

FILE

RECEIVED-DOCKETING DIV

Mary E Cunningham 2008 OCT 30 PM 2:24

PUCO

PUCO Hearing
AEP Case Number 08-0917-EL-SSO
Monday, October 27, 2008
Whetstone Park of Roses Shelter House
3901 N. High Street
Columbus, OH 43214

Verbal Testimony

As we have heard repeatedly, AEP is asking for a 15% increase in utility rates each year for three years, in addition to other provisions for recovered costs which could be added to that.

This 15% increase suggests that, as customers, we could potentially reduce our energy use by 15%, thus avoiding a higher monthly bill. Although it is true that in the US we use a greater amount of energy per person than those in other developed countries, and we need to reduce our energy use; it is also true that those most affected by this proposal are already doing more with less.

Those who are most affected by this proposal are those who pay energy costs that amount to 30% of their fair market rents in energy costs. In 59 counties in Ohio, this represents the average person. Even those who pay "only" 22% of their fair market rent in energy costs will be affected. Yet this is the average for 87 out of 88 counties in Ohio. The "average" person in Ohio will be deeply affected by the cumulative 52% plus rate increase proposed by AEP.

Now let's turn this around. If AEP itself were able to achieve 15% increase in energy efficiency in each of the next three years, there would not be a need to increase costs for its customers. Make no mistake - this would not be a totally altruistic move on AEP's part. Studies have shown that for every one dollar spent on energy efficiencies, the return is three dollars - a 200% return on investment. Further, this is an achievable goal as evidenced by energy efficiency measures implemented in the state of California. In addition energy efficiencies are mandated by Senate Bill 221 and such measures would fulfill those requirements, thus accomplishing two objectives at the same time.

We will do our part to do more with less, regardless of the rate case outcome. The question is: Will AEP meet that effort equally by achieving its own efficiencies and economies.

Increasing customer rates is an "easy" step for AEP to take in order to increase revenues. These are not easy times.

Please do not grant this rate increase requested by AEP.

Sincerely,

Mary E Cunningham
Mary E. Cunningham

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SM Date Processed 10/30/08