

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Edison Company for Approval of an) Case No. 97-562-EL-AEC
Agreement with an Existing Customer)
(Kable Fulfillment Services of Ohio).)

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 petitioned this Commission on May 23, 1997 for approval of an Agreement with Kable Fulfillment Services of Ohio (Customer). The Agreement provides Economic Development provisions.
- (3) The Agreement offers demand discounts over a nine-year period to encourage the Customer to expand its operations at a new facility in Applicant's service territory. The Agreement states that the Customer shall receive discounts on load as follows:

<u>Period</u>	<u>Discounts on Demand Charges</u>
Months 1 - 12	50%
Months 13 - 24	40%
Months 25 - 36	30%
Months 37 - 108	20%

- (4) Terms of the Agreement specify that the Customer must have commenced expanding its operations in Marion on or before October 16, 1996, for the Customer to qualify for the demand discounts.
- (5) The Applicant states that the proposed Agreement 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) The Agreement is substantively identical to agreements approved by this Commission in prior Ohio Edison cases. The application is approved as filed pursuant to Section 4905.31, Revised Code.
- (8) This Agreement is categorized as an Economic Development Contract. The Commission will use the rate case proceeding to evaluate the appropriateness of recovery from jurisdictional customers of any revenue deficiency resulting from this contract.
- (9) 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. Two copies of the Agreement as filed with the application shall be accepted for inclusion in this docket. Pursuant to the contract, if the Customer had not commenced expanding its operations in the Applicant's service territory on or before October 16, 1996, the Applicant should have contacted the Commission and, if necessary, withdrawn the contract. It is, further,

ORDERED, That the Applicant include the 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 the Commission's approval of this contract does not constitute state action for the purpose of the antitrust laws. 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 the Applicant, the Customer and all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

Craig A. Glazer, Chairman

Jolynn Barry Butler

Ronda Hartman Fergus

David W. Johnson

Judith A. Jones

MR:jm