

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The)
Cleveland Electric Illuminating Company)
for Approval of an Electric Service) Case No. 99-427-EL-AEC
Agreement with Sherwin- Williams')
Consumer Group.)

FINDING AND ORDER

The Commission finds:

- (1) The Applicant, The Cleveland Electric Illuminating Company, is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On April 2, 1999, the Applicant petitioned this Commission for approval of a contract for electric service with Sherwin-Williams' Consumer Group (Customer).
- (3) The Customer is being required to consider co-generation to help supply its electrical load and to turbine oxidize its volatile organic compound (VOC) which the EPA is going to require of the Customer very soon. The Customer had until the end of 1999 to decide on the co-generation or thermal oxidation process to rid itself of its VOCs. The Agreement encourages the Customer to choose thermal oxidation over co-generation to reduce its VOCs and the Applicant is able to retain the customer's load.
- (4) The Agreement provides that all incremental demand charges, above 300 kW_d and 160,000 kWh, shall be discounted by twenty-five percent (25%).
- (5) The Applicant states the approval of this contract will benefit its Customers by retaining load which will contribute to the Company's long term fixed costs.
- (6) The approval of this contract is subject to the determinations and constraints of S.B.3.
- (7) Subject to the terms of this Finding and Order, the application should be approved as filed pursuant to Section 4905.31, Revised Code.
- (8) Even in light of electric restructuring, the Customer agrees that the Applicant shall be the sole supplier of all electric requirements during the term of this agreement.

- (9) Our approval of this contract does not constitute state action for the purpose of the antitrust laws. It is not our intent to insulate the Applicant or any party to a contract approved by this Finding and Order from the provisions of any state or federal law which prohibit the restraint of trade.

It is, therefore,

ORDERED, That subject to the terms of this Finding and Order, the Agreement attached to the application is approved and shall become effective pursuant to its terms. It is, further,

ORDERED, That the Applicant report to the Electricity Division of the Commission's Utilities Department semiannually, in January and July, the results of the Agreement including the increase in load and sales, the total dollar increase in revenue due to the Agreement, and the total dollar difference in the billing at the approved tariff rates and the billing at the contract rates. It is, further,

ORDERED, That the Commission's approval of this contract does not constitute state action for the purpose of the antitrust laws. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

ORDERED, That a copy of this Finding and Order be served upon the Applicant, the Customer and all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



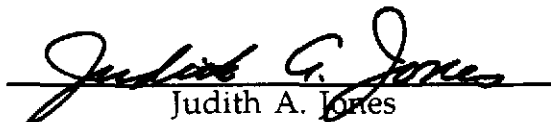
Alan R. Schriber, Chairman



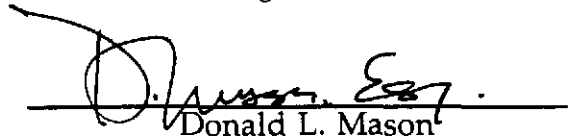
Ronda Hartman Fergus



Craig A. Glazer



Judith A. Jones

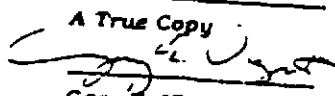


Donald L. Mason

JMM:dj

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DEC 16 1999

A True Copy



Gary E. Vigorito
Secretary

SERVICE NOTICE

PAGE 1

CASE NUMBER 99-427-EL-AEC
CASE DESCRIPTION CEI/SHERWIN-WILLIAMS CONSUMER GROUP
DOCUMENT SIGNED ON December 16, 1999
DATE OF SERVICE 12-16-99

PERSONS SERVED

PARTIES OF RECORD

ATTORNEYS

APPLICANT

CLEVELAND ELECTRIC ILLUMINATING CO
55 PUBLIC SQUARE
P.O. BOX 5000
CLEVELAND, OH 44101

KURT E. TUROSKY
FIRSTENERGY
76 SOUTH MAIN STREET
AKRON, OH 44308

APPLICANT

SHERWIN-WILLIAMS' CONSUMER GROUP
26300 FARGO AVENUE
BEDFORD HTS., OH 44146

NONE