STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

SUMMARY OF RATE CASE

RATE CASE 09-E-0717 AND 09-G-0718

ROCHESTER GAS & ELECTRIC CORPORATION

Tuesday, August 3, 2010

5:07 p.m.

30 Church St.

3rd Floor

Rochester, New York

A.L.J. DAVID PRESTEMON

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A.L.J. PRESTEMON: Good afternoon, ladies and gentlemen, and welcome to the Public Statement Hearings in Cases Number 09-E-0717 and 09-G-0718. These are proceedings concerning the rates, charges and terms of service of Rochester Gas & Electric Corporation for electric service and for gas service.

My name is David Prestemon. I am an Administrative Law Judge, and along with Administrative Law Judge Michelle Phillips, we've been responsible for presiding over the hearings in these cases.

The purpose of the Public Statement Hearings tonight is to give members of the public an opportunity to speak personally on their views with respect to a joint proposal that was filed on July 14th by the principal parties to these rate cases which amounts to a suggestion to the Commission as to a resolution of all of the outstanding issues in the case.

It's important that you know that this is not your only way to submit comments. For people who are not here, they can submit comments

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directly to the Commission on the Commission's website, by e-mail, by mail, by phone, by fax. I'm not sure how many other ways. But, Mr. Wagner up here in front has a fax sheet that describes these cases, and also gives the addresses where these -- where you can submit comments or where you can tell others to submit their comments.

I'm sure some of you -- I know some of you recall because I recognize you. I was here in April. We had Public Statement Hearings at that time. Those here -- those statements we were taking to get the -- to get the views of the public on what was then a case in litigation. Normally, there is only one round of Public Statement Hearings. I'll let people -- but because we have this proposal filed now, we wanted to give everybody an opportunity to comment on the -- on that as well.

The joint proposal, as I say, was filed on July 14th. If it were adopted by the Commission, it would resolve all the issues in the case. As I say, this is a recommendation by the parties who signed the joint proposal as to a

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resolution of the case that they would be happy with. The Commission still has the final say on whether the terms of this settlement are fair and reasonable and in the public interest. It will make a completely independent decision after reviewing the entire record in the case, not just the joint proposal, the entire record, including the Public Statement Hearing transcript from our last meeting here.

The joint proposal was signed by the trial staff of the Department of Public Service, RG&E, multiple interveners, an organization that represents large industrial customers, and Nucor Steel of Auburn which is one of the largest customers on the NYSEG system.

If the proposal is adopted as it was filed with the Commission, it would raise rates on RG&E for electric service in the first year by about twenty six million dollars. That compares with an original request of a hundred and fifty million dollars. That's combined gas and electric. It would also raise rates by twenty one million in the second year; and twenty four million in the

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third year. A total of seventy one million, again compared to the original request of a hundred and fifty million.

The impact of that on the typical residential customer in the first year would be an increase in electric bills of about three dollars and seventy cents a month and gas bills of about three dollars and fifty cents a month.

And with that, we can begin with the speakers. I should say, anybody who wants to speak should see Mr. Wagner, fill out a little card like this, and just give your name and address. We will -- we will take cards from people as long as there are people who want to speak. Basically, we're going to continue straight through. What we said in the notice of this hearing this time was that anyone who gets here before seven can speak. We wanted to make it clear because there was some confusion last time about having to be here at the beginning. We wanted to make it clear that no one has to be here at the beginning; they can come later and still speak.

So with that, we'll begin with a

name that I recognize. Trudy Harper.

MS. HARPER: My name is Trudy Harper and I am a delegate to the Monroe County Workers Benefit Council. I appear before you once again speaking on behalf of more than twenty thousand low income service workers, unemployed workers and disabled workers and their families in Monroe County who cannot afford to pay more for their utilities.

I spoke at the April 27th hearing, and stated that utility costs are already beyond the reach of many working families and small business owners. At that time, RG&E was requesting an increase in gas and electric delivery rates of one hundred and fifty million per year. We are told that the PSC staff and RG&E have come up with a joint proposal whereby they are asking the Public Service Commission to approve among other things, an increase in RG&E's rates in the amount of seventy one point seven million over three years and four months.

We are opposed for the following reasons. First, utility costs are already

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unaffordable for more and more households in Monroe County. Any increase is too much and will put more working families in jeopardy of losing their utility service. Local businesses will get hit by the higher rates twice. They will themselves be saddled with higher utility rates they can scarcely afford, and at the same time, their consumer base is being gutted and their spending capacity reduced, which cuts income to businesses.

Remember that RG&E shut off utility service to more than twenty five thousand households in 2009. If the PSC grants a rate increase, more families who are struggling just to keep their heads above water will drown.

Please take into account a recent report done by the University of Washington, Center for Women's Welfare. They calculated the self-sufficiency standard for households in Monroe County based on their size and composition. The self-sufficiency standard as opposed to the federal poverty level, looks at the real cost that a family in our area must pay out for housing, transportation, childcare, health care, taxes, food

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and utilities. For example, the self-sufficiency wage for a Monroe County family consisting of one adult and two children, which would be one pre-school and one school age, without any public assistance is twenty thousand, forty two dollars a year. Yet, most jobs in the service sector pay less than one-half that.

In reality, most low paid workers spend between fifty and seventy percent of their income on housing and utilities alone. The figures in the report suggest that even two adults working full time jobs will not earn enough to meet the basic needs for living.

Do not forget that the so-called economic recovery that government leaders are promoting is a jobless recovery. We find that term oxymoronic. There is no recovery without jobs. Thousands of Monroe County residents lost their jobs, retirement, health insurance and homes because of the economic crisis that is not over by any stretch of the imagination. They remain unemployed or underemployed. Even before the economic collapse, the majority of jobs being

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created were low wage jobs in the service sector. Working people and businesses cannot afford to pay higher utility rates, period.

Second, the joint proposal proposes to use more than two hundred and sixty million in public benefit adjustments, or PBAs, that were awarded when the PSC approved the buy out of Energy East with conditions in September, 2008. The summary of the joint proposal refers to these as positive benefit adjustments. According to page one eleven of the January 6, 2009 PSC's order authorizing acquisitions subject to conditions quote, no party challenges the proposition that under the PSL, public service law, subsection seventy, public interest criterion applicable to that proposed transaction, petitioners must show that the transaction would provide customers net benefits. And on page one twelve, the foregoing analysis of the issues all lead to the conclusion that the translation itself without more, does not offer positive net benefits sufficient to satisfying PSL subsection seventy.

Consequently, the only real and

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significant public benefit to be arrived from the transaction is the possibility of providing customer PBAs as a monetized benefit. Further, for these reasons, our approval of this transaction is conditioned on the requirement that it include a monetized benefit to customers in the form of PBAs. The decision then sets forth the amount of the PBAs as two hundred and seventy five million.

Recent newspaper reports would lead one to believe that the fifty million increase that RG&E proposed two days after the April 22nd hearing, was being reduced by another one-half under the joint proposal. But this is the distortion. In reality, what the PSC staff in conjunction with RG&E is proposing to do, is to steal the only benefit rate payers were to obtain from the buy out of Energy East.

First, our federal government bails out the Wall Street investment bankers and companies like AIG that brought our nation's economy to near total collapse. Now the state agency established to protect us from monopoly abuse of utility companies proposes to hand over

two hundred and sixty million dollars that is owed to rate payers and tell us that it's to our benefit. Like I said at the April hearing, with friends like that, who needs enemies?

No. The PSC should not allow RG&E to use the PBAs that were assessed to ensure the public benefited from the merger as required by law, nor should you give RG&E a public relations benefit of making it look like lowering the amount of the rate increase when they are not.

Third, RG&E also wants us to believe that they have a mechanism in place to cushion the blow of the rate hikes by saying they will increase their low income assistance programs. However, the details of how this will be done are not set forth in the summary we were provided. And as they say, the devil is often in the details.

Let me say at this point, first, if we use history as our guide, we rate payers shouldn't have much faith in the merit of their plans. In its first application, the company proposed to raise the rates an average of thirty three dollars per month, and then give back fifteen

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dollars per month to ninety one thousand households that are poor enough to get fuel assistance. Now, if this was accurate, then it means that the lowest income people will still be expected to pay eighteen dollars a month more and will still be in debt and still be shut off.

Further, these programs will do nothing for the growing number of workers who are not so destitute as to qualify for HEAP because they make too much money or those on fixed incomes whose incomes are above the income requirements of these types of programs. One of our members works at a machine shop and makes thirteen dollars and eighty six cents an hour. She is not HEAP-eligible or eligible for RG&E Red Cross Heating Fund either. Her power was shut off in June because she couldn't pay her bill because she is already having trouble paying, robbing Peter to pay Paul.

For these reasons and others that will be addressed by another Workers Benefit Council member, Peggy Johnson, we call upon the PSC to do the following.

One, reject the rate increase for

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both residential and business customers. Do not approve the joint proposal. Utility rates should go down, not up. Two, enact a moratorium on utility shut-offs for households at or below two hundred and fifty percent of the poverty level. Three, direct RG&E to enact a debt forgiveness program for those at or below two hundred and fifty percent of the poverty level. And four, direct RG&E to provide payment plans to customers who have been shut off that are based on the customer's ability to pay, and reinstate their utility service forthwith.

On behalf of the Monroe County Workers Benefit Council and the twenty thousand workers and their families that we represent, we demand that the Public Service Commission say no to the joint proposal.

Thank you.

A.L.J. PRESTEMON: Thank you. Now we have Peggy Johnson.

MS. JOHNSON: Good afternoon. Hello. My name is Peggy Johnson. I am a delegate of the Monroe County Workers Benefit Council. I

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also appeared before you at the April 27th hearing. I have the following additional reasons to the ones presented by Mrs. Trudy Harper as to why we oppose the rate hike, even at the supposed reduced amount, which as Mrs. Harper stated, is not really a reduction at all.

First, RG&E has the gall to say that this rate increase will actually benefit rate payers. They say that the higher rates will improve their credit rating, which currently is BBB. Then RG&E says with their higher credit rating, they can borrow money at a lower rate, which will ultimately benefit rate payers. Apparently, the PSC staff agrees with them. We say, how convoluted can you get?

Again, using history as our guide, we are not so easily fooled. We will never forget how during the energy crisis of the 1970s, then President Carter called on everyone to cut their use of energy. While our members and others did exactly that, what did it get us? RG&E asked for a rate hike specifically based on that consumers had cut their use and therefore, their

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profits were down. They asked the State to increase rates to make up for it. While our members have given and given and given, they are already without adequate heat or no heat at all. They have no more to give. They cannot cut another thing. They are down to the bone.

Second, RG&E says it needs the increase for infrastructural improvements. Yet, we understand from people in the know, that RG&E is reducing its skilled labor force and the very workers who maintain the infrastructure. We rate payers will not agree to be made to stabilize an international corporation scheme to upgrade their transmission lines and other equipment so they can get rid of more of their workers. Mind you, these are the same workers who support the economy and the community by purchasing goods and services and paying their fair of taxes.

Third, Iberdrola's announcement on April 29th that it made one point two two billion in the first quarter of 2010 was mind blowing. According to the news report, this was a sixteen percent increase over last -- over a year

ago, and exceeded endless expectations. The Workers Benefit Council says let Iberdrola use their profits to pay for the infrastructure improvements they claim they need.

They knew full well what they were getting into when they bought out Energy East. If they could not deliver on the services they promised in purchasing Energy East, then the PSC should not have allowed them to buy the company. The PSC approved Iberdrola's buyout with the stipulation that the company could not apply for a rate hike for a year. What did Iberdrola do? They flaunted the order and applied for a rate hike within four months. We know they are just testing the waters. This time they filed an outrageous increase knowing that they will have to accept a lower increase. But, you know what? They still get an increase. The PSC should penalize Iberdrola for such outrageous behavior. This rate increase only adds insult to injury.

Fourth, it is not only low income and poor workers who will be hurt by this increase. Corporations such as Xerox Corp. and Gleason Works

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(phonetic spelling) are on record as opposing the rate hike. If corporations this size are concerned, imagine the affect on small and medium sized businesses dependent on the local community for their customer base. They will pay for the increase twice over. First, they will pay the higher rate if approved; and second, many will lose businesses because their customers will no longer be able to patronize their business. The small grocery and deli located in my neighborhood pays more than four thousand dollars a month on his utility bill. He says utility costs are killing him. An owner of a hair salon told us that her customers that used to come in once a month, now come once every six weeks or two months. She works seven days a week and can't afford medical coverage for herself. The owner of a car repair shop told us that customers come in and if the car repair is not essential, they put it off because they cannot afford it. These are the real economic conditions more of us are up against.

