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January 29, 2016

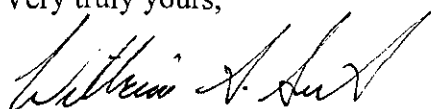
Ms. Barcy F. McNeal, Secretary
Public Utilities Commission of Ohio
180 E. Broad St., 11th Floor
Columbus, OH 43215-3793

Re: Case No. 15-1857-EL-AEC
Contract for a Unique Arrangement

Dear Ms. McNeal:

I am filing herewith a copy of a Contract for Unique Arrangement (without exhibits, which are either confidential or publically available) implementing the terms and conditions of a unique arrangement approved by the Public Utilities Commission of Ohio in the December 16, 2015 Opinion and Order in the above referenced proceeding. The unique arrangement is between TimkenSteel Corporation, a mercantile customer, and the Ohio Power Company, an electric utility.

Very truly yours,



William A. Sieck
Attorney for TimkenSteel Corporation

WAS/kem

Enclosure

CC: All parties of record (via email)

This is to certify that the foregoing are an accurate and complete reproduction of a written document delivered in the regular course of business.
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CONTRACT FOR UNIQUE ARRANGEMENT

THIS CONTRACT FOR UNIQUE ARRANGEMENT (the "Contract") is entered into by and between Ohio Power Company, its successors and assigns (the "Company"), and TimkenSteel Corporation, its permitted successors and assigns (the "Customer"), and is effective as set forth below (the "Effective Date").

WITNESSETH

WHEREAS, the Company currently provides electric service to the Customer at the facilities, plants and equipment associated with Customer's corporate headquarters and the Harrison Plant at 1835 Dueber Avenue, SW, Canton, Ohio 44706, the Faircrest Plant at 4511 Faircrest Street, SW, Canton, OH 44706, and the Gambrinus Plant at 2401 Gambrinus Road, SW, Canton, Ohio 44706 (collectively, the "Stark County Facilities"), currently billed under Company Account No. 070-271-300-1 with such service subject to a contract for unique arrangement between the parties entered into as of June 3, 2011, as amended (the "2011 Contract"); and

WHEREAS, the Customer asserts that it wishes to make capital investment in its current manufacturing operation at the Stark County Facilities which requires access to and successful deployment of capital, predicated, in part, on the Customer's ability to secure a reliable supply of electricity pursuant to terms and conditions that will provide it with a reasonable and predictable price over a term sufficient to justify a significant capital expenditure; and

WHEREAS, in order to obtain such a supply of electricity, the Customer submitted to the Public Utilities Commission of Ohio (the "Commission") an application for a unique arrangement in Commission Case No. 15-1857-EL-AEC (the "Application"), a "CONFIDENTIAL" copy of which is attached as Exhibit A to this Contract, and a stipulation that the Application be approved without modification (the "Stipulation"), a copy of which is attached as Exhibit B to this Contract; and

WHEREAS, the Application and Stipulation were approved without modification by the Commission in its December 16, 2015 Opinion and Order (the "Order"), which is attached as Exhibit C to this Contract;

NOW, THEREFORE, in consideration of the Commission's Order approving the Application and Stipulation for the unique arrangement, the Company and the Customer enter into this Contract which by its terms shall supersede and replace the 2011 Contract.

- 1. Effective Date and Term.** The Effective Date of this Contract shall be January 1, 2016, which is the date of the first billing month following the Commission's Order. The Contract shall be in effect pursuant to the terms of the unique arrangement proposed in the Application and Stipulation as approved by the Commission in its Order (the "Unique Arrangement") for a period of sixty-five (65) months to and including May 31, 2021. Additionally, the Customer may elect to terminate the Contract at any time upon thirty (30) days notice without minimum monthly billing demand charges or other penalties. This Contract shall also terminate if the

Commission subsequently modifies the Unique Arrangement as proposed in the Application and Stipulation and the Company and the Customer agree in writing to terminate the Contract.

