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THE PUBLIC UTILITIES COMMISSION OF OHIO

PUCO

In the Matter of the Application of Ohio )  
Edison Company, The Cleveland Electric )  
Illuminating Company, and The Toledo )  
Edison Company for Authority to )  
Increase Rates for Distribution Service, )  
Modify Certain Accounting Practices )  
and for Tariff Approvals )

Case No. 07- 551 EL-AIR  
Case No. 07- 552 EL-ATA  
Case No. 07- 553 EL-AAM  
Case No. 07- 554 EL-UNC

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**Motion of Ohio Edison Company, The Cleveland Electric Illuminating Company, and  
The Toledo Edison Company to Establish Test Period Dates and Seeking  
Waivers from Certain Standard Filing Requirements**

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Come now Ohio Edison Company, The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("Toledo Edison") (collectively "Companies"), by counsel, and respectfully request the Commission to approve, consistent with O.R.C. 4909.15(C), the Companies' request to establish the test period for its upcoming distribution rate case to be the twelve months ended February 29, 2008. With this Motion, the Companies also seek Commission approval of certain waivers of standard filing requirements as permitted by O.A.C. 4901-7-01, Appendix A, Chapter II(A)(4). The date certain for the determination of rate base will be May 31, 2007. Detailed support for each of these requests is set forth in the attached Memorandum in Support.

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## **Memorandum in Support**

### **I. Establishment of Test Period**

The Companies are seeking to establish the test period for their upcoming distribution rate case to be the twelve months ended February 29, 2008. Under O.R.C. 4909.15(C), unless otherwise ordered by the Commission, the default test period is “the twelve-month period beginning six months prior to the date the application is filed and ending six months subsequent to that date.” The statute goes on to permit a test period ending nine months subsequent to the date the application is filed. With the filing of the Notice of Intent on May 8, 2007, the earliest the application could be filed is June 7, 2007. Nine months from June 7, 2007 is approximately March 7, 2008, therefore the Companies’ request for a test period concluding on February 29, 2008 is within the statutory timeframe.

The anticipated effective dates for new distribution rates determined in this proceeding are January 1, 2009 for Ohio Edison and Toledo Edison, and May 2009 for CEI. The Companies therefore desire to utilize a test period that will most accurately reflect the Companies’ financial situation at the time the rates go into effect. Furthermore, such a test period will allow the Companies to incorporate the financial data in its application most representative of the costs to serve customers on and after the effective date. A test period that includes nine months (rather than six) of financial data after the filing date *and* closer to the expected effective date of the new tariffs best accomplishes this goal.

## II. Waiver Requests

O.A.C. 4901-7-01, Appendix A, contemplates that the Commission may, upon good cause shown, grant waivers from the standard filing requirements. The standard for granting such waivers is as follows:

- (c) A request for waiver of any of the provisions of the standard filing requirements must set forth the specific reasons in support of the request. The commission shall grant the request for a waiver upon good cause shown by the utility. In determining whether good cause has been shown, the commission shall give due regard to, among other things:
  - (i) Whether other information, that the utility would provide if the waiver is granted, is sufficient so that the commission staff can effectively and efficiently review the rate application.
  - (ii) Whether the information, which is the subject of the waiver request, is normally maintained by the utility or reasonably available to it from the information that it maintains.
  - (iii) The expense to the utility in providing the information, which is the subject of the waiver request.

The Companies seek waivers of certain standard filing requirements otherwise required by O.A.C. 4901-7-01. While the specific reasons for the necessity of such individual waivers are set forth below, generally such waivers are appropriate and based upon the facts that (i) the Companies no longer own and control generation; (ii) there have been changes in Commission requirements, and (iii) the period since the Companies' last rate case that established new base distribution rates is extraordinarily long. Ohio Edison last changed its base distribution rates in 1990; CEI and Toledo Edison, in 1996. The Companies ask that the waivers requested herein be granted.

### A. Integrated Resource Planning Requirements

The Companies seek waivers of the standard filing requirements related to providing information regarding integrated resource planning contained in Appendix A,

Chapter II(B)(9)(g) and Section I. The Commission rules related to integrated resource planning have been repealed, generation service is now competitive, and the Companies no longer own or control generation.

B. Generation and Fuel Related Requirements

The Companies do not own or control generation and the only rates the Companies are seeking to increase in this proceeding are distribution rates. Therefore, the Companies seek a waiver from the standard filing requirements related to generation and fuel data, specifically including (1) Appendix A Chapter II(C)(23)-Fuel Stock, (28)-Yearly kwh generated by unit or station and purchased power received and delivered, and (29)-Fuel Expenses; (2) Appendix A, Chapter II, Section B(H)(1), (H)(2), and (H)(3), all related to generation rate base, and (I)(1), related to mirror CWIP allowances, which the Companies are not seeking; and (3) Appendix A, Chapter II, Section D-5, page 4 of 4 relating to the provision of a historical mix of fuel.

