

FILE**Hunter, Donielle**

From: ContactThePUCO@puc.state.oh.us
Sent: Thursday, December 18, 2008 2:07 PM
To: Docketing
Subject: Docketing

Public Utilities Commission of Ohio
 Investigation and Audit Division

Memorandum

Date: 12/18/2008

Re: Linda Bolich

Docketing Case No.: 08-917-EL-UNC (AEP)

Notes:

Please docket the information in the email below in the case number above.

From: "webmaster@puc.state.oh.us"
 To: "ContactThePUCO@puc.state.oh.us"
 Subject: 41770
 Sent: 12/18/2008 1:42:45 AM
 Message:
 WEB ID: 41770 AT:12-18-2008 at 01:42 AM
 TYPE: comment
 NAME: Mrs. Linda Bolich
 CONTACT SENDER ? No
 MAILING ADDRESS:
 (NO CITY?) , (NO STATE??) (NO ZIP??)
 (NO COUNTRY??)
 PHONE INFORMATION:
 Home: (no home phone provided?)
 Alternative: (no alternative phone provided?)
 Fax: (no fax number provided?)
 E-MAIL: (no e-mail address provided)
 INDUSTRY: Other
 ACCOUNT INFORMATION:
 (no utility company name provided?)
 (no account name provided?)

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 TM Date Processed 12/18/2008

12/18/2008

RECEIVED-DOCKETING DIV
 2008 DEC 18 PM 2:10
 PUCO

(no service address provided?)

(no service phone number provided?)

(no account number provided?)

COMMENT DESCRIPTION:

I beg you to visit in person your customers in hard hit lower income areas in Columbus like short north, whitehall, downtown, near westside, etc before you raise our AEP costs. Many of us live in landlord owned property where the landlords have never insulated or remodeled old buildings/houses to be energy efficient. The landlords have, however, collected profits from these properties for many years some more than 50 years. So those of us who can least afford it on small incomes at or slightly over poverty level are forced to pay higher electric and gas bills. I tell you true if AEP and Columbia gas and Columbus Water raise their rates any higher, PUCO will be directly responsible for the death of those who have their power turned off. We are already cutting our food bills to pay for the rates as they are now. The decision PUCO makes at this time is not just a business decision it is a moral decision with severe consequences to customers. We have no choice we must be customers because we are not wealthy. The following are some facts to consider: AEP's Ohio companies (Columbus Southern Power and Ohio Power) already charge higher rates than their affiliated companies in Michigan, West Virginia, Kentucky and Indiana; AEP wants a 15% annual increase, each year for three years, which amounts to a total increase of 52% when compounded. Duke Energy, which serves southwest Ohio, agreed to a modest 2% rate increase, each year for three years. Because fuel costs are falling, Duke customers could eventually see a rate decrease; Even if AEP gets no increase at all, many experts agree that rates charged by Columbus Southern are already "excessive." If Ohio Power gets the increases it seeks, its earnings would be excessive, too;

AEP's rate-hike request assumes that its fuel costs will double, even though prices for natural gas and coal have been decreasing; One component of the rate increase request for Columbus Southern is an additional \$93.6 million next year - a 642% increase over the previous year - to cover the "risks" it faces if customers shop for power elsewhere, then return to CSP. AEP stands by this request even though company officials admitted that Ohio Power has had no customers leave, then return;

Advocates representing every type of electricity customer - residential, industrial, commercial and low-income homeowners - have asked the PUCO to reject AEP's proposal because it is unjustified; Exorbitant rate hikes would disproportionately harm Ohio's largest employers, including steelmakers and automakers that spend millions of dollars each year on electricity and are struggling to cut costs; Both the Office of Consumers' Counsel (OCC), headed by Ohio's advocate for residential electricity customers, and the Ohio Energy Group (OEG), which represents large industrial customers, generally agree that Columbus Southern Power and Ohio Power's Return on Equity (ROE) would be excessive somewhere between 14 percent and 15 percent annually; Excessive earnings are measured by examining a company's ROE and comparing it to other businesses with comparable risks. The risks for utilities are relatively low because unlike most other businesses, they are guaranteed a profit and cost recovery if they must build a new power plant or upgrade an existing one; If AEP gets its way, Columbus Southern Power's Return of Equity will top an unprecedented 30 percent