

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

November 28, 2011

2011 NOV 29 PM 4:28

RECEIVED-DOCKETING DIV

PUCO

Re: Case Nos. 11-3549-EL-SSO, 11-3550-EL-ATA, 11-3551-EL-UNC

Dear Chairman Snitchler:

We write to you on behalf of our coalition members who represent surface mining, ready-mixed concrete, asphalt manufacturing, and forestry interests to express our concerns over the Duke rate increase for certain low-load factor DS and DP customers. Taken together, our coalition members represent a significant number of small to medium sized businesses in Ohio that provide materials necessary for building Ohio's future. A great number of our member companies stand to be adversely affected by the rate increase presently before the Commission.

At the outset, we understand that the Commission expects that under the Stipulation, these DS and DP customers that have already "shopped" the electric generation component of their rate will see a slight increase in the distribution component of their overall rate, due in large part to the Load Factor Rider ("LFR"). However, as we stated in our meeting with your staff on November 14, 2011, we believe that the effect to the overall rate will be much higher than expected, especially for those low load-factor customers who are distribution only customers.

These unexpected increases are highlighted by the attached spreadsheet showing the increases that will be experienced by an OAIMA member who is a Duke customer. As you can see on the attached sheets for seven OAIMA plants who have already shopped, the distribution costs will more than double for an increase of 104.1% on average. This increase represents a nearly 5 cent per kWh increase in 2012.

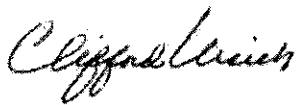
We ask that the Commission make a careful study of the effect that the LFR will have on certain distribution only DS and DP customers. While these customers do not have the highest load factors, they do represent the backbone of Ohio businesses and many, if not all, will be unable to pass the excessive cost increases to their customers.

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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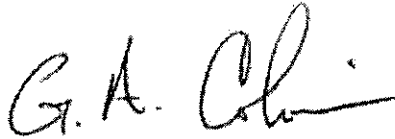
In addition, we stand ready to work with the commission or other interested parties to explore mitigation options for our members.

For future contact, please call Patrick A. Jacomet at 614-428-7954 or at patj@oaima.org . We stand ready to meet with your staff at your earliest convenience.

Respectfully Submitted,



Clifford Ursich
Executive Director
Flexible Pavements of Ohio



Greg Colvin
Executive Director
Ohio Ready Mixed Concrete Association



John Dorka
Executive Director
Ohio Forestry Association



Patrick Jacomet
Executive Director
Ohio Aggregates & Industrial Minerals Association

Estimated potential impact from Duke Stipulation
Load Factor demand charge applied to billed demand

