11-346-EL-550





June 14, 2012

Sent Via Federal Express

Todd A. Snitchler Public Utilities Commission of Ohio (PUCO) 180 East Broad Street Columbus, Ohio 43215

Mr. Snitchler:

We have received word about the action PUCO took on May 30 to approve AEP Ohio's pricing structure for capacity charges, which essentially allows AEP Ohio to increase capacity charges of all of the first 21 percent of shopping customers to more than nine times the current market price.

PUCO's recent decision would mean an increase in our Ohio electricity costs of approximately \$50,000 per year.

As a small-medium size retail company doing business in Ohio and headquartered in the Columbus area since 1979 we find this ruling outrageous! Not only does it put an unreasonably huge financial burden on our company, it makes it even more difficult to do business in a competitive market.

I can't imagine what PUCO's justification can be for this decision. Please re-think this decision and require AEP Ohio to adopt a market-based system for capacity pricing for shopping customers.

Thapks for taking time to review our concerns, and I look forward to your positive response.

ard Mershad President and C.E.O.

C: Mark Kvamme, JobsOhio President and Interim Chief Investment Officer John R. Kasich, Governor State of Ohio

This is to certify that the images appearing are

4119 LEAP ROAD / HILLIARD, OHIO 43026



Tim Schaffer State Senator 31st District

Ohio Senate

Senate Building, Room 222 1 Capitol Square Columbus, Ohio 43215 614-466-5838 800-282-0293

Committees:

Ways & Means & Economic Development, Chair Agriculture, Environment and Natural Resources, Vice Chair Energy and Public Utilities Insurance Commerce and Labor

June 18, 2012

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

Dear Chairman Snitchler,

At the request of Senator Tim Schaffer, I am forwarding you a constituent letter the Senator recently received on the AEP rate increase. Senator Schaffer found the letter to be informative on this matter and hopes that you will as well.

If you should have any questions for the Senator, please contact our office at 614-466-5838 or email me directly at bryan.stout@ohiosenate.gov.

Sincerely,

Bryan Stout LSC Fellow

Office of Senator Tim Schaffer