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April 22, 2011

#### BY FACSIMILE & FEDERAL EXPRESS

Public Utilities Commission of Ohio Docketing Division 180 East Broad Street Columbus, Ohio 43215-3793 Fax: (614).466.0313

Re:

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan, Case Nos. 11-346-EL-SSO, 11-348-EL-SSO;

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority, Case Nos. 11-349-EL-AAM, 11-350-EL-AAM:

#### Dear Sir or Madam:

Enclosed please find an original and ten (10) copies of each of the following filings which were originally filed by facsimile on April 22, 2011:

- (i) Motion for Permission to Appear Pro Hac Vice of Douglas G. Bonner,
- (ii) Motion for Permission to Appear Pro Hac Vice of Emma Hand;
- (iii)\* Motion of Ormet Primary Aluminum Corporation for Leave to Intervene Out of Time; and
- (iv) Motion to Consolidate of Ormet Primary Aluminum Corporation

Two additional copies of each document are enclosed to be date-stamped and returned to me in the enclosed, self-addressed Federal Express envelope.

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 Date Processed APR 3 5 250

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

Sincerely,
En 2. Kerl

Emma F. Hand

Partner

# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan.	) ) ) Case No. 11-346-EL-SSO ) Case No. 11-348-EL-SSO ) )
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.	) ) Case No. 11-349-EL-AAM ) Case No. 11-350-EL-AAM ) )

# MOTION OF ORMET PRIMARY ALUMINUM CORPORATION FOR LEAVE TO INTERVENE OUT OF TIME

Ormet Primary Aluminum Corporation ("Ormet") hereby respectfully moves for leave to intervene out of time in the above-captioned matters pursuant to R.C. 4903.221 and Section 4901-1-11 of the Public Utilities Commission of Ohio's ("Commission") Code of Rules and Regulations, with full powers and rights granted, by the Commission specifically, by statute or by the provisions of the Commission's Code of Rules and Regulations, to intervening parties.

(continued next page)

The reasons for granting this motion are contained in the memorandum attached hereto and incorporated herein.

Respectfully submitted,

Emma F Hand (PHV - 1353-2011)

Douglas G. Bonner (PHV - 1363-2011)

Keith Nusbaum (#0082745)

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Attorneys for Ormet Primary Aluminum Corporation

Dated: April 22, 2011

# BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to Section 4928.143, Revised Code, in the Form of an Electric Security Plan.	) ) ) ) ) ) )	Case No. 11-346-EL-SSO Case No. 11-348-EL-SSO	
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company for Approval of Certain Accounting Authority.	) ) ) )	Case No. 11-349-EL-AAM Case No. 11-350-EL-AAM	

# MEMORANDUM IN SUPPORT OF MOTION OF ORMET PRIMARY ALUMINUM CORPORATION FOR LEAVE TO INTERVENE OUT OF TIME

Ormet Primary Aluminum Corporation ("Ormet") should be permitted to intervene in this matter pursuant to Section 4903.221, Ohio Revised Code, and the Public Utilities Commission of Ohio's ("Commission") Rules and regulations contained in Rule 4901-1-11 of the Ohio Administrative Code. These proceedings will have a substantial effect upon Ormet, which is in a unique position and cannot be adequately represented by any other party to the proceeding.

Ormet is a large industrial customer purchasing its generation, distribution and transmission service from Columbus Southern Power Company ("CSP") and Ohio Power Company ("OP") (collectively, "AEP Ohio") under an Unique Arrangement with AEP Ohio, approved by the Commission in Case No. 09-119-EL-AEC. Under this Unique Arrangement, Ormet receives a

discount against the standard tariff rate that would otherwise be applicable to Ormet. Thus, any change in the standard tariff rate impacts the price Ormet must pay for power from AEP Ohio.

In determining whether to permit intervention, the Commission considers the following:

(1) the nature of the person's interest; (2) the legal position advanced by the prospective intervenor and its probable relation to the merits of the case; (3) whether the intervention by the prospective intervenor will unduly prolong or delay the proceedings; (4) whether the prospective intervenor will significantly contribute to full development and equitable resolution of the factual issues; and (5) the extent to which the person's interest is represented by existing parties. 

Furthermore, Ormet has good cause for not intervening by the deadline set for intervention by the Commission.

### A. Ormet Has a Substantial Interest in This Proceeding.

Ormet owns an aluminum reduction facility in Hannibal, Ohio ("Hannibal Facilities").

The reduction facility is physically located in the AEP Ohio service territory and takes generation, transmission and distribution service from CSP and OP under the Unique

Arrangement with AEP Ohio approved by the Commission in Case No. 09-119-EL-AEC.

