

MARKET BASED RATE SALES TARIFF

1. Electric Energy and Capacity

ArcelorMittal Cleveland LLC (“Seller”) makes electric energy and capacity available under this tariff to any purchaser (“Buyer”) for resale.

2. Ancillary Services

Seller may sell ancillary services into the markets controlled by the regional transmission organization (“RTO”) or Independent System Operator (“ISO”) described below to the extent that (1) the rules and regulations of each such RTO/ISO permit sales of such services, and (2) the Commission has authorized entities with market-based rate authority to make such sales into such market. Such services include:

(a) PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, LLC (“PJM”) and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

3. Applicability

This tariff is applicable to all sales of energy or capacity by Seller not otherwise subject to a particular tariff or rate schedule of Seller.

4. Rates

All sales shall be made at rates established by agreement between the Buyer and Seller.

5. Other Terms and Conditions

All other terms and conditions shall be established by agreement between the Buyer and Seller.

6. Prohibited Sales

No sale may be made pursuant to this tariff to any public utility with a franchised electric service territory that is controlled by, or under common control with, or controlling the Seller.

7. Reporting Changes in Status

Seller must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission has relied upon in granting market-based rate authority. A change in status includes, but is not limited to, each of the following: (i) ownership or control of generation or transmission facilities or inputs to the electric power production other than fuel supplies; or (ii) an affiliation with any entity not disclosed in the application for market-based rate authority that owns or controls generation or transmission facilities or inputs to electric

power production, or affiliation with any entity that has a franchised service area. Any change in status must be filed no later than 30 days after the change in status occurs.

8. Limitations and Exemptions Regarding Market-Based Rate Authority

Seller has received waivers: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15, and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15; and received blanket approval under Part 34 for all future issuances of securities and assumption of liabilities.

9. Compliance with Commission Regulations

Seller shall comply with the provisions of 18 C.F.R. Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 C.F.R. Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this tariff.

10. Limitations and Exemptions Regarding Market-Based Rate Authority

The Commission granted Seller in Docket No. ER16-___ the following waivers and blanket authorization: (i) waiver of Parts 41, 101 and 141 of the Commission's regulations, except Sections 141.14 and 141.15; (ii) waiver of Subparts B and C of Part 35 of the Commission's regulations, except for Sections 35.12(a), 35.13(b), 35.15 and 35.16; and (iii) blanket approval as to Section 204 of the Federal Power Act and Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liabilities.

11. Seller Category

Seller is a Category 1 Seller, as defined in 18 C.F.R. § 35.36(a)(2), in all regions identified in Order No. 697.

12. Effective Date

This tariff is effective on such date as set by the Commission.

MAYER • BROWN

Mayer Brown LLP
1999 K Street, N.W.
Washington, D.C. 20006-1101

Main Tel +1 202 263 3000
Main Fax +1 202 263 3300
www.mayerbrown.com

Andrew B. Young
Direct Tel +1 202 263 3272
Direct Fax +1 202 830 0327
ayoung@mayerbrown.com

May 13, 2016

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: **ArcelorMittal Cleveland LLC**
Docket No. ER16-____-000
Petition for Acceptance of Market-Based Rate
Tariff, Waivers and Blanket Authorization

Dear Secretary Bose:

Accompanying this letter is ArcelorMittal Cleveland LLC's Petition for Acceptance of Market-Based Rate Tariff, Waivers and Blanket Authorization. ArcelorMittal Cleveland LLC hereby requests acceptance of its proposed tariff, under which it will engage in wholesale sales of electric energy, capacity, and certain ancillary services at market-based rates, the waiver of certain of the Commission's regulations, and blanket authorization to issue securities or assume liabilities.

ArcelorMittal Cleveland LLC respectfully request that, to the extent necessary, the Commission grant expedited treatment and waive the 60-day prior notice requirement set forth in Section 35.3 of the Commission's regulations to allow for an effective date of **June 30, 2016** for the proposed tariff.

Please contact the undersigned should you have any questions regarding this petition.

Sincerely,

/s/ Andrew B. Young

Andrew B. Young

Counsel for

ArcelorMittal Cleveland LLC

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

ArcelorMittal Cleveland LLC) **Docket No. ER16-____-000**

**PETITION FOR ACCEPTANCE OF MARKET-BASED RATE TARIFF,
WAIVERS AND BLANKET AUTHORIZATION**

Pursuant to Section 205 of the Federal Power Act (“FPA”), 16 U.S.C. § 824d (2012), Rules 205 and 207 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.205 and 207 (2015), and Part 35 of the Commission’s regulations, 18 C.F.R. Part 35 (2015), ArcelorMittal Cleveland LLC (“AM Cleveland”) hereby petitions the Commission for acceptance of its Market-Based Rate Tariff (“Tariff”), included herewith as **Attachment A**, and a grant such waivers and blanket authorizations as the Commission previously has granted to other entities engaged in the wholesale sales of electricity at market-based rates. As described below, AM Cleveland requests waiver of the 60-day prior notice requirement so that its Tariff can become effective on June 30, 2016.

