

Ohio Municipal League

Our Cities and Villages ★ Bringing Ohio to Life

December 8, 2011

Public Utilities Commission of Ohio
Docketing Division, RE: Case No. 11-346-EL-SSO.
180 E. Broad Street, 13th Floor
Columbus, Ohio 43215-3793.

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PUCO

Dear Commissioners:

On behalf of the Ohio Municipal League (OML), I'm writing to express our opposition to the proposed settlement agreement in the AEP Ohio's Electric Security Plan (ESP) case, and why we believe that aspects of the settlement could negatively impact a number of communities we represent across the state.

Founded in 1952, the OML represents the collective interests of Ohio's cities and villages before the Ohio General Assembly and the state's administrative offices. As part of that mission, we are aware that certain provisions in the AEP Ohio ESP settlement could prevent communities in its service territory from benefitting from electric aggregation programs that were recently approved through Election Day ballot measures.

Since 2001, hundreds of communities throughout the state have reduced their energy costs through governmental aggregation programs. In fact, Ohio's two largest aggregators have collectively saved more than \$100 million by combining their residents and businesses into a single, large buying group. Based on this success, more than 100 communities across the state passed ballot measures just last month approving governmental aggregation.

But if the settlement agreement is approved as is, these benefits will be unattainable for the new aggregation communities currently served by AEP Ohio. It would permit AEP Ohio to limit the number of customers who can leave the utility by establishing "caps" that limit how many customers can shop with a competitive supplier each year through 2014. However, the caps are incremental, and the 2012 cap allotment is already expected to be met before the end of this year.

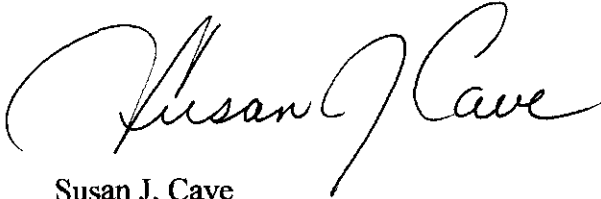
The timing and design of these caps will effectively deny new aggregation communities from receiving any savings benefits. Under state law, there are a number of steps that must occur – including a lengthy opt-out process – before customers can begin reaping the benefits of a governmental aggregation program. By the time that process is complete, we're quite certain that this cap allotment will be exceeded and there will be no savings left for these communities, many of whose citizens are struggling under our current economic climate.

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This is bad for Ohio's economy, and runs counter to Ohio state law that tasks the PUCO with effectively promoting and cultivating such programs. In light of state laws, as well as the overwhelming support for aggregation displayed on Election Day, we ask that the Commission uphold these programs by rejecting the anti-aggregation provisions in the AEP Ohio settlement agreement.

Please docket this letter in AEP Ohio's ESP case number 11-346-EL-SSO.

Sincerely,

A handwritten signature in black ink, reading "Susan J. Cave". The signature is fluid and cursive, with the first name "Susan" and last name "Cave" clearly legible.

Susan J. Cave
Executive Director