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February 6, 2014

Betty McCauley
Chief of Docketing
The Public Utilities Commission of Ohio
180 E. Broad Street, 11th Floor
Columbus, Ohio 43215

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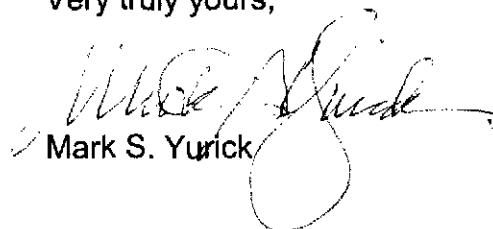
Re: In the Matter of the Application of Republic Steel for Approval of a Reasonable
Arrangement for Republic Steel's Lorain Ohio Facility. Case No. 13-1913-EL-AEC

Dear Ms. McCauley:

Please file and place on the docket the attached the Joint Stipulation and
Recommendation along with the Direct Testimony of Kevin C. Higgins on behalf of
Republic Steel.

Do not hesitate to contact me with any questions. Thank you for your assistance.

Very truly yours,


Mark S. Yurick

Attachment

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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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In the Matter of the Application of)
Republic Steel for Approval of a Reasonable)
Arrangement for Republic Steel's Lorain)
Ohio Facility)

Case No. 13-1913-EL-AECO

PUCO

JOINT STIPULATION AND RECOMMENDATION

I. Introduction and Procedural Schedule

For purposes of resolving any contested issues that may have been raised in this proceeding, the undersigned Parties stipulate and agree that the following statements are, based on information and belief, true and correct.

This proceeding was initiated by Republic Steel ("Republic"), a manufacturer of specialty bar steel products and a "mercantile customer" as defined by section 4928.01 of the Ohio Revised Code ("R.C."), on September 9, 2013 in its Application for Approval of a Unique Arrangement for Republic Steel's Lorain, Ohio Facility ("Application") pursuant to Chapter 4901:1-38 of the Ohio Administrative Code ("OAC"). The Application was properly filed pursuant to R.C. 4905.31.

Section 4901:1-38-05 of the OAC provides that interested parties may file comments regarding an application for approval of a unique arrangement. Pursuant to that rule, such comments must be filed within twenty (20) days following the date on which an application is filed. Motions to intervene were filed regarding this Application by the Ohio Energy Group ("OEG"), United States Steel Corporation ("U.S. Steel"), Ohio Edison Company ("Ohio Edison"), and the Ohio Manufacturers' Association ("OMA") (collectively with Republic and the Staff of the Public Utilities Commission of Ohio, the "Parties") within twenty days of

filing. These motions to intervene were granted by entry dated November 12, 2013.

On October 3, 2013, the Attorney Examiner assigned to hear the Application issued an Entry scheduling an evidentiary hearing in this proceeding for November 13, 2013. On October 9, 2013, OEG filed a motion to amend the procedural schedule and requested, among other things, that the evidentiary hearing be continued to a later date. On October 22, 2013, Republic filed a memorandum in response requesting that the evidentiary hearing be scheduled for December 4, 2013. On October 24, 2013, OEG filed a reply memorandum in support of Republic's proposed hearing date.

On November 22, 2013, counsel for Republic filed an additional motion to amend the procedural order in the case, and that motion was granted by the hearing examiner on November 26, 2013. A hearing on the matter was set for January 7, 2014. Pursuant to a subsequent unopposed motion filed January 6, 2014, this matter was set for hearing on February 13, 2014.

Throughout the course of this proceeding, the Parties have engaged in lengthy good faith discussions to address and resolve any issues presented and exchange information related to Republic's Application. Rule 4901-1-30, OAC, 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 document 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 Joint Stipulation and Recommendation ("Stipulation") as part of its Opinion and Order in this

proceeding without modification, in order to resolve all of the contested issues that have been or could have been raised in this proceeding.

This Stipulation is supported by adequate data and information; represents a just and reasonable resolution of issues in this proceeding; violates no regulatory principle or precedent; and is the product of lengthy, serious bargaining among knowledgeable parties in a cooperative process and undertaken by parties representing a wide range of interests to resolve the aforementioned issues. The Stipulation represents an accommodation of the diverse interests represented by the Parties, and it is entitled to careful consideration by the Commission. For purposes of resolving the issues raised by this proceeding, the undersigned Parties further stipulate, agree and recommend as set forth below.

II. Signatory Parties

This Stipulation is entered into by and among:

Staff of the Public Utilities Commission ("Staff");
Republic;

As further discussed below, all of the Signatory Parties agree to fully support adoption of the Stipulation without modification in this proceeding.

III. Commission Authority to Approve Unique Arrangements

R.C. 4905.31 permits the Commission to approve and authorize a reasonable schedule or arrangement between a mercantile customer and an Electric Distribution Utility ("EDU") or a public utility electric light company upon application by a mercantile customer. More specifically, R.C. 4905.31 provides for non-tariff reasonable arrangements, including arrangements to recover the

costs incurred in connection with economic development and job retention programs. Republic filed and is seeking approval and authorization of a schedule or arrangement in order to expand and operate its production facility in Lorain, Ohio ("Lorain Facility") to meet customer demand and to expand and retain employment for Ohio workers. The expansion will include, but not be limited to, the installation and operation of an Electric Arc Furnace ("EAF") which will require substantial infrastructure upgrades at and around the Lorain Facility in order to meet the expanded facility's power and energy requirements to operate successfully. The implementation of this significant investment will help to ensure Republic's continued successful operation in Northeastern Ohio and will allow for operational and performance improvements at the expanded Lorain Facility.

