

From: webmaster@puc.state.oh.us
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Subject: 67155
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Related Case Number:

TYPE: complaint

NAME: Mr. Brad Deleruyelle

CONTACT SENDER ? Yes

MAILING ADDRESS:

- 410 Rocket Ridge
- Pandora , Ohio 45877
- USA

PHONE INFORMATION:

- Home: (419) 384-3227
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INDUSTRY:Electric

ACCOUNT INFORMATION:

- Company: AEP
- Name on account: Pandora-Gilboa Local School District
- Service address: 410 Rocket Ridge
- Service phone: 419-384-3227
- Account Number: 070-754-278-0-2

COMPLAINT DESCRIPTION:

The respective case numbers are 11-346-EL-SSO, and 11-348-EL-SSO.

On November 21, 2011, Pandora-Gilboa Schools executed a third party supply arrangement for lowering its electric spend. The related fixed-pricing extended by our certified retail electric supplier (CRES) was based on commodity and capacity prices as revealed by the energy markets operated by PJM; coupled with the confidence Commission decision-making would embrace and help to advance competitive markets. On average, our facilities have realized better than a 24% reduction versus the respective Price-To-Compares (PTC's), and as such, this supply arrangement has resulted in positive

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cash flow to the benefit of our district as we continue to seek creative ways to address budgetary concerns.

With the initiative to secure competitive supply, it is our understanding that even though Pandora-Gilboa has been realizing noteworthy savings, our CRES has been forced to incur losses resulting from Commission entries which have extended AEP excessive capacity prices; roughly 16 times the amount revealed by the PJM energy markets. We have also been informed that all interveners in the AEP capacity case agree that market pricing should prevail, and even the Commission Staff promotes RPM Capacity (market prices). However, for reasons that are not clear and certainly not understood, the Commission continues to extend AEP unwarranted capacity premiums, and in the event this anti-competitive decision-making continues, then our supply arrangement may ultimately be nullified, thereby bringing our favorable supply arrangement to an abrupt end.

Pandora-Gilboa encourages the Commission to embrace competitive markets by requiring AEP to compete for our business. Much the same as when other companies are required to compete for AEP's business, electric deregulation was intended to advance competition between the respective investor-owned utilities. What is most perplexing, is to understand that AEP's unregulated marketing arm is currently pursuing customers served by other electric distribution utilities (EDU's); a pursuit that is predicated on the mere fact energy markets present opportunities for customers to save. But as it relates to AEP, the PUCO seems determined to protect AEP from competition, and that inconsistency is by no means equitable, nor is it comprehensible. Simply put, the PUCO is essentially extending AEP a monopoly, and Pandora-Gilboa may soon become another one of AEP's "captive" customers. This is wrong in more ways than anyone should care to contemplate, but in the event it becomes a reality, litigation will no doubt ensue.

Assuming competitive markets was the purpose for Ohio's deregulation legislation, then our supply initiative should be viewed in a positive light, as our actions should align perfectly with the Commission's expectations! Good faith negotiations have taken place between qualified parties and its participants have done their part in promoting true competition. On the other hand, recent Commission entries disregard or disrespect market outcomes, and as such, they are inherently counter-productive to the market's development. This anti-competitive nonsense needs to end, and there is no better time than the present.

I attended two of the regional meetings held, speaking at one, and I am appalled by the commission's decision when the only pro comments I heard on AEP's behalf were of the fact that they gave to charity and were very good at getting power back on. While these are both noble efforts, they also are self-serving in that they get a tax break, and they need to get the power back on to make money as they can't charge us if it isn't on. Even with the benefit of the doubt, the question isn't whether AEP is a good guy and should be allowed to date my daughter, it is whether these increases are fair and just, they are not.

It is time for the PUCO to serve the public interest, and it is time for AEP to compete!