

FILE



February 1, 2016

The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Subject: Case 14-1297-EL-SSO (FirstEnergy)

To the Public Utilities Commission of Ohio (PUCO):

Attached is a letter on behalf of the BASF Corporation facility located in Elyria regarding the referenced case pending review by the PUCO. Please contact me if you have questions.

Sincerely,

Michele Barney
Site Director

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We create chemistry

February 1, 2016

The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

Dear PUCO Commissioners:

The BASF Corporation facility in Elyria, Ohio understands that the commission is considering a draft settlement with FirstEnergy that, according to the Ohio Consumers Counsel, could cost consumers as much as \$3.9 billion. We respectfully ask that the draft settlement not be approved.

BASF Corporation is the largest affiliate of BASF SE and the second largest producer and marketer of chemicals and related products in North America. At BASF, we create chemistry - and have been doing so for 150 years. As the world's leading chemical company, we combine economic success with environmental protection and social responsibility. Through science and innovation we enable our customers in nearly every industry to meet the current and future needs of society. Our Elyria facility contributes to this mission through the production of metal based catalysts and of cathode materials that are used in the lithium-ion batteries that power full electric and plug-in hybrid vehicles. BASF has 10 facilities in Ohio, including the site in Elyria.

The BASF site in Elyria is among the FirstEnergy customers that would be impacted if the draft settlement is adopted. We do not accept the premise for these proposed rate increases via an eight year power purchase agreement, *i.e.* to subsidize aging and under-utilized generating plants. This runs counter to Ohio's status as deregulated energy market that allows customers to choose their energy suppliers and thereby promote competitive rates. Competitive rates in turn have helped to generate business investment in Ohio, especially for the business of chemistry, which is energy-intensive. Chemistry is the second largest manufacturing industry in Ohio.

Thank you for your consideration. We once again ask that the draft settlement not be approved and instead the commission continue to focus efforts on promoting competitive energy rates in Ohio.

Sincerely,

A handwritten signature in cursive script that reads "Michele Barney".

Michele Barney
Site Director