

FILE

Hunter, Donielle

From: Charles Valenches <charles.valenches@tpiefficiency.com>
 Sent: Tuesday, January 26, 2016 10:59 AM
 To: Puc0 Docketing
 Subject: In reference to FE: 14-1297 and AEP: 14-1693

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 PUCO

PUCO,

I am writing in reference to the First Energy AEP bailout being considered by PUCO. As an efficiency consultant who spends long hours trying to find ways for manufacturers and other Northeast Ohio businesses to lower their operating expenses in electricity and natural gas, thus allowing Ohio businesses a better chance at survival and growth, I am vehemently opposed to an action by the utilities to increase costs for no other reason than their old power plants don't work all that well.

- Electric customers will pay a generation surcharge with no new benefits and will absorb all the risk of higher rates while the utilities are guaranteed a 10.38% ROE and full cost recovery of the affected inefficient power plants
- Even consumers who negotiate for electricity from providers other than FirstEnergy or AEP must pay the higher non-bypassable rates—essentially paying twice for generation service
- The PPAs are inconsistent with Ohio's transition to a competitive electricity market and will stifle innovation and more competitive electric rates
- Ohio will suffer from the resulting disincentive to invest in new generation that will drive prices upward and undermine economic development and job creation
- Finally, the utilities have organized a "redistributive coalition" (as the OMA testimony states) that is merely a façade of broad support for the PPAs and that represents neither the interests of most Ohio manufacturers nor the members of WIRE-Net

Ohio is on its way to becoming an efficient state in regards to energy, not just energy consumption, but also in how Ohio businesses conduct energy business. This would be a step backwards.

Best regards,

Chuck Valenches

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Hunter, Donielle

From: Ryan Arth <ryan@shorelineproducts.com>
Sent: Tuesday, January 26, 2016 10:36 AM
To: Puc0 Docketing
Subject: FE: 14-1297 and AEP: 14-1693

Good Morning,

For my business and my personal residence, I oppose these measures. I believe they are in direct conflict with our free market system and inhibit innovation.

I am writing to urge you to act to prevent the Public Utilities Commission of Ohio from approving the negotiated settlements of FirstEnergy and AEP (and a small group of others who have negotiated certain benefits) that will enable the utilities to implement costly Power Purchase Agreement (PPA) riders and other cost-driving provisions.

Should the PUCO approve the deals, both utilities will be able to collect costs (via non-bypassable PPA riders) from all of their customers to subsidize their uneconomical generation assets, thus protecting the utilities from cost risk and guaranteeing their profits and cost recovery. And put it all on the backs of their customers for an eight-year term.

Ohio's Consumers' Counsel has estimated that the FirstEnergy settlement could cost consumers \$3.9 billion over the eight-year duration of the PPA, and the AEP settlement could cost consumers \$2 billion.

The PUCO is expected to act in early 2016.

If approved by the full PUCO, these deals will put an unnecessary and anti-competitive layer of costs on consumers with no commensurate benefits, constrain competition, and dampen technological innovation in Ohio. In addition, both settlements contain other provisions that will increase costs to consumers.

The markets for electricity in Ohio are working to the benefit of consumers. These deals are a massive setback to the consumer-friendly efficiency of those markets.

Please protect Ohio manufacturers and all consumers in FirstEnergy and AEP territories, the lion's share of the state in terms of utilities, from this substantial bailout/giveaway.

Regards,

Ryan C. Arth

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