

Kathy J. Kolich
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April 30, 2008

Ms. Rence J. Jenkins
Director, Administration Department
Secretary to the Commission
Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

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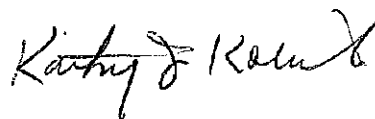
Dear Ms. Jenkins:

**Re: MOTION OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY AND THE TOLEDO EDISON COMPANY FOR
AUTHORITY TO DEVIATE FROM A COMMISSION APPROVED
STIPULATION
Case No. 07-128-EL-ATA**

Enclosed for filing, please find the original and twelve (12) copies of the Motion of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Authority to Deviate From a Commission Approved Stipulation regarding the above-referenced case. Please file the enclosed Motion time-stamping the two extras and returning them to the undersigned in the enclosed envelope.

Thank you for your assistance in this matter. Please contact me if you have any questions concerning this matter.

Very truly yours,

kag
Enclosures

cc: Parties of Record

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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

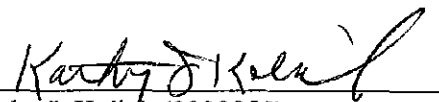
In the Matter of the Application of)	
Ohio Edison Company, The Cleveland)	
Electric Illuminating Company and)	CASE NO. 07-128 EL-ATA
The Toledo Edison Company for Approval)	
of a Rider for the Collection of RTO Costs)	
and for Accounting Authority to Modify)	
Their Accounting Procedures)	

**MOTION OF OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY AND THE TOLEDO EDISON
COMPANY FOR AUTHORITY TO DEVIATE
FROM A COMMISSION APPROVED STIPULATION**

Pursuant to Section 4901-1-12 of the Ohio Administrative Code, Applicants, Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively, "Companies"), respectfully ask this Commission for authority to deviate from the Stipulation approved in Case No. 04-1932-EL-ATA. This request is for the sole purpose of modifying the period in which their respective transmission riders will be in effect, changing such period from twelve months ending June 30, 2009 to six months ending December 31, 2008. The reasons supporting such request are explained in the attached Memorandum in Support.

All signatory parties (and the non-opposing party) to the aforesaid Stipulation have authorized counsel for the Companies to represent that none of said parties oppose this request. Accordingly, the Companies respectfully ask that their motion be granted.

Respectfully submitted,



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On behalf of Applicant Companies

Memorandum in Support

Background

On August 31, 2005, the Public Utilities Commission of Ohio (“Commission”) issued a Finding and Order in Case No. 04-1932-EL-ATA in which the Commission approved a Stipulation setting forth a rider recovery mechanism for recovery of transmission- and ancillary service-related costs (“Stipulation”). The Stipulation was signed by the Companies, Ohio Partners for Affordable Energy, Industrial Energy Users of Ohio, the Commission Staff and the Office of the Ohio Consumers’ Counsel. Dominion Retail, Inc. signed the stipulation as a non-signatory/non-opposing party. *In re Application for Approval of Rider*, Case No. 04-1932-EL-ATA (Aug. 31, 2005 Finding and Order, pp. 1-2.) Pursuant to Paragraph 3 of the Stipulation, the rider is to be adjusted annually, becoming effective on July 1 of each year. (*Id.* at 2.) Thus, under the terms of the Stipulation, the 2008 transmission riders being filed in the instant proceeding should, absent the granting of the Companies’ motion, be in effect for the period July 1, 2008 through June 30, 2009.

Due to proposed changes in the Companies’ distribution rates and the restructuring of Ohio’s electric industry with the passage of Amended Substitute Senate Bill 221 (“SB 221”), there is significant uncertainty surrounding the treatment of transmission costs post-2008, thus prompting the Companies’ motion to change the period in which the riders will be in effect to a six month period ending December 31, 2008.¹

¹ The Companies will be filing their proposed riders based on a six month period and ask that if their motion is denied that they be granted leave to re-file if necessary.

Events Giving Rise to Uncertainty


Pursuant to Paragraph 9 of the Stipulation, the calculation of each of the Companies' transmission riders will be as described in the initial application filed on December 30, 2004 in Case No. 04-1932-EL-ATA. In essence, according to the initial application, the riders are calculated as a multiplier of the distribution rates currently in effect for each of the Companies. On June 7, 2007 the Companies filed an application for an increase in distribution rates ("Rate Case"). During the Rate Case proceedings, the rate design was the subject of a stipulation approved by most of the participating parties. The stipulated rate design in the Rate Case contemplates a total revamping of each of the Companies' distribution rates. If this stipulation is approved either as filed or without significant modification, the rates on which the transmission riders are based will no longer exist after December 31, 2008, thus rendering the calculation methodology contemplated in the Stipulation obsolete.

Further, on April 22, 2008, SB 221 was passed by the Ohio House and approved the following day by the Ohio Senate. The Governor is expected to sign the bill into law later this week. This legislation restructures Ohio's electric industry in such a manner as to create significant uncertainty as to how transmission costs will be recovered after December 31, 2008. In fact, the legislation contemplates that each of Ohio's electric utilities will submit an Electric Security Plan ("ESP"), which may include proposals on the recovery of transmission costs on a going-forward basis. In light of the anticipated changes in the Companies' distribution rate structure as of January 1, 2009, it is fully expected that the Companies' ESP will address future transmission cost recovery at the time the ESP is filed.

Summary

In sum, due to the significant uncertainty surrounding transmission costs and the recovery of the same, the prudent approach for all involved is to simply create a transmission rider for the period in which certainty exists – that being through December 31, 2008 – leaving the treatment of such costs thereafter for consideration at a later date. Accordingly, the Companies respectfully request that their motion be granted and that they be authorized to deviate from the Stipulation approved by the Commission in Case No. 04-1932-EL-ATA for the sole purpose of modifying the period during which the Companies' transmission riders will be in effect from a twelve month period ending June 30, 2009 to a six month period ending December 31, 2008.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Kathy J. Kolich", written over a horizontal line.

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On behalf of Applicant Companies

CERTIFICATE OF SERVICE

THIS IS TO CERTIFY that a copy of the foregoing Motion for Authority to Deviate from a Commission Approved Stipulation and related Memorandum in Support has been served upon the parties set forth below by regular U.S. Mail, postage prepaid, this 30th day of April, 2008.


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