Plant #1 Rate DP	Metered kW	Billed kW	kWh	Distribution Amount	Stipulation Riders Amount	Estimated Distribution Amount	Increase \$/kWh	Increase %	-----Non-bypassable Riders-----			
									LF Charge	LF Credit	ESCC	
Nov-10	748.8	908.4	179,197	\$6,201.16	\$4,424.96	\$10,626.12	\$0.025	71.4%	\$8.00	-\$0.020961	\$0.0051	
Dec-10	686.4	846.6	34,737	\$3,900.49	\$6,221.84	\$10,122.33	\$0.179	159.5%	\$8.00	-\$0.020961	\$0.0051	
Jan-11	273.6	764.0	18,952	\$3,223.87	\$5,811.24	\$9,035.11	\$0.307	180.3%	\$8.00	-\$0.020961	\$0.0051	
Feb-11	672.0	849.2	39,286	\$3,687.26	\$6,170.48	\$9,857.74	\$0.157	167.3%	\$8.00	-\$0.020961	\$0.0051	
Mar-11	686.4	864.5	37,038	\$3,729.23	\$6,328.54	\$10,057.77	\$0.171	169.7%	\$8.00	-\$0.020961	\$0.0051	
Apr-11	696.0	867.7	99,487	\$4,319.19	\$5,363.64	\$9,682.83	\$0.054	124.2%	\$8.00	-\$0.020961	\$0.0051	
May-11	652.8	806.9	54,528	\$3,748.72	\$5,590.33	\$9,339.05	\$0.103	149.1%	\$8.00	-\$0.020961	\$0.0051	
Jun-11	662.4	813.1	50,632	\$3,743.80	\$5,701.73	\$9,445.53	\$0.113	152.3%	\$8.00	-\$0.020961	\$0.0051	
Jul-11	681.6	843.5	115,114	\$4,289.42	\$4,922.18	\$9,211.60	\$0.043	114.8%	\$8.00	-\$0.020961	\$0.0051	
Aug-11	748.8	896.9	122,035	\$4,544.97	\$5,239.60	\$9,784.57	\$0.043	115.3%	\$8.00	-\$0.020961	\$0.0051	
Sep-11	768.0	956.3	123,506	\$4,785.72	\$5,691.47	\$10,477.19	\$0.046	118.9%	\$8.00	-\$0.020961	\$0.0051	
Oct-11	782.4	954.0	159,959	\$5,031.55	\$5,094.89	\$10,126.44	\$0.032	101.3%	\$8.00	-\$0.020961	\$0.0051	
			1,034,471	\$51,205.38	\$66,560.90	\$117,766.28	\$0.064	130.0%				
Plant #2 Rate DS	Nov-10	442.9	526.1	74,558	\$3,754.52	\$3,041.15	\$6,795.67	\$0.041	81.0%	\$8.00	-\$0.020961	\$0.0053
	Dec-10	192.0	58.4	4,146	\$387.72	\$402.19	\$789.91	\$0.097	103.7%	\$8.00	-\$0.020961	\$0.0053
	Jan-11	10.2	25.3	1,799	\$174.97	\$174.47	\$349.44	\$0.097	99.7%	\$8.00	-\$0.020961	\$0.0053
	Feb-11	10.2	25.6	1,817	\$176.35	\$176.26	\$352.61	\$0.097	100.0%	\$8.00	-\$0.020961	\$0.0053
	Mar-11	15.4	41.9	2,972	\$261.36	\$288.34	\$549.70	\$0.097	110.3%	\$8.00	-\$0.020961	\$0.0053
	Apr-11	87.0	42.3	3,004	\$271.30	\$291.43	\$562.73	\$0.097	107.4%	\$8.00	-\$0.020961	\$0.0053
	May-11	194.6	44.6	3,166	\$283.58	\$307.14	\$590.72	\$0.097	108.3%	\$8.00	-\$0.020961	\$0.0053
	Jun-11	476.2	549.1	57,411	\$3,123.71	\$3,493.69	\$6,617.40	\$0.061	111.8%	\$8.00	-\$0.020961	\$0.0053
	Jul-11	445.4	526.3	69,047	\$3,058.21	\$3,129.05	\$6,187.26	\$0.045	102.3%	\$8.00	-\$0.020961	\$0.0053
	Aug-11	430.1	500.9	55,686	\$2,843.07	\$3,135.10	\$5,978.17	\$0.056	110.3%	\$8.00	-\$0.020961	\$0.0053
	Sep-11	432.6	499.8	54,966	\$2,832.75	\$3,137.58	\$5,970.33	\$0.057	110.8%	\$8.00	-\$0.020961	\$0.0053
	Oct-11	419.8	493.8	68,289	\$2,897.08	\$2,880.93	\$5,778.01	\$0.042	99.4%	\$8.00	-\$0.020961	\$0.0053
				396,861	\$20,064.62	\$20,457.32	\$40,521.94	\$0.052	102.0%			

Estimated potential impact from Duke Stipulation
Load Factor demand charge applied to billed demand

