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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application)
for Approval of an Amendment to a)
Contract for Electric Service between)
Ohio Power Company and Globe)
Metallurgical, Inc.)

Case No. 13-1170-EL-AEC

APPLICATION

Pursuant to Section 4905.31, Revised Code, Globe Metallurgical, Inc. respectfully applies for approval of an amendment to the unique arrangement between it and Ohio Power Company previously approved in Case No. 08-884-EL-AEC and states the following:

1. Ohio Power Company (OPCO) is a public utility as defined by Section 4905.02, Revised Code and is subject to regulation by the Public Utilities Commission of Ohio ("the Commission").

2. Globe Metallurgical, Inc. ("Globe" or "the Customer") is a customer of OPCO with facilities at 1598 Sparling Road, Beverly, Ohio. It manufactures silicon metal, specialty alloys, and ferroalloys at its Beverly plant. It is a customer of OPCO taking service under the GS-4 rate schedule.

3. In Case No. 08-884-EL-AEC, the Commission approved a unique arrangement pursuant to Revised Code Section 4905.31, Revised Code for a ten year term ending December 31, 2018. The purpose of unique arrangement was to permit Globe to compete in the world wide specialty metals market from its Beverly Ohio facility. The unique arrangement provided for Globe to receive a 10% percent discount from OPCO's current IRP-D standard service and GS-4 energy rate (Big G). The discount was in recognition of Globe's high load factor rate and conditioned on Globe maintaining an expanded employee level.

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4. Since 2008 when the unique arrangement application was filed, several unforeseeable events have taken place. First, the intended market for Globe Beverly's metallurgical grade silicon, the Solsil solar panel project, was indefinitely suspended. In January of 2011, Globe's discount was reduced from 10% to 4.3% because of the Solsil suspension. In response, Globe began actively seeking other outlets for the production from the Beverly, Ohio plant. Second, commencing this year as part of the Commission's Opinion and Order in Case No. 11-346-EL-SSO, OPCO energy component the standard service offer will no longer be exclusively based upon OPCO acquired energy costs. Further, by June 2015 OPCO will not directly own generation facilities to supply energy or capacity.

Globe buys some 2.5 MW of firm power from Schedule GS-4 and 85 MW of interruptible power. Thus, Globe is one of the few and one of Ohio Power's largest Rate Schedule IRP – D customers. Schedule IRP-D rates are designed for reliability and economic interruption which is integrated with OPCO's legacy generation for purposes of the default standard service offer.

5. Globe seeks approval from this Commission of certain amendments to the current special contract to essentially end the unique arrangement upon the June 1, 2015 transition of Ohio Power to market procurement of capacity and energy for standard service. Globe will remain an interruptible customer until then to meet OPCO's obligations for reliability and economic interruptions.

6. To achieve a smooth transition between IRP-D service today and market based service in June 2015, Globe proposes the following three amendments to the current special contract:

A. The current unique arrangement contract termination date be moved up to June 1, 2015 from December 31, 2018.

B. The price of the unique arrangement be changed from a percentage off the tariff rates (a combination of Schedules IRP-D and GS-4) to a fixed price of \$42.78 per megawatt hour for the remainder of the shortened term. The proposed fixed price is designed to achieve the same level of savings that Globe was anticipating had the contract gone its full term at the original discount. Foregone revenue (also referred to as “delta revenue”) associated with the unique arrangement shall be fully recovered by OPCO. Delta revenue is the difference between the fixed price and all revenue which would be recoverable from Globe under OPCO tariff rates, including all riders, but for the unique arrangement contract.

C. Globe would forgo its right to go to market on notice and remain an interruptible customer for 85 MW for either reliability or economic reasons to support OPCO operations until the earlier of June 2015 billing cycle or the date on which OPCO goes to auction to procure capacity for its standard service offer .

7. The amendment, if approved, will permit Globe to not only maintain its pledged payroll of full time employees, but expand the pledged workforce by ten percent within six months from the first calendar month after the fixed price per MWh provided for in paragraph 5B is implemented. That new higher level would, upon approval, now become the condition precedent for maintaining the Globe’s fixed price thereafter.

8. Globe represents that the rates proposed in this application are critical to maintaining the competitiveness of its facilities so that it can continue to provide employment and other economic benefits in Ohio.

9. The Commission should find that a reasonable basis exists for approving the proposed amended contract.

WHEREFORE, Globe Metallurgical, Inc. respectfully request that the Commission approve the amendments as set forth in Attachment A to this Application.

