

JOINT EX. 1 ²⁰

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of the Ohio :
Department of Development for an Order :
Approving Adjustments to the Universal : Case No. 02-2868-EL-UNC
Service Fund Riders of Jurisdictional Ohio :
Electric Distribution Utilities. :

STIPULATION AND RECOMMENDATION

Pursuant to Rule 4901-1-30, Ohio Administrative Code, the undersigned parties to this proceeding (the "Signatory Parties") hereby stipulate, agree, and recommend that the above-entitled application of the Ohio Department of Development (ODOD) for an order approving adjustments to the Universal Service Fund ("USF") riders of the jurisdictional Ohio electric distribution utilities ("EDUs") be granted by the Public Utilities Commission of Ohio ("Commission") in accordance with the terms and conditions specified herein.

Although the Signatory Parties recognize that this Stipulation and Recommendation (the "Stipulation") is not binding upon the Commission, the Signatory Parties respectfully submit that this Stipulation, which is not opposed by any party to the proceeding, is supported by the record, represents a just and reasonable resolution of the issues involved, violates no regulatory principle or precedent, and is in the public interest. The Signatory Parties represent that this Stipulation is the product of extensive negotiations among knowledgeable parties representing a broad range of interests and that the Stipulation is a compromise involving a balancing of those interests and does not necessarily reflect the position which any one of the Stipulating Parties would have adopted if this matter had been fully litigated. In joining in this Stipulation, the Signatory Parties recognize that it is not in the interest of the public or the parties hereto to delay necessary adjustments to the

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EDU USF riders by extended litigation when an acceptable outcome can be achieved through settlement negotiations. Thus, the Stipulating Parties further agree that this Stipulation shall not be relied upon as precedent for or against any Signatory Party or the Commission, itself, in any subsequent proceeding, except as may be necessary to enforce the terms of the Stipulation.

If the Commission rejects or modifies all or any part of this Stipulation or imposes additional conditions or requirements upon the Stipulating Parties, a Signatory Party shall have the right, within 30 days of the Commission's order, to file an application for rehearing or to withdraw from the Stipulation by filing a notice with the Commission. If a Signatory Party seeks rehearing, said Signatory Party may withdraw from the Stipulation within 30 days of the Commission's ultimate disposition of its rehearing application. Upon notice of withdrawal by a Signatory Party pursuant to the foregoing provisions, the Stipulation shall immediately be deemed null and void and this matter shall proceed as if the Stipulation had not been submitted; provided, however, that a notice of withdrawal from the Stipulation by an EDU Signatory Party shall void the Stipulation only as to the proposed USF rider of that EDU.

Any party to this proceeding may become a Signatory Party to the Stipulation subsequent to its filing by submitting a letter to the Commission stating the party's intention to do so.

The Signatory Parties stipulate and agree as follows:

1. This matter is properly before the Commission pursuant to Section 4928.52(B), Revised Code. The Commission has jurisdiction to determine the issues involved in this proceeding, including the reasonableness of the USF rider rate, and to issue an order authorizing adjustments to the current EDU USF riders in the minimum amount necessary

to provide the revenues sufficient to cover the administrative costs of the low-income customer assistance programs and the consumer education program and provide adequate funding for those programs.

2. The Amended Application and supporting exhibits filed herein by ODOD on December 19, 2002, the Testimony of ODOD witness Donald A. Skaggs filed herein on October 31, 2002, and the Supplemental Testimony of Donald A. Skaggs filed herein on December 19, 2002, shall be admitted into evidence and made a part of the record in this case.
3. If called upon to testify, an appropriate representative of each EDU would verify that the Kwh sales data and other information supplied by the EDU to ODOD and upon which ODOD relied in developing the USF rider revenue requirement for each EDU as set out in the Amended Application is true and accurate to the best of that EDU's knowledge and belief.
4. As set forth in ODOD's Amended Application, and as further described in and supported by the Testimony and Supplemental Testimony of ODOD witness Donald A. Skaggs, the annual USF rider pro forma revenue requirement for each EDU for the twelve-month period commencing January 1, 2003 shall be as follows:

