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SONNENSCHN NATH & ROSENTHAL LLP

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2009 AUG 24 AM 10: 03

PUCO

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August 21, 2009

VIA FEDERAL EXPRESS

Public Utilities Commission of Ohio  
Docketing Division  
180 East Broad Street  
Columbus, Ohio 43215-3793

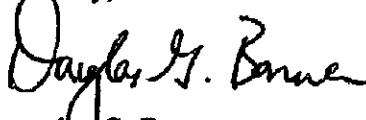
Re: *In the Matter of the Application of Ormet Primary Aluminum Corporation for  
Approval of a Unique Arrangement, et al.*, PUCO Case No. 09-119-EL-AEC

Dear Sir or Madam:

Enclosed please find an original and seven (7) copies of Ormet Primary Aluminum Corporation's Memorandum Contra To The Applications For Rehearing Of AEP Ohio And IEU in Case No. 09-119-EL-AEC. Also enclosed are two extra copies to be date-stamped and returned to me in the enclosed, self-addressed Federal Express envelope.

Thank you for your assistance in this matter. If you have any questions please contact me at the number above.

Sincerely,

  
Douglas G. Bonner

Enclosures

This is to certify that the images appearing are an  
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**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

RECEIVED-DOCKETING DIV

2009 AUG 24 AM 10: 03

**In the Matter of the Application of Ormet  
Primary Aluminum Corporation for  
Approval of a Unique Arrangement with  
Ohio Power Company and Columbus  
Southern Power Company**

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**Docket No. 09-119-EL-AEC**

**PUCO**

**ORMET PRIMARY ALUMINUM CORPORATION'S  
MEMORANDUM CONTRA TO THE APPLICATIONS  
FOR REHEARING OF AEP OHIO AND IEU**

On August 14, 2009, Ohio Power Company and Columbus Southern Power Company ("AEP Ohio") and Industrial Energy Users -- Ohio ("IEU") (collectively, the "Movants") filed separate applications for rehearing of the Public Utility Commission of Ohio's July 15, 2009 Opinion and Order in Docket No. 09-119-EL-AEC ("Opinion"). While Ormet Primary Aluminum Corporation ("Ormet") takes no position on some of the arguments made in these applications, it specifically opposes the following requests.

**I. The Commission's July 15 Order Was Correct With Respect To The Timing Of Bill Payments and The Refund Of Ormet's Deposit; The WARN Notices Do Not Materially Change The Facts Underlying The Order.**

AEP-Ohio argues that it should not be required to refund Ormet's deposit or cease charging Ormet in advance for electricity. But those terms were in the original Unique Arrangement filed by Ormet, and AEP-Ohio did not object to them at the hearing or in its post-hearing brief. It is simply too late for AEP-Ohio to raise these issues for the first time in an application for rehearing.<sup>1</sup> The time for making arguments on the merits is at hearing, through

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<sup>1</sup> The Opinion and Order also provides for Ormet's 2009 bills to be reduced to reflect an average annual rate of \$38 for the entire period during the year in which Ormet operated six potlines, \$35 for the period when it operated 4.6 potlines, and \$34 when it operated four potlines. No party or intervenor seeks rehearing of this part of the decision. Ormet should receive full credit for all overpayments, no matter when the Unique Arrangement goes into effect.

witness testimony, and in post-hearing briefing based on record testimony -- not in an application for rehearing based on non-record evidence.