Republic consumes more than 700,000 kilowatt hours of electricity annually and is therefore a "mercantile customer" as defined by R.C. 4928.01. Republic is within the certified service territory, and is a retail customer, of Ohio Edison, which is a public utility as defined by R.C. 4905.02 and an electric distribution utility as defined in R.C. 4928.01. Ohio Edison is authorized to recover all costs incurred by it associated with such a unique arrangement, including the full and timely recovery of delta revenue, as "delta revenue" is defined in this Stipulation and notwithstanding Commission rules to the contrary.

IV. Economic Development Commitments

Republic shall hire and retain Four Hundred and Forty Nine (449) new full time equivalent employees to operate its Lorain Facility as expanded by the EAF,

subject to the provisions of paragraphs 13-16 below, and has expended approximately One Hundred Million Dollars (\$100,000,000.00) on the expansion of the Lorain Facilities to date. Further, Republic shall use reasonable efforts to obtain electric generation service from a Competitive Retail Electric Service ("CRES") provider at a price that is lower than the otherwise applicable Standard Service Offer ("SSO") rate for electric generation.

V. Recommended Findings

The Parties hereby agree that the following statements of fact and law are true and accurate and recommend that they be adopted by the Commission as the "Unique Arrangement" for purposes of resolving any issues raised by the Application:

1. Republic and Ohio Edison shall enter into a Unique Arrangement contract similar in form to that which is attached hereto as "Exhibit A." The Unique Arrangement, consistent with the terms approved by the Commission as part of this Application, will provide electric service at a cost that allows the Lorain Facility to be economically operated once the EAF is in full commercial production.

The Stipulation set forth and agreed to herein will provide Republic with a price for electricity that is discounted from the price Republic would have paid for electricity absent this Arrangement, delivered to the new meter installed for the EAF ("Incremental Load"). Republic's existing meter for all non-EAF electric load ("Existing Load") will not be modified or discounted by the Rate Discount.

The Stipulation is designed to limit delta revenue recovered from customers by reducing the overall cost of electricity by permitting Republic to shop for electric generation from a CRES provider for the Incremental Load, if Republic is able to reasonably acquire electric generation service at a price lower than Ohio Edison's applicable SSO price. The all-in price at which Republic secures CRES service, including applicable transmission and distribution charges and applicable riders and credits ("T&D Rates"), shall be referred to as the "CRES Price" for purposes of this Stipulation. The CRES Price will be calculated monthly and will be expressed on an average cents per kilowatt-hour basis. The "SSO Price" referred to herein shall be the all-in price at which Republic may secure SSO service, including applicable transmission and distribution charges and applicable riders and credits and shall also be expressed on an average cents per kilowatt hour basis. New non-bypassable riders, if any, implemented by Ohio Edison will be included in the determination of the CRES Price and the SSO Price. New bypassable riders, if any, implemented by Ohio Edison will be included in the determination of only the SSO Price.

Notwithstanding this Unique Arrangement, Republic may continue taking service at the SSO Price, or may acquire retail generation service from a CRES provider for its Existing Load consistent with Ohio Edison's otherwise applicable tariff provisions.

The Signatory Parties recognize that in order to achieve the economic benefits for Republic as well as other customers and achieve the goal of reducing

the amount of delta revenues, Ohio Edison shall be ordered by the Commission to provide service at two distinct points of service for the entire term of this Unique Arrangement, notwithstanding any otherwise applicable Ohio Edison tariff provision(s) to the contrary that would preclude Ohio Edison from providing service to Republic at two points of service for the same class of service at the same location. The Signatory Parties recommend the Commission take into consideration the unique elements of this proposed Arrangement in considering this approach including, without limitation, 1) the fact that the load of the EAF is entirely new load being provided from a new EAF facility recently constructed for this purpose; 2) the significant size of the new EAF load being provided, expected to be in excess of 80 MW, and the significant number of jobs being created and investment being made; 3) the discreet nature of the EAF new load and the ability of Ohio Edison to simply, clearly, inexpensively, and separately meter the Incremental Load apart and separate from Republic's existing load; 4) that permitting such separate metering in this unique instance will support the competitive market in this State and provide a benefit not only to Republic but all other customers as well; 5) that the two points of service prevents Republic's existing load from receiving the discount that is provided for the Incremental Load only and ensures that the Incremental Load will not be eligible for Rider ELR; and 6) is consistent with R.C. 4928.02(G) and (N). Therefore, for the limited purpose of permitting Republic to purchase retail generation service from a CRES provider for the Incremental Load, as part of this Arrangement only, the Signatory Parties recommend that the Commission order Ohio Edison to serve Republic at two distinct points of service, notwithstanding any applicable Ohio Edison tariff

provision(s) that otherwise would preclude Ohio Edison from serving Republic at two points of service for the same class of service at the same location. The Signatory Parties understand and acknowledge that should the Commission enter such an order that it would not apply to any other customer or reasonable arrangement, but is strictly limited to Republic's service in return for Republic's jobs and economic development commitments as more fully described above.

2. The Rate Discount will occur over the six (6) year term ("Term") of the Unique Arrangement. The Rate Discount will be calculated monthly and commence on the first day of the billing cycle in the month following the month that Republic notifies Ohio Edison in writing that the EAF is in full commercial production at the expanded Lorain Facility (Commencement Date")¹ Each twelve (12) month period following the Commencement Date shall constitute a "Term Year." Unless terminated early pursuant to the terms set forth in this Stipulation, this Unique Arrangement shall terminate after the completion of six (6) Term Years.

