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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

**In the Matter of the Application of)
Cleveland Thermal Steam Distribution,)
LLC to Adjust its Tariff.)**

Case No. 08-238-HT-UNC

APPLICATION

Pursuant to the Commission's October 15, 1998 Opinion and Order in Case No. 97-522-HT-AIR, Cleveland Thermal Steam Distribution, LLC ("Cleveland Thermal") respectfully applies for Commission approval to adjust its tariff. In support of its application, Cleveland Thermal states as follows:

1. Cleveland Thermal is a public utility and heating or cooling company pursuant to Sections 4905.02 and 4905.03(A)(a)(9), Revised Code. Cleveland Thermal is in the business of supplying steam through pipes or tubing to consumers within the downtown area of Cleveland, Ohio for heating purposes.
2. The Commission has jurisdiction over Cleveland Thermal.
3. Cleveland Thermal has a tariff on file with the Commission, PUCO No. 1, which has been approved by the Commission.
4. On October 15, 1998, the Commission issued an Opinion and Order in Case No. 97-522-HT-AIR. In that Opinion and Order, the Commission approved a flexible tariff in which the tariff block rates for the General Service Schedule are set at 1.10 times the authorized block rates contained in the Standard Steam Service Agreement rates after such block rates are adjusted for the gross receipts tax and the "tax on tax" effect.

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5. On February 27, 2008, the Commission approved new Standard Steam Service Agreements in Case No. 07-732-HT-AEC. The Standard Steam Service Agreements provide for increases on January 1 of years 2008, 2009, 2010, and 2011.

6. In this application, Cleveland Thermal seeks to adjust its tariff rates for its General Service Schedule by setting them at 1.10 times the authorized block rates contained in the recently approved Standard Steam Service Agreement rates after recovering the gross receipts tax and the tax on tax effect.

7. Attached to this application is Exhibit A which is the current Original Sheet 12 of the current Tariff as well as the current version of the Standard Steam Service Agreement which is attached to the tariff.

8. Attached to this application as Exhibit B is proposed First Revised Sheet 12 and a copy of the recently approved Standard Steam Service Agreement. First Revised Sheet No. 12 contains the proposed steam tariff rates to be in effect during 2008. The steam tariff rates will track the increases in the Standard Steam Service Agreement rates in the years 2009-2011. Cleveland Thermal seeks Commission approval to substitute the pages in Exhibit B for those contained in Exhibit A, to make such a tariff effective on a bills rendered basis for all bills rendered after April 1, 2008, and to allow the tariff rates to track the annual increases in the Standard Steam Service Agreement.

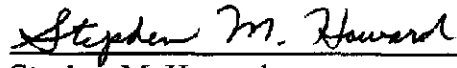
9. Attached as Exhibit C is the rationale for the adjustment in the tariff rate.

10. Attached as Exhibit D is a proposed Tariff Customer Notice which will be sent to all steam tariff customers informing them of the adjustment in the steam tariff rate effective with bills submitted on and after April 1, 2008.

11. Cleveland Thermal submits that its application is just and reasonable, consistent with the Commission's October 15, 1998 Opinion and Order in Case No. 97-522-HT-AIR, and that the Commission will find that the proposal does not appear to be unjust or unreasonable. Cleveland Thermal respectfully requests that the Commission approve this Application, and approve Exhibit B and direct that Exhibit B be filed in final form without a hearing, and direct that Exhibit D be sent as a bill insert to all tariff customers with the April bills.

WHEREFORE, Cleveland Thermal respectfully asks that the Commission approve its Application and approve the tariff sheets contained in Exhibit B to this Application to become effective as soon as practical and to inform tariff steam customers by sending Exhibit D as a bill insert to tariff customers in the April, 2008 bills.

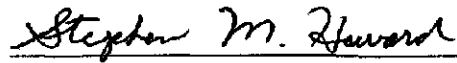
Respectfully submitted,



Stephen M. Howard
VORYS, SATER, SEYMOUR AND PEASE LLP
52 East Gay Street
P.O. Box 1008
Columbus, Ohio 43216-1008
(614) 464-5401

CERTIFICATE OF SERVICE

I certify that a copy of this Application and Exhibits was served upon Patricia J. Britt, City Clerk and Clerk of Council, 601 Lakeside Avenue, Room 220, Cleveland, Ohio 44114; and upon Robert J. Triozzi, Director of Law, City Hall, 601 Lakeside Avenue, E., Cleveland, Ohio 44114, by first-class U.S. mail, postage pre-paid, this 11th day of March, 2008.



Stephen M. Howard

Exhibit A
(Current Tariff)

P.U.C.O. NO. 1
STEAM SERVICE

GENERAL SERVICE SCHEDULE

Applicable to any Consumer, public or private, using steam service in the City of Cleveland, Ohio.

RATES: (a) Base

The base rate shall be set at 1.10 times the authorized block rates contained in the Standard Contract after the Standard Contract rates are adjusted for the Gross Receipts Tax and the "tax on tax" effect. A copy of the current Standard Contract is attached as Appendix A to this tariff.

The current base rates are:

First 250 MLBs	\$12.41	per MLB
Next 250 MLBs	\$10.80	per MLB
Next 500 MLBs	\$10.10	per MLB
Next 2,000 MLBs	\$ 9.41	per MLB
Next 2,000 MLBs	\$ 8.37	per MLB
All excess over 5,000 MLBs	\$ 6.12	per MLB

If and when the Commission authorizes a change in the rates for a Standard Contract Consumer, the Company, pursuant to Section 4905.31, Revised Code, will file an updated General Service Schedule (Sheet No. 10) which will supersede this tariff sheet and will conform the tariff rates to the level established by the process set forth on Sheet 3.1 of this tariff.

