Large Filing Separator Sheet

Case Number : 07-551-EL-AIR
07-552-EL-ATA
07-553-EL-AAM

File Date : 2/12/2008

Section : 3 of 4

Number of Pages : 200

Description of Document : Transcript

Account: OECO 101/6-368 Line transformers

Dispersion: 40.00 - SC

erage Net Salvage Rate: -40.00%

ure Net Salvage Rate: -40.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1940	66.50	$9,303.78	40.00	6.75	0.2363	1.0000	$2,198.02	$325.63
1939	67.50	$6,667.08	40.00	6.25	0.2188	1.0000	$1,458.42	$233.35
1938	68.50	$5,184.16	40.00	5.75	0.2013	1.0000	$1,043.31	$181.45
1937	69.50	$54,921.82	40.00	5.25	0.1838	1.0000	$10,091.88	$1,922.26
1936	70.50	$1,270.10	40.00	4.75	0.1663	1.0000	$211.15	$44.45
1935	71.50	$1,089.43	40.00	4.25	0.1488	1.0000	$162.05	$38.13
1934	72.50	$0.00	40.00	3.75	0.1313	1.0000	$0.00	$0.00
1933	73.50	$171.84	40.00	3.25	0.1138	1.0000	$19.55	$6.01
1932	74.50	$200.84	40.00	2.75	0.0963	1.0000	$19.33	$7.03
1931	75.50	$880.07	40.00	2.25	0.0788	1.0000	$69.31	$30.80
1930	76.50	$795.18	40.00	1.75	0.0613	1.0000	$48.70	$27.83
1929	77.50	$1,422.26	40.00	1.25	0.0438	1.0000	$62.22	$49.78
1928	78.50	$2,891.86	40.00	0.75	0.0263	1.0000	$75.91	$101.22
1927	79.50	$0.00	40.00	0.25	0.0088	1.0000	$0.00	$0.00
1926	80.50	$150.79	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$29.67	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1924	82.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1922	84.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1921	85.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1920	86.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1914	92.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
		$326,894,068.49	40.00	31.74	1.1110	1.0000	$363,168,909.83	$11,441,286.08

Depreciation Reserve Summary

Account: OECO 101/6-368 Line transformers
Scenario: Ohio 2007 Distribution Accts ADR
Dispersion: 40 - SC
[illegible]rage Net Salvage Rate: -40.00%
Future Net Salvage Rate: -40.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$326,894,068.49	$114,741,578.39	0.3510	$342,910,117.50	1.0490
Computed	$326,894,068.49	$94,482,786.06	0.2890	$363,168,909.83	1.1110
Difference		$20,258,792.33	0.0620	($20,258,792.33)	-0.0620

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 369 Services

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 40 R3.

Actuarial Life Analysis

70 S6 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 to 50 Years.

Recommendation

Continue to use 40 R3 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The recommended life from the actuarial analysis is out of the range of EEI Industry Standards. The data analyzed has insufficient history, and the current Iowa Curve and average service life is still a good fit.

Salvage Factor Estimates

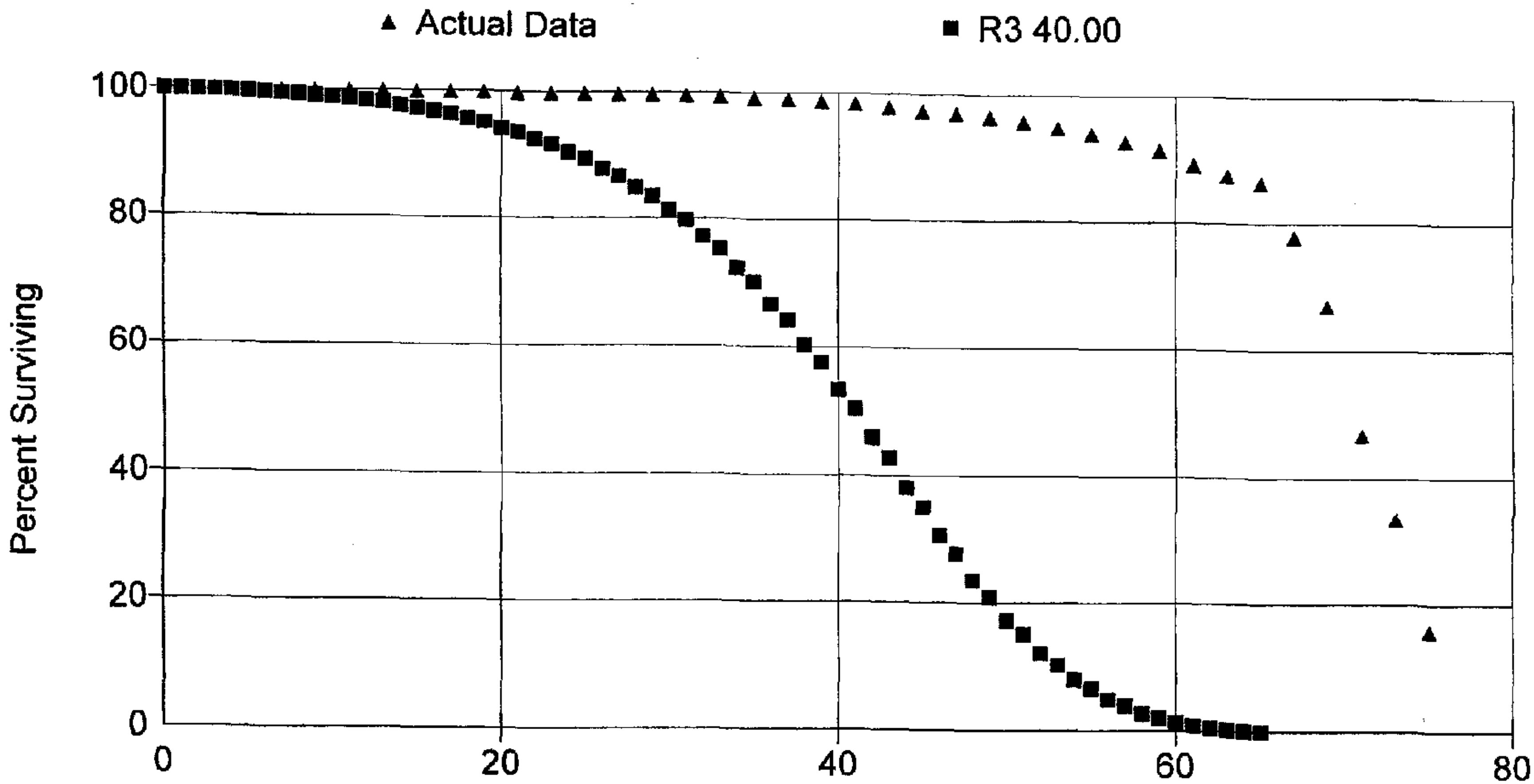
Current Net salvage Rate is	-25%
Proposed Net salvage Rate	-25%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 100% to -60%. The current rate of -25% is recommended.

Summary of Recommendations

40	Average Service Life
R3	Iowa Curve
-25	% Net Salvage

Ohio Edison Company
Account 369 Services



Age (Years)
Vintages: 1921-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

Account: OECO 101/6-369 Services

Placement Band: 1921 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	19,896,093.83	2,604.76	0.00013	0.99987	100.00
0.5	12,599,691.48	0.00	0.00000	1.00000	99.99
1.5	15,158,872.97	0.00	0.00000	1.00000	99.99
2.5	17,825,975.21	0.00	0.00000	1.00000	99.99
3.5	19,983,600.67	19,659.00	0.00098	0.99902	99.99
4.5	23,748,708.35	1,169.00	0.00005	0.99995	99.89
5.5	25,470,216.80	-6,859.82	-0.00027	1.00027	99.89
6.5	28,257,274.75	1,011.00	0.00004	0.99996	99.92
7.5	28,569,279.05	1,532.53	0.00005	0.99995	99.92
8.5	28,460,259.89	1,132.63	0.00004	0.99996	99.92
9.5	28,346,414.55	745.65	0.00003	0.99997	99.92
10.5	29,503,121.49	914.36	0.00003	0.99997	99.92
11.5	30,274,414.60	859.56	0.00003	0.99997	99.92
12.5	29,592,491.04	1,462.54	0.00005	0.99995	99.92
13.5	28,253,948.54	1,911.43	0.00007	0.99993	99.92
14.5	28,234,336.77	2,623.14	0.00009	0.99991	99.91
15.5	27,762,775.37	1,664.02	0.00006	0.99994	99.90
16.5	27,302,420.02	4,239.69	0.00016	0.99984	99.89
17.5	26,928,176.41	2,383.66	0.00009	0.99991	99.87
18.5	26,023,320.28	6,677.17	0.00026	0.99974	99.86
19.5	25,150,059.85	6,948.65	0.00028	0.99972	99.83
20.5	23,117,435.23	4,817.66	0.00021	0.99979	99.80
21.5	20,962,819.40	3,256.36	0.00016	0.99984	99.78
22.5	18,365,880.84	2,488.51	0.00014	0.99986	99.76
23.5	16,458,847.29	3,623.58	0.00022	0.99978	99.75
24.5	14,813,352.47	2,367.79	0.00016	0.99984	99.73
25.5	13,377,477.31	4,316.20	0.00032	0.99968	99.71
26.5	12,608,182.82	6,547.07	0.00052	0.99948	99.68
27.5	11,052,563.21	4,757.48	0.00043	0.99957	99.63
28.5	10,559,424.01	3,695.45	0.00035	0.99965	99.59
29.5	10,555,144.43	4,613.36	0.00044	0.99956	99.56
30.5	10,853,197.55	5,769.33	0.00053	0.99947	99.52
31.5	10,605,078.46	5,844.55	0.00055	0.99945	99.47
32.5	10,373,846.84	6,572.59	0.00063	0.99937	99.42
33.5	9,854,824.94	8,128.17	0.00082	0.99918	99.36
34.5	8,565,164.21	6,922.65	0.00081	0.99919	99.28
35.5	8,106,747.32	7,561.71	0.00093	0.99907	99.20
36.5	7,803,097.57	8,253.61	0.00106	0.99894	99.11
37.5	7,502,127.25	9,349.93	0.00125	0.99875	99.00
38.5	6,500,942.98	8,381.65	0.00129	0.99871	98.88
39.5	5,669,700.30	8,235.31	0.00145	0.99855	98.75
40.5	4,866,552.35	9,203.84	0.00189	0.99811	98.61
41.5	4,124,113.81	8,908.79	0.00216	0.99784	98.42
42.5	3,948,508.81	12,602.94	0.00319	0.99681	98.21
43.5	3,689,368.76	10,114.90	0.00274	0.99726	97.90
44.5	3,388,580.09	9,054.97	0.00267	0.99733	97.63
45.5	3,244,367.00	5,737.80	0.00177	0.99823	97.37
46.5	3,384,756.99	7,262.62	0.00215	0.99785	97.20
47.5	3,282,293.46	8,234.84	0.00251	0.99749	96.99
48.5	3,442,815.64	8,127.81	0.00236	0.99764	96.75
49.5	3,301,159.73	12,728.01	0.00386	0.99614	96.52
50.5	2,661,490.84	10,579.03	0.00397	0.99603	96.15
51.5	2,114,233.09	9,097.37	0.00430	0.99570	95.77
52.5	1,793,416.33	9,533.80	0.00532	0.99468	95.36

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts
Account: OECO 101/6-369 Services
Placement Band: 1921 - 2006 Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	1,247,264.23	6,792.52	0.00545	0.99455	94.85
54.5	916,329.22	3,885.02	0.00424	0.99576	94.33
55.5	800,902.86	6,759.86	0.00844	0.99156	93.93
56.5	540,680.75	3,100.57	0.00574	0.99426	93.14
57.5	479,175.23	3,463.41	0.00723	0.99277	92.61
58.5	421,189.86	2,399.88	0.00570	0.99430	91.94
59.5	373,580.82	5,927.51	0.01587	0.98413	91.42
60.5	177,974.17	1,545.34	0.00868	0.99132	89.97
61.5	332,640.62	2,888.14	0.00868	0.99132	89.19
62.5	320,286.15	3,011.18	0.00940	0.99060	88.42
63.5	294,991.88	1,342.21	0.00455	0.99545	87.59
64.5	284,997.88	2,443.44	0.00857	0.99143	87.19
65.5	281,682.42	8,094.40	0.02873	0.97127	86.44
66.5	275,435.26	19,742.85	0.07168	0.92832	83.96
67.5	253,542.11	8,582.81	0.03385	0.96615	77.94
68.5	224,905.06	24,754.46	0.11006	0.88994	75.30
69.5	68,680.97	12,545.39	0.18266	0.81734	67.01
70.5	65,819.24	9,667.43	0.14687	0.85313	54.77
71.5	78,961.05	13,060.83	0.16541	0.83459	46.73
72.5	81,614.78	11,495.50	0.14086	0.85914	39.00
73.5	78,587.64	16,289.94	0.20728	0.79272	33.51
74.5	68,283.26	27,902.56	0.40864	0.59136	26.56
75.5	43,113.16	32,109.43	0.74476	0.25524	15.71
76.5	11,003.73	11,003.73	1.00000	0.00000	4.01
77.5	0.00	0.00	0.00000	0.00000	0.00

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash) Amount	Gross Salvage (Cash) Pct.	Gross Salvage (Returns) Amount	Gross Salvage (Returns) Pct.	Cost of Removal Amount	Cost of Removal Pct.	Net Salvage Amount	Net Salvage Pct.	1-Yr Avg
OECO 369 Services	1999	40,131.59	14,249.07	35.51	0.00	0.00	11,679.83	29.10	2,569.24	6.40	6.40
OECO 369 Services	2000	41,514.39	132,857.92	320.03	0.00	0.00	147,147.59	354.45	(14,289.67)	-34.42	-34.42
OECO 369 Services	2001	1,564.96	69,422.24	4436.04	0.00	0.00	71,580.61	4573.96	(2,158.37)	-137.92	-137.92
OECO 369 Services	2002	40,345.78	51,394.23	127.38	0.00	0.00	44,020.06	109.11	7,374.17	18.28	18.28
OECO 369 Services	2003	57,005.01	28,911.61	50.72	0.00	0.00	147,313.24	258.42	(118,401.63)	-207.70	-207.70
OECO 369 Services	2004	62,758.02	9,796.92	15.61	0.00	0.00	41,695.45	66.44	(31,898.53)	-50.83	-50.83
OECO 369 Services	2005	43,828.86	137,853.30	314.53	0.00	0.00	491,197.83	1120.72	(353,344.53)	-806.19	-806.19
OECO 369 Services	2006	209,377.45	9,120.21	4.36	0.00	0.00	718,896.95	343.35	(709,776.74)	-338.99	-338.99
		496,526.06	453,605.50	91.36	0.00	0.00	1,673,531.56	337.05	(1,219,926.06)	-245.69	

Whole Life Depreciation Accrual

Account: OECO 101/6-369 Services
Dispersion: 40 - R3

ge Net Salvage Rate: -25.00%
e Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre-2007 Additions	$111,320,061.18		$3,439,806.08	3.090000
Whole Life		40	$3,478,751.91	
Amortization		0		
Retirements	$ 2,492,533.38	40	$38,945.83	
2007 Additions	$0.00			0.000000
Whole Life				
Retirements	$0.00	0.00		
Total:	$111,320,061.18 *		$3,439,806.08	3.090000
Average:	$110,073,794.49		$3,439,806.08	3.125000
Grand Total:	$111,320,061.18 *		$3,439,806.08	3.090000

* Excluding 2007 Retirements

04/03/2007

Generation Arrangement Report

Account: OECO 101/6-369 Services

Dispersion: 40.00 - R3

rage Net Salvage Rate: -25.00%

re Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$8,820,448.07	40.00	39.51	1.2346	1.0000	$10,889,850.10	$275,639.00
2005	1.50	$2,542,388.70	40.00	38.53	1.2039	1.0000	$3,060,822.71	$79,449.65
2004	2.50	$28,295.28	40.00	37.55	1.1733	1.0000	$33,200.02	$884.23
2003	3.50	$831,979.89	40.00	36.57	1.1429	1.0000	$950,850.78	$25,999.37
2002	4.50	$579,777.95	40.00	35.60	1.1126	1.0000	$645,035.91	$18,118.06
2001	5.50	$2,808,977.25	40.00	34.64	1.0824	1.0000	$3,040,381.57	$87,780.54
2000	6.50	$757,710.32	40.00	33.68	1.0524	1.0000	$797,404.61	$23,678.45
1999	7.50	$3,393,831.79	40.00	32.72	1.0226	1.0000	$3,470,436.16	$106,057.24
1998	8.50	$1,715,392.36	40.00	31.77	0.9930	1.0000	$1,703,330.33	$53,606.01
1997	9.50	$3,398,754.75	40.00	30.83	0.9636	1.0000	$3,274,917.53	$106,211.09
1996	10.50	$2,707,430.85	40.00	29.90	0.9344	1.0000	$2,529,896.45	$84,607.21
1995	11.50	$3,003,240.98	40.00	28.98	0.9055	1.0000	$2,719,513.74	$93,851.28
94	12.50	$4,375,072.61	40.00	28.06	0.8769	1.0000	$3,836,562.21	$136,721.02
1993	13.50	$4,530,956.87	40.00	27.15	0.8486	1.0000	$3,844,816.73	$141,592.40
1992	14.50	$3,536,785.29	40.00	26.26	0.8205	1.0000	$2,902,101.61	$110,524.54
1991	15.50	$3,704,950.37	40.00	25.37	0.7928	1.0000	$2,937,365.94	$115,779.70
1990	16.50	$3,257,494.77	40.00	24.49	0.7655	1.0000	$2,493,482.20	$101,796.71
1989	17.50	$3,270,680.86	40.00	23.63	0.7384	1.0000	$2,415,076.15	$102,208.78
1988	18.50	$3,850,400.57	40.00	22.78	0.7118	1.0000	$2,740,527.39	$120,325.02
1987	19.50	$3,748,627.16	40.00	21.93	0.6854	1.0000	$2,569,396.97	$117,144.60
1986	20.50	$3,676,787.44	40.00	21.10	0.6595	1.0000	$2,424,894.69	$114,899.61
1985	21.50	$3,188,115.97	40.00	20.29	0.6339	1.0000	$2,021,101.62	$99,628.62
1984	22.50	$3,513,623.25	40.00	19.48	0.6088	1.0000	$2,139,212.84	$109,800.73
1983	23.50	$3,231,774.88	40.00	18.69	0.5841	1.0000	$1,887,630.79	$100,992.97
1982	24.50	$2,795,902.14	40.00	17.91	0.5598	1.0000	$1,565,184.14	$87,371.94
1981	25.50	$2,899,193.40	40.00	17.15	0.5359	1.0000	$1,553,740.28	$90,599.79
1980	26.50	$2,942,350.63	40.00	16.40	0.5125	1.0000	$1,508,066.72	$91,948.46
1979	27.50	$2,875,331.77	40.00	15.67	0.4896	1.0000	$1,407,684.50	$89,854.12
1978	28.50	$1,646,327.89	40.00	14.95	0.4672	1.0000	$769,088.96	$51,447.75
1977	29.50	$1,035,755.25	40.00	14.25	0.4452	1.0000	$461,102.11	$32,367.35
76	30.50	$917,208.91	40.00	13.56	0.4238	1.0000	$388,730.47	$28,662.78
1975	31.50	$1,323,551.19	40.00	12.89	0.4030	1.0000	$533,330.40	$41,360.97
1974	32.50	$1,149,296.08	40.00	12.25	0.3827	1.0000	$439,885.42	$35,915.50

Account: OECO 101/6-369 Services

Dispersion: 40.00 - R3

Average Net Salvage Rate: -25.00%

Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1973	33.50	$1,460,049.72	40.00	11.62	0.3631	1.0000	$530,116.01	$45,626.55
1972	34.50	$2,167,214.23	40.00	11.01	0.3441	1.0000	$745,828.65	$67,725.44
1971	35.50	$1,320,031.96	40.00	10.43	0.3258	1.0000	$430,065.90	$41,251.00
1970	36.50	$1,151,059.90	40.00	9.86	0.3082	1.0000	$354,790.19	$35,970.62
1969	37.50	$1,028,664.19	40.00	9.32	0.2913	1.0000	$299,659.14	$32,145.76
1968	38.50	$1,210,926.92	40.00	8.81	0.2752	1.0000	$333,228.69	$37,841.47
1967	39.50	$1,072,848.75	40.00	8.31	0.2597	1.0000	$278,664.26	$33,526.52
1966	40.50	$915,921.54	40.00	7.84	0.2451	1.0000	$224,495.40	$28,622.55
1965	41.50	$938,128.33	40.00	7.40	0.2312	1.0000	$216,863.50	$29,316.51
1964	42.50	$876,212.56	40.00	6.98	0.2180	1.0000	$191,004.12	$27,381.64
1963	43.50	$858,556.24	40.00	6.58	0.2055	1.0000	$176,442.74	$26,829.88
1962	44.50	$844,488.09	40.00	6.20	0.1937	1.0000	$163,589.87	$26,390.25
1961	45.50	$724,838.39	40.00	5.84	0.1826	1.0000	$132,345.50	$22,651.20
1960	46.50	$215,889.41	40.00	5.50	0.1720	1.0000	$37,139.09	$6,746.54
1959	47.50	$245,910.81	40.00	5.19	0.1621	1.0000	$39,857.87	$7,684.71
1958	48.50	$118,822.70	40.00	4.88	0.1525	1.0000	$18,126.14	$3,713.21
1957	49.50	$201,413.00	40.00	4.59	0.1436	1.0000	$28,913.08	$6,294.16
1956	50.50	$694,276.92	40.00	4.31	0.1348	1.0000	$93,556.94	$21,696.15
1955	51.50	$598,177.07	40.00	4.05	0.1264	1.0000	$75,615.97	$18,693.03
1954	52.50	$541,151.87	40.00	3.78	0.1181	1.0000	$63,894.22	$16,911.00
1953	53.50	$575,061.69	40.00	3.52	0.1101	1.0000	$63,305.51	$17,970.68
1952	54.50	$353,341.88	40.00	3.26	0.1019	1.0000	$36,013.50	$11,041.93
1951	55.50	$146,909.16	40.00	3.01	0.0941	1.0000	$13,819.36	$4,590.91
1950	56.50	$276,938.73	40.00	2.75	0.0859	1.0000	$23,795.30	$8,654.34
1949	57.50	$65,394.21	40.00	2.50	0.0781	1.0000	$5,108.43	$2,043.57
1948	58.50	$61,066.54	40.00	2.24	0.0700	1.0000	$4,273.61	$1,908.33
1947	59.50	$58,938.81	40.00	1.99	0.0623	1.0000	$3,673.05	$1,841.84
1946	60.50	$218,744.88	40.00	1.74	0.0543	1.0000	$11,879.79	$6,835.78
1945	61.50	$36,345.90	40.00	1.50	0.0470	1.0000	$1,707.97	$1,135.81
1944	62.50	$27,760.46	40.00	1.26	0.0393	1.0000	$1,089.94	$867.51
1943	63.50	$31,847.96	40.00	1.04	0.0326	1.0000	$1,037.86	$995.25
1942	64.50	$22,251.65	40.00	0.81	0.0253	1.0000	$562.88	$695.36
1941	65.50	$6,538.12	40.00	0.63	0.0197	1.0000	$128.65	$204.32

Account: OECO 101/6-369 Services

Dispersion: 40.00 - R3

Average Net Salvage Rate: -25.00%

Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1940	66.50	$5,927.88	40.00	0.35	0.0109	1.0000	$64.83	$185.25
1939	67.50	$12,645.86	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1938	68.50	$27,130.39	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1937	69.50	$143,032.39	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1936	70.50	$1,787.07	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1935	71.50	$2,675.36	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1934	72.50	$60.21	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1933	73.50	$533.71	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1932	74.50	$1,686.16	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1931	75.50	$444.07	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1930	76.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1929	77.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1928	78.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1927	79.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1924	82.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1923	83.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1922	84.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
		$111,320,061.18	40.00	22.58	0.7057	1.0000	$78,555,278.98	$3,472,814.56

Depreciation Reserve Summary

Account: OECO 101/6-369 Services
Scenario: Ohio 2007 Distribution Accts ADR
Dispersion: *40 - R3*

[illegible]age Net Salvage Rate: *-25.00%*
Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$111,320,061.18	$56,166,194.58	0.5045	$82,983,881.90	0.7455
Computed	$111,320,061.18	$60,594,797.50	0.5443	$78,555,278.98	0.7057
Difference		($4,428,602.92)	-0.0398	$4,428,602.92	0.0398

04/03/2007

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 370 Meters

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 34 S0.5.

Actuarial Life Analysis

41 R1 best fit using 1999 - 2006 data.

Industry $urvey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 to 45 Years.

Recommendation

Change to remaining life of 10 years

Comments:
The Company will be installing an automated meter system in the next 10 years. The 10 year remaining life reflects the remaining life of the meters that will be replaced with the automated metering system.

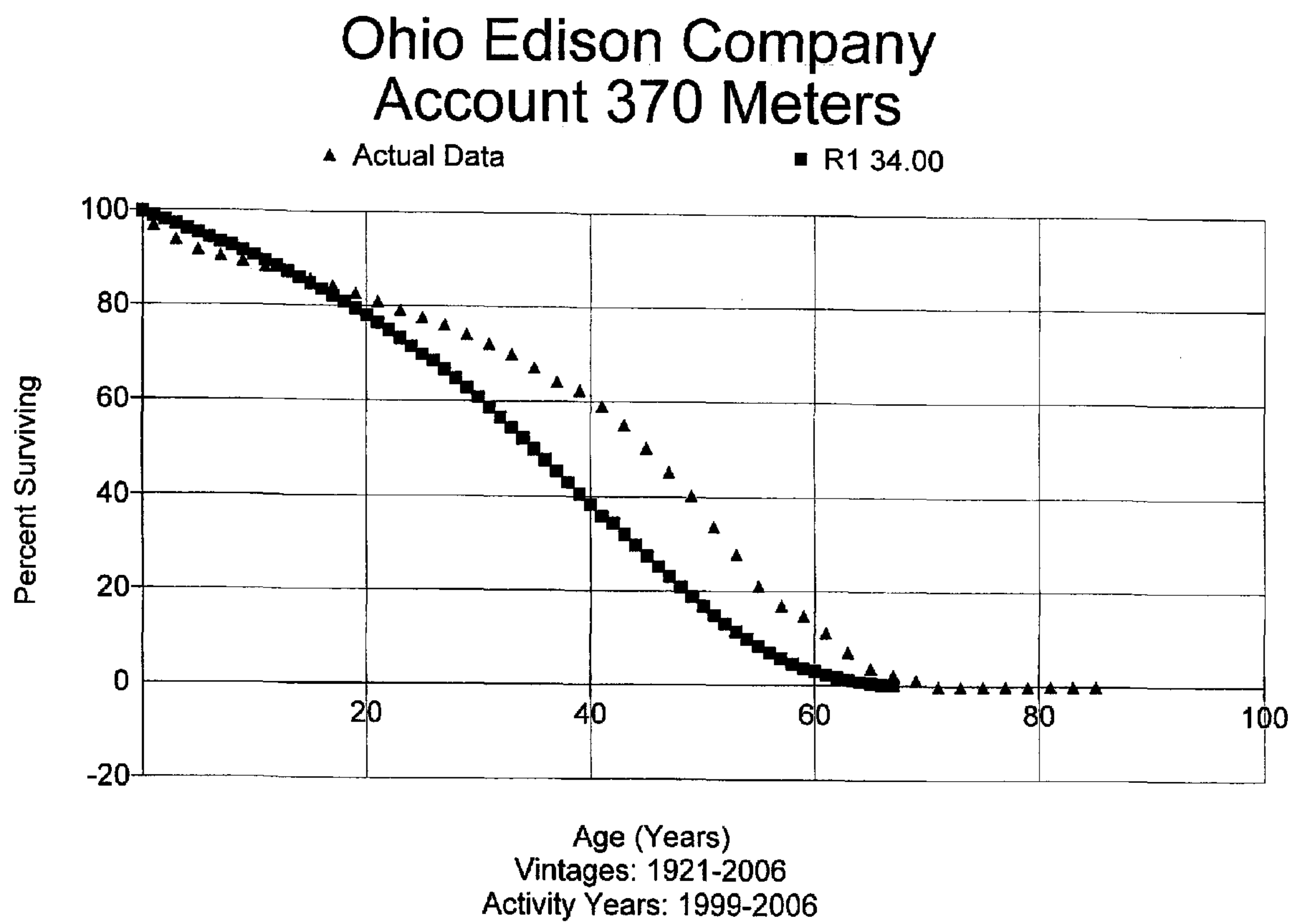
Salvage Factor Estimates

Current Net salvage Rate is	-10%
Proposed Net salvage Rate	0%

Comments:

Summary of Recommendations

10	Remaining Life
	Iowa Curve
0	% Net Salvage


Ohio Edison Company
Account 370 Meters
Actual Data
R1 34.00
Percent Surviving
100
80
60
40
20
0
-20
20
40
60
80
100
Age (Years)
Vintages: 1921-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

Account: OECO 101/6-370 Meters

Placement Band: 1921 - 2006 *Observation Band:* 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	25,747,131.59	659,748.96	0.02562	0.97438	100.00
0.5	19,670,986.14	154,236.54	0.00784	0.99216	97.44
1.5	19,201,785.88	246,360.37	0.01283	0.98717	96.68
2.5	20,370,414.55	370,024.73	0.01816	0.98184	95.44
3.5	18,764,162.26	153,876.96	0.00820	0.99180	93.71
4.5	19,728,899.20	295,580.44	0.01498	0.98502	92.94
5.5	20,704,790.39	161,050.40	0.00778	0.99222	91.55
6.5	23,193,022.67	154,756.29	0.00667	0.99333	90.84
7.5	28,261,988.43	175,396.13	0.00621	0.99379	90.23
8.5	27,345,563.57	144,535.76	0.00529	0.99471	89.67
9.5	31,858,100.03	181,487.26	0.00570	0.99430	89.20
10.5	36,286,331.27	253,679.24	0.00699	0.99301	88.69
11.5	40,091,509.87	285,608.64	0.00712	0.99288	88.07
12.5	41,175,607.23	278,886.04	0.00677	0.99323	87.44
13.5	39,618,603.62	273,220.87	0.00690	0.99310	86.85
14.5	37,083,254.63	336,031.48	0.00906	0.99094	86.25
15.5	31,837,030.91	321,099.47	0.01009	0.98991	85.47
16.5	28,078,583.26	218,357.87	0.00778	0.99222	84.61
17.5	24,458,588.61	209,256.44	0.00856	0.99144	83.95
18.5	21,231,050.08	211,522.98	0.00996	0.99004	83.23
19.5	18,433,797.20	197,593.75	0.01072	0.98928	82.40
20.5	16,407,756.95	161,174.05	0.00982	0.99018	81.52
21.5	16,421,130.19	203,367.06	0.01238	0.98762	80.72
22.5	15,608,114.23	156,671.26	0.01004	0.98996	79.72
23.5	15,265,616.10	167,826.66	0.01099	0.98901	78.92
24.5	15,711,906.25	152,966.00	0.00974	0.99026	78.05
25.5	15,827,981.82	148,932.08	0.00941	0.99059	77.29
26.5	14,931,430.49	145,162.61	0.00972	0.99028	76.56
27.5	13,891,286.56	182,242.21	0.01312	0.98688	75.82
28.5	12,861,611.67	183,220.04	0.01425	0.98575	74.83
29.5	11,269,629.55	135,517.30	0.01202	0.98798	73.76
30.5	10,161,785.03	140,657.39	0.01384	0.98616	72.87
31.5	9,369,237.62	126,309.11	0.01348	0.98652	71.86
32.5	10,270,108.75	179,866.16	0.01751	0.98249	70.89
33.5	8,344,859.73	140,739.63	0.01687	0.98313	69.65
34.5	7,083,037.26	167,269.46	0.02362	0.97638	68.48
35.5	6,156,274.11	128,869.96	0.02093	0.97907	66.86
36.5	6,093,818.45	142,147.12	0.02333	0.97667	65.46
37.5	6,268,476.43	76,748.77	0.01224	0.98776	63.93
38.5	6,339,889.70	99,402.89	0.01568	0.98432	63.15
39.5	6,211,351.68	138,033.75	0.02222	0.97778	62.16
40.5	4,100,784.42	132,920.10	0.03241	0.96759	60.78
41.5	3,844,659.47	126,780.60	0.03298	0.96702	58.81
42.5	3,972,461.41	143,901.14	0.03622	0.96378	56.87
43.5	4,151,600.58	176,697.75	0.04256	0.95744	54.81
44.5	3,960,266.66	179,575.79	0.04534	0.95466	52.48
45.5	3,554,986.15	159,664.50	0.04491	0.95509	50.10
46.5	3,331,714.67	189,634.41	0.05692	0.94308	47.85
47.5	3,071,026.81	162,088.97	0.05278	0.94722	45.13
48.5	2,612,006.78	155,042.73	0.05936	0.94064	42.75
49.5	2,132,914.92	166,648.34	0.07813	0.92187	40.21
50.5	1,680,803.96	153,783.12	0.09149	0.90851	37.07
51.5	1,209,332.34	103,901.05	0.08592	0.91408	33.68
52.5	1,097,429.80	105,592.61	0.09622	0.90378	30.79

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts
Account: OECO 101/6-370 Meters
Placement Band: 1921 - 2006
Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	820,301.96	100,474.85	0.12249	0.87751	27.83
54.5	601,219.52	81,774.55	0.13602	0.86398	24.42
55.5	359,877.33	41,050.29	0.11407	0.88593	21.10
56.5	280,241.49	25,512.48	0.09104	0.90896	18.69
57.5	236,812.01	13,549.14	0.05721	0.94279	16.99
58.5	190,296.32	14,449.69	0.07593	0.92407	16.02
59.5	154,528.18	9,160.14	0.05928	0.94072	14.80
60.5	19,394.75	3,851.51	0.19861	0.80139	13.92
61.5	14,704.06	2,256.31	0.15343	0.84657	11.16
62.5	18,534.61	4,448.63	0.24003	0.75997	9.45
63.5	19,366.98	4,206.62	0.21723	0.78277	7.18
64.5	13,215.19	4,604.54	0.34847	0.65153	5.62
65.5	7,464.41	1,377.82	0.18462	0.81538	3.66
66.5	6,086.59	1,478.37	0.24281	0.75719	2.98
67.5	4,608.22	700.68	0.15213	0.84787	2.26
68.5	3,907.54	1,636.77	0.41886	0.58112	1.92
69.5	2,191.30	1,327.67	0.60612	0.39388	1.12
70.5	770.46	1,176.37	1.52727	-0.52727	0.44
71.5	0.00	0.00	0.00000	0.00000	-0.23
72.5	0.00	0.00	0.00000	0.00000	
73.5	0.00	0.00	0.00000	0.00000	
74.5	52.34	0.00	0.00000	1.00000	
75.5	52.34	0.00	0.00000	1.00000	
76.5	898.03	0.00	0.00000	1.00000	
77.5	898.03	0.00	0.00000	1.00000	
78.5	898.03	28.68	0.03229	0.96771	
79.5	869.35	0.00	0.00000	1.00000	
80.5	869.35	463.44	0.53280	0.46720	
81.5	405.91	0.00	0.00000	1.00000	
82.5	382.25	0.00	0.00000	1.00000	
83.5	382.25	0.00	0.00000	1.00000	
84.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 370 Meters	1999	369,387.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 370 Meters	2000	356,550.47	26,593.94	7.46	0.00	0.00	81,287.48	22.80	(54,693.54)	-15.34	-15.34
OECO 370 Meters	2001	1,225,486.81	8,280.62	0.68	0.00	0.00	94,304.09	7.70	(86,023.47)	-7.02	-7.02
OECO 370 Meters	2002	783,757.61	86,922.79	11.09	0.00	0.00	317,756.44	40.54	(230,833.65)	-29.45	-29.45
OECO 370 Meters	2003	3,310,338.49	119,020.34	3.60	0.00	0.00	889,215.66	26.86	(770,195.32)	-23.27	-23.27
OECO 370 Meters	2004	181,489.37	173.28	0.10	0.00	0.00	11,012.46	6.07	(10,839.18)	-5.97	-5.97
OECO 370 Meters	2005	1,111,741.18	11,588.38	1.04	0.00	0.00	(1,805,928.96)	-162.44	1,817,517.34	163.48	163.48
OECO 370 Meters	2006	1,967,776.76	0.00	0.00	0.00	0.00	(207,570.28)	-10.55	207,570.28	10.55	10.55
		9,306,527.79	252,579.35	2.71	0.00	0.00	(619,923.11)	-6.66	872,502.46	9.38	

Whole Life Depreciation Accrual

Account: OECO 101/6-370 Meters
Dispersion: 34 - R1

Average Net Salvage Rate: -10.00%
Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$109,387,988.63		$3,496,299.18	3.196237
Whole Life		34	$3,539,017.58	
Amortization		0	$0.00	
Retirements	$2,640,773.70	34	$42,718.40	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$109,387,988.63 *		$3,496,299.18	3.196238
Average:	$108,067,601.78		$3,496,299.18	3.235289
Grand Total:	$109,387,988.63 *		$3,496,299.18	3.196238

* *Excluding 2007 Retirements*

Account: *OECO 101/6-370 Meters*

Dispersion: 34.00 - R1

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$5,056,074.46	34.00	33.63	1.0880	1.0000	$5,501,023.44	$163,578.88
2005	1.50	$6,002,618.78	34.00	32.89	1.0642	1.0000	$6,387,772.80	$194,202.37
2004	2.50	$0.00	34.00	32.16	1.0405	1.0000	$0.00	$0.00
2003	3.50	$2,695,049.14	34.00	31.44	1.0171	1.0000	$2,741,226.47	$87,192.77
2002	4.50	$1,388,457.04	34.00	30.72	0.9939	1.0000	$1,380,017.65	$44,920.67
2001	5.50	$2,217,323.77	34.00	30.01	0.9709	1.0000	$2,152,793.79	$71,736.95
2000	6.50	$2,119,752.03	34.00	29.30	0.9481	1.0000	$2,009,659.45	$68,580.21
1999	7.50	$1,759,004.49	34.00	28.60	0.9254	1.0000	$1,627,776.45	$56,908.97
1998	8.50	$3,536,537.26	34.00	27.91	0.9029	1.0000	$3,193,132.91	$114,417.38
1997	9.50	$1,704,589.33	34.00	27.22	0.8806	1.0000	$1,500,982.50	$55,148.48
1996	10.50	$1,379,167.20	34.00	26.53	0.8583	1.0000	$1,183,802.93	$44,620.12
1995	11.50	$1,351,961.99	34.00	25.85	0.8363	1.0000	$1,130,632.56	$43,739.95
1994	12.50	$2,339,969.30	34.00	25.17	0.8144	1.0000	$1,905,611.34	$75,704.89
1993	13.50	$3,376,488.96	34.00	24.50	0.7926	1.0000	$2,676,251.38	$109,239.35
1992	14.50	$4,620,130.49	34.00	23.83	0.7710	1.0000	$3,562,297.00	$149,474.81
1991	15.50	$6,635,789.29	34.00	23.17	0.7496	1.0000	$4,974,475.74	$214,687.30
1990	16.50	$5,062,807.71	34.00	22.52	0.7285	1.0000	$3,688,008.26	$163,796.72
1989	17.50	$6,096,313.17	34.00	21.87	0.7075	1.0000	$4,313,165.88	$197,233.66
1988	18.50	$5,679,811.48	34.00	21.23	0.6868	1.0000	$3,900,796.80	$183,758.61
1987	19.50	$5,013,250.64	34.00	20.60	0.6663	1.0000	$3,340,402.46	$162,193.40
1986	20.50	$3,395,261.00	34.00	19.97	0.6461	1.0000	$2,193,715.91	$109,846.68
1985	21.50	$1,886,918.43	34.00	19.36	0.6262	1.0000	$1,181,583.15	$61,047.36
1984	22.50	$2,161,890.34	34.00	18.75	0.6066	1.0000	$1,311,338.46	$69,943.51
1983	23.50	$1,624,648.30	34.00	18.15	0.5873	1.0000	$954,081.71	$52,562.15
1982	24.50	$1,486,008.46	34.00	17.56	0.5682	1.0000	$844,415.72	$48,076.74
1981	25.50	$2,546,367.24	34.00	16.99	0.5496	1.0000	$1,399,378.63	$82,382.47
1980	26.50	$2,456,933.98	34.00	16.42	0.5312	1.0000	$1,305,110.05	$79,489.04
1979	27.50	$2,243,394.99	34.00	15.86	0.5132	1.0000	$1,151,235.73	$72,580.43
1978	28.50	$1,442,986.18	34.00	15.31	0.4955	1.0000	$714,943.54	$46,684.85
1977	29.50	$1,918,173.76	34.00	14.78	0.4781	1.0000	$917,076.77	$62,058.56
1976	30.50	$1,434,572.38	34.00	14.25	0.4611	1.0000	$661,431.31	$46,412.64
1975	31.50	$1,355,629.95	34.00	13.73	0.4444	1.0000	$602,387.63	$43,858.62
1974	32.50	$1,958,853.13	34.00	13.23	0.4280	1.0000	$838,362.70	$63,374.66
1973	33.50	$2,616,471.57	34.00	12.73	0.4119	1.0000	$1,077,840.33	$84,650.55

Account: OECO 101/6-370 Meters

Dispersion: 34.00 - R1

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1972	34.50	$1,552,142.13	34.00	12.25	0.3962	1.0000	$615,019.54	$50,216.36
1971	35.50	$1,184,385.51	34.00	11.77	0.3808	1.0000	$451,058.73	$38,318.35
1970	36.50	$497,812.68	34.00	11.31	0.3658	1.0000	$182,079.28	$16,105.70
1969	37.50	$428,980.65	34.00	10.85	0.3510	1.0000	$150,564.13	$13,878.79
1968	38.50	$410,247.54	34.00	10.40	0.3365	1.0000	$138,052.91	$13,272.71
1967	39.50	$600,210.93	34.00	9.96	0.3223	1.0000	$193,473.85	$19,418.59
1966	40.50	$2,613,530.33	34.00	9.53	0.3085	1.0000	$806,198.81	$84,555.39
1965	41.50	$706,736.36	34.00	9.11	0.2949	1.0000	$208,405.00	$22,865.00
1964	42.50	$313,995.59	34.00	8.70	0.2816	1.0000	$88,413.21	$10,158.68
1963	43.50	$289,695.52	34.00	8.30	0.2685	1.0000	$77,796.76	$9,372.50
1962	44.50	$389,034.49	34.00	7.91	0.2558	1.0000	$99,507.45	$12,586.41
1961	45.50	$559,501.03	34.00	7.52	0.2433	1.0000	$136,118.40	$18,101.50
1960	46.50	$379,915.68	34.00	7.14	0.2311	1.0000	$87,782.67	$12,291.39
1959	47.50	$394,670.09	34.00	6.77	0.2191	1.0000	$86,460.88	$12,768.74
1958	48.50	$394,529.94	34.00	6.41	0.2073	1.0000	$81,801.66	$12,764.20
1957	49.50	$370,981.39	34.00	6.05	0.1958	1.0000	$72,656.40	$12,002.34
1956	50.50	$367,454.32	34.00	5.71	0.1846	1.0000	$67,834.26	$11,888.23
1955	51.50	$371,878.60	34.00	5.36	0.1735	1.0000	$64,534.53	$12,031.37
1954	52.50	$212,555.83	34.00	5.03	0.1627	1.0000	$34,590.16	$6,876.80
1953	53.50	$184,900.45	34.00	4.70	0.1522	1.0000	$28,133.77	$5,982.07
1952	54.50	$166,251.25	34.00	4.38	0.1418	1.0000	$23,573.97	$5,378.72
1951	55.50	$168,340.83	34.00	4.07	0.1316	1.0000	$22,161.37	$5,446.32
1950	56.50	$48,798.18	34.00	3.76	0.1217	1.0000	$5,938.38	$1,578.76
1949	57.50	$23,385.41	34.00	3.46	0.1119	1.0000	$2,617.32	$756.59
1948	58.50	$37,103.06	34.00	3.16	0.1023	1.0000	$3,795.70	$1,200.39
1947	59.50	$22,702.69	34.00	2.87	0.0928	1.0000	$2,106.53	$734.50
1946	60.50	$129,475.63	34.00	2.57	0.0833	1.0000	$10,785.86	$4,188.92
1945	61.50	$1,572.33	34.00	2.28	0.0737	1.0000	$115.92	$50.87
1944	62.50	$1,768.76	34.00	1.97	0.0639	1.0000	$112.95	$57.22
1943	63.50	$126.70	34.00	1.65	0.0535	1.0000	$6.78	$4.10
1942	64.50	$1,231.97	34.00	1.32	0.0428	1.0000	$52.76	$39.86
1941	65.50	$694.10	34.00	1.00	0.0324	1.0000	$22.51	$22.46
1940	66.50	$0.00	34.00	0.70	0.0226	1.0000	$0.00	$0.00
1939	67.50	$0.00	34.00	0.42	0.0136	1.0000	$0.00	$0.00

Account: OECO 101/6-370 Meters

Dispersion: 34.00 - R1

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1938	68.50	$0.00	34.00	0.00	0.0000	0.0000	$0.00	$0.00
1937	69.50	$79.47	34.00	0.00	0.0000	0.0000	$0.00	$0.00
1936	70.50	$93.17	34.00	0.00	0.0000	0.0000	$0.00	$0.00
1935	71.50	$0.00	34.00	0.00	0.0000	0.0000	$0.00	$0.00
1924	82.50	$0.00	34.00	0.00	0.0000	0.0000	$0.00	$0.00
1922	84.50	$0.00	34.00	0.00	0.0000	0.0000	$0.00	$0.00
		$109,387,988.63	34.00	21.49	0.6954	1.0000	$76,064,503.88	$3,539,017.58

Depreciation Reserve Summary

Account: OECO 101/6-370 Meters
Scenario: Ohio 2007 Distribution Accts ADR
Dispersion: 34 - R1
Average Net Salvage Rate: -10.00%
Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$109,387,988.63	$46,413,411.01	0.4243	$73,913,376.48	0.6757
Computed	$109,387,988.63	$44,262,283.61	0.4046	$76,064,503.88	0.6954
Difference		$2,151,127.40	0.0197	($2,151,127.40)	-0.0197

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 371 Installation on Customer Premises

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 22.5 SQ.

