

10

FILE

From: webmaster@puc.state.oh.us  
 To: ContactThePUCO  
 Subject: 67630  
 Received: 6/27/2012 10:39:55 AM  
 Message:  
 WEB ID: 67630 AT:06-27-2012 at 10:39 AM

Related Case Number:

TYPE: complaint

NAME: Mr. Paul Shaw CPA RSBFO

CONTACT SENDER ? Yes

MAILING ADDRESS:

- Logan Hocking Local School District
- 2019 E. Front Street
- Logan , Ohio 43138
- USA

PHONE INFORMATION:

- Home: 740.385.8510 ext 2725
- Alternative: *(no alternative phone provided?)*
- Fax: 740.385.3683

E-MAIL: pshaw@lhsd.k12.oh.us

INDUSTRY:Electric

ACCOUNT INFORMATION:

- Company: Logan-Hocking Local School District
- *(no account name provided?)*
- Service address: various (see attachment)
- Service phone: 740.385.8510 ext 2725
- Account Number: various (see attachment)

COMPLAINT DESCRIPTION:

Chairman Todd A. Snitchler June 27, 2012 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

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
 technician SM Date Processed JUL 09 2012

RECEIVED-SOCKETING DIV  
 2012 JUL -9 AM 11:02  
 PUCO

Dear Chairman Snitchler and Commissioners:

I write on behalf of the Logan-Hocking Local School District, its Board of Education, administration, employees, taxpayers, students and parents 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. As indicated on my April 30, 2012 testimony attached, we need to keep our energy (and dollars!) in the classroom. AEP's proposed math doesn't work for public schools, small business and individual taxpayers!

We believe it is unreasonable that AEP is attempting to implement a capacity charge that is over 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 transitionary 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,

Paul F. Shaw CPA RSBFO



LOGAN-HOCKING SCHOOLS • 2010 E. FRONT STREET • LOGAN, OH 43138 • 740 585-8517 • FAX: 740 385-3603 • pshaw@loganhocking.k12.oh.us

June 27, 2012

PAUL F. SHAW, CPA, RSBFO  
Treasurer

Chairman Todd A. Snitchler  
Commissioner Cheryl Roberto  
Commissioner Steven D. Lesser  
Commissioner Andre T. Porter  
Commissioner Lynn Siaby  
Public Utilities Commission of Ohio  
150 East Broad Street, 12<sup>th</sup> 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 **Logan-Hocking Local School District**, its Board of Education, administration, employees, taxpayers, students and parents 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. As indicated on my April 30, 2012 testimony attached, we need to keep our energy (and dollars!) in the classroom. AEP's proposed math doesn't work for public schools, small business and individual taxpayers!

We believe it is unreasonable that AEP is attempting to implement a capacity charge that is over *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 transitional 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,


  
Paul F. Shaw CPA RSBFO

**RECEIVED**

JUN 27 2012

INVESTIGATION AND AUDIT DIVISION  
PUBLIC UTILITIES COMMISSION OF OHIO

To: Public Utilities Commission of Ohio

From: Paul F. Shaw CPA, RSBFO   
 Treasurer and Chief Fiscal Officer  
 Logan-Hocking Local School District  
 Logan, Hocking, Perry and Vinton Counties, Ohio

RE: Local Hearing on Modified AEP Electric Security Plan  
 Wolfe Park Shelter House  
 Sworn Testimony

Date: April 30, 2012

My name is Paul F. Shaw and I come to you today from the Hocking Hills of Southeast Ohio, representing Logan-Hocking Local School District. I am a Certified Public Accountant and Registered School Business Finance Officer. I have served in this capacity for nearly twenty years. Prior to this I served American Electric Power Service Corporation, Columbus, Ohio for five years, and at times worked on rate cases for PUCO, FERC, and other state's regulatory commissions. I also come today representing over 300 fellow employees who filed a complaint with PUCO over this case in February of this year, and also representing the taxpayers of our School District.

