

BOEHM, KURTZ & LOWRY

ATTORNEYS AT LAW
36 EAST SEVENTH STREET
SUITE 1510
CINCINNATI, OHIO 45202
TELEPHONE (513) 421-2255

TELECOPIER (513) 421-2764

Via E-FILE

December 15, 2014

Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

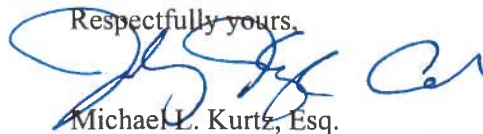
In re: Case No. 10-3066-EL-AEC

Dear Sir/Madam:

Please find attached JOINT APPLICATION TO AMEND THE UNIQUE ARRANGEMENT BY TIMKENSTEEL CORPORATION AND OHIO POWER COMPANY for filing in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



Michael L. Kurtz, Esq.

Jody Kyler Cohn, Esq.

BOEHM, KURTZ & LOWRY

MLKkew

Encl.

Cc: Thomas McNamee, Esq.
Richard Bulgrin, Esq.

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Joint Application of the TimkenSteel Company and The Ohio Power Company for Approval of a Unique Arrangement for the TimkenSteel Company's Canton, Ohio Facilities.	: : :	Case No. 10-3066-EL-AEC
--	-------------	-------------------------

**JOINT APPLICATION TO AMEND THE UNIQUE ARRANGEMENT BY
TIMKENSTEEL CORPORATION AND
OHIO POWER COMPANY**

Pursuant to R.C. §4905.31 and Ohio Admin. Code §4901:1-38-05, TimkenSteel Corporation (“TimkenSteel”) and Ohio Power Company (“AEP Ohio,” collectively “Joint Movants”) respectfully submit this Joint Application to the Public Utilities Commission of Ohio (“Commission”) for approval to further amend their current Unique Arrangement. Specifically, Joint Applicants respectfully request that the Commission allow TimkenSteel to continue to serve as an interruptible resource for AEP Ohio from June 1, 2015 through the earlier of December 31, 2015 or the date that the Commission approves or denies an application for a new reasonable arrangement filed by TimkenSteel.

Joint Movants’ current Unique Arrangement was approved by the Commission in the above-captioned proceeding on April 27, 2011, and subsequently amended on March 26, 2014 and October 29, 2014.¹ Thus far, the Unique Arrangement has been highly successful, with TimkenSteel exceeding its capital investment commitments, increasing its employment levels, and dedicating the savings from its energy conservation efforts to AEP Ohio to help reduce costs to other customers.²

Pursuant to the Unique Arrangement, TimkenSteel is permitted to serve as an interruptible resource for AEP Ohio from December 1, 2015 through May 31, 2015 and receive a rate credit for providing that service, even if TimkenSteel chooses to shop for its electric generation service. This provision helps to maintain the competitiveness of TimkenSteel’s electric pricing now that its rate discount under the Unique Arrangement has

¹ Opinion & Order, Case No. 10-3066-EL-AEC (April 27, 2011); Opinion & Order (March 26, 2014); Opinion & Order (October 29, 2014).

² Joint Application to Amend the Unique Arrangement, Case No. 10-3066-EL-AEC (September 18, 2014) at 2.

terminated.³ Given TimkenSteel's high sensitivity to electricity price increases,⁴ significant changes in its electricity pricing can threaten its ability to compete at both the national and international levels as well as its ability to continue to provide high-paying manufacturing jobs in Ohio.⁵ By providing TimkenSteel an opportunity to receive a rate credit for providing interruptible service to AEP Ohio, the Commission helps to mitigate any adverse economic impacts that could result from the loss of TimkenSteel's rate discount under the Unique Arrangement.

As the Commission has acknowledged,⁶ allowing TimkenSteel to continue to serve as an interruptible resource for AEP Ohio also extends TimkenSteel's ability to provide economic and reliability benefits to other customers in AEP Ohio's service territory. Joint Movants previously explained that TimkenSteel's *"ability to rapidly shed demand can and has been called upon by Ohio Power to ensure reliable service for firm customers and results in more economical pricing for all customer classes."*⁷ Indeed, in the past three years, AEP Ohio has called nine emergency interruptions of TimkenSteel's load, three of which were in non-summer months during the *"polar vortex"* in early 2014.

