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DR. MICHAEL E. ZALAR, Superintendent

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June 8, 2012

MZAL06/8/2XT

Chairman Todd A. Snitchler
Commissioner Cheryl Roberto
Commissioner Steven D. Lesser
Commissioner Andre T. Porter
Commissioner Lynn Slaby
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, Ohio 43215

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 Oregon City 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 50 positions (both teaching and non-teaching positions), and cut school budgets, including necessary instructional material and equipment. We fear that increases to our already sizeable electric bills will lead to more staffing reductions and compromise our ability to provide our students with a quality education.

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

Sincerely,

Michael E. Zalar, Ph.D.
Superintendent

Cc: Oregon City Schools Board of Education

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PUCO

BOARD MEMBERS: Richard Gabel, President; Diana Gadus, Vice President; Patrick Kapfhammer; Carol Molnar; Jeffrey Ziviski

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