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PUCO

**Marathon Petroleum Corporation**

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The Honorable Todd A. Snitchler  
Chairman, Public Utilities Commission of Ohio  
180 East Broad Street, 12<sup>th</sup> Floor  
Columbus, OH 43215

RE: AEP-Ohio Electric Security Plan, Case Nos. 11-346-EL-SSO *et al.*  
AEP-Ohio Capacity Case, Case No. 10-2929-EL-UNC

Dear Chairman,

On behalf of Marathon Petroleum Corporation (MPC), I am writing this letter to formally express our continued disappointment and ongoing concerns with the rulings that have been made by the Public Utilities Commission of Ohio (PUCO) in Case Nos. 10-2929-EL-UNC and 11-346-EL-SSO, *et al.*

The July 2, 2012 PUCO ruling in Case No. 10-2929-EL-UNC to allow American Electric Power-Ohio (AEP-Ohio) to recover "cost-based" capacity in lieu of an already established market-based state compensation mechanism (RPM) interferes with the ability of customers located in AEP-Ohio's service area to exercise their right to reduce their electric bills through competitive sourcing of electric generation supply. In MPC's case, the ruling retroactively impairs the value of competitive generation supply contracts by changing the pricing mechanism that was in place at the time our competitive supply contracts were executed.

The PUCO actions described above are impacting MPC's ability to compete in the global economy. They raise questions about Ohio's commitment to the market-based structure in Ohio law. They suggest that businesses that work hard to reduce their electric bills through competitive sourcing will end up paying the higher of market-based prices or prices demanded by the electric distribution utility.

Accordingly, MPC urges you to take action, as soon as practicable, to re-establish RPM as the state compensation mechanism for AEP-Ohio's service area, free from interest-bearing deferrals which will be borne by the rate-payers.

Sincerely,

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