C. System Security

The Companies seek a waiver from the requirement that system maps must be filed with the rate case application. Publicly filing system maps unnecessarily creates a system security issue, which the Companies seek to avoid. Appendix A, Chapter II(C)(13). If necessary, the Companies would make the maps available for review in FirstEnergy offices.

D. Outdated Information and Accounting Procedures

The lapse of time since the Companies' last base rate case that adjusted distribution rates has rendered certain standard filing requirements impractical. Attempting to provide such information would be unduly burdensome on the Companies due to changes over time in accounting procedures and systems. The Companies seek a waiver of the following standard filing requirements that fall into this category: (1) Appendix A, Chapter II(C)(18) related to

documenting annual changes in Gross Plant in Service and (C)(21) related to Depreciation Reserve data from the date certain in the last rate case; (2) Appendix A, Chapter II, Section B, (B)(5) relating to Gross Additions reflected on Schedule B-2.3 and (C)(4) relating to Depreciation reserve accruals, retirements and transfers reflected on Schedule B-3.3; (3) Appendix A, Chapter II, Section (C), (C)(5) relating to the most recent statistical supplement, the Companies no longer complete a statistical supplement because the same information can be found in annual reports and the FERC Form 1; and (4) Appendix A, Chapter II, Section D, Schedule D-5 relating to showing CWIP on a functional basis, the Companies seek a waiver to show CWIP on a total basis as CWIP information is not available on a functional basis. As mentioned above, this would entail the Companies attempting to track data back to 1990 for Ohio Edison and 1995 for CEI and Toledo Edison. The Companies also request a waiver to permit them to submit data on an account-by-account basis back only to 1999, since such information is not available in that format prior to 1999. Information prior to 1999 will be shown on a functional basis only. The Companies seek a waiver of this information on the basis that it constitutes production data. The Companies would be willing to provide this information on an as needed basis if requested and available.

E. Distribution Rates

Because the Companies are only seeking to increase distribution rates, the Companies seek a waiver from those provisions of the standard filing requirements, in addition to those set forth above, that would require the filing of generation supply and transmission information. The specific requirements from which a waiver is sought include Appendix A, Chapter II, Section C, (F)(3) relating to Sales and Revenue Statistics reflected on Schedule C 12.1 and Appendix A, Chapter II, Section F, (B) relating to projected Net Earnings at current rates and

proposed rates as reflected on Schedules F-1 and F-2. The requested waiver of these requirements would permit the Companies to provide net income information on a jurisdictional basis and exclude revenue and expenses associated with generation supply and transmission.

F. Change in Format of Tariff Schedules

Due to the significant changes being proposed to the existing tariff schedules it is difficult to score most of the changes being proposed in the new tariff pages. Further, scoring virtually every word on a tariff page is not particularly informative. Since many existing tariff pages will be deleted in their entirety, the Companies seek a waiver to have the word "Delete" appear across the entire face of the existing tariff page that is being deleted. In similar fashion, under the proposed tariff the Companies seek a waiver to have the word "New" appear across the face of the proposed tariff page. This requested waiver would impact Appendix A, Chapter II, Section E, (B)(1) and (B)(2) related to current and proposed rate schedules as reflected on Schedules E-1 and E-2. In similar fashion, the Companies seek a waiver to vary from the format for Appendix A, Chapter II, Section E, Schedules E-4 and E-4.1 to recognize the significant modifications to existing tariff format, and to utilize a revised Schedule E-4 and E-4.1 format that is a more relevant format than that contained in the standard filing requirements.

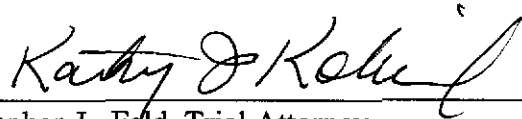
G. Income Tax Returns

The Companies seek waivers of the standard filing requirements related to providing information regarding federal and state income tax returns contained in Appendix A, Chapter II(C) (37) & (44). Due to confidentiality concerns, the Companies would make this information available for review at FirstEnergy offices if necessary.

III. Conclusion

Based upon the foregoing, the Companies respectfully request that the test period for an application seeking to increase base distribution rates filed on or after June 7, 2007 be the twelve months ended February 29, 2008 and that the foregoing requests for waivers from the Commission's standard filing requirements be granted.

Respectfully submitted,



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