

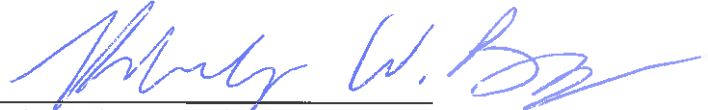
**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application for)
Approval of an Economic Development) Case No. 17-2132-EL-AEC
Arrangement Between Ohio Power Company)
and Acero Junction, Inc.)

**MOTION TO INTERVENE AND COMMENTS OF
THE OHIO MANUFACTURERS' ASSOCIATION ENERGY GROUP**

Pursuant to Section 4903.221, Revised Code, and Rules 4901-1-11 and 4901:1-38-05(F), Ohio Administrative Code (O.A.C.), the Ohio Manufacturers' Association Energy Group (OMAEG) respectfully moves the Public Utilities Commission of Ohio (Commission) to intervene and submit comments in this matter with the full powers and rights granted to intervening parties. OMAEG has real and substantial interests that this proceeding may adversely affect and no existing parties adequately represent those interests. The Commission should grant this motion because OMAEG satisfies the standard for intervention set forth by statute and in the Commission's rules. A memorandum in support is attached.

Respectfully submitted,



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MEMORANDUM IN SUPPORT

On October 18, 2017, Acero Junction, Inc. (Acero) and the Ohio Power Company (AEP Ohio) filed a joint application (Application) with the Public Utilities Commission of Ohio (Commission) for an Economic Development and Reasonable Arrangement (Arrangement).¹ Acero seeks this Arrangement in order to resume the operations it previously halted at its Jefferson County, Ohio plant.² The Arrangement offers Acero incentives that are not available to other AEP customers in order for Acero to secure the “competitive electric power supply” it claims that it needs in order to finance the re-opening of its Jefferson County plant.³ Per the Application, the unique arrangement would begin upon its approval by the Commission and run through May 31, 2024.⁴

Under the Arrangement, Acero would receive: (1) a monthly interruptible power (IRP) credit under AEP Ohio’s IRP tariff based on its actual demand up to a 120 MW load; (2) the opportunity to bid its interruptible capacity into the PJM Reliability Pricing Model (RPM); (3) if

¹ See *In the Matter of the Joint Application for Approval of an Economic Development Arrangement Between Ohio Power Company and Acero Junction, Inc.*, Case No. 17-2132-EL-UNC, Joint Application for Approval of an Economic Development and Reasonable Arrangement (October 18, 2017).

² Id. at 1.

³ Id. at 2.

⁴ Id. at 3.

the IRP credit does not offset 85% of Acero's monthly transmission and distribution charges (wire charges), an additional Economic Development rate credit until 85% of wire charges are offset; and (4) the right to participate in AEP Ohio's BTCR pilot program, or its successor, as a member of the Ohio Energy Group.⁵ In exchange for these benefits, Acero commits to having a minimum of 270 full-time employees within three years of resuming operations and making at least \$60 million in capital investments.⁶ If Acero does not meet its commitments, its IRP credit is unchanged and its Economic Development credit will be reduced pro rata by the amount that it falls short.⁷ Acero additionally contends that the total combined direct and indirect benefits of its resumption of operations will include additional jobs and labor income.⁸

Other ratepayers will be required to bear the costs of the incentives that this Arrangement would offer Acero. The Application provides that the monthly IRP credit will be collected from customers under the terms and conditions of the IRP tariff.⁹ It further states that Economic Development rate credits will be collected through AEP Ohio's Economic Development Rider.¹⁰

Rules 4901-1-11 and 4901:1-38-05(F), O.A.C., permit intervention by an affected party who has a real and substantial interest in the proceeding and who is so situated that the disposition of the proceeding may impair or impede its ability to protect that interest and whose interest is not adequately represented by an existing party. Similarly, Section 4903.221, Revised Code, authorizes intervention where a party: may be adversely affected by the proceeding; will

⁵ Id. at 3-4.

⁶ Id. at 4.

⁷ Id.

⁸ Id. at 5.

⁹ Id. at 3.

¹⁰ Id.

contribute to a full development and equitable resolution of factual issues; and will not unduly prolong or delay the proceedings.

