



RECEIVED-DOCKETING DIV  
2009 MAY -5 AM 9:02  
PUCO

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Technician                      Date Processed   MAY 5 2009

What is to follow in 2010 and 2011? We are currently feeling that AEP was allowed the fullest measure of their initially requested 15%/15%/15% ESP rate filing!! We are awaiting information and a visit from our AEP Account Representative to more fully explain what the PUCO has actually approved. We sense some of the delay is due to the lack of "transparency" about the PUCO's decision. There is rampant confusion about rates and changing past-present-future riders. What is really going to happen to our electrical costs in the next two years? As a business we need to know what costs we will face in order to make informed and appropriate decisions.

The approved rate increase for AEP applies to generation only. In addition to these substantial generation rate increases over the next three years customers are not immune to potential additional increases in the transportation, distribution and/or billing "riders". As a result, AEP has incredible additional latitude to request and potentially obtain even more increases, over and above those already provided.

In addition to the generation rate increases the PUCO has granted some other enhancements that benefit AEP as well:

- (1) **FAC Deferrals (page 20-24)** - It seems AEP has been allowed to defer (in the past) or is being allowed to defer charges for certain expenses (in the future) that exceed some pre-established maximum rate level until some date in the future. Is this some kind of political-economic-public relations gimmickry — essentially granting an even larger actual rate increase to placate the utility without the actual amount of the increase being recognized in the current rates? In other words, the real rate increase is so big it is political suicide to allow customers to be subjected to such increases....so the answer is to defer the expense with interest on and on into the future. This practice is very worrisome ... something akin to our National Debt. Some ideas you could pass on to AEP:

- (a) Many public companies hedge their commodities to smooth their expenses to prevent wide swings in cost and earnings, stock value or, in this case, rates or
  - (b) enter into long term supply contracts for coal or
  - (c) purchase a coal mine.
- (2) **Provider of Last Resort (page 38) – AEP is being given additional compensation because they have statutory obligation to be our POLR. This is essentially a big gift! Where is this hypothetical competitive marketplace AEP is having to contend with? Our Company has yet to be approached by any competitor of AEP. Simply, there is NO competitive marketplace and AEP has a monopoly.**
- (3) **Riders – Some new rider charges appeared on our bill and some riders that provided a credit disappeared. The net/net/net of these changes resulted in a 37.45% increase in the “rider” rate. There are riders for just about anything you can think of. There is plenty of flexibility here for the utility!**
- (4) **Significantly Excessive Earnings Test (pages 65-72) – An ultimate cap on the maximum earnings a utility can realize may not be a bad idea, i.e. just in case the PUCO makes an error its rate calculations. What constitutes “significantly excessive earnings” has been the subject of debate by expert witnesses. The methodology of calculating significantly excessive earnings is extremely technical and subject to accounting interpretations. Now it seems the PUCO is further tweaking the test with additional adjustments like exclusions, ex., deferrals (until the revenues are received) and earnings from “off-system sales”. Considering comparable business and financial risk faced by normal companies, the utilities are**



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**blessed with a great deal more predictability on their investments and earnings than others.**

**In closing I would like to re-iterate my concern about the magnitude of the rate increase provided to AEP. This is extremely bad news to our Company! Regrettably, I can assure the PUCO that the rate increase is going to have serious ramifications for OSCO. When these increased costs are passed along there will definitely be fallout in the form of lost business and lost jobs. This is in addition to the horrific economic downturn we are already experiencing. It does not surprise me that AEP's system load is down and may remain so for quite sometime into the future.**

**It is very difficult to reconcile PUCO Chairman Schriber's justification statement, "We believe it is essential for Ohioans to have tools available to them to lower their energy costs," with the harsh reality of a 15% larger bill. If his reference is to SmartGrid(?), we do not foresee any cost containment tool coming our way from that expensive effort. Technology does not always lead to lower costs, ex., as in the medical arena.**

**Unfortunately, the PUCO's decision was most unfavorable for our Company! However, we would encourage AEP to assist its customers during this economic depression and truly reduce costs (and maybe even reduce rates)! Do not succumb to the distraction of your major new revenue stream. Your customers really need your help!**

**Sincerely,**

A handwritten signature in black ink that reads "John Burke". The signature is written in a cursive, flowing style.

