

FILE



Kraft Foods

June 4, 2007

Public Utilities Commission of Ohio
180 E. Broad Street
Columbus, OH 43215-3793

Re: Case No. 91-236-EL-AEC

Kraft Foods North America dba Nabisco Biscuit Company (Kraft) entered into an Incentive Agreement for Electric Service with Toledo Edison Company, which was approved in the case number referenced above on May 16, 1991 for a five year period. This agreement was then amended on November 20, 2001. The amendment clearly states that the Agreement will be extended through the date which Regulatory Transition Costs (RTC) are recovered as provided for in the Company's Stipulation and Recommendation dated April 13, 2000. The Amendment further states that the PUCO has agreed to these terms. In addition, the Amendment states that the parties agree to the following:

1. This Agreement, as amended, shall terminate with the bill rendered for the electric usage through the date which RTC ceases for the Company.
2. Except as expressly amended by this Amendment, all rates, terms and conditions of said Agreement between the Company and Customer are and remain in full force and effect as if rewritten herein in their entirety.

According to our representative at Toledo Edison, the PUCO has since ruled, that all special contracts will end effective February 2008 and Toledo Edison is required to develop an interim rate through the end of the Rate Stabilization Period. It is our opinion that this is not in keeping with the agreement the PUCO agreed to in 2000.

Kraft is a large consumer of electricity, employing more than (95) people and spending approximately \$2,360,377 per year on electric power in Ohio. Failure to allow Kraft to continue operating under this agreement will lead to an increase in our operating costs, eroding already thin margins.

If you have any questions, please call me at (419) 697-6601. Thank you for your prompt assistance in this matter.

Sincerely,

William Epperson
Plant Manager/Cluster Lead
2221 Front Street
Toledo, Ohio 43605

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