
11 follows:

12 **WITNESS:** My name is David Taylor. I live at
13 311 Poplar Lane, Mauldin 29662.

14 I only have one question. In this time of
15 economy like it is, how can you justify yourself a
16 rate hike when you're making such a profit? Can
17 you state your profits you've made this year?

18 **MR. MINGES:** Sir, we're not here to answer
19 questions. We're here to hear from you. We're
20 very interested in what you have to say.

21 **WITNESS:** I can't hear you, sir.

22 **MR. MINGES:** Duke certainly can talk to you
23 afterwards, but we're not here to answer questions.
24 We're here to actually hear what you have to say.

25 **WITNESS:** Okay. Well, that's my question.

1 MS. HEIGEL: We would welcome the opportunity
2 to speak with you after the hearing, if you're
3 still around, and if not, we can give you a call.

4 WITNESS: That's fine.

5 VICE CHAIRMAN HOWARD: ORS, any questions of
6 Mr. Taylor?

7 MR. NELSON: No questions.

8 VICE CHAIRMAN HOWARD: Duke, anything?

9 MS. HEIGEL: No questions.

10 VICE CHAIRMAN HOWARD: Commissioners?

11 [No response]

12 VICE CHAIRMAN HOWARD: Thank you, Mr. Taylor.
13 You may be excused

14 [WHEREUPON, the witness was excused.]

15 MR. MINGES: Ann Benner, would you please come
16 forward.

17 [Witness sworn/affirmed]

18 THEREUPON came,

19 A N N B E N N E R ,

20 who, having been first duly sworn/affirmed, testified as
21 follows:

22 WITNESS: My name is Ann Wrigley Benner. I
23 live at 811 Hudson Road, in Greenville 29615.

24 I bought that house 20 years ago after I had
25 to come back here from my good job in California,

1 to be with my mother who had cancer, and she lived
2 until 1999, so I never got to go back to
3 California. My husband had been killed in Vietnam,
4 and it was only me and my two children, and then
5 they grew up and bought their own homes, which I
6 helped them do. And I've been working in real
7 estate since 1994, and I'm seldom at home; however
8 -- and in the last three or four years, I've been
9 home practically -- very little. I'm 66 years old.

10 And about a year and a half ago, they did a
11 standard \$196.80 a month, and when I added up the
12 2008 to 2009, Duke Energy made \$400 more than if I
13 had paid on a regular basis. Also, everything
14 elevated when you all started reading the meters
15 from a distance, and my power -- monthly power kept
16 going up. Well, my house is in the woods on 1.29
17 acres, and I have often wondered, you know, whether
18 they weren't reading the doctor's house across the
19 road instead of mine, or something, because he has
20 other people there and everything. You know? I
21 mean, it just doesn't make sense.

22 Last month, the total bill was \$61, so when
23 they stopped doing the \$196, so wait a minute, is
24 this right or is this wrong? Also, my daughter
25 lives in a little condominium, and hers has been up

1 in the \$190s quite a bit, and she works on the
2 radio; she's news director for 93.3 FM. She's
3 never home, either, except late in the afternoon
4 and the evening, and why her little two-bedroom
5 condo should be such a high price just doesn't make
6 sense to me.

7 And I just keep wondering why it's so
8 different from what it used to be before they
9 started reading the meters from a distance. And
10 that is the thing. And that's -- I was invited to
11 come here by someone at Duke Energy, so -- after
12 talking with them, so that's why I'm here and
13 that's what I have to say.

14 And I don't think in this economy, as a real
15 estate broker, that we need to elevate --
16 especially for senior citizens like me -- to
17 elevate their utility bills. I think that will
18 hurt as far as recruiting people coming into this
19 area. Thank you for your patience.

20 **VICE CHAIRMAN HOWARD:** Office of Regulatory
21 Staff, any questions?

22 **MR. NELSON:** No questions, Mr. Chairman.

23 **VICE CHAIRMAN HOWARD:** Duke Energy, any
24 questions?

25 **MS. HEIGEL:** No questions, but I would direct

1 you to Ms. Yarbrough, who I believe can really
2 answer a lot of the questions you have about your
3 bill and the community.

4 **WITNESS:** Okay.

5 **MS. HEIGEL:** Thank you.

6 **VICE CHAIRMAN HOWARD:** Commissioners, any
7 questions?

8 [No response]

9 **VICE CHAIRMAN HOWARD:** Thank you, Ms. Benner.

10 [WHEREUPON, the witness was excused.]

11 **MR. MINGES:** Chris Starker.

12 [Witness sworn/affirmed]

13 THEREUPON came,

14 **C H R I S T O P H E R S T A R K E R ,**

15 who, having been first duly sworn/affirmed, testified as
16 follows:

17 **WITNESS:** My name is Christopher Starker. I
18 live at 4 Forestdale Drive, Taylors, South Carolina
19 29687.

20 And first let me thank you for giving me this
21 opportunity to speak to you. Earlier we heard some
22 testimony from Mr. Acker, who talked about the
23 promises that Duke needs to make as justification
24 for a rate increase. And I'm here to ask for those
25 promises to be turned into priorities instead.

1 I've heard some people complain about the
2 reliability of Duke Power, and in my neighborhood.
3 and in the previous neighborhood I live in, and the
4 previous neighborhood I lived in before that --
5 three residences in the Greenville area -- if you
6 so much as sneezed in my neighborhood, you lost
7 power. And in one of those cases, I lost power for
8 a week and my pregnant wife suffered.

9 If this was a cell phone company, I would've
10 switched services. If this was an insurance
11 provider, I would've gotten a new quote. If this
12 were my neighbor asking me to buy Girl Scout
13 cookies, I would've had a choice whether to buy
14 those or not, but I don't have a choice -- and many
15 people have little or no choice -- as to who is
16 going to provide their power. So when you suggest
17 a rate increase, it's going to grab a lot of
18 attention.

19 So when he talked about promises and I'm
20 asking for priorities, I'm looking for priorities
21 in three areas: conservation, efficiencies, and
22 education. And not that I can afford it and not
23 that many people can afford a rate increase -- you
24 know, we heard the comment that recession touches
25 everyone here. It certainly has; it's touched me.

1 But I believe it's touched some people more than
2 others. And so in those three areas I believe we
3 can make some progress, and if that money is spent
4 in those three areas, then I believe a lot of
5 people may say, "Hey, I'll pay a little extra for
6 my utility rates."

7 In terms of conservation, if Duke says, "I'm
8 going to raise your rates," I'm going to use less
9 energy. That's the only alternative a lot of
10 people are going to have, and some people don't
11 have that alternative. That is a penalty to the
12 users. That's a penalty to the retail base. Given
13 that that money can be used to increase
14 infrastructure, it can be used to increase job
15 basis and economic development, for many people at
16 the home front that's not what it looks like at
17 all.