Actuarial Life Analysis

35 S1 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 14 to 60 Years.

Recommendation

Change to remaining life of 5 years.

Comments:
The Company is exiting the outdoor lighting installed on customer premises in 5 years.

Salvage Factor Estimates

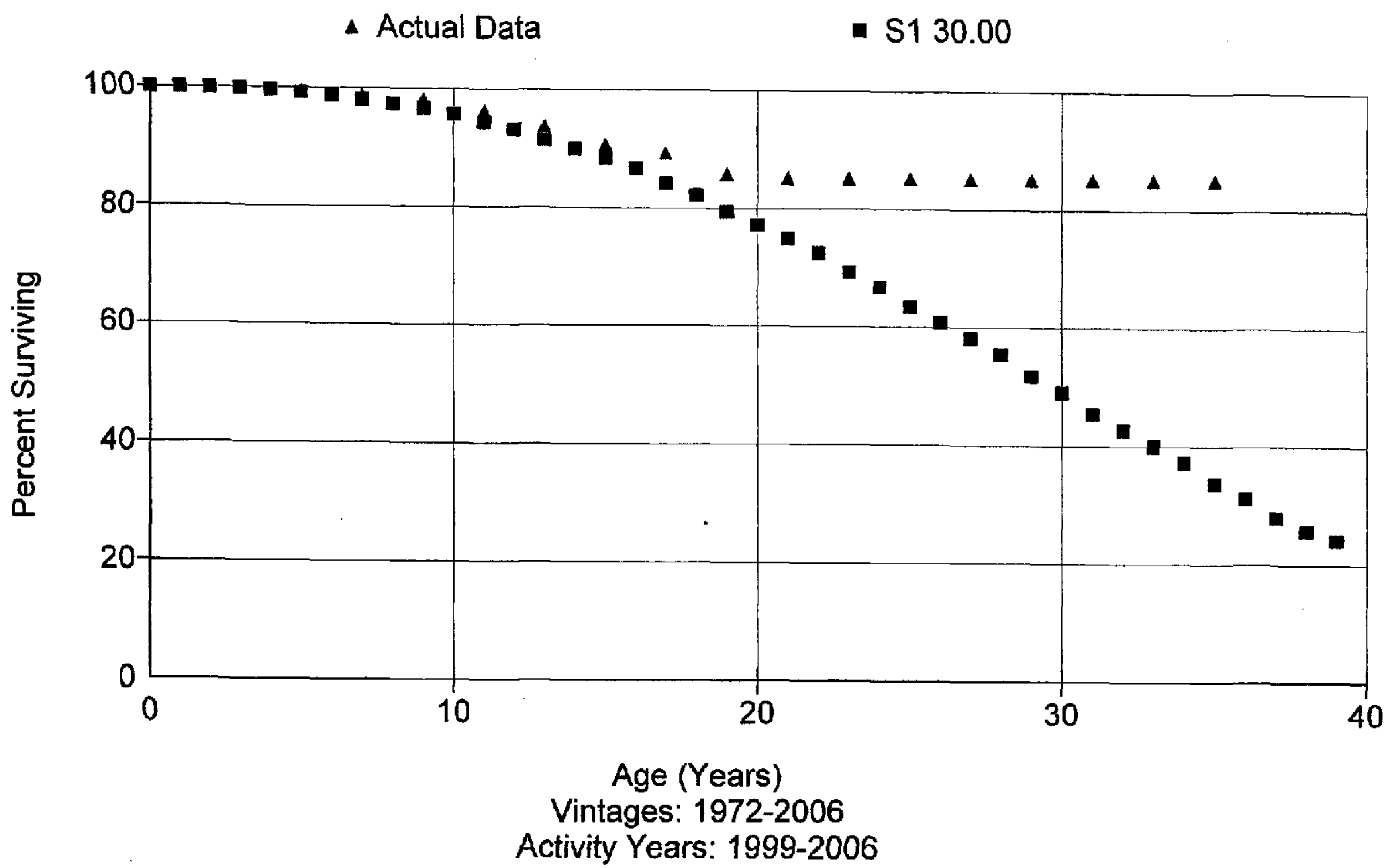
Current Net salvage Rate is	0%
Proposed Net salvage Rate	0%

Comments:

Summary of Recommendations

5	Remaining Life
	Iowa Curve
0	% Net Salvage

Ohio Edison Company
Account 371 Installation on Customer Premesis



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

Account: OECO 101/6-371 Inst on cust prem

Placement Band: 1972 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	4,210,032.10	511.89	0.00012	0.99988	100.00
0.5	3,215,263.95	1,149.99	0.00036	0.99964	99.99
1.5	4,710,883.34	1,092.03	0.00023	0.99977	99.95
2.5	5,908,491.69	6,552.94	0.00111	0.99889	99.93
3.5	7,246,908.91	6,656.07	0.00092	0.99908	99.82
4.5	8,386,938.20	19,844.32	0.00237	0.99763	99.73
5.5	9,145,468.86	23,706.60	0.00259	0.99741	99.49
6.5	9,832,378.94	41,951.11	0.00427	0.99573	99.23
7.5	10,889,302.99	24,857.44	0.00228	0.99772	98.81
8.5	11,383,034.38	41,471.86	0.00364	0.99636	98.58
9.5	11,707,640.61	121,866.62	0.01041	0.98959	98.22
10.5	11,533,839.46	101,519.32	0.00880	0.99120	97.20
11.5	10,548,746.32	112,959.81	0.01071	0.98929	96.34
12.5	9,082,332.91	140,433.20	0.01546	0.98454	95.31
13.5	7,704,066.74	113,956.88	0.01479	0.98521	93.84
14.5	6,290,566.81	118,450.33	0.01883	0.98117	92.45
15.5	4,697,834.01	37,143.24	0.00791	0.99209	90.71
16.5	3,254,019.10	25,195.87	0.00774	0.99226	89.99
17.5	1,824,387.92	42,857.48	0.02349	0.97651	89.29
18.5	799,339.04	12,762.43	0.01597	0.98403	87.19
19.5	197,751.98	1,307.80	0.00661	0.99339	85.80
20.5	76,181.29	0.00	0.00000	1.00000	85.23
21.5	7,118.95	0.00	0.00000	1.00000	85.23
22.5	2,152.02	0.00	0.00000	1.00000	85.23
23.5	2,152.02	0.00	0.00000	1.00000	85.23
24.5	2,152.02	0.00	0.00000	1.00000	85.23
25.5	1,070.55	0.00	0.00000	1.00000	85.23
26.5	1,070.55	0.00	0.00000	1.00000	85.23
27.5	516.87	0.00	0.00000	1.00000	85.23
28.5	516.87	0.00	0.00000	1.00000	85.23
29.5	516.87	0.00	0.00000	1.00000	85.23
30.5	0.00	0.00	0.00000	0.00000	85.23

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 371 Install on Customer Premesis	1999	92,945.51	33.79	0.04	0.00	0.00	500.73	0.54	(466.94)	-0.50	-0.50
OECO 371 Install on Customer Premesis	2000	166,078.63	13,608.28	8.19	0.00	0.00	23,084.48	13.90	(9,476.20)	-5.71	-5.71
OECO 371 Install on Customer Premesis	2001	98,844.05	(8,924.11)	-9.03	0.00	0.00	12,119.86	12.26	(21,043.97)	-21.29	-21.29
OECO 371 Install on Customer Premesis	2002	110,776.57	20,277.26	18.30	0.00	0.00	35,569.38	32.11	(15,292.12)	-13.80	-13.80
OECO 371 Install on Customer Premesis	2003	86,079.30	1,811.61	2.10	0.00	0.00	3,362.10	3.91	(1,550.49)	-1.80	-1.80
OECO 371 Install on Customer Premesis	2004	123,986.59	1,295.88	1.05	0.00	0.00	8,746.19	7.05	(7,450.31)	-6.01	-6.01
OECO 371 Install on Customer Premesis	2005	51,394.30	7,768.26	15.12	0.00	0.00	112,097.44	218.11	(104,329.18)	-203.00	-203.00
OECO 371 Install on Customer Premesis	2006	266,142.28	63,171.24	23.74	0.00	0.00	195,076.01	73.30	(131,904.77)	-49.56	-49.56
		996,247.23	99,042.21	9.94	0.00	0.00	390,556.19	39.20	(291,513.98)	-29.26	

Whole Life Depreciation Accrual

Account: OECO 101/6-371 Inst on cust prem

Dispersion: 30 - S1

rage Net Salvage Rate: 0.00%

uture Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$19,225,412.46		$635,815.50	3.307164
	Whole Life		30	$640,847.08	
	Amortization		0	$0.00	
	Retirements	$301,895.11	30	$5,031.59	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$19,225,412.46 *		$635,815.50	3.307167
	Average:	$19,074,464.91		$635,815.50	3.333333
	Grand Total:	$19,225,412.46 *		$635,815.50	3.307167

* Excluding 2007 Retirements

Account: OECO 101/6-371 Inst on cust prem

Dispersion: 30.00 - S1

age Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$1,069,191.80	30.00	29.50	0.9833	1.0000	$1,051,379.01	$35,639.73
2005	1.50	$574,428.56	30.00	28.51	0.9502	1.0000	$545,834.97	$19,147.62
2004	2.50	$0.00	30.00	27.53	0.9176	1.0000	$0.00	$0.00
2003	3.50	$243,234.57	30.00	26.57	0.8855	1.0000	$215,392.83	$8,107.82
2002	4.50	$406,060.58	30.00	25.63	0.8543	1.0000	$346,897.70	$13,535.35
2001	5.50	$583,875.42	30.00	24.72	0.8239	1.0000	$481,060.30	$19,462.51
2000	6.50	$704,306.47	30.00	23.83	0.7944	1.0000	$559,482.19	$23,476.88
1999	7.50	$614,519.79	30.00	22.97	0.7658	1.0000	$470,603.41	$20,483.99
1998	8.50	$936,645.98	30.00	22.15	0.7382	1.0000	$691,401.19	$31,221.53
1997	9.50	$1,111,925.39	30.00	21.34	0.7114	1.0000	$791,033.86	$37,064.18
1996	10.50	$1,243,556.77	30.00	20.57	0.6856	1.0000	$852,608.97	$41,451.89
1995	11.50	$1,513,674.39	30.00	19.82	0.6607	1.0000	$1,000,102.37	$50,455.81
1994	12.50	$1,524,874.14	30.00	19.10	0.6366	1.0000	$970,767.38	$50,829.14
1993	13.50	$1,331,117.95	30.00	18.40	0.6134	1.0000	$816,534.34	$44,370.60
1992	14.50	$1,312,998.97	30.00	17.73	0.5910	1.0000	$775,984.26	$43,766.63
1991	15.50	$1,474,282.47	30.00	17.08	0.5693	1.0000	$839,324.16	$49,142.75
1990	16.50	$1,406,671.67	30.00	16.45	0.5484	1.0000	$771,416.76	$46,889.06
1989	17.50	$1,405,516.78	30.00	15.85	0.5282	1.0000	$742,352.06	$46,850.56
1988	18.50	$982,191.40	30.00	15.26	0.5086	1.0000	$499,512.60	$32,739.71
1987	19.50	$589,378.31	30.00	14.69	0.4896	1.0000	$288,579.48	$19,645.94
1986	20.50	$120,262.89	30.00	14.14	0.4713	1.0000	$56,678.25	$4,008.76
1985	21.50	$69,062.34	30.00	13.60	0.4535	1.0000	$31,318.10	$2,302.08
1984	22.50	$5,483.80	30.00	13.09	0.4362	1.0000	$2,392.24	$182.79
1981	25.50	$1,081.47	30.00	11.62	0.3874	1.0000	$418.95	$36.05
1979	27.50	$553.68	30.00	10.71	0.3570	1.0000	$197.67	$18.46
1976	30.50	$516.87	30.00	9.43	0.3143	1.0000	$162.45	$17.23
		$19,225,412.48	30.00	19.98	0.6659	1.0000	$12,801,435.51	$640,847.08

Depreciation Reserve Summary

Account: *OECO 101/6-371 Inst on cust prem*
Scenario: *Ohio 2007 Distribution Accts ADR*
Dispersion: 30 - S1
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$19,225,412.46	$8,296,328.86	0.4315	$10,929,083.60	0.5685
Computed	$19,225,412.46	$6,423,976.95	0.3341	$12,801,435.51	0.6659
Difference		$1,872,351.91	0.0974	($1,872,351.91)	-0.0974

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 373 Street Lighting

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 25 SC.

Actuarial Life Analysis

14 L0.5 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 14 to 32 Years.

Recommendation

Continue to use 25 SC Based on Industry Standards.

Comments:
The actuarial study did not produce a reasonable life for this street lighting account. Based on the EEI Industry Standards a 25 year average life is justifiable.

Salvage Factor Estimates

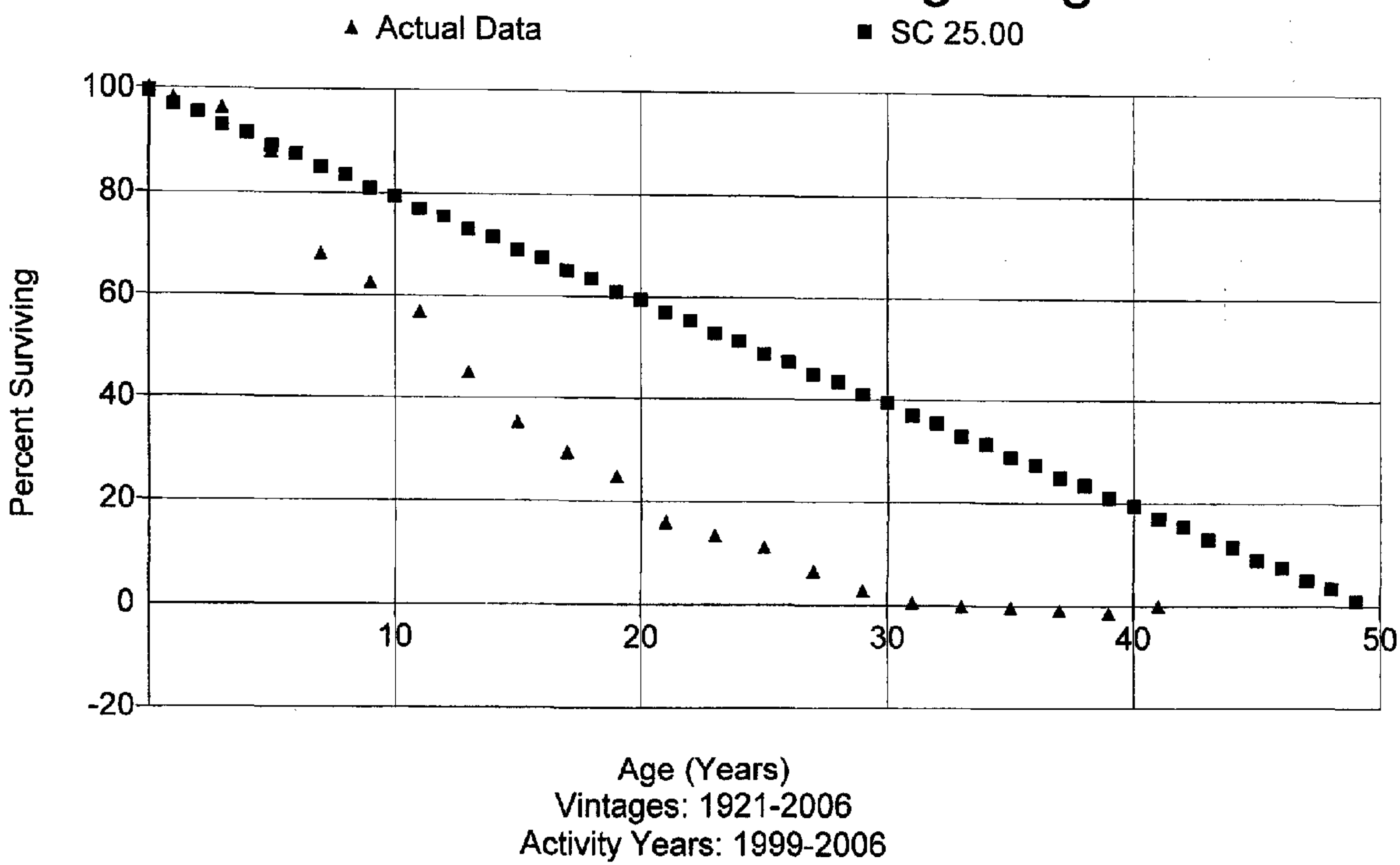
Current Net salvage Rate is	-5%
Proposed Net salvage Rate	-5%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 60% to -157%. The 1999-2006 activity has an average of -44.5%; as this is based on limited data the -5% rate is suggested.

Summary of Recommendations

25	Average Service Life
SC	Iowa Curve
-5	% Net Salvage

Ohio Edison Company
Account 373 Street Lighting



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

Account: OECO 101/6-373 Street lighting

Placement Band: 1921 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	11,855,190.55	14,640.87	0.00123	0.99877	100.00
0.5	7,730,391.39	118,283.88	0.01530	0.98470	99.88
1.5	6,993,842.00	19,341.26	0.00277	0.99723	98.35
2.5	7,980,966.32	136,610.60	0.01712	0.98288	98.08
3.5	7,304,252.37	158,781.80	0.02174	0.97826	96.40
4.5	6,774,490.71	454,569.84	0.06710	0.93290	94.30
5.5	6,031,125.89	1,050,991.64	0.17426	0.82574	87.97
6.5	4,865,164.81	306,781.75	0.06306	0.93694	72.64
7.5	4,067,218.88	173,832.39	0.04274	0.95726	68.06
8.5	3,218,789.84	130,613.51	0.04058	0.95942	65.15
9.5	2,856,883.47	157,168.49	0.05501	0.94499	62.51
10.5	2,154,938.54	77,161.83	0.03581	0.96419	59.07
11.5	1,878,671.06	201,024.26	0.10700	0.89300	56.95
12.5	1,487,857.48	169,288.90	0.11378	0.88622	50.86
13.5	1,168,867.31	144,626.65	0.12373	0.87627	45.07
14.5	1,008,144.13	106,464.55	0.10560	0.89440	39.49
15.5	813,095.90	69,109.28	0.08499	0.91501	35.32
16.5	671,485.78	56,047.76	0.08347	0.91653	32.32
17.5	596,713.46	58,918.61	0.09874	0.90126	29.62
18.5	513,559.11	34,496.17	0.06717	0.93283	26.70
19.5	331,836.39	71,594.19	0.21575	0.78425	24.91
20.5	230,362.41	41,012.68	0.17804	0.82196	19.54
21.5	147,981.51	16,927.32	0.11439	0.88561	16.06
22.5	108,599.33	5,744.89	0.05290	0.94710	14.22
23.5	114,113.82	12,735.70	0.11161	0.88839	13.47
24.5	173,589.30	11,455.23	0.06599	0.93401	11.97
25.5	209,664.47	42,709.78	0.20371	0.79629	11.18
26.5	191,683.12	50,060.00	0.26116	0.73884	8.90
27.5	237,309.71	38,662.40	0.16292	0.83708	6.58
28.5	276,683.05	133,522.01	0.48258	0.51742	5.51
29.5	197,591.24	68,907.15	0.34874	0.65126	2.85
30.5	151,539.04	106,759.08	0.70450	0.29550	1.86
31.5	138,103.43	90,268.59	0.65364	0.34636	0.55
32.5	44,332.72	82,812.99	1.86798	-0.86798	0.19
33.5	-24,459.56	1,199.86	-0.04906	1.04906	-0.16
34.5	-16,785.31	8,847.55	-0.52714	1.52714	
35.5	-19,070.65	14,876.27	-0.78003	1.78003	
36.5	-38,388.72	29,450.04	-0.76715	1.76715	
37.5	-39,750.31	5,866.77	-0.14760	1.14760	
38.5	-19,762.11	8,609.25	-0.43563	1.43563	
39.5	1,625.40	1,964.62	1.20923	-0.20923	
40.5	3,209.89	2,414.41	0.75202	0.24798	
41.5	1,535.52	1,298.81	0.84570	0.15430	
42.5	2,878.22	3,257.88	1.13204	-0.13204	
43.5	2,501.21	2,139.32	0.85526	0.14474	
44.5	12,680.16	1,649.80	0.13013	0.86987	
45.5	11,565.16	1,122.64	0.09710	0.90290	
46.5	11,186.40	1,680.23	0.15019	0.84981	
47.5	9,429.34	1,029.78	0.10924	0.89076	
48.5	7,624.53	748.15	0.09810	0.90190	
49.5	7,128.59	1,374.99	0.19287	0.80713	
50.5	5,210.44	419.01	0.08042	0.91958	
51.5	3,908.92	470.55	0.12049	0.87951	
52.5	2,593.63	212.50	0.08211	0.91789	

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts
Account: OECO 101/6-373 Street lighting
Placement Band: 1921 - 2006
Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	1,561.80	58.41	0.03713	0.96287	
54.5	632.89	253.82	0.40126	0.59874	
55.5	320.30	18.29	0.05625	0.94375	
56.5	1,299.93	163.28	0.12538	0.87462	
57.5	1,179.20	139.38	0.11790	0.88210	
58.5	1,050.50	81.00	0.07707	0.92293	
59.5	969.50	33.66	0.03505	0.96495	
60.5	935.84	13.16	0.01389	0.98611	
61.5	6,651.73	1,285.22	0.19317	0.80683	
62.5	5,366.51	69.24	0.01286	0.98714	
63.5	5,297.27	700.35	0.13215	0.86785	
64.5	3,736.48	175.47	0.04684	0.95316	
65.5	3,561.01	705.48	0.19798	0.80202	
66.5	2,855.53	481.32	0.16842	0.83158	
67.5	2,439.41	148.46	0.06068	0.93932	
68.5	7,483.03	745.08	0.09956	0.90044	
69.5	5,262.88	0.00	0.00000	1.00000	
70.5	6,475.00	0.20	0.00000	1.00000	
71.5	6,546.08	5.40	0.00076	0.99924	
72.5	8,020.68	3.08	0.00037	0.99963	
73.5	8,017.60	68.20	0.00848	0.99152	
74.5	7,949.40	0.00	0.00000	1.00000	
75.5	7,884.20	0.00	0.00000	1.00000	
76.5	2,692.12	0.00	0.00000	1.00000	
77.5	2,692.12	0.00	0.00000	1.00000	
78.5	1,480.00	0.00	0.00000	1.00000	
79.5	1,480.00	0.00	0.00000	1.00000	
80.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 373 Street Lighting	1999	47,677.67	2,436.23	5.11	0.00	0.00	2,857.95	5.99	(421.72)	-0.88	-0.88
OECO 373 Street Lighting	2000	587,621.63	100,697.67	17.14	0.00	0.00	28,996.28	4.93	71,701.39	12.20	12.20
OECO 373 Street Lighting	2001	382,112.48	5,471.64	1.43	0.00	0.00	55,091.48	14.42	(49,619.84)	-12.99	-12.99
OECO 373 Street Lighting	2002	185,887.43	239,489.76	128.84	0.00	0.00	120,452.32	64.80	119,037.44	64.04	64.04
OECO 373 Street Lighting	2003	424,629.17	23,905.05	5.63	0.00	0.00	17,820.59	4.20	6,084.46	1.43	1.43
OECO 373 Street Lighting	2004	1,193,024.16	3,404.30	0.29	0.00	0.00	144,783.94	12.14	(141,379.64)	-11.85	-11.85
OECO 373 Street Lighting	2005	288,713.94	14,511.94	5.03	0.00	0.00	831,278.16	287.92	(816,766.22)	-282.90	-282.90
OECO 373 Street Lighting	2006	1,263,535.50	464,045.67	36.73	0.00	0.00	1,597,645.69	126.44	(1,133,600.02)	-89.72	-89.72
		4,373,201.98	853,962.26	19.53	0.00	0.00	2,798,926.41	64.00	(1,944,964.15)	-44.47	

Whole Life Depreciation Accrual

Account: OECO 101/6-373 Street lighting

Dispersion: 25 - SC

ge Net Salvage Rate: -5.00%

ure Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$13,326,087.65		$552,667.38	4.147263
	Whole Life		25	$559,073.10	
	Amortization		0	$0.00	
	Retirements	$305,034.35	25	$6,405.72	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$13,326,087.65 *		$552,667.38	4.147266
	Average:	$13,173,570.48		$552,667.38	4.195274
	Grand Total:	$13,326,087.65 *		$552,667.38	4.147266

* Excluding 2007 Retirements

04/03/2007

Account: OECO 101/6-373 Street lighting

Dispersion: 25.00 - SC

ge Net Salvage Rate: -5.00%

Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$4,247,408.99	25.00	24.75	1.0395	1.0000	$4,415,181.65	$178,391.18
2005	1.50	$2,021,262.51	25.00	24.25	1.0185	1.0000	$2,058,655.87	$84,893.03
2004	2.50	($71,471.12)	25.00	23.75	0.9975	1.0000	($71,292.44)	($3,001.79)
2003	3.50	$1,213,006.10	25.00	23.25	0.9765	1.0000	$1,184,500.46	$50,946.26
2002	4.50	$802,506.55	25.00	22.75	0.9555	1.0000	$766,795.01	$33,705.28
2001	5.50	$759,292.29	25.00	22.25	0.9345	1.0000	$709,558.65	$31,890.28
2000	6.50	$432,729.48	25.00	21.75	0.9135	1.0000	$395,298.38	$18,174.64
1999	7.50	$697,051.63	25.00	21.25	0.8925	1.0000	$622,118.58	$29,276.17
1998	8.50	$200,866.57	25.00	20.75	0.8715	1.0000	$175,055.22	$8,436.40
1997	9.50	$367,044.48	25.00	20.25	0.8505	1.0000	$312,171.33	$15,415.87
1996	10.50	$682,010.21	25.00	19.75	0.8295	1.0000	$565,727.47	$28,644.43
1995	11.50	$492,943.45	25.00	19.25	0.8085	1.0000	$398,544.78	$20,703.62
94	12.50	$322,402.03	25.00	18.75	0.7875	1.0000	$253,891.60	$13,540.89
1993	13.50	$305,712.23	25.00	18.25	0.7665	1.0000	$234,328.42	$12,839.91
1992	14.50	$91,968.96	25.00	17.75	0.7455	1.0000	$68,562.86	$3,862.70
1991	15.50	$99,418.92	25.00	17.25	0.7245	1.0000	$72,029.01	$4,175.59
1990	16.50	$108,441.49	25.00	16.75	0.7035	1.0000	$76,288.59	$4,554.54
1989	17.50	$50,262.56	25.00	16.25	0.6825	1.0000	$34,304.20	$2,111.03
1988	18.50	$71,963.92	25.00	15.75	0.6615	1.0000	$47,604.13	$3,022.48
1987	19.50	$179,744.82	25.00	15.25	0.6405	1.0000	$115,126.56	$7,549.28
1986	20.50	$48,555.50	25.00	14.75	0.6195	1.0000	$30,080.13	$2,039.33
1985	21.50	$53,760.08	25.00	14.25	0.5985	1.0000	$32,175.41	$2,257.92
1984	22.50	$32,151.39	25.00	13.75	0.5775	1.0000	$18,567.43	$1,350.36
1983	23.50	$5,166.11	25.00	13.25	0.5565	1.0000	$2,874.94	$216.98
1982	24.50	$20,080.83	25.00	12.75	0.5355	1.0000	$10,753.28	$843.39
1981	25.50	$20,656.18	25.00	12.25	0.5145	1.0000	$10,627.60	$867.56
1980	26.50	$2,542.13	25.00	11.75	0.4935	1.0000	$1,254.54	$106.77
1979	27.50	$7,561.31	25.00	11.25	0.4725	1.0000	$3,572.72	$317.58
1978	28.50	$4,609.07	25.00	10.75	0.4515	1.0000	$2,081.00	$193.58
977	29.50	$912.48	25.00	10.25	0.4305	1.0000	$392.82	$38.32
1976	30.50	$3,094.47	25.00	9.75	0.4095	1.0000	$1,267.19	$129.97
1975	31.50	$3,441.81	25.00	9.25	0.3885	1.0000	$1,337.14	$144.56
1974	32.50	$5,829.18	25.00	8.75	0.3675	1.0000	$2,142.22	$244.83

Generation Arrangement Report

Account: OECO 101/6-373 Street lighting

Dispersion: 25.00 - SC

Average Net Salvage Rate: -5.00%

Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1973	33.50	$3,348.93	25.00	8.25	0.3465	1.0000	$1,160.40	$140.66
1972	34.50	$972.55	25.00	7.75	0.3255	1.0000	$316.57	$40.85
1971	35.50	$54.91	25.00	7.25	0.3045	1.0000	$16.72	$2.31
1970	36.50	$7,603.36	25.00	6.75	0.2835	1.0000	$2,155.55	$319.34
1969	37.50	$3,742.46	25.00	6.25	0.2625	1.0000	$982.40	$157.18
1968	38.50	$1,315.70	25.00	5.75	0.2415	1.0000	$317.74	$55.26
1967	39.50	$3,738.66	25.00	5.25	0.2205	1.0000	$824.37	$157.02
1966	40.50	$219.92	25.00	4.75	0.1995	1.0000	$43.87	$9.24
1965	41.50	$891.97	25.00	4.25	0.1785	1.0000	$159.22	$37.46
1964	42.50	$814.95	25.00	3.75	0.1575	1.0000	$128.35	$34.23
1963	43.50	$542.07	25.00	3.25	0.1365	1.0000	$73.99	$22.77
1962	44.50	$827.27	25.00	2.75	0.1155	1.0000	$95.55	$34.75
1961	45.50	$658.61	25.00	2.25	0.0945	1.0000	$62.24	$27.68
1960	46.50	$630.56	25.00	1.75	0.0735	1.0000	$46.35	$26.48
1959	47.50	$400.97	25.00	1.25	0.0525	1.0000	$21.05	$16.84
1958	48.50	$1,501.64	25.00	0.75	0.0315	1.0000	$47.30	$63.07
1957	49.50	$1,073.11	25.00	0.25	0.0105	1.0000	$11.27	$45.07
1956	50.50	$654.57	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1955	51.50	$884.91	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1954	52.50	$886.54	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1953	53.50	$819.33	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1952	54.50	$952.92	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1951	55.50	$58.77	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1950	56.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1949	57.50	$229.05	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1948	58.50	$46.80	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1947	59.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1946	60.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1944	62.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1942	64.50	$860.44	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1941	65.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1940	66.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1937	69.50	$1,480.67	25.00	0.00	0.0000	0.0000	$0.00	$0.00

Generation Arrangement Report

Account: OECO 101/6-373 Street lighting

Dispersion: 25.00 - SC

age Net Salvage Rate: -5.00%

ure Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1931	75.50	$65.20	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1930	76.50	$5,192.08	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1929	77.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1928	78.50	$1,212.12	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1927	79.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$1,480.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
		$13,326,087.65	25.00	22.44	0.9424	1.0000	$12,558,039.67	$559,073.10

Depreciation Reserve Summary

Account: *OECO 101/6-373 Street lighting*
Scenario: Ohio 2007 Distribution Accts ADR
Dispersion: *25 - SC*

Average Net Salvage Rate: -5.00%
Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$13,326,087.65	($6,049,801.59)	-0.4540	$20,042,193.62	1.5040
Computed	$13,326,087.65	$1,434,352.36	0.1076	$12,558,039.67	0.9424
Difference		($7,484,153.95)	-0.5616	$7,484,153.95	0.5616

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 390 Structures and Improvements

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 44 R2.

Actuarial Life Analysis

54 S-.5 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 29 to 60 Years.

Recommendation

Continue to use 44 R2 Based on Industry Standards and Actuarial Life Analysis

Comments:
The current Iowa Curve is representative of industry standards today according to the 2003 EEI Study. Also, it is a good match with relevant historical data.

Salvage Factor Estimates

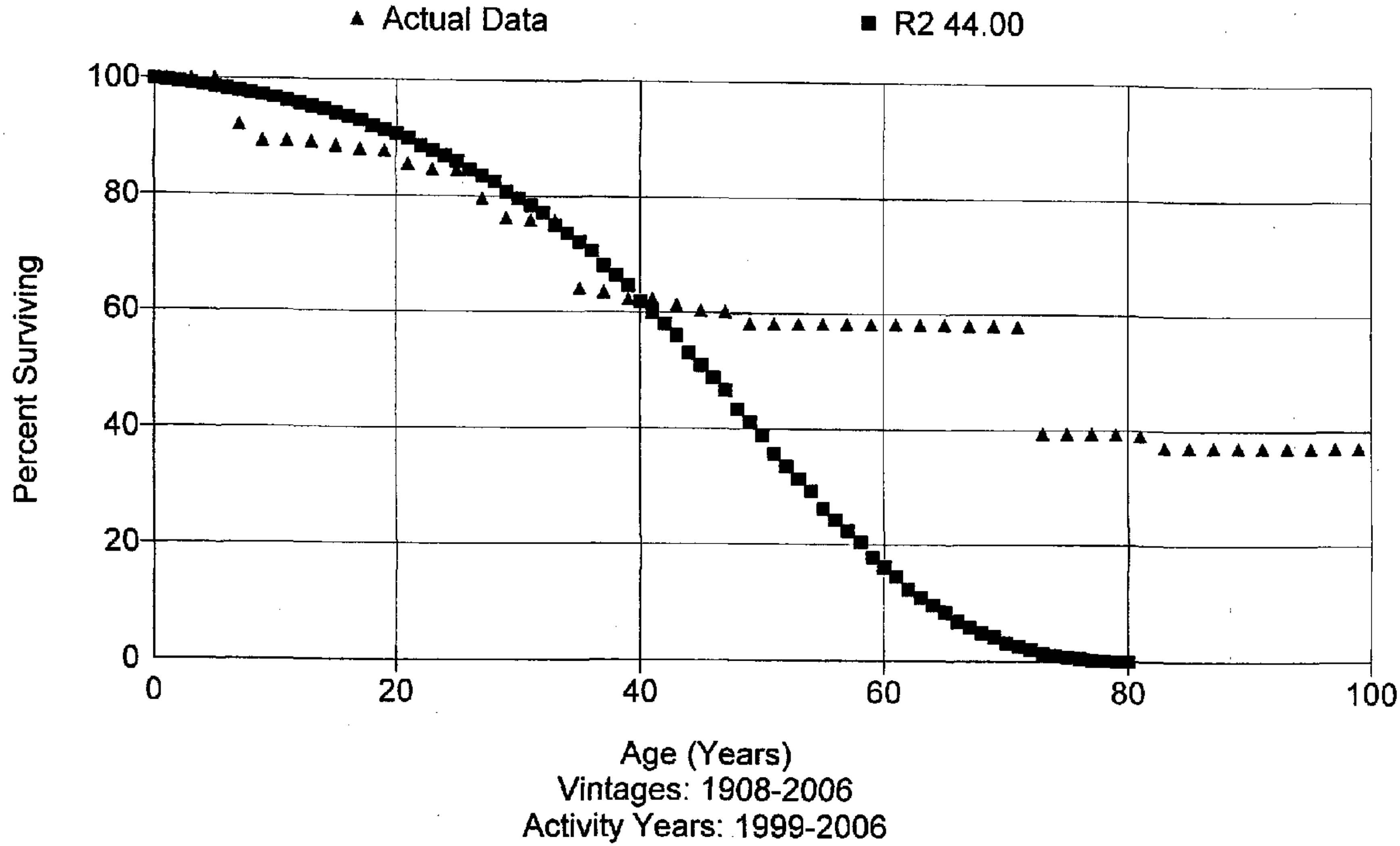
Current Net salvage Rate is	-10%
Proposed Net salvage Rate	-10%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 20% to -50%. The current rate of -10% is suggested as it falls within this range.

