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1380 Tech Way Drive
Akron, Ohio 44306

ELIOKEM 
Materials & Concepts

FILE

November 11, 2008

Mr. Alan Schriber
Chairman, Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215

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Office of Chairman
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PUCO

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cc:

Governor Ted Strickland
Riffe Center, 30th Floor
77 South High Street
Columbus, Ohio 43215-6108

08-935-EL-SSO


Dear Mr. Schriber:

I am writing to express my concerns regarding First Energy's Electric Security Plan and the detrimental effect it will have on our future in the chemical manufacturing industry. This proposal, if passed, will put our company's competitive position at risk. We have 90 employees in Akron and we manufacture and distribute resins and latex to the coatings and rubber industries.

After reviewing the ESP, we have concluded that our electric cost will increase by nearly 75%. This includes all applicable riders, available credits as well as the Economic Load Response Rider (ELR or interruptible power rate). We have confirmed these numbers with a First Energy rate analyst. We can not believe you or any of the other commissioners of the PUCO can approve a plan that would have this kind of impact on Ohio manufacturers.

In the past several years, we have made considerable process changes and investments to secure a reasonable arrangement, in the form of the interruptible power rate, with First Energy. This interruptible power arrangement has benefits for all parties, providing First Energy with capacity during peak periods, reducing the amount of new power generation that must be paid for by all First Energy customers, and providing mid sized industrial users competitive electric rates.

In the proposed ESP, First Energy has completely removed any incentives for the customer to invest in technological and/or operational improvements regarding interruptible power. In fact, it is likely that the ELR would actually be more expensive than the general industrial electric rate after considering the impact of the associated economic buy-throughs. Without some demand management incentives or a pool of customers willing to accept the risks of an interruptible power rate, there will be an increase in demand for peak generation capacity which will increase costs for all electric users.

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We have been making significant investments in energy efficiency projects in our facility. The projects and the related investments in technology have increased our energy efficiency overall, resulting in being awarded the Energy Saver award by the U.S. Department of Energy last month. The rate increases we would see under the proposed ESP would negate substantially all of those savings.

I hope that you and the other commissioners will take our concerns into account when assessing First Energy's ESP. Fair and competitive utility costs are of increasing importance to manufacturers in Ohio and around the world. Ohio can not afford to lose any more good paying manufacturing jobs.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Smith". The signature is fluid and cursive, with the first name "Robert" and last name "Smith" clearly distinguishable.

Robert Smith
Plant Manager

330-734-1230