(b) Fuel

The above rates shall be increased or decreased in accordance with the provisions of the FUEL ADJUSTMENT RIDER, Sheet No. 17, or subsequent revision thereof.

MINIMUM CHARGE:

The minimum monthly charge for any Consumer served under this schedule during the heating season (i.e., October 1 to May 31) shall be \$300.00.

SPECIAL RULES:

1. OPEN JET SERVICE

- (a) The estimated steam consumption of a steam jet shall be considered to be the same as metered consumption and such consumption shall be combined with the Consumer's metered registrations (if any) for billing purposes.

Issued: February 18, 2005

Effective: February 18, 2005

Filed under authority of the Finding and Order in Case No. 04-1179-HT-UNC
of the Public Utilities Commission of Ohio dated September 1, 2004

Issued by
Cleveland Thermal Steam Distribution, LLC
Marc G. Davis, President

STANDARD STEAM SERVICE AGREEMENT

This Steam Service Agreement (the "Agreement") is made and entered into as of the 31st day of December, 2001 between DOMINION CLEVELAND THERMAL, LLC ("Dominion") and _____ ("Customer"), located at _____ and sets forth the terms and conditions pursuant to which Dominion will provide steam utility service to Customer and Customer will use that service for space heating and process purposes in the premises generally described in Schedule A (the "Premises") attached hereto and made a part hereof.

WHEREAS, Dominion is a public utility steam company providing utility steam service to premises located within the City of Cleveland, Ohio, under contracts and approved schedules filed with the Public Utilities Commission of Ohio ("PUCO");

WHEREAS, Customer desires to use Dominion's steam utility service for Customer's heating purposes at the Premises and Dominion intends to provide such service for such purposes to Customer;

WHEREAS, Dominion and Customer recognize the benefits of having customers committed to the steam utility and Customer is willing to use and pay for steam utility service in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and subject to the terms and provisions of the Agreement, the parties agree as follows:

1. Service. Dominion will provide to Customer, and Customer will use, Dominion's steam utility service for Customer's heating and process purposes at the Premises throughout the term specified in Paragraph 2.
2. Term. The term during which Dominion will provide and Customer will use steam utility service for the Premises under this Agreement shall commence on January 1, 2002 (the "Effective Date") and, unless earlier terminated by either party pursuant to Paragraph 6 hereof, shall continue thereafter until March 31, 2007 or until new steam agreements become effective.
3. Premises. This Agreement relates to the provision of steam utility service to the Premises identified in the initial Paragraph hereof. Other premises may be added to by mutual agreement of the parties. Any such addition shall be set forth in a new schedule to be executed by both parties and attached to this Agreement.
4. Sole Source of Heating Energy and Steam Service. The utility steam service provided by Dominion shall be the sole source of Customer's heating energy requirements for the Premises and the sole source of steam service to the Premises throughout the term of this Agreement.

5. Charges. Customer shall pay Dominion an amount per 1000 pounds of steam ("Mlb.") delivered under this Agreement equal to the sum of:

- plus
- (a) the "Base Rate for Steam Heating Service" (set forth in Paragraph 5.A(i)),
 - (b) the "Fuel Adjustment Charge" (set forth in Paragraph 5.B), plus
 - (c) the "Tax Rider" (set forth in Paragraph 5.C).

A. Base Rates.

(i) Steam Heating Service. The Base Rate for Steam Heating Service shall be a stepped rate per 1,000 pounds of steam based on the amount of steam utility service used by Customer during each billing month, determined as follows:

RATES PER MLB. OF STEAM

	Effective 1/1/02
The first 250 Mlbs.	10.75
The next 250 Mlbs.	9.35
The next 500 Mlbs.	8.75
The next 2,000 Mlbs.	8.15
The next 2,000 Mlbs.	7.25
All excess over 5,000 Mlbs.	5.30

The rate per 1,000 pounds of steam reflected in Paragraph 5.A(i) above for each of the usage blocks set forth above will be adjusted as of January 1 of each calendar year, commencing on January 1, 2003 and continuing to and including January 1, 2006 by increasing the rate then in effect in each usage block by two percent (2%) and rounded to two decimal places.

B. Fuel Adjustment Rider. Dominion shall ascertain the weighted average cost of fuels burned by Dominion for steam utility service for each month (including all direct costs incurred by Dominion to place fuel at the point of burning in the boilers at plants in which steam is generated for sale under this Agreement) and will file that cost (expressed as cents per million BTU) with PUCO on a monthly basis. The Customer's rates shall be increased each month by applying the fuel adjustment rider schedule ratio (contained in Sheet 17 of the PUCO approved tariffs of Dominion) for each full 0.1¢ of the monthly cost of fuel per million BTU. Notwithstanding anything contained in Paragraph 5.B of this Agreement or in any PUCO approved tariffs to the contrary, the amount by which the Customer rates shall be increased during the term hereof shall never be less than \$5.60, nor more than \$6.60 per 1,000 pounds of

steam service used by Customer during any billing month, but in the event either of the foregoing limits shall apply, the actual amount by which the Customer rates would be increased or decreased if such limits were inapplicable shall be furnished to Customer with or as a part of its monthly billing.