Summary of Recommendations

44	Average Service Life
R2	Iowa Curve
-10	% Net Salvage

Ohio Edison Company
Account 390 Structures & Improvements



Observed Life Table

Scenario: Ohio 2007 General Accounts
Account: OECO 101/6-390 Structures/improve
Placement Band: 1908 - 2006 Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	18,444,169.45	0.00	0.00000	1.00000	100.00
0.5	6,793,540.69	0.00	0.00000	1.00000	100.00
1.5	3,591,693.66	0.00	0.00000	1.00000	100.00
2.5	3,605,489.03	0.00	0.00000	1.00000	100.00
3.5	3,157,289.12	0.00	0.00000	1.00000	100.00
4.5	5,274,431.79	0.00	0.00000	1.00000	100.00
5.5	9,332,671.56	45,525.59	0.00488	0.99512	100.00
6.5	11,188,151.12	835,242.87	0.07465	0.92535	99.51
7.5	11,558,484.11	328,650.91	0.02843	0.97157	92.08
8.5	12,911,027.21	11,478.71	0.00089	0.99911	89.46
9.5	14,604,310.90	0.00	0.00000	1.00000	89.38
10.5	16,050,619.69	0.00	0.00000	1.00000	89.38
11.5	19,452,322.30	17,531.33	0.00090	0.99910	89.38
12.5	17,511,329.84	19,967.30	0.00114	0.99886	89.30
13.5	25,178,276.68	18,254.43	0.00072	0.99928	89.20
14.5	24,364,589.49	148,618.60	0.00610	0.99390	89.14
15.5	16,562,465.78	37,059.81	0.00224	0.99776	88.60
16.5	15,693,041.94	61,026.59	0.00389	0.99611	88.40
17.5	16,103,129.39	11,137.51	0.00069	0.99931	88.06
18.5	16,820,874.22	21,630.95	0.00129	0.99871	88.00
19.5	12,543,236.32	259,923.81	0.02072	0.97928	87.89
20.5	12,205,904.28	58,834.01	0.00482	0.99518	86.07
21.5	10,925,105.78	29,878.23	0.00273	0.99727	85.66
22.5	9,955,197.47	75,307.74	0.00756	0.99244	85.43
23.5	8,374,959.87	10,534.43	0.00126	0.99874	84.78
24.5	9,237,332.44	6,997.45	0.00076	0.99924	84.67
25.5	7,363,435.67	424,965.83	0.05771	0.94229	84.61
26.5	5,324,427.45	6,431.47	0.00121	0.99879	79.73
27.5	5,038,376.27	205,653.71	0.04082	0.95918	79.63
28.5	4,335,859.28	6,566.03	0.00151	0.99849	76.38
29.5	3,967,375.52	17,228.38	0.00434	0.99566	76.26
30.5	3,971,979.05	632.97	0.00016	0.99984	75.93
31.5	3,212,900.05	8,307.19	0.00259	0.99741	75.92
32.5	1,409,417.87	0.00	0.00000	1.00000	75.72
33.5	1,457,501.04	42,876.40	0.02942	0.97058	75.72
34.5	937,110.89	119,257.36	0.12726	0.87274	73.49
35.5	1,055,702.87	9,716.47	0.00920	0.99080	64.14
36.5	870,942.83	0.00	0.00000	1.00000	63.55
37.5	1,338,307.95	129.78	0.00010	0.99990	63.55
38.5	1,290,272.64	24,096.06	0.01868	0.98132	63.54
39.5	1,959,544.58	0.00	0.00000	1.00000	62.35
40.5	4,217,278.98	0.00	0.00000	1.00000	62.35
41.5	6,032,984.62	47,710.35	0.00791	0.99209	62.35
42.5	6,528,888.36	51,434.61	0.00788	0.99212	61.86
43.5	5,805,286.32	94,849.27	0.01634	0.98366	61.37
44.5	5,694,314.61	0.00	0.00000	1.00000	60.37
45.5	5,785,599.19	5,888.19	0.00102	0.99898	60.37
46.5	5,739,957.74	7,377.97	0.00129	0.99871	60.31
47.5	5,056,101.31	9,510.53	0.00188	0.99812	60.23
48.5	2,885,925.91	92,871.77	0.03218	0.96782	60.12
49.5	1,314,395.53	0.00	0.00000	1.00000	58.19
50.5	739,053.16	0.00	0.00000	1.00000	58.19
51.5	736,258.98	0.00	0.00000	1.00000	58.19
52.5	733,857.32	0.00	0.00000	1.00000	58.19

Observed Life Table

Scenario: Ohio 2007 General Accounts
Account: OECO 101/6-390 Structures/Improve
Placement Band: 1908 - 2006 Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	104,565.62	0.00	0.00000	1.00000	58.19
54.5	106,872.94	0.00	0.00000	1.00000	58.19
55.5	76,634.42	0.00	0.00000	1.00000	58.19
56.5	34,273.23	0.00	0.00000	1.00000	58.19
57.5	22,219.20	0.00	0.00000	1.00000	58.19
58.5	22,219.20	0.00	0.00000	1.00000	58.19
59.5	12,349.43	0.00	0.00000	1.00000	58.19
60.5	3,543.51	0.00	0.00000	1.00000	58.19
61.5	3,543.51	0.00	0.00000	1.00000	58.19
62.5	207,282.01	0.00	0.00000	1.00000	58.19
63.5	207,382.66	0.00	0.00000	1.00000	58.19
64.5	207,749.09	0.00	0.00000	1.00000	58.19
65.5	207,749.09	445.44	0.00214	0.99786	58.19
66.5	207,303.65	0.00	0.00000	1.00000	58.07
67.5	222,085.03	0.00	0.00000	1.00000	58.07
68.5	394,383.79	0.00	0.00000	1.00000	58.07
69.5	394,383.79	632.74	0.00161	0.99839	58.07
70.5	187,976.10	0.00	0.00000	1.00000	57.98
71.5	277,429.50	0.00	0.00000	1.00000	57.98
72.5	281,135.94	89,554.05	0.31854	0.68146	57.98
73.5	191,581.89	0.00	0.00000	1.00000	39.51
74.5	195,386.44	0.00	0.00000	1.00000	39.51
75.5	180,605.06	0.00	0.00000	1.00000	39.51
76.5	8,939.04	0.00	0.00000	1.00000	39.51
77.5	24,867.00	0.00	0.00000	1.00000	39.51
78.5	267,412.61	0.00	0.00000	1.00000	39.51
79.5	262,462.08	1,764.98	0.00672	0.99328	39.51
80.5	207,450.53	0.00	0.00000	1.00000	39.24
81.5	207,450.53	0.00	0.00000	1.00000	39.24
82.5	203,645.98	10,977.43	0.05390	0.94610	39.24
83.5	192,668.55	0.00	0.00000	1.00000	37.12
84.5	245,657.52	0.00	0.00000	1.00000	37.12
85.5	245,657.52	0.00	0.00000	1.00000	37.12
86.5	52,988.97	0.00	0.00000	1.00000	37.12
87.5	52,988.97	0.00	0.00000	1.00000	37.12
88.5	52,988.97	0.00	0.00000	1.00000	37.12
89.5	52,988.97	0.00	0.00000	1.00000	37.12
90.5	52,988.97	0.00	0.00000	1.00000	37.12
91.5	52,988.97	0.00	0.00000	1.00000	37.12
92.5	0.00	0.00	0.00000	0.00000	37.12

Net Salvage Analysis Report

:count	Year	Retirements	Gross Salvage (Cash) Amount	Gross Salvage (Cash) Pct.	Gross Salvage (Returns) Amount	Gross Salvage (Returns) Pct.	Cost of Removal Amount	Cost of Removal Pct.	Net Salvage Amount	Net Salvage Pct.	1-Yr Avg
ECO 390 Structures/Improvements	2000	2,881,667.76	792,074.22	27.49	0.00	0.00	274,416.03	9.52	517,658.19	17.96	17.96
ECO 390 Structures/Improvements	2001	14,829.46	0.00	0.00	0.00	0.00	24,159.83	162.92	(24,159.83)	-162.92	-162.92
ECO 390 Structures/Improvements	2003	50,899.46	120,679.09	237.09	0.00	0.00	46,708.14	91.77	73,970.95	145.33	145.33
ECO 390 Structures/Improvements	2004	561,196.70	712,415.47	126.95	0.00	0.00	(224,292.80)	-39.97	936,708.27	166.91	166.91
ECO 390 Structures/Improvements	2005	1,810,663.04	509,942.97	28.16	0.00	0.00	(306,950.24)	-16.95	816,893.21	45.12	45.12
ECO 390 Structures/Improvements	2006	1,170,927.81	331,270.90	28.29	0.00	0.00	(137,940.28)	-11.78	469,211.18	40.07	40.07
		6,490,184.23	2,466,382.65	38.00	0.00	0.00	(323,899.32)	-4.99	2,790,281.97	42.99	

Whole Life Depreciation Accrual

Account: OECO 101/6-390 Structures/Improve

Dispersion: 44 - R2

ge Net Salvage Rate: -10.00%

re Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$61,262,397.16		$1,513,252.01	2.470116
Whole Life		44	$1,525,323.38	
Amortization		0	$0.00	
Retirements	$965,709.18	44	$12,071.36	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$61,262,397.16 *		$1,513,252.01	2.470117
Average:	$60,779,542.57		$1,513,252.01	2.489739
Grand Total:	$61,262,397.16 *		$1,513,252.01	2.470117

* Excluding 2007 Retirements

Generation Arrangement Report

Account: OECO 101/6-390 Structures/improve

Dispersion: 44.00 - R2

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$11,706,961.49	44.00	43.55	1.0887	1.0000	$12,745,211.13	$292,674.04
2005	1.50	$402,590.26	44.00	42.65	1.0662	1.0000	$429,223.58	$10,064.76
2004	2.50	$0.00	44.00	41.75	1.0438	1.0000	$0.00	$0.00
2003	3.50	$1,315,583.06	44.00	40.86	1.0215	1.0000	$1,343,911.56	$32,889.58
2002	4.50	$498,655.66	44.00	39.98	0.9995	1.0000	$498,385.65	$12,466.39
2001	5.50	$427,590.58	44.00	39.10	0.9775	1.0000	$417,977.39	$10,689.76
2000	6.50	$113,441.82	44.00	38.23	0.9558	1.0000	$108,424.81	$2,836.05
1999	7.50	$828,782.16	44.00	37.37	0.9342	1.0000	$774,248.25	$20,719.55
1998	8.50	$653,360.30	44.00	36.51	0.9128	1.0000	$596,380.14	$16,334.01
1997	9.50	$2,370,416.91	44.00	35.66	0.8915	1.0000	$2,113,293.39	$59,260.42
1996	10.50	$613,789.83	44.00	34.82	0.8705	1.0000	$534,296.20	$15,344.75
1995	11.50	$1,179,957.62	44.00	33.99	0.8496	1.0000	$1,002,527.46	$29,498.94
1994	12.50	$2,671,635.50	44.00	33.16	0.8290	1.0000	$2,214,679.81	$66,790.89
1993	13.50	$3,033,078.00	44.00	32.34	0.8085	1.0000	$2,452,135.37	$75,826.95
1992	14.50	$1,736,535.73	44.00	31.53	0.7882	1.0000	$1,368,727.38	$43,413.39
1991	15.50	$1,083,799.95	44.00	30.73	0.7681	1.0000	$832,495.97	$27,095.00
1990	16.50	$1,648,962.67	44.00	29.93	0.7482	1.0000	$1,233,828.01	$41,224.07
1989	17.50	$1,658,160.90	44.00	29.14	0.7286	1.0000	$1,208,150.61	$41,454.02
1988	18.50	$1,560,121.15	44.00	28.37	0.7092	1.0000	$1,106,418.51	$39,003.03
1987	19.50	$4,104,116.56	44.00	27.60	0.6900	1.0000	$2,831,780.78	$102,602.91
1986	20.50	$601,006.01	44.00	26.84	0.6710	1.0000	$403,264.02	$15,025.15
1985	21.50	$2,364,636.01	44.00	26.09	0.6523	1.0000	$1,542,342.09	$59,115.90
1984	22.50	$962,786.42	44.00	25.35	0.6338	1.0000	$610,180.45	$24,069.66
1983	23.50	$2,087,228.47	44.00	24.62	0.6155	1.0000	$1,284,709.44	$52,180.71
1982	24.50	$1,328,507.82	44.00	23.90	0.5975	1.0000	$793,757.08	$33,212.70
1981	25.50	$1,956,745.84	44.00	23.19	0.5797	1.0000	$1,134,408.02	$48,918.65
1980	26.50	$2,097,805.67	44.00	22.49	0.5623	1.0000	$1,179,503.87	$52,445.14
1979	27.50	$191,565.30	44.00	21.80	0.5450	1.0000	$104,403.26	$4,789.13
1978	28.50	$306,632.37	44.00	21.12	0.5281	1.0000	$161,922.18	$7,665.81
1977	29.50	$581,649.99	44.00	20.46	0.5114	1.0000	$297,460.03	$14,541.25
1976	30.50	$82,050.34	44.00	19.80	0.4950	1.0000	$40,617.07	$2,051.26
1975	31.50	$758,841.85	44.00	19.16	0.4789	1.0000	$363,404.12	$18,971.05
1974	32.50	$1,711,393.22	44.00	18.52	0.4631	1.0000	$792,574.15	$42,784.83

Generation Arrangement Report

Account: OECO 101/6-390 Structures/improve

Dispersion: 44.00 - R2

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1973	33.50	$126,888.86	44.00	17.91	0.4476	1.0000	$56,799.26	$3,172.22
1972	34.50	$457,927.78	44.00	17.30	0.4324	1.0000	$198,026.85	$11,448.19
1971	35.50	$56,024.52	44.00	16.70	0.4175	1.0000	$23,392.58	$1,400.61
1970	36.50	$205,053.73	44.00	16.12	0.4030	1.0000	$82,636.07	$5,126.34
1969	37.50	$38,048.68	44.00	15.55	0.3888	1.0000	$14,792.30	$951.22
1968	38.50	$95,279.07	44.00	14.99	0.3748	1.0000	$35,713.29	$2,381.98
1967	39.50	$13,716.09	44.00	14.45	0.3613	1.0000	$4,955.23	$342.90
1966	40.50	$61,293.06	44.00	13.92	0.3480	1.0000	$21,332.73	$1,532.33
1965	41.50	$38,164.25	44.00	13.41	0.3351	1.0000	$12,790.59	$954.11
1964	42.50	$55,219.24	44.00	12.90	0.3226	1.0000	$17,811.07	$1,380.48
1963	43.50	$468,061.25	44.00	12.41	0.3103	1.0000	$145,259.03	$11,701.53
1962	44.50	$29,880.38	44.00	11.94	0.2985	1.0000	$8,918.21	$747.01
1961	45.50	$552,468.77	44.00	11.48	0.2869	1.0000	$158,513.60	$13,811.72
1960	46.50	$40,484.99	44.00	11.03	0.2757	1.0000	$11,161.37	$1,012.12
1959	47.50	$706,716.98	44.00	10.59	0.2648	1.0000	$187,152.77	$17,667.92
1958	48.50	$2,222,310.23	44.00	10.17	0.2543	1.0000	$565,057.55	$55,557.76
1957	49.50	$1,497,034.53	44.00	9.76	0.2440	1.0000	$365,314.89	$37,425.86
1956	50.50	$556,137.21	44.00	9.36	0.2341	1.0000	$130,198.24	$13,903.43
1955	51.50	$8,768.91	44.00	8.98	0.2245	1.0000	$1,968.53	$219.22
1954	52.50	$11,207.58	44.00	8.61	0.2152	1.0000	$2,411.36	$280.19
1953	53.50	$626,864.85	44.00	8.25	0.2061	1.0000	$129,214.17	$15,671.62
1952	54.50	$1,157.18	44.00	7.89	0.1973	1.0000	$228.35	$28.93
1951	55.50	$30,238.52	44.00	7.55	0.1888	1.0000	$5,708.24	$755.96
1950	56.50	$42,440.20	44.00	7.22	0.1804	1.0000	$7,658.20	$1,061.01
1949	57.50	$13,855.56	44.00	6.90	0.1724	1.0000	$2,388.44	$346.39
1947	59.50	$8,853.15	44.00	6.27	0.1566	1.0000	$1,386.78	$221.33
1946	60.50	$8,021.01	44.00	5.96	0.1491	1.0000	$1,196.03	$200.53
1944	62.50	$3,464.50	44.00	5.36	0.1341	1.0000	$464.59	$86.61
1942	64.50	$79.01	44.00	4.78	0.1195	1.0000	$9.44	$1.98
1941	65.50	$0.00	44.00	4.49	0.1122	1.0000	$0.00	$0.00
1936	70.50	$166,073.06	44.00	3.04	0.0760	1.0000	$12,629.50	$4,151.83
1935	71.50	$100.65	44.00	2.77	0.0692	1.0000	$6.96	$2.52
1934	72.50	$0.00	44.00	2.48	0.0621	1.0000	$0.00	$0.00

Account: OECO 101/6-390 Structures/improve

Dispersion: 44.00 - R2

age Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1931	75.50	$14,781.38	44.00	1.67	0.0418	1.0000	$618.13	$369.53
1930	76.50	$212,795.96	44.00	1.41	0.0352	1.0000	$7,498.64	$5,319.90
1928	78.50	$0.00	44.00	0.90	0.0226	1.0000	$0.00	$0.00
1927	79.50	$0.00	44.00	0.73	0.0181	1.0000	$0.00	$0.00
1926	80.50	$5,134.49	44.00	0.60	0.0149	1.0000	$76.46	$128.36
1924	82.50	$3,804.55	44.00	0.00	0.0000	0.0000	$0.00	$0.00
1921	85.50	$0.00	44.00	0.00	0.0000	0.0000	$0.00	$0.00
1920	86.50	$192,668.55	44.00	0.00	0.0000	0.0000	$0.00	$0.00
1914	92.50	$52,988.97	44.00	0.00	0.0000	0.0000	$0.00	$0.00
		$61,262,397.16	44.00	29.21	0.7302	1.0000	$44,733,931.22	$1,525,323.38

Depreciation Reserve Summary

Account: OECO 101/6-390 Structures/improve
Scenario: Ohio 2007 General Accts ADR
Dispersion: 44 - R2
Average Net Salvage Rate: -10.00%
Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	**Amount**	**Ratio**	**Amount**	**Ratio**
Recorded	$61,262,397.16	$23,911,710.09	0.3903	$43,476,926.79	0.7097
Computed	$61,262,397.16	$22,654,705.66	0.3698	$44,733,931.22	0.7302
Difference		$1,257,004.43	0.0205	($1,257,004.43)	-0.0205

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 391 Office Furniture & Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 30 L1.

Actuarial Life Analysis

24 S1.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 3 to 31 Years.

Recommendation

Change to 25 S1.5 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The S1.5 curve is a better fit for the analyzed activity, and the slightly shorter life is more in line with current company data.

Salvage Factor Estimates

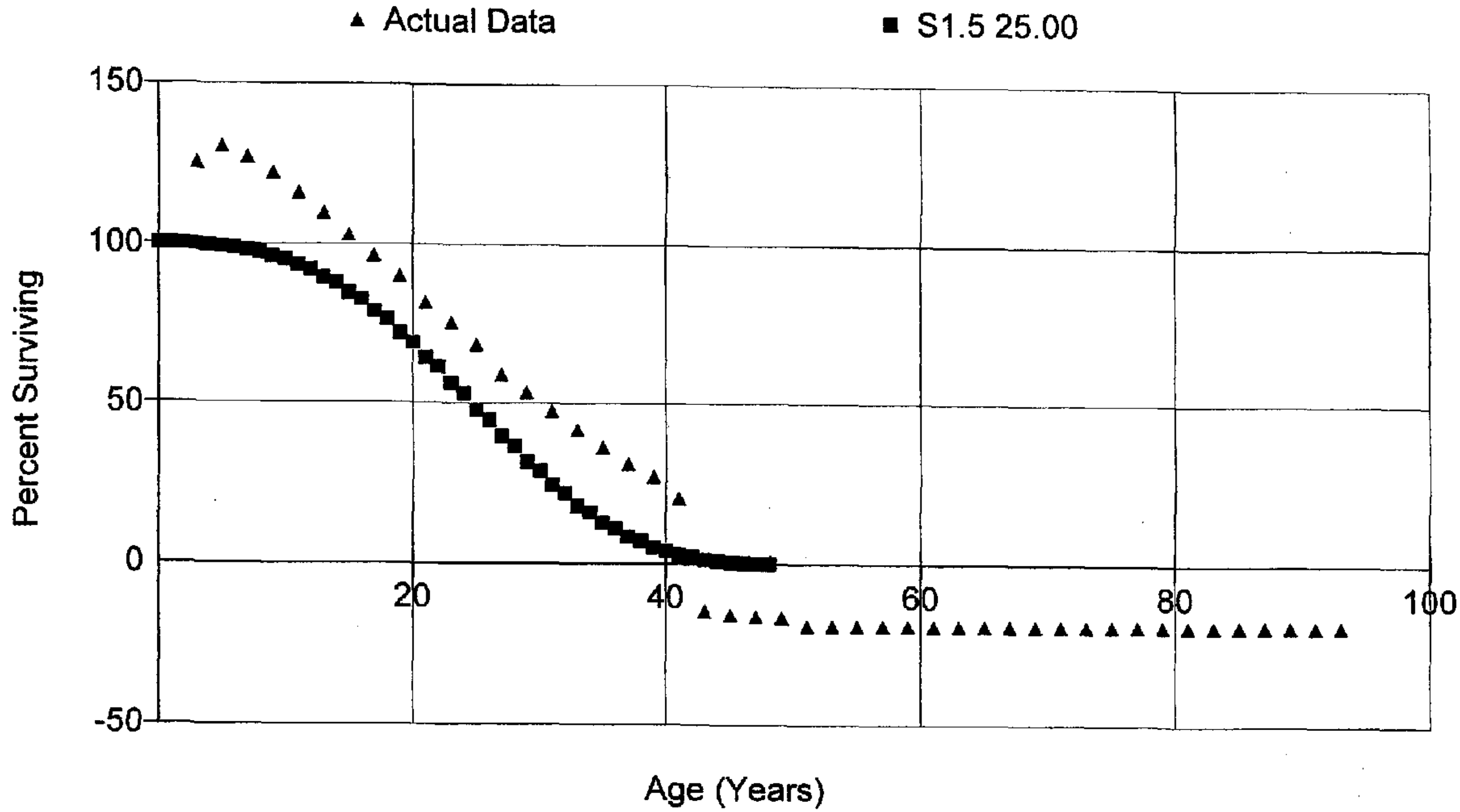
Current Net salvage Rate is	5%
Proposed Net salvage Rate	5%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 10% to -5%. Activity analzyed for this study averaged approximately 14%; continuing with 5% is recommended as it is a fair estimation based on the Industry Averages.

Summary of Recommendations

25	Average Service Life
S1.5	Iowa Curve
5	% Net Salvage

Ohio Edison Company
Account 39110 Office Furniture & Fixtures



Vintages: 1913-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 General Accounts

Account: OECO 101/6-39110 Office furn & equi

Placement Band: 1913 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirement Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	2,350,686.68	0.00	0.00000	1.00000	100.00
0.5	1,917,427.36	646.55	0.00034	0.99966	100.00
1.5	137,947.34	-203.10	-0.00147	1.00147	99.97
2.5	34,308.97	-8,643.73	-0.25195	1.25195	100.12
3.5	174,917.26	-6,323.54	-0.03615	1.03615	125.35
4.5	716,570.32	-3,534.35	-0.00493	1.00493	129.88
5.5	2,753,967.65	34,152.05	0.01240	0.98760	130.52
6.5	3,204,465.98	45,336.28	0.01415	0.98585	128.90
7.5	3,210,204.95	45,637.43	0.01422	0.98578	127.08
8.5	3,773,309.05	89,527.57	0.02373	0.97627	125.27
9.5	3,706,695.27	95,035.88	0.02564	0.97436	122.30
10.5	4,034,702.98	103,540.29	0.02566	0.97434	119.16
11.5	4,074,888.75	122,823.35	0.03014	0.96986	116.10
12.5	3,830,414.55	95,753.22	0.02500	0.97500	112.60
13.5	3,635,938.89	112,160.44	0.03085	0.96915	109.79
14.5	3,577,676.01	114,256.74	0.03194	0.96806	106.40
15.5	2,860,932.73	88,203.31	0.03083	0.96917	103.00
16.5	2,452,362.24	79,311.62	0.03234	0.96766	99.82
17.5	2,236,022.24	75,050.03	0.03356	0.96644	96.59
18.5	1,735,780.79	59,916.93	0.03452	0.96548	93.35
19.5	1,464,178.36	83,301.59	0.05689	0.94311	90.13
20.5	1,119,405.06	42,045.68	0.03756	0.96244	85.00
21.5	835,209.47	32,383.31	0.03877	0.96123	81.81
22.5	765,458.45	30,349.49	0.03965	0.96035	78.64
23.5	605,525.11	25,013.89	0.04131	0.95869	75.52
24.5	390,561.62	20,896.65	0.05350	0.94650	72.40
25.5	338,954.69	15,652.28	0.04618	0.95382	68.53
26.5	265,090.69	26,050.09	0.09827	0.90173	65.37
27.5	252,973.25	11,943.38	0.04721	0.95279	58.95
28.5	244,475.95	11,923.20	0.04877	0.95123	56.17
29.5	214,512.49	11,121.22	0.05184	0.94816	53.43
30.5	137,682.15	8,470.06	0.06152	0.93848	50.66
31.5	120,867.25	7,637.34	0.06319	0.93681	47.54
32.5	92,307.86	6,030.34	0.06532	0.93468	44.54
33.5	76,545.89	5,839.22	0.07628	0.92372	41.63
34.5	72,523.34	4,124.03	0.05686	0.94314	38.45
35.5	63,183.68	5,244.41	0.08300	0.91700	36.26
36.5	56,371.60	3,533.41	0.06267	0.93733	33.25
37.5	56,417.28	3,617.29	0.06411	0.93589	31.17
38.5	53,263.35	3,466.45	0.06507	0.93493	29.17
39.5	52,992.98	8,300.66	0.15664	0.84336	27.27
40.5	58,155.59	6,531.44	0.11230	0.88770	23.00
41.5	60,702.38	97,033.17	1.59851	-0.59851	20.42
42.5	-40,291.79	7,981.46	-0.19808	1.19808	-12.22
43.5	-61,134.35	2,955.09	-0.04834	1.04834	
44.5	-74,435.36	2,086.61	-0.02804	1.02804	
45.5	-80,667.18	1,702.94	-0.02111	1.02111	
46.5	-85,558.28	1,373.13	-0.01605	1.01605	
47.5	-85,419.93	1,045.22	-0.01223	1.01223	
48.5	-89,199.60	579.19	-0.00649	1.00649	
49.5	-1,313.62	212.91	-0.16210	1.16210	
50.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 39110 Office Furniture & Fixtures	1999	267,953.40	2,695.56	1.01	0.00	0.00	0.00	0.00	2,695.56	1.01	1.01
OECO 39110 Office Furniture & Fixtures	2000	294,186.17	177,394.34	60.30	0.00	0.00	841.90	0.29	176,552.44	60.01	60.01
OECO 39110 Office Furniture & Fixtures	2001	111,156.44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39110 Office Furniture & Fixtures	2002	116,984.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39110 Office Furniture & Fixtures	2003	120,500.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39110 Office Furniture & Fixtures	2004	125,183.52	694.60	0.55	0.00	0.00	0.00	0.00	694.60	0.55	0.55
OECO 39110 Office Furniture & Fixtures	2005	129,227.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39110 Office Furniture & Fixtures	2006	132,403.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		1,297,594.85	180,784.50	13.93	0.00	0.00	841.90	0.06	179,942.60	13.87	

Whole Life Depreciation Accrual

Account: OECO 101/6-39110 Office furn & equi
Dispersion: 25 - S1.5

rage Net Salvage Rate: 5.00%
ure Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$6,747,628.35		$252,098.14	3.736107
Whole Life		25	$256,321.78	
Amortization		0	$0.00	
Retirements	$222,297.07	25	$4,223.64	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$6,747,628.35 *		$252,098.14	3.736114
Average:	$6,636,479.82		$252,098.14	3.798673
Grand Total:	$6,747,628.35 *		$252,098.14	3.736114

* Excluding 2007 Retirements

Account: OECO 101/6-39110 Office furn & equi

Dispersion: 25.00 - S1.5

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$1,028,951.07	25.00	24.50	0.9310	1.0000	$957,963.12	$39,100.14
2005	1.50	$1,320,802.50	25.00	23.50	0.8932	1.0000	$1,179,705.92	$50,190.50
2004	2.50	$108,106.74	25.00	22.52	0.8557	1.0000	$92,509.62	$4,108.06
2003	3.50	$0.00	25.00	21.55	0.8188	1.0000	$0.00	$0.00
2000	6.50	$150,533.67	25.00	18.75	0.7127	1.0000	$107,280.93	$5,720.28
1999	7.50	$104,361.43	25.00	17.87	0.6792	1.0000	$70,880.31	$3,965.73
1998	8.50	$26,188.52	25.00	17.02	0.6468	1.0000	$16,938.19	$995.16
1997	9.50	$22,524.15	25.00	16.20	0.6155	1.0000	$13,863.97	$855.92
1996	10.50	$56,032.98	25.00	15.41	0.5854	1.0000	$32,803.25	$2,129.26
1995	11.50	$91,264.37	25.00	14.65	0.5566	1.0000	$50,793.32	$3,468.05
1994	12.50	$205,856.89	25.00	13.92	0.5289	1.0000	$108,872.91	$7,822.56
1993	13.50	$525,027.41	25.00	13.22	0.5024	1.0000	$263,781.81	$19,951.04
1992	14.50	$317,687.94	25.00	12.56	0.4771	1.0000	$151,578.65	$12,072.14
1991	15.50	$347,582.90	25.00	11.92	0.4530	1.0000	$157,458.35	$13,208.15
1990	16.50	$349,026.09	25.00	11.32	0.4300	1.0000	$150,084.45	$13,262.99
1989	17.50	$191,719.87	25.00	10.74	0.4081	1.0000	$78,238.49	$7,285.36
1988	18.50	$332,547.42	25.00	10.19	0.3872	1.0000	$128,763.32	$12,636.80
1987	19.50	$193,567.34	25.00	9.67	0.3673	1.0000	$71,097.19	$7,355.56
1986	20.50	$216,220.83	25.00	9.17	0.3483	1.0000	$75,315.52	$8,216.39
1985	21.50	$258,212.22	25.00	8.69	0.3302	1.0000	$85,271.69	$9,812.06
1984	22.50	$251,445.10	25.00	8.24	0.3130	1.0000	$78,697.58	$9,554.91
1983	23.50	$108,019.58	25.00	7.80	0.2965	1.0000	$32,027.64	$4,104.74
1982	24.50	$146,806.50	25.00	7.39	0.2808	1.0000	$41,216.29	$5,578.65
1981	25.50	$73,166.68	25.00	6.99	0.2657	1.0000	$19,438.98	$2,780.33
1980	26.50	$53,770.50	25.00	6.61	0.2513	1.0000	$13,509.95	$2,043.28
1979	27.50	$31,220.06	25.00	6.25	0.2374	1.0000	$7,411.85	$1,186.36
1978	28.50	$19,078.05	25.00	5.90	0.2241	1.0000	$4,275.66	$724.97
1977	29.50	$18,742.76	25.00	5.56	0.2113	1.0000	$3,960.88	$712.22
1976	30.50	$63,447.70	25.00	5.24	0.1990	1.0000	$12,626.49	$2,411.01
1975	31.50	$5,295.97	25.00	4.92	0.1871	1.0000	$990.96	$201.25
1974	32.50	$24,529.09	25.00	4.62	0.1756	1.0000	$4,307.92	$932.11
1973	33.50	$14,905.51	25.00	4.33	0.1645	1.0000	$2,451.75	$566.41
1972	34.50	$12,465.49	25.00	4.04	0.1537	1.0000	$1,915.60	$473.69

Account: OECO 101/6-39110 Office furn & equi

Dispersion: 25.00 - S1.5

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1971	35.50	$11,962.71	25.00	3.77	0.1431	1.0000	$1,712.46	$454.58
1970	36.50	$12,530.31	25.00	3.50	0.1329	1.0000	$1,664.89	$476.15
1969	37.50	$6,930.66	25.00	3.23	0.1228	1.0000	$851.25	$263.37
1968	38.50	$6,505.94	25.00	2.97	0.1130	1.0000	$734.93	$247.23
1967	39.50	$3,301.26	25.00	2.72	0.1033	1.0000	$340.86	$125.45
1966	40.50	$3,555.74	25.00	2.46	0.0937	1.0000	$333.03	$135.12
1965	41.50	$3,068.66	25.00	2.21	0.0842	1.0000	$258.25	$116.61
1964	42.50	$2,209.80	25.00	1.97	0.0747	1.0000	$165.10	$83.97
1963	43.50	$3,176.11	25.00	1.72	0.0653	1.0000	$207.39	$120.69
1962	44.50	$3,588.28	25.00	1.47	0.0559	1.0000	$200.57	$136.35
1961	45.50	$3,887.23	25.00	1.22	0.0465	1.0000	$180.90	$147.71
1960	46.50	$3,188.16	25.00	0.98	0.0373	1.0000	$118.78	$121.15
1959	47.50	$3,284.52	25.00	0.74	0.0283	1.0000	$92.87	$124.81
1958	48.50	$5,047.45	25.00	0.53	0.0201	1.0000	$101.46	$191.80
1957	49.50	$3,965.83	25.00	0.13	0.0048	1.0000	$18.84	$150.70
1956	50.50	$2,318.36	25.00	0.00	0.0000	0.0000	$0.00	$0.00
		$6,747,628.35	25.00	15.69	0.5962	1.0000	$4,023,014.15	$256,321.78

Depreciation Reserve Summary

Account: OECO 101/6-39110 Office furn & equi
Scenario: Ohio 2007 General Accts ADR
Dispersion: 25 - S1.5
Average Net Salvage Rate: 5.00%
Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$6,747,628.35	$1,776,411.10	0.2633	$4,633,835.83	0.6867
Computed	$6,747,628.35	$2,387,232.78	0.3538	$4,023,014.15	0.5962
Difference		($610,821.68)	-0.0905	$610,821.68	0.0905

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 39120 Data Processing Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 5 L1.

Actuarial Life Analysis

11 R2.5 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 5 to 31 Years.

Recommendation

Continue to use 5 L1 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The curent curve and life is still a good match for this account based on company practices.

Salvage Factor Estimates

Current Net salvage Rate is	25%
Proposed Net salvage Rate	15%

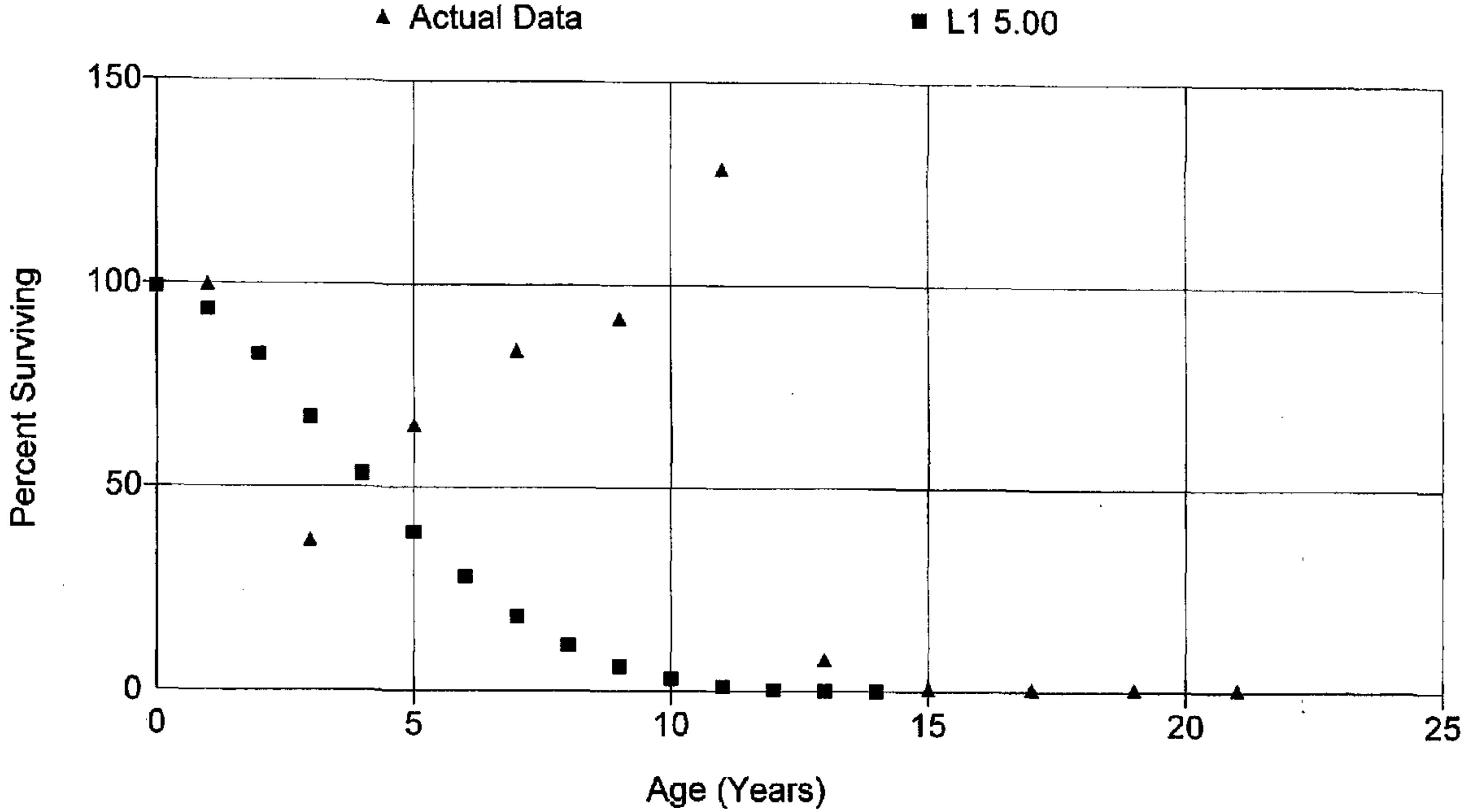
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 15% to -5%. Activity for this study shows an average of 10%; a change to 15% is recommended.

