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FILE**BEFORE**
THE PUBLIC UTILITIES COMMISSION OF OHIORECEIVED-CORRECTIONS
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In the Matter of the Application of	)	
Columbus Southern Power Company and	)	
Ohio Power Company for Authority to	)	Case No. 11-346-EL-SSO
Establish a Standard Service Offer	)	Case No. 11-348-EL-SSO
Pursuant to Section 4928.143. Revised Code,	)	
in the Form of an Electric Security Plan.	)	
	)	
In the Matter of the Application of	)	
Columbus Southern Power Company and	)	Case No. 11-349-EL-AAM
Ohio Power Company for Approval of	)	Case No. 11-350-EL-AAM
Certain Accounting Authority.	)	
	)	
In the Matter of the Application of	)	
Columbus Southern Power Company to	)	
Amend its Emergency Curtailment Service	)	Case No. 10-343-EL-ATA
Riders.	)	
	)	
In the Matter of the Application of Ohio	)	
Power Company to Amend its Emergency	)	Case No. 10-344-EL-ATA
Curtailment Service Riders.	)	
	)	
In the Matter of the Commission Review of	)	
the Capacity Charges of Ohio Power	)	
Company and Columbus Southern Power	)	Case No. 10-2929-EL-UNC
Company.	)	
	)	
In the Matter of the Application of	)	
Columbus Southern Power Company for	)	
Approval of a Mechanism to Recover	)	Case No. 11-4920-EL-RDR
Deferred Fuel Costs Ordered Under Section	)	
4928.144, Ohio Revised Code.	)	
	)	
In the Matter of the Application of Ohio	)	
Power Company for Approval of a	)	
Mechanism to Recover Deferred Fuel Costs	)	Case No. 11-4921-EL-RDR
Ordered Under Section 4928.144, Ohio	)	
Revised Code.	)	

(Consolidated)

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**ORMET PRIMARY ALUMINUM CORPORATION'S
MEMORANDUM CONTRA OHIO POWER COMPANY'S APPLICATION FOR
REHEARING**

Ormet Primary Aluminum Corporation submits this Memorandum Contra Ohio Power Company's ("Ohio Power") Application for Rehearing to address one narrow issue. Ohio Power notes in its Application for Rehearing that individual small industrial and commercial customers have docketed letters in this proceeding raising concerns with the notable rate increases, and that these customers are shouldering the cost of the Load Factor Provision ("LFP") to the benefit of high load factor customers.¹ Ormet is the only high load factor customer excluded from the LFP of the Stipulation approved by the Commission in this proceeding, and as a result is also facing an unsustainable rate increase. Although Ormet is a large industrial customer of Ohio Power, it is similarly situated to the smaller commercial customers facing a significant rate increase.

Ohio Power suggests several approaches to mitigating the rate increase for GS-2 customers and states that it is not opposed to such solutions provided they are revenue-neutral to the Company.² Unfortunately, any such solution will simply result in shifting costs around among customers classes. In the current economic environment, no class of customers can afford the rate increases contained in the Stipulation. Ormet opposes the Stipulation and finds the rate increase imposed upon industrials is devastating when not mitigated by the LFP. Ormet notes that the Office of the Ohio Consumers' Counsel, the Appalachian Peace and Justice Network and the Ohio Partners for Affordable Energy, representing residential customers, also

¹ Ohio Power Company's Application for Rehearing at p. 14.

² *Id.* at pp. 14-15.

oppose the Stipulation.³ Shifting costs around among customer classes as Ohio Power suggests simply will not work; it will not alleviate the harm to the Ohio economy because no customer class can afford the rate increases contained in the Stipulation.

The outcome of the rate increase is simply unaffordable for all classes of customers and will adversely affect the Ohio economy. Ormet recognizes that Ohio Power is entitled to a fair rate of return, but requests that the Commission find a solution that moderates the rate increase and provides a more managed approach to ensure affordable electricity rates over the long term.



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February 21, 2012

³ Initial Post-Hearing Brief By the Office of the Ohio Consumers' Counsel, the Appalachian Peace and Justice Network and Ohio Partners for Affordable Energy, filed Nov. 10, 2011.

CERTIFICATE OF SERVICE

I hereby certify that a copy of *Ormet Primary Aluminum Corporation's Memorandum Contra Ohio Power Company's Application for Rehearing* was served by US mail and email upon counsel identified below for all parties of record this 21st day of February, 2012.



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