The Cleveland Electric Illuminating Company ("CEI")	\$ 10,404,696
The Cincinnati Gas & Electric Company ("CG&E")	11,247,741
Columbus Southern Power Company ("CSP")	13,284,920
The Dayton Power & Light Company ("DP&L")	5,852,138
Monongahela Power Company ("MonP")	220,417
Ohio Edison Company ("OE")	24,151,935
Ohio Power Company ("OPC")	11,357,957
The Toledo Edison Company ("TE")	6,240,395

5. The annual USF rider revenue requirements set forth in Paragraph 4 shall be collected by the respective EDUs through a USF rider which incorporates a declining block rate design consisting of two consumption blocks. The first block of the rate shall apply to all monthly consumption up to and including 833,000 Kwh. The second rate block shall apply to all consumption above 833,000 Kwh per month. For each EDU, the rate per Kwh for the second block shall be set at the lower of the Percentage of Income Payment Plan ("PIPP") charge in effect in October 1999 or the per Kwh rate which would apply if the EDU's annual USF rider revenue requirement were to be recovered through a single block per Kwh rate. The rate for the first block rate shall be set at the level necessary to produce the remainder of the EDU's annual USF rider revenue requirement. Thus, in those instances where the EDU's October 1999 PIPP charge exceeds the per Kwh rate which would apply if the EDU's annual USF rider were to be recovered through a single block per Kwh rate, the rate for both consumption blocks will be the same. As shown on the supporting schedules attached hereto as Appendix A, the resulting USF riders for each EDU shall be as follows:

	<u>First 833,000 Kwh</u>	<u>Above 833,000 Kwh</u>
CEI	\$ 0.0005437 / Kwh	\$ 0.0005437 / Kwh
CG&E	0.0005590 / Kwh	0.0004690 / Kwh
CSP	0.0008571 / Kwh	0.0001830 / Kwh
DP&L	0.0003958 / Kwh	0.0003958 / Kwh
MonP	0.0002710 / Kwh	0.0000400 / Kwh
OE	0.0009806 / Kwh	0.0009806 / Kwh
OP	0.0006080 / Kwh	0.0001681 / Kwh
TE	0.0006276 / Kwh	0.0005610 / Kwh

6. The stipulated USF riders for CEI, CG&E, CSP, OE, and TE set forth in Paragraph 5 reflect the minimum increases necessary to produce the additional revenues the Signatory Parties agree are required for the annual period following Commission approval. The DP&L, MonP, and OP riders, which represent decreases from the current USF riders of these EDUs as approved in Case No. 01-2411-EL-UNC, have been set at the minimum level necessary to satisfy the USF rider revenue requirement for the annual period following Commission approval. ODOD hereby consents to and approves this USF rider decrease for DP&L, MonP, and OP pursuant to Section 4928.52(B), Revised Code.
7. The methodology utilized in calculating the recommended USF riders set forth in Paragraph 5 is identical to the methodology stipulated by the parties and approved by the Commission in Case No. 01-2411-EL-UNC. Any change in the existing relative customer class revenue responsibility resulting from the use of this rate design methodology is well within the range of estimation error inherent in any customer class cost-of-service analysis and does not violate the Section 4928.52(C), Revised Code, prohibition against shifting the costs of funding low-income customer assistance programs among customer classes. By stipulating to the use of the EDU's October 1999 PIPP charge as a cap on the second block of the rider for purposes of this case, no Signatory Party waives its right to contest the continued use of the October 1999 PIPP charge as a cap on the second block of the rider in any future Section 4928.52(B), Revised Code, proceeding.
8. The current USF rider of each EDU shall be withdrawn and cancelled and shall be replaced by USF riders containing the rates provided in Paragraph 5, such riders to be

filed within 30 days of the Commission order adopting the Stipulation. The new USF riders shall be effective upon filing with the Commission and shall apply on a bills rendered basis in the first billing cycle of the month following their effective date. The EDUs shall notify customers of the adjustments to their respective USF riders by means of the customer notice attached hereto as Appendix B

