

March 5, 2012

BY FACSIMILE & FEDERAL EXPRESS

Case Nos. 10-2929-EL-UNC
10-2376-EL-UNC
11-4920-EL-RDR
11-4921-EL-RDR
11-346-EL-SSO
11-348-EL-SSO
11-349-EL-AAM
11-350-EL-AAM
10-343-EL-ATA
10-344-EL-ATA

RECEIVED-DOCKETING DIV
2012 MAR -6 PM 2:39
PUCO

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; and consolidated cases.

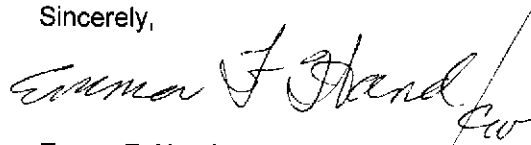
Dear Sir or Madam:

Enclosed please find an original and twenty (20) copies of the *Ormet Primary Aluminum Corporation's Objection to Compliance Filing*. This document was originally filed by fax on March 5, 2012.

Two additional copies are enclosed 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 telephone number above.

Sincerely,



Emma F. Hand
Partner

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 Ann Date Processed 3/6/12

RECEIVED-DOCKETING DIV
2012 MAR -6 PM 2:39
PUCO

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Power Company and Columbus Southern Power Company for Authority to Merge and Related Approvals.)	Case No. 10-2376-EL-UNC
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
In the Matter of the Application of Columbus Southern Power Company to Amend its Emergency Curtailment Service Riders.)	Case No. 10-343-EL-ATA
In the Matter of the Application of Ohio Power Company to Amend its Emergency Curtailment Service Riders.)	Case No. 10-344-EL-ATA
In the Matter of the Commission Review of the Capacity Charges of Ohio Power Company and Columbus Southern Power Company.)	Case No. 10-2929-EL-UNC
In the Matter of the Application of Columbus Southern Power Company for Approval of a Mechanism to Recover Deferred Fuel Costs Ordered Under Section 4928.144, Ohio Revised Code.)	Case No. 11-4920-EL-RDR

**In the Matter of the Application of
Ohio Power Company for Approval of
a Mechanism to Recover Deferred
Fuel Costs Ordered Under Section
4928.144, Ohio Revised Code.**

(Consolidated)

Case No. 11-4921-EL-RDR

**OBJECTION TO COMPLIANCE FILING
OF ORMET PRIMARY ALUMINUM CORPORATION**

AEP Ohio's compliance filing made in this proceeding February 28, 2012 and updated February 29, 2012 and March 1, 2012 fails to comply with the Commission's order and should be modified or rejected. AEP Ohio's compliance filing adds a Phase-In Recovery Rider (PIRR) rate not in the ESP I rates and not authorized by the Commission. The compliance tariffs result in a rate increase in the GS-4 Tariff rate applicable to Ormet Primary Aluminum Corporation of approximately \$25.6 million per year over the 2011 rates. This rate increase is even higher than the \$24.2 million per year rate increase that would have applied to Ormet under the Stipulation the Commission rejected in its February 23 Order. The Commission has not approved a mechanism for the recovery of the sums AEP Ohio seeks to collect through the PIRR, and should take into account the state of the economy and the sudden rate increase already being experienced by many ratepayers due to the expiration of the caps on the FAC in designing a recovery mechanism. The PIRR charge alone, as proposed by AEP Ohio, adds \$700,000 per month to Ormet's electricity bill, or \$8.4 million -- approximately 33% of the rate increase.

AEP Ohio was ordered by the Commission to continue the terms and conditions of the ESP I rates, which did not contain a PIRR. The Commission's order directed AEP Ohio to file compliance tariffs:

to continue the provisions, terms, and conditions of its previous electric security plan, including but not limited to the base generation rates as approved in ESP I, along with the current uncapped fuel costs and the environmental investment carry cost rider set at the 2011 level, as well as modifications to those rates for credits for amounts fully refunded to customers, such as the significantly excessive earnings test (SEET) credit, and an appropriate application of capacity charges under the approved state compensation mechanism established in the Capacity Charge Case.