The Rate Discount shall be incorporated into the consolidated bill issued by Ohio Edison. The consolidated bill will separately list the Incremental Load information and the Rate Discount applied. The Rate Discount for the Incremental Load will be derived as follows:

A. Target Price.

¹ If Republic takes retail generation service from a CRES provider, service shall commence on the date consistent with Ohio Edison's current process for switching customers, and the provisions of Ohio Edison Electric Service Regulations, P.U.C.O. 11, Original Sheet 4, Paragraph XIII shall not apply to Republic under this Arrangement.

Each month the SSO Price for service shall be reduced by the annual "Rate Discount Percentage" to arrive at a target price ("Target Price"), which shall be expressed on an average cents per kWh basis each month. The annual Rate Discount Percentage shall begin at Twenty-Five percent (25%) in the first Term Year and shall decline at a rate of one percent (1%) per Term Year over the remaining five (5) subsequent Term Years, so that in the sixth Term Year the reduction from the SSO Price used to calculate the Target Price will be Twenty Percent (20%).

B. Rate Discount

The "Rate Discount" shall be equal to the positive difference between the SSO Price and the Target Price multiplied by the monthly kilowatt-hour consumption of the Incremental Load, subject to the Delta Revenue caps in *Paragraphs 3 and 4*.

For periods in which the CRES Price is less than the Target Price, Republic shall pay the CRES Price and the Rate Discount shall be zero.

C. Delta Revenue

Delta Revenue shall be equal to the positive difference resulting from subtracting the Target Price from the CRES Price or the SSO Price, whichever is applicable, multiplied by the monthly kilowatt hour consumption of the Incremental Load, subject to the Delta Revenue caps in *Paragraphs 3 and 4*. If the CRES Price is lower than the Target Price, delta revenues shall be zero for that month. Republic shall pay no more than the Target Price for service for the term of the Unique Arrangement subject to caps on delta revenue set forth herein for the Incremental Load.

3. Beginning on the Commencement Date, the maximum delta revenue per year of each Term Year shall be Ten Million Dollars (\$10,000,000.00).

4. The maximum delta revenues collected over the six (6) year term of the Unique Arrangement shall be limited to a total of not more than Forty Million Dollars (\$40,000,000.00).

5. If during any month in a Term Year the maximum annual delta revenue cap is realized (as described in Paragraph 3), then the Rate Discount will be suspended until the first month of the following Term Year. If the Rate Discount is suspended, Republic will be billed at either the SSO Price or the CRES Price, whichever is applicable, for the Incremental Load for the remainder of that Term Year. If during any month prior to the end of the six (6) year term the maximum total delta revenue cap is realized (as described in Paragraph 4), then the Rate Discount will terminate in that month and Republic will be billed according to the SSO Price or the CRES Price, whichever rate is applicable, for the Incremental Load for the remainder of the six (6) year term. Republic shall be permitted to purchase electric generation from a CRES provider for the Incremental Load separately from the Existing Load for the entire six (6) year term, regardless of whether the maximum delta revenues have been realized. No modifications or extensions to this Unique Arrangement shall be effective without the Commission's prior approval.

6. During construction of the expanded Lorain Facility and prior to Republic notifying Ohio Edison that the EAF is in "full commercial production" as

noted in paragraph (1) above, electricity shall be provided to the Lorain Facility (both EAF meter and non-EAF meter) by Ohio Edison at its applicable SSO Price.

7. Republic will notify Ohio Edison in writing when (i) "full commercial production" of the EAF commences and (ii) the Incremental Load is receiving generation service from a CRES provider, or that Republic desires to take SSO service for the Incremental Load; at which time electric service for the Incremental Load will be provided pursuant to the terms set forth in this Stipulation, effective in the month following the month that Republic provides such written notification². If Republic desires to switch from CRES service to SSO service or SSO service to CRES service Republic may do so subject to the then prevailing rules and practices associated with switching service in Ohio Edison's service territory³. If Republic has not notified Ohio Edison in writing of the commencement of "full commercial production" within one (1) year of the approval of this Unique Arrangement, then either Republic or Ohio Edison shall have the option to petition the Commission to terminate this Unique Arrangement upon ninety (90) days written notice to the other Party.

8. Each month Republic shall be billed and shall pay the applicable charges as calculated herein for all Incremental Load as reflected on the EAF meter in the same manner as any other customer shopping for generation

² If Republic takes retail generation service from a CRES provider, service shall commence on the date consistent with Ohio Edison's current process for switching customers and the provisions of Ohio Edison Electric Service Regulations, P.U.C.O. 11, Original Sheet 4, Paragraph XIII shall not apply to Republic under this Arrangement.

³ Provided the provisions of Ohio Edison Electric Service Regulations, P.U.C.O. 11, Original Sheet 4, Paragraph XIII shall not apply to Republic under this Arrangement.

service from a CRES with utility consolidated billing or receiving SSO service, whichever is applicable. The Rate Discount shall be clearly indicated on the consolidated bill and Republic will be obligated to pay the Target Price or the CRES Price whichever is lower, per kWh for all Incremental Load in that month. Republic shall also be billed monthly and shall pay applicable charges for existing operations at the Lorain Facility as measured by the existing non-EAF meter without the Rate Discount defined in paragraph (2) above. Ohio Edison shall issue one (1) combined or totalized monthly bill to Republic for all of its electric service, but each monthly bill shall separately set forth the applicable charges for the existing meter and the EAF meter, and the latter shall include the Rate Discount calculation including the determination of the Target Price, SSO Price, and, if applicable, the CRES Price.

