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Hunter, Donielle

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Sent: Wednesday, July 08, 2009 11:09 AM
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Public Utilities Commission of Ohio
Investigation and Audit Division

Memorandum

Date: 7/8/2009

Re: Tom Thoman
259 N Radnor-Chester Rd
Ste 100
Radnor, PA 19087

Docketing Case No.: 08-917-EL-SSO and 08-918-EL-SSO

Notes:

Please docket the attached in the case number above.

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7/8/2009

PUCO

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Tom Thoman
President
Airgas Merchant Gases LLC
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Radnor, PA 19087-5203
(610) 902-6037 Fax: (610) 687-0932
http://www.airgas.com
tom.thoman@airgas.com

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APR 21 2009

Office of Chairman
P.U.C.O.

April 17, 2009

Dr. Alan Schriber, Chairman
Public Utilities Commission of Ohio
180 East Broad Street, 12th Floor
Columbus, Ohio 43215

Dear Chairman Schriber:

I am the President of Airgas Merchant Gases with manufacturing facilities located in both Canton and Dayton, Ohio. We have been following the AEP electric security plan case closely, and even more closely than normal due to the current economic conditions which have hit us (and a lot of other Ohio manufactures) particularly hard.

Recently I saw that the PUCO issued its decision regarding AEP's electric security plan. We noted in the PUCO decision (page 22) that the PUCO concluded that an increase of 15% is too high. We also read in the press release that the PUCO issued on its decision. When we reviewed the decision and read the press release, we anticipated that as an Ohio Power customer we could expect an approximately 8% increase in 2009. An 8% increase would be a big increase for us in normal times, but is an even tougher burden to shoulder under current conditions. After seeing your press release, we made our own calculation of the increase Airgas would see in 2009 and our calculations showed a 15%, not 8% increase! This prompted us to follow up with our electric utility customer representative. He provided us with information that indicates that the 8% increase is nowhere near what our actual increase will be for 2009. Our customer representative informed us that our total electric bill will in fact increase by 15% in 2009. Further, we were told that later in the year there is the potential for increases in one or more trackers that may raise these rates further. There is also considerable uncertainty about whether the incremental increases in 2010 and 2011 will be at an additional 15% or even higher.

The actual rates that became effective April 1, 2009 are not consistent with the PUC decision or press release. I urge you to review the actual rates now in effect for Ohio Power, reconcile those



rate with the PUC decision and press release and correct the effective rate to comply with the 8% total bill cap referenced in the decision and press release. If in fact the PUC intended that customers would have rates increased by 15%, then you need to correct the statement made to the press, citizens and employers in Ohio. Given the impact on our business of the sizeable increase, I hope the Commission's conclusion in the decision that a 15% increase is too high was not just stated for effect. I urge you to make the corrections as quickly as you can and limit the impact this significant increase is having on our business and the businesses of employers throughout Ohio.

Respectfully yours,

Tom Thoman

cc: Commissioner Ronda Hartman Fergus
Commissioner Valerie A. Lemmie
Commissioner Paul A. Centolella
Commissioner Cheryl Roberto
Jade Davis, PUCO Legislative Liaison
Governor Ted Strickland
Mark Shanahan
Senator Bill Harris, Senate President
Senator Chris Widener
Senator Ray Miller
Senator Kirt Schuring
Senator Fred Strahorn
Representative Armond Budish, Speaker of the Ohio House of Representatives
Representative Timothy DeGeeter
Representative Kevin Bacon
Representative Roland Winburn
Representative Stephen Slesnick