In January 2012 the School District saw its overall electric bill go up nearly \$12,000 (30%), from approximately \$40,000 to \$52,000. At two schools - Logan High School and Union Furnace Elementary School - we had aggressively "shopped" our electric provider and had contracted with Direct Energy for power. Both of these schools experienced the largest increase in electric bills. Logan High School saw its AEP bill for the month of January go up nearly \$6,000, or 139%! Union Furnace Elementary saw its AEP bill go up \$1,000, or 91%. These increases caught the School District by surprise.

We were blind-sided by this huge increase. It had not been anticipated! With budgets already stressed, this caused us major concern.

Facing decreasing revenues and rising expenditures in the fall of 2010, a concerted effort was by the Logan-Hocking Board of Education, its administration and employees to implement an aggressive Energy Conservation Program. One of the main goals of this program was to keep our valuable resources IN the classroom – our teachers and staff. By reducing utilities expense, we could keep more employees serving our students. We hired an internal energy specialist, via a supplemental contract, to coach us. Our buildings are monitored/audited daily. Heating/cooling equipment is monitored – temperatures are set back. Computers, monitors, printers, lights, refrigerators are turned off when not in use. Our efforts paid off – our utilities expense decreased \$225,000 for the seven month period July 2011 to January 2012 (compared to the similar seven month period in the prior fiscal year). This was huge – but we had anticipated much of this savings, and it had allowed us to keep additional personnel employed this year. When our unexpected huge bills were received in late January/February the School District faced the unanticipated consequence of taking the money that was saved to pay for teachers and turn around and send it to AEP! Resources would now flow OUT of the classroom instead of into it! Thus, as the School District stated in its complaint filed in February 2012:

**HELP US KEEP OUR ENERGY (AND DOLLARS!) IN THE CLASSROOM**

To simply and quickly illustrate the inequity of the new rate that were in effect at January 2012, I would direct your attention to these three graphs. GRAPH #1 reflects the decrease in kWh utilization for Logan High School, our biggest consumer. As you can clearly see, consumption in January 2012 went **DOWN 37.5%** (80,100 kwh) when compared to January 2011 (source AEP bills for the respective months). Much of this resulted from our energy conservation efforts, maybe some from the milder. You would expect our AEP bill to go down somewhat as a result of this 37.5% decrease in consumption. However, the Logan High School AEP bill actually went **UP 53%** for January 2012, compared to the January 2012 AEP bill. As stated in the School District complaint filed in February 2012:

**PUCO's MATH DOESN'T WORK FOR PUBLIC SCHOOLS, SMALL  
BUSINESS, AND INDIVIDUAL CUSTOMERS**

Conclusion

School districts, small business owners, and individuals across the state are facing huge financial challenges. School districts such as Logan-Hocking are doing everything they can to sustain their operations – they are actively reducing energy consumption by employing conservation measures; they are shopping the market to obtain the best rates available; and they are employing any and all other means they can to survive. Electricity rates, such as those requested by AEP presently and to be approved by the Public Utilities Commission, should not **punish** the efforts of consumers like Logan-Hocking who do what anyone does facing such challenges – to conserve and shop wisely.

They should encourage conservation and access to free market rates. To set rates otherwise is a slap in the face to consumers, and puts our education and financial systems at risk.

Thank you for your time and consideration.

Paul F. Shaw CPA RSBFO  
Treasurer and Chief Fiscal Officer,  
Logan, Hocking Local School District  
[pshaw@lhsd.k12.oh.us](mailto:pshaw@lhsd.k12.oh.us)  
[www.loganhocking.k12.oh.us](http://www.loganhocking.k12.oh.us)

School District Information

4,100 students, serving Hocking, Perry and Vinton Counties  
County wide school district  
Five elementaries, one middle school and one high school  
Approximately 1,100 students at Logan High School