9. Each month following the commencement of this Arrangement, Ohio Edison will calculate the Target Price and the Rate Discount and Republic's consolidated bill will be based on the Target Price per kWh for the Incremental Load or the CRES price, whichever is lower, subject to the delta revenue caps in Paragraphs 3 and 4. The delta revenue, shall be recovered pursuant to the terms and conditions of Rider DRR, or its successor rider. Ohio Edison will be permitted to fully and timely recover all delta revenues, as defined herein, for the duration of this Unique Arrangement with Republic. If Ohio Edison is not permitted to fully recover delta revenues, then the Unique Arrangement will terminate without further notice or action by the Commission.

10. If the maximum total delta revenue cap described in Paragraph 4 is not realized at the end of the six (6) year term, then Republic, Ohio Edison and

Staff may enter into negotiations or discussions regarding the remaining balance. Any extension of this Unique Arrangement or use of the remaining balance would be subject to the Commission's approval.

11. To the extent that Republic is otherwise eligible to participate in emergency curtailment programs offered by Ohio Edison, nothing in this Unique Arrangement shall prevent Republic from participating in such programs, with the understanding that Incremental Load as reflected on the EAF meter is not eligible for Rider ELR. Discounts or credits associated with such participation will be included in determining the SSO Price or the CRES Price for Incremental Load. Discounts or credits associated with Republic's participation in emergency curtailment programs shall not be counted against annual or total delta revenue caps as described in paragraphs 3 and 4, and shall not constitute delta revenue for purposes of this Unique Arrangement. To the extent that Republic is not prevented from participating in any available PJM (or other RTO) demand response program by the terms and conditions of the rates and applicable riders used to calculate the SSO Price or the CRES Price, then nothing in this Arrangement shall prevent Republic from participating in such demand response programs. All credits or discounts provided to Republic under Ohio Edison emergency curtailment programs shall be recovered from other customers according to the terms of the applicable tariff provisions established for such programs. Participation in these demand response programs shall be integrated into Ohio Edison's portfolio requirements without additional charge to Ohio Edison.

12. During the term of the Unique Arrangement, Republic intends to investigate the feasibility of power cogeneration solutions (e.g., to employ exhaust heat from Republic's manufacturing operations) and energy efficiency and peak demand initiatives to determine how and to what extent (a) a waste energy recovery system and/or customer-sited energy efficiency and demand response capabilities might be employed by Republic and (b) whether such system or capabilities could be committed to Ohio Edison for integration into Ohio Edison's portfolio requirements. Any such project shall be integrated into Ohio Edison's portfolio requirements without additional charge to Ohio Edison.

13. Republic self-reports and pays its own kilowatt hour tax required pursuant to R.C. 5727.81 and the calculation and collection of those taxes shall not be altered, amended or modified by the terms of this Stipulation nor will the charge for the kilowatt hour tax be included in the SSO Price, CRES Price, Target Price or Rates Discount associated with this Unique Arrangement.

14. Republic shall submit an annual report ("Annual Report") to the Staff of the Commission, which will state the status of employment levels at Republic's Lorain Facility. Republic believe this Annual Report is a Trade Secret under applicable state and federal law, contains valuable proprietary and confidential business information, and is not subject to disclosure or a "Public Record" pursuant to RC 149.43. The Staff will notify Republic at least three days prior to any potential release of this information to allow Republic to take such steps as it deems necessary to prevent disclosure.

15. At the election of the Commission, the annual Rate Discount Percentage may be reduced proportionately by the percentage level of the

employment shortfall if the Annual Report establishes that for a Term Year the average full time or full time equivalent employment level at the Lorain Facility fell below the established commitment of four hundred forty-nine (449) new full time or full time equivalent manufacturing and supporting jobs,⁴ subject to the conditions set forth in Paragraphs 16 and 17.

16. At the election of the Commission, the Commission may require Republic to return a portion of the Rate Discount amount received or accrued in proportion to the amount of an employment shortfall in the immediately preceding twelve (12) month Term Year that resulted in delta revenue, subject to the conditions set forth in Paragraph 17. No price savings obtained by shopping is subject to return.

17. The Commission may elect to reduce the Rate Discount amount or require Republic to return a portion of a Rate Discount amount in accordance with Paragraphs 13-16, provided that (i) the number of new manufacturing and supporting jobs filled with respect to the foregoing goal will be counted only as of the third anniversary of the Commencement Date and annually thereafter; (ii) Staff will assess compliance with the established goal of Four Hundred and Forty-Nine (449) new full time or full time equivalent jobs based on the Annual Reports filed after the third anniversary of the Commencement Date and annually thereafter; (iii) the application of Paragraphs 13, 14 and 15 will be tolled to take into account the occurrence of a Force Majeure Event (as defined in Paragraph 18) during the applicable annual reporting period; and (iv) such reduction or

⁴For purposes of this Unique Arrangement, employment at the Lorain Facility includes persons hired during the time that the construction phase of the Lorain Facility expansion occurred.

return of the Rate Discount shall go into effect following advance written notice from Commission Staff to Ohio Edison and Republic directing that the Rate Discount be reduced, and advising of the amount and duration of the reduction. In no event shall the Commission demand the payment or return of any benefit realized based solely on Republic's shopping for generation service with a CRES provider.

