



**Case No.: 18-0244-EL-EEC**

Mercantile Customer: Kowalski Heat Treating Co. Inc

Electric Utility: The Cleveland Electric Illuminating Company

Program Title or  
Description: Recycled Heat

Rule 4901:1-39-05(F), Ohio Administrative Code (O.A.C.), permits a mercantile customer to file, either individually or jointly with an electric utility, an application to commit the customer's existing demand reduction, demand response, and energy efficiency programs for integration with the electric utility's programs. The following application form is to be used by mercantile customers, either individually or jointly with their electric utility, to apply for commitment of such programs in accordance with the Commission's pilot program established in Case No. [10-834-EL-POR](#)

Completed applications requesting the cash rebate reasonable arrangement option in lieu of an exemption from the electric utility's energy efficiency and demand reduction (EEDR) rider will be automatically approved on the sixty-first calendar day after filing, unless the Commission, or an attorney examiner, suspends or denies the application prior to that time. Completed applications requesting the exemption from the EEDR rider for a period of up to 12 months will also qualify for the 60-day automatic approval. However, all applications requesting an exemption from the EEDR rider for longer than 12 months must provide additional information, as described within the Historical Mercantile Annual Report Template, that demonstrates additional energy savings and the continuance of the Customer's energy efficiency program. This information must be provided to the Commission at least 61 days prior to the termination of the initial 12 month exemption period to prevent interruptions in the exemption period.

Complete a separate application for each customer program. Projects undertaken by a customer as a single program at a single location or at various locations within the same service territory should be submitted together as a single program filing, when possible.

Check all boxes that are applicable to your program. For each box checked, be sure to complete all subparts of the question, and provide all requested additional information. Submittal of altered or incomplete applications may result in a suspension of the automatic approval process or denial of the application.

Any confidential or trade secret information may be submitted to Staff on disc or via email at [ee-pdr@puc.state.oh.us](mailto:ee-pdr@puc.state.oh.us).

## Section 1: Mercantile Customer Information

Name: Kowalski Heat Treating Co Inc

Principal address: 3611 Detroit Ave Cleveland OH 44113

Address of facility for which this energy efficiency program applies: 3509 Detroit Ave Cleveland OH 44113

Name and telephone number for responses to questions: Steve Kowalski 216-631-4411

Electricity use by the customer (check the box(es) that apply):

- ☒ The customer uses more than seven hundred thousand kilowatt hours per year at the above facility. (Please attach documentation.)
- ☐ The customer is part of a national account involving multiple facilities in one or more states. (Please attach documentation.)

## Section 2: Application Information

A) The customer is filing this application (choose which applies):

- ☐ Individually, without electric utility participation.
- ☒ Jointly with the electric utility.

B) The electric utility is: The Cleveland Electric Illuminating Company

C) The customer is offering to commit (check any that apply):

- ☒ Energy savings from the customer's energy efficiency program. (Complete Sections 3, 5, 6, and 7.)
- ☐ Capacity savings from the customer's demand response/demand reduction program. (Complete Sections 4, 5, 6, and 7.)
- ☐ Both the energy savings and the capacity savings from the customer's energy efficiency program. (Complete all sections of the Application.)

### Section 3: Energy Efficiency Programs

A) The customer's energy efficiency program involves (check those that apply):

- ☒ Early replacement of fully functioning equipment with new equipment. (Provide the date on which the customer replaced fully functioning equipment, and the date on which the customer would have replaced such equipment if it had not been replaced early. Please include a brief explanation for how the customer determined this future replacement date (or, if not known, please explain why this is not known)). **If Checked, Please see Exhibit 1 and Exhibit 2**
- ☐ Installation of new equipment to replace failed equipment which has no useful life remaining. The customer installed new equipment on the following date(s): \_\_\_\_\_.
- ☐ Installation of new equipment for new construction or facility expansion. The customer installed new equipment on the following date(s): \_\_\_\_\_.
- ☐ Behavioral or operational improvement.