I. REQUEST FOR EXPEDITED TREATMENT

AM Cleveland owns and operates steel manufacturing, processing and related facilities located in Cleveland, Ohio. As part of these business activities, AM Cleveland owns on-site generating facilities with a total nameplate capacity of 90 MW (15 MW of which is currently out of service). AM Cleveland currently is in the process of interconnecting its Warren generating facility, which has a nameplate capacity of 20 MW, to the transmission grid to allow AM Cleveland to make wholesale sales of power into the markets administered by PJM

Interconnection LLC (“PJM”), when such power is in excess of its steel manufacturing requirements.¹ AM Cleveland intends to make sales of test power under its interconnection agreement by July 1, 2016. As a result, AM Cleveland seeks the Commission’s acceptance of its Tariff effective on June 30, 2016, in order to complete its interconnection process and commence sales into PJM’s wholesale power markets. AM Cleveland respectfully requests expedited treatment of this Petition and waiver of the Commission’s prior notice filing requirement to the extent necessary to accommodate this requested effective date.

II. COMMUNICATIONS

All communications and service related to this Petition should be directed to the following persons:

Claire K. Battle
 Assistant General Counsel
 ArcelorMittal USA
 1 South Dearborn Street, 19th Floor
 Chicago, IL 60603-9888
 Tel: 312-899-3767
 claire.battle@arcelormittal.com

Andrew B. Young
 Shauna Guner
 Mayer Brown LLP
 1999 K Street NW
 Washington, D.C. 20006
 Tel: 202 263-3000
 ayoun@mayerbrown.com
 sguner@mayerbrown.com

III. DESCRIPTION OF APPLICANT AND ITS AFFILIATES

Attachment B sets forth a complete list of the generation assets of AM Cleveland and its U.S. energy affiliates. As shown in **Attachment B**, AM Cleveland and its affiliates own or control approximately 495 MW of generating capacity, including 170 MW of generating capacity (95 MW of which is currently out of service) within the PJM balancing authority area (“BAA”), and 325 MW of generation capacity within the Midcontinent Independent System Operator, Inc. (“MISO”) BAA.

¹ Under its interconnection agreement with PJM, AM Cleveland has a maximum facility output of 16.5 MW for the Warren generating facility.

A. AM Cleveland

AM Cleveland is a Delaware limited liability company with its principal place of business in Cleveland, Ohio. As described above, AM Cleveland owns and operates steel manufacturing, processing and related facilities. AM Cleveland also owns on-site generating facilities with a nominal capacity of 90 MW (15 MW of which is currently out of service) in the PJM BAA. AM Cleveland is in the process of interconnecting its 20 MW Warren generating facility to the transmission grid to allow AM Cleveland to make wholesale sales of power into the PJM markets, when such power is in excess of its steel manufacturing requirements.

B. Affiliates of AM Cleveland

ArcelorMittal USA LLC (“AM USA”) is the sole member of AM Cleveland. AM USA is a Delaware limited liability company with its principal place of business in Chicago, Illinois. AM USA owns an electric generating facility with a nominal capacity of 10 MW located in East Chicago, Indiana (MISO BAA). The Commission also has granted market-based rate authority to AM USA.² AM USA is an indirect, wholly-owned subsidiary of ArcelorMittal S.A., a Luxembourg limited company. ArcelorMittal S.A. is a publicly traded limited company that is listed on the New York Stock Exchange and other international stock exchanges. The only persons or entities that currently, directly or indirectly, own 10% or more of the outstanding voting shares of ArcelorMittal S.A. are Mr. Lakshmi Mittal and his wife, Mrs. Usha Mittal.

In addition to AM Cleveland, AM USA has other subsidiaries that own and operate steel manufacturing, processing, and related facilities in the United States. Several of AM USA’s subsidiaries own and/or operate on-site electric generation facilities. As a result, AM Cleveland

² See *Mittal Steel USA, Inc.*, Docket No. ER07-1195-000 (letter order issued Aug. 21, 2007) (market-based rate authorization); *ArcelorMittal USA, LLC*, Docket No. ER11-3461-000 (letter order issued June 10, 2011) (Order No. 714 Compliance Filing); *ArcelorMittal USA LLC*, Docket No. ER11-3670-001 (letter order issued Apr. 9, 2013) (notice of change in status).

is affiliated through AM USA with the following entities that own of control generating facilities in the PJM and MISO BAAs:

- ArcelorMittal Burns Harbor LLC owns electric generating facilities with a nominal capacity of 176 MW located in Burns Harbor, Indiana (MISO BAA);
- ArcelorMittal Indiana Harbor LLC owns electric generating facilities with a nominal capacity of 80 MW, and leases and operates an on-site cogeneration facility with a nominal capacity of 50 MW, located in East Chicago, Indiana (MISO BAA); and
- ArcelorMittal Weirton Inc. owns electric generating facilities (currently out of service) with a nominal capacity of 80 MW, located in Weirton, West Virginia (PJM BAA).

Neither AM USA nor any of its subsidiaries has a franchised electric service territory or owns, operates or controls any facility used for the transmission of electric energy in interstate commerce, other than limited and discrete facilities necessary to interconnection generating facilities to the transmission grid.

IV. REQUEST FOR AUTHORIZATION TO SELL POWER AT MARKET-BASED RATES

A. AM Cleveland's Market-Based Rate Tariff

AM Cleveland requests authorization to sell electric energy, capacity, and certain ancillary services at market-based rates pursuant to the proposed Tariff included with this Petition as **Attachment A**.

