

**FILE**

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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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. 07-0551-EL-AIR
	)	Case No. 07-0552-EL-ATA
	)	Case No. 07-0553-EL-AAM
	)	Case No. 07-0554-EL-UNC

**SUMMARY OF MAJOR ISSUES SUBMITTED BY  
THE CITY OF CLEVELAND**

Pursuant to Section 4903.083, Ohio Revised Code, and the December 21, 2007 Entry in the above-captioned proceeding, The City of Cleveland, Ohio respectfully submits its summary of major issues:

**Major Issue Number 1: What is the appropriate approach for determining the apportionment (or spread) of a rate increase across customer classes?**

Cleveland agrees with the conceptual approach followed by Staff in: (1) identifying a rate spread associated with CEI's proposed revenue requirement; (2) removing the revenue requirement associated with the deferred fuel regulatory asset; and, (3) identifying a rate spread associated with CEI's proposed revenue requirement adjusted for the deferred fuel removal.

Staff should then use each class's share of the total revenue requirement derived in Table 2 as the basis for apportioning any reduced revenue requirement among classes so that each class of ratepayers to experiences an appropriate and proportional benefit from any reduction in revenue requirement determined by the Commission. This approach is not randomly and arbitrarily biased toward the first revenue requirement analyzed.

**Major Issue Number 2: What is the appropriate rate reduction for the Traffic Lighting rate schedule?**

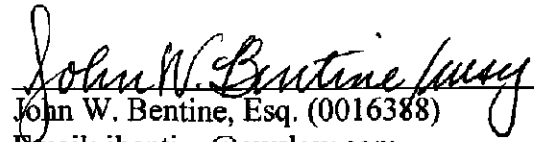
In its final recommendation in the table on page 30, Staff makes an unexplained and unjustified ad hoc modification and recommends no change to the Traffic Light rate schedule,

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despite Staff's willingness to recommend rate reductions for three other rate schedules. Staff's ad hoc adjustment applied to Traffic Lighting is without justification or merit and should be rejected by the Commission.

Instead, the Commission should approve a rate reduction for Traffic Lighting that is consistent with Staff's results in Table 2, but which is further adjusted to: (1) reflect the correct exclusion of the revenue requirement associated with deferred fuel component; and (2) reflect the final revenue requirement approved by the Commission based on a determination of each customer class's share of the final approved overall revenue requirement.

Respectfully submitted,

  
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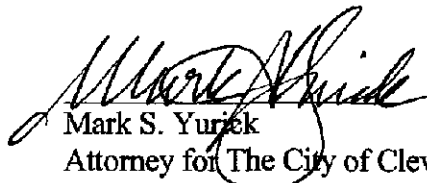
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## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and correct copy of the foregoing *Summary of Major Issues Submitted by the City of Cleveland* has been served upon the following persons, via regular U.S. mail, postage prepaid, this 3<sup>rd</sup> day of January, 2008.

  
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