Ormet's facility contributes substantially to the economy in Monroe County, an economically depressed area of Ohio. When at full operation, the Hannibal Facilities employ approximately 1,000 people and pay wages and salaries annually of over \$56 million, but its impact on the region is much larger. The total net annual impact in the region is approximately 3,441 jobs (direct and indirect) and \$195 million in total employee compensation, with an additional \$7 million annual in tax revenues for state and local governments in Ohio.

<sup>&</sup>lt;sup>1</sup> Ohio Admin. Code 4901-1-11 (2011).

Ormet's ability to keep the Hannibal Facilities at full operation is dependent upon the Unique Arrangement Ormet has with AEP Ohio. Under that agreement, the price Ormet pays for electricity is determined through a formula that links its electricity price to the price of aluminum on the London Metals Exchange ("LME"). However, the discount that Ormet may receive as a result of this formula is capped such that each year Ormet's discount may be no greater than a specified difference from the tariff rate that would otherwise apply to Ormet under AEP Ohio's tariff. Because the cap on Ormet's discount is tied to the standard tariff rate, if the standard tariff rate increases, then so does the rate Ormet must pay for power in years that it uses its full discount.

In addition, under the Unique Arrangement, when the price of aluminum on the LME increases to a certain point, Ormet will pay above-tariff rates that will be used to offset costs borne by other ratepayers. As the tariff rate that would otherwise apply to Ormet increases, the likelihood that Ormet will be able to pay above-tariff rates decreases. Therefore, under the Unique Arrangement, an increase in the AEP Ohio tariff rate that Ormet would pay both increases the rate for power that Ormet must pay (decreasing its ability to keep the Hannibal Facilities at full operation) and decreases the likelihood that Ormet will in the future pay above-tariff rates to offset costs to other ratepayers.

### B. Ormet's Legal Position Relates Directly to the Merits of the Case.

Ormet is intervening in this proceeding in order to protect its interests in preventing unjust and unreasonable increases to the AEP Ohio tariff rate that would be applicable to Ormet but for Ormet's Unique Arrangement with AEP Ohio.

# C. Granting the Intervention Will Not Unduly Prolong or Delay the Proceeding or Unjustly Prejudice Any Existing Party.

Granting Ormet an intervention in this case will not unduly prolong or delay the proceeding or unjustly prejudice any existing party. Ormet agrees to accept the record as it stands and participate in the case on a prospective basis. In addition, due to the early stage of the proceedings in this case, other parties should have ample opportunity to present counterarguments and evidence in response to any arguments Ormet makes or evidence it submits. Therefore, Ormet's intervention should neither unduly prolong or delay the proceeding, nor unjustly prejudice any existing party.

# D. <u>Ormet's Participation Will Contribute to the Full Development and Just and Expeditious Resolution of Factual Issues in this Proceeding.</u>

Few, if any, other parties are in a situation to assess the impact that AEP Ohio's proposal will have upon the Unique Arrangement between Ormet and AEP Ohio. Under the Unique Arrangement, other ratepayers of AEP Ohio pay the delta revenues created by the Unique Arrangement through AEP Ohio's Economic Development Rider. Without Ormet's participation in this proceeding, it will be difficult for the Commission to develop a record regarding the impact of AEP Ohio's proposal on the Unique Arrangement and the subsequent further impact upon ratepayers. Therefore, Ormet's participation in this proceeding will contribute to the full development of the record and the just and expeditious resolution of factual issues in this proceeding.

### E. Ormet's Interest is Not Adequately Represented by Any Other Party.

Due to Ormet's Unique Arrangement with AEP Ohio, no other party can adequately represent Ormet's interests in this case. Ormet is also one of AEP Ohio's largest industrial customers, and as such, few other parties are similarly situated to Ormet in this proceeding.

Ormet's interest in this proceeding is unique and cannot be adequately represented by any other party.

### F. Ormet has Good Cause for Not Intervening Earlier in the Proceeding.

The press of other litigation and the need to ascertain the impact of the recent change in *pro hac vice* rules upon Ormet's representation have prevented Ormet from participating in this proceeding prior to this date. Further, Ormet believes that the Commission's stated policy "to encourage the broadest possible participation in its proceedings" warrants permitting Ormet's intervention in this proceeding.

#### G. Conclusion.

For the foregoing reasons, Ormet respectfully requests that the Commission grant its motion to intervene out of time in this proceeding.

Respectfully submitted,

Emma F Hand (PHV – 1353-2011)

Douglas G. Bonner (PHV – 1363-2011)

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Dated: April 22, 2011

<sup>&</sup>lt;sup>2</sup> Cleveland Elec. Illum. Co., Case No. 85-675-EL-AIR, Entry dated January 14, 1986, at 2.

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of Ormet Primary Aluminum Corporation's *Motion for Leave* to *Intervene Out of Time* and *Memorandum in Support* were served by U.S. Mail and electronic mail upon counsel identified below for all parties of record this 22nd day of April 2011.

Emma F. Hand

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