C. Tax Rider. The current applicable Ohio gross receipts tax rate is 4.75%. The Customer's rates and charges under Paragraphs 5.A and 5.B above shall be increased by applying a 4.75% surcharge to recover the Ohio gross receipts tax for so long as Dominion shall be required to pay such gross receipts tax. There is currently no other tax, fee, levy, surcharge or similar cost imposed on the amount of steam sold to or consumed by Customer. If any other tax, fee, levy, surcharge or similar cost is imposed on Dominion or Customer during this Agreement, the Base Rates and Fuel Adjustment Charges will not be adjusted to alter Customer's charges, nor will Customer be assessed any such tax, fee, levy, surcharge or similar cost; provided, however that such other tax, fee, levy, surcharge or similar cost, if intended by the applicable governmental entity to be imposed upon and paid by Customer based upon Customer's consumption or usage of steam, will be assessed to Customer to the extent required under state law. If such other tax, fee, levy, surcharge or similar cost is imposed upon Customer and is required under state law to be paid directly by Customer, Dominion shall reimburse such amount to Customer on Customer's monthly bill as such amounts are assessed to Customer.

D. Rate Ceiling. Notwithstanding anything contained in Paragraph 5 of this Agreement to the contrary, it is agreed that the rates charged for steam service shall in no event exceed the FUCO approved tariff rates during the term of this Agreement.

6. Termination Charges. This Agreement may be terminated by Customer (a) at no cost or expense to Customer upon eighteen (18) months prior written notice to Dominion by certified mail, or (b) upon less than eighteen (18) months notice by payment upon effective date of termination of a lump sum amount which shall be equal to the following:

(A) The total of the last twelve (12) months steam usage by Customer in Mlbs. multiplied by \$4.00 per Mlb.,

plus;

(B) A disconnect charge equal to the sum of (i) all documented unamortized costs (as determined in accordance with Dominion's accounting procedures and reflected in its books and records for Customer) associated with originally connecting Customer to the central steam system and (ii) all costs incurred by Dominion in disconnecting such system from Customer's steam system.

Upon written request, given by Customer not more than twice during the term of this Agreement, Dominion shall furnish the amount of the unamortized cost described in Paragraph 6(B)(i) above.

7. Termination.

A. If Customer fails to pay any charges properly billed to Customer by Dominion within the thirty (30)-day period referenced in Paragraph 8.C or fails to perform any of Customer's obligations to Dominion, Dominion shall have the right to discontinue its service upon thirty (30) days' written notice to Customer; provided, however, that in the case of a payment default, Customer may avoid termination by bringing its account current prior to the expiration of said thirty (30)-day notice period. In the event that Dominion discontinues service to Customer pursuant to this Paragraph 7.A, Dominion reserves the right to seek damages from Customer to compensate Dominion for all losses, costs, expenses and damages suffered by Dominion as a result of Customer's breach of this Agreement.

B. If the rights and privileges that Dominion now has or may obtain, without additional cost to it, in and through any premises, streets, avenues, alleys or places public or private, are withdrawn or are not obtained; if any governmental authority essential for the furnishing by Dominion of steam service substantially as required under the provisions of this Agreement is withdrawn; if any governmental authority enforces any rule or regulation that prevents Dominion from furnishing steam service substantially as required under the provisions of this Agreement; or if PUCO, any other governmental authority, or any court of competent jurisdiction disapproves or materially changes, alters, or modifies this Agreement, then Dominion shall have the right to discontinue the supply of steam and terminate this Agreement forthwith. Dominion will provide notice to Customer of any termination of the Agreement under this Paragraph 7.B as promptly as practicable.

C. Upon termination of the Agreement under Paragraphs 6 and/or 7, Dominion shall have the right to enter the Premises and remove all of Dominion's equipment, including without limitation, all meters installed therein.

8. Miscellaneous.

A. Dominion's standard rules and regulations for steam service as in effect during the term of this Agreement shall be applicable to the provision of steam service under this Agreement and are incorporated herein by this reference.

B. Dominion shall install and maintain such meters as may be required to determine the quantity and rate of taking of steam which is supplied by Dominion. Such meters shall be installed and maintained upon the Premises at a point or points most convenient for Dominion's service. Steam meters in use may be tested at the request of Customer in its presence if desired by it with a tested and sealed meter-tester by an officer or employee of Dominion. If the meter is found to be accurate within three percent (3%), Customer requesting the inspection shall pay Dominion for the expense of removing it for the purpose of being tested. The fact of reinspection shall be stamped and dated upon the meter. If the meter is proved inaccurate by more than three percent (3%), no fees or expense shall be paid by Customer and Dominion shall furnish a new meter or repair the existing meter without charge to Customer. If Dominion maintains more than one meter or set of meters for the Premises, the steam service metered through each such meter may be billed separately as Dominion determines; provided, however,

that such bills shall be aggregated for the purpose of determining all charges under this Agreement.

C. Dominion shall render bills on a monthly basis unless Dominion determines that a different billing period is necessary or convenient. All bills shall be due and payable upon presentation. If Dominion has not received payment on any bill within thirty (30) days from the date thereof, interest shall accrue on the unpaid balance on a daily basis at the rate of one and one half percent per month from the date of the bill until the date of payment.

D. In the event Customer has failed to make payment on any bills within thirty days (30) from date thereof on two or more occasions in any calendar year, Dominion may thereafter require a cash deposit in an amount not in excess of 1-12th of the estimated charges for all steam for the ensuing twelve (12) months, plus fifty percent of the monthly estimated charge. Dominion shall accrue and pay interest at the annual rate of four percent (4%) on deposits held more than one hundred eighty (180) days and shall: (a) refund such deposit including interest accrued to date to Customer if it has paid all bills for service for twelve (12) consecutive months without having had service discontinued for nonpayment of its bill and without having had more than two (2) occasions on which his bill was not paid by the time specified by the regulations of Dominion regarding prompt payment of bills and Customer is not then delinquent in the payment of his bills; or (b) promptly apply Customer's deposit, including interest accrued to date, to the final bill for service upon termination or discontinuance of service. If after twelve (12) consecutive months Customer has not paid its bill on time on three (3) or more occasions, or Customer is delinquent at any time, or Customer's service has been discontinued for nonpayment of service, Dominion shall retain the deposit for another twelve (12) months, accruing interest during that time, and shall reevaluate Customer's status again at the end of a second twelve (12)-month period. Any remaining deposit in excess of the final bill for service shall be promptly refunded or credited to the Customer. If Customer cannot be located, any unclaimed deposit, plus accrued interest, shall be disposed of in conformity with Chapter 169 of the Ohio Revised Code.