18 I would encourage Duke to look at
19 alternatives, whether it's renewable energy
20 sources, whether it's helping the industries to
21 install solar power or wind power on their
22 facilities, or energy reuse in any way. I would
23 encourage incentives, either at the industry level
24 or the homeowner level. I've heard about a program
25 that Duke will sponsor, they will come to your

1 house and help you have an energy audit, and I
2 think they'll do some upgrades. Now, I had
3 testimony from a person I know: They came in and
4 changed the light bulbs. Well, that's not enough
5 to make a drastic use in your energy bill; it takes
6 a lot more than that, and I should know. The other
7 alternatives they were offered came at a price;
8 Duke would come back and make those changes for
9 them.

10 I think that's a great alternative that they
11 would offer that, but it's still at a cost, and for
12 some people that's not something they can afford.
13 I believe that with a tax rate -- sorry -- with a
14 rate increase, there should be some incentives for
15 these homeowners to help defray that cost to
16 conserve some of that energy. I recently got a
17 letter from Duke Energy that had four coupons in
18 there for light bulbs. That redirects the same
19 point. In order for me to make a difference in my
20 house, I had to increase the insulation value. I
21 have a 50-year-old house. Codes 50 years ago were
22 inadequate, obviously. Heat was going straight
23 through my roof. Now, I added some insulation in
24 there, and it cost me a good arm and a leg, and
25 it's taken me many years to get that back, but it

1 is saving me some money on my bills. I would
2 encourage Duke to offer some incentive to
3 homeowners that can do that program, that can
4 increase insulation, or to reduce drafty windows,
5 or anything in the house to conserve energy. They
6 have a Share the Warmth program, and I completely
7 support that program, but to me that's a voluntary
8 program that's largely at the burden of the retail
9 base. I believe that there should be something
10 else to get more energy efficiency in those
11 households.

12 And I just want to reiterate I think that
13 those promises should be made priorities, that
14 conservation, efficiency, and education to the
15 communities should be priorities. Thanks.

16 **VICE CHAIRMAN HOWARD:** Thank you. ORS?

17 **MR. NELSON:** No questions, Mr. Chairman.

18 **VICE CHAIRMAN HOWARD:** Duke?

19 **MS. HEIGEL:** No questions, but we would invite
20 you to read our testimony in this case, and we
21 would be happy to share that with you, that
22 discusses our modified Save-A-Watt energy
23 efficiency program and plan, and programs that this
24 Commission has already approved.

25 **VICE CHAIRMAN HOWARD:** Commissioners?

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[No response]

VICE CHAIRMAN HOWARD: Thank you again for coming. Thank you, very much.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

MR. MINGES: Fred Stone, would you please come forward.

[Witness sworn/affirmed]

THEREUPON came,

F R E D B . S T O N E ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Fred B. Stone, Fred Barron Stone. I reside at 5 Shearbrook Drive, Mauldin, South Carolina 29662.

And I'm really here today to address the issue of, at this point in time with the economy the way it is in South Carolina -- 12.1 percent unemployment rate, many companies in our State is struggling to remain afloat, let alone profitable -- at this point in time, does a rate increase make sense? And really, to throw out some ideas, too -- I think I read in the paper this morning the tentative agreement that has been reached between the Staff and Duke results in a 10.5 percent return

1 on equity, which is consistent with what was agreed
2 to in North Carolina. And what I would say is,
3 could that rate of equity be achieved without a
4 rate increase, and without looking at some ideas of
5 ways to further reduce costs at Duke?

6 What I want to do is just spend a few minutes
7 talking about some ideas I jotted down, and then
8 summarize. I think Duke announced recently that
9 they froze salaries for most, if not all, salaried
10 employees; however, provided cost-of-living
11 increases for its hourly employees. And, you know,
12 I think the question that comes to mind for me in a
13 state with 12.1 percent unemployment, is there a
14 need to provide increases in that environment? You
15 know, with a 12.1 percent unemployment, where are
16 those workers going to go to find jobs otherwise,
17 that pay the way Duke does?

18 And I think, you know, if you look at some of
19 the companies just in this area, just as an
20 example, I think KEMET, back in August 2008,
21 announced an across-the-board 10 percent wage
22 reduction for all of its employees, along with
23 reductions in staff. I think State agencies have
24 held the line on wage increases, some have
25 furloughed employees. I think companies have done

1 the same thing. So I think it just begs the
2 question, in this environment, is there a need to
3 increase wages, to maintain employees?

4 I think recently Duke announced an increase in
5 its dividend payable to shareholders. And, you
6 know, in this environment, you could ask the
7 question is that necessary? And particularly when
8 you compare it with companies that Duke is serving
9 in its territory, and that's what we're talking
10 about here. That's the people that you all
11 represent. And I'm a Duke shareholder and I
12 benefit from those dividends, but then I think the
13 question you have to ask is, is that necessary in
14 the environment that we're in today?

15 Many companies in the service -- in Duke's
16 service territory, as well as around the country,
17 have discontinued their matches to their 401(k)
18 plans because of economic conditions. I don't know
19 if that's something Duke has done, but if you just
20 did rough numbers, you know, if Duke has 25,000
21 employees making an average of \$100,000 an
22 employee, and if they were paying out 5 percent
23 match, that would be \$125 million that they could
24 save if they discontinued their match for a period
25 of time.

1 If Duke did, you know, an across-the-board
2 salary cut, as some companies have done, in its
3 territory -- as an example, a 10 percent across-
4 the-board salary cut, assuming \$100,000 a year and
5 25,000 employees, would be \$250 million, and that's
6 just in base salary costs; that doesn't include the
7 payroll related taxes that would follow that.

8 I think in reading James Turner's rebuttal
9 testimony that was filed, I believe on the 19th of
10 November, he testified to his belief that Duke
11 believes that it's imperative to continue to pay an
12 incentive bonus to attract and retain employees at
13 Duke. And again, you know, I think the question
14 you have to ask yourself, in a State with 12.1
15 percent unemployment, is that really true? And,
16 you know, I think this week the South Carolina
17 Security Employment Commission released a study
18 that said it did not believe that the State of
19 South Carolina would recover from this economic
20 downturn -- in other words, recover the number of
21 jobs that's been lost as a result of this downturn
22 -- for approximately five years. So again, it just
23 begs that question, is it necessary to incent -- to
24 provide incentive plans to retain employees and
25 attract employees in the economic environment we're

1 in right now? And just as an example, if you
2 assume that Duke pays out a 10 percent incentive
3 bonus to its employees, again at an annual average
4 salary of \$100,000 for 25,000 employees, that's
5 \$250 million. And again, that doesn't include
6 adding on any payroll related costs that would
7 follow that.