B) Energy savings achieved/to be achieved by the energy efficiency program:

- 1) If you checked the box indicating that the project involves the early replacement of fully functioning equipment replaced with new equipment, then calculate the annual savings [(kWh used by the original equipment) - (kWh used by new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: 103,324 kWh

- 2) If you checked the box indicating that the customer installed new equipment to replace failed equipment which had no useful life remaining, then calculate the annual savings [(kWh used by new standard equipment) - (kWh used by the optional higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: \_\_\_\_\_ kWh

Please describe any less efficient new equipment that was rejected in favor of the more efficient new equipment. **Please see Exhibit 1 if applicable**

- 3) If you checked the box indicating that the project involves equipment for new construction or facility expansion, then calculate the annual savings [(kWh used by standard new equipment) - (kWh used by optional higher efficiency new equipment) = (kWh per year saved)]. Please attach your calculations and record the results below:

Annual savings: \_\_\_\_\_ kWh

Please describe the less efficient new equipment that was rejected in favor of the more efficient new equipment. **Please see Exhibit 1 if applicable**

- 4) If you checked the box indicating that the project involves behavioral or operational improvements, provide a description of how the annual savings were determined.

Annual savings: \_\_\_\_\_ kWh

#### Section 4: Demand Reduction/Demand Response Programs

A) The customer's program involves (check the one that applies):

- ☒ This project does not include peak demand reduction savings.
- ☐ Coincident peak-demand savings from the customer's energy efficiency program.
- ☐ Actual peak-demand reduction. (Attach a description and documentation of the peak-demand reduction.)
- ☐ Potential peak-demand reduction (check the one that applies):
  - ☐ The customer's peak-demand reduction program meets the requirements to be counted as a capacity resource under a tariff of a regional transmission organization (RTO) approved by the Federal Energy Regulatory Commission.
  - ☐ The customer's peak-demand reduction program meets the requirements to be counted as a capacity resource under a program that is equivalent to an RTO program, which has been approved by the Public Utilities Commission of Ohio.

B) On what date did the customer initiate its demand reduction program?

\_\_\_\_\_

C) What is the peak demand reduction achieved or capable of being achieved (show calculations through which this was determined):

\_\_\_\_\_ kW

## **Section 5: Request for Cash Rebate Reasonable Arrangement, Exemption from Rider, or Commitment Payment**

Under this section, check all boxes that apply and fill in all corresponding blanks.

A) The customer is applying for:

☒ A cash rebate reasonable arrangement.

☐ An exemption from the energy efficiency cost recovery mechanism implemented by the electric utility.

☐ Commitment payment

B) The value of the option that the customer is seeking is:

A cash rebate reasonable arrangement.

☒ A cash rebate of \$3875. (Rebate shall not exceed 50% project cost. Attach documentation showing the methodology used to determine the cash rebate value and calculations showing how this payment amount was determined.)

An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider.

☐ An exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for \_\_\_\_\_ months (not to exceed 24 months). (Attach calculations showing how this time period was determined.)

☐ Ongoing exemption from payment of the electric utility's energy efficiency/peak demand reduction rider for an initial period of 24 months because this program is part of the customer's ongoing efficiency program. (Attach documentation that establishes the ongoing nature of the program.) In order to continue the exemption beyond the initial 12 month period, the customer will need to complete, and file within this application, the Historical Mercantile Annual Report

Template to verify the projects energy savings are persistent.

- ☐ A commitment payment valued at no more than \$\_\_\_\_. (Attach documentation and calculations showing how this payment amount was determined.)

### Section 6: Cost Effectiveness

The program is cost effective because it has a benefit/cost ratio greater than 1 using the (choose which applies):

- ☐ Total Resource Cost (TRC) Test. The calculated TRC value is: \_\_\_\_ (Continue to Subsection 1, then skip Subsection 2)
- ☒ Utility Cost Test (UCT) . The calculated UCT value is: **See Exhibit 3** (Skip to Subsection 2.)

#### Subsection 1: TRC Test Used (please fill in all blanks).

The TRC value of the program is calculated by dividing the value of our avoided supply costs (generation capacity, energy, and any transmission or distribution) by the sum of our program overhead and installation costs and any incremental measure costs paid by either the customer or the electric utility.

The electric utility's avoided supply costs were \_\_\_\_\_.

Our program costs were \_\_\_\_\_.

The incremental measure costs were \_\_\_\_\_.

Subsection 2: UCT Used (please fill in all blanks).

We calculated the UCT value of our program by dividing the value of our avoided supply costs (capacity and energy) by the costs to our electric utility (including administrative costs and incentives paid or rider exemption costs) to obtain our commitment.

