Large Filing Separator Sheet

Case Number: 07-551-EL-AIR
07-552-EL-ATA
07-553-EL-AAM
07-554-EL-UNC

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Case No. 07-551-EL-AIR, et al.

Ohio Edison Company
The Cleveland Electric Illuminating Company
The Toledo Edison Company
Volume 4B
Section II
Direct Testimony
Exhibit 5-Attach. PRC-2 & Attach. PRC-3

Original Filing June 7, 2007

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

Dispersion: 12.50 - L1

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	$558,108.01	12.50	12.03	0.9146	1.0000	$510,427.34	$42,416.21
2005	1.50	$630,556.35	12.50	11.15	0.8473	1.0000	$534,249.51	$47,922.28
2004	2.50	$40,537.41	12.50	10.34	0.7859	1.0000	$31,859.12	$3,080.84
2003	3.50	$0.00	12.50	9.63	0.7315	1.0000	$0.00	$0.00
2000	6.50	$103,638.70	12.50	8.02	0.6094	1.0000	$63,156.20	$7,876.54
1999	7.50	$118,104.54	12.50	7.61	0.5786	1.0000	$68,339.18	$8,975.95
1998	8.50	$0.00	12.50	7.23	0.5496	1.0000	$0.00	$0.00
1997	9.50	$0.00	12.50	6.87	0.5219	1.0000	$0.00	$0.00
1996	10.50	$73,614.47	12.50	6.52	0.4954	1.0000	$36,466.92	$5,594.70
1995	11.50	$90,736.19	12.50	6.18	0.4699	1.0000	$42,640.09	$6,895.95
1994	12.50	$562,120.83	12.50	5.86	0.4455	1.0000	$250,440.89	$42,721.18
1993	13.50	$102,392.96	12.50	5.55	0.4221	1.0000	$43,219.80	$7,781.86
1992	14.50	$136,353.03	12.50	5.26	0.3996	1.0000	$54,483.46	$10,362.83
1991	15.50	$126,904.85	12.50	4.97	0.3779	1.0000	$47,958.66	$9,644.77
1990	16.50	$279,618.49	12.50	4.70	0.3570	1.0000	$99,837.30	$21,251.01
1989	17.50	$46,362.10	12.50	4.43	0.3369	1.0000	$15,621.18	$3,523.52
1988	18.50	$101,328.31	12.50	4.18	0.3175	1.0000	$32,175.64	$7,700.95
1987	19.50	$55,942.87	12.50	3.93	0.2988	1.0000	$16,714.42	$4,251.66
1986	20.50	$221,308.35	12.50	3.69	0.2807	1.0000	$62,114.19	$16,819.43
1985	21.50	$71,650.90	12.50	3.46	0.2631	1.0000	$18,852.06	$5,445.47
1984	22.50	$32,271.43	12.50	3.24	0.2461	1.0000	$7,942.84	$2,452.63
1983	23.50	$35,999.69	12.50	3.02	0.2297	1.0000	$8,267.42	$2,735.98
1982	24.50	$76,590.58	12.50	2.81	0.2137	1.0000	$16,368.28	$5,820.88
1981	25.50	$20,686.37	12.50	2.61	0.1982	1.0000	$4,099.07	$1,572.16
1980	26.50	$12,631.07	12.50	2.41	0.1831	1.0000	$2,312.44	$959.96
1979	27.50	$7,490.02	12.50	2.22	0.1684	1.0000	$1,261.41	$569.24
1978	28.50	$10,659.26	12.50	2.03	0.1542	1.0000	$1,643.13	$810.10
1977	29.50	$5,028.23	12.50	1.85	0.1403	1.0000	$705.41	$382.15
1976	30.50	$4,433.01	12.50	1.67	0.1268	1.0000	$562.09	$336.91
1975	31.50	$4,808.65	12.50	1.50	0.1137	1.0000	$546.55	$365.46
1974	32.50	$3,942.09	12.50	1.33	0.1009	1.0000	$397.57	$299.60
1973	33.50	$2,248.35	12.50	1.16	0.0884	1.0000	$198.81	$170.87
1972	34.50	$0.00	12.50	1.00	0.0761	1.0000	$0.00	$0.00
1971	35.50	$0.00	12.50	0.84	0.0637	1.0000	$0.00	$0.00

Account: ***CECO 101/6-39110 Office furn & equi***

Dispersion: **12.50 - L1**

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
1970	36.50	$0.00	12.50	0.64	0.0483	1.0000	$0.00	$0.00
1969	37.50	$0.00	12.50	0.19	0.0141	1.0000	$0.00	$0.00
		$3,536,067.11	12.50	7.34	0.5579	1.0000	$1,972,857.96	$268,741.10

Depreciation Reserve Summary

Account: CECO 101/6-39110 Office furn & equi
Scenario: CECO GENL STUDY 2007
Version: 12.5 - L1

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	$3,536,067.11	$828,329.32	0.2343	$2,530,934.43	0.7157
Computed	$3,536,067.11	$1,386,405.80	0.3921	$1,972,857.95	0.5579
Difference		($558,076.48)	-0.1578	$558,076.48	0.1578

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 39120 General Data Processing Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 15 O1

Actuarial Life Analysis

15.34 L0.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 5 - 31 Years

Recommendation

We recommend changing to a 9 R2.5

Comments:
Actuarial results indicate a 15.34 L0.5 . The exposures become statistically insignificant after 8.5 years according to the Observed Life Table. Technological advances in data processing equipment also made us inclined to shorten the life from the previous 15 O1.

Salvage Factor Estimates

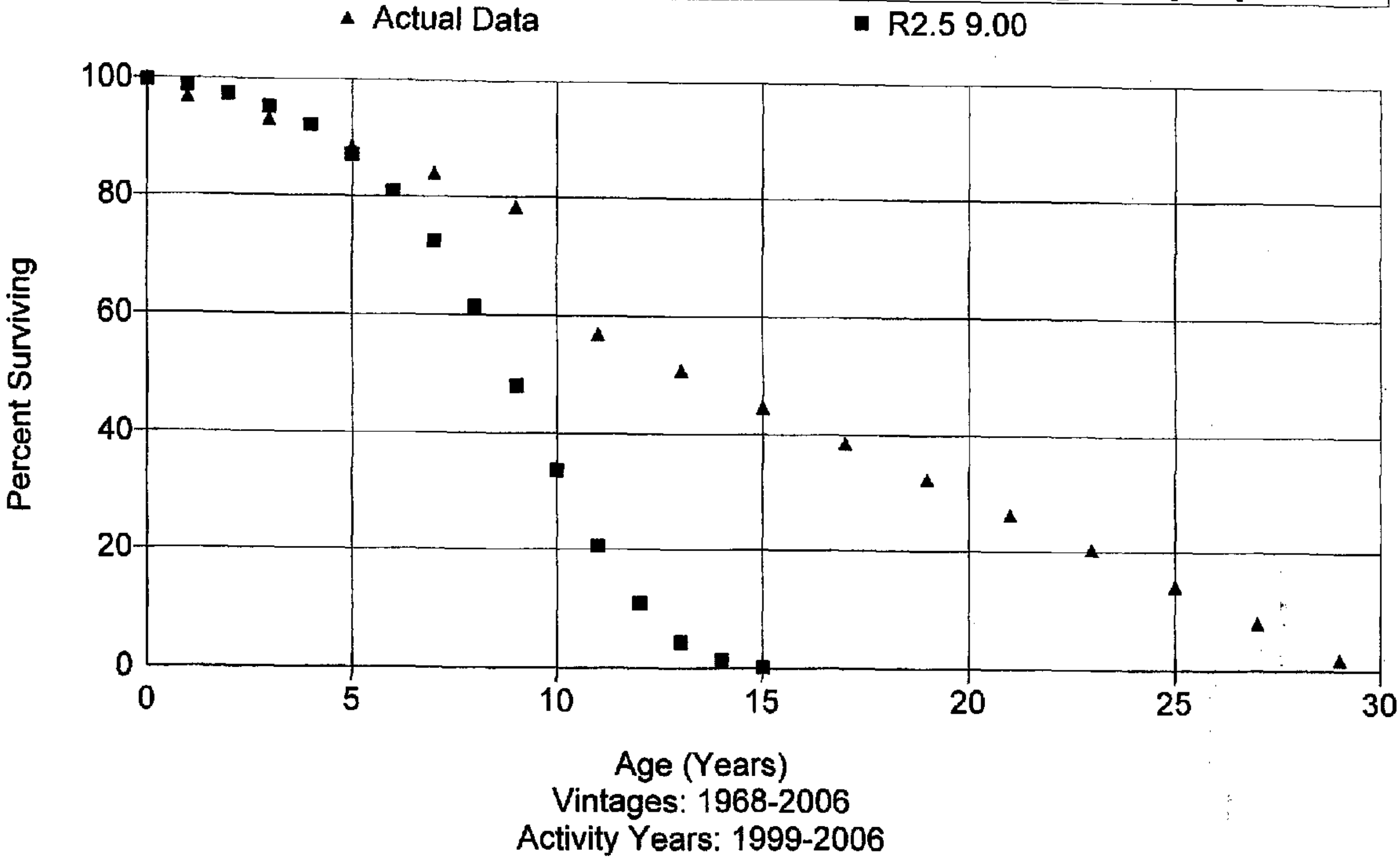
Current Net salvage Rate is 10%
Proposed Net salvage Rate 5%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate which we believe to be reasonable with previous analysis and EEI Industry trends which range from 10% to -5%. We recommend a change to 5% net salvage rate as we are experiencing neither cost of removal or salvage in our current study while experiencing retirements in every year.

Summary of Recommendations

9	Average Service Life
R2.5	Iowa Curve
5	% Net Salvage

Cleveland Electric Illuminating Company
Account 39120 Data Processing Equipt



Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 101/6-39120 Data process equip

Placement Band: 1968 - 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	1,027,376.21	0.00	0.00000	1.00000	100.00
0.5	3,999,893.12	122,791.75	0.03070	0.96930	100.00
1.5	13,096,641.36	258,226.47	0.01972	0.98028	96.93
2.5	17,724,052.51	345,088.53	0.01947	0.98053	95.02
3.5	15,806,606.80	317,466.06	0.02008	0.97992	93.17
4.5	12,187,676.88	358,243.54	0.02939	0.97061	91.30
5.5	8,626,560.67	225,482.94	0.02614	0.97386	88.62
6.5	8,757,937.85	223,689.20	0.02554	0.97446	86.30
7.5	8,589,471.16	231,078.06	0.02690	0.97310	84.10
8.5	3,289,594.63	138,681.19	0.04216	0.95784	81.84
9.5	406,229.44	121,789.65	0.29981	0.70019	78.39
10.5	-1,228,348.20	44,802.97	-0.03647	1.03647	54.89
11.5	1,215,035.09	65,149.34	0.05362	0.94638	
12.5	1,063,292.14	60,243.18	0.05666	0.94334	
13.5	1,462,620.39	87,845.07	0.06006	0.93994	
14.5	1,131,923.01	72,327.34	0.06390	0.93610	
15.5	329,917.85	22,519.99	0.06826	0.93174	
16.5	126,260.29	9,249.84	0.07326	0.92674	
17.5	97,183.38	7,682.48	0.07905	0.92095	
18.5	65,811.85	5,649.09	0.08584	0.91416	
19.5	14,149.41	1,328.58	0.09393	0.90607	
20.5	15,784.57	1,635.71	0.10364	0.89636	
21.5	20,070.64	2,320.30	0.11559	0.88441	
22.5	56,554.35	7,392.72	0.13072	0.86928	
23.5	42,878.38	6,447.87	0.15038	0.84962	
24.5	2,907.70	514.64	0.17710	0.82290	
25.5	3,173.50	682.47	0.21487	0.78513	
26.5	2,196.92	601.89	0.27401	0.72599	
27.5	85.59	32.30	0.37209	0.62791	
28.5	254.55	154.27	0.60392	0.39608	
29.5	86.15	86.15	1.00000	0.00000	
30.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
CECO 39120 Data Processing Equipment	1999	574,732.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2000	902,872.42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2001	184,443.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2002	184,008.72	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2003	184,008.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2004	189,816.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2005	256,496.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 39120 Data Processing Equipment	2006	260,874.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		2,737,252.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: CECO 101/6-39120 Data process equip
Dispersion: 9 - R2.5
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	$6,143,573.55		$581,603.42	9.466867
	Whole Life		9	$648,488.32	
	Amortization		0	$0.00	
	Retirements	$1,267,292.82	9	$66,884.90	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$6,143,573.55 *		$581,603.42	9.466874
	Average:	$5,509,927.14		$581,603.42	10.555556
	Grand Total:	$6,143,573.55 *		$581,603.42	9.466874

* Excluding 2007 Retirements

Account: CECO 101/6-39120 Data process equip

Dispersion: 9.00 - R2.5

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	$283,140.58	9.00	8.53	0.9003	1.0000	$254,924.01	$29,887.06
2005	1.50	$2,583.35	9.00	7.61	0.8029	1.0000	$2,074.28	$272.69
2004	2.50	$263,377.52	9.00	6.71	0.7087	1.0000	$186,655.79	$27,800.96
2003	3.50	$1,670,122.58	9.00	5.86	0.6184	1.0000	$1,032,807.47	$176,290.72
2001	5.50	$3,487.39	9.00	4.29	0.4526	1.0000	$1,578.47	$368.11
2000	6.50	$258,975.66	9.00	3.59	0.3786	1.0000	$98,056.43	$27,336.32
1999	7.50	$241,923.28	9.00	2.96	0.3120	1.0000	$75,478.17	$25,536.35
1998	8.50	$1,064,754.45	9.00	2.41	0.2542	1.0000	$270,703.80	$112,390.75
1997	9.50	$375,015.62	9.00	1.96	0.2066	1.0000	$77,495.58	$39,584.98
1996	10.50	$1,980,193.12	9.00	1.60	0.1692	1.0000	$335,118.03	$209,020.38
1995	11.50	$0.00	9.00	1.33	0.1399	1.0000	$0.00	$0.00
1994	12.50	$0.00	9.00	1.09	0.1154	1.0000	$0.00	$0.00
1993	13.50	$0.00	9.00	0.89	0.0936	1.0000	$0.00	$0.00
1992	14.50	$0.00	9.00	0.69	0.0727	1.0000	$0.00	$0.00
1991	15.50	$0.00	9.00	0.50	0.0533	1.0000	$0.00	$0.00
1990	16.50	$0.00	9.00	0.12	0.0126	1.0000	$0.00	$0.00
1989	17.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1988	18.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1987	19.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1986	20.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1985	21.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1984	22.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1983	23.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1982	24.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1981	25.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1980	26.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1979	27.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1978	28.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1977	29.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1976	30.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1975	31.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1974	32.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1973	33.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1972	34.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00

Account: CECO 101/6-39120 Data process equip

Dispersion: 9.00 - R2.5

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	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
1970	36.50	$0.00	9.00	0.00	0.0000	0.0000	$0.00	$0.00
		$6,143,573.55	9.00	3.60	0.3801	1.0000	$2,334,892.04	$648,488.32

Depreciation Reserve Summary

Account: CECO 101/6-39120 Data process equip

Scenario: CECO GENL Accts ADR

Version: 9 - R2.5

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	$6,143,573.55	$1,239,089.97	0.2017	$4,597,304.90	0.7483
Computed	$6,143,573.55	$3,501,502.84	0.5699	$2,334,892.03	0.3801
Difference		($2,262,412.87)	-0.3683	$2,262,412.87	0.3683

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 392 General Transportation Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 10 L2

Actuarial Life Analysis

14.32 L3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 5 - 30 Years

Recommendation

We recommend changing to a 14 L3

Comments:
We were inclined to use the more recent data as it is more reflective of what we are experiencing currently with regard to Transportation Equipment. The previous study indicated lives were lengthening .The Company was moving toward leasing and continues to lease transportation equipment further prolonging lives.

Salvage Factor Estimates

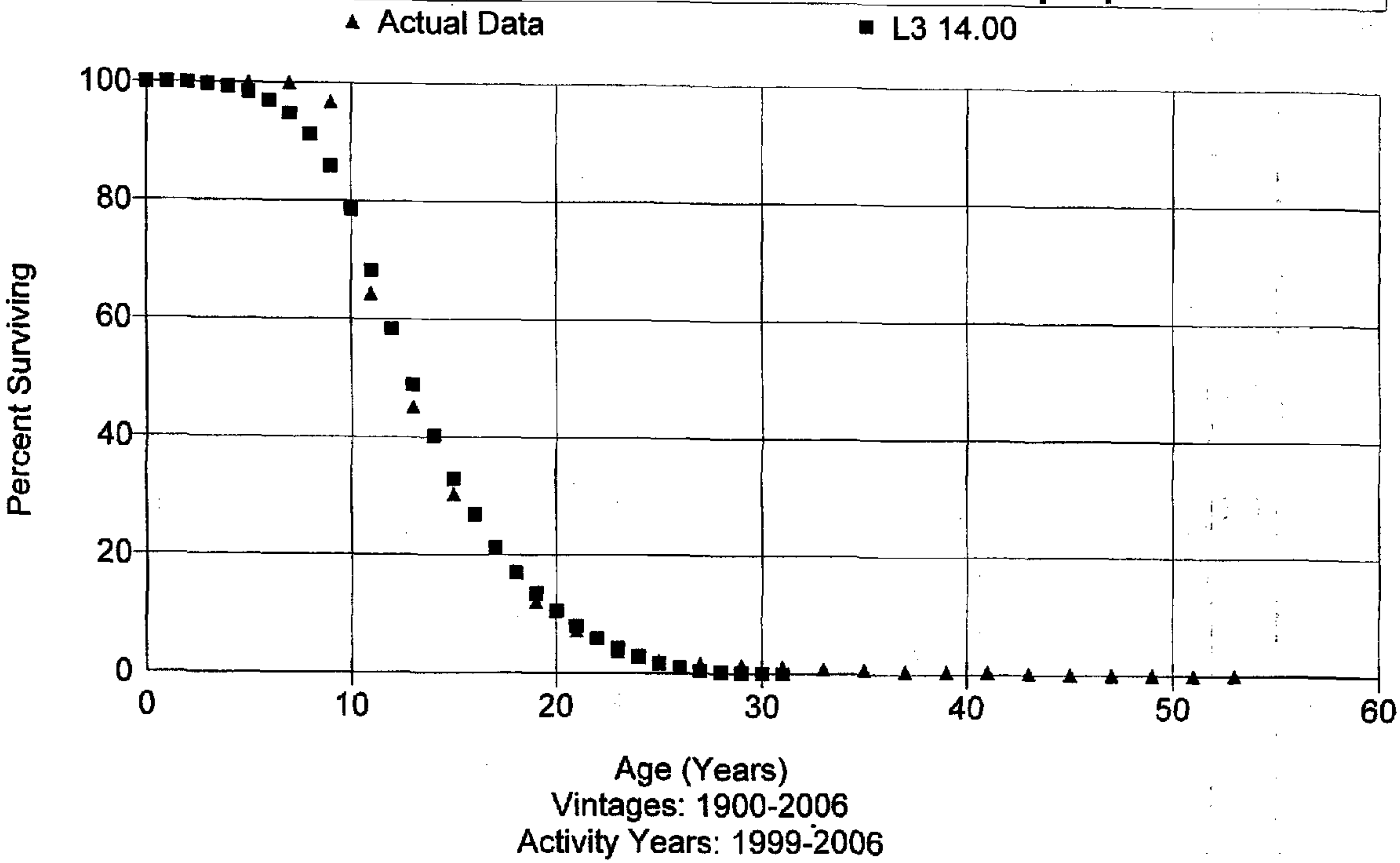
Current Net salvage Rate is 15%
Proposed Net salvage Rate 15%

Comments:
Our study of 1999 - 2006 data produced a 1% net salvage rate. We believe the period studied is too short to be decisive. The Industry net cost of removal per the EEI study ranged from 0% to 109% . We recommend no change to the net salvage rate at this time based on our findings.

Summary of Recommendations

14	Average Service Life
L3	Iowa Curve
15	% Net Salvage

Cleveland Electric Illuminating Company
Account 392 Transportation Equipment



Observed *Life Table*

Scenario: CECO GENL STUDY 2007
Account: CECO 101/6-392 Transportation equip
Placement Band: 1900 - 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	159,012.40	0.00	0.00000	1.00000	100.00
0.5	184,997.63	0.00	0.00000	1.00000	100.00
1.5	184,997.63	0.00	0.00000	1.00000	100.00
2.5	184,997.63	0.00	0.00000	1.00000	100.00
3.5	184,997.63	0.00	0.00000	1.00000	100.00
4.5	184,997.63	0.00	0.00000	1.00000	100.00
5.5	210,983.63	0.00	0.00000	1.00000	100.00
6.5	0.00	0.00	0.00000	0.00000	100.00
7.5	1,197,005.18	0.00	0.00000	1.00000	
8.5	1,486,858.44	47,589.46	0.03201	0.96799	
9.5	4,079,275.66	686,725.76	0.16835	0.83165	
10.5	4,875,342.17	979,772.25	0.20096	0.79804	
11.5	6,441,002.86	1,285,621.24	0.19960	0.80040	
12.5	6,005,979.08	752,969.24	0.12537	0.87463	
13.5	7,408,816.78	1,316,334.21	0.17767	0.82233	
14.5	6,229,346.27	1,133,962.56	0.18204	0.81796	
15.5	5,734,609.25	966,197.77	0.16849	0.83151	
16.5	4,772,924.64	766,811.26	0.16066	0.83934	
17.5	3,968,248.91	940,703.96	0.23706	0.76294	
18.5	2,926,353.66	726,657.00	0.24831	0.75169	
19.5	1,907,905.51	727,646.56	0.38139	0.61861	
20.5	960,379.51	41,648.12	0.04337	0.95663	
21.5	1,107,284.16	139,396.94	0.12589	0.87411	
22.5	782,339.74	329,049.93	0.42060	0.57940	
23.5	530,367.62	99,541.92	0.18768	0.81232	
24.5	424,446.55	127,792.64	0.30108	0.69892	
25.5	291,797.58	20,637.40	0.07072	0.92928	
26.5	290,777.36	26,213.84	0.09015	0.90985	
27.5	247,993.14	42,172.22	0.17005	0.82995	
28.5	281,595.31	13,355.64	0.04743	0.95257	
29.5	167,446.02	30,350.71	0.18126	0.81874	
30.5	143,847.93	2,117.00	0.01472	0.98528	
31.5	173,552.75	30,848.29	0.17774	0.82226	
32.5	150,541.37	15,332.00	0.10185	0.89815	
33.5	71,049.49	2,908.00	0.04093	0.95907	
34.5	66,254.23	2,389.00	0.03606	0.96394	
35.5	55,588.23	5,398.00	0.09711	0.90289	
36.5	25,170.83	5,103.50	0.20277	0.79723	
37.5	7,000.33	0.00	0.00000	1.00000	
38.5	7,000.33	789.33	0.11271	0.88729	
39.5	6,211.00	0.00	0.00000	1.00000	
40.5	0.00	0.00	0.00000	0.00000	
41.5	1,912.00	0.00	0.00000	1.00000	
42.5	1,912.00	390.00	0.20397	0.79603	
43.5	1,770.75	913.20	0.51553	0.48447	
44.5	857.55	0.00	0.00000	1.00000	
45.5	857.55	0.00	0.00000	1.00000	
46.5	1,663.23	268.56	0.16176	0.83824	
47.5	1,394.67	0.00	0.00000	1.00000	
48.5	1,394.67	537.12	0.38495	0.61505	
49.5	248.75	0.00	0.00000	1.00000	
50.5	248.75	0.00	0.00000	1.00000	
51.5	0.00	0.00	0.00000	0.00000	
52.5	366.24	0.00	0.00000	1.00000	

Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 101/6-392 Transportation equip

Placement Band: 1900 - 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	366.24	366.24	1.00000	0.00000	
54.5	0.00	0.00	0.00000	0.00000	
55.5	0.00	0.00	0.00000	0.00000	
56.5	0.00	0.00	0.00000	0.00000	
57.5	0.00	0.00	0.00000	0.00000	
58.5	0.00	0.00	0.00000	0.00000	
59.5	10,925.45	0.00	0.00000	1.00000	
60.5	10,925.45	10,925.45	1.00000	0.00000	
61.5	0.00	0.00	0.00000	0.00000	
62.5	0.00	0.00	0.00000	0.00000	
63.5	0.00	0.00	0.00000	0.00000	
64.5	0.00	0.00	0.00000	0.00000	
65.5	0.00	0.00	0.00000	0.00000	
66.5	0.00	0.00	0.00000	0.00000	
67.5	0.00	0.00	0.00000	0.00000	
68.5	0.00	0.00	0.00000	0.00000	
69.5	0.00	0.00	0.00000	0.00000	
70.5	0.00	0.00	0.00000	0.00000	
71.5	0.00	0.00	0.00000	0.00000	
72.5	483.08	0.00	0.00000	1.00000	
73.5	756.33	756.33	1.00000	0.00000	
74.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
CECO 392 Transportation Equipment	1999	2,408,585.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 392 Transportation Equipment	2000	4,270,752.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 392 Transportation Equipment	2001	484,236.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 392 Transportation Equipment	2004	0.00	123,351.14	0.00	0.00	0.00	0.00	0.00	123,351.14	0.00	0.00
CECO 392 Transportation Equipment	2005	3,021,425.71	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	0.00
CECO 392 Transportation Equipment	2006	754,989.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		10,939,989.46	123,352.14	1.13	0.00	0.00	0.00	0.00	123,352.14	1.13	

Whole Life Depreciation Accrual

Account: CECO 101/6-392 Transportation equip
Dispersion: 14 - L3

Average Net Salvage Rate: 15.00%
Future Net Salvage Rate: 15.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$4,412,168.81		$230,637.45	5.227315
Whole Life		14	$259,762.72	
Amortization		0	$0.00	
Retirements	$959,420.70	14	$29,125.27	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$4,412,168.81 *		$230,637.45	5.227325
Average:	$3,932,458.46		$230,637.45	5.864969
Grand Total:	$4,412,168.81 *		$230,637.45	5.227325