18. "Force Majeure Event" means any act, event, or condition, whether or not foreseeable, that causes delay in or a cessation, in whole or in part, of the Lorain Facility expansion project, to the extent such act, event or condition is beyond the reasonable control of Republic. Force Majeure Events shall include, but not be limited to, (a) lightning, storm, flood, or other unusually severe weather conditions, (b) earthquake, landslide, explosion or fire, (c) strikes and/or other work stoppage, lockout imposed by Republic, or other industrial or labor shortage, or labor disputes or disturbance affecting the performance of Republic, and (d) acts of war (whether declared or undeclared), threat of war, mobilization or other unexpected call-up of armed forces, actions of terrorists, blockade, riot, insurrection, civil commotion, public demonstrations, revolution, coup d'état, sabotage, vandalism, or acts of public enemies.

VI. Request for Approval

This Unique Arrangement benefits Republic, the State of Ohio, consumers as a whole and local governments by creating at least 449 new full time or full time equivalent manufacturing and supporting jobs, and retaining 100 high paying industrial jobs at the expanded Lorain Facility. The new and retained jobs

will result in the creation of additional significant secondary jobs and economic activity in the City of Lorain and State of Ohio. Approval of this Arrangement will likely increase state, local and school tax revenues. All of these benefits are consistent with Ohio's state policy related to electric service by facilitating Ohio's effectiveness and competitiveness in the global economy. See R.C. 4928.02(N).

Rule 4901:1-38-05, OAC, requires a demonstration that a proposed unique arrangement does not violate R.C. 4905.33 and 4905.35. Republic represents that, under the unique circumstances presented herein, the proposed Unique Arrangement is not anticompetitive or discriminatory. Republic proposes this Unique Arrangement solely for purposes of allowing Republic to continue with the expansion and continued successful operation of the Lorain Facility and adding and retaining a high number of new manufacturing and supporting jobs. But for the Rate Discount and other provisions set forth herein, Republic's expanded manufacturing needs would have likely been met by an expansion of an affiliate's existing production facility in Matamoros, Mexico. The Lorain Facility is unique and different from other customers because of the roughly One Hundred Million Dollar (\$100,000,000) investment that Republic is making in the Lorain Facility, the creation of 449 new manufacturing and supporting jobs in the Lorain, Ohio area, and the 100 retained industrial jobs also in Lorain, Ohio, all of which will result from the expansion of the Lorain Facility made possible by this Arrangement.

For the foregoing reasons, the Signatory Parties urge the Commission to find that the Unique Arrangement described herein is just and reasonable and to

promptly act to enable a Unique Arrangement between Ohio Edison and Republic on the terms and conditions generally described herein.

VII. Conclusion

This Stipulation is a product of lengthy, serious, arm's-length bargaining among the Signatory Parties, which negotiations were undertaken by the Signatory Parties to settle this proceeding. All intervenors were invited to discuss and negotiate this Stipulation and it was openly negotiated among those stakeholders who responded and chose to participate. This Stipulation is supported by adequate data and information; as a package, the Stipulation benefits customers and the public interest; represents a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or practice; and complies with and promotes the policies and requirements of Title 49 of the Ohio Revised Code. This Stipulation represents an accommodation of the diverse interests represented by the Signatory Parties and, though not binding, is entitled to careful consideration by the Commission.

Except for enforcement purposes or to establish that the terms of the Stipulation are lawful, neither this Stipulation nor the information and data contained herein or attached hereto shall be cited as a precedent in any future proceeding for or against any Signatory Party, if the Commission approves the Stipulation. Nor shall the acceptance of any provision within this Stipulation be cited by any party or the Commission in any forum so as to imply or state that any signatory party agrees with any specific provision of the Stipulation. More specifically, no specific element or item contained in or supporting this Stipulation

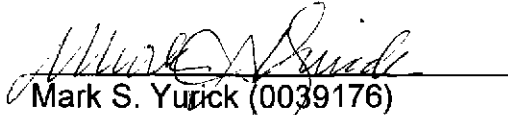
shall be construed or applied to attribute the results set forth in this Stipulation as the results that any Signatory Party might support or seek, but for this Stipulation in these proceedings or in any other proceeding. This Stipulation contains a combination of outcomes that reflects an overall compromise involving a balance of competing positions, and it does not necessarily reflect the position that one or more of the Signatory Parties would have taken on any individual issue. Rather the Stipulation represents a package that, taken as a whole, is acceptable for the purposes of resolving all contested issues without resorting to litigation. The Signatory Parties believe that this Stipulation, taken as a whole, represents a reasonable compromise of varying interests.

This Stipulation is conditioned upon adoption of the Stipulation by the Commission in its entirety and without material modification. If the Commission rejects or materially modifies all or any part of this Stipulation, any Signatory Party shall have the right within thirty (30) days of issuance of the Commission's order to apply for rehearing. The Signatory Parties agree that they will not oppose or argue against any other Party's application for rehearing that seeks to uphold the original unmodified Stipulation. If the Commission does not adopt the Stipulation without material modification upon any rehearing ruling, then within thirty (30) days of such Commission rehearing ruling any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission. If the Commission does not act upon the application(s) for rehearing in support of the Stipulation as filed within forty five (45) days of the filing of the application(s) for rehearing, then any Signatory Party may terminate and withdraw from the Stipulation by filing a notice with the Commission. Upon

the filing of either of these notices, the Stipulation shall immediately become null and void. No Signatory Party shall file a notice of termination and withdrawal without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Stipulation. If a new agreement is reached, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are unsuccessful, the Commission will convene an evidentiary hearing to afford the Signatory Parties the opportunity to present evidence through witnesses, to cross-examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs as if this Stipulation had never been executed. If the discussions to achieve an outcome that substantially satisfies the intent of the Stipulation are successful, some, or all, of the Signatory Parties shall submit the amended Stipulation to the Commission for approval after a hearing if necessary.