8 You know, one idea you might want to think
9 about there is, you know, as a regulated utility,
10 as part of its rate structure, you cap that
11 incentive that you are willing to allow Duke to
12 include in its base rates to employees. As an
13 example, if you told Duke, "We'll allow you to put
14 no more than 5 percent of any incentive bonus, as a
15 percentage of base pay, in your base rates, and
16 anything you choose to pay above 5 percent you
17 can't pass that on to shareholders," well, that 10
18 percent to 5 percent difference alone is \$125
19 million, assuming \$100,000 per employee, 25,000
20 employees, if you reduced an average payout from 10
21 percent to 5 percent.

22 You'll get no argument from me that Duke
23 provides some of the most reliable service in the
24 country and at some of the best rates that any
25 utility around does, and that's a benefit we should

1 all take heed to, but I think it's also a
2 documented fact that our cost of living in the
3 State of South Carolina, and the average wages,
4 average annual income for households in the State
5 of South Carolina, is among, if not the lowest in
6 the United States.

7 You know, a good gauge to just test that is,
8 if you take a look at, as an example, what we pay
9 people that are unemployed, what's the maximum
10 payout that the South Carolina Unemployment
11 Commission pays employees in South Carolina, and
12 compare that to North Carolina. My wife was an
13 employee of the North Carolina Employment Security
14 Commission for approximately 30 years and, you
15 know, based on just a neighboring state, their
16 maximum rate that they pay out to employees who are
17 unemployed is about anywhere from \$120 to \$150 a
18 week more. So, you know, I think you have to --
19 yeah, our rates are lower 20 to 30 percent than the
20 national average, but our average annual household
21 incomes are lower, too, and that's just the
22 reality. And you know, we are operating in an
23 environment where we had 12.1 percent unemployment.

24 Let me make sure I covered all my points.

25 [Brief pause]

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VICE CHAIRMAN HOWARD: Mr. Stone, does that conclude --

WITNESS: What?

VICE CHAIRMAN HOWARD: Were you finished?

WITNESS: Just wanted to wrap up.

VICE CHAIRMAN HOWARD: Oh, okay. Go ahead.

WITNESS: Again, I think that, you know, based on a 10.5 percent allowed return, I would argue there's a number of things that could occur, with very little pain and suffering, that many other companies in the service territory have encountered, and Duke still achieve a 10.5 percent return on equity, without really any improvement in the economy. And if you factor in the improvement in the economy, that would seem to be a slam-dunk, to me. That's all I have.

VICE CHAIRMAN HOWARD: ORS, any questions?

MR. NELSON: No questions, Mr. Chairman.

VICE CHAIRMAN HOWARD: Duke, any questions?

MS. HEIGEL: No questions. I would just correct the speaker that the settlement in North Carolina was for a 10.7 percent ROE.

WITNESS: Okay. Sure.

VICE CHAIRMAN HOWARD: Commissioners?
Commissioner Whitfield.

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COMMISSIONER WHITFIELD: Thank you, Mr. Chairman.

EXAMINATION

BY COMMISSIONER WHITFIELD:

Q Mr. Stone, I believe you said your wife worked with the Employment Security Commission up in North Carolina. I missed what you did. Could you state that for the record, what type of work you do?

A I'm a certified public accountant.

Q That's right here, in Greenville?

A Yes, sir.

Q Thank you.

A Okay.

VICE CHAIRMAN HOWARD: Any other questions?

[No response]

VICE CHAIRMAN HOWARD: Mr. Stone, you may be excused.

[WHEREUPON, the witness was excused.]

MR. MINGES: Earl Sammons, would you please come forward and be sworn in.

[Witness sworn/affirmed]

THEREUPON came,

E A R L S A M M O N S ,

who, having been first duly sworn/affirmed, testified as follows:

1 **WITNESS:** My name is Earl Sammons. S-a-m-m-o-
2 n-s, not like the fish.

3 [Laughter]

4 **VOICE:** Amen.

5 **WITNESS:** I live in -- at 5 Vaille Drive, in
6 Taylors, where I have lived for the last 35 years.
7 Other parts of the Taylors, I lived in, too. Let's
8 see. That's the only kind of introduction I have
9 -- I believe I have to have, right? Okay.

10 I have spent 45 years in the electrical
11 business -- that's not true. Be 35 in March of
12 next year. I have dealt with a lot of different
13 areas in electricity. Most of it has been on the
14 side of selling various types of electrical
15 equipment. And I understand the way that money
16 gets tighter and tighter in a lot of cases, and I
17 have been through several times in the electrical
18 business where things were tight before, at various
19 times. And I think Duke Power has always been a
20 good partner to South Carolina. But I think the
21 thing we've got to look at here now is, you know,
22 where's the money coming from? And how are these
23 things going to come, for people like me? I'm
24 certainly not a spring chicken; I'm 72 years old,
25 and I still work. I still have to work. And I am

1 self-employed. I think I failed to say that awhile
2 ago, too. But the thing that concerns me so much
3 -- as I say, 72 years old, still am employed.
4 There's so many things that I've done in the
5 electrical business, but there's so many things
6 that have dried up, too, now.

7 I'm a manufacturer's representative. I have
8 been for most all of those years. I have found
9 that there are the good times and there are bad
10 times, and the times are really pretty bad right
11 now. I have worked hard in the past to help Duke
12 Power in certain ways, in selling energy products.
13 And I think that Duke Power has done a good job
14 with this, and if you don't have -- if you have
15 incandescent lights in your house, you'd better get
16 a hard look at what you've got. This is one of the
17 places where I think they have stood up, but I also
18 worked with South Carolina Electric & Gas, I've
19 worked with Santee Cooper, a lot of different
20 people as far as that side of the business is
21 concerned.

22 But I want to get back into something that's a
23 bit more personal right now, and that is that we
24 are getting into a situation within our nation
25 right now where money is very, very tight.

1 **VOICE:** Amen.

2 **WITNESS:** And this is the thing that I'm
3 looking at. Now, you raise my electric bill, and
4 that means there's probably going to be something
5 else that I'm going to sacrifice because of that,
6 because there are so many things that we are facing
7 right now.

8 Allow me to mention one thing in particular,
9 is from one of our senators, which will remain
10 nameless, the cap-and-trade situation. Now, all
11 that's going to do is raise the cost of energy.
12 Not just electrical energy, but your gasoline,
13 everything else that you can think of. And this is
14 a place here, where this is going to hurt a whole
15 lot of people. Now, I worked -- several years ago,
16 I worked some on the situation in Taylors, where we
17 were going to try to incorporate Taylors, and there
18 were so many people said, "Oh, taxes. Oh, we can't
19 pay those taxes. No, we can't do it." Well, we
20 lost the battle, and it was a tough battle to lose.
21 But the point is that this is -- the things with
22 this right here is sort of the same deal as we had
23 with Taylors, because of the fact it didn't go
24 through -- like I say, it will hurt the residents
25 out there later on. This type situation here that

1 I'm talking about, it's going to hurt people a heck
2 of a lot quicker. And that's the reason that I
3 think that a raise in rates is not totally bad, but
4 the timing stinks.

