

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application for)	
Establishment of a Reasonable)	
Arrangement between The Cleveland)	Case No. 10-1956-EL-EEC
Clinic Foundation and The Cleveland)	
Electric Illuminating Company.)	

In the Matter of the Application for)	
Establishment of a Reasonable)	
Arrangement between The Cleveland)	Case No. 10-2025-EL-EEC
Clinic Foundation and Ohio Edison)	
Company.)	

**JOINT APPLICATION FOR APPROVAL OF
REASONABLE ARRANGEMENT**

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OHIO EDISON COMPANY**

August 3, 2010

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INTRODUCTION

The Cleveland Clinic Foundation ("Cleveland Clinic" or "Clinic") is a "mercantile customer" as defined by Section 4928.01, Revised Code. The Clinic operates over 200 health care and mixed-use facilities, totaling over 23 million square feet across North America. A large number of these facilities are located in the service territories of The Cleveland Electric Illuminating Company ("CEI") and Ohio Edison Company ("OE").

Pursuant to Sections 4905.31, 4928.64 and 4928.66, Revised Code, and Rule 4901:1-39-08(G), Ohio Administrative Code ("O.A.C."), the Clinic shall commit the energy efficiency improvements it has achieved at its facilities within CEI's and OE's service territories to such electric distribution utilities ("EDU") so that such improvements can be counted for compliance purposes provided that the Public Utilities Commission

of Ohio ("Commission") approves an exemption from certain cost recovery mechanisms identified herein. The purpose of this Joint Application is to secure such exemption which requires Commission approval. More specifically and by this Joint Application, the Clinic, CEI and OE request that the Commission: (1) Authorize a cost recovery mechanism exemption [the DSE2 component of CEI's Demand Side Management and Energy Efficiency Rider ("Rider DSE")] for the Clinic facilities served by CEI through December 31, 2018;¹ and (2) Authorize a cost recovery mechanism exemption [the DSE2 component of OE's Demand Side Management and Energy Efficiency Rider ("Rider DSE")] through December 31, 2019.²

Section 4928.64(A)(1), Revised Code, defines "alternative energy resource" as an "advanced energy resource" or "renewable energy resource" (defined in Section 4928.01, Revised Code) or mercantile customer-sited advanced energy resource or renewable energy resource (new or existing) that the mercantile customer commits for integration into the EDU's demand-response, energy efficiency or peak demand reduction programs as provided under Section 4928.66(A)(2)(c), Revised Code. The definition of an "advanced energy resource" (Section 4928.01(A)(34), Revised Code) includes demand-side management and any energy efficiency improvement.³

¹ Section 4928.66(A)(1)(a) requires CEI to achieve annual energy savings of 8.2% relative to baseline usage by 2018.

² Section 4928.66(A)(1)(a) requires OE to achieve annual energy savings of 10.2% relative to baseline usage by 2019.

³ Also, "advanced energy project" is defined in Section 4928.01(A)(25), Revised Code. It means any technologies, products, activities, management practices or strategies that facilitate the generation or use of electricity, and that reduce or support the reduction of energy consumption or support the production of clean, renewable energy for industrial, distribution, commercial, institutional, governmental, research, not-for-profit, or residential energy users.

Compliance with Sections 4928.64 and Sections 4928.66, Revised Code, in any given year, is measured against a baseline that is computed as the average of the three prior years (subject to such baseline adjustments as the Commission may make under the law). Section 4928.64, Revised Code, defines the mercantile resources that are eligible to count towards compliance as those which meet the substantive resource definitions (“advanced” and “renewable”) and directs the Commission to count such resources against the compliance requirement when the mercantile customer commits the eligible resource for integration into the EDU’s demand-response, energy efficiency or peak demand reduction programs as provided under Section 4928.66(A)(2)(c), Revised Code.

Section 4928.66, Revised Code, directs the Commission to measure compliance [with divisions (A)(1)(a) and (b)] by including the effects of all demand-response programs for mercantile customers of the subject EDU and all such mercantile customer-sited energy efficiency and peak demand reduction programs adjusted upward by appropriate loss factors. Section 4928.66(A)(2)(c), Revised Code, directs the Commission to facilitate efforts by a mercantile customer or group of mercantile customers to offer customer-sited demand-response, energy efficiency or peak demand reduction capabilities to the EDU as part of a Section 4905.31, Revised Code, reasonable arrangement.

BACKGROUND INFORMATION

The Clinic operates its Main Campus at 9500 Euclid Avenue in Cleveland, and the Main Campus is the cornerstone of the Clinic’s health system, with 50 buildings on 178 acres between the University Circle and Midtown areas of Cleveland, Ohio. The

Clinic is world renowned for its innovation and treatment protocols. Home to the Lerner Research Institute, the Education Institute and the Lerner College of Medicine, the Clinic has remained an international focal point for research and education since its founding in 1921.⁴ With more than 40,000 direct employees, the Clinic is one of the largest private employers in Ohio⁵ and Ohio continues to benefit from the Clinic's growth.⁶

In addition to its Main campus, the Clinic operates numerous other healthcare facilities in Northeast Ohio including nine regional hospitals, seventeen family healthcare and outpatient facilities, and dozens of specialized testing and treatment centers.

