BEFORE

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of )

Cleveland Thermal Steam Distribution, )

LLC for Approval of a Standard Steam ) Case No. 14-1474-HT-AEC

Supply and Distribution Agreement )

with Geis Property Management, LLC. )

**APPLICATION**

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**APPLICATION**

Pursuant to Section 4905.31, Revised Code, Cleveland Thermal Steam Distribution, LLC (“Cleveland Thermal”) submits a Standard Steam Supply and Distribution Agreement (“Agreement”) for the Public Utilities Commission of Ohio’s (“Commission”) review and approval.

In support of this Application, Cleveland Thermal states that:

1. Cleveland Thermal is a public utility and a heating company pursuant to Section 4905.03(A)(8), Revised Code, providing steam service to consumers in Cleveland, Ohio, and is subject to the jurisdiction of this Commission.
2. This Application seeks approval of a special contractual arrangement that would permit Cleveland Thermal to provide steam service to Geis Property Management, LLC (“Geis”), for properties commonly known as the Rotunda Building, the 1010 Building, the Tower-Hotel and Tower-Residential, which are located in Cleveland, Ohio (collectively, the “Tower Complex”). (The Tower Complex is part of a larger complex originally owned by the County, as hereinafter defined, which had been vacant for more than ten (10) years and which includes an additional office building now being redeveloped as a new Cuyahoga County Administration Building (“County Admin Building”).) The Agreement is attached hereto as Attachment A.
3. This Agreement arises out of a complex economic development business transaction for the redevelopment of property within Cleveland, Ohio in conjunction with the administration of the Cuyahoga County government (“County”). Initially, the County entered into an agreement with Cleveland Thermal for service to County-owned government buildings and for additional service for the Tower Complex, the County Admin Building and a new Medical Mart and Convention Center Hotel, all of which were to be owned by the County when developed. The agreement between the County and Cleveland Thermal contains terms and conditions that are substantially identical to the terms and conditions in the Agreement. The agreement with the County resulted from a review process by the County in which it selected Cleveland Thermal to provide steam service for its buildings in lieu of other competitive offers.
4. The County subsequently entered into agreements with Geis to undertake the development of the Tower Complex for commercial and residential use and the County Admin Building for the County’s use and to acquire ownership of the Tower Complex.
5. In support of the development efforts with the County and Geis, Cleveland Thermal has entered into the Agreement. It is the understanding of Cleveland Thermal that Geis will be installing other facilities to self-generate electricity that will take advantage of high pressure steam service and, after processing, use the resulting low pressure steam for heating purposes. This dual use of steam service provided by Cleveland Thermal provides a substantial energy efficiency benefit.
6. Cleveland Thermal is providing no discount to the purchased steam cost recovery charge in the Agreement. The steam cost recovery charge stated in British Thermal Units, converted to a rate per pound, is the same charge applicable to customers receiving service under Cleveland Thermal’s Standard Contract.
7. The Agreement provides for the inclusion of Gross Receipts Tax that is not included in the agreement with the County. The Gross Receipts Tax charge is not applicable to services provided to the County.
8. The resulting price of the consumption charge is marginally below an average consumption charge of $7.82. The marginally lower consumption charge is the same as that provided to the County and will not result in a subsidy by any other customer. It reflects the same or a similar level of charge applicable to other large public organizations served by Cleveland Thermal.
9. The provision of steam service by Cleveland Thermal to Geis shall not impair or reduce the quality of service to other Cleveland Thermal customers.
10. The Agreement provides for a business relationship of twenty (20) years with an automatic renewal provision for one five (5) year period.
11. Through the Agreement, Cleveland Thermal and Geis have agreed to provisions regarding the termination of this arrangement. Cleveland Thermal and Geis both seek the Commission’s approval to make the Agreement’s termination provisions operable without obtaining any Commission approval that may be required prior to ending this special arrangement.

**WHEREFORE**, Cleveland Thermal respectfully requests the Commission to approve the Standard Steam Supply and Distribution Agreement between Cleveland Thermal and Geis.

Respectfully submitted,

/s/ Frank P. Darr

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**Steam Distribution, LLC**

**ATTACHMENT A**