

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ormet Primary            )  
Aluminum Corporation for Approval of a Unique            )  
Arrangement with Ohio Power Company                    )        Case No. 09-119 -EL-AEC

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**MOTION TO INTERVENE AND COMMENTS  
OF THE OHIO HOSPITAL ASSOCIATION**

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Pursuant to Ohio Revised Code Section (“R.C.”) 4903.221, Ohio Administrative Code (“OAC”) Rule 4901-1-11, and the Attorney Examiner entry dated June 27, 2013, the Ohio Hospital Association (“OHA”) herewith moves for leave to intervene in the above-captioned proceeding. The OHA requests that the Public Utilities Commission of Ohio (“Commission”) grant OHA leave to intervene because OHA has a real and substantial interest in this proceeding, its participation will not cause undue delay, and the Commission’s disposition of this proceeding may impair or impede OHA’s ability to protect that interest.

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**MEMORANDUM IN SUPPORT**

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On June 14, 2013, Ormet Primary Aluminum Corporation (“Ormet”) filed a Motion to Amend its Unique Arrangement with Ohio Power Company (“AEP Ohio”) along with a request for emergency relief. OHA and its members within the AEP Ohio service territory may be negatively affected by the Commission’s determination of Ormet’s Motion and thus has a real and substantial interest in the outcome of this proceeding and should be permitted to intervene.

The OHA is a private, nonprofit trade association with 167 hospitals, 54 of which are AEP Ohio customers, and 19 healthcare system members that have more than 700 electricity accounts statewide. Collectively, OHA members annually spend well in excess of \$150 million for electric services—approximately \$4,500 a year for each staffed hospital bed. OHA’s mission is to be a membership-driven organization that provides proactive leadership to create an environment in which Ohio hospitals are successful in serving their communities. Every hospital, or virtually every hospital, in AEP-Ohio’s service area is a member of OHA and all OHA member hospitals are posted at <http://www.ohanet.org/Members>.

The OHA has been proactively involved in efforts to control costs and enhance electric service reliability to its members through both its advocacy before the Commission and through informal cooperative discussions with Ohio’s EDUs. The OHA is keenly interested in insuring that the ultimate resolution of the matters in this proceeding will not have an unduly negative impact on the rates for the electricity delivered to OHA members. The OHA has a unique and substantial interest in this proceeding that is not adequately addressed by any other party. OHA’s participation will enhance the effectiveness of the above proceedings, will not unnecessarily cause delay, and will help ensure that the proceedings in these matters are fair to its membership.

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## COMMENTS

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The OHA objects to Ormet's request for expedited approval of its amendment to the Unique Arrangement for the following reasons.

It is truly the case that the arrangement between Ormet and AEP Ohio is "unique." This is true for both the mechanism by which the discount provided to Ormet is determined, as well as the dollar value of that discount that is recovered from AEP Ohio's distribution service customers. The OHA appreciates that for aluminum smelters like Ormet, energy is one of the main components to their final product, and without access to reasonably priced energy, in this case electricity, such businesses cannot compete successfully. The OHA also appreciates the importance of Ormet to the economy of the multistate area around its Hannibal, Ohio facility. The regional benefits of the continued operation of Ormet are not here questioned by the OHA.

Nevertheless, this unique arrangement has now been in place for nearly four years now at expense already in the hundreds of millions of dollars to AEP Ohio's other customers. Ormet is now requesting, among other things, an expansion of that subsidy on the hopes that just a little more ratepayer cash will allow it to achieve financial stability. A question the Commission should carefully consider as part of its overall decision in this case: What if this next infusion of cash doesn't achieve its intended effect? This enhanced, massive economic development subsidy that benefits a multistate region, paid for exclusively by the Ohio ratepayers of AEP Ohio, will go down the proverbial drain. The OHA respectfully submits that this deadweight transfer of revenue from AEP's Ohio ratepayers to a single AEP Ohio ratepayer may be nothing more than a zero-sum game, developmentally. The Commission must consider that the impact of

the subsidy is very easy to see and assess at the point of receipt (at the Ormet end of things). It is much more difficult to see and measure the *collective* impact on the points of collection from each discrete paying customer (the small impacts must be added together in order to make a fair comparison). The *point* is that this subsidy *removes* as much value from the collective points of collection, as it infuses at the single point of receipt. This zero-sum game is made only more unfortunate by the possibility that this transfer is made to an enterprise that may not be truly salvageable.

