



Office of the Ohio Consumers' Counsel

January 23, 2017

Hon. Nicholas Walstra
Attorney Examiner
Public Utilities Commission of Ohio
180 E. Broad St., 12th Floor
Columbus, OH 43215-3793

Re: *In the Matter of the Application for Establishment of a Reasonable Arrangement Between U.S. Steel Seamless Tubular Operations, LLC. Lorain Tubular Operations and the Ohio Edison Company*, Case No. 16-2020-EL-AEC, Joint Stipulation and Recommendation filed January 23, 2017

Dear Attorney Examiner Walstra:

The Office of the Ohio Consumers' Counsel, on behalf of Ohio Edison's one million residential consumers, appreciates the opportunity to share its views on the settlement that U.S. Steel Lorain Tubular Operations (Applicant) filed in this case on January 23, 2017. In this letter, the Consumers' Counsel advises, with some explanation, that we neither support nor oppose the settlement. We acknowledge the efforts of the Applicant, the PUCO Staff, and others to negotiate a settlement with us that, among other things, enabled the Consumers' Counsel to not oppose the Settlement reached by the Applicant and the PUCO Staff.

The proposed settlement would provide a credit for the Applicant to have interruptible service (which is a rate not available to the Applicant under Ohio Edison's current tariff). The Applicant demand response historically and indirectly was deployed (through an arrangement between Ohio Edison and Republic Steel), creating unique circumstances justifying the reasonable arrangement. The proposal would provide discounted electric rates to the Applicant over an eight-year period and potentially beyond, which is a discount that residential consumers, among others, would subsidize.

In this case there is consideration of a balance between the benefits for jobs (Applicant's employees) and the costs paid by other customers who fund the subsidies for the arrangement. Given our concerns about the subsidy that consumers pay, the Consumers' Counsel is not supporting the settlement; however, the settlement is structured in a way to limit these costs and enabled us to not oppose.

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Our non-opposition is not precedent for any future case or issue. OCC is not waiving rights to make any recommendations it considers appropriate in any other (including future) proceedings, regarding the interruptible rates or any other interruptible rate issues including cost allocation. And OCC is not waiving any rights under Ohio's public records law to obtain reasonable arrangement information, including the annual reports.

Again, the Consumers' Counsel appreciates the efforts of the Applicant, the PUCO Staff, and others to negotiate a result that enabled our non-opposition.

Very truly yours,

/s/ Maureen R. Willis

Maureen R. Willis

Senior Regulatory Counsel

cc: Parties of record

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Summary: Correspondence Letter Regarding the Stipulation by the Office of the Ohio Consumers' Counsel electronically filed by Ms. Deb J. Bingham on behalf of Willis, Maureen R Mrs.