Our avoided supply costs were **See Exhibit 3**

The utility's program costs were **See Exhibit 3**

The utility's incentive costs/rebate costs were **See Exhibit 3**

## **Section 7: Additional Information**

Please attach the following supporting documentation to this application:

- Narrative description of the program including, but not limited to, make, model, and year of any installed and replaced equipment.
- A copy of the formal declaration or agreement that commits the program or measure to the electric utility, including:
  - 1) any confidentiality requirements associated with the agreement;
  - 2) a description of any consequences of noncompliance with the terms of the commitment;
  - 3) a description of coordination requirements between the customer and the electric utility with regard to peak demand reduction;
  - 4) permission by the customer to the electric utility and Commission staff and consultants to measure and verify energy savings and/or peak-demand reductions resulting from your program; and,
  - 5) a commitment by the customer to provide an annual report on your energy savings and electric utility peak-demand reductions achieved.
- A description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results. Additionally, identify and explain all deviations from any program measurement and verification guidelines that may be published by the Commission.



# Ohio | Public Utilities Commission

Application to Commit  
Energy Efficiency/Peak Demand  
Reduction Programs  
(Mercantile Customers Only)

Case No.: 18-0244-EL-EEC

State of Ohio :

Steve Kowalski, Affiant, being duly sworn according to law, deposes and says that:

1. I am the duly authorized representative of:


Kowalski Heat Treating Co. Inc.

[insert customer or EDU company name and any applicable name(s) doing business as]

2. I have personally examined all the information contained in the foregoing application, including any exhibits and attachments. Based upon my examination and inquiry of those persons immediately responsible for obtaining the information contained in the application, I believe that the information is true, accurate and complete.

  
Signature of Affiant & Title

Sworn and subscribed before me this 21<sup>st</sup> day of July, 2018 Month/Year

  
Signature of official administering oath

Logan Williams Notary Public  
Print Name and Title

My commission expires on 8-15-21



LOGAN WILLIAMS  
Notary Public, State of Ohio  
My Comm. Expires 08-15-2021  
Recorded in Cuyahoga County

Customer Legal Entity Name: Kowalski Heat Treating  
Site Address: 3509 Detroit Ave Kowalski Heat Treating  
Principal Address: 3611 Detroit Ave Cleveland 44113

Project No.		Narrative description of your program including, but not limited to, make, model, and year of any installed and replaced equipment:		Description of methodologies, protocols and practices used in measuring and verifying project results		What date would you have replaced your equipment if you had not replaced it early? Also, please explain briefly how you determined this future replacement date.		Please describe the less efficient new equipment that you rejected in favor of the more efficient new equipment.	
1	Air Compressor Upgrade	Installed Atlas Copco VFD driven GA2VSD rotary screw machine to replace the existing GA30 Constant Speed air compressor.	Energy Audit "AIRScan" Measurement Equipment was used to generate the air system and air compressor load cycle profiles. The measurement was conducted from 10/28/2014, 11:29 Tuesday to 11/ 4/2014, 11:29 Tuesday. Using the load profile measured the total consumption and cost of electricity to operate the existing compressed air system for one year, at 52 weeks, has been calculated.		N/A		N/A		

## Exhibit 2

**Customer Legal Entity Name:** Kowalski Heat Treating

**Site Address:** 3509 Detroit Ave Kowalski Heat Treating

**Principal Address:** 3611 Detroit Ave Cleveland 44113

	Unadjusted Usage, kwh (A)	Weather Adjusted Usage, kwh (B)	Weather Adjusted Usage with Energy Efficiency Addbacks, kwh (C) <i>Note 1</i>
2016	2,471,012	2,471,012	103,607 2,574,336
<b>Average</b>	<b>2,471,012</b>	<b>2,471,012</b>	<b>1,338,972</b>

Project Number	Project Name	In-Service Date	Project Cost \$	50% of Project Cost \$	KWh Saved/Year (D) counting towards utility compliance	KWh Saved/Year (E) eligible for incentive	Utility Peak Demand Reduction Contribution, KW (F)	Prescriptive Rebate Amount (G) \$	Eligible Rebate Amount (H) \$ <i>Note 2</i>
1	Air Compressor Upgrade	01/01/2016	\$30,316	\$15,158	103,324	103,324	-	\$5,166	\$3,875
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
		Total	\$30,316		103,324	103,324	0	\$5,166	\$3,875

Docket No. 18-0244

**Site:** 3611 Detroit Ave Cleveland 44113

## 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) The eligible rebate amount is based upon 75% of the rebates offered by the FirstEnergy Commercial and Industrial Energy Efficiency programs, not to exceed the lesser of 50% of the project cost or \$250,000 per project. Combined Heat & Power (CHP) projects are not subject to the \$250,000 project rebate cap.