Fifth, we object to the process the PSC uses. We understand that the joint proposal is a result of

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quote, another -- proposal is a result of quote, unquote, negotiations between the PSC staff and RG&E. How is it though that the PSC conducts negotiations with utility companies but when the WBC requested that PSC come to Rochester in 2008 to conduct a hearing for the public about the unaffordable cost of utilities, we were told the PSC couldn't do so because of fiscal constraints. Once again, the public is left out in the cold. For these reasons and the reasons Mrs. Harper cited in her statement, we call upon the PSC once again to do the following. One, reject the rate increase for both residential and business customers. Do not approve the joint proposal. Utility rates should go down, not up. Two, enact a moratorium on utility shutoffs for households at or below two hundred fifty percent of the poverty level. Three, direct RG&E to enact a debt forgiveness program for those at or below two hundred and fifty percent of the poverty level. Four, direct RG&E to provide payment plans to customers who have been shut off that are based on a customer's ability to pay, and reinstate their utility service forthwith.

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On behalf of the Monroe County Workers Benefit Council and the twenty thousand workers and their families that we represent, we demand that the PSC say no to the joint proposal.

Thank you.

A.L.J. PRESTEMON: Thank you very much. Next, we have Anibal Soto.

MR. SOTO: My name is Anibal Soto, and I am the president of the Monroe County Workers Benefit Council. Several of our members have addressed the PSC at this hearing and other hearings and have made compelling statements about the absolute struggle they face in paying their utility bill and how harmful this rate increase, or any increase, will be.

I want to address the issue from a different point of view and speak to why the so-called utility deregulation, as the PSC has implemented in our state, to date is a state policy that low income workers and New Yorkers in general cannot afford.

The PSC was established in 1907 in New York State through a legislative mandate to

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help regulate the often monopolistic and exploitive control of the electric, gas, water and telephone utilities that grew through the industrial revolution. However, by 1932, the eighth largest utility holding companies in the U.S. controlled seventy three percent of the investor-owned electric industry. Their complex, highly leveraged corporate structures were very difficult for individual states to regulate.

The U.S. Congress passed the Public Utility Holding Company Act of 1935 to facilitate the regulation of electric utilities by either limiting their operations to a single state, and thus subjected them to effective state regulation, or forcing divestitures so that each became a single integrated system serving a limited geographic area.

Up until the last ten years or so, most of us got our electric from a company located in the area where we lived, and it was owned regionally versus an out-of-state foreign investor. The prices utilities charged were fully regulated by the State Public Service or Utility

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Commissions. The utilities would have to establish cost. How much did it cost them to generate the electricity or purchase the natural gas and deliver it to customers? The utilities could not charge more than ten percent of the established price. While utility business was steady business, regulation did not provide the volatile markets for investors who seek to make big profits. Those looking to strike gold in the utility markets had to knock down the government barriers to gambling.

Fast forwarding to the mid-1980s, the late Kenneth Lay of Enron was an economic professor at Harvard University. And he and a group of so-called free market economists felt that all markets of any type have to be deregulated and all government interference or oversight be kept out of it. The theory was that once a free energy market was set up and running, that the free and open competitive market would keep price low. Their goal was to set up a trading business completely devoid of any federal oversight.

Speed forward to 1996. That year, the PSC issued its vision order inviting

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vertically integrated utilities to divest their power plants and form new holding company structures and urge the formation of a new entity, the New York Independent System Operator, N-Y-I-S-O, to replace the New York power pool that had been formed in 1966 to manage the power group. This was one of the steps the PSC took to implement a policy called utility deregulation with the promise that it would lower utility costs and increase the reliability of service. The state assured New Yorkers that utility deregulation was consistent with its broad mandate to ensure all New Yorkers have access to reliable and low cost utility services.

Paul Revere died in 1918 and was not here to warn New Yorkers in 2001 that the British were coming in the form of National Grid which purchased Con-Ed and Niagara Mohawk. As we know, the Spaniards also came back. Iberdrola purchased Energy East in 2008 and the French bought some of our nuclear plants also.

In 2001, Controller Carl McCall (phonetic spelling) issued a report, the Electric

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Deregulation in New York State, the Need for a Comprehensive Plan. In this report, McCall outlined the problem and proposed solutions to try to make deregulation work for customers. He correctly pointed out that one of the biggest forces driving up the price of electricity in New York is the New York Independent Operating System and the Federal Energy Regulatory Commission.

Time does not allow me to go through all the ins and outs of how and why this is the case. The bottom line is through -- is that deregulation has made it possible for utility distributors to pass on increasing supply costs to the customers. At the same time, they continue to demand that the State allow them to raise delivery charges to increase their profit margins as RG&E is doing with this rate request. Controller McCall points out -- points out in his February 2001 report on deregulation that the public has been left out completely out of the picture in all changes made on how utilities are priced and delivered. We could not agree more. The public is increasingly being left out in the cold and the

dark.

Section 63 of the New York State Public Service Law states: Every gas corporation, every electric corporation, every municipality shall furnish and provide such service, instrumentalities and facilities, and shall be safe and adequate in all respects and just and reasonable. All charges made or demanded by any such gas corporations, electric corporation or municipality for gas, electric or any service rendered or to be rendered, shall be just and reasonable and not more than allowed by law or by order of the Commission. Every unjust or unreasonable charge made or demanded for gas, electricity or any such service, or in connection therewith or in excess or allowed by law or by order of the Commission is prohibited. Furthermore, the Section 51 of New York State Public Service Law states: The Commission shall adopt additional rules and regulations as it deems necessary and proper to implement the provision of this act.

Clearly, the Commission has both

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the duty and the power to act in the interest of low income rate payers in order to fulfill its most basic mandate, to ensure access to low cost utilities to all New Yorkers. The issue is not who owns the supply and distribution facilities. It is whether or not government is going to fulfill its mandates to represent and protect the majority of rate payers struggling to make ends meet, or will you continue to represent those profiteering from utility costs?

A.L.J. PRESTEMON: Thank you, Mr. Soto. Next, we have Mary Cowart.

MS. COWART: Hello. The statement by Mary Cowart to the New State Public Service Commission on August 3, 2010. My name is Mary Cowart. I am too -- am -- too am I -- too am a member of the Monroe County Benefit -- Worker Benefit Council. I would like to present you with these letters which are some of the hundreds and hundreds of letters that have been signed and sent to the Public Service Commission by local residents who are opposed to the rate hike. Thank you.

A.L.J. PRESTEMON: Thank you. If

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you'd bring them up. This set of letters will be marked as Exhibit One of the Rochester Public Statement Hearing of August 3, 2010. Okay. And that will be incorporated in the official record. It will be on file with the secretary in Albany. Next, we have Mr. Mason. Is it Alonzo? Alonz? It looks like Alonz.

MS. MASON: No, it's Alma.

A.L.J. PRESTEMON: Alma, sorry. Ms. Mason.

MS. MASON: Okay. My name is Alma Mason, and I'm here on behalf of the Monroe County Workers Benefit Council. I just have a statement to make and a question. Can I ask you a question?

A.L.J. PRESTEMON: Sure. Could you bring the microphone over by -- there you go.

MS. MASON: Okay. Can you hear me better?

A.L.J. PRESTEMON: Yep.

MS. MASON: Can I ask you a question?

A.L.J. PRESTEMON: Sure.

MS. MASON: Okay. What happens after this hearing? Where does all this go? I mean, I know you're hearing what we have to say, but who else here would we have to see?

A.L.J. PRESTEMON: Well, we have a reporter here today who is keeping a verbatim transcript of everything that's said here. It will be -- all be transcribed in a transcript which will be included in the record of the case. The entire record of the case is provided to each of the Commissioners who is going to vote on this joint proposal. So they will have it physically in front of them.

MS. MASON: Okay. So will you be making a report? Will you also make a report from this meeting?

A.L.J. PRESTEMON: In this case, no. I -- I don't make a recommendation to the Commission now. The recommendation pending before the Commission in effect is the joint proposal. Along with Judge Phillips, I'll be summarizing the comments that I've heard at this meeting and the previous meetings so that a summary will be in

front of the Commission. But they will also have the complete record to refer to. And I know, for example, that many of the statements made in this hearing and in the hearing in Binghamton in April, were directly quoted by the New York Consumer Protection Board and the briefs they filed with the Commission. So again, they were -- they were before the Commission. They are before the Commission.

MS. MASON: Okay.

A.L.J. PRESTEMON: So these -- I mean, these are not just going in a vacuum. These were used by the Consumer Protection Board in their arguments to the Commission. That's some of the importance of getting these comments from you all.

MS. MASON: Okay. Okay. Well, I just wanted to know. I have -- I just want to make a statement here. The previous people that just spoke, I'm also from that organization, the Monroe County. And they have said just about everything that I need to say -- I want to say. And I especially come up here to say no to the increase to RG&E. No, no, no.

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We are in recession there, and I come before you to say that we have -- we have a report as they have said before, of one point two two billion dollars in profit from Iberdrola. Why can't they use that money for whatever they need from us? We need time to heal because of this recession.

Thank you very much.

A.L.J. PRESTEMON: Thank you. Mr. John Langdon?

MR. LANGDON: Thank you, Public Service Commission, for allowing us to speak today. I've been very impressed listening to the other speakers and I've learned a wealth of information from them.

Starting, New York State monthly utility services are already excessive and need to be held the same or really should be reduced as described below. New York State monthly electric rates are the third highest in the nation, as shown to be eighteen dollars per the attached July 11th newspaper article. Only Hawaii and Connecticut are higher. In fact, New York is more than double.

They have many states such as Missouri, West Virginia and countless other states listed within the same article.

The dubious fact that New York even exceeds California and New Jersey is truly sad. It's easy to understand the industry and population exodus of New York. The result in New York poverty levels from loss of jobs and their cost all New York residents are obvious results. Taxes and high insurance rates further degrade New York.

The attached July 21st article shows that New York and California have the biggest job losses in the entire nation. Considering job losses, the picture's so bleak that many residents have given up hope and often turned to drugs or alcohol.

RG&E's proposal to increase the current monthly electric rate by two point two percent, similarly RG&E's proposal to increase the current monthly gas delivery from twenty dollars by two point seven. These current RG&E rates are really excessive considering the following

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information of Fairport Electric and Monroe County Water. The Fairport Municipal Electric charges only four dollars per month for the attached bill I'm going to turn in. Similarly, Monroe County Water Authority only charges three dollars and fifty cents per month. The RG&E gas rate of twenty dollars is five point six times the Monroe County Water Authority rate.

Costs for gas and water should be comparable. Also, RG&E Electric is several times the Fairport rate. Even with the lower rate, Monroe County Water Authority has provided reliable and safe drinking water which the whole area has been proud of. Compare the two. The complex nature of providing drinking water requires pumping costs, filtration, chlorinization, florinization, water pipes must be thicker and larger diameter to withstand the higher delivery pressures and volumes for fire protection compared to gas or electric. Overcoming gravity because the water is greater density and high transmission costs associated over land frictional losses. You have chlorinization stations and also maintaining rigid Department of

Health standards. It's truly remarkable that Monroe County can provide all this for only three fifty six per month. Why can't RG&E and their gas rates also be similar?

I didn't mention about water has to be down four and a half feet to prevent freezing, which is another major cost associated with water. The PSC needs to thoroughly investigate this large difference independently, and not just rubber stamp inflationary RG&E costs that will adversely affect New York economy and its health.

In summary, I have the same overhead electric lines on my street going to my house since the early sixties when I moved into the neighborhood. The power lines and transformers on my street have existed forever. I cannot recall any upgrades. My question is, where are all the monthly services charges going? Attached July 8th article suggests that RG&E is installing new electric transmission lines to send cheaper upstate electric to the expense of New York City area. The article details the price surge in New York City

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from thirty three dollars per megawatt to thirteen hundred and fifty seven. Does RG&E want to upstate people to finance upgrades that benefit New York City and avoid RG&E borrowing? This is wrong. The answer should be to build new strategic power plants in the needed areas. And I've attached a bill from Monroe County Water Authority, Fairport Electric on page three.

Page four, I just want to comment on one thing. An earlier speaker mentioned about Gleason and Xerox. In this article, it states, Xerox Corporation is one major local employer that publicly opposed the initial rate increases. In a letter in March, Xerox stated its utility costs would increase by five million a year and could have significant financial repercussions for Xerox New York operations. Although RG&E has since lowered their requests, Xerox indicated it hasn't changed its position. We have nothing to add on the rate increases beyond what we filed, said Xerox. We have great respect for RG&E as a Rochester business and would like to see them take action to help other local businesses.

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And finally, the last article it states, employers in California cut payrolls by twenty seven thousand last month. This was dated in July, so it'd be June. Those in New York reduced payrolls by twenty two thousand five hundred. Everyone seems to think we're on a rebound here, but I don't know where.

Thank you very much.

A.L.J. PRESTEMON: Thank you, Mr. Langdon. And Mr. Langdon, your package of documents will be marked as Exhibit Two for this hearing.

All right. Next, we have Myra Brown.

MS. BROWN: Hi. I'm Myra Brown. Is this thing on?