B. Criteria for Market-Based Rates

The Commission allows power sales at market-based rates under Section 205 of the FPA if the applicant and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power, and cannot erect other barriers to entry.³ Pursuant to Order No. 697, in order to meet the Commission's requirements for market-based rate authorization, an applicant

³ See *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, 119 FERC ¶ 61,295 (2007); *order clarifying final rule*, 121 FERC ¶ 61,260 (2007); *order on reh'g and clarification*, 123 FERC ¶ 61,055 (2008); *order on reh'g and clarification*, 125 FERC ¶ 61,326 (2008); *order on reh'g and clarification*, 127 FERC ¶ 61,284 (2009); *order on reh'g and clarification*, 130 FERC ¶ 61,206 (2010) (collectively, "Order No. 697").

must satisfy a two-part analysis that demonstrates that it and its affiliates do not have, or have adequately mitigated: (1) horizontal market power based on two indicative market power screens with respect to generation market power, and (2) vertical market power based on an analysis of the seller's transmission market power and its ability to erect other barriers to entry into the relevant market.⁴ As demonstrated below, AM Cleveland satisfies each of the Commission's standards and should be permitted to make wholesale sales of electric energy, capacity and certain ancillary services at market-based rates.

1. Horizontal Market Power Analysis

In Order No. 697, the Commission established a methodology to be used by applicants requesting market-based rate authority under Section 205 of the FPA. The Commission applies two indicative screens intended to demonstrate a lack of horizontal market power: the Pivotal Supplier Analysis and the Market Share Analysis. If an applicant fails either of these screens, there is a rebuttable presumption of horizontal market power.

The Commission defines the relevant market for the horizontal market power analysis as the BAA in which the applicant is physically located. Where a generator is interconnected to a non-affiliate owned transmission system, the relevant market is the BAA in which the applicant's generating facilities are located.⁵ If an applicant is located in a BAA of a Regional Transmission Organization ("RTO") or Independent System Operator ("ISO"), the applicant may use the geographic region under the control of the RTO/ISO as the relevant geographic market.⁶ If the Commission has made specific findings of submarkets within an RTO/ISO, an applicant located

⁴ *Id.*

⁵ *Id.* at P 217.

⁶ *Id.* at P 235.

in a submarket must use such submarket as the relevant geographic market.⁷ AM Cleveland's generating facilities are physically located to the west of PJM's Eastern Interface and, as a result, the relevant geographic market for AM Cleveland is the PJM BAA.⁸

The Commission has authorized the submission of streamlined applications and the use of simplifying assumptions, where appropriate.⁹ The Commission also accepts an applicant's data for the two indicative screens that are based on data submitted to the Commission for the relevant geographic area by other applicants in their market-based rate filings.¹⁰ AM Cleveland conservatively assumed that all of the generation capacity owned or controlled by itself and its affiliates within the PJM BAA is uncommitted (although some of the generation capacity currently is out of service and most of the generating capacity is used to meet their steel manufacturing requirements). Furthermore, AM Cleveland has treated all of the generation capacity owned by its affiliates that is physically located in the MISO BAA as if it were physically located in the PJM BAA. As demonstrated below, even under these very conservative assumptions, AM Cleveland passes the pivotal supplier screen and market share screens for the relevant market. In any event, AM Cleveland commits to comply with all applicable PJM rules regarding market monitoring and mitigation.¹¹

⁷ *Id.* at PP 236, 246.

⁸ The Eastern Interface comprises four major transmission lines that separate northern New Jersey and Philadelphia from the rest of PJM.

⁹ Order No. 697 at P 321.

¹⁰ *See, e.g., Gratiot County Wind LLC*, Docket No. ER11-4044-000 (Aug. 16, 2011) (unpublished Letter Order granting market-based rate authority based, *inter alia*, on its lack of generation market power in the relevant market, which was demonstrated by utilizing data from market power studies contained in another entity's triennial report).

¹¹ The Commission has adopted a rebuttable presumption that existing Commission-approved RTO/ISO market monitoring and mitigation is sufficient to address any market power concerns. *See* Order No. 697-A at P 111; *see also NextEra Energy Power Market, LLC*, Letter Order, Docket Nos. ER09-832-004, *et al.* (Mar. 25, 2010).

a. Pivotal Supplier Analysis

Under the Pivotal Supplier Analysis, an applicant is presumed to have market power only if its uncommitted generating capacity is equal to or greater than the net total uncommitted capacity in the relevant market. For purposes of identifying the relevant wholesale market, the Commission stated that the “proxy for the wholesale load is the annual peak load (needle peak) less the proxy for native load obligation (*i.e.*, the average of the daily native load peaks during the month in which the annual peak load day occurs).”¹²

AM Cleveland’s uncommitted pivotal supplier screen for the PJM market is presented in **Attachment C**. It shows that the combined 495 MW of total generating capacity that is owned or controlled by AM Cleveland and its affiliates accounts for approximately 1% of the total net uncommitted capacity in the PJM BAA. It should be noted that, despite the conservative assumptions made in preparing this analysis, AM Cleveland’s generation capacity is still substantially less than the 46,340 MW of net uncommitted supply in the PJM BAA market, as shown by data recently submitted to the Commission.

b. Market Share Analysis

Under the Market Share Analysis, if an applicant accounts for less than 20% of the uncommitted capacity in the relevant market, it passes the screen and is presumed not to have market power. When calculating uncommitted capacity, a seller “adds the total nameplate or seasonal capacity of generation owned or controlled through contract plus long-term firm purchases and deducts operating reserves, native load commitments, and long-term firm sales.”¹³

AM Cleveland’s market share screen for the PJM BAA market is presented in **Attachment C**. Once again, despite the conservative assumptions made in preparing this

¹² Order No. 697 at P 41; Order No. 697-A at P 18.