Summary of Recommendations

5	Average Service Life
L1	Iowa Curve
15	% Net Salvage

Ohio Edison Company
Account 39120 Data Processing Equipment



Vintages: 1986-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 General Accounts
Account: OECO 101/6-39120 Data process equip
Placement Band: 1986 - 2006 **Observation Band:** 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	64,534,954.39	130,988.60	0.00203	0.99797	100.00
0.5	46,749,162.59	17,304.63	0.00037	0.99963	99.80
1.5	31,773,027.76	2,638,077.55	0.08303	0.91697	99.76
2.5	5,768,624.01	3,425,617.97	0.59384	0.40616	91.48
3.5	-6,729,530.40	2,762,850.43	-0.41056	1.41056	37.16
4.5	-10,486,086.80	2,521,854.76	-0.24050	1.24050	
5.5	-13,918,495.96	1,976,304.57	-0.14199	1.14199	
6.5	-15,139,452.69	1,882,167.27	-0.12432	1.12432	
7.5	-17,566,070.08	1,339,574.73	-0.07626	1.07626	
8.5	-27,331,133.38	525,337.40	-0.01922	1.01922	
9.5	-522,570.80	183,995.08	-0.35210	1.35210	
10.5	-580,174.24	23,004.59	-0.03965	1.03965	
11.5	9,890.37	6,852.03	0.69282	0.30718	
12.5	2,848.05	2,277.51	0.79986	0.20014	
13.5	216.61	197.43	0.90783	0.09217	
14.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 39120 Data Processing Equipment	1999	3,495,925.98	50,334.65	1.44	0.00	0.00	21,204.90	0.61	29,129.75	0.83	0.83
OECO 39120 Data Processing Equipment	2000	4,920,311.87	1,798,726.39	36.56	0.00	0.00	0.00	0.00	1,798,726.39	36.56	36.56
OECO 39120 Data Processing Equipment	2001	1,349,650.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39120 Data Processing Equipment	2002	1,327,333.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39120 Data Processing Equipment	2003	1,231,265.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39120 Data Processing Equipment	2004	1,683,200.61	750.00	0.04	0.00	0.00	0.00	0.00	750.00	0.04	0.04
OECO 39120 Data Processing Equipment	2005	1,805,689.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 39120 Data Processing Equipment	2006	1,628,580.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		17,441,957.51	1,849,811.04	10.61	0.00	0.00	21,204.90	0.12	1,828,606.14	10.48	

Whole Life Depreciation Accrual

Account: OECO 101/6-39120 Data process equip
Dispersion: 5 - L1

erage Net Salvage Rate: 15.00%
ure Net Salvage Rate: 15.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	*$5,226,380.70*		$767,767.96	14.690251
Whole Life		5	$888,484.72	
Amortization		0	$0.00	
Retirements	$1,420,197.12	5	$120,716.75	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$5,226,380.70 *		$767,767.96	14.690260
Average:	*$4,516,282.14*		$767,767.96	17.000000
Grand Total:	$5,226,380.70 *		$767,767.96	14.690260

* Excluding 2007 Retirements

Generation Arrangement Report

Account: OECO 101/6-39120 Data process equip

Dispersion: 5.00 - L1

age Net Salvage Rate: 15.00%

ure Net Salvage Rate: 15.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$401,359.27	5.00	4.55	0.7727	1.0000	$310,135.15	$68,231.08
2005	1.50	$10,490.07	5.00	3.79	0.6442	1.0000	$6,757.28	$1,783.31
2004	2.50	$226,694.51	5.00	3.26	0.5543	1.0000	$125,658.92	$38,538.07
2003	3.50	$1,629,998.11	5.00	2.87	0.4877	1.0000	$794,982.29	$277,099.68
2002	4.50	$1,062,267.75	5.00	2.52	0.4288	1.0000	$455,513.89	$180,585.52
2001	5.50	$767,365.96	5.00	2.21	0.3759	1.0000	$288,442.50	$130,450.51
2000	6.50	$129,861.98	5.00	1.93	0.3281	1.0000	$42,607.73	$22,076.54
1999	7.50	$170,103.30	5.00	1.67	0.2847	1.0000	$48,432.82	$28,917.56
1998	8.50	$606,882.07	5.00	1.44	0.2452	1.0000	$148,810.23	$103,169.95
1997	9.50	$179,395.84	5.00	1.23	0.2091	1.0000	$37,512.00	$30,497.29
1996	10.50	$41,971.84	5.00	1.04	0.1761	1.0000	$7,392.67	$7,135.21
1995	11.50	$0.00	5.00	0.86	0.1462	1.0000	$0.00	$0.00
1994	12.50	$0.00	5.00	0.70	0.1195	1.0000	$0.00	$0.00
1993	13.50	$0.00	5.00	0.56	0.0958	1.0000	$0.00	$0.00
1992	14.50	$0.00	5.00	0.32	0.0542	1.0000	$0.00	$0.00
1991	15.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1990	16.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1989	17.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1988	18.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1987	19.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1986	20.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1985	21.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1984	22.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1983	23.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
1966	40.50	$0.00	5.00	0.00	0.0000	0.0000	$0.00	$0.00
		$5,226,380.70	5.00	2.55	0.4336	1.0000	$2,266,245.47	$888,484.72

Depreciation Reserve Summary

Account: OECO 101/6-39120 Data process equip

Scenario: Ohio 2007 General Accts ADR

Dispersion: 5 - L1

Average Net Salvage Rate: 15.00%

Future Net Salvage Rate: 15.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$5,226,380.70	($69,444.74)	-0.0133	$4,511,868.34	0.8633
Computed	$5,226,380.70	$2,176,178.12	0.4164	$2,266,245.47	0.4336
Difference		($2,245,622.86)	-0.4297	$2,245,622.86	0.4297

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 392 Transportation Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 13 L4.

Actuarial Life Analysis

16 L4 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 5 to 30 Years.

Recommendation

Continue to use 13 L4 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The current Iowa Curve is representative of industry standards today according to the 2003 EEI Study. Also, it is a good match with relevant historical data.

Salvage Factor Estimates

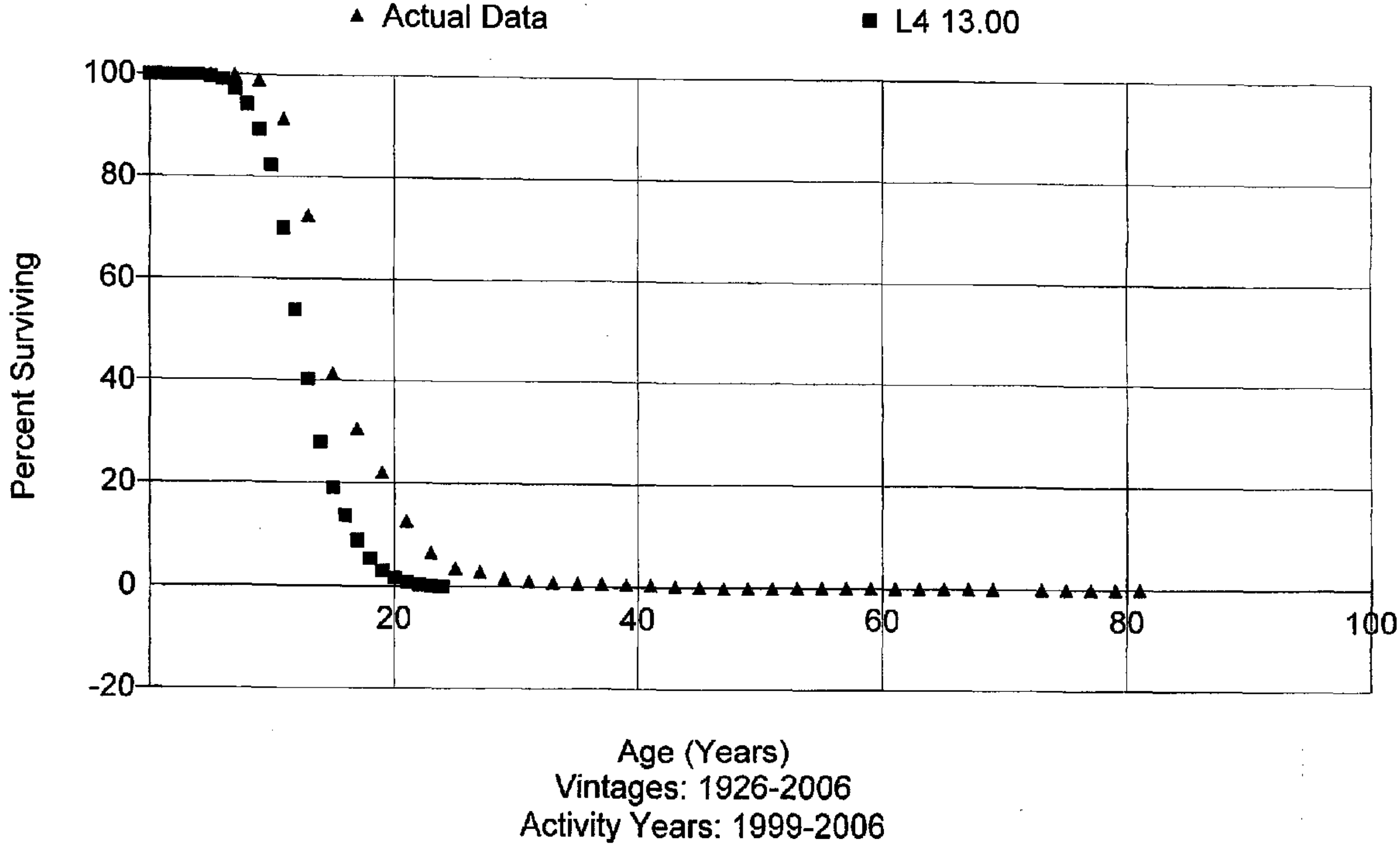
Current Net salvage Rate is	5%
Proposed Net salvage Rate	5%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to 109%. Activity for this study shows average of 3%; the use of 5% is still reasonable.

Summary of Recommendations

13	Average Service Life
L4	Iowa Curve
5	% Net Salvage

Ohio Edison Company
Account 392 Transportation Equipment



Observed Life Table

Scenario: Ohio 2007 General Accounts

Account: OECO 101/6-392 Transportation equip

Placement Band: 1926 - 2006 Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	80,934.02	0.00	0.00000	1.00000	100.00
0.5	80,934.02	0.00	0.00000	1.00000	100.00
1.5	86,403.97	0.00	0.00000	1.00000	100.00
2.5	86,403.97	0.00	0.00000	1.00000	100.00
3.5	86,403.97	0.00	0.00000	1.00000	100.00
4.5	25,609.58	0.00	0.00000	1.00000	100.00
5.5	39,032.39	0.00	0.00000	1.00000	100.00
6.5	273,017.38	0.00	0.00000	1.00000	100.00
7.5	390,049.10	0.00	0.00000	1.00000	100.00
8.5	547,940.44	5,655.00	0.01032	0.98968	100.00
9.5	786,127.68	33,147.00	0.04216	0.95784	98.97
10.5	1,083,321.62	37,785.00	0.03488	0.96512	94.80
11.5	1,395,494.24	153,323.19	0.10987	0.89013	91.49
12.5	1,394,153.18	153,001.52	0.10975	0.89025	81.44
13.5	1,272,122.98	283,540.00	0.22289	0.77711	72.50
14.5	1,064,423.50	282,331.34	0.26524	0.73476	56.34
15.5	651,861.35	66,105.00	0.10141	0.89859	41.40
16.5	731,024.68	128,369.92	0.17560	0.82440	37.20
17.5	973,200.08	106,935.66	0.10988	0.89012	30.67
18.5	838,460.39	156,809.43	0.18702	0.81298	27.30
19.5	857,450.57	235,634.05	0.27481	0.72519	22.19
20.5	615,029.17	137,383.64	0.22338	0.77662	16.09
21.5	583,951.82	262,549.66	0.44961	0.55039	12.50
22.5	474,872.95	24,825.00	0.05228	0.94772	6.88
23.5	574,683.26	148,369.71	0.25818	0.74182	6.52
24.5	455,910.65	121,990.98	0.26758	0.73242	4.84
25.5	278,466.09	54,502.36	0.19572	0.80428	3.54
26.5	260,984.10	0.00	0.00000	1.00000	2.85
27.5	248,114.07	43,578.06	0.17564	0.82436	2.85
28.5	195,227.37	65,221.94	0.33408	0.66592	2.35
29.5	138,683.30	27,697.47	0.19971	0.80029	1.56
30.5	121,377.73	12,651.51	0.10424	0.89576	1.25
31.5	91,820.01	14,503.08	0.15795	0.84205	1.12
32.5	36,295.46	4,776.35	0.13159	0.86841	0.94
33.5	35,774.06	6,630.19	0.18533	0.81467	0.82
34.5	28,309.25	0.00	0.00000	1.00000	0.67
35.5	29,729.74	2,623.76	0.08826	0.91174	0.67
36.5	16,770.04	0.00	0.00000	1.00000	0.61
37.5	19,055.94	0.00	0.00000	1.00000	0.61
38.5	19,137.67	1,618.66	0.08460	0.91540	0.61
39.5	22,179.29	2,040.42	0.09198	0.90802	0.56
40.5	27,309.38	5,588.47	0.20462	0.79538	0.51
41.5	33,324.42	2,463.60	0.07394	0.92606	0.41
42.5	28,197.77	5,596.97	0.19849	0.80151	0.38
43.5	21,240.31	10,458.43	0.49237	0.50763	0.30
44.5	7,092.32	1,508.00	0.21263	0.78737	0.15
45.5	3,795.37	1,480.00	0.38999	0.61001	0.12
46.5	496.93	1,151.00	2.31590	-1.31590	0.07
47.5	-2,850.75	300.00	-0.10523	1.10523	-0.09
48.5	-1,900.16	0.00	0.00000	1.00000	
49.5	-1,900.16	0.00	0.00000	1.00000	
50.5	-1,900.16	0.00	0.00000	1.00000	
51.5	-727.31	0.00	0.00000	1.00000	
52.5	780.69	1,327.84	1.70038	-0.70038	

Observed Life Table

Scenario: Ohio 2007 General Accounts

Account: OECO 101/6-392 Transportation equip

Placement Band: 1926 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
53.5	872.85	0.00	0.00000	1.00000	
54.5	872.85	0.00	0.00000	1.00000	
55.5	1,172.85	0.00	0.00000	1.00000	
56.5	1,172.85	0.00	0.00000	1.00000	
57.5	1,172.85	0.00	0.00000	1.00000	
58.5	1,172.85	0.00	0.00000	1.00000	
59.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 392 Transportation Equipment	2000	0.00	33,366.56	0.00	0.00	0.00	5,012.00	0.00	28,353.56	0.00	0.00
OECO 392 Transportation Equipment	2001	1,515,663.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 392 Transportation Equipment	2004	0.00	37,338.66	0.00	0.00	0.00	0.00	0.00	37,338.66	0.00	0.00
OECO 392 Transportation Equipment	2005	659,930.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 392 Transportation Equipment	2006	124,899.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		2,300,493.21	70,704.22	3.07	0.00	0.00	5,012.00	0.22	65,692.22	2.86	

Whole Life Depreciation Accrual

Account: OECO 101/6-392 Transportation equip
Dispersion: 13 - L4

Average Net Salvage Rate: 5.00%
Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$1,366,860.80		$66,758.54	4.884114
Whole Life		13	$84,091.56	
Amortization		0	$0.00	
Retirements	$474,377.39	13	$17,333.02	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$1,366,860.80 *		$66,758.54	4.884149
Average:	$1,129,672.11		$66,758.54	5.909550
Grand Total:	$1,366,860.80 *		$66,758.54	4.884149

* Excluding 2007 Retirements

03/19/2007

Account: OECO 101/6-392 Transportation equip

Dispersion: 13.00 - L4

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2001	5.50	$9,526.34	13.00	7.52	0.5499	1.0000	$5,238.29	$696.16
2000	6.50	$0.00	13.00	6.58	0.4811	1.0000	$0.00	$0.00
1999	7.50	$5,560.04	13.00	5.69	0.4161	1.0000	$2,313.35	$406.31
1997	9.50	$5,469.95	13.00	4.10	0.2996	1.0000	$1,638.90	$399.73
1994	12.50	$9,792.87	13.00	2.68	0.1958	1.0000	$1,917.01	$715.63
1993	13.50	$22,949.15	13.00	2.51	0.1836	1.0000	$4,213.71	$1,677.05
1992	14.50	$228,684.99	13.00	2.38	0.1737	1.0000	$39,712.51	$16,711.60
1991	15.50	$382,213.11	13.00	2.20	0.1607	1.0000	$61,408.34	$27,930.96
1990	16.50	$20,985.00	13.00	1.99	0.1452	1.0000	$3,047.21	$1,533.52
1989	17.50	$29,884.00	13.00	1.77	0.1296	1.0000	$3,871.76	$2,183.83
1988	18.50	$204,446.14	13.00	1.57	0.1148	1.0000	$23,474.03	$14,940.29
1987	19.50	$0.00	13.00	1.39	0.1015	1.0000	$0.00	$0.00
1986	20.50	$93,326.00	13.00	1.23	0.0896	1.0000	$8,365.73	$6,819.98
1985	21.50	$53,920.47	13.00	1.07	0.0786	1.0000	$4,235.71	$3,940.34
1984	22.50	$13,529.41	13.00	0.94	0.0686	1.0000	$928.50	$988.69
1983	23.50	($91,729.00)	13.00	0.82	0.0598	1.0000	($5,489.50)	($6,703.27)
1982	24.50	$65,158.90	13.00	0.70	0.0513	1.0000	$3,344.41	$4,761.61
1981	25.50	$66,893.00	13.00	0.57	0.0418	1.0000	$2,796.61	$4,888.33
1980	26.50	$30,116.22	13.00	0.08	0.0055	1.0000	$166.09	$2,200.80
1979	27.50	$40,567.50	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1978	28.50	$42,967.65	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1977	29.50	$6,153.21	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1976	30.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1975	31.50	$24,142.40	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1974	32.50	$48,698.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1973	33.50	$2,599.20	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1972	34.50	$5,461.14	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1971	35.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1970	36.50	$16,838.50	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1969	37.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1968	38.50	$5,615.55	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1967	39.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1966	40.50	$1,951.87	13.00	0.00	0.0000	0.0000	$0.00	$0.00

Generation Arrangement Report

Account: OECO 101/6-392 Transportation equip

Dispersion: 13.00 - L4

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1965	41.50	$2,686.92	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1964	42.50	$2,663.05	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1963	43.50	$1,420.49	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1962	44.50	$3,689.56	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1961	45.50	$1,788.95	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1960	46.50	$3,146.28	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1959	47.50	$2,196.68	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1958	48.50	$2,374.41	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1957	49.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1955	51.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1952	54.50	$0.00	13.00	0.00	0.0000	0.0000	$0.00	$0.00
1947	59.50	$1,172.85	13.00	0.00	0.0000	0.0000	$0.00	$0.00
		$1,366,860.80	13.00	1.61	0.1179	1.0000	$161,182.66	$84,091.56

Depreciation Reserve Summary

Account: OECO 101/6-392 Transportation equip
Scenario: Ohio 2007 General Accts ADR
Dispersion: 13 - L4
Average Net Salvage Rate: 5.00%
Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Depreciation Reserve Amount	Depreciation Reserve Ratio	Net Plant Amount	Net Plant Ratio
Recorded	$1,366,860.80	($854,161.60)	-0.4786	$1,952,679.36	1.4286
Computed	$1,366,860.80	$1,137,335.10	0.8321	$161,182.66	0.1179
Difference		($1,791,496.70)	-1.3107	$1,791,496.70	1.3107

03/19/2007

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 393 Stores Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 39 R4.

Actuarial Life Analysis

38 R4 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 to 50 Years.

Recommendation

Continue to use 39 R4 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The current Iowa Curve is representative of industry standards today according to the 2003 EEI Study. Also, the curve is a good match to the current exposures in the account.

Salvage Factor Estimates

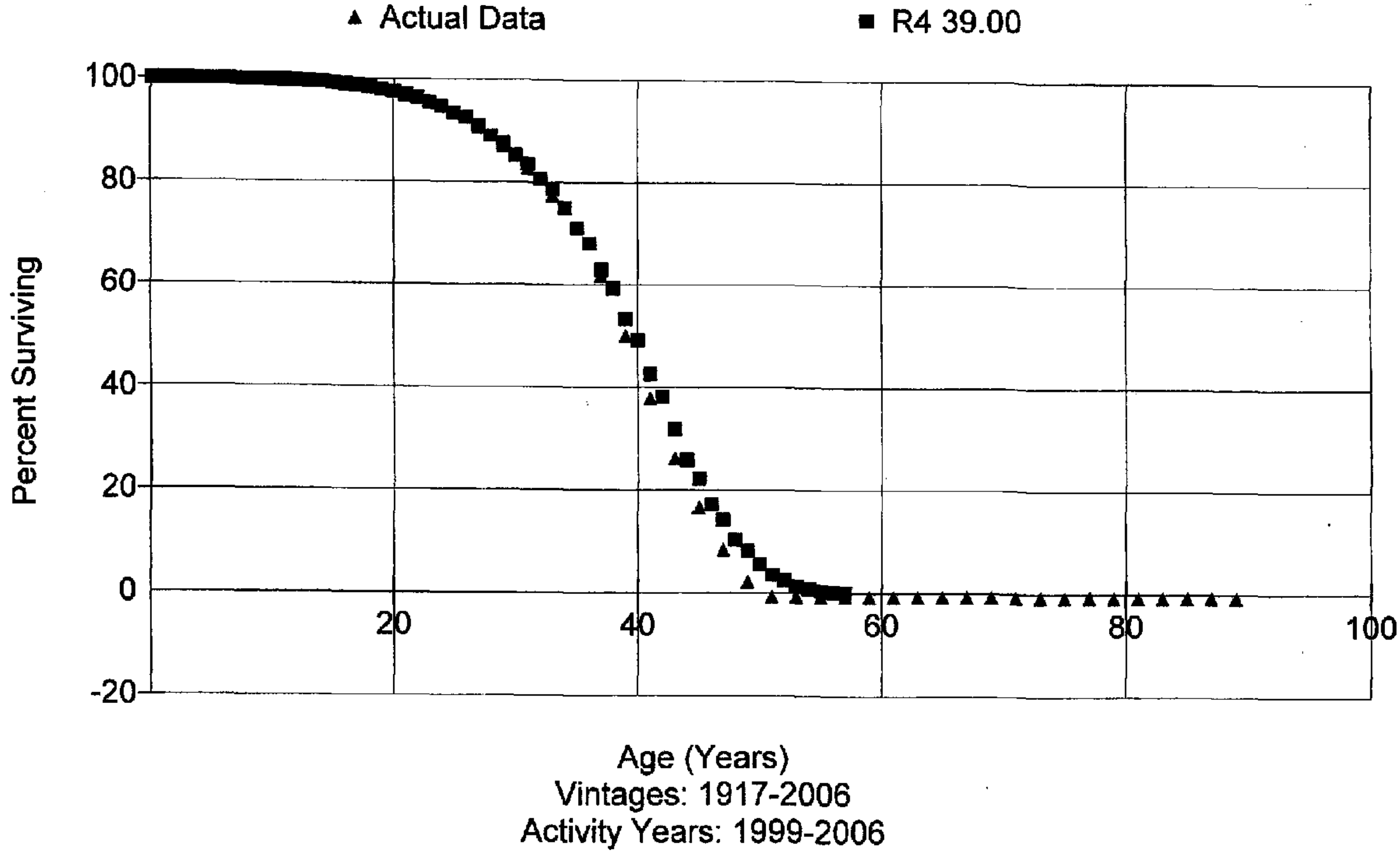
Current Net salvage Rate is	0%
Proposed Net salvage Rate	0%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 500% to -45%. Continuing with the current rate of 0% is recommended.

Summary of Recommendations

39	Average Service Life
R4	Iowa Curve
0	% Net Salvage

Ohio Edison Company
Account 393 Stores Equipment



Observed Life Table

Scenario: Ohio 2007 General Accounts
Account: OECO 101/6-393 Stores equipment
Placement Band: 1917 - 2006
Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	144,162.95	0.00	0.00000	1.00000	100.00
0.5	144,162.95	0.00	0.00000	1.00000	100.00
1.5	158,949.27	5.56	0.00004	0.99996	100.00
2.5	173,344.90	9.39	0.00005	0.99995	100.00
3.5	264,522.82	17.70	0.00007	0.99993	100.00
4.5	271,908.93	29.64	0.00011	0.99989	99.99
5.5	302,057.42	40.76	0.00014	0.99986	99.98
6.5	334,711.91	63.85	0.00019	0.99981	99.97
7.5	286,541.91	75.87	0.00027	0.99973	99.95
8.5	425,116.79	145.55	0.00034	0.99966	99.92
9.5	595,189.65	272.42	0.00046	0.99954	99.89
10.5	749,576.01	613.55	0.00082	0.99918	99.84
11.5	678,912.89	524.94	0.00077	0.99923	99.76
12.5	706,148.74	699.02	0.00099	0.99901	99.68
13.5	797,370.47	1,306.68	0.00164	0.99836	99.58
14.5	788,493.71	1,251.38	0.00159	0.99841	99.42
15.5	712,156.32	1,420.39	0.00199	0.99801	99.26
16.5	595,342.40	1,466.93	0.00246	0.99754	99.06
17.5	485,151.85	1,632.70	0.00337	0.99663	98.82
18.5	395,036.98	1,782.82	0.00451	0.99549	98.49
19.5	411,161.61	2,026.21	0.00493	0.99507	98.05
20.5	384,707.90	2,103.56	0.00547	0.99453	97.57
21.5	265,617.75	1,744.31	0.00657	0.99343	97.04
22.5	240,835.39	1,882.34	0.00781	0.99219	96.40
23.5	219,497.81	2,029.68	0.00925	0.99075	95.65
24.5	248,399.84	3,204.72	0.01290	0.98710	94.77
25.5	208,314.11	3,230.48	0.01551	0.98449	93.55
26.5	134,817.91	2,016.44	0.01495	0.98505	92.10
27.5	100,274.85	1,732.51	0.01728	0.98272	90.72
28.5	100,084.07	2,203.14	0.02201	0.97799	89.15
29.5	98,301.60	2,248.62	0.02288	0.97712	87.19
30.5	104,278.08	2,951.38	0.02830	0.97170	85.20
31.5	103,221.51	3,065.48	0.02969	0.97031	82.79
32.5	62,832.99	2,336.22	0.03718	0.96282	80.33
33.5	34,022.81	1,311.89	0.03856	0.96144	77.34
34.5	30,542.21	1,362.86	0.04463	0.95537	74.36
35.5	36,390.28	2,373.39	0.06521	0.93479	71.04
36.5	29,679.93	2,074.60	0.06991	0.93009	66.41
37.5	36,319.65	3,410.72	0.09392	0.90608	61.77
38.5	33,239.72	3,483.21	0.10478	0.89522	55.97
39.5	32,489.54	3,787.78	0.11659	0.88341	50.11
40.5	30,704.12	4,387.37	0.14288	0.85712	44.27
41.5	28,502.30	4,387.33	0.15392	0.84608	37.94
42.5	27,597.43	5,044.15	0.18277	0.81723	32.10
43.5	18,613.70	3,520.08	0.18910	0.81090	26.23
44.5	13,826.27	3,005.68	0.21742	0.78258	21.27
45.5	7,928.14	2,033.12	0.25643	0.74357	16.65
46.5	4,419.54	1,372.84	0.31063	0.68937	12.38
47.5	2,375.22	938.72	0.39537	0.60463	8.53
48.5	772.68	452.95	0.58603	0.41397	5.16
49.5	164.66	221.64	1.34545	-0.34545	2.14
50.5	0.00	0.00	0.00000	0.00000	-0.74

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 393 Stores Equipment	1999	7,269.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 393 Stores Equipment	2000	8,031.78	(4,629.89)	-57.64	0.00	0.00	0.00	0.00	(4,629.89)	-57.64	-57.64
OECO 393 Stores Equipment	2001	8,809.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 393 Stores Equipment	2002	9,593.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 393 Stores Equipment	2003	10,392.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 393 Stores Equipment	2004	11,222.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 393 Stores Equipment	2005	12,099.63	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 393 Stores Equipment	2006	13,038.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		80,457.57	(4,629.89)	-5.75	0.00	0.00	0.00	0.00	(4,629.89)	-5.75	

Whole Life Depreciation Accrual

Account: OECO 101/6-393 Stores equipment
Dispersion: 39 - R4

rage Net Salvage Rate: 0.00%
ure Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$1,463,783.33		$37,342.06	2.551099
Whole Life		39	$37,532.91	
Amortization		0	$0.00	
Retirements	$14,886.25	39	$190.85	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$1,463,783.33 *		$37,342.06	2.551132
Average:	$1,456,340.21		$37,342.06	2.564103
Grand Total:	$1,463,783.33 *		$37,342.06	2.551132

* Excluding 2007 Retirements

Account: OECO 101/6-393 Stores equipment

Dispersion: 39.00 - R4

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1999	7.50	$144,077.83	39.00	31.52	0.8083	1.0000	$116,459.79	$3,694.30
1997	9.50	$14,768.58	39.00	29.54	0.7576	1.0000	$11,188.08	$378.68
1996	10.50	$14,377.86	39.00	28.56	0.7323	1.0000	$10,528.79	$368.66
1995	11.50	$90,990.57	39.00	27.58	0.7071	1.0000	$64,342.20	$2,333.09
1994	12.50	$7,382.63	39.00	26.60	0.6821	1.0000	$5,035.52	$189.30
1993	13.50	$30,065.26	39.00	25.63	0.6572	1.0000	$19,757.55	$770.90
1992	14.50	$32,536.27	39.00	24.66	0.6324	1.0000	$20,576.47	$834.26
1991	15.50	$95,371.73	39.00	23.71	0.6078	1.0000	$57,971.24	$2,445.43
1990	16.50	$137,545.81	39.00	22.76	0.5835	1.0000	$80,258.62	$3,526.82
1989	17.50	$183,123.61	39.00	21.82	0.5594	1.0000	$102,436.89	$4,696.48
1988	18.50	$166,899.44	39.00	20.89	0.5356	1.0000	$89,385.37	$4,279.47
1987	19.50	$20,611.82	39.00	19.97	0.5120	1.0000	$10,553.74	$528.51
1986	20.50	$34,460.67	39.00	19.06	0.4888	1.0000	$16,844.47	$883.61
1985	21.50	$119,081.50	39.00	18.17	0.4660	1.0000	$55,491.75	$3,053.37
1984	22.50	$24,242.62	39.00	17.30	0.4435	1.0000	$10,752.35	$621.61
1983	23.50	$19,575.32	39.00	16.44	0.4215	1.0000	$8,251.72	$501.93
1982	24.50	$21,221.68	39.00	15.60	0.3999	1.0000	$8,487.32	$544.15
1981	25.50	$70,673.26	39.00	14.77	0.3788	1.0000	$26,774.11	$1,812.13
1980	26.50	$73,610.40	39.00	13.97	0.3582	1.0000	$26,366.91	$1,887.45
1979	27.50	$35,831.91	39.00	13.18	0.3380	1.0000	$12,111.53	$918.77
1978	28.50	$9,215.44	39.00	12.42	0.3184	1.0000	$2,934.31	$236.29
1977	29.50	$1,624.01	39.00	11.67	0.2992	1.0000	$485.96	$41.64
1976	30.50	$1,072.89	39.00	10.94	0.2806	1.0000	$301.06	$27.51
1975	31.50	$105.01	39.00	10.23	0.2624	1.0000	$27.55	$2.69
1974	32.50	$44,686.80	39.00	9.54	0.2447	1.0000	$10,934.90	$1,145.82
1973	33.50	$28,177.72	39.00	8.87	0.2274	1.0000	$6,407.75	$722.51
1972	34.50	$2,471.31	39.00	8.22	0.2107	1.0000	$520.75	$63.37
1971	35.50	$2,494.46	39.00	7.59	0.1947	1.0000	$485.71	$63.96
1970	36.50	$8,224.74	39.00	7.00	0.1796	1.0000	$1,476.94	$210.89
1969	37.50	$1,497.92	39.00	6.46	0.1656	1.0000	$248.03	$38.41
1968	38.50	$6,467.85	39.00	5.95	0.1526	1.0000	$986.80	$165.84
1967	39.50	$1,307.59	39.00	5.49	0.1407	1.0000	$183.98	$33.53
1966	40.50	$4,173.53	39.00	5.06	0.1298	1.0000	$541.66	$107.01

Account: OECO 101/6-393 Stores equipment

Dispersion: 39.00 - R4

rage Net Salvage Rate: 0.00%

ture Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1965	41.50	$629.86	39.00	4.67	0.1198	1.0000	$75.45	$16.15
1964	42.50	$153.18	39.00	4.31	0.1106	1.0000	$16.94	$3.93
1963	43.50	$4,404.58	39.00	3.98	0.1021	1.0000	$449.80	$112.94
1962	44.50	$1,482.35	39.00	3.67	0.0941	1.0000	$139.44	$38.01
1961	45.50	$3,610.45	39.00	3.38	0.0866	1.0000	$312.60	$92.58
1960	46.50	$2,020.48	39.00	3.09	0.0792	1.0000	$160.10	$51.81
1959	47.50	$1,070.48	39.00	2.82	0.0723	1.0000	$77.42	$27.45
1958	48.50	$1,343.82	39.00	2.55	0.0654	1.0000	$87.86	$34.46
1957	49.50	$533.07	39.00	2.29	0.0588	1.0000	$31.32	$13.67
1956	50.50	$567.02	39.00	2.03	0.0521	1.0000	$29.54	$14.64
		$1,463,783.33	39.00	20.79	0.5332	1.0000	$780,490.31	$37,532.91

Depreciation Reserve Summary

Account: OECO 101/6-393 Stores equipment
Scenario: Ohio 2007 General Accts ADR
Dispersion: 39 - R4
ge Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Depreciation Reserve Amount	Depreciation Reserve Ratio	Net Plant Amount	Net Plant Ratio
Recorded	$1,463,783.33	$660,617.38	0.4513	$803,165.95	0.5487
Computed	$1,463,783.33	$683,293.02	0.4668	$780,490.31	0.5332
Difference		($22,675.64)	-0.0155	$22,675.64	0.0155

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 394 Tools, Shop & Garage Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 30 L0.

Actuarial Life Analysis

31 L0 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 to 45.

Recommendation

Continue to use 30 L0 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The current Iowa Curve is representative of industry standards today according to the 2003 EEI Study. Also, the curve is a good match to the current exposures in the account.

Salvage Factor Estimates

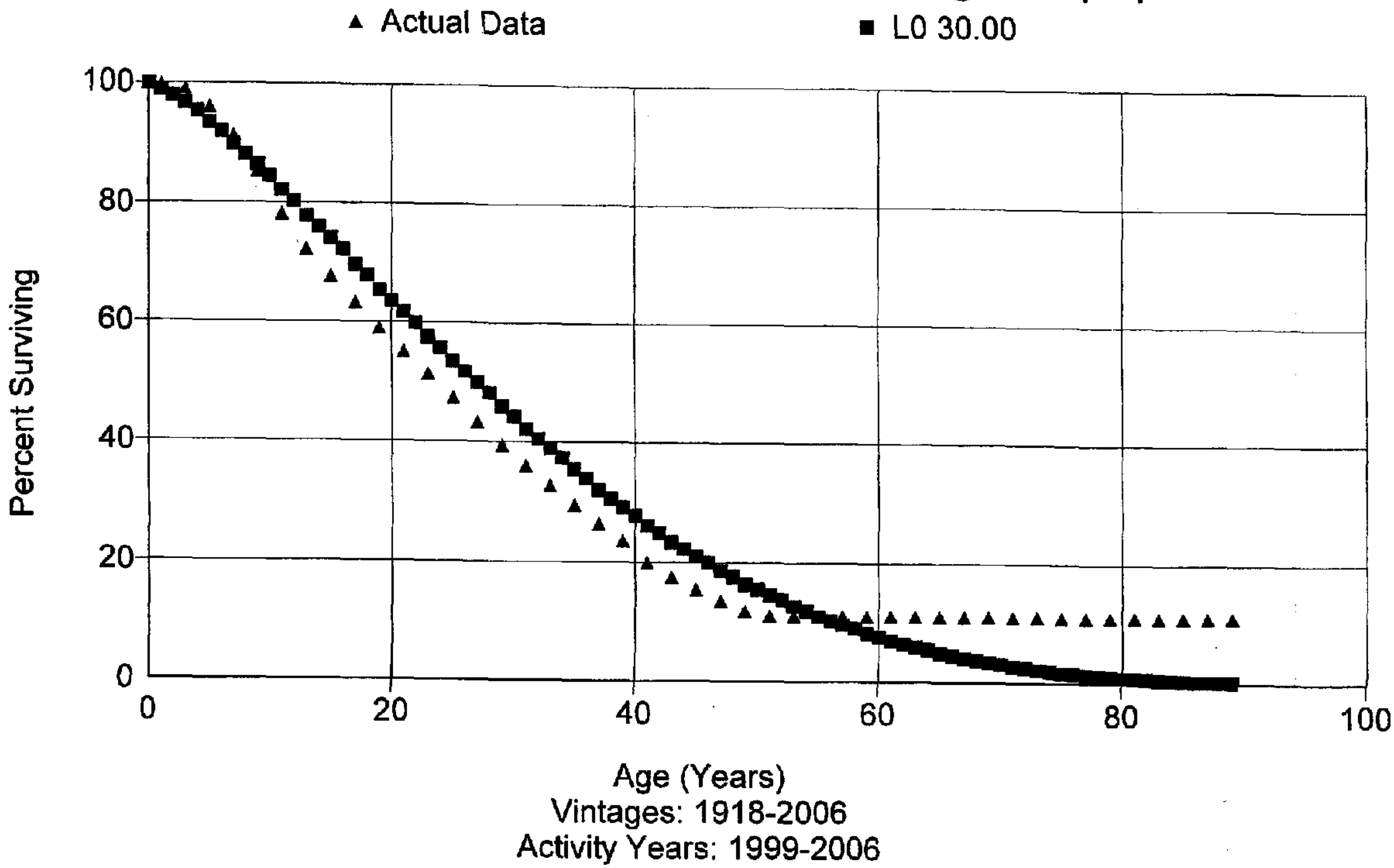
Current Net salvage Rate is	5%
Proposed Net salvage Rate	5%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to 500%. Continuing with the current rate is recommended.