2. **BTCR Transmission Charges.** During the term of this Contract, the Company shall invoice the Customer for transmission service through the Basic Transmission Cost Rider ("BTCR") recently approved in the Company's ESP III proceeding¹, provided that (i) Customer will be allocated its share of transmission demand related costs based on its annual single EDU transmission coincident peak and (ii) Customer will be its own class in the BTCR in order to implement the coincident peak demand allocation.
3. **Monthly Demand Credit.** During the term of this Contract, the Company may interrupt the Customer's demand in the event of emergencies or pre-emergencies with no limit on the amount or duration of emergency or pre-emergency interruptions. The Customer shall receive a monthly demand credit in accordance with the Stipulation and Order regardless whether that credit or program is available through tariff or the Interruptible Power ("IRP") Rider and regardless whether the Customer receives generation service from a competitive retail electric service ("CRES") provider. If the IRP Rider expires during the term of the Unique Arrangement, the Customer may elect to continue participating in PJM's pre-emergency and emergency energy and capacity demand response programs in exchange for the monthly demand credit in accordance with the Stipulation and Order and based on the remaining terms and conditions of the IRP Rider as applicable when this Contract becomes effective and, subsequent to the Commission's Rehearing Order in Case Nos. 13-2385-EL-SSO *et al.* based on the terms and conditions approved and interpreted therein (including any terms related to participation in PJM's pre-emergency and emergency energy and capacity demand response programs). The Customer will retain all monies paid by PJM via its curtailment service provider to the Customer for participation in PJM's economic or ancillary services programs. On notice, the Customer may forego its rights and obligations under this Section 3 in the event of changed circumstances including, but not limited to, the ability to participate in any future active load management program.
4. **Invoice Discount.** For the term of this Contract, the Company shall reduce the monthly invoiced tariff charges for the Stark County Facilities (excluding the BTCR and also excluding the Customer's generation charges from its CRES provider) according to Paragraph 49 of the Application as approved by the Commission's Order.
5. **Discount Recovery.** As provided in the Application and Stipulation, the Company shall be entitled to recover the invoice discount amount provided under Section 4 of this Contract via the Company's Economic Development Rider. In no event shall the aggregate amount of the discount off tariff exceed the amount set forth in

¹ See *In re Ohio Power Company*, Case Nos. 13-2385-EL-SSO *et al.* (Opinion and Order dated February 25, 2015).

paragraph 61 of the Application as approved by the Commission's Order. The aggregate amount of the discount off tariff shall not include (i) any amounts attributable to any adjustments to the BTCR under Paragraph 55 of the Application and Section 2 of this Contract or (ii) any amounts attributable to the monthly demand credit under Paragraphs 56-59 of the Application and Section 3 of this Contract or (iii) any amounts attributable to incentives or payments to the Customer under its contract committing EE/PDR Projects to the Company or for its participation in the Company's EE/PDR Programs. Except as required by the Application as adopted by the Commission's Order, the Customer shall not be made to pay back any discounts received prior to the termination of this Contract.

6. **Assignment.** The Customer may assign this Contract with the written consent of the Company.
7. **Notices.** Any notice required or desired by either party to be given hereunder shall be made:

If to the Company at:

Ohio Power Company
1 Riverside Plaza, 29th Floor
Columbus, OH 43215-2373
ATTN: Steven Nourse

If to the Customer at:

TimkenSteel Corporation
1835 Dueber Avenue SW
Canton, Ohio 44706-2798
ATTN: Manager, Direct Materials Steel Purchasing

Either party may submit to the other party a written notice of a change in location, address, or title of contact person and such notice shall serve to modify this Section 7 of this Contract. Any communications required to be in writing pursuant to this Contract may be delivered by first class U.S. Mail, courier service or commonly used forms of electronic communication (e.g., fax or email) consistent with the provisions set forth in this Section 7. Notice shall be deemed to be received upon actual receipt if delivered by courier, fax or email, or three (3) days after postmarked if sent by first class U.S. Mail, postage prepaid.