Plant #4	Rate DS	Nov-10	10.0	11.0	782	\$117.38	\$75.83	\$193.21	\$0.097	64.6%	\$8.00	-\$0.020961	\$0.0053	-----Non-bypassable Riders-----	
														LF	Credit
Plant #3	Rate DS	Nov-10	593.8	593.8	141,613	\$5,186.61	\$2,532.60	\$7,719.21	\$0.018	48.8%	\$8.00	-\$0.020961	\$0.0053	LF	LF
	Dec-10	549.8	549.8	96,150	\$4,225.73	\$2,892.59	\$7,118.32	\$6,209.21	\$0.030	68.5%	\$8.00	-\$0.020961	\$0.0053		
	Jan-11	126.7	524.3	56,776	\$2,904.14	\$3,305.07	\$6,209.21	\$6,179.54	\$0.058	113.8%	\$8.00	-\$0.020961	\$0.0053		
	Feb-11	129.6	524.3	60,197	\$2,928.05	\$3,251.49	\$6,214.25	\$6,214.25	\$0.054	111.0%	\$8.00	-\$0.020961	\$0.0053		
	Mar-11	129.9	524.3	56,194	\$2,900.06	\$3,314.19	\$6,647.48	\$6,647.48	\$0.059	114.3%	\$8.00	-\$0.020961	\$0.0053		
	Apr-11	567.4	567.4	82,854	\$3,405.86	\$3,241.62	\$6,312.91	\$6,312.91	\$0.039	95.2%	\$8.00	-\$0.020961	\$0.0053		
	May-11	558.9	558.9	111,014	\$3,580.30	\$2,732.61	\$5,750.85	\$5,750.85	\$0.025	76.3%	\$8.00	-\$0.020961	\$0.0053		
	Jun-11	513.6	524.3	125,865	\$3,527.78	\$2,223.07	\$6,528.16	\$6,528.16	\$0.018	63.0%	\$8.00	-\$0.020961	\$0.0053		
	Jul-11	619.8	619.8	167,681	\$4,195.81	\$2,332.35	\$6,562.32	\$6,562.32	\$0.014	55.6%	\$8.00	-\$0.020961	\$0.0053		
	Aug-11	624.6	624.6	170,824	\$4,240.79	\$2,321.53	\$5,724.45	\$5,724.45	\$0.014	54.7%	\$8.00	-\$0.020961	\$0.0053		
	Sep-11	508.5	530.9	129,214	\$3,500.79	\$2,223.66	\$6,020.96	\$6,020.96	\$0.017	63.5%	\$8.00	-\$0.020961	\$0.0053		
	Oct-11	537.3	540.8	109,616	\$3,411.26	\$2,609.70	\$7,987.66	\$7,987.66	\$0.024	76.5%	\$8.00	-\$0.020961	\$0.0053		
				1,307,998	\$44,007.18	\$32,980.48	\$193.21	\$593.80	\$0.025	74.9%	\$8.00	-\$0.020961	\$0.0053		
	Nov-10	10.0	11.0	782	\$117.38	\$75.83	\$193.21	\$0.097	\$0.097	64.6%	\$8.00	-\$0.020961	\$0.0053		
	Dec-10	8.4	39.9	2,832	\$319.03	\$274.77	\$593.80	\$593.80	\$0.097	86.1%	\$8.00	-\$0.020961	\$0.0053		
	Jan-11	16.1	44.8	3,181	\$354.59	\$308.66	\$663.25	\$663.25	\$0.097	87.0%	\$8.00	-\$0.020961	\$0.0053		
	Feb-11	7.7	30.0	2,129	\$219.47	\$206.58	\$426.05	\$426.05	\$0.097	94.1%	\$8.00	-\$0.020961	\$0.0053		
	Mar-11	10.0	36.0	2,559	\$255.09	\$248.24	\$503.33	\$503.33	\$0.097	97.3%	\$8.00	-\$0.020961	\$0.0053		
	Apr-11	327.9	191.3	13,582	\$1,219.71	\$1,317.69	\$2,537.40	\$2,537.40	\$0.097	108.0%	\$8.00	-\$0.020961	\$0.0053		
	May-11	458.5	458.5	41,580	\$2,936.01	\$3,016.82	\$5,952.83	\$5,952.83	\$0.073	102.8%	\$8.00	-\$0.020961	\$0.0053		
	Jun-11	461.6	461.6	50,335	\$3,034.01	\$2,904.50	\$5,938.51	\$5,938.51	\$0.058	95.7%	\$8.00	-\$0.020961	\$0.0053		
	Jul-11	461.6	461.6	50,267	\$3,008.90	\$2,905.57	\$5,914.47	\$5,914.47	\$0.058	96.6%	\$8.00	-\$0.020961	\$0.0053		
	Aug-11	479.2	479.2	46,381	\$3,071.46	\$3,107.23	\$6,178.69	\$6,178.69	\$0.067	101.2%	\$8.00	-\$0.020961	\$0.0053		
	Sep-11	506.9	506.9	50,233	\$3,256.13	\$3,268.50	\$6,524.63	\$6,524.63	\$0.065	100.4%	\$8.00	-\$0.020961	\$0.0053		
	Oct-11	448.0	448.0	66,004	\$3,020.81	\$2,550.31	\$5,571.12	\$5,571.12	\$0.039	84.4%	\$8.00	-\$0.020961	\$0.0053		
				329,865	\$20,812.59	\$20,184.70	\$40,997.29	\$40,997.29	\$0.061	97.0%	\$8.00	-\$0.020961	\$0.0053		