Nor have circumstances changed in any way that would materially increase the likelihood of Ormet's default under these provisions. AEP-Ohio and IEU point to Ormet's July 27, 2009 transmission, pursuant to federal law, of WARN notices to hourly and salaried employees, as demonstrating an increased likelihood of Ormet failure. But that is simply not the case. When Ormet received an unexpected resolution of the Glencore Litigation (that was being litigated on a roughly parallel track to this matter), Ormet sent the WARN notices, pursuant to 29 U.S.C. §2102, in order to preserve all possible options for the Company as it analyzed the effects of the Glencore decision and the Commission's Opinion in this matter. 29 U.S.C. §2102 requires all employers to give 60 days written notice before closing a plant or pursuing a "mass layoff." In Ormet's case, the WARN notice requirement can be triggered by as few as 50 employees being subject to a layoff.<sup>2</sup> The result in the Glencore Litigation required the Company to consider such an option, among many others, because Ormet was uncertain if it could acquire sufficient alumina to allow it to operate at any level. When it transmitted the WARN notices, however, Ormet's press release expressly stated that "no definitive decisions have been made" and the number of any affected employees is "undetermined." (See July 30, 2009 Ormet Press Release, a copy of which is attached hereto as Exhibit 1).

Now that it has had the time to more carefully analyze the results of the Glencore Litigation, the Commission's July 15, 2009 Opinion, current market conditions for alumina and

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<sup>2</sup> "A covered employer must give notice if there is to be a mass layoff which does not result from a plant closing, but which will result in an employment loss at the employment site during any 30-day period...for 50-499 employees if they make up at least 33% of the employer's active workforce." U.S. Department of Labor Employment and Training Administration Fact Sheet, "The Worker Adjustment and Retraining Notification Act", published at: <http://www.doleta.gov/programs/factsht/warn.htm> (viewed on August 18, 2009).

aluminum, and the effect of all of them upon the Company's continuing operations, Ormet has concluded that it will be able to continue operation of four of its six potlines and will not need to pursue mass layoffs or a plant closing. On August 17, 2009, Ormet issued a press release announcing just that fact:

### **Ormet to Run Four Potlines Through 2009**

Hannibal, OH – Ormet Corporation ("Ormet") announced today it plans to continue to operate four potlines through the balance of 2009 as it has secured fixed price metal sales contracts for September, October and part of November of this year and continues to explore securing fixed metal price arrangements for the remaining 2009 metal volume.

Since the company made an announcement at the end of July stating they had issued WARN notices to 982 employees, Ormet officials have been working hard to maintain operations and protect jobs at its Hannibal, Ohio facility. The company has already acquired a majority of raw materials necessary to operate at the four-line level for the balance of the year and anticipates layoffs of no more than 100 people through the remainder of 2009.<sup>3</sup>

On August 20, 2009, Ormet issued Supplemental WARN Notices that made clear it would not be closing a plant, pursuing mass layoffs, or shutting down below four potlines. The Supplemental WARN Notices report Ormet's intention to shutdown two of the six potlines and reduce its workforce by up to 90 hourly employees and 10 salaried employees. A copy of the Supplemental WARN Notices are attached hereto as Exhibit 3. Thus, it is clear that circumstances have not materially changed and there is no reason to revisit the Commission's Order with respect to Ormet's deposit and payment terms.

IEU speculates, based solely on the July 27, 2009 WARN notices, that its prior predictions of Ormet's demise have now come to pass, and that a "pending shutdown of the

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<sup>3</sup> August 17, 2009 Ormet Press Release (attached as Exhibit 2).

potlines at the smelter may be due to no continuing supply of raw material.”<sup>4</sup> There is no record evidence to support such a conclusion, or to justify modification of the Commission’s Opinion and Order. To the contrary, Ormet’s August 17 press release and its August 20 Supplemental WARN Notices confirm the inaccuracy of IEU’s conjecture on several counts. First, Ormet anticipates operating at four potlines for the remainder of 2009, a production level sought by Ormet’s Amended Application and envisioned by the Commission’s Report and Order. Indeed, the Commission’s Report and Order states that at the time of the hearing, Ormet was already “in the process of curtailing production to 4 potlines....”<sup>5</sup>

Second, IEU is also wrong that Ormet has “no continuing supply of raw material.” Ormet has announced the acquisition of a majority of raw materials needed to operate at four potlines for “the balance of” 2009.