A.L.J. PRESTEMON: Yep, it's working.

MS. BROWN: And I'm a Parrish minister from Spiritus Christi Church. And I'm here to oppose the rate increase, the request, because I think it's a clear case of corporate greed. And I think we have to work really hard

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with our corporations locally and around the country to avoid greed in all its forms. I think that you are in a pivotal position to help RG&E and help this utility to step away from this kind of corporate greed, where they're just thinking about themselves, and where they don't seem to have a measure for when enough is enough. To come back two months later and ask for a rate increase after getting a delivery charge increase and keep putting that burden on the backs of poor and working class people is just unconscionable. I cannot believe that that's happening.

And I think that it's too bad that these CEOs don't have to face us. That we can't hold them accountable and they don't have to listen to us. I think being removed from people who are directly impacted skews their perspective around what should happen moving forward.

And the joint proposal is problematic for me for the PSC to be working on a joint proposal with them. It creates the impression and the illusion of a biased process. And I think it puts the community at jeopardy for

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seeing themselves in a fair and a just process. And by default, it gives that appearance that this utility company will be favored because of the appearance of being in the bed with them on a joint proposal. So I think that's problematic.

It is my view that your role should be to protect the consumer. And I think it's problematic that the history of this utility of noncompliance seems to be ignored. They've been noncompliant from the very beginning. And it seems without repercussions. They were asked to return two hundred and seventy million back to Upstate consumers, and that hasn't happened. That was a year ago. And can you imagine all of the interest that they're drawing from that money being in the account? It's unconscionable.

And we should get our interest, that's absolutely right. But they will walk away with -- with that interest because it hasn't happened. They were asked to not apply for rate increases for thirteen months after the acquisition. And as someone stated earlier, four to five months later they made that request saying

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that it was an emergency basis because their ability to deliver service was in jeopardy. But your Commission found that they did not present enough evidence to prove what they had -- their rationale that they were putting forth. But their rationale keeps changing. I don't think you can really trust the rationale. It just seems that they keep knocking and knocking and knocking and knocking, hoping to break you so that you'll just get tired of them asking and give it to them. But if they're reporting the kind of profits that are in billions of dollars, it really is a no brainer. At some point, I would encourage the Public Service Commission to just tell them to stop.

In this community, we've heard some of the speakers who have spoken to say that, you know, the unemployment in this community is really high, salaries for the poor and working class are not going up, they're going down, people are being laid off. This is not another burden that they can shoulder, it really isn't. These folks in this room and in this community, we don't have a one point two billion or million dollar

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profit that we're carrying around in a purse string somewhere. So they can't shoulder that. These folks are on fixed incomes, they're barely being able to make it. Our RG&E bills in this community sometimes mimic mortgage and rent -- rent bills that people are paying. And so folks -- we're having to decide whether or not to eat or to keep a roof over our head. Nobody should be forced into making that choice.

And I have people that walk through our doors at church every week asking for help for their RG&E bills. And the reality is that they're not able to find it anywhere else. And so the programs that they say that are available is not making the grade. It's not taking care of it. It's not providing what's needed in this community already. And so for them to come back and say we want to increase the rates, I would -- I would encourage you and urge you to say no.

I would also support the moratorium that -- that the speakers before me requested. I would also support the debt forgiveness program for those living at and below

poverty levels. I think that's an incredible thing. I think we should do that. I think that's way overdue. And I think we should have a process by which if this Commission hears the overwhelming testimony as they did in the last hearing, of people opposing those rate increases, and they give it anyway, I would request that you provide an appeal hearing process for us, the consumer, if that happens.

I want to commend you for giving us an opportunity to speak at this hearing, and I would also encourage you to work on a process where we get to actually speak and get engaged much earlier in this process, before deals are being made and proposals are being worked on jointly, that we get in on the ground floor so that we can take the utility giants to task. Because this is -- this is our livelihood. For many of us, it's a matter of life and death, of making it or not making it. I'm not sure that's true for your CEOs who are part of these utilities who are asking for this increase.

Thank you.

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A.L.J. PRESTEMON: Thank you. Just a couple of points I should -- should clarify. One, is that on the positive benefit adjustments, the interest all accrues to rate payers. So that amount is now approximately three hundred and twenty million, not two hundred and seventy million. And that's all due to rate payers. So I -- I hear your statements on whether or not this is being wisely used in reducing a rate increase rather than providing money. But the fact is, the entire interest amount will go to rate payers.

The other thing is that when the Commission approved the Iberdrola merger, they didn't bar NYSEG and RG&E from filing rate cases. They said that they could file rate cases within the first year only if they could show that they were in dire financial shape and that immediate relief was necessary. And the Commission said they hadn't done that. And that's why they threw out the original filing. But as far as RG&E coming right back with another filing, they had no choice. The Iberdrola order also said that RG&E must file a rate case within thirty days after the end of the

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one year moratorium. The reason for that is that there was a lot of concern at the time the merger was approved, that Iberdrola would find many, many more ways to save money than the Commission had thought of. And the Commission wanted those savings to go to rate payers and that's why they required rate cases to be filed.

Now, since the rate case asked for an increase, obviously those savings weren't there. But that was the thinking behind it. So RG&E was required to file this rate case when it did. I'm not saying anything about the merits, I'm just saying that's the procedural facts and the way this was set up, and that's how we got to where we are today.

And one other thing I should mention. I -- it's -- these case are very complicated, there are hundreds of people involved, accountants, auditors, engineers and so forth. It's difficult to participate, but all parties are welcome to participate. We do get comments from -- we do get comments from the public almost immediately after rate cases are filed. Any

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individual, any organization can simply send an e-mail to the Commission and say they want to be an active party in the case. As an active party, you'll receive all the documents, you don't have to look them up on the website, you will get them by e-mail. And you have a right to file testimony and a right to cross examine the witnesses of other parties. Obviously, most people including me as a private individual don't have the time or the capability of doing all that, but an organization might. So I just want to make it clear that these -- these -- this process is entirely open from the beginning to anyone who wants to participate. We have very relaxed rules for participation as a party. You really only have to show that you have an interest in the case. And we will allow -- and participation will be approved. Again, I know there's a lot of complications with that, but that is the way the process works. So -- and I have to say that the -- these statements have been extraordinary well researched, well written, well thought out. You clearly have the capability of participating in these cases.

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So next, we have Yvette Singletary.

MS. SINGLETARY: Good evening, Your Honor. Good evening to all you folks in here. I wrote out a thirteen page statement to submit to the Public Service Commission but I'm going to ad lib this one.

On September 17th, '09, RG&E formally asked the New York State Public Service Commission, which by the way, New York State is the only utility in the nation that charges a thirty percent gross receipts tax on your utilities. Keep that in mind. You set a precedent. They need money because they have not received a raise -- a rate hike -- a rate increase since 1996. How many people in this room are on Social Security disability and heard President Barack Obama say you will not get a cost of living raise in 2010 or 2011? Let me be blunt to you, sir. The blood of Rochester is on the Public Service Commission's hands if they give a rate increase to Rochester Gas & Electric. Why? Because that over thirty percent poverty rate in Rochester and the average income,

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medium income being twenty eight point five thousand dollars, where they going to get it from? The University of Rochester is the largest employer in Rochester, and the sixth in the State. No one can walk into Joel Sullivan's office and say, we want a cost of living raise because -- to improve increases in revenue. We can't say that.

Secondly, we can't go into the White House and say, President Barack Obama, we want a cost of living raise for the Social Security disabled because he's not going to allow that. One question I want you to answer for me, what's up with the cable TV in the walk-in offices? How much are the rate payers paying for cable TV? We don't need cable TV in the Rochester Gas & Electric Corporation. Are these some of these miscellaneous charges? I just spoke to an employee the other day. She told me they asked for TVs in the breakroom for the employees but Iberdrola could not justify the cost. We can put them in the walk-in offices, but we can't give them to the employees. Please tell me why a utility company called Rochester Gas & Electric needs cable? How much is

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that costing the rate payers? And guess what? They're mounted on the walls on huge flat screen TVs. What an insult to injury. How do you throw salt in the wound? You stick a cable TV up on a flat screen TV in RG&E's walk-in offices and you bring your baby, where's that baby, to pay your bill and that child can't watch cartoon network at home because cable's a luxury, nor do they have a flat TV screen.

You know something else, sir? I'm going to be blunt and to the point. I have a master's degree in criminal justice and two bachelors. I don't have a problem with getting a job. But I'm here as Moses. Let these people go. And you know what else? We don't wrestle against flesh and blood. We wrestle against principalities, wicked spirits in high places, rumors of darkness which RG&E just happens to be littered with. Because if you don't pay your bill, what are you? In gross darkness.

Now, it's going to be a choice between freezing and the domino effect of all the pipes busting in Rochester, New York houses, rental

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property and home ownership. There's going to be a difference between some disabled person paying for their medicine or sitting in the dark. There's going to be a difference between -- what did they say? I have to quote this one because this one gets it good. Stringent requirements concerning vegetation. Does this mean we can't afford meat? I can't. Forty two dollars a month is enough for meat and food in my household. My grandson can't watch cartoon network in my home because cable's a luxury. I have to pay RG&E. But can I take my grandson to RG&E's walk-in office, sit down and watch cable TV from nine to five? I say not. Crime, sir. We cannot keep crime down with the lights off. And all of you old enough in this room to know what happened, remember what happened when the lights went out in New York City. Crime went up. They're going to be in your house because your alarm system won't be working because you're robbing Peter to pay Paul, they're going to be raping your daughters and everything because the stress of being unemployed and having to pay RG&E is going to fall on some victim. And by the way,

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I'm a victim's advocate and a community advocate in this time. I have a problem with a company -- and my pension comes out of RG&E. Yeah, uh-huh. Believe it or not, I have a problem. Let the people go. Where are they going to get the cost of living adjustment in their own pay raises for Social Security disabled individuals and working class to pay forty two dollars a month?

And finally, sir, the blood of Rochester is in your hands. They're shooting with the lights on. If the lights go out, we're going to freeze to death, because if I have to pay a seven hundred and fifty two dollar mortgage, which is what my mortgage is, and I have to pay an eight hundred dollar RG&E bill for nine hundred and seventy six square feet of parcel, where's it going to come from? It's going to come from every victim in here who will be robbed. And you know what? One-third of Rochester's homicides are robberies. RG&E robs you without a pistol.

You think about that and tell your colleagues and all your administrative judges, the accountants, the engineers and all the powers

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to be, that the blood of Rochester, New York is on their hands.

Dire financial straights? Okay. We want our interests and we want it now. How dare they take that. And we're all sitting in the dark because you know what happened when the coffee thing happened in the '70s? They were coming into the 'hood, all the suburbanites and the rich people because they couldn't get coffee, buying it underground. What do you think is going to happen if people are sitting in the dark? Robbery, homicide, rapes. It's on your hands.

A.L.J. PRESTEMON: Okay. Well, it's hard to say thanks to that, but thank you for speaking.

Our next speaker -- I took off my glasses. We have Mike --

MR. BAYUSIK: Mike Bayusik.

A.L.J. PRESTEMON: Bay --

MR. BAYUSIK: Bayusik.

A.L.J. PRESTEMON: Bayusik?

MR. BAYUSIK: Yes.

A.L.J. PRESTEMON: Mike Bayusik.

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MR. BAYUSIK: Well, it's difficult to get started after such a spirited speaker. My name is Mike Bayusik. I'm from Greece, New York. I'm not part of any organization. I'm just a retired person who's getting sick of the politics in New York, the corruption and the big rate increases in electricity and natural gas.

First, I'd like to start by saying that except for Connecticut and Hawaii, among the other forty eight states, New York has the highest residential electricity prices in the United States. This is from the independent statistics and analysis published by the U.S. Energy Information Administration. Among the surrounding middle Atlantic states, which includes New Jersey, Pennsylvania and New York, we have the highest rate. And what is most troublesome about this, that we're in Western New York. We reside close to one of the prime natural hydroelectric power sources in the world, Niagara Falls. And hydroelectric power is one of the lowest cost ways to produce and generate electricity.

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Our residential rates in Western New York are among the highest in the U.S. Yet, we send low cost electrical power generated by Niagara Falls to New York City, the states of Connecticut, Pennsylvania, Massachusetts and Rhode Island. And what is irksome about that is the last three states, Pennsylvania, Massachusetts and Rhode Island, they have lower electricity rates than we have. I have to say, are the public service commissioners doing their jobs?

Turning to national debts, except for eight states within the entire fifty states, New York pays the highest residential and natural gas prices in the U.S. And among the middle Atlantic states, and this is according to the U.S. Energy Information Administration, and according -- and this is even though we in New York State produce over fifty billion cubic feet of natural gas per year, and with further exploitation of the Marcellus Shale reserves, in state natural gas production should increase dramatically.