Healthcare facilities require significant amounts of energy to meet patient needs. An average healthcare facility may use 3-5 times the annual energy consumption of a typical commercial facility in the United States. Hospitals are among the most energy-

⁴ The Clinic sponsors one of the nation's largest physician-graduate training programs. Doctors from around the world come to the Clinic for residency training in specialty areas and for advanced fellowship work in more specialized disciplines. In May 2002, the Clinic and Case Western Reserve University entered into a unique partnership to create a medical school dedicated to educating physician-scientists. The Lerner College of Medicine of Case Western Reserve University combines education and research in an innovative program that mentors medical students to become physician-scientists. The Clinic's positive achievements have also been recognized by *U.S. News & World Report*, which consistently names the Cleveland Clinic as one of the nation's best hospitals in its annual "America's Best Hospitals" survey.

⁵ In addition to direct employees, the Clinic hires numerous full-time contract employees in food service, property management, environmental services, security, linen and many other clinical support functions. Normal operations require a robust supply and service small-business base supported by Cleveland Clinic, whose internal policies ensure fair and open competition with a preference for local businesses.

⁶ As the owner of one of the fastest growing facilities in Ohio, the Clinic supports a significant number of construction jobs. Announced 2010 growth projects in Ohio include the construction of a new Data Center in Brecksville, a new Family Health and Ambulatory Surgery Center in Twinsburg, a new Family Health and Ambulatory Surgery Center in Avon, an addition to Fairview Hospital, an addition to Marymount Hospital, the continuation of the addition to Hillcrest Hospital, and a new laboratory in Cleveland. These projects are valued at well over \$500 million and will result in continued growth of direct, indirect and construction jobs.

intensive healthcare facilities. In addition to lighting and heating 24 hours a day, hospitals use extensive amounts of energy for ventilation, equipment sterilization, laundry and food preparation.

The Clinic has employed a comprehensive approach to energy management for many years. Energy expense is a significant operating cost and controlling energy use is part of the Clinic's management focus. Improving energy productivity generally works to reduce the energy cost component of patient care and/or improve the quality of care that is available to the Clinic's patients.⁷ Accordingly, energy efficiency improvements have been, and will continue to be, an important component of the Clinic's energy management focus.

The Clinic participates in the ENERGY STAR program as part of its energy conservation activities. The ENERGY STAR program is a joint program of the U.S. Environmental Protection Agency ("EPA") and the U.S. Department of Energy ("DOE"). It assists consumers in saving energy and protecting the environment through energy efficient products and practices.

The Clinic continues to be a national leader in sustainability and has received three Leadership in Energy and Environmental Design ("LEED") certifications. Within its existing footprint, the Clinic has received five ENERGY STAR awards and was nominated for ENERGY STAR Partner of the Year for 2009. In addition to the energy efficiency improvements described in this Joint Application, the Clinic has implemented water conservation programs that have reduced usage and avoided over \$3.5 million in costs over the last 10 years. The Clinic has also instituted recycling and purchasing

⁷ The Clinic is a not-for-profit organization.

practices that have reduced the amount of landfill waste produced by the operation of its Main Campus by 29.7% (over 3,000 tons) per year and the Clinic has, in many cases, upgraded HVAC equipment.⁸ The Clinic's Huron Hospital won the 2009 Governor's Environmental Excellence Award and the Clinic's Main Campus won the 2010 Environmental Leadership Award from Practice Greenhealth, the first and only Ohio hospital to do so.

The Clinic utilizes the EPA's Portfolio Manager to benchmark the energy intensity of its healthcare facilities and as one tool to measure the effectiveness of its energy efficiency improvement actions. Portfolio Manager is an interactive energy management tool that allows a customer to track and assess energy and water consumption across the customer's entire portfolio of buildings in a secure online environment. Portfolio Manager also allows the user to benchmark the energy intensity of its facilities versus similar facilities throughout the United States. Facilities can be rated against other similar facilities based on their relative energy performance using a scale of 1–100.

Portfolio Manager utilizes statistically representative models to compare a user's building against similar buildings from a national survey conducted by DOE's Energy Information Administration ("EIA"). This national survey, known as the Commercial Buildings Energy Consumption Survey ("CBECS"), is conducted every four years and gathers data on building characteristics and energy use from thousands of buildings across the United States. Each building's comparison peer group is composed of those

⁸ A number of the HVAC projects completed by the Clinic since January 1, 2006 have resulted in significant energy efficiency improvements in addition to those identified in this Joint Application. The Clinic is working with CEI and OE and an independent energy facility auditor to quantify energy efficiency improvements associated with HVAC projects.

buildings in the CBECS survey that have similar building and operating characteristics. A rating of 50 indicates that the building, from an energy consumption standpoint, performs better than 50% of all similar buildings nationwide, while a rating of 75 indicates that the building performs better than 75% of all similar buildings nationwide. The use of Portfolio Manager facilitates a whole-building, total energy approach to benchmark performance. Portfolio Manager provides an analytical tool to verify that energy efficiency projects are producing the desired results.

Although the Clinic has implemented a comprehensive approach to energy management and energy efficiency, this Joint Application identifies energy efficiency improvements resulting from an ongoing program implemented in recent years to replace, where feasible, incandescent lighting with more efficient fluorescent or light-emitting diode (“LED”) lighting. The lighting-related program also includes the installation of occupancy sensors that automatically turn off lights in areas that are not occupied. This Joint Application reflects lighting-related equipment replaced or installed from January 1, 2006 through December 31, 2009.

