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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the Application for ]  
Approval of a Contract for Electric ]  
Service Between Columbus Southern ]  
Power Company and IBM Corporation. ]

PUCO  
Case No. 00- 855-EL-AEC

APPLICATION

1. Columbus Southern Power Company (the Company), a public utility in the State of Ohio as defined by Section 4905.02 of the Ohio Revised Code, and subject to regulation by the Public Utilities Commission of Ohio (the Commission), pursuant to the provision of Section 4905.31 of the Revised Code, respectfully requests approval of its Contract for Electric Service with IBM Corporation (the Customer). The Contract, including the Addendum (attached hereto as Exhibit A) utilizes the Company's existing GS-3 Primary rate (attached hereto as Exhibit B) but provides for special billing reductions not otherwise provided for in the Company's rate schedules.

2. IBM Global Services, a division of IBM Corporation, currently owns a 217,000 square foot building in Columbus, Ohio. The Customer is retrofitting 90,000 square feet of the building, that they had previously been leasing to another company, in order to assume the responsibilities under a new contract to run a clients data center operations and provide other information technology services. Once the space is retrofitted, the Customer estimates that they will house approximately 200 additional jobs at the location.

3. The 90,000 square foot retrofitted portion of the Customer's building will require approximately 3,817 KW of load from the Company.

4. For purposes of this Contract, the Schedule of Charges provision of Schedule GS-3 Primary, as filed with the Commission, shall be revised for all monthly

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KW/KVA Demand in excess of 4,683 KW/5,320 KVA, provided said excess KW/KVA Demand is equal to or greater than 500 KW/KVA.

5. The charges as filed for the KW/KVA Demand Charge, as specified in paragraph 4 above, shall be reduced by 15.7% for bills rendered during the 1<sup>st</sup> through 48<sup>th</sup> billing periods.

6. All other provisions of Schedule GS-3 as filed with the Commission shall apply to this Contract. Beginning upon the completion of the 48<sup>th</sup> monthly billing period following the effective date of the Contract, the demand charge reverts back to that of the then filed tariff.

7. Under these temporary special terms, this Contract will not have any adverse impact on the Company's other customers.

WHEREFORE, the Company requests the Commission issue an order approving said contract.

Respectfully submitted,



Marvin I. Resnik  
American Electric Power Service Corporation  
1 Riverside Plaza  
Columbus, Ohio 43215  
614-223-1606

Counsel for  
Columbus Southern Power Company



## Contract For Electric Service

This Contract entered into this 17th day of December, 1999, by and between the **Columbus Southern Power Company**, hereafter called the Company, and **IBM Corporation** or his, her or its heirs, successors or assigns, hereafter called the Customer.

### Witnesseth:

For and in consideration of the mutual covenants and agreements contained in this contract, the parties agree with each other as follows:

The Company agrees to furnish to the Customer, during the term of this Contract, and the Customer agrees to take from the Company, subject to Company's standard Terms and Conditions of Service as filed with the Public Utilities Commission of Ohio, all the electric energy of the character specified that shall be purchased by the Customer in the premises located at **4499 Fisher Road, Columbus, Ohio**.

The Company is to furnish and the Customer is to take electric energy under the terms of this Contract for an initial period of one (1) year from the time such service is commenced, except that the Customer may change this initial rate selection once at anytime, then continuing thereafter until terminated upon written notice given by either party of its intention to terminate the Contract in accordance with the applicable tariff. The date that service shall be deemed commenced under this Contract shall be that date stated below.

The electric energy delivered hereunder shall be alternating current at approximately 7620/13200 volts 3 phase 4 wire and it shall be delivered to the primary cable terminations inside the customer's switchgear, located along the east side of the facility, which shall constitute the point of delivery under this Contract. The sale of electric energy shall be measured by a meter or meters owned and installed by the Company and located near the switchgear.

The Contract capacity under the Tariff is fixed at **8,500 KW**.

The Customer has selected the following Tariff and agrees to pay monthly for this service and for all electric energy used, subject to and in accordance with the Terms and Conditions of Service set forth in the Company's PUCO No. 3 Tariff Schedule

GS1	_____	GS3 Secondary	_____	Time of Day Provision	<u>X</u>
GS2 Secondary	_____	GS3 Primary	<u>X</u>	Load Management Time of Day Provision	_____
GS2 Primary	_____	GS4	_____	Supplement No. 18	_____
GS2 Time of Day	_____	IRP	_____	Supplement No. 21	_____

as the same may be supplemented and revised from time to time. Said rate schedules, Terms and Conditions of Service, so supplemented and revised, are hereby made a part of this Contract as fully as if incorporated herein.