Executives at RG&E knew they could not ask for a quote, general price increase

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since the prices for electricity and natural gas in the rest of New York are already out of line with prices throughout the whole United States. Basically, the executives closed a price hike in the skies. Cunningly, I believe, I believe R&G higher manager -- management perpetrated a pretense. They say they need more expenses for delivering the energy to consumers. In fact, in a stage like manner, they initially presented an outrageous rate increase and then lowered it. They made it seem on the surface that it was a charade and made it look like a second lower rate increase was a gift that would be tolerated by the public. Very clever.

Why would a company need dramatically higher expenses to deliver energy when they are eighty miles from a significant hydroelectric source? And I believe twenty percent of RG&E's power is from hydroelectric power at Niagara Falls. And also are able to access fifty billion cubic feet of natural gas in New York State, which would mean there is no long pipelines.

And then there is more to come

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for gas with the state Marcellus Shale. It's tapped for its natural gas reserves. When that occurs, any existing long gas pipelines that are currently shipping gas or piping gas in the southwest, should decrease which would actually lower delivery costs of natural gas to Western New York. Instead of an increase in energy rates, the current high electricity and gas rates with their high margins should more than offset delivery costs.

Also, the company should strive for more efficient cost reductions. Other companies and industries do it, not simply ask for more consumer money. The public servant -- Public Service Commissioners should stand for their consumers.

Sir, if I might ask you a question, if I may? I do not know you. You did say that you were a judge, your title?

A.L.J. PRESTEMON: That's right.

MR. BAYUSIK: Are you from Western New York?

A.L.J. PRESTEMON: I'm from

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Syracuse.

MR. BAYUSIK: You're from Syracuse. So you are from Upstate New York. You know, I am very disappointed that there are no commissioners here. I have never spoken at a meeting like this before. I was expecting to come down here to see some commissioners. Where are the commissions from? Where do they reside? Do they reside in Western New York? So, I just, you know, that -- I am not part of an organization. There is some very good comments by organizations here and has numbers to its affect. But I am just a retired individual who is sick of the politics and sick of the corruption here in New York State.

Sir, I'd like to show you these tables from the U.S. Energy Administration.

A.L.J. PRESTEMON: We'll make this --

MR. BAYUSIK: Showing our high rates here in Western, New York.

A.L.J. PRESTEMON: Sir, we'll make your bundle of documents Exhibit Three in this hearing. That's Exhibit Three for Mr. Bayusik.

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Thank you very much.

Next, we have Grace Miller.

MS. MILLER: I'm wondering how many more times we have to come before you begging for no increases in our RG&E rates, and when you're going to start listening to us. We spoke before you on April 27th to have compassion on our poor, the poor people in Rochester, who cannot already afford any RG&E rate increases.

Today we come to you again begging to have mercy and compassion on our poor who cannot afford the rates as they are now and you talk about more increases. The reality is, you're increasing the rates, but you're trying to soften the blow. But an increase is an increase. And there's no way of softening any blow.

Any increase places an intolerable burden on the poor of our city and our county. Our people can hardly afford to pay rent, let alone pay RG&E. We have over four thousand people a month coming to the House of Mercy for help. Many of them come because they can not afford to pay their RG&E bills. To whom do we

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turn? We're crying out to you to stop and decrease these rates rather than to increase them.

We have at the House of Mercy, many homeless who are with us because they cannot afford rent, let alone the RG&E bills. We continue to see people who are without electricity for months, you hear me, for months, not for days or weekends, but for months. And many of them give up trying to pay the exorbitant bills. They cannot do it. There needs to be mercy and compassion, and I'm talking about mercy and compassion in the corporation such as RG&E and in the government.

You are here to serve our people, not to take money from them. Let me repeat. Our poor have no money. They have no more money to give. And why do you continue to bleed them? You're saying there will be an increase in HEAP payments which will help our people. We have not seen the details on this. We don't know how true it is. Now consider this. If our bills were affordable to the poor, we wouldn't even need HEAP. HEAP is necessary, because without it, we would have a whole city suffering from homeless -- a

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homeless population. There would be a homeless explosion, not only in Rochester, but in and throughout the whole -- the whole country, New York State in particular, because they cannot afford to pay. Now, if we want a homeless explosion, continue raising the rates. And what a scandal this would be for RG&E, for the PSC, for our city, for our county.

We're asking you or telling you, you cannot take any more money from the poor. So we join our voices, the House of Mercy joins our voices with Eastern Services, who call upon the PSC to bring the utility rates down, not up. To enact a moratorium on utility shutoffs for households. And we want enactment of the debt forgiveness which is so necessary for our people. And we direct RG&E to provide payment plans to customers who have been shut off that are based on a customer's ability to pay and reinstate their utility service forthwith. Also, mercy on behalf of our poor demand that the PSC say no to the joint proposal made by RG&E and the PSC staff.

A.L.J. PRESTEMON: Thank you. We

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now have Lovelle Lewis?

MR. LOVELLE: Good evening, everybody. Good evening, sir. I just want to kind of stick to the facts and stick to reality here. Now I come here as a former RG&E employee who was also laid off just recently.

I kind of want everyone to actually sit back and think and realize that when you smell a rat, you smell a rat. That's first, that's first. When you smell a rat, you can see them far away and you got to try and catch them before they, you know, eat you out of house and home. And that's exactly what Iberdrola is doing to the people in this city. Okay. When they first bought Energy East, they made it seem as though everything was going to be good for the people. They made it seem everything was going to be okay for the employees. But yet, the only thing that this Spanish company did was come in, lay off its workers in the City of Rochester, and then increase the rates for the people of the City of Rochester. But what they did was, they said, we have to do this because of financial reasons. Now I'm a small

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business owner right now. I'm not about to sit here and allow somebody to kick me out of their place and say they no longer need my services without me to have a swift kick right back in their ass. Excuse my language.

But, when you have a company that tells you they're losing and they need to gain profits when they gained last year, net, they netted three point seven billion U.S. dollars last year. Three point seven billion. So they stand to probably even double that number by increasing our delivery charges. Now what part of the game is that? As small business owners, as people who can't pay their lights, they can't pay for food. When I used to listen to phone calls, it would pain me to hear people cry about their bill without being able to provide them with an answer. They say they want an increase and help their initiative to -- for low income families. In what way? The only place they refer you to is HEAP. So there's no solutions for the people. The only solution they have is, listen we're going to give you this rate, you deal with it and you figure it out later.

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If you can't pay for it, the county will pay for it in HEAP charges, the county will pay for it in giving welfare, in giving out welfare, but there is nothing for the people itself, period.

Let's stick to the numbers and stick to the facts. How can you increase something when you gain, when you gain and blame it on bettering a delivery system? My electricity comes to me fine. It doesn't come to me fine when they come out and pop my electric meter off when I don't pay a bill. They increase -- they increased the way they receive money and get money by sending you a daunting letter if you're one day late of paying your bill.

There's no solutions for the people here. There is none. And the Public Service Commission has to listen to all these people here, look at these signs and seriously take into consideration, take into consideration of what this company is doing. Stick to the facts. You can't increase if you're netting three point seven billion dollars in a recession. Keeping, keeping, keeping that quote, unquote, grade A credit score

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that you're shooting for. They already maintain that to this second. So let's not sit here and pull a doggone sheep's whatever over a wolf eye, you can't fool me. You can't fool me. You didn't fool me when I worked for you, and I'm not -- you're not going to fool me now. They're going to hear me and they're going to hear these people. But it's up to you to allow us to get that voice and tell them, listen, let's not -- let's not have that, okay?

If you're going -- if you're going to increase something, increase your -- increase your ability to help the community. Hire new people, okay? Get the economy going. Then maybe, maybe people will understand. Actually give help to those who are on Social Security. Actually give help and assistance to elders who's calling every day to that company trying to figure out how are they going to pay their bills because they're ninety plus years old and have no one to turn to. Those are true stories, those are true people, those are real people. And just like she said, they definitely have enough money to put flat

screens in their offices. That's like -- that's like spitting in our face and saying, you know what, still give us this money because we got to pay for this cable bill right here. That doesn't make sense, it doesn't make sense.

So I hope you seriously listen to us, listen to the people, listen to the small people and do not allow this to happen. I don't want them to see an extra dime on nothing, nothing, because they already received it this last year.

Thank you.

A.L.J. PRESTEMON: Thank you. And now we have Mike Melfi.

MR. MELFI: Before I begin, I would like to ask you a question, sir. Does a rate change have to be initiated by the utility or could the group of citizens here initiate a request for a rate change?

A.L.J. PRESTEMON: The -- in most cases, the utilities file rates and the Public Service Commission passes on them. The Public Service Commission can initiate a rate case on its own. And I see no reason why that couldn't be

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begun by a petition from the public. I'm not sure it's been done, but if the public petitioned, and the Public Service Commission picked up on it, the Commission could initiate a rate case on its own initiative.

MR. MELFI: Thank you. Could we use the information on this flyer to do that?

A.L.J. PRESTEMON: Excuse me?

MR. MELFI: Could they do that on the website if they wanted to? For instance, use the contact information that's on this page that's been provided to do that?

A.L.J. PRESTEMON: Sure.

MR. MELFI: Thanks. Okay. I wanted to get on with my other comments. I want to speak from experience both as a consumer and also as a landlord. Now, I live in a two-story home. I've lived in this two-story home for ten years. The first story has eight hundred and eighty eight square feet; second story has six hundred and forty eight square feet. I checked this with a realtor. So, I have fifteen hundred thirty six square fee total. And I've been on the budget with RG&E for

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ten years. Now, I've got one of my bills with me, and I'm paying on the budget only a hundred and fifty eight dollars a month and I have been. At a hundred and thirty seven dollars to a hundred fifty eight dollars per month, and that includes all of my heating and all of my air conditioning. It doesn't include things like water, phone, or I don't know what else you'd have in there. But, I did some research on the internet. The average monthly bill in the United States is two hundred and sixty six dollars a month. So I wanted to share, I wanted to take this time to kind of move beyond, you know, the entrenchment that I see both on the consumer's level and also on the stance of RG&E to share some of the ways that I've been able to do this, ways that are not on the suggested wise use RG&E policy.

One thing I've done is I've used ceramic and quartz space heaters exclusively in my house for the last eight years. These things are fifty to sixty percent more efficient. You don't have to worry about heat exchangers, you don't have to worry about carbon monoxide poisoning. This is

the newest, latest technology and I'm surprised, you know, that it's not being put forward more than it is.

I've heard the other speakers. We do have a lot of -- a lot of natural gas in our area. I would encourage the utility, I would encourage the Public Service Commission to encourage the utility to find a way to use that natural gas in ceramic and quartz space heaters. There has to be a way to do that.

Another way to save energy, to stay cool in the summer if you will, a way to pay yourself to stay cool in the summer is the refrigerator. The freezer actually will operate more efficiently the more full it is. That means that, well, there's these things like these gel packs, for instance, these freeze things. These can be in the freezer as opposed to an empty freezer and by keeping them in there, you actually save energy. But then you can take them out, you can put them on your second floor in front of a fan and keep yourself cool that way instead of paying to bring the air conditioning up from the first

floor to the second floor. I know that that's old technology, but by God, it works.

I want to talk now a little bit about my experience as a landlord. In too many of the buildings in Rochester, the heat ducts are on the ceiling. Warm air rises. I -- I've seen apartment houses where the heat goes right on the ceiling and out the window. There is no incentive right now for landlords to change this because the utilities are paid for by the tenants. So we need to find a way to have -- there needs to be a positive incentive for landlords to upgrade heating systems.

Also, I think that there needs to be incentives for tankless water heaters. This is new technology that's not being utilized.

And finally, the last thing that I want to say, another way and I think this is important, I'd like the opportunity to talk about it. Another way to stay cool right now is instead of cooling the air around us, is to cool ourselves. There are belts that can be wrapped around that are freeze belts, and even gel packs that can be put in

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shoes to keep cool. This is important, I believe, for places where there's a lot of people in one building and people have different temperatures that they're comfortable at. Older people, for instance, many of us need to be warmer than other older people. And so this is a way to provide for individual comfort.

Thank you.

A.L.J. PRESTEMON: Thank you. Off the record now.

(Off the record)

A.L.J. PRESTEMON: Okay. Back on the record. I think we have -- I have Sister Grace Miller but you've already spoken or is there a second? Okay.

We have a tough one. It seems to just say Shyanain, S-H-Y-A-N-A-I-N? Shyanain? Shyaquain? Oh, it's a "q," okay. Sorry.

MS. WOOD: Hi. Good evening, everybody. My name is Shyaquain Woods. I want to speak on the topic of what the RG&E are doing to us people here because you see here, I have a twenty year old sister who's nine months pregnant and she

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has to pay about -- about four hundred, five hundred to RG&E. And that doesn't make sense because she's pregnant with her second child.