District Wide Utilities Expenditures – Fiscal Year 2011

- Electricity	\$725,000
- Natural Gas	\$233,000
- Total	\$958,000

**Logan-Hocking Local School District  
Electricity Expense  
December 2011 versus January 2012**

PFS  
02-Feb-2012  
AEP212.wk4

<u>School/Location</u>	<u>Vendor</u>	<u>12/2011</u>	<u>1/2012</u>	<u>One month Change</u>	<u>% Change</u>
<b>Logan High School</b>	<b>AEP</b>	<b>4,233.34</b>	<b>10,119.46</b>	<b>5,886.12</b>	<b>139%</b>
Logan High School	Direct Energy	8,208.00	10,206.00	1,998.00	24%
Total - LHS		12,441.34	20,325.46	7,884.12	63%
Logan Middle School	AEP	10,222.33	10,557.38	335.05	3%
Central Elementary	AEP	3,850.36	3,123.01	(727.35)	-19%
Cheslain Elementary	AEP	2,532.78	4,110.23	1,577.45	62%
Green Elementary	AEP	2,654.89	3,295.73	640.84	24%
Hocking Hills Elem	South Central Pwr	3,349.55	3,145.65	(203.90)	-6%
<b>Union Furn Elementary</b>	<b>AEP</b>	<b>1,044.99</b>	<b>1,991.21</b>	<b>946.22</b>	<b>91%</b>
Union Furn Elementary	Direct Energy	2,016.00	2,520.00	504.00	25%
Total - UF Elementary		3,060.99	4,511.21	1,450.22	47%
Administration Office	AEP	916.89	1,128.48	211.59	23%
Transportation Bldg	AEP	646.04	831.97	185.93	29%
Transportation - Bus Htg	AEP	197.60	632.97	435.37	220%
Parking Lot	AEP	11.90	10.85	(1.05)	-9%
<b>Grand Total</b>		<b>39,884.67</b>	<b>51,672.94</b>	<b>11,788.27</b>	<b>30%</b>

Direct Energy provides generation at Logan High School and Union Furnace Elementary



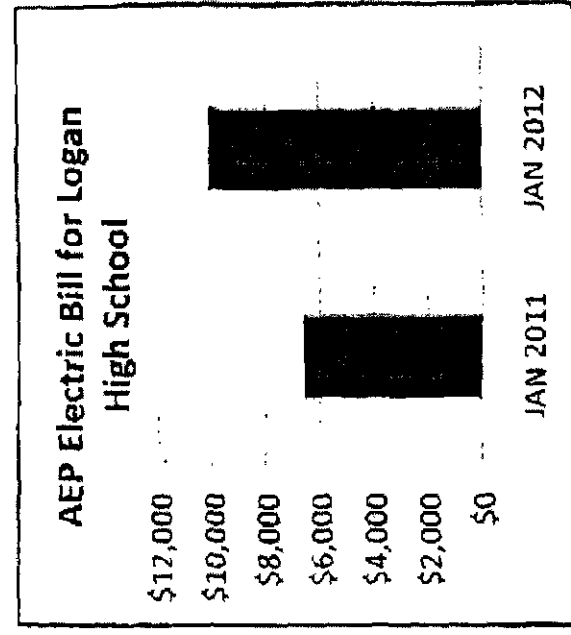
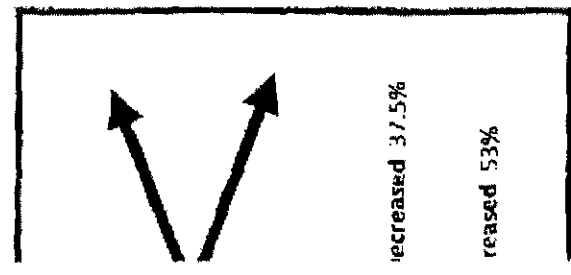
The following image was scanned as received

# DOLLARS!) IN THE CLASSROOM

## FOR PUBLIC SCHOOLS, SMALL

## IDUAL CUSTOMERS

(High School)



Employees of Logan-Hocking Local School District, have done  
reduce energy consumption. One of our goals is to keep  
electric tariffs, approved by PUCO, is resulting in a drain of  
complaint with PUCO and ask that it reconsider the rate