IEU further argues that because the 2009 electricity price provided by the Unique Arrangement was “contingent upon Ormet maintaining at least 900 jobs at the facility throughout calendar year 2009, which no longer appears likely, *it is not possible to submit an executed contract that complies with either the letter or spirit of the Commission’s Order.*”<sup>6</sup> Again, IEU is simply speculating here, and incorrectly assuming that Ormet will not meet the employment levels set forth in the Commission’s Order. If Ormet is not able to meet those employment levels in 2009, it simply will not be entitled to the rates set forth in the Commission’s Order, and AEP will charge Ormet a 2009 default rate as provided for in Sections 5.01 and 5.02 of the Power Agreement, or an average 2009 rate of \$38.00/MWh (in lieu of \$34.00/MWh when operating at

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<sup>4</sup> IEU Application for Rehearing at 7.

<sup>5</sup> Opinion and Order at 9 (citing Tr. 1 at 70-71).

<sup>6</sup> IEU Application at 7 (emphasis added).

four potlines), until such time as Ormet resumes employment of 900 employees or more for the remaining months of this year.

Moreover, it bears repeating that the 900 employee figure pertains only to the approved electric rate for "the balance of 2009."<sup>7</sup> The Commission's Order does not require Ormet to maintain 900 employees after December 31, 2009. To the contrary, the Commission expressly recognized that Ormet "cannot continue to employ 900 employees beyond 2009 with curtailed production," and therefore has established a more limited employment level of 650 fulltime employees beginning in 2010.<sup>8</sup> As a further safeguard, the Commission requires Ormet to provide a monthly report to Staff and AEP-Ohio detailing its employment levels once the Unique Arrangement is effective.<sup>9</sup>

IEU's assertion that its dire predictions have "come to fruition"<sup>10</sup> is plainly incorrect. In fact, IEU's predictions are no more likely to come true now than they ever were. And even if they were to come to fruition, the Commission has already addressed in its Order how such circumstances will be handled. That is why such contingencies as employment levels, monthly reporting of employment, and maximum discounts have been addressed in the Order. The Commission has held that denial of rehearing is appropriate when the Commission "has already considered and addressed...all of the arguments raised on rehearing," and those parties requesting rehearing "have failed to raise any new arguments regarding [the] issue."<sup>11</sup> This is just such a situation.

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<sup>7</sup> Opinion and Order at 5.

<sup>8</sup> Opinion and Order at 11 (citing Tr. III at 425).

<sup>9</sup> *Id.* at 11.

<sup>10</sup> IEU Application at 6.

<sup>11</sup> Entry on Rehearing at 4, *In the Matter of the Application of Columbus S. Power Co. for Approval of an Elec. Sec. Plan; an Amendment to its Corporate Separation Plan; and the Sale or*

Additionally, IEU's belated request to insert new provisions into the Unique Arrangement (such as an automatic termination provision in the hypothetical event that Ormet ceases operations before a Unique Arrangement were to become effective), is untimely. If IEU (or any other party) wished to propose its own alternative termination provision, it could have done so at hearing, through the presentation of witness testimony,<sup>12</sup> or even by proposing such a provision in its post-hearing brief. It did neither. Section 3.02 of the Unique Arrangement specifically sets forth what will transpire if Ormet shuts down, providing for either a 24 month period for Ormet to begin ramping up operations or termination with 12 months notice to AEP. If IEU had a concern with these termination provisions, the time for raising that concern --and proposing an alternative provision upon which all parties could offer testimony on the record-- has now passed.

Finally, the Movants question the wisdom of the deposit and payment terms approved in the Commission's Opinion. But, as Ormet explained at hearing and in its post-hearing brief, those terms actually benefit ratepayers. The Commission concluded that these provisions are "an essential element" of the Unique Arrangement. The annual calculation of the rate that Ormet can afford to pay is currently based on the assumption that the cash deposit currently being held by AEP Ohio will be returned to Ormet, thereby increasing its cash flow. If Ormet is required to keep a deposit with AEP Ohio and to continue paying in advance for power, then Ormet's cash flow will be reduced, and the magnitude of the discount required by Ormet would increase. This would cause an increase in the delta revenues to be collected from other AEP Ohio ratepayers.

