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PUCO

March 21, 2011

Renee Jenkins
Secretary
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215


**RE: Columbus Southern Power Company/Solsil, Inc., PUCO Case No. 08-883-EL-AEC
and Ohio Power Company/Globe Metallurgical, Case No. 08-884-EL-AEC**

Dear Ms. Jenkins

Attached is a Stipulation and Recommendation which is being filed in the above-captioned proceeding.

Please do not hesitate to contact us if you have any questions.

Sincerely,


Samuel C. Randazzo

cc: Parties of Record

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application for Approval)	
of a Contract for Electric Service Between)	Case No. 08-883-EL-AEC
Columbus Southern Power Company)	
and Solsil, Inc.)	

In the Matter of the Application for Approval)	
of a Contract for Electric Service Between)	Case No. 08-884-EL-AEC
Ohio Power Company and Globe)	
Metallurgical, Inc.)	

STIPULATION AND RECOMMENDATION

I. INTRODUCTION

Rule 4901-1-30, Ohio Administrative Code ("O.A.C."), provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. This Stipulation and Recommendation ("Stipulation") sets forth the understanding and agreement of the parties who have signed below ("Signatory Parties") and jointly recommend that the Public Utilities Commission of Ohio ("Commission") approve and adopt this Stipulation without modification, in order to resolve any and all contested issues in these proceedings regarding the Stipulation and Recommendation filed in these proceedings on November 12, 2010 ("November Stipulation").

II. RECITALS

WHEREAS, the Commission issued a July 31, 2008 Finding and Order in Case Nos. 08-883-EL-AEC and 08-884-EL-AEC simultaneously approving two proposed

reasonable arrangements between Columbus Southern Power Company ("CSP") and Solsil, Inc. ("Solsil") and Ohio Power Company ("OP")¹ and Globe Metallurgical, Inc. ("Globe"), respectively;

WHEREAS, the Companies, along with Globe and Solsil, filed the November Stipulation in these proceedings for the purpose of documenting their resolution of a disagreement as to the applicability of the two reasonable arrangements and their relationship to each other;

WHEREAS, On December 2, 2010, the Office of the Ohio Consumers' Counsel ("OCC") filed comments on the November Stipulation (reply comments were filed on December 16, 2010);

WHEREAS, by Entry issued January 24, 2011, the Attorney Examiner set a procedural schedule that, among other things, requires testimony to be filed on March 21, 2011 and the evidentiary hearing to commence on March 28, 2011;

WHEREAS, the Signatory Parties have met and engaged in negotiations for the purpose of resolving any contested issues associated with the November Stipulation and have agreed to fully resolve such contested issues and to recommend that the Commission promptly issue a final order approving such November Stipulation as modified herein;

THEREFORE, the Signatory Parties stipulate, agree and recommend as set forth below.

¹ CSP and OP may be referred to as "AEP Ohio" or the "Companies".

III. STIPULATIONS OF FACT AND LAW

- a) The Signatory Parties agree that this Stipulation is the product of serious bargaining among capable, knowledgeable parties.
- b) The Signatory Parties agree that this Stipulation, as a package, benefits customers and the public interest by: providing discounted electric rates to Globe to permit the retention of jobs in the state of Ohio, by pushing the Solsil project forward which would result in a \$46 million investment in Ohio with the creation of approximately 350 jobs; and reducing the delta revenues that are to be collected from OP customers.
- c) The Signatory Parties agree that this Stipulation does not violate any important regulatory principle or practice.

IV. MODIFICATION AND IMPLEMENTATION OF NOVEMBER STIPULATION

- a) The Signatory Parties recommend that the Commission promptly approve the November Stipulation as modified herein.
- b) With regard to the November Stipulation's provisions addressing the reasonable arrangement between OP and Globe, the Signatory Parties agree that such November Stipulation (including but not limited to paragraph 11) should be promptly adopted and approved by the Commission as filed with the Commission on November 12, 2010.
- c) With regard to the November Stipulation's provisions addressing the reasonable arrangement between CSP and Solsil, the Signatory Parties

agree that such November Stipulation should be promptly adopted and approved by the Commission with the additional condition that the Solsil reasonable arrangement shall sunset without further action by the Commission² on December 31, 2013 without, as noted below, prejudice to the right to apply for approval of a subsequent or replacement reasonable arrangement, if Globe Specialty Metals, Inc., on behalf of Solsil, has not made a formal commitment on or before that date to proceed with the \$46 million investment in Beverly, Ohio as described in its original application filed on July 16, 2008 in Case No. 08-883-EL-AEC.

V. MISCELLANEOUS

- a) It is understood by the Signatory Parties that this Stipulation is not binding upon the Commission. However, the recommendations contained and the relief requested herein are supported by information that has been filed with the Commission in these proceedings. This Stipulation is based upon the Signatory Parties' desire to arrive at a just and reasonable result by: providing discounted electric rates to Globe to permit the retention of jobs in the State of Ohio, by pushing the Solsil project forward which would result in a \$46 million investment in Ohio with the creation of approximately 350 jobs; and reducing the delta revenues that are to be collected from OP customers.