9. Unlike the traditional ratemaking context, where the objective is to establish rates which will provide the applicant utility with a reasonable earnings opportunity, the USF riders must actually generate sufficient revenues to enable ODOD to meet its specific USF-related statutory and contractual obligations on an ongoing basis. To this end, ODOD shall, not later than October 31, 2003, file an application with the Commission for such adjustments to the USF riders as may be necessary to assure, to the extent possible, that each EDU's USF rider will generate its associated revenue requirement, but not more than its associated revenue requirement, during the annual collection period following Commission approval of such adjustments. ODOD shall serve copies of such application upon all other Signatory Parties. If ODOD fails to file such application on or before October 31, 2003, Commission shall issue an order in this docket directing ODOD to show cause why no such application has been filed. The issuance of such an order shall not affect the right of any Signatory Party to pursue such legal recourse against ODOD as may be available for failure to comply with the Stipulation.

10. The Commission, by its Finding and Order of September 26, 2002 in Case Nos. 02-564-EL-ORD and 02-565-EL-ORD, encouraged ODOD to work with the Commission staff

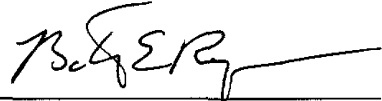
and the Operational Support Task Force to resolve issues relating to the treatment of pre-PIPP arrearages of customers served by CRES providers which subsequently become approved for PIPP and must, therefore, pursuant to Rules 4901:1-10-29(I) and 4901:1-21-06(B)(3), Ohio Administrative Code, be switched to EDU standard offer service or, once established, to the ODOD Section 4928.54, Revised Code, aggregation program. The Signatory Parties recognize that the Operational Support Task Force has suggested that the instant proceeding might provide an appropriate vehicle to address these issues. The Signatory Parties also recognize that rehearing applications are currently pending before the Commission in Case Nos. 02-564-EL-ORD and 02-565-EL-ORD by which various parties to that proceeding have asked the Commission, *inter alia*, to reconsider certain aspects of the amendment to Rules 4901:1-10-29 and 4901:1-21-06, Ohio Administrative Code, approved by its September 26, 2002 order. Although it is the objective of the Signatory Parties that these issues be resolved expeditiously, because not all CRES providers are represented in this case, and because the record does not include sufficient information to permit a determination of the ultimate and/or relative cost impacts of various possible resolutions of these issues, the Signatory Parties believe that these issues are not properly the subject of this proceeding. However, as a part of this Stipulation, the Signatory Parties agree that CRES providers are ultimately entitled to compensation for pre-PIPP arrearages where customers are switched to EDU standard offer service (or to the ODOD Section 4928.54, Revised Code, aggregation program) as a result of joining the PIPP program, and ODOD, the EDUs, and the participating CRES providers agree to work toward and support a resolution of the related issues in Case Nos.

02-564-EL-ORD and 02-565-EL-ORD that recognizes this principle. Further, the Signatory Parties agree that where the host EDU is purchasing the receivables of the CRES provider, the pre-PIPP arrearage will be reported to ODOD by the EDU and ODOD shall pay such amounts to the EDU in accordance with the existing agreement between ODOD and the EDU. The Signatory Parties further agree that, where the EDU does not purchase the receivables of the CRES provider, the process for returning the customer to EDU standard offer service (or to the ODOD Section 4928.54, Revised Code, aggregation program) and the process for compensating the CRES provider for customer's pre-PIPP arrearage out of the USF should be established in a manner which minimizes the costs to all concerned and places no undue administrative burden on any of the affected parties.

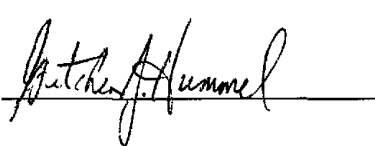
WHEREFORE, the Signatory Parties respectfully request that the Commission issue an order adopting this Stipulation and directing each EDU to file new USF riders in accordance therewith.

