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September 17, 2009

VIA FEDERAL EXPRESS

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

Re: Enclosed Document for Filing in Case No. 09-119-EL-AEC

Dear Sir or Madam:

Enclosed please find an original and seven (7) copies of the revised and executed Power Agreement between Ormet Primary Aluminum Corporation ("Ormet") and Ohio Power Company and Columbus Southern Power Company (collectively "AEP Ohio") in Case No. 09-119-EL-AEC. Also enclosed are 8 copies of a redline showing revisions to the proposed contract as filed by Ormet with its amended application on April 10, 2009. One additional copy of each is enclosed to be date-stamped and returned to me in the enclosed, self-addressed Federal Express envelope.

The attached revised Power Agreement is submitted in compliance with the Commission's July 15, 2009 Order and Opinion in Case No. 09-119/EL-AEC.

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

Sincerely,

*Emma F. Hand*  
*-006 for*

Emma F. Hand

Enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.  
Technician SM Date Processed SEP 18 2009

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing filing has been served upon the below-named persons via regular U.S. Mail Service, postage prepaid, this 17<sup>th</sup> day of September, 2009.

*Emma F. Hand*

Emma F. Hand - *DOB for*  
Attorney for Ormet Primary Aluminum Corporation

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*Original*

**POWER AGREEMENT**

**between**

**ORMET PRIMARY ALUMINUM CORPORATION**

**and**

**OHIO POWER COMPANY**

**and**

**COLUMBUS SOUTHERN POWER COMPANY**

**POWER AGREEMENT**

**between**

**ORMET PRIMARY ALUMINUM CORPORATION**

**and**

**OHIO POWER COMPANY**

**and**

**COLUMBUS SOUTHERN POWER COMPANY**

This Power Agreement is entered into on September 16, 2009, between Ormet Primary Aluminum Corporation ("Ormet"), a Delaware Corporation, and Ohio Power Company ("Ohio Power") and Columbus Southern Power Company ("Columbus Southern") (collectively "AEP Ohio").

WHEREAS Ormet owns an aluminum reduction facility at Hannibal, Ohio that when at full operation (1) has approximately 1,000 employees with wages totaling approximately \$56,000,000 per year; (2) covers approximately 7,000 of its workers', retirees', and family members' health care, at a cost of more than \$16,000,000 per year; (3) pays approximately \$300,000 annually in taxes to Monroe County and its School District; and (4) purchases approximately \$15,000,000 to \$20,000,000 per year in goods and services in the Ohio Valley;

WHEREAS Ohio Power and Columbus Southern are electric utilities providing electric service to customers in the State of Ohio;

WHEREAS Ormet and AEP Ohio were parties to a Stipulation dated November 8, 2006, as amended ("2006 Stipulation"), under which AEP Ohio provided electric energy to Ormet's facilities at Hannibal, Ohio, which stipulation by its own terms was scheduled to expire on December 31, 2008;

WHEREAS in light of the scheduled expiration date of the 2006 Stipulation and the fact that AEP Ohio's proposed Electric Security Plan ("ESP") filing had not yet been approved by the Commission as of January 1, 2009, the Parties entered into an Interim Agreement approved by the Commission on January 7, 2009 in Case Nos. 08-1338-EL-AAM and 08-1339-EL-UNC. That Interim Agreement provides for service from AEP Ohio to Ormet until the effective date of new AEP Ohio approved tariffs based on a Commission ruling on the Companies' ESP application (*i.e.* if the Commission adopts the ESP as proposed or if the Companies accept any modifications made to the ESP by the Commission) and the effective date of a new special arrangement between AEP Ohio and Ormet subsequently approved by the Commission;

WHEREAS under Section 4905.31 of the Ohio Revised Code, a utility and a customer may enter into any financial device practicable or advantageous to the parties interested, including a device to recover costs incurred, including revenues foregone, in conjunction with any economic development and job retention program of the utility;

WHEREAS under Section 4901:1-38-05 of the Ohio Administrative Code ("OAC"), a customer may apply to the Commission for approval of a unique arrangement with the electric utility;

WHEREAS the cost of electricity represents almost one third of Ormet's costs and Ormet asserts it cannot operate unless it can obtain electricity below a certain price relative to the price at which it can sell its output;

WHEREAS Ormet has sold forward its metal production for most of 2009 to secure revenue and thus financing for its operations;

WHEREAS Ormet desires to enter into a power agreement that will assure that it has sufficient cash flow to sustain its operations at the Hannibal Facilities and to pay its required legacy costs for 2010 to 2018; and

WHEREAS Ormet desires to enter into a new power agreement pursuant to Section 4905.31 of the Ohio Revised Code and Section 4901:1-38-05 of the OAC in order to ensure that Ormet is able to continue operations at its Hannibal Facilities;

WHEREAS the Commission on July 15, 2009 issued an *Opinion and Order* in Case No. 09-119-EL-AEC requiring Ormet and AEP to file an executed Power Agreement that conforms to the modifications to Ormet's proposed power agreement ordered by the Commission;

