

FILE

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May 11, 2011

Todd A. Snitchler, Chairman  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215



Dear Chairman Snitchler,

On behalf of the Eastern Ohio development Alliance (EODA) which serves 16 counties in Eastern Ohio, we are writing in support of American Electric Power (AEP) Ohio's Electric Security Plan (ESP) filing. AEP Ohio's ESP is a comprehensive strategy describing how the company will provide electricity to its customers during the period of FY2012 through May, 2014. The plan proposes limited increases on generation rates for some customers and decreases for others, while encouraging investment in electrical infrastructure and consumer programs within the State of Ohio. This plan introduces a long-term perspective to the state's electricity supply requirements and responds to the short-sighted and volatile electricity markets that currently drive Ohio's electricity pricing. The ESP filing strikes the right balance between safeguarding our customers and stakeholders against market risks and providing for sustained economic development in Ohio.

The ESP also introduces the Ohio Growth Fund, a \$25 million shareholder contribution designed to work in partnership with state and local agencies and private sector leaders to attract new investment and job growth throughout AEP Ohio's service territory. AEP Ohio envisions this fund providing direct support to the new Jobs Ohio program. These funds would provide resources for attracting new businesses and helping AEP Ohio's existing business customer expand. The fund will be created from company contributions in three annual installments. These installments, proposed at \$10 million annually in FY2012 and FY2013, and \$5 million in FY2014, are anticipated to be used for direct support to the Jobs Ohio plan, short term rate incentives (i.e. for startups and expansions), infrastructure investment, and direct support for other public-private partnerships in the state and local economic development arena.

Through the Turning Point Solar project, the ESP requests regulatory recovery of significant new investment that will lead to the creation of hundreds of new manufacturing jobs in Ohio. The AEP Ohio Economic Development Rate Stabilization Plan (RSP) grant program provides financial assistance to new and existing industries for expansion projects that create new jobs, retain existing jobs and generate new investment within the AEP Ohio service territory. These funds are designated to assist with the cost of utility infrastructure.

AEP Ohio's Electric Security Plan provides continued support of programs to assist low-income customers with their electric bills, adds renewable energy sources to the company's generation mix, continues AEP's energy efficiency efforts and gives consumers an option to directly purchase a portion of their electricity from renewable sources. The ESP also proposes a roadmap to support the development of power generation assets in the state. There is a critical need for investment in power generation assets in Ohio. Ohio needs to revise its laws and regulations to establish a long-term commitment that supports and encourages investment in new power generation facilities in the state. AEP is also proposing to continue the Partnership With Ohio (PWO) fund. The PWO is a \$15 million shareholder funded program, established in the previous ESP filing to provide assistance in the areas of health, hunger and housing to Ohio's needy families. The fund targets donations to community agencies that serve low-income AEP Ohio customers whose incomes do not exceed 200 percent of the federal poverty level.

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AEP proudly serves more than 1.5 million customers and more than 1,000 communities in 61 of Ohio's 88 counties. AEP employs more than 6,000 people in the state with over \$669 million in wages. In FY2010, AEP paid \$348 million in Ohio taxes and made capital investments of \$513 million. Together the supply and delivery business segments form the foundation of AEP Ohio's substantial economic impact in the state which is estimated to exceed \$2 billion annually. These activities include payroll taxes associated with thousands of Ohio jobs, purchases of Ohio goods and services, taxes that provide critical funding for Ohio schools, infrastructure and public services, and substantial philanthropic support.

AEP plays a major role in contributing to Ohio's economy. We urge your consideration for approving AEP Ohio's Electric Security Plan filing.

Sincerely,

EASTERN OHIO DEVELOPMENT ALLIANCE



Dale Hileman, Executive Director



Tracy Drake, President