8. **Other Events of Default; Termination.** The parties agree that upon ninety (90) days prior written notice, the Company may terminate without liability to the Customer, this Contract if the Customer becomes insolvent or makes a general assignment for the benefit of creditors or admits in writing its inability to pay debts as they mature or if a trustee or receiver of the Customer or of any substantial part of the Customer's assets is appointed by any court or proceedings instituted under any provisions of the Federal Bankruptcy Code or any state insolvency law by or against the Customer are acquiesced in or are not dismissed within thirty (30) days or result in an adjudication in bankruptcy or insolvency.
9. **Liability for Payment.** Except with regard to the Customer's obligation to make payment(s) then due or becoming due to the Company, the Customer shall not be liable to the Company for any expense, loss or damage resulting from any event or act referenced in the applicable tariff schedule currently in effect that results in the Customer being unable to receive electric energy in the full amount contemplated

by the Customer's regular service arrangements for a period in excess of fifteen (15) full days.

10. Reporting. Subject to such confidentiality requirements as may be appropriate, in accordance with the terms of the Unique Arrangement and as required by the Order and commencing in January 2017 and no later than January 31 of each year during the term of this Contract, the Customer shall provide the Company and Commission Staff with an annual report that demonstrates the Customer's compliance with the applicable employment retention and investment commitments set forth in the Application. Any lack of compliance by the Customer as to the applicable employment retention and investment commitments shall be resolved as set forth in paragraphs 64 through 66 of the Application. If a Force Majeure event prevents the Customer from fulfilling the employment retention and investment commitment goals set forth in the Application in a timely manner, then the Customer may file a request with the Commission to make suitable arrangements for amending the employment retention and investment commitment goals and the Company agrees to support such filing provided the request is reasonable. For purposes of this Section 10, "Force Majeure" shall mean (i) acts of God, riots, strikes, labor disputes, labor or material shortages, act(s) by any government, governmental body or instrumentality, or regulatory agency (including, but not limited to, delay or failure to act in the issuance of approvals, permits or licenses), fires, explosions, floods, breakdown of or damage to plants, equipment or facilities, or other causes of similar nature which are beyond the reasonable control of the Customer and which wholly or partially prevent the receipt or utilization of electricity by the Customer and (ii) a significant change in global market conditions adversely impacting the domestic steel industry.

11. Dispute Resolution. If a dispute arises out of this Contract the parties agree first to try in good faith to settle the dispute. If settlement is not possible and the dispute relates to a subject matter which is within the Commission's exclusive or primary jurisdiction, the matter shall be taken to the Commission. If the dispute concerns a question outside of the Commission's jurisdiction, and the parties are unable to resolve such dispute through negotiations then either party may initiate litigation in the appropriate court or forum.

12. Mutual Cooperation. The Customer and the Company agree to provide mutual and timely support for purposes of effectively administering this Contract. Such support shall include, without limitation, reasonable and timely access to documents and personnel of the other party.

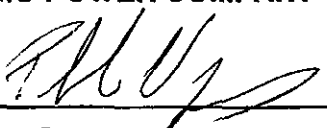
13. Confidentiality. The Customer and the Company agree that the terms and conditions of the Joint Defense and Confidentiality Agreement effective as of October 1, 2014 between the Customer and the Company, as amended (the "Confidentiality Agreement") shall extend and be in effect for the duration of this Contract. This Section 13 of this Contract shall be deemed a valid amendment of the Confidentiality Agreement as permitted by Section 17 of the Confidentiality Agreement.

14. Governing Law and Continuing Jurisdiction. The validity, construction and performance of this Contract shall be determined in accordance with the laws of the State of Ohio not taking into account any conflict of law provisions.


15. Interpretation. The Contract, all addendums, exhibits and documents referenced or incorporated by reference herein, and the Company's standard tariffs (including the terms and conditions of service), as applicable to Customer and as amended from time to time by the Commission, sets forth the entire agreement between the parties. In the event of any conflict between the Company's standard tariffs and this Contract, the Contract shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized officers or representatives as of the day and year first above written.

OHIO POWER COMPANY

By 
Title President & COO

TIMKENSTEEL CORPORATION

By 
Title Commodity Mgr - Strategic Sourcing