NOW, THEREFORE, Ormet and AEP Ohio set forth their agreement for electric service at the Hannibal Facilities as follows:

ARTICLE ONE.  
DEFINITIONS

1.01 AEP Ohio Tariff Rate means the applicable tariff and riders, defined in terms of \$/MWh, as approved from time to time by the Commission for the total cost of energy delivered, including all generation, distribution, transmission, customer and rider charges, existing and implemented during the term of this Power Agreement, that would otherwise be applicable to Ormet, but excluding any charges or credits that may result pursuant to Article Eleven or Twelve. For example, at the outset of this Power Agreement, the applicable tariff would be equal to (a) the amount Ormet would pay if 50 percent of its load were billed based on the Ohio Power Company Schedule GS-4 Transmission Voltage Service, presently found at Original Sheet No. 24-1, *et seq.* of P.U.C.O. No. 19 and applicable riders, and 50 percent of its load were billed based on the Columbus Southern Power Company Schedule GS-4 Service, presently found at Original Sheet No. 24-1, *et seq.* of P.U.C.O. No. 7 and applicable riders, divided by (b) the

metered energy billing determinant for the billing month. Notwithstanding any other provision of this Power Agreement, Ormet will be responsible for paying the KWH Tax through self-assessment.

1.02 Annual LME Price is a load-weighted average of the Monthly LME Prices calculated by dividing (a) the sum of the product for each month in the year of (i) the Monthly LME Price and (ii) the metered energy billing determinant, by (b) the sum of the metered energy billing determinant for each month in the year.

1.03 Annual Ormet Rate means the rate in \$/MWh on a delivered basis as calculated in accordance with Section 5.06, 5.07, 5.08 and 5.09. The Annual Ormet Rate includes all generation, distribution, transmission, customer and rider charges, existing and implemented during the term of this Power Agreement, that would otherwise be applicable to Ormet, but excludes any charges or credits that may result pursuant to Article Eleven or Twelve. Notwithstanding any other provision of this Power Agreement, Ormet will be responsible for paying the KWH Tax through self-assessment.

1.04 Annual Target Price. In a calendar year where the AEP Ohio Tariff Rate was modified the Annual Target Price means a load-weighted average of the Target Prices calculated by dividing (a) the sum of the product for each period to which different AEP Ohio Tariff Rates applied and (i) the Target Price and (ii) the metered energy billing determinant for that period, by (b) the sum of the metered energy billing determinant for each period. In years where there is no modification of the AEP Ohio Tariff Rate over the course of the calendar year, the Annual Target Price would equal the Target Price.

1.05 Business Day means any day except a Saturday, Sunday or Federal Reserve Bank holiday. A Business Day shall open at 8:00 am and close at 5:00 pm local time for the relevant Party's place of business.

1.06 Commission means the Public Utilities Commission of Ohio.

1.07 Delta Revenue means all revenue which would be recoverable from Ormet under the AEP Ohio Tariff Rate, but for this Power Agreement, foregone by AEP Ohio as a result of the provisions of the Power Agreement, including as a result of an Event of Default by Ormet of this Power Agreement. Because Ormet has committed to pay the KWH Tax under this Power Agreement through self-assessment, such amounts will not be included in the Delta Revenue.

1.08 Delivery Point means the interconnection of AEP's two double-circuit 138 KV steel tower transmission lines in Ohio Township, Monroe County, Ohio at Tower 39 on double-circuit Line #1 and at Tower 38 on double-circuit Line # 2.

1.09 Defaulting Party shall have the meaning set forth in Section 8.01.

1.10 Event of Default shall have the meaning set forth in Section 8.01.

1.11 Force Majeure means an event or circumstance which prevents one Party from performing its obligations under this Power Agreement, which event or circumstance was not reasonably anticipated, which is not within the reasonable control of, or the result of the negligence of the claiming Party, including, but not limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes resulting in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment; (ii) weather related events affecting an entire geographic region; (iii) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (iv) governmental



actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction.

1.12 Hannibal Facilities means the aluminum reduction facility that, as of the date of this Power Agreement, is owned and operated by Ormet in Hannibal, Ohio.

1.13 Indexed Rate means the rate schedule in \$/MWh Ormet could pay that would produce sufficient cash flow to sustain its operations at the Hannibal Facilities and to pay its required legacy costs, depending upon the Annual LME Price of aluminum. The Indexed Rate schedule will be submitted to the Commission by Ormet in accordance with Section 5.03.

1.14 KWH Tax means the Ohio kWh tax associated with Ormet's consumption of electricity normally accounted for in AEP Ohio's KWH Tax Riders presently found at Original Sheet No. 62-1 of both P.U.C.O. No. 19 and P.U.C.O. No. 7. Under this Power Agreement Ormet shall pay the KWH Tax applicable to Ormet through self-assessment.

