

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Edison Company, The Cleveland Electric)
Illuminating Company, and The Toledo) Case No. 07-1166-EL-ATA
Edison Company for Approval of Adjustment)
to Municipal Distribution Tax Rider Level.)

FINDING AND ORDER

The Commission finds:

- (1) The Applicants, The Toledo Edison Company (TE), The Cleveland Electric Illuminating Company (CEI) and Ohio Edison Company (OE), are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) On January 30, 2003, in Case Nos. 02-2877-EL-UNC, 02-3286-EL-UNC, 02-3287-EL-UNC, and 02-3288-EL-UNC, the Commission directed that the 2004 Municipal Distribution Tax Riders be based upon 2002 actual municipal tax liabilities and a reconciliation of 2002 billings to address variances between actual municipal tax obligations and actual recovery. Subsequent years were to follow a similar pattern, including reconciliations to address variances between actual municipal tax obligations and actual recovery.
- (3) Pursuant to that order, on December 17, 2003, in Case No. 03-2498-EL-ATA, on December 1, 2004, in Case No. 04-1800-EL-ATA, on November 14, 2005, in Case No. 05-1387-EL-ATA, and on November 8, 2006 in Case No. 06-1336-EL-ATA the Applicants filed applications seeking approval of revisions to the Municipal Distribution Tax portion of each company's State and Local Tax Rider based upon prior actual municipal tax liabilities and a reconciliation of prior billings to address variances between actual municipal tax obligations and actual recovery. The Commission approved those applications.
- (4) On November 5, 2007, the Applicants, in Case No. 07-1166-EL-ATA, filed applications seeking approval of revisions to the Municipal Distribution Tax portion of each company's State and Local Tax Rider based upon 2006 actual municipal tax

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liabilities and a reconciliation of previous billings to address variances between actual municipal tax obligations and actual recovery.

- (5) The revised rates modify the current percentages, which apply to distribution revenues, for each company as follows: The percentage for OE is reduced from 1.165% to -0.433%; the percentage for CEI is increased from 0.624% to 1.871%; and, the percentage for TE is increased from 1.974% to 2.227%.
- (6) The applications have been filed pursuant to the Commission's order of January 30, 2003, in Case Nos. 02-2877-EL-UNC, 02-3286-EL-UNC, 02-3287-EL-UNC, and 02-3288-EL-UNC. The Commission finds they are not unreasonable and should be approved.

It is, therefore,

ORDERED, That the applications of the Toledo Edison Company, Cleveland Electric Illuminating Company and Ohio Edison Company are approved as filed. It is, further,

ORDERED, That the Applicants are authorized to file in final form four complete copies of the tariff consistent with this Finding and Order. Applicant shall file one copy in its TRF docket (or may make such filing electronically as directed in Case No 06-900-AU-WVR) and one copy in this case docket. The remaining two copies shall be designated for distribution to the Rates and Tariffs, Energy and Water Division of the Commission's Utilities Department. It is, further,

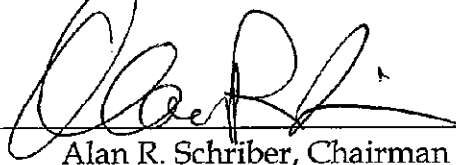
ORDERED, That the new riders shall be effective for services rendered beginning January 1, 2008. It is, further,

ORDERED, That the Applicants shall notify all affected customers via a bill message or via a bill insert within 30 days of the effective date of the tariffs. A copy of the customer notices shall be submitted to the Commission's Service Monitoring and Enforcement Department, Reliability and Service Analysis Division, at least 10 days prior to its distribution to customers. It is, further,

ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation 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 Applicants and all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Alan R. Schriber, Chairman



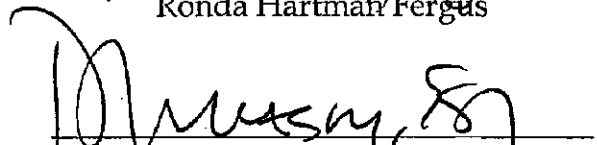
Paul A. Centolella



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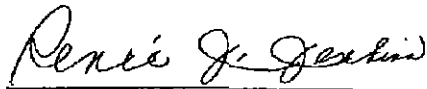


Donald L. Mason

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Entered in the Journal

DEC 19 2007



Renee J. Jenkins
Secretary