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October 31, 2016

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

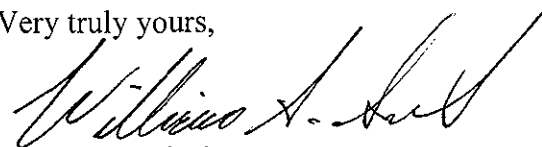
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Re: Case No. 16-737-EL-AEC
Contract for a Unique Arrangement

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 October 26, 2016 Opinion and Order in the above referenced proceeding. The unique arrangement is between Globe Metallurgical Inc., a mercantile customer, and the Ohio Power Company, an electric utility.

Very truly yours,



William A. Sieck
Attorney for Globe Metallurgical Inc.

WAS/kcm
Enclosure

cc: All parties of record (via email)

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician AW Date Processed 10/31/16

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 Globe Metallurgical Inc., 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, plant and equipment associated with Customer's Beverly Plant at 1595 Sparling Road, Beverly, Ohio 45715 (the "Beverly Plant"), currently billed under Company Account No. **073-875-500-0**; and

WHEREAS, the Customer asserts that it wishes 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 support maintaining and increasing, if possible, the number of full-time employment positions at the Beverly Plant and making capital investment in its current manufacturing operation at the Beverly Plant; 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. 16-0737-EL-AEC (the "Application"), a "CONFIDENTIAL" copy of which is attached as Exhibit A to this Contract, and a stipulation that the Application, as modified, be approved (the "Stipulation"), a "CONFIDENTIAL" copy of which is attached as Exhibit B to this Contract; and

WHEREAS, the Application, as modified by the Stipulation, was approved by the Commission in its October 26, 2016 Opinion and Order (the "Order");

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.

- 1. Effective Date and Term.** 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"), the term of this Contract shall begin on the Effective Date of October 1, 2016 and shall terminate as of the conclusion of the December 2018 billing cycle during which time Customer will receive generation and capacity from a CRES supplier. 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. Invoice Discount.** For the term of this Contract, the Company shall reduce the monthly invoiced tariff charges for the Beverly Plant (excluding the Customer's

generation charges from its CRES provider) for distribution service and all non-bypassable transmission and ancillary services and non-bypassable riders¹ (together, "Wire Service") to the amount of \$8.50 per MWh or, at Customer's option and one-time election, at a going-forward percentage discount off Company's monthly tariff charges for Wire Service during the remaining term of the Unique Arrangement according to Paragraphs 24(b) and 28 of the Application as approved by the Commission's Order.

3. **Discount Recovery.** As provided in the Application and Stipulation, the Company shall be entitled to recover the invoice discount amount provided under Section 2 of this Contract via the Company's Economic Development Rider. In no event shall the aggregate annual amount of the discount off tariff exceed the following amounts.
 - a. 2016 - \$1,000,000 (for the period 10/1/16 - 12/31/16)
 - b. 2017 - \$4,500,000
 - c. 2018 - \$3,800,000

The aggregate amount of the discount off tariff shall not include any amounts attributable to the monthly demand credit provided to the Company under Paragraphs 24(d) and 34 of the Application (as modified by Paragraph 8.g of the Stipulation) and Section 4 of this Contract. The Customer shall not be made to pay back any discounts received prior to the termination of this Contract.

4. **Monthly Demand Credit.** During the term of this Contract, the Company may interrupt the Customer's demand according to the PJM protocol for emergency events. In exchange for that ability to interrupt, Customer shall receive a monthly demand credit for that month in an amount calculated using the rate and formula under the IRP-D rider or any replacement rider provided such tariffs remain effective. The remaining terms and conditions of Globe's receipt of the monthly demand credit will be subject to the terms and conditions of the IRP as may be approved and interpreted in Case Nos. 13-2385-EL-SSO *et al.* (including any terms related to participation in PJM's emergency energy and capacity demand response programs).² 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.
5. **Assignment.** The Customer may assign this Contract with the written consent of the Company.

¹ Including any non-bypassable rider that may be authorized by the Commission in or relating to the case styled *In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement in the Power Purchase Agreement Rider*, Case No. 14-1693-EL-RDR.

² Customer's current capacity reservation is 87,500 kW on-peak and 90,000 kW off-peak, of which 85,000 kW is interruptible and 2,500 kW is firm service not subject to interruption. The monthly demand credit will commence with the October 2016 billing cycle.

6. **Notices.** Any notice required or desired by either party to be given hereunder shall be made:

If to the Company at:

If to the Customer at:

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

Globe Metallurgical Inc.
1595 Sparling Road
Beverly, Ohio 45715
ATTN: Corporate Manager, Energy

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 6 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 6. 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.

7. **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.
8. **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.
9. **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 and Stipulation. Any lack of compliance by the Customer as to the applicable employment retention and investment commitments shall be resolved as set forth in paragraphs 37 through 39 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 9, "Force Majeure" shall mean 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.

- 10. 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.
- 11. 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.
- 12. Confidentiality.** The Customer and the Company agree that the terms and conditions of the Joint Defense and Confidentiality Agreement effective as of April 7, 2016 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 12 of this Contract shall be deemed a valid amendment of the Confidentiality Agreement as permitted by Section 17 of the Confidentiality Agreement.
- 13. 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.
- 14. 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.

[Signatures on Page 5]

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by their duly authorized officers or representatives as of the Effective Date.

OHIO POWER COMPANY

By 

Title V.P. OPERATIONS

GLOBE METALLURGICAL INC.

By 

Title V.P. AMERICAS