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February 22, 2012 FEB 23 AM 8:51

Chairman Todd A. Snitchler  
The Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215

PUCO

11-0346-EL-SSO

Re: AEP Rate Increases

Dear Chairman Snitchler:

I write to you today in vehement opposition to the capricious, irresponsible and, frankly, outrageous rate increases being promulgated by AEP on Ohio's small and mid-sized electricity users. My ceramic tile manufacturing facility located in Minerva, Ohio has just received its previous month's electric distribution service billing, reflecting a 120%+ increase, effective immediately. This will amount to an \$85,000 unanticipated, un-budgeted increase for the year.

I gather that *The Ohio Energy Group* had met in private "settlement" meetings with AEP Ohio and the PUCO to carve out special, low utility rates for themselves, effectively sticking Ohio's small and mid-sized electricity users with huge increases. I hardly think this amounts to sound public policy. Meanwhile, AEP Ohio was to come out of this process "revenue neutral", yet they are reporting a projected \$24 Million profit, attributable specifically to provisions of this so called "settlement agreement". As we say in rural Summitville, *something about this stinks*.

When all of the secret *OEG/AEP/PUCO* meetings were being conducted last fall, we had been led to believe that any projected utility distribution rate increases resulting from the aforementioned "settlement agreement" would be *modest*. And, users such as those classified in Summitville's category (?) were supposedly to be of the nature and scope not likely to be adversely impacted by global competition. Clearly, these assertions have proven to be dead *wrong*: our rate increase is, of course, not modest – and these rate hikes will adversely impact us from the standpoint of our ability to compete globally.

In recent years, with foreign imports representing 80% of the US domestic tile market, we have been forced to close two manufacturing facilities and sixteen distribution centers. We have laid off more than 450 employees. Celebrating our 100<sup>th</sup> anniversary this year, we are the *only* charter member of our national trade association to even remain in business today. I would like to think we have some standing in filing our objections with the PUCO.

I respectfully but strenuously urge the PUCO to take immediate action to reverse these utility rate increases lest Ohio's already weakened manufacturing base just continue its slow death by a million (regulatory!) lashes.

Sincerely yours,

A handwritten signature in cursive script that reads "David W. Johnson".

David W. Johnson  
CEO – Summitville Tiles, Inc.

CC: Governor John Kasich  
Hon William Batchelder  
Hon Thomas Niehaus

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