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*Transfer of Certain Generating Assets*, Case Nos. 08-917-EL-SSO, 08-918-EL-SSO (issued July 23, 2009); see also Entry on Rehearing at 2, *In the Matter of the Joint Application of CenturyTel, Inc. and Embarq Corp. for Approval of a Transfer of Control of United Tel. Co. of Ohio*, Case No. 08-1267-TP-ACO (issued Apr. 22, 2009) ("Commission finds that [the party] has failed to raise any new arguments for the Commission's consideration. Therefore, the application for rehearing with respect to this assignment of error is denied.").

<sup>12</sup> IEU presented no witness testimony at the hearing.

While there may be a remote risk that ratepayers could bear a one-time increase in costs due to Ormet's inability to pay its power bill, that eventuality is far from certain, and will occur, if at all, only once. If Ormet is forced to keep a deposit with AEP-Ohio, and pay in advance, this would create the certainty of increased delta revenues every year, on a dollar for dollar basis, for ratepayers. Ormet believes that the certainty of lower delta revenues offsets any potential risk of a future default by Ormet.

## **II. The Commission Has The Power To Approve Requests For Unique Arrangements Filed By One Party.**

AEP-Ohio takes issue with the Commission's approval of a Unique Arrangement with minor Commission-ordered modifications. In AEP-Ohio's view, the Commission has the authority either to accept or reject the proposal as filed, but not to alter it and then require the parties to accept the altered Arrangement.

This exact position has previously been rejected by the Commission. In their request for rehearing of the Commission's order establishing rules implementing Senate Bill 221, including rules regarding unique arrangements, the FirstEnergy group of companies requested that the Commission:

[M]ake clear that [electric utilities] cannot be *forced* to contract with a customer to provide rates for electric service other than those provided in Commission-approved tariffs. Therefore, if a customer applies to the Commission for a unique arrangement, the utility must also consent and agree with the terms of the arrangement prior to Commission approval and implementation.<sup>13</sup>

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<sup>13</sup> *In the Matter of the Adoption of Rules for Standard Serv. Offer, Corporate Separation, Reasonable Arrangements, and Transmission Riders for Elec. Utils. Pursuant to Sections 4928.14, 4928.17, and 4905.31 of the Revised Code, as Amended by Amended Substitute S. Bill No. 221, Case No. 08-777-EL-ORD, Application for Rehearing of Ohio Edison Company, the Cleveland Electric Illuminating Company and the Toledo Edison Company at 17 (filed Oct. 17, 2008).*



The Commission disagreed with FirstEnergy and declined to modify the rule as requested:

Rule [4901:1-38-]05, which addresses unique arrangements, allows mercantile customers to apply to the Commission for a unique arrangement with an electric utility. FirstEnergy argues that the Commission should make it clear that such applications require the electric utility's consent before they can be approved by the Commission. **We believe FirstEnergy's position is not consistent with Section 4905.31, Revised Code, as modified by SB 221.** This section provides that a mercantile customer may apply to the Commission to establish a reasonable arrangement with an electric utility. **Although such arrangement requires Commission approval, there is no requirement that the electric utility must consent to the arrangement before the Commission approves it.**<sup>14</sup>

Thus, AEP-Ohio's argument is not a new one for the Commission. It is an argument that has already been made before and summarily rejected by the Commission.