5 **VOICE:** Amen.

6 **WITNESS:** And that's the part that really
7 concerns me greatly.

8 Oh, I was going to say this, too. You know,
9 we don't even have an increase in Social Security
10 this year. And my business has gone to pot, so I'm
11 not even going to get more Social Security this
12 year. And that has nothing to do with Duke Power,
13 that's not their problem, but that all dovetails
14 with all the other things. And my feeling is,
15 yeah, Duke Power could have an increase, but man,
16 let's get out of all the messes that we're in right
17 now -- and we are in a bunch of them.

18 And with that, you'll be glad to know that
19 I've said what I have to say, and I won't bother
20 anybody else.

21 **VICE CHAIRMAN HOWARD:** Thank you, Mr. Sammons.
22 ORS?

23 **MR. NELSON:** No questions, Mr. Chairman.

24 **VICE CHAIRMAN HOWARD:** Duke?

25 **MS. HEIGEL:** No questions, Mr. Chairman.

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VICE CHAIRMAN HOWARD: Commissioners?

[No response]

VICE CHAIRMAN HOWARD: Mr. Sammons, thank you very much for coming.

WITNESS: Thank you for your time.

[WHEREUPON, the witness was excused.]

MR. MINGES: Sylvia Martin appears to be the last person that signed up to speak this evening. Would you please come forward?

[Witness sworn/affirmed]

THEREUPON came,

S Y L V I A M A R T I N ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Good evening, and thank you for allowing me to speak at this time. My name is Sylvia Martin. I reside at 11 Rocky Knoll Drive.

My husband and I bought this home; it's an old home. We've been in the home now for 19 years, and we have two children. I, too, oppose the increase right now. It is not the right time. My husband has been unemployed since February. I'm the only one working. I work for Greenville County School District. And right now, the 19 years we have been in the residence, I have done everything that Duke

1 said I needed to do to lower my rates. I've put in
2 new windows, I've bought energy-efficient
3 appliances, I've insulated my attic. You name it,
4 I've done it. I even bought one of my appliances
5 from Duke Power. And when that storm went out, we
6 were without power for four days.

7 I'm speaking for a lot of people that aren't
8 here, as well as myself. I don't know, if you
9 continue to raise the rates, it's going to be a
10 choice between eating or staying warm. I've done
11 all that I could do. As I first stated, it is an
12 old home, because it's near Donaldson Center, but
13 you name it, we have done it, but my power bill
14 continues to rise. I've even been on the EPP plan.
15 I paid more on EPP than I did just month per month.
16 All right. I went back and talked with Duke about
17 three months ago. My neighbor's bill is a lot
18 lower than mine, but we have the same size home.
19 All right. I called customer service -- and I
20 can't remember the gentleman that I finally got to
21 speak with. It took me two days to get someone, to
22 find out what was wrong. All that they're telling
23 me is, "It's your appliances, ma'am." If it's my
24 appliances, why are you selling them? Why are you
25 promoting that these are energy efficient, and

1 really they're costing the consumers, myself, more
2 money to operate? I'm not using any more power or
3 kilowatts, as you put it, than I normally do. I'm
4 working; I only wash two days a week. Lights are a
5 minimum. I keep the house about dark because I'm
6 afraid of what my power bill's going to run. Now
7 the weather is getting colder. I just bought a
8 heat pump. This power bill is still going up, and
9 as I stated, it's a choice now between staying warm
10 or eating. My husband is still out of work, I'm
11 the only one working, and it is hard. It is hard.
12 Thank you all for letting me speak. Thank you.

13 **VICE CHAIRMAN HOWARD:** Thank you, Ms. Martin.
14 Just a minute. ORS, any questions?

15 **MR. NELSON:** No questions from ORS.

16 **VICE CHAIRMAN HOWARD:** Duke, any questions?

17 **MS. HEIGEL:** No. I would just direct you to
18 Ms. Yarbrough back here, to talk about your EPP
19 plan and billing, and also to let you know that
20 Duke hasn't sold appliances for about ten years or
21 more, and so we can talk to you about energy
22 efficiency options that the company can help you
23 with, as well. Thank you.

24 **VICE CHAIRMAN HOWARD:** Commissioners, any
25 questions of Ms. Martin? Commissioner Whitfield.

1 **COMMISSIONER WHITFIELD:** Thank you, Mr.
2 Chairman.

3 **EXAMINATION**

4 **BY COMMISSIONER WHITFIELD:**

5 **Q** Ms. Martin, could you share with us what your power bill
6 is currently running now, monthly power bill now?

7 **A** This month it was \$135, roughly \$135. But when I called
8 to let them know that I put in new windows, insulated
9 the attic, and bought energy-efficient appliances and
10 all the other upgrading that I've done, I was told that
11 it would be lowered, but it has risen ever since I did
12 the little survey and mailed it back in. It has done
13 nothing but rise, rise, rise.

14 **Q** And Ms. Martin, I've got one more question for you, if I
15 could. Could you recall what your power bill was -- you
16 said you've been in the residence 19 years -- way back
17 when you first moved into the residence? Could you tell
18 us?

19 **A** Yes, sir. When we first moved there, the power bill
20 only ran \$35, \$40. This is an old home, and we've done
21 a lot of update, you know, renovations to it, to bring
22 it up to par to where it wouldn't be so hard to
23 maintain. But in spite of all the renovations we've
24 done, we can't see a difference, even with the windows.
25 The windows are insulated, you know, with the gasses to

1 where they get dark with the -- the heat of the sun, it
2 was supposed to keep it cooler inside where the air
3 conditioner wouldn't run so hard. But I've had to get
4 rid of that air conditioner and go to a heat pump,
5 thinking that this would pay off in the long run, but,
6 you know, now I have all these updated -- upgrades that
7 we've done, but the bill keeps going up. And the EPP
8 plan when I was on it, I paid more for it, that's why I
9 just shun against it this time, and, you know, I keep
10 getting the requests for it, but it's not going to --
11 it's not going to help me; it's going to hurt me. I
12 can't commit to an amount -- a certain amount each
13 month, then at the end if I'm owing, which I'm always --
14 I always am, why should I commit to it, you know, when
15 it's like going to the grocery store; you try to itemize
16 before you get there, and you squinch it when you get
17 the total.

18 **COMMISSIONER WHITFIELD:** Thank you, Ms.

19 Martin. That's all I have, Mr. Chairman.

20 **VICE CHAIRMAN HOWARD:** Any other questions,
21 Commissioners?