I have two kids here too, myself. I have a three year old that's right there. And my mom's gas and electric's been turned off for a month now. And we've been sleeping in a cold house. That's not right. We shouldn't have to sleep in a cold house. And I have two kids. And me, my mom, my nephew, my daughter and my uncle, we have to sleep in a cold house. That's not fair what RG&E is doing to us. Really and truly, it's not. They really shouldn't do this to us. I mean, they come out, they turn peoples' RG&E off for no apparent reason. That's not right what they're doing. And I have everything to say about that. I mean, that's hard on me and that's hard on my mom because it's hard with me trying to help her take care of my daughter and my nephew staying in a cold house. That's not right that she has to stay in a cold house. Come on, now. I know she has to pay her bills and everything, but still that's not right. She shouldn't have to stay in a cold house.

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And whatever else that's going on, I'm just saying what RG&E is doing to us black folks is not right.

A.L.J. PRESTEMON: Thank you. Next, we have James Rampashad.

MR. RAMPASHAD: The last time I was here was back in April or something like that. And I don't understand. I was reading the newspaper and the RG&E went up, had an increase, going to go up to fourteen dollars and eighty five cents. Is it going to be more than that increase?

A.L.J. PRESTEMON: Well, the overall increases proposed in the joint proposal are less than that. And that might have been a reference to the -- the customer charge, the so-called customer charge. It sounds like the amount of the customer charge which went up less than two dollars.

MR. RAMPASHAD: Well, you see, I'm on disability and I wouldn't -- I can't afford to pay a four or five hundred dollar RG&E bill. That's a lot of money, you know. But -- but, I did wrote President Obama and I got a positive answer from him. Oh yeah, I got a positive answer from

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him.

Thank you.

A.L.J. PRESTEMON: Thank you. The Reverend Gary Witte.

REVEREND WITTE: My name is Gary Witte. I live in Silver Springs, New York. And I'm the pastor of Castile United Church of Christ. And I'm here today to oppose the proposed rate -- rate increase.

First, I need to say this. And I'm not trying to be personal here, I think you're a nice gentleman, but listen to this. Let me say this Commission is feeling its mandate to protect and serve the public. The fact that citizens are here today only to talk to empty chairs is not only insulting, it continues to reinforce the growing gap between government and its citizens. A public hearing not only requires citizens, it requires public authorities to be fully present to those citizens, be present to the citizens and not present via a tape recorder or notes. Where are the commissioners? They cannot stay in Albany, they have to get out and serve and listen to the

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people. Personally, this Commission is treating the public with disdain and with contempt and we say, enough. When democracy gets demoted to stenography, all suffer and it is enough. When the PSC merely becomes the rubber stamp for all increase requests from its suppliers, it is enough. When the public servants will not respect the public, it is enough. When low income families keep having to bury members of their families because of home fire fatalities, because their utilities were shut off, we say enough.

When low income families have their children doing homework by flashlight or candlelight, we say enough. When RG&E executives make -- and Iberdrola make obscene profits and salaries while low income people remain on fixed incomes and are required to pay those obscene salaries, we say enough. When the State Legislative, who miserably fails to do the State's business, and continues to ignore the pleas for a statewide moratorium on all utility shutoffs, we say enough. It is enough that low income and middle income families get nickeled-and-dimed to

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death by those who haven't a clue about the concept of enough. Let alone, having the integrity to stand behind their so-called promises. To most of these elite so-called leaders, they only understand the bottom line and their next paid bonuses. I call upon all PSC members to require all public utility executives to publish their salaries, their bonuses, their investments, so the public can be assured that when they are crying that they cannot make a living, the public will know the kind of living they really make.

The public gets gouged and swindled too many times, particularly with the approval and the collusion of public servants sworn to protect the public's interests. We say enough. Enough, enough. Let the hogs at their troughs squeal because we are tired of indulging their huge appetites. It is enough.

Aside from the need to be present to your public, not just your suppliers, the PSC needs to restore the public's confidence in conducting our government. It's totally deflating. I came fifty five miles to come here to talk to

empty chairs. These people take time off from their day to come here to talk to people who are supposed to be representing them and they can't even show up. I'm also disappointed that no elected officials are here today.

REV. WITTE: There are people who are running for governor. Give us a break. That's also enough.

This -- we have got to do something, and I would love to come to a hearing where there's actually a hearing and not a recording. We could phone this in. You could set up a phone line, and we could all save the -- the gas money to come here. This is not a hearing. This is a recording.

A.L.J. PRESTEMAN: Thank you, Reverend. Our next speaker is Manual Lopes.

MR. LOPES: Good evening.

A.L.J. PRESTEMAN: Good evening.

MR. LOPES: My name is Manual Lopes, and I'm a private citizen. I don't -- I don't represent any -- any organizations. I'm basically here -- you know, basically, this rate is

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outrageous. We've -- as we know, our economy is -- has been in a downfall. Our inflation rate is nowhere near the -- the rate increase they -- they have asked for.

The capital improvements, where are they? They -- they've gotten much better at turning off people's power.

FROM THE FLOOR: Oh, yes.

Experts.

MR. LOPES: That, I can guarantee. When RG&E owned -- owned, it was a local corporation. There was empathy with the -- with the -- with the population. The gas was never turned off as quickly as it is now. But I'm -- I'm just baffled. P.S.C. -- this is -- this is the problem I have with you guys. You brought on deregulation to us, and you promised that we'd have lower rates. Do we have lower rates?

FROM THE FLOOR: No.

MR. LOPES: You're asking for another rate increase. I look at the bill, and I'm an electrical engineer. I can't understand it. You've got C.C.F.'s. You've got therms. You

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got -- you got rates. You have a calculation that is a -- that is a factor that's convert -- a measurement of gas comes through your pipe. It's a cubic foot. You convert it to therms, which is a calculation based on a precise measurement at a precise temperature at a precise elevation in the earth at a precise temperature, and you calculate that and you tell me this is what I have to pay.

If I look at any -- any -- any -- any documentation, whether it's the -- the U.S. Energy Information Administration -- I can get gas prices. I can get electric prices. But gas prices, for instance, are in cubic feet. They're in thousands of cubic feet. They're not in therms. If I look at my bill here, I just -- I thought I'd have a meaningful conversation coming here, but I couldn't understand this thing. What I've realized is, I think they're -- they're confused as how to make the calculations themselves. It's in the middle of January -- I mean of -- of July. I run a hot water heater; that's it. Yet I'm -- I'm being -- I'm being charged forty -- forty therms

And I try to do the calculations.

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I think they're off by a factor of a thousand, all right? But please make this simple. Other states do it, all right? There's no reason why this bill should be this complicated. All it is -- is there's to confuse us and make us bend over basically.

FROM THE FLOOR: You know what happens when you bend over.

MR. LOPES: They have -- they have gotten much better at turning off the gas, I can guarantee you that. That is one improvement they have done, all right?

Now fortunately, I'm -- I'm a suburbanite. I apologize. I -- I've been hearing about the hardships.

FROM THE FLOOR: What's the problem?

MR. LOPES: But I'm -- I'm gifted. I pay Fairport Electric rates. It is a public service corporation. It is run by government, all right? It is run by trustees which come to meetings. Our rates -- our electric rates are ridiculously low compared to what people in

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Rochester have to pay, all right? And I also own property in Rochester, and it's ridiculous.

So please make this damn thing less complicated and also get -- you guys aren't worth the money that we're paying you.

FROM THE FLOOR: That's right.

MR. LOPES: The public service corporation's budget is almost two hundred million dollars. It's close to that.

FROM THE FLOOR: You're next.

MR. LOPES: All right? You guys don't earn your money, all right?

The other concern I had after -- after going through this stuff -- everybody except residential people like -- like us here pay a hell of a lot less money for the gas and electricity that they receive. It's the same gas and it's the same electricity, and I -- you guys know what this -- this is all public information coming off a website run by government.

Electric rates for -- you break it down by utilities, by commercial, by industrial.

Residential is outrageously more

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expensive than any one of those, and I have no idea why.

RG&E is no more than the water authority. They have pipes and -- gas pipe or an -- or an electric wire. They're still pipes; they're the exact same thing.

I did some calculations and it -- I definitely -- my water bill is not anywhere close to my gas and electric bill. And really, the economy -- the inflation rate is so much lower considering they just -- they just bought out another corporation. All of the depreciation and everything gets changed, and accountants get involved, and it's a bunch of bullshit.

FROM THE FLOOR: That's right.

MR. LOPES: We do not need a rate increase right now. I think some of these people -- you guys should request a rate decrease. Thank you.

A.L.J. PRESTEMAN: Thank you. Next, we have Rich and Adrian Hanford.

MR. HANFORD: My wife is -- decided not to speak. She's from another country

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and learning English. Yes, I'm a retiree. I'm a resident of Rochester and RG&E consumer. And I -- I was born in Rochester.

I guess it's pretty much all been said here, and I want to say I think we all have the feeling that there's -- we need a lot of change in America, and not -- not just America -- the world, because as I understand it, this corporation is Spanish owned, is that correct?

So it's the same sort of coin -- the other side, maybe, or the other side of the world. But I remember the days I used to go pay my bill or my parents' bill -- walk in on East Avenue there. I don't know where the headquarters -- you know, the world headquarters is probably over in Europe somewhere.

But it's -- we have to get back to a simpler life, and we have to -- and I want to thank the people -- because this is democracy in action. This is what we need more of on so many fronts in this country, and I thank you for -- I'll thank you for listening and listening to -- to a lot of complaints. You must be getting a headache

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maybe a little bit, but -- but it needs to be -- it needs to be for now.

What we need is conversion. We don't want to fight the powers that be because that's going to just lead to a lot of -- a lot of struggle, a lot of injury, and -- but we need conversion.

St. Paul said in Corinthians, basically, the first shall be last and the last shall be first. Let's all walk across the line together like though that -- that team of Special Olympians that -- that brought emotion to my heart when they stopped the competitive race for their own egos, they walked back together and carried the injured runner across the line together.

That's what we want to do, and that's what we need in America -- we need in the world, because this is -- this is beyond our own limits here. This is a Spanish company. Whether it's American, Spanish, the high -- the high heads that -- heads that be of these companies, they don't know what's going on in people's kitchens when they're opening up their -- their ovens to

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keep heat in for the night and -- when they should be using their ovens for cooking.

I mean, let's -- we've got to get back to -- to -- to grounding ourselves to what the reality is. And -- and -- you know, we've got -- I mean, I -- I don't want to get into the American situation, but it's just -- it's a human situation, and -- and that's about it.

I -- I did study in college about monopolies and breaking up monopolies. You never hear of that anymore, and basically, a service company of -- a utility is a monopoly, and how do we -- you know, we have to protest to have it broken up somehow to a better form instead of just, you know, coming here -- well, we're coming here to listen -- seeing empty seats.

You are still here. Eyes are still open, and it needs to be said. Thank you.

A.L.J. PRESTEMAN: Thank you. Yeah, this is my job, and you don't have to feel badly. I would ask you to speak your minds, but you obviously don't need to be asked for that, so -- Brad Stewart is next. Brad, are you here?

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Does anybody know if he's here? We'll save his name for later. I'll put it on the bottom, and if he comes back, we'll pick him up.

FROM THE FLOOR: What's your name? What's -- what's your name?

MS. STEWART: Bonnie.

FROM THE FLOOR: Bonnie.

A.L.J. PRESTEMAN: Wait -- all right. So I should have put my glasses on for -- is that you?

Okay. Well, we'll put him -- put Mr. Stewart on the bottom, and we'll come back if he shows up.

So next -- I should have kept you up here. We don't have to go in order, but we have Anita Jones.

MS. JONES: Hi. My name is Anita Jones, and the effect of a rate hike on my community. Who would this rate hike affect? It would affect the working poor, the -- the elderly, the -- the disabled. It would affect our not-profits. It would affect the children in our community.

I've gotten a RG&E bill for twenty-seven hundred dollars in the summertime. I called the Public Service Commission for a hearing, and I've been going through it. I even tried to speak to somebody at the Rochester Gas and Electric today. I don't -- I can't understand -- like he said about the bills. I feel like I'm paying two or three different companies.

I read my bill -- one thing said that I used actually seventeen dollars at RG&E, but I had a surcharge of eighty-nine dollars. That confused me. That -- that -- that's really confusing to me.

We, the people -- we, the people, are saying please do not raise the -- the -- the rates because we -- we are -- we are living from day to day. Sometime, we can't even afford to buy our food.

I had to tell a RG&E person -- I said, "It's you or my mortgage payment." So that month, I decided to pay RG&E. That made me get behind in my mortgage payment the next month. Then I have to face a mortgage or RG&E the next month.

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I mean, I -- I have a two thousand square foot home, and I am being charged five hundred dollars a month for RG&E. And I believe that if you give another rate hike, all that's going to do -- that's strange. Yeah, it's strange to me, too, and I've been trying to get a fair hearing where I could be sitting in front of somebody from your office, but they told me I would have to come to Buffalo.