The Clinic commissioned a major lighting equipment manufacturer to provide recommendations on potential lighting improvements. The manufacturer provided recommended lamp changes to replace existing lamps⁹ with more efficient lamps while maintaining lumens and light quality. In many cases, this involved the replacement of existing incandescent lamps with LED lamps. Where a suitable LED replacement lamp was not available, incandescent lamps were replaced with compact fluorescent lamps

⁹ The Clinic's lamp replacement program involved the replacement of approximately 56,000 incandescent lights over a multi-year period.

("CFL"). The replacement lamps were purchased from a local electrical products distributor and installed by the Clinic's maintenance employees.

The Clinic maintains records that identify specific in-service dates associated with each lamp/fixture and occupancy sensor. The information available from these records was used to calculate the energy efficiency improvements resulting from each project consistent with the methodologies reflected within the draft Ohio technical reference manual ("TRM"). For equipment changes involving lamps, the energy efficiency improvements were calculated by taking the difference in lamp wattages and multiplying it by the number of operating hours per year or partial year and per bulb. This method of calculating energy efficiency improvement is consistent with the draft Ohio TRM as well as the International Performance Measurement and Verification Protocol ("IPMVP").

For the installation of occupancy sensors, the wattages of light bulbs controlled by the occupancy sensor was multiplied by the reduced number of operating hours expected to result from the use of the occupancy sensor. This method of calculating energy savings for occupancy sensors is also consistent with the draft Ohio TRM as well as the IPMVP.

For lighting projects including occupancy sensors, there are three performance parameters that must be measured or calculated so that the energy efficiency improvement and peak demand reduction impacts can be tracked. These parameters are the annual kWh savings associated with a project, the historical savings associated with a project which is used to adjust the baseline energy consumption, and any peak demand reduction (kW).

PURPOSE OF JOINT APPLICATION – EXEMPTION REQUEST

The cost recovery mechanism exemptions requested in this Joint Application, if approved by the Commission, will reasonably encourage the Clinic to commit the customer-sited capabilities herein to CEI and OE, respectively. Such commitment by the Clinic will reduce the total cost of compliance that would otherwise be subject to recovery from all OE and CEI customers through such cost recovery mechanisms. Conversely, the Clinic and other CEI and OE customers would pay more for compliance costs if the Clinic does not commit its customer-sited capabilities to CEI and OE. Encouraging the Clinic to commit its customer-sited capabilities by providing an appropriate exemption from compliance cost recovery mechanisms is a sensible way to avoid raising electric bills through the operation of the DSE2 riders and to recognize the Clinic's customer-sited capabilities.¹⁰

¹⁰ In previous mercantile customer exemption cases, the Commission found that it would be both equitable and reasonable to accept a mercantile customer's application for rider exemption using the "benchmark comparison method" in accordance with a prior version of Rule 4901:1-19-08, O.A.C., when the customer and the electric utility reached agreement on the application between June 17, 2009 and December 10, 2009. However, on October 15, 2009, the Commission appears to have altered its prior use of the benchmark comparison method, stating:

We have deleted from the rule, requirements for mercantile customer baseline energy use and peak demand because we do not anticipate basing exemptions on whether a particular mercantile customer has or has not achieved a percentage of energy savings equivalent to the electric utility's annual benchmark.

In the Matter of the Adoption of Rules for Alternative and Renewable Energy Technology, Resources, and Climate Regulations, and Review of Chapters 4901:5-1, 4901:5-3, 4901:5-5, and 4901:5-7 of the Ohio Administrative Code, Pursuant to Amended Substitute Senate Bill No. 221, Case No. 08-888-EL-ORD, Entry on Rehearing at 14 (October 15, 2009). Further, in the Commission's Order approving, with modification, Ohio Power Company and Columbus Southern Power Company's energy efficiency and peak demand reduction plan, the Commission stated that mercantile customer rider exemption requests arising from agreements subsequent to the December 10, 2009 effective date of the rules shall not rely upon the benchmark comparison method. In the Matter of the Application of Columbus Southern Power Company for Approval of its Program Portfolio Plan and Request for Expedited Consideration, et al., Case No. 09-1089-EL-POR, et al., Opinion and Order at 27 (May 13, 2010).

While it appears that the Commission may intend to evaluate exemption requests based on some methodology other than the "benchmark comparison method," the Commission has not identified an alternative methodology. Nonetheless, exemptions requested in this Joint Application are reasonably

The annual energy savings achieved through December 31, 2009 as a result of the Clinic's energy efficiency improvements that the Clinic shall commit with the Commission's approval of this Joint Application are: 39,648,619 kWh for sites served by CEI; and 513,919 kWh for sites served by OE. These improvements amount to improvements of 8.52% and 10.56%, respectively, from baseline energy for Clinic facilities subject to this Joint Application. The related peak demand reductions are

calculated to encourage the Clinic to commit the above-described customer-sited capabilities to OE and CEI.

It is also worthwhile to mention that Sections E.6.m and E.6.o at pages 28-30 of the Stipulation and Recommendation approved by the Commission in Case No. 08-935-EL-SSO, *et al.* states in part (emphasis added):

Customers that commit their demand-response or other customer-sited capabilities, whether existing or new, for integration into the Companies' demand response or energy efficiency programs, may be exempt, with Commission approval, from the Companies' cost recovery mechanisms designed to recover the cost of such programs ("Exempt Customers").

