

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

ENTRY

The attorney examiner finds:

- (1) Pursuant to Section 4905.31, Revised Code, and Rule 4901:1-38-05, Ohio Administrative Code (O.A.C.), the Commission has authority to approve schedules for electric service upon application of a public utility or establish reasonable arrangements for electric service upon application of a public utility and/or mercantile customers.
- (2) On December 20, 2010, the Timken Company (Timken), a mercantile customer as defined by Section 4928.01, Revised Code, and the Ohio Power Company (Ohio Power) (collectively, the Companies or Applicants) filed a joint application (application) seeking approval of a unique arrangement for Timken's Canton, Ohio facilities. In the application, the Companies state that Timken is within the certified service territory of Ohio Power, an electric distribution utility as defined in Section 4928.01, Revised Code. The Companies further state that entering into an energy pricing arrangement will allow Timken to pursue capital investments in production and energy conservation which, in turn, should preserve employment and increase efficiency. Consequently, the Companies propose a special rate design for Timken based on a declining discount off the applicable tariff rates beginning at fifteen percent for the first twelve months, and, thereafter, declining by one percent every year for the first five years, and by two percent every year for the remaining years. Additionally, the proposed special rate design includes a "limiter," or a pre-set ceiling for Timken's power costs, every month of the unique arrangement. The special rate design also includes a cap on

the limiter in the event that it results in a tariff discount of more than 25 percent, as well as an absolute cap on the aggregate discount arising from the rate discount and limiter. Finally, the special rate design purports to preserve Timken's right to switch from purchasing electricity under the standard service offer to purchasing electricity on the open market, in which case the unique arrangement would terminate.

- (3) Motions to intervene in this matter were filed by Industrial Energy Users-Ohio (IEU-Ohio), Ohio Energy Group (OEG), and the office of the Ohio Consumers' Counsel (OCC) (collectively, Interveners). The attorney examiner finds that the Interveners have set forth reasonable grounds to intervene. Accordingly, their motions to intervene should be granted.
- (4) IEU-Ohio and OCC timely filed comments on the application.
- (5) Having reviewed the Companies' application and the comments submitted by IEU-Ohio and OCC, the attorney examiner finds that this matter should be set for hearing. Accordingly, the following procedural schedule shall be set:

March 14, 2011 Prehearing conference

March 21, 2011 Pre-filed testimony deadline for the Applicants and Interveners

March 28, 2011 Hearing commences

Both the March 14, 2011, prehearing conference and the March 28, 2011, hearing will take place at 10:00 a.m., at the offices of the Commission, 180 East Broad Street, 11th Floor, Hearing Room 11-A, Columbus, Ohio 43215-3793.

It is, therefore,

ORDERED, That the motions to intervene of IEU-Ohio, OEG, and OCC be granted. It is, further,

ORDERED, That the procedural schedule set forth in finding (5) be adopted. It is, further,

ORDERED, That a copy of this entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

By: 
Mandy L. Willey
Attorney Examiner

JEJ/sc

Entered in the Journal

FEB 24 2011



Renee J. Jenkins
Secretary