¹³ Order No. 697-A at P 17.

analysis, the uncommitted capacity of AM Cleveland and its affiliates accounts for less than 1% of PJM's capacity across all four applicable seasons. This analysis also conservatively assumes that there are no competing supplies from adjacent control zones. If the actual uncommitted capacity of AM Cleveland and its affiliates was used and/or competing supplies from adjacent control zones were taken into account, the percentage market share would be lower.

c. Third Party Data

Data from the PJM BAA for the period from December 2013 to November 2014, upon which AM Cleveland has relied in preparing its two indicative screens, is based upon the market analyses prepared by Julie R. Solomon that were recently submitted to, and accepted by, the Commission.¹⁴ A copy of such data is attached hereto as **Attachment D**.

2. Vertical Market Power

The Commission's vertical market power analysis considers an applicant's ownership of transmission facilities and whether the applicant can erect other barriers to entry. To demonstrate a lack of vertical market power, an applicant who owns or controls transmission facilities, or whose affiliates own or control transmission facilities, must have on file with the Commission an Open Access Transmission Tariff (OATT).¹⁵ In addition, an applicant must demonstrate that neither it nor its affiliates can erect non-transmission barriers to entry in wholesale energy markets.¹⁶

¹⁴ Data on the PJM BAA for the period from December 2013 to November 2014 is based on the market power analysis prepared by Julie R. Solomon, submitted by Panda Patriot LLC on September 29, 2015. *See Panda Patriot LLC*, Docket No. ER15-2742-000 (filed September 29, 2015), Attachment 2 (Affidavit of Julie R. Solomon ("*Solomon Affidavit*"), which was accepted by the Commission on December 10, 2015 (unpublished Letter Order).

¹⁵ Order No. 697 at P 408; 18 C.F.R. § 35.37(d).

¹⁶ Order No. 697 at P 22; 18 C.F.R. § 35.37(e).

To satisfy this test, an applicant must describe its ownership, control, or affiliation with entities that own or control, any (1) intrastate natural gas transportation, intrastate natural gas storage or distribution facilities, (2) sites for new generation capacity development, and (3) physical coal supply sources or transportation of coal supplies.¹⁷ Despite the requirement to provide this information, a rebuttable presumption exists that applicants cannot erect barriers to entry with regard to ownership or control of, or affiliation with an entity that owns or controls, these inputs to electric power production.¹⁸ Finally, an applicant must affirmatively state that it has not erected barriers to entry in the relevant market, and will not erect such barrier in the future.¹⁹

a. Transmission Market Power

AM Cleveland and its affiliates do not own or control any transmission facilities, other than limited equipment necessary to interconnect their generating facilities to the transmission grid. Consistent with Order No. 807,²⁰ AMC Cleveland affirmatively states that the interconnection facilities owned or controlled by itself and its affiliates are limited and discrete facilities, and thus satisfy the requirements under Section 35.28(d)(2) of the Commission's regulations for a blanket waiver from the Commission's requirements to file an OATT, to establish and maintain an open access same-time information system, and to comply with the Commission's standards of conduct.²¹

¹⁷ See 18 C.F.R. § 35.37(e)(1)-(3).

¹⁸ Order No. 697 at PP 446-48.

¹⁹ Order No. 697 at P 447; 18 C.F.R. § 35.37(e)(4).

²⁰ *Open Access and Priority Rights on Interconnection Customer's Interconnection Facilities*, Order No. 807, FERC Stats. & Regs. ¶ 31,367 at PP 57, 176 (2015).

²¹ 18 C.F.R. § 35.28(d)(2).

b. Other Barriers to Entry

Neither AM Cleveland, nor any of its affiliates, own, operate, or control any intrastate natural gas transportation, intrastate natural gas storage or distribution facilities. Affiliates of AM Cleveland have contracted for long-term transportation capacity on natural gas pipelines for the peak demand of their steel manufacturing plants -- specifically on Columbia Gas Transmission's pipelines in Pennsylvania and Maryland -- but they release such transportation capacity when it is in excess of their requirements at the plants. Also, an affiliate of AM Cleveland which owns and operates a surface and underground coal mine in Princeton, West Virginia. The coal mine has an annual production capacity of five million tons and, in addition to coal sales to third parties, is used to produce coke and pulverized coal injection for consumption at the steel manufacturing plants owned by AM Cleveland and its affiliates. Other than this coal mine in West Virginia, neither AM Cleveland, nor any of its affiliates, own, operate, or control any physical coal supply sources or transportation of coal supplies.

Finally, in the ordinary course of business, AM Cleveland or its affiliates may own or control sites for new generation capacity development, but the Commission has adopted a rebuttable presumption that ownership or control of such sites does not allow an applicant to erect barriers to entry.²² As described above, a rebuttable presumption exists that an applicant cannot erect barriers to entry with regard to ownership or control of, or affiliation with an entity that owns or controls, these inputs to electric power production. Furthermore, as required by the Commission's regulations, AM Cleveland hereby confirms that AM Cleveland and its affiliates have not erected, and will not erect, any barriers to entry in the PJM BAA or in any other

²² Order No. 697 at P 1018. In accordance with the Commission's regulations, AM Cleveland and its affiliates will report such holdings. *See* 18 C.F.R. § 35.42; Order No. 697-C at PP 18-20.

relevant market.²³ Therefore, AM Cleveland and its affiliates do not possess vertical market power.