So I have to pay for bus fare or transportation to Buffalo in order to get a fair hearing in front of somebody to debate these issues. I've got every receipt, every bill, and I had to go down to HEAP. I had to take a loan from the Department of Social Services to pay RG&E -- to pay RG&E.

Now all this going to do if you raise the rates -- it's going to make more people eligible for HUD -- I mean for HEAP. And that's just going to go right back to the government. It's just going to make more people eligible for HEAP.

I seen people living without RG&E

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for a whole summer -- for a winter. There was a family that died because they had to use candles in -- in the wintertime in their oven. They had to keep their oven on because they didn't turn the -- the -- the -- the gas off, but they turned their electric off, so they had to light candles. And the family died because of that.

All this is going to do is hurt the poor. This is not -- that's like saying, "Here, little kid, let me take your bottle of milk away from you and let's give it to this man that got lobster on his plate." This is wrong -- please.

And I have signatures, and I'm going door to door, and most of the people that live in my neighborhood say, "Please do not raise the RG&E rates. We can't afford it. We cannot afford another rate hike."

And I would also like to know -- how can I get my personal business addressed when every time I call, you go in favor for RG&E. You, the Public Service Commission, came to my home, yet they favored RG&E. The reason why I know -- that's

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even before they told me. The reason why I know is because the next day after Public Service Commission came -- left my home, RG&E came, and they came to shut it off.

So I had to take my last money -- the last money in my pocket -- and pay my RG&E bill or else my children would not -- had no RG&E or my food would have been spoiled. Everything that I had would have been different. So I'm asking you -- people are suffering out here. Please do not let them raise the rates.

I know this is a global company. They don't live in Rochester. We live here. We cannot afford -- you live in Syracuse. We cannot afford another rate hike. Thank you very much.

A.L.J. PRESTEMAN: Thank you.

(Off-the-record discussion)

A.L.J. PRESTEMAN: Okay. Next, we have Anita Jones.

MS. JONES: That was me.

A.L.J. PRESTEMAN: Oh, that was you. Sorry about that. Bonnie Stewart.

MS. STEWART: All right. I've

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never done anything like this in my entire life, so bear with me. Thank you, sir, for being here. I'm really sickened by the view of the empty chairs. I believe -- it's sad that our elected -- our elected officials would be here if they wanted our vote, but when we're here for something like this, they're not here. So that -- that really angers me in a sense, and it sickens me.

The biggest part of my RG&E bill is the delivery cost. I think it's sad. I look at it, and I'm like going, "Wait a minute. I cut back and cut back and cut back, and yet that deliver charge keeps going higher and higher." And I have no understanding of why.

I am on a fixed income; I am disabled. Where am I supposed to come up with the money? I'm also really angry that the C.E.O.'s of RG&E, which is owned by Spain, which we all know now -- which is another monopoly, basically -- is that what's happening to our country is we're selling ourselves -- we're selling our souls to other countries which is very sad. It is going to be a monopoly. It will be -- you know, is --.

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FROM THE FLOOR: Can you speak a little bit louder, ma'am?

MS. STEWART: It will be a monopoly.

A.L.J. PRESTEMAN: Just pull that -- pull that microphone over to you a little bit.

MS. STEWART: It will be, as numerous presidents have stated, a one-world order, and which I hope they're really happy when that becomes, because that'll be hell on earth.

A lot of people may not know this, but coming shortly in the very near future is the cap and trade bill. They keep changing it under different things, calling it a carbon cap, an emissions cap, whatever they want to call it. They're going to try to cap the emissions that we put out that we're polluting through gas and electric, our cars, what have you.

I just want to know when this country's going to stand up on their feet. And I'm really happy to see -- but this -- this room should be way out to the halls. All this hallway should

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be full of people. There -- there should be more. There should be -- every resident in the state of -- in this area that gets RG&E should be in this room, and they should be up here making a statement like I am before you stating that enough is enough.

What do you -- what do you want from us? Blood? I mean, I can't -- people in this room, I -- I've heard your stories. I'm saddened by your stories. I'm in the same boat periodically: my RG&E or food. RG&E gets paid first. Why? I don't know. Old school, I guess. That's my -- my thinking is like, "Pay your bills first, then we'll see what we can put on the table," which is sad because that's not how this country was built -- how it was prospered. It is not prospering right now. We are falling. We are sinking. We are disappearing.

And I want everybody in this room to research cap and trade, research carbon caps, and research the emission caps because it's coming down the tubes. In fact, in the presidential speech before our president became president, he stated that he wanted our electricity bills to

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skyrocket. You can YouTube that if you don't believe me. Because he wants us to be like it is in Europe and pay the same type of billing that they are paid.

I'm sorry. We got that freedom in 1776. We left Europe. I'm not in Europe. I'm not a European. I -- if any of you are European, I'm not offending you. I'm sorry, but I'm an American, and I'm standing right here before you as an American, and I want my rights. I want these people's rights to be heard. I want their voices to be heard. And I don't want any more raises on cap and -- on -- on RG&E, on anything, because all you guys should have freezes.

Every C.E.O. in the United States should have a freeze because they do not know what it's like to live in any person in this room's shoes. It's a completely different story. Oh, they have their air conditioning. Oh, they have their wonderful luxuries: cars, big five thousand square foot homes, and I'm saying that in plural, not in -- as in one.

Where -- I'm living in an eleven

hundred square foot home. I'm trying to survive. That's all I'm trying to do. And that's all I have to say. Thank you.

A.L.J. PRESTEMAN: Thank you.

FROM THE FLOOR: Five of them walked out the door, and several of them are currently in here. You got something to say, RG&E employees? You want to voice your opinions?

A.L.J. PRESTEMAN: Well, for now -- I just have to ask the speakers to move up really close to it. It is on. I don't -- do we -- you have any adjustment there?

FROM THE FLOOR: No. That's on or off.

FROM THE FLOOR: How much are we paying for that cable -- the Time Warner Cable in Rochester Gas and Electric? No one has answered that question. How much do the rate payers pay for Time Warner to be mounted on flat screen T.V.'s adding salt to the wound? How much? Is that one of those miscellaneous items?

All right. Next, we have Lydia Bayoneta.

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MS. CLANCY: Good evening, brothers and sisters. Hi. My name is Lydia Bayoneta Clancy, and I belong to the --

A.L.J. PRESTEMAN: Oh, Clancy. Sorry.

MS. CLANCY: -- Bail Out the People, Not the Bank Coalition. This is a national organization fighting for economic rights of the poor and the working people. The electric and the gas rate increase proposed by RG&E and NYSEG are outrageous and completely unacceptable.

FROM THE FLOOR: That's right.

MS. CLANCY: RG&E wants to increase the electric delivery revenues by eighty-seven million dollars, which is twenty-seven percent, and to increase the gas delivery revenues by sixty-three million dollars, or forty-seven percent.

Has RG&E and NYSEG or their parent corporation, Energy East, or Iberdrola, noticed that we are in the midst of the worst depression since World War II? In June, the unemployment rate in Rochester region was seven

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point five, and we know that the real rate is really much higher than that. Many people's benefit has run out. The income disparity between the rich and the poor is rising.

For the -- for many people, these rate increase will mean that -- it will mean that -- between the rich and the poor, the -- the -- for many people, the -- the rate increase will mean an -- unacceptable choices between putting food on your table or paying the gas bill -- and the gas and electric bill.

We all know too well why these greedy corporate companies do when you don't pay the bill. You get a shutoff, no matter what. All around us, we hear that we, the workers, or the unemployed, should sacrifice everything because there's a depression and we should go along with everything and hopefully things will get better, but we should sacrifice everything.

You know, it's like for public employees, they should give up their pensions. Workers who work in private sectors and those like the Mott -- Mott Company, they should take pay

cuts. And disabled people, well, they have to lose their homecare aides.

But RG&E? They have no shame at all for asking forty-seven percent increase to be paid by the people who have been hurt the most. They have been -- they had -- they have even made the problem worse in January of this year when they laid off four percent of their work -- local workforce. And we're supposed to pay for reduced services?

Iberdrola, the company of RG&E -- the parent company of RG&E and NYSEG, brought in a profit of three point eight two billions -- not millions -- billion dollars just last year -- just last year. They promised Wall Street that and they promised the European banks that, and they said that they were going to make more for this year. That's outrageous. That is outrageous.

I must say that the member of the Public Service Commission do not have a very good record of helping the public you're supposed to represent. Many, if not most, might have been previously executives in big energy corporations.

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In 2004, you allowed RG&E to raise their -- their rates over a five-year period to pay for six point four billion dollars for a golden parachute for the C.E.O. --

FROM THE FLOOR: Yes.

MS. CLANCY: -- for RG&E. Thomas Richards -- six point four billion. He lost his job when RG&E and NYSEG was taken over by Energy East, and which was sold out to Iberdrola. Yeah, it -- it's ridiculous.

But poor and working people, you know what, did not cause this depression.

FROM THE FLOOR: That's right.

MS. CLANCY: We did not cause this depression, and we reject any attempt by the banks or the corporation to recover their profits out of our hides.

FROM THE FLOOR: Yes.

MS. CLANCY: We demand that the Public Service Commission not only refuse this latest attempt of robbery by RG&E and their cohorts, but impose a definite moratorium --

FROM THE FLOOR: That's right.

MS. CLANCY: -- on all their rate increases as long as the economic depression persists. We further demand an immediate moratorium on all shutoffs of gas and electric. No shutoffs -- no shutoffs for anybody who is poor, who is unemployed, and of all fixed income. Bail out the people, not the banks.

A.L.J. PRESTEMAN: Thank you. And our next speaker is Andrea Fairwell -- or Farwell -- Fairwell.

MS. FAIRWELL: Good evening, sir. Good evening, everyone. My name is Andrea Fairwell. I'm a member of the Monroe County Benefit Workers Council. I'm a single young lady who has lost her job over a year and a half ago. I've been fighting for my unemployment. I've been trying to stay pretty much above water.

Now when it comes to gas and electric, it is really devastating when here it is, I'm the only one in my household, and I only maybe watch T.V. I'm hardly ever home. I use the microwave sometime to cook. I have a small appliance because my landlord did not provide any

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appliances to where I live.

And I'm saying all that to say this: that I had one bill that jumped from maybe three hundred to six hundred dollars. It is ridiculous, and it increases by two hundred. Thank god for HEAP. But -- and I'm on D.S.S., which I'm on that by a thread. It is crazy here. The unemployment rate here in New York State is very high, and all they think about is building downtown area, the condominiums, things like that.

And we -- it's just something that right now is not -- it shouldn't even be a focus. Our inner city community is suffering. Just last week, I saw a bunch of RG&E workers ready to do their thing and shut people off. I started to yell out to that man, "Don't you dare do it!" This is crazy. It's nonsense.

I see people struggling living in that household -- small little kids. You know what? You know where there -- are they going to be warm at night, you know? What's going to happen this winter? Things like that. And I just want to say that with all of this, how about from low rate

to no rate increase at all? None at all. They've gotten enough of their share and more than that. It is just plain greedy. The rich get richer scheme, and I'm sick of it. It is enough. It's time out for that. No rate increase. Thank you.

A.L.J. PRESTEMAN: Thank you. Thank you. And now we're back to Brad Stewart. Is Brad Stewart here now? Well, that's the -- that's the last person I have signed up to speak. Do you have one in there that we missed? Okay. Was it number twenty-one that got --? You were nineteen. Well, then I'm obviously reading this wrong because I've got nineteen. What is your name?

MR. STEWART: Bob Stewart.

A.L.J. PRESTEMAN: Say that again?

MR. STEWART: Bob Stewart.

A.L.J. PRESTEMAN: Wow. Yeah, that's it. You had to tell me before I could see that here, but come on up. Sorry -- sorry about that.

I'm not criticizing you. No one can read mine.

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MR. STEWART: Hello, everyone. I'm your typical homeowner. I buy my gas and electric from RG&E's delivery system. I -- I conserve energy wherever I can. I shop for the best price for my energy, and I try to conserve everywhere I can. I've changed my furnace from at fifty percent to a ninety-six percent. I've gone, you know, appliances, compact fluorescents, but my bills are higher than before. And that's because of all these out of control fixed -- fixed charges that RG&E keeps asking for on their rate hikes.

The thing is, it just is a -- and I think that their rate hikes are out of control. Just as a -- as a instance, their electric: they've got charges that -- such as customer charge, delivery charge, transition charge, retail excess charge, miscellaneous charge, RG&E ESCO bill charge, New York State taxes. Two thirds of that -- of -- of my bill is all these fixed costs with no electricity at all. That's on electric. On gas, you've got all these other fixed charges: customer charge, bill assurance charge, delivery charge, weather adjustment charge, New York State

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assessment charge, S.B.C. charge, merchant function charge, transition charge, R.B.S. charge, and New York State taxes.

