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MIKE DeWINE

— ★ OHIO ATTORNEY GENERAL ★ —

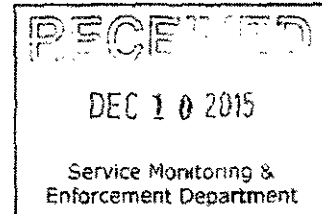
Constituent Services
Office 1-800-282-0515

30 E. Broad Street, 14th
Columbus, Ohio 43215
www.OhioAttorneyGeneral.gov

December 3, 2015

Ronald Allenby
153 Burnt Mill Rd.
Wheeling, WV 26003

13-2206-EL-CSS



Dear Ronald:

Thank you for contacting the Ohio Attorney General's Office.

The Consumer Protection Section has reviewed your complaint. Under the Consumer Sales Practices Act, our office performs informal dispute resolution for complaints that involve a consumer transaction, which is a product or service purchased primarily for personal, family, or household use. After careful review of the information you provided, your complaint does not fall within purview of the Consumer Sales Practices Act; therefore, our office is unable to perform informal dispute resolution. It appears the agency listed below is better suited to offer you assistance. We will forward your complaint to their office. Future inquiries regarding your complaint should be directed to the contact information provided below:

Public Utilities Commission of Ohio
180 E. Broad St
Columbus, OH 43215
800-686-7826
www.puco.ohio.gov

Again, thank you for contacting our office. If we can ever be of assistance to you in the future, please feel free to contact us.

Very respectfully yours,

T. McDaniel
Constituent Liaison
Constituent Services
Ohio Attorney General's Office

cc: Public Utilities Commission of Ohio

RECEIVED-BOOKETING DE.
2015 DEC 15 PM 1:28
PUCO

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Technician SM Date Processed DEC 15 2015



MIKE DEWINE

★ OHIO ATTORNEY GENERAL ★

Complaint Detail

Complaint No. 854253

Consumer:

Ronald Allenby

153 BURNT MILL RD

WHEELING, WV 26003-1769

(304)907-0222 ext. daytime

Date Entered: 11/24/2015

Supplier:

American Electric Power/AEP

1 RIVERSIDE PLZ

ATTN: Sherry Hill

COLUMBUS, OH 43215-2352

(614)883-6980 ext. daytime

(877)906-7680 ext. daytime

(855)883-3920 ext. fax

Email: bbudman3030@yahoo.com

Utilities/Phone/Internet/TV/Non Public Electricity

Solicited Via: Word of Mouth

Purchase Information:

Problem Area: Billing Issues

Purchase Date:

Total Price: \$1.00

Disputed Amount: \$1.00

Amount Paid So Far: \$0.00

Description:

HANNIBAL - More than two years after the Ormet aluminum smelter went cold along the Ohio River in Monroe County, American Electric Power customers as far away as the Indiana border will see their electric bills jump because the bankrupt company cannot pay the \$5 million it owes to AEP.

The Public Utilities Commission of Ohio ruled this week AEP is entitled to recover the \$5 million from its 1.5 million customers across the Buckeye State, many of whom live hundreds of miles away from the plant that struggled financially for much of its last decade in operation.

Opening in 1956, Ormet employed nearly 1,000 people as recently as 2012. Several years ago, Ormet and AEP entered a "unique arrangement" as a way to reduce the Hannibal plant's electricity costs amid a depressed aluminum market.

Ratepayers across Ohio saw small increases in their monthly bills to enact this deal. PUCO officials said they approved \$346 million in financial support for Ormet from 2009-2013.

"The intent of the 'unique arrangement' was to keep Ormet in business as long as possible," AEP spokeswoman Terri Flora said of the aluminum factory that once served as AEP's largest customer.

Over the last two years, officials representing Ormet, the Ohio Consumers' Counsel, AEP and the commission have litigated how much AEP will recover in bills that Ormet could not pay. Flora said AEP agreed to forgo about \$7.2 million worth of debt from Ormet, but the PUCO determined AEP is entitled to receive the \$5 million.

As a result, all 1.5 million AEP customers will see their bills increase by about \$1 per month for a year to retire the debt.

"We provide service to at least portions of 61 of the 88 counties in Ohio," Flora said.

Flora added that once AEP recovers this \$5 million, she does not believe ratepayers will need to help repay any additional Ormet debt.

Ormet filed for bankruptcy in February 2013, and from then until October of that year, Ormet pleaded with AEP and PUCO to grant additional electricity rate relief. Minnesota-based Wayzata Investment Partners had agreed to purchase the factory for \$221 million in an effort to keep it in operation, but would only do so if the PUCO reduced Ormet's electric bills.

Two days after the PUCO announced it would cut Ormet's AEP bills from \$60 to \$50 per megawatt-hour - rather than down to \$45.89 per megawatt-hour as Ormet requested - in October 2013, Ormet closed its doors for good.

Today, the 122-acre site that once housed the rolling mill is known as the Hannibal Industrial Park, owned by Hannibal Real Estate LLC since the company purchased it from Ormet in 2007. The smelter site is now known as "Hannibal Development Partners" under the ownership of Niagara Worldwide.

Satisfactory Solution:

they absorb the loss, they caused it

Complaint No. 854253