

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
Ohio Edison Company for Approval of)
an Agreement with a New Customer) Case No. 96-189-EL-AEC
(AJM Packaging Corporation).)

In the Matter of the Application of)
Ohio Edison Company for Approval of) Case No. 96-260-EL-AEC
an Agreement with an Existing)
Customer (Patio Enclosures).)

FINDING AND ORDER

The Commission finds:

- (1) The Applicant, Ohio Edison 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) The Applicant now petitions this Commission for approval of Agreements with Patio Enclosures and AJM Packaging Corporation (Customers). Each Agreement provides Economic Development provisions.
- (3) Each Agreement offers demand discounts over a five-year period to encourage the Customer to expand or locate its operations at an existing facility in Applicant's service territory. Each Agreement offers declining demand discounts on incremental load for the term of the Agreement as follows:

| <u>Year</u> | <u>Percent Discount</u> |
|-------------|-------------------------|
| 1 | 50% |
| 2 | 40% |
| 3 | 30% |
| 4 | 20% |
| 5 | 10% |

- (4) Terms of each Agreement specify that the Customer must commence expanding its operations at a specified location on or before a given date for the Customer to qualify for the demand discounts. Patio Enclosures must commence expansion on or

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before March 1, 1997 and AJM Packaging Corporation must commence locating its operations on or before March 1, 1996.

- (5) The Applicant states that the proposed Agreements will not be to the detriment of any Ohio Edison customer. Increased load from new or expanding industrial use in the Applicant's service area will permit the Applicant to better utilize its facilities, resulting in more efficient operations.
- (6) The Applicant will provide to the Staff of the Commission semiannual reports as to the level of economic sales provided by the incentive rate and any effects on other customers. The reports will be in the format ordered for Ohio Edison's Special Arrangements for Economic Development.
- (7) These applications should be approved as filed pursuant to Section 4905.31, Revised Code.
- (8) These Agreements are categorized as Economic Development Contracts. The Commission will use the rate case proceeding to evaluate the appropriateness of recovery from jurisdictional customers of any revenue deficiency resulting from these contracts.
- (9) Our approval of these contracts do 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 Agreements attached to the applications are approved. Two copies of each Agreement as filed with their application shall be accepted for inclusion in this docket. Pursuant to the contracts, if a Customer does not commence expanding its operations in the Applicant's service territory on or before the given date, the Applicant is to contact the Commission and, if necessary, withdraw the contract(s). It is, further,

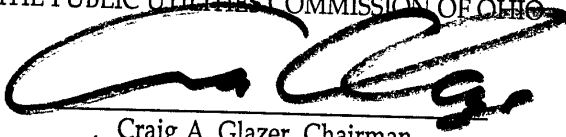
ORDERED, That the Applicant include each Customer in its semiannual reports regarding its Special Arrangements for Economic Development. The semiannual reports should be submitted to the Energy and Water Division of the Commission's Utilities Department. It is, further,

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,

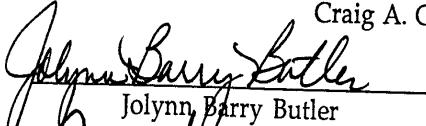
ORDERED, That the Commission's approval of this contract does not constitute state action for the purpose of the antitrust laws. It is, further,

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

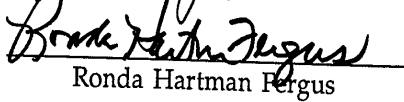
THE PUBLIC UTILITIES COMMISSION OF OHIO



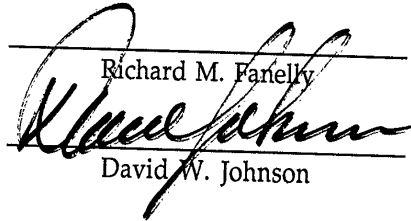
Craig A. Glazer, Chairman



Jolynn Barry Butler



Ronda Hartman Fergus



Richard M. Fanelly




David W. Johnson

DLH:ct

Entered in the Journal

OCT 17 1996

A True Copy



Gary E. Vigorito
Secretary

SERVICE NOTICE

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CASE NUMBER 96-260-EL-AEC
CASE DESCRIPTION OHIO EDISON/PATIO ENCLOSURES
DOCUMENT SIGNED ON October 17, 1996
DATE OF SERVICE 10-18-96

PERSONS SERVED

PARTIES OF RECORD

ATTORNEYS

APPLICANT

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NONE