

11-346-EL-SSO

MARK R. GRINDLEY

VICE-PRESIDENT
OPERATIONS
PLASKOLITE INCORPORATED

November 4, 2011

The Honorable Todd Snitchler
180 East Broad Street, 12th Floor
Columbus, Ohio 43215

Dear Chairman Snitchler:

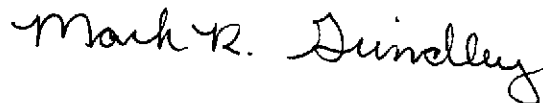
This letter is regarding the AEP Ohio agreement with a wide range of stakeholders on its Electric Security Plan, Capacity and Merger cases that are before the Commission. While we remain concerned with aspects of this agreement, we believe it provides the best opportunity to affect a smooth transition to a market-based pricing model for customers of all sizes, while encouraging economic development in the state of Ohio.

The agreement appropriately addresses important rate design issues, such as the Load Factor Provision and the Interruptible Credit. These two features are especially important for energy-intensive industries for which the cost of electricity impacts competitiveness. Retaining these provisions will go a long way toward making Ohio more attractive when decisions are made regarding strategic investment and creation or retention of high-paying manufacturing jobs. The agreement also eliminates several non-bypassable non-fuel generation related charges, thus providing customers with greater rate certainty and the ability to avoid potential rate increases. During this transition, AEP Ohio has agreed to provide increasing quantities of its generation to marketers at deeply discounted rates to aid in the development of a robust competitive market.

This stipulation was signed by more than 20 organizations representing a broad range of residential/commercial/industrial customers, retail electricity suppliers, environmental groups, communities and other key stakeholders – it speaks volumes as to the balance and fairness it embodies. The settlement is also far better in the aggregate than the Market Rate Option (MRO).

We hereby request the Commission to enter this letter into the docket in case #11-0346-EL-SSO, and respectfully request the Commission's approval of the stipulation, as filed, as soon as possible.

Sincerely,



Mark R. Grindley

MRG/jmc

CC: Governor John Kasich
Commissioner Steven Lesser
Commissioner Andre Porter
Commissioner Paul Centolella
Commissioner Cheryl Roberto

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