The Customer agrees to pay \$0.00 for the cost of installing and/or removing necessary electric facilities required to provide electric service for the Customer's use.

There are no unwritten understandings or agreements relating to the service provided.

This Contract cancels and supersedes all previous agreements relating to the purchase by Customer and sale by Company of electric energy at Customer's premises as referred to above, on the date that service under this Contract commences.

This Contract shall be in full force and effect when signed by the authorized representatives of both parties. This Contract for Electric Service is subject to any addendums as set forth on the back of hereof.

Mail Address: IBM Accounts Payable  
PO Box 9005  
Endicott, NY 13761-0005

### IBM Corporation

By: Peter A. Bryant (Print)  
Peter A. Bryant (Signature)  
 Title: Contracts Administrator  
 Date: 2/24/00

### CSP Use Only

SIC Code: 7370  
 REV Class: 211  
 Meter Compensation Multiplier: 1  
 Service Commencement Date: \_\_\_\_\_  
 Prepared By: A. J. Grave

### Columbus Southern Power Company

By: Glen A. Egan (Print)  
Glen A. Egan (Signature)  
 Title: Business Dev. Mgr.  
 Date: 2/28/00

**ECONOMIC DEVELOPMENT RIDER  
ADDENDUM TO IBM CORPORATION  
Service Agreement dated December 17, 1999**

For the purpose of this Addendum, the Adjusted Monthly Billing Demand shall equal the Monthly Billing Demand as determined without this Addendum (Unadjusted Monthly Billing Demand) according to Schedules GS-3 Primary and GS-4 as filed with the Public Utilities Commission of Ohio (PUCO), less the product of the Qualifying Incremental Billing Demand and the applicable Demand Adjustment Factor from the table below. The Qualifying Incremental Demand shall be the amount by which the Unadjusted Billing Demand exceeds 4683kW/5320kVA, provided said excess demand is equal to or greater than 500 kW/kVA. In no event shall the Adjusted Monthly Billing Demand be less than the Minimum Billing Demand as specified in the applicable Schedule. The effective date of this Addendum shall be the later of: 1) filing of this Addendum with the PUCO, or 2) completion of the project initial start-up period, as mutually agreed to by the Customer and the Company. In no event shall the initial start-up period exceed twelve (12) months.

The charge, as filed, for the excess Peak Period Demand shall be reduced by the following amount:

BILLING MONTHS OF ADDENDUM	DEMAND ADJUSTMENT FACTOR
1 <sup>st</sup> through 48 <sup>th</sup>	15.7%

PUCO rejection of the filing shall render this Addendum null and void as of the original effective date of the Addendum. In this event, the Customer shall promptly reimburse the Company for all demand charge adjustments received under this Addendum.

The PUCO, in accordance with PUCO Order in Case No. 99-773-EL-EAC, has ordered that the monthly billing demand discounts contained in this Addendum be attributed to the generation portion of the rate in Transition Plan unbundling process and that rates under this Addendum can not fall below the transition charge, if any, authorized by the Commission in the Company's Transition Plan proceeding. If, during the Market Development Period, rates adjusted in accordance with this Addendum fall below the approved transition charge, price adjustments will be made to comply with the PUCO's Order.

This Addendum may, at the Company's sole discretion, be rendered null and void at any time in the event that the principal business engaged in at the Customer's service location ~~either (a) changes from Standard Industrial Classification (SIC) Major Group 7370, for (b) fails to create and maintain a minimum of twenty (20) full-time equivalent jobs at the service location within one (1) year of the effective date of this Addendum.~~ All other provisions of Schedules GS-3 Primary and GS-4, as filed with the PUCO shall apply.

This Addendum shall terminate upon the completion of the 48<sup>th</sup> monthly billing period following the effective date of this Addendum, whereupon this Addendum shall be rendered null and void and all charges shall revert to Schedules GS-3 Primary and GS-4 on file with the PUCO as amended from time to time.

In no event will the Addendum period extend beyond December 31, 2005. Each party may avail itself of its respective rights in effect at the time of the expiration of the Addendum, including but not limited to, any rights provided pursuant to Chapter 4928, Ohio Revised Code, as enacted by Am. Sub. S.B. No. 3 and as may be amended from time to time. It is expressly agreed that the Customer has chosen, for the duration of this Addendum, to obtain all aspects of electric service, including generation, transmission and distribution service from the Company. The Customer may discontinue service under this Addendum prior to the termination date only by reimbursing the Company for all demand adjustments received under this Addendum.

