



Jackson County
Economic Development Board

FILE

November 14, 2014

Chairman Thomas W. Johnson
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

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Dear Chairman Johnson,

On behalf of the Jackson County Economic Development Board, I am urging you to approve AEP Ohio's proposed Power Purchase Agreement (PPA) as filed.

Ohio is facing a period of unprecedented uncertainty related to the future supply of low-cost reliable energy. Several key factors have drastically changed the generation landscape, including flawed capacity markets that have created depressed market prices and increasingly difficult environmental regulations.

Since 2012, investor-owned utilities in Ohio have announced the retirement of over 5,500 MW of generation by mid-2015. The majority of these retirements were announced in response to several new regulations imposed by the EPA. However, current market conditions are such that even plants that will be environmentally compliant and are equipped to run reliably for many more years may be forced to shutter for economic reasons. As a result, Ohio will be a large importer of energy for the foreseeable future.

The PPA will provide AEP Ohio customers real financial benefit from the sale of electric power produced by a stable source of generation at reasonable rates and will serve as a hedge to partially shield customers from the impacts of market volatility. When combined with the projected rate decrease from the company's current ESP proposal, the rider will still result in a net decrease beginning June 2015 for the average residential customer using 1,000 kWh per month and receiving their generation through AEP Ohio.

AEP Ohio's Power Purchase Agreement proposal is not a bailout as others would suggest. It is a good plan and I encourage you to approve the plan as it is filed in Case No. 14-1693-EL-RDR and Case No. 14-1694-EL-AAM. Please docket this letter in support of AEP Ohio's plan and as part of the record in this proceeding. Thank you.

Sincerely,

Jennifer Jacobs, Executive Director
Jackson County Economic Development Board

Cc: Governor John Kasich

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