**Commitment  
Payment  
\$**



**\$0**

### Exhibit 3

UCT = Utility Avoided Costs / Utility Costs

Project	Utility Avoided Cost \$ (A)	Utility Cost \$ (B)	Cash Rebate \$ (C)	Administrator Variable Fee \$ (D)	Total Utility Cost \$ (E)	UCT (F)
1	\$ 51,275	\$ 4,050	\$ 3,875	\$1,033	\$ 8,958	5.7
<b>Total</b>	<b>51,275</b>	<b>4,050</b>	<b>3,875</b>	<b>\$1,033</b>	<b>8,958</b>	<b>5.7</b>

#### Notes

- (A) Represents NPV of avoided energy and capacity costs over a 10 year life multiplied by the annual project savings.
- (B) Represents the utility's costs incurred for self-directed mercantile applications for applications filed and applications in progress. Includes incremental costs of legal fees, fixed administrative expenses, etc.
- (C) This is the amount of the Rebate Payment paid to the customer for this
- (D) Based on approximate Administrator's variable compensation for purposes of calculating the UCT, actual compensation may be less.
- (E) = (B) + (C) + (D)
- (F) = (A) / (E)

**Kowalski Heat Treating ~ 3509 Detroit Ave Kowalski Heat Treating**

**Docket No.** 18-0244

**Site:** 3611 Detroit Ave Cleveland 44113

18-0244 Kowalski Heat Treating:

Overview of proposed savings, and hours of operation:

	Existing installation	Recommended installation
Annual power consumption (kWh)	171,860	68,536
Annual cost of power (\$)	17,186	6,854
Annual running hours	8,736	7,363

Energy savings summary based on recommendation, table 2

Annual Power Savings (kWh)	103,324
Potential Annual Cost Savings (\$)	10,332

60% Annual  
Energy Savings

Calculated Data for installed system

Energy Loaded (kWh)	1,291
Energy Unloaded (kWh)	2,014
Total Energy Cons. (kWh)	3,305

Annual Consumption=  $3305 \times 52 = 171,860$  kWh BASELINE CONFIGURATION

Data for simulated system

Energy Loaded (kWh)	1,318
Energy Unloaded (kWh)	0
Total Energy Cons. (kWh)	1,318

Annual (proposed) Consumption=  $1318 \times 52 = 68,536$  kWh NEW CONFIGURATION

Delta Energy savings per year=  $171,860 - 68,536 = 103,324$  kWh

Proposed equipment: NOTE: N2 generator should not be a part of the invoice amount.



Reference No. IM14  
Quotation No. JK061915  
Page 8 of 8  
Date 07/07/15

## Pricing Summary

Equipment	Net Each	Qty	Total
GA22VSD+ 175 AP 460/3/60 (30 HP)	\$ 23,443.00	1	\$ 23,443.00
Full Feature option (integrated dryer)	\$ 4,320.00	1	\$ 4,320.00
DD70+ General purpose filter	\$ 512.00	1	\$ 512.00
PD70+ High efficiency filter	\$ 512.00	1	\$ 512.00
240 gallon vertical receiver, 200 psi	\$ 1,029.00	1	\$ 1,029.00
Parker Maxigas 116-B Nitrogen Generator	\$ 45,883.00	1	\$ 45,883.00
Factory Authorized Startup (Parker tech and Air Tech tech)	\$ 500.00	1	\$ 500.00
		<b>Total</b>	<b>\$ 76,199.00</b>

\*\*\*Standard 1 year warranty on entire compressor with the exception of consumables. 5 Year extended warranty on motor, air end, oil cooler, air after cooler, and oil sump vessel. Extended warranty is based on startup performed by Air Technologies, and usage of Atlas Copco parts, oils and service according to Published service schedule.\*\*\*