* Excluding 2007 Retirements

Account: CECO 101/6-392 Transportation equip

Dispersion: 14.00 - L3

Average Net Salvage Rate: 15.00%

Future 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
2000	6.50	$210,983.63	14.00	7.79	0.4727	1.0000	$99,738.24	$12,809.72
1999	7.50	$0.00	14.00	6.97	0.4230	1.0000	$0.00	$0.00
1994	12.50	$1,171,019.18	14.00	4.50	0.2733	1.0000	$320,027.49	$71,097.59
1993	13.50	$48,985.28	14.00	4.30	0.2613	1.0000	$12,801.28	$2,974.11
1992	14.50	$59,032.50	14.00	4.14	0.2512	1.0000	$14,829.62	$3,584.12
1991	15.50	$158,792.36	14.00	3.97	0.2407	1.0000	$38,227.84	$9,640.96
1990	16.50	$309,728.44	14.00	3.77	0.2287	1.0000	$70,847.51	$18,804.94
1989	17.50	$371,819.19	14.00	3.54	0.2150	1.0000	$79,931.10	$22,574.74
1988	18.50	$335,164.52	14.00	3.29	0.1999	1.0000	$67,003.72	$20,349.27
1987	19.50	$686,797.54	14.00	3.03	0.1843	1.0000	$126,553.89	$41,698.42
1986	20.50	$226,370.69	14.00	2.78	0.1686	1.0000	$38,172.97	$13,743.93
1985	21.50	$57,199.40	14.00	2.53	0.1535	1.0000	$8,777.33	$3,472.82
1984	22.50	$216,862.20	14.00	2.28	0.1387	1.0000	$30,088.38	$13,166.63
1983	23.50	$113,613.58	14.00	2.05	0.1246	1.0000	$14,158.91	$6,897.97
1982	24.50	$85,622.42	14.00	1.83	0.1111	1.0000	$9,510.08	$5,198.50
1981	25.50	$24,711.70	14.00	1.61	0.0981	1.0000	$2,423.06	$1,500.35
1980	26.50	$30,532.72	14.00	1.41	0.0855	1.0000	$2,611.95	$1,853.77
1979	27.50	$31,765.39	14.00	1.21	0.0735	1.0000	$2,334.81	$1,928.61
1978	28.50	$0.00	14.00	1.03	0.0623	1.0000	$0.00	$0.00
1977	29.50	$117,448.85	14.00	0.85	0.0515	1.0000	$6,044.18	$7,130.82
1976	30.50	$15,815.63	14.00	0.68	0.0412	1.0000	$651.59	$960.23
1975	31.50	$6,179.58	14.00	0.49	0.0297	1.0000	$183.83	$375.19
1974	32.50	$2,238.42	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1973	33.50	$66,178.88	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1972	34.50	$6,771.26	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1971	35.50	$13,380.50	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1970	36.50	$25,019.40	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1969	37.50	$13,067.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1968	38.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1967	39.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1966	40.50	$6,211.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1965	41.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1964	42.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1963	43.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00

Account: CECO 101/6-392 Transportation equip

Dispersion: 14.00 - L3

Average Net Salvage Rate: 15.00%

Future 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
1957	49.50	$608.80	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1955	51.50	$248.75	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1952	54.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1946	60.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1939	67.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
		$4,412,168.81	14.00	3.53	0.2142	1.0000	$944,917.76	$259,762.72

Depreciation Reserve Summary

Account: CECO 101/6-392 Transportation equip
Scenario: CECO GENL Accts ADR
Version: 14 - L3

Average Net Salvage Rate: 15.00%
Future Net Salvage Rate: *15.00%*

Broad Group Procedure

January 1 , 2007

	Plant Amt	Depreciation Reserve Amount	Depreciation Reserve Ratio	Net Plant Amount	Net Plant Ratio
Recorded	$4,412,168.81	$3,726,379.73	0.8446	$23,963.76	0.0054
Computed	$4,412,168.81	$2,805,425.73	0.6358	$944,917.76	0.2142
Difference		$920,954.00	0.2087	($920,954.00)	-0.2087

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 393 General Stores Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 20 O3

Actuarial Life Analysis

15 03 best fit using an Placement Band beginning in 1980.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 - 50 Years

Recommendation

We recommend changing to a 15 O1

Comments:
The 15 O1 appeared to be the best match to the data through the first 25 years.
Industry trends per the EEI were also considered and the recommendation is within that range
We also considered the previous study results in choosing life and curve.
We find the change reasonable with the study data available.

Salvage Factor Estimates

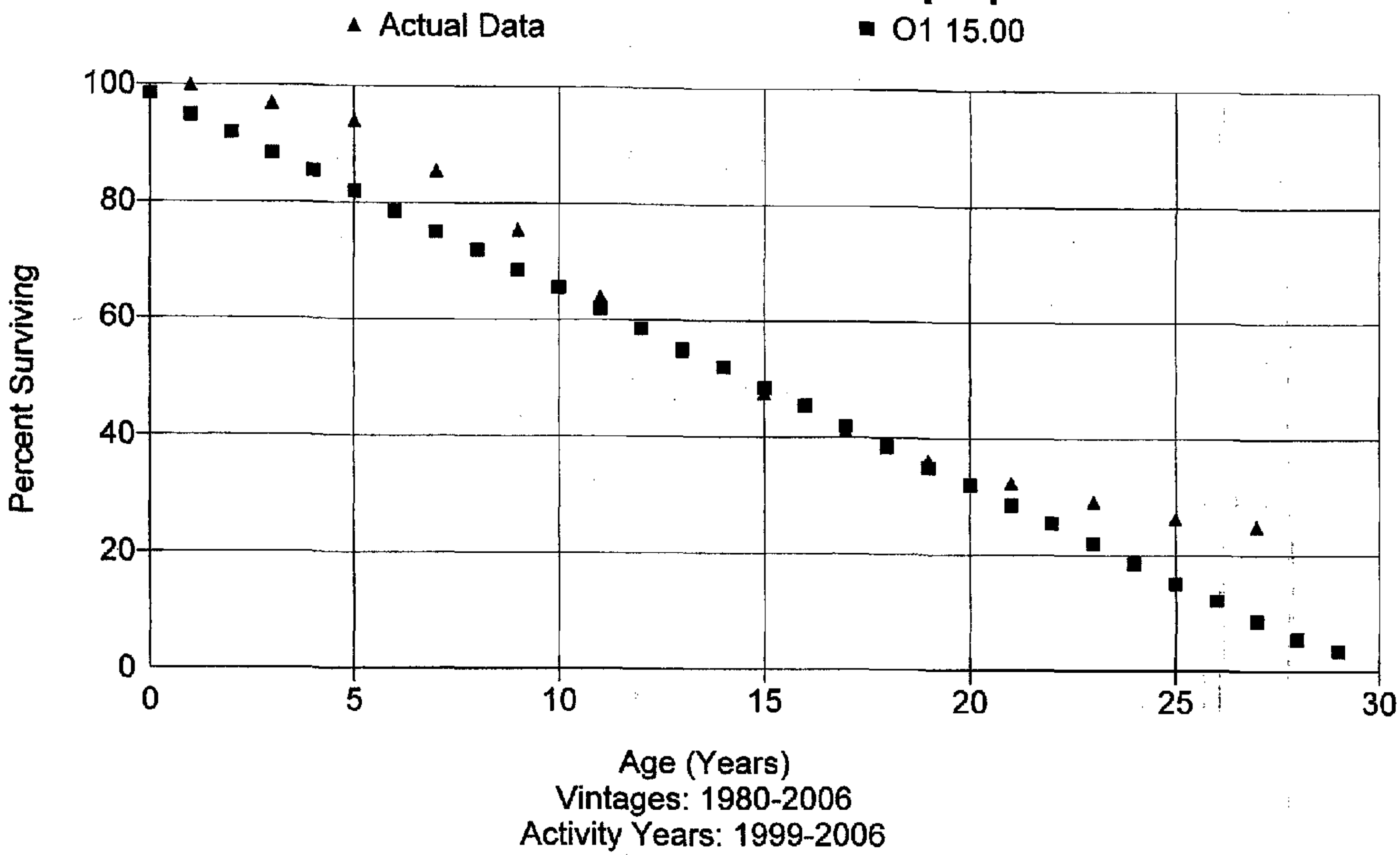
Current Net salvage Rate is 0%
Proposed Net salvage Rate 0%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate. We believe the period studied is too short to be decisive but matches the previous study findings. The Industry net cost of removal per the EEI study was between 500% and -45% . We recommend no change to the current net salvage rate.

Summary of Recommendations

15	Average Service Life
O1	Iowa Curve
0	% Net Salvage

Cleveland Electric Illuminating Company
Account 393 Stores Equipment



Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 101/6-393 Stores equipment

Placement Band: 1980 - 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
1.5	91,721.40	0.00	0.00000	1.00000	100.00
2.5	137,622.68	4,061.25	0.02951	0.97049	100.00
3.5	133,561.43	1,991.77	0.01491	0.98509	97.05
4.5	131,569.66	1,957.60	0.01488	0.98512	95.60
5.5	129,612.06	1,917.60	0.01480	0.98520	94.18
6.5	314,641.93	24,404.43	0.07756	0.92244	92.79
7.5	365,793.25	22,318.44	0.06101	0.93899	85.59
8.5	402,268.09	24,476.34	0.06085	0.93915	80.37
9.5	333,637.15	25,594.39	0.07671	0.92329	75.48
10.5	382,150.44	31,476.46	0.08237	0.91763	69.69
11.5	378,906.52	27,707.39	0.07312	0.92688	63.95
12.5	426,161.86	32,985.33	0.07740	0.92260	59.27
13.5	422,289.12	30,440.71	0.07209	0.92791	54.68
14.5	349,621.75	21,847.22	0.06249	0.93751	50.74
15.5	369,941.81	25,349.09	0.06852	0.93148	47.57
16.5	404,049.15	27,395.06	0.06780	0.93220	44.31
17.5	484,273.02	33,628.13	0.06944	0.93056	41.31
18.5	429,798.27	25,372.31	0.05903	0.94097	38.44
19.5	387,607.21	20,788.00	0.05363	0.94637	36.17
20.5	322,050.91	17,044.38	0.05292	0.94708	34.23
21.5	287,552.46	15,030.12	0.05227	0.94773	32.42
22.5	248,610.48	12,829.28	0.05160	0.94840	30.73
23.5	182,745.58	9,296.15	0.05087	0.94913	29.14
24.5	115,732.27	5,806.45	0.05017	0.94983	27.66
25.5	26,344.33	1,301.56	0.04942	0.95058	26.27
26.5	0.00	0.00	0.00000	0.00000	24.97

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
CECO 393 Stores Equipment	1999	67,041.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2000	63,889.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2001	61,238.52	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2002	58,049.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2003	54,918.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2004	51,862.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2005	48,914.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 393 Stores Equipment	2006	46,077.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		451,992.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: CECO 101/6-393 Stores equipment
Dispersion: 15 - O1
[illegible]rage Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$888,072.82		$51,363.60	5.783771
Whole Life		15	$55,611.27	
Amortization		0	$0.00	
Retirements	$127,430.13	15	$4,247.67	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$888,072.82 *		$51,363.60	5.783825
Average:	$824,357.75		$51,363.60	6.230741
Grand Total:	$888,072.82 *		$51,363.60	5.783825

* Excluding 2007 Retirements

Account: CECO 101/6-393 Stores equipment

Dispersion: *15.00* - O1

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
1997	9.50	$0.00	15.00	10.25	0.6833	1.0000	$0.00	$0.00
1996	10.50	$30,882.14	15.00	9.75	0.6500	1.0000	$20,073.39	$2,058.81
1992	14.50	$183,060.80	15.00	7.75	0.5167	1.0000	$94,581.41	$12,204.05
1991	15.50	$49,228.51	15.00	7.25	0.4833	1.0000	$23,793.78	$3,281.90
1990	16.50	$38,220.43	15.00	6.75	0.4500	1.0000	$17,199.19	$2,548.03
1989	17.50	$30,896.52	15.00	6.25	0.4167	1.0000	$12,873.55	$2,059.77
1988	18.50	$66,905.01	15.00	5.75	0.3833	1.0000	$25,646.92	$4,460.33
1987	19.50	$18,380.92	15.00	5.25	0.3500	1.0000	$6,433.32	$1,225.39
1986	20.50	$48,946.65	15.00	4.75	0.3167	1.0000	$15,499.58	$3,263.07
1985	21.50	$19,081.64	15.00	4.25	0.2833	1.0000	$5,406.46	$1,272.11
1984	22.50	$26,129.48	15.00	3.75	0.2500	1.0000	$6,532.37	$1,741.97
1983	23.50	$57,906.36	15.00	3.25	0.2167	1.0000	$12,546.38	$3,860.42
1982	24.50	$62,946.04	15.00	2.75	0.1833	1.0000	$11,540.11	$4,196.40
1981	25.50	$91,030.77	15.00	2.25	0.1500	1.0000	$13,654.62	$6,068.72
1980	26.50	$27,231.93	15.00	1.75	0.1167	1.0000	$3,177.06	$1,815.46
1979	27.50	$73,855.68	15.00	1.25	0.0833	1.0000	$6,154.64	$4,923.71
1978	28.50	$1,450.27	15.00	0.75	0.0500	1.0000	$72.51	$96.68
1977	29.50	$8,016.55	15.00	0.25	0.0167	1.0000	$133.61	$534.44
1976	30.50	$2,155.77	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1975	31.50	$12,221.64	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1974	32.50	$614.35	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1973	33.50	$11,964.92	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1972	34.50	$3,432.96	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1971	35.50	$1,629.71	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1970	36.50	$587.63	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1969	37.50	$2,781.13	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1968	38.50	$1,261.88	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1967	39.50	$1,157.31	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1966	40.50	$1,071.45	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1965	41.50	$2,220.58	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1964	42.50	$703.12	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1963	43.50	$1,571.35	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1962	44.50	$457.22	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1961	45.50	$685.77	15.00	0.00	0.0000	0.0000	$0.00	$0.00

Account: CECO 101/6-393 Stores equipment

Dispersion: 15.00 - O1

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
1960	46.50	$1,473.42	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1959	47.50	$63.16	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1958	48.50	$387.89	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1957	49.50	$289.45	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1956	50.50	$1,135.98	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1955	51.50	$812.45	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1954	52.50	$2,019.85	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1953	53.50	$113.81	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1952	54.50	$170.57	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1951	55.50	$414.40	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1950	56.50	$162.58	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1949	57.50	$184.80	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1948	58.50	$1,296.61	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1947	59.50	$39.86	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1943	63.50	$11.30	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1941	65.50	$22.63	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1940	66.50	$15.09	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1939	67.50	$687.68	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1938	68.50	$20.08	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1936	70.50	$41.21	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1935	71.50	$10.30	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1934	72.50	$0.19	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1933	73.50	$0.44	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1930	76.50	$2.99	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1929	77.50	$0.14	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1928	78.50	$0.04	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1927	79.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1924	82.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
		$888,072.82	15.00	4.65	0.3100	1.0000	$275,318.92	$55,611.27

Depreciation Reserve Summary

Account: CECO 101/6-393 Stores equipment
Scenario: CECO GENL Accts ADR
Version: 15 - O1

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	$888,072.82	$48,088.15	0.0541	$839,984.67	0.9459
Computed	$888,072.82	$612,753.90	0.6900	$275,318.92	0.3100
Difference		($564,665.75)	-0.6358	$564,665.75	0.6358

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 394 General Tools Shop & Garage Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 25 O2

Actuarial Life Analysis

21.81 O3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 - 45 Years

Recommendation

We recommend changing to 21 O3

Comments:
The actuarial results suggested a 21.81 O3. This life is well within EEI Industry study results. We recommend changing to a 21 O3.

Salvage Factor Estimates

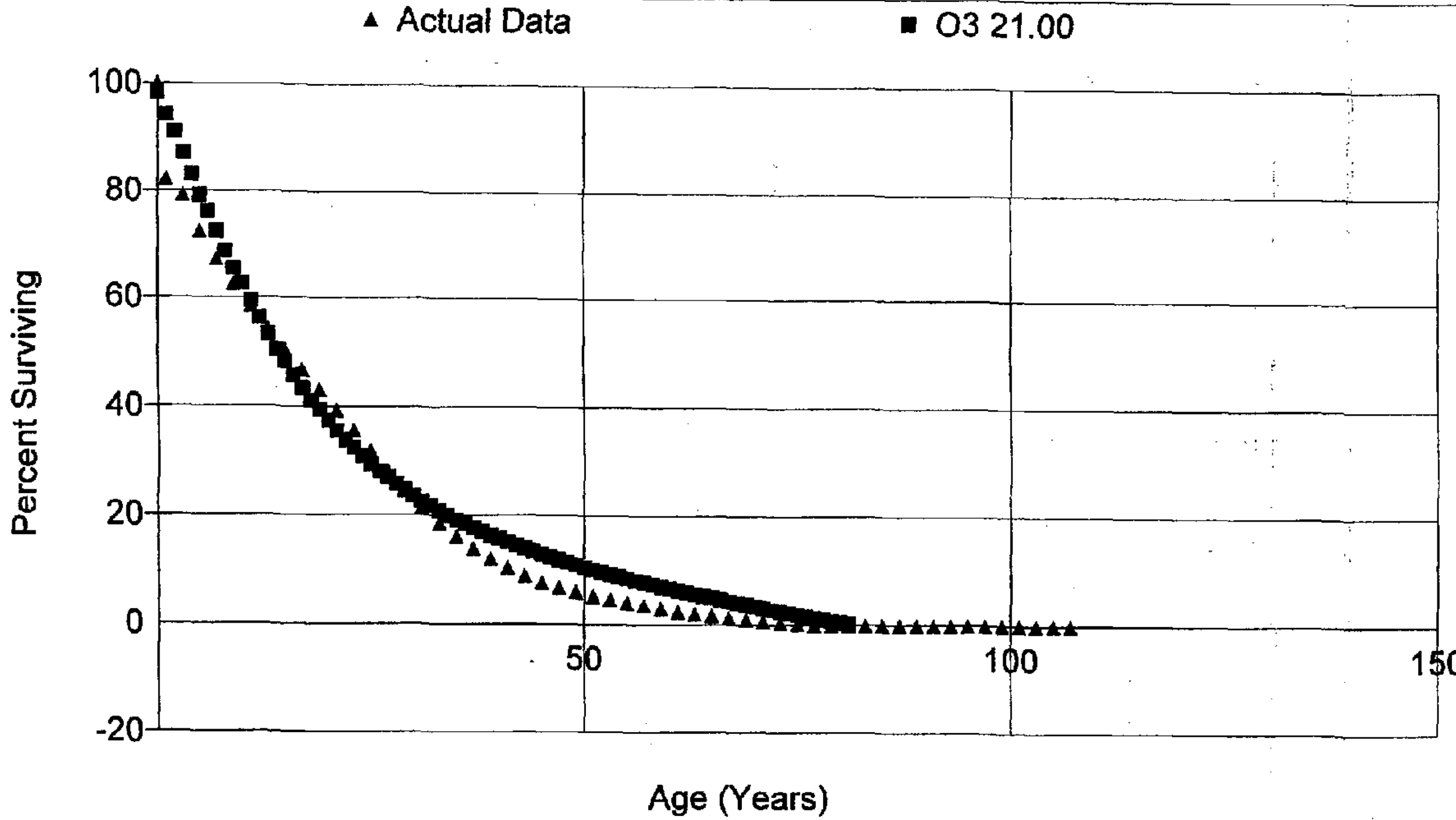
Current Net salvage Rate is 3%
Proposed Net salvage Rate 3%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate. We believe the period studied is too short to be decisive. The Industry net cost of removal per the EEI study ranged from 0% to 500% . We recommend no change to the net salvage rate at this time based on our findings.

Summary of Recommendations

21	Average Service Life
O3	Iowa Curve
3	% Net Salvage

Cleveland Electric & Illuminating Company
Account 394 Tools & Equipment



Vintages: 1900-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: *CECO 101/6-394 Tool shop garage*

Placement Band: 1968 - 2006 **Observation Band:** 1968 - 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	1,513,954.90	3,971.22	0.00262	0.99738	100.00
0.5	1,601,288.18	279,659.43	0.17465	0.82535	99.74
1.5	1,580,685.65	19,411.91	0.01228	0.98772	82.32
2.5	1,401,035.31	34,744.52	0.02480	0.97520	81.31
3.5	1,600,211.61	45,052.90	0.02815	0.97185	79.29
4.5	1,696,380.41	98,729.14	0.05820	0.94180	77.06
5.5	2,003,687.36	86,141.44	0.04299	0.95701	72.58
6.5	2,217,678.98	67,796.79	0.03057	0.96943	69.46
7.5	3,340,162.65	121,353.39	0.03633	0.96367	67.34
8.5	4,246,248.73	151,559.65	0.03569	0.96431	64.89
9.5	4,594,699.18	151,786.47	0.03304	0.96696	62.57
10.5	4,899,793.68	164,953.22	0.03367	0.96633	60.50
11.5	5,822,109.05	218,627.84	0.03755	0.96245	58.46
12.5	6,087,486.34	212,923.37	0.03498	0.96502	56.26
13.5	5,964,830.69	207,831.88	0.03484	0.96516	54.29
14.5	5,801,505.59	208,136.09	0.03588	0.96412	52.40
15.5	4,992,224.92	185,496.63	0.03716	0.96284	50.52
16.5	4,205,679.12	162,663.51	0.03868	0.96132	48.64
17.5	3,348,067.19	130,741.39	0.03905	0.96095	46.76
18.5	2,850,353.83	116,508.06	0.04087	0.95913	44.93
19.5	1,859,099.52	80,197.77	0.04314	0.95686	43.09
20.5	1,443,257.63	66,598.35	0.04614	0.95386	41.23
21.5	1,184,558.31	55,960.39	0.04724	0.95276	39.33
22.5	956,280.60	47,258.83	0.04942	0.95058	37.47
23.5	774,487.12	40,758.43	0.05263	0.94737	35.62
24.5	622,499.48	34,989.60	0.05621	0.94379	33.75
25.5	554,677.89	31,085.34	0.05604	0.94396	31.85
26.5	517,130.82	31,766.02	0.06143	0.93857	30.07
27.5	516,503.84	34,536.07	0.06686	0.93314	28.22
28.5	436,421.57	27,638.94	0.06333	0.93667	26.33
29.5	416,756.42	28,549.33	0.06850	0.93150	24.66
30.5	364,150.43	23,792.74	0.06534	0.93466	22.97
31.5	294,844.49	18,846.79	0.06392	0.93608	21.47
32.5	229,426.34	14,940.22	0.06512	0.93488	20.10
33.5	190,723.46	12,604.70	0.06609	0.93391	18.79
34.5	137,890.53	9,199.31	0.06671	0.93329	17.55
35.5	71,736.22	4,812.65	0.06709	0.93291	16.38
36.5	46,485.71	3,122.30	0.06716	0.93284	15.28
37.5	10,903.07	731.53	0.06714	0.93286	14.25
38.5	0.00	0.00	0.00000	0.00000	13.29

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
CECO 394 Tools, Shop & Garage Equip	1999	330,745.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2000	331,028.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2001	345,522.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2002	330,346.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2003	662,929.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2004	327,940.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2005	327,082.34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 394 Tools, Shop & Garage Equip	2006	340,022.98	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		2,995,617.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: CECO 101/6-394 Tool shop garage
Dispersion: 21 - O3
Average Net Salvage Rate: 3.00%
Future Net Salvage Rate: 3.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$9,197,572.71		$414,725.03	4.509076
	Whole Life		21	$424,840.26	
	Amortization		0	$0.00	
	Retirements	$437,979.26	21	$10,115.24	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$9,197,572.71 *		$414,725.03	4.509081
	Average:	$8,978,583.08		$414,725.03	4.619048
	Grand Total:	$9,197,572.71 *		$414,725.03	4.509081

* Excluding 2007 Retirements

Account: CECO 101/6-394 Tool shop garage

Dispersion: 21.00 - O3

Average Net Salvage Rate: 3.00%

Future Net Salvage Rate: 3.00%

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	$615,683.93	21.00	20.75	0.9585	1.0000	$590,109.44	$28,438.73
2003	3.50	$95,304.82	21.00	20.49	0.9466	1.0000	$90,212.30	$4,402.18
2002	4.50	$63,701.21	21.00	20.40	0.9422	1.0000	$60,016.29	$2,942.39
2001	5.50	$0.00	21.00	20.32	0.9388	1.0000	$0.00	$0.00
2000	6.50	$90,253.11	21.00	20.27	0.9364	1.0000	$84,516.19	$4,168.83
1999	7.50	$0.00	21.00	20.24	0.9351	1.0000	$0.00	$0.00
1998	8.50	$51,669.82	21.00	20.23	0.9346	1.0000	$48,289.79	$2,386.65
1997	9.50	$591,880.23	21.00	20.24	0.9350	1.0000	$553,386.03	$27,339.23
1996	10.50	$203,282.44	21.00	20.27	0.9361	1.0000	$190,288.20	$9,389.71
1995	11.50	$265,558.48	21.00	20.30	0.9378	1.0000	$249,040.81	$12,266.27
1994	12.50	$164,310.22	21.00	20.35	0.9400	1.0000	$154,454.22	$7,589.57
1993	13.50	$302,670.23	21.00	20.40	0.9425	1.0000	$285,267.64	$13,980.48
1992	14.50	$308,988.74	21.00	20.46	0.9452	1.0000	$292,060.79	$14,272.34
1991	15.50	$935,446.73	21.00	20.52	0.9480	1.0000	$886,793.17	$43,208.73
1990	16.50	$910,769.85	21.00	20.58	0.9507	1.0000	$865,865.00	$42,068.89
1989	17.50	$823,332.38	21.00	20.63	0.9531	1.0000	$784,697.57	$38,030.11
1988	18.50	$501,976.70	21.00	20.68	0.9552	1.0000	$479,476.06	$23,186.54
1987	19.50	$1,022,493.93	21.00	20.72	0.9569	1.0000	$978,373.72	$47,229.46
1986	20.50	$484,329.53	21.00	20.74	0.9580	1.0000	$463,987.16	$22,371.41
1985	21.50	$285,619.88	21.00	20.75	0.9585	1.0000	$273,759.41	$13,192.92
1984	22.50	$253,013.40	21.00	20.75	0.9584	1.0000	$242,475.69	$11,686.81
1983	23.50	$220,285.58	21.00	20.73	0.9575	1.0000	$210,922.60	$10,175.10
1982	24.50	$199,669.40	21.00	20.70	0.9559	1.0000	$190,868.99	$9,222.82
1981	25.50	$77,684.35	21.00	20.64	0.9535	1.0000	$74,071.91	$3,586.28
1980	26.50	$81,169.88	21.00	20.57	0.9503	1.0000	$77,137.51	$3,749.28
1979	27.50	$74,128.74	21.00	20.49	0.9464	1.0000	$70,154.22	$3,424.04
1978	28.50	$87,542.50	21.00	20.39	0.9416	1.0000	$82,434.14	$4,043.63
1977	29.50	$54,421.60	21.00	20.27	0.9361	1.0000	$50,941.87	$2,513.76
1976	30.50	$45,750.08	21.00	20.13	0.9297	1.0000	$42,535.29	$2,113.22
1975	31.50	$49,008.53	21.00	19.97	0.9226	1.0000	$45,216.96	$2,263.73
1974	32.50	$50,370.61	21.00	19.80	0.9148	1.0000	$46,077.37	$2,326.64
1973	33.50	$25,820.37	21.00	19.62	0.9062	1.0000	$23,398.00	$1,192.66
1972	34.50	$43,916.40	21.00	19.42	0.8969	1.0000	$39,386.92	$2,028.52
1971	35.50	$62,469.18	21.00	19.20	0.8869	1.0000	$55,402.33	$2,885.48