E. Dominion shall furnish and install a service valve on the Premises and shall have permission to install additional service pipes on the Premises, and with prior review and customer approval of designated pipe locations, through the walls of Customer's building to serve other customers of Dominion. Dominion shall make any such installation entirely at its own expense and will indemnify Customer for any damage done to the Premises on account of making such installation. Upon termination of this Agreement, Dominion shall remove such service pipes and restore the Premises if required by Customer.

F. Dominion reserves the right, upon reasonable advance notice to Customer, to interrupt the supply of steam to enable Dominion to make any necessary repairs or connections to its system or mains. In general, Dominion will give Customer twenty-four (24) hours advance notice. In the event of an emergency, Dominion will give Customer as much advance notice as practical.

G. Dominion will endeavor at all times to provide a regular and uninterrupted supply of service throughout the year on a twenty-four-hour-a-day basis except as interruptions may be required to make any necessary repairs or connections to its system or mains, but Dominion does not warrant or guarantee uninterrupted service, and shall not be liable for any special, direct, indirect or consequential damages relating to or arising from an interruption in service including, without limitation, damages for lost rents or lost profits. In the event of any interruption of service, both parties shall be prompt and diligent in attempting to remove and overcome the cause of the interruption, and nothing contained herein shall be construed as permitting Dominion to refuse to deliver, or Customer to refuse to accept, steam service after the cause of interruption has been removed.

H. Subject to the limitation on the liability of Dominion for interruptions in the delivery of steam service as provided in Paragraph 8.G, Dominion agrees to indemnify and hold Customer harmless against any loss, damage, expense (including reasonable attorney's fees), or claim for personal injury, death, property damage, or otherwise arising from or incidental to the sale and delivery of steam service to the Premises pursuant to this Agreement, to the extent such loss, damage, expense, or claim is caused by the negligence of Dominion, its employees, and agents. Customer agrees to indemnify and hold Dominion, its employees, and agents harmless from any loss, damage, expense (including reasonable attorney's fees), or claim for personal injury, death, property damage, or otherwise arising from or incidental to the sale and delivery of steam service pursuant to this Agreement, to the extent such loss, damage, expense, or claim is caused by the negligence of Customer, its employees, or agents. Customer agrees to pay Dominion for any repairs to or loss of Dominion's personal property or fixtures in the Premises when such repairs are necessitated, or loss occasioned, by negligence on the part of Customer, its agents, tenants, employees, or invitees, or by its failure to comply with the aforementioned rules and regulations.

I. Customer hereby grants Dominion permission to enter the Premises during normal business hours, with prior notification (but subject to Customer's security procedures), for the purpose of inspecting and keeping in repair or removing any or all of its apparatus used in connection with the supply of steam, and Customer hereby authorizes and requests Customer's landlord, if any, to permit Dominion to enter Premises for that purpose.

J. Customer shall not supply steam to anyone or allow anyone to take steam from its system, except for use on the Premises.

K. Customer shall provide and connect suitable cooling equipment to cool the condensate before discharging the condensate to the condensation meter or sewer if the temperature of the condensate would otherwise exceed the temperature allowed by local code.

L. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and assigns; provided, however, that neither party shall be relieved of liability in the event of an assignment of this Agreement except as set forth below. In the event Customer (i) conveys fee title to the Premises to a third party and (ii) assigns its interest in this Agreement to the same third party and if that third party executes a written agreement in a

form reasonably satisfactory to Dominion (wherein such third party assumes and agrees to keep and perform promptly all of the Customer's obligations under this Agreement to be kept and performed from and after the date of assignment), and provides evidence reasonably satisfactory to Dominion of its financial ability to discharge the obligations of this Agreement, then Customer shall be relieved of all its obligations under this Agreement not having theretofore accrued. In the event Dominion (1) conveys fee title to substantially all of its assets used in the production of steam to a third party and (2) assigns its interest in this Agreement to the same third party, and if that third party executes a written agreement wherein such third party assumes and agrees to keep and perform promptly all of Dominion's obligations under this Agreement to be kept and performed from and after the date of assignment, and provides evidence reasonably satisfactory to Customer of its financial ability to discharge the obligations of this Agreement, then Dominion shall be relieved of all its obligations under this Agreement not having theretofore accrued. Notwithstanding any other provision of this Agreement, Dominion and Customer agree that Dominion's performance under this Agreement shall be solely for the benefit of Customer. This Agreement shall not be construed as to confer any rights of a third party beneficiary upon any person or entity.

M. No failure or delay on the part of either party hereto in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. The remedies herein are cumulative and not exclusive of any remedies provided by law.

N. Any claim or dispute involving an amount in controversy less than \$125,000 that arises out of or is related to this Agreement or any breach thereof shall be resolved by mutually agreeable alternative dispute resolution techniques, or arbitration and the rules of the American Arbitration Association shall apply. Any judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Reasonable discovery shall be permitted in any such arbitration subject to the control of the arbitrators and shall include, but not be limited to, depositions of the parties and production of documents. Claims or disputes involving an amount in controversy in excess of \$125,000 may be resolved by arbitration only at the election of the parties at the time of the dispute.

