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Docket 10-176-EL-ATA

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Mr. Alan R. Schriber, Chairman
Ohio Public Utilities Commission
180 East Broad Street
Columbus, Ohio 43215-3793

PUCO

Office of Chairman
P.U.C.O.

Dear Chairman Schriber:

Thank you for your August 11th letter of acknowledgement to my inquiry regarding the all-electric rate issue. Although I was disappointed that you could not respond to my questions since the issue is pending before the commission, I was comforted by the comments in your letter.

However, the fact sheet you enclosed regarding FirstEnergy all-electric rates seems to me a political, position paper defending the FirstEnergy and the PUCO. Specifically, in the paragraph titled "WHY WAS THE ALL-ELECTRIC RATE DISCOUNT REDUCED?" a number of nebulous points are made:

- Discounted rates can result in the customer paying less than the actual cost to generate electricity.
- The cost of the discounts is recovered from all FirstEnergy customers whether they receive the discount or not.
- Artificially low electric rates can work against Ohio's efforts to encourage energy conservation.
- The reduction in the discounted rate reflects Ohio's move toward a competitive generation environment and provides increased opportunities for alternate electricity suppliers to sell power to customers.

Point 1: Given FirstEnergy's profitability and the fact FirstEnergy's rates compared to electric generation rates in contiguous States are higher the probability of the statement being true is remote at best. Furthermore, compare the utility rates of natural gas+ electricity to an all-electric home and you will find they are about equal currently. FirstEnergy in altering their pricing structure with the approval of the PUCO has created this illusion that all-electric homes are paying discounted rates by comparing them with homes that are not all electric, but have they included the expense of the alternative energy source necessary to heat the homes? I think not.

Point 2: If FirstEnergy had one pricing structure for all its electric customers this could be true, but they don't. They have different rate structures for commercial, industrial, and residential customers among others. So in this case I could state like you or them the highest rate structure is subsidizing the lowest rate structure, and argue for equal rates across the board? Would you call these different rate structures discounts? I think not.

Point 3: If energy conservation is the issue: Why has FirstEnergy done away with electric load regulators? Why have they encouraged customers to buy 80 gallon hot water tanks when 40 gallon tanks in many cases would have been sufficient and removed the value of the heating control elements from the hot water tanks? Is this a company concerned about energy conservation or increasing electric usage and thereby their revenue.

Point 4: If there are no alternative, electric rate generation suppliers available in a market, how does the removal of discounted rates spark a competitive generation environment? Who suffers and who prospers in the meantime?

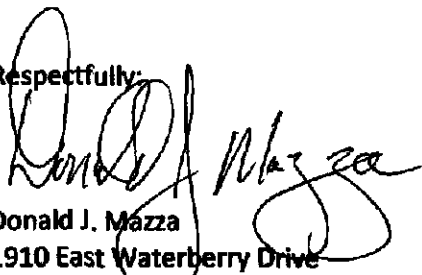
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I am not opposed to, nor, I suspect most all-electric customers are not opposed to FirstEnergy increasing their electric generation rates moderately over time. What we are opposed to is being singled out as all-electric customers not paying their fair share of electric usage, being gouged by high percentage, all-electric rate increases that have and will cause financial hardship, and the suggestion other customers are subsidizing our rates. This is ethically and morally not right, and how the PUCO can permit this to occur is beyond all comprehension?

I trust that this letter will be docketed in Case No. 10-176-EL-ATA.

Again, thank you for your consideration to this issue which affects so many.

Respectfully,



Donald J. Mazza
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