



P. O. BOX 1388, PORTSMOUTH, OHIO 45662 740-354-3183 FAX 740-353-1504

May 1, 2009

Public Utilities Commission of Ohio 180 E. Broad Street Columbus, OH 43215

RE: Comments Regarding PUCOs Decision of March 18, 2009 AEP Rate Case No. 08-917-EL-SSO

Pechnician

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

Dear PUCO:

On behalf of OSCO Industries, Inc. I filed written comments in American Electric Power's (AEPs) recent ESP rate case (Case No. 08-917-EL-SSO) before the Public Utilities Commission of Ohio (PUCO). As an interested party I followed with great interest the PUCO's decision in this case. When the decision was made public on March 18th, I was as shocked and disappointed as everyone! Just on principal alone I feel compelled to make comments about your decision.

The PUCOs decision provides AEP with a HUGE increase in the price of electricity. The amount of the actual increase on our bill is substantially more than indicated in the PUCOs press release, i.e. about 8%. Attached are the most recent electrical bills for our facility in New Boston, Ohio, where we melt iron using electricity. The monthly bills, one before and one after the rate change, involving roughly similar amounts of power, dramatize the extent of the increase, which is really about 15%!! According to our AEP Account Representative, the PUCOs action affords AEP an 8% increase in revenues and that does not necessarily translate into an 8% increase in <u>rates</u>. OSCO then is one of those unlucky entities receiving almost double the average of the pain of these increased energy This is to certify that the intrges appearing are an accurate and complete repreduction of a case file document delivered in the regular course of business

ate Processed MAY

<u>5</u> 2009



Page 2

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 PUCOs 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 beneficiate 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 deferred the expense with interest on and on into the future. This practice is very worrisome ... something akin to our N ational Debt. Some ideas you could pass on to AEP:



