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**Hunter, Donielle**

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**Sent:** Thursday, June 28, 2012 1:48 PM  
**To:** Docketing  
**Subject:** Docketing  
**Attachments:** CGRO062812EX 4665651.pdf

Public Utilities Commission of Ohio  
Investigation and Audit Division

Memorandum

Date: 6/28/2012

Re: Cheryl Grossman  
77 S High St

Columbus, OH 43215

RECEIVED-DOCKETING DIV  
2012 JUN 28 PM 2:42  
PUCO

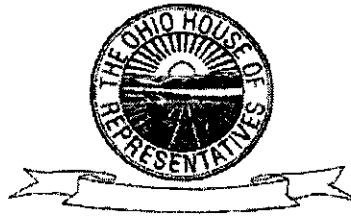
Docketing Case No.:

10-2929-EL-UNC & 11-346-EL-SSO

Notes:

Please docket the attached in the case number above.

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**Representative Cheryl L. Grossman  
Assistant Majority Whip**

June 13, 2012

The Honorable Todd A. Snitchler  
Public Utilities Commission of Ohio  
180 East Broad Street  
12<sup>th</sup> Floor  
Columbus, Ohio 43215

Dear Chairman Snitchler,

As you know, AEP is engaged in a rate case that has been marked with considerable controversy. Achieving a reasonable outcome in both the capacity case and the modified Electric Security Plan case is absolutely critical to AEP's continued strength, and ability to provide abundant, reasonably priced, and dependable power to customers. It is also critical to the continued strength of their headquarters operation and the more than 6,000 employees in central Ohio.

I concur with the PUCO's request that Ohio move to full competitive market pricing of electric power. But this is not a conversion that can be made overnight. To do it will require a transition period which will allow AEP to divest themselves of their electric generation and unwind contracts that are required under their current business model. While this could take up to three years to accomplish, it is critical to AEP's ability to be a strong competitor in a new world of unrestricted competition.

Failing to receive a reasonable transition period with reasonable pricing for capacity they have dedicated to their customers would severely, and unfairly, weaken AEP and cause it to lose much of its client base. This would create an unbalanced and uncompetitive future marketplace for electric power, which would be bad for Ohio consumers and decidedly negative for Central Ohio.

AEP seeks nothing that has not already been granted to their principal competitor, FirstEnergy of Akron. In fact, in terms of costs and time to get to market, AEP is asking for much less. FirstEnergy's transition has positioned them to compete vigorously, which is exactly what AEP is seeking.

For decades, AEP has provided the lowest of previous commissions, AEP was asked to retain its historic business model in order to benefit Ohioans with these low rates.

**Committees:**

Finance and Appropriations  
-Finance Subcommittee: Transportation  
Rules and Reference  
State Government and Elections  
-Subcommittee on Redistricting

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**Contact Information:**

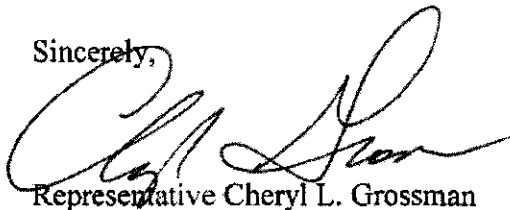
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Now, AEP is requesting a fair measure of protection while it complies with this commission's request to transition to competitive pricing.

Without a fair transition the company will arrive at full competition severely weakened. This outcome would be bad for consumers, bad for AEP, and certainly bad for central Ohio. It should be apparent that for competition to achieve its goal of assuring lowest prices, then there must be strong competitors.

I want to reiterate, I welcome full competition. And I want to underscore in the strongest of terms: it cannot happen overnight. This is not only an issue of fairness, but it is essential for every consumer and for the economic vitality of Central Ohio.

Sincerely,



Representative Cheryl L. Grossman  
Assistant Majority Whip  
23<sup>rd</sup> House District  
Ohio House of Representatives

CC: The Honorable Commissioner Lynn Slaby  
The Honorable Commissioner Andrew T. Porter  
The Honorable Commissioner Steve D. Lesser  
The Honorable Commissioner Cheryl L. Roverta

**Committees:**

Finance and Appropriations  
-Finance Subcommittee: Transportation  
Rules and Reference  
State Government and Elections

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