Turning to the present Application, the problem necessitating an additional amendment to the Unique Arrangement is as follows: TimkenSteel intends to file an application for a new reasonable arrangement sometime during the first half of 2015. Before TimkenSteel can develop a comprehensive application for a new reasonable arrangement, TimkenSteel needs to know the Commission's final determinations with respect to AEP Ohio's pending Electric Security Plan ("ESP") proceeding, Case No. 13-2385-EL-SSO. Those determinations will impact the content of TimkenSteel's application for a new reasonable arrangement. Because AEP Ohio's ESP case is still pending before the Commission, however, it is increasingly unlikely that TimkenSteel will have sufficient time to develop a comprehensive reasonable arrangement application that could be acted upon by the Commission prior to June 1, 2015 – the date at which TimkenSteel no longer has Commission authorization to serve as an interruptible resource for AEP Ohio pursuant to the current Unique Arrangement.

³ See Opinion & Order, Case No. 10-3066-EL-AEC (October 29, 2014) ("UA Amendment Order") at 4.

⁴ Joint Application, Case No. 10-3066-EL-AEC (December 20, 2010) ("First Joint Application") at 12; Direct Testimony of James W. Griffith (March 21, 2011) at 5:13-16.

⁵ First Joint Application at 3.

⁶ UA Amendment Order at 4.

⁷ First Joint Application at 12.

Consequently, Joint Movants respectfully request that the Commission authorize TimkenSteel to continue to serve as an interruptible resource for AEP Ohio from June 1, 2015 through the earlier of December 31, 2015 or the date that the Commission rules upon the upcoming application for a new reasonable arrangement filed by TimkenSteel. If TimkenSteel's upcoming application for a new reasonable arrangement can be developed and acted upon by the Commission prior to May 31, 2015, then the status quo would not change as a result of this amendment. However, adopting this amendment would provide TimkenSteel some protection from potentially significant adverse rate impacts that could occur if its new application for a reasonable arrangement is not acted upon by the Commission as of May 31, 2015. Moreover, the proposed amendment would only extend through December 31, 2015 at latest, thus ensuring that the extension proposed herein is no longer than seven months. While this extension is being requested based upon the TimkenSteel's plan to separately request a new reasonable arrangement, approval of this extension would be done without prejudice to the Commission's future decision on the upcoming application for a new reasonable arrangement.

The proposed amendment would benefit TimkenSteel, AEP Ohio, and other customers in its service territory. The amendment would bolster the competitiveness of TimkenSteel's electric pricing since TimkenSteel could receive a rate credit for providing interruptible service during the period between June 1, 2015 and the date that its application for a new reasonable arrangement could be acted upon by the Commission. AEP Ohio would benefit by retaining TimkenSteel's interruptible load as a resource to maintain the reliability of its system beyond May 31, 2015. And other AEP Ohio customers could receive reliability and economic benefits from TimkenSteel's interruptible load beyond May 31, 2015.

If the proposed amendment is approved, the same terms and conditions that currently apply to TimkenSteel when serving as an interruptible resource for AEP Ohio would continue to apply beyond May 31, 2015. TimkenSteel would serve as an interruptible resource for AEP Ohio under PJM's capacity only program irrespective of whether TimkenSteel chose to switch its electric generation service to a competitive retail electric service provider. Interruptions would be unlimited in the case of emergencies or pre-emergencies, but no interruptions for economic purposes would be permitted. And TimkenSteel would continue to receive the \$8.21/kW-month credit that it currently receives pursuant to its Unique Arrangement. Because TimkenSteel's

interruptible credit is not tied to AEP Ohio's IRP-D rate schedule, that credit would not be impacted if the Commission allows the IRP-D rate schedule to expire after May 31, 2015. AEP Ohio would continue to recover the cost of the credit through its EE/PDR Rider.

Joint Movants submit that, with the amendment requested above, the structure and content of the amended Unique Arrangement will continue to satisfy the Commission's requirements under R.C. §4905.31 and Ohio Admin. Code §4901:1-38-05. The amended Unique Arrangement will advance state policy as set forth in R.C. §4928.02. Specifically, approval of the amended Unique Arrangement will facilitate Ohio's effectiveness in the global economy consistent with R.C. §4928.02(N) by providing TimkenSteel, a major employer in the state, with electric pricing that will help it to compete both nationally and internationally. Additionally, the amended Unique Arrangement will not violate R.C. §§4905.33 and 4905.35 since it is not anti-competitive, discriminatory, or unduly preferential and does not disadvantage any competitive retail electric service provider. Indeed, the requested amendment would still allow TimkenSteel to shop for electric generation service.