Summary of Recommendations

30	Average Service Life
L0	Iowa Curve
5	% Net Salvage

Ohio Edison Company
Account 394 Tools, Shop & Garage Equipment



Observed Life Table

Scenario: Ohio 2007 General Accounts
Account: OECO 101/6-394 Tool shop garage
Placement Band: 1918 - 2006 **Observation Band:** 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	1,171,481.90	0.00	0.00000	1.00000	100.00
0.5	1,208,632.23	2,759.14	0.00228	0.99772	100.00
1.5	785,088.34	1,998.22	0.00254	0.99746	99.77
2.5	841,255.58	3,936.36	0.00468	0.99532	99.52
3.5	1,027,633.69	11,107.34	0.01081	0.98919	99.05
4.5	1,248,063.85	23,922.73	0.01917	0.98083	97.98
5.5	1,661,850.53	44,497.87	0.02678	0.97322	96.10
6.5	2,069,903.35	52,131.23	0.02519	0.97481	93.53
7.5	2,069,815.95	77,828.84	0.03760	0.96240	91.17
8.5	2,273,530.20	62,845.06	0.02764	0.97236	87.74
9.5	3,230,450.42	164,055.09	0.05078	0.94922	85.31
10.5	3,342,623.60	114,136.02	0.03415	0.96585	80.98
11.5	3,599,283.32	161,091.31	0.04476	0.95524	78.21
12.5	3,830,309.72	126,802.37	0.03310	0.96690	74.71
13.5	3,809,357.79	120,754.42	0.03170	0.96830	72.24
14.5	3,570,944.78	117,237.78	0.03283	0.96717	69.95
15.5	3,227,369.43	106,338.14	0.03295	0.96705	67.65
16.5	3,085,940.77	102,597.63	0.03325	0.96675	65.42
17.5	2,478,323.40	85,412.10	0.03446	0.96554	63.24
18.5	2,338,762.92	80,329.41	0.03435	0.96565	61.06
19.5	2,014,189.26	68,631.87	0.03407	0.96593	58.96
20.5	1,574,467.64	54,402.01	0.03455	0.96545	56.95
21.5	1,241,488.99	42,192.31	0.03398	0.96602	54.98
22.5	1,045,901.72	37,168.23	0.03554	0.96446	53.11
23.5	816,196.48	30,664.61	0.03757	0.96243	51.22
24.5	724,286.52	30,387.83	0.04196	0.95804	49.30
25.5	608,203.20	26,277.40	0.04320	0.95680	47.23
26.5	534,430.55	23,448.39	0.04387	0.95613	45.19
27.5	499,441.99	22,620.28	0.04529	0.95471	43.21
28.5	484,530.89	21,795.80	0.04498	0.95502	41.25
29.5	443,440.85	19,731.41	0.04450	0.95550	39.39
30.5	431,216.70	19,408.12	0.04501	0.95499	37.64
31.5	394,504.93	17,901.75	0.04538	0.95462	35.95
32.5	308,859.47	14,300.22	0.04630	0.95370	34.32
33.5	238,276.27	11,396.66	0.04783	0.95217	32.73
34.5	183,030.96	9,169.43	0.05010	0.94990	31.16
35.5	134,738.47	6,788.81	0.05039	0.94961	29.60
36.5	100,355.43	5,506.87	0.05488	0.94512	28.11
37.5	87,274.56	5,011.68	0.05743	0.94257	26.57
38.5	82,079.31	4,588.86	0.05591	0.94409	25.04
39.5	73,529.58	5,810.91	0.07903	0.92097	23.64
40.5	84,876.67	6,776.69	0.07984	0.92016	21.77
41.5	82,668.29	5,313.20	0.06427	0.93573	20.03
42.5	78,832.81	5,053.28	0.06410	0.93590	18.74
43.5	69,345.49	4,151.81	0.05987	0.94013	17.54
44.5	58,128.39	3,585.50	0.06169	0.93831	16.49
45.5	46,098.48	2,945.48	0.06389	0.93611	15.47
46.5	32,559.06	2,197.99	0.06751	0.93249	14.48
47.5	28,099.20	1,864.85	0.06637	0.93363	13.50
48.5	13,145.02	866.80	0.06596	0.93404	12.60
49.5	5,747.73	386.06	0.06715	0.93285	11.77
50.5	0.00	0.00	0.00000	0.00000	10.98

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 394 Tools, Shop & Garage Equip	1999	188,550.91	715.36	0.38	0.00	0.00	0.00	0.00	715.36	0.38	0.38
OECO 394 Tools, Shop & Garage Equip	2000	191,922.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 394 Tools, Shop & Garage Equip	2001	193,806.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 394 Tools, Shop & Garage Equip	2002	195,784.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 394 Tools, Shop & Garage Equip	2003	196,540.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 394 Tools, Shop & Garage Equip	2004	205,897.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 394 Tools, Shop & Garage Equip	2005	206,241.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 394 Tools, Shop & Garage Equip	2006	207,788.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		1,586,533.17	715.36	0.05	0.00	0.00	0.00	0.00	715.36	0.05	

Whole Life Depreciation Accrual

Account: OECO 101/6-394 Tool shop garage
Dispersion: 30 - L0

erage Net Salvage Rate: 5.00%
ure Net Salvage Rate: 5.00%

Broad Group Procedure

January 1 , 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$6,936,099.90		$216,319.19	3.118751
	Whole Life		30	$219,643.16	
	Amortization		0	$0.00	
	Retirements	$209,935.23	30	$3,323.97	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$6,936,099.90 *		$216,319.19	3.118758
	Average:	$6,831,132.29		$216,319.19	3.166667
	Grand Total:	$6,936,099.90 *		$216,319.19	3.118758

* Excluding 2007 Retirements

 03/19/2007

Account: OECO 101/6-394 Tool shop garage

Dispersion: 30.00 - L0

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2005	1.50	$230,651.83	30.00	28.83	0.9128	1.0000	$210,545.37	$7,303.97
2004	2.50	$0.00	30.00	28.16	0.8916	1.0000	$0.00	$0.00
1999	7.50	$655,159.17	30.00	25.42	0.8050	1.0000	$527,410.79	$20,746.71
1998	8.50	$29,478.81	30.00	24.95	0.7902	1.0000	$23,293.60	$933.50
1997	9.50	$19,169.87	30.00	24.50	0.7759	1.0000	$14,874.12	$607.05
1996	10.50	$50,148.54	30.00	24.07	0.7622	1.0000	$38,222.24	$1,588.04
1995	11.50	$162,310.57	30.00	23.65	0.7489	1.0000	$121,554.27	$5,139.83
1994	12.50	$195,514.52	30.00	23.24	0.7360	1.0000	$143,898.84	$6,191.29
1993	13.50	$366,231.37	30.00	22.85	0.7235	1.0000	$264,952.25	$11,597.33
1992	14.50	$375,393.98	30.00	22.46	0.7112	1.0000	$266,977.47	$11,887.48
1991	15.50	$581,900.96	30.00	22.08	0.6992	1.0000	$406,836.21	$18,426.86
1990	16.50	$281,152.23	30.00	21.71	0.6873	1.0000	$193,243.80	$8,903.15
1989	17.50	$841,869.15	30.00	21.34	0.6757	1.0000	$568,847.60	$26,659.19
1988	18.50	$262,270.63	30.00	20.98	0.6643	1.0000	$174,216.15	$8,305.24
1987	19.50	$422,697.56	30.00	20.62	0.6530	1.0000	$276,031.93	$13,385.42
1986	20.50	$463,881.64	30.00	20.27	0.6420	1.0000	$297,800.52	$14,689.58
1985	21.50	$360,731.73	30.00	19.93	0.6311	1.0000	$227,663.53	$11,423.17
1984	22.50	$192,431.93	30.00	19.59	0.6204	1.0000	$119,391.28	$6,093.68
1983	23.50	$249,521.16	30.00	19.26	0.6099	1.0000	$152,189.50	$7,901.50
1982	24.50	$181,107.87	30.00	18.93	0.5996	1.0000	$108,591.76	$5,735.08
1981	25.50	$190,703.93	30.00	18.61	0.5894	1.0000	$112,407.05	$6,038.96
1980	26.50	$135,486.29	30.00	18.30	0.5794	1.0000	$78,505.43	$4,290.40
1979	27.50	$84,247.80	30.00	17.99	0.5696	1.0000	$47,987.47	$2,667.85
1978	28.50	$53,214.36	30.00	17.68	0.5599	1.0000	$29,795.80	$1,685.12
1977	29.50	$51,769.81	30.00	17.38	0.5504	1.0000	$28,494.07	$1,639.38
1976	30.50	$19,538.59	30.00	17.09	0.5410	1.0000	$10,571.20	$618.72
1975	31.50	$35,247.77	30.00	16.79	0.5318	1.0000	$18,745.28	$1,116.18
1974	32.50	$82,598.46	30.00	16.51	0.5227	1.0000	$43,177.94	$2,615.62
1973	33.50	$70,735.85	30.00	16.23	0.5138	1.0000	$36,346.40	$2,239.97
1972	34.50	$59,547.73	30.00	15.95	0.5050	1.0000	$30,073.08	$1,885.68
1971	35.50	$49,339.44	30.00	15.67	0.4964	1.0000	$24,490.10	$1,562.42
1970	36.50	$41,518.99	30.00	15.41	0.4879	1.0000	$20,255.33	$1,314.77
1969	37.50	$22,816.18	30.00	15.14	0.4794	1.0000	$10,939.03	$722.51

Account: OECO 101/6-394 Tool shop garage

Dispersion: 30.00 - L0

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1968	38.50	$18,210.68	30.00	14.88	0.4712	1.0000	$8,580.37	$576.67
1967	39.50	$11,243.62	30.00	14.62	0.4631	1.0000	$5,206.37	$356.05
1966	40.50	$7,375.22	30.00	14.37	0.4550	1.0000	$3,355.90	$233.55
1965	41.50	$7,328.74	30.00	14.12	0.4471	1.0000	$3,276.76	$232.08
1964	42.50	$8,505.98	30.00	13.87	0.4393	1.0000	$3,736.94	$269.36
1963	43.50	$4,754.04	30.00	13.63	0.4317	1.0000	$2,052.10	$150.54
1962	44.50	$7,653.29	30.00	13.39	0.4241	1.0000	$3,245.61	$242.35
1961	45.50	$9,093.41	30.00	13.16	0.4167	1.0000	$3,788.87	$287.96
1960	46.50	$10,991.94	30.00	12.92	0.4093	1.0000	$4,498.71	$348.08
1959	47.50	$4,228.87	30.00	12.70	0.4020	1.0000	$1,700.12	$133.91
1958	48.50	$15,286.33	30.00	12.47	0.3949	1.0000	$6,036.65	$484.07
1957	49.50	$7,185.49	30.00	12.25	0.3879	1.0000	$2,786.92	$227.54
1956	50.50	$5,853.67	30.00	12.03	0.3809	1.0000	$2,229.56	$185.37
		$6,936,099.90	30.00	21.30	0.6746	1.0000	$4,678,826.23	$219,643.18

Depreciation Reserve Summary

Account: OECO 101/6-394 Tool shop garage
Scenario: Ohio 2007 General Accts ADR
Dispersion: 30 - L0
Average Net Salvage Rate: 5.00%
Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Depreciation Reserve Amount	Depreciation Reserve Ratio	Net Plant Amount	Net Plant Ratio
Recorded	$6,936,099.90	$1,805,990.62	0.2604	$4,783,304.29	0.6896
Computed	$6,936,099.90	$1,910,468.67	0.2754	$4,678,826.24	0.6746
Difference		($104,478.05)	-0.0151	$104,478.05	0.0151

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 395 Laboratory Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 36 S3.

Actuarial Life Analysis

11 O4 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 7 to 52 Years.

Recommendation

Change to 25 O4 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The actuarial life analysis recommends a shorter life based on asset activity. Since there is limited data used for this study, a longer life is suggested.

Salvage Factor Estimates

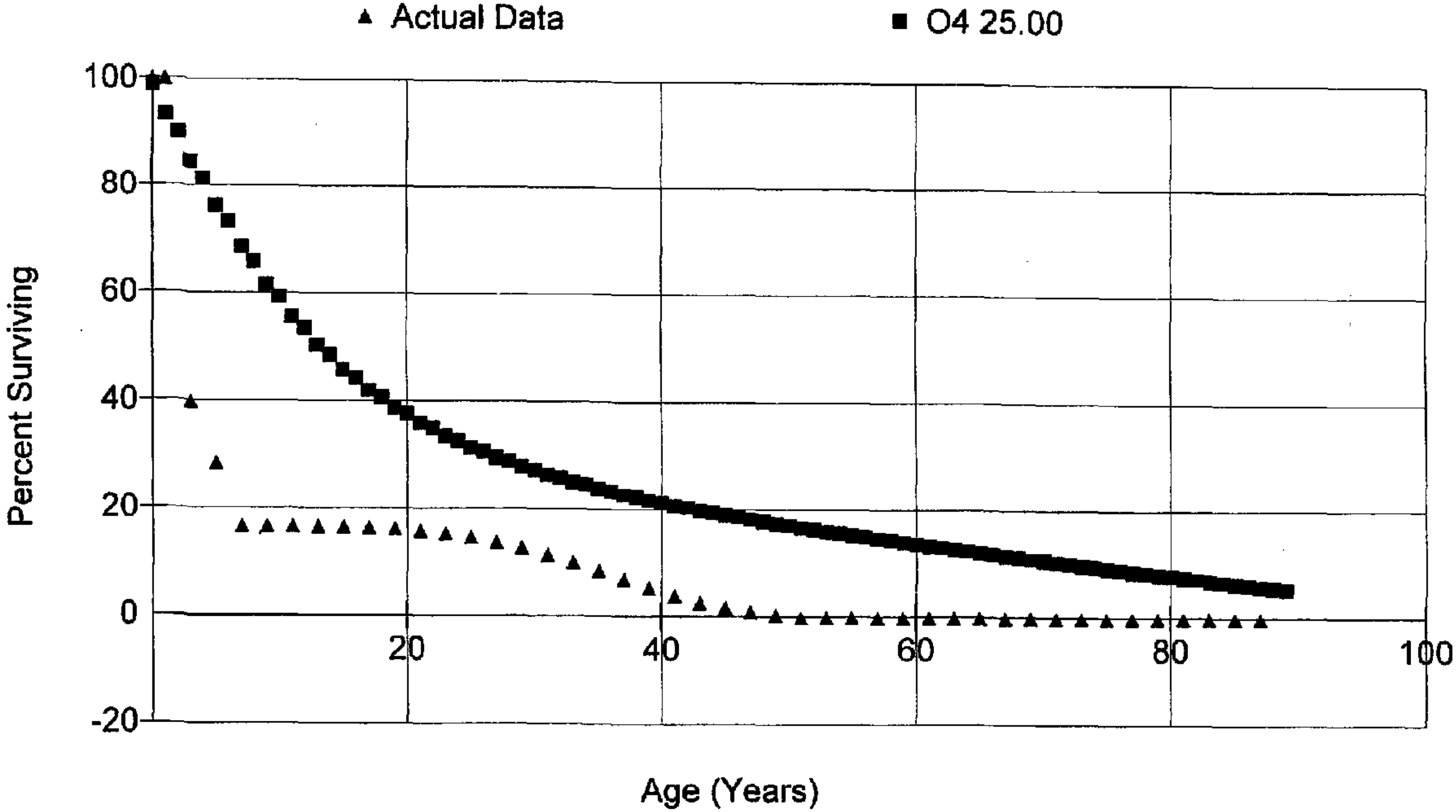
Current Net salvage Rate is	5%
Proposed Net salvage Rate	5%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to 500%. The activity analyzed for this study had no data; continuing with a rate of 5% is recommended.

Summary of Recommendations

25	Average Service Life
O4	Iowa Curve
5	% Net Salvage

Ohio Edison Company
Account 395 Laboratory Equipment



Vintages: 1920-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 General Accounts

Account: OECO 101/6-395 Laboratory equip

Placement Band: 1920 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	49,990.57	0.00	0.00000	1.00000	100.00
0.5	49,990.57	0.00	0.00000	1.00000	100.00
1.5	177,390.11	0.00	0.00000	1.00000	100.00
2.5	214,106.07	128,963.67	0.60234	0.39766	100.00
3.5	218,414.24	36,715.96	0.16810	0.83190	39.77
4.5	963,949.86	133,271.84	0.13826	0.86174	33.08
5.5	1,877,902.57	782,251.58	0.41656	0.58344	28.51
6.5	1,573,724.05	43.72	0.00003	0.99997	16.63
7.5	2,031,669.77	101.58	0.00005	0.99995	16.63
8.5	2,513,973.02	289.14	0.00011	0.99989	16.63
9.5	2,752,529.61	619.44	0.00022	0.99978	16.63
10.5	3,017,425.09	1,419.81	0.00047	0.99953	16.63
11.5	3,672,645.75	2,609.72	0.00071	0.99929	16.62
12.5	4,008,673.70	4,510.24	0.00113	0.99887	16.61
13.5	3,123,988.87	4,884.15	0.00156	0.99844	16.59
14.5	2,860,956.42	6,696.87	0.00234	0.99766	16.56
15.5	2,702,754.94	9,271.03	0.00343	0.99657	16.52
16.5	2,472,023.37	11,351.04	0.00459	0.99541	16.46
17.5	2,606,072.82	16,575.88	0.00636	0.99364	16.38
18.5	2,902,949.16	26,900.30	0.00927	0.99073	16.28
19.5	2,359,667.70	21,383.64	0.00906	0.99094	16.13
20.5	2,182,521.80	26,300.05	0.01205	0.98795	15.98
21.5	2,014,656.34	27,877.07	0.01384	0.98616	15.79
22.5	2,001,872.09	33,372.07	0.01667	0.98333	15.57
23.5	1,751,848.75	36,105.16	0.02061	0.97939	15.31
24.5	1,693,597.74	52,170.40	0.03080	0.96920	14.99
25.5	1,334,520.36	37,395.99	0.02802	0.97198	14.53
26.5	819,544.68	26,528.68	0.03237	0.96763	14.12
27.5	715,020.16	26,801.50	0.03748	0.96252	13.66
28.5	563,451.52	23,851.35	0.04233	0.95767	13.15
29.5	559,035.26	27,326.44	0.04888	0.95112	12.59
30.5	371,542.56	20,153.45	0.05424	0.94576	11.97
31.5	277,537.22	16,965.41	0.06113	0.93887	11.32
32.5	132,349.82	9,249.95	0.06989	0.93011	10.63
33.5	107,410.78	8,105.80	0.07547	0.92453	9.89
34.5	91,333.72	7,511.32	0.08224	0.91776	9.14
35.5	70,545.28	6,382.43	0.09047	0.90953	8.39
36.5	62,242.59	6,534.67	0.10499	0.89501	7.63
37.5	43,885.54	4,963.20	0.11309	0.88691	6.83
38.5	34,499.12	4,339.07	0.12577	0.87423	6.06
39.5	29,305.22	4,037.55	0.13779	0.86221	5.30
40.5	23,902.94	3,785.87	0.15839	0.84161	4.57
41.5	19,699.40	3,237.45	0.16432	0.83568	3.85
42.5	17,871.23	3,696.79	0.20687	0.79313	3.22
43.5	12,936.72	2,426.55	0.18760	0.81240	2.55
44.5	8,358.48	1,771.91	0.21201	0.78799	2.07
45.5	5,130.55	1,281.26	0.24966	0.75034	1.63
46.5	3,560.81	1,010.05	0.28363	0.71637	1.22
47.5	1,946.14	691.38	0.35509	0.64491	0.87
48.5	717.27	373.81	0.52162	0.47838	0.56
49.5	106.28	199.86	1.88679	-0.88679	0.27
50.5	0.00	0.00	0.00000	0.00000	-0.24

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 395 Laboratory Equipment	1999	34,898.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2000	1,122,124.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2001	47,716.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2002	55,296.77	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2003	63,709.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2004	72,937.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2005	82,996.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 395 Laboratory Equipment	2006	93,818.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		1,573,498.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: OECO 101/6-395 Laboratory equip
Dispersion: 25 - O4

ge Net Salvage Rate: 5.00%
re Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$6,580,082.32		$245,361.91	3.728865
Whole Life		25	$250,043.13	
Amortization		0	$0.00	
Retirements	$246,379.77	25	$4,681.22	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$6,580,082.32 *		$245,361.91	3.728873
Average:	$6,456,892.44		$245,361.91	3.800000
Grand Total:	$6,580,082.32 *		$245,361.91	3.728873

Excluding 2007 Retirements

03/19/2007

Account: OECO 101/6-395 Laboratory equip

Dispersion: 25.00 - O4

Average Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1999	7.50	$49,989.18	25.00	27.31	1.0376	1.0000	$51,870.27	$1,899.59
1998	8.50	($1,564.01)	25.00	27.77	1.0554	1.0000	($1,650.62)	($59.43)
1997	9.50	$0.00	25.00	28.26	1.0738	1.0000	$0.00	$0.00
1996	10.50	$0.00	25.00	28.75	1.0925	1.0000	$0.00	$0.00
1995	11.50	$0.00	25.00	29.24	1.1112	1.0000	$0.00	$0.00
1994	12.50	$0.00	25.00	29.73	1.1296	1.0000	$0.00	$0.00
1993	13.50	$1,044,659.39	25.00	30.19	1.1473	1.0000	$1,198,574.44	$39,697.06
1992	14.50	$476,182.00	25.00	30.64	1.1643	1.0000	$554,397.24	$18,094.92
1991	15.50	$504,876.99	25.00	31.06	1.1801	1.0000	$595,829.07	$19,186.33
1990	16.50	$476,466.40	25.00	31.44	1.1949	1.0000	$569,315.38	$18,105.72
1989	17.50	$235,713.03	25.00	31.80	1.2083	1.0000	$284,808.15	$8,957.10
1988	18.50	$260,646.83	25.00	32.11	1.2203	1.0000	$318,069.75	$9,904.58
1987	19.50	$640,260.78	25.00	32.39	1.2309	1.0000	$788,127.39	$24,329.91
1986	20.50	$327,423.02	25.00	32.63	1.2401	1.0000	$406,044.66	$12,442.07
1985	21.50	$157,405.69	25.00	32.84	1.2479	1.0000	$196,426.89	$5,981.42
1984	22.50	$206,091.75	25.00	33.01	1.2542	1.0000	$258,487.15	$7,831.49
1983	23.50	$329,202.61	25.00	33.14	1.2592	1.0000	$414,535.37	$12,509.70
1982	24.50	$233,603.85	25.00	33.23	1.2629	1.0000	$295,010.06	$8,876.95
1981	25.50	$342,461.42	25.00	33.30	1.2652	1.0000	$433,290.68	$13,013.53
1980	26.50	$504,517.89	25.00	33.33	1.2664	1.0000	$638,897.53	$19,171.68
1979	27.50	$106,079.42	25.00	33.32	1.2663	1.0000	$134,328.49	$4,031.02
1978	28.50	$142,991.59	25.00	33.29	1.2651	1.0000	$180,899.85	$5,433.68
1977	29.50	$12,711.14	25.00	33.23	1.2628	1.0000	$16,052.08	$483.02
1976	30.50	$173,339.54	25.00	33.15	1.2596	1.0000	$218,341.29	$6,586.90
1975	31.50	$84,599.78	25.00	33.04	1.2554	1.0000	$106,204.25	$3,214.79
1974	32.50	$153,711.30	25.00	32.90	1.2503	1.0000	$192,181.54	$5,841.03
1973	33.50	$23,414.10	25.00	32.75	1.2443	1.0000	$29,134.77	$889.74
1972	34.50	$13,938.54	25.00	32.57	1.2376	1.0000	$17,250.09	$529.66
1971	35.50	$18,047.89	25.00	32.37	1.2301	1.0000	$22,200.08	$685.82
1970	36.50	$10,181.88	25.00	32.15	1.2219	1.0000	$12,440.81	$386.91
1969	37.50	$18,714.85	25.00	31.92	1.2130	1.0000	$22,701.14	$711.16
1968	38.50	$7,269.32	25.00	31.67	1.2035	1.0000	$8,748.97	$276.23
1967	39.50	$4,868.66	25.00	31.41	1.1935	1.0000	$5,810.74	$185.01

Account: OECO 101/6-395 Laboratory equip

Dispersion: 25.00 - O4

rage Net Salvage Rate: 5.00%

ure Net Salvage Rate: 5.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1966	40.50	$6,314.25	25.00	31.13	1.1829	1.0000	$7,468.88	$239.94
1965	41.50	$3,179.98	25.00	30.84	1.1718	1.0000	$3,726.17	$120.84
1964	42.50	$2,316.64	25.00	30.53	1.1602	1.0000	$2,687.67	$88.03
1963	43.50	$1,552.72	25.00	30.21	1.1481	1.0000	$1,782.74	$59.00
1962	44.50	$2,852.69	25.00	29.89	1.1357	1.0000	$3,239.71	$108.40
1961	45.50	$1,907.02	25.00	29.55	1.1228	1.0000	$2,141.16	$72.47
1960	46.50	$729.48	25.00	29.20	1.1096	1.0000	$809.40	$27.72
1959	47.50	$1,023.62	25.00	28.84	1.0960	1.0000	$1,121.87	$38.90
1958	48.50	$1,115.49	25.00	28.48	1.0821	1.0000	$1,207.08	$42.39
1957	49.50	$553.18	25.00	28.10	1.0679	1.0000	$590.74	$21.02
1956	50.50	$732.42	25.00	27.72	1.0534	1.0000	$771.53	$27.83
		$6,580,082.32	25.00	31.97	1.2149	1.0000	$7,993,874.45	$250,043.13

Depreciation Reserve Summary

Account: OECO 101/6-395 Laboratory equip

Scenario: Ohio 2007 General Accts ADR

Dispersion: 25 - O4

[illegible]ge Net Salvage Rate: 5.00%

Future Net Salvage Rate: 5.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$6,580,082.32	$2,306,191.11	0.3503	$3,945,887.09	0.5997
Computed	$6,580,082.32	($1,742,796.25)	-0.2649	$7,993,874.45	1.2149
Difference		$4,047,987.36	0.6152	($4,047,987.36)	-0.6152

03/19/2007

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 396 Power Operated Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 19 R4.

Actuarial Life Analysis

23 R1 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 9 to 30 Years.

Recommendation

Change to 23 R1 *Based on Actuarial Life* Analysis.

Comments:
Change to a 23 year average life is recommended and appears reasonable in light of industry standards.

Salvage Factor Estimates

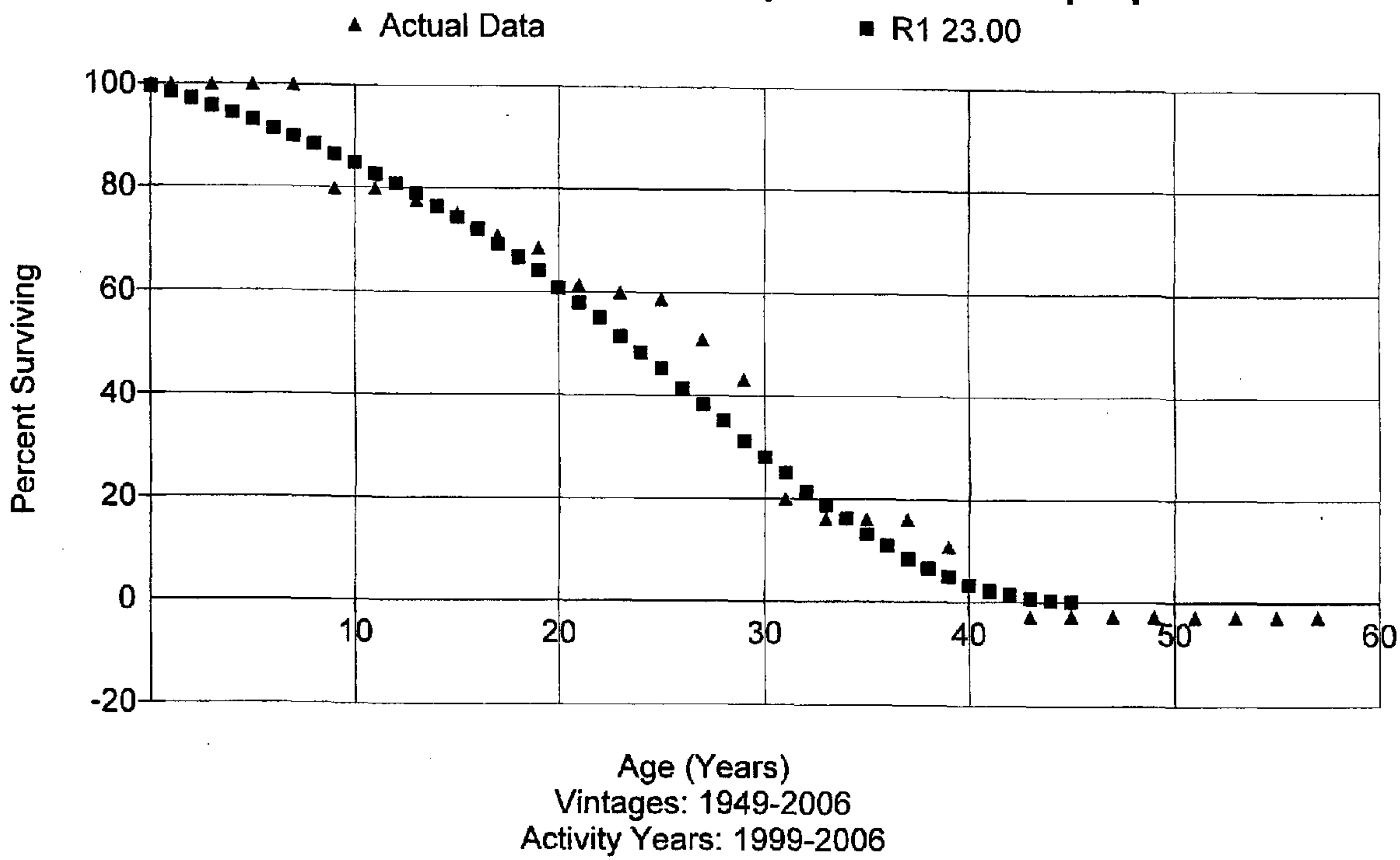
Current Net salvage Rate is	20%
Proposed Net salvage Rate	20%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to 128%. The limited data for this study proves inconclusive; continuing with 20% is suggested.

Summary of Recommendations

23	Average Service Life
R1	Iowa Curve
20	% Net Salvage

Ohio Edison Company
Account 396 Power Operated Equipment



Observed Life Table

Scenario: Ohio 2007 General Accounts

Account: OECO 101/6-396 Power operated equip

Placement Band: 1949 - 2006

Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	36,780.38	0.00	0.00000	1.00000	100.00
0.5	36,780.38	0.00	0.00000	1.00000	100.00
2.5	20,000.00	0.00	0.00000	1.00000	100.00
3.5	75,603.75	0.00	0.00000	1.00000	100.00
4.5	106,824.96	0.00	0.00000	1.00000	100.00
5.5	384,853.99	0.00	0.00000	1.00000	100.00
6.5	789,099.23	0.00	0.00000	1.00000	100.00
7.5	1,009,713.48	171,425.03	0.16978	0.83022	100.00
8.5	842,106.95	32,721.24	0.03886	0.96114	83.02
9.5	900,374.29	0.00	0.00000	1.00000	79.79
10.5	980,906.54	0.00	0.00000	1.00000	79.79
11.5	985,151.37	28,372.00	0.02880	0.97120	79.79
12.5	1,035,537.41	0.00	0.00000	1.00000	77.49
13.5	967,520.98	29,920.25	0.03092	0.96908	77.49
14.5	684,651.95	0.00	0.00000	1.00000	75.09
15.5	530,105.86	0.00	0.00000	1.00000	75.09
16.5	981,771.86	55,650.00	0.05668	0.94332	75.09
17.5	858,768.53	29,924.29	0.03485	0.96515	70.83
18.5	869,111.47	0.00	0.00000	1.00000	68.36
19.5	859,428.90	10,215.57	0.01189	0.98811	68.36
20.5	779,901.95	71,278.48	0.09139	0.90861	67.55
21.5	939,681.14	18,073.91	0.01923	0.98077	61.38
22.5	881,108.01	3,505.87	0.00398	0.99602	60.20
23.5	881,241.57	0.00	0.00000	1.00000	59.96
24.5	541,383.01	10,775.00	0.01990	0.98010	59.96
25.5	530,433.59	51,016.00	0.09618	0.90382	58.77
26.5	512,680.63	21,228.00	0.04141	0.95859	53.12
27.5	566,594.31	53,616.67	0.09463	0.90537	50.92
28.5	525,873.23	33,498.04	0.06370	0.93630	46.10
29.5	333,194.05	96,434.15	0.28942	0.71058	43.16
30.5	267,988.12	92,102.32	0.34368	0.65632	30.67
31.5	154,172.37	8,326.66	0.05401	0.94599	20.13
32.5	103,441.10	15,735.21	0.15212	0.84788	19.04
33.5	82,701.40	0.00	0.00000	1.00000	16.14
34.5	51,195.40	0.00	0.00000	1.00000	16.14
35.5	46,329.15	0.00	0.00000	1.00000	16.14
36.5	42,212.55	0.00	0.00000	1.00000	16.14
37.5	33,657.59	0.00	0.00000	1.00000	16.14
38.5	21,653.56	7,245.00	0.33458	0.66542	16.14
39.5	14,408.56	3,708.58	0.25741	0.74259	10.74
40.5	18,607.85	13,826.58	0.74307	0.25693	7.98
41.5	4,781.27	3,228.00	0.67517	0.32483	2.05
42.5	1,553.27	7,907.85	5.09208	-4.09208	0.67
43.5	-6,354.58	0.00	0.00000	1.00000	-2.74
44.5	-6,354.58	0.00	0.00000	1.00000	
45.5	-6,354.58	0.00	0.00000	1.00000	
46.5	-3,228.00	0.00	0.00000	1.00000	
47.5	-3,228.00	0.00	0.00000	1.00000	
48.5	-3,228.00	0.00	0.00000	1.00000	
49.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 396 Power Operated Equipment	2001	403,186.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 396 Power Operated Equipment	2004	0.00	28,080.80	0.00	0.00	0.00	0.00	0.00	28,080.80	0.00	0.00
OECO 396 Power Operated Equipment	2005	393,310.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 396 Power Operated Equipment	2006	40,807.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		837,303.70	28,080.80	3.35	0.00	0.00	0.00	0.00	28,080.80	3.35	

Whole Life Depreciation Accrual

Account: OECO 101/6-396 Power operated equip

Dispersion: 23 - R1

rage Net Salvage Rate: 20.00%

ure Net Salvage Rate: 20.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$2,052,456.25		$68,965.62	3.360175
Whole Life		23	$71,246.53	
Amortization		0	$0.00	
Retirements	$131,152.51	23	$2,280.91	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$2,052,456.25 *		$68,965.62	3.360198
Average:	$1,986,880.00		$68,965.62	3.471051
Grand Total:	$2,052,456.25 *		$68,965.62	3.360198

* Excluding 2007 Retirements

Generation Arrangement Report

Account: OECO 101/6-396 Power operated equip

Dispersion: 23.00 - R1

Average Net Salvage Rate: 20.00%

Future Net Salvage Rate: 20.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2005	1.50	$36,780.38	23.00	21.90	0.7616	1.0000	$28,011.34	$1,278.32
1996	10.50	$20,000.00	23.00	15.67	0.5449	1.0000	$10,897.45	$695.65
1995	11.50	$55,603.75	23.00	15.01	0.5222	1.0000	$29,034.18	$1,934.04
1994	12.50	$31,221.21	23.00	14.37	0.4998	1.0000	$15,605.03	$1,085.96
1993	13.50	$78,232.00	23.00	13.74	0.4779	1.0000	$37,384.66	$2,721.11
1992	14.50	$371,524.00	23.00	13.12	0.4564	1.0000	$169,554.50	$12,922.57
1991	15.50	$190,694.00	23.00	12.52	0.4353	1.0000	$83,017.33	$6,632.83
1990	16.50	$3,818.50	23.00	11.93	0.4148	1.0000	$1,583.85	$132.82
1989	17.50	$90,988.58	23.00	11.35	0.3948	1.0000	$35,918.22	$3,164.82
1988	18.50	$44,882.25	23.00	10.79	0.3752	1.0000	$16,841.56	$1,561.12
1987	19.50	$29,924.29	23.00	10.24	0.3562	1.0000	$10,660.10	$1,040.84
1986	20.50	$109,979.25	23.00	9.71	0.3378	1.0000	$37,149.12	$3,825.37
1985	21.50	$0.00	23.00	9.20	0.3199	1.0000	$0.00	$0.00
1984	22.50	$54,955.22	23.00	8.70	0.3024	1.0000	$16,620.39	$1,911.49
1983	23.50	$18,074.00	23.00	8.21	0.2856	1.0000	$5,161.04	$628.66
1982	24.50	$455,484.50	23.00	7.74	0.2692	1.0000	$122,598.72	$15,842.94
1981	25.50	$23,635.25	23.00	7.28	0.2533	1.0000	$5,986.22	$822.10
1980	26.50	$27,514.00	23.00	6.84	0.2379	1.0000	$6,544.86	$957.01
1979	27.50	$20,241.72	23.00	6.41	0.2229	1.0000	$4,512.78	$704.06
1978	28.50	$15,934.00	23.00	5.99	0.2085	1.0000	$3,321.67	$554.23
1977	29.50	$180,613.00	23.00	5.59	0.1944	1.0000	$35,116.62	$6,282.19
1976	30.50	$14,456.00	23.00	5.20	0.1808	1.0000	$2,614.11	$502.82
1975	31.50	$21,713.43	23.00	4.82	0.1676	1.0000	$3,640.10	$755.25
1974	32.50	$44,009.61	23.00	4.45	0.1548	1.0000	$6,814.83	$1,530.77
1973	33.50	$17,192.83	23.00	4.10	0.1425	1.0000	$2,449.50	$598.01
1972	34.50	$31,506.00	23.00	3.75	0.1305	1.0000	$4,110.11	$1,095.86
1971	35.50	$4,866.25	23.00	3.42	0.1188	1.0000	$578.11	$169.26
1970	36.50	$8,343.60	23.00	3.09	0.1076	1.0000	$897.48	$290.21
1969	37.50	$16,201.20	23.00	2.78	0.0966	1.0000	$1,565.18	$563.52
1968	38.50	$29,949.01	23.00	2.47	0.0860	1.0000	$2,575.07	$1,041.70
1965	41.50	$0.00	23.00	1.59	0.0554	1.0000	$0.00	$0.00
1961	45.50	$0.00	23.00	0.36	0.0126	1.0000	$0.00	$0.00
1960	46.50	$4,118.42	23.00	0.00	0.0000	0.0000	$0.00	$0.00

Generation Arrangement Report

Account: OECO 101/6-396 Power operated equip

Dispersion: 23.00 - R1

Average Net Salvage Rate: 20.00%

Future Net Salvage Rate: 20.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1958	48.50	$0.00	23.00	0.00	0.0000	0.0000	$0.00	$0.00
		$2,052,456.25	23.00	9.82	0.3414	1.0000	$700,764.15	$71,246.53

Depreciation Reserve Summary

Account: OECO 101/6-396 Power operated equip
Scenario: Ohio 2007 General Accts ADR
Dispersion: 23 - R1
Average Net Salvage Rate: 20.00%
Future Net Salvage Rate: 20.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$2,052,456.25	$2,871,085.41	1.3989	($1,229,120.41)	-0.5989
Computed	$2,052,456.25	$941,200.85	0.4586	$700,764.15	0.3414
Difference		$1,929,884.56	0.9403	($1,929,884.56)	-0.9403

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 397 Communication Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 17 L3.

Actuarial Life Analysis

27 L1 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 9 to 35 Years.

Recommendation

Change to 20 L1 Based on Actuarial Life Analysis and Industry Standards.

Comments:
The actuarial analysis recommends an L1 curve and a 27 year average service life. The L1 curve is a good fit for the plant data; however the 27 year average service life is not warranted. A 20 year life is more in line with EEI Industry Standards and company practice.

Salvage Factor Estimates

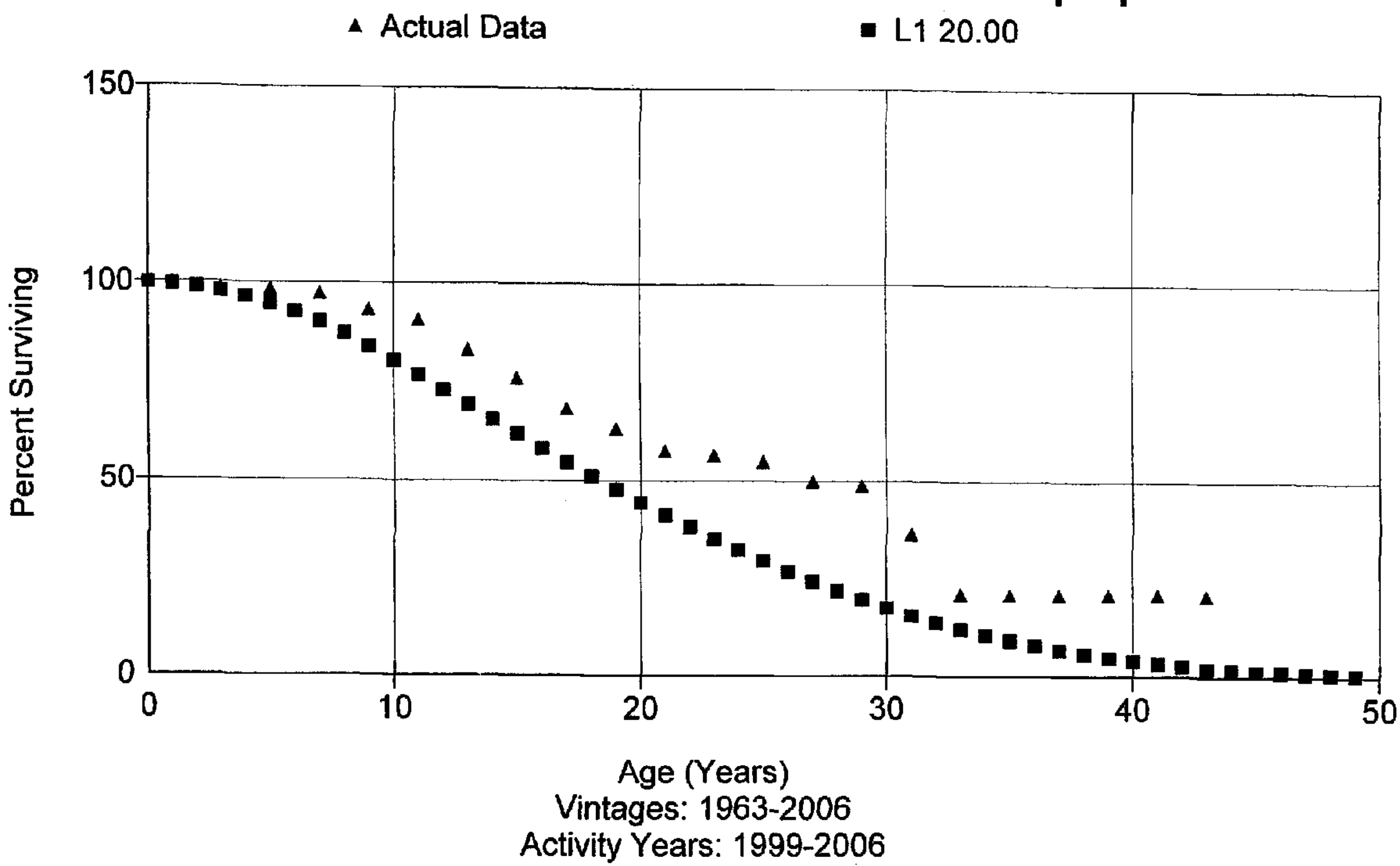
Current Net salvage Rate is	0%
Proposed Net salvage Rate	0%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 500% to -17%. Continuing with the current rate is suggested.