- iii. An applicant customer must demonstrate to the Commission that it has undertaken or will undertake self-directed energy efficiency and/or demand reduction programs that have produced or will produce annual percentage energy savings and/or peak demand reductions equal to or greater than the statutory benchmarks to which the Companies are subject.
- iv. The energy savings and demand reductions resulting from the customer's self-directed program **shall be calculated using the same methodology used to calculate the Companies' energy savings and demand reductions for purposes of determining compliance with the statutory benchmarks**, including normalization adjustments to the baseline, where appropriate. Annual savings and/or reductions attributable to self-directed customer programs implemented prior to January 1, 2006 shall not be included in the calculation.

- vi. The parties recommend that achievement of energy savings and demand reductions from customers self-directed programs implemented after January 1, 2006 above the benchmarks and baseline for energy efficiency pursuant to R.C. § 4928.66 shall be allowed to carry over the increment above the current year benchmark to meet subsequent two years' benchmarks.

In the Matter of the Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Establish a Standard Service Offer, Pursuant to R.C. § 4928.143 in the Form of an Electric Security Plan, Case No. 08-935-EL-SSO, Stipulation and Recommendation at 28-30 (February 19, 2009) (emphasis added).

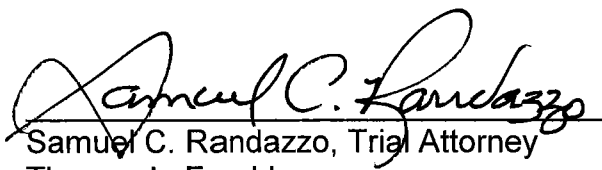
1,295 kW for the Clinic's facilities served by CEI and 21 kW for the Clinic's facilities served by OE.

Subject to the Commission's approval of this Joint Application, the Clinic shall commit the above-described customer-sited capabilities to CEI and OE pursuant to the two commitment documents attached hereto (Attachment A and Attachment B). These commitment documents are substantially similar to commitment documents CEI and OE have previously submitted to the Commission in other cases involving commitments by mercantile customers. The commitment documents grant permission to CEI, OE and Commission Staff to access the Clinic's sites for purposes of measuring energy efficiency and peak demand results and to address any noncompliance by the Clinic. Based on Section 4901:1-39-08, O.A.C., the commitment documents include provisions that will require the Clinic to submit an annual report on a calendar year basis providing the necessary information to verify the Clinic's continuing eligibility for cost recovery mechanism exemptions.

CONCLUSION

For the foregoing reasons, the Clinic, CEI and OE urge the Commission to find that the exemptions requested herein shall reasonably encourage the Clinic to commit the customer-sited capabilities discussed above and to grant such exemptions through the approval of this Joint Application.

Respectfully submitted,



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ATTACHMENT A

Mercantile Customer Project Commitment Agreement

THIS MERCANTILE CUSTOMER PROJECT COMMITMENT AGREEMENT ("Agreement") is made and entered into by and between The Cleveland Electric Illuminating Company, its successors and assigns (hereinafter called the "Company") and The Cleveland Clinic Foundation, its permitted successors and assigns (hereinafter called the "Customer") (collectively the "Parties" or individually the "Party") and is effective on the date last executed by the Parties as indicated below.

WITNESSETH

WHEREAS, the Company is an electric distribution utility and electric light company, as both of these terms are defined in R.C. § 4928.01(A);

WHEREAS, Customer is a mercantile customer, as that term is defined in R.C. § 4928.01(A)(19), doing business within the Company's certified service territory;

WHEREAS, R.C. § 4928.64 (the "AER Statute") requires the company to meet certain alternative energy resource ("AER") benchmarks;

WHEREAS, R.C. § 4928.66 (the "EE&PDR Statute") requires the Company to meet certain energy efficiency and peak-demand reduction ("EE&PDR") benchmarks;

WHEREAS, when complying with certain AER and EE&PDR benchmarks the Company may include the effects of mercantile customer-sited AER and EE&PDR capabilities;

WHEREAS, Customer has certain customer-sited alternative energy resource, demand reduction, demand response, or energy efficiency capabilities as set forth in attached Exhibit A (the "Customer Energy Project(s)") that it desires to commit to the Company for integration into the Company's AER and/or EE&PDR Portfolio Plan ("Company Plan") that the Company will implement in order to comply with the AER or EE&PDR Statute; and

WHEREAS, the Customer, pursuant to and consistent with the AER and EE&PDR Statutes, desires to pursue exemption from paying charges included in the Company's then current cost recovery mechanism (hereinafter, "Rider DSE") as approved by the Public Utilities Commission of Ohio ("Commission") for recovery of the costs associated with the Company Plan; and

WHEREAS, Customer has consented to providing the Company with an annual report on the alternative energy resources, energy efficiency improvements and/or peak-demand reductions achieved by the Customer Energy Project(s); and

WHEREAS, Customer's decision to commit its Customer Energy Project(s) to the Company for inclusion in the Company Plan has been reasonably encouraged by the possibility of an exemption from the DSE2 charge of Rider DSE.

