

FILE



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PUCO

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May 3, 2010

Governor Strickland
77 South High Street, 30th Floor
Columbus, Ohio 43215

RE: FirstEnergy's ESP Case

Dear Governor Strickland:

V&M STAR is a member of the Industrial Energy Users-Ohio ("IEU-Ohio") and we have been following the Electric Security Plan ("ESP") process, which is connected to the Market Rate Offer ("MRO") process initiated last October and based on the current ESP that the PUCO approved about one year ago. Joel Mastervich, the new President & COO of V&M STAR, and I want to advise you of our concerns.

We support efforts to make V&M STAR and the communities in which we operate competitive in this difficult global market place. In connection with this, we support and join the IEU-Ohio's concerns about the Public Utilities Commission of Ohio's ("PUCO") announcement on April 29, 2010 regarding the ESP application and settlement filed with the PUCO on March 23, 2010 by First Energy.

As you may know, the settlement is supported by numerous parties having diverse interests, including IEU-Ohio.

Our concern about the PUCO's April 29th announcement is that it may be perceived as supporting claims that the parties who are not supporting the settlement are correct in alleging that they have not had adequate time to evaluate the proposal. At a time when it is critically important to do things to give citizens confidence that government can act timely and do so in the public interest, it would be unfortunate if the PUCO pays more attention to process concerns than the substantive issues that Ohio must identify and resolve. In this particular case, the ESP filing is the outgrowth of a PUCO Staff recommendation in the MRO proceeding, which has been fully litigated and currently awaits a PUCO decision (a decision that will be late as I understand the requirements of Ohio law). Parties interested in this subject matter have had since October of 2009 to conduct discovery and prepare to advocate on behalf of their particular interest. It is misleading to suggest that the ESP process began on March 23, 2010.

The same interests that protested the PUCO's efforts to promote the use of rate stabilization plans prior to the passage of Amended Substitute Senate Bill 221 are now opposing the use of ESPs. As we understand it, the ESP settlement, if approved by the PUCO, includes both opportunities to take advantage of generation prices that are at historic lows and economic development and economic retention opportunities that would not otherwise be available.

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We ask that you urge the PUCO to promptly act to take advantage of the historically low generation prices and the other economic development and retention opportunities not otherwise available by approving the comprehensive ESP settlement.

Please feel free to contact us if we can provide you with additional information. We thank you, in advance, for your attention and consideration.

Sincerely,

Handwritten signature of Joel Mastervich in cursive.

Joel Mastervich
President & COO, V&M STAR

Handwritten signature of Roger Lindgren in cursive.

Roger Lindgren
Consultant to V&M STAR

cc: PUCO Chairman Alan R. Schriber
PUCO Commissioner Valerie A. Lemmie
PUCO Commissioner Paul A. Centolella
PUCO Commissioner Cheryl Roberto
PUCO Commissioner Steven D. Lesser
Senator Bill Harris, Senate President
Representative Armond Budish, Speaker of the Ohio House of Representatives
Representative Bob Hagan
Senator Joe Schiavoni
Beth Trombold, PUCO Legislative Liaison