IBM Corporation  
By: Peter A. Bryant  
Signature: Peter A. Bryant  
Title: Contracts Administrator  
Date: 2/24/00

Columbus Southern Power Company  
By: Glen A. Lane  
Signature: Glen A. Lane  
Title: General Sec. Mgr.  
Date: 2/27/00

P.U.C.O. NO. 3

SCHEDULE GS-3  
(General Service-Medium Load Factor)Availability of Service

Available for general service to customers with maximum demands greater than 50 KW (excluding the demand served by the Load Management Time-of-Day provision).

Monthly Rate

	<u>Secondary</u>	<u>Primary</u>
Customer Charge (\$)	125.15	278.90
Demand Charge (\$/KW)	12.629	11.493
Off-Peak Excess Demand Charge (\$/KW)	1.125	1.088
Excess KVA Charge (\$/KVA)	0.907	0.878
Energy Charge (¢/KWH)	1.2310	1.1927

Minimum and Maximum Charges

Bills computed under the above rate are subject to the operation of minimum and maximum charge provisions as follows:

- (a) Minimum Charge - The sum of the Customer Charge, the product of the demand charge and the minimum monthly billing demand, the Electric Fuel Component, Interim Surcharge Adjustment, Interim Emergency and Temporary Rider Adjustment, Emissions Fee Recovery Rider and the Phase-in Deferral Recovery Rider.
- (b) Maximum Charge - The sum of the Customer Charge, 13¢ per KWH, the Electric Fuel Component, Interim Surcharge Adjustment, Interim Emergency and Temporary Rider Adjustment, Emissions Fee Recovery Rider and the Phase-in Deferral Recovery Rider. This provision shall not reduce the charge below the amount specified in the Minimum Charge provision above, (a).

Delayed Payment Charge

The above schedule is net if full payment is received in the Company's offices, or by an authorized agent within 21 days after the mailing of the bill. On all accounts not so paid, an additional charge of five percent (5%) of the total amount billed will be made. Federal, state, county, township and municipal governments and public school systems served under special contract are subject to the Public Authority Delayed Payment provision, Supplement No. 21.

Electric Fuel Component

In addition to the charges set forth in the above schedule, there shall be an Electric Fuel Component charge per KWH as specified in the Electric Fuel Component Rider (Sheet No. 250-1).

Interim Surcharge Adjustment

Monthly charges computed under this schedule shall be adjusted in accordance with the interim surcharge for recovery of increased Ohio Gross Receipts Tax as set forth in Rider No. 3 (Sheet No. 270).

Interim Emergency and Temporary Rider Adjustment

Monthly charges computed under this schedule shall be adjusted in accordance with the Interim Emergency and Temporary Rider for recovery of Percentage of Income Payment Plan arrearages as set forth in Rider No. 5 (Sheet No. 290).

Emissions Fee Recovery Rider

Monthly charges computed under this schedule shall be adjusted with the rider for recovery of emissions fees as set forth in Rider No. 6 (Sheet No. 300).

Phase-in Deferral Recovery Rider

Monthly charges computed under this schedule shall be adjusted with the rider for recovery of phase-in deferrals as set forth in Rider No. 7 (Sheet No. 310).

(Continued on Sheet No. 23-2)

Filed pursuant to Order No. 91-418-EL-AIR dated January 13, 1994

Issued: January 18, 1994

Effective: February 1, 1994

Issued by  
Carl A. Erikson, President  
Columbus, Ohio

## P.U.C.O. NO. 3

SCHEDULE GS-3 (Continued)  
(General Service-Medium Load Factor)Monthly Billing Demand

Energy supplied hereunder will be delivered through not more than one single-phase or one polyphase meter. Billing demand in KW shall be taken each month as the single highest 30-minute integrated peak in kilowatts as registered during the month by a 30-minute integrating demand meter or indicator or, at the Company's option, as the highest registration of a thermal-type demand meter or indicator.

The minimum monthly billing demand established hereunder shall not be less than (a) the minimum billing demand, if any, specified in the service contract or (b) 60% of the customer's highest previously established monthly billing demand during the past 11 months or (c) 50 KW.

The minimum monthly billing demand shall not be less than 25% of the customer's highest previously established monthly billing demand during the past 11 months during the billing months of June through September for customers with more than 50% of their connected load used for space heating purposes.

Churches, public and parochial schools, and county, township, municipal and civic recreation centers are subject to the Optional Church and School Service provision, Supplement No. 18.

The Metered Voltage adjustment, as set forth below, shall not apply to the customer's minimum monthly billing demand.