Respectfully submitted,

Ohio Department of Development

By: 

Industrial Energy Users – Ohio

By: 

Staff of the Public Utilities Commission of Ohio

By: 

Ohio Manufacturers' Association

By: _____

FirstEnergy Corp., on behalf of Ohio Edison
Company, The Cleveland Electric
Illuminating Company, and The Toledo
Edison Company

By: James W. Burk

Columbus Southern Power Company and
Ohio Power Company

By: Man-O. Rerick

The Cincinnati Gas & Electric Company

By: L. D. Collett

The Dayton Power and Light Company

By: Arthur Vinokur

By: B. G. [Signature]
per 11/10/03
telephone authorization

Monongahela Power Company

By: Gary A. Jack

By: B. G. [Signature]
per 11/10/03
e-mail authorization

WPS Energy Services, Inc. and Green
Mountain Energy Company

By: M. Howard Petricoff
by Stephen M. Howard

APPENDIX A

**Two-Tiered Rider
CEI**

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0005437
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0005437

Calculation

1	10/99 USF Rider	\$ 0.0005680
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$ 10,404,695.67
3	Total kWh Used in Calculation	19,136,254,999
4	ODOD Proposed Rider (2) / (3)	\$ 0.0005437
5	Accounts with Annual kWh Greater than 10,000,000 kWh	146
6	Total kWh of Accounts Over 10,000,000 kWh Annually	5,783,720,817
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,460,000,000
9	Revenue First Block Rate x (8)	\$ 793,825.94
10	Total Second Block kWh (6) - (8)	4,323,720,817
11	Lower of 10/99 Rate (1) or Proposed Rate (18) x (10)	\$ 0.0005437
12	Second Block Revenue (11) x (10)	\$ 2,350,877.91
13	Total Revenue Proposed (9) + (12)	\$ 3,144,703.86
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 3,144,703.86
15	Reduction in Total Revenue (13) - (14)	\$0.00

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 7,259,991.81
17	Adjusted kWh (3) - (6)	13,352,534,182
18	Adjusted USF (16)/(17)	\$ 0.0005437
19	Change (18) - (4)	\$0.0000000
20	% Change	0.0%
21	<u>Annual</u> Cost to Consumer Using 750 kWh per Month (19) x 750 x 12	\$ -

Two-Tiered Rider CG&E

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0005590
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0004690

Calculation

1	10/99 USF Rider	\$ 0.0004690
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$ 11,247,741.16
3	Total kWh Used in Calculation	20,905,268,334
4	ODOD Proposed Rider (2) / (3)	\$ 0.0005380
5	Accounts with Annual kWh Greater than 10,000,000 kWh	148
6	Total kWh of Accounts Over 10,000,00 kWh Annually	6,353,899,567
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (7)	1,480,000,000
9	Revenue First Block Rate x (8)	\$ 827,352.05
10	Total Second Block kWh (6) - (8)	4,873,899,567
11	Lower of 10/99 Rate (1) or Proposed Rate (18) x (10)	\$ 0.0004690
12	Second Block Revenue (11) x (10)	\$ 2,285,858.90
13	Total Revenue Proposed (9) + (12)	\$ 3,113,210.94
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 3,418,612.79
15	Reduction in Total Revenue (13) - (14)	\$ (305,401.85)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 8,134,530.22
17	Adjusted kWh (3) - (6)	14,551,368,767
18	Adjusted USF (16)/(17)	\$ 0.0005590
19	Change (18) - (4)	\$ 0.0000210
20	% Change	3.9%
21	<u>Annual</u> Cost to Consumer Using 750 kWh per Month (19) x 750 x 12	\$ 0.19

Two-Tiered Rider CSP

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0008571
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0001830

Calculation

1	10/99 USF Rider	\$ 0.0001830
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$13,284,920.25
3	Total kWh Used in Calculation	17,512,914,414
4	ODOD Proposed Rider (2) / (3)	\$ 0.0007586
5	Accounts with Annual kWh Greater than 10,000,000 kWh	114
6	Total of Accounts Over 10,000,000 kWh Annually	3,700,056,941
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,140,000,000
9	Revenue First Block Rate x (8)	\$ 977,119.59
10	Total Second Block kWh (6) - (8)	2,560,056,941
11	Lower of 10/99 Rate (1) or Proposed Rate (18)	\$ 0.0001830
12	Second Block Revenue (11) x (10)	\$ 468,490.42
13	Total Revenue Proposed (9) + (12)	\$ 1,445,610.01
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 2,806,783.62
15	Reduction in Total Revenue (13) - (14)	\$ (1,361,173.61)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$11,839,310.24
17	Adjusted kWh (3) - (6)	13,812,857,473
18	Adjusted USF (16)/(17)	\$0.0008571
19	Change (18) - (4)	\$ 0.0000985
20	% Change	13.0%
21	<u>Annual</u> Cost to Consumer Using 750 kWh per Month (19) x 750 x 12	\$ 0.89

