

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

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In the Matter of the :
Application of Ohio Edison:
Company, The Cleveland :
Electric Illuminating :
Company, and The Toledo :
Edison Company for : Case No. 14-1297-EL-SSO
Authority to Provide for :
a Standard Service Offer :
Pursuant to R.C. 4928.143 :
in the Form of an Electric:
Security Plan. :

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PROCEEDINGS

before Mr. Gregory Price and Ms. Megan Addison,
Attorney Examiners, at the Public Utilities
Commission of Ohio, 180 East Broad Street, Room 11-A,
Columbus, Ohio, called at 9:00 a.m. on Friday, July
15, 2016.

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REHEARING VOLUME V

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ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

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P3/SPSA
Ex. 19

Attachment JPK-RH-3

NPV OF CAPTIVE RATEPAYER IMPACTS BASED ON MARCH 2016 ENERGY PRICE

Attachment JAR-1 (Revised)

Estimated Retail Rate Stability Rider (Rider RRS) Impact (\$M)

<u>Regulatory Assumptions</u>	
ROE	10.38%
Effective Tax Rate	37.44%
Assumed Debt %	50.00%
Assumed Equity %	50.00%
Cost of Debt	4.54%
WACC	7.46%

<u>Total Under (Over)</u>	<u>Nominal</u>	<u>NPV</u>	<u>IRR</u>
Total PPA Term - 15 years	(561)	(260)	22%

Note: Under recovery results in a charge under Rider RRS. Over recovery results in a credit under Rider RRS.

Line Item	2016	2017	2018						
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Modified Rider RRS Impacts Based on March 2016 Energy Prices

<u>TOTAL</u>				
Projected Market Revenue	519	920	909	
Projected Costs	762	1,330	1,386	
Under (Over) Recovery	243	410	477	
NPV Under (Over) Recovery	226	355	384	

*2016 is June 1 - December 31. 2024 is January 1 - May 31.

*Numbers in parentheses signify savings to customers.