1.15 Metering Point shall mean the Kammer substation owned and operated by Ohio Power.

1.16 Monthly LME Price means the simple monthly average of the daily cash settlement price in \$/Tonne for high grade aluminum as quoted on the London Metals Exchange and as published by Reuters. If the London Metals Exchange or Reuters experiences a disruption that causes the daily cash settlement price not to be published, or ceases to publish such price, the Parties shall work in good faith to agree upon a suitable replacement index or price source. Once the Parties have reached agreement upon a suitable replacement index, the Parties' decision shall be filed with the Commission.

1.17 Monthly Ormet Rate means the monthly rate in \$/MWh on a delivered basis as calculated in accordance with Section 5.04, 5.05, 5.08 and 5.09. The Monthly Ormet Rate

includes all generation, distribution, transmission, customer and rider charges, existing and implemented during the term of this Power Agreement, that would otherwise be applicable to Ormet, but excludes any charges or credits that may result pursuant to Articles Eleven or Twelve. Notwithstanding any other provision of this Power Agreement, Ormet will be responsible for paying the KWH Tax through self-assessment.

1.18 Non-Defaulting Party shall have the meaning set forth in Section 8.02.

1.19 Party or Parties means AEP Ohio and/or Ormet.

1.20 Performance Assurance means collateral in the form of either cash held in escrow, letter(s) of credit or other security acceptable to the Party to whom it is offered.

1.21 POLR means the provider of last resort under the AEP Ohio tariffs.

1.22 Ramp-Up Period means the period of time during which Ormet is actively restoring the Hannibal Facilities operations, with the intent of restoring operations to at least four potlines, following any shutdown of all or part of the Hannibal Facilities.

1.23 Target Price means the LME Price in \$/Tonne at which Ormet could afford to pay the AEP Ohio Tariff Rate and still maintain sufficient cash flow to sustain its operations at the Hannibal Facilities and to pay its required legacy costs. The Target Price will be set annually in the schedule submitted to the Commission by Ormet pursuant to Section 5.03.

1.24 Terms and Conditions of Service means the Terms and Conditions of Service contained within the Ohio Power Company tariff for bundled retail electric service, P.U.C.O. No. 19 as of the date of filing of this Power Agreement, or any successor tariff as approved from time to time by the Commission.

1.25 Tonne means a metric ton equal to 1,000 kilograms.

ARTICLE TWO.  
SCOPE AND TERM

2.01 During the term of this Power Agreement, AEP Ohio agrees to furnish to Ormet, and Ormet agrees to take from AEP Ohio, all of the electric energy of the character specified herein, subject to the Terms and Conditions of Service, except as otherwise set forth herein. In the event the Terms and Conditions of Service conflict with the terms and conditions set forth herein, the terms and conditions set forth in this Power Agreement shall be controlling.

2.02 Term: This Power Agreement shall be effective from the filing date of this executed contract through December 31, 2018, subject to Article Three.

2.03 Section 2.02 notwithstanding, the Parties agree that the Commission may, upon petition or *sua sponte*, require modification of this Power Agreement upon a finding that the rates produced under this Power Agreement are no longer just and reasonable. The Parties further agree that, subject to Section 3.01, such modification (i) may not be effective earlier than January 1, 2016 unless the cumulative net discount from the AEP Ohio Tariff Rate exceeds 50 percent of the amount Ormet would have been required to pay under the AEP Ohio Tariff Rate and (ii) shall not go into effect between the Parties until the later of the beginning of the next calendar year or 120 days.

ARTICLE THREE.  
EARLY TERMINATION

3.01 Either Party may terminate this Power Agreement (a) in an Event of Default, as specified in Section 8.01; (b) if the Commission rejects or requires a materially adverse modification of a schedule submitted by Ormet pursuant to Section 5.03 of this Power Agreement; (c) if the Commission requires any modification to this Power Agreement that is materially adverse to that Party (as determined in the sole discretion of the relevant Party); or (d) if the Commission, in any order, whether specifically modifying this Power Agreement or

otherwise, limits AEP Ohio's recovery of Delta Revenues associated with this Power Agreement in a manner more adverse than the July 15, 2009 Opinion and Order in Case No. 09-119-EL-AEC. Except as provided in Sections 3.02, 3.04, and 8.02, or as agreed to by the Parties in writing, such Early Termination can occur only upon ninety (90) days written notice.

3.02 Notwithstanding Section 3.01, in the event that Ormet determines there may be a need to shut down the Hannibal Facilities, it shall timely provide AEP Ohio with a copy of the notice required to be issued in such circumstances under the Worker Adjustment and Retraining Notification Act (29 U.S.C. 2101, *et seq.*) ("WARN Notice"). Should Ormet subsequently shut down the Hannibal Facilities, Ormet may terminate the Power Agreement upon twelve months notice. The Power Agreement shall in any event terminate 24 months from the date of shut down, unless, prior to the expiration of the 24-month period, Ormet is in a Ramp-Up Period.

