

ELIDA LOCAL SCHOOLS

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June 7, 2012

Chairman Todd A. Snitchler
Commissioner Cheryl Roberto
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Commissioner Lynn Slaby

Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, Ohio 43215

RECEIVED-DOCKETING DIV
JUN 12 PM 2:01
PUCO

RE: Ohio Schools' Opposition to American Electric Power Company's Electric Security Plan; PUCO Case No. 11-346-EL-SSO

Dear Chairman Snitchler and Commissioners:

I write on behalf of the Elida Local School District to urge you to reject or modify American Electric Power's application for an electric security plan. As you likely are aware, Ohio's public primary and secondary schools have undergone devastating funding cuts at the state and federal levels for the current biennium. In fact, total funding losses over the 2012-2013 biennium will mean that Ohio school districts will receive about **\$2.8 billion less** in total state and federal funds over the two-year period than they would have received under a continuation of fiscal year 2011 funding levels. These funding cuts have caused our district to reduce staffing levels (both teaching and non-teaching positions), and decrease funding for necessary material and equipment. We fear that increases to our already sizeable electric bills will lead to more staff reductions and compromise our ability to provide students with a quality education.

In our district, we have suffered a \$1.2 million dollar loss from the inventory tax. This is a tax that businesses no longer pay. We know this is good for business and the economy, but it also places our finances in a fragile position. Our recent loss in state aid totals \$700,000. This means that half of our revenues now stand at 2003 levels. We are in no position to tackle material increases in utility costs. We have cut many quality programs and are closing a building for the upcoming school year.

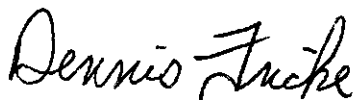
We believe it is unreasonable that AEP is attempting to implement a capacity charge that is more than *fifteen* times the current market-based charge; is proposing to discount that charge to competitive retail electric service providers; and is asking all of its customers (including the schools) to pay a Retail Stability Rider to compensate it for the discount. We're aware that AEP is in the process of transitioning to a competitive market, but Ohio's schools should not be placed in a position to "bail

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out" AEP during the three-year transition period, especially during a time when the schools' own limited taxpayer resources have been so dramatically cut. We simply can't afford it.

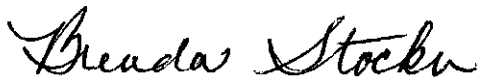
Very truly yours,



Dennis Fricke, Board President



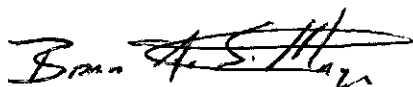
Sally Ulrich, Board Vice-President



Brenda Stocker, Board Member



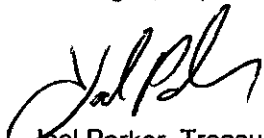
Brian Anders, Board Member



Brad Settlage, Board Member



Don Diglia, Superintendent



Joel Parker, Treasurer