

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

**In the Matter of the Delivery Capital    )  
Recover Rider Contained in the        )  
Tariffs of Ohio Edison Company, The   )  
Cleveland Electric Illuminating        )   Case No. 11-5428-EL-RDR  
Company and The Toledo Edison        )  
Company                                       )  
  )**

**JOINT COMMENTS OF COMMISSION STAFF AND OHIO EDISON COMPANY, THE  
CLEVELAND ELECTRIC ILLUMINATING COMPANY AND THE TOLEDO EDISON  
COMPANY**

On April 13, 2012, Blue Ridge Consulting Services, Inc. (“Blue Ridge”), an independent auditor selected by Commission Staff, with the consent of the Companies, filed its Compliance Audit Report (“Report”) of the Delivery Capital Recovery (“DCR”) Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, “Companies”). Commission Staff and the Companies agree that the Commission should adopt the recommendations contained in Blue Ridge made in its Report as specifically described below:

- On Page 10 of the Report, Blue Ridge recommended an adjustment to Rider DCR regarding the Companies’ property tax expense. The Companies implemented this recommendation in their Third Quarter DCR Filing.

- On Page 10 of the Report, Blue Ridge noted that it had several observations that the Companies should review and address that have no direct impact to Rider DCR, but are included in Appendix D.
- On Page 14, Blue Ridge recommended that the Commission consider a review of the Companies' IT project planning and implementation.
- On Page 14, Blue Ridge recommended that for future audits, the Companies evaluate the lessons learned from the conduct of this audit and develop information processes that will facilitate the determination that projects in Rider DCR are properly justified, approved and managed.
- On Page 15, Blue Ridge recommended that the Companies reduce the unitization backlog before the next audit to reduce the potential for over or under accrual of depreciation.
- On Page 15, Blue Ridge suggested that as part of the next audit review, the Companies provide justification and support for the level of overheads that are added to project and work order costs and provide proper justification and back-up documentation to show the overheads are appropriate.
- On Page 18, Blue Ridge recommended that the workpapers supporting the Rider DCR property tax be cleaned up and fully referenced to minimize the opportunity for error.

- On Page 18, Blue Ridge recommended that the actual amount collected under Rider DCR be included as part of the quarterly compliance filing to ensure that the \$150 million annual cap of collected revenue is not exceeded in 2012. The Companies implemented this recommendation in their Third Quarter DCR Filing, and will maintain this recommendation to ensure the applicable annual cap is not exceeded in future years.

Respectfully submitted,

/s/Thomas McNamee

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ATTORNEY FOR STAFF OF THE  
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Respectfully submitted,

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ATTORNEYS FOR OHIO EDISON  
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COMPANY, AND THE TOLEDO  
EDISON COMPANY

## **CERTIFICATE OF SERVICE**

I hereby certify that a true copy of the **Joint Comments** was served by electronic mail upon the following parties of record, this 1st day of June, 2012.

*/s/Thomas W. McNamee*

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**Thomas W. McNamee**

Assistant Attorney General

### Parties of Record:

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Summary: Comments electronically filed by Mrs. Tonnetta Y Scott on behalf of PUCO