C. Affiliate Abuse

The Commission has expressed a concern with respect to affiliate abuse in the context of an applicant's affiliation with an entity that has a franchised electric service territory. In Order No. 697, the Commission discontinued consideration of affiliate abuse as a separate "prong" of the market-based rate analysis and codified affiliate restrictions in the Commission's regulations as a condition of obtaining and retaining market-based rate authority. Neither AM Cleveland nor any affiliate has a franchised electric service territory in the United States. Nevertheless, AM Cleveland agrees to abide by the Commission's codified affiliate restrictions as a condition of its market-based rate authority.

D. Ancillary Services

AM Cleveland seeks authorization to sell the ancillary services the Commission has authorized entities with market-based rate authority to sell in the markets administered by PJM. The Commission requires a separate study of the ancillary services markets to support a market-based rate filing for ancillary services. With respect to sales of ancillary services in the PJM markets, AMC Cleveland relies, in the same manner as other applicants, on studies submitted and accepted by the Commission in previous orders.

V. CATEGORY 1 SELLER

In Order No. 697, the Commission established a category of sellers ("Category 1 Sellers") that are exempt from the requirement to submit updated market power analyses every three years. The Commission's regulations define Category 1 Sellers as wholesale power

²³ 18 C.F.R. § 35.37(e)(4).

marketers and wholesale power producers that meet each of the following criteria: (1) own or control 500 MW or less of generation in aggregate per region; (2) do not own, operate, or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid; (3) are not affiliated with anyone that owns, operates, or controls transmission facilities in the same region as the seller's generation assets; (4) are not affiliated with a franchised public utility in the same region as the seller's generation assets; and (5) do not raise other vertical market power issues.²⁴

AM Cleveland requests classification as a Category 1 Seller in all regions. As described above and set forth in **Attachment B**, AM Cleveland and its affiliates (1) own or control less than 500 MW of generation in aggregate in the Northeast (170 MW) and Central (325 MW) regions; (2) do not own, operate, or control transmission facilities other than limited equipment necessary to connect individual generating facilities to the transmission grid; (3) are not affiliated with anyone that owns, operates, or controls transmission facilities in the same region as their generation assets; (4) are not affiliated with a franchised public utility in the same region as their generation assets; and (5) do not raise other vertical market power issues. Accordingly, AM Cleveland requests a determination that it meets the criteria for classification as a Category 1 Seller in all regions. AM Cleveland's proposed Tariff in **Attachment A** reflects its request for status as a Category 1 Seller in all regions.

VI. REQUEST FOR WAIVERS AND BLANKET APPROVAL

AM Cleveland requests the same pre-approvals and waivers from the following Commission regulations, which have been granted to other market-based rate sellers:

- Subparts B and C of Part 35, regarding the filing of rate schedules, except Sections 35.12(a), 35.13(b), 35.15, and 35.16;

²⁴ 18 C.F.R. § 35.36(a)(2).

- Part 41, regarding accounts, records, and memoranda;
- Part 101, regarding the uniform system of accounts; and
- Part 141, regarding statements and reports, except Sections 141.14 and 141.15.

AM Cleveland also requests blanket approval under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liabilities.

VII. EFFECTIVE DATE

As described above, AM Cleveland currently is in the process of interconnecting its Warren generating facility, which has a nameplate capacity of 20 MW, to the transmission grid to allow AM Cleveland to make wholesale sales of power into the markets administered by PJM, when such power is in excess of its steel manufacturing requirements. AM Cleveland intends to make sales of test power under its interconnection agreement by July 1, 2016. As a result, AM Cleveland seeks the Commission's acceptance of its proposed Tariff effective on June 30, 2016, in order to complete its interconnection process and commence sales into PJM's wholesale power markets. AM Cleveland respectfully requests waiver of the Commission's prior notice filing requirement to the extent necessary to accommodate this requested effective date.

VIII. REPORTING REQUIREMENTS

AM Cleveland agrees to comply with the reporting requirements normally imposed on market-based rate sellers, including the filing of Electronic Quarterly Reports ("EQRs") concerning its sales in accordance with the requirements of Order No. 2001. AM Cleveland also will file timely notices of material changes in status that explain whether such changes reflect a departure from the characteristics relied upon by the Commission in granting AM Cleveland market-based rate authority.²⁵

²⁵ See 18 C.F.R. § 35.42.

AM Cleveland also agrees to comply with the Commission's market behavior rules codified at 18 C.F.R. § 35.41. In accordance with section 35.41 of the Commission's regulations, as amended by Order Nos. 768 and 768-A,²⁶ to the extent AM Cleveland engages in reporting of transactions to publishers of electric or natural gas price indices, AM Cleveland will identify in its EQRs the publishers of electricity and natural gas prices to which AM Cleveland reports its transactions.

IX. CONCLUSION

WHEREFORE, AM Cleveland requests that the Commission issue an order (i) accepting its proposed Tariff effective June 30, 2016; (ii) granting the waivers and blanket approvals requested in this Petition; and (3) granting the request for expedited treatment of this Petition.

Respectfully submitted,

/s/ Andrew B. Young
Andrew B. Young
Mayer Brown LLP
1999 K Street, N.W.
Washington, D.C. 20006
Tel: (202) 263-3272
ayoung@mayerbrown.com

²⁶ *Electricity Market Transparency Provisions of Section 220 of the Federal Power Act*, Order No. 768, 140 FERC 61,232 (2012), *order partially extending compliance date*, 142 FERC ¶ 61,105 (2013), *order on reh'g*, Order No. 768-A, 143 FERC ¶ 61,054 (2013).

