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November 18, 2014

Thomas W. Johnson, Chairman
PUCO Commissioner
180 East Broad Street
Columbus, OH 43215

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Ref: Docket Case No. 14-1693-EL-RDR and Case No. 14-1694-EL-AAM

Dear Commissioner Johnson:

The Lima/Allen County Chamber of Commerce, representing over 960 business members in your state, is concerned with the above legislation that will have an impact on our members. 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.

Several key factors have drastically changed the generation landscape in Ohio, 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. As a result, Ohio will be a large importer of energy for the foreseeable future. Additionally, current market conditions are such that even plants that will be environmentally compliant and can run reliably for many years may be forced to shutter for economic reasons, further exacerbating the problem. These are among the plants that are included in the proposed PPA.

After the Polar Vortex in January, the reliability issues and price volatility that Ohio can experience became alarmingly clear. These issues will only be exacerbated next year as generating units are retired and other units become at-risk based on current market conditions. The proposed PPA is designed to provide AEP Ohio consumers long-term reliability and protect them from the impacts of significant price spikes, while preserving jobs and mitigating a shrinking tax base.

Because these plants were originally built to serve Ohio load and have provided low-cost power to Ohio for decades, it is reasonable and appropriate for AEP Ohio to re-dedicate the plants to provide ongoing economic benefits to Ohio customers for the remaining life of the plants.

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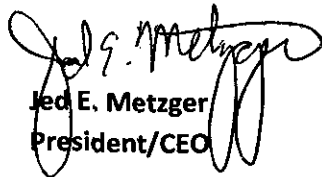
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These plants represent significant economic benefits to Ohio and local economies in terms of employment, wages and taxes paid. More than 1,100 employees at these facilities provide approximately \$86 million in direct income and indirectly contribute to over \$173 million of income to the state. It is estimated the total economic benefit (both direct and indirect) to Ohio from these plants exceeds \$500 million annually.

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.

The loss of this facility that is efficient and environmentally compliant and provides reliable and affordable electricity is unacceptable. AEP Ohio's Power Purchase Agreement proposal is not a bailout as others would suggest. It is a plan that protects Ohio's economy by keeping hundreds of Ohioans employed and millions of dollars of annual economic benefit in place while helping shield AEP Ohio's customers from market volatility. 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.

Sincerely,



Jed E. Metzger
President/CEO

Cc: Governor John Kasich