O. System changes or modifications as mandated by any governmental authority or insurance company, are not a part of this service agreement. In the event that Dominion must incur significant financial costs to comply with such requirements, a prorated amount of the total expense will be applied to each Mlb. of steam sold over a reasonable period.

P. Notices, requests, demands, statements, billings or other matters which Dominion or Customer desire or are required to provide to each other shall be in writing, where possible, and shall be considered as delivered when mailed post-paid and addressed as follows:

DOMINION CLEVELAND THERMAL ENERGY, LLC:

Dominion Cleveland Thermal Energy, LLC
1921 Hamilton Avenue
Cleveland, Ohio 44114
Attention: General Manager
(216) 241-3720

CUSTOMER:

Q. Dominion, at its sole cost and expense, shall make such filings for approval with the PUCO as may be required in connection with this Agreement, and shall use its best efforts to secure such approval.

R. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

[CUSTOMER]

**DOMINION CLEVELAND THERMAL
ENERGY, LLC**

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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66078/64962

SCHEDULE A
THE PREMISES

STANDARD Final.doc
66078/64962

Exhibit B
(Proposed Tariff)

P.U.C.O. NO. 1
STEAM SERVICE

GENERAL SERVICE SCHEDULE

Applicable to any Consumer, public or private, using steam service in the City of Cleveland, Ohio.

RATES: (a) Base

The base rate shall be set at 1.10 times the authorized block rates contained in the Standard Contract after the Standard Contract rates are adjusted for the Gross Receipts Tax and the "tax on tax" effect. A copy of the current Standard Contract is attached as Appendix A to this tariff.

The current base rates are:

First 250 MLBs	\$14.24	per MLB
Next 250 MLBs	\$12.38	per MLB
Next 500 MLBs	\$11.58	per MLB
Next 2,000 MLBs	\$10.78	per MLB
Next 2,000 MLBs	\$ 9.58	per MLB
All excess over 5,000 MLBs	\$ 6.98	per MLB

If and when the Commission authorizes a change in the rates for a Standard Contract Consumer, the Company, pursuant to Section 4905.31, Revised Code, will file an updated General Service Schedule (Sheet No. 10) which will supersede this tariff sheet and will conform the tariff rates to the level established by the process set forth on Sheet 3.1 of this tariff.

(b) Fuel

The above rates shall be increased or decreased in accordance with the provisions of the FUEL ADJUSTMENT RIDER, Sheet No. 17, or subsequent revision thereof.

MINIMUM CHARGE:

The minimum monthly charge for any Consumer served under this schedule during the heating season (i.e., October 1 to May 31) shall be \$300.00.

SPECIAL RULES:

1. OPEN JET SERVICE

- (a) The estimated steam consumption of a steam jet shall be considered to be the same as metered consumption and such consumption shall be combined with the Consumer's metered registrations (if any) for billing purposes.

Issued: March 11, 2008

Effective: For all bills rendered
on and after April 1, 2008

Filed under authority of the Finding and Order in Case No. 08-238-HT-UNC
of the Public Utilities Commission of Ohio dated _____, 2008

Issued by
Cleveland Thermal Steam Distribution, LLC
Marc G. Divis, President

STANDARD STEAM SERVICE AGREEMENT

This Steam Service Agreement (the "Agreement") is made and entered into as of the _____, 2007 between CLEVELAND THERMAL STEAM DISTRIBUTION, LLC ("Company") and _____ ("Customer"), located at _____, Cleveland, Ohio, and sets forth the terms and conditions pursuant to which Company will provide steam utility service to Customer and Customer will use that service for space heating and process purposes in the premises generally described in Schedule A (the "Premises") attached hereto and made a part hereof.

WHEREAS, Company is a public utility steam company providing utility steam service to premises located within the City of Cleveland, Ohio, under contracts and approved schedules filed with the Public Utilities Commission of Ohio ("PUCO");

WHEREAS, Customer desires to use Company's steam utility service for Customer's heating purposes at the Premises and Company intends to provide such service for such purposes to Customer;

WHEREAS, Company and Customer recognize the benefits of having customers committed to the steam utility and Customer is willing to use and pay for steam utility service in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, and subject to the terms and provisions of the Agreement, the parties agree as follows:

1. Service. Company will provide to Customer, and Customer will use, Company's steam utility service for Customer's heating and process purposes at the Premises throughout the term specified in Paragraph 2.
2. Term. The term during which Company will provide and Customer will use is April 1, 2007 (the "Effective Date") and, unless earlier terminated by either party pursuant to Paragraph 11 hereof, shall continue thereafter until December 31, 2011.
3. Premises. This Agreement relates to the provision of steam utility service to the Premises identified in the initial Paragraph hereof. Other premises may be added to by mutual agreement of the parties. Any such addition shall be set forth in a new schedule to be executed by both parties and attached to this Agreement.
4. Sole Source of Heating Energy and Steam Service. The utility steam service provided by Company shall be the sole source of Customer's space heating and domestic hot water energy requirements for the Premises and the sole source of steam service to the Premises throughout the term of this Agreement.

5. Charges. Customer shall pay Company an amount per 1000 pounds of steam ("Mlb.") delivered under this Agreement equal to the sum of:
- a) the "Base Rate for Steam Heating Service" (set forth in Paragraph 6, plus
 - b) the "Fuel Adjustment Charge" (set forth in Paragraph 7), plus
 - c) the "Tax Rider" (set forth in Paragraph 8).

Base Rates.

6. Steam Heating Service. The Base Rate for Steam Heating Service shall be the Standard steam service rate a sample of which is below.

