

FILE

**ASHLAND.**

**Ashland Performance Materials**

Date: February 29, 2016

1220 S. Metcalf Street  
Lima, OH 45804

Public Utilities Commission of Ohio  
180 E. Broad St.  
Columbus, Ohio 43215

Re: Opposition Comment to PPA Cases 14-1693-EL-RDR, 14-1297-EL-SSO

Dear PUCO:

I am writing you to urge you to reject the negotiated settlements of First Energy and AEP that will enable the utilities to implement costly Power Purchase Agreements (PPA) riders and other cost driving provisions.

Should these riders be approved these utilities will be able to collect costs from all of their customers to subsidize uneconomical generation assets, protecting the utilities from cost risk and guaranteeing their profits and cost recovery over an eight year period.

Based on our future estimates of electricity usage and the calculated impact of the rider, Ashland Lima's electricity costs will rise by over \$250,000 per year for each of the next eight years. As a commodity chemical producer, we compete on a global basis and neither our North American nor overseas competition will be facing such an increase. As a result other cuts in operating expenditures will need to be made in order to maintain the profitability of this facility.

As operating costs increase, the ability of this facility to attract capital for continuing operations and growth will be impacted.

We understand that changes in electricity marketing and the regulatory environment impact our electric utilities. As mentioned above, our business faces similar challenges, and we need to continue to improve our operations to remain competitive, without the assistance of guarantees from our customers to achieve a fixed rate of return on assets.

If approved by the PUCO, these deals will add costs for Ohio consumers and impact innovation, growth and jobs in the state by diverting dollars away from those areas to subsidize the utilities' less efficient assets.

Please consider this request to protect all industry and consumers in the state from this substantial increase in electricity costs.

Sincerely,



Charles Gasperetti, Plant Manager  
Ashland Lima Plant

cc: Governor John Kasich  
State Senator Keith Faber  
State Representative Robert Cupp

PUCO

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