Estimated potential impact from Duke Stipulation
Load Factor demand charge applied to billed demand

Plant #6 Rate DS	Metered kW	Billed kW	kWh	Distribution		Stipulation		Estimated		Increase \$/kWh	Increase %	-----Non-bypassable Riders-----		
				Amount	Amount	Riders Amount	Distribution Amount	Charge	Credit			ESCC		
Nov-10	466.8	360.0	25,560	\$2,162.85	\$2,479.70	\$4,642.55	\$0.097	\$0.097	114.6%	\$8.00	-\$0.020961	\$0.0053		
Dec-10	28.8	91.3	6,480	\$519.28	\$628.60	\$1,147.88	\$0.097	\$0.097	121.1%	\$8.00	-\$0.020961	\$0.0053		
Jan-11	14.4	79.4	5,640	\$457.55	\$547.19	\$1,004.74	\$0.097	\$0.097	119.6%	\$8.00	-\$0.020961	\$0.0053		
Feb-11	14.4	57.5	4,080	\$342.83	\$395.78	\$738.61	\$0.097	\$0.097	115.4%	\$8.00	-\$0.020961	\$0.0053		
Mar-11	15.6	50.7	3,600	\$316.42	\$349.22	\$665.64	\$0.097	\$0.097	110.4%	\$8.00	-\$0.020961	\$0.0053		
Apr-11	351.6	184.2	13,080	\$1,034.43	\$1,268.99	\$2,303.42	\$0.097	\$0.097	122.7%	\$8.00	-\$0.020961	\$0.0053		
May-11	439.2	439.2	33,360	\$2,412.97	\$2,991.15	\$5,404.12	\$0.090	\$0.090	124.0%	\$8.00	-\$0.020961	\$0.0053		
Jun-11	438.0	438.0	57,000	\$2,550.66	\$2,611.32	\$5,161.98	\$0.046	\$0.046	102.4%	\$8.00	-\$0.020961	\$0.0053		
Jul-11	415.2	415.2	37,920	\$2,307.99	\$2,727.73	\$5,035.72	\$0.072	\$0.072	118.2%	\$8.00	-\$0.020961	\$0.0053		
Aug-11	414.0	414.0	38,160	\$2,303.91	\$2,714.38	\$5,018.29	\$0.071	\$0.071	117.8%	\$8.00	-\$0.020961	\$0.0053		
Sep-11	427.2	427.2	39,000	\$2,373.09	\$2,806.82	\$5,179.91	\$0.072	\$0.072	118.3%	\$8.00	-\$0.020961	\$0.0053		
Oct-11	460.8	460.8	62,760	\$2,700.29	\$2,703.52	\$5,403.81	\$0.043	\$0.043	100.1%	\$8.00	-\$0.020961	\$0.0053		
			326,640	\$19,482.27	\$22,224.41	\$41,706.68	\$0.068	\$0.068	114.1%					
Nov-10	329.6	329.6	45,321	\$2,347.82	\$1,927.03	\$4,274.85	\$0.043	\$0.043	82.1%	\$8.00	-\$0.020961	\$0.0053		
Dec-10	297.6	297.6	43,171	\$2,163.34	\$1,704.70	\$3,868.04	\$0.039	\$0.039	78.8%	\$8.00	-\$0.020961	\$0.0053		
Jan-11	236.2	271.5	29,120	\$1,526.60	\$1,715.87	\$3,242.47	\$0.059	\$0.059	112.4%	\$8.00	-\$0.020961	\$0.0053		
Feb-11	324.5	324.5	31,387	\$1,790.78	\$2,104.45	\$3,895.23	\$0.067	\$0.067	117.5%	\$8.00	-\$0.020961	\$0.0053		
Mar-11	313.0	75.5	5,358	\$436.79	\$519.77	\$956.56	\$0.097	\$0.097	119.0%	\$8.00	-\$0.020961	\$0.0053		
Apr-11														
May-11	315.5	138.0	9,798	\$785.89	\$950.63	\$1,736.52	\$0.097	\$0.097	121.0%	\$8.00	-\$0.020961	\$0.0053		
Jun-11	320.6	333.4	50,398	\$2,035.88	\$1,877.92	\$3,913.80	\$0.037	\$0.037	92.2%	\$8.00	-\$0.020961	\$0.0053		
Jul-11	337.9	350.9	52,584	\$2,102.16	\$1,983.68	\$4,085.84	\$0.038	\$0.038	94.4%	\$8.00	-\$0.020961	\$0.0053		
Aug-11	325.1	343.4	56,044	\$2,090.37	\$1,869.49	\$3,959.86	\$0.033	\$0.033	89.4%	\$8.00	-\$0.020961	\$0.0053		
Sep-11	403.2	403.2	65,268	\$2,441.57	\$2,203.44	\$4,645.01	\$0.034	\$0.034	90.2%	\$8.00	-\$0.020961	\$0.0053		
Oct-11	369.3	369.9	64,556	\$2,276.93	\$1,948.19	\$4,225.12	\$0.030	\$0.030	85.6%	\$8.00	-\$0.020961	\$0.0053		
			453,005	\$19,998.13	\$18,805.17	\$38,803.30	\$0.042	\$0.042	94.0%					

