

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Cleveland Thermal Steam Distribution, LLC for Approval of Standard Steam Supply and Distribution Agreements.) Case No. 12-1450-HT-AEC
In the Matter of the Application of Cleveland Thermal Steam Distribution, LLC for Approval of Tariffs for District Steam Service.) Case No. 12-1451-HT-ATA

FINDING AND ORDER

The Commission finds:

- (1) Cleveland Thermal Steam Distribution, LLC (Cleveland Thermal or Company), is a public utility and a heating company as defined in Section 4905.03(A)(8), Revised Code, and, as such, is subject to the jurisdiction of this Commission. Cleveland Thermal has been authorized by the Commission and franchised by the City of Cleveland to supply steam heat through pipes or tubing to consumers within the City of Cleveland for heating purposes.
- (2) On October 15, 1998, the Commission issued an Opinion and Order in Case No. 97-522-HT-AIR in which it approved a flexible tariff with tariff block rates for the General Service Schedule set at 1.10 times the authorized rates contained in the Standard Steam Service Agreement attached as Appendix A to the tariffs. The Commission further found that Cleveland Thermal be required to submit an application for any subsequent revisions to its Standard Steam Service Agreement under Section 4905.31, Revised Code.
- (3) On February 27, 2008, the Commission approved a new Standard Steam Service Agreement in Case No. 07-732-HT-AEC. In that proceeding, the Commission further granted Cleveland Thermal's request that subsequent agreements similar to the approved Standard Steam Service Agreement would be deemed approved unless the Commission affirmatively acts within 30 days of filing to suspend approval of the agreements.
- (4) On May 1, 2012, Cleveland Thermal filed the pending application for approval of revised Standard Steam Supply and Distribution

Agreements (Standard Contract) between itself and four customers: Standard Plating Works, Inc., Walnut Inn, Inc., A.H. Pelz Company, and Brian Heller (for the Heller Building). According to the application, the rates in the proposed Standard Contract have been re-designed from those in the current agreement in order to accurately reflect the manner in which service is provided to customers. The application states that Cleveland Thermal is now strictly a distribution utility which neither procures fuel nor produces steam. Fuel is procured by Cleveland Thermal's parent, Cleveland Thermal, LLC, which is then used by Cleveland Thermal Generation, LLC to produce steam which is then sold to Cleveland Thermal for distribution to end-use customers. The application further states that this rate design change was designed to be revenue neutral. Cleveland Thermal is proposing that this new Standard Contract be available to all qualifying new and existing customers. The new Standard Contract is attached as Appendix A to the proposed revised tariffs discussed below. Cleveland Thermal also requests the Commission approve a continuation of the authority granted in Case No. 07-732-HT-AEC for pre-approval of additional agreements that substantially conform to the new Standard Contract.

- (5) Cleveland Thermal's May 1, 2012 application also proposes certain changes to its existing tariffs to address a number of housekeeping matters, certain operational changes, and improvements to the terms and conditions by which customers are served. According to the application, the terms and conditions remain largely the same although significant redrafting and re-organization has occurred to produce a more coherent document. The proposed tariffs retain the same basic formula whereby the tariff block rates are set at 1.10 times the block rates in the proposed Standard Contract. According to the application, however, that rate formula has been changed in the proposed tariffs such that the 1.10 multiplier is applied prior to the addition of the gross receipts tax and its tax-on-tax effect the result of which will result in a lower rate for tariff customers. Finally, as discussed above, the new Standard Contract is attached to the proposed tariffs as Appendix A.
- (6) The Commission has reviewed the application filed in this case as well as the accompanying Standard Contract and Exhibits, and finds that it does not appear to be unjust or unreasonable. Therefore, the application should be approved. Further, the

Commission finds that it is not necessary to hold a hearing in this matter.

- (7) The Commission further finds that, consistent with its Entry dated February 27, 2008 in Case No. 07-732-HT-AEC, pre-granted approval should be granted for any subsequent arrangements with customers entered into with similar terms as the herein approved Standard Contract. Such arrangements shall be filed, under this case number, for Commission review within 30 days of the filing date. If the Commission does not take any action within 30 days of the filing date, the agreements will be automatically approved.

It is, therefore,

ORDERED, That the application of Cleveland Thermal for authority to revise its tariff is granted. It is, further,

ORDERED, That Cleveland Thermal is authorized to file complete copies of tariffs in final form consistent with this Finding and Order. Cleveland Thermal shall file one copy in its TRF docket (or may make such filing electronically as directed in Case No. 06-900-AU-WVR). It is, further,

ORDERED, That the effective date of the new tariff shall be a date not earlier than both the date of this Finding and Order and the date upon which final tariffs are filed with the Commission. It is, further,

ORDERED, That the application of Cleveland Thermal for approval of Standard Steam Supply and Distribution Agreements between itself and Standard Plating Works, Inc., Walnut Inn, Inc., A.H. Pelz Company, and Brian Heller (for the Heller Building) be granted. It is, further,

ORDERED, That subsequent Standard Steam Supply and Distribution Agreements consistent with the ones approved by this Finding and Order also be deemed approved subject to finding (7) above. It is, further,

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

ORDERED, That a copy of this Finding and Order be served upon each party of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



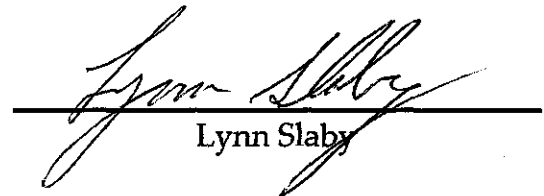
Todd A. Snitchler, Chairman



Steven D. Lesser

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MAY 23 2012



Barcy F. McNeal
Secretary