

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbus)	
Southern Power Company and Ohio Power)	Case No. 10-1072-EL-RDR
Company to Adjust Their Economic)	
Development Cost Recovery Rider Rates.)	

MOTION TO INTERVENE OF INDUSTRIAL ENERGY USERS-OHIO


Industrial Energy Users-Ohio ("IEU-Ohio") hereby respectfully moves the Public Utilities Commission of Ohio ("Commission"), pursuant to Section 4903.221, Revised Code, and Rule 4901-1-11, Ohio Administrative Code ("O.A.C."), for leave to intervene in the above-captioned matter with the full powers and rights granted by the Commission, specifically by statute or by the provisions of the O.A.C., to intervening parties.

On August 4, 2010, Columbus Southern Power Company and Ohio Power Company (individually "CSP" and "OP", respectively, and collectively "Companies" or "AEP-Ohio") filed an Application to update each OP's and CSP's respective economic development cost recovery rider ("EDR").

As demonstrated further in the Memorandum in Support attached hereto and incorporated herein, IEU-Ohio has a direct, real, and substantial interest in the issues and matters involved in the above-captioned proceeding, and is so situated that the disposition of this proceeding may, as a practical matter, impair or impede its ability to protect that interest. IEU-Ohio believes that its participation will not unduly prolong or delay these proceedings and that it will significantly contribute to the full development and equitable resolution of the factual and other issues in this proceeding. The interests

of IEU-Ohio will not be adequately represented by other parties to the proceedings and, as such, IEU-Ohio is entitled to intervene with the full powers and rights granted by the Commission, specifically by statute and by the provisions of the O.A.C. to intervening parties.

Respectfully submitted,



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MEMORANDUM IN SUPPORT AND COMMENTS

A. MEMORANDUM IN SUPPORT OF MOTION TO INTERVENE

In support of this Motion to Intervene, IEU-Ohio states that it is an association of ultimate customers. A current listing of IEU-Ohio member companies is available on IEU-Ohio's website at http://www.ieu-ohio.org/member_list.aspx. IEU-Ohio's members purchase electricity from AEP-Ohio, which is a public utility subject to the jurisdiction of the Commission.

IEU-Ohio's members work together to address matters that affect the availability and price of utility services. Additionally, IEU-Ohio seeks to promote customer-driven policies that will assure an adequate, reliable, and efficient supply of energy for all consumers at competitive prices. To this end, IEU-Ohio has worked, and will continue to work, to produce legislative, regulatory, and market outcomes that are consistent with the state policy contained in Section 4928.02, Revised Code. IEU-Ohio members have been, and continue to be, active participants in state and federal regulatory proceedings concerning Ohio's electric utilities, including AEP-Ohio's electric security plan ("ESP") case and rider update proceedings.

Several of IEU-Ohio's member companies are served by AEP-Ohio and may be affected by AEP-Ohio's proposed EDR adjustments. IEU-Ohio has a real and

substantial interest inasmuch as these proceedings may directly or indirectly impact the provision of electric service to IEU-Ohio members' manufacturing facilities. Specifically, IEU-Ohio's direct interest in these proceedings is the result of the effect that these proceedings shall have upon the price, adequacy, and reliability of the electric supply and related services within Ohio, including the areas presently served by AEP-Ohio.

For the aforementioned reasons, IEU-Ohio has a direct, real, and substantial interest in the issues and matters involved in the above-captioned proceeding that will only be protected by its participation in this proceeding. Therefore, IEU-Ohio hereby requests that the Commission grant its intervention with the full powers and rights granted by the Commission, specifically by statute and by the provisions of the O.A.C., to intervening parties.