3.03 Upon such Early Termination the Party seeking Early Termination shall determine a termination payment by netting all amounts then owing to the Party seeking termination against all amounts owing to the other Party under this Power Agreement. The Party seeking termination shall give written notice to the other Party of the amount of the termination payment and whether the payment is due to or due from the Party seeking termination. The notice shall include a written statement explaining in reasonable detail the calculation of the termination payment. The termination payment shall be made by the Party that owes it within 2 (two) Business Days of the receipt of such notice. The Party not seeking termination may dispute the calculation of the termination payment in whole or in part, by providing to the Party seeking termination a detailed written explanation of the basis for such dispute, provided, however, that the Party from whom termination payment is due shall first pay any non-disputed amount and offer Performance Assurance for the other Party. The only payments that may be

used by Ormet to offset termination payments owing to AEP Ohio are payments resulting from the True-Up calculation under Section 6.02, the Indemnification provision (Section 13.06), or billing/metering errors.

3.04 In the event that Ormet does not begin to reduce the amount of the accumulated deferrals and carrying charges resulting from this Power Agreement, through the payment of above-tariff rates, pursuant to the terms of this Power Agreement, by April 1, 2012, the Commission may modify this Power Agreement, up to and including termination of this Power Agreement. The crediting of any POLR charges by AEP Ohio in the form of delta revenue credits shall not constitute the payment of above-tariff rates by Ormet for purposes of this provision.

#### ARTICLE FOUR. POWER SUPPLY

4.01 AEP Ohio shall supply up to 540 MWh of electric energy in each hour at Ormet's Hannibal Facilities, subject to any reductions agreed to by the Parties in writing pursuant to Articles Eleven or Twelve of this Power Agreement. Ormet shall endeavor to give AEP twenty-one (21) days notice if it plans to increase or reduce its load by greater than 80 MW.

4.02 The electric energy delivered by AEP Ohio under this Power Agreement shall be delivered at the Delivery Point.

#### ARTICLE FIVE. COMPENSATION

5.01 For the calendar year 2009: Upon the effective date of this Power Agreement, AEP Ohio shall bill Ormet, for the balance of 2009, at a rate which, except as described in section 5.02, for all of calendar year 2009, averages \$38.00/MWh.

5.02 For the calendar year 2009, the Ormet rate shall average \$35.00/MWh for the periods when Ormet curtailed production to between the equivalent of 4.6 potlines (810 pots )

and the equivalent of 4 potlines (688 pots), and \$34.00/MWh for the periods when Ormet curtailed production to the equivalent of 4 potlines (less than 688 pots but more than 500). The \$35.00/MWh rate and \$34.00/MWh rate are contingent upon Ormet maintaining employment levels at 900 employees for calendar year 2009.

5.03 For each year of the 2010 through 2018 term, Ormet shall prepare a schedule showing the Indexed Rate and the Target Price. The schedules for calendar years 2010 and 2011 are attached to this Power Agreement as Schedules A and B. Ormet shall have the right to submit to the Commission revised schedules for 2010 and 2011, no later than October 1, 2009 and 2010, respectively. Beginning in 2011, Ormet will submit a schedule no later than October 1 of each year for Commission approval for the following calendar year. In the event that the AEP Ohio Tariff Rate is modified during any calendar year, Ormet may submit a revised schedule to the Commission to reflect the changed AEP Ohio Tariff Rate. The Commission may require an independent third-party review at Ormet's expense of any schedule submitted. In the event that a proposed schedule has not been approved by the Commission prior to the proposed effective date of the schedule, the existing schedule shall remain in effect until the new schedule is approved. Upon approval by the Commission, the new schedule shall then go into effect retroactively to the proposed effective date of the schedule.

5.04 The Monthly Ormet Rate for the calendar years 2010 and 2011 shall be determined as follows (and as further modified in Sections 5.08 and 5.09):

- (a) When the Monthly LME Price is less than or equal to the Target Price, the Monthly Ormet Rate shall equal the Indexed Rate.

- (b) When the Monthly LME Price is greater than the Target Price but not more than \$300/Tonne above the Target Price, the Monthly Ormet Rate shall equal 102 percent of the AEP Ohio Tariff Rate.
- (c) When the Monthly LME Price is greater than the sum of \$300/Tonne plus the Target Price, the Monthly Ormet Rate shall equal 105 percent AEP Ohio Tariff Rate.

5.05 The Monthly Ormet Rate for the years 2012 through 2018 shall be determined as follows (and as further modified in Sections 5.08 and 5.09):

- (a) When the Monthly LME Price is less than or equal to the Target Price, the Monthly Ormet Rate shall equal the Indexed Rate.
- (b) When the Monthly LME Price is greater than the Target Price but not more than \$300/Tonne above the Target Price, the Monthly Ormet Rate shall equal 104 percent of the AEP Ohio Tariff Rate.
- (c) When the Monthly LME Price is greater than the sum of \$300/Tonne plus the Target Price, the Monthly Ormet Rate shall equal 108 percent AEP Ohio Tariff Rate.