Page 3

- (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



Page 4

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,

Du Bucke

John Burke President

Cc: Gov. Ted Strickland Rep. Todd Book

NEW BOSTON, OH 45662 1-600-611-0964 Bill Date 03/02/09 PREVIOUS CHARGES: Account Belance Amount Due Total Amount Due at Last Billing Previous Balance Account Belance Amount Due Previous Balance Yerevious Balance Account Belance Amount Due CURRENT AEP CHARGES (1-888-710-4237): Yerevious Balance Yerevious Balance 5 2009 CURRENT AEP CHARGES (1-888-710-4237): Yerevious Balance 709, 199,86 5 2009 Generation Service 174,93,266 Transmission Service 174,33,266 5 2009 Distribution Service 146,772.81 \$ 146,772.81 \$ 146,772.81 USAGE: Service Period Meter Reading Metered Usage 2030400 kwH USAGE: Service Period Prev CD Pres CD Multiplier 2030400 kWH USAGE: Service Period Meter Reading 2030400 kWH 1145,606 kW Ont-Pk 428963320 01/30/09 02/27/09 774 A 14400.0000 2030400 kWH 428963320 01/30/09 02/27/09 560 A 14400.0000 1145,606 kW Ont-Pk 42896	SERVICE AT: OSCO INDUSTRIES II GRACE ST	50	r Billing, Outage or vice Inguiries, Call: 1-888-710-4237 Pay by Phone:	Accoun 070-442	t Number 2-256-0-0
CURRENT AEP CHARGES (1-888-710-4237): 2/27/09 Tariff 323 - LARGE GENERAL SERVICE Service Delivery Identifier Number: 0014-0060-7313-3388-2 5 2009 Service Delivery Identifier Number: 0014-0060-7313-3388-2 5 2009 Generation Service 17,493.86 Transmission Service 17,493.86 Distribution Service 20,629.09 Customer Charge 450.00 Current AEP Charges Due \$ 146,772.81 \$ 146,772.81 Due Date Mar 24 USAGE: Meter Number From To Prev CD Pres CD Multiplier Metered Usage A 000924 A 14400.0000 11/30/09 02/27/09 02/27/09 00783 A 000924 A 14400.0000 11145.600 KW OH-PK 428963320 01/30/09 02/27/09 .774 A 14400.0000 11416.600 KW OH-PK 428963320 01/30/09 02/27/09 .774 A 14400.0000 11416.600 KW OH-PK 428963320 01/30/09 02/27/09 .289 A 14400.0000 14145.600 KW OH-PK 428963320	NEW BOSTON, OH 4		1-800-611-0964		
CURRENT AEP CHARGES (1-888-710-4237): 2/27/09 Tariff 323 - LARGE GENERAL SERVICE Service Delivery Identifier Number: 0014-0060-7313-3388-2 5 2009 Service Delivery Identifier Number: 0014-0060-7313-3388-2 5 2009 Generation Service 17,493.86 Transmission Service 17,493.86 Distribution Service 20,629.09 Customer Charge 450.00 Current AEP Charges Due \$ 146,772.81 \$ 146,772.81 Due Date Mar 24 USAGE: Meter Number From To Prev CD Pres CD Multiplier Metered Usage A 000924 A 14400.0000 11/30/09 02/27/09 02/27/09 00783 A 000924 A 14400.0000 11145.600 KW OH-PK 428963320 01/30/09 02/27/09 .774 A 14400.0000 11416.600 KW OH-PK 428963320 01/30/09 02/27/09 .774 A 14400.0000 11416.600 KW OH-PK 428963320 01/30/09 02/27/09 .289 A 14400.0000 14145.600 KW OH-PK 428963320	PREVIOUS CHARGES:	all	per Account	Balance Am	ount Due
02/27/09 Tariff 323 - LARGE GENERAL SERVICE 5 2009 Service Delivery Identifier Number: 0014-0060-7313-3388-2 5 2009 Generation Service \$ 108,199.66 Transmission Service 20,629.09 Object in the service of	Payment 02/24/0	ue at Last Billing 19 - Thank You lance	211,59 211,59 5	2.66 CR	.00
02/27/09 Tariff 323 - LARGE GENERAL SERVICE 5 2009 Service Delivery Identifier Number: 0014-0060-7313-3386-2 5 2009 Generation Service \$ 108,199.86 Transmission Service 20,629.09 Distribution Service 20,629.09 Customer Charge 146,772.81 Due Date Mar 24 146,772.81 USAGE: Service Period Meter Reading Meter Number From To Prev <cd< td=""> Pres<cd< td=""> Multiplier 428963320 01/30/09 02/27/09 000783 A 000924 A 428963320 01/30/09 02/27/09 .774 A 14400.0000 1145.600 KW On-Pk 428963320 01/30/09 02/27/09 .560 A 14400.0000 1145.600 KW On-Pk 428963320 01/30/09 02/27/09 .560 A 14400.0000 1145.600 KW On-Pk</cd<></cd<>	CURRENT AEP CHARG	ES (1-888-710-4237): 7		·	
Due Date Mar 24 USAGE: Meter Number From To Prev CD Pres CD Multiplier Metered Usage 428963320 01/30/09 02/27/09 000783 A 000924 A 14400.0000 2030400 KWH 428963320 01/30/09 02/27/09 000783 A 000924 A 14400.0000 11145.600 KWH 428963320 01/30/09 02/27/09 .774 A 14400.0000 11145.600 KWH 428963320 01/30/09 02/27/09 .560 A 14400.0000 8064.000 KW OII-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 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 </td <td>Service Delivery Generation Transmissic Distribution</td> <td>GE GENERAL SERVICE / Identifier Number: 0014- Service on Service Service harge</td> <td>0060-7313-3388-2 \$ 108,19 17,49 20,62 45</td> <td>9.86 13.86 19.09 10.00</td> <td></td>	Service Delivery Generation Transmissic Distribution	GE GENERAL SERVICE / Identifier Number: 0014- Service on Service Service harge	0060-7313-3388-2 \$ 108,19 17,49 20,62 45	9.86 13.86 19.09 10.00	
Meter Number Service Period From Meter Reading Prev Meter Reading 428963320 01/30/09 02/27/09 000783 A 000924 A 14400.0000 2030400 KWH 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 8064.000 KW Oit-Pk 428963320 01/30/09 02/27/09 .560 A 14400.0000 8064.000 KW Oit-Pk 428963320 01/30/09 02/27/09 .269 A 14400.0000 4161.600 KW On-Pk 428963320 01/30/09 02/27/09 .269 A 14400.0000 4161.600 KVAR CD - Read Code: A = Actual Reading 28 Billing Days Next Scheduled Read Date 03/30/09 Mar 08 3,456,000 May 08 3,744,000 Jul 08 3,067,200 Sep 08 3,556,800 Nov 08 3,672,000 Feb 09 3,427,200 <th></th> <th></th> <th>(수상)에서 2014년 - 전문에서 가지 사망하지, 가지 위해 가지 않는다. 1915년 - 1917년 -</th> <th> \$ 146</th> <th>,772.81</th>			(수상)에서 2014년 - 전문에서 가지 사망하지, 가지 위해 가지 않는다. 1915년 - 1917년 -	\$ 146	,772.81
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 KWH 428963320 01/30/09 02/27/09 .560 A 14400.0000 8064.000 KW ON-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 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 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 Out 08 3,31	Sei				
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 .560 A 14400.0000 8064.000 KW On-Pk 428963320 01/30/09 02/27/09 .289 A 14400.0000 4161.600 KW On-Pk CD - Read Code: A = Actual Reading 28 Billing Days Next Scheduled Read Date 03/30/09 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 Out 08 3,312,000 Dec 08 3,672,000 Feb 09 3,427,200		m <u>To Prev CD</u>	Pres CD Multipl		
Month Usage Month Usage <th< td=""><td>428963320 01/30 428963320 01/30</td><td>//09 02/27/09 //09 02/27/09</td><td>.774 A 14400. .560 A 14400.</td><td>0000 11145.600 0000 8064.000</td><td>0 KW Off-Pk 0 KW On-Pk</td></th<>	428963320 01/30 428963320 01/30	//09 02/27/09 //09 02/27/09	.774 A 14400. .560 A 14400.	0000 11145.600 0000 8064.000	0 KW Off-Pk 0 KW On-Pk
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 Oot 08 3,312,000 Dec 08 3,672,000 Feb 09 3,427,200	CD - Read Code: A=	Actual Reading 2	B Billing Days Next S	Scheduled Read D	ate 03/30/09
-	Mar 08 3,456,000 May 08 Apr 08 3,859,200 Jun 08	3,744,000 Jul 08 3,067,20 4,118,400 Aug 08 4,435,20	0 Sep 08 3,556,800 Nov 0 Oct 08 3,312,000 Dec	08 3,499,200 Jan 0 08 3,672,000 Feb 0	9 2,246,400

880.600



ب ج. ۲

.