OMAEG is a non-profit entity that strives to improve business conditions in Ohio and drive down the cost of doing business for Ohio manufacturers. OMAEG members and their representatives work directly with elected officials, regulatory agencies, the judiciary, and the media to provide education and information to energy consumers, regulatory boards and suppliers of energy; advance energy policies to promote an adequate, reliable, and efficient supply of energy at reasonable prices; and advocate in critical cases before the Commission. OMAEG members purchase electric services from AEP Ohio and may be responsible for any revenue shortfall or costs arising from this unique arrangement.

OMAEG has been a participant in other cases involving unique arrangements,¹¹ and has an interest in ensuring that any benefits accruing to customers, and the resultant discounted rates that are funded by other AEP Ohio customers, are just and reasonable.¹² OMAEG also has an interest in ensuring that unique arrangements further the policy of the state of Ohio prescribed by Section 4928.02, Revised Code.¹³ Finally, OMAEG has an interest in ensuring that no unreasonable or anticompetitive effects arise from the unique arrangements.

¹¹ See, e.g., *In the Matter of the Joint Application of Vadata, Inc. and Ohio Power Company for Approval of a Unique Economic Development Arrangement for Ohio Data Center Campuses*, Case No. 17-1827-EL-AEC, Motion to Intervene and Comments of the Ohio Manufacturers' Association Energy Group (September 21, 2017); *In the Matter of the Application of Globe Metallurgical, Inc. for Approval of a Unique Arrangement Between Ohio Power Company and Globe Metallurgical, Inc.*, Case No. 16-737-EL-AEC, Entry at 1 (August 4, 2016) (granting OMAEG's Motion to Intervene); *In the Matter of the Application of the TimkenSteel Corporation for Approval of a Unique Arrangement for the Timken Steel Corporation's Stark County Facilities*, Case No. 15-1857-EL-AEC, Entry at 2 (November 24, 2015) (granting OMAEG's Motion to Intervene).

¹² Rule 4901:1-38-05(B)(1), O.A.C. ("Each customer applying for a unique arrangement bears the burden of proof that the proposed arrangement is reasonable and does not violate the provisions of sections 4905.33 and 4905.35 of the Revised Code"); Section 4905.35, Revised Code ("No public utility shall give any undue or unreasonable preference or advantage to any . . . firm . . . or subject any . . . firm to any undue or unreasonable prejudice or disadvantage.").

¹³ Rule 4901:1-38-05(C), O.A.C. ("Each applicant applying for approval of a unique arrangement . . . shall describe how such arrangement furthers the policy of the state of Ohio embodied in section 4928.02 of the Revised Code.").

Acero plainly states that the Arrangement would impose a financial burden on customers. The Application provides for up to \$26.2 million in Economic Development rate credits and additional incentives through its participation in the IRP tariff. Under Rule 4901:1-38-08, O.A.C., AEP Ohio is able to collect this revenue from other customers, and the Application states directly that it can and will do so.¹⁴

A unique arrangement should balance any purported benefits to the state and local economies with the costs required to achieve such benefits. The cost-benefit analysis should consider all of the applicant's rate discounts or incentives paid for by other customers and compare that to the capital investment dollars, employment level commitments, and any other commitments made by the applicant. The Commission should ensure there is proper alignment between benefits received under the proposed Arrangement and any commitment(s) undertaken by Acero.

OMAEG has a direct, real, and substantial interest in the issues raised in this proceeding and is so situated that the disposition of the proceeding may, as a practical matter, impair or impede its ability to protect that interest. OMAEG is regularly and actively involved in Commission proceedings and, as in previous proceedings, OMAEG's unique knowledge and perspective will contribute to the full development and equitable resolution of the issues in this proceeding. OMAEG's interest will not be adequately represented by other parties to the proceeding and its timely intervention will not unduly delay or prolong the proceeding.

As discussed above, OMAEG satisfies the criteria for intervention set out in Section 4903.221, Revised Code, and Rules 4901-1-11 and 4901:1-38-05(F), O.A.C. OMAEG, therefore, respectfully requests that the Commission grants this motion, allows OMAEG to

¹⁴ See Application at 3.

intervene with the full powers and rights granted by the Commission to intervening parties, and makes OMAEG a full party of record. OMAEG further requests that the Commission give due consideration to the comments articulated herein.

Respectfully submitted,




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CERTIFICATE OF SERVICE

I hereby certify that a true and accurate copy of the foregoing was served upon the following parties via electronic mail on November 16, 2017



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Summary: Motion Motion To Intervene and Comments of The Ohio Manufacturers' Association Energy Group electronically filed by Ms. Cheryl A Smith on behalf of The Ohio Manufacturers' Association Energy Group