5.06 The Annual Ormet Rate for the years 2010 through 2011 shall be determined as follows (and as further modified in Sections 5.08 and 5.09):

- (a) When the Annual LME Price is less than or equal to the Annual Target Price, the Annual Ormet Rate shall equal the Indexed Rate.
- (b) When the Annual LME Price is greater than the Annual Target Price but not more than \$300/Tonne above the Annual Target Price, the

Annual Ormet Rate shall equal 102 percent of the AEP Ohio Tariff Rate.

- (c) When the Annual LME Price is greater than the sum of \$300/Tonne plus the Annual Target Price, the Annual Ormet Rate shall equal 105 percent of the AEP Ohio Tariff Rate.

5.07 The Annual Ormet Rate for the years 2012 through 2018 shall be determined as follows, and as further modified in Sections 5.08 and 5.09:

- (a) When the Annual LME Price is less than or equal to the Annual Target Price, the Annual Ormet Rate shall equal the Indexed Rate.
- (b) When the Annual LME Price is greater than the Annual Target Price but not more than \$300/Tonne above the Annual Target Price, the Annual Ormet Rate shall equal 104 percent of the AEP Ohio Tariff Rate.
- (c) When the Annual LME Price is greater than the sum of \$300/Tonne plus the Annual Target Price, the Annual Ormet Rate shall equal 108 percent of the AEP Ohio Tariff Rate.

5.08 Maximum Rate Discount:

- (a) The maximum monthly discount from the AEP Ohio Tariff Rate to which Ormet is entitled as defined in Sections 5.04 and 5.05 shall be the greater of (i) the maximum annual discount as defined in this section and Section 5.09 times 12.5% or (ii) the unused maximum annual discount divided by the remaining months in the calendar year. Nonetheless, the monthly discount may never exceed the monthly AEP



Ohio Tariff Rate. If the annual discount is consumed prior to the end of the calendar year, Ormet shall pay the full AEP Ohio Tariff Rate for the remaining months of the year.

(b) The maximum annual discount from the AEP Ohio Tariff Rate to which Ormet is entitled, as calculated by aggregating the Delta Revenue amounts for each month in the applicable year under Sections 5.03 through 5.06, shall be as follows and as further defined in Section 5.08:

- (1) For calendar years 2010 and 2011, the maximum discount from the AEP Ohio Tariff Rate to be received by Ormet will be \$60 million per year.
- (2) For calendar year 2012, the maximum discount from the AEP Ohio Tariff Rate to be received by Ormet shall be \$54 million.
- (3) For calendar years 2013 through 2018, the maximum discount from the AEP Ohio Tariff Rate to be received by Ormet shall be reduced each year by \$10 million, until the discount phases out completely for calendar year 2018, except as otherwise specified in Section 5.08(b)(4).
- (4) Notwithstanding Section 5.08(b)(3), in calendar years 2013 through 2018, Ormet may elect to use, in the current year, any unused portion of the maximum discount from a previous year, determined by comparing the aggregate annual discount to the maximum discount permitted according to this Section 5.08.

Ormet shall make this election by providing written notice to AEP-Ohio and by filing such notice at the Commission in Case No. 09-119-EL-AEC. The adjusted maximum discount shall not exceed \$54 million in any year between 2013 and 2018.

5.09 The Maximum Rate Discount defined in Section 5.08 above shall be further modified as follows based on the number of full-time employees at the Hannibal Facilities:

- (a) For calendar years 2010 through 2018, Ormet will be required to provide a report by the third business day of each month to Commission Staff and AEP Ohio detailing employment levels for the prior month.
- (b) If Ormet's average employment level in any month is below 650 full-time employees by at least 50 employees, the Maximum Rate Discount for the calendar year shall be reduced by one-twelfth of \$10 million for each 50 employees below 650 for each month such reduced employment is applicable. This reduction would be in addition to the yearly phase-out of the discount in Section 5.08.

ARTICLE SIX.  
BILLINGS AND PAYMENT

6.01 Monthly Billing: Monthly billings to Ormet shall equal the product of (i) the Monthly Ormet Rate (as defined in Sections 5.04, 5.05, 5.08 and 5.09) and (ii) the metered energy billing determinant for the billing month. Ormet shall be obligated to pay only for electric energy it consumes, as determined by the metered energy billing determinants.

$$MB = (MOR \times MBD)$$

Where:

MB = monthly billing (\$)

MOR = Monthly Ormet Rate (\$/MWh)

MBD = metered energy billing determinant (MWh)

#### 6.02 Annual True-Up

- (a) In February of 2010, AEP Ohio shall calculate a true-up value for calendar year 2009. The true-up value shall be equal to the difference between (i) the total billings made to Ormet under this Power Agreement in 2009 and (ii) the billings due from Ormet under Sections 5.01 and 5.02, given Ormet's actual production levels and the actual metered energy billing determinants in each month of 2009.
- (b) Beginning in 2011, each February, AEP Ohio shall calculate a true-up value for the prior year. Such true-up value shall be equal to the difference between (i) the total billings made to Ormet in the prior year in accordance with Section 6.01; and (ii) the greater of (a) the product of the Annual Ormet Rate and the actual metered energy billing determinants for the entire calendar year, and (b) the AEP Ohio Tariff Rate times the actual metered energy billing determinants for the entire calendar year, less the Maximum Discount determined pursuant to Sections 5.08 and 5.09.