RATES PER MLB. OF STEAM

	Effective 4/1/07
The first 250 Mlbs.	\$11.92
The next 250 Mlbs.	10.36
The next 500 Mlbs.	9.69
The next 2,000 Mlbs.	9.02
The next 2,000 Mlbs.	8.02
All excess over 5,000 Mlbs.	5.84

The rate per 1,000 pounds of steam reflected in Paragraph 6 above for each of the usage blocks set forth above will be increased on April 1, 2007 by 3%, and on January 1st of each year thereafter; in year two, three and four the increase will be 3%, and in year five 3%, plus 1 ½%, rounded to two decimal places.

7. Fuel Adjustment Rider. Company shall ascertain the weighted average cost of fuels burned by Company for steam utility service for each month (including all direct costs incurred by Company to place fuel at the point of burning in the boilers at plants in which steam is generated for sale under this Agreement) and will file that cost (expressed as cents per million BTU) with PUCO on a monthly basis. The Customer's rates shall be increased each month by applying the AVERAGE, fuel adjustment rider schedule ratio (contained in Sheet 16 of the PUCO approved tariffs of Company) for each full 0.1¢ of the monthly cost of fuel per million BTU. Notwithstanding anything contained in this paragraph or in any PUCO approved tariff, the monthly fuel adjustment rider may also include a portion of the Customers' individual fuel account balance as of the date of this Agreement.

8. Taxes & Other Impositions.

- a. **Gross Receipts Tax.** For so long as the State of Ohio or any other taxing authority or authorities impose or assess a tax on Company's gross receipts, the Customer's rates and charges under Paragraphs 6 and 7 above shall be increased by an amount equal to the total rate of the gross receipts tax(es) imposed or assessed by all such taxing authorities multiplied by the total of such charges.
- b. **Other Impositions.** In the event that any tax, fee, levy, surcharge, imposition or similar charge (other than a gross receipts tax as referred to in subparagraph A above) is imposed or assessed by any taxing authority on Company or Customer (but only to the extent that such charge is required to be collected by Company from Customer and remitted to such taxing authority), which tax or other charge is identifiable to, or measured by, Customer's use, consumption or purchase of Company's products or services (or the sale thereof by Company to Customer), the Customer's rates and charges under Paragraphs 6 and 7 above shall be increased by an amount equal to the amount necessary for Company to recover such charge(s) imposed or assessed on Company or which it is responsible to collect.
- c. **Direct Impositions on Customer.** In the event that any tax, fee, levy, surcharge, imposition or similar charge is imposed or assessed by any taxing authority directly on Customer, which tax or other charge is identifiable to, or measured by, Customer's use, consumption or purchase of Company's products or services (or the sale thereof by Company to Customer), Company shall have no obligation at any time to reimburse to Customer any such tax or other charge, or any portion thereof.
- d. **Method of Payment.** Any charges imposed by Company on Customer pursuant to subparagraphs a. and b. above shall be included on Customer's monthly bill as such amounts are assessed to Customer.

9. Rate Ceiling. Notwithstanding anything contained in Paragraph 5 of this Agreement to the contrary, it is agreed that the rates charged for steam service shall in no event exceed the PUCO approved tariff rates during the term of this Agreement.

10. Termination Charges. This Agreement may be terminated by Customer (a) at no cost or expense to Customer upon eighteen (18) months prior written notice to Company by certified mail, or (b) upon less than eighteen (18) months notice by payment upon effective date of termination of a lump sum amount which shall be equal to the following:

(A) The total of the last twelve (12) months steam usage by Customer in Mlbs. multiplied by \$4.00 per Mlb.,

plus;

- (B) A disconnect charge equal to the sum of (i) all documented unamortized costs (as determined in accordance with Company's accounting procedures and reflected in its books and records for Customer) associated with originally connecting Customer to the central steam system and (ii) all costs incurred by Company in disconnecting such system from Customer's steam system.

Upon written request, given by Customer not more than twice during the term of this Agreement, Company shall furnish the amount of the unamortized cost described in Paragraph 10(B)(i) above.

11. Termination.

- a. If Customer fails to pay any charges properly billed to Customer by Company within a thirty (30)-day period or fails to perform any of Customer's obligations to Company, Company shall have the right to discontinue its service upon thirty (30) days' written notice to Customer; provided, however, that in the case of a payment default, Customer may avoid termination by bringing its account current prior to the expiration of said thirty (30)-day notice period. In the event that Company discontinues service to Customer pursuant to this Paragraph 11, Company reserves the right to seek damages from Customer to compensate Company for all losses, costs, expenses and damages suffered by Company as a result of Customer's breach of this Agreement.
- b. If the rights and privileges that Company now has or may obtain, without additional cost to it, in and through any premises, streets, avenues, alleys or places public or private, are withdrawn or are not obtained; if any governmental authority essential for the furnishing by Company of steam service substantially as required under the provisions of this Agreement is withdrawn; if any governmental authority enforces any rule or regulation that prevents Company from furnishing steam service substantially as required under the provisions of this Agreement; or if PUCO, any other governmental authority, or any court of competent jurisdiction disapproves or materially changes, alters, or modifies this Agreement, then Company shall have the right to discontinue the supply of steam and terminate this Agreement forthwith. Company will provide notice to Customer of any termination of the Agreement under this Paragraph 11.b as promptly as practicable.
- c. Upon termination of the Agreement under Paragraphs 10 and/or 11, Company shall have the right to enter the Premises and remove all of Company's equipment, including without limitation, all meters installed therein.

Miscellaneous.