Although the ESP I Order stated that AEP Ohio would be permitted to collect the deferrals, with carrying costs in the time period of 2012 to 2018, the Commission has not approved a mechanism for AEP Ohio to do so, nor has it authorized AEP Ohio to begin doing so.¹ The only authorization the Commission made for AEP Ohio to begin collection of the deferrals was through the approval of the Stipulation in this proceeding, which was subsequently revoked. Given the severe rate increase resulting from uncapping the FAC rates, the Commission should thoroughly examine and give serious consideration to any proposal to further increase rates at this moment in time through the collection of the deferred balances.

Further, the proposed PIRR also reflects a continuation of the 11.26% carrying charges on the deferred costs based on AEP Ohio's weighted average cost of capital. As it considers whether and how to allow AEP Ohio to begin collections of the deferred balances, the Commission should also reconsider the reasonableness of continuing to allow AEP Ohio to collect 11.26% in light of the Commission's precedent requiring that carrying costs on a deferral be limited to the utility's long-term cost of debt once amortization of a deferred asset begins.²

¹ *In the Matter of the Application of Columbus Southern Power Company for Approval of an Electric Security Plan; an Amendment to its Corporate Separation Plan; and the Sale or Transfer of Certain Generating Assets*, Case Nos. 08-91 7-EL-SSO, et al., Opinion and Order at 23 (March 18, 2809) (hereinafter "ESP I").

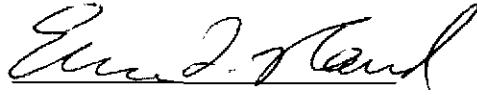
² *In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of a New Rider and Revision of an Existing Rider*, Case No. 10-176-EL-ATA, Opinion and Order at 24 May 25, 2011), *see also in re*

Finally, Ormet urges the Commission to consider whether the balance of the deferral should be adjusted to reflect accumulated deferred income taxes (“ADIT”). The timing difference between the tax deduction and the book accounting treatment reduces AEP’s federal income tax liability creating tax savings realized by AEP Ohio related to the deferral balances that should be passed on to customers. Because of the tax savings, AEP Ohio is not financing 100% of the deferral, and the amortization of the deferral balance should be reduced by the effects of the ADIT.

CONCLUSION

AEP Ohio’s inclusion of the PIRR in the compliance tariffs it has filed is unauthorized, creates a significant rate increase, and should be rejected by the Commission. AEP Ohio should be required to resubmit its compliance tariff to more closely align it to the ESP I rates, terms and conditions, as required by the Commission’s February 23 Order in this proceeding.

Respectfully submitted,



Emma F. Hand (PHV-1353-2012)

Douglas G. Bonner (PHV-1363-2012)

SNR Denton US LLP

1301 K Street, NW

Suite 600, East Tower

Washington, DC 20005

Tel: 202-408-6400

Fax: 202-408-6399

emma.hand@snrdenton.com

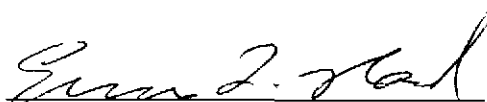
doug.bonner@snrdenton.com

*Attorneys for Ormet Primary Aluminum
Corporation*

March 5, 2012

CERTIFICATE OF SERVICE

I hereby certify that a copy of the *Objection to Compliance Filing of Ormet Primary Aluminum Corporation* was served by U.S. Mail and email upon counsel identified below for all parties of record this 5th day of March, 2012.



Emma F. Hand

SERVICE LIST

Steven T. Nourse
Matthew J. Satterwhite
American Electric Power Corp.
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
stnourse@aep.com
mjsatterwhite@aep.com

Dorothy K. Corbett
Duke Energy Retail Sales
139 East Fourth Street
1303-Main
Cincinnati, Ohio 45202
Dorothy.Corbett@duke-energy.com

Daniel R. Conway
Porter Wright Morris & Arthur
41 South High Street
Columbus, Ohio 43215
dconway@porterwright.com

David F. Boehm
Kurt Boehm
Michael L. Kurtz
Boehm, Kurtz & Lowry
36 East Seventh Street. Suite 1510
Cincinnati, Ohio 45202
dboehm@bkllawfirm.com
mkurtz@bkllawfirm.com

Samuel C. Randazzo
Joseph E. Olikier
Frank P. Darr
Vicki L. Leach-Payne
Joseph M. Clark
McNees Wallace & Nurick
21 East State Street, 17th Floor
Columbus, Ohio 43215
sam@mwncmh.com
joliker@mwncmh.com
fdarr@mwncmh.com