Optional Time-of-Day Provision

Available to customers who operate primarily during the off-peak period (as set forth below) and request the installation of time-of-day metering in order to receive service under this provision. The customer shall be required to pay the necessary additional metering cost.

For purpose of this provision, the monthly billing demand as defined above shall be determined during the on-peak period. The off-peak excess demand shall be the amount by which the demand created during the off-peak period exceeds the monthly billing demand.

The on-peak billing period is defined as 7:00 AM to 9:00 PM local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Metered Voltage

The rates set forth in this schedule are based upon the delivery and measurement of energy at the same voltage, thus measurement will be made at or compensated to the delivery voltage. At the sole discretion of the Company, such compensation may be achieved through the use of loss compensating equipment, the use of formulas to calculate losses or the application of multipliers to the metered quantities. In such cases, the metered KWH and KW values will be adjusted for billing purposes. If the Company elects to adjust KWH and KW based on multipliers, the adjustment shall be in accordance with the following:

- (1) Measurement taken at the low-side of a customer-owned transformer will be multiplied by 1.01.
- (2) Measurements taken at the high-side of a Company-owned transformer will be multiplied by 0.98.

Determination of Excess Kilovolt-Ampere (KVA) Demand

The maximum KVA demand shall be determined by the use of a multiplier equal to the reciprocal of the average power factor recorded during the billing period, applied to the metered demand.

The excess KVA demand, if any, shall be the amount by which the maximum KVA demand, established during the billing period, exceeds the greater of (a) 115% of the kilowatts of metered demand, or (b) 100 KVA.

Term of Contract

For customers with annual average demand greater than 500 KW, contracts will be required for an initial period of not less than one year and shall remain in effect thereafter until either party shall give at least six months written notice to the other of the intention to discontinue service under the terms of this schedule. For customers with demands less than 500 KW, a written agreement may, at the Company's option, be required.

A new initial contract period will not be required for existing customers who increase their contract requirements after the original initial period unless new or additional facilities are required. The Company may,

(Continued on Sheet No. 23-3)

Filed pursuant to Order No. 91-418-EL-AIR dated January 13, 1994

Issued: January 18, 1994

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Carl A. Erikson, President  
Columbus, Ohio

Effective: February 1, 1994

P.U.C.O. NO. 3

SCHEDULE GS-3 (Continued)  
(General Service-Medium Load Factor)

at its option, require a longer initial term of contract to fulfill the terms and conditions of service and/or in order to protect the Company's ability to recover its investment of costs over a reasonable period of time.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service.

Customers with cogeneration and/or small power production facilities shall take service under Schedule COGEN/SPP or by special agreement with the Company.

This Schedule is also available to customers in the City of Columbus having other sources of energy supply, but who desire to purchase breakdown service from the Company. Where such conditions exist, the customer shall contract for the maximum amount of demand in KW as determined from the customer's connected load or the capacity of transformer and service facilities. Where service is supplied under the provisions of this paragraph, the minimum charge shall be the sum of \$5.712 per KW and the Customer Charge and shall be subject to charges and adjustments under the Electric Fuel Component, Interim Surcharge Adjustment, Interim Emergency and Temporary Rider Adjustment, Emissions Fee Recovery Rider and the Phase-in Deferral Recovery Rider. The customer shall guarantee not to operate the Company's service in parallel with the other source or sources of power supply.

Load Management Time-of-Day Provision

Available to customers who use energy storage devices with time-differentiated load characteristics approved by the Company, such as electric thermal storage space heating and/or cooling systems and water heaters which consume electrical energy only during off-peak hours specified by the Company and store energy for use during on-peak hours, and who desire to receive service under this provision for their total requirements. A time-of-day meter is required to take service under this provision.

Customers who desire to separately wire their load management load to a time-of-day meter and their general-use load to a standard meter shall receive service for both under the appropriate provisions of this schedule.

The customer shall be responsible for all local facilities required to take service under this provision.

Monthly Rate

Customer Charge . . . . . \$114.35  
Energy Charge:  
For all KWH used during the on-peak billing period . . . . . 7.5073¢ per KWH  
For all KWH used during the off-peak billing period . . . . . 1.0377¢ per KWH

For purpose of this provision, the on-peak billing period is defined as 7:00 AM to 9:00 PM local time for all weekdays, Monday through Friday. The off-peak billing period is defined as 9:00 PM to 7:00 AM for all weekdays, all hours of the day on Saturdays and Sundays, and the legal holidays of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

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Columbus, Ohio

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