

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The Cleveland Electric Illuminating)
Company for Approval of an Electric) Case No. 94-1320-EL-AEC
Service Agreement with Cuyahoga)
Steel & Wire, Inc.)

FINDING AND ORDER

The Commission finds:

- (1) The Applicant, The Cleveland Electric Illuminating Company, is a public utility as defined in Section 4905.02, Revised Code, and, as such, is subject to the jurisdiction of this Commission.
- (2) On August 8, 1994, the Applicant petitioned this Commission for approval of an Electric Service Agreement with Cuyahoga Steel & Wire, Inc. (Customer).
- (3) The Agreement was essential in encouraging the customer to expand its operations in Salon, Ohio. The Customer was considering expansion at other sites outside of Ohio. The terms of the Agreement are as follows:
 - (a) The Customer shall receive service for its facilities under the terms, conditions and riders of the appropriate rate schedule.
 - (b) The Customer shall receive the following monthly discounts to demand charges on demands greater than 1,068 kW. The Customer will receive such discounts for sixty consecutive months beginning with the May 1995 billing period.

<u>Period</u>	<u>Discounts on Incremental Demand Charges</u>
May 1995 - April 1996	50 %
May 1996 - April 1997	40 %
May 1997 - April 1998	30 %
May 1998 - April 1999	20 %
May 1999 - April 2000	10 %

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- (c) The Applicant shall be the sole source supplier of all electric power to the Facility. In the event the Applicant is not the sole source supplier of all electrical power the Customer may be billed for all incentives received as a result of this contract. The Applicant may pursue other remedies available to it for the Customer's breach, including specific performance, consequential and incidental damages.

We note that this contract contains a provision reserving to the Applicant the right to pursue remedies other than rebilling including specific performance and consequential and incidental damages. The parties are hereby put on notice that the Commission by approving this contract is not making any determination on the Applicant's right to seek such recovery outside of the rebilling provision. Nothing in this Entry shall constitute approval of the Applicant's ability to obtain such damages or specific performance.

- (d) The Agreement shall be in effect beginning with the bill rendered for May 1995 and terminating with the bill rendered for April 2000.
- (4) The application should be approved pursuant to Section 4905.31, Revised Code.
- (5) This Agreement is categorized as an Economic Development Agreement. The Commission will use the rate case proceeding to evaluate the appropriateness of recovery from jurisdictional customers of any revenue deficiency resulting from this Agreement.
- (6) Our approval of this contract does not constitute state action for the purpose of the antitrust laws. It is not our intent to insulate the Applicant or any party to a contract approved by this Finding and Order from the provisions of any state or federal law which prohibit the restraint of trade.

It is, therefore,

ORDERED, That the Agreement attached to the application is approved and shall become effective pursuant to its terms. Two copies of the Agreement as filed shall be accepted for inclusion in this docket. It is, further,

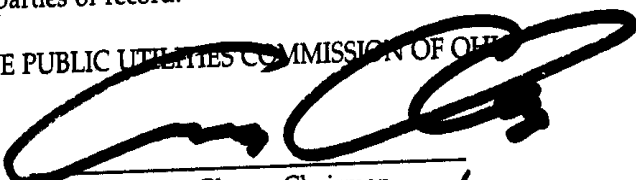
ORDERED, That the Applicant report to the Energy and Water Division of the Commission's Utilities Department semiannually, in January and July, the results of the Agreement including the increase in load and sales, the total dollar increase in revenue due to the Agreement, the total dollar difference in the billing at the appropriate tariff rates and the billing at the contract rates, and the number of jobs believed to have been created and/or saved due to the contract. 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,

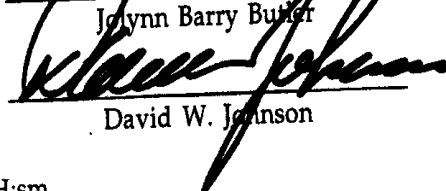
ORDERED, That the Commission's approval of this contract does not constitute state action for the purpose of antitrust laws. It is, further,

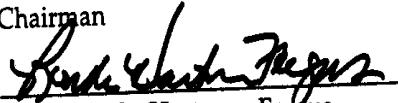
ORDERED, That a copy of this Finding and Order be served upon the Applicant, the Customer and all parties of record.

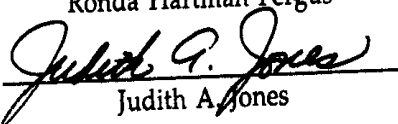
THE PUBLIC UTILITIES COMMISSION OF OHIO


Craig A. Glazer, Chairman


Jolynn Barry Butler


David W. Johnson


Ronda Hartman Fergus

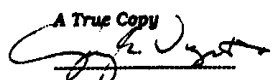

Judith A. Jones

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Entered in the Journal

MAY 22 1997

A True Copy


Gary E. Vigorito
Secretary

SERVICE NOTICE

PAGE 1

CASE NUMBER 94-1320-EL-AEC
CASE DESCRIPTION CEI/CUYAHOGA STEEL & WIRE
DOCUMENT SIGNED ON May 22, 1997
DATE OF SERVICE MAY 23 1997

PERSONS SERVED

PARTIES OF RECORD

ATTORNEYS

APPLICANT

CLEVELAND ELECTRIC ILLUMINATING CO
55 PUBLIC SQUARE
P.O. BOX 5000
CLEVELAND, OH 44101

MICHAEL C. REGULINSKI
ATTORNEY AT LAW
CENTERIOR ENERGY CORPORATION
6200 OAK TREE BLVD., RM 455
INDEPENDENCE, OH 44131

JOHN P. WACK
CENTERIOR ENERGY
6400 OAKTREE BLVD.
INDEPENDENCE, OH 44131

APPLICANT

CUYAHOGA STEEL & WIRE, INC.
HELEN S. CARROLL
31000 SOLON ROAD
SOLON, OH 44139

NONE