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 Metered Usage Power Factor Comp Meter 2030400 8064.000 11145.600 8064.000 KW On-Pk 11145.600 High Prev Demand = 11506.0 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 or contact us by phone at 1-800-672-2231.

More Customer Service for You Go to 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



4-15-09 SERVICE AT: For Billing, Outage or Service Inguines, Call: 1-888-710-4237 Account Number OBCO INDUSTRIES INC 070-442-256-0-0 Pay by Phone: 1-800-611-0964 **GRACE ST** NEW BOSTON, OH 45662 Bill Date 03/30/09 Page 1 of 2 Account Balance **PREVIOUS CHARGES:** Amount Due \$ 146,772.81 Total Amount Due at Last Billing 146.772.81 .00 Payment 03/23/09 - Thank You CR **Previous Balance** ŝ. .00 Doe CURRENT AEP CHARGES (1-888-710-4237): fo 03/30/09 Tariff 323 - LARGE GENERAL SERVICE Service Delivery Identifier Number: 0014-0060-7313-3388-2 Generation Service \$ 12 128,718.55 17,524.48 Transmission Service 23,792.83 **Distribution Service** 429.62 170,465.48 **Customer Charge** Current AEP Charges Due \$ 170,465.48 621°1, 60 <u> Mang</u> Total Amount Due **\$ 170,465.48** Due Date Apr 21 USAGE: Meter Reading Service Period Meter Number From Τo Prev CD Pres CD Multiplier Metered Usage 2073600 KWH 428963320 02/27/09 03/30/09 000924 A 001068 A 14400.0000 428963320 11275.200 KW Off-Pk 7531.200 KW On-Pk 02/27/09 03/30/09 .783 A 14400.0000 .523 A 428963320 02/27/09 03/30/09 14400.0000 .290 A 428963320 02/27/09 03/30/09 14400.0000 4176.000 KVAR

CD - Read Code: A = Actual Reading

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

 Month
 Usage
 <th



A unit of American Electric Power

Due date does not apply to the Previous Balance Due See other side for important information

FTER

SERVICE AT:

OSCO INDUSTRIES INC GRACE ST NEW BOSTON, OH 45662



Page 2 of 2

20421-2

ADJUSTED USAGE Metered Usage Power Factor Comp Meter 2073600 Power Factor Constant Multiplier 2073600 7531.200 * Billing Usage 11275.200 * 8000.000 KW H 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 or contact us by phone at 1-800-672-2231.

More Customer Service for You Go to 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



Rate
Energy
Boston
New

lew Boston Energy Ra	gy F	Ð.			April	
tt e m		As of 3/31/2009	4/1/2009	Change	Change	
Customer Charge		450.0000000	429.6200000	4.53%	-\$20.38	4.53%
DemandOn Off Total Demand		9.7200000 1.8800000	11.1800000 2.2100000	15.02% 17.55%	\$11,680.00 \$1,080.75 \$12,750.75	15.20%
Energy Charge Generation Cost Fuel Adjustment Total Energy	リパリ	0.0191800 0.0052105 0.0000000	0.0008934 0.0000000 0.0193463	-95.34% -100.00% #DIV/0[-\$37,885.09 -\$694.28 \$40,116.49 \$1,637.12	4.10%
Reactive Demand		4	ч	0.00%	\$0.00	0.00%
Universal Service U 0.0 Fund Rider U 0.0 KWH Tax Rider U 0.0 Gross Receipt Tax Credit 77 -0.0 Property Tax Credit U 0.0 Property Tax Credit U 0.0 Franchise Tax Rider U 0.0 Franchise Tax Rider U 0.0 Provider Last Resort U 0.0 Transmission Cost 77 0.0	at 3%cccc%ccc	0.0005280 0.0900000 0.0036345 -0.0452992 -0.0006948 0.0006773 0.0011002 ?? 0.000000 tariff	0.0006260 0.0900000 0.0036345 0.0000000 0.0000000 0.000000 0.0021522 27 27 0.0746876	0.00% 0.00% 0.00% 100.00% -100.00% 95.62% 0.00%	\$0.00 \$0.00 \$0.00 \$6.621.84 \$1,440.74 \$1,440.74 \$1,404.45 \$2,181.43 \$0.00 \$773.60 \$147,562.34 \$147,562.34	37.47%
					•	

New Bill

Change

15.52%

\$170,465.48