### **III. Ormet Takes No Position On The Parties' Various Arguments Concerning The Treatment Of POLR Charges.**

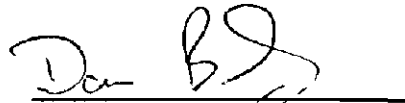
Because the treatment of POLR charges under the Unique Arrangement has no impact on the amount that Ormet will pay for electricity, but instead will impact delta revenues, this is not an immediate issue for Ormet, and Ormet takes no position on the parties' arguments concerning the treatment of POLR charges under the Commission's Order. However, if the Commission is inclined to schedule further hearings on the POLR issue (or on any other issue stemming from the Commission's Order), Ormet urges the Commission to bifurcate any future proceedings

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<sup>14</sup> *In the Matter of the Adoption of Rules for Standard Serv. Offer, Corporate Separation, Reasonable Arrangements, and Transmission Riders for Elec. Utils. Pursuant to Sections 4928.14, 4928.17, and 4905.31 of the Revised Code, as Amended by Amended Substitute S. Bill No. 221*, Case No. 08-777-EL-ORD, Entry on Rehearing at 21 (issued Feb. 11, 2009) (emphasis added). Furthermore, the enacted legislation and the Commission rule clearly state that the proposed unique arrangement is "subject to change, alteration, or modification by the Commission." Ohio Rev. Code § 4905.31 (2009); *see also* Ohio Admin. Code 4901:1-38-05(B)(4) (2009). Importantly, the statute does not condition the Commission's power to modify on its ability to gain the utility's agreement.

concerning those issues, and approve the Unique Arrangement in the meantime without delay. This is necessary in order to achieve the economic objectives of the unique arrangement under Ohio Rev. Code §4905.31 (2009). Ormet's business suffers every day that the Unique Arrangement remains unexecuted and there is a genuine risk that it could suffer irreparable harm caused by a continuing litigation delay in this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Clinton A. Vince", is written over a horizontal line.

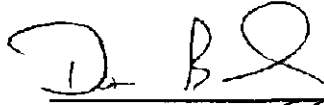
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Daniel D. Barnowski  
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dbarnowski@sonnenschein.com  
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*Attorneys for Ormet Primary Aluminum  
Corporation*

Dated: August 21, 2009

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served by U.S. Mail upon counsel identified below for all parties of record this 21st day of August, 2009.

A handwritten signature in black ink, appearing to read 'D. B. S.', is written over a horizontal line.

Daniel D. Barnowski

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## **FOR IMMEDIATE RELEASE**

July 30, 2009

### **Contact Info:**

**Linda King**

**412-428-0050 or 412-296-2284**

### **Ormet Confirms WARN Notices**

Hannibal, OH – Ormet Corporation, an independent U.S. producer of aluminum, issued the following statement today. Ormet CEO Mike Tanchuk confirms that the company has issued a WARN notice to 833 hourly and 149 salaried employees as is required by law. However, at this time no definitive decisions have been made as to the extent of the layoffs. The number of employees that will be affected is, as of yet, undetermined. We recognize the challenging conditions we are facing and the difficult economic environment in which we are operating, and we want to assure everyone that we are doing everything in our power to protect the company, our workforce, and the communities in which we operate.

**ABOUT ORMET:** Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people from across Monroe County, Southeastern Ohio, and parts of West Virginia. Its aluminum smelter has an annual aluminum production capacity of approximately 266,000 metric tons.

**###**

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are based on current expectations, and the actual results and the timing of certain events could differ materially from those projected in or contemplated by these forward-looking statements due to a number of factors. Readers are cautioned that Ormet's business is subject to numerous significant risks and uncertainties, including those discussed in Ormet's 15c2-11 information and disclosure statements for the year ended December 31, 2008 and the quarter ended March 31, 2009 (copies of which are available at Ormet's website at [www.ormet.com](http://www.ormet.com)).

Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people. Its aluminum smelter based in Hannibal, Ohio has an annual aluminum production capacity of approximately 266,000 metric tons. For more information, visit Ormet's website at [www.ormet.com](http://www.ormet.com).

## **FOR IMMEDIATE RELEASE**

**August 17, 2009**

### **Contact Info:**

**Linda King**  
**412-428-0050 or**  
**412-296-2284**

### **Ormet to Run Four Potlines Through 2009**

Hannibal, OH – Ormet Corporation ("Ormet") announced today it plans to continue to operate four potlines through the balance of 2009 as it has secured fixed price metal sales contracts for September, October and part of November of this year and continues to explore securing fixed metal price arrangements for the remaining 2009 metal volume.