22 [No response]

23 **VICE CHAIRMAN HOWARD:** Ms. Martin, you may be
24 excused. Thank you for coming.

25 **WITNESS:** Thank you.

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[WHEREUPON, the witness was excused.]

VICE CHAIRMAN HOWARD: As attorney Minges said, that's everyone that's signed up. If anyone would like to speak that didn't sign up, please come forward or let us know.

MS. HEIGEL: Mr. Chairman, if there are no other public comments this evening, the company would like to ask the Commission --

VICE CHAIRMAN HOWARD: We've got a couple coming up.

MS. HEIGEL: Okay. If it would be appropriate to ask the Commission for an opportunity to respond to certain public comments that were made this evening, in late-filed exhibits to the Commission, we would certainly appreciate that opportunity.

VICE CHAIRMAN HOWARD: That'll be fine. Please come forward.

[Witness sworn/affirmed]

THEREUPON came,

R A N D Y S I M P S O N ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Randy Simpson. I reside at 236 Miller Farm Road, Westminster, South Carolina.

1 **MR. MINGES:** Mr. Simpson, would you spell your
2 name, for the record, please?

3 **WITNESS:** S-i-m-p-s-o-n. Until recently, I
4 was part-owner in a transportation company, and I
5 fully understand the rewards, the benefits, and the
6 risks of running a company. In fact, I ran a
7 transportation company when diesel fuel prices went
8 as high as \$5.05 a gallon. And I state that simply
9 to say this: There are certain elements of our
10 economy to have a rollup effect. People complained
11 about paying four dollars and something for
12 gasoline, but the thing that most people didn't
13 understand was that that \$4.50, \$4.60, whatever it
14 was that they were paying at the gasoline pump, was
15 only the tip of the iceberg, because energy costs
16 rolled in at every aspect of the production process
17 all the way from the raw material, the mines, to
18 creating, the smelting of ore, the making of metal,
19 the making of parts, all the way through.

20 I managed to survive \$5.05 a gallon diesel
21 fuel prices, and I did that by cutting back my cost
22 and eating my profit. The company survived, the
23 company survives today. But the company is
24 struggling today, from factors which was completely
25 and totally beyond the control of the company.

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Energy costs are a vital part of the economic makeup of our country. Whether it's diesel fuel or electricity, those costs impact every element of our lives.

I'd like to read a couple of things here, if I may. This is by a writer named Siobhan Hughes of Dow Jones. It says, "The US House Energy and Commerce Committee cleared the energy portion of the stimulus package by 34 to 17, putting it on course for a vote in the US House of Representatives next week. Duke Energy Corporation emerged as a winner in its bid for a new electric pricing system. Billionaire Warren Buffett" -- and I'll skip the political references in this sentence. "Billionaire Warren Buffett went unheard as lawmakers speeded through a vote." And then on down in the article it says, "The biggest winner was Duke, the power company that has been leading the charge for decoupling" -- let me place emphasis on that word "decoupling" -- "decoupling, which breaks the link between energy usage and utility profits. Under the plan, utilities are guaranteed" -- emphasis on "guaranteed." "Under the plan, utilities are guaranteed enough revenue to make profit, no matter how much electricity the

1 customers use. If demand comes up short, customers
2 will pay higher rates to cover the shortfall. In a
3 conventional rate system, utilities would take a
4 loss of demand."

5 Folks, I believe in the free market. I
6 believe in supply and demand. And I believe in
7 efficiently running companies. But Duke Power is a
8 government-sanctioned monopoly, and as a
9 government-sanctioned monopoly I feel that they
10 have a special requirement and a special -- there's
11 a special interest that they, as a company, have,
12 to ensure that they don't abuse that privilege.

13 As was said earlier, Duke supports cap-and-
14 trade, and I won't get into that mess, but the CEO
15 of Duke Power has publicly stated he supports cap-
16 and-trade. That puts additional tax burdens on the
17 people. And I say that to say this: There are a
18 lot of us that are on fixed income. Our income is
19 fixed. The number of people -- and one individual
20 has stated tonight, Social Security has been
21 capped. That income is truly, truly fixed. And if
22 Duke Power's rate increase goes through, not only
23 does that rate increase impact us as individual
24 users, but it impacts every element of every
25 business that uses Duke Energy, and it rolls back

1 up, and the cost that will hit us at the meter is
2 only the tip of the iceberg, because it will impact
3 the cost of goods manufactured in South Carolina,
4 it will impact the cost of goods produced
5 everywhere else. And we're seeing jobs leave the
6 country left and right, because it's more cost
7 efficient to manufacture product overseas.

8 I have a problem with the concept of
9 decoupling, but that's something that apparently
10 Duke Energy has been very successful in pushing and
11 promoting. In other words, if we as consumers do a
12 good job in conserving energy, guess what, we're
13 still going to pay higher utility bills under the
14 concept of decoupling.

15 I'll quote one other thing, and this is a
16 press release from Duke Power in Charlotte. It
17 says, "Duke Energy today applied for a \$200 million
18 federal infrastructure funds," or -- let me back up
19 and try it again. My mouth is a little cottony.
20 "Charlotte, North Carolina. Duke Energy today
21 applied for \$200 million in federal infrastructure
22 funds to accelerate its utility's \$1 billion
23 electric grid modernization," and it lists a number
24 of states. Folks, the customer will pay in
25 individual utilities, every manufacturer will pay

1 and the cost will roll up as a result of a rate
2 increase. And not only that, every time we pay our
3 federal income tax, we're going to pay for Duke
4 Power again. So I have a little bit of trouble
5 understanding how the rate increase at this time
6 can be justified with the state of the economy.
7 That's all, sir.

8 **VICE CHAIRMAN HOWARD:** Thank you. ORS, any
9 questions?

10 **MR. NELSON:** No questions, Mr. Chairman.
11 Thank you.

12 **VICE CHAIRMAN HOWARD:** Duke Power?

13 **MS. HEIGEL:** No questions, Mr. Chairman. I
14 would clarify that Duke Energy Carolinas has not
15 made an application to this Commission for
16 decoupling of rates, and --

17 **VOICE:** We can't hear.

18 **MS. HEIGEL:** [Indicating.] I'll just clarify
19 for the Commission that Duke Energy Carolinas has
20 not made an application to the Commission in this
21 proceeding for decoupling of its rates, nor does
22 any of its utility affiliates in our other
23 jurisdictions have decoupled rates. And, so I just
24 wanted to make the point of clarification.

25 **VICE CHAIRMAN HOWARD:** Thank you.

1 Commissioners, any questions?

2 [No response]

3 **WITNESS:** Just one final comment.

4 **VICE CHAIRMAN HOWARD:** Go ahead.

5 **WITNESS:** Apparently, then, the writer of this
6 article is completely misinformed about decoupling,
7 and the fact that there are no cases where Duke
8 Power has requested and been given decoupling
9 rights in other states. That's all I've got.