Richard L. Sites
Ohio Hospital Association
155 East Broad Street, 15th Floor
Columbus, Ohio 43215-3620
ricks@ohanet.org

Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, Ohio 45840
emooney2@columbus.rr.com

John W. Bentine
Mark S. Yurick
Zachary D. Kravitz
Matthew S. White
Chester Willcox & Saxbe, LLP
65 East State Street, Suite 1000
Columbus, Ohio 43215
jbentine@cwslaw.com
myurick@cwslaw.com
zkravitz@cwslaw.com

Terry L. Etter
Maureen R. Grady
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
etter@occ.state.oh.us
grady@occ.state.oh.us

Thomas J. O'Brien
Teresa Orahood
Bricker & Eckler
100 South Third Street
Columbus, Ohio 43215-4291
tobrien@bricker.com
torahood@bricker.com

Jay E. Jadwin
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
jejadwin@aep.com

Michael R. Smalz
Ohio Poverty Law Center
555 Buttles Avenue
Columbus, Ohio 43215
msmalz@ohiopoveritylaw.org
jmaskovyak@ohiopoveritylaw.org

Terrence O'Donnell
Christopher Montgomery
Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215-4291
todonnell@bricker.com
cmontgomcry@bricker.com
Jesse A. Rodriguez
Exelon Generation Company, LLC
300 Exelon Way
Kennett Square, Pennsylvania 19348
jesse.rodriguez@exeloncorp.com

Glen Thomas
1060 First Avenue, Ste. 400
King of Prussia, Pennsylvania 19406
gthomas@gtpowergroup.com

Henry W. Eckhart
2100 Chambers Road, Suite 106
Columbus, Ohio 43212
henryeckhart@aol.com

Christopher L. Miller
Gregory H. Dunn
Asim Z. Haque
Stephen J. Smith
C. Todd Jones
Schottenstein Zox & Dunn Co., LPA
250 West Street
Columbus, Ohio 43215
cmiller@szd.com
gdunn@szd.com
ahaque@szd.com
sjsmith@szd.com

Lisa G. McAlister
Bricker & Eckler LLP
100 South Third Street
Columbus, Ohio 43215-4291
lmcaster@bricker.com
mwarnock@bricker.com

William L. Massey
Covington & Burling, LLP
1201 Pennsylvania Ave., NW
Washington, DC 20004
wmassey@cov.com

Laura Chappelle
4218 Jacob Meadows
Okemos, Michigan 48864
laurac@chappelleconsulting.net

Pamela A. Fox
Law Director
The City of Hilliard, Ohio
pfox@hilliardohio.gov

United Way of Jefferson County
501 Washington Street
P.O. Box 1463
Steubenville, OH 43952

Sandy I-ru Grace
Marianne M. Alvarez
Exelon Business Services Company
101 Constitution Avenue N.W., Suite 400 East
Washington, DC 20001
sandy.grace@exeloncorp.com

Gary A. Jeffries
Dominion Resources Services, Inc.
501 Martindale Street, Suite 400
Pittsburgh, PA 15212-5817
gary.a.jeffries@dom.com

Kenneth P. Kreider
David A. Meyer
Keating Muething & Klekamp PLL
One East Fourth Street, Suite 1400
Cincinnati, Ohio 45202
kpkreider@kmlaw.com

Steve W. Chriss
Wal-Mart Stores, Inc.
2001 SE 10th Street
Bentonville, Arkansas 72716
stephen.chriss@wal-mart.com

Holly Rachel Smith
Holly Rachel Smith, PLLC
Hitt Business Center
3803 Rectortown Road
Marshall, Virginia 20115
holly@raysmithlaw.com

Barth E. Royer
Bell & Royer Co., LPA
33 South Grant Avenue
Columbus, Ohio 43215-3927
barthroyer@aol.com

John H. Jones
Vern Margard
Public Utilities Section
Ohio Attorney General Mike DeWine
180 East Broad Street, 6th Floor
Columbus, Ohio 43215
john.jones@puc.state.oh.us
werner.margard@puc.state.oh.us

Greg Poulos
EnerNOC, Inc.
101 Federal St.
Boston, Massachusetts 02110
gpoulos@enernoc.com

Carolyn S. Flahive
Terrance A. Mebane
Thompson Hine LLP
41 S. High Street, Suite 1700
Columbus, Ohio 43215
Carolyn.Flahive@ThompsonHine.com
Terrance.Mebane@ThompsonHine.com

