



"THE CORNERSTONE OF THE COMMUNITY"

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Public Utility Commission of Ohio

**March 13, 2008 Public Hearing
FirstEnergy Rate Changes
Case No. 07-551-EL-AIR et.al.**

My name is Daniel L. Wilson, Chief Financial Officer for the Mentor Public Schools. We are one of 249 districts in Northeast Ohio who have benefited from the Energy For Education Programs I & II, developed and implemented by the Ohio Schools Council. We have participated in these programs since their inception in 1998. The Ohio Schools Council has determined that, with the expiration of the Energy For Education Program II, on December 31, 2008, our electric rates will go up by 13.4%. In addition to that, the Ohio Schools Council has estimated that a potential rate increase in distribution rates and a potential increase in generation rates could result in an overall electric increase of 30-40%. This current fiscal year, the Mentor Public Schools has budgeted \$927,000 for electricity. A 30% increase would translate into an annual expense of \$278,000, and a 40% increase would translate into an annual increase of \$370,000.

The Mentor Public Schools, along with all other school districts in the State of Ohio, are required to prepare and file a five year financial forecast. It has been the practice of our school district to analyze budget impacts in the context of our five year fiscal plan. Accordingly, a 30% increase would result in new expenses of \$1,391,000 over the next five years, and a 40% increase would result in an increase of \$1,855,000 over the next five years. These numbers are based on the assumption that there would be an initial increase in 2009 and no future increases over the remainder of the five years. To put this in context, a 30% rate increase would translate into six teachers' salaries with benefits, while a 40 % increase would translate into eight teachers' salaries with benefits.

Public education in Ohio has long been underfunded and challenged to absorb the cost of inflation, as well as unfunded mandates. Our ability to absorb this significant increase in electric costs will not be done without a reduction in services. We, like most public school districts, allocate 85% of our budget to personnel. Our teachers and support staff are providing direct instruction to the students of our community. The remaining 15% of the budget is dedicated to fix costs, including utilities, special education tuition, auditor and treasurer's fees, liability insurance, and gasoline for our transportation system.

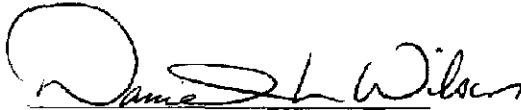
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Educating students from Mentor, Mentor-on-the-Lake, Concord Township and Kirtland Hills.

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We respectfully ask the Commission to recognize that public schools operate on a different cycle with different energy needs from a typical commercial customer. Given our nine month schedule for student instruction, schools typically do not need additional electricity during the peak three months of summer. On behalf of the Board of Education, the students of our school district, and the tax payers of our community, I encourage the Commission to authorize a new Energy For Education Program, and continue the discount opportunities you have provided over the past ten years.

Thank you for the opportunity to present this testimony.

A handwritten signature in black ink, appearing to read "Daniel L. Wilson". The signature is fluid and cursive, with a large initial "D" and "W".

Daniel L. Wilson
Chief Financial Officer