Accordingly, OHA respectfully requests that the Commission to determine that OHA has a real and substantial interest in this proceeding and grant its Motion to Intervene pursuant to R.C. 4903.221 and OAC Rule 4901-1-11. Moreover, the Commission should not approve Ormet's request to amend its Unique Arrangement on the expedited basis, as sought by Ormet.

Respectfully submitted on behalf of  
THE OHIO HOSPITAL ASSOCIATION



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Richard L. Sites  
General Counsel & Senior Director of Health Policy  
OHIO HOSPITAL ASSOCIATION  
155 East Broad Street, 15<sup>th</sup> Floor  
Columbus, OH 43215-3620  
Telephone: (614) 221-7614  
Facsimile: (614) 221-4771  
Email: [ricks@ohanet.org](mailto:ricks@ohanet.org)

and

Thomas J. O'Brien  
BRICKER & ECKLER LLP  
100 South Third Street  
Columbus, OH 43215-4291  
Telephone: (614) 227-2335  
Facsimile: (614) 227-2390  
E-mail: [tobrien@bricker.com](mailto:tobrien@bricker.com)

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Motion to Intervene was served upon the parties of record listed below this 5<sup>th</sup> day of July 2013 *via* electronic mail.



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Thomas J. O'Brien

M. Howard Petricoff  
Stephen M. Howard  
Vorys, Sater, Seymour and Pease LLP  
52 E. Gay Street  
Columbus, OH 43215  
[mhpetricoff@vorys.com](mailto:mhpetricoff@vorys.com)  
[smhoward@vorys.com](mailto:smhoward@vorys.com)

Clinton A. Vince  
Emma Hand  
Douglas Bonner  
Dan Barnowski  
SNR Denton US LLP  
1301 K Street, NW, Suite 600, East Tower  
Washington, DC 20005  
[cvince@sonnenschein.com](mailto:cvince@sonnenschein.com)  
[ehand@sonnenschein.com](mailto:ehand@sonnenschein.com)  
[dbonner@sonnenschein.com](mailto:dbonner@sonnenschein.com)  
[dbarnowski@sonnenschein.com](mailto:dbarnowski@sonnenschein.com)

Steven T. Nourse  
Matthew J. Satterwhite  
American Electric Power Service Corporation  
1 Riverside Plaza, 29<sup>th</sup> Floor  
Columbus, OH 43215  
[stnourse@aep.com](mailto:stnourse@aep.com)  
[mjsatterwhite@aep.com](mailto:mjsatterwhite@aep.com)

David F. Boehm, Esq.  
Michael L. Kurtz, Esq.  
Boehm, Kurtz & Lowry  
36 East Seventh Street, Suite 1510  
Cincinnati, OH 45202  
[dboehm@BKLawfirm.com](mailto:dboehm@BKLawfirm.com)  
[mkurtz@BKLawfirm.com](mailto:m Kurtz@BKLawfirm.com)

Maureen Grady  
Office of the Ohio Consumers' Counsel  
10 West Broad Street, Suite 1800  
Columbus, Ohio 43215-3485  
[grady@occ.state.oh.us](mailto:grady@occ.state.oh.us)

Mark S. Yurick, Esq.  
Taft Stettinius & Hollister LLP  
65 East State Street, Suite 1000  
Columbus, Ohio 43215-4213  
[myurick@taftlaw.com](mailto:myurick@taftlaw.com)

Samuel C. Randazzo  
McNees Wallace & Nurick LLC  
21 East State Street, 17th Floor  
Columbus, OH 43215  
[sam@mwncmh.com](mailto:sam@mwncmh.com)

J. Thomas Siwo  
Bricker & Eckler LLC  
100 South Third Street  
Columbus, OH 43215  
[tsiwo@bricker.com](mailto:tsiwo@bricker.com)

Gretchen Petrucci  
Vorys, Sater, Seymour and Pease LLP  
52 E. Gay Street  
Columbus, OH 43215  
[gpetrucci@vorys.com](mailto:gpetrucci@vorys.com)

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Summary: Motion to Intervene and Comments of The Ohio Hospital Association electronically filed by Teresa Orahod on behalf of Thomas O'Brien