

FILE



Worthington Schools

Financial Services

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April 29, 2012

TJ Cusick, Director of Finance
Worthington City School District
200 E Wilson Bridge Road
Worthington, OH 43085

Honorable Todd A Snitchler, Chairman
PUCO, Docketing Division
180 E Broad Street, 13th Floor
Columbus, OH 43215-3793

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PUCO

RE: AEP Electric Security Plan;
Case Nos: 11-346-EL-SSO & 10-2929-EL-UNC

Dear Chairman Snitchler:

On behalf of Worthington City Schools, I would like to thank you for the opportunity to provide testimony April 30, 2012 in Columbus regarding the impact of the proposed American Electric Power ESP plan.

Unfortunately at this time, I am unable to provide meaningful testimony due to a lack of clear data given to us concerning the various rates and riders. Many factors impact the final cost to our District including rates, the capacity charge, a new retail stability rider, a generation resource rider, a phase in recovery rider, to name a few, many of which are still unknown to us at this time.

I would be happy to collaborate with the PUCO and provide testimony on the impact to our school district of any proposed ESP if given a worksheet detailing all proposed rates and riders. We encourage you to be proactive and get this information out so that we all can avoid the sticker shock of 60 to 80 percent increases that blindsided both the PUCO and local governments in January. Our energy consultant was able to quickly calculate and determine the effects of the prior ESP once AEP gave us such a worksheet in January. Thus we encourage you to make that information available now so that meaningful testimony can be provided to the PUCO and an informed decision on the case can be made.

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We also encourage you to take steps necessary to determine with clarity what classifies an organization as GS2 or GS3. In the past, we were able to choose, and later switch, to whichever classification benefited us the most. However, beginning in January 2012, AEP informed us we could no longer switch, and the cost difference between the two was dramatic. Our GS2 schools increased 20-30 percent, while our GS3 schools jumped 70-90 percent. If such a difference in rates and riders between the two is going to be approved again, a clear definition of what constitutes each category needs to be made.

Finally, we encourage you to critically evaluate any transmission rate increases and their long term consequences to the open market. We have been partnering with dozens of other school districts, sharing services and collaboratively purchasing electricity together for over a decade. We have utilized deregulation and a third party supplier to partly offset the millions we have lost in state resources. My fear is that through continued transmission rate increases, such as those approved in January, and thankfully later rejected, AEP will be in a position to undercut any third party suppliers, by effectively subsidizing their generation service with their transmission service, of which they have a monopoly, and the true benefits of an open market will never materialize.

I hope you will consider these factors and also require AEP to provide us more detailed information on the proposed rates and riders so that we can work collaboratively with you to determine any impact on school districts. Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "TJ Cusick". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

TJ Cusick
Director of Finance
Worthington City School District
614-883-3171