Two-Tiered Rider

DPL

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0003958
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0003958

Calculation

1	10/99 USF Rider	\$ 0.0005700
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$ 5,852,137.78
3	Total kWh Used in Calculation	14,785,125,309
4	ODOD Proposed Rider (2) / (3)	\$ 0.0003958
5	Accounts with Annual kWh Greater than 10,000,000 kWh	98
6	Total of Accounts Over 10,000,000 kWh Annually	4,146,170,955
7	First Block Annual kWh (833,000 Monthly)	10,000,000
8	Total kWh in First Block (5) x (7)	980,000,000
9	Revenue First Block Rate x (8)	\$ 387,896.27
10	Total Second Block kWh (6) - (8)	3,166,170,955
11	Lower of 10/99 Rate (1) or Proposed Rate (18)	\$ 0.0003958
12	Second Block Revenue (11) x (10)	\$ 1,253,210.12
13	Total Revenue Proposed (9) + (12)	\$ 1,641,106.39
14	Revenue @ Proposed Rate (6) x (4)	\$ 1,641,106.39
15	Reduction in Total Revenue (13) - (14)	\$ -

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 4,211,031.39
17	Adjusted kWh (3) - (6)	10,638,954,354
18	Adjusted USF (16)/(17)	\$ 0.0003958
19	Change (18) - (4)	\$ -
20	% Change	0.0%
21	<u>Annual Cost to Consumer Using 750 kWh per Month (19) x 750 x 12</u>	\$ -

LARGE USER PROPOSAL

Mon Power

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0002710
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0000400

Calculation

1	10/99 USF Rider	<u>\$ 0.0000400</u>
2	Cost on which Proposed Rider is Based (Actual Data Through Oct/02)	\$ 220,416.88
3	Total kWh Used in Calculation	1,655,189,390
4	ODOD Proposed Rider (2) / (3)	<u>\$ 0.0001332</u>
5	Accounts with Annual kWh Greater than 10,000,000 kWh	9
6	Total of Accounts Over 10,000,000 kWh Annually	1,077,509,015
7	First Block kWh	10,000,000
8	Total kWh in First Block (5) x (6)	90,000,000
9	Revenue First Block Rate x (8)	\$ 24,386.65
10	Total Second Block kWh (6) - (8)	987,509,015
11	Lower of 10/99 Rate (1) or Proposed Rate (18)	\$ 0.0000400
12	Second Block Revenue (11) x (10)	\$ 39,500.36
13	Total Revenue Proposed (9) + (12)	\$ 63,887.01
14	Revenue @ Proposed Rate (6) x (4)	\$ 143,488.82
15	Reduction in Total Revenue (13) - (14)	\$ (79,601.81)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 156,529.87
17	Adjusted kWh (3) - (6)	577,680,375
18	Adjusted USF (16)/(17)	\$ 0.0002710
19	Change (18) - (4)	\$ 0.0001378
20	% Change	103.5%
21	<u>Annual Cost to Consumer Using 750 kWh per Month (19) x 750 x 12</u>	\$ 1.24

Two-Tiered Rider Ohio Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0009806
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0009806

Calculation

1	10/99 USF Rider	\$ 0.0010461
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$ 24,151,934.71
3	Total kWh Used in Calculation	24,629,304,990
4	ODOD Proposed Rider (2) / (3)	\$ 0.0009806
5	Accounts with Annual kWh Greater than 10,000,000 kWh	195
6	Total kWh of Accounts Over 10,000,00 kWh Annually	6,724,541,827
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	1,950,000,000
9	Revenue First Block Rate x (8)	\$ 1,912,204.70
10	Total Second Block kWh (6) - (8)	4,774,541,827
11	Lower of 10/99 Rate (1) or Proposed Rate (18) x (10)	\$ 0.0009806
12	Second Block Revenue (11) x (10)	\$ 4,682,000.67
13	Total Revenue Proposed (9) + (12)	\$ 6,594,205.37
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 6,594,205.37
15	Reduction in Total Revenue (13) - (14)	\$ -