B. COMMENTS

IEU-Ohio has repeatedly demonstrated in proceedings stemming from AEP-Ohio's ESP case that the Commission lost jurisdiction over AEP-Ohio's ESP case, as well as all subsequent proceedings stemming from the ESP proceeding, when it failed to issue an Order within the 150-day time period required by Section 4928.143, Revised Code.¹ IEU-Ohio also demonstrated in these cases that the Commission

¹ See *In the Matter of the Fuel Adjustment Clauses of Columbus Southern Power Company and Ohio Power Company*, Case Nos. 09-872-EL-FAC, et al., Application for Rehearing and Memorandum in Support of Industrial Energy Users-Ohio (February 5, 2010); *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider, Pursuant to Rule 4901:1-38-08(A)(5), Ohio Administrative Code*, Case No. 10-154-EL-RDR, Application for Rehearing (April 23, 2010); *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Establish Environmental Carrying Cost Riders*, Case No. 10-155-EL-RDR, Motion to Intervene and Memorandum in Support and Comments of Industrial Energy Users-Ohio (March 26, 2010); *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Update Their Enhanced Service Reliability Riders*, Case No. 10-163-EL-RDR, Motion to Intervene and Memorandum in Support and Comments of Industrial Energy Users-Ohio (March 26, 2010); *In the Matter of the Application of Columbus Southern Power Company to Update its gridSMART Rider*, Case No. 10-164-EL-RDR, Motion to Intervene and Memorandum in Support and Comments of Industrial Energy Users-Ohio (March 26, 2010); *In the Matter of the Application of*

cannot permit AEP-Ohio to take the benefits of the higher rates contained in its ESP, including the EDR, while AEP-Ohio simultaneously challenges the ESP Orders as well as reserves the right to withdraw and terminate its ESP.² Further, and specifically in AEP-Ohio's EDR cases, IEU-Ohio also showed that the Commission's Orders continuing to exempt the EDR from the maximum rate increase percentages in AEP-Ohio's approved ESP as well as the Commission's Orders permitting AEP-Ohio to utilize a weighted average carrying cost of long-term debt rate without any evaluation of possible lower cost alternatives are illegal and unreasonable.³

However, IEU-Ohio recognizes that the Commission has rejected these arguments in previous AEP-Ohio cases, including EDR cases.⁴ Therefore, IEU-Ohio hereby incorporates by reference its previous pleadings (as delineated in footnotes 1 and 3) regarding these issues for the purposes of once again asserting these arguments and for purposes of preserving any rights the Ohio Revised Code or the O.A.C. affords IEU-Ohio related to the Commission's Orders in this proceeding.

Columbus Southern Power Company and Ohio Power Company to Update Each Company's Transmission Cost Recovery Rider, Case No. 10-477-EL-RDR, Motion to Intervene, Memorandum in Support, and Comments of Industrial Energy Users-Ohio (May 21, 2010).

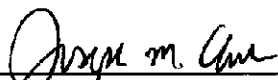
² *Id.*

³ *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider Pursuant to Rule 4901:1-38-08(A)(5), Ohio Administrative Code*, Case No. 10-154-EL-RDR, Application for Rehearing (April 23, 2010); *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider Rates*, Case Nos. 09-1095-EL-UNC, et al., Application for Rehearing (February 5, 2010).

⁴ *See, for example, In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider Pursuant to Rule 4901:1-38-08(A)(5), Ohio Administrative Code*, Case No. 10-154-EL-RDR, Finding and Order (March 24, 2010); *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider Pursuant to Rule 4901:1-38-08(A)(5), Ohio Administrative Code*, Case No. 10-154-EL-RDR, Entry on Rehearing (May 19, 2010); *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Adjust Their Economic Development Cost Recovery Rider Rates*, Case Nos. 09-1095-EL-UNC, et al., Entry on Rehearing (March 24, 2010).

Finally, IEU-Ohio asks the Commission to follow its precedent and adopt an EDR rate that provides a credit for the provider of last resort ("POLR") charges associated with service to Ormet Primary Aluminum Corporation ("Ormet") and Eramet Marietta, Inc. ("Eramet"). The Commission's previous Orders requiring the POLR offset are both lawful and reasonable and should be continued in this proceeding.

Respectfully submitted,



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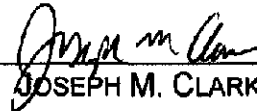
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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Motion to Intervene and Memorandum in Support of Industrial Energy Users-Ohio* was served upon the following parties of record this 19th day of August, 2010, via first class mail, postage prepaid.


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