Account: CECO 101/6-394 Tool shop garage

Dispersion: 21.00 - O3

Average Net Salvage Rate: 3.00%

Future Net Salvage Rate: 3.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1970	36.50	$22,517.95	21.00	18.97	0.8762	1.0000	$19,730.04	$1,040.11
1969	37.50	$35,915.07	21.00	18.72	0.8649	1.0000	$31,062.19	$1,658.93
1968	38.50	$11,295.83	21.00	18.47	0.8530	1.0000	$9,634.81	$521.76
1967	39.50	$22,316.21	21.00	18.19	0.8404	1.0000	$18,755.23	$1,030.80
1966	40.50	$9,179.99	21.00	17.91	0.8273	1.0000	$7,594.88	$424.03
1965	41.50	$7,080.46	21.00	17.62	0.8137	1.0000	$5,761.59	$327.05
1964	42.50	$3,540.88	21.00	17.31	0.7995	1.0000	$2,830.98	$163.55
1963	43.50	$6,006.07	21.00	16.99	0.7848	1.0000	$4,713.77	$277.42
1962	44.50	$2,463.10	21.00	16.66	0.7697	1.0000	$1,895.84	$113.77
1961	45.50	$1,811.85	21.00	16.33	0.7541	1.0000	$1,366.28	$83.69
1960	46.50	$3,266.92	21.00	15.98	0.7380	1.0000	$2,411.02	$150.90
1959	47.50	$3,002.48	21.00	15.62	0.7215	1.0000	$2,166.31	$138.69
1958	48.50	$2,538.06	21.00	15.26	0.7046	1.0000	$1,788.41	$117.23
1957	49.50	$8,539.21	21.00	14.88	0.6874	1.0000	$5,869.56	$394.43
1956	50.50	$2,406.57	21.00	14.50	0.6698	1.0000	$1,611.87	$111.16
1955	51.50	$3,412.58	21.00	14.11	0.6518	1.0000	$2,224.46	$157.63
1954	52.50	$4,070.60	21.00	13.72	0.6335	1.0000	$2,578.90	$188.02
1953	53.50	$733.45	21.00	13.31	0.6150	1.0000	$451.04	$33.88
1952	54.50	$1,078.42	21.00	12.90	0.5961	1.0000	$642.81	$49.81
1951	55.50	$519.47	21.00	12.49	0.5769	1.0000	$299.68	$23.99
1950	56.50	$460.17	21.00	12.07	0.5575	1.0000	$256.53	$21.26
1949	57.50	$1,277.72	21.00	11.64	0.5378	1.0000	$687.14	$59.02
1948	58.50	$666.07	21.00	11.21	0.5179	1.0000	$344.94	$30.77
1947	59.50	$313.90	21.00	10.78	0.4977	1.0000	$156.23	$14.50
1946	60.50	$22.49	21.00	10.33	0.4773	1.0000	$10.74	$1.04
1945	61.50	$8.93	21.00	9.89	0.4566	1.0000	$4.08	$0.41
1944	62.50	$30.51	21.00	9.44	0.4360	1.0000	$13.30	$1.41
1943	63.50	$13.94	21.00	8.99	0.4151	1.0000	$5.79	$0.64
1942	64.50	$42.12	21.00	8.53	0.3939	1.0000	$16.59	$1.95
1941	65.50	$36.97	21.00	8.07	0.3726	1.0000	$13.78	$1.71
1940	66.50	$29.61	21.00	7.60	0.3512	1.0000	$10.40	$1.37
1939	67.50	$50.89	21.00	7.14	0.3296	1.0000	$16.77	$2.35
1938	68.50	$210.01	21.00	6.67	0.3079	1.0000	$64.66	$9.70
1937	69.50	$45.77	21.00	6.19	0.2860	1.0000	$13.09	$2.11

Account: CECO 101/6-394 Tool shop garage

Dispersion: 21.00 - O3

Average Net Salvage Rate: 3.00%

Future Net Salvage Rate: 3.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1936	70.50	$93.15	21.00	5.72	0.2640	1.0000	$24.59	$4.30
1935	71.50	$6.37	21.00	5.24	0.2419	1.0000	$1.54	$0.29
1934	72.50	$23.56	21.00	4.76	0.2197	1.0000	$5.18	$1.09
1933	73.50	$2.27	21.00	4.27	0.1974	1.0000	$0.45	$0.10
1932	74.50	$1.30	21.00	3.79	0.1750	1.0000	$0.23	$0.06
1931	75.50	$7.32	21.00	3.30	0.1525	1.0000	$1.12	$0.34
1930	76.50	$11.41	21.00	2.81	0.1299	1.0000	$1.48	$0.53
1929	77.50	$0.21	21.00	2.32	0.1073	1.0000	$0.02	$0.01
1928	78.50	$0.00	21.00	1.83	0.0846	1.0000	$0.00	$0.00
1927	79.50	$0.00	21.00	1.34	0.0619	1.0000	$0.00	$0.00
1926	80.50	$0.00	21.00	0.85	0.0395	1.0000	$0.00	$0.00
1924	82.50	$0.00	21.00	0.00	0.0000	0.0000	$0.00	$0.00
1923	83.50	$0.00	21.00	0.00	0.0000	0.0000	$0.00	$0.00
1922	84.50	$0.00	21.00	0.00	0.0000	0.0000	$0.00	$0.00
1921	85.50	$0.00	21.00	0.00	0.0000	0.0000	$0.00	$0.00
		$9,197,572.71	21.00	20.49	0.9466	1.0000	$8,706,665.91	$424,840.26

Depreciation Reserve Summary

Account: CECO 101/6-394 Tool shop garage
Scenario: CECO GENL Accts ADR
Version: 21 - Q3
Average Net Salvage Rate: 3.00%
Future Net Salvage Rate: 3.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$9,197,572.71	$2,115,617.05	0.2300	$6,806,028.48	0.7400
Computed	$9,197,572.71	$214,979.62	0.0234	$8,706,665.91	0.9466
Difference		$1,900,637.43	0.2066	($1,900,637.43)	-0.2066

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 395 General Laboratory Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 35 O1

Actuarial Life Analysis

43.46 S1.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 7 - 52 Years

Recommendation

We recommend 39 R1.5

Comments:
The actuarial results suggested a 43.46 S1.5 . This life seemed too long although it was within the EEI Study range of 7 to 52 Years. We compared S curves, L curves and R curves with a shorter life and found the 39 R 1.5 to be a very good fit.

Salvage Factor Estimates

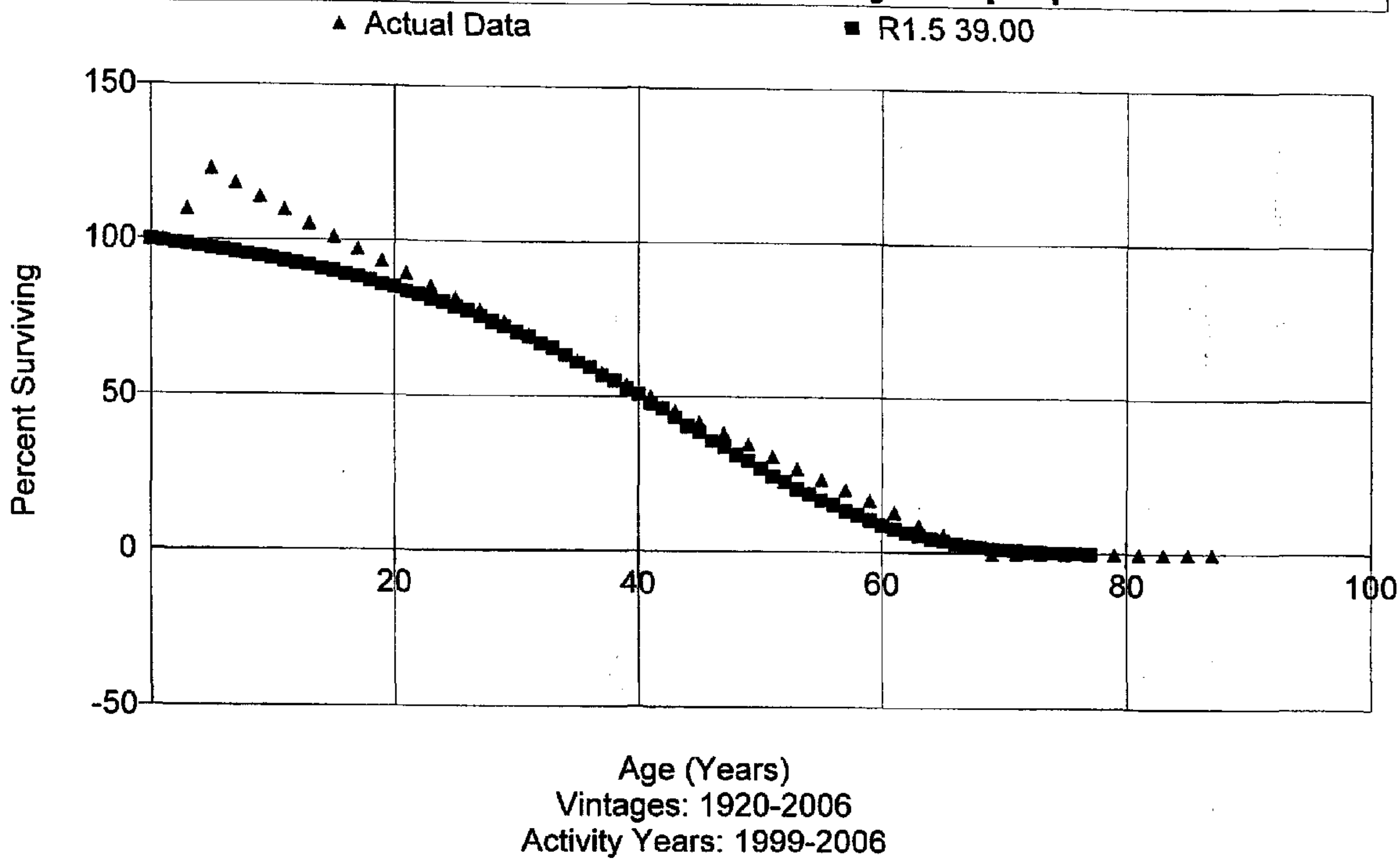
Current Net salvage Rate is 10%
Proposed Net salvage Rate 10%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate. We believe the period studied is too short to be decisive. The Industry net cost of removal per the EEI study ranged from 0% to 500% . We recommend no change to the net salvage rate at this time based on our findings.

Summary of Recommendations

39	Average Service Life
R1.5	Iowa Curve
10	% Net Salvage

Cleveland Electric Illuminating Company
Account 395 Laboratory Equipment



Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 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	-2,711,829.54	0.00	0.00000	1.00000	100.00
0.5	-1,355,914.00	0.00	0.00000	1.00000	100.00
1.5	-1,181,536.32	-19,197.51	0.01625	0.98375	
2.5	-204,365.31	23,850.37	-0.11670	1.11670	
3.5	-215,059.33	17,045.31	-0.07926	1.07926	
4.5	413,614.17	-15,066.17	-0.03643	1.03643	
5.5	2,124,769.70	39,155.52	0.01843	0.98157	
6.5	2,690,876.36	51,700.87	0.01921	0.98079	
7.5	3,350,712.12	65,026.78	0.01941	0.98059	
8.5	3,723,745.39	68,899.14	0.01850	0.98150	
9.5	3,684,256.77	67,402.23	0.01829	0.98171	
10.5	3,338,645.75	60,120.98	0.01801	0.98199	
11.5	4,004,011.09	85,329.66	0.02131	0.97869	
12.5	3,906,613.77	76,712.81	0.01964	0.98036	
13.5	3,735,033.57	72,592.95	0.01944	0.98056	
14.5	3,414,897.35	67,839.32	0.01987	0.98013	
15.5	3,076,100.55	58,642.95	0.01906	0.98094	
16.5	2,706,321.77	53,318.67	0.01970	0.98030	
17.5	2,322,375.77	46,112.44	0.01986	0.98014	
18.5	2,127,562.38	42,506.90	0.01998	0.98002	
19.5	1,275,072.89	25,822.13	0.02025	0.97975	
20.5	954,424.30	21,542.66	0.02257	0.97743	
21.5	837,917.91	21,154.01	0.02525	0.97475	
22.5	559,760.86	12,084.58	0.02159	0.97841	
23.5	488,600.93	10,933.95	0.02238	0.97762	
24.5	390,549.11	8,937.46	0.02288	0.97712	
25.5	322,917.92	7,373.38	0.02283	0.97717	
26.5	286,981.44	6,710.48	0.02338	0.97662	
27.5	274,825.96	6,684.91	0.02432	0.97568	
28.5	186,417.07	4,605.07	0.02470	0.97530	
29.5	35,824.43	953.22	0.02660	0.97340	
30.5	35,940.95	1,083.92	0.03016	0.96984	
31.5	29,165.69	896.99	0.03075	0.96925	
32.5	19,616.74	532.35	0.02712	0.97288	
33.5	20,634.50	625.41	0.03029	0.96971	
34.5	25,967.20	919.25	0.03539	0.96461	
35.5	23,248.59	748.31	0.03217	0.96783	
36.5	23,533.20	786.09	0.03340	0.96660	
37.5	23,176.47	792.56	0.03422	0.96578	
38.5	17,460.06	569.12	0.03259	0.96741	
39.5	13,015.35	436.02	0.03350	0.96650	
40.5	12,926.57	459.28	0.03551	0.96449	
41.5	25,895.69	1,426.25	0.05507	0.94493	
42.5	21,349.67	853.67	0.04000	0.96000	
43.5	19,619.36	786.25	0.04006	0.95994	
44.5	17,207.03	698.40	0.04056	0.95944	
45.5	15,949.26	708.76	0.04445	0.95555	
46.5	15,320.62	676.68	0.04419	0.95581	
47.5	15,131.79	712.90	0.04712	0.95288	
48.5	14,176.37	679.91	0.04797	0.95203	
49.5	3,640.02	200.00	0.05495	0.94505	
50.5	2,858.87	178.61	0.06261	0.93739	
51.5	2,984.83	207.83	0.06968	0.93032	
52.5	2,811.41	174.18	0.06190	0.93810	

Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 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
53.5	1,975.00	124.60	0.06329	0.93671	
54.5	1,754.18	118.12	0.06727	0.93273	
55.5	1,340.36	96.78	0.07239	0.92761	
56.5	1,283.68	102.57	0.08022	0.91978	
57.5	1,008.05	87.51	0.08730	0.91270	
58.5	611.78	56.39	0.09150	0.90850	
59.5	151.77	17.05	0.11184	0.88816	
60.5	65.71	7.41	0.10606	0.89394	
61.5	58.30	7.44	0.12069	0.87931	
62.5	199.66	45.33	0.22500	0.77500	
63.5	154.33	26.39	0.16883	0.83117	
64.5	113.90	23.49	0.20175	0.79825	
65.5	89.40	24.64	0.28090	0.71910	
66.5	64.76	22.72	0.35385	0.64615	
67.5	49.11	28.24	0.57143	0.42857	
68.5	20.87	24.54	1.19048	-0.19048	
69.5	15.88	6.18	0.37500	0.62500	
70.5	-23.33	-6.46	0.26087	0.73913	
71.5	-16.87	0.65	-0.05882	1.05882	
72.5	-17.52	0.63	-0.05556	1.05556	
73.5	-26.67	0.00	0.00000	1.00000	
74.5	-26.67	0.00	0.00000	1.00000	
75.5	-22.99	0.00	0.00000	1.00000	
76.5	-22.99	0.00	0.00000	1.00000	
77.5	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
CECO 395 Laboratory Equipment	1999	123,463.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2000	123,444.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2001	123,443.54	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2002	101,715.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2003	123,434.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2004	123,432.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2005	79,989.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 395 Laboratory Equipment	2006	101,659.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		900,583.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: CECO 101/6-395 Laboratory equip

Dispersion: 39 - R1.5

rage 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	$5,247,182.39		$120,322.84	2.293104
	Whole Life		39	$121,088.82	
	Amortization		0	$0.00	
	Retirements	$66,385.03	39	$765.98	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$5,247,182.39 *		$120,322.84	2.293113
	Average:	$5,213,989.88		$120,322.84	2.307692
	Grand Total:	$5,247,182.39 *		$120,322.84	2.293113

* Excluding 2007 Retirements

Account: CECO 101/6-395 Laboratory equip

Dispersion: 39.00 - R1.5

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
2000	6.50	$0.00	39.00	33.76	0.7791	1.0000	$0.00	$0.00
1997	9.50	$91,545.41	39.00	31.43	0.7253	1.0000	$66,394.79	$2,112.59
1996	10.50	$501,945.77	39.00	30.66	0.7076	1.0000	$355,177.17	$11,583.36
1995	11.50	$11,581.95	39.00	29.90	0.6901	1.0000	$7,992.52	$267.28
1994	12.50	$336,961.32	39.00	29.15	0.6727	1.0000	$226,675.46	$7,776.03
1993	13.50	$211,075.91	39.00	28.40	0.6555	1.0000	$138,351.92	$4,870.98
1992	14.50	$314,481.29	39.00	27.66	0.6384	1.0000	$200,765.44	$7,257.26
1991	15.50	$368,846.59	39.00	26.93	0.6215	1.0000	$229,229.25	$8,511.84
1990	16.50	$436,771.72	39.00	26.21	0.6047	1.0000	$264,135.12	$10,079.35
1989	17.50	$408,008.67	39.00	25.49	0.5882	1.0000	$239,976.67	$9,415.58
1988	18.50	$187,594.16	39.00	24.78	0.5718	1.0000	$107,264.52	$4,329.10
1987	19.50	$839,144.20	39.00	24.08	0.5556	1.0000	$466,220.33	$19,364.67
1986	20.50	$404,979.67	39.00	23.38	0.5396	1.0000	$218,519.80	$9,345.68
1985	21.50	$282,489.60	39.00	22.70	0.5238	1.0000	$147,974.07	$6,518.99
1984	22.50	$269,312.51	39.00	22.02	0.5082	1.0000	$136,877.03	$6,214.90
1983	23.50	$73,941.81	39.00	21.36	0.4929	1.0000	$36,447.73	$1,706.35
1982	24.50	$100,065.39	39.00	20.71	0.4778	1.0000	$47,812.24	$2,309.20
1981	25.50	$60,465.41	39.00	20.06	0.4630	1.0000	$27,992.95	$1,395.36
1980	26.50	$29,832.55	39.00	19.43	0.4483	1.0000	$13,375.09	$688.44
1979	27.50	$10,667.62	39.00	18.81	0.4340	1.0000	$4,629.35	$246.18
1978	28.50	$85,655.43	39.00	18.20	0.4199	1.0000	$35,966.48	$1,976.66
1977	29.50	$151,979.63	39.00	17.60	0.4061	1.0000	$61,713.26	$3,507.22
1976	30.50	$5,564.16	39.00	17.01	0.3925	1.0000	$2,184.15	$128.40
1975	31.50	$11,019.10	39.00	16.44	0.3793	1.0000	$4,179.23	$254.29
1974	32.50	$8,886.75	39.00	15.87	0.3663	1.0000	$3,255.36	$205.08
1973	33.50	$347.99	39.00	15.32	0.3536	1.0000	$123.06	$8.03
1972	34.50	$481.62	39.00	14.79	0.3413	1.0000	$164.36	$11.11
1971	35.50	$4,126.39	39.00	14.27	0.3292	1.0000	$1,358.38	$95.22
1970	36.50	$1,443.52	39.00	13.75	0.3174	1.0000	$458.20	$33.31
1969	37.50	$1,826.78	39.00	13.26	0.3060	1.0000	$558.96	$42.16
1968	38.50	$5,190.51	39.00	12.78	0.2948	1.0000	$1,530.32	$119.78
1967	39.50	$4,005.43	39.00	12.31	0.2840	1.0000	$1,137.58	$92.43
1965	41.50	$1,478.66	39.00	11.41	0.2633	1.0000	$389.30	$34.12
1964	42.50	$4,992.26	39.00	10.98	0.2534	1.0000	$1,264.90	$115.21

Account: CECO 101/6-395 Laboratory equip

Dispersion: 39.00 - R1.5

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
1963	43.50	$1,701.64	39.00	10.56	0.2438	1.0000	$414.79	$39.27
1962	44.50	$1,858.59	39.00	10.16	0.2345	1.0000	$435.75	$42.89
1961	45.50	$1,664.61	39.00	9.77	0.2254	1.0000	$375.26	$38.41
1960	46.50	$77.66	39.00	9.39	0.2167	1.0000	$16.83	$1.79
1958	48.50	$254.15	39.00	8.66	0.2000	1.0000	$50.82	$5.87
1957	49.50	$10,736.37	39.00	8.32	0.1920	1.0000	$2,060.90	$247.76
1956	50.50	$1,206.85	39.00	7.98	0.1842	1.0000	$222.26	$27.85
1955	51.50	$534.72	39.00	7.65	0.1766	1.0000	$94.43	$12.34
1954	52.50	$110.92	39.00	7.33	0.1692	1.0000	$18.77	$2.56
1953	53.50	$704.01	39.00	7.02	0.1620	1.0000	$114.03	$16.25
1952	54.50	$102.70	39.00	6.71	0.1549	1.0000	$15.91	$2.37
1951	55.50	$317.05	39.00	6.41	0.1480	1.0000	$46.92	$7.32
1949	57.50	$224.94	39.00	5.83	0.1345	1.0000	$30.26	$5.19
1948	58.50	$337.22	39.00	5.55	0.1280	1.0000	$43.16	$7.78
1947	59.50	$466.76	39.00	5.27	0.1217	1.0000	$56.78	$10.77
1946	60.50	$76.80	39.00	5.00	0.1153	1.0000	$8.86	$1.77
1942	64.50	$16.94	39.00	3.98	0.0918	1.0000	$1.56	$0.39
1941	65.50	$12.98	39.00	3.75	0.0865	1.0000	$1.12	$0.30
1939	67.50	$5.27	39.00	3.30	0.0761	1.0000	$0.40	$0.12
1936	70.50	$51.98	39.00	2.60	0.0601	1.0000	$3.12	$1.20
1933	73.50	$10.43	39.00	1.68	0.0387	1.0000	$0.40	$0.24
1931	75.50	$0.00	39.00	1.04	0.0241	1.0000	$0.00	$0.00
1929	77.50	$0.00	39.00	0.44	0.0103	1.0000	$0.00	$0.00
		$5,247,182.39	39.00	25.22	0.5820	1.0000	$3,054,107.32	$121,088.82

Depreciation Reserve Summary

Account: CECO 101/6-395 Laboratory equip
Scenario: CECO GENL Accts ADR
Version: 39 - R1.5
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	$5,247,182.39	$1,553,602.92	0.2961	$3,168,861.23	0.6039
Computed	$5,247,182.39	$1,668,356.83	0.3180	$3,054,107.32	0.5820
Difference		($114,753.91)	-0.0219	$114,753.91	0.0219

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 396 General Power Operated Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 15 L2

Actuarial Life Analysis

19.78 L0.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 9 - 30 Years

Recommendation

We recommend 19 L0.5

Comments:
The Actuarial study results of 19 L0.5 were the best fit for the data studied and was within the EEI Study range of 9 to 30 years. We compared S curves, and R curves with similar lives, but not quite as good a fit for this data as the L curve.

Salvage Factor Estimates

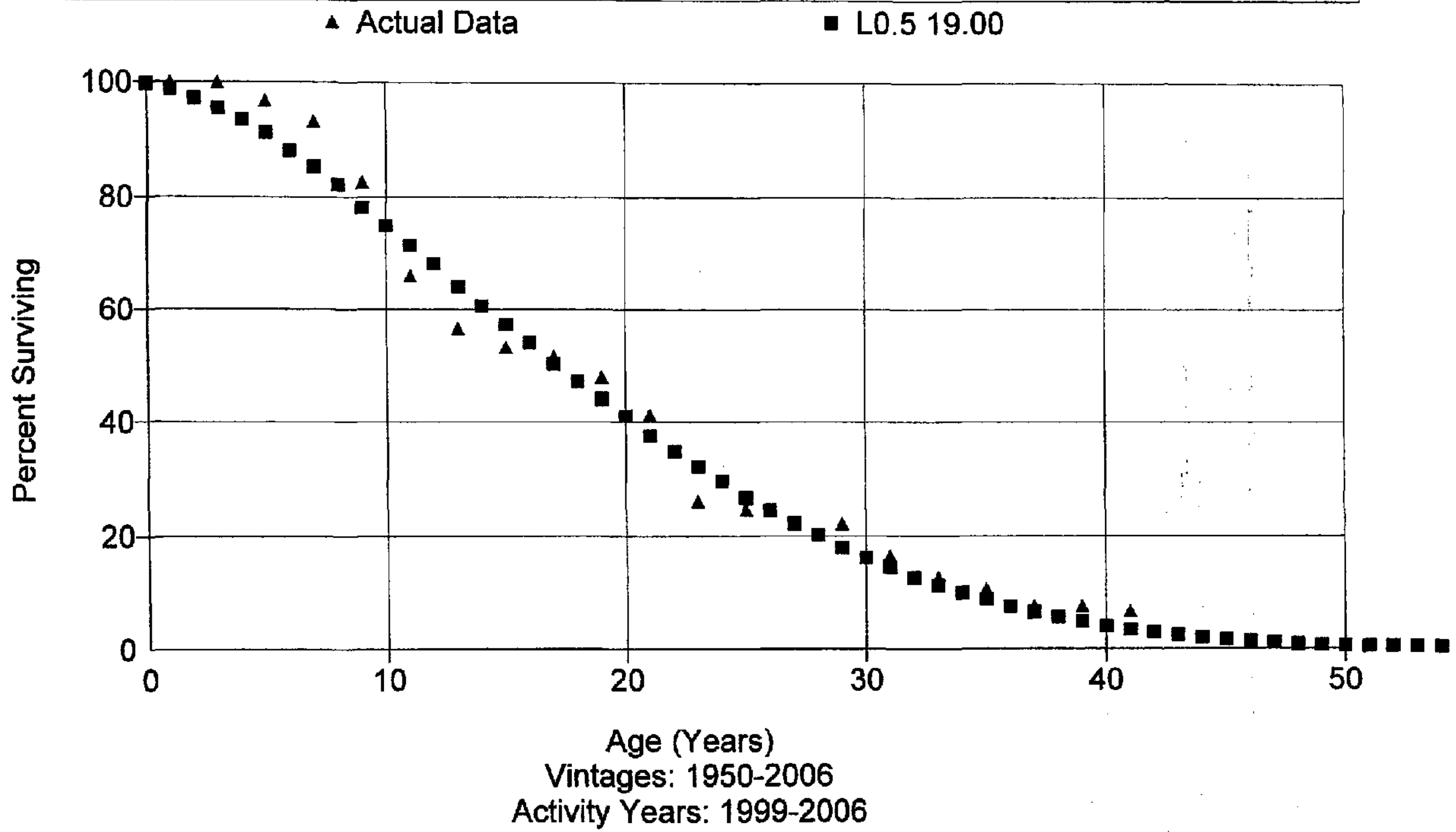
Current Net salvage Rate is 15%
Proposed Net salvage Rate 15%

Comments:
Our study of 1999 - 2006 data produced a 1.47% net salvage rate. We believe the period studied is too short to be decisive. The Industry net cost of removal per the EEI study ranged from 0% to 128% . We recommend no change to the net salvage rate at this time based on our findings.