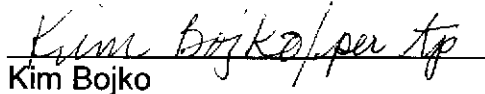
Unless the Signatory Party exercises its right to terminate its Signatory Party status or withdraw as described above, each Signatory Party agrees to and will support the reasonableness of this Stipulation before the Commission, and to cause its counsel to do the same, and in any appeal it participates in from the Commission's adoption and/or enforcement of this Stipulation. The Signatory Parties also agree to urge the Commission to accept and approve the terms hereof as promptly as possible.

This Stipulation and Recommendation has been signed by the authorized agents of the undersigned Parties as of this 6th day of February, 2014.



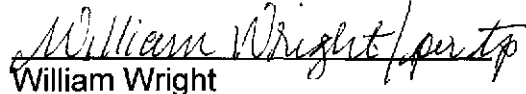
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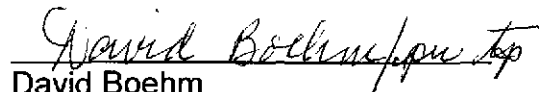
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**On Behalf of the OMA Energy Group
(Not Opposed)**



William Wright
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Public Utilities Commission of Ohio
180 E. Broad Street
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On Behalf of the PUCO



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**On Behalf of the Ohio Energy Group
(Not Opposed)**

EXHIBIT A

UNIQUE ARRANGEMENT

This Unique Arrangement ("Agreement") is between Republic Steel which is authorized to conduct business in the State of Ohio and its successors and assigns ("Republic"), and Ohio Edison Company ("Ohio Edison"), an electric utility duly organized and validly existing under the laws of Ohio and its successors and assigns. Republic and Ohio Edison are referred to herein individually as a "Party" and collectively as the "Parties".

WHEREAS, Republic has an interest in expanding, equipping and improving the current Republic manufacturing facility located in the City of Lorain, Ohio to provide for new manufacturing capacity (the "Lorain Facility"); and

WHEREAS, Republic represents that the expanded Lorain Facility is expected to employ an additional Four Hundred and Forty Nine (449) full-time employees and such employees will earn an average base wage of not less than Forty Dollars per hour (\$40/hr), inclusive of benefit costs; and

WHEREAS, based upon currently available information, the Lorain Facility may result in a capital investment of as much as Eighty Five Million Dollars (\$85,000,000), inclusive of working capital, contingency, assumed infrastructure and building costs and start-up needs; and

WHEREAS, Republic will be a mercantile customer, as defined in Section 4928.01(A)(19), Revised Code, and is expected to ultimately consume approximately an additional 68,000 MWh monthly with an additional peak demand of approximately 120 MW, but in no event during the term of the Unique Arrangement will the usage level at Republic's Lorain Facility fall below that required to be a mercantile customer; and

WHEREAS, Ohio Edison and Republic will work collaboratively to identify the electrical needs and timing of those needs to meet production demand at the expanded Lorain Facility. Ohio Edison will complete the necessary infrastructure upgrades to meet Republic's production demand within eighteen (18) months of the approval of this Unique Arrangement.

WHEREAS, the cost of electricity will be a significant component of the expanded Lorain Facility's total cost of operations and is a significant factor in determining whether the expanded Lorain Facility can be economically constructed and operated in Ohio Edison's service territory in Ohio; and

WHEREAS, while other governmental entities desire that Republic locate a new facility in their jurisdictions, and those governmental entities have also offered incentives, including incentives related to electric power pricing, to Republic to facilitate the location of a new facility in their jurisdictions, the expanded Lorain Facility will be located in the certified electric service territory of Ohio Edison for the duration of this Agreement; and

WHEREAS, Republic may assist Ohio Edison in achieving the benchmarks set forth in Section 4928.66, Revised Code; and

WHEREAS, under Section 4905.31, Revised Code, and Rules 4901:1-38-05 and 4901:1-39-05 of the Ohio Administrative Code, an electric utility company and mercantile customer are authorized to enter into a Unique Arrangement, subject to approval by the Public Utilities Commission of Ohio ("PUCO" or "Commission"), for the purpose of promoting economic development, capital investment and job creation in Ohio; and

WHEREAS, Republic has independently filed an application (the "Application") for approval from the PUCO for a Unique Arrangement; and

WHEREAS, Ohio Edison is authorized to recover all costs incurred by it associated with this Unique Arrangement as described herein, including the timely recovery of delta revenue, as delta revenue is defined in this Unique Arrangement and notwithstanding any PUCO rules to the contrary. A condition precedent to this Unique Arrangement is the waiver by the PUCO of any rules, including without limitation the definition of delta revenue, that may be contrary to any provision hereof or that would prevent or hinder the recovery of delta revenue as defined herein.

NOW, THEREFORE, Republic and Ohio Edison enter into this Unique Arrangement setting forth the provisions of a power and energy supply agreement to facilitate the location of the expanded Lorain Facility in the certified service territory of Ohio Edison for the duration of this Agreement.