² Any sunset of the Solsil reasonable arrangement pursuant to this Stipulation as it may be approved by the Commission shall not prejudice Solsil's right or opportunity to file an application seeking approval of a future reasonable arrangement. In the event the current Solsil reasonable arrangement sunsets, a future application for approval of a reasonable arrangement for Solsil shall be made in accordance with the applicable PUCO rules and the Ohio Revised Code.

- b) Considering the law, facts, and circumstances in this case, the Signatory Parties believe this Stipulation should be given expedited consideration by the Commission and should be promptly adopted.
- c) This Stipulation is submitted for purposes of this case and should not be understood to reflect the positions which each of the Signatory Parties would have taken absent facts and circumstances that are unique to these proceedings. As with most Stipulations and Recommendations reviewed by the Commission, the willingness of the Signatory Parties to jointly sponsor this document and seek an expedited ruling on the relief requested herein is predicated on the reasonableness of the Stipulation taken as a whole.
- d) This Stipulation is expressly conditioned upon adoption in its entirety by the Commission, without material modification.³ Should the Commission reject or materially modify all or any part of this Stipulation, any Signatory Party may, within thirty (30) days of the issuance of the Commission's order, file an application for rehearing or terminate and withdraw from the Stipulation by filing a notice with the Commission in these proceedings, including service to all Signatory Parties. The Signatory Parties agree they will not oppose or argue against any other Signatory Party's application for rehearing that seeks to uphold this Stipulation without modification. If upon rehearing the Commission does not adopt the Stipulation in its entirety without material

³ Any Signatory Party has the right, in its sole discretion, to determine what modifications are "material" for purposes of that Party withdrawing from the Stipulation.

modification, then any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission, including service to all Signatory Parties, in these proceedings within thirty (30) days of the Commission's entry (or order) on rehearing. Prior to any Signatory Party filing a notice seeking withdrawal from this Stipulation pursuant to this provision, the Signatory Parties agree to convene immediately to work in good faith to try to achieve an outcome that substantially satisfies the intent of the Commission or proposes a reasonable equivalent. If a new agreement is reached that includes agreement with the Signatory Party wishing to terminate, that new agreement shall be submitted to the Commission for its review and approval. Upon the filing and notice of termination and withdrawal by any Signatory Party, pursuant to the above provisions, the Stipulation shall immediately become null and void. In such event, the Signatory Parties request that the Commission acknowledge the notice within thirty (30) days of its filing, but whether or not the Commission acknowledges the notice does not alter the effectiveness of the notice of termination and withdrawal. In the event of a notice of termination and withdrawal, and if the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful in reaching a new agreement that includes all Signatory Parties to the present Stipulation, these proceedings shall go forward at the procedural point at which this Stipulation was filed, i.e., the Commission shall convene an evidentiary hearing and the Signatory Parties shall be afforded the full opportunity to present evidence through witnesses, to cross examine

all witnesses, to present rebuttal testimony, and to brief all issues which shall be decided based upon the record and briefs as if this Stipulation had never been executed.

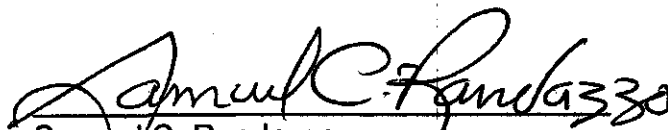
- e) Except for purposes of enforcing this Stipulation, this Stipulation, the information contained herein, and the Commission's order adopting this Stipulation shall not be cited as precedent in any future proceeding for or against any Signatory Party, or the Commission itself, if the Commission approves the Stipulation. The Signatory Parties' agreement to this Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Stipulation. More specifically, no specific element or item contained in this Stipulation shall be construed as the position that any Signatory Party might support or take in any other proceeding. Further, no specific element or item contained in this Stipulation shall be construed as the results any Signatory Party might support or seek in the absence of this Stipulation in these proceedings or any other proceeding. This Stipulation is a comprehensive and reasonable compromise of issues raised by the Signatory Parties with diverse interests and involving a balancing of competing positions, and it does not necessarily reflect the position that one or more of the Signatory Parties would have taken if these issues had been fully litigated.

Agreed upon this 21st day of March, 2011.



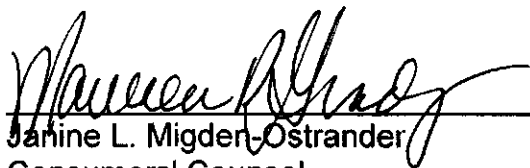
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ON BEHALF OF OHIO POWER COMPANY



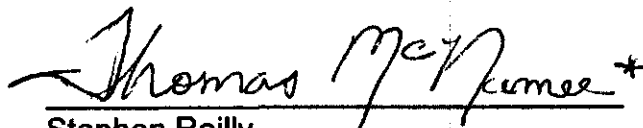
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ON BEHALF OF GLOBE METALLURGICAL,
INC. AND SOLSIL, INC.



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ON BEHALF OF THE PUBLIC UTILITIES
COMMISSION OF OHIO

* SCR per telephone/e-mail authorization,