WHEREFORE, Joint Movants respectfully request that the Commission approve an amendment to their Unique Arrangement under which TimkenSteel could continue to serve as an interruptible resource for AEP Ohio from June 1, 2015 through the earlier of December 31, 2015 or the date that the Commission approves or denies an application for a new reasonable arrangement filed by TimkenSteel. Joint Movants urge the Commission to find that the amendment to the Unique Arrangement described herein is just and reasonable and promptly act to approve that amendment.

Respectfully submitted,



Michael L. Kurtz, Esq.

Jody Kyler Cohn, Esq.

BOEHM, KURTZ & LOWRY

36 East Seventh Street, Suite 1510

Cincinnati, Ohio 45202

Telephone: (513)421-2255 Fax :(513)421-2764

Email: mkurtz@BKLawfirm.com

jkylercohn@BKLawfirm.com

COUNSEL FOR TIMKENSTEEL CORPORATION

Steven T. Nourse / .mxc/

Steven T. Nourse, Senior Counsel

Legal Regulatory

**AMERICAN ELECTRIC POWER SERVICE
CORPORATION**

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215

Telephone: 614-716-1608 Fax: 614-716-2950


Email: stnourse@aep.com

**COUNSEL FOR AMERICAN ELECTRIC POWER
SERVICE CORPORATION**

December 15, 2014

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail (when available) or ordinary mail, unless otherwise noted, this 15th day of December, 2014 to the following:



Michael L. Kurtz, Esq.
Jody Kyler Cohn, Esq.

SAMUEL C RANDAZZO
IEU OHIO, MCNEES WALLACE & NURICK
FIFTH THIRD CENTER
21 EAST STATE ST 17TH FLOOR
COLUMBUS OH 43215

MIGDEN-OSTRANDER, JANINE L.
OFFICE OF CONSUMERS' COUNSEL
10 W. BROAD STREET
SUITE 1800
COLUMBUS OH 43215-4209

OHIO POWER COMPANY VP REG & FINANCE
SELWYN J DIAS
850 TECH CENTER DR
GAHANNA OH 43230

NOURSE, STEVEN T. MR.
AMERICAN ELECTRIC POWER
1 RIVERSIDE PLAZA
COLUMBUS OH 43215

TIMKENSTEEL CORPORATOIN
PEGGY CLAYTOR
1835 DUEBER AVE, S.W. PO BOX 6928
CANTON OH 44706

*PETRICOFF, M HOWARD
VORYS SATER SEYMOUR AND PEASE LLP
52 E. GAY STREET P.O. BOX 1008
COLUMBUS OH 43216-1008

*LEACH-PAYNE, VICKI L. MS.
MCNEES WALLACE & NURICK LLC
21 E. STATE ST., 17TH FLOOR
COLUMBUS OH 43215

*BINGHAM, DEB J. MS.
OFFICE OF THE OHIO CONSUMERS' COUNSEL
10 W. BROAD ST., 18TH FL.
COLUMBUS OH 43215

*SPENCER, KEN MR.
ARMSTRONG & OKEY, INC.
222 EAST TOWN STREET 2ND FLOOR
COLUMBUS OH 43215

*MILLER, VESTA R
PUBLIC UTILITIES COMMISSION OF OHIO
180 EAST BROAD STREET
COLUMBUS OH 43215

OLIKER, JOSEPH E ATTORNEY
MCNEE WALLACE & NURICK LLC
21 EAST STATE STREET, 17TH FLOOR
COLUMBUS OHIO 43215

*SETTINERI, MICHAEL J. MR.
VORYS, SATER, SEYMOUR AND PEASE LLP
52 EAST GAY STREET
COLUMBUS OH 43215

GRADY, MAUREEN
OFFICE OF CONSUMERS' COUNSEL
10 W. BROAD STREET SUITE 1800
COLUMBUS OH 43215-3485

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

12/15/2014 1:56:40 PM

in

Case No(s). 10-3066-EL-AEC

Summary: Application Joint Application to Amend the Unique Arrangement of TimkenSteel Corporation and Ohio Power Company electronically filed by Mr. Michael L. Kurtz on behalf of TimkenSteel Corporation and Ohio Power Corporation