12. Company's standard rules and regulations for steam service as in effect during the term of this Agreement shall be applicable to the provision of steam service under this Agreement and are incorporated herein by this reference.
13. Company shall install and maintain such meters as may be required to determine the quantity and rate of taking of steam which is supplied by Company. Such meters shall be installed and maintained upon the Premises at a point or points most convenient for Company's service. Steam meters in use may be tested at the request of Customer in its presence if desired by it with a tested and sealed meter-tester by an officer or employee of Company. If the meter is found to be accurate within three percent (3%), Customer requesting the inspection shall pay Company for the expense of removing it for the purpose of being tested. The fact of reinspection shall be stamped and dated upon the meter. If the meter is proved inaccurate by more than three percent (3%), no fees or expense shall be paid by Customer and Company shall furnish a new meter or repair the existing meter without charge to Customer. If Company maintains more than one meter or set of meters for the Premises, the steam service metered through each such meter may be billed separately as Company determines; provided, however, that such bills shall be aggregated for the purpose of determining all charges under this Agreement.
14. Company shall render bills on a monthly basis unless Company determines that a different billing period is necessary or convenient. All bills shall be due and payable upon presentation. If Company has not received payment on any bill within thirty (30) days from the date thereof, interest shall accrue on the unpaid balance on a daily basis at the rate of one and one half percent per month from the date of the bill until the date of payment.
15. In the event Customer has failed to make payment on any bills within thirty days (30) from date thereof on two or more occasions in any calendar year, Company may thereafter require a cash deposit in an amount not in excess of 1-12th of the estimated charges for all steam for the ensuing twelve (12) months, plus fifty percent of the monthly estimated charge. Company shall accrue and pay interest at the annual rate of four percent (4%) on deposits held more than one hundred eighty (180) days and shall: (a) refund such deposit including interest accrued to date to Customer if it has paid all bills for service for twelve (12) consecutive months without having had service discontinued for nonpayment of its bill and without having had more than two (2) occasions on which his bill was not paid by the time specified by the regulations of Company regarding prompt payment of bills and Customer is not then delinquent in the payment of his bills; or (b) promptly apply Customer's deposit, including interest accrued to date, to the final bill for service upon termination or discontinuance of service. If after twelve (12) consecutive months Customer has not paid its bill on time on three (3) or more occasions, or Customer is delinquent at any time, or Customer's service has been discontinued for non-payment of service, Company shall retain the deposit for another twelve (12) months, accruing interest during that time, and shall reevaluate Customer's status again at the end of a

second twelve (12)-month period. Any remaining deposit in excess of the final bill for service shall be promptly refunded or credited to the Customer. If Customer cannot be located, any unclaimed deposit, plus accrued interest, shall be disposed of in conformity with Chapter 169 of the Ohio Revised Code.

16. Company shall furnish and install a service valve on the Premises and shall have permission to install additional service pipes on the Premises, and with prior review and customer approval of designated pipe locations, through the walls of Customer's building to serve other customers of Company. Company shall make any such installation entirely at its own expense and will indemnify Customer for any damage done to the Premises on account of making such installation. Upon termination of this Agreement, Company shall remove such service pipes and restore the Premises if required by Customer.
17. Company reserves the right, upon reasonable advance notice to Customer, to interrupt the supply of steam to enable Company to make any necessary repairs or connections to its system or mains. In general, Company will give Customer twenty-four (24) hours advance notice. In the event of an emergency, Company will give Customer as much advance notice as practical.
18. Company will endeavor at all times to provide a regular and uninterrupted supply of service throughout the year on a twenty-four-hour-a-day basis except as interruptions may be required to make any necessary repairs or connections to its system or mains, but Company does not warrant or guarantee uninterrupted service, and shall not be liable for any special, direct, indirect or consequential damages relating to or arising from an interruption in service including, without limitation, damages for lost rents or lost profits. In the event of any interruption of service, both parties shall be prompt and diligent in attempting to remove and overcome the cause of the interruption, and nothing contained herein shall be construed as permitting Company to refuse to deliver, or Customer to refuse to accept, steam service after the cause of interruption has been removed.
19. Subject to the limitation on the liability of Company for interruptions in the delivery of steam service as provided in Paragraph 18 Company agrees to indemnify and hold Customer harmless against any loss, damage, expense (including reasonable attorney's fees), or claim for personal injury, death, property damage, or otherwise arising from or incidental to the sale and delivery of steam service to the Premises pursuant to this Agreement, to the extent such loss, damage, expense, or claim is caused by the negligence of Company, its employees, and agents. Customer agrees to indemnify and hold Company, its employees, and agents harmless from any loss, damage, expense (including reasonable attorney's fees), or claim for personal injury, death, property damage, or otherwise arising from or incidental to the sale and delivery of steam service pursuant to this Agreement, to the extent such loss, damage, expense, or claim is caused by the negligence of Customer, its employees, or agents. Customer agrees to pay Company for any repairs to or loss of Company's personal property or fixtures in the Premises when such repairs are necessitated, or loss occasioned, by negligence on the part of Customer,

its agents, tenants, employees, or invitees, or by its failure to comply with the aforementioned rules and regulations.