$T = B - \text{greater of } (AOR \times AB) \text{ or } (AEP \text{ Ohio Tariff Rate} \times AB) \text{ less the Maximum Discount}$

#### 6.03 Where:

T = true-up value (\$)

B = total billings to Ormet during the year (\$)

AOR = Annual Ormet Rate (\$/MWh)

AB = actual metered energy billing determinants for Ormet during the year (MWh)

If the true-up calculation yields a positive value, it shall be reflected as a credit on Ormet's bill that shall be divided into twelve equal parts and billed over the next twelve (12) consecutive months. If the true-up calculation yields a negative value, it shall be reflected as a surcharge on Ormet's bill that shall be divided into twelve equal parts and billed over the next twelve (12) consecutive months. The true-up for calendar year 2018 shall be billed or refunded in a lump sum or by any other method upon which the Parties mutually agree. If the Parties mutually agree, they may voluntarily perform a true-up prior to the end of the calendar year for that portion of the year for which LME Prices and actual year-to-date metered billing determinants are available at the time of the true-up.

#### 6.04 Payment

- (a) Ormet shall pay its monthly bill in accordance with the Terms and Conditions of Service. Ormet shall not be required to provide a deposit or pay in advance. This provision is intended to increase Ormet's cash flow and thereby allow Ormet to increase the Indexed Rate reflected in Ormet's schedule, thus reducing the Delta Revenue. The Parties agree that these payment terms are conditioned upon a Commission order that provides AEP Ohio recovery of Delta Revenue should there be an Event of Default by Ormet.
- (b) Notwithstanding Section 6.04(a), in the event that Ormet issues a WARN notice indicating its intent to shut down all potlines at the Hannibal Facilities, Ormet shall adjust its payments such that it

prepays for its electricity on a weekly basis until either (1) the WARN Notice expires without the corresponding shut down or (2) Ormet enters a Ramp-Up period. There would not be a deposit required.

ARTICLE SEVEN.  
CHARACTER OF SERVICE AND METERING

7.01 All electric energy delivered by AEP Ohio under this Power Agreement will be alternating current at approximately 138,000 volts, three-wire, three phase, 60 HZ delivered at the Delivery Point.

7.02 Each Party shall exercise reasonable care to maintain and operate, or cause to be maintained and operated, their respective facilities related to the receipt and transmission of power in accordance with good utility practice.

7.03 Electric energy delivered by AEP Ohio under this Power Agreement shall be metered at the Metering Point.

ARTICLE EIGHT.  
DEFAULT

8.01 An "Event of Default" shall mean, with respect to a Party (the "Defaulting Party"), the occurrence of any of the following:

- (a) Failure to make a payment within two (2) Business Days of when it is due for reasons other than the occurrence of a force majeure event that precludes Ormet's ability to process its payment;
- (b) Failure by AEP Ohio to deliver the electric energy required under this Power Agreement, for reasons other than the occurrence of a Force Majeure event;
- (c) Such Party assigns this Power Agreement as permitted under Section 13.04 and the assignee fails to assume all the obligations of such Party

under this Agreement to which the assignor or its predecessor was bound by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;

- (d) Any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated; or
- (e) Any failure to perform any other material covenant or obligation set forth in this Power Agreement if such failure is not remedied within three (3) Business Days after written notice.

8.02 If an Event of Default with respect to a Defaulting Party shall have occurred, the other Party (the "Non-Defaulting Party") has the right, but not the obligation, to terminate this Power Agreement upon three (3) Business Days written notice if the Default is not cured. In the event of Default by Ormet, AEP Ohio has the right to terminate service to Ormet three (3) Business Days after providing written notice of termination to Ormet. Either Party may cure the Event of Default within three (3) Business Days of receipt of the written notice of Default from the Non-Defaulting Party.

#### ARTICLE NINE. REGULATORY AUTHORITIES

9.01 The Parties specifically recognize that this Power Agreement is subject to approval by and ongoing jurisdiction of the Commission. To that end, this Power Agreement is subject to modification to reflect any Commission order in Case No. 09-119-EL-AEC or expressly requiring or permitting modification of this contract. Any such modification shall be submitted to the Commission in writing.