**Mercantile Customer Project Commitment Agreement**  
**Cash Rebate Option**

**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 Kowalski Heat Treating Co. Inc, Taxpayer ID No. 34-1173340 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); and

**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; and

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

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

**WHEREAS**, Customer has certain customer-sited demand reduction, demand response, or energy efficiency project(s) as set forth in attached Exhibit 1 (the "Customer Energy Project(s)") that it desires to commit to the Company for integration into the Company's Energy Efficiency & Peak Demand Reduction Program Portfolio Plan ("Company Plan") that the Company will implement in order to comply with the Statute; and

**WHEREAS**, the Customer, pursuant to the Public Utilities Commission of Ohio's ("Commission") September 15, 2010 Order in Case No. 10-834-EL-EEC, desires to pursue a cash rebate of some of the costs pertaining to its Customer Energy Project(s) ("Cash Rebate") and is committing the Customer Energy Project(s) as a result of such incentive.

**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 a Cash Rebate.

**WHEREAS**, in consideration of, and upon receipt of, said cash rebate, Customer will commit the Customer Energy Project(s) to the Company and will comply with all other terms and conditions set forth herein.

**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.** 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 1. 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, and as evidenced by the affidavit attached hereto as Exhibit A, 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 kW reductions resulting from

said projects for purposes of complying with the Statute. By committing the Customer Energy Project(s), Customer has the ability to either:

- i. Take ownership of the Energy Efficiency resource credits resulting from their Customer Energy Project(s) and may be able to bid - or sell - the Energy Efficiency resource credits into the market operated by the grid operator, PJM Interconnection, Inc. (PJM), provided several prerequisites are met; or
- ii. Allow the Company to take ownership of the Energy Efficiency resource credits associated with their Customer Energy Project(s). The Company shall, at its sole discretion, aggregate said capacity into the PJM market through an auction. Any proceeds from any such bids accepted by PJM will be used to offset the costs charged to the Customer and other of the Company's customers for compliance with state mandated energy efficiency and/or peak demand requirements.

**Please indicate your preference as to the treatment of your Energy Efficiency resource credits:**

☒ Customer would like to retain ownership of its Energy Efficiency resource credits.

☐ Customer assigns ownership of its Energy Efficiency resource credits to Company for purposes of bidding these credits into PJM.

- b. The Company acknowledges that some of Customer's Energy Projects contemplated in this paragraph may have been performed under certain other federal and/or state programs in which certain parameters are required to be maintained in order to retain preferential financing or other government benefits (individually and collectively, as appropriate, "Benefits"). In the event that the use of any such project by the Company in any way affects such Benefits, and upon written request from the Customer, Company will release said Customer's Energy Project(s) to the extent necessary for Customer to meet the prerequisites for such Benefits. Customer acknowledges that such release (i) may affect Customer's cash rebate discussed in Article 3 below; and (ii) will not affect any of Customer's other requirements or obligations.
  - c. 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.
  - d. Customer will provide Company or Company's agent(s) with reasonable assistance in the preparation of the Commission's standard joint application for approval of this Agreement ("Joint Application") that will be filed with the Commission, with such Joint Application being consistent with then current Commission requirements.
  - e. Upon written request and reasonable advance notice, 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 energy savings and/or peak demand reductions 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 will submit the Joint Application using the Commission's standard "Application to Commit Energy Efficiency/Peak Demand Reduction Programs" ("Joint Application") in which they will seek the Commission's approval of (i) this Agreement; (ii) the commitment of the Customer Energy Project(s) for inclusion in the Company Plan; and (iii) the Customer's Cash Rebate.

The Joint Application shall include all information as set forth in the Commission's standard form which, includes without limitation:

- i. A narrative description of the Customer Energy Project(s), including but not limited to, make, model and year of any installed and/or replaced equipment;
- ii. A copy of this Agreement; and
- iii. A description of all methodologies, protocols, and practices used or proposed to be used in measuring and verifying program results.

3. **Customer Cash Rebate.** Upon Commission approval of the Joint Application, Customer shall provide Company with a W-9 tax form, which shall at a minimum include Customer's tax identification number. Within the greater of 90 days of the Commission's approval of the Joint Application or the completion of the Customer Energy Project, the Company will issue to the Customer the Cash Rebate in the amount set forth in the Commission's Finding and Order approving the Joint Application.