Summary of Recommendations

19	Average Service Life
L0.5	Iowa Curve
15	% Net Salvage

Cleveland Electric Illuminating Company
Account 396 Power Operated Equipment



Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 101/6-396 Power operated equip

Placement Band: 1950 - 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	101,850.59	0.00	0.00000	1.00000	100.00
0.5	108,683.18	0.00	0.00000	1.00000	100.00
1.5	219,038.91	0.00	0.00000	1.00000	100.00
2.5	387,471.27	0.00	0.00000	1.00000	100.00
3.5	1,009,755.06	5,940.64	0.00588	0.99412	100.00
4.5	2,412,063.60	61,889.79	0.02566	0.97434	99.41
5.5	2,551,748.17	71,999.00	0.02822	0.97178	96.86
6.5	2,881,033.24	28,190.02	0.00978	0.99022	94.13
7.5	2,925,561.43	91,752.29	0.03136	0.96864	93.21
8.5	3,479,980.08	293,505.44	0.08434	0.91566	90.29
9.5	3,752,912.10	318,405.80	0.08484	0.91516	82.67
10.5	4,490,258.00	577,859.51	0.12869	0.87131	75.66
11.5	3,468,027.61	373,099.34	0.10758	0.89242	65.92
12.5	3,358,548.65	127,520.54	0.03797	0.96203	58.83
13.5	2,957,292.16	107,188.40	0.03625	0.96375	56.60
14.5	2,845,676.58	75,759.93	0.02662	0.97338	54.55
15.5	2,091,511.51	18,092.04	0.00865	0.99135	53.10
16.5	2,800,369.63	59,605.67	0.02129	0.97871	52.64
17.5	1,988,521.26	73,074.12	0.03675	0.96325	51.52
18.5	1,601,134.28	57,969.61	0.03621	0.96379	49.63
19.5	1,369,963.14	32,053.79	0.02340	0.97660	47.83
20.5	1,608,533.04	187,444.41	0.11653	0.88347	46.71
21.5	1,646,795.28	124,640.60	0.07569	0.92431	41.27
22.5	1,458,840.08	459,065.65	0.31468	0.68532	38.15
23.5	1,084,618.88	0.00	0.00000	1.00000	26.14
24.5	660,166.20	36,509.71	0.05530	0.94470	26.14
25.5	718,889.03	65,921.90	0.09170	0.90830	24.69
26.5	641,051.73	7,317.85	0.01142	0.98858	22.43
27.5	566,711.86	0.00	0.00000	1.00000	22.17
28.5	371,219.54	45.00	0.00012	0.99988	22.17
29.5	396,490.07	100,651.57	0.25386	0.74614	22.17
30.5	312,620.74	0.00	0.00000	1.00000	16.54
31.5	226,647.62	30,880.82	0.13625	0.86375	16.54
32.5	212,927.80	24,283.00	0.11404	0.88596	14.29
33.5	180,001.80	17,661.00	0.09812	0.90188	12.66
34.5	162,340.80	11,330.00	0.06979	0.93021	11.42
35.5	194,534.80	0.00	0.00000	1.00000	10.62
36.5	123,378.74	35,947.14	0.29135	0.70865	10.62
37.5	43,524.00	0.00	0.00000	1.00000	7.53
38.5	43,524.00	0.00	0.00000	1.00000	7.53
39.5	49,011.00	0.00	0.00000	1.00000	7.53
40.5	49,011.00	5,487.00	0.11195	0.88805	7.53
41.5	43,524.00	43,524.00	1.00000	0.00000	6.69
42.5	0.00	0.00	0.00000	0.00000	0.00

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
CECO 396 Power Operated Equipment	1999	255,390.93	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 396 Power Operated Equipment	2000	2,112,304.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 396 Power Operated Equipment	2001	436,601.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 396 Power Operated Equipment	2004	0.00	51,649.71	0.00	0.00	0.00	0.00	0.00	51,649.71	0.00	0.00
CECO 396 Power Operated Equipment	2005	611,732.57	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 396 Power Operated Equipment	2006	108,586.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		3,524,615.58	51,649.71	1.47	0.00	0.00	0.00	0.00	51,649.71	1.47	

Whole Life Depreciation Accrual

Account: CECO 101/6-396 Power operated equip

Dispersion: 19 - L0.5

Average Net Salvage Rate: 15.00%

Future Net Salvage Rate: 15.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$4,725,622.96		$203,994.17	4.316778
Whole Life		19	$211,409.45	
Amortization		0	$0.00	
Retirements	$331,506.56	19	$7,415.28	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$4,725,622.96 *		$203,994.17	4.316789
Average:	$4,559,869.68		$203,994.17	4.473684
Grand Total:	$4,725,622.96 *		$203,994.17	4.316789

* Excluding 2007 Retirements

Account: CECO 101/6-396 Power operated equip

Dispersion: 19.00 - L0.5

Average Net Salvage Rate: 15.00%

Future 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
2000	6.50	$0.00	19.00	14.56	0.6516	1.0000	$0.00	$0.00
1999	7.50	$0.00	19.00	14.07	0.6293	1.0000	$0.00	$0.00
1997	9.50	$103,524.73	19.00	13.18	0.5898	1.0000	$61,054.68	$4,631.37
1996	10.50	$162,491.72	19.00	12.79	0.5723	1.0000	$92,997.92	$7,269.37
1995	11.50	$510,124.86	19.00	12.41	0.5554	1.0000	$283,317.87	$22,821.38
1994	12.50	$139,245.00	19.00	12.05	0.5390	1.0000	$75,047.12	$6,229.38
1993	13.50	$111,846.18	19.00	11.69	0.5230	1.0000	$58,497.25	$5,003.73
1992	14.50	$274,532.46	19.00	11.34	0.5075	1.0000	$139,327.70	$12,281.72
1991	15.50	$617,055.09	19.00	11.01	0.4925	1.0000	$303,884.44	$27,605.10
1990	16.50	$168,454.33	19.00	10.68	0.4779	1.0000	$80,497.14	$7,536.11
1989	17.50	$632,581.58	19.00	10.36	0.4637	1.0000	$293,308.62	$28,299.70
1988	18.50	$356,171.25	19.00	10.06	0.4499	1.0000	$160,235.68	$15,933.98
1987	19.50	$220,854.48	19.00	9.76	0.4365	1.0000	$96,403.77	$9,880.33
1986	20.50	$49,044.00	19.00	9.47	0.4235	1.0000	$20,770.01	$2,194.07
1985	21.50	$112,247.44	19.00	9.18	0.4109	1.0000	$46,118.71	$5,021.60
1984	22.50	$69,144.00	19.00	8.91	0.3986	1.0000	$27,560.40	$3,093.28
1983	23.50	$118,539.85	19.00	8.64	0.3867	1.0000	$45,837.64	$5,303.10
1982	24.50	$491,203.03	19.00	8.38	0.3751	1.0000	$184,255.18	$21,974.87
1981	25.50	$21,436.52	19.00	8.13	0.3639	1.0000	$7,800.00	$959.00
1980	26.50	$11,796.60	19.00	7.89	0.3530	1.0000	$4,163.66	$527.74
1979	27.50	$78,082.10	19.00	7.65	0.3424	1.0000	$26,734.29	$3,493.15
1978	28.50	$237,960.09	19.00	7.42	0.3321	1.0000	$79,028.57	$10,645.58
1977	29.50	$18,610.87	19.00	7.20	0.3221	1.0000	$5,995.46	$832.59
1976	30.50	$5,784.40	19.00	6.99	0.3125	1.0000	$1,807.80	$258.78
1975	31.50	$91,183.72	19.00	6.78	0.3032	1.0000	$27,644.38	$4,079.27
1974	32.50	$0.00	19.00	6.57	0.2941	1.0000	$0.00	$0.00
1973	33.50	$8,643.00	19.00	6.38	0.2854	1.0000	$2,466.48	$386.66
1972	34.50	$0.00	19.00	6.19	0.2770	1.0000	$0.00	$0.00
1971	35.50	$0.00	19.00	6.01	0.2688	1.0000	$0.00	$0.00
1970	36.50	$71,156.06	19.00	5.83	0.2610	1.0000	$18,571.39	$3,183.30
1969	37.50	$43,907.60	19.00	5.67	0.2535	1.0000	$11,128.59	$1,964.29
1968	38.50	$0.00	19.00	5.51	0.2463	1.0000	$0.00	$0.00
1967	39.50	$0.00	19.00	5.35	0.2394	1.0000	$0.00	$0.00
1966	40.50	$0.00	19.00	5.20	0.2327	1.0000	$0.00	$0.00

Account: CECO 101/6-396 Power operated equip

Dispersion: 19.00 - L0.5

Average Net Salvage Rate: 15.00%

Future 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
1963	43.50	$0.00	19.00	4.60	0.2147	1.0000	$0.00	$0.00
1959	47.50	$0.00	19.00	4.34	0.1943	1.0000	$0.00	$0.00
		$4,725,622.96	19.00	10.19	0.4559	1.0000	$2,154,454.93	$211,409.45

Depreciation Reserve Summary

Account: CECO 101/6-396 Power operated equip
Scenario: CECO GENL Accts ADR
Version: 19 - L0.5
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	$4,725,622.96	$3,395,550.97	0.7185	$621,228.55	0.1315
Computed	$4,725,622.96	$1,862,324.58	0.3941	$2,154,454.94	0.4559
Difference		$1,533,226.39	0.3244	($1,533,226.39)	-0.3244

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 397 General Communication Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 18 L2

Actuarial Life Analysis

11.53 R1 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 9 - 35 Years

Recommendation

We recommend 14 L1

Comments:
While 11.53 Years was the recommended fit, the 14 L1 seemed more in line with the previous study and appeared actuarially sound while remaining in the L family of curves. Further, the exposures at 11.5 and 12.5 years were far too high for the recommended shortened life , whereas at year 14.5 they became statistically insignificant.

Salvage Factor Estimates

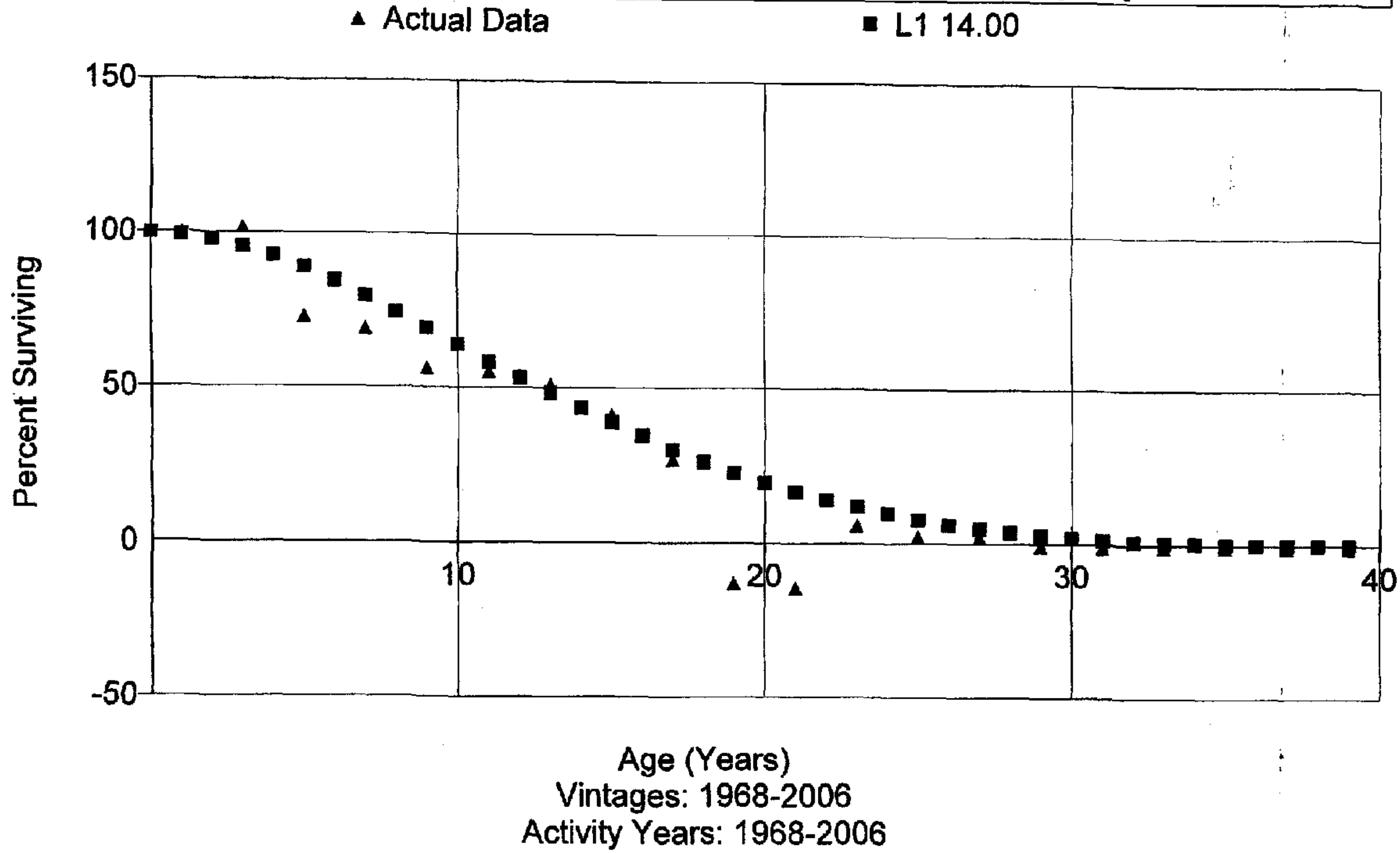
Current Net salvage Rate is -5%
Proposed Net salvage Rate -5%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate. We believe the period studied is too short to be decisive. The Industry net cost of removal per the EEI study ranged from 500% to -17% We recommend no change to the net salvage rate at this time based on our findings.

Summary of Recommendations

14	Average Service Life
L1	Iowa Curve
-5	% Net Salvage

Cleveland Electric Illuminating Company
Account 397 Communication Equipment



Observed Life Table

Scenario: CECO GENL STUDY 2007
Account: CECO 101/6-397 Communication equip
Placement Band: 1968 - 2006   Observation Band: 1968 - 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	-3,754,978.18	0.00	0.00000	1.00000	100.00
0.5	-1,556,166.13	0.00	0.00000	1.00000	100.00
1.5	1,143,008.64	-30,180.44	-0.02640	1.02640	
2.5	-984,131.01	-9,473.64	0.00963	0.99037	
3.5	-1,041,102.60	-12,807.15	0.01230	0.98770	
4.5	-145,680.88	-39,951.04	0.27424	0.72576	
5.5	2,693,104.08	102,610.67	0.03810	0.96190	
6.5	3,146,323.13	47,998.82	0.01526	0.98474	
7.5	2,804,699.10	519,230.78	0.18513	0.81487	
8.5	389,699.28	808.60	0.00208	0.99792	
9.5	1,927,789.79	27,232.37	0.01413	0.98587	
10.5	6,238,103.54	23,414.63	0.00375	0.99625	
11.5	10,106,311.48	4,863.15	0.00048	0.99952	
12.5	6,489,142.03	510,558.08	0.07868	0.92132	
13.5	1,045,885.96	155,859.97	0.14902	0.85098	
14.5	368,531.59	17,220.39	0.04673	0.95327	
15.5	10,816.03	3,533.72	0.32674	0.67326	
16.5	197,091.46	3,723.07	0.01889	0.98111	
17.5	196,999.23	288,818.17	1.46609	-0.46609	
18.5	-102,058.09	2,097.70	-0.02056	1.02056	
19.5	-112,307.47	1,449.44	-0.01290	1.01290	
20.5	-3,607.63	354.13	-0.09812	1.09812	
21.5	1,440.21	2,113.56	1.46806	-0.46806	
22.5	16,326.18	1,886.70	0.11558	0.88442	
23.5	15,255.44	9,096.01	0.59626	0.40374	
24.5	12,410.57	648.18	0.05221	0.94779	
25.5	93,501.18	281.61	0.00302	0.99698	
26.5	88,028.98	1,559.03	0.01771	0.98229	
27.5	6,635.11	4,362.11	0.65742	0.34258	
28.5	1,176.94	2,081.15	1.76805	-0.76805	
29.5	-3,198.20	297.18	-0.09287	1.09287	
30.5	-6,054.71	486.22	-0.08026	1.08026	
31.5	-6,575.31	144.27	-0.02190	1.02190	
32.5	-6,543.88	0.00	0.00000	1.00000	
33.5	-6,543.88	0.00	0.00000	1.00000	
34.5	-5,717.84	0.00	0.00000	1.00000	
35.5	-3,720.14	0.00	0.00000	1.00000	
36.5	-298.15	0.00	0.00000	1.00000	
37.5	-261.76	0.00	0.00000	1.00000	
38.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
CECO 397 Communication Equipment	1999	37,024.74	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 397 Communication Equipment	2000	1,553,965.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 397 Communication Equipment	2002	(4,941.29)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 397 Communication Equipment	2003	23,121.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 397 Communication Equipment	2004	25,156.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 397 Communication Equipment	2005	(16,604.90)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 397 Communication Equipment	2006	22.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		1,617,744.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: CECO 101/6-397 Communication equip
Dispersion: 14 - L1
age 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	$244,819.77		$17,897.14	7.310537
	Whole Life		14	$18,361.48	
	Amortization		0	$0.00	
	Retirements	$12,382.51	14	$464.34	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$244,819.77 *		$17,897.14	7.310726
	Average:	$238,628.52		$17,897.14	7.500001
	Grand Total:	$244,819.77 *		$17,897.14	7.310726

* Excluding 2007 Retirements

Account: CECO 101/6-397 Communication equip

Dispersion: 14.00 - L1

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	$11,325.25	14.00	12.64	0.9480	1.0000	$10,735.90	$849.39
2004	2.50	$0.00	14.00	11.81	0.8861	1.0000	$0.00	$0.00
2003	3.50	$0.00	14.00	11.07	0.8301	1.0000	$0.00	$0.00
2001	5.50	$221,258.14	14.00	9.83	0.7372	1.0000	$163,100.69	$16,594.36
2000	6.50	$0.00	14.00	9.33	0.6995	1.0000	$0.00	$0.00
1999	7.50	$19.58	14.00	8.89	0.6665	1.0000	$13.05	$1.47
1998	8.50	$0.00	14.00	8.49	0.6365	1.0000	$0.00	$0.00
1997	9.50	$0.00	14.00	8.11	0.6079	1.0000	$0.00	$0.00
1996	10.50	$12,216.80	14.00	7.74	0.5805	1.0000	$7,091.77	$916.26
1995	11.50	$0.00	14.00	7.39	0.5541	1.0000	$0.00	$0.00
1994	12.50	$0.00	14.00	7.05	0.5287	1.0000	$0.00	$0.00
1993	13.50	$0.00	14.00	6.72	0.5042	1.0000	$0.00	$0.00
1992	14.50	$0.00	14.00	6.41	0.4806	1.0000	$0.00	$0.00
1991	15.50	$0.00	14.00	6.10	0.4578	1.0000	$0.00	$0.00
1990	16.50	$0.00	14.00	5.81	0.4358	1.0000	$0.00	$0.00
1989	17.50	$0.00	14.00	5.53	0.4146	1.0000	$0.00	$0.00
1988	18.50	$0.00	14.00	5.25	0.3940	1.0000	$0.00	$0.00
1987	19.50	$0.00	14.00	4.99	0.3741	1.0000	$0.00	$0.00
1986	20.50	$0.00	14.00	4.73	0.3548	1.0000	$0.00	$0.00
1985	21.50	$0.00	14.00	4.48	0.3362	1.0000	$0.00	$0.00
1984	22.50	$0.00	14.00	4.24	0.3181	1.0000	$0.00	$0.00
1983	23.50	$0.00	14.00	4.01	0.3005	1.0000	$0.00	$0.00
1982	24.50	$0.00	14.00	3.78	0.2834	1.0000	$0.00	$0.00
1981	25.50	$0.00	14.00	3.56	0.2667	1.0000	$0.00	$0.00
1980	26.50	$0.00	14.00	3.34	0.2506	1.0000	$0.00	$0.00
1979	27.50	$0.00	14.00	3.13	0.2348	1.0000	$0.00	$0.00
1977	29.50	$0.00	14.00	2.73	0.2046	1.0000	$0.00	$0.00
1976	30.50	$0.00	14.00	2.53	0.1900	1.0000	$0.00	$0.00
1975	31.50	$0.00	14.00	2.34	0.1757	1.0000	$0.00	$0.00
1974	32.50	$0.00	14.00	2.16	0.1618	1.0000	$0.00	$0.00
1973	33.50	$0.00	14.00	1.98	0.1481	1.0000	$0.00	$0.00
1972	34.50	$0.00	14.00	1.80	0.1348	1.0000	$0.00	$0.00
1971	35.50	$0.00	14.00	1.63	0.1221	1.0000	$0.00	$0.00
1970	36.50	$0.00	14.00	1.46	0.1094	1.0000	$0.00	$0.00

Generation Arrangement Report

Account: CECO 101/6-397 Communication equip

Dispersion: 14.00 - L1

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
1969	37.50	$0.00	14.00	1.29	0.0970	1.0000	$0.00	$0.00
1968	38.50	$0.00	14.00	1.13	0.0848	1.0000	$0.00	$0.00
1967	39.50	$0.00	14.00	0.96	0.0721	1.0000	$0.00	$0.00
1966	40.50	$0.00	14.00	0.77	0.0578	1.0000	$0.00	$0.00
1965	41.50	$0.00	14.00	0.46	0.0344	1.0000	$0.00	$0.00
1953	53.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
1949	57.50	$0.00	14.00	0.00	0.0000	0.0000	$0.00	$0.00
		$244,819.77	14.00	9.85	0.7391	1.0000	$180,941.40	$18,361.48

Depreciation Reserve Summary

Account: CECO 101/6-397 Communication equip
Scenario: CECO GENL Accts ADR
Version: 14 - L1

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	$244,819.77	$45,681.38	0.1866	$211,379.38	0.8634
Computed	$244,819.77	$76,119.36	0.3109	$180,941.40	0.7391
Difference		($30,437.98)	-0.1243	$30,437.98	0.1243

Cleveland Electric & Illuminating Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 398 General Miscellaneous Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 15 O3

Actuarial Life Analysis

15.04 L1 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10- 50 Years

Recommendation

We recommend 15 R3

Comments:
The data seemed to fit within the same life of 15 years however the Dispersion Curve looked best as an R3. The remaining data resulted in a straight line which provided no indication for change.