9.02 Notwithstanding Section 9.01, this Power Agreement and its continued effectiveness is expressly conditioned upon approval by the Commission, without change or condition that is more adverse to either Party (as determined in the sole discretion of the relevant Party) than the July 15, 2009 Opinion and Order in Case No. 09-119-EL-AEC.

ARTICLE TEN.  
FORCE MAJEURE

10.01 Except with regard to a Party's obligation to make payment(s) then due or becoming due to the other Party, neither Party shall be liable to the other for failure to perform its obligations under this Power Agreement, to the extent such failure was caused by Force Majeure. The Party not claiming Force Majeure shall not be required to perform or resume performance of its obligations to the Party claiming Force Majeure corresponding to the obligations of the Party claiming Force Majeure excused by Force Majeure.

10.02 The Party claiming Force Majeure shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance; provided, however, that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the Party experiencing such disturbance.

10.03 Neither Party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the Party claiming Force Majeure failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (ii) economic hardship, to include, without limitation, AEP Ohio's ability to sell power at a higher or more advantageous price than the price set forth in this Power Agreement, Ornet's ability to purchase power at a lower or more advantageous price than the price set forth in this Power Agreement; or (iii) the loss or failure of

AEP Ohio's power supply where AEP Ohio fails to procure a replacement power supply in a manner consistent with good utility practice. If sufficient power supply to serve this load cannot be procured, in a manner consistent with good utility practice, then AEP Ohio's ability to serve Ormet will be subject to the requirements of Section 4901:5-19, Ohio Administrative Code, and AEP Ohio's emergency plan required by Section 4901:1-10-08, Ohio Administrative Code and will be considered a Force Majeure Event.

10.04 Notwithstanding anything to the contrary herein, the Force Majeure event as claimed by a Party must have actually prevented or restricted that Party from performing the subject obligations under the Power Agreement and the particular affected transactions at the Delivery Point. Without limiting the generality of the foregoing, if the Force Majeure event partially interrupts or curtails one Party from performing its delivery or receipt obligations under a transaction at the Delivery Point, then the obligations of such Party will be reduced only in direct proportion to the effect that the Force Majeure event has had on the ability of the restrained Party to meet all of its firm delivery or receipt obligations at such Delivery Point.

10.05 The Party claiming Force Majeure must provide notice to the other Party. Initial notice may be given orally; however, written notice with reasonable details of the event or occurrence is required as soon as reasonably possible. Upon providing written notice of Force Majeure to the other Party, the Party claiming Force Majeure will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of power, as applicable, to the extent and for the duration of Force Majeure, and neither Party shall be deemed to have failed in such obligations to the other during such occurrence or event.



**ARTICLE ELEVEN.  
ENERGY EFFICIENCY**

11.01 To the extent that Ormet has implemented or implements during the term of the Power Agreement energy efficiency measures in the normal course of its process improvement activities, such energy efficiency gains may be included by AEP Ohio in meeting its energy efficiency requirements.

11.02 To the extent that Ormet identifies potential energy efficiency projects that would require capital investment outside the normal course of its process improvements, it may inform AEP Ohio of such potential projects. If AEP Ohio and Ormet reach an agreement whereby Ormet undertakes such an energy efficiency project and commits the energy efficiency project for inclusion by AEP Ohio in meeting its energy efficiency requirements, the parties will then determine whether to amend this Power Agreement or develop a separate agreement to reflect such an agreement.

**ARTICLE TWELVE.  
DEMAND RESPONSE**

12.01 AEP Ohio and Ormet may from time to time evaluate demand response options to determine the extent to which Ormet can provide value to AEP Ohio by managing its load and the cost that such activities would impose on Ormet. If AEP Ohio and Ormet reach an agreement whereby Ormet undertakes such demand response activities at the request of AEP Ohio and commits those efforts for inclusion by AEP Ohio in meeting its peak demand reduction requirements, the parties will then determine whether to amend this Power Agreement or develop a separate agreement to reflect such an agreement.

ARTICLE THIRTEEN.  
GENERAL PROVISIONS

13.01 Right of Entry: Ormet shall grant to AEP Ohio throughout the term of this Power Agreement reasonable rights in or on Ormet property, including rights of ingress or egress reasonably necessary for AEP Ohio to fulfill its responsibilities under this Power Agreement for the installation, operation, maintenance, testing and replacement of facilities of AEP Ohio in or on Ormet's property, provided that AEP Ohio shall give Ormet reasonable notice prior to exercising those rights, and AEP Ohio shall not exercise such rights prior to approval by Ormet, which approval shall not be unreasonably withheld. In no event shall Ormet be held liable for any damage to any person or property resulting from the actions of AEP Ohio personnel while on Ormet's property, unless such damage is the result of gross negligence or willful misconduct on the part of Ormet.

