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October 16, 2013

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

VIA ELECTRONIC FILING

**RE: Horsehead Corp.
Notice of Cancellation of Market-Based Rate Tariff; Docket No. ER13-____-000
Request for Expedited Action**

Dear Secretary Bose:

Pursuant to Section 35.15 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, Horsehead Corp. ("Horsehead") hereby files this Notice of Cancellation, attached hereto, for its market-based rate authority tariff.¹ For the reasons discussed below, Horsehead respectfully requests that the Commission shorten the public comment period to ten days, waive its prior notice requirement, and issue an order accepting this Notice of Cancellation to become effective on October 17, 2013 (*i.e.*, one day after filing) as expeditiously as possible.

I. Background

Horsehead is a leading producer of zinc oxide and prime western zinc metal, as well as a leading recycler of zinc-bearing materials, including electric arc furnace dust generated as a by-product of steel production. Horsehead's production processes require a substantial amount of electricity. To meet its load at its Monaca, Pennsylvania, facilities, Horsehead owned and operated two nominally rated 55 MW coal-fired turbines. The majority of electricity generated at the Monaca facility was utilized by Horsehead's zinc smelter, with excess energy sold into the wholesale power markets administered by PJM Interconnection, L.L.C. ("PJM"), pursuant to Horsehead's market-based rate tariff.² The Commission granted Horsehead market-based rate authority in order to make wholesale sales of electric energy, capacity and ancillary services at Docket No. ER00-2333-000.³ Horsehead's Baseline FERC Electric Rate Schedule No. 1 is on file with the Commission at Docket No. ER10-1041-000.⁴

¹ 18 C.F.R. § 35.15.

² In the past, Horsehead also sold excess electricity to Duquesne Light Co. pursuant to a Power Sales Agreement. On June 7, 2011, Horsehead filed and the Commission accepted a Notice of Cancellation for that Power Sale Agreement. *See Horsehead Corp.*, Letter Order, Docket No. ER11-3754-000 (issued July 26, 2011).

³ *See Horsehead Industries, Inc.*, Letter Order, Docket No. ER00-2333-000 (issued May 31, 2000); *see also Horsehead Industries, Inc. and Horsehead Corp.*, Letter Order, Docket Nos. ER00-2333-003 and ER04-708-000

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II. Notice of Cancellation

In September 2011, Horsehead announced that the operations at its Monaca facility were moving to a new facility in North Carolina.⁵ Since that announcement, Horsehead deactivated its generation at the Monaca facility and entered into a supply contract with a Pennsylvania retail electric generation supplier. The generating assets have not been operated since September 2011. Horsehead has not maintained the facility for operation and does not plan to operate the plant in the future. Horsehead provided written notifications of the deactivation to PJM.

Horsehead no longer engages in any transactions under its market-based rate tariff and does not have any contracts for sales under its market-based rate tariff.⁶ Horsehead commits not to engage in any transactions under its market-based rate tariff going-forward. Thus, Horsehead does not need to maintain its market-based rate authority tariff, and this cancellation affects no purchasers. Therefore, Horsehead submits this Notice of Cancellation, requesting Commission approval to cancel SPM's market-based rate tariff, effective October 17, 2013.

III. Communications and Service

Please address all correspondence, communications, pleadings, and other documents related to this proceeding to the following persons:

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(issued May 18, 2004) (accepting Notice of Change in Status and Notice of Succession); *Horsehead Corp.*, Docket No. ER05-355-000 (issued Feb. 2, 2005) (accepting Notice of Succession).

⁴ See *Horsehead Corp.*, Letter Order, Docket No. ER10-1041-000, *et al.* (issued June 15, 2010).

⁵ See announcement at <http://www.bizjournals.com/pittsburgh/news/2011/09/19/horsehead-picks-north-carolina-for-new.html> (last visited Oct. 14, 2013).

⁶ Horsehead has provided PJM with a copy of this Notice of Cancellation.

IV. Request for Waiver and Expedited Action

Horsehead respectfully requests waiver of the Commission's prior notice requirement under the Commission's regulations to permit this Notice of Cancellation to become effective on October 17, 2013, one day after the date of filing.⁷ The Commission has granted similar requests for waiver.⁸ Good cause exists to grant the waiver. As a threshold matter, and as previously stated, Horsehead no longer engages in any wholesale power sales transactions under its market-based rate tariff, does not have any contracts for sales under its market-based rate tariff, and does not have any intention to make transactions under its market-based rate tariff in the future. Therefore, no purchasers will be adversely impacted by waiver of the prior notice requirement.

Moreover, Horsehead's status as a FERC-jurisdictional public utility has impacted its parent company's ability to secure capital investment due to the nature of potential counterparties and the possible need for prior FERC approvals. This has had a chilling effect on efforts to secure capital investment. Because Horsehead has no further need of its market-based rate tariff, Horsehead seeks to cancel its market-based rate tariff in order eliminate this apparent barrier.

Horsehead respectfully requests that the Commission shorten the public comment period to ten days and issue an order on this Notice of Cancellation as soon as possible, establishing an October 17, 2013 effective date but no later than November 1, 2013.

For these reasons, Horsehead respectfully submits that good cause exists for granting waiver of the prior notice requirement and permitting the Notice of Cancellation to become effective as requested herein.

V. Conclusion

Based on the facts and representations set forth above, Horsehead respectfully requests that the Commission issue an Order accepting this Notice of Cancellation, effective October 17, 2013, as soon as possible but no later than November 1, 2013.

* * *

Please contact the undersigned if you have any questions or require additional information. Thank you.

⁷ See 18 C.F.R §§ 35.15(a) and 35.3(a)(1).

⁸ FERC has granted similar requests for waiver of the prior notice requirement where the power marketer no longer engaged in any wholesale power sales transactions under its market-based tariff and no party was adversely impacted by the waiver. See, e.g., *BG Energy Merchants, LLC*, Letter Order, Docket No. ER13-2057-000 (issued Sept. 24, 2013); *Calpine Power American-OR, LLC*, Letter Order, Docket No. ER13-1669 (issued July 16, 2013).

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Very truly yours,

McNEES WALLACE & NURICK LLC

/s/ Robert A. Weishaar, Jr.

By

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Counsel to Horsehead Corp.

VK

c: Vincent P. Duane, Esq., PJM Interconnection, L.L.C.