Estimated potential impact from Duke Stipulation
Load Factor demand charge applied to billed demand

	Metered		kWh	Distribution Amount	Stipulation		Estimated		Increase \$/kWh	Increase %	-----Non-bypassable Riders-----	
	kW	kW			Riders Amount	Distribution Amount	LF Charge	LF Credit			ESCC	
Plant #7												
Nov-10	384.0	384.0	37,593	\$2,474.17	\$2,483.26	\$4,957.43	\$0.066	100.4%	\$8.00	-\$0.020961	\$0.0053	
Dec-10	396.5	344.8	24,481	\$2,073.69	\$2,375.00	\$4,448.69	\$0.097	114.5%	\$8.00	-\$0.020961	\$0.0053	
Jan-11	6.7	18.6	2,226	\$139.84	\$114.26	\$254.10	\$0.051	81.7%	\$8.00	-\$0.020961	\$0.0053	
Feb-11	49.9	49.9	3,539	\$303.09	\$343.38	\$646.47	\$0.097	113.3%	\$8.00	-\$0.020961	\$0.0053	
Mar-11	55.7	29.9	2,122	\$198.88	\$205.89	\$404.77	\$0.097	103.5%	\$8.00	-\$0.020961	\$0.0053	
Apr-11	447.4	209.1	14,844	\$1,167.99	\$1,440.09	\$2,608.08	\$0.097	123.3%	\$8.00	-\$0.020961	\$0.0053	
May-11	423.4	409.3	29,059	\$2,236.65	\$2,819.15	\$5,055.80	\$0.097	126.0%	\$8.00	-\$0.020961	\$0.0053	
Jun-11	371.5	371.5	31,826	\$2,080.21	\$2,473.57	\$4,553.78	\$0.078	118.9%	\$8.00	-\$0.020961	\$0.0053	
Jul-11	354.2	354.2	26,800	\$1,942.83	\$2,413.89	\$4,356.72	\$0.090	124.2%	\$8.00	-\$0.020961	\$0.0053	
Aug-11	415.7	415.7	58,458	\$2,462.34	\$2,410.09	\$4,872.43	\$0.041	97.9%	\$8.00	-\$0.020961	\$0.0053	
Sep-11	398.4	398.4	48,529	\$2,308.64	\$2,427.19	\$4,735.83	\$0.050	105.1%	\$8.00	-\$0.020961	\$0.0053	
Oct-11	448.3	448.3	53,165	\$2,578.62	\$2,753.78	\$5,332.40	\$0.052	106.8%	\$8.00	-\$0.020961	\$0.0053	
			332,642	\$19,966.95	\$22,259.53	\$42,226.48	\$0.067	111.5%				
TOTAL (Plants #1 thru #7):		4,181,482		\$195,537.12	\$203,472.52	\$399,009.64	\$0.049	104.1%				