Salvage Factor Estimates

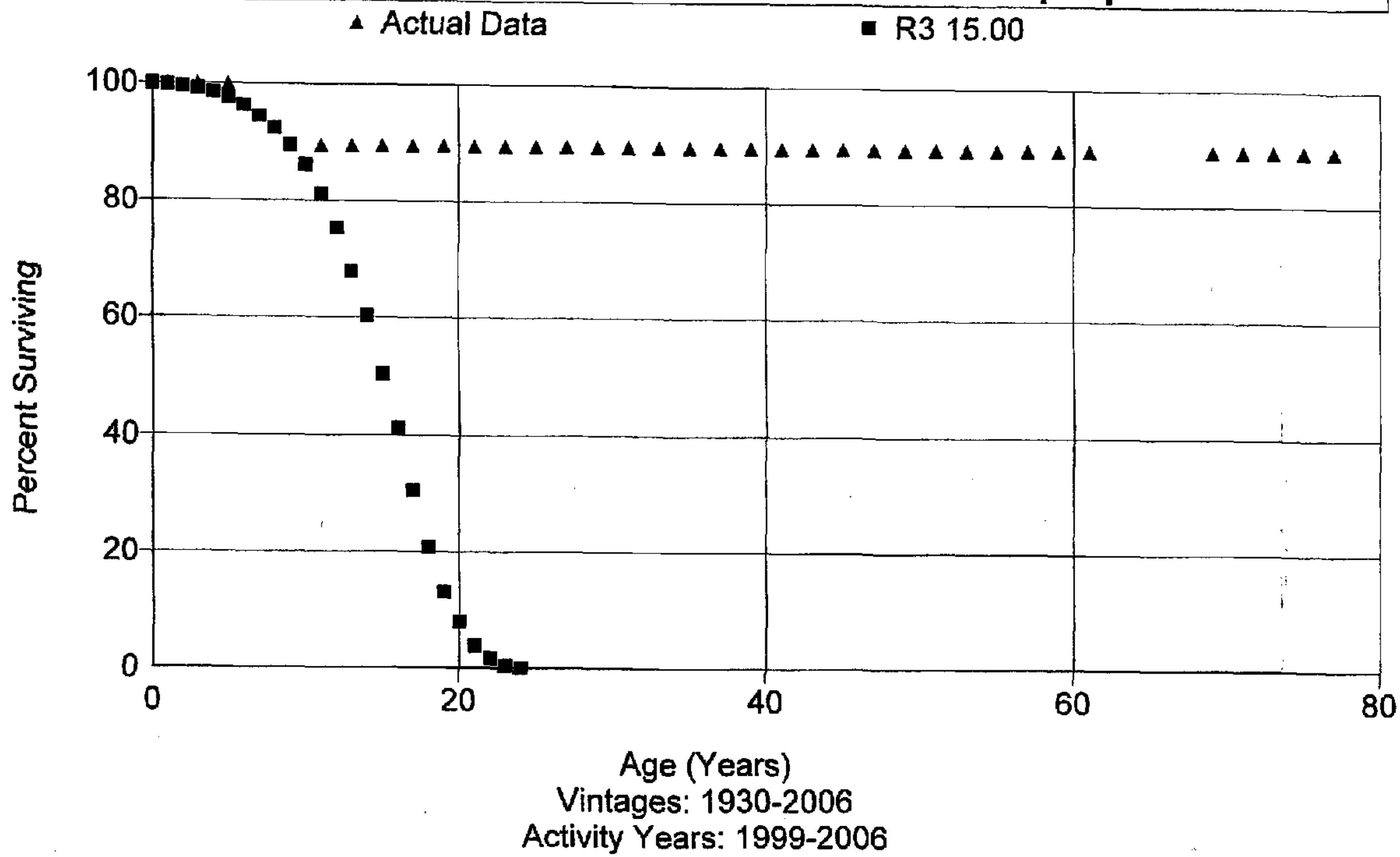
Current Net salvage Rate is 0%
Proposed Net salvage Rate 0%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate. We believe the period studied is too short to be decisive. The Industry net cost of removal per the EEI study ranged from 500% to 0% We recommend no change to the net salvage rate at this time based on our findings.

Summary of Recommendations

15	Average Service Life
R3	Iowa Curve
0	% Net Salvage

Cleveland Electric Illuminating Company
Account 398 Miscellaneous Equipment



Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 101/6-398 Miscellaneous equip

Placement Band: 1930 - 2006 **Observation Band:** 1930 - 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	5,778,164.98	0.00	0.00000	1.00000	100.00
0.5	106,408.33	0.00	0.00000	1.00000	100.00
1.5	106,408.33	0.00	0.00000	1.00000	100.00
2.5	106,408.33	1,973.00	0.01854	0.98146	100.00
3.5	104,435.33	23.00	0.00022	0.99978	98.15
4.5	104,412.33	57.00	0.00055	0.99945	98.13
5.5	104,355.33	94.13	0.00090	0.99910	98.08
6.5	104,261.20	31,561.23	0.30271	0.69729	97.99
7.5	71,145.33	1,292.66	0.01817	0.98183	68.33
8.5	69,852.67	1,202.18	0.01721	0.98279	67.09
9.5	68,650.49	4,664.00	0.06794	0.93206	65.94
10.5	63,986.49	192.00	0.00300	0.99700	61.46
11.5	63,794.49	3,134.91	0.04914	0.95086	61.28
12.5	60,659.58	8,488.20	0.13993	0.86007	58.27
13.5	52,171.38	4,184.00	0.08020	0.91980	50.12
14.5	47,987.38	14,043.79	0.29266	0.70734	46.10
15.5	33,943.59	4,819.42	0.14197	0.85803	32.61
16.5	29,124.17	596.13	0.02046	0.97954	27.98
17.5	28,528.04	805.00	0.02822	0.97178	27.41
18.5	27,723.04	169.00	0.00610	0.99390	26.64
19.5	27,554.04	213.00	0.00773	0.99227	26.48
20.5	27,341.04	11,327.00	0.41429	0.58571	26.28
21.5	16,014.04	13.00	0.00081	0.99919	15.39
22.5	16,001.04	2,215.00	0.13843	0.86157	15.38
23.5	13,786.04	17.00	0.00123	0.99877	13.25
24.5	13,769.04	867.83	0.06304	0.93696	13.23
25.5	12,901.21	134.82	0.01046	0.98954	12.40
26.5	12,766.39	1,149.69	0.09008	0.90992	12.27
27.5	11,616.70	578.92	0.04984	0.95016	11.16
28.5	11,037.78	3,306.00	0.29951	0.70049	10.60
29.5	7,731.78	5,297.40	0.68508	0.31492	7.43
30.5	2,434.38	98.24	0.04026	0.95974	2.34
31.5	2,336.14	36.00	0.01541	0.98459	2.25
32.5	2,300.14	4.00	0.00174	0.99826	2.22
33.5	2,296.14	278.00	0.12108	0.87892	2.22
34.5	2,018.14	0.00	0.00000	1.00000	1.95
35.5	2,018.14	730.00	0.36174	0.63826	1.95
36.5	1,288.14	0.00	0.00000	1.00000	1.24
37.5	1,288.14	35.00	0.02717	0.97283	1.24
38.5	1,253.14	0.00	0.00000	1.00000	1.21
39.5	1,253.14	53.00	0.04230	0.95770	1.21
40.5	1,200.14	7.00	0.00583	0.99417	1.16
41.5	1,193.14	0.00	0.00000	1.00000	1.15
42.5	1,193.14	0.00	0.00000	1.00000	1.15
43.5	1,193.14	156.00	0.13076	0.86924	1.15
44.5	1,037.14	0.00	0.00000	1.00000	1.00
45.5	1,037.14	0.00	0.00000	1.00000	1.00
46.5	1,037.14	0.00	0.00000	1.00000	1.00
47.5	1,037.14	0.00	0.00000	1.00000	1.00
48.5	1,037.14	0.00	0.00000	1.00000	1.00
49.5	1,037.14	232.38	0.22372	0.77628	1.00
50.5	804.76	40.51	0.05093	0.94907	0.78
51.5	764.25	37.24	0.04843	0.95157	0.74
52.5	727.01	2.25	0.00275	0.99725	0.70

Observed Life Table

Scenario: CECO GENL STUDY 2007

Account: CECO 101/6-398 Miscellaneous equip

Placement Band: 1930 - 2006 **Observation Band:** 1930 - 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	724.76	0.00	0.00000	1.00000	0.70
54.5	724.76	0.00	0.00000	1.00000	0.70
55.5	724.76	0.00	0.00000	1.00000	0.70
56.5	724.76	0.00	0.00000	1.00000	0.70
57.5	724.76	0.00	0.00000	1.00000	0.70
58.5	724.76	0.00	0.00000	1.00000	0.70
59.5	724.76	0.00	0.00000	1.00000	0.70
60.5	724.76	0.00	0.00000	1.00000	0.70
61.5	724.76	0.00	0.00000	1.00000	0.70
62.5	724.76	0.00	0.00000	1.00000	0.70
63.5	724.76	0.00	0.00000	1.00000	0.70
64.5	724.76	0.00	0.00000	1.00000	0.70
65.5	724.76	0.00	0.00000	1.00000	0.70
66.5	724.76	720.26	0.99310	0.00690	0.70
67.5	4.50	4.50	1.00000	0.00000	0.00
68.5	0.00	0.00	0.00000	0.00000	0.00

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
CECO 398 Miscellaneous Equipment	2005	94.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CECO 398 Miscellaneous Equipment	2006	91.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		185.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: CECO 101/6-398 Miscellaneous equip
Dispersion: 15 - R3

rage Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$293,530.93		$19,550.76	6.660716
	Whole Life		15	$19,568.73	
	Amortization		0	$0.00	
	Retirements	$539.05	15	$17.97	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$293,530.93 *		$19,550.76	6.660875
	Average:	$293,261.40		$19,550.76	6.666667
	Grand Total:	$293,530.93 *		$19,550.76	6.660875

* Excluding 2007 Retirements

Account: CECO 101/6-398 Miscellaneous equip

Dispersion: 15.00 - R3

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	$291,976.29	15.00	14.51	0.9672	1.0000	$282,408.45	$19,465.09
2004	2.50	$0.00	15.00	12.57	0.8379	1.0000	$0.00	$0.00
2002	4.50	$0.00	15.00	10.69	0.7130	1.0000	$0.00	$0.00
1999	7.50	$1,554.64	15.00	8.07	0.5380	1.0000	$836.44	$103.64
1989	17.50	$0.00	15.00	2.07	0.1379	1.0000	$0.00	$0.00
1985	21.50	$0.00	15.00	1.01	0.0671	1.0000	$0.00	$0.00
1982	24.50	$0.00	15.00	0.35	0.0233	1.0000	$0.00	$0.00
1981	25.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1979	27.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1973	33.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1972	34.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1971	35.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1970	36.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1968	38.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1967	39.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1966	40.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1965	41.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1962	44.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1961	45.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1960	46.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1959	47.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1958	48.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1957	49.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1953	53.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1951	55.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1950	56.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1948	58.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1947	59.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1946	60.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1945	61.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
1930	76.50	$0.00	15.00	0.00	0.0000	0.0000	$0.00	$0.00
		$293,530.93	15.00	14.47	0.9650	1.0000	$283,244.89	$19,568.73

Account: CECO 101/6-398 Miscellaneous equip
Scenario: CECO GENL Accts ADR
Version: 15 - R3
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	$293,530.93	$88,320.81	0.3009	$205,210.12	0.6991
Computed	$293,530.93	$10,286.04	0.0350	$283,244.89	0.9650
Difference		$78,034.77	0.2658	($78,034.77)	-0.2658

Attach. PRC-3

The Toledo Edison Company

Toledo Edison Depreciation Study

Comparison of Average Service Lives, Net Salvage and Accrual Rates

Account	Description	As of 12/31/2006 SURVIVORS	CURRENT ASL/CURVE	CURRENT SALV	CURRENT RATE	CURRENT ACCRUAL	PROPOSED ASL/CURVE	PROPOSED SALV	PROPOSED RATE	PROPOSED ACCRUAL	DIFFERENCE
	TRANSMISSION										
352	Structures & Improvements	196,237	50 R4	-25	2.50%	4,906	50 R4	-25	2.50%	4,906	-
353	Station Equipment	9,485,109	50 R2	10	1.80%	170,732	50 R2	10	1.80%	170,732	-
354	Towers & Fixtures	34,264	50 R4	-20	2.40%	822	65 R4	-20	1.85%	634	(188)
355	Poles & Fixtures	2,519,608	40 R2.5	-50	3.75%	94,485	40 R4	-50	3.71%	93,477	(1,008)
356	Overhead Conductors & Devices	4,075,113	45 R3	-20	2.67%	108,806	45 R3	-20	2.66%	108,398	(408)
357	Underground Conduit	368,400	60 R2	0	2.08%	7,663	60 R2	-20	2.00%	7,368	(295)
358	Underground Conductors & Devices	379,349	35 S2	0	2.86%	10,849	35 S2	0	2.86%	10,849	-
	S-TOTAL	17,058,078	47	-15	2.33%	398,263	49	-17.86	2.32%	396,365	(1,899)
	DISTRIBUTION										
361	Structures & Improvements	4,783,088	50 R2	-25	2.50%	119,577	50 R2	-25	2.50%	119,577	-
362	Station Equipment	62,672,900	40 R1	10	2.25%	1,410,140	40 R1	10	2.25%	1,410,140	-
364	Poles, Towers & Fixtures	125,031,104	40 R2.5	-70	4.25%	5,313,822	45 R2.5	-70	3.78%	4,726,176	(587,646)
365	Overhead Conductors & Devices	118,446,692	40 R1.5	-50	3.75%	4,441,751	40 R4	-50	3.74%	4,429,906	(11,845)
366	Underground Conduit	11,715,670	60 R4	-25	2.08%	243,686	60 R4	-25	2.03%	237,828	(5,858)
367	Underground Conductors & Devices	95,071,600	40 R2	-10	2.75%	2,614,469	50 R2.5	-10	2.20%	2,091,575	(522,894)
368	Line Transformers	109,422,738	35 S0	-10	3.14%	3,435,874	42 R1.5	-10	2.62%	2,866,876	(568,998)
369	Services	63,429,592	34 L4	-30	3.82%	2,423,010	41 R5	-30	3.17%	2,010,718	(412,292)
370	Meters	32,939,328	35 R2	-20	3.43%	1,129,819	10 Years	0	See Note 1	1,531,324	401,505
371	Installation on Customer Premesis	5,192,575	25 S0	0	4.00%	207,703	5 Years	0	See Note 2	531,708	324,005
373	Street Lighting & Signal Systems	41,388,099	25 R2	-10	4.40%	1,821,076	28 S5	-10	3.65%	1,510,666	(310,411)
	S-TOTAL	670,093,385	39	-21.82	3.46%	23,160,928	37	-20	3.20%	21,466,495	(1,694,433)
	GENERAL										
390	Structures & Improvements	42,210,888	50 R2	-10	2.20%	928,640	50 R2	-10	2.20%	928,640	-
3911	Office Furniture & Equipment	2,479,360	25 L0.5	5	3.80%	94,216	25 L1.5	5	3.80%	94,216	-
3912	Data Processing Equipment	3,757,388	25 L0.5	5	3.80%	142,781	10 R4	5	9.41%	353,570	210,789
392	Transportation Equipment	2,125,986	11 L2	10	8.18%	173,906	13 L3	10	6.78%	144,142	(29,764)
393	Stores Equipment	768,660	35 S0	0	2.86%	21,984	32 S0	0	3.13%	24,059	2,075
394	Tools, Shop & Garage Equipment	2,896,470	30 R2	0	3.33%	96,452	30 R2	0	3.33%	96,452	-
395	Laboratory Equipment	1,958,749	35 R2	0	2.86%	56,020	35 R2	0	2.86%	56,020	-
396	Power Operated Equipment	1,033,955	15 L1	5	6.33%	65,449	18 S3	5	5.28%	54,593	(10,857)
397	Communications Equipment	16,361	20 L2	0	5.00%	818	17 L1	0	5.88%	962	144
398	Miscellaneous Equipment	460,744	30 L1	0	3.33%	15,343	30 L1	0	3.33%	15,343	-
	S-TOTAL	57,708,562	28	1.5	2.76%	1,595,608	26	1.5	3.06%	1,767,997	172,388
	G-TOTAL	744,860,025				25,154,799				23,630,856	(1,523,943)

Note 1: Account 370 - Meters is going to use an end of life date of 10 years from the time the rates are implemented. (12/31/18 if rates are implemented 1/1/09)
Remaining Life Depreciation is calculated on a net plant basis and ensures that all plant, including any new additions are fully depreciated in a 10 year period.
The depreciation rate increases monthly with the average rate of Year 1 being 10.5%

Note : Account 371 - Installation on Customer Premises is going to use an end of life date of 5 years from the time the rates are implemented. (12/31/13 if rates are implemented 1/1/09)
Remaining Life Depreciation is calculated on a net plant basis and ensures that all plant, including any new additions are fully depreciated in a 5 year period.
The depreciation rate increases monthly with the average rate of Year 1 being 22.5%

The Toledo Edison Company Depreciation Study
Theoretical Reserve Summary
As of December 31, 2006

Account	Description	As of 12/31/2006 SURVIVORS	ACTUAL BOOK RESERVE	ACTUAL PCT TO PLANT	PROPOSED THEO. RESERVE	PROPOSED PCT TO PLANT	DIFFERENCE BETWEEN ACTUAL AND THEO. RESERVE
	TRANSMISSION	(1)	(2)	(3) = (2/1)	(4)	(5) = (4/1)	(6) = (2-4)
352	Structures & Improvements	196,237	156,066	79.53%	138,251	70.45%	17,815
353	Station Equipment	9,485,109	3,521,619	37.13%	3,057,494	32.23%	464,125
354	Towers & Fixtures	34,264	40,543	118.33%	38,386	112.03%	2,157
355	Poles & Fixtures	2,519,606	2,118,883	84.10%	2,029,229	80.54%	89,654
356	Overhead Conductors & Devices	4,075,113	2,292,935	56.27%	2,127,341	52.20%	165,593
357	Underground Conduit	368,400	101,052	27.43%	69,874	18.97%	31,178
358	Underground Conductors & Devices	379,349	79,639	20.99%	116,393	30.68%	(36,754)
	S-TOTAL	17,058,078	8,310,737	48.72%	7,576,969	44.42%	733,768
	DISTRIBUTION						
361	Structures & Improvements	4,783,088	808,776	16.91%	837,140	17.50%	(28,365)
362	Station Equipment	62,672,900	20,410,682	32.57%	19,048,459	30.39%	1,362,223
364	Poles, Towers & Fixtures	125,031,104	76,704,258	61.35%	69,018,477	55.20%	7,685,781
365	Overhead Conductors & Devices	118,446,692	67,065,773	56.62%	74,506,817	62.90%	(7,441,043)
366	Underground Conduit	11,715,670	5,658,672	48.30%	6,223,743	53.12%	(565,071)
367	Underground Conductors & Devices	95,071,600	25,032,854	26.33%	23,801,785	25.04%	1,231,069
368	Line Transformers	109,422,738	46,430,583	42.43%	40,153,897	36.70%	6,276,686
369	Services	63,429,592	50,286,488	79.28%	45,792,912	72.19%	4,493,576
370	Meters	32,939,328	17,626,085	53.51%	10,620,526	32.24%	7,005,559
371	Installation on Customer Premesis	5,192,575	2,534,033	48.80%	3,153,539	60.73%	(619,506)
373	Street Lighting & Signal Systems	41,388,099	24,404,423	58.96%	25,233,945	60.97%	(829,523)
	S-TOTAL	670,093,385	336,962,626	50.29%	318,391,240	47.51%	18,571,386
	GENERAL						
390	Structures & Improvements	42,210,888	13,925,274	32.99%	11,885,030	28.16%	2,040,245
3911	Office Furniture & Equipment	2,479,360	772,417	31.15%	760,867	30.69%	11,551
3912	Data Processing Equipment	3,757,388	625,572	16.65%	2,198,996	58.52%	(1,573,424)
392	Transportation Equipment	2,125,986	2,098,344	98.70%	1,587,866	74.69%	510,478
393	Stores Equipment	768,660	363,394	47.28%	341,188	44.39%	22,207
394	Tools, Shop & Garage Equipment	2,896,470	1,588,239	54.83%	1,399,195	48.31%	189,044
395	Laboratory Equipment	1,958,749	961,923	49.11%	860,521	43.93%	101,402
396	Power Operated Equipment	1,033,955	912,041	88.21%	764,490	73.94%	147,551
397	Communications Equipment	16,361	(2,589)	-15.82%	5,282	32.28%	(7,870)
398	Miscellaneous Equipment	460,744	110,592	24.00%	92,341	20.04%	18,251
	S-TOTAL	57,708,562	21,355,210	37.01%	19,895,774	34.48%	1,459,436
	G-TOTAL	744,860,025	366,628,573	49.22%	345,863,983	46.43%	20,764,590

The Toledo Edison Company Depreciation Study
Theoretical Reserve Summary
As of December 31, 2006

			Ratio of Actual Reserve to Theoretical Reserve	Ratio of Reserve to Percent of Plant Approved Rates	Ratio of Reserve to Percent of Plant Proposed Rates
Actual Depreciation Reserve as of 12/31/06 for Electric Plant	$	366,628,573.23	--	49.2%	--
Theoretical Reserve as of 12/31/06 per Proposed Rates	$	345,863,982.85	106.0%	--	46.4%
Plant In Service	$	744,860,024.70			

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 352 Structures & Improvements

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 50 R4

Actuarial Life Analysis

287.30 R2.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 36 - 70 Years

Recommendation

Continue with 50 R4 based on Industry Standards and Actuarial Life Analysis

Comments:
No change was recommended as our data for analysis was too limited to establish a trend. The previous studies had used historical data through 1993 and also disregarded the findings due to a lack of retirement data.

Salvage Factor Estimates

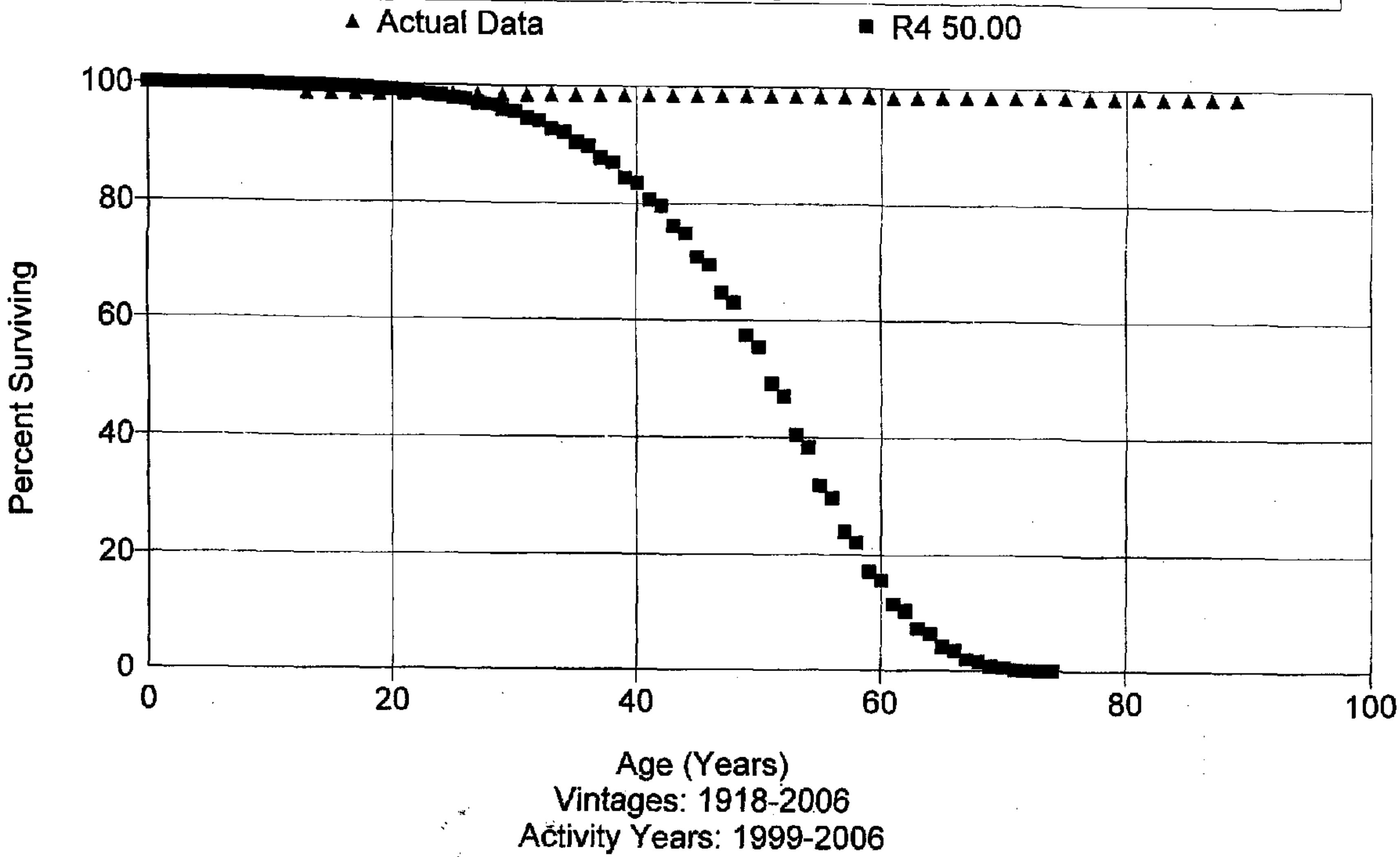
Current Net salvage Rate is -25%
Proposed Net salvage Rate -25%

Comments:
The previous study cited a lack of activity which warranted no change in the current net salvage rate. This study provides data from 1999 - 2006 with no retirement data during the period. Industry averages per the 2003 EEI Study for the net salvage rate range from 0% to -40%

Summary of Recommendations

50	Average Service Life
R4	Iowa Curve
-25	% Net Salvage

Toledo Edison Company Account 352 Structures & Improvements



Observed Life Table

Scenario: Toledo Edison Transmission

Account: *TECO 101/6-352 Structures/Impr*

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	-497,233.90	0.00	0.00000	1.00000	100.00
0.5	498,356.02	0.00	0.00000	1.00000	100.00
1.5	997,097.92	0.00	0.00000	1.00000	100.00
2.5	498,916.74	0.00	0.00000	1.00000	100.00
3.5	49,460.52	0.00	0.00000	1.00000	100.00
4.5	49,460.52	0.00	0.00000	1.00000	100.00
5.5	103,263.52	0.00	0.00000	1.00000	100.00
6.5	133,003.52	0.00	0.00000	1.00000	100.00
7.5	229,082.52	0.00	0.00000	1.00000	100.00
8.5	-255,568.41	0.00	0.00000	1.00000	100.00
9.5	68,620.81	0.00	0.00000	1.00000	
10.5	185,441.00	0.00	0.00000	1.00000	
11.5	318,296.16	4,779.00	0.01501	0.98499	
12.5	249,216.78	0.00	0.00000	1.00000	
13.5	145,294.14	0.00	0.00000	1.00000	
14.5	127,841.12	0.00	0.00000	1.00000	
15.5	98,016.60	0.00	0.00000	1.00000	
16.5	134,620.84	0.00	0.00000	1.00000	
17.5	163,274.29	0.00	0.00000	1.00000	
18.5	211,355.17	0.00	0.00000	1.00000	
19.5	246,042.98	0.00	0.00000	1.00000	
20.5	199,010.18	0.00	0.00000	1.00000	
21.5	385,321.01	0.00	0.00000	1.00000	
22.5	380,452.99	0.00	0.00000	1.00000	
23.5	1,004,661.76	0.00	0.00000	1.00000	
24.5	1,295,587.27	0.00	0.00000	1.00000	
25.5	464,428.73	0.00	0.00000	1.00000	
26.5	358,423.81	0.00	0.00000	1.00000	
27.5	364,996.43	0.00	0.00000	1.00000	
28.5	136,119.63	0.00	0.00000	1.00000	
29.5	240,628.84	0.00	0.00000	1.00000	
30.5	360,074.08	0.00	0.00000	1.00000	
31.5	188,680.26	0.00	0.00000	1.00000	
32.5	49,779.69	0.00	0.00000	1.00000	
33.5	48,020.33	0.00	0.00000	1.00000	
34.5	36,566.42	0.00	0.00000	1.00000	
35.5	39,684.84	0.00	0.00000	1.00000	
36.5	14,185.01	0.00	0.00000	1.00000	
37.5	16,221.96	0.00	0.00000	1.00000	
38.5	21,759.32	0.00	0.00000	1.00000	
39.5	26,955.78	0.00	0.00000	1.00000	
40.5	21,308.85	0.00	0.00000	1.00000	
41.5	61,928.11	0.00	0.00000	1.00000	
42.5	82,843.23	0.00	0.00000	1.00000	
43.5	156,638.03	0.00	0.00000	1.00000	
44.5	165,651.06	0.00	0.00000	1.00000	
45.5	101,584.94	0.00	0.00000	1.00000	
46.5	109,564.17	0.00	0.00000	1.00000	
47.5	355,061.99	0.00	0.00000	1.00000	
48.5	314,416.78	0.00	0.00000	1.00000	
49.5	682,056.95	0.00	0.00000	1.00000	
50.5	685,275.85	0.00	0.00000	1.00000	
51.5	32,474.83	0.00	0.00000	1.00000	
52.5	33,043.41	0.00	0.00000	1.00000	

Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-352 Structures/impr

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
53.5	8,479.41	0.00	0.00000	1.00000	
54.5	9,341.13	0.00	0.00000	1.00000	
55.5	6,478.42	0.00	0.00000	1.00000	
56.5	2,130.56	0.00	0.00000	1.00000	
57.5	97,871.61	0.00	0.00000	1.00000	
58.5	98,486.49	0.00	0.00000	1.00000	
59.5	2,398.44	0.00	0.00000	1.00000	
60.5	17,355.80	0.00	0.00000	1.00000	
61.5	17,578.80	0.00	0.00000	1.00000	
62.5	3,668.36	0.00	0.00000	1.00000	
63.5	3,482.98	0.00	0.00000	1.00000	
64.5	3,734.98	0.00	0.00000	1.00000	
65.5	3,985.36	0.00	0.00000	1.00000	
66.5	3,372.36	0.00	0.00000	1.00000	
67.5	3,978.02	0.00	0.00000	1.00000	
68.5	85,566.99	0.00	0.00000	1.00000	
69.5	125,719.84	0.00	0.00000	1.00000	
70.5	42,720.51	0.00	0.00000	1.00000	
71.5	4,692.77	0.00	0.00000	1.00000	
72.5	75,496.10	0.00	0.00000	1.00000	
73.5	86,062.33	0.00	0.00000	1.00000	
74.5	14,123.00	0.00	0.00000	1.00000	
75.5	3,180.00	0.00	0.00000	1.00000	
76.5	2,950.00	0.00	0.00000	1.00000	
77.5	308.00	0.00	0.00000	1.00000	
78.5	11,841.00	0.00	0.00000	1.00000	
79.5	11,841.00	0.00	0.00000	1.00000	
80.5	337,183.42	0.00	0.00000	1.00000	
81.5	337,183.42	0.00	0.00000	1.00000	
82.5	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
TECO 352 Structures/Improvements	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: TECO 101/6-352 Structures/impr
Dispersion: 50 - R4
erage Net Salvage Rate: -25.00%
Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$196,237.14		$4,867.31	2.480576
	Whole Life		50	$4,905.93	
	Amortization		0	$0.00	
	Retirements	$3,089.44	50	$38.62	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$196,237.14 *		$4,867.31	2.480824
	Average:	$194,692.42		$4,867.31	2.500000
	Grand Total:	$196,237.14 *		$4,867.31	2.480824

* Excluding 2007 Retirements

Account: TECO 101/6-352 Structures/Impr

Dispersion: 50.00 - R4

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
2004	2.50	$0.00	50.00	47.50	1.1876	1.0000	$0.00	$0.00
2001	5.50	$0.00	50.00	44.51	1.1127	1.0000	$0.00	$0.00
2000	6.50	$0.00	50.00	43.51	1.0878	1.0000	$0.00	$0.00
1998	8.50	$0.00	50.00	41.52	1.0381	1.0000	$0.00	$0.00
1997	9.50	$0.00	50.00	40.53	1.0133	1.0000	$0.00	$0.00
1993	13.50	$0.00	50.00	36.58	0.9144	1.0000	$0.00	$0.00
1992	14.50	$0.00	50.00	35.59	0.8899	1.0000	$0.00	$0.00
1991	15.50	$0.00	50.00	34.62	0.8654	1.0000	$0.00	$0.00
1990	16.50	$0.00	50.00	33.64	0.8411	1.0000	$0.00	$0.00
1989	17.50	$6,370.00	50.00	32.67	0.8168	1.0000	$5,203.02	$159.25
1988	18.50	$0.00	50.00	31.71	0.7927	1.0000	$0.00	$0.00
1987	19.50	$0.00	50.00	30.75	0.7687	1.0000	$0.00	$0.00
1986	20.50	$3,851.19	50.00	29.79	0.7449	1.0000	$2,868.61	$96.28
1985	21.50	$0.00	50.00	28.85	0.7212	1.0000	$0.00	$0.00
1984	22.50	$0.00	50.00	27.91	0.6977	1.0000	$0.00	$0.00
1983	23.50	$0.00	50.00	26.98	0.6745	1.0000	$0.00	$0.00
1982	24.50	$1,617.30	50.00	26.06	0.6515	1.0000	$1,053.59	$40.43
1981	25.50	$0.00	50.00	25.15	0.6287	1.0000	$0.00	$0.00
1980	26.50	$87,577.30	50.00	24.25	0.6061	1.0000	$53,084.44	$2,189.43
1979	27.50	$0.00	50.00	23.36	0.5839	1.0000	$0.00	$0.00
1978	28.50	$0.00	50.00	22.48	0.5620	1.0000	$0.00	$0.00
1977	29.50	$42,892.30	50.00	21.61	0.5403	1.0000	$23,175.86	$1,072.31
1976	30.50	$0.00	50.00	20.76	0.5190	1.0000	$0.00	$0.00
1975	31.50	$0.00	50.00	19.92	0.4981	1.0000	$0.00	$0.00
1974	32.50	$40,769.76	50.00	19.10	0.4775	1.0000	$19,465.55	$1,019.24
1973	33.50	$0.00	50.00	18.29	0.4572	1.0000	$0.00	$0.00
1972	34.50	$765.55	50.00	17.49	0.4373	1.0000	$334.80	$19.14
1971	35.50	$668.62	50.00	16.71	0.4178	1.0000	$279.37	$16.72
1970	36.50	$0.00	50.00	15.95	0.3987	1.0000	$0.00	$0.00
1969	37.50	$0.00	50.00	15.20	0.3800	1.0000	$0.00	$0.00
1968	38.50	$0.00	50.00	14.46	0.3616	1.0000	$0.00	$0.00
1967	39.50	$0.00	50.00	13.75	0.3436	1.0000	$0.00	$0.00
1966	40.50	$0.00	50.00	13.04	0.3260	1.0000	$0.00	$0.00
1965	41.50	$0.00	50.00	12.35	0.3087	1.0000	$0.00	$0.00

Account: TECO 101/6-352 Structures/impr

Dispersion: 50.00 - R4

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
1964	42.50	$0.00	50.00	11.67	0.2917	1.0000	$0.00	$0.00
1963	43.50	$102.46	50.00	11.01	0.2752	1.0000	$28.19	$2.56
1962	44.50	$0.00	50.00	10.36	0.2591	1.0000	$0.00	$0.00
1961	45.50	$0.00	50.00	9.74	0.2435	1.0000	$0.00	$0.00
1960	46.50	$276.54	50.00	9.15	0.2287	1.0000	$63.25	$6.91
1959	47.50	$0.00	50.00	8.59	0.2147	1.0000	$0.00	$0.00
1958	48.50	$0.00	50.00	8.06	0.2014	1.0000	$0.00	$0.00
1957	49.50	$702.56	50.00	7.56	0.1890	1.0000	$132.76	$17.56
1956	50.50	$144.45	50.00	7.09	0.1774	1.0000	$25.62	$3.61
1955	51.50	$6,370.02	50.00	6.66	0.1665	1.0000	$1,060.65	$159.25
1954	52.50	$15.55	50.00	6.26	0.1564	1.0000	$2.43	$0.39
1953	53.50	$0.00	50.00	5.88	0.1469	1.0000	$0.00	$0.00
1952	54.50	$112.91	50.00	5.52	0.1380	1.0000	$15.58	$2.82
1951	55.50	$15.71	50.00	5.18	0.1296	1.0000	$2.04	$0.39
1950	56.50	$0.00	50.00	4.87	0.1217	1.0000	$0.00	$0.00
1949	57.50	$0.00	50.00	4.56	0.1140	1.0000	$0.00	$0.00
1948	58.50	$1,246.12	50.00	4.27	0.1067	1.0000	$133.01	$31.15
1947	59.50	$0.00	50.00	3.99	0.0997	1.0000	$0.00	$0.00
1946	60.50	$0.00	50.00	3.71	0.0928	1.0000	$0.00	$0.00
1945	61.50	$0.00	50.00	3.44	0.0860	1.0000	$0.00	$0.00
1944	62.50	$19.44	50.00	3.18	0.0794	1.0000	$1.54	$0.49
1943	63.50	$0.00	50.00	2.91	0.0729	1.0000	$0.00	$0.00
1942	64.50	$0.00	50.00	2.66	0.0664	1.0000	$0.00	$0.00
1941	65.50	$0.00	50.00	2.41	0.0601	1.0000	$0.00	$0.00
1940	66.50	$0.00	50.00	2.16	0.0540	1.0000	$0.00	$0.00
1938	68.50	$2,719.36	50.00	1.69	0.0422	1.0000	$114.74	$67.98
1937	69.50	$0.00	50.00	1.46	0.0366	1.0000	$0.00	$0.00
1936	70.50	$0.00	50.00	1.25	0.0313	1.0000	$0.00	$0.00
1935	71.50	$0.00	50.00	1.05	0.0262	1.0000	$0.00	$0.00
1934	72.50	$0.00	50.00	0.86	0.0214	1.0000	$0.00	$0.00
1933	73.50	$0.00	50.00	0.68	0.0170	1.0000	$0.00	$0.00
1932	74.50	$0.00	50.00	0.50	0.0125	1.0000	$0.00	$0.00
1931	75.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1930	76.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00

Account: TECO 101/6-352 Structures/impr

Dispersion: 50.00 - R4

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
1929	77.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1928	78.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1927	79.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1924	82.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1923	83.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1922	84.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1920	86.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
1918	88.50	$0.00	50.00	0.00	0.0000	0.0000	$0.00	$0.00
		$196,237.14	50.00	21.82	0.5455	1.0000	$107,045.07	$4,905.93

Depreciation Reserve Summary

Account: TECO 101/6-352 Structures/Impr
Scenario: TECO Txm ADR Scenario
Dispersion: 50 - R4
Average 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	$196,237.14	$156,065.93	0.7953	$89,230.50	0.4547
Computed	$196,237.14	$138,251.36	0.7045	$107,045.07	0.5455
Difference		$17,814.57	0.0908	($17,814.57)	-0.0908

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 353 Station Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 50 R2

Actuarial Life Analysis

66.47 S1.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 - 60 Years

Recommendation

Continue with 50 R2 based on Industry Standards and Actuarial Life Analysis

Comments:
No change was recommended as our data for analysis was too limited to establish a trend.
The previous study recommended a 50 R2 as it was in line with Industry Standards in 1993.
It remains a viable choice in reviewing the 2003 EEI Report.

Salvage Factor Estimates

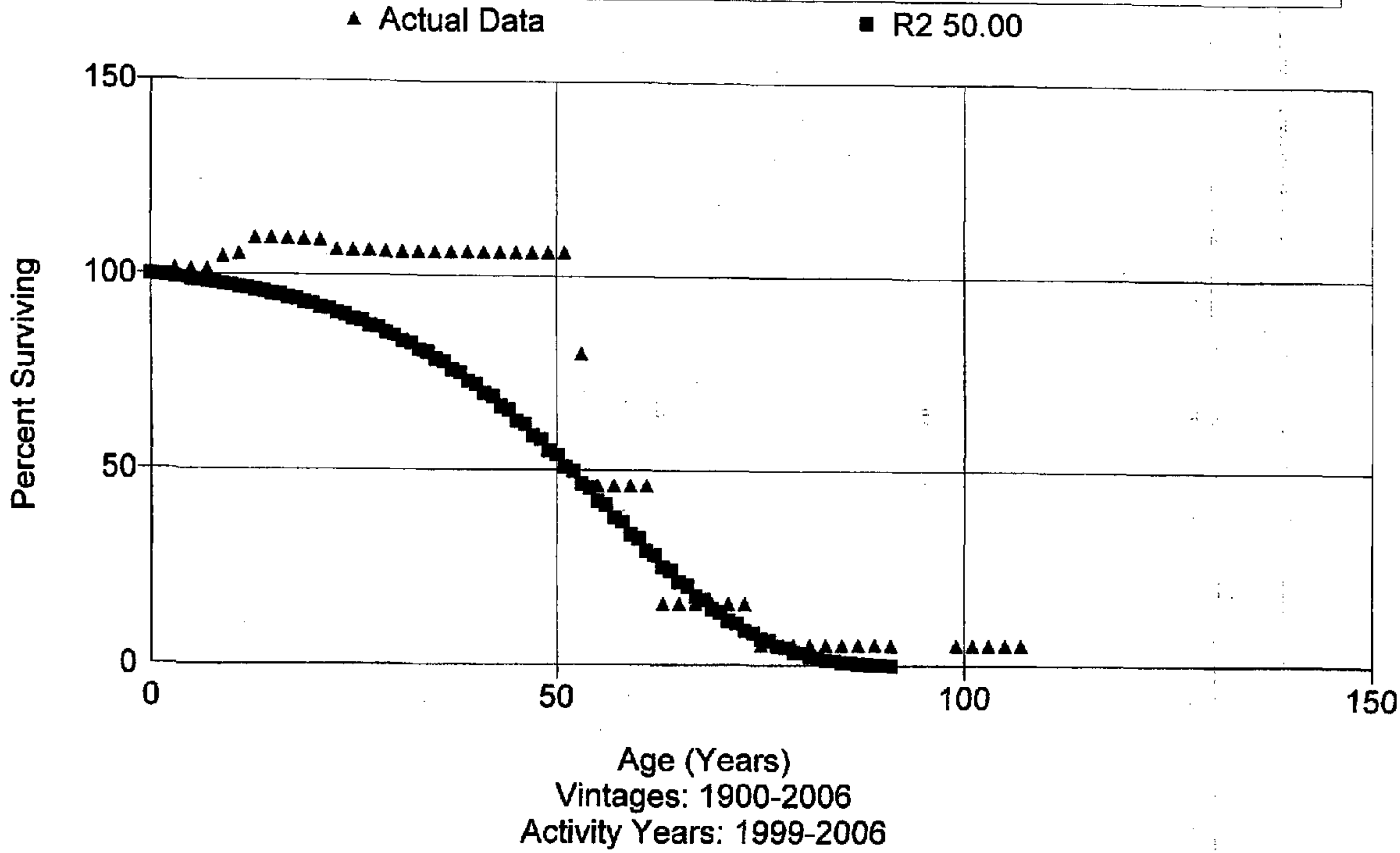
Current Net salvage Rate is 10%
Proposed Net salvage Rate 10%

Comments:
The current 8 year study results of -1.17% were too short a period to be conclusive . The EEI Industry ranges for net salvage are 30% to -25%.At this juncture we recommend continuing with the salvage rate of 10% arrived at in the previous study.

Summary of Recommendations

50	Average Service Life
R2	Iowa Curve
10	% Net Salvage

Toledo Edison Company Account 353 Station Equipment



Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-353 Station equipment

Placement Band: 1900 - 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	-6,924,050.24	0.00	0.00000	1.00000	100.00
0.5	6,779,165.02	0.00	0.00000	1.00000	100.00
1.5	11,390,761.88	0.00	0.00000	1.00000	100.00
2.5	11,125,302.13	-156,424.00	-0.01406	1.01406	100.00
3.5	7,729,833.42	0.00	0.00000	1.00000	101.41
4.5	3,861,661.54	0.00	0.00000	1.00000	101.41
5.5	6,206,845.84	0.00	0.00000	1.00000	101.41
6.5	6,259,508.32	0.00	0.00000	1.00000	101.41
7.5	6,374,876.77	0.00	0.00000	1.00000	101.41
8.5	-361,854.97	11,846.55	-0.03274	1.03274	101.41
9.5	4,459,624.45	0.00	0.00000	1.00000	
10.5	3,970,815.58	-25,300.00	-0.00637	1.00637	
11.5	11,379,691.86	-147,682.00	-0.01298	1.01298	
12.5	10,816,181.28	-285,000.00	-0.02635	1.02635	
13.5	8,264,184.84	-2,000.00	-0.00024	1.00024	
14.5	8,176,595.73	7,536.73	0.00092	0.99908	
15.5	6,921,727.77	10,418.53	0.00151	0.99849	
16.5	6,910,704.12	0.00	0.00000	1.00000	
17.5	8,448,066.75	0.00	0.00000	1.00000	
18.5	8,724,797.86	7,333.00	0.00084	0.99916	
19.5	7,266,107.44	0.00	0.00000	1.00000	
20.5	5,115,667.46	11,068.59	0.00216	0.99784	
21.5	8,353,934.82	197,656.00	0.02366	0.97634	
22.5	8,073,499.31	-11,053.18	-0.00137	1.00137	
23.5	15,335,137.91	0.00	0.00000	1.00000	
24.5	16,847,657.73	7,825.67	0.00046	0.99954	
25.5	8,610,217.10	1.38	0.00000	1.00000	
26.5	6,778,737.80	0.31	0.00000	1.00000	
27.5	5,906,525.62	18,004.00	0.00305	0.99695	
28.5	3,169,788.99	0.00	0.00000	1.00000	
29.5	6,120,494.45	0.00	0.00000	1.00000	
30.5	7,745,522.37	0.00	0.00000	1.00000	
31.5	3,928,296.26	0.00	0.00000	1.00000	
32.5	2,346,794.49	0.00	0.00000	1.00000	
33.5	2,182,419.92	0.00	0.00000	1.00000	
34.5	702,528.34	0.00	0.00000	1.00000	
35.5	1,328,547.80	0.00	0.00000	1.00000	
36.5	1,552,445.86	0.00	0.00000	1.00000	
37.5	730,044.44	0.00	0.00000	1.00000	
38.5	631,433.37	0.00	0.00000	1.00000	
39.5	1,868,295.08	0.00	0.00000	1.00000	
40.5	1,785,166.82	0.00	0.00000	1.00000	
41.5	1,933,855.97	565.20	0.00029	0.99971	
42.5	1,867,750.06	0.00	0.00000	1.00000	
43.5	3,328,600.04	0.00	0.00000	1.00000	
44.5	3,572,831.51	0.00	0.00000	1.00000	
45.5	2,063,097.46	0.00	0.00000	1.00000	
46.5	998,261.88	0.33	0.00000	1.00000	
47.5	1,666,113.60	6.49	0.00000	1.00000	
48.5	1,571,308.51	0.00	0.00000	1.00000	
49.5	1,384,977.69	0.00	0.00000	1.00000	
50.5	1,368,160.27	0.00	0.00000	1.00000	
51.5	1,028,982.56	0.00	0.00000	1.00000	
52.5	947,226.65	233,659.80	0.24668	0.75332	

Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-353 Station equipment

Placement Band: 1900 - 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	702,041.39	0.00	0.00000	1.00000	
54.5	673,872.92	284,492.62	0.42218	0.57782	
55.5	197,532.47	0.00	0.00000	1.00000	
56.5	175,624.86	0.00	0.00000	1.00000	
57.5	252,811.67	0.00	0.00000	1.00000	
58.5	182,814.38	0.00	0.00000	1.00000	
59.5	167,235.20	0.00	0.00000	1.00000	
60.5	169,370.29	0.00	0.00000	1.00000	
61.5	187,471.39	-4.48	-0.00002	1.00002	
62.5	172,787.01	113,463.62	0.65667	0.34333	
63.5	8,686.69	0.00	0.00000	1.00000	
64.5	8,661.03	0.00	0.00000	1.00000	
65.5	17,551.89	0.00	0.00000	1.00000	
66.5	20,210.51	0.00	0.00000	1.00000	
67.5	24,132.92	-7.64	-0.00033	1.00033	
68.5	159,067.68	0.00	0.00000	1.00000	
69.5	280,651.62	0.00	0.00000	1.00000	
70.5	321,682.52	0.00	0.00000	1.00000	
71.5	243,675.05	0.00	0.00000	1.00000	
72.5	216,442.61	0.00	0.00000	1.00000	
73.5	215,554.41	115,945.00	0.53789	0.46211	
74.5	93,759.00	27,018.00	0.28816	0.71184	
75.5	102,365.88	5.65	0.00006	0.99994	
76.5	91,168.52	1.00	0.00001	0.99999	
77.5	84,714.72	0.00	0.00000	1.00000	
78.5	83,483.57	0.00	0.00000	1.00000	
79.5	69,729.97	0.00	0.00000	1.00000	
80.5	129,319.67	0.00	0.00000	1.00000	
81.5	128,127.21	0.00	0.00000	1.00000	
82.5	94,422.59	0.00	0.00000	1.00000	
83.5	56,369.59	0.00	0.00000	1.00000	
84.5	56,369.59	0.00	0.00000	1.00000	
85.5	56,369.59	0.00	0.00000	1.00000	
86.5	56,240.72	0.00	0.00000	1.00000	
87.5	56,240.72	0.00	0.00000	1.00000	
88.5	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
TECO 353 Station Equipment	1999	4,485.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 353 Station Equipment	2000	308,531.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 353 Station Equipment	2001	40,036.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 353 Station Equipment	2004	774,573.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 353 Station Equipment	2006	12,420.10	0.00	0.00	0.00	0.00	13,346.99	107.46	(13,346.99)	-107.46	-107.46
		1,140,049.54	0.00	0.00	0.00	0.00	13,346.99	1.17	(13,346.99)	-1.17	

Whole Life Depreciation Accrual

Account: TECO 101/6-353 Station equipment
Dispersion: 50 - R2
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	$9,485,108.69		$169,285.41	1.784755
	Whole Life		50	$170,731.96	
	Amortization		0	$0.00	
	Retirements	$160,727.63	50	$1,446.55	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$9,485,108.69 *		$169,285.41	1.784760
	Average:	$9,404,744.88		$169,285.41	1.800000
	Grand Total:	$9,485,108.69 *		$169,285.41	1.784760

* Excluding 2007 Retirements

Generation Arrangement Report

Account: *TECO 101/6-353 Station equipment*

Dispersion: 50.00 - 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	$583,997.89	50.00	49.55	0.8919	1.0000	$520,839.41	$10,511.96
2005	1.50	$745,569.74	50.00	48.65	0.8756	1.0000	$652,831.00	$13,420.26
2004	2.50	$124,527.77	50.00	47.75	0.8595	1.0000	$107,028.83	$2,241.50
2003	3.50	$30,728.84	50.00	46.86	0.8434	1.0000	$25,917.66	$553.12
2002	4.50	$40,429.75	50.00	45.97	0.8275	1.0000	$33,454.76	$727.74
2001	5.50	($586.48)	50.00	45.09	0.8116	1.0000	($476.00)	($10.56)
2000	6.50	$147,914.57	50.00	44.22	0.7959	1.0000	$117,721.44	$2,662.46
1999	7.50	$64,157.50	50.00	43.35	0.7802	1.0000	$50,057.64	$1,154.84
1998	8.50	$51,222.27	50.00	42.48	0.7647	1.0000	$39,169.51	$922.00
1997	9.50	$1,350,096.08	50.00	41.63	0.7493	1.0000	$1,011,584.68	$24,301.73
1996	10.50	$0.00	50.00	40.77	0.7339	1.0000	$0.00	$0.00
1995	11.50	$0.00	50.00	39.93	0.7188	1.0000	$0.00	$0.00
1994	12.50	$243,933.00	50.00	39.09	0.7037	1.0000	$171,647.09	$4,390.79
1993	13.50	$52,787.98	50.00	38.26	0.6887	1.0000	$36,358.29	$950.18
1992	14.50	$61,370.00	50.00	37.44	0.6739	1.0000	$41,354.91	$1,104.66
1991	15.50	$398,995.00	50.00	36.62	0.6591	1.0000	$262,996.82	$7,181.91
1990	16.50	$0.00	50.00	35.81	0.6446	1.0000	$0.00	$0.00
1989	17.50	$114,559.41	50.00	35.01	0.6301	1.0000	$72,183.58	$2,062.07
1988	18.50	$127,231.05	50.00	34.21	0.6158	1.0000	$78,345.93	$2,290.16
1987	19.50	$11,690.94	50.00	33.42	0.6016	1.0000	$7,033.07	$210.44
1986	20.50	$684,347.06	50.00	32.64	0.5875	1.0000	$402,075.03	$12,318.25
1985	21.50	$30,848.05	50.00	31.87	0.5736	1.0000	$17,695.07	$555.26
1984	22.50	$132,338.56	50.00	31.10	0.5599	1.0000	$74,090.07	$2,382.09
1983	23.50	$116,227.01	50.00	30.35	0.5462	1.0000	$63,488.41	$2,092.09
1982	24.50	$90,402.97	50.00	29.60	0.5328	1.0000	$48,162.43	$1,627.25
1981	25.50	$17,045.45	50.00	28.86	0.5194	1.0000	$8,853.98	$306.82
1980	26.50	$839,863.57	50.00	28.13	0.5063	1.0000	$425,194.11	$15,117.54
1979	27.50	$21,903.36	50.00	27.40	0.4933	1.0000	$10,803.93	$394.26
1978	28.50	$33,906.51	50.00	26.69	0.4804	1.0000	$16,288.89	$610.32
1977	29.50	$299,997.28	50.00	25.98	0.4677	1.0000	$140,315.07	$5,399.95
1976	30.50	$230,440.80	50.00	25.29	0.4552	1.0000	$104,898.01	$4,147.93
1975	31.50	$1,092,515.96	50.00	24.60	0.4429	1.0000	$483,832.71	$19,665.29
1974	32.50	$183,839.68	50.00	23.93	0.4307	1.0000	$79,177.46	$3,309.11
1973	33.50	$47,271.64	50.00	23.26	0.4187	1.0000	$19,792.26	$850.89