**John Burke  
President**

**Cc: Gov. Ted Strickland  
Rep. Todd Book**

## SERVICE AT:

OSCO INDUSTRIES INC  
GRACE ST  
NEW BOSTON, OH 45662

For Billing, Outage or  
Service Inquiries, Call:  
1-888-710-4237  
Pay by Phone:  
1-800-611-0964

Account Number  
070-442-256-0-0

Bill Date 03/02/09  
Page 1 of 2

## PREVIOUS CHARGES:

Total Amount Due at Last Billing  
Payment 02/24/09 - Thank You  
Previous Balance

Account Balance Amount Due

\$ 211,592.66  
211,592.66 CR  
\$ .00 \$ .00

## CURRENT AEP CHARGES (1-888-710-4237):

02/27/09 Tariff 323 - LARGE GENERAL SERVICE

Service Delivery Identifier Number: 0014-0060-7313-3388-2

5 2009

Generation Service \$ 108,199.86  
Transmission Service 17,493.86  
Distribution Service 20,629.09  
Customer Charge 450.00

Current AEP Charges Due \$ 146,772.81 \$ 146,772.81

Total Amount Due ..... \$ 146,772.81

Due Date Mar 24

## USAGE:

Meter Number	Service Period		Meter Reading		Multiplier	Metered Usage
	From	To	Prev CD	Pres CD		
428963320	01/30/09	02/27/09	000783 A	000924 A	14400.0000	2030400 KWH
428963320	01/30/09	02/27/09		.774 A	14400.0000	11145.600 KW Off-Pk
428963320	01/30/09	02/27/09		.560 A	14400.0000	8064.000 KW On-Pk
428963320	01/30/09	02/27/09		.289 A	14400.0000	4161.600 KVAR

CD - Read Code: A = Actual Reading

28 Billing Days Next Scheduled Read Date 03/30/09

Month	Usage	Month	Usage	Month	Usage	Month	Usage	Month	Usage	Month	Usage
Mar 08	3,456,000	May 08	3,744,000	Jul 08	3,067,200	Sep 08	3,556,800	Nov 08	3,499,200	Jan 09	2,246,400
Apr 08	3,859,200	Jun 08	4,118,400	Aug 08	4,435,200	Oct 08	3,312,000	Dec 08	3,672,000	Feb 09	3,427,200
Average Monthly Usage: 3532800 KWH						Total Usage (Past 12 Months): 42393600 KWH					

880,600



A unit of American Electric Power

Due date does not  
apply to the Previous  
Balance Due

See other side for  
Important Information

BEFORE

SERVICE AT:

OSCO INDUSTRIES INC  
GRACE ST  
NEW BOSTON, OH 45662

Account Number  
070-442-256-0-0

Page 2 of 2

19562-1

ADJUSTED USAGE				
	Power Factor	Power Factor Constant	Comp Meter Multiplier	
<u>Metered Usage</u>				<u>Billing Usage</u>
2030400				2030400 KWH
8064.000				* 8064.000 KW On-Pk
11145.600				3082.000 KW Off-Pk

Contract Capacity = 13000.0

High Prev Demand = 11506.0

**AEP MESSAGES:**

AEP now furnishes Commercial & Industrial payment histories to credit reporting agencies.

**\*\*No Checks? No Stamps? No Time? Sign up to have your payment automatically withdrawn each month from your bank account. To enroll, visit our website at [www.AEPOhio.com](http://www.AEPOhio.com) or contact us by phone at 1-800-672-2231.\*\***

**\*More Customer Service for You\* Go to [www.AepCustomer.com](http://www.AepCustomer.com) enter your zip code, log in or register your account, select "Update Your Account Info"; change your mailing address, phone number and more. Check us out on the web]**

Visit us at [www.AEPOhio.com](http://www.AEPOhio.com)

## SERVICE AT:

OSCO INDUSTRIES INC  
GRACE ST  
NEW BOSTON, OH 45662

For Billing, Outage or  
Service Inquiries, Call:  
1-888-710-4237  
Pay by Phone:  
1-800-611-0964

4-15-09  
Account Number  
070-442-256-0-0

Bill Date 03/30/09  
Page 1 of 2

## PREVIOUS CHARGES:

Total Amount Due at Last Billing  
Payment 03/23/09 - Thank You  
Previous Balance

Account Balance      Amount Due  
\$ 146,772.81  
146,772.81 CR  
\$ .00      \$ .00

## CURRENT AEP CHARGES (1-888-710-4237):

03/30/09 Tariff 323 - LARGE GENERAL SERVICE

Service Delivery Identifier Number: 0014-0060-7313-3388-2

Generation Service      \$ 128,718.55  
Transmission Service      17,524.48  
Distribution Service      23,792.83  
Customer Charge      429.62