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties, intending to be legally bound, do hereby agree as follows:

1. **Customer Energy Projects.** Subject to the approval by the Commission of Customer's Rider DSE exemption request, Customer hereby commits to the Company and Company accepts for integration into the Company Plan the Customer Energy Project(s) set forth on attached Exhibit A. Said commitment shall be for the life of the Customer Energy Project(s). Company will incorporate said project(s) into the Company Plan to the extent that such projects qualify. In so committing, Customer acknowledges that the information provided to the Company about the Customer Energy Project(s) is true and accurate to the best of its knowledge.
 - a. By committing the Customer Energy Project(s) to the Company, Customer acknowledges and agrees that the Company shall control the use of the kWh and/or kW reductions resulting from said projects for purposes of complying with the Statute. It is expressly agreed that Customer may use any and all energy related and other attributes created from the Customer Energy Project(s) to the extent permitted by state or federal laws or regulations, provided, and to the extent, that such uses by Customer do not conflict with said compliance by the Company.
 - b. Any future Customer Energy Project(s) committed by Customer shall be subject to a separate application and, upon approval by the Commission, said projects shall become part of this Agreement.
 - c. Customer will provide Company or Company's agent(s) with reasonable assistance in the preparation of an application for approval of this Agreement ("Joint Application") that will be filed with the Commission.
 - d. Upon written request, reasonable advance notice and execution of a reasonable confidentiality agreement, Customer will grant employees or authorized agents of either the Company or the Commission reasonable, pre-arranged access to the Customer Energy Project(s) for purposes of measuring and verifying alternative energy resource capabilities, energy efficiency improvements and/or peak-demand reduction capabilities resulting from the Customer Energy Project(s). It is expressly agreed that consultants of either the Company or the Commission are their respective authorized agents.
2. **Joint Application to the Commission.** The Parties shall submit the Joint Application seeking the Commission's approval of this Agreement and the commitment of the Customer Energy Project(s) for inclusion in the Company

Plan, and its determination that the Customer qualifies for exemption from paying the DSE2 charge of Rider DSE.

- a. The Joint Application shall include all information required to obtain approval of the Rider DSE exemption, and shall:
 - i. Address coordination requirements between the electric utility and the mercantile customer with regard to voluntary reductions in load by the mercantile customer, which are not part of an electric utility program;
 - ii. Grant permission to the electric utility and Staff to measure and verify energy savings and/or peak-demand reductions resulting from the Customer Energy Project(s);
 - iii. Identify all consequences of noncompliance by the Customer with the terms of this Agreement;
 - iv. Include a copy of this Agreement and any requirement that the electric utility will treat the customer's information as confidential and not disclose such information without an appropriate protective order; and
 - v. Include a description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying the savings resulting from the Customer Energy Project(s), and identify and explain all deviations from any program measurement and verification guidelines that may be published by the Commission.

3. **Customer Exemption and Annual Report.** Upon Commission approval of the Joint Application, the Company will exempt Customer from paying any Rider DSE charges consistent with any Commission directives as set forth in the Commission's Finding and Order approving the Joint Application. Such exempt status shall apply to those accounts identified by Customer that pertain to those Customer sites with one or more Customer Energy Project(s) approved for integration into the Company Plan by the Commission in the Joint Application. To the extent authorized by the Commission, the Customer's accounts shall be aggregated and treated as one account for purposes of applying the exemption and to encourage the Customer to optimize performance across multiple sites in ways that would not be possible if each account was treated on a stand-alone basis.

- a. For purposes of this Agreement and unless authorized by the Commission as described above, a "site" shall be a single location with one or more facilities. As examples only, a site includes an industrial plant, a hospital

complex or a university located on one or more parcels of land, provided that said parcels are contiguous.

- b. For purposes of this Agreement, an "account" shall be as defined by the Company through its normal business practices. Any account identified by Customer shall be eligible for exemption, provided that said account pertains to a specific site with at least one Customer Energy Project that qualifies Customer for exemption from paying Rider DSE charges.
- c. Any new accounts created at a site on which there is already an approved Customer Energy Project shall, at the option of the Customer, be included within the exemption granted under said project, and shall be included for purposes of calculating future eligibility for exemption under the project. Any such election shall become effective in the first billing cycle following identification of said account in the annual report required under Section 3(d)(iii) below.
- d. Customer acknowledges and agrees that if it desires to pursue such exempt status, as evidenced in the Joint Application, Customer is obligated to provide to the Company an annual report on the energy efficiency improvements and peak-demand reductions achieved by the Customer Energy Project(s) on a calendar year basis. Company shall provide Customer with such information as it may require, that is in Company's possession, for the purposes of preparing such report. Company shall provide a template for Customer to use in preparing the annual report and shall make available a designated Company representative to answer questions.
 - i. Said report shall be submitted annually on or before January 31 of each year after Commission approval of the Joint Application.
 - ii. Said report shall provide all information required under the Rules, and where the requirements of the Rules conflict with a requirement under this Agreement or the Joint Application, the requirements of the Rules shall control.
 - iii. Said report shall, at a minimum, include the following information for each Customer Energy Project that has been approved by the Commission:
 - 1. A demonstration that the energy savings and peak-demand reductions associated with the Customer Energy Project(s) meet the total resource cost test or that the Company's avoided cost exceeds the cost to the Company for the Customer's program;