Account: TECO 101/6-353 Station equipment

Dispersion: 50.00 - 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
1972	34.50	$47,333.64	50.00	22.60	0.4069	1.0000	$19,258.93	$852.01
1971	35.50	$35,396.89	50.00	21.96	0.3952	1.0000	$13,990.34	$637.14
1970	36.50	$13,991.47	50.00	21.32	0.3838	1.0000	$5,369.89	$251.85
1969	37.50	$12,907.98	50.00	20.70	0.3725	1.0000	$4,808.81	$232.34
1968	38.50	$50,249.87	50.00	20.08	0.3615	1.0000	$18,164.55	$904.50
1967	39.50	$2,831.30	50.00	19.48	0.3506	1.0000	$992.70	$50.96
1966	40.50	$7,714.78	50.00	18.89	0.3400	1.0000	$2,622.66	$138.87
1965	41.50	$12,834.76	50.00	18.30	0.3295	1.0000	$4,228.90	$231.03
1964	42.50	$78,135.38	50.00	17.74	0.3192	1.0000	$24,943.18	$1,406.44
1963	43.50	$1,947.54	50.00	17.18	0.3092	1.0000	$602.14	$35.06
1962	44.50	$2,138.05	50.00	16.63	0.2993	1.0000	$640.00	$38.48
1961	45.50	$2,471.13	50.00	16.09	0.2897	1.0000	$715.91	$44.48
1960	46.50	$91,822.24	50.00	15.57	0.2803	1.0000	$25,736.64	$1,652.80
1959	47.50	$103,690.49	50.00	15.06	0.2711	1.0000	$28,109.12	$1,866.43
1958	48.50	$11,374.00	50.00	14.56	0.2621	1.0000	$2,981.08	$204.73
1957	49.50	$263,194.24	50.00	14.07	0.2533	1.0000	$66,673.47	$4,737.50
1956	50.50	$4,684.11	50.00	13.60	0.2448	1.0000	$1,146.51	$84.31
1955	51.50	$85,192.99	50.00	13.13	0.2364	1.0000	$20,141.50	$1,533.47
1954	52.50	$127,443.22	50.00	12.68	0.2283	1.0000	$29,093.94	$2,293.98
1953	53.50	$48,088.33	50.00	12.24	0.2204	1.0000	$10,597.13	$865.59
1952	54.50	$55,100.75	50.00	11.81	0.2127	1.0000	$11,717.47	$991.81
1951	55.50	$145,456.94	50.00	11.40	0.2052	1.0000	$29,840.52	$2,618.22
1950	56.50	$0.00	50.00	10.99	0.1978	1.0000	$0.00	$0.00
1949	57.50	$42,089.11	50.00	10.60	0.1907	1.0000	$8,027.97	$757.60
1948	58.50	$63,099.76	50.00	10.21	0.1838	1.0000	$11,599.00	$1,135.80
1947	59.50	$746.87	50.00	9.84	0.1771	1.0000	$132.26	$13.44
1946	60.50	$576.82	50.00	9.47	0.1705	1.0000	$98.36	$10.38
1945	61.50	$25,918.48	50.00	9.12	0.1641	1.0000	$4,254.33	$466.53
1944	62.50	$7,770.66	50.00	8.77	0.1579	1.0000	$1,227.11	$139.87
1943	63.50	$3,012.75	50.00	8.44	0.1518	1.0000	$457.45	$54.23
1942	64.50	$0.00	50.00	8.11	0.1459	1.0000	$0.00	$0.00
1941	65.50	($8,553.04)	50.00	7.78	0.1401	1.0000	($1,198.18)	($153.95)
1940	66.50	$1,410.38	50.00	7.47	0.1344	1.0000	$189.54	$25.39
1939	67.50	$165.65	50.00	7.16	0.1288	1.0000	$21.33	$2.98

Account: TECO 101/6-353 Station equipment

Dispersion: 50.00 - 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
1938	68.50	$11,734.40	50.00	6.85	0.1233	1.0000	$1,446.67	$211.22
1937	69.50	$3,153.65	50.00	6.55	0.1179	1.0000	$371.68	$56.77
1936	70.50	$160.45	50.00	6.25	0.1125	1.0000	$18.05	$2.89
1935	71.50	$0.00	50.00	5.95	0.1072	1.0000	$0.00	$0.00
1934	72.50	$0.00	50.00	5.66	0.1019	1.0000	$0.00	$0.00
1933	73.50	$0.00	50.00	5.37	0.0966	1.0000	$0.00	$0.00
1932	74.50	$0.00	50.00	5.08	0.0914	1.0000	$0.00	$0.00
1931	75.50	$2,428.12	50.00	4.79	0.0862	1.0000	$209.21	$43.71
1930	76.50	$11,191.71	50.00	4.50	0.0810	1.0000	$905.98	$201.45
1929	77.50	$6,452.80	50.00	4.21	0.0758	1.0000	$488.81	$116.15
1928	78.50	$452.52	50.00	3.92	0.0706	1.0000	$31.93	$8.15
1927	79.50	$14,946.06	50.00	3.63	0.0654	1.0000	$977.44	$269.03
1926	80.50	$30,355.64	50.00	3.35	0.0603	1.0000	$1,829.09	$546.40
1924	82.50	$0.00	50.00	2.78	0.0501	1.0000	$0.00	$0.00
1923	83.50	$38,053.00	50.00	2.51	0.0451	1.0000	$1,715.85	$684.95
1922	84.50	$0.00	50.00	2.23	0.0402	1.0000	$0.00	$0.00
1920	86.50	$128.87	50.00	1.70	0.0306	1.0000	$3.94	$2.32
1919	87.50	$0.00	50.00	1.44	0.0259	1.0000	$0.00	$0.00
1918	88.50	$56,240.72	50.00	1.19	0.0215	1.0000	$1,209.28	$1,012.33
		$9,485,108.69	50.00	32.09	0.5777	1.0000	$5,479,103.70	$170,731.96

Depreciation Reserve Summary

Account: TECO 101/6-353 Station equipment
Scenario: TECO Txm ADR Scenario
Version: 50 - 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	$9,485,108.69	$3,521,618.98	0.3713	$5,014,978.84	0.5287
Computed	$9,485,108.69	$3,057,494.12	0.3223	$5,479,103.70	0.5777
Difference		$464,124.86	0.0489	($464,124.86)	-0.0489

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 354 Towers & Fixtures

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 50 R4

Actuarial Life Analysis

90 R4 best fit using 1999 - 2006 data and using a 1979 Placement Band

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 - 75 Years

Recommendation

Change to 65 R4 based on Industry Standards and Actuarial Life Analysis

Comments:
The current Iowa Curve is very representative of industry standards today according to the 2003 EEI Study. We do recommend a change in service life as our data demonstrates there are few retirements and a better match to exposures appears at R4 65 years EEI Industry trends appear to demonstrate longer lives for towers. We have very little plant in this account also as most of the assets were transferred to American Transmission Systems, Inc a FirstEnergy subsidiary.

Salvage Factor Estimates

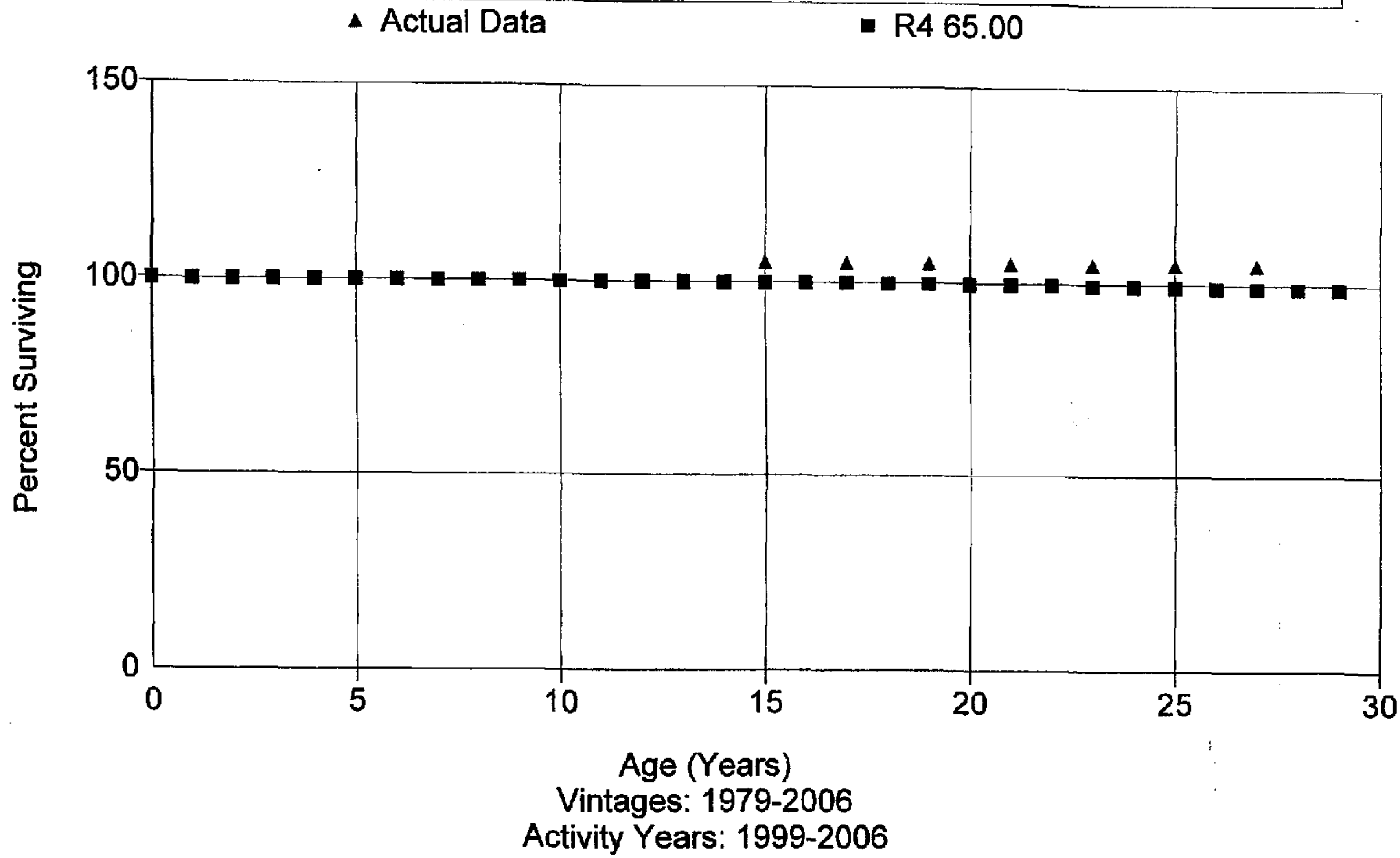
Current Net salvage Rate is -20%
Proposed Net salvage Rate -20%

Comments:
Data associated with the current study produced inconclusive results for net salvage associated with towers . The EEI Industry averages are between 14% and -60%. The -20% arrived at in the previous study appears to be reasonable.

Summary of Recommendations

65	Average Service Life
R4	Iowa Curve
-20	% Net Salvage

Toledo Edison Company Account 354 Towers & Fixtures



Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-354 Towers & fixtures

Placement Band: 1979 - 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
1.5	0.00	0.00	0.00000	0.00000	100.00
2.5	0.00	0.00	0.00000	0.00000	0.00
3.5	0.00	0.00	0.00000	0.00000	
4.5	0.00	0.00	0.00000	0.00000	
5.5	86,283.00	0.00	0.00000	1.00000	
6.5	197,994.00	0.00	0.00000	1.00000	
7.5	116,782.00	0.00	0.00000	1.00000	
8.5	5,071.00	0.00	0.00000	1.00000	
9.5	0.00	0.00	0.00000	0.00000	
10.5	0.00	0.00	0.00000	0.00000	
11.5	0.00	-20,000.00	0.00000	0.00000	
12.5	20,000.00	0.00	0.00000	1.00000	
13.5	20,000.00	-1,000.00	-0.05000	1.05000	
14.5	21,000.00	0.00	0.00000	1.00000	
15.5	21,000.00	0.00	0.00000	1.00000	
16.5	21,000.00	0.00	0.00000	1.00000	
17.5	21,000.00	0.00	0.00000	1.00000	
18.5	21,000.00	0.00	0.00000	1.00000	
19.5	1,000.00	0.00	0.00000	1.00000	
20.5	1,000.00	0.00	0.00000	1.00000	
21.5	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
TECO 354 Towers & Fixtures	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 354 Towers & Fixtures	2006	0.00	0.00	0.00	0.00	0.00	573.93	0.00	(573.93)	0.00	0.00
		0.00	0.00	0.00	0.00	0.00	573.93	0.00	(573.93)	0.00	

Whole Life Depreciation Accrual

Account: TECO 101/6-354 Towers & fixtures
Dispersion: 65 - R4
Average Net Salvage Rate: -20.00%
Future Net Salvage Rate: -20.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$34,264.16		$581.92	1.699785
	Whole Life		65	$632.57	
	Amortization		0	$0.00	
	Retirements	$5,487.29	65	$50.65	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$34,264.16 *		$581.92	1.701220
	Average:	$31,520.52		$581.92	1.846163
	Grand Total:	$34,264.16 *		$581.92	1.701220

* Excluding 2007 Retirements

Account: TECO 101/6-354 Towers & fixtures

Dispersion: 65.00 - R4

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
1993	13.50	$0.00	65.00	51.55	0.9517	1.0000	$0.00	$0.00
1992	14.50	$0.00	65.00	50.56	0.9334	1.0000	$0.00	$0.00
1991	15.50	$0.00	65.00	49.57	0.9151	1.0000	$0.00	$0.00
1977	29.50	$0.00	65.00	36.05	0.6655	1.0000	$0.00	$0.00
1975	31.50	$0.00	65.00	34.20	0.6313	1.0000	$0.00	$0.00
1974	32.50	$0.00	65.00	33.28	0.6144	1.0000	$0.00	$0.00
1973	33.50	$0.00	65.00	32.37	0.5976	1.0000	$0.00	$0.00
1972	34.50	$0.00	65.00	31.47	0.5811	1.0000	$0.00	$0.00
1970	36.50	$0.00	65.00	29.70	0.5484	1.0000	$0.00	$0.00
1969	37.50	$0.00	65.00	28.83	0.5322	1.0000	$0.00	$0.00
1968	38.50	$0.00	65.00	27.97	0.5163	1.0000	$0.00	$0.00
1966	40.50	$0.00	65.00	26.27	0.4851	1.0000	$0.00	$0.00
1965	41.50	$0.00	65.00	25.44	0.4697	1.0000	$0.00	$0.00
1964	42.50	$0.00	65.00	24.62	0.4546	1.0000	$0.00	$0.00
1963	43.50	$0.00	65.00	23.81	0.4396	1.0000	$0.00	$0.00
1962	44.50	$0.00	65.00	23.02	0.4249	1.0000	$0.00	$0.00
1961	45.50	$0.00	65.00	22.23	0.4104	1.0000	$0.00	$0.00
1960	46.50	$0.00	65.00	21.45	0.3961	1.0000	$0.00	$0.00
1959	47.50	$0.00	65.00	20.70	0.3821	1.0000	$0.00	$0.00
1958	48.50	$0.00	65.00	19.94	0.3682	1.0000	$0.00	$0.00
1957	49.50	$0.00	65.00	19.21	0.3546	1.0000	$0.00	$0.00
1956	50.50	$0.00	65.00	18.48	0.3411	1.0000	$0.00	$0.00
1955	51.50	$0.00	65.00	17.76	0.3279	1.0000	$0.00	$0.00
1954	52.50	$0.00	65.00	17.05	0.3148	1.0000	$0.00	$0.00
1951	55.50	$0.00	65.00	15.00	0.2770	1.0000	$0.00	$0.00
1945	61.50	$0.00	65.00	11.29	0.2085	1.0000	$0.00	$0.00
1944	62.50	$0.00	65.00	10.76	0.1986	1.0000	$0.00	$0.00
1942	64.50	$0.00	65.00	9.75	0.1800	1.0000	$0.00	$0.00
1941	65.50	$0.00	65.00	9.28	0.1714	1.0000	$0.00	$0.00
1936	70.50	$0.00	65.00	7.29	0.1346	1.0000	$0.00	$0.00
1930	76.50	$0.00	65.00	5.42	0.1000	1.0000	$0.00	$0.00
1929	77.50	$0.00	65.00	5.13	0.0947	1.0000	$0.00	$0.00
1928	78.50	$0.00	65.00	4.86	0.0897	1.0000	$0.00	$0.00
1926	80.50	$34,264.16	65.00	4.32	0.0797	1.0000	$2,730.83	$632.57

Account: *TECO 101/6-354 Towers & fixtures*

Dispersion: 65.00 - R4

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
1925	81.50	$0.00	65.00	4.04	0.0747	1.0000	$0.00	$0.00
1924	82.50	$0.00	65.00	3.79	0.0699	1.0000	$0.00	$0.00
1918	88.50	$0.00	65.00	2.29	0.0423	1.0000	$0.00	$0.00
		$34,264.16	65.00	4.32	0.0797	1.0000	$2,730.83	$632.57

Depreciation Reserve Summary

Account: TECO 101/6-354 Towers & fixtures
Scenario: TECO Txm ADR Scenario
Dispersion: 65 - R4
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	$34,264.16	$40,543.07	1.1833	$573.92	0.0167
Computed	$34,264.16	$38,386.16	1.1203	$2,730.83	0.0797
Difference		$2,156.91	0.0629	($2,156.91)	-0.0629

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 355 Poles & Fixtures

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 40 R2.5

Actuarial Life Analysis

64.25 L3 is the best fit using 1999 - 2006 data and 1975 placement band

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 - 70 Years.

Recommendation

Use a 40 R4 which was the second best fit

Comments:
Based on the actuarial results of the current life study it appears no change in life is required if a similar placement band is used . Our finding was also well within EEI industry study results. The best fit 64 L3 finding appeared too drastic the second and third best fits were both at 40 years the current life.

Salvage Factor Estimates

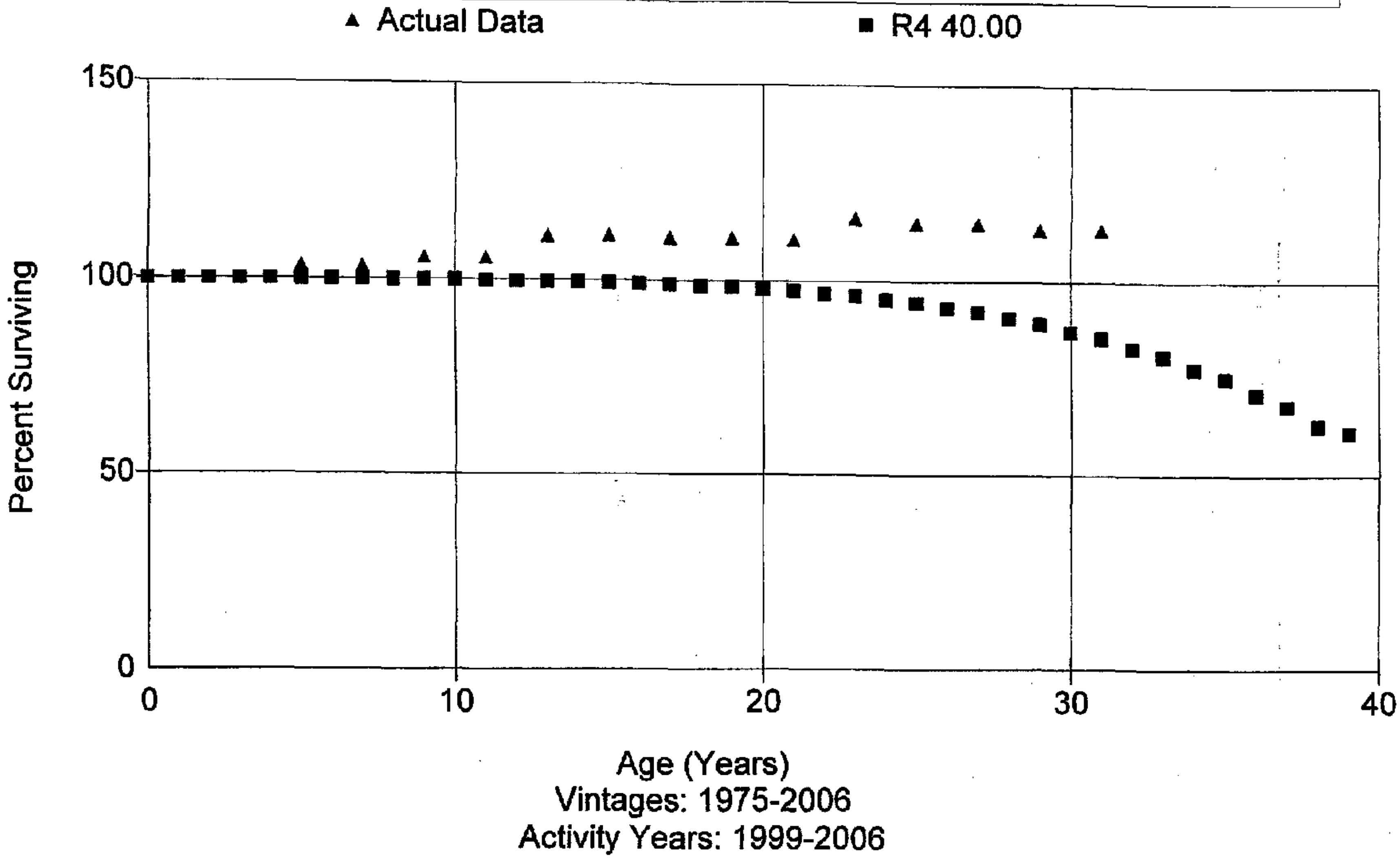
Current Net salvage Rate is -50%
Proposed Net salvage Rate -50%

Comments:
The net cost of removal results in this study resulted in a -116% rate. The previous study had arrived at a -50 % rate for net salvage. EEI Industry standards indicate a range between 5% and -60% . We recommend we continue the current rate of -50% which also falls within the EEI Industry Standards.

Summary of Recommendations

40	Average Service Life
R4	Iowa Curve
-50	% Net Salvage

Toledo Edison Company Account 355 Poles & Fixtures



Observed Life Table

Scenario: Toledo Edison Transmission
Account: TECO 101/6-355 Poles & fixtures
Placement Band: 1975 - 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	43,323.34	0.00	0.00000	1.00000	100.00
0.5	617,960.55	0.00	0.00000	1.00000	100.00
1.5	744,379.38	0.00	0.00000	1.00000	100.00
2.5	632,723.62	0.00	0.00000	1.00000	100.00
3.5	1,025,997.18	0.00	0.00000	1.00000	100.00
4.5	-1,397,311.42	49,784.02	-0.03563	1.03563	100.00
5.5	-1,573,279.30	-5,773.00	0.00367	0.99633	
6.5	-1,759,820.53	0.00	0.00000	1.00000	
7.5	-1,587,216.68	37,950.00	-0.02391	1.02391	
8.5	-1,922,395.62	0.00	0.00000	1.00000	
9.5	-2,104,048.66	0.00	0.00000	1.00000	
10.5	505,953.55	0.00	0.00000	1.00000	
11.5	473,665.90	-24,000.00	-0.05067	1.05067	
12.5	364,352.91	-1,000.00	-0.00274	1.00274	
13.5	684,035.17	-1,000.00	-0.00146	1.00146	
14.5	681,228.06	0.00	0.00000	1.00000	
15.5	675,355.09	0.00	0.00000	1.00000	
16.5	879,987.80	4,700.57	0.00534	0.99466	
17.5	986,171.04	0.00	0.00000	1.00000	
18.5	1,527,967.62	0.00	0.00000	1.00000	
19.5	1,569,361.65	2,141.45	0.00136	0.99864	
20.5	1,923,702.59	3,785.19	0.00197	0.99803	
21.5	2,174,918.02	-200,411.10	-0.09215	1.09215	
22.5	3,035,573.30	115,155.82	0.03794	0.96206	
23.5	3,442,054.91	34,534.50	0.01003	0.98997	
24.5	1,855,418.45	1,018.23	0.00055	0.99945	
25.5	457,597.17	0.00	0.00000	1.00000	
26.5	117,032.88	0.00	0.00000	1.00000	
27.5	96,865.88	1,243.16	0.01283	0.98717	
28.5	84,013.80	0.00	0.00000	1.00000	
29.5	-122,914.30	0.00	0.00000	1.00000	
30.5	-9,136.48	0.00	0.00000	1.00000	
31.5	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
TECO 355 Poles & Fixtures	1999	(10,453.91)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 355 Poles & Fixtures	2000	8,747.00	0.00	0.00	0.00	0.00	16,049.95	183.49	(16,049.95)	-183.49	-183.49
TECO 355 Poles & Fixtures	2001	8,662.40	0.00	0.00	0.00	0.00	798.61	9.22	(798.61)	-9.22	-9.22
TECO 355 Poles & Fixtures	2002	(5,483.13)	0.00	0.00	0.00	0.00	82.51	-1.50	(82.51)	1.50	1.50
TECO 355 Poles & Fixtures	2003	0.00	0.00	0.00	0.00	0.00	877.98	0.00	(877.98)	0.00	0.00
TECO 355 Poles & Fixtures	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 355 Poles & Fixtures	2006	22,883.94	0.00	0.00	0.00	0.00	10,368.32	45.31	(10,368.32)	-45.31	-45.31
		24,356.30	0.00	0.00	0.00	0.00	28,177.37	115.69	(28,177.37)	-115.69	

Whole Life Depreciation Accrual

Account: TECO 101/6-355 Poles & fixtures
Dispersion: 40 - R4
Average Net Salvage Rate: -50.00%
Future Net Salvage Rate: -50.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$2,519,606.10		$90,351.34	3.585951
	Whole Life		40	$93,395.10	
	Amortization	.	0	$0.00	
	Retirements	$162,333.62	40	$3,043.76	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$2,519,606.10 *		$90,351.34	3.585970
	Average:	$2,438,439.29		$90,351.34	3.705294
	Grand Total:	$2,519,606.10 *		$90,351.34	3.585970