10 **VICE CHAIRMAN HOWARD:** Thank you, very much,
11 Mr. Simpson.

12 [WHEREUPON, the witness was excused.]

13 **VICE CHAIRMAN HOWARD:** I think I saw someone
14 else come up? Please come up and be sworn in.

15 [Witness sworn/affirmed]

16 THEREUPON came,

17 **J O N A T H A N H I L L ,**

18 who, having been first duly sworn/affirmed, testified as
19 follows:

20 **WITNESS:** My name is Jonathan Hill. I live at
21 422 Milton Road, in Cowpens, South Carolina.

22 Just to give you a little background about
23 myself, I'm 24 years old. I'm the oldest of six
24 children. We're all still at home. My dad is a
25 former pastor; he's had a terrible time trying to

1 find employment. And, frankly, we've been
2 struggling for the past three and a half years.

3 This summer, we have dealt with power bills
4 for four consecutive months in excess of \$400. And
5 you might ask, "Well, what does that have to do
6 with Duke Power," because, frankly, we're not on
7 Duke Power; we're on Blue Ridge Electric. But, the
8 fact remains that there are people out there who
9 are facing high power bills. My grandmother is on
10 Duke Power, and from what I understand, Blue Ridge
11 does buy power from Duke Power, so there would be a
12 trickle-up effect there. We would still be
13 impacted.

14 The other thing that I would like to say is
15 very much the same as what Mr. Simpson said, and
16 that is, I think that Duke Power needs to choose
17 where they're going to get their money. Are they
18 going to get it from rates or are they going to get
19 it from the US government? And I think it's
20 totally unfair, unethical, and I think it's just
21 plain wrong to have a company like Duke Power
22 accept federal stimulus money and try to tell us
23 they need to raise our rates. Frankly, I don't buy
24 it. And I ask you, as a Commission, to take that
25 into account in your decision, and that's all I

1 have to say.

2 **VICE CHAIRMAN HOWARD:** Thank you. ORS, any
3 questions?

4 **MR. NELSON:** No questions, Mr. Chairman.

5 **VICE CHAIRMAN HOWARD:** Duke Power?

6 **MS. HEIGEL:** Duke Energy Carolinas has --

7 **VICE CHAIRMAN HOWARD:** Duke Energy Carolinas,
8 I'm sorry.

9 **MS. HEIGEL:** -- no questions.

10 **VICE CHAIRMAN HOWARD:** Commissioners?

11 [No response]

12 **VICE CHAIRMAN HOWARD:** Thank you, very much,
13 for coming.

14 **WITNESS:** Thank you.

15 [WHEREUPON, the witness was excused.]

16 **VICE CHAIRMAN HOWARD:** Anyone else like to
17 testify?

18 **VOICE:** I'd like to say I'm glad to see you
19 all use the Bible still, to swear in, because some
20 places -- it's going to get to a point you're not
21 going to be able to have that Bible to come in and
22 swear in and say the truth.

23 **VICE CHAIRMAN HOWARD:** Thank you, very much.
24 The lady standing up, would you like to say
25 something?

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VOICE: Yes, sir.

VICE CHAIRMAN HOWARD: Please come forward.

[Witness sworn/affirmed]

THEREUPON came,

C H E R Y L W I L L I A M S ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: My name is Cheryl Williams. I live at 864 Pine Creek Drive, in Greenville, South Carolina 29605.

Thank you for giving me this time to speak. I want to talk about Duke Power. Where I live, my energy has went down, but I want to talk about my daughter, and she live at 15 Cyprus Cove, in Greenville, South Carolina 29609, and her bill is high. And I don't know is this the appropriate place to talk about this or not, but I said, well, I came for this, because even myself and her has got a Duke Power bill due on November 20th, but then they cut my daughter's power off on November 19th. And she got five little children: a two-year-old, four-year-old, five-year-old, and a nine-year-old, and a 12-year-old. And the bill wasn't but \$93, but it was due on November 20th, but when she got home from work on November 19th it was cut

1 off, and she had to pay \$165 to have the bill
2 restored. Where she work at a fast food
3 restaurant, Burger King, with five children, a
4 single parent, well, she was going to get paid on
5 that Friday, on the 20th, and pay the \$93 that was
6 due on her light bill, but when she got home and
7 picked up her children from school at 2:30, and the
8 lights was cut off, and then she had to go borrow
9 the money to pay the bill for the next -- until --
10 and then when I got there, when I got off work like
11 at 6:15 and the power was still off where she had
12 paid the bill at 4:15, and I called the 800 number,
13 I had to go through three different consumers
14 trying to get the right person, asking consume to
15 get the right person. Well, they didn't cut her
16 power on until after 9 o'clock p.m. that night.
17 But I can't understand why the bill said it was due
18 on the 20th and then they cut it off on the 19th,
19 and then it was a \$15 service charge and the
20 reconnection fee. And I don't understand -- and my
21 bill was also the same way, but they didn't cut
22 mine off, because they called me on my cell phone
23 and told me that my bill was going to be
24 disconnected the 19th. The bill said it wasn't due
25 until the 23rd, which is today. And the bill

1 wasn't but -- I think it was \$39, because I changed
2 my light bulbs and my bill went down significant,
3 because my bill used to be like \$147, but they sent
4 the little coupons out like three months ago and I
5 went to Home Depot and bought the new light bulbs
6 and put them in all my lamps and everything, and my
7 bill has been cut down since I put the new light
8 bulb. I'm not at home but three days a week,
9 because I stay at my daughter house to help with my
10 grandchildren.

11 And I just -- I think it's a discommunication
12 with the bills they send out, and then they call
13 you on your phone, but my daughter don't have a
14 cell phone so they just cut the service off. But
15 the bill, when we get our bill, like, it's two
16 months past due, we look at the date when it says
17 "due" and like it said the 20th, so we think it's
18 due that day, but then they cut it off the day
19 before, and then we have to pay all this
20 reconnection fee and different stuff to make the
21 bill go up more money. And I just wanted to
22 address that the dates ought to be significant, to
23 match what -- if it's due before then, then put the
24 date on it that's supposed to be there, so that we
25 won't come home and our house is in the dark and

1 our food is going bad, and everything, while we at
2 work, and then we have to call the 800 number and
3 then we have to wait awhile before they come back
4 out and reconnect the service. And that's all I
5 wanted to say, sir. Thank you.

6 **VICE CHAIRMAN HOWARD:** Thank you, very much.
7 Office of Regulatory Staff?

8 **MR. NELSON:** No questions, Mr. Chairman.

9 **VICE CHAIRMAN HOWARD:** Duke Energy Carolinas,
10 any questions?