Three quarters of my bill in the summertime is these fixed charges, no gas. In the wintertime, one third of these charge -- one third of the fixed charges is that. So you know, these charges are just out of control.

If you add up what RG&E wants over the next three years for their rate increase, it will affect my bill by two hundred dollars a year in my combined gas and electric bill. That's two hundred dollars I could spend for food or -- or other things. You know, food's gone up by fifty to a hundred percent. Everything's gone up. Right.

FROM THE FLOOR: Yes.

FROM THE FLOOR: Yes.

MR. STEWART: And the thing is, is that, you know, pre -- pre open-market policy, which I think was a real mistake that this county was sold a bill of goods on, electric rates used to be eight dollars was your minimum charge, and for eight dollars, you also got eight dollars' worth of

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electricity. That was your bill.

Now you're spending over forty dollars on your bill and get nothing for it. Then you've got to start spending, you know, for your electricity or your gas over top of that. And this is just -- you know, I think it's just totally out of -- out of control on what it has to do.

You know, your bills keep on increasing, and your -- your rates -- your -- your income stays the same, you know? You're either on unemployment, you're retired, you're on Social Security -- your rates aren't going up. You're not getting pay raises. Only government officials seem to keep boosting their salaries up.

But you know, I -- I -- I think we should stop the big businesses from extorting our incomes and lining their pockets with all these accumulative charges and surcharges that they just seem to blatantly just keep putting on us. And I think it needs a -- needs to be stopped.

Now I have a suggestion of what they could do instead of all this and, you know, maybe you can take it under advisement -- is that

instead of giving them a blanket -- you know, money in a general fund that they can line their pockets with, give them the money in the sense of certain -- you know, of rebates and tax incentives if they do stuff that helps the public, like helping -- you know, rebuilding the inner structure so that we don't get blackouts or brownouts and things on that order. That, they could -- you know, it helps the whole public, so why not let the public be the ones that support it in, like I said, rebates and incentives? And that way, you're directing the money put of the pockets of the executives and into actual "I see something that's helping me."

That's my -- I'm off my pedestal now. I've ranted and raved even though you called me Brad.

A.L.J. PRESTEMAN: Oh, no. And I'm sorry about that, Mr. Stewart, but thank you very much. All right. Now that was the last person we have signed up. Is there anyone else who wants to speak that didn't have a chance? Come on up. Mr. Langdon?

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MR. LANGDON: Yes. I just want to add a couple comments. I've heard -- I've been touched by everybody's speech today, and I've take notes on everybody's speech, too. And I've heard a lot of people say they're concerned that their representatives for the Public Service didn't attend. But as I look here, I see all these council people are missing.

FROM THE FLOOR: Yes.

MR. LANGDON: I see the mayor's missing. The deputy mayor. I heard Tom Richards' name mentioned. He works for the city now as a corporate counsel. No representatives from the city are here. And I look out here and I see most of these people here are city residents, and that's what I find is truly sad. We have all city hall here. That's where all the -- the city employees work -- on the different floors here. No one attended.

And if we have these rate increases go in effect, we're going to have a devastating effect on the metropolitan area. City of Rochester, City of Buffalo, Syracuse, yet nobody

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from any of these cities attended, just residents, and that's what's really sad. Thank you.

A.L.J. PRESTEMAN: Thank you.

MS. MASON: In all fairness, and I'm from the city, and I support Bob Duffy completely -- but in all fairness to Maggie Brooks, has anybody considered what this is going to do to the welfare system in the county? She's going to have to absorb it, and she doesn't have it now, so --.

FROM THE FLOOR: She doesn't care.

MS. MASON: Well, I don't care if she cares or not. She can't turn them away like RG&E can. She has to take them.

When we are all sitting in the dark and we don't pay, where are they going to get their money from?

And I'm not beneath that, because nothing beats a failure. But where are we going to get this money from? I say they take the cable out of the RG&E walk-in offices, and Yvette, write this down and send this back to Rochester Gas and

Electric. Tell them that's a stab in the face -- a spit in our face to add cable on flat screen T.V.'s. Some of us in this room don't have cable, nor flat screen T.V.'s. How dare they?

The conversations about how awful you guys treat us in the lobby gets us going through it. You don't need cable, H.L.N. News, C.N.N. News, or none of that at Rochester Gas and Electric. Tell them for me, Yvette, will you?

A.L.J. PRESTEMAN: Okay. Could -- could you just pick up a slip, put your name on it, and then -- from --

MS. MASON: That's ridiculous.

A.L.J. PRESTEMAN: -- so we have it for the reporter.

MS. MASON: I'm sorry.

A.L.J. PRESTEMAN: Are you interested in speaking, too? Would you just go up to Mr. Wagner and fill out a slip, too, so we have your name for --.

MR. BREWER: Sorry about that.

A.L.J. PRESTEMAN: Oh, that's no problem.

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MS. MASON: This is a matter of life or death.

A.L.J. PRESTEMAN: No problem.

MR. BREWER: All right. My name is Oscar Brewer. I heard a lot from everybody in this room tonight. I remember Sister Grace. She's the director of the House of Mercy on Hudson Avenue. I was a resident of the House of Mercy for five months myself.

Me and my family -- I just got married. I stand in this room -- I got married in this room June 10th of this year to this young lady right here. Because -- because of your rates -- because of your rates, my wife had to go to D.S.S. and ask for help to pay our RG&E bill. Nicely, Maggie Brooks and D.S.S. decides to sanction us and recoup us because they helped pay our RG&E.

Now you sat there and made a comment earlier, sir, nothing directly against you -- I don't care how you take it personally -- you said that you use the old style of -- of staying cool. I don't believe that for one bit. I invite you to come off your high horse along with

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everybody that's not here and live a day in my shoes.

I have two kids that I can barely buy school supplies for. My kids went without power just this past summer. "Daddy, we got candles over there." Does your kids have to go through that? Would you be able to survive an in inner city under the statements and stipulations that you and your fellow coworkers -- I don't care what you say because I know politics left and right, all right -- that you guys put on us, you could not live in it yourself. You could not. I invite you to put on a pair -- to go to the House of Mercy, get some secondhand clothes because you don't have enough money to buy an outfit. I'm thirty-one years old. Damn right I want to look nice when I walk down the streets. I'm born and raised in Rochester. I should have a right to look better than you, but you got a car that I don't have. You got a house that I don't have.

I watch movies instead of regular T.V. because I can't even afford to get a H.D. converter box. You got one, though, don't you?

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RG&E's got one. Go to RG&E and listen to this: they get to watch cable down there and they're working for you people. What sense does that make? Explain it to me and the folks of Rochester and New York State like we're two-year-old children, because there's something in the element that we're not understanding.

FROM THE FLOOR: You got it.

A.L.J. PRESTEMAN: Go ahead.

MR. GINOVSKY: Apologize for coming late.

A.L.J. PRESTEMAN: Oh, no -- no problem.

MR. GINOVSKY: Okay. First of all, my name is Stephen John Ginovsky, Junior. It's G-I-N-O-V-S-K-Y. I happen to be a licensed professional here in -- in the city of Rochester as an electrician. I have my master's license. I think the irony of this rate increase and what the people of this community -- I live outside the city presently. I lived in the city most of my life, so I know both sides, and I try helping wherever I can.

I think the irony of the whole situation is with the rate increase, what is being asked for is uncalled for. First of all, I'm stating it as a professional point. The grid system -- much to be desired. They're just sucking it dry. Mr. Perot said it very great, "You hear the great sucking."

People don't have jobs. They are not earning the income to pay any rate increase. And this -- this utility happens to be -- and it's my humble opinion -- sucking the life out of this Rochester area.

Case -- another case in point I'd like to make is on my own: when you receive a bill from the RG&E, every other month is estimated.

It's estimated and at least ten to fifteen percent over what the real consumption is. And people have to pony it up or they get shut off. And when they get shut off, you know what happens? They have to have their home's service reinspected at a seventy dollar cost, which the city charges myself when I have to file these permits and pay whatever fee that I happen to be

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charging to come. It costs me money for gas. I can't do it for nothing.

So you take all that into consideration. To add insult to injury that they have to pay let's say a hundred or a hundred twenty-five dollars more when they get shut off if they run thirty days late, sixty days late, because they can't pay their bill because of this economical times.

And the grid area that we have is totally Band-Aid effect. We had an ice storm -- two of them, at least -- maybe three depending upon how you count. And it's falling apart. The limbs over by the power lines -- to be trimmed back. You ask them to come clear it. They're three to six foot. They tell you, "No, you pay for it. That's your problem." And they want an increase on top of it to add all that insult? That's unacceptable, and I don't think they really deserve it. They have not showed that good faith right up straight, and that needs to be addressed and a denial.

I do personally believe is in order -- if anything, it should be a reduction so

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we end this great sucking and let people at least live and feed their families and have lights, not generators in their basement and the such causing these fires that are going on -- or trying to cheat, so I think that's my opinion, and I hope you will take that into consideration. And if anything, I think a reduction is in order. Thank you very much.

A.L.J. PRESTEMAN: Thank you. Mr. Charles Rettig?

MR. RETTIG: I'll be brief. RG&E -- Iberdrola does not deserve a rate increase. Why? They haven't earned it. They promised a two hundred million dollar infrastructure improvement in years past. They haven't done it. It hasn't been done. So whether you call them RG&E, Iberdrola, whoever owns the company, it should not -- the rates should not go up.

If you improve the service, improve the quality, before any rate increases, that's understandable. But with more blackouts, which we have had in this area which has been mentioned because the infrastructure has not been

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taken care of. Trees have not been cut, trees have fallen on the lines, blackouts have occurred, and we have to pay for the rate increase? It's not fair. It's not right. And let's get the quality up before we get the price up.

FROM THE FLOOR: That's right.

A.L.J. PRESTEMAN: Thank you.

FROM THE FLOOR: Can I -- can I ask you a question? With -- with all the gas -- with all the -- with all the extra gas reserves we have in New York State, with the low cost electric power, which is from the water, which is a public resource, which is around two cents a kilowatt hour, and with the nuclear power plants we have, you know, very close up here up, you know, by the lake there, by Sodus, which is around four and a half cents a kilowatt hour, how come we're paying so much for our electric rates in the actual electric charge?

Even when you go to one of these I.S.O. companies for lower rates, you're still paying up around eight, ten cents a kilowatt hour. How come we're paying so much, and why is the

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majority of all that low cost electricity that's coming from, you know, the low cost sources all being shipped downstate to New York City? Why can't we get it?

A.L.J. PRESTEMAN: Well, that's a lot of very complicated questions. First of all, the price of electricity in New York State is -- is market based. It's all delivered to the New York ISO. It's not independently sold. There are -- most of the power from Niagara Falls goes out under existing contracts with places like Fairport.

FROM THE FLOOR: Right. That's why they get such low --.

A.L.J. PRESTEMAN: Fairport, Skaneateles, there are other towns across the state that get an allocation of that power. Some of it -- it's used for the Power for Jobs Program, which you've probably all heard about, which uses nuclear and hydropower --.

FROM THE FLOOR: I hear it also goes to state and federal offices for free.

A.L.J. PRESTEMAN: No, state and federal offices pay market price for -- for

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electricity. Through the Office of General Services. They -- the State buys its power from utilities and the New York Power Authority. But as I say, all the nuclear power and -- and most of the free hydropower goes into the New York ISO, and it gets priced at the market price under the system that we have in place now, which is -- which is administered and regulated by the Federal Energy Regulatory Commission, for the most part.

FROM THE FLOOR: Well, doesn't -- isn't the cost of the hydropower around two cents a kilowatt hour? How does it all of a sudden jump up to eight or ten cents?

A.L.J. PRESTEMAN: The difference between cost and price. I mean, yes, hydropower is low cost to produce, but it's -- it's delivered into the New York ISO --.

FROM THE FLOOR: Well, that's included in the cost. The water is actually free, but the cost for the New York Power Pool adds it up to two cents a kilowatt hour as they add in the maintenance costs and delivery costs.

A.L.J. PRESTEMAN: Well, yeah,

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the -- hydropower -- the water -- the water costs nothing, but -- but the construction and maintenance --

FROM THE FLOOR: Right.

A.L.J. PRESTEMAN: -- of all the facilities adds up -- adds to the -- yeah, and the people who run it have to be paid, so yes, you get two cents a kilowatt hour or something like that for a cost, but that -- that power is -- is then bid into the New York State Independent System Operator, and the owners of the power plants are paid at the market clearing price, which is higher than that cost.

Same for the -- same for the nuclear plants. The nuclear plants in New York are predominantly owned by private companies now -- if not all. I'm trying to think if any of them --.

FROM THE FLOOR: RG&E just sold --.