Current AEP Charges Due      \$ 170,465.48      \$ 170,465.48

62197  
880.600

Ok to pay  
D. Deason  
4-3-09

Total Amount Due ..... \$ 170,465.48  
Due Date Apr 21

## USAGE:

Meter Number	Service Period		Meter Reading		Multiplier	Metered Usage
	From	To	Prev CD	Pres CD		
428963320	02/27/09	03/30/09	000924 A	001068 A	14400.0000	2073600 KWH
428963320	02/27/09	03/30/09		.783 A	14400.0000	11275.200 KW Off-Pk
428963320	02/27/09	03/30/09		.523 A	14400.0000	7531.200 KW On-Pk
428963320	02/27/09	03/30/09		.290 A	14400.0000	4176.000 KVAR

CD - Read Code: A = Actual Reading

31 Billing Days      Next Scheduled Read Date 04/29/09

Month	Usage	Month	Usage	Month	Usage	Month	Usage	Month	Usage	Month	Usage
Apr 08	3,859,200	Jun 08	4,118,400	Aug 08	4,435,200	Oct 08	3,312,000	Dec 08	3,672,000	Feb 09	3,427,200
May 08	3,744,000	Jul 08	3,067,200	Sep 08	3,556,800	Nov 08	3,498,200	Jan 09	2,246,400	Mar 09	2,030,400
Average Monthly Usage: 3414000 KWH						Total Usage (Past 12 Months): 40968000 KWH					



A unit of American Electric Power

Due date does not  
apply to the Previous  
Balance Due

See other side for  
important information

AFTER

SERVICE AT:

OSCO INDUSTRIES INC  
GRACE ST  
NEW BOSTON, OH 45662

Account Number  
070-442-256-0-0

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20421-2

ADJUSTED USAGE				
Metered Usage	Power Factor	Power Factor Constant	Comp Meter Multiplier	Billing Usage
2073600				2073600 KWH
7531.200				8000.000 KW On-Pk
11275.200				3275.000 KW Off-Pk

Contract Capacity = 13000.0

High Prev Demand = 11506.0

**AEP MESSAGES:**

AEP now furnishes Commercial & Industrial payment histories to credit reporting agencies.

**\*\*No Checks? No Stamps? No Time? Sign up to have your payment automatically withdrawn each month from your bank account. To enroll, visit our website at [www.AEPOhio.com](http://www.AEPOhio.com) or contact us by phone at 1-800-672-2231.\*\***

**\*More Customer Service for You\* Go to [www.AepCustomer.com](http://www.AepCustomer.com) enter your zip code, log in or register your account, select "Update Your Account Info"; change your mailing address, phone number and more. Check us out on the web]**

Visit us at [www.AEPOhio.com](http://www.AEPOhio.com)



# New Boston Energy Rate

Item	As of 3/31/2009	As of 4/1/2009	Percent Change	April Dollar Change
Customer Charge	450.0000000	429.6200000	-4.53%	<u>-\$20.38</u>
Demand-On Off	9.7200000	11.1800000	15.02%	\$11,680.00
Total Demand	1.8800000	2.2100000	17.55%	<u>\$1,080.75</u>
				15.20%
Energy Charge	U 0.0181800	0.0008934	-95.34%	-\$37,885.09
Generation Cost	?? 0.0052105	0.0000000	-100.00%	-\$594.28
Fuel Adjustment	U 0.0000000	0.0183463	#DIV/0!	\$40,116.49
Total Energy				<u>\$1,637.12</u>
				4.10%
Reactive Demand	??	??	0.00%	<u>\$0.00</u>
Universal Service	U 0.0005260	0.0006260	0.00%	\$0.00
Fund Rider	U 0.0900000	0.0900000	0.00%	\$0.00
KWH Tax Rider	U 0.0036345	0.0036345	0.00%	\$0.00
Gross Receipt Tax Credit	?? -0.0452992	0.0000000	100.00%	\$5,621.84
Property Tax Credit	U -0.0006948	0.0000000	100.00%	\$1,440.74
Municipal Income Tax	U 0.0000422	0.0000000	-100.00%	-\$87.51
Franchise Tax Rider	U 0.0006773	0.0000000	-100.00%	-\$1,404.45
Provider Last Resort	U 0.0011002	0.0021622	95.62%	\$2,181.43
Transmission Cost	??	??	0.00%	\$0.00
Enhanced Reliability	???	0.0746876	100.00%	<u>\$773.60</u>
Total Riders				<u>\$8,525.65</u>
				37.47%
Total Change in April billing at new tariff				\$22,903.14
Bill At Previous Tariff				\$147,562.34
New Bill				\$170,465.48
Change				15.52%