Exhibit JRS-3

Part I -- Pivotal Supplier Analysis

PJM		Reference (December '13 - November '14)
Row	Generation	MW
	Seller and Affiliate Capacity	
A	Installed Capacity	1,548
B	Long-Term Firm Purchases	-
C	Long-Term Firm Sales	-
D	Imported Power	-
	Non-Affiliate Capacity	
E	Installed Capacity	193,861
F	Long-Term Firm Purchases	-
G	Long-Term Firm Sales	-
H	Imported Power	-
I	Balancing Authority Area Reserve Requirement	(6,338)
J	Amount of Line I Attributable to Seller, if any	-
K	Total Uncommitted Capacity	75,610
	Load	
L	Balancing Authority Area Annual Peak Load	141,678
M	Average Daily Peak Native Load in Peak Month	(113,461)
N	Amount of Line M Attributable to Seller, if any	-
O	Wholesale Load	28,217
P	Net Uncommitted Supply	47,393
Q	Seller's Uncommitted Capacity	1,548
R	Result of Pivotal Supplier Screen	PASS

Exhibit JRS-2

No affiliated uncommitted capacity in first tier markets

Wkp-PJM Generation Summary

Conservatively assumed to be zero

Wkp-PJM Oper Reserves

SUM (A,B,C,D,E,F,G,H,I,M)

Wkp-PJM Load Summary

Wkp-PJM Load Summary

(L+M)

(K-O)

SUM (A,B,C,D,I,N)

(Pass if (Q < P); (Fail if Q > P))

Exhibit JRS-4

Part II -- Market Share Analysis

Row	PJM					Reference December '13 - November '14
	Winter (MW)	Spring (MW)	Summer (MW)	Fall (MW)		
A	1,718	1,718	1,548	1,718	1,718	Exhibit JRS-2
B	-	-	-	-	-	
C	-	-	-	-	-	
D	-	-	-	-	-	
E	-	-	-	-	-	No affiliated uncommitted capacity in first tier markets
Capacity Deductions						
F	(112,941)	(94,813)	(114,760)	(95,808)	(95,808)	Wkp-PJM Load Summary
G	-	-	-	-	-	
H	(112,941)	(94,813)	(114,760)	(95,808)	(95,808)	
I	(6,378)	(5,428)	(6,442)	(5,495)	(5,495)	Wkp-PJM Oper Reserves
J	-	-	-	-	-	
K	(6,378)	(5,428)	(6,442)	(5,495)	(5,495)	
Non-Affiliate Capacity						
L	202,506	202,057	193,861	202,010	202,010	Wkp-PJM Generation Summary
M	-	-	-	-	-	
N	-	-	-	-	-	
O	(3,938)	(29,277)	(1,167)	(25,214)	(25,214)	Wkp-Outage Summary
P	-	-	-	-	-	Conservatively assumed to be zero
Supply Calculation						
Q	79,249	72,539	71,492	75,493	75,493	SUM (L,M,N,O,P,H,K)
R	1,718	1,718	1,548	1,718	1,718	SUM (A,B,C,D,E,G,J)
S	80,967	74,257	73,040	77,210	77,210	SUM (Q,R)
T	2.1%	2.3%	2.1%	2.2%	2.2%	(R/S)
Seller's Market Share Results						Pass if T < 20%; Fail if T > 20%

FERC rendition of the electronically filed tariff records in Docket No. ER16-01689-000
Filing Data:
CID: C005255
Filing Title: Petition for Acceptance of Market-Based Rate
Company Filing Identifier: 658
Type of Filing Code: 400
Associated Filing Identifier:
Tariff Title: Market Base Rate Sales Tariff
Tariff ID: 889
Payment Confirmation:
Suspension Motion:

Tariff Record Data:
Record Content Description, Tariff Record Title, Record Version Number, Option Code:
FERC Electric Tariff, Market Based Rate Sales, 0.0.0, A
Record Narrative Name:
Tariff Record ID: 1
Tariff Record Collation Value: 1000000 Tariff Record Parent Identifier: 0
Proposed Date: 2016-06-30
Priority Order: 500
Record Change Type: NEW
Record Content Type: 1
Associated Filing Identifier:

MARKET BASED RATE SALES TARIFF

1. Electric Energy and Capacity

ArcelorMittal Cleveland LLC (“Seller”) makes electric energy and capacity available under this tariff to any purchaser (“Buyer”) for resale.

2. Ancillary Services

Seller may sell ancillary services into the markets controlled by the regional transmission organization (“RTO”) or Independent System Operator (“ISO”) described below to the extent that (1) the rules and regulations of each such RTO/ISO permit sales of such services, and (2) the Commission has authorized entities with market-based rate authority to make such sales into such market. Such services include:

(a) PJM: Seller offers regulation and frequency response service, energy imbalance service, and operating reserve service (which includes spinning, 10-minute, and 30-minute reserves) for sale into the market administered by PJM Interconnection, LLC (“PJM”) and, where the PJM Open Access Transmission Tariff permits, the self-supply of these services to purchasers for a bilateral sale that is used to satisfy the ancillary services requirements of the PJM Office of Interconnection.

3. Applicability

This tariff is applicable to all sales of energy or capacity by Seller not otherwise subject to a particular tariff or rate schedule of Seller.

4. Rates

All sales shall be made at rates established by agreement between the Buyer and Seller.

5. Other Terms and Conditions

All other terms and conditions shall be established by agreement between the Buyer and Seller.