Summary of Recommendations

20	Average Service Life
L1	Iowa Curve
0	% Net Salvage

Ohio Edison Company
Account 397 Communication Equipment



Observed Life Table

Scenario: Ohio 2007 General Accounts
Account: OECO 101/6-397 Communication equip
Placement Band: 1963 - 2006
Observation Band: 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	-7,245,200.20	0.00	0.00000	1.00000	100.00
0.5	-3,762,863.74	818.73	-0.00022	1.00022	100.00
1.5	4,486,763.64	56,382.01	0.01257	0.98743	
2.5	3,246,768.34	1,460.77	0.00045	0.99955	
3.5	2,429,958.70	3,077.58	0.00127	0.99873	
4.5	9,143,684.97	27,459.71	0.00300	0.99700	
5.5	8,442,476.26	47,174.30	0.00559	0.99441	
6.5	741,168.40	3,942.68	0.00532	0.99468	
7.5	256,185.67	6,949.85	0.02713	0.97287	
8.5	998,869.85	15,077.84	0.01510	0.98490	
9.5	1,366,421.08	20,906.87	0.01530	0.98470	
10.5	1,680,529.52	20,481.70	0.01219	0.98781	
11.5	1,830,662.00	53,474.35	0.02921	0.97079	
12.5	1,613,049.92	88,130.53	0.05464	0.94536	
13.5	1,490,736.83	72,337.81	0.04852	0.95148	
14.5	1,278,256.06	50,025.89	0.03914	0.96086	
15.5	1,019,422.10	53,149.16	0.05214	0.94786	
16.5	1,105,980.85	59,655.94	0.05394	0.94606	
17.5	1,392,991.81	52,290.10	0.03754	0.96246	
18.5	1,101,368.71	40,281.03	0.03657	0.96343	
19.5	535,543.56	34,310.49	0.06407	0.93593	
20.5	923,036.62	23,704.18	0.02568	0.97432	
21.5	1,561,551.96	23,042.05	0.01476	0.98524	
22.5	1,644,725.21	6,696.41	0.00407	0.99593	
23.5	1,101,912.09	8,530.76	0.00774	0.99226	
24.5	383,899.96	8,132.91	0.02119	0.97881	
25.5	104,797.84	7,096.19	0.06771	0.93229	
26.5	131,430.68	3,006.54	0.02288	0.97712	
27.5	136,325.46	1,670.39	0.01225	0.98775	
28.5	77,099.12	979.34	0.01270	0.98730	
29.5	3,952.24	384.05	0.09717	0.90283	
30.5	1,234.31	218.89	0.17747	0.82253	
31.5	582.18	213.82	0.36770	0.63230	
32.5	1,514.03	127.46	0.08388	0.91612	
33.5	5,425.83	51.73	0.00958	0.99042	
34.5	38,237.11	39.57	0.00105	0.99895	
35.5	35,539.14	20.97	0.00059	0.99941	
36.5	1,459.34	0.00	0.00000	1.00000	
37.5	7.75	0.00	0.00000	1.00000	
38.5	7.75	0.00	0.00000	1.00000	
39.5	7.75	0.00	0.00000	1.00000	
40.5	7.75	0.00	0.00000	1.00000	
41.5	7.75	0.00	0.00000	1.00000	
42.5	5.37	0.00	0.00000	1.00000	
43.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash) Amount	Gross Salvage (Cash) Pct.	Gross Salvage (Returns) Amount	Gross Salvage (Returns) Pct.	Cost of Removal Amount	Cost of Removal Pct.	Net Salvage Amount	Net Salvage Pct.	1-Yr Avg
OECO 397 Communication Equipment	1999	336,447.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 397 Communication Equipment	2000	418,426.73	0.00	0.00	0.00	0.00	266.42	0.06	(266.42)	-0.06	-0.06
OECO 397 Communication Equipment	2001	32,234.84	7,250.00	22.49	0.00	0.00	0.00	0.00	7,250.00	22.49	22.49
OECO 397 Communication Equipment	2004	620.05	5,557.73	896.34	0.00	0.00	0.00	0.00	5,557.73	896.34	896.34
OECO 397 Communication Equipment	2005	1,364.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 397 Communication Equipment	2006	2,194.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		791,288.00	12,807.73	1.62	0.00	0.00	266.42	0.03	12,541.31	1.58	

Whole Life Depreciation Accrual

Account: OECO 101/6-397 Communication equip
Dispersion: 20 - L1

erage Net Salvage Rate: 0.00%
ure Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$2,032,167.54		$101,179.95	4.978942
	Whole Life		20	$101,608.38	
	Amortization		0	$0.00	
	Retirements	$17,137.25	20	$428.43	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$2,032,167.54 *		$101,179.95	4.978966
	Average:	$2,023,598.92		$101,179.95	5.000000
	Grand Total:	$2,032,167.54 *		$101,179.95	4.978966

* Excluding 2007 Retirements

03/19/2007

Generation Arrangement Report

Account: OECO 101/6-397 Communication equip

Dispersion: 20.00 - L1

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$1,686,669.93	20.00	19.53	0.9765	1.0000	$1,647,088.85	$84,333.50
2005	1.50	$2,281.06	20.00	18.62	0.9310	1.0000	$2,123.60	$114.05
2004	2.50	$12,419.49	20.00	17.75	0.8875	1.0000	$11,022.86	$620.97
2003	3.50	$36,521.57	20.00	16.93	0.8466	1.0000	$30,919.16	$1,826.08
2002	4.50	$9,345.55	20.00	16.17	0.8084	1.0000	$7,555.31	$467.28
2000	6.50	$239,549.97	20.00	14.82	0.7409	1.0000	$177,494.02	$11,977.50
1999	7.50	$23,065.45	20.00	14.23	0.7116	1.0000	$16,414.15	$1,153.27
1998	8.50	$7,027.40	20.00	13.70	0.6851	1.0000	$4,814.39	$351.37
1997	9.50	$392.00	20.00	13.22	0.6610	1.0000	$259.12	$19.60
1996	10.50	$10,489.25	20.00	12.78	0.6390	1.0000	$6,702.98	$524.46
1995	11.50	$3,417.05	20.00	12.37	0.6186	1.0000	$2,113.77	$170.85
1994	12.50	$988.82	20.00	11.98	0.5991	1.0000	$592.37	$49.44
1993	13.50	$0.00	20.00	11.60	0.5801	1.0000	$0.00	$0.00
1992	14.50	$0.00	20.00	11.23	0.5616	1.0000	$0.00	$0.00
1991	15.50	$0.00	20.00	10.87	0.5437	1.0000	$0.00	$0.00
1990	16.50	$0.00	20.00	10.52	0.5262	1.0000	$0.00	$0.00
1989	17.50	$0.00	20.00	10.18	0.5092	1.0000	$0.00	$0.00
1988	18.50	$0.00	20.00	9.85	0.4926	1.0000	$0.00	$0.00
1987	19.50	$0.00	20.00	9.53	0.4764	1.0000	$0.00	$0.00
1986	20.50	$0.00	20.00	9.21	0.4607	1.0000	$0.00	$0.00
1985	21.50	$0.00	20.00	8.91	0.4453	1.0000	$0.00	$0.00
1984	22.50	$0.00	20.00	8.61	0.4303	1.0000	$0.00	$0.00
1983	23.50	$0.00	20.00	8.31	0.4157	1.0000	$0.00	$0.00
1982	24.50	$0.00	20.00	8.03	0.4015	1.0000	$0.00	$0.00
1981	25.50	$0.00	20.00	7.75	0.3875	1.0000	$0.00	$0.00
1980	26.50	$0.00	20.00	7.48	0.3739	1.0000	$0.00	$0.00
1979	27.50	$0.00	20.00	7.21	0.3605	1.0000	$0.00	$0.00
1978	28.50	$0.00	20.00	6.95	0.3475	1.0000	$0.00	$0.00
1977	29.50	$0.00	20.00	6.70	0.3348	1.0000	$0.00	$0.00
1976	30.50	$0.00	20.00	6.45	0.3223	1.0000	$0.00	$0.00
1975	31.50	$0.00	20.00	6.20	0.3101	1.0000	$0.00	$0.00
1974	32.50	$0.00	20.00	5.96	0.2981	1.0000	$0.00	$0.00
1973	33.50	$0.00	20.00	5.73	0.2864	1.0000	$0.00	$0.00

Account: OECO 101/6-397 Communication equip

Dispersion: 20.00 - L1

rage Net Salvage Rate: 0.00%

ure Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1972	34.50	$0.00	20.00	5.50	0.2749	1.0000	$0.00	$0.00
1971	35.50	$0.00	20.00	5.27	0.2637	1.0000	$0.00	$0.00
1970	36.50	$0.00	20.00	5.05	0.2526	1.0000	$0.00	$0.00
1969	37.50	$0.00	20.00	4.84	0.2418	1.0000	$0.00	$0.00
1968	38.50	$0.00	20.00	4.62	0.2311	1.0000	$0.00	$0.00
1967	39.50	$0.00	20.00	4.41	0.2207	1.0000	$0.00	$0.00
1966	40.50	$0.00	20.00	4.21	0.2104	1.0000	$0.00	$0.00
1965	41.50	$0.00	20.00	4.01	0.2003	1.0000	$0.00	$0.00
1964	42.50	$0.00	20.00	3.81	0.1904	1.0000	$0.00	$0.00
1963	43.50	$0.00	20.00	3.61	0.1805	1.0000	$0.00	$0.00
1962	44.50	$0.00	20.00	3.42	0.1710	1.0000	$0.00	$0.00
1961	45.50	$0.00	20.00	3.23	0.1616	1.0000	$0.00	$0.00
1959	47.50	$0.00	20.00	2.86	0.1432	1.0000	$0.00	$0.00
1958	48.50	$0.00	20.00	2.68	0.1339	1.0000	$0.00	$0.00
1956	50.50	$0.00	20.00	2.33	0.1165	1.0000	$0.00	$0.00
1954	52.50	$0.00	20.00	1.99	0.0994	1.0000	$0.00	$0.00
1953	53.50	$0.00	20.00	1.82	0.0910	1.0000	$0.00	$0.00
1952	54.50	$0.00	20.00	1.65	0.0825	1.0000	$0.00	$0.00
1950	56.50	$0.00	20.00	1.32	0.0661	1.0000	$0.00	$0.00
1949	57.50	$0.00	20.00	1.14	0.0570	1.0000	$0.00	$0.00
1948	58.50	$0.00	20.00	0.91	0.0455	1.0000	$0.00	$0.00
1947	59.50	$0.00	20.00	0.55	0.0275	1.0000	$0.00	$0.00
1946	60.50	$0.00	20.00	0.00	0.0000	0.0000	$0.00	$0.00
1945	61.50	$0.00	20.00	0.00	0.0000	0.0000	$0.00	$0.00
		$2,032,167.54	20.00	18.77	0.9385	1.0000	$1,907,100.60	$101,608.38

Depreciation Reserve Summary

Account: OECO 101/6-397 Communication equip
Scenario: Ohio 2007 General Accts ADR
Dispersion: 20 - L1
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$2,032,167.54	$388,129.81	0.1910	$1,644,037.73	0.8090
Computed	$2,032,167.54	$125,066.94	0.0615	$1,907,100.60	0.9385
Difference		$263,062.87	0.1294	($263,062.87)	-0.1294

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 398 Miscellaneous Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 25 R2.

Actuarial Life Analysis

25 R2 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 to 50 Years.

Recommendation

Continue to use 25 R2 Based on Industry Standards and Actuarial Life Analysis.

Comments:
The actuarial life analysis recommends using an average life of 25 years and an Iowa Curve of R2. This is currently what is being used, and no change is warranted in reviewing the plant data.

Salvage Factor Estimates

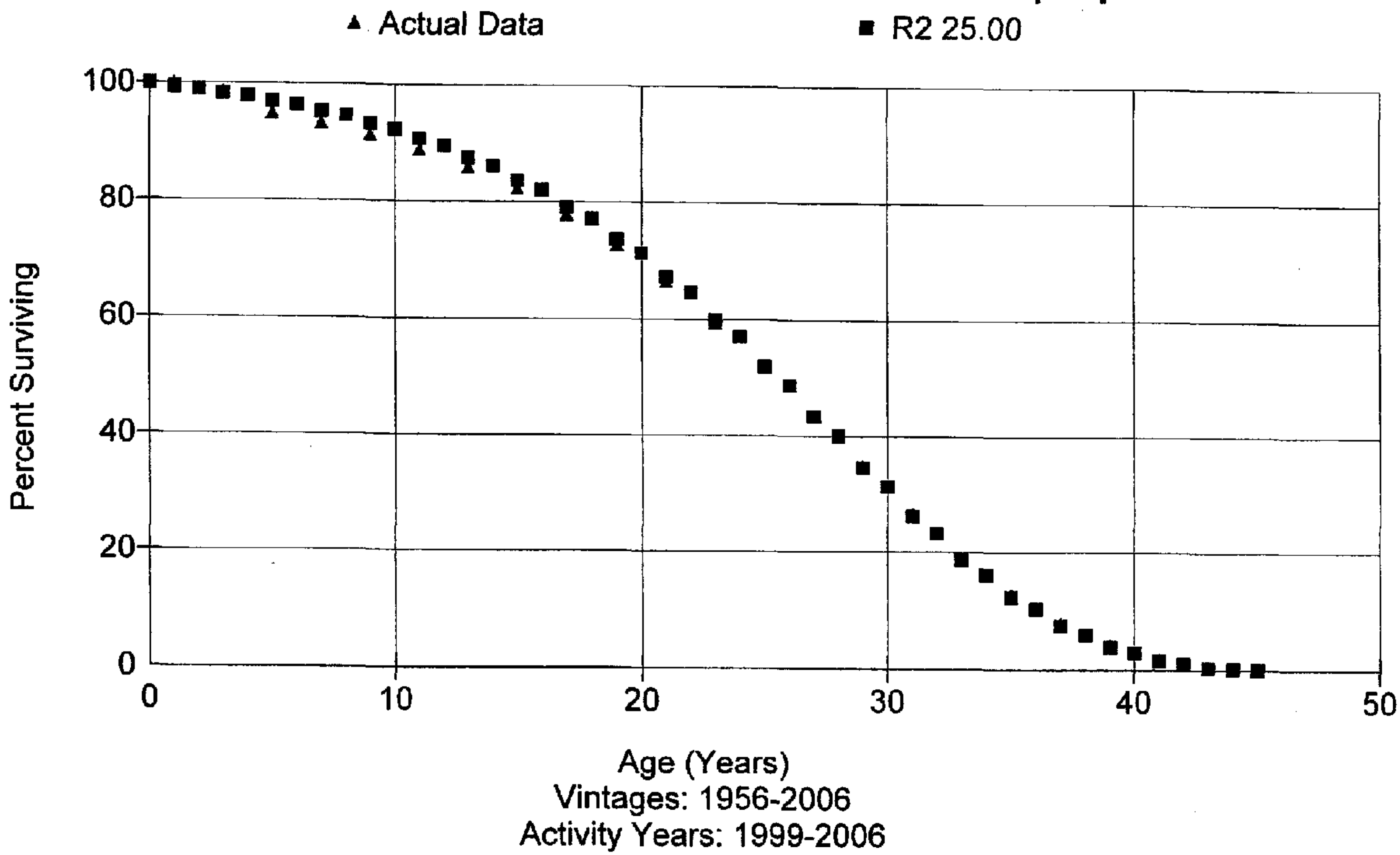
Current Net salvage Rate is	0%
Proposed Net salvage Rate	0%

Comments:
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to 500%. Continuing with the current rate is recommended.

Summary of Recommendations

25	Average Service Life
R2	Iowa Curve
0	% Net Salvage

Ohio Edison Company
Account 398 Miscellaneous Equipment



Observed Life Table

Scenario: Ohio 2007 General Accounts

Account: OECO 101/6-398 Miscellaneous equip

Placement Band: 1956 - 2006 **Observation Band:** 1999 - 2006

Age at Beginning of Interval	Exposures at Beginning of Interval	Retirements During Interval	Retirment Ratio	Survivor Ratio	Percent Surv at Beginning of Interval
0	3,298,215.26	0.00	0.00000	1.00000	100.00
0.5	-92,514.82	0.00	0.00000	1.00000	100.00
1.5	-92,514.82	-1,276.65	0.01380	0.98620	
2.5	-86,044.79	28.06	-0.00033	1.00033	
3.5	-82,511.73	53.63	-0.00065	1.00065	
4.5	-76,215.68	-2,871.01	0.03767	0.96233	
5.5	100,960.32	799.82	0.00792	0.99208	
6.5	157,186.76	1,408.44	0.00896	0.99104	
7.5	243,210.63	2,458.55	0.01011	0.98989	
8.5	330,511.95	3,766.50	0.01140	0.98860	
9.5	382,934.20	4,905.62	0.01281	0.98719	
10.5	428,080.99	6,167.17	0.01441	0.98559	
11.5	517,884.45	8,372.50	0.01617	0.98383	
12.5	601,262.07	10,914.59	0.01815	0.98185	
13.5	606,092.35	12,336.59	0.02035	0.97965	
14.5	590,247.06	13,477.01	0.02283	0.97717	
15.5	555,654.11	14,225.17	0.02560	0.97440	
16.5	524,817.59	15,062.63	0.02870	0.97130	
17.5	498,460.55	16,037.18	0.03217	0.96783	
18.5	476,972.71	17,211.36	0.03608	0.96392	
19.5	394,392.73	15,948.13	0.04044	0.95956	
20.5	299,008.63	13,552.78	0.04533	0.95467	
21.5	254,580.81	12,928.61	0.05079	0.94921	
22.5	205,976.83	11,708.71	0.05685	0.94315	
23.5	156,911.36	9,979.98	0.06360	0.93640	
24.5	127,717.63	9,077.92	0.07108	0.92892	
25.5	112,866.84	8,949.27	0.07929	0.92071	
26.5	88,610.58	7,825.37	0.08831	0.91169	
27.5	87,125.73	8,553.14	0.09817	0.90183	
28.5	77,626.48	8,452.11	0.10888	0.89112	
29.5	57,827.70	6,963.77	0.12043	0.87957	
30.5	51,002.31	6,776.72	0.13288	0.86712	
31.5	49,772.42	7,278.05	0.14623	0.85377	
32.5	42,441.40	6,813.14	0.16053	0.83947	
33.5	30,185.11	5,310.44	0.17592	0.82408	
34.5	23,369.16	4,504.36	0.19273	0.80727	
35.5	15,772.69	3,332.91	0.21131	0.78869	
36.5	11,712.14	2,722.37	0.23241	0.76759	
37.5	8,369.35	2,153.76	0.25738	0.74262	
38.5	6,449.04	1,855.63	0.28780	0.71220	
39.5	3,894.40	1,270.03	0.32614	0.67386	
40.5	2,728.41	1,025.80	0.37610	0.62390	
41.5	1,802.09	796.97	0.44229	0.55771	
42.5	1,007.85	536.55	0.53274	0.46726	
43.5	418.49	275.00	0.65789	0.34211	
44.5	120.75	99.69	0.82645	0.17355	
45.5	17.60	16.83	0.94444	0.05556	
46.5	0.60	0.60	1.00000	0.00000	
47.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

			Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
Account	Year	Retirements	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
OECO 398 Miscellaneous Equipment	1999	30,923.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2000	32,361.24	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2001	33,808.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2002	33,989.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2003	36,726.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2004	38,186.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2005	36,652.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 398 Miscellaneous Equipment	2006	39,138.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		281,786.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: OECO 101/6-398 Miscellaneous equip

Dispersion: 25 - R2

rage Net Salvage Rate: 0.00%

re Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$1,251,071.73		$49,173.82	3.930576
	Whole Life		25	$50,042.86	
	Amortization		0	$0.00	
	Retirements	$43,452.02	25	$869.04	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$1,251,071.73 *		$49,173.82	3.930614
	Average:	$1,229,345.72		$49,173.82	3.999999
	Grand Total:	$1,251,071.73 *		$49,173.82	3.930614

Excluding 2007 Retirements

Generation Arrangement Report

Account: OECO 101/6-398 Miscellaneous equip

Dispersion: 25.00 - R2

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2006	0.50	$475,102.91	25.00	24.55	0.9819	1.0000	$466,510.39	$19,004.12
2005	1.50	$0.00	25.00	23.65	0.9460	1.0000	$0.00	$0.00
2004	2.50	$0.00	25.00	22.76	0.9106	1.0000	$0.00	$0.00
2000	6.50	$6.05	25.00	19.34	0.7735	1.0000	$4.68	$0.24
1996	10.50	$4,841.87	25.00	16.13	0.6451	1.0000	$3,123.44	$193.67
1995	11.50	$3,290.04	25.00	15.36	0.6145	1.0000	$2,021.72	$131.60
1994	12.50	$5,807.49	25.00	14.61	0.5846	1.0000	$3,394.85	$232.30
1993	13.50	$54,571.52	25.00	13.88	0.5553	1.0000	$30,303.81	$2,182.86
1992	14.50	$35,721.21	25.00	13.17	0.5268	1.0000	$18,816.63	$1,428.85
1991	15.50	$53,995.22	25.00	12.47	0.4990	1.0000	$26,940.98	$2,159.81
1990	16.50	$54,563.02	25.00	11.80	0.4719	1.0000	$25,748.91	$2,182.52
1989	17.50	$47,845.48	25.00	11.14	0.4457	1.0000	$21,322.89	$1,913.82
1988	18.50	$45,826.38	25.00	10.51	0.4202	1.0000	$19,258.24	$1,833.06
1987	19.50	$81,041.42	25.00	9.89	0.3957	1.0000	$32,065.62	$3,241.66
1986	20.50	$96,527.14	25.00	9.30	0.3720	1.0000	$35,906.30	$3,861.09
1985	21.50	$66,462.54	25.00	8.73	0.3492	1.0000	$23,208.80	$2,658.50
1984	22.50	$41,813.83	25.00	8.18	0.3273	1.0000	$13,687.63	$1,672.55
1983	23.50	$41,071.48	25.00	7.66	0.3064	1.0000	$12,585.82	$1,642.86
1982	24.50	$26,409.33	25.00	7.16	0.2865	1.0000	$7,565.75	$1,056.37
1981	25.50	$24,325.01	25.00	6.69	0.2675	1.0000	$6,506.54	$973.00
1980	26.50	$25,562.18	25.00	6.24	0.2494	1.0000	$6,376.13	$1,022.49
1979	27.50	$9,384.94	25.00	5.81	0.2323	1.0000	$2,180.36	$375.40
1978	28.50	$9,618.52	25.00	5.40	0.2161	1.0000	$2,078.77	$384.74
1977	29.50	$18,694.51	25.00	5.02	0.2008	1.0000	$3,753.36	$747.78
1976	30.50	$2,988.03	25.00	4.66	0.1862	1.0000	$556.49	$119.52
1975	31.50	$1,662.48	25.00	4.31	0.1724	1.0000	$286.67	$66.50
1974	32.50	$2,936.13	25.00	3.98	0.1593	1.0000	$467.66	$117.45
1973	33.50	$6,841.13	25.00	3.67	0.1467	1.0000	$1,003.29	$273.65
1972	34.50	$3,384.70	25.00	3.36	0.1345	1.0000	$455.13	$135.39
1971	35.50	$4,595.60	25.00	3.06	0.1226	1.0000	$563.36	$183.82
1970	36.50	$2,216.47	25.00	2.77	0.1109	1.0000	$245.81	$88.66
1969	37.50	$1,617.55	25.00	2.48	0.0993	1.0000	$160.69	$64.70
1968	38.50	$581.11	25.00	2.20	0.0879	1.0000	$51.06	$23.24

Generation Arrangement Report

Account: OECO 101/6-398 Miscellaneous equip

Dispersion: 25.00 - R2

rage Net Salvage Rate: 0.00%

ure Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1967	39.50	$1,100.67	25.00	1.91	0.0765	1.0000	$84.16	$44.03
1966	40.50	$347.45	25.00	1.63	0.0652	1.0000	$22.66	$13.90
1965	41.50	$125.23	25.00	1.36	0.0542	1.0000	$6.79	$5.01
1964	42.50	$113.93	25.00	1.09	0.0436	1.0000	$4.97	$4.56
1963	43.50	$52.81	25.00	0.84	0.0337	1.0000	$1.78	$2.11
1962	44.50	$22.74	25.00	0.63	0.0251	1.0000	$0.57	$0.91
1961	45.50	$3.46	25.00	0.50	0.0200	1.0000	$0.07	$0.14
1960	46.50	$0.17	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1959	47.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1958	48.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1957	49.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
1956	50.50	$0.00	25.00	0.00	0.0000	0.0000	$0.00	$0.00
		$1,251,071.73	25.00	15.33	0.6133	1.0000	$767,272.76	$50,042.86

Depreciation Reserve Summary

Account: OECO 101/6-398 Miscellaneous equip
Scenario: Ohio 2007 General Accts ADR
Dispersion: 25 - R2
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$1,251,071.73	$493,218.05	0.3942	$757,853.88	0.6058
Computed	$1,251,071.73	$483,798.97	0.3867	$767,272.76	0.6133
Difference		$9,419.08	0.0075	($9,419.08)	-0.0075

03/19/2007

[Company Exhibit 5-B]

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. 07-551-EL-AIR
Edison Company for Authority to	)	Case No. 07-552-EL-ATA
Increase Rates for Distribution Service,	)	Case No. 07-553-EL-AAM
Modify Certain Accounting Practices	)	Case No. 07-554-EL-UNC
and for Tariff Approvals	)	

SUPPLEMENTAL TESTIMONY OF

PAULETTE R. CHATMAN

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

___ Management policies, practices, and organization

_X_ Operating income

_X_ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other –Case Overview,
Revenue Requirements
Gross Rev. Conversion Factor

Q. PLEASE STATE YOUR NAME FOR THE RECORD.

A. My name is Paulette R. Chatman.

Q. ARE YOU THE SAME PAULETTE R. CHATMAN THAT PROVIDED INITIAL TESTIMONY THAT WAS FILED IN THIS PROCEEDING ON JUNE 7, 2007?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

A. The purpose of my Supplemental Testimony is to address certain objections to the Staff Reports of Ohio Edison Company ("Ohio Edison"), The Cleveland Electric Illuminating Company ("CEI") and The Toledo Edison Company ("Toledo Edison") (collectively, "Operating Companies") that were filed with the Commission on January 3, 2008.

Q. PLEASE IDENTIFY THE OPERATING COMPANIES' OBJECTIONS THAT YOU WILL BE ADDRESSING.

A. I will be addressing Section I(a) Plant in Service Objection No. 2, and Section II Net Operating Income Objection Nos. 5, 7 and 14.

Q. DOES YOUR TESTIMONY REGARDING THESE OBJECTIONS APPLY TO ALL THREE OPERATING COMPANIES?

A. Unless otherwise stated, yes, it does.

Q. PLEASE EXPLAIN THE BASIS FOR THE OPERATING COMPANIES' SECTION I(A) PLANT IN SERVICE OBJECTION NO. 2.

A. This objection deals with Staff's failure to correct an error whereby certain general plant balances included in the accounting records of FirstEnergy Service Company

("Service Company") were not allocated to the various electric distribution companies within FirstEnergy Corp. ("FirstEnergy"), including the portion properly allocated to the Operating Companies.

Q. PLEASE IDENTIFY THE ASSETS TO WHICH THIS OBJECTION APPLIES.

A. The assets that are the subject of this objection are general plant assets recorded on the books of the Service Company that benefit the other entities within FirstEnergy and are allocated to all companies receiving the benefits of those assets. These assets include items such as office furniture, communication equipment, computers, computer systems, computer-related equipment, and computer software. These assets should have been allocated to the subsidiaries within FirstEnergy based on the standard allocation factors that I discussed in my Direct Testimony (Co. Exh. 5). However, due to an oversight, this allocation was not made prior to the Operating Companies' filing. The Staff was made aware of this error during its review of plant in service balances, but failed to recommend an adjustment to correct the error. A summary of the general plant costs at issue, along with the recommended allocation of these date certain costs to be included in the rate base of the Operating Companies are included on attached Supplemental Exhibit PRC-2. These net plant balances are $30,025,575 for Ohio Edison; $24,778,126 for CEI; and $13,216,800 for Toledo Edison.

Q. ARE ALL THE GENERAL PLANT ASSETS THAT BENEFIT THE OPERATING COMPANIES STILL ON THE BOOKS OF THE SERVICE COMPANY?

A. No. In December 2007, the Operating Companies began the process of transferring the general plant assets relating specifically to each Operating Company to their respective books ("Designated Assets"). This eliminated the Operating Companies obligation to pay a carrying charge to the Service Company for such Designated Assets.

Q. HOW MUCH OF THE DESIGNATED ASSETS ARE NOW AT EACH OF THE OPERATING COMPANIES?

A. The Designated Assets that now reside on the books of Ohio Edison, Toledo Edison, and CEI are on Supplemental Exhibit PRC-2. These amounts are $6,576,174 for Ohio Edison; $5,716,318 for CEI; and $2,807,139 for Toledo Edison.

Q. WHEN DO THE OPERATING COMPANIES ANTICIPATE THAT ALL THE DESIGNATED ASSETS WILL BE TRANSFERRED?

A. The Operating Companies plan to transfer the remaining Designated Assets in January 2008 and will update Supplemental Exhibit PRC-3 at the time of the hearing.

Q. HOW WILL THE ASSETS THAT REMAIN AT THE SERVICE COMPANY BE ALLOCATED?

A. The general plant assets that remain at the Service Company will continue to be properly allocated to Ohio Edison, Toledo Edison and CEI based on the allocation factors that are contained on Supplemental Exhibit PRC-2.

Q. WHAT ARE THE ALLOCATORS SET FORTH ON SUPPLEMENTAL EXHIBIT PRC-2?

A. The allocators included on Supplemental Exhibit PRC-2 are the standard allocation factors that I discussed in my direct testimony.

Q. PLEASE EXPLAIN THE BASIS FOR THE OPERATING COMPANIES' SECTION II NET OPERATING INCOME OBJECTION NO. 5

A. This objection involves Staff's use of the estimated average service life of meter equipment. These meters provide the current technology of measuring the number of kilowatt hours consumed by most of the Operating Companies' customers and record the maximum customer demand during the billing period. The Operating Companies proposed the use of ten years as the estimated average useful life of their metering equipment, while the Staff, when calculating depreciation expense, used an estimated average service life of 34 years for Ohio Edison; 38 years for CEI; and 35 years for Toledo Edison. Given the recent activity involving advanced metering technology, it is unreasonable for the Staff to assume that current metering technology will be used for three more decades.

Q. PLEASE DESCRIBE THE RECENT ACTIVITY TO WHICH YOU ARE REFERRING?

A. Both Governor Strickland and the Ohio Senate have encouraged the use of Advanced metering technology. For example, the third principle of the Governor's Energy, Jobs and Progress for Ohio Strategy states: "An effective electricity system benefits from all classes of consumers having access to time differentiated changes in the actual cost of electric service. Accordingly, the Administration proposes the PUCO take actions to accelerate the availability and expand the implementation of real-time pricing and time-of-use tariffs." Similarly, the fourth principle states:

"Among the most effective tools consumers can use to exercise choice as utility customers is the ability to adjust usage in response to actual, as opposed to average, electricity prices. Accordingly, the Administration proposes the PUCO be directed to accelerate implementation of measures promoting demand response, including, but not limited to, availability of time-sensitive pricing and the deployment of advanced metering infrastructure." Picking up on these principles, Senate Bill 221 as passed by the Ohio Senate proposed amending Section 4928.02 (D) of the Ohio Revised Code to "[e]ncourage innovation and market access for cost-effective retail electric service, including, but not limited to, demand-side management, time-differentiated pricing, and implementation of advanced metering infrastructure." In addition, the Commission has investigated the use of advanced metering technology, holding several workshops on the subject in an effort to encourage utilities to develop cost effective advanced metering deployment plans.

It is clear that the current thought shared by the Governor, the Ohio Senate and the Commission is that in order to expand the use of time sensitive rates and allow customers to respond to actual as opposed to average price signals, the current meter technology that measures monthly consumption and demand must be replaced with metering technology that has the capability to measure actual consumption and prices in much smaller time intervals. It is also clear that this initiative has been fast tracked, not just in Ohio but also on the federal level. The Federal Energy Independence and Security Act of 2007 recognizing that the accelerated use of advanced metering technology would render existing metering equipment obsolete, suggests for each State to authorize a mechanism for the timely recovery of the remaining value of equipment rendered obsolete. It is inappropriate and unreasonable for Staff to ignore this new direction and assign an estimated average service life of more than thirty years for the depreciation of current metering technology. Staff's recommendation presupposes that the efforts of the Governor, the Ohio Senate, the Commission and the Federal government may all be for naught. The Companies believe a ten year depreciation period is appropriate for metering equipment.

Q. WHAT IS THE EFFECT ON DEPRECIATION EXPENSE AS CALCULATED BY THE STAFF IF THE COMMISSION ADOPTS THE USE OF A TEN YEAR ESTIMATED AVERAGE USEFUL LIFE FOR CURRENT METERING TECHNOLOGY?

A. As indicated on attached Supplemental Exhibit PRC-1, test year depreciation expense based on end of test year will increase by $ 2,794,486 for Ohio Edison; $ 2,935,828 for CEI; and $ 444,030 for Toledo Edison.

Q. IS THERE AN ALTERNATIVE TO MAKING THESE PROPOSED ADJUSTMENTS TO DEPRECIATION EXPENSE AS CALCULATED BY THE STAFF?

A. Yes. The Operating Companies believe that the entire average service life issue can be avoided if the Commission would simply clarify that any costs associated with metering equipment and related infrastructure replaced by an AMI /Modern Grid could be recovered through the AMI Rider recommended by the Staff. Therefore, if the Commission adopts the Staff's recommendation to include costs in an AMI Rider substantially similar to that described by Company Witness Hussing in his

Supplemental Testimony (Co. Exh. 13-B), and the Commission clarifies that any such obsolescence costs could be included in the Rider, the Operating Companies will withdraw their objection to the Staff's estimated average service life used to calculate depreciation expense for metering equipment.

Q. PLEASE EXPLAIN THE BASIS FOR THE OPERATING COMPANIES' SECTION II NET OPERATING INCOME OBJECTION NO. 7

A. This objection involves Staff's use of the estimated average service life of private outdoor lighting equipment used in the Operating Companies' respective private outdoor lighting ("POL") programs. The Operating Companies are planning to provide POL service for no more than five more years. Thus, the Companies recommended using an estimated average useful life of five years for this type of equipment. To this effect, the Operating Companies each filed with the Commission in Docket Nos. 07-361-EL-ATA (Toledo Edison), 07-362-EL-ATA (CEI) and 07-363-EL-ATA (Ohio Edison) to terminate their respective POL programs for new customers, grandfathering customers that currently take service under the POL rate schedules. However, rather than adopting the Operating Companies' position, Staff recommended an estimated average service life of 22.5 years for Ohio Edison Company; 40 years for CEI; and 25 years for Toledo Edison when calculating the depreciation expense for costs associated with the POL programs. In light of the aforementioned filings, such a recommendation for purposes of calculating depreciation expense on such equipment is unreasonable.

Q. WHAT IS THE EFFECT ON DEPRECIATION EXPENSE AS CALCULATED BY THE STAFF IF THE COMMISSION ADOPTS THE

USE OF A FIVE YEAR ESTIMATED AVERAGE USEFUL LIFE FOR POL EQUIPMENT?

A. As indicated on attached Supplemental Exhibit PRC-1, test year depreciation expense based on end of test year balances will increase by $ 1,268,187 for Ohio Edison; $ 2,355,733, for CEI; and $ 506,443, for Toledo Edison.

Q. PLEASE EXPLAIN THE BASIS FOR OBJECTION II.14.

A. Objection II.14 relates, in part, to calculating depreciation expense and amortization on limited term property on end of test year balances instead of date certain balances. Company witness Harvey Wagner in Company Exhibit 3B explains the rationale for this approach. However I am responsible for the calculation of the difference in the depreciation expense and amortization of limited term property based on balances as of end of test year and date certain.

Q. WHAT IS THE EFFECT ON DEPRECIATION EXPENSE AND AMORTIZATION OF LIMITED TERM PROPERTY AS CALCULATED BY THE STAFF IF THE COMMISSION ADOPTS THE USE OF THE END OF TEST YEAR BALANCES INSTEAD OF THE DATE CERTAIN BALANCES?

A. As indicated on attached Supplemental Exhibit PRC-3, using end of test year balances will increase depreciation expense and amortization of limited term property by $1,322,367 for Ohio Edison; $3,085,653 for CEI; and $290,469 for Toledo Edison, by going to the end of test year balances. The computation of the increase is on Supplemental Exhibit PRC-3. This Supplemental Exhibit assumes the Companies' position on the estimated useful life of current meter technology and POL.

Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?

A. Yes, it does.

Computation of Company Proposed and Staff Proposed Account 370 (Meter Depreciation Expense) and Account 371 (Installation on Customer Premises Depreciation Expense)

ACCOUNT NO. 370: Meter Depreciation Adjustment

Company	Test Year Depreciation WPC-3.4 Co. Proposed Acct No. 370 Depreciation	Date Certain Depreciation Schedule B-3.2 Staff Proposed Acct No. 370 Depreciation	Depreciation Expense Increase
Ohio Edison Company	$6,342,416	$3,547,930	$2,794,486
The Cleveland Electric Illuminating Company	$5,843,178	$2,887,350	$2,955,828
The Toledo Edison Company	$1,547,331	$1,103,301	$444,030

ACCOUNT NO. 371: Installation on Customer Premises Adjustment

Company	Test Year Depreciation WPC-3.4 Co. Proposed Acct No. 371 Depreciation	Date Certain Depreciation Schedule B-3.2 Staff Proposed Acct No. 371 Depreciation	Depreciation Expense Increase
Ohio Edison Company	$2,144,829	$876,642	$1,268,187
The Cleveland Electric Illuminating Company	$3,075,010	$719,277	$2,355,733
The Toledo Edison Company	$717,234	$210,791	$506,443

Note:
Company Proposed Depreciation Expense amounts are based on Test Year Balance February 28, 2008 reported on WPC-3.4

Service Company
Net Plant Value as of May 2007
By Asset Location

Asset Category	FERC Allocator	Gross Plant	Reserve	Net Plant	OE01	TE01	CE01	Total
Adminstr Services Total	Multi Factor - All	41,565,018	33,433,363	8,131,656	1,400,271	616,380	1,155,508	3,172,159
Corporate Administration Total	Multi Factor - All	31,103,549	11,328,517	19,775,031	3,405,260	1,498,947	2,810,032	7,714,240
Distribution Division Total	Multi Factor - Op Cos	49,950,740	37,667,257	12,283,484	2,556,193	1,125,167	2,110,302	5,791,663
Finance Admin Total	Multi Factor - All	8,865,836	6,887,581	1,978,255	340,658	149,952	281,110	771,717
Generation Total		1,132,599	422,878	709,722	-	-	-	-
Governmental Affairs Total		54,641	16,820	37,821	-	-	-	-
Information Systems Total	Multi Factor - All	181,508,515	52,067,655	129,440,860	22,289,716	9,811,817	18,393,546	50,494,679
Legal Total	Multi Factor - All	282,780	88,361	194,419	33,479	14,737	27,627	75,843
Grand Total		314,463,678	141,912,431	172,551,247	30,025,575	13,216,809	24,778,126	68,020,501

FERC Allocators	% Multi Factor - All	% Multi Factor-Op Cos
OE01	17.22%	20.81%
TE01	7.58%	9.16%
CE01	14.21%	17.18%

Service Company General Plant Assets at Each of the Operating Companies

Company	Original Cost	Accumulated Provision For Depreciation	Net Plant
Ohio Edison	$28,138,257	$21,562,083	$6,576,174
Toledo Edison	$11,503,078	$8,695,939	$2,807,139
CEI	$24,949,226	$19,232,908	$5,716,318
Total	$64,590,561	$49,490,930	$15,099,631

Comparison of Test Year Depreciation and Amortization Expense to Staff Calculated Date Certain Depreciation and Amortization Expense

Supplemental Exh. PRC-3

Company	Company Test Year Depreciation Schedule C-2 Line 15	Company Test Year Amortization Schedule C-2 Line 17	Company Total Test Year Depreciation Expense and Amortization	Staff Calculated Depreciation: Staff Calculated Depreciation and Amortization Schedule C-2 Line 15	Staff Calculated Depreciation: Add Back Account 370 Staff Meters Adjustment PRC-1	Staff Calculated Depreciation: Add Back Account 371 Staff Installation on Customer Adjustment PRC-1	Total Revised Staff Calculated Depreciation Expense	Total Depreciation Increase
Ohio Edison Company	$64,054,337	$3,338,635	$67,392,972	$62,007,932	$2,794,486	$1,268,187	$66,070,605	$1,322,367
The Cleveland Electric Illuminating Company	$65,327,798	$3,024,781	$68,352,579	$59,955,365	$2,855,828	$2,355,733	$65,266,926	$3,065,653
The Toledo Edison Company	$24,786,611	$977,216	$25,763,827	$24,522,886	$444,030	$506,443	$25,473,358	$290,469

[Company Exhibit 6]

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. 07-551-EL-AIR
Edison Company for Authority to	)	Case No. 07-552-EL-ATA
Increase Rates for Distribution Service,	)	Case No. 07-553-EL-AAM
Modify Certain Accounting Practices	)	Case No. 07-554-EL-UNC
and for Tariff Approvals	)	

DIRECT TESTIMONY OF

GARY D. YOUNG

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

___ Management policies, practices, and organization

_X_ Operating income

_X_ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other

I. General Background

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Gary D. Young. My business address is 76 South Main Street, Akron, Ohio 44308.