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 17,557,729.35
17	Adjusted kWh (3) - (6)	17,904,763,163
18	Adjusted USF (16)/(17)	\$ 0.0009806
19	Change (18) - (4)	\$ -
20	% Change	0.0%
21	<u>Annual</u> Cost to Consumer Using 750 kWh per Month (19) x 750 x 12	\$ -

Two-Tiered Rider Ohio Power

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0006080
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0001681

Calculation

1	10/99 USF Rider	\$ 0.0001681
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$ 11,375,957.30
3	Total kWh Used in Calculation	24,156,684,605
4	ODOD Proposed Rider (2) / (3)	\$ 0.0004709
5	Accounts with Annual kWh Greater than 10,000,000 kWh	182
6	Total of Accounts Over 10,000,000 kWh Annually	9,347,212,569
7	First Block kWh	10,000,000
8	Total kWh in First Block (5) x (6)	1,820,000,000
9	Revenue First Block Rate x (8)	\$ 1,106,550.57
10	Total Second Block kWh (6) - (8)	7,527,212,569
11	Lower of 10/99 Rate (1) or Proposed Rate (18)	\$ 0.0001681
12	Second Block Revenue (11) x (10)	\$ 1,265,324.43
13	Total Revenue Proposed (9) + (12)	\$ 2,371,875.01
14	Revenue @ Proposed Rate (6) x (4)	\$ 4,401,824.70
15	Reduction in Total Revenue (13) - (14)	\$ (2,029,949.70)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 9,004,082.29
17	Adjusted kWh (3) - (6)	14,809,472,036
18	Adjusted USF (16)/(17)	\$ 0.0006080
19	Change (18) - (4)	\$ 0.0001371
20	% Change	29.1%
21	<u>Annual Cost to Consumer Using 750 kWh per Month (19) x 750 x 12</u>	\$ 1.23

Two-Tiered Rider Toledo Edison

Proposal

First Block 833,000 kWh (10,000,000 per Year) (18)	\$ 0.0006276
Over 833,000 kWh [Lower of 10/99 Rate (1) or Proposed Rate (18)]	\$ 0.0005610

Calculation

1	10/99 USF Rider	\$ 0.0005610
2	Cost on which Proposed Rider is Based (Actual Data Through Oct. 02)	\$ 6,240,394.72
3	Total kWh Used in Calculation	10,398,816,323
4	ODOD Proposed Rider (2) / (3)	\$ 0.0006001
5	Accounts with Annual kWh Greater than 10,000,000 kWh	69
6	Total kWh of Accounts Over 10,000,00 kWh Annually	4,979,770,568
7	First Block Annual kWh (833,334 Monthly)	10,000,000
8	Total kWh in First Block (5) x (6)	690,000,000
9	Revenue First Block Rate x (8)	\$ 433,020.99
10	Total Second Block kWh (6) - (8)	4,289,770,568
11	Lower of 10/99 Rate (1) or Proposed Rate (18) x (10)	\$ 0.0005610
12	Second Block Revenue (11) x (10)	\$ 2,406,561.29
13	Total Revenue Proposed (9) + (12)	\$ 2,839,582.28
14	Revenue @ ODOD Proposed Rate (6) x (4)	\$ 2,988,391.47
15	Reduction in Total Revenue (13) - (14)	\$ (148,809.18)

Adjustment to Calculation

16	Adjusted Cost (2) - (9) - (12)	\$ 3,400,812.44
17	Adjusted kWh (3) - (6)	5,419,045,755
18	Adjusted USF (16)/(17)	\$ 0.0006276
19	Change (18) - (4)	\$ 0.0000275
20	% Change	4.6%
21	<u>Annual</u> Cost to Consumer Using 750 kWh per Month (19) x 750 x 12	\$ 0.25

APPENDIX B

Pursuant to state law, the Universal Service Fund rider rate has been adjusted effective with this bill.