1. The duration of the Unique Arrangement between Ohio Edison and Republic shall be for the 6-year period beginning with the first month of full commercial production at the expanded Lorain Facility. For purposes of this paragraph, "full commercial production" shall be determined and confirmed by Republic in writing as of the time when the expanded Lorain Facility is fully producing commercial product specifically for the purpose of delivery to end use customers. During construction of the expanded Lorain Facility and prior to Republic's confirmation of full commercial production, electricity will be provided to the expanded Lorain Facility by Ohio Edison at its standard tariff Rate GT and Rider Gen, or their successor tariffs, including all other applicable Riders and adders (the "all-in" rate). After Republic's confirmation of the date of full commercial production, energy and capacity will be provided to the Lorain Facility by Ohio Edison pursuant to the pricing provisions set forth below. The expanded Lorain Facility is expected to consume up to approximately an additional 68,000 MWh monthly with a peak demand of up to approximately an additional 120 MW, but in no event during the term of the Unique Arrangement will the usage level at the expanded Lorain Facility fall below that required to be a mercantile customer. Except for upgrades or other work at the expanded Lorain Facility on property or facilities owned or subject to lease by Republic, any transmission or other

infrastructure upgrades to the system needed to maintain reliable service in the general area of the expanded Lorain Facility, including serving the load at the expanded Lorain Facility during the period of the Unique Arrangement, will not be direct charged to Republic as a line extension project. Ohio Edison and Republic will work collaboratively to identify the energy and capacity needs and timing of those needs to support production at the expanded Lorain Facility. Ohio Edison will complete the necessary infrastructure upgrades to support Republic's production needs within eighteen (18) months of the approval of this Unique Arrangement by the Public Utilities Commission of Ohio ("PUCO").

2. If Republic has not notified Ohio Edison of the commencement of full commercial production within three (3) years of electricity first being provided to the Lorain, Ohio site at the capacity required by the expanded Lorain Facility, then either Party shall have the option to petition the PUCO to terminate this Agreement upon ninety (90) days written notice to the other Party (provided such written notice is effective prior to notification by Republic of commencement of full commercial production, as provided herein). If Republic has not notified Ohio Edison of the commencement of full commercial production within four (4) years of electricity first being provided to the Lorain, Ohio site at the capacity required by the expanded Lorain Facility, then either Party shall have the option to terminate this Agreement upon ninety (90) days written notice to the other Party (provided such written notice is effective prior to notification by Republic of commencement of production, as provided herein). Within ninety (90) days of the start of full commercial production the Parties will provide the PUCO with the final capital investment in the expanded Lorain Facility inclusive of working capital, contingencies, assumed infrastructure and building costs and start-up needs, which is expected to be as much as Eighty Five Million Dollars (\$85,000,000).
3. During the term of the Unique Arrangement, Republic will be eligible following the commencement of full commercial production for electric rate discounts of up to a total of Forty Million Dollars (\$40,000,000). This is the "maximum delta revenue contribution," which availability shall be determined quarterly during the term pursuant to paragraph 6.
4. After the start of full commercial production and for the term of this Unique Arrangement, Republic will pay a discounted all-in rate for delivered power and energy including all costs for generation, transmission, distribution, and riders without limitation. Simply put, the Unique Arrangement proposed herein will provide Republic with a rate discount from Ohio Edison's otherwise lowest applicable tariff rate which discount declines over the six (6) year period of the life of the Unique Arrangement on power and energy attributable to the full commercial operation of the expanded Lorain Facility (the "incremental energy and capacity"). The discount will be Twenty Percent (20%) off of the lowest applicable all-in tariff rate, with all applicable riders and adders without limitation, offered by Ohio Edison for the first three (3) years, beginning with the first month of full commercial production at the expanded Lorain Facility on all incremental

energy and capacity. The discount will then decrease in years four (4) and five (5) of the arrangement to Fifteen Percent (15%) off of the otherwise lowest applicable all-in tariff rate on the incremental energy and capacity. In the sixth and final year of the Unique Arrangement, the discount will further decrease to Ten Percent (10%) off of Ohio Edison's lowest applicable all-in tariff rate for which Republic's incremental usage and capacity would be otherwise eligible, including without limitation any applicable riders and adders.

5. After the start of full commercial production, the electric rate discount set forth above shall be applied to incremental energy and capacity supplied to the expanded Lorain Facility. In addition to the charges discussed above, Ohio Edison will include in the "non-discounted rate" all base rate distribution charges and all applicable generation, transmission and distribution related riders assessed by the utility. New riders implemented by Ohio Edison after the date of this Memorandum of Understanding may be added to the non-discounted rate. Each month after notification of full commercial production Republic will be billed and will pay the applicable Discounted Rate described in paragraph 4 above. To the extent that Ohio Edison incurs reasonable and verifiable costs, charges, or fees in the provision of service to Republic that are not specifically set forth in this paragraph, such reasonable and verifiable costs, charges, and fees are permitted to be recovered through the recovery mechanism for delta revenue as set forth in paragraph 6 below, or successor recovery mechanism.
6. Each month Ohio Edison will calculate the difference between the non-discounted rate described in paragraph 4 above and the applicable Discounted Rate described in paragraphs 4 and 5 above. That difference ("delta revenue") will be timely recovered from all retail customers on a proportional basis by all three FirstEnergy Ohio electric utilities (Ohio Edison, The Toledo Edison Company, and The Cleveland Electric Illuminating Company) through their Delta Revenue Recovery ("DRR") Riders, or successor delta revenue recovery mechanisms as approved by the PUCO.
7. The maximum delta revenue per year shall be Twelve Million Dollars (\$12,000,000) for the first three (3) years of the operation of the Unique Arrangement, Ten Million Dollars (\$10,000,000) for the next two (2) years of the Unique Arrangement and Eight Million Dollars (\$8,000,000) for the sixth and final year of the operation of the Unique Arrangement. The maximum delta revenues to be collected over the six (6) year term of the Unique Arrangement shall be limited to a total of no more than Forty Million Dollars (\$40,000,000). No modifications or extensions to this Unique Arrangement shall be effective without the Commission's prior approval.
8. Notwithstanding the foregoing, the level of delta revenue arising during years 1, 2 and 3 may not exceed \$12 million in each year and years 4 and 5, \$10 million in each year and year 6, \$8 million commencing with the effective date of the start of full commercial production. If, and as of the time during a contract year, the

delta revenue exceeds the maximum allowable delta revenue during a single contract year, then Republic will be billed the non-discounted rate for all kWhs used during the remainder of that contract year.

