October 31, 2008

PUCO

Received Chairman Letter **7** 2008

Investigation and Audit Division

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Office of Chalman P.U.C.O.

Chairman Alan Schriber **Public Utilities Commission of Ohio** 180 East Broad Street Columbus, OH 43215

RE: Case Numbers: 08-917-EL-SSO, 08-918-EL-SSO

## Chairman Schriber:

I represent Metallurg Vanadium Corporation of Cambridge, Ohio and am writing you to express my opposition to American Electric Power – Ohio's (AEP-Ohio) proposed electricity rate increase of 51% over three years. Metallurg Vanadium provides 130 family sustaining jobs in Ohio. AEP's current proposal will decrease my company's competitiveness and put Ohio's economy in jeopardy.

Manufacturers exist in a global marketplace; any unjustified increase in our costs puts unnecessary burdens on Metallurg Vanadium's ability to compete. Manufacturers are facing the same volatility in markets and commodity prices that AEP-Ohio is; however, manufacturers do not enjoy the ability to force price increases upon our customers. Allowing AEP-Ohio to increase rates by 15% annually over three years resulting in a compound, minimum increase of 51% will result in significant pain for those of us who must compete in the global market. AEP-Ohio's proposed rate increase will have a negative effect on my company's ability to remain competitive in Ohio.

Additionally, AEP's request to defer costs that would result in bill increases of more than 15 percent per year over the next three years will mask the true impact of AEP's request and allow it to collect those costs outside the three year period.

AEP-Ohio's prices should be cost based providing them with a fair, just, and reasonable price. Since AEP-Ohio's proposal does not meet this basic test it should be denied. Finally, with the 2009 economic outlook, it is not the time to negatively impact every Ohio consumer with a rate increase.

Sincerely,

Plant Manager

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**Pechnician** 

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