2. A statement distinguishing programs implemented before and after January 1 of the current year;
 3. A quantification of the energy savings or peak-demand reductions for programs initiated prior to 2009 in the baseline period;
 4. A recognition that the Company's baselines have been increased by the amount of mercantile customer energy savings and demand reductions;
 5. A listing and description of the Customer Energy Project(s) that have been implemented, which provides the detail required by the Rules;
 6. An accounting of expenditures made by the mercantile customer for each program and its component energy savings and peak-demand reduction attributes;
 7. A timeline showing when each Customer Energy Project went into effect and when the energy savings and peak-demand reductions occurred; and
 8. Any other information reasonably necessary for the Company to (i) verify Customer's continued eligibility for exemption from paying Rider DSE charges; and (ii) report in the Company's annual status report to the Commission the EE&PDR results related to each Customer Energy Project.
- e. Customer's exemption shall automatically terminate:
- i. Upon order of the Commission or pursuant to any Commission rule;
 - ii. If Customer fails to comply with the terms and conditions set forth in the Company's then current Rider DSE, or its equivalent, as amended from time to time by the Commission, within a reasonable period of time after receipt of written notice of such non-compliance;
 - iii. If it is discovered that Customer knowingly falsified any documents provided to the Company or the Commission in connection with this Agreement or the Joint Application. In such an instance, Company reserves the right to recover any exempted rider charges from the date of approval of the Joint Application through the date said exemption is terminated; or

- iv. If Customer fails to submit the annual report required in (d) above. In such an instance, Company reserves the right to recover any exempted rider charges from the date of approval of the Joint Application through the date said exemption is terminated. It is expressly agreed that this provision shall not apply should said report contain errors, provided that the submission of said report is made in good faith. It is further agreed that the Company will provide written notice of the date on which said report is due at least thirty (30) days prior thereto.
 - f. Company reserves the right to recover from Customer any Rider DSE charges incurred by Customer after the date Customer's exemption terminates.
- 4. **Termination of Agreement.** This Agreement shall have no force or effect or automatically terminate:
 - a. If the Commission fails to approve the Joint Application;
 - b. Upon order of the Commission; or
 - c. At the end of the life of the last Customer Energy Project(s) subject to this Agreement.
- 5. **Confidentiality.** Each Party shall hold in confidence and not release or disclose to any person any document or information furnished by the other Party in connection with this Agreement that is designated as confidential and proprietary ("Confidential Information"), unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; or (iii) such document or information was available to the receiving Party on a non-confidential basis at the time of disclosure.
 - a. Notwithstanding the above, a Party may disclose to its employees, directors, attorneys, consultants and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, directors, attorneys, consultants and agents have been advised of the confidential nature of this information and through such disclosure are deemed to be bound by the terms set forth herein.
 - b. A Party receiving such Confidential Information shall protect it with the same standard of care as its own confidential or proprietary information.
 - c. A Party receiving notice or otherwise concluding that Confidential Information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to

do so under any applicable law, shall endeavor to: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such Confidential Information, including without limitation, the filing of such information under a valid protective order.

- d. By executing this Agreement, Customer hereby acknowledges and agrees that Company may disclose to the Commission or its Staff any and all Customer information, including Confidential Information, related to a Customer Energy Project, provided that Company uses reasonable efforts to seek confidential treatment of the same.

6. **Notices.** Unless otherwise stated herein, all notices, demands or requests required or permitted under this Agreement must be in writing and must be delivered or sent by overnight express mail, courier service, electronic mail or facsimile transmission addressed as follows:

If to the Company:

FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
Attn: Victoria Nofziger
Telephone: 330-384-4684
Fax: 330-761-4281
Email:
vmnofziger@firstenergycorp.com

If to the Customer:

The Cleveland Clinic Foundation
9500 Euclid Avenue
Cleveland, OH 44195
Attn: John L. D'Angelo, PE, CMVP
Telephone: 216-444-6447
Fax: 216-636-1940
Email: dangelj@ccf.org

or to such other person at such other address as a Party may designate by like notice to the other Party. Notice received after the close of the business day will be deemed received on the next business day; provided that notice by facsimile transmission will be deemed to have been received by the recipient if the recipient confirms receipt telephonically or in writing.

7. **Authority to Act.** The Parties represent and warrant that they are represented by counsel in connection with this Agreement, have been fully advised in connection with the execution thereof, have taken all legal and corporate steps necessary to enter into this Agreement, and that the undersigned has the authority to enter into this Agreement, to bind the Parties to all provisions herein and to take the actions required to be performed in fulfillment of the undertakings contained herein.
8. **Non-Waiver.** The delay or failure of either party to assert or enforce in any instance strict performance of any of the terms of this Agreement or to exercise any rights hereunder conferred, shall not be construed as a waiver or

relinquishment to any extent of its rights to assert or rely upon such terms or rights at any later time or on any future occasion.

9. **Entire Agreement.** This Agreement, along with any related exhibits, Customer's exemption application, and the Company's Rider DSE, or its equivalent, as amended from time to time by the Commission, contains the Parties' entire understanding with respect to the matters addressed herein and there are no verbal or collateral representations, undertakings, or agreements not expressly set forth herein. No change in, addition to, or waiver of the terms of this Agreement shall be binding upon any of the Parties unless the same is set forth in writing and signed by an authorized representative of each of the Parties. In the event of any conflict between Rider DSE or its equivalent and this document, the latter shall prevail.
10. **Assignment.** Customer may not assign any of its rights or obligations under this Agreement without obtaining the prior written consent of the Company, which consent will not be unreasonably withheld. No assignment of this Agreement will relieve the assigning Party of any of its obligations under this Agreement until such obligations have been assumed by the assignee and all necessary consents have been obtained.
11. **Severability.** If any portion of this Agreement is held invalid, the Parties agree that such invalidity shall not affect the validity of the remaining portions of this Agreement, and the Parties further agree to substitute for the invalid portion a valid provision that most closely approximates the economic effect and intent of the invalid provision.
12. **Governing Law.** This Agreement shall be governed by the laws and regulations of the State of Ohio, without regard to its conflict of law provisions.
13. **Execution and Counterparts.** This Agreement may be executed in multiple counterparts, which taken together shall constitute an original without the necessity of all parties signing the same page or the same documents, and may be executed by signatures to electronically or telephonically transmitted counterparts in lieu of original printed or photocopied documents. Signatures transmitted by facsimile shall be considered original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year set forth below.

