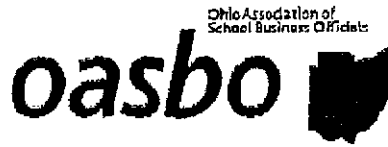


FILE



RECEIVED-DOCKETING DIV
2012 MAR -7 PM 4:21
PUCO

March 1, 2012

Todd A. Snitchler, Chairman
Public Utility Commission of Ohio
180 E. Broad St.
Columbus, Ohio 43215

Dear Chairman Snitchler:

On behalf of Ohio's public school districts located within the AEP Utility Service Territory, we are writing to express our appreciation for your February 23rd decision to withdraw the AEP Electric Security Plan (ESP) and to urge you not to approve the AEP motion of February 27th, particularly as it relates to school districts.

We are thankful that you acted quickly and decisively to reconsider the ESP. We hope you will practice the same careful consideration regarding the AEP motion to approve an increased capacity fee, taking into account the full picture -- including the effect on school districts -- before granting the motion.

Our organizations have actively worked to provide 3rd party generation supply opportunities for school districts since the inception of electric deregulation legislation in Ohio. We have helped Ohio districts save millions of taxpayer dollars over the past decade by pooling districts' buying power and securing competitive pricing on their behalf. Districts were especially impacted through the reduction in local utility tangible personal property taxation for electric utilities that was tied to deregulation. By creating "shopping" options for schools, we were able to help them offset the losses in tax revenue to some extent.

Our electricity purchasing program continues today, just recently expanded into the AEP Ohio Power service territory. We are concerned that the AEP motion will undermine efforts in that area.

In addition to our concerns about the drastic increases in distribution fees in the now rejected AEP ESP, we also worried that increases in capacity fees would hurt districts' ability to take advantage of competition in the marketplace. In our February 21st letter, we requested that you lift the capacity cap for all schools in order that savings could be achieved through 3rd party generation supply. We hope you will keep this request in mind and reject the AEP motion as it relates to school districts.

As associations representing public school boards of education, superintendents, treasurers/CFOs and other school business officials, the Buckeye Association of School Administrators, the Ohio Association of School Business Officials, and the Ohio School Boards Association look forward to working with you toward a reasonable solution to this issue. We will soon take steps to officially request authorization to

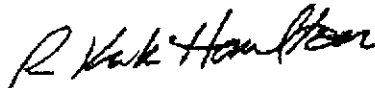
become interveners in the case. In the meantime, we wanted to be sure to let you know of our concerns about the most recent action by AEP.

Thank you in advance for your consideration. If you have questions about our position, please feel free to contact us.

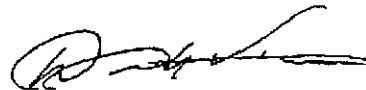
Sincerely,



Richard C. Lewis
Executive Director
Ohio School Boards Association
614-540-4000



R. Kirk Hamilton
Executive Director
Buckeye Association of
School Administrators
614-846-4080



David Varda
Executive Director
Ohio Association of
School Business Officials
614-431-9126

cc: PUCO Commissioners
Governor John Kasich
Ohio House of Representatives
Ohio Senate