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Hunter, Donielle

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Sent: Thursday, December 04, 2008 1:08 PM
To: Docketing
Subject: Docketing
Attachments: MFRE111708DN 3791713.pdf

Public Utilities Commission of Ohio
Investigation and Audit Division

Memorandum

Date: 12/4/2008

Re:
4565 Columbus Pike

Delaware, OH 43015

Docketing Case No.:

08-917-EL-SSO
08-918-EL-SSO

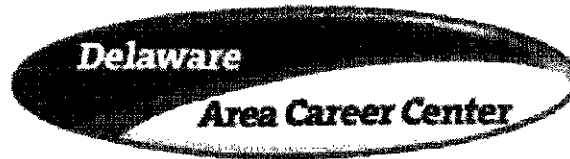
Notes:

Please docket the attached in the case number above.

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Technician SM Date Processed DEC 04 2008

12/4/2008



November 5, 2008

Mary Beth Freeman
Christoph

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**Office of Chairman
P.U.C.O.**

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

Chairman Schriber:

When I recently heard that AEP and other utility companies would be imposing increases, my initial reaction was that of concern. I wanted to gather the facts behind this increase before responding. The facts are compelling and support the need for an increase to our utility costs. They are:

- Increasing global demand, which has nearly tripled the cost of coal.
- Balancing needs to maintain and support economic growth in our region.
- Supporting education efforts to provide well-trained employees
- Maintaining a program to support customers who are low income
- No fuel rate adjustments since 1999.

I researched the price of coal and was surprised by my findings. In November 2007, coal was priced at \$55/short ton – today, it's up to almost \$150/short ton. Any business that realizes cost increases similar to this must have a means to pay for those costs to remain in existence.

Any community wanting to remain vibrant and sustain a strong economic base must collaborate with other businesses. AEP is doing this. Central Ohio has remained strong in diversifying business growth and continues to be a prime location for new global companies. AEP has supported business and industry growth through partnering and providing grants, which in turn creates more jobs for our area. More jobs lead to a stronger and more stable economy.

With changes in technology, it is critical for any company to continue with research and development. Over time, the investment in innovative systems will decrease the cost imposed on the customer. AEP continues to develop a Smart Grid system which will allow for more timely identification of outages where they exist, and the ability to make some repairs without going to the actual site.

The Central Ohio region has earned a reputation for quality education. AEP realizes the importance to hire educated and qualified personnel. AEP has partnered with schools in designing curriculum, participates in an advisory capacity, and has provided seed money to allow students to enter a program that will benefit our community. Through the support of schools, a community

member has the opportunity to gain the skills necessary to be a "C" level powerline mechanic, and earn a sustainable wage.

As AEP has partnered with our community in multiple capacities, it continues to be sensitive to those who may experience hardship in paying bills. Realizing the impact the increases may have AEP will continue to provide programs to support low-income customers.

After weighing all the facts, AEP remains a community partner, committed to the values held by Central Ohio. This is evident in no increases in costs to the consumer for almost 10 years. When costs increase, such as the tripling cost of coal, those benefiting from the product will need to incur some of the burden. I believe AEP will remain sensitive to the needs of the community and will also need to make the difficult decisions that will permit them to remain in business.

I do support the necessary increase as proposed by AEP.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary Beth Freeman". The signature is written in dark ink and includes a long, horizontal flourish at the end.

Mary Beth Freeman
Superintendent