20. Customer hereby grants Company permission to enter the Premises during normal business hours, with prior notification (but subject to Customer's security procedures), for the purpose of inspecting and keeping in repair or removing any or all of its apparatus used in connection with the supply of steam, and Customer hereby authorizes and requests Customer's landlord, if any, to permit Company to enter Premises for that purpose.
21. Customer shall not supply steam to anyone or allow anyone to take steam from its system, except for use on the Premises.
22. Customer shall provide and connect suitable cooling equipment to cool the condensate before discharging the condensate to the condensation meter or sewer if the temperature of the condensate would otherwise exceed the temperature allowed by local code.
23. This Agreement shall be binding upon and inure to the benefit of the parties' respective successors and assigns; provided, however, that neither party shall be relieved of liability in the event of an assignment of this Agreement except as set forth below. In the event Customer (i) conveys fee title to the Premises to a third party and (ii) assigns its interest in this Agreement to the same third party and if that third party executes a written agreement in a form reasonably satisfactory to Company (wherein such third party assumes and agrees to keep and perform promptly all of the Customer's obligations under this Agreement to be kept and performed from and after the date of assignment), and provides evidence reasonably satisfactory to Company of its financial ability to discharge the obligations of this Agreement, then Customer shall be relieved of all its obligations under this Agreement not having theretofore accrued. In the event Company (1) conveys fee title to substantially all of its assets used in the production of steam to a third party and (2) assigns its interest in this Agreement to the same third party, and if that third party executes a written agreement wherein such third party assumes and agrees to keep and perform promptly all of Company's obligations under this Agreement to be kept and performed from and after the date of assignment, and provides evidence reasonably satisfactory to Customer of its financial ability to discharge the obligations of this Agreement, then Company shall be relieved of all its obligations under this Agreement not having theretofore accrued. Notwithstanding any other provision of this Agreement, Company and Customer agree that Company's performance under this Agreement shall be solely for the benefit of Customer. This Agreement shall not be construed as to confer any rights of a third party beneficiary upon any person or entity.
24. No failure or delay on the part of either party hereto in exercising any right, power, or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy hereunder. The remedies herein are cumulative and not exclusive of any remedies provided by law.

25. Any claim or dispute involving an amount in controversy less than \$200,000 that arises out of or is related to this Agreement or any breach thereof shall be resolved by mutually agreeable alternative dispute resolution techniques, or arbitration and the rules of the American Arbitration Association shall apply. Any judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. Reasonable discovery shall be permitted in any such arbitration subject to the control of the arbitrators and shall include, but not be limited to, depositions of the parties and production of documents. Claims or disputes involving an amount in controversy in excess of \$200,000 may be resolved by arbitration only at the election of the parties at the time of the dispute
26. System changes or modifications as mandated by any governmental authority or insurance company, are not a part of this service agreement. In the event that Company must incur significant financial costs to comply with such requirements, a prorated amount of the total expense will be applied to each Mlb. of steam sold over a reasonable period.
27. Notices, requests, demands, statements, billings or other matters which Company or Customer desire or are required to provide to each other shall be in writing, where possible, and shall be considered as delivered when mailed post-paid and addressed as follows:

COMPANY

Cleveland Thermal Steam Distribution, LLC
1921 Hamilton Avenue
Cleveland, Ohio 44114
Attention: President
(216) 241-3636

CUSTOMER:

28. Company, at its sole cost and expense, shall make such filings for approval with the PUCO as may be required in connection with this Agreement, and shall use its best efforts to secure such approval.
29. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio.

CLEVELAND THERMAL STEAM DISTRIBUTION, LLC

By:  _____

Marc G. Divis, President

Printed Name & Title

Date

CUSTOMER :

10-5

By: _____

Name

Printed Name & Title

Date

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EXHIBIT C
(Narrative Rationale for Adjustment to Tariff)

In its October 15, 1998 Opinion and Order in Case No. 97-522-HT-AIR, the Commission adopted the Staff's innovative flexible rate for Cleveland Thermal. The Staff, with the cooperation of the applicant, had devised a formula rate whereby the Company's Tariff rates will be adjusted to a percentage above the competitive contract rates. The Commission believed that the adoption of this Tariff would result in a "leveraging" of the competitive market for customers that either are unable to, or chose not to, exercise competitive choice under a special contract arrangement. No objections were filed to the Staff Report. The Commission made clear that its approval of this flexible rate plan was limited to the unique facts and circumstances associated with Cleveland Thermal's situation.

The flexible Tariff called for General Service schedule rates to be set at 1.10 times the authorized block rates contained in the standard contract rate after such block rates contained in the standard contract are adjusted for gross receipts tax and the "tax on tax" effect, as long as certain conditions were met by the applicant. These conditions include parity in fuel adjustment clause for standard contract and BOMA contract customers, all customers must be served under either a BOMA contract, alternative energy contract, hotel contract, Section 4905.34, Revised Code arrangement, or a standard contract or Tariff; each standard contract customer must be served under substantially the same rates, terms, and conditions as any other standard contract customer, and when any rate changes are authorized by the Commission for standard

contract customers, all tariff customers shall be notified of the increase to their rates (1.10 times the authorized standard contract block rates).

Those conditions continue to exist and Cleveland Thermal will notify all Tariff customers of the increase in their rates.

In developing the proposed Tariff rates in this case, Cleveland Thermal employed the following method to calculate the "tax on tax" effect. The Standard Steam Service Agreement base rates were increased by 5.47% which is the multiplier which is necessary to achieve the tax on tax effect. That product is then increased by 1.1 times. The actual State of Ohio gross receipts tax is applied to the final product. Cleveland Thermal, under the proposed rates, will slightly under recover the gross receipts tax under this methodology.

**EXHIBIT D
TARIFF CUSTOMER NOTICE**

The Public Utilities Commission of Ohio has recently approved an Application filed by Cleveland Thermal Steam Distribution, LLC ("Cleveland Thermal") in Case No. 08-238-HT-UNC to adjust its steam rates for Tariff customers. This adjustment will increase Tariff rates for steam service for bills rendered on and after April 1, 2008. Each Tariff rate block will be set at a rate that is 10% higher than the comparable rate block for Standard Steam Service Agreement customers after adjusting the rates for the gross receipts tax and the "tax on tax effect". Further information can be obtained by calling Cleveland Thermal at 216-241-3723.

Cleveland Thermal Steam Distribution, LLC