9. If the maximum delta revenue contribution is not used up at the end of the term of the Unique Arrangement, then Republic and Ohio Edison may enter into negotiations or discussions regarding the remaining balance. Any extension of the Unique Arrangement or use of the remaining balance would be subject to the PUCO's approval.
10. To the extent Republic is otherwise eligible to participate in emergency curtailment programs offered by Ohio Edison or any applicable PJM emergency demand response program nothing in the Unique Arrangement shall prevent them from so participating. The decision to participate is at Republic's sole discretion.
11. During the term of the Unique Arrangement, Republic will work in good faith with Ohio Edison to determine how and to what extent Republic's customer-sited energy efficiency and demand response capabilities might be committed to Ohio Edison for integration into the Company's portfolio and to implement those commitments in a manner that is consistent with the applicable statutes and rules.
12. Republic shall have reasonable rights of review sufficient to verify PJM and other expenses charged to Ohio Edison and incurred on behalf of Republic.
13. Under no circumstances will Republic be required to pay back any discount already received or accrued from the delta revenue contribution, except in the case where Republic violates the law or commits fraud or misrepresentation.
14. Republic and Ohio Edison will each use commercially reasonable efforts to implement the Unique Arrangement.
15. Miscellaneous.
 - (a) Entire Agreement: Modification. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all other prior understandings, correspondence and agreements, oral or written, between them. This Agreement may not be altered, amended, or modified in any way except by a written modification signed by all Parties. Except as explicitly provided for in this Agreement, the Electric Service Regulations of Ohio Edison shall control the terms and conditions of service to Republic, including but not limited to billing and payment, use of service, and characteristics of service. This Agreement is subject to the approval of the Commission before it may become effective, and this Agreement may be terminated by either

Republic or Ohio Edison upon written notice to the other if the Commission does not approve this Agreement as filed without modification.

- (b) Waiver. None of the terms or provisions of this Agreement shall be deemed waived except by a writing signed by the Party which is entitled to the benefits thereof. The failure of any Party to require performance of any provision hereof shall in no manner affect such Party's right at a later time to enforce the same. The waiver by a Party of any provision hereof shall not be deemed to be a continuing waiver of any such provision or a waiver of any other provision hereof
- (c) Parties in Interest; Assignment. Nothing in this Agreement is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties hereto, nor is anything in this Agreement intended to relieve or discharge the obligations or liabilities of any third person or give any third person any right of subrogation or action over or against any Party hereto. This Agreement is binding upon and shall inure to the benefit of the Parties and their permitted successors and assigns. No Party may assign any of its rights or delegate any of its obligations under this Agreement, voluntarily or involuntarily, in whole or in part, without the prior written consent of the other Party; provided, however, that Republic may assign this Agreement and the Unique Arrangement to any subsidiary or special purpose entity established for purposes of effecting the expanded Lorain Facility with the prior written consent of Ohio Edison which consent shall not be unreasonably withheld, and approval of the PUCO. Any assignment in violation of this provision is void.
- (d) Governing Law. The laws of the State of Ohio, without giving effect to its choice-of-law principles, shall govern all matters arising under or relating to this Agreement. Each of the Parties agrees to submit to the jurisdiction of the PUCO or any state or federal court of competent jurisdiction presiding within the State of Ohio regarding any case, controversy, or dispute pertaining to or arising out of this Agreement.
- (e) Notices. Any notice, demand, request, or other communication or document to be provided under this Agreement to a Party to this Agreement ("Notice") shall be in writing, and shall be given to the Party at its address or telecopy number set forth below, or to such other address or telecopy number as the Party may later specify for that purpose by notice to the other Party. Each Notice shall be deemed given and received: (i) if given by telecopy, when the telecopy is transmitted and confirmation of complete receipt is received by that transmitting Party during normal business hours or on the next business day if not confirmed during normal business hours; (ii) if hand delivered or given by overnight delivery

service, the day on which the notice is actually delivered to the address listed herein (whether or not delivered to the Party); or (iii) if given by normal or certified U.S. mail, two (2) business days after it is posted with the U.S. Postal Service.

If to Republic:

Republic Steel
2633 Eighth Street NE
Canton, Ohio 44704-2311
ATTN: Jaime Vigil, CEO and President
Telephone: _____

With a copy to:

Mark S. Yurick
Taft Stettinius & Hollister LLP
65 East Street, Suite 1000
Columbus, Ohio 43215
Telephone: (614) 221-4000
Email: myurick@taftlaw.com

If to Ohio Edison:

FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
Attn: Eileen M. Mikkelsen
Director, Rates and Regulatory Affairs
Email: mikkelsene@firstenergycorp.com
Telephone: 330.384.5166

With a copy to:

FirstEnergy Corp.
76 South Main Street
Akron, Ohio 44308
Attn: Wendy E. Stark
Associate General Counsel
Email: starkw@firstenergycorp.com

Either Party may submit to the other Party a written notice of a location, address, or title of contact person change and such notice will serve to modify this section 18(e) of this Agreement.