A.L.J. PRESTEMAN: Nine Mile is owned by Constellation. Indian Point is owned by Entergy. So those companies produce the electricity at whatever cost they have. They --

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they ship it into the New York grid, and they're paid at the New York Independent System Operator's clearing price, which is a market price that varies every five minutes during the day.

None of that is controlled by -- by the utilities, so it doesn't make any -- it doesn't make any difference to Rochester Gas and Electric. They make no money off of the electric commodity.

FROM THE FLOOR: Who don't make no money off the electric commodity?

A.L.J. PRESTEMAN: The utilities don't make any money off the electric commodity.

FROM THE FLOOR: Yeah, right. They wouldn't be in business if they weren't making any money, that's for sure.

A.L.J. PRESTEMAN: No, they make money. They make money off the delivery rates. There are a lot of things in the bills -- there are a lot of things in the bills that are just pass-throughs by the utilities. They pass them through what they get charged.

FROM THE FLOOR: Sir, I -- I know

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that -- that -- that's true now, but twenty years ago, I was right here trying to get RG&E not to shut gas and electric -- the proposed rate increases. And we were told back then, well, we need rate increases then so that we can increase capacity so that we'll always have plenty of electricity in the future.

And then when they got that -- when people, the rate payers, paid the money, got that capacity, they turned around and put it onto the open market to New York State -- some of it, I think, because the grids are connected or national, so the people that -- you know, other places that don't have the capacity are bidding in here, too, and the market then -- you know, we got no benefit for the -- for the investments that supposedly we were making.

FROM THE FLOOR: Is it true that --?

FROM THE FLOOR: Do you know what I mean? Actually, that -- that -- that must have been a sham. I mean, what -- it looks to me like what -- when they introduced this division between

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electricity production and electricity delivery, they said that was to try to increase competition to lower costs because they thought at that time that they could make money on the open market.

FROM THE FLOOR: Isn't it true that RG&E was selling their power to the New York State Power Pool from instead of passing the costs along to the consumers at the rate that it cost them, then buying back power from the New York State Power Pool at a higher rate, and they did a pass through to the -- the higher rate to the consumers?

FROM THE FLOOR: That's true.

A.L.J. PRESTEMAN: If you're talking about a history, I don't know.

FROM THE FLOOR: I do. That's true.

A.L.J. PRESTEMAN: Well -- well, you could see, it's a -- it's a --.

FROM THE FLOOR: Making fifty thousand dollars or better.

A.L.J. PRESTEMAN: It --.

FROM THE FLOOR: Fifty thousand

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dollars or better for secretaries at Rochester Gas and Electric? The majority of them, not the minority. The majority.

MR. STEWART: And like -- and like I said -- like I said before, you know, I keep conserving, lowering my electric consumption, my gas consumption, but my ultimate bill keeps going up because the rates keep going up. So I try and do my part by saving energy, but I get penalized for it. And if I didn't do that, the rates would be even higher.

A.L.J. PRESTEMAN: I -- I -- I know you know what you're looking at on your bills, and the -- the delivery rates have not gone up, but there are a lot of other pieces to the bill. As you -- as you read them -- I mean, we had somebody here earlier who said the bill was complicated. You gave out --.

MR. STEWART: I gave all --

A.L.J. PRESTEMAN: You gave all the pieces out.

MR. STEWART: -- the charges and all the stuff they put on there. They all do it.

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All the -- all the companies that went open market policy -- telephone company, RG&E -- everybody that went open market found loopholes to try and stick it to the customer and get around the P.S.C.

FROM THE FLOOR: That's called thievery on a grand scale. Thievery.

MR. STEWART: All it -- you know, and it ultimately stemmed from the fact that government -- you refused to see the elephant in the room, which was businesses left -- left New York because of high taxes, so they thought, well, if they off local market policy, businesses can shop around for lower utility costs, but they still left because the taxes are still high.

FROM THE FLOOR: When they deregulated Rochester Gas and Electric in about 1994, was it, they were sitting pretty in the catbird seat because anybody who comes into New York State, RG&E's franchised area -- because it's not just the city and it's not just -- they go all the way down to Painted Post and darn near up to Canada in their franchise history and in their area --

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A.L.J. PRESTEMAN: Okay.

FROM THE FLOOR: -- so guess what? Why are secretaries making --

A.L.J. PRESTEMAN: Okay.

FROM THE FLOOR: -- fifty thousand dollars? Why are they letting these unnecessary costs pass to the rate payers? Why?

A.L.J. PRESTEMAN: All right. Thank you.

We've -- look, we can debate this all night, but we've --

MR. STEWART: Right.

A.L.J. PRESTEMAN: -- got -- we're here to get comments from people that want to speak. If there are no more speakers -- are -- I'm sorry. I didn't want to cut you off. I thought you -- I thought you were finished.

MR. STEWART: I -- my question was, you know, why, if the rate -- rates to produce electricity are so low, and we have an abundance of gasoline with the -- with the new shale fields that our rates -- you know, the actual rate for the -- for the energy actually keeps going up, that's

besides the fixed rates where -- you know, RG&E --

A.L.J. PRESTEMAN: Well --.

MR. STEWART: -- wants to try and get with this price increase over the next three years, you know? The fixed rates keep going up and you get nothing for it, talking about the other side of the coin, which is the actual cost of the energy -- that keeps going up, too, which --

A.L.J. PRESTEMAN: Well --.

MR. STEWART: -- like everything else, you would figure it does do it somewhat, but when you know what the cost -- that it costs to produce some of the stuff, why aren't we getting the advantage of it? Who's getting the advantage of it?

A.L.J. PRESTEMAN: Well, the --.

MR. STEWART: That was my question to you before we got off tangent.

A.L.J. PRESTEMAN: Yeah, the cost of the actual energy is actually at a decades long low for electricity and gas primarily because of the recession. I can tell you the Marcellus shale gas is -- really isn't -- isn't much in production

yet.
Yes, there's some hope that that gas, once it's -- once it's in production, will generate some savings in commodity costs.

MR. STEWART: But you've got the opponents fighting that because they say it's going to disrupt --.

A.L.J. PRESTEMAN: For environmental reasons, there's a -- there's a lot of opposition. There's a -- there -- so that's a complicated one.

MR. STEWART: And people fighting windmills -- don't want the windmill in my backyard -- fighting that, you know?

A.L.J. PRESTEMAN: Yeah.

MR. STEWART: We get one people say, "Yeah, let's do something better," and then you get the other side --

A.L.J. PRESTEMAN: Right.

MR. STEWART: -- that says, "Not in my backyard."

A.L.J. PRESTEMAN: And then the -- the -- the fifty billion cubic feet of gas

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in New York sounds like a lot, but that's less than one four hundredth of the amount of gas the country uses every year, so it would not run New York. It wouldn't run Rochester, but it -- it just doesn't have a major impact on prices.

But is --?

FROM THE FLOOR: How is the delivery rate determined?

A.L.J. PRESTEMAN: All right. I'll -- it -- I'll try to explain it. It's -- obviously this is complicated, but the -- we -- there are two -- there -- well, there are three main components of the bill that everybody gets. I know there are six or seven or eight line on there, but the three main components are the commodity, which is the actual cost of the gas and electricity. That's a market price commodity. It is either purchased from the New York ISO if it's electricity or purchased from producers if it's gas. Whatever the cost is, that's passed through to the consumer directly.

There are -- the next big category, you could call taxes and surcharges. You

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have an R.P.S. charge, which is money that's collected to promote renewable energy. You have the New York Temporary Assessment, which is a tax, a fairly large one, that's on your bill. You have the gross receipts tax. Those two are simply pass-throughs. RG&E collects them and then -- and is required to pay them straight on to the government. They don't get any money out of that. All of the money that RG&E gets to pay for its people, its equipment, its lines, its pipes, services, comes from the delivery charge. That's what the -- is called the delivery charge. It includes everything including their return on investment -- what you would call their profit. Only the delivery charge matters to RG&E as a business. Everything else is passed through. It is only the delivery charge that is involved in these rate cases. That is what the Public Service Commission reviews and deals with. The Public Service Commission does not order the New York ISO as far as what it can charge for electricity or what methods it uses to charge for electricity. It does not -- the Public Service Commission has no

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control over the taxes assessed by the -- by the legislature. So we are dealing -- I -- all of those things matter to you, and they matter to your bill, and they contribute a lot to why bills go up even when the price of electricity and gas goes down. And they are important, and people ought to be speaking out and speaking to their legislators. The Public Service Commission doesn't have any control over that. We're dealing with the delivery rates here, and --.

FROM THE FLOOR: But what my question was, how does -- how is that delivery rate determined?

A.L.J. PRESTEMAN: I'll give you the theory. You can debate whether it's being done -- how it's being done. What the utility does is it comes in and it -- it forecasts what its costs are going to be for the year it's asking for rates. In this case, RG&E came in in September of 2009 and forecast its rates for a year beginning in August of 2010.

So now we're in September -- they are saying for the year beginning August 2010

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through July of 2011, we expect our costs to be this, this, and this for -- for fuel, for trucks, for wires, for poles, for mechanics, for linemen, for pension costs, for healthcare costs -- hundreds of accounts they forecasted and say that's the amount of money we need to run our company.

"We expect to sell five hundred million kilowatt hours." That's probably low. I don't -- so you divide that amount of money that we need by five hundred million kilowatt hours and that's what we have to collect for each kilowatt hour we sell.

That's the general theory. So like if a company had a hundred dollars in costs and they were going to sell a thousand kilowatts, they'd have to collect ten cents for each of those kilowatts in order to get their hundred dollars. That's the general way it happens. They file their costs. The Public Service Commission staff and other parties representing big customers, the Consumer Protection Board representing mainly low income customers, goes over all those costs and argues over them.

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And the result, in this case, was a proposed settlement, in effect -- a proposed resolution of the debate over what those costs should be, and the rates come from -- fall out from that.

FROM THE FLOOR: Okay. You said that part of that is the --.

A.L.J. PRESTEMAN: I got you back there.

FROM THE FLOOR: You say it's a cost, but really it's their profits, but they don't want that to be -- but that could be less, couldn't it?

A.L.J. PRESTEMAN: It can.

FROM THE FLOOR: I mean, if they could come out even-steven and maybe no rate increase --

FROM THE FLOOR: Once everybody's sitting in the dark, ain't nobody getting paid, then what are they going to do?

A.L.J. PRESTEMAN: Well, that's a -- I mean, you know, that's -- that's an all -- that's a problem of regulation of utilities

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forever. I mean, if you -- if you give them a profit and everybody shuts off their -- their electricity because they don't want to pay the bill, then that company's not going to make any money. I'm saying, yeah, you can't demand a profit if nobody's going to pay it. But -- yes?

FROM THE FLOOR: I can understand the delivery charge because it's like use of a toll highway or anything like that. What about the customer charge, which is like twenty dollars?

A.L.J. PRESTEMAN: Yeah.

FROM THE FLOOR: It's always there, and what's that mean?

A.L.J. PRESTEMAN: Yeah, I -- okay. I was -- I was trying to keep it simple, but the -- the customer charge is part of the delivery charge. You've --

FROM THE FLOOR: It's separate on the bill.

A.L.J. PRESTEMAN: -- you kept -- no, I'm just saying -- yeah, it's -- it's stated separately as a part -- but it should be stated separately as a part of the delivery charge, but

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after you calculate how much the company needs and how much they have to collect, you don't have to collect it all by -- with each kilowatt hour.

So what the companies are allowed to do are to collect a portion of their costs as a fixed charge and the rest of their costs with each kilowatt hour that's delivered. And the best analogy to that is like a telephone bill used to be when people had message units. I don't know if anybody remembers that anymore, but you pay --.

Yeah, you -- but you -- I mean, there -- there are plans where -- well, maybe some cell phone plans now. You pay say twenty-five dollars, and you get five hundred minutes. And every minute after that, you pay ten cents. That's similar to the customer charge and the rest of the delivery charge. You pay eighteen dollars as customer charge for your --

FROM THE FLOOR: Like a fixed salary plus a commission.

A.L.J. PRESTEMAN: -- and then -- right. So that covers part of the cost. That means the amount that's collected with usage is

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slightly lower because they've already got that upfront piece.

FROM THE FLOOR: I thought that's what the miscellaneous charge --.

A.L.J. PRESTEMAN: No, whatever miscellaneous there is is spread over everything, including the cable T.V. Okay. Well, we've got three more minutes, so if anybody --.

FROM THE FLOOR: You don't want to hear what I got to say.

A.L.J. PRESTEMAN: All right. I guess if everybody has spoken, I thank you very much for coming out, and we are adjourned.

(The hearing concluded at 7:57 p.m.)

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CERTIFICATION

I, Howard Hubbard, Court Reporter and Notary Public in and for the State of New York, do hereby certify that I attended the foregoing proceedings, took testimony of the same, that the foregoing, consisting of 130 pages, is a true and correct copy of same and the whole thereof.

Dated: August 3, 2010

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Howard Hubbard, Hearing Reporter