Respectfully submitted,

GLOBE METALLURGICAL, INC.



M. Howard Petricoff
Vorys, Sater, Seymour and Pease LLP
52 E. Gay Street
Columbus, OH 43215
614-464-5414
mhpetricoff@vorys.com

**ADDENDUM TO CONTRACT FOR ELECTRICAL SERVICE
SPECIAL TERMS AND CONDITIONS AGREEMENT
Made a Part of Contract for Electric Service Dated May 10, 2013**

This Addendum supplements and amends the Electric Service Contract as previously amended, dated July 11, 2008, the three Addendums dated July 11, 2008 and the Addendum dated April 19, 2011 by and between Ohio Power Company, hereafter called the Company, and Globe Metallurgical, Inc., hereafter called the Customer.

WHEREAS, the Public Utilities Commission of Ohio approved a unique arrangement in Case No. 08-884-EL-AEC, the purpose of which was to permit Customer to permit in the worldwide specialty metals market from its Beverly, Ohio facility;

WHEREAS, the unique arrangement provided for Customer to receive a 10% discount from Company's current IRP-D standard service and GS-4 energy rate (Big G);

WHEREAS, the discount was in recognition of Customer's high load factor rate and conditioned on Globe maintaining an expanded employee level;

WHEREAS, since 2008, the intended market for Globe Beverly's metallurgical grade silicon, the solsil solar panel project was indefinitely suspended;

WHEREAS, in January of 2011, the Customer's discount was reduced from 10% to 4.3% because of the solsil suspension;

WHEREAS, in response, Globe began actively seeking other outlets for the production from the Beverly, Ohio plant;

WHEREAS, commencing in 2013 as part of the Commission's Opinion and Order in Case No. 11-346-EL-SSO, the Company's energy component the standard service offer will no longer be exclusively based on company acquired energy costs;

WHEREAS, by June, 2015, the Company will not directly own generation facilities to supply energy or capacity;

WHEREAS, Customer buys some 2.5 MW of firm power from Schedule GS-4 and 85 MW of interruptible power;

WHEREAS, Customer is one of the few and one of the Company's largest Rate Schedule IRP-D customers;

WHEREAS, Schedule IRP-D rates are designed for reliability and economic interruption which is integrated with the Company's legacy generation for purposes of the default standard service offer;

WHEREAS, the Customer seeks to amend the current unique arrangement to essentially end the unique arrangement upon the June 1, 2015 transition of the Company to market procurement of capacity and energy for standard service;

WHEREAS, the Customer will remain an interruptible customer until then to meet the Company's obligations for reliability and economic interruptions;

NOW, THEREFORE, to achieve a smooth transition between IRP-D service today and market based service in June 2015, the Customer and the Company propose the following three amendments to the current special contract:

1. On page 1, paragraph 3 of the July 11, 2008 contract, the first sentence of that paragraph shall be amended to read as follows:

The Company is to furnish and the Customer is to take electric energy under the terms of this Contract for a period of up to seven years from the time such service is commenced and ending at midnight on May 31, 2015, or until terminated upon twelve months written notice given by the Customer of its intention to terminate the contract.

2. The second bullet point contained on the April 19, 2011 addendum shall be modified to read as follows:

- The price of the unique arrangement is to be changed from a percentage off of the tariff rates (a combination of Schedules IRP-D and GS-4) to a fixed price of \$42.78 per megawatt hour for the remainder of the shortened term. The proposed fixed price is designed to achieve the same level of savings that the Customer was anticipating had the contract gone its full term at the original discount. Foregone revenue (also referred to as Delta revenue) associated with the unique arrangement shall be fully recovered by the Company. Delta revenue is the difference between the fixed price and all revenue which would be recoverable from the Customer under the Company tariff rates, including all riders, but for the unique arrangement contract.

3. A new provision to the agreement shall be added and will read as follows:

The Customer will forego its right under the unique arrangement to go to market on notice and remain an interruptible customer for 85 MW for either reliability or economic reasons to support the Company operations until the earlier of June 2015 billing cycle or the date on which the Company goes to auction to procure capacity for its standard service offer.

IN WITNESS WHERE, the parties have caused this Addendum to Contract for Electric Service Special Terms and Conditions Agreement Made a Part of Contract for Electric Service Dated May 10, 2013 to be executed by their authorized officers as of the date first above written.

GLOBE METALLURGICAL, INC.

OHIO POWER COMPANY

By: _____

By: _____

Date: _____

Date: _____