Q. WHAT IS YOUR POSITION WITHIN FIRSTENERGY SERVICE COMPANY?

A. I serve as Manager, Tax Projects.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I received two degrees from the University of Akron, a Bachelor of Science degree, with a major in Accounting, in 1987, and a Master of Science degree in taxation in 1992. I have been working in the Tax Services Department at FirstEnergy, or one of its predecessor companies, since 1989, starting as an entry level tax analyst and progressing through various positions. During this period, I gained experience in tax return preparation, tax research and analysis, and tax compliance.

Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGER, TAX PROJECTS?

A. I am responsible for the coordination of Sarbanes Oxley tax reviews performed in conjunction with FirstEnergy's internal auditing department, the oversight of utility tax return preparation and compliance and, most recently, the preparation of testimony and supporting schedules involving tax issues in this proceeding.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO?

A. No.

Q. WHAT TOPICS WILL YOUR TESTIMONY ADDRESS?

A. I will be discussing tax related adjustments to operating income and rate base, the calculation of federal income tax expense, investment tax credits ("ITC") and deferred income taxes.

Q. MR. YOUNG, PLEASE IDENTIFY THOSE SCHEDULES IN THIS PROCEEDING FOR WHICH YOU ARE RESPONSIBLE.

A. I am sponsoring all or portions of the following schedules for each of the Companies:

Schedules	Title
C-3.3	Property Tax Annualization
C-3.8	Ohio Corporate Franchise Tax Annualization
C-3.9	Commercial Activity Tax Annualization
C-3.10	kWh Sales Tax Adjustment
C-3.13	Amortization Associated with Deferred Tax True Up
C-4	Adjusted Income Tax Adjustments
C-4.1	Adjusted Jurisdictional Federal Income Taxes
B-6	Other Rate Base Items
B-6.1	Deferred Tax Issues related to B-6.1 Adjustments

Q. HOW WILL YOU BE ADDRESSING EACH OF THESE SCHEDULES FOR EACH OF THE COMPANIES?

A. Unless otherwise stated, my discussion of each of the schedules is equally applicable to all three Companies.

II. Tax Related Adjustments to Operating Income

Q. WHICH ADJUSTMENTS ARE YOU SPONSORING ON SCHEDULE C-3?

A. I am sponsoring the adjustments set forth on Schedules C-3.3, C-3.8, C-3.9, C-3.10 and C-3.13.

Q. PLEASE EXPLAIN THE ADJUSTMENT IN SCHEDULE C-3.3.

A. Schedule C-3.3 relates to an adjustment for property tax expense to reflect the expense based on (i) property balances at the end of the test year; and (ii) the anticipated tax rates that will be in effect at that time. The schedules supporting this adjustment are included in my workpapers starting at WPC-3.3.

Q. WHY WERE END OF TEST YEAR BALANCES USED?

A. Due to the fact that the rates approved in this proceeding will not go into effect prior to January 1, 2009, the use of plant balances at the end of the test year better reflect the actual property tax that the Companies will incur during the period in which rates will be in effect.

Q. DO YOU ANTICIPATE PROPERTY TAX RATES CHANGING BEFORE THE END OF THE TEST YEAR?

A. Yes. Local counties, school districts and other governmental entities are likely to include levies for consideration during elections between now and the end of the test year, which could affect total property tax expense. If this occurs, I will update this adjustment in supplemental testimony that will be filed later in this proceeding.

Q. PLEASE EXPLAIN THE ADJUSTMENT ON SCHEDULE C-3.8?

A. Schedule C-3.8 relates to Ohio's corporate income tax. Pursuant to Section 5733.01 of the Ohio Revised Code, this tax is being phased out, with a reduction in the annual tax rate that is to be applied to a corporation's income. The adjustment on Schedule C-3.8 factors in the tax rate that will be in effect at the end of the test year, as well as the income tax effects from all other Schedule C-3 adjustments being proposed. The schedules supporting this adjustment can be found in my workpapers starting at WPC-3.8.

Q. PLEASE EXPLAIN THE ADJUSTMENT IN SCHEDULE C-3.9.

A. Schedule C-3.9 relates to the Commercial Activity Tax ("CAT") expense. Pursuant to Section 5751.031 of the Ohio Revised Code, the CAT went into effect in 2005 with tax rates to be applied when calculating the CAT expense changing annually on April 1 of each year, with increases starting in 2006 until fully phased in. Because the test year in this proceeding is the twelve months ending February 29, 2008, there will be two CAT tax rates in effect during the test year, one for the month of March, 2007, and one for the months April, 2007 through February 2008. The CAT expense adjustment is necessary in order to update the tax rate for the month of March 2007, reflecting the rate that will be in effect at the end of the test year. Further, the CAT is based on revenues received by the Companies. The adjustment set forth on Schedule C-3.9 factors in the proposed change in revenues arising from this case. The schedules supporting this adjustment are included in my workpapers starting at WPC-3.9.

Q. PLEASE EXPLAIN THE ADJUSTMENT IN SCHEDULE C-3.10.

A. This adjustment relates to the state kWh tax expense and revenues. The Companies collect from customers a tax on each kWh that is sold. These tax revenues collected from customers are then paid to the State of Ohio. As a pass through tax, the tax expenses incurred by the Companies should be identical to the tax revenues received by the Companies, having a net effect of zero. The adjustment included on Schedule C-3.10 is necessary to match the State kWh tax expense with the State kWh tax revenues.

Q. PLEASE EXPLAIN THE ADJUSTMENT PRESENTED IN SCHEDULE C-3.13.

A. Schedule C-3.13 adjusts deferred taxes so as to reflect the appropriate annualized deferred tax expense incurred by the Companies.

Q. WHY IS THIS ADJUSTMENT NECESSARY?

A. This adjustment reflects the difference between items taken into consideration for income tax return purposes and for financial reporting purposes, based on the requirements of Statement of Financial Accounting Standards ("SFAS") No. 109.

Q. PLEASE EXPLAIN HOW THIS ADJUSTMENT WAS CALCULATED.

A. In connection with SFAS 109 compliance, the Companies performed a detailed analysis to determine the appropriate accumulated deferred income tax balances related to distribution property. The differential between booked balances and those determined through the study was grossed up for tax effects and the resulting deferred tax balance was then amortized over the net plant balance average life remaining, with the result included as an adjustment on Schedule C-3.13. The schedules supporting this adjustment are included in my workpapers starting at WPC-3.13a.

Q. DOES SFAS 109 IMPACT COST OF SERVICE?

A. No. The practice prior to adoption of SFAS 109 included the "flow-through" of certain income tax timing differences without offsetting deferred tax adjustments. When SFAS 109 was initially adopted, the cumulative effect of the change in accounting relating to regulated operations was recorded as a regulatory asset, with an offset to accumulated deferred taxes. Combining the amortization of the regulatory asset described by Mr. Wagner on Schedule C-3.5 with the annualized deferred tax expense on Schedule C-3.13 yields the same impact on cost of service as the former "flow-through" methodology used prior to the implementation of SFAS 109.

III. Federal Income Tax Expense
Schedules C-4 and C-4.1

Q. YOU INDICATED THAT YOU ARE ALSO SPONSORING SCHEDULES C-4 AND C-4.1. PLEASE EXPLAIN THESE SCHEDULES.

A. Schedules C-4.1 and C-4 develop jurisdictional federal income tax expense for the test year ending February 29, 2008. Schedule C-4.1 calculates the federal income tax expense on both a total company and jurisdictionally allocated basis, using the allocation factors discussed by Witness Fernandez in his direct testimony (Co. Exh. 9.) The results in column 3 of Schedule C-4.1 roll up to column 1 of Schedule C-4, where they are further adjusted for C-3 adjustments to reflect adjusted jurisdictional balances for the test year. In addition to this information, Schedule C-4 also presents the data on a pro forma basis, using financial results based on rates as proposed in this proceeding.

Q. PLEASE EXPLAIN HOW THE FEDERAL TAX EXPENSE IS CALCULATED ON SCHEDULE C-4.1.

A. The federal tax expense is determined by first taking operating income before tax and adjusting it for all reconciling items (book-tax timing differences) set forth on page 1 of Schedule C-4.1. This amount is further adjusted (Page 2 of Schedule C-4.1) to remove state and local income tax expense with the resulting amount multiplied by the corporate tax rate. The tax expense is then netted against deferred taxes and investment tax credits (Page 3 of Schedule C-4.1) to arrive at the total tax expense for the test year.

Q. ON SCHEDULE C-4.1 A PERCENTAGE IS LISTED WITH THE MUNICIPAL AND OHIO AND PENNSYLVANIA STATE TAXES. WHAT DO THESE PERCENTAGES REPRESENT?

A. These percentages represent the effective tax rates used to calculate the tax expense for each of those line items.

Q. PLEASE DESCRIBE THE CALCULATION OF DEFERED TAXES ALSO SET FORTH ON SCHEDULE C-4.

A. The deferred tax calculation starts on page 3 of Schedule C-4.1 and basically takes the reconciling items set forth on page 1 of Schedule C-4.1 and multiplies each by the applicable company's effective tax rate to determine the deferred taxes associated with each of the book-tax timing differences. Like Schedule C-4.1, these results are also jurisdictionally allocated based on the allocation factors discussed by Witness Fernandez (Co. Exh. 9), with the results set forth in column 3 of the schedule.

Q. WHAT IS THE PURPOSE OF PAGES 4 AND 5 OF SCHEDULE C-4.1.

A. Pages 4 and 5 calculate the deferred taxes associated with city and Pennsylvania tax and are calculated the same way as described for federally related deferred taxes, only using the effective rate applicable to those local taxes.

Q. WHY IS THERE NO CALCULATION FOR OHIO DEFFERED TAXES?

A. As I previously explained, Ohio is phasing out its corporate income tax, and therefore, there will be no deferred Ohio taxes that can be applied to Ohio income tax expense in the future.

IV. Tax Related Rate Base Issues
Schedules B-6 and B-6.1

Q. WHICH SECTIONS OF SCHEDULE B-6 ARE YOU SPONSORING?

A. I am only addressing issues related to the Companies' ITC and deferred income taxes as shown on Schedule B-6.

Q. PLEASE EXPLAIN SCHEDULE B-6 AS IT PERTAINS TO ITC.

A. Schedule B-6 sets forth the investment tax credit balances at date certain, based on an amortization schedule that factors in the vintage year for each investment. These balances are jurisdictionally allocated using the allocation factors discussed by Witness Fernandez in his direct testimony (Co. Exh. 9), and are further adjusted by the B-6.1 adjustments, resulting in adjusted, jurisdictional balances at date certain.

Q. WHY ARE SOME JURISDICTIONALLY ALLOCATED ITC BALANCES INCLUDED IN RATE BASE WHILE SOME ARE NOT?

A. Based on the Companies' elections made under IRS rules in the 70s and 80s, the unamortized original 3% ITC enacted in 1962 and the 4% ITC enacted in 1971 may be used to reduce rate base, while the additional 6% increase in ITC enacted in 1975 and the "new" 10% ITC enacted in 1981 may not be used to reduce rate base. This treatment of ITC is consistent with prior rate cases involving the Companies and is still appropriate today.

Q. PLEASE DESCRIBE THE NEXT SECTION OF SCHEDULE B-6 THAT DETAILS DEFERRED INCOME TAXES.

A The Companies are decreasing rate base by the difference in accelerated (tax) vs book depreciation, and the sum of the FERC 283 accounts. They are increasing rate base by the sum of the FERC 190 accounts. The total company balances are based on actual balances at December 31, 2006, plus five months of forecasted data, which will be updated in the Companies' update filing later in this proceeding. These total company balances are jurisdictionally allocated based on the allocation factors described by Witness Fernandez in his direct testimony (Co. Exh. 9.)

Q. ON SCHEDULE B-6 THERE ARE SEVERAL ADJUSTMENTS SET FORTH IN COLUMN 4 OF THE DEFERRED TAX SECTION. PLEASE EXPLAIN THE PURPOSE OF THESE ADJUSTMENTS.

A. The adjustments in Column 4 of the deferred tax section in Schedule B-6 reflect the deferred tax implications associated with the B-6.1 adjustments. The calculations of the deferred income tax effects for the B-6.1 adjustments are set forth in my workpapers starting at WPB-6.1A.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes it does.

[Company Exhibit 6-A]

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 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

UPDATE TESTIMONY OF

GARY D. YOUNG

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

___ Management policies, practices, and organization

_X_ Operating income

_X_ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

_X_ Other - Tax Matters

Q. PLEASE STATE YOUR NAME FOR THE RECORD.

A. My name is Gary D. Young.

Q. ARE YOU THE SAME GARY D. YOUNG THAT PROVIDED INITIAL TESTIMONY THAT WAS FILED IN THIS PROCEEDING ON JUNE 7, 2007?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR UPDATE TESTIMONY?

A. The purpose of my update testimony is to discuss certain changes in the update filing that arise from adjustments to (1) the jurisdictional allocation of current and deferred Pennsylvania income taxes; (2) the effective tax rates in Ohio, Pennsylvania and Ohio municipalities; and (3) certain investment tax credit ("ITC") matters. I will also explain the additional adjustment set forth on Schedule C-3.22 involving general tax expense.

Q. DO THESE ADJUSTMENTS APPLY TO THE UPDATE FILINGS OF ALL THREE COMPANIES?

A. No, only the change involving the jurisdictional allocation of current and deferred Pennsylvania income taxes affects all three companies. I will identify to which companies the other adjustments apply at the time I discuss the rationale for each.

Q. PLEASE DESCRIBE THE CHANGES TO THE JURISDICTIONAL ALLOCATION OF CURRENT AND DEFERRED PENNSYLVANIA TAXES.

A. The Pennsylvania income tax is derived from the Ohio jurisdictional income of Ohio Edison Company ("OE"), The Cleveland Electric Illuminating Company

("CEI") and The Toledo Edison Company ("TE"). The State of Pennsylvania taxes *all* income attributable to the Companies, not recognizing the functional distinctions recognized in the utility industry. In the initial filing, the Pennsylvania current and deferred income taxes were treated as 100% non-jurisdictional. Inasmuch as the state of Pennsylvania does not distinguish between income from generation service and income from distribution service and instead taxes all income pertaining to the Companies, a portion of the taxes paid to Pennsylvania are based on income derived from the Companies' distribution service. Therefore, a portion of the current and deferred Pennsylvania income taxes should be jurisdictionally allocated to the Companies. The updated C-4.1 schedules reflect the proper jurisdictional allocations consistent with all other line items on that schedule.

Q. PLEASE DESCRIBE THE CHANGES MADE TO THE OHIO, PENNSYLVANIA AND MUNICIPAL EFFECTIVE TAX RATES.

A. This change only affects CEI and TE and relates to the elimination of leased generating asset obligations during the second quarter of 2007. Taxes are apportioned based on three factors: plant, employees and sales. Because the leases were eliminated, the apportionment of taxes to property and sales changed, thus requiring a corresponding change to the effective tax rates included on Schedules B-6, C-3.8 and C-4 for CEI and TE. The new apportionment factors for Ohio, Pennsylvania and Ohio municipalities can be found on work paper WPC-10 b, while the old apportionment factors are included on work paper WPC-4.1 d. Additional work papers supporting the changes to the effective tax rates can be found starting at WPC-4.1 f for CEI and TE.

Q. PLEASE DESCRIBE THE CHANGES TO ITC.

A. There are two issues involving ITC. The first affects CEI and OE; the second, just CEI. The first change involves the erroneous jurisdictional allocation of ITC for Tax Benefits Sold. Some of the tax benefits included in this line item involve investments made in or after 1981. As I explained in my initial testimony (Co. Exh. 6, p. 8), "new" investment tax credits arising from investments made during this time period cannot be used to reduce rate base. In the original filing, the "new" ITC for Tax Benefits Sold should have been treated as non-jurisdictional with no portion included for ratemaking purposes. This has been corrected and is reflected in Schedule B-6 for OE and CEI.

Q. PLEASE EXPLAIN THE SECOND ITC ISSUE AND ANY NECESSARY CHANGES.

A. This adjustment only affects CEI's Schedule C-4 and arises from an error in the amount originally budgeted for ITC amortization. In the original filing, an aging schedule that still included generation assets previously sold by CEI was used to determine CEI's budgeted ITC amortization. When reviewing the three months of actual data, this error was discovered. In order to correct this error, the adjustment set forth on Schedule C-3.21 is necessary. The details for this adjustment can be found in attached workpaper WPC-3.21.

Q. PLEASE DESCRIBE THE ADJUSTMENT SET FORTH ON SCHEDULE C-3.22.

A. This adjustment only affects CEI and is necessary because the general tax expense in this update filing includes an accounting adjustment for prior year tax expense that is reflected in the three months of actual data. Because the prior year tax expense is unrelated to the test year, Schedule C-3.22 is necessary in order to remove this expense from test year balances. The details supporting this adjustment are included in my work papers at WPC-3.22.

Q. DOES THIS CONCLUDE YOUR UPDATE TESTIMONY?

A. Yes, it does.

[Company Exhibit 6-B]

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. 07-551-EL-AIR
Edison Company for Authority to	)	Case No. 07-552-EL-ATA
Increase Rates for Distribution Service,	)	Case No. 07-553-EL-AAM
Modify Certain Accounting Practices	)	Case No. 07-554-EL-UNC
and for Tariff Approvals	)	

SUPPLEMENTAL TESTIMONY OF

GARY D. YOUNG

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

___ Management policies, practices, and organization

_X_ Operating income

___ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other –Case Overview,
Revenue Requirements
Gross Rev. Conversion Factor

I. Background

Q. PLEASE STATE YOUR NAME FOR THE RECORD.

A. My name is Gary D. Young.

Q. ARE YOU THE SAME GARY D. YOUNG THAT PROVIDED INITIAL AND UPDATE TESTIMONY THAT WAS FILED IN THIS PROCEEDING ON JUNE 7, 2007 AND AUGUST 6, 2007, RESPECTIVELY?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?

A. The purpose of my Supplemental Testimony is to address certain Objections to the Staff Reports of Ohio Edison Company, The Cleveland Electric Illuminating Company ("CEI") and The Toledo Edison Company (collectively, "Operating Companies").

Q. WHICH OF THE OPERATING COMPANIES' OBJECTIONS ARE YOU ADDRESSING?

A. I will be addressing Objection Nos. 10, 11, 12, 13, 20, 21 and 25 in Section II of the Operating Companies' Objections to the Staff Reports of Investigation that were filed on January 3, 2008.

Q. DOES YOUR TESTIMONY REGARDING THESE OBJECTIONS APPLY TO ALL THREE OPERATING COMPANIES?

A. Unless otherwise stated, yes, it does.

II. Jurisdictional Income Tax Expense

Q. PLEASE EXPLAIN THE BASIS FOR OBJECTION NOS. 20, 21 AND 25 INCLUDED IN SECTION II OF THE OPERATING COMPANIES' OBJECTIONS TO THE STAFF REPORTS.

A. All of these objections involve errors surrounding the calculation of jurisdictional income tax expense.

Q. WHAT IS THE BASIS FOR OBJECTION NO. 20 IN SECTION II OF THE OPERATING COMPANIES' OBJECTIONS TO THE STAFF REPORTS?

A. This objection deals with a simple math error (found on Schedule C-4, on page 1 of 5, lines 54 for Ohio Edison; 29 for CEI; and 30 for Toledo Edison.) Rather than include Staff's Schedule C-3.13 "Jurisdictional Amount" as an adjustment in Column 2, Staff included the "Jurisdictional Amount" as the ending balance in Column 3. In order to correct this error, the Staff's "Jurisdictional Amount" on Schedule C-3.13, (which as discussed below must be further adjusted to reflect final data in the calculation of the amortization of the Statement of Financial Accounting Standards ("SFAS") 109 adjustment) should be included in Column 2 of Schedule C-4 and then summed with the unadjusted balance included in Column 1, to arrive at the adjusted balance reflected in Column 3.

Q. WHAT IS THE BASIS FOR OBJECTION NO. 21 IN SECTION II OF THE OPERATING COMPANIES' OBJECTIONS TO THE STAFF REPORTS?

A. This objection deals with the effective tax rates used by Staff to calculate deferred taxes. As indicated on Schedule C-4 included in each of the Operating Companies' respective Staff Reports, Staff applied the effective tax rates from the Operating Companies' most recent tax filings when calculating both municipal and state deferred taxes on Schedule C-4, but failed to apply the comparable effective deferred Federal tax rate when calculating Federal deferred taxes. Clearly, for consistency purposes, if the updated municipal and state tax rates are applied to calculate deferred taxes, so too should the updated Federal tax rate be applied. The calculation to determine this effective tax rate is included on attached Exhibit GDY-1.

Q. WHAT IS THE BASIS FOR OBJECTION NO. 25 IN SECTION II OF THE OPERATING COMPANIES' OBJECTIONS TO THE STAFF REPORTS?

A. This objection deals with another apparent math error on Schedule C-4 that involves the determination of the deferral associated with deferred rate case expense, (which can be found on page 1 of 5 of Schedule C-4 on line 65 for Ohio Edison; line 45 for CEI; and line 44 for Toledo Edison.) As Company Witness Burgess explains in his Supplemental Testimony (Co. Exh. 10-B), the Operating Companies believe that the rate case expense should be amortized over one year. If the Commission adopts this position, then the line item for the rate case deferral should be completely removed from Schedule C-4. If, however, the Commission adopts the Staff's recommendation that these costs be amortized over three years, then the adjusted amount included in Column 3 of Schedule C-4 should be $149,000 for each of the Operating Companies, which represents one-third of each of the Operating Companies' total rate case expense of $447,000.

III. Real Property Tax Expense

Q. PLEASE EXPLAIN THE BASIS FOR OBJECTION NOS. 11 AND 12 INCLUDED IN THE OPERATING COMPANIES' OBJECTIONS.

A. Both of these objections deal with errors to the real property tax expense calculation and are summarized in attached Exhibits GDY-2A (Ohio Edison), GDY-2B (CEI) and GDY-2C (Toledo Edison). And although I am not sponsoring Objection No. 14, as Company Witness Wagner discusses in his Supplemental Testimony (Co. Exh. 3-B), the calculation of real property tax expense must be further adjusted so as to reflect end of test year balances rather than date certain balances as used by Staff.

Q. GENERALLY DESCRIBE THE STRUCTURE OF EXHIBITS GDY-2(A)-(C).

A. All three exhibits are identically structured but pertain to different Operating Companies. These exhibits mirror the Staff's methodology, as set forth on its Schedule C-3.10a2, that was used to calculate real property tax expense for transmission, distribution and general plant assets. Staff's calculations are set forth in Columns A, C and E of Exhibits GDY-2(A)-(C). Columns B, D and F of these same exhibits indicate the property tax expense for each function if the errors discussed in Objection Nos. 11, 12 and 14 are corrected.

Q. WHAT IS THE BASIS FOR OBJECTION NO. 11?

A. This objection only pertains to Ohio Edison and involves the Staff's calculation of the True Value Percentage for purposes of determining Ohio Edison's True Value of Taxable Real Property. First, when determining the Real Property Assessed Value, Staff included the county valuation of $60,750 associated with the Perry Nuclear Generating Station in the Real Property Assessed Value. Additionally, when Staff determined the Real Property Capitalized Cost, Staff included $81,240,056 of costs reflected in FERC Account No. 321. FERC Account No. 321 relates to costs associated with the Perry Nuclear Generating Station. As costs associated with nuclear property, both of these amounts clearly pertain to generation-related property and should not be included when calculating Ohio Edison's real property tax expense. The corrected True Value Percentage is set forth at the bottom of Exhibit GDY-2A and is incorporated into Ohio Edison's calculation of real property tax expense on line 5 of the exhibit.

Q. WHAT IS THE BASIS FOR OBJECTION NO. 12?

A. This objection impacts all three of the Operating Companies. As Company Witness Fernandez explained in his Supplemental Testimony (Co. Exh. 9-B), sub-transmission property was improperly excluded from FERC Account No. 350. Therefore, the jurisdictional real property balance used by the Staff on line 1 of Exhibit GDY-2(A)-(C) is understated and should be adjusted as indicated on line 2 of GDY-2 (A)-(C).

Q. ARE THERE ANY OTHER ADJUSTMENTS REFLECTED ON EXHIBIT GDY-2?

A. Yes. As I previously mentioned, the Operating Companies believe that end of test year balances should be used for purposes of calculating property tax expense. Therefore, if these balances are used, Jurisdictional Real Property on Line 1 of GDY-2(A)-(C) must be further adjusted to reflect the net property additions made between date certain and end of test year so as to reflect the property tax expense associated with these net additions. These adjustments to jurisdictional plant balances are reflected on Line 3 of Exhibit GDY-2(A)-(C).

Q. WHAT IS THE EFFECT OF THESE ERRORS ON THE CALCULATION OF REAL PROPERTY TAX EXPENSE?

A. Incorporating the changes necessary to correct the aforementioned errors, the recommended adjustment to property tax expense for each of the Operating Companies is set forth on Line 12 of Exhibits GDY-2(A), GDY-2(B) and GDY-2(C).

IV. Personal Property Tax Expense

Q. WHAT IS THE BASIS FOR OBJECTION NO. 13 INCLUDED IN THE OPERATING COMPANIES' OBJECTIONS TO THE STAFF REPORTS.

A. This objection involves the True Value Percentage used to calculate property tax expense on the True Value of net property additions made during the period January 1, 2007 through Date Certain. As indicated on Staff's Schedule C-3.10a1 in each of the Operating Companies' Staff Reports, Staff determined the True Value of Personal Property Tax Expense for transmission, distribution and general plant property by multiplying the taxable property balance (on Line 9 of Schedule C-3.10a1) by a True Value Percentage (on Line 10) that is based on the average of the actual statutory true value percentages for each vintage year. The Operating Companies believe that first year net additions should be isolated from this calculation with such additions being valued based on the statutory first year true value percentage.

Q. WHY DO THE OPERATING COMPANIES BELIEVE THAT FIRST YEAR NET ADDITIONS SHOULD BE ISOLATED IN STAFF'S CALCULATION?

A. The goal here is to best reflect the actual amount of property tax expense that will be incurred by the Operating Companies while rates are in effect. Staff's methodology provides an estimated average of the true value percentage of all existing property based on an approach that avoided the need to recalculate property tax expense based on each and every vintage year. In the case of first year property, however, the calculation of property tax expense is relatively simple, only requiring that the budgeted net additions be multiplied by the statutory first year true value percentage. The information is readily available and the use of this actual data will result in an estimate that more closely resembles the Operating Companies' actual property tax liability.

Q. WHAT ADJUSTMENT IS NECESSARY IF THE STATUTORY TRUE VALUE PERCENTAGE IS APPLIED TO FIRST YEAR NET ADDITIONS?

A. The adjustment for each of the Operating Companies is set forth on Line 34 of attached Exhibits GDY-3 for Ohio Edison; GDY-4 for CEI; and GDY-5 for Toledo Edison.

Q. HOW ARE EXHIBITS GDY-3 THROUGH 5 STRUCTURED?

A. The three exhibits are identically structured, with each representing one of the three Operating Companies. The individual exhibits are comprised of three pages each with the first page determining the necessary adjustment to Transmission Property; the second, to Distribution Property; and the third, to General Plant property.

Q. HOW WERE THE NECESSARY ADJUSTMENTS RELATED TO OBJECTION NO. 13 CALCULATED?

A. The necessary adjustments for each of the Operating Companies were calculated on Lines 16 through 34 on Exhibits GDY-3, GDY-4 and GDY-5. Lines 16 through 24 reflect Staff's calculation of the Assessed Value of approximately $11 million of net property additions made between January 1, 2007 and date certain, using the average true value percentage on Line 19. Lines 25 through 33 perform the same calculation only using the statutory first year true value percentage, which is set forth on Line 28. The difference between the two calculations is set forth on Line 34.

Q. THERE IS A SECOND CALCULATION ALSO INCLUDED ON EXHIBITS GDY-3, GDY-4 AND GDY-5. WHY IS THIS CALCULATION NECESSARY?

A. As Company Witness Wagner explains in his Supplemental Testimony in support of Objection No. 14 in Section II of the Operating Companies' Objections to the Staff Reports, end of test year balances should be used when calculating property tax expense. Staff failed to factor in net property additions made between date certain and the end of the test year. Lines 1 through 15 on Exhibits GDY-3, GDY-4 and GDY-5 set forth the calculation of the adjustment that is necessary to correct this omission.

Q. HOW WAS THE NECESSARY ADJUSTMENT ON LINE 15 CALCULATED?

A. Because Staff did not factor in net property additions between date certain and end of test year, both retirements and additions must be considered. On Lines 1-5 retirements made during this period (Line 1) are removed at the average true value percentage (Line 4) used by Staff when calculating property tax expense. Additions made during this same period are added back (Line 6) at the statutory first year true value percentage (Line 9). The total true value (Line 11) is then multiplied by the statutory assessment rate (Line 12), resulting in the assessed value, which is further multiplied by the statutory personal property tax rate to determine the additional tax expense related to net property additions made between date certain and end of test year.

Q. WHY WERE THE RETIREMENTS DURING THE PERIOD BETWEEN DATE CERTAIN AND END OF TEST YEAR REMOVED AT A LEVEL BASED ON THE STAFF'S AVERAGE TRUE VALUE PERCENTAGE?

A. The retirements set forth on Line 1 of Exhibits GDY-3 - 5, represent the budgeted retirements during this period. Because the retirements do not pertain to property added during the first year, it would be improper to use the statutory first year true value percentage when determining the true value of retired property. In fact, the use of the Staff's average true value percentage is conservative, given that retirements generally pertain to the oldest property included in the accounting records.

V. SFAS 109 Adjustment

Q. PLEASE EXPLAIN THE BASIS FOR OBJECTION NO. 10 IN SECTION II OF THE OPERATING COMPANIES' OBJECTIONS TO THE STAFF REPORTS.

A. This objection deals with SFAS 109 and the calculation of the adjustment to amortize FERC Account No. 407 costs. As Staff indicated in each of the Operating Companies' respective Staff Reports, Staff used estimated data provided by the Operating Companies when making this calculation. Since providing this information to the Staff, the Operating Companies have finalized the calculation and proposed adjustment. Page 1 of Exhibit GDY-6 sets forth the final amount of the adjustment to SFAS 109 amortization expense. Support for the calculation of this adjustment is set forth on pages 2 through 7 of this same exhibit.

Q. WHY IS THIS ADJUSTMENT NECESSARY?

A. The liability method of accounting for income taxes prescribed in SFAS 109 requires FirstEnergy to prepare a tax basis balance sheet as support to our independent auditors, Pricewaterhouse Coopers, LLP. FirstEnergy hired the registered public accounting firm of Ernst & Young, LLP to assist in the development of FirstEnergy's tax basis balance sheet. FirstEnergy completed the tax basis balance sheet in December, 2007 that was compared against the accounting balances included in FirstEnergy's accounting records. Formalizing FirstEnergy's prior estimated income tax timing differences (including those arising from merger-related activities and transfers of transmission and generation assets to new affiliates) with the tax basis balance sheet produced differences related to distribution operations that are reflected in the adjustment set forth on Exhibit GDY-6.

Q. DID THE STAFF REVIEW THE WORKPAPERS THAT SUPPORT THE PROPOSED ADJUSTMENT?

A. Because the study was not final at the time of the Staff's review, the Staff reviewed the preliminary results of the study, indicating agreement with the methodology used by FirstEnergy. The adjustment set forth on Exhibit GDY-6 is based on this same methodology, only using final data.

Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?

A. Yes, it does.

Case No. 07 - 551 - EL - AIR
Effective Tax Rates
2/29/2008

GDY -1

Witness: Young

Effective Deferred Tax Rates	CEI	OE	TE
1 Pennsylvania Effective Deferred Tax Rate Staff Report Schedule C-4	0.3810%	0.3115%	0.6424%
2 Ohio Municipal Effective Deferred Tax Rate Staff Report Schedule C-4	1.0966%	0.6509%	0.009223
3 Total Effective Deferred State & Local Tax (1 + 2)	1.4776%	0.9624%	1.5647%
4 100% taxable Income Percentage	100%	100%	100%
5 Federal Taxable Income Percentage after State and Local Deduction (4 - 3)	98.5224%	99.0376%	98.4353%
6 Federal Tax rate	0.35	0.35	0.35
7 Federal Effective Deferred Tax Rate (5 x 6)	34.4828%	34.6632%	34.4524%

Ohio Edison Company
Case No. 07-551-EL-AIR
Calculation of Real Property Taxes
For the Twelve Months Ended February 29, 2008

Data: 3 Months Actual & 9 Months Estimated
Reference No(s).: See Footnotes

GDY - 2A
Witness: Young

Line No.	Description	Jurisdictional Amount					
		Staff Transmission Plant (a)	Ohio Edison Transmission Plant (b)	Staff Distribution Plant (c)	Ohio Edison Distribution Plant (d)	Staff General Plant (e)	Ohio Edison General Plant (f)
1	Jurisdictional Real Property (a)	$10,607,156	$10,607,156	$18,557,667	$18,557,667	$68,351,583	$68,351,583
2	Attachment TJF-1 adjustment	$0	$7,777,343	$0	$0	$0	$0
3	2007/2008 June-February Real Property Additions/Retirements	$0	$980,770	$0	$641,889	$0	($2,425,507)
4	Adjusted Jurisdictional Real Property (1+2+3)	$10,607,156	$19,365,269	$18,557,667	$19,199,556	$68,351,583	$65,926,076
5	True Value Percentage (b)	43.35%	62.14%	43.35%	62.14%	43.35%	62.14%
6	True Value of Taxable Real Property (4 x 5)	$4,598,343	$12,033,171	$8,044,996	$11,930,201	$29,631,321	$40,965,079
7	Assessment Percentage (b)	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
8	Assessment Value (6 x 7)	$1,609,420	$4,211,610	$2,815,749	$4,175,570	$10,370,962	$14,337,778
9	Real Property Tax Rate (c)	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%
10	Real Property Tax (8 x 9)	$97,209	$254,381	$170,071	$252,204	626,406	866,002
						Staff	Ohio Edison
11	Total Real Property Tax					$893,686	$1,372,587
12	Increase (Decrease) to Real Property Tax Expense						$478,901

(a) Staff's Schedule C-3.10a1
(b) Calculated as follows:

	Staff	Ohio Edison	Difference
(1) Real Property Assessed Value (c)	$40,630,670	$40,569,920	60,750
(2) Assessment Percentage (d)	35.00%	35.00%	
(3) Real Property True Value (1 / 2)	116,087,629	115,914,057	173,571
(4) Real Property Capitalized Cost (e)	$267,783,306	$186,543,250	81,240,056
(5) Real Property True Value Percentage (3 / 4)	43.35%	62.14%	

(c) Applicant's Supplemental Information C-43
(d) Statutory Assessment for Real Property
(e) Applicant's Supplemental Information C-4

The Cleveland Electric Illuminating Company
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Reference No(s).: See Footnotes

GDY - 2B
Witness: Young

Line No.	Description	Jurisdictional Amount					
		Staff Transmission Plant (a)	Cleveland Electric Transmission Plant (b)	Staff Distribution Plant (c)	Cleveland Electric Distribution Plant (d)	Staff General Plant (e)	Cleveland Electric General Plant (f)
1	Jurisdictional Real Property (a)	$17,696,033	$17,696,033	$28,387,290	$28,387,290	$38,626,545	$38,626,545
2	Attachment TJF-1 adjustment	$0	$7,439,173	$0	$0	$0	$0
3	2007/2008 June-February Real Property Additions/Retirements	$0	$0	$0	$0	$0	$3,129,487
4	Adjusted Jurisdictional Real Property (1+ 2 + 3)	$17,696,033	$25,135,206	$28,387,290	$28,387,290	$38,626,545	$41,756,032
5	True Value Percentage (b)	72.69%	72.69%	72.69%	72.69%	72.69%	72.69%
6	True Value of Taxable Real Property (4 x 5)	12,862,645	18,269,927	20,633,756	20,633,756	28,076,322	30,351,040
7	Assessment Percentage (b)	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
8	Assessment Value (6 x 7)	4,501,926	6,394,474	7,221,815	7,221,815	9,826,713	10,622,864
9	Real Property Tax Rate (c)	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%
10	Real Property Tax (8 x 9)	325,489	462,320	522,137	522,137	710,471	768,033
						Staff	Cleveland Electric
11	Total Real Property Tax					$1,558,097	$1,752,490
12	Increase (Decrease) to Real Property Tax Expense						$194,393

(a) Staff's Schedule C-3.10a1
(b) Calculated as follows:

(1) Real Property Assessed Value (c)	$38,609,359
(2) Assessment Percentage (d)	35.00%
(3) Real Property True Value (1 / 2)	$110,312,454
(4) Real Property Capitalized Cost (e)	$151,764,448
(5) Real Property True Value Percentage (3 / 4)	72.69%

(c) Applicant's Supplemental Information C-43
(d) Statutory Assessment for Real Property
(e) Applicant's Supplemental Information C-4

The Toledo Edison Company
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Data: 3 Months Actual & 9 Months Estimated
Reference No(s).: See Footnotes

GDY - 2C
Witness: Young

Line No.	Description	Jurisdictional Amount					
		Staff Transmission Plant (a)	Toledo Edison Transmission Plant (b)	Staff Distribution Plant (c)	Toledo Edison Distribution Plant (d)	Staff General Plant (e)	Toledo Edison General Plant (f)
1	Jurisdictional Real Property (a)	$196,237	$196,237	$10,065,613	$10,065,613	$44,018,055	$44,018,055
2	Attachment TJF-1 adjustment	$0	$1,432,164	$0	$0	$0	$0
3	2007/2008 June-February Real Property Additions/Retirements	$0	$63,143	$0	$105,243	$0	($119,141)
4	Adjusted Jurisdictional Real Property (1+ 2 + 3)	$196,237	$1,691,544	$10,065,613	$10,170,856	$44,018,055	$43,898,914
5	True Value Percentage (b)	49.14%	49.14%	49.14%	49.14%	49.14%	49.14%
6	True Value of Taxable Real Property (4 x 5)	$96,427	$831,192	$4,946,047	$4,997,762	$21,629,620	$21,571,077
7	Assessment Percentage (b)	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
8	Assessment Value (6 x 7)	$33,749	$290,917	$1,731,117	$1,749,217	$7,570,367	$7,549,877
9	Real Property Tax Rate (c)	7.23%	7.23%	7.23%	7.23%	7.23%	7.23%
10	Real Property Tax (8 x 9)	$2,440	$21,033	$125,160	$126,468	$547,338	$545,856
						Staff	Toledo Edison
11	Total Real Property Tax					$674,938	$693,357
12	Increase (Decrease) to Real Property Tax Expense						$18,419