11 **MS. HEIGEL:** No questions. I would just
12 direct Ms. Williams to Ms. Yarbrough or, in the
13 alternative, if you would like to leave a phone
14 number, we can give you a call and look into these
15 matters further for you.

16 **WITNESS:** Okay.

17 **MS. HEIGEL:** Thank you.

18 **VICE CHAIRMAN HOWARD:** Commissioners, any
19 questions?

20 **COMMISSIONER WRIGHT:** I have one.

21 **VICE CHAIRMAN HOWARD:** Commissioner Wright.

22 **EXAMINATION**

23 **BY COMMISSIONER WRIGHT:**

24 **Q** Good evening.

25 **A** Good evening.

1 Q You're probably a good grandmama, too. Do you know
2 whether the bills -- were there any past-dues on the
3 bills?

4 A Yes, it was a past-due, and the past-due bill for my
5 daughter was \$93.

6 Q So the past-due was \$93?

7 A Yes, sir.

8 Q Okay. So it wasn't a current month bill for that
9 amount; there was an additional amount due, as well?

10 A Yes sir. Yes sir.

11 Q And did you say it was a -- the reconnection fee and a
12 late fee, too?

13 A Yeah, the reconnection fee was \$15. But I didn't -- I
14 seen the bill, but the lights was cut off and I was
15 looking with a candle in the bathroom with all my little
16 -- my little two-year-old and four-year-old and five-
17 year-old all around my leg, because they were scared of
18 the dark. And so, but I seen the bill, because that's
19 how I called the 800 number that was on the back of it.
20 But I know the bill was \$93, but the whole bill was like
21 \$200-and-some but she had to pay like \$163 to get the
22 power cut back on that night.

23 COMMISSIONER WRIGHT: All right. Thank you,
24 very much.

25 WITNESS: Thank you.

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VICE CHAIRMAN HOWARD: Any other questions, Commissioners?

[No response]

VICE CHAIRMAN HOWARD: Thank you, very much, for coming.

WITNESS: Thank you.

[WHEREUPON, the witness was excused.]

VICE CHAIRMAN HOWARD: Anyone else like to testify?

VOICE: I'd like to.

VICE CHAIRMAN HOWARD: Come forward, ma'am.

[Witness sworn/affirmed]

THEREUPON came,

H A N N A H H A R K E R ,

who, having been first duly sworn/affirmed, testified as follows:

WITNESS: Good evening. My name is Hannah Harker, and I'm a resident at 506 Rio Grande Place, in Simpsonville, South Carolina. I'm currently unemployed, now for about 20 months. I've stopped counting for a while.

Initially, I came just to see what's going on, because a number of the family members that I have here in Greenville are aware and they like to keep me involved, but one thing -- I've just texted a

1 number "I'm here. What questions do you have?"
2 And of course, most of those issues were already
3 raised: you know, what are you going to do for
4 senior citizens, are there questions about solar
5 panels, what about incentives to upgrade and
6 retrofit some of their older homes. Although my
7 home is only two years old, I am blessed that, you
8 know, we do have a number of improvements that have
9 been made in the construction industry, and I'm
10 fortunate for that. However, my relatives are in
11 homes that are 30, 40, 50, and 60 years old.
12 They've done a great job of maintaining those over
13 the years; however, as they do become older and
14 they, too, see fixed incomes, those opportunities
15 for improvement are diminishing. So we're all in
16 this together.

17 Just a couple of points that I want to bring
18 up. One, leave the individual consumers alone.
19 Two, a gentleman talked about the priorities of
20 conservation, efficiencies, and education. I think
21 those are great. However, I think they need to be
22 directed toward certain audiences on a certain
23 level of priority.

24 First, I want to point out that statistics
25 alone show that 60 percent of the electricity in

1 the United States alone is used by businesses; 40
2 percent of gas is utilized by businesses. Which
3 means 40 percent or the lesser of the electricity
4 is utilized by individuals, the individual
5 consumers, in the US. My light bill, alone, is
6 about \$60 a month. That's probably less than 3
7 percent of my monthly expenditures. However -- and
8 that's a great amount, because of the fact that I
9 am on unemployment. However, I would say that
10 that's probably less than half of what my family
11 members experience every month. Again, they're
12 older homes, and, you know, of course, we're doing
13 everything that -- you know, heat pumps, solar
14 panels from the '80s. I don't even know if the sun
15 even sees those things anymore. We know where the
16 switch is, but we're afraid to turn them on, for
17 what might fly out the attic or something. But I
18 say that, but I also realize that last week it was
19 about this time that I took a box, a huge, nice box
20 out of my mailbox. And I looked at it about 8 or 9
21 o'clock that evening, and what did I have in there?
22 It was like Christmas. I had a whole box of light
23 bulbs. And here I am thinking, "Oh, wow, these are
24 great, you know? Wait a minute, Duke Energy sent
25 me light bulbs?" I just spent 45 minutes at Lowe's

1 -- Home Depot, talking to the sales rep about can
2 lights. Here I am thinking my light -- one light
3 blew out, so the rest of them are going to blow
4 out, so I'm literally walking around the house and
5 counting the cans of lights in my house. There are
6 15 cans. One light blows out, let's go buy a whole
7 set of light bulbs. I get to the store -- long
8 story short, I walk out with two light bulbs,
9 because again, I'm unemployed, but two light bulbs
10 that cost me \$80. That's more than my electricity
11 bill. However, I'm concerned about the energy
12 efficiency and I'm being proactive. I realize not
13 everybody can afford that, not everybody has cans
14 in their homes. I don't know how I'm going to
15 replace 15 cans of lights in my house, and I pray
16 to God that I get a job before I have to replace
17 the rest of them, but I realize not everybody can
18 afford or has the wherewithal to look for the most
19 energy-efficient light bulb. That's something very
20 -- it's a light bulb. You know, walked out with a
21 joke, how long does it take to change one light
22 bulb? And you know, what are the things you need
23 to do to change a light bulb? You need a ladder.
24 You need one of those things that you twist to
25 reach the thing -- call somebody, somebody that's

1 tall enough. Those are a lot of things you have to
2 consider about something as simple as a light bulb.

3 Two light bulbs, \$80. The light bulbs that I
4 received in the mail, by the way, are not the light
5 bulbs that are going to go in the cans in my house.
6 I'm thinking cost-saving -- maybe I'll have a yard
7 sale and sell these light bulbs. Maybe I can get
8 some money. But why did Duke Energy waste money --
9 those are the -- why did Duke Energy waste money by
10 mailing me light bulbs? Now, I'm going to take
11 those and donate them either to the church or to my
12 mom or to my aunt, but I realized there were two
13 things going on. I could afford the light bulbs
14 that I bit the bullet and bought, because I'm
15 trying to save in the long run, but there are a
16 number of people that can't do that, and that's
17 unfortunate.