6. Prohibited Sales

No sale may be made pursuant to this tariff to any public utility with a franchised electric service territory that is controlled by, or under common control with, or controlling the Seller.

7. Reporting Changes in Status

Seller must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission has relied upon in granting market-based rate authority. A change in status includes, but is not limited to, each of the following: (i) ownership or control of generation or transmission facilities or inputs to the electric power production other than fuel supplies; or (ii) an affiliation with any entity not disclosed in the application for market-based rate authority that owns or controls generation or transmission facilities or inputs to electric power production, or affiliation with any entity that has a franchised service area. Any change in status must be filed no later than 30 days after the change in status occurs.

8. Limitations and Exemptions Regarding Market-Based Rate Authority

Seller has received waivers: Subparts B and C of Part 35, except for sections 35.12(a), 35.13(b), 35.15, and 35.16; Part 41, Part 101, and Part 141, except sections 141.14 and 141.15; and received blanket approval under Part 34 for all future issuances of securities and assumption of liabilities.

9. Compliance with Commission Regulations

Seller shall comply with the provisions of 18 C.F.R. Part 35, Subpart H, as applicable, and with any conditions the Commission imposes in its orders concerning Seller's market-based rate authority, including orders in which the Commission authorizes Seller to engage in affiliate sales under this tariff or otherwise restricts or limits the Seller's market-based rate authority. Failure to comply with the applicable provisions of 18 C.F.R. Part 35, Subpart H, and with any orders of the Commission concerning Seller's market-based rate authority, will constitute a violation of this tariff.

10. Limitations and Exemptions Regarding Market-Based Rate Authority

The Commission granted Seller in Docket No. ER16-___ the following waivers and blanket authorization: (i) waiver of Parts 41, 101 and 141 of the Commission's regulations, except Sections 141.14 and 141.15; (ii) waiver of Subparts B and C of Part 35 of the Commission's regulations, except for Sections 35.12(a), 35.13(b), 35.15 and 35.16; and (iii) blanket approval as to Section 204 of the Federal Power Act and Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liabilities.

11. Seller Category

Seller is a Category 1 Seller, as defined in 18 C.F.R. § 35.36(a)(2), in all regions identified in Order No. 697.

12. Effective Date

This tariff is effective on such date as set by the Commission.

**ARCELORMITTAL CLEVELAND LLC
MARKET-BASED RATE AUTHORITY AND GENERATION ASSETS**

Filing Entity and its Energy Affiliates	Docket # where MBR authority was granted	Generation Name	Owned by	Controlled By	Date Control Transferred	Balancing Authority Area	Geographic Region (per Appendix D)	In-service Date	Nameplate and/or Seasonal Rating (MW)
ArcelorMittal USA LLC	ER07-1195	N/A	ArcelorMittal USA LLC	ArcelorMittal USA LLC	N/A	Midwest ISO	Central	2003 (original 1980, replaced in 2003)	19
ArcelorMittal Burns Harbor LLC	N/A	No. 5	ArcelorMittal Burns Harbor LLC	ArcelorMittal Burns Harbor LLC	N/A	Midwest ISO	Central	Jan-70	62
ArcelorMittal Burns Harbor LLC	N/A	No. 6	ArcelorMittal Burns Harbor LLC	ArcelorMittal Burns Harbor LLC	N/A	Midwest ISO	Central	Jan-69	51
ArcelorMittal Burns Harbor LLC	N/A	No. 7	ArcelorMittal Burns Harbor LLC	ArcelorMittal Burns Harbor LLC	N/A	Midwest ISO	Central	Jan-69	63
ArcelorMittal Indiana Harbor LLC	N/A	No. 5	ArcelorMittal Indiana Harbor LLC	ArcelorMittal Indiana Harbor LLC	N/A	Midwest ISO	Central	Oct-39	10
ArcelorMittal Indiana Harbor LLC	N/A	No. 6	ArcelorMittal Indiana Harbor LLC	ArcelorMittal Indiana Harbor LLC	N/A	Midwest ISO	Central	May-53	10
ArcelorMittal Indiana Harbor LLC	N/A	No. 7	ArcelorMittal Indiana Harbor LLC	ArcelorMittal Indiana Harbor LLC	N/A	Midwest ISO	Central	May-59	25
ArcelorMittal Indiana Harbor LLC	N/A	No. 8	ArcelorMittal Indiana Harbor LLC	ArcelorMittal Indiana Harbor LLC	N/A	Midwest ISO	Central	Apr-95	35
ArcelorMittal Indiana Harbor LLC	N/A	No. 9	ArcelorMittal Indiana Harbor LLC	ArcelorMittal Indiana Harbor LLC	N/A	Midwest ISO	Central	11/2002 (leased)	50
ArcelorMittal Cleveland LLC	N/A	A	ArcelorMittal Cleveland LLC	ArcelorMittal Cleveland LLC	N/A	PJM	Northeast	1951	15 (out of service)
ArcelorMittal Cleveland LLC	N/A	B	ArcelorMittal Cleveland LLC	ArcelorMittal Cleveland LLC	N/A	PJM	Northeast	1964	10
ArcelorMittal Cleveland LLC	N/A	C	ArcelorMittal Cleveland LLC	ArcelorMittal Cleveland LLC	N/A	PJM	Northeast	Feb-10	25
ArcelorMittal Cleveland LLC	N/A	3A	ArcelorMittal Cleveland LLC	ArcelorMittal Cleveland LLC	N/A	PJM	Northeast	1966	10
ArcelorMittal Cleveland LLC	N/A	5A	ArcelorMittal Cleveland LLC	ArcelorMittal Cleveland LLC	N/A	PJM	Northeast	1965	10
ArcelorMittal Cleveland LLC	N/A	Warren	ArcelorMittal Cleveland LLC	ArcelorMittal Cleveland LLC	N/A	PJM	Northeast	1965	20
ArcelorMittal Weirton Inc.	N/A	N/A	ArcelorMittal Weirton Inc.	ArcelorMittal Weirton Inc.	N/A	PJM	Northeast	1920; 1959	80 (out of service)