Since the company made an announcement at the end of July stating they had issued WARN notices to 982 employees, Ormet officials have been working hard to maintain operations and protect jobs at its Hannibal, Ohio facility. The company has already acquired a majority of raw materials necessary to operate at the four-line level for the balance of the year and anticipates layoffs of no more than 100 people through the remainder of 2009.

"This has been a tough situation but we moved quickly to take advantage of the rising prices on the London Metal Exchange," said Mike Tanchuk, Ormet's CEO. "I appreciate the continued support from Governor Strickland, the PUCO, the USWA, our legislators, our suppliers and most of all, our employees. We look forward to finalizing the power supply contract by Labor Day."

**ABOUT ORMET:** Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people from across Monroe County, Southeastern Ohio, and parts of West Virginia. Its aluminum smelter has an annual aluminum production capacity of approximately 266,000 metric tons.

**###**

This press release contains forward-looking statements within the meaning of the federal securities laws. Such statements are based on current expectations, and the actual results and the timing of certain events could differ materially from those projected in or contemplated by these forward-looking statements due to a number of factors. Readers are cautioned that Ormet's business is, and the forward looking statements contained in this press release are, subject to numerous significant risks and uncertainties. These risks and uncertainties include, among others, those discussed in Ormet's 15c2-11 information and disclosure statements for the year ended December 31, 2008 and the quarter ended March 31, 2009 (copies of which are available at Ormet's website at [www.ornet.com](http://www.ornet.com)), and risks associated with Ormet's ability to secure fixed metal price arrangements for remaining 2009 metal volume, to enter into arrangements relating to aluminum output for future periods, to acquire raw materials and to finalize the power arrangement.

Headquartered in Hannibal, Ohio, Ormet Corporation is a major U.S. producer of aluminum. Ormet employs approximately 1,000 people. Its aluminum smelter based in Hannibal, Ohio has an annual aluminum production capacity of approximately 266,000 metric tons. For more information, visit Ormet's website at [www.ornet.com](http://www.ornet.com).



August 20, 2009

Mr. Leo Gerard  
International President  
USW  
5 Gateway Center  
Pittsburgh, PA 15222

Re: Supplement to WARN Act Notice issued July 27, 2009

Dear Mr. Gerard:

Due to a recent change in market and business conditions, this notice supplements the WARN Act Notice issued on July 27, 2009 in order to report a new, lower number of job reductions.

Pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. 2102, *et seq.*, Ormet Primary Aluminum Corporation hereby provides notice that it intends to curtail two of the six pot lines at its Reduction Division located at 43840 State Route 7, Hannibal, OH 43931, and effect a corresponding reduction in force.

Such curtailment of operations is expected to be temporary. The projected date of the first job reduction is September 26, 2009, with the balance of the reductions occurring by October 11, 2009. The curtailment of operations will result in the loss of up to approximately 90 hourly positions. A list of the job titles of the positions to be affected, and the names of the workers currently holding affected jobs, is attached.

Ormet is prepared to meet to discuss the curtailment of operations and to determine how best to handle the issues that will arise from this action. Please contact me at 740-483-2601 if you wish to discuss.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mike Griffin".

Mike Griffin  
Vice President, Operations

Cc: Dave McCall, District 1 Director, USW  
Loren Hartshorn, President, USW Local 5724  
Tom Byers, Grievance Committee Chairman, USW Local 5724

Attachment





August 20, 2009

John Pyles  
Monroe County Commission President  
101 N. Main Street, Room 12  
Woodsfield, OH 43793

Re: Supplement to WARN Act Notice issued July 27, 2009

Dear Mr. Pyles:

Due to a recent change in market and business conditions, this notice supplements the WARN Act Notice issued on July 27, 2009 in order to report a new, lower number of job reductions.

Pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. 2102, *et seq.*, Ormet Primary Aluminum Corporation hereby provides notice that it intends to curtail two of the six pot lines at its Reduction Division located at 43840 State Route 7, Hannibal, OH 43931, and effect a corresponding reduction in force.

Such curtailment of operations and reduction in force is expected to be temporary. The projected date of the first job reduction is September 26, 2009, with the balance of the reductions occurring by October 11, 2009. The curtailment of operations will result in the loss of up to approximately 90 hourly and 10 salaried positions.

The collective bargaining agreement with the affected union represented employees contains specific provisions regarding seniority preferences ("bumping" and reassignment provisions) and recall rights in the event of a reduction in force.

The affected unionized employees are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ("USW"), and Local Union 5724 thereof. The International President of the USW is Leo Gerard, whose offices are located at Five Gateway Center, Pittsburgh, PA 15222. The President of Local 5724 is Loren Hartshorn, whose offices are located at 105 Union Drive, Clarington, OH 43915.

If you have any questions regarding this matter, please contact me at 740-483-2641.

Very truly yours,

A handwritten signature in cursive script that reads "Lisa Riedel".

Lisa Riedel

Vice President, Human Resources



August 20, 2009

Mr. Michael Valentine  
Rapid Response Dislocated Worker Unit  
Ohio Department of Jobs and Family Services  
P.O. Box 1618  
Columbus, OH 43216-1618

Re: Supplement to WARN Act Notice issued July 27, 2009

Dear Mr. Valentine:

Due to a recent change in market and business conditions, this notice supplements the WARN Act Notice issued on July 27, 2009 in order to report a new, lower number of job reductions.

Pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. 2102, *et seq.*, Ormet Primary Aluminum Corporation hereby provides notice that it intends to curtail two of the six pot lines at its Reduction Division located at 43840 State Route 7, Hannibal, OH 43931, and effect a corresponding reduction in force.

Such curtailment of operations and reduction in force is expected to be temporary. The projected date of the first job reduction is September 26, 2009, with the balance of the reductions occurring by October 11, 2009. The curtailment of operations will result in the loss of up to approximately 90 hourly and 10 salaried positions.

The collective bargaining agreement with the affected union represented employees contains specific provisions regarding seniority preferences ("bumping" and reassignment provisions) and recall rights in the event of a reduction in force.

The affected unionized employees are represented by the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO-CLC ('USW'), and Local Union 5724 thereof. The International President of the USW is Leo Gerard, whose offices are located at Five Gateway Center, Pittsburgh, PA 15222. The President of Local 5724 is Loren Hartshorn, whose offices are located at 105 Union Drive, Clarington, OH 43915.

If you have any questions regarding this matter, please contact me at 740-483-2641.

Very truly yours,

A handwritten signature in cursive script that reads "Lisa Riedel".

Lisa Riedel  
Vice President, Human Resources



August 20, 2009

Re: Supplement to WARN Act Notice issued July 27, 2009

Dear Salaried Employee:

Due to a recent change in market and business conditions, this notice supplements the WARN Act Notice issued on July 27, 2009 in order to report a new, lower number of job reductions.

Pursuant to the Worker Adjustment and Retraining Notification Act, 29 U.S.C. 2102, *et seq.*, Ormet Primary Aluminum Corporation hereby provides notice that it intends to curtail two of the six pot lines at its Reduction Division located at 43840 State Route 7, Hannibal, OH 43931, and effect a corresponding reduction in force.

The curtailment of two pot lines is expected to be temporary. The projected date of the first job reduction is September 26, 2009, with the balance of the reductions occurring by October 11, 2009. The curtailment of operations will result in the loss of up to approximately 10 salaried positions and there are no bumping rights.

You are receiving this notice in compliance with the requirements of federal law. If you have any questions regarding this matter, please contact me at 740-483-2641.

Very truly yours,

A handwritten signature in cursive script that reads "Lisa Riedel".

Lisa Riedel  
Vice President, Human Resources