- a. Customer acknowledges: i) that the Company will cap the Cash Rebate at the lesser of 50% of Customer Energy Project(s) costs or \$250,000; ii) if the Customer Energy Project qualifies for a rebate program approved by the Commission and offered by the Company, Customer may still elect to file such project under the Company's mercantile customer self direct program, however the Cash Rebate that will be paid shall be discounted by 25%; and
- b. Customer acknowledges that breaches of this Agreement, include, but are not limited to:
  - i. Customer's failure to comply with the terms and conditions set forth in the Agreement, or its equivalent, within a reasonable period of time after receipt of written notice of such non-compliance;
  - ii. Customer knowingly falsifying any documents provided to the Company or the Commission in connection with this Agreement or the Joint Application.
- c. In the event of a breach of this Agreement by the Customer, Customer agrees and acknowledges that it will repay to the Company, within 90 days of receipt of written notice of said breach, the full amount of the Cash Rebate paid under this Agreement. This remedy is in addition to any and all other remedies available to the Company by law or equity.

4. **Termination of Agreement.** This Agreement shall automatically terminate:

- a. If the Commission fails to approve the Joint Agreement;
- b. Upon order of the Commission; or
- c. At the end of the life of the last Customer Energy Project subject to this Agreement.

Customer shall also have an option to terminate this Agreement should the Commission not approve the Customer's Cash Rebate, provided that Customer provides the Company with written notice of such termination within ten days of either the Commission issuing a final appealable order or the Ohio Supreme Court issuing its opinion should the matter be appealed.

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. **Taxes.** Customer shall be responsible for all tax consequences (if any) arising from the payment of the Cash Rebate.
7. **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: Mercantile Energy Efficiency Program A-GO-8  
Telephone: 330 384 4504  
Fax: 330 777 6051  
Email: mercantile@firstenergycorp.com

**If to the Customer:**

Kowalski Heat Treating Co. Inc.  
3611 Detroit Ave  
Cleveland OH 44113  
Attn: Steve Kowalski  
Telephone: 216-631-4411  
Fax:  
Email: skowalski@khtreat.com

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.

8. **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.
9. **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.
10. **Entire Agreement.** This Agreement, along with related exhibits, 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.
11. **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.
12. **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.
13. **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.
14. **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.

The Cleveland Electric Illuminating Company\_

(Company)

By: 

Title: V.P. Of Energy Efficiency

Date: 10-9-18

Kowalski Heat Treating Co. Inc.\_

(Customer)

By: 

Title: [illegible]

Date: 7/21/18



Affidavit of Kowalski Heat Treating Co. Inc. – Exhibit \_A\_

STATE OF OHIO                     )  
  )     SS:  
COUNTY OF Cuyahoga    )

I, Steve Kowalski ,being first duly sworn in accordance with law, deposes and states as follows:

1. I am the Owner of Kowalski Heat Treating Co. Inc ("Customer") As part of my duties, I oversee energy related matters for the Customer.
2. The Customer has agreed to commit certain energy efficiency projects to  
The Cleveland Electric Illuminating Company ("Company"), which are the subject of the agreement to which this affidavit is attached ("Project(s)").
3. In exchange for making such a commitment, the Company has agreed to provide Customer with Cash ("Incentive"). This Incentive was a critical factor in the Customer's decision to go forward with the Project(s) and to commit the Project(s) to the Company.
4. All information related to said Project(s) that has been submitted to the Company is true and accurate to the best of my knowledge.

FURTHER AFFIANT SAYETH NAUGHT.



Sworn to before me and subscribed in my presence this 21<sup>st</sup> day of July, 2018.

  
Notary

LOGAN WILLIAMS  
Notary Public, State of Ohio  
My Comm. Expires 08-15-2021  
Recorded in Cuyahoga County

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**10/17/2018 4:31:46 PM**

**in**

**Case No(s). 18-0244-EL-EEC**

Summary: Application to Commit Energy Efficiency/Peak Demand Reduction Programs of The Cleveland Electric Illuminating Company and Kowalski Heat Treating Co. Inc. electronically filed by Ms. Jennifer M. Sybyl on behalf of The Cleveland Electric Illuminating Company and Kowalski Heat Treating Co. Inc.