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PUCO

October 29, 2001

The Public Utilities Commission
of Ohio
Attention: Docketing Division
180 East Broad Street
Columbus, Ohio 43215-3793

SUBJECT: Case No. 01-2805-EL-AEC

Dear Sirs:

Enclosed please find an original and eleven (11) copies of an Application of The Cleveland Electric Illuminating Company for approval of an Amendment to the Electric Service Agreement with Ford Motor Company.

Please date stamp three (3) copies and return in the enclosed envelope.

Sincerely,

Steven E. Ouellette
Director, Pricing & Regulatory Affairs

Enclosures

cc: R. Fortney

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO PUCO

In the Matter of the Application Of The)
Cleveland Electric Illuminating Company)
for Approval of Amendment No. 2 to the)
Electric Service Agreement with Ford)
Motor Company)

Case No. 01- 2805 -EL-AEC

APPLICATION

The Cleveland Electric Illuminating Company, hereinafter referred to as the "Company", the applicant herein files with, for approval by this Commission of Amendment No. 2 to the Electric Service Agreement, hereinafter referred to as the "Agreement", between the Company and Ford Motor Company, hereinafter referred to as the "Customer".

The Electric Service Agreement, herein referred to as the "Agreement", was filed with the Public Utilities Commission on July 30, 1996 as Case No. 96-746-EL-AEC.

The Amendment, as set forth in and attached hereto, will provide for special arrangements not otherwise provided by the Company's rate schedules and riders applicable to the Customer at the time service is provided.

WHEREFORE, the Company prays that the Commission issues its Order herein approving said Agreement and permit said Agreement to be filed and made effective as its effective date.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

By: 

Title: Manager, Rate Dept.
10-23-01

By: 

Title: CORPORATE SECRETARY

**Amendment No. 2 to the
To The Electric Service Agreement between
The Cleveland Electric Illuminating Company
and the Ford Motor Company.**

This Amendment made and entered into this 2nd day of FEBRUARY ²⁰⁰¹, The Cleveland Electric Illuminating Company, hereinafter called the "Company", and the Ford Motor Company called the "Customer" hereby enter into this Amendment No. 2:

WHEREAS, the Company and the Customer hereinafter called "Parties", entered into an Electric Service Agreement dated July 22, 1996 and approved by the Public Utilities Commission of Ohio under Case No. 96-746-EL-AEC ("Agreement"); and,

WHEREAS, it would be beneficial to the Company and its customers to make the Customer more competitive and to encourage increased capital investment in the Company's service territory that will improve productivity, efficiency and quality; and,

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter set forth, as well as other good and valuable consideration, which is hereby acknowledged as received, the Parties intending to be legally bound hereby agree to amend the Agreement as described in the following sections:

1. The existing paragraph A7 of Appendix A of the Agreement regarding Voltage Sag Events is hereby deleted in its entirety and replaced by the following:

A Voltage Sag event is defined as a voltage reduction below 70% of nominal voltage on any one of the incoming phases being used to provide power to the Facilities, as demonstrated by on-site monitors. Voltage Sag events caused by Ford or utility systems other than the Illuminating Company or Toledo Edison will not be included in the count of annual Voltage Sag events as set forth in the schedule below. Payments for Voltage Sag events will be based on the following schedule for the term of this Agreement.

<u>Facility</u>	<u>Sag Penalty</u>	<u>Free Voltage Sags Per Year</u>
Brookpark	\$300,000	1
Ohio Assembly	\$ 50,000	1
Walton Hills	\$ 35,000	3*, see below

* The Voltage Sag Penalty for Walton Hills will not commence until January 1, 2002. During 2001 there will be no penalty for voltage sags at Walton Hills. Upon completion of the new service to the Walton Hills plant, the Company will measure voltage sags for a period of 12 months. The number of Voltage Sags recorded during this 12-month period will be multiplied by .8 with the result

being the new number of Free Sags Per Year for the remainder of the Agreement. Notwithstanding the foregoing, the number of Free Sags Per Year may not exceed 5 per year, or be less than 3 per year.

The Company is obligated under this Agreement to make payment for only one event within a 15-minute period, regardless of how many events occur, or whether the events are Zero Voltage Events, Voltage Sags, or both. The annual cap on total payments for Zero Voltage Events shall be One Million Dollars (\$1,000,000). The annual cap for Voltage Sags shall be One Million Dollars (\$1,000,000). These annual payment caps apply in the aggregate to the Customer's Maumee Plant, Ohio Assembly Plant, Brookpark Plant, Sandusky Plant, and Walton Hills Plant.

2. Except as expressly amended herein by this Amendment No. 2, all rates, terms and conditions of the said Agreement and Amendment No. 1 between the Company and the Customer, are and remain in full force and effect as if rewritten herein in their entirety.
3. This Amendment No. 2 is subject to the approval of the Public Utilities Commission of Ohio.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 2 to be executed by their duly authorized agents as of the day and year first above written.

**THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY**

By: _____

Title: _____

ET Curry
VICE PRESIDENT

FORD MOTOR COMPANY

By: _____

Title: _____

Ray L. Dean
VP - ENERGY FMLS

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