

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Application of )  
TimkenSteel Corporation and The Ohio )  
Power Company to Amend an Unique ) Case No. 10-3066-EL-AEC  
Arrangement. )

FINDING AND ORDER

The Commission finds:

- (1) On March 26, 2014, the Commission approved the joint application of the Ohio Power Company (AEP Ohio or Utility), an electric utility as defined by R.C. 4928.01, and the Timken Company (Timken), a mercantile customer as defined by R.C. 4928.01, to amend the unique arrangement for Timken's Canton, Ohio facilities that manufacture specialty steel products, that had been approved by the Commission on April 12, 2011, pursuant to R.C. 4905.31 and Ohio Adm.Code 4901:1-38-05(A). The amendment assigned Timken's interest to a new independent, unaffiliated entity, TimkenSteel Corporation (TimkenSteel or Customer), to reflect the corporate separation of Timken's steel operations from its bearings and power transmission operations.
- (2) On October 29, 2014, the Commission approved the joint application of TimkenSteel and AEP Ohio to further modify their unique arrangement to allow TimkenSteel to shop for electric generation service beginning January 1, 2015, and throughout the term of the arrangement, and to allow TimkenSteel to continue to serve as an interruptible resource for AEP Ohio and receive an interruptible service credit during the period of January 1 through May 31, 2015, while preserving the other terms of the arrangement.
- (3) On December 15, 2014, TimkenSteel and AEP Ohio filed a third joint application to extend their current unique arrangement from June 1, 2015, through the earlier of December 31, 2015 or the Commission's approval of a new arrangement. In support of this application, TimkenSteel states that it intends to file for approval of a new arrangement in the first half of 2015 but that the terms of such arrangement will be dependent on the

Commission's approval of AEP Ohio's pending electric security plan in Case No. 13-2385-EL-SSO. Therefore, the joint applicants request that approval of the current arrangement be extended beyond May 31, 2015.

- (4) On December 16, 2014, correspondence was filed by the Industrial Energy Users-Ohio and the Ohio Energy Group indicating that neither party opposes the amendment. No objection has been filed by the Ohio Consumers' Counsel, the only other intervener in this proceeding.
- (5) Ohio Adm.Code 4901:1-38-05 authorizes an electric utility, with one or more of its customers, to file an application for approval to enter into a unique arrangement pursuant to R.C. 4905.31. The applicant bears the burden of proof to show that the proposed arrangement is reasonable, does not directly or indirectly provide rebates, special rates, or free service in violation of R.C. 4905.33, and does not provide an unreasonable advantage or prejudice towards any party under R.C. 4905.33.
- (6) Upon our review of the proposed amendment, and the requirements for an electric utility to enter into a unique arrangement with one of its customers, the Commission finds the requirements are clearly met, and the amendment should be approved. The joint application is reasonable in that it is cost-effective and promotes State policy consistent with R.C. 4928.02 by facilitating the creation and retention of jobs and economic investment in the State of Ohio. The amendment of the unique arrangement, as approved by this Commission on April 27, 2011, March 26, 2014, and October 29, 2014, will allow TimkenSteel to shop for electric generation service while permitting AEP Ohio to use TimkenSteel's Canton facilities as an interruptible resource for the benefit of all of the Utility's customers, until December 31, 2015, or a new arrangement is approved. Accordingly, we find that amendment of the unique arrangement is reasonable and should be approved.


It is, therefore,

ORDERED, That the joint application to amend the unique arrangement between TimkenSteel and AEP Ohio be approved. It is, further,

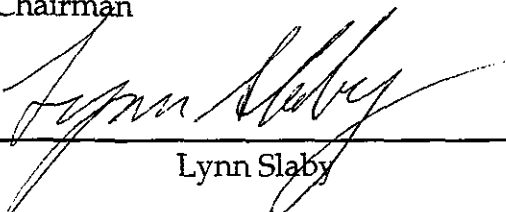
ORDERED, That nothing in this Finding and Order shall be binding upon the Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon each party of record.

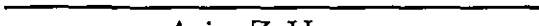
THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Thomas W. Johnson, Chairman

  
Steven D. Lesser

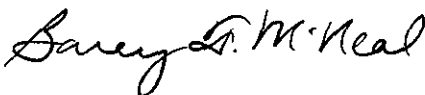
  
Lynn Slaby

  
M. Beth Trombold

  
Asim Z. Haque

RMB/dah

Entered in the Journal  
**FEB 03 2015**

  
Barcy F. McNeal

Barcy F. McNeal  
Secretary