Leo Antons
1237 Cisler Dr.
Marietta, OH 45750
leoantons@suddenlink.net

E. Camille Yancey
Nolan Moser
Trent A. Dougherty
Ohio Environmental Council
1207 Grandview Avenue, Suite 201
Columbus, Ohio 43212-3449
camille@theoec.org
nolan@theoec.org
trent@theoec.org

Mark A. Hayden
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
haydenm@firstenergycorp.com

David A. Kutik
Jones Day
901 Lakeside Avenue
Cleveland, OH 44114
dakutik@jonesday.com

Christopher J. Allwein
1373 Grandview Ave.
Suite 212
Columbus, OH 43212
wein@williamsandmoser.com

Tara C. Santarelli
Environmental Law & Policy Center
1207 Grandview Ave., Suite 201
Columbus, Ohio 43212
tsantarelli@elpc.org

James F. Lang
Laura C. McBride
N. Trevor Alexander
Calfee, Halter & Griswold LLP
1400 KeyBank Center
800 Superior Ave.
Cleveland, OH 44114
jlang@calfee.com
lmcbride@calfee.com
talexander@calfee.com

Allison E. Haedt
Grant W. Garber
Jones Day
P.O. Box 165017
325 John H. McConnell Boulevard
Suite 600
Columbus, Ohio 43216-5017

J. Kennedy And Associates
570 Colonial Park Drive
Suite 305
Roswell, GA 30075

Jennifer Duffer
Armstrong & Okey, Inc.
222 East Town Street
2nd Floor
Columbus, OH 43215
jduffer@ameritech.net

Lija K. Kaieps-Clark
M. Howard Petricoff
Vorys, Sater, Seymour and Pease
52 E. Gay St.
PO Box 1008
Columbus, OH 43216
lkalepsclark@vorys.com
mhpetricoff@vssp.com

Bill Dingus
Lawrence Economic Development Corporation
P.O. Box 488
South Point, OH 45680-0488

Constellation NewEnergy Inc
Cynthia Fonner Brady
550 W Washington Street
Suite 300
Chicago, IL 60661
Cynthia.Brady@constellation.com

Denis George
Kroger Company
1014 Vine Street-G07
Cincinnati, OH 45202-1100

Shannon Fisk
2 North Riverside Plaza Suite 2250
Chicago, IL 60606
sfisk@nrdc.org

Canton Chamber Of Commerce
229 Wells Ave N.W.
Canton, OH 44703-1044

Amy Spiller
Duke Energy Ohio
139 E. Fourth Street, 1303-Main
P.O. Box 961
Cincinnati, OH 45201-0960
Amy.Spiller@Duke-Energy.com

FirstEnergy Solutions Corp
Louis M. D'Alessandris
341 White Pond Drive
Akron, OH 44320
ldalessandris@firstenergy.com

Ohio Partners For Affordable Energy
David C. Rinebolt
231 West Lima St.
P.O. Box 1793
Findlay, OH 45839-1793
drinelbolt@aol.com

Steve Howard
52 East Gay St.
P.O. Box 1008
Columbus, OH 43215
smhoward@vorys.com

AEP Retail Energy Partners LLC
Anne M. Vogel
1 Riverside Plaza, 29th Floor
Columbus, OH 43215
amvogel@aep.com

Shawnee State University
940 Second Street
Portsmouth, OH 45662

Mark A. Whitt
Carpenter, Lipps & Leleand LLP
280 Plaza, Suite 1300
280 North High Street
Columbus OH 43215

Jeffrey Small
Jody M. Kyler
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485
small@occ.state.oh.us
kyler@occ.state.oh.us

Jacqueline Lake Roberts
EnerNOC, Inc.
13212 Haves Corner Road SW
Pataskala OH 43062

The Sierra Club
50 West Broad Street #2117
Columbus, OH 43215

Meigs County Commissioners
Michael Davenport, President
100 East Second Street
Pomeroy, OH 45769

Tuscarawas County
330 University Drive NE
New Philadelphia, OH 44663

Paul F. Wight
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W.
Washington, DC 20005

Deb J. Bingham
Patti Mallarnee
Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485

Philip B. Sineneng
Thompson Hine LLP
41 S. High Street, Suite 1700
Columbus, Ohio 43215
Philip.Sineneng@ThompsonHine.com