18 So before you come to me, before you go to
19 another one of my family members, or before you go
20 to someone else that doesn't have the wherewithal
21 to even look and give the time and consideration to
22 that because they're literally, one, trying to
23 figure out how they're going to keep their lights
24 on, or, two, how they're going to use a flashlight
25 in the dark in the bathroom with their two-year-old

1 grandchild, or, three, how they're going to figure
2 out what they're going to eat versus whether or not
3 they're going to have heat, think about going to
4 the businesses that are great -- granted, South
5 Carolina's number two in the nation for
6 international business and, you know, 73 new
7 companies and expanded companies in the Upstate
8 alone. That's great. I'm really proud about that.
9 Hopefully, I get a job. But hopefully, they'll be
10 able to do something more about conserving energy,
11 not for the simple fact of cost savings or cost
12 reductions and looking at a return on their
13 investment within the next two, three, to five
14 years, but really looking at the impact that
15 they're making in their partnership -- and Duke,
16 too, in their partnership with the private
17 companies in the area -- and the adverse impact
18 that it's actually having on the individuals who
19 are coming to work, who are looking for work, who
20 are doing everything that they've done to earn the
21 things that they have and hold onto those things
22 and/or build upon that in the future.

23 I think those are all of the points I had to
24 make, but -- and, you know, I haven't gotten any
25 texts since I've been standing here, so I think

1 we're okay with that.

2 **VICE CHAIRMAN HOWARD:** Thank you. ORS?

3 **MR. NELSON:** No questions, Mr. Chairman.

4 Thank you.

5 **VICE CHAIRMAN HOWARD:** Duke Energy Carolinas?

6 **MS. HEIGEL:** No questions, Mr. Chairman.

7 **VICE CHAIRMAN HOWARD:** Commissioners.

8 [No response]

9 **VICE CHAIRMAN HOWARD:** Thank you, very much.

10 [WHEREUPON, the witness was excused.]

11 **VICE CHAIRMAN HOWARD:** Anyone else? Please
12 come forward.

13 [Witness sworn/affirmed]

14 THEREUPON came,

15 **J A M E S R O B E R S O N ,**

16 who, having been first duly sworn/affirmed, testified as
17 follows:

18 **WITNESS:** My name is James Roberson. I live
19 at 107 Hiawatha Drive, in Greenville.

20 And the area I live in has a lot of senior
21 citizens, a lot of trees, and quite often with ice
22 storms, wind storms, we lose power. Now, we have a
23 lot of folks on oxygen or walkers, that really are
24 not mobile and able to respond in emergencies like
25 that. I had the thought that I would suggest that

1 perhaps Duke could have a list of, I'll say --
2 however you might want to define it -- critical
3 individuals, in other words, in bad shape medically
4 or physically, and then when we have a storm and if
5 they know or estimate that the power may be out 24
6 to 48 hours, that they contact some of these
7 critical people and let them know, so they can make
8 arrangements with their families to have someone
9 take care of them or move to an alternate home
10 until they can get prepared and get the electricity
11 back on.

12 It used to be just two years ago, I remember,
13 we would report an electric outage and Duke would
14 call and say, "Well, we'll have it back on day
15 after tomorrow," and you would know what to expect.
16 But currently that's no longer the case; you don't
17 have any idea how long it would be out, and maybe
18 Duke doesn't either. But if they do, it would be a
19 nice service for them to let folks know so they
20 could plan -- the ones that are in physically bad
21 health -- plan some way to address those problems.
22 Thank you.

23 **VICE CHAIRMAN HOWARD:** Thank you, Mr.
24 Roberson. Just a minute. ORS, any questions?

25 **MR. NELSON:** No questions, Mr. Chairman.

1 **VICE CHAIRMAN HOWARD:** Duke Energy Carolinas?

2 **MS. HEIGEL:** No questions, Mr. Chairman. I
3 would just let Mr. Roberson know that we do have a
4 medical alert program, and so I encourage you to
5 talk to Ms. Yarbrough about that further, so that
6 we do know which special-needs customers that we
7 have and therefore can take special precautions in
8 outage situations. Thank you.

9 **VICE CHAIRMAN HOWARD:** Commissioners?

10 [No response]

11 **VICE CHAIRMAN HOWARD:** Mr. Roberson, thank
12 you, very much, for coming.

13 [WHEREUPON, the witness was excused.]

14 **VICE CHAIRMAN HOWARD:** Anyone else?

15 [No response]

16 **VICE CHAIRMAN HOWARD:** Any closing statements
17 from ORS?

18 **MR. NELSON:** No, Mr. Chairman.

19 **VICE CHAIRMAN HOWARD:** Duke Energy Carolinas?

20 **MS. HEIGEL:** No, Mr. Chairman.

21 **VICE CHAIRMAN HOWARD:** I'll take the
22 opportunity to thank all of you all for coming. I
23 appreciate your patience.

24 Did you want to address the complaints?

25 **MS. HEIGEL:** Yes, Mr. Chairman, I believe --

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VICE CHAIRMAN HOWARD: Your late-filed exhibit?

MS. HEIGEL: Right. If we could have the opportunity to evaluate the transcript after it's been issued and determine whether or not it would be appropriate to file any responsive comments by the company, we would appreciate that opportunity.

VICE CHAIRMAN HOWARD: Thank you, again.

MS. HEIGEL: Thank you.

VICE CHAIRMAN HOWARD: I'd like to let you know that there's another hearing tomorrow night in Spartanburg, and then we'll have our merits hearing next Monday, which is the 30th of November, in Columbia, at 10:30.

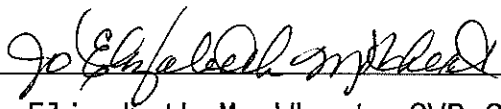
That's all. Thank you again for coming.
Meeting adjourned.

[WHEREUPON, at 8:05 p.m., the hearing in the above-entitled matter was adjourned.]

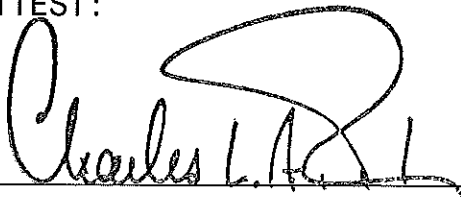
C E R T I F I C A T E

I, Jo Elizabeth M. Wheat, CVR-CM-GNSC, do hereby certify that the foregoing is, to the best of my skill and ability, a true and correct transcript of all the proceedings had and testimony adduced in a public hearing held in the above-captioned matter before the Public Service Commission of South Carolina at Greenville, South Carolina.

Given under my hand, this the 3rd day of December, 2009.


Jo Elizabeth M. Wheat, CVR-CM-GNSC

ATTEST:


Charles L. A. Terreni
CHIEF CLERK/ADMINISTRATOR

NIGHT HEARING/GREenville - VOLUME 2