13.02 Notice: All notices under this Power Agreement shall be in writing, and if to AEP Ohio, shall be sufficient in all respects if delivered in person to the President of Ohio Power Company or sent by registered mail addressed to the President at AEP Ohio, 850 Tech Center Drive, Gahanna, OH 43230, or to any person or at any subsequent address of which AEP Ohio may notify Ormet in writing; and if to Ormet, shall be sufficient in all respects if delivered in person to its President, Vice President or Secretary, or sent by registered mail addressed to Ormet at the Hannibal Reduction Division, P.O. Box 176, State Route 7, Hannibal, Ohio 43931, or to any person or at any subsequent address of which Ormet may notify AEP Ohio in writing.

13.03 Waiver: The failure of either Party to insist in any one or more instances upon strict performance of any of the provisions of this Power Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provision or the relinquishment of any such rights; but the same shall continue and remain in force and effect.

13.04 Assignment: This Power Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns. In the event that Ormet consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its assets related to the Hannibal Facilities to another entity, this Power Agreement may be assigned to such entity. In the event that AEP Ohio or either Columbus Southern or Ohio Power consolidates or amalgamates with, or merges with or into, or transfers all or substantially all of its or their facilities required to serve Ormet to another entity, this Power Agreement shall be assigned to such entity. No other assignment of this Power Agreement may be made by either Party without the written consent of the other, which consent shall not be unreasonably withheld. At the time of any such assignment, the assignee must assume all the obligations of the assignor under this Power Agreement by operation of law or pursuant to an agreement reasonably satisfactory to the other Party. Any assignment in violation of this section is void.

13.05 Title: Title to and risk of loss related to the electric energy shall transfer from AEP Ohio to Ormet at the Delivery Point. AEP Ohio warrants that it will deliver to Ormet the quantity of electric energy free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point.

13.06 Indemnification: To the extent permitted by law, each Party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other Party and such Party's partners, directors, officers, employees, agents and representatives (collectively the "Indemnified Parties") from and against that portion of any claims, losses, liabilities or costs, including reasonable attorneys' fees and other costs of litigation, for third party property damage or personal injury, arising from or out of the Indemnifying Party's negligence and resulting from any event, circumstance, act or incident occurring on the Indemnifying Party's side of the Delivery Point,

except to the extent, as to any Indemnified Party, such claims are attributable to the gross negligence or willful misconduct of such Indemnified Party.

13.07 Representations and Warranties: On the effective date of this Power Agreement, each Party represents and warrants to the other Party that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Power Agreement;
- (c) the execution, delivery and performance of this Power Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (d) this Power Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject to any equitable defenses;
- (e) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt;
- (f) there is not pending or, to its knowledge, threatened against it or any of its affiliates any legal proceedings that would materially adversely affect its ability to perform its obligations under this Power Agreement;

- (g) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Power Agreement;
- (h) it is acting for its own account, has made its own independent decision to enter into this Power Agreement and as to whether this Power Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts the terms, conditions and risks of this Power Agreement; and
- (i) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.

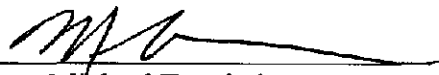
13.08 Choice of Law: This Power Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of New York, without regard to principles of conflicts of law. Each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Power Agreement.

13.09 Entire Agreement: This Power Agreement constitutes the entire agreement between the Parties related to the subject matter. This Power Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Except to the extent herein provided for, no

amendment or modification to this Power Agreement shall be enforceable unless reduced to writing and executed by both Parties. AEP Ohio agrees that if it seeks to amend or propose any tariff or rider that would be applicable to Ormet during the term of this Power Agreement, AEP Ohio shall provide timely notice to Ormet. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff or proposed tariff or rider is inconsistent with this Power Agreement. This Power Agreement shall not impart any rights enforceable by any third Party (other than a permitted successor or assignee bound to this Agreement).

IN WITNESS WHEREOF, the Parties have caused this Power Agreement to be executed by their authorized officers as of the date first above written.

ORMET PRIMARY ALUMINUM CORPORATION

By   
Michael Tanchuk  
Chief Executive Officer

September 15, 2009

OHIO POWER COMPANY

By \_\_\_\_\_

President

COLUMBUS SOUTHERN POWER COMPANY

By \_\_\_\_\_

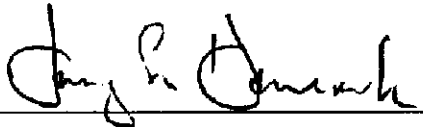
President

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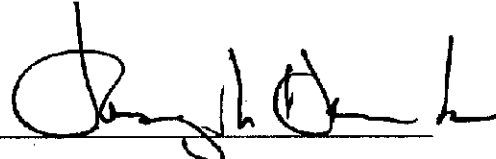
ORMET PRIMARY ALUMINUM CORPORATION

By \_\_\_\_\_  
Michael Tanchuk  
Chief Executive Officer

OHIO POWER COMPANY

By   
President

COLUMBUS SOUTHERN POWER COMPANY

By   
President