* Excluding 2007 Retirements

03/23/2007

Generation Arrangement Report

Account: *TECO 101/8-355 Poles & fixtures*
Dispersion: *40.00* - R4
Average Net Salvage Rate: -50.00%
Future Net Salvage Rate: -50.00%
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	$23,228.15	40.00	39.50	1.4813	1.0000	$34,407.13	$871.06
2005	1.50	$129,027.01	40.00	38.50	1.4438	1.0000	$186,289.40	$4,838.51
2004	2.50	$28,500.49	40.00	37.50	1.4064	1.0000	$40,081.91	$1,068.77
2003	3.50	($17,892.65)	40.00	36.51	1.3689	1.0000	($24,493.93)	($670.97)
2002	4.50	$85,085.77	40.00	35.51	1.3315	1.0000	$113,295.36	$3,190.72
2001	5.50	($61,890.47)	40.00	34.51	1.2942	1.0000	($80,098.48)	($2,320.89)
2000	6.50	$116,844.48	40.00	33.52	1.2569	1.0000	$146,859.02	$4,381.67
1999	7.50	$73,619.90	40.00	32.52	1.2196	1.0000	$89,788.35	$2,760.75
1998	8.50	$1,887.90	40.00	31.53	1.1825	1.0000	$2,232.35	$70.80
1997	9.50	$215,023.19	40.00	30.54	1.1454	1.0000	$246,278.12	$8,063.37
1996	10.50	$166,090.45	40.00	29.56	1.1084	1.0000	$184,091.48	$6,228.39
1995	11.50	$87,603.74	40.00	28.57	1.0715	1.0000	$93,868.91	$3,285.14
1994	12.50	$41,138.78	40.00	27.60	1.0348	1.0000	$42,572.20	$1,542.70
1993	13.50	$112,544.19	40.00	26.62	0.9983	1.0000	$112,356.02	$4,220.41
1992	14.50	$19,256.43	40.00	25.65	0.9621	1.0000	$18,525.78	$722.12
1991	15.50	$51,738.50	40.00	24.69	0.9260	1.0000	$47,910.11	$1,940.19
1990	16.50	$0.00	40.00	23.74	0.8903	1.0000	$0.00	$0.00
1989	17.50	$0.00	40.00	22.80	0.8548	1.0000	$0.00	$0.00
1988	18.50	$0.00	40.00	21.86	0.8198	1.0000	$0.00	$0.00
1987	19.50	$0.00	40.00	20.94	0.7852	1.0000	$0.00	$0.00
1986	20.50	$0.00	40.00	20.03	0.7510	1.0000	$0.00	$0.00
1985	21.50	$1,451.00	40.00	19.13	0.7173	1.0000	$1,040.82	$54.41
1984	22.50	$0.00	40.00	18.25	0.6842	1.0000	$0.00	$0.00
1983	23.50	$673.00	40.00	17.38	0.6516	1.0000	$438.53	$25.24
1982	24.50	$2,965.00	40.00	16.52	0.6197	1.0000	$1,837.36	$111.19
1981	25.50	$265,472.77	40.00	15.69	0.5883	1.0000	$156,187.94	$9,955.23
1980	26.50	$339,674.73	40.00	14.87	0.5577	1.0000	$189,448.39	$12,737.80
1979	27.50	$20,167.00	40.00	14.07	0.5277	1.0000	$10,643.03	$756.26
1978	28.50	$14,230.84	40.00	13.29	0.4985	1.0000	$7,094.73	$533.66
1977	29.50	$6,517.00	40.00	12.53	0.4700	1.0000	$3,062.83	$244.39
1976	30.50	$1,378.00	40.00	11.79	0.4422	1.0000	$609.35	$51.68
1975	31.50	$22,410.70	40.00	11.07	0.4150	1.0000	$9,301.01	$840.40
1974	32.50	$278.00	40.00	10.36	0.3886	1.0000	$108.03	$10.42
1973	33.50	$55,714.00	40.00	9.67	0.3627	1.0000	$20,210.08	$2,089.28

Account: TECO 101/6-355 Poles & fixtures

Dispersion: 40.00 - R4

Average Net Salvage Rate: -50.00%

Future Net Salvage Rate: -50.00%

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	$3,733.00	40.00	9.00	0.3376	1.0000	$1,260.39	$139.99
1971	35.50	$9,400.31	40.00	8.35	0.3132	1.0000	$2,944.61	$352.51
1970	36.50	$5,209.75	40.00	7.73	0.2901	1.0000	$1,511.11	$195.37
1969	37.50	$14,670.00	40.00	7.15	0.2680	1.0000	$3,931.99	$550.13
1968	38.50	$4,190.00	40.00	6.60	0.2476	1.0000	$1,037.53	$157.13
1967	39.50	$2,084.00	40.00	6.10	0.2286	1.0000	$476.45	$78.15
1966	40.50	$19,140.38	40.00	5.63	0.2113	1.0000	$4,043.53	$717.76
1965	41.50	$48,342.00	40.00	5.21	0.1953	1.0000	$9,438.92	$1,812.63
1964	42.50	$83,278.58	40.00	4.82	0.1806	1.0000	$15,038.46	$3,122.95
1963	43.50	$81,627.09	40.00	4.46	0.1671	1.0000	$13,636.85	$3,061.02
1962	44.50	$72,877.72	40.00	4.12	0.1544	1.0000	$11,255.69	$2,732.91
1961	45.50	$42,356.43	40.00	3.81	0.1427	1.0000	$6,046.06	$1,588.37
1960	46.50	$33,345.90	40.00	3.51	0.1315	1.0000	$4,384.62	$1,250.47
1959	47.50	$28,244.25	40.00	3.23	0.1209	1.0000	$3,415.88	$1,059.16
1958	48.50	$7,293.93	40.00	2.95	0.1105	1.0000	$805.83	$273.52
1957	49.50	$30,591.77	40.00	2.68	0.1006	1.0000	$3,077.51	$1,147.19
1956	50.50	$12,220.54	40.00	2.42	0.0906	1.0000	$1,106.80	$458.27
1955	51.50	$51,464.29	40.00	2.16	0.0812	1.0000	$4,177.33	$1,929.91
1954	52.50	$77,124.08	40.00	1.91	0.0715	1.0000	$5,515.19	$2,892.15
1953	53.50	$38,219.86	40.00	1.67	0.0627	1.0000	$2,396.84	$1,433.24
1952	54.50	$3,451.35	40.00	1.43	0.0536	1.0000	$184.93	$129.43
1951	55.50	$859.19	40.00	1.22	0.0457	1.0000	$39.29	$32.22
1950	56.50	$2,147.03	40.00	1.00	0.0373	1.0000	$80.11	$80.51
1949	57.50	$9,074.12	40.00	0.82	0.0308	1.0000	$279.36	$340.28
1948	58.50	$5,246.78	40.00	0.62	0.0233	1.0000	$122.05	$196.75
1947	59.50	$1,605.62	40.00	0.45	0.0169	1.0000	$27.10	$60.21
1946	60.50	$2,009.36	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1945	61.50	$7,220.81	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1944	62.50	$305.95	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1943	63.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1942	64.50	$11,791.84	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1941	65.50	$181.73	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1940	66.50	$4,742.42	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1939	67.50	$112.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00

Account: TECO 101/6-355 Poles & fixtures

Dispersion: 40.00 - R4

Average Net Salvage Rate: -50.00%

Future Net Salvage Rate: -50.00%

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	$441.77	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1933	73.50	$0.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1931	75.50	$2,264.35	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
		$2,519,606.10	40.00	18.52	0.6946	1.0000	$1,750,180.22	$93,395.10

Depreciation Reserve Summary

Account: TECO 101/6-355 Poles & fixtures
Scenario: TECO Txm ADR Scenario
Dispersion: 40 - R4
Average Net Salvage Rate: -50.00%
Future Net Salvage Rate: -50.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$2,519,606.10	$2,118,882.97	0.8410	$1,560,526.18	0.6590
Computed	$2,519,606.10	$2,029,228.93	0.8054	$1,750,180.22	0.6946
Difference		$89,654.04	0.0356	($89,654.04)	-0.0356

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 356 Overhead Conductor

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 45 R3

Actuarial Life Analysis

43.75 S5 best fit using 1999 - 2006 data and a 1963 placement band

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 30 - 72 Years

Recommendation

Continue using the 45 R3 arrived at in the previous study

Comments:
While the actuarial analysis shows a best fit at 43.75 S5 we find applying a 45 R3 displays little difference . In reviewing the data per the Observation Table, the time frame of data studied , and the results of the best fit suggested did not warrant a change from the original study finding.

Salvage Factor Estimates

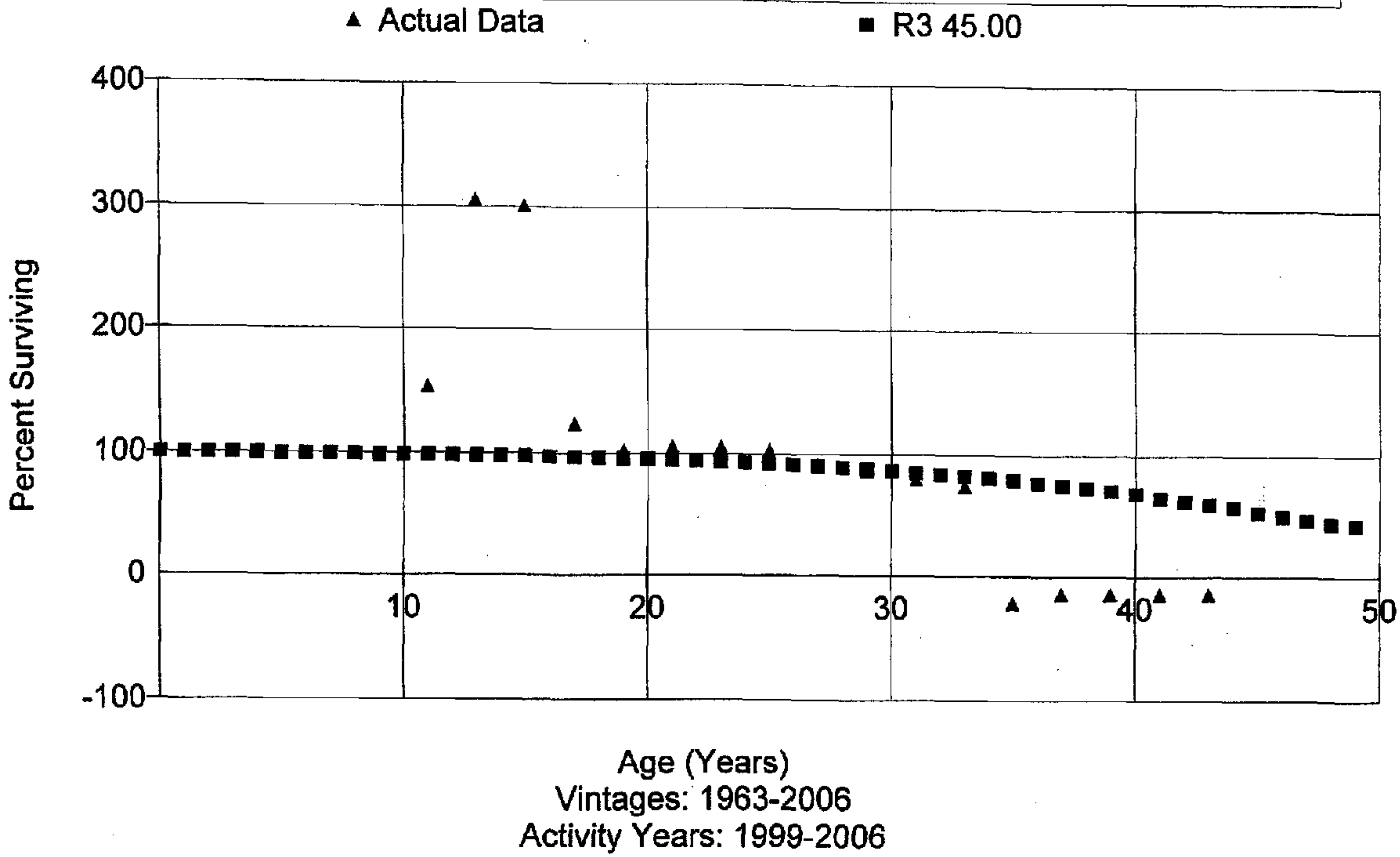
Current Net salvage Rate is -20%
Proposed Net salvage Rate -20%

Comments:
The 1999 - 2006 data studied produced a net salvage rate of 1.82%. The previous study produced a -20% net salvage rate. The EEI Study of net salvage ranged from 15% to -60%. We recommend continuing with the -20% net salvage rate as the current study period was too limited.

Summary of Recommendations

45	Average Service Life
R3	Iowa Curve
-20	% Net Salvage

Toledo Edison Company Account 356 Overhead Conductor & Devices



Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-356 Overhead cond

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	-1,232,863.80	0.00	0.00000	1.00000	100.00
0.5	1,869,213.42	0.00	0.00000	1.00000	100.00
1.5	3,297,415.95	0.00	0.00000	1.00000	100.00
2.5	7,515,477.22	-13,430.40	-0.00179	1.00179	100.00
3.5	7,983,917.49	63.73	0.00001	0.99999	100.18
4.5	5,595,904.19	190.66	0.00003	0.99997	100.18
5.5	5,320,733.00	11,003.81	0.00207	0.99793	100.18
6.5	5,199,990.84	11,349.04	0.00218	0.99782	99.97
7.5	5,450,468.64	28,341.13	0.00520	0.99480	99.75
8.5	4,318,832.21	42,747.09	0.00990	0.99010	99.23
9.5	3,392,427.03	37,955.84	0.01119	0.98881	98.25
10.5	-40,592.56	23,519.14	-0.57939	1.57939	97.15
11.5	-127,432.22	103,206.55	-0.80990	1.80990	
12.5	-469,636.69	48,432.64	-0.10313	1.10313	
13.5	324,906.01	10,281.36	0.03164	0.96836	
14.5	346,806.92	-4,964.58	-0.01432	1.01432	
15.5	348,948.04	188,809.89	0.54108	0.45892	
16.5	627,616.38	66,298.13	0.10563	0.89437	
17.5	937,612.89	78,163.43	0.08336	0.91664	
18.5	2,017,372.61	191,031.94	0.09469	0.90531	
19.5	2,058,417.32	43,013.21	0.02090	0.97910	
20.5	2,482,652.95	-130,873.66	-0.05272	1.05272	
21.5	2,562,722.12	11,031.95	0.00430	0.99570	
22.5	2,605,149.74	1,986.10	0.00076	0.99924	
23.5	6,280,009.47	100,976.91	0.01608	0.98392	
24.5	9,462,654.63	44,323.26	0.00468	0.99532	
25.5	5,940,416.51	47,058.36	0.00792	0.99208	
26.5	1,679,354.23	167,019.67	0.09945	0.90055	
27.5	985,077.10	37,608.59	0.03818	0.96182	
28.5	2,139,591.68	45,329.08	0.02119	0.97881	
29.5	2,234,520.84	76,643.21	0.03430	0.96570	
30.5	1,555,226.31	66,774.76	0.04294	0.95706	
31.5	2,017,839.90	83,636.09	0.04145	0.95855	
32.5	936,646.47	25,867.94	0.02762	0.97238	
33.5	230,838.98	15,663.29	0.06785	0.93215	
34.5	27,095.63	35,487.82	1.30971	-0.30971	
35.5	105,622.67	36,136.76	0.34213	0.65787	
36.5	-88,788.95	181.23	-0.00204	1.00204	
37.5	-86,224.96	9.76	-0.00012	1.00012	
38.5	-22,163.57	0.00	0.00000	1.00000	
39.5	59,224.50	0.00	0.00000	1.00000	
40.5	84,214.30	0.00	0.00000	1.00000	
41.5	72,143.53	0.00	0.00000	1.00000	
42.5	69,229.89	0.00	0.00000	1.00000	
43.5	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
TECO 356 Overhead Conductor	1999	(581,455.64)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 356 Overhead Conductor	2000	12,056.41	0.00	0.00	0.00	0.00	8,257.26	68.49	(8,257.26)	-68.49	-68.49
TECO 356 Overhead Conductor	2001	4,065.79	(8.61)	-0.21	0.00	0.00	(19.47)	-0.48	10.86	0.27	0.27
TECO 356 Overhead Conductor	2002	0.00	0.00	0.00	0.00	0.00	29.62	0.00	(29.62)	0.00	0.00
TECO 356 Overhead Conductor	2004	(1,759.00)	0.00	0.00	0.00	0.00	29.29	-1.67	(29.29)	1.67	1.67
TECO 356 Overhead Conductor	2006	0.00	0.00	0.00	0.00	0.00	2,011.57	0.00	(2,011.57)	0.00	0.00
		(567,092.44)	(8.61)	0.00	0.00	0.00	10,308.27	-1.82	(10,316.88)	1.82	

Whole Life Depreciation Accrual

Account: TECO 101/6-356 Overhead cond
Dispersion: 45 - R3
Average Net Salvage Rate: -20.00%
Future Net Salvage Rate: -20.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$4,075,112.74		$106,795.03	2.620677
	Whole Life		45	$108,264.53	
	Amortization		0	$0.00	
	Retirements	$110,212.00	45	$1,469.49	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$4,075,112.74 *		$106,795.03	2.620689
	Average:	$4,020,006.74		$106,795.03	2.656588
	Grand Total:	$4,075,112.74 *		$106,795.03	2.620689

* Excluding 2007 Retirements

Account: TECO 101/6-356 Overhead cond

Dispersion: 45.00 - R3

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
2006	0.50	$87,358.20	45.00	44.51	1.1869	1.0000	$103,682.67	$2,329.55
2005	1.50	$156,514.55	45.00	43.53	1.1607	1.0000	$181,662.76	$4,173.72
2004	2.50	$24,003.31	45.00	42.55	1.1345	1.0000	$27,232.82	$640.09
2003	3.50	($23,662.56)	45.00	41.57	1.1085	1.0000	($26,230.55)	($631.00)
2002	4.50	$28,567.03	45.00	40.60	1.0826	1.0000	$30,926.64	$761.79
2001	5.50	$102,324.11	45.00	39.63	1.0568	1.0000	$108,133.69	$2,728.64
2000	6.50	$37,941.20	45.00	38.67	1.0311	1.0000	$39,120.29	$1,011.77
1999	7.50	$54,443.89	45.00	37.71	1.0055	1.0000	$54,743.40	$1,451.84
1998	8.50	$138,649.06	45.00	36.75	0.9801	1.0000	$135,888.17	$3,697.31
1997	9.50	$1,180,937.11	45.00	35.81	0.9548	1.0000	$1,127,584.00	$31,491.66
1996	10.50	$38,622.54	45.00	34.86	0.9297	1.0000	$35,908.18	$1,029.93
1995	11.50	$32,430.86	45.00	33.93	0.9048	1.0000	$29,342.63	$864.82
1994	12.50	$0.00	45.00	33.00	0.8801	1.0000	$0.00	$0.00
1993	13.50	$82,968.97	45.00	32.08	0.8555	1.0000	$70,982.48	$2,212.51
1992	14.50	$0.00	45.00	31.17	0.8312	1.0000	$0.00	$0.00
1991	15.50	$27,731.60	45.00	30.27	0.8071	1.0000	$22,383.13	$739.51
1990	16.50	$0.00	45.00	29.37	0.7832	1.0000	$0.00	$0.00
1989	17.50	$0.00	45.00	28.49	0.7596	1.0000	$0.00	$0.00
1988	18.50	$0.00	45.00	27.61	0.7363	1.0000	$0.00	$0.00
1987	19.50	$3,282.00	45.00	26.74	0.7132	1.0000	$2,340.68	$87.52
1986	20.50	$0.00	45.00	25.89	0.6903	1.0000	$0.00	$0.00
1985	21.50	$7,551.00	45.00	25.04	0.6678	1.0000	$5,042.41	$201.36
1984	22.50	$6,058.71	45.00	24.21	0.6455	1.0000	$3,910.99	$161.57
1983	23.50	$280.24	45.00	23.38	0.6235	1.0000	$174.74	$7.47
1982	24.50	$5,245.40	45.00	22.57	0.6019	1.0000	$3,157.04	$139.88
1981	25.50	$388,187.65	45.00	21.77	0.5805	1.0000	$225,328.12	$10,351.67
1980	26.50	$533,045.58	45.00	20.98	0.5594	1.0000	$298,194.92	$14,214.55
1979	27.50	$25,240.31	45.00	20.20	0.5387	1.0000	$13,596.82	$673.07
1978	28.50	$966.69	45.00	19.44	0.5183	1.0000	$501.03	$25.78
1977	29.50	$7,190.81	45.00	18.68	0.4982	1.0000	$3,582.33	$191.75
1976	30.50	$11,801.74	45.00	17.94	0.4785	1.0000	$5,646.97	$314.71
1975	31.50	$46,750.81	45.00	17.22	0.4592	1.0000	$21,466.06	$1,246.69
1974	32.50	$38,926.67	45.00	16.51	0.4402	1.0000	$17,135.75	$1,038.04
1973	33.50	$83,479.82	45.00	15.81	0.4216	1.0000	$35,198.55	$2,226.13

Account: TECO 101/6-356 Overhead cond

Dispersion: 45.00 - R3

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
1972	34.50	$15,832.99	45.00	15.13	0.4034	1.0000	$6,387.70	$422.21
1971	35.50	$6,338.05	45.00	14.47	0.3857	1.0000	$2,444.83	$169.01
1970	36.50	$5,519.74	45.00	13.82	0.3685	1.0000	$2,033.89	$147.19
1969	37.50	$19,215.06	45.00	13.19	0.3517	1.0000	$6,757.47	$512.40
1968	38.50	$1,908.64	45.00	12.57	0.3353	1.0000	$639.96	$50.90
1967	39.50	$1,425.10	45.00	11.98	0.3195	1.0000	$455.33	$38.00
1966	40.50	$358.57	45.00	11.41	0.3042	1.0000	$109.09	$9.56
1965	41.50	$25,547.78	45.00	10.86	0.2895	1.0000	$7,395.70	$681.27
1964	42.50	$37,970.45	45.00	10.32	0.2753	1.0000	$10,452.58	$1,012.55
1963	43.50	$104,977.25	45.00	9.81	0.2616	1.0000	$27,461.40	$2,799.39
1962	44.50	$42,740.67	45.00	9.32	0.2485	1.0000	$10,622.15	$1,139.75
1961	45.50	$39,541.11	45.00	8.85	0.2360	1.0000	$9,332.49	$1,054.43
1960	46.50	$40,359.27	45.00	8.40	0.2241	1.0000	$9,043.36	$1,076.25
1959	47.50	$94,401.71	45.00	7.97	0.2127	1.0000	$20,075.16	$2,517.38
1958	48.50	$60,966.49	45.00	7.57	0.2018	1.0000	$12,303.94	$1,625.77
1957	49.50	$36,799.99	45.00	7.18	0.1915	1.0000	$7,046.93	$981.33
1956	50.50	$14,159.47	45.00	6.81	0.1817	1.0000	$2,572.42	$377.59
1955	51.50	$11,618.68	45.00	6.46	0.1723	1.0000	$2,002.25	$309.83
1954	52.50	$102,599.88	45.00	6.13	0.1635	1.0000	$16,773.98	$2,736.00
1953	53.50	$88,506.92	45.00	5.81	0.1550	1.0000	$13,717.87	$2,360.18
1952	54.50	$20,068.52	45.00	5.51	0.1469	1.0000	$2,947.48	$535.16
1951	55.50	$13,206.73	45.00	5.22	0.1391	1.0000	$1,836.62	$352.18
1950	56.50	$6,189.63	45.00	4.94	0.1317	1.0000	$815.13	$165.06
1949	57.50	$28,544.32	45.00	4.66	0.1244	1.0000	$3,550.37	$761.18
1948	58.50	$5,614.15	45.00	4.40	0.1172	1.0000	$658.14	$149.71
1947	59.50	$41,060.22	45.00	4.13	0.1102	1.0000	$4,525.06	$1,094.94
1946	60.50	$1,305.87	45.00	3.87	0.1033	1.0000	$134.88	$34.82
1945	61.50	$1,281.16	45.00	3.62	0.0966	1.0000	$123.75	$34.16
1944	62.50	$1,698.75	45.00	3.36	0.0897	1.0000	$152.36	$45.30
1943	63.50	$2,263.54	45.00	3.10	0.0828	1.0000	$187.40	$60.36
1942	64.50	$12,650.77	45.00	2.85	0.0759	1.0000	$960.10	$337.35
1941	65.50	$742.29	45.00	2.60	0.0694	1.0000	$51.52	$19.79
1940	66.50	$14,485.52	45.00	2.35	0.0626	1.0000	$906.50	$386.28
1939	67.50	$7,543.55	45.00	2.09	0.0558	1.0000	$420.91	$201.16

Account: TECO 101/6-356 Overhead cond

Dispersion: 45.00 - R3

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
1938	68.50	$25,639.65	45.00	1.84	0.0491	1.0000	$1,258.50	$683.72
1937	69.50	$0.00	45.00	1.59	0.0425	1.0000	$0.00	$0.00
1933	73.50	$0.00	45.00	0.69	0.0183	1.0000	$0.00	$0.00
1931	75.50	$87.04	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1929	77.50	$0.00	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1928	78.50	$0.00	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1927	79.50	$10,219.29	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$4,886.62	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1922	84.50	$0.00	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1918	88.50	$0.00	45.00	0.00	0.0000	0.0000	$0.00	$0.00
		$4,075,112.74	45.00	25.42	0.6780	1.0000	$2,762,793.93	$108,264.53

Depreciation Reserve Summary

Account: TECO 101/6-356 Overhead cond
Scenario: TECO Txm ADR Scenario
Version: 45 - R3
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	$4,075,112.74	$2,292,934.55	0.5627	$2,597,200.74	0.6373
Computed	$4,075,112.74	$2,127,341.36	0.5220	$2,762,793.93	0.6780
Difference		$165,593.19	0.0406	($165,593.19)	-0.0406

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 357 Underground Conduit

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve - N/A

Actuarial Life Analysis

No best fit could be found for this account which began in 1994 and had only one retirement

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 28.5 - 75 Years

Recommendation

Use Curve and Life currently proposed for Cleveland Electric Illuminating Company 60 R2

Comments:
The current data produces a straight line which is inconclusive with regard to actuarial analysis. The previous study arrived at the same conclusion. The EEI Industry standard results would also lead one to conclude to continue with the existing Curve and Life.

Salvage Factor Estimates