Part I – Pivotal Supplier Analysis

Applicant: ArcellorMittal Cleveland LLC

Market: PJM

Data Year: December 2013 - November 2014

Row**Generation****Seller and Affiliate Capacity (owned or controlled)**

- A Installed Capacity (from inside the study area)
- A1 Remote Capacity (from outside the study area)
- B Long-Term Firm Purchases (from inside the study area)
- B1 Long-Term Firm Purchases (from outside the study area)
- C Long-Term Firm Sales (in and outside the study area)
- D Uncommitted Capacity Imports

Non-Affiliate Capacity (owned or controlled)

- E Installed Capacity (from inside the study area)
- E1 Remote Capacity (from outside the study area)
- F Long-Term Firm Purchases (from inside the study area)
- F1 Long-Term Firm Purchases (from outside the study area)
- G Long-Term Firm Sales (in and outside the study area)
- H Uncommitted Capacity Imports
- I Study Area Reserve Requirement
- J Amount of Line I Attributable to Seller, if any
- K Total Uncommitted Supply (A+A1+B+B1+D+E+E1+F+F1+H-C-G-I-M)

Load

- L Balancing Authority Area Annual Peak Load
- M Average Daily Peak Native Load in Peak Month
- N Amount of Line M Attributable to Seller, if any
- O Wholesale Load (L-M)
- P Net Uncommitted Supply (K-O)
- Q Seller's Uncommitted Capacity (A+A1+B+B1+D-C-J-N)

Result of Pivotal Supplier Screen (Pass if Line Q < Line P)

495
0
0
0
-
0

193,861
0
0
-
-
0

6,338
-

74,557

141,678
113,461
0

28,217

46,340

495

Pass

Part II – Market Share Analysis

Applicant: ArcellorMittal Cleveland LLC

Market: PJM

Data Year: December 2013 - November 2014

Row**Seller and Affiliate Capacity (owned, controlled or under LT contract)**

- A Installed Capacity (inside the study area)
- A1 Remote Capacity (from outside the study area)
- B Long-Term Firm Purchases (inside the study area)
- B1 Long-Term Firm Purchases (from outside the study area)
- C Long-Term Firm Sales (in and outside the study area)
- D Seasonal Average Planned Outages
- E Uncommitted Capacity Imports

Capacity Deductions

- F Average Peak Native Load in the Season
- G Amount of Line F Attributable to Seller, if any
- H Amount of Line F Attributable to Non-Affiliates, if any
- I Study Area Reserve Requirement
- J Amount of Line I Attributable to Seller, if any
- K Amount of Line I Attributable to Non-Affiliates, if any

Non-Affiliate Capacity (owned, controlled or under LT contract)

- L Installed Capacity (inside the study area)
- L1 Remote Capacity (from outside the study area)
- M Long-Term Firm Purchases (inside the study area)
- M1 Long-Term Firm Purchases (from outside the study area)
- N Long-Term Firm Sales (in and outside the study area)
- O Seasonal Average Planned Outages
- P Uncommitted Capacity Imports

Supply Calculation

- Q Total Competing Supply (L+L1+M+M1+P-H-K-N-O)
- R Seller's Uncommitted Capacity (A+A1+B+B1+E-C-D-G-J)
- S Total Seasonal Uncommitted Capacity (Q+R)

- T **Seller's Market Share** (R÷S)
Results (Pass if < 20% and Fail if ≥ 20%)

Winter (MW)	Spring (MW)	Summer (MW)	Fall (MW)
495	495	495	495
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0

112,941	94,813	114,760	95,808
0	0	0	0

112,941	94,813	114,760	95,808
---------	--------	---------	--------

6,378	5,428	6,442	5,495
0	0	0	0

6,378	5,428	6,442	5,495
-------	-------	-------	-------

202,506	202,057	193,861	202,010
0	0	0	0
0	0	0	0
0	0	0	0
0	0	0	0
3,938	29,277	1,167	25,214
0	0	0	0

79,249	72,539	71,492	75,493
495	495	495	495
79,744	73,034	71,987	75,988

0.6%	0.7%	0.7%	0.7%
Pass	Pass	Pass	Pass

Document Content(s)

658-7c913eb3-38f3-48f1-be68-f40824f79635.DOCX.....1-2

658-96819fec-af2f-49c9-9520-0004e52962b7.PDF.....3-3

658-18eb88c1-4234-4e9d-9d26-a0a681ab6503.PDF.....4-17

658-bcfeb1fb-a9b7-434e-ba39-405198fcf2c6.PDF.....18-19

FERC GENERATED TARIFF FILING.RTF.....20-22

658-beda23c8-3aeb-4e33-b4c3-f04312277be8.XLSX.....23-24

658-3a4bdaf6-aa61-45c3-b652-ac6dd1222b49.XLSX.....25-28