(Customer)

By: _____

Title: _____

Date: _____

(Company)

By: _____

Title: _____

Date: _____

Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Avon Point MOB
Project Name	In-Service Date MM/DD/YY	Project Cost
1 2008 Lighting Projects	01/01/08	\$100
2 2009 Lighting Projects	01/01/09	\$621

Customer Legal Entity Name: The Cleveland Clinic Foundation
Site: Avon Point MOB

[illegible]

Savings as percent of usage (F) =
= Total (D) divided by
Average (C)

Notes	Customer Exemption Through End of Year (G)	12/31/13 Note 3
(1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.		
(2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).		
(3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).		

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Beachwood FHC
Project Name	In-Service Date MM/DD/YY	Project Cost \$
1 2008 Lighting Projects	01/01/08	\$1,633
2 2009 Lighting Projects	01/01/09	\$25,986
3 2009 Occupancy Sensors	01/01/09	\$8,645

Customer Legal Entity Name: The Cleveland Clinic Foundation
Site: Beachwood FHC

Project Number	Project Name	In-Service Date	Project Cost	\$	KWh Saved/Year	Utility Peak Demand Reduction Contribution, KW (E)
1	2008 Lighting Projects	1/1/08	\$1,633		144,786	0
2	2009 Lighting Projects	1/1/09	\$25,986		347,965	0
3	2009 Occupancy Sensors	1/1/09	\$8,645		265,235	0

Savings as percent of usage (F) =
= Total (D) divided by
Average (C)

Notes

- (1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.
- (2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).
- (3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).
{C30805.}

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
3	2009 Occupancy Sensors	Savings were calculated by occupancy sensor consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name		
The Cleveland Clinic Foundation		CCAC I		
Project Name	In-Service Date		Project Cost	
	MM/DD/YY		\$	
1 2008 Occupancy Sensors	01/01/08		\$915	

Project Number	Project Name	In-Service Date	Project Cost	\$ KWh Saved/Year (D)	Utility Peak Demand Reduction Contribution, KW (E)
1	2008 Occupancy Sensors	1/1/08	\$915	18,084	0

Savings as percent of usage (F) =
= Total (D) divided by
Average (C)

Notes

- (1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.
- (2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).
- (3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2008 Occupancy Sensors	Savings were calculated by occupancy sensor consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name		
The Cleveland Clinic Foundation		CCAC III		
Project Name		In-Service Date	Project Cost	
		MM/DD/YY	\$	
1	2008 Lighting Projects	01/01/08	\$24,265	
2	2009 Lighting Projects	01/01/09	\$13,300	

[illegible]

Customer Exemption Through End of Year (G)

(1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.

(2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).

(3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C.

4928.66(A)(1)(a).
{C30814:}

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Chagrin Falls
Project Name	In-Service Date MM/DD/YY	Project Cost
1 2008 Lighting Projects	01/01/08	\$115
2 2009 Lighting Projects	01/01/09	\$553

Exhibit 2

Customer Legal Entity Name: The Cleveland Clinic Foundation
Site: Chagrin Falls

		Unadjusted Usage, kwh (A)	Weather Adjusted Usage, kwh (B)	Weather Adjusted Usage with Energy Efficiency Addbacks, kwh (C)	Note 1
	2009	651,200	651,200	662,850	
	2008	684,000	684,000	684,641	
	2007	689,280	689,280	689,280	
Average		674,827	674,827	678,924	

Project Number	Project Name	In-Service Date	Project Cost	\$ KWh Saved/Year (D)	Utility Peak Demand Reduction Contribution, KW (E)
1	2008 Lighting Projects	1/1/08	\$115	1,489	0
2	2009 Lighting Projects	1/1/09	\$553	22,662	0
Total				24,151	0

Savings as percent of
usage (F) = 3.6% Note 2
= Total (D) divided by
Average (C)

Customer Exemption Through End of Year (G) 12/31/13 Note 3

- Notes
- (1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.
- (2) Savings as a percent of usage is equal to the of total project savings (D) divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).
- (3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Euclid Hospital
Project Name	In-Service Date MM/DD/YY	Project Cost \$
1 2007 Lighting Projects	01/01/07	\$4,793
2 2008 Lighting Projects	01/01/08	\$2,825
3 2009 Lighting Projects	01/01/09	\$11,269
4 2009 Occupancy Sensors	01/01/09	\$220

Customer Legal Entity Name: The Cleveland Clinic Foundation
Site: Euclid Hospital

[illegible]

Savings as percent of usage (F) =

= Total (D) divided by Average (C)

10.1% Note 2

Notes	Customer Exemption Through End of Year (G)	12/31/18 Note 3
(1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.		
(2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).		
(3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).		

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2007 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
3	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
4	2009 Occupancy Sensors	Savings were calculated by occupancy sensor consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Fairview Hospital
Project Name	In-Service Date MM/DD/YY	Project Cost \$
1 2007 Lighting Projects	01/01/07	\$7,157
2 2008 Lighting Projects	01/01/08	\$7,779
3 2009 Lighting Projects	01/01/09	\$47,050
4 2007 Occupancy Sensors	01/01/07	\$29
5 2008 Occupancy Sensors	01/01/08	\$598
6 2009 Occupancy Sensors	01/01/09	\$5,202

Customer Legal Entity Name: The Cleveland Clinic Foundation
Site: Fairview Hospital

Project Number	Project Name	In-Service Date	Project Cost	\$ KWh Saved/Year (D)	Utility Peak Demand Reduction Contribution, KW (E)
1	2007 Lighting Projects	1/1/07	\$7,157	476,054	47
2	2008 Lighting Projects	1/1/08	\$7,779	643,019	43
3	2009 Lighting Projects	1/1/09	\$47,050	954,718	51
4	2007 Occupancy Sensors	1/1/07	\$29	3,222	1
5	2008 Occupancy Sensors	1/1/08	\$598	6,443	2
6	2009 Occupancy Sensors	1/1/09	\$5,202	145,419	35
Annual Savings					179

Savings as percent of usage (F) =
= Total (D) divided by
Average (C)

8.8% **Note 2**

Customer Exemption Through End of Year (G)

(7) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.

(2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks
(C):

(3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).

Exhibit 3

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2007 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
3	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
4	2007 Occupancy Sensors	Savings were calculated by occupancy sensor consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
5	2008 Occupancy Sensors	Savings were calculated by occupancy sensor consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
6	2009 Occupancy Sensors	Savings were calculated by occupancy sensor consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Fairview Hospital Physicians
Project Name	In-Service Date MM/DD/YY	Project Cost
1 2008 Lighting Projects	01/01/08	\$ \$50

Exhibit 2

Customer Legal Entity Name: The Cleveland Clinic Foundation
Site: Fairview Hospital Physicians

Project Number	Project Name	In-Service Date	Project Cost	\$ KWh Saved/Year (D)	Weather Adjusted Usage with Energy Efficiency Addbacks, kwh (C)	Weather Adjusted Usage, kwh (B)	Unadjusted Usage, kwh (A)	Note 1	Utility Peak Demand Reduction Contribution, KW (E)
1	2008 Lighting Projects	1/1/08	\$50	751	1,547,331	1,546,580	1,546,580		0
					1,527,984	1,527,560	1,527,560		0
					1,423,320	1,423,320	1,423,320		0
	Average				1,499,545	1,499,153	1,499,153		0

Savings as percent of usage (F) = 0.1%
= Total (D) divided by Average (C)

Notes

(1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.

(2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).

(3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
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1	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
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Exhibit A

Customer Legal Entity Name		Site Name		
The Cleveland Clinic Foundation		Fairview North Olmstead		
Project Name	In-Service Date		Project Cost	
	MM/DD/YY		\$	
1 2008 Lighting Projects	01/01/08		\$100	

Project Number	Project Name	In-Service Date	Project Cost	\$	KWh Saved/Year (D)	Utility Peak Demand Reduction Contribution, KW (E)
1	2008 Lighting Projects	1/1/08	\$100		1,922	0
						0

Savings as percent of usage (F) =

= Total (D) divided by Average (C)

0.4% Note 2

Notes

- (1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.
- (2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).
- (3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a). {C30833.2}

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
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1	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
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Exhibit A

Customer Legal Entity Name		Site Name
The Cleveland Clinic Foundation		Health Space
Project Name	In-Service Date MM/DD/YY	Project Cost \$
1 2007 Lighting Projects	01/01/07	\$3,881
2 2008 Lighting Projects	01/01/08	\$2,064
3 2009 Lighting Projects	01/01/09	\$5,847

Customer Legal Entity Name: The Cleveland Clinic Foundation

Site: Health Space

[illegible]

Customer Exemption Through End of Year (G) **12/31/25 Note 3**

Notes

- (1) Customer's usage is adjusted to account for the effects of the energy efficiency programs included in this application. When applicable, such adjustments are prorated to the in-service date to account for partial year savings.
- (2) Savings as a percent of usage is equal to the annual project savings divided by the 3 year average Weather Adjusted Usage with Energy Efficiency Addbacks (C).
- (3) Customer exemption determined by savings percentage in relation to energy efficiency schedule as set forth in O.R.C. 4928.66(A)(1)(a).

Exhibit 3

Project No.	Project Name	Description of Methodologies, Protocols and Practices used in Measuring and Verifying Project Results
1	2007 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
2	2008 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.
3	2009 Lighting Projects	Savings were calculated by fixture/lamp consistent with the draft Ohio technical reference manual. The savings calculations are detailed in the spreadsheets included with the application.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

8/3/2010 3:33:50 PM

in

Case No(s). 10-1956-EL-EEC

Summary: Application Joint Application of The Cleveland Clinic Foundation and The Cleveland Electric Illuminating Company for Approval of a Reasonable Arrangement (Part 1 of 3)
electronically filed by Ms. Vicki L. Leach-Payne on behalf of Mr. Samuel C. Randazzo and Ms. Kathy J. Kolich