(a) Staff's Schedule C-3.10a1
(b) Calculated as follows:

(1) Real Property Assessed Value (c)	12,313,070
(2) Assessment Percentage (d)	35.00%
(3) Real Property True Value (1) / (2)	35,180,200
(4) Real Property Capitalized Cost (e)	71,594,599
(5) Real Property True Value Percentage (3) / (4)	49.14%

(c) Applicant's Supplemental Information C-43
(d) Statutory Assessment for Real Property
(e) Applicant's Supplemental Information C-4

Ohio Edison Company
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Witness: Young

Data: 3 Months Actual & 9 Months Estimated
Reference No(s).: See Footnotes

Transmission Property

Line No.	Description	OECO
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(35,667)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	1,502
3	Net Taxable Property (1 + 2)	(34,165)
4	Average True Value Percentage	39.87%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(13,622)
6	2007/2008 June-February Personal Property Additions	7,267,738
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	(306,052)
8	Net Taxable Property (6 + 7)	6,961,686
9	True Value Percentage First Year Percentage	98.30%
10	True Value of Taxable Personal Property Additions(8 x 9)	6,843,337
11	True Value Date Certain Property (5 + 10)	6,829,716
12	Assessment rate	85.00%
13	Assessment Value (11 x 12)	5,805,258
14	Personal Property Tax Rate	7.900%
15	Date Certain Transmission Personal Property Tax (13 x 14) Increase (Decrease)	458,615
	Objection 13	
16	2007 January - May Personal Property Additions	11,057,513
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	(465,644)
18	Net Taxable Property (16 + 17)	10,591,869
19	Average True Value Percentage	39.87%
20	True Value of Taxable Personal Property (18 x 19)	4,222,978
21	Assessment rate	85.00%
22	Assessment Value (20 x 21)	3,589,532
23	Personal Property Tax Rate	7.900%
24	Transmission Personal Property Tax (22 x 23)	283,573
25	2007 January - May Personal Property Additions	11,057,513
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	(465,644)
27	Net Taxable Property (25 + 26)	10,591,869
28	True Value Percentage First Year Percentage	98.30%
29	True Value of Taxable Personal Property (27 x 28)	10,411,808
30	Assessment rate	85.00%
31	Assessment Value (29 x 30)	8,850,036
32	Personal Property Tax Rate	7.900%
33	Transmission Personal Property Tax (31 x 32)	699,153
34	Increase (Decrease) Objection 13 property tax (33 - 24)	415,580

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Witness: Young

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Distribution Property

Line No.	Description	OECO
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(7,439,165)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	461,937
3	Net Taxable Property (1 + 2)	(6,977,228)
4	Average True Value Percentage	45.52%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(3,176,034)
6	2007/2008 June-February Personal Property Additions	73,288,987
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	(4,550,896)
8	Net Taxable Property (6 + 7)	68,738,091
9	True Value Percentage First Year Percentage	98.00%
10	True Value of Taxable Personal Property Additions(8 x 9)	67,363,330
11	True Value Date Certain Property (5 + 10)	64,187,295
12	Assessment rate	85.00%
13	Assessment Value (11 x 12)	54,559,201
14	Personal Property Tax Rate	7.900%
15	Date Certain Distribution Personal Property Tax (13 x 14) Increase (Decrease)	4,310,177
	Objection 13	
16	2007 January - May Personal Property Additions	27,367,874
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	(1,699,414)
18	Net Taxable Property (16 + 17)	25,668,460
19	Average True Value Percentage	45.52%
20	True Value of Taxable Personal Property (18 x 19)	11,684,283
21	Assessment rate	85.00%
22	Assessment Value (20 x 21)	9,931,641
23	Personal Property Tax Rate	7.900%
24	Distribution Personal Property Tax (22 x 23)	784,600
25	2007 January - May Personal Property Additions	27,367,874
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	(1,699,414)
27	Net Taxable Property (25 + 26)	25,668,460
28	True Value Percentage First Year Percentage	98.00%
29	True Value of Taxable Personal Property (27 x 28)	25,155,091
30	Assessment rate	85.00%
31	Assessment Value (29 x 30)	21,381,827
32	Personal Property Tax Rate	7.900%
33	Distribution Personal Property Tax (31 x 32)	1,689,164
34	Increase (Decrease) Objection 13 property tax (33 - 24)	904,565

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Witness: Young

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General Plant

Line No.	Description	OECO
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(7,129,737)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	-
3	Net Taxable Property (1 + 2)	(7,129,737)
4	Average True Value Percentage	25.55%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(1,821,648)
6	2007/2008 June-February Personal Property Additions	4,855,764
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	-
8	Net Taxable Property (6 + 7)	4,855,764
9	True Value Percentage First Year Percentage	96.70%
10	True Value of Taxable Personal Property Additions(8 x 9)	4,695,524
11	True Value Date Certain Property (5 + 10)	2,873,876
12	Assessment rate	24.00%
13	Assessment Value (11 x 12)	689,730
14	Personal Property Tax Rate	7.900%
15	Date Certain General Plant Personal Property Tax (13 x 14) Increase (Decrease)	54,489
	Objection 13	
16	2007 January - May Personal Property Additions	-
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	-
18	Net Taxable Property (16 + 17)	-
19	Average True Value Percentage	25.55%
20	True Value of Taxable Personal Property (18 x 19)	-
21	Assessment rate	24.00%
22	Assessment Value (20 x 21)	-
23	Personal Property Tax Rate	7.900%
24	General Plant Personal Property Tax (22 x 23)	-
25	2007 January - May Personal Property Additions	-
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	-
27	Net Taxable Property (25 + 26)	-
28	True Value Percentage First Year Percentage	96.70%
29	True Value of Taxable Personal Property (27 x 28)	-
30	Assessment rate	24.00%
31	Assessment Value (29 x 30)	-
32	Personal Property Tax Rate	7.900%
33	General Plant Personal Property Tax (31 x 32)	-
34	Increase (Decrease) Objection 13 property tax (33 - 24)	-

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Transmission Property

Line No.	Description	CEI
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(215,264)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	2,266
3	Net Taxable Property (1 + 2)	(212,998)
4	Average True Value Percentage	50.82%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(108,246)
6	2007/2008 June-February Personal Property Additions	247,811
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	(2,609)
8	Net Taxable Property (6 + 7)	245,202
9	True Value Percentage First Year Percentage	98.30%
10	True Value of Taxable Personal Property Additions(8 x 9)	241,034
11	True Value Date Certain Property (5 + 10)	132,788
12	Assessment rate	85.00%
13	Assessment Value (11 x 12)	112,870
14	Personal Property Tax Rate	9.990%
15	Date Certain Transmission Personal Property Tax (13 x 14) Increase (Decreas	11,276
	Objection 13	
16	2007 January - May Personal Property Additions	2,839,186
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	(29,889)
18	Net Taxable Property (16 + 17)	2,809,297
19	Average True Value Percentage	50.82%
20	True Value of Taxable Personal Property (18 x 19)	1,427,685
21	Assessment rate	85.00%
22	Assessment Value (20 x 21)	1,213,532
23	Personal Property Tax Rate	9.990%
24	Transmission Personal Property Tax (22 x 23)	121,232
25	2007 January - May Personal Property Additions	2,839,186
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	(29,889)
27	Net Taxable Property (25 + 26)	2,809,297
28	True Value Percentage First Year Percentage	98.30%
29	True Value of Taxable Personal Property (27 x 28)	2,761,539
30	Assessment rate	85.00%
31	Assessment Value (29 x 30)	2,347,308
32	Personal Property Tax Rate	9.990%
33	Transmission Personal Property Tax (31 x 32)	234,496
34	Increase (Decrease) Objection 13 property tax (33 - 24)	113,264

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Witness: Young

Distribution Property

Line No.	Description	CEI
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(9,483,043)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	36,010
3	Net Taxable Property (1 + 2)	(9,447,033)
4	Average True Value Percentage	58.48%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(5,524,625)
6	2007/2008 June-February Personal Property Additions	109,597,105
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	(416,170)
8	Net Taxable Property (6 + 7)	109,180,935
9	True Value Percentage First Year Percentage	98.00%
10	True Value of Taxable Personal Property Additions(8 x 9)	106,997,317
11	True Value Date Certain Property (5 + 10)	101,472,692
12	Assessment rate	85.00%
13	Assessment Value (11 x 12)	86,251,788
14	Personal Property Tax Rate	9.990%
15	Date Certain Distribution Personal Property Tax (13 x 14) Increase (Decrease)	8,616,554
	Objection 13	
16	2007 January - May Personal Property Additions	37,430,267
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	(142,133)
18	Net Taxable Property (16 + 17)	37,288,134
19	Average True Value Percentage	58.48%
20	True Value of Taxable Personal Property (18 x 19)	21,806,101
21	Assessment rate	85.00%
22	Assessment Value (20 x 21)	18,535,186
23	Personal Property Tax Rate	9.990%
24	Distribution Personal Property Tax (22 x 23)	1,851,665
25	2007 January - May Personal Property Additions	37,430,267
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	(142,133)
27	Net Taxable Property (25 + 26)	37,288,134
28	True Value Percentage First Year Percentage	98.00%
29	True Value of Taxable Personal Property (27 x 28)	36,542,372
30	Assessment rate	85.00%
31	Assessment Value (29 x 30)	31,061,016
32	Personal Property Tax Rate	9.990%
33	Distribution Personal Property Tax (31 x 32)	3,102,995
34	Increase (Decrease) Objection 13 property tax (33 - 24)	1,251,330

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Date: 3 Months Actual & 9 Months Estimated
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General Plant

Line No.	Description	CEI
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(6,692,558)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	-
3	Net Taxable Property (1 + 2)	(6,692,558)
4	Average True Value Percentage	26.08%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(1,745,419)
6	2007/2008 June-February Personal Property Additions	1,102,619
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	-
8	Net Taxable Property (6 + 7)	1,102,619
9	True Value Percentage First Year Percentage	96.70%
10	True Value of Taxable Personal Property Additions(8 x 9)	1,066,233
11	True Value Date Certain Property (5 + 10)	(679,187)
12	Assessment rate	24.00%
13	Assessment Value (11 x 12)	(163,005)
14	Personal Property Tax Rate	9.990%
15	Date Certain General Plant Personal Property Tax (13 x 14) Increase (Decrease)	(16,284)
	Objection 13	
16	2007 January - May Personal Property Additions	674,927
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	-
18	Net Taxable Property (16 + 17)	674,927
19	Average True Value Percentage	26.08%
20	True Value of Taxable Personal Property (18 x 19)	176,021
21	Assessment rate	24.00%
22	Assessment Value (20 x 21)	42,245
23	Personal Property Tax Rate	9.990%
24	General Plant Personal Property Tax (22 x 23)	4,220
25	2007 January - May Personal Property Additions	674,927
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	-
27	Net Taxable Property (25 + 26)	674,927
28	True Value Percentage First Year Percentage	96.70%
29	True Value of Taxable Personal Property (27 x 28)	652,654
30	Assessment rate	24.00%
31	Assessment Value (29 x 30)	156,637
32	Personal Property Tax Rate	9.990%
33	General Plant Personal Property Tax (31 x 32)	15,648
34	Increase (Decrease) Objection 13 property tax (33 - 24)	11,428

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Witness: Young

Data: 3 Months Actual & 9 Months Estimated
Reference No(s).: See Footnotes

Transmission Property

Line No.	Description	TECO
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(580,930)
2	Capitalized Interest (-1 x Staff Capitalized Interest rate)	5,889
3	Net Taxable Property (1 + 2)	(575,041)
4	Average True Value Percentage	52.77%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(303,449)
6	2007/2008 June-February Personal Property Additions	241,956
7	Capitalized Interest (-6 x Staff Capitalized Interest rate)	(2,453)
8	Net Taxable Property (6 + 7)	239,503
9	True Value Percentage First Year Percentage	98.30%
10	True Value of Taxable Personal Property Additions(8 x 9)	235,432
11	True Value Date Certain Property (5 + 10)	(68,017)
12	Assessment rate	85.00%
13	Assessment Value (11 x 12)	(57,815)
14	Personal Property Tax Rate	8.860%
15	Date Certain Transmission Personal Property Tax (13 x 14) Increase (Decreas	(5,122)
	Objection 13	
16	2007 January - May Personal Property Additions	-
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	-
18	Net Taxable Property (16 + 17)	-
19	Average True Value Percentage	52.77%
20	True Value of Taxable Personal Property (18 x 19)	-
21	Assessment rate	85.00%
22	Assessment Value (20 x 21)	-
23	Personal Property Tax Rate	8.860%
24	Transmission Personal Property Tax (22 x 23)	-
25	2007 January - May Personal Property Additions	-
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	-
27	Net Taxable Property (25 + 26)	-
28	True Value Percentage First Year Percentage	98.30%
29	True Value of Taxable Personal Property (27 x 28)	-
30	Assessment rate	85.00%
31	Assessment Value (29 x 30)	-
32	Personal Property Tax Rate	8.860%
33	Transmission Personal Property Tax (31 x 32)	-
34	Increase (Decrease) Objection 13 property tax (33 - 24)	-

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Distribution Property

Line No.	Description	TECO
	Objection 14	
1	2007/2008 June-February Personal Property Retirements	(4,552,977)
2	Capitalized Interest (-1 x Staff Capitalized interest rate)	9,032
3	Net Taxable Property (1 + 2)	(4,543,945)
4	Average True Value Percentage	60.57%
5	True Value of Taxable Personal Property Retirements (3 x 4)	(2,752,268)
6	2007/2008 June-February Personal Property Additions	23,030,389
7	Capitalized Interest (-6 x Staff Capitalized interest rate)	(45,685)
8	Net Taxable Property (6 + 7)	22,984,704
9	True Value Percentage First Year Percentage	98.00%
10	True Value of Taxable Personal Property Additions(8 x 9)	22,525,010
11	True Value Date Certain Property (5 + 10)	19,772,742
12	Assessment rate	85.00%
13	Assessment Value (11 x 12)	16,806,831
14	Personal Property Tax Rate	8.860%
15	Date Certain Distribution Personal Property Tax (13 x 14) Increase (Decrease)	1,489,085
	Objection 13	
16	2007 January - May Personal Property Additions	13,970,128
17	Capitalized Interest (-16 x Staff Capitalized Interest rate)	(27,713)
18	Net Taxable Property (16 + 17)	13,942,415
19	Average True Value Percentage	60.57%
20	True Value of Taxable Personal Property (18 x 19)	8,444,921
21	Assessment rate	85.00%
22	Assessment Value (20 x 21)	7,178,183
23	Personal Property Tax Rate	8.860%
24	Distribution Personal Property Tax (22 x 23)	635,987
25	2007 January - May Personal Property Additions	13,970,128
26	Capitalized Interest (-25 x Staff Capitalized Interest rate)	(27,713)
27	Net Taxable Property (25 + 26)	13,942,415
28	True Value Percentage First Year Percentage	98.00%
29	True Value of Taxable Personal Property (27 x 28)	13,663,567
30	Assessment rate	85.00%
31	Assessment Value (29 x 30)	11,614,032
32	Personal Property Tax Rate	8.860%
33	Distribution Personal Property Tax (31 x 32)	1,029,003
34	Increase (Decrease) Objection 13 property tax (33 - 24)	393,016

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Reference No(s).: See Footnotes

Witness: Young

General Plant

Line No. Description	
Objection 14	TECO
1 2007/2008 June-February Personal Property Retirements	(3,486,709)
2 Capitalized Interest (-1 x Staff Capitalized Interest rate)	-
3 Net Taxable Property (1 + 2)	(3,486,709)
4 Average True Value Percentage	27.19%
5 True Value of Taxable Personal Property Retirements (3 x 4)	(948,036)
6 2007/2008 June-February Personal Property Additions	1,174,456
7 Capitalized Interest (-6 x Staff Capitalized Interest rate)	-
8 Net Taxable Property (6 + 7)	1,174,456
9 True Value Percentage First Year Percentage	96.70%
10 True Value of Taxable Personal Property Additions(8 x 9)	1,135,699
11 True Value Date Certain Property (5 + 10)	187,663
12 Assessment rate	24.00%
13 Assessment Value (11 x 12)	45,039
14 Personal Property Tax Rate	8.860%
15 Date Certain General Plant Personal Property Tax (13 x 14) Increase (Decrease)	3,990
Objection 13	
16 2007 January - May Personal Property Additions	78,518
17 Capitalized Interest (-16 x Staff Capitalized Interest rate)	-
18 Net Taxable Property (16 + 17)	78,518
19 Average True Value Percentage	27.19%
20 True Value of Taxable Personal Property (18 x 19)	21,349
21 Assessment rate	24.00%
22 Assessment Value (20 x 21)	5,124
23 Personal Property Tax Rate	8.860%
24 General Plant Personal Property Tax (22 x 23)	454
25 2007 January - May Personal Property Additions	78,518
26 Capitalized Interest (-25 x Staff Capitalized Interest rate)	-
27 Net Taxable Property (25 + 26)	78,518
28 True Value Percentage First Year Percentage	96.70%
29 True Value of Taxable Personal Property (27 x 28)	75,927
30 Assessment rate	24.00%
31 Assessment Value (29 x 30)	18,222
32 Personal Property Tax Rate	8.860%
33 General Plant Personal Property Tax (31 x 32)	1,615
34 Increase (Decrease) Objection 13 property tax (33 - 24)	1,161

The Cleveland Electric Illuminating Company, Ohio Edison Company and The Toledo Edison Company
Case No. 07 - 551 - EL - AIR
Amortization associated with Deferred Tax Balance True-up
For the Twelve Months Ended February 29, 2008

Witness: Young

Purpose and Description		Total Adjustment	Allocation Factor	Jurisdictional Amount
To adjust the amortization of Account 407 to reflect deferred tax liability under FAS 109				
Adjustment to FERC Account 407 - Regulatory Debits/Credits				
The Cleveland Electric Illuminating Company	A	$837,339	89.16698%	$746,630
Ohio Edison Company	A	$1,346,961	96.25395%	$1,296,503
The Toledo Edison Company	A	$36,802	84.33725%	$31,038

A - From Line 5 for each Company GDY - 6, Page 2 of 7

The Cleveland Electric Illuminating Company, Ohio Edison Company
and The Toledo Edison Company
Case No. 07 - 551 - EL - AIR
Amortization associated with Deferred Tax Balance True-up
For the Twelve Months Ended February 29, 2008

DEFERRED TAX BALANCE TRUE-UP

Witness: Young

FAS 109 Adjustments

	CEI				
1	FAS 109 DTA/(DTL) - expense adjustment		$	11,053,546	A
2	Gross up for deferred tax deficiency	35.9961%	$	6,216,567	
3	Total adjustment for deficiency (1 + 2)		$	17,270,113	
4	Average Life Remaining in years (WPC3-13b)			20.625	
5	**Amortized adjustment for deficiency (3 / 4)**		**$**	**837,339**	B

	OE				
1	FAS 109 DTA/(DTL) - expense adjustment		$	18,040,417	A
2	Gross up for deferred tax deficiency	36.2127%	$	10,241,729	
3	Total adjustment for deficiency (1 + 2)		$	28,282,146	
4	Average Life Remaining in years (WPC3-13b)			20.997	
5	**Amortized adjustment for deficiency (3 / 4)**		**$**	**1,346,961**	B

	TE				
1	FAS 109 DTA/(DTL) - expense adjustment		$	404,264	A
2	Gross up for deferred tax deficiency	36.2947%	$	230,321	
3	Total adjustment for deficiency (1 + 2)		$	634,585	
4	Average Life Remaining in years (WPC3-13b)			17.243	
5	**Amortized adjustment for deficiency (3 / 4)**		**$**	**36,802**	B

A - From Final Difference Column GDY - 6, Page 3 of 7
B - To GDY - 6, Page 1 of 7 Total adjustment column for each Company.

FAS 109

Witness: Young

E_Y BS	Adjusted Difference A	FIT Acct 236 Adjustment B	SIT/Other Acct 236 Adjustment C	Other Adjustments D	Final Difference E
CEI	(46,437,420)	(8,502,107)	(562,382)	(26,319,385)	(11,053,546)
OE	(78,856,259)	(8,875,317)	(8,984,835)	(42,955,690)	(18,040,417)
TE	(8,001,547)	(4,690,074)	(1,944,625)	(962,584)	(404,264)
Other-FE	9,229,174	(44,730,245)	(12,160,022)	68,521,627	(2,402,186)
Total	(124,066,052)	(66,797,743)	(23,651,864)	(1,716,032)	(31,900,413)

A - From GDY - 6 page 4 of 7 Column adjusted difference

B - Current federal tax liability was adjusted to reflect "temporary" book-tax differences as deferred taxes.

C - Current state and local tax liability was adjusted to reflect "temporary" book-tax differences as deferred taxes.

D - Final adjustments were recorded to deferred income taxes - principally allocating deferred taxes from the FirstEnergy Service Company to FirstEnergy's utility subsidiaries.

E - Amounts taken to GDY - 6, Page 2 of 7, Line 1 for each Company.

FirstEnergy Corp. and Subsidiaries
Master Lead Schedule
12/31/05

Witness: Young

Company	Company Name	DTA/(DTL) Recorded (From RTA Analysis)	Provision to Return Adjustment (From RTA Analysis)	Adjusted DTA/(DTL) Recorded	DTA/(DTL) Recomputed (From Lead Sheet)	Ohio Deferred Taxes	State NOLs (E)	Adjusted Recomputed	[illegible]	[illegible]	Identified Adjustments	Adjusted Difference
		A	B		C	D	E				F	
CE01	The Cleveland Electric Illuminating Company	(554,826,213)	5,177,384	(549,650,829)	(584,587,443)	4,564,433		(580,023,010)	(30,372,180)	12/18/2007	16,065,240	(46,437,420)
OE01	Ohio Edison Company	(704,750,154)	31,955,000	(672,795,154)	(733,760,897)	(4,672,547)		(738,433,444)	(65,638,290)	12/18/2007	13,217,969	(78,856,259)
TE01	The Toledo Edison Company	(221,148,829)	(952,772)	(222,101,601)	(218,310,430)	(246,338)		(218,556,768)	3,544,832	12/18/2007	11,546,379	(8,001,547)
	Other FE Entities	(1,245,320,595)	(43,208,030)	(1,288,528,625)	(1,328,594,492)	2,123,454	6,639,293	(1,319,831,745)	(31,303,120)		(40,532,294)	9,229,174
	Total	(2,726,047,791)	(7,028,418)	(2,733,076,209)	(2,865,253,262)	1,769,002	6,639,293	(2,856,844,967)	(123,768,758)		297,294	(124,066,052)

Tick Legend

A - DTA/DTL Recorded - Amount included in Company's books and records.

B - Provision to Return Adjustments - Represents the deferred tax adjustments to true-up the deferred tax balances recorded for financial reporting purposes as of 12/31/05 (income tax provision) to the deferred tax balance needed, based on the actual book / tax timing differences shown in the 2005 income tax return prepared and filed in September 2006. The true-up adjustment for for the 2005 current tax accrued liability (account 236) compared to the current liability per the return as filed, principally offsets the majority of this deferred tax adjustment.

C - DTA/(DTL) Recomputed – Represents the independently calculated cumulative deferred tax balances required under FAS 109, based on an in-depth study performed with the assistance of Ernst &Young, comparing the 12/31/2005 book basis balance sheet to the 12/31/05 tax basis balance sheet, including adjustments identified when the 2005 income tax return was filed in 2006.

D - Ohio Deferred Taxes - The recomputed amount in Tick Mark C did not include any Ohio deferred tax due to the phase out of Ohio Income Tax by January 31, 2008. These amounts represent independently calculated cumulative deferred taxes for Ohio as of January 31, 2005 that will reverse by January 31, 2008.

E - Represents NOL amounts not reflected in Lead Sheets (i.e., recomputed column)

F - Identified Adjustments – Include the following items: (1) for generation assets that were accounted for under a "tax-free" exchange, the transferred asset retirement obligations were transferred for financial reporting purposes but only deferred taxes related to property were transferred; (2) for generation assets that were sold, the sales price did not properly factor in the additional step-up basis related to the asset retirement obligation; and (3) for the generation assets that were sold, the tax basis of the property was incorrectly computed from the power tax software.

Ohio Edison Company
Case No. 07-551-EL-AIR

WPC-3.13b

Computation of Amortization Rates for SFAS 109

Account	Description	Gross Plant (balance @ 12/31/06)	Accumulated Reserve	PROPOSED ASL/CURVE	ASL	Rate	Annual Expense	Remaining Life	Amort. Rate
						=1/Life	=Gross Plant x Rate	=Net Plant / Annual Expense	=1/ Remaining Life
	TRANSMISSION								
352	Structures & Improvements	10,607,821	5,999,519	51 R4	51	0.019607843	207,996		
353	Station Equipment	90,975,686	41,891,213	50 R2	50	0.02	1,819,514		
354	Towers & Fixtures	278,312	283,135	60 R4	60	0.016666667	4,639		
355	Poles & Fixtures	22,349,334	16,014,842	48 R3	48	0.020833333	465,611		
356	Overhead Conductors & Devices	27,927,907	13,766,045	55 R2	55	0.018181818	507,780		
357	Underground Conduit	1,503,635	678,326	60 S3	60	0.016666667	25,061		
358	Underground Conductors & Devices	4,739,936	2,510,784	45 R3	45	0.022222222	105,332		
	S-TOTAL	158,382,631	81,143,865				3,135,932		
	DISTRIBUTION								
361	Structures & Improvements	6,431,755	3,669,331	51 R4	51	0.019607843	126,113		
362	Station Equipment	159,516,413	64,966,421	49 R3	49	0.020408163	3,255,437		
364	Poles, Towers & Fixtures	343,551,032	155,811,993	46 R2.5	46	0.02173913	7,468,501		
365	Overhead Conductors & Devices	347,506,201	121,474,057	50 R1.5	50	0.02	6,950,124		
366	Underground Conduit	60,503,351	15,611,548	70 R4	70	0.014285714	864,334		
367	Underground Conductors & Devices	201,832,255	41,689,709	44 R4	44	0.022727273	4,587,097		
368	Line Transformers	326,894,068	114,741,578	40 SC	40	0.025	8,172,352		
369	Services	111,320,061	56,166,195	40 R3	40	0.025	2,783,002		
370	Meters	109,387,989	46,413,411	10 Years	10	0.1	10,938,799		
371	Installation on Customer Premesis	19,225,412	8,296,329	5 Years	5	0.2	3,845,082		
373	Street Lighting & Signal Systems	13,326,088	28,343,942	25 SC	25	0.04	533,044		
	S-TOTAL	1,699,494,625	657,184,512				49,523,883		
	GENERAL								
390	Structures & Improvements	61,262,397	23,911,710	44 R2	44	0.022727273	1,392,327		
3911	Office Furniture & Equipment	6,747,629	1,706,966	25 S1.5	25	0.04	269,905		
3912	Data Processing Equipment	5,226,380		5 L1	5	0.2	1,045,276		
392	Transportation Equipment	1,366,861	(654,162)	13 L4	13	0.076923077	105,143		
393	Stores Equipment	1,463,783	660,617	39 R4	39	0.025641026	37,533		
394	Tools, Shop & Garage Equipment	6,936,100	1,805,991	30 L0	30	0.033333333	231,203		
395	Laboratory Equipment	6,580,082	2,305,191	25 O4	25	0.04	263,203		
396	Power Operated Equipment	2,052,456	2,871,085	23 R1	23	0.043478261	89,237		
397	Communications Equipment	2,032,168	388,130	20 L1	20	0.05	101,608		
398	Miscellaneous Equipment	1,251,072	493,218	25 R2	25	0.04	50,043		
	S-TOTAL	94,918,926	33,488,747				3,585,480		
	G-TOTAL	1,952,796,184	771,817,124				56,245,295	20.997	4.76%

The Cleveland Electric Illuminating Company
Case No. 07-551-EL-AIR

WPC-3.13b

Computation of Amortization Rates for SFAS 109

Account	Description	Gross Plant (balance @ 12/31/06)	Accumulated Reserve	PROPOSED ASL/CURVE	ASL	Rate	Annual Expense	Remaining Life	Amort. Rate
						=1/Life	=Gross Plant x Rate	=Net Plant / Annual Expense	=1/ Remaining Life
	TRANSMISSION								
352	Structures & Improvements	17,627,488	10,768,340	50 R4	50	0.02	352,550		
353	Station Equipment	128,996,972	52,380,132	50 R2	50	0.02	2,579,939		
354	Towers & Fixtures	326,171	1,577,440	65 R4	65	0.015384615	5,018		
355	Poles & Fixtures	35,129,991	27,249,472	50 R3	50	0.02	702,600		
356	Overhead Conductors & Devices	40,311,339	20,666,788	50 R3	50	0.02	806,227		
357	Underground Conduit	31,385,273	23,028,666	60 R2	60	0.016666667	523,088		
358	Underground Conductors & Devices	72,953,193	22,853,739	50 O1	50	0.02	1,459,064		
	S-TOTAL	326,730,427	$ 158,544,577				6,428,486		
	DISTRIBUTION								
361	Structures & Improvements	21,119,927	13,752,912	50 R3	50	0.02	422,399		
362	Station Equipment	184,086,163	52,107,591	50 R5	50	0.02	3,681,723		
364	Poles, Towers & Fixtures	228,136,532	139,433,700	43 R2	43	0.023255814	5,305,501		
365	Overhead Conductors & Devices	208,605,536	116,302,638	45 S5	45	0.022222222	4,635,679		
366	Underground Conduit	66,614,799	29,680,481	60 R2	60	0.016666667	1,110,247		
367	Underground Conductors & Devices	245,019,510	55,563,607	45 R4	45	0.022222222	5,444,878		
368	Line Transformers	262,338,145	75,467,258	43 R0.5	43	0.023255814	6,100,887		
369	Services	64,365,125	9,046,614	28 S2	28	0.035714286	2,298,754		
370	Meters	90,945,017	36,623,104	10 Years	10	0.1	9,094,502		
371	Installations On Customer Premises	21,679,976	6,761,979	5 Years	5	0.2	4,335,995		
373	Street Lighting & Signal Systems	66,611,171	34,147,799	27 R4	27	0.037037037	2,467,080		
	S-TOTAL	1,459,521,901	569,087,683				44,897,645		
	G-TOTAL	1,786,252,328	727,632,260				51,326,130	20.625	4.85%

The Toledo Edison Company
Case No. 07-551-EL-AIR

WPC-3.13b

Computation of Amortization Rates for SFAS 109

Account	Description	Gross Plant (balance @ 12/31/06)	Accumulated Reserve	PROPOSED ASL/CURVE	ASL	Rate	Annual Expense	Remaining Life	Amort. Rate
						=1/Life	=Gross Plant x Rate	=Net Plant / Annual Expense	=1/ Remaining Life
	TRANSMISSION								
352	Structures & Improvements	196,237	156,066	50 R4	50	0.02	3,925		
353	Station Equipment	9,485,109	3,525,000	50 R2	50	0.02	189,702		
354	Towers & Fixtures	34,264	40,543	65 R4	65	0.015384615	527		
355	Poles & Fixtures	2,519,606	2,118,883	40 R4	40	0.025	62,990		
356	Overhead Conductors & Devices	4,075,113	2,292,935	45 R3	45	0.022222222	90,558		
357	Underground Conduit	368,400	101,052	60 R2	60	0.016666667	6,140		
358	Underground Conductors & Devices	379,349	79,639	35 S2	35	0.028571429	10,839		
	S-TOTAL	17,058,078	8,314,118				364,681		
	DISTRIBUTION								
361	Structures & Improvements	4,783,088	808,776	50 R2	50	0.02	95,662		
362	Station Equipment	62,672,900	20,410,682	40 R1	40	0.025	1,566,822		
364	Poles, Towers & Fixtures	125,031,104	76,704,258	45 R2.5	45	0.022222222	2,778,469		
365	Overhead Conductors & Devices	118,446,692	67,065,773	40 R4	40	0.025	2,961,167		
366	Underground Conduit	11,715,670	5,658,672	60 R4	60	0.016666667	195,261		
367	Underground Conductors & Devices	95,071,600	25,032,854	50 R2.5	50	0.02	1,901,432		
368	Line Transformers	109,422,738	46,430,583	42 R1.5	42	0.023809524	2,605,303		
369	Services	63,429,592	50,286,488	41 R5	41	0.024390244	1,547,063		
370	Meters	32,939,328	17,626,085	10 Years	10	0.1	3,293,933		
371	Installation on Customer Premesis	5,192,575	2,534,033	5 Years	5	0.2	1,038,515		
373	Street Lighting & Signal Systems	41,388,099	24,404,423	28 S5	28	0.035714286	1,478,146		
	S-TOTAL	670,093,385	336,962,626				19,461,774		
	G-TOTAL	687,151,463	345,276,744				19,826,455	17.243	5.80%

[Company Exhibit 6-B(1)]

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. 07-551-EL-AIR
Edison Company for Authority to	)	Case No. 07-552-EL-ATA
Increase Rates for Distribution Service,	)	Case No. 07-553-EL-AAM
Modify Certain Accounting Practices	)	Case No. 07-554-EL-UNC
and for Tariff Approvals	)	

SECOND SUPPLEMENTAL TESTIMONY OF

GARY D. YOUNG

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

___ Management policies, practices, and organization

_X_ Operating income

___ Rate base

___ Allocations

___ Rate of return

___ Rates and tariffs

___ Other –Case Overview,
Revenue Requirements
Gross Rev. Conversion Factor

I. Background

Q. PLEASE STATE YOUR NAME.

A. My name is Gary D. Young.

Q. ARE YOU THE SAME GARY D. YOUNG THAT PROVIDED INITIAL, UPDATE AND SUPPLEMENTAL TESTIMONY THAT WAS FILED IN THIS PROCEEDING ON JUNE 7, 2007, AUGUST 6, 2007 AND JANUARY 10, 2008, RESPECTIVELY?

A. Yes, I am.

Q. WHAT IS THE PURPOSE OF YOUR SECOND SUPPLEMENTAL TESTIMONY?

A. The purpose of my Second Supplemental Testimony is twofold: first, to correct an error included on Exhibits GDY-2(A), GDY-2(B) and GDY-2(C) attached to my Supplemental Testimony (Co. Exh. 6-B); and second, to address an issue related to deferred tax asset amounts raised by Messrs. Kollen and Effron in their direct testimony submitted on January 10, 2008 on behalf of The Ohio Energy Group ("OEG") and the Ohio Office of Consumers' Counsel ("OCC"), respectively.

Q. DOES YOUR DISCUSSION OF THESE ISSUES APPLY EQUALLY TO OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY ("CEI") AND THE TOLEDO EDISON COMPANY (COLLECTIVELY, THE "OPERATING COMPANIES")?

A. Yes, unless otherwise noted.

COI-1391928v1

II. Exhibit GDY-2

Q. PLEASE EXPLAIN THE CORRECTION TO EXHIBITS GDY-2(A), (B) AND (C).

A. When preparing each of these exhibits I inadvertently copied the wrong amount to Line 2, Column B. On Line 2, Column B of Exhibit GDY-2(A), the amount should be changed from $7,777,343 to $7,943,389; on GDY-2(B), from $7,439,173 to $7,478,215; and on GDY-2(C), from $1,432,164 to $1,432,451. I have attached a revised version of these three exhibits to my Second Supplemental testimony, which are labeled GDY-2(A)(Revised), GDY-2(B)(Revised) and GDY-2(C)(Revised).

III. Deferred Tax Asset Balances

Q. PLEASE RESPOND TO OEG WITNESS KOLLEN'S AND OCC WITNESS EFFRON'S TESTIMONY REGARDING DEFERRED TAX ASSET BALANCES.

A. OEG Witness Kollen and OCC Witness Effron discuss a perceived error related to the deferred tax asset balances included in the 190 accounts contained in the Operating Companies' respective Schedule B-6. Both witnesses claim that the deferred tax assets related to accrued reserves giving rise to deferred taxes should not be added to rate base because no corresponding accrued liability was deducted from rate base. The symmetry concept suggested by Messrs. Kollen and Effron also applies to deferred tax liability balances for the 283 accounts. Therefore, during my review of the treatment of the deferred tax asset balances, I also reviewed the deferred tax liability balances. The same lack of symmetry raised by

Messrs. Effron and Kollen with regard to the asset balances also exists with regard to the liability balances. Therefore, I have included a list of both the deferred tax asset *and* tax liability balances that should be adjusted on the attached Exhibits GDY-1.1 (Ohio Edison), GDY-2.1 (CEI) and GDY-3.1 (Toledo Edison).

Q. WHAT DO THESE EXHIBITS SHOW?

A. Exhibits GDY-1.1, GDY-2.1 and GDY-3.1 summarize each of the deferred tax asset and liability balances included on Schedule B-6. These balances can be found in column 5. The fourth column lists the party or parties that are advocating for the adjustment to each line item. Column 6 sets forth the necessary adjustment to each Schedule B-6.

Q. WHY IS THERE IS NO PROPOSED ADJUSTMENT TO THE LINE ITEM LABELED "TAX BENEFIT TRANSFER - NET" INCLUDED ON EXHIBIT GDY-1.1?

A. I am not proposing an adjustment to "Tax Benefit Transfer- Net" because, as shown on Lines 29, 30 and 31 in Column 5 of Ohio Edison Company's Schedule B-6 (Update Filing), Ohio Edison Company included a corresponding liability for Tax Benefit Transfer - Net. Therefore, no adjustment for this item is necessary on Schedule B-6.

Q. DOES THIS CONCLUDE YOUR SECOND SUPPLEMENTAL TESTIMONY?

A. Yes, it does.

Ohio Edison Company
Case No. 07-551-EL-AIR
Calculation of Real Property Taxes
For the Twelve Months Ended February 29, 2008

Data: 3 Months Actual & 9 Months Estimated
Reference No(s).: See Footnotes

GDY - 2A (Revised)
Witness: Young

Line No.	Description	Jurisdictional Amount					
		Staff Transmission Plant (a)	Ohio Edison Transmission Plant (b)	Staff Distribution Plant (c)	Ohio Edison Distribution Plant (d)	Staff General Plant (e)	Ohio Edison General Plant (f)
1	Jurisdictional Real Property (a)	$10,607,156	$10,607,156	$18,557,667	$18,557,667	$68,351,583	$68,351,583
2	Attachment TJF-1 adjustment	$0	$7,943,389	$0	$0	$0	$0
3	2007/2008 June-February Real Property Additions/Retirements	$0	$980,770	$0	$641,889	$0	($2,425,507)
4	Adjusted Jurisdictional Real Property (1+ 2 + 3)	$10,607,156	$19,531,315	$18,557,667	$19,199,556	$68,351,583	$65,926,076
5	True Value Percentage (b)	43.35%	62.14%	43.35%	62.14%	43.35%	62.14%
6	True Value of Taxable Real Property (4 x 5)	$4,598,343	$12,136,349	$8,044,996	$11,930,201	$29,631,321	$40,965,079
7	Assessment Percentage (b)	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
8	Assessment Value (6 x 7)	$1,609,420	$4,247,722	$2,815,749	$4,175,570	$10,370,962	$14,337,778
9	Real Property Tax Rate (c)	6.04%	6.04%	6.04%	6.04%	6.04%	6.04%
10	Real Property Tax (8 x 9)	$97,209	$256,562	$170,071	$252,204	626,406	866,007
						Staff	Ohio Edison
11	Total Real Property Tax					$893,686	$1,374,769
12	Increase (Decrease) to Real Property Tax Expense						$481,082

		Staff	Ohio Edison	Difference
(a)	Staff's Schedule C-3.10a1			
(b)	Calculated as follows:			
	(1) Real Property Assessed Value (c)	$40,630,670	$40,569,920	60,750
	(2) Assessment Percentage (d)	35.00%	35.00%	
	(3) Real Property True Value (1 / 2)	116,087,629	115,914,057	173,571
	(4) Real Property Capitalized Cost (e)	$267,783,306	$186,543,250	81,240,056
	(5) Real Property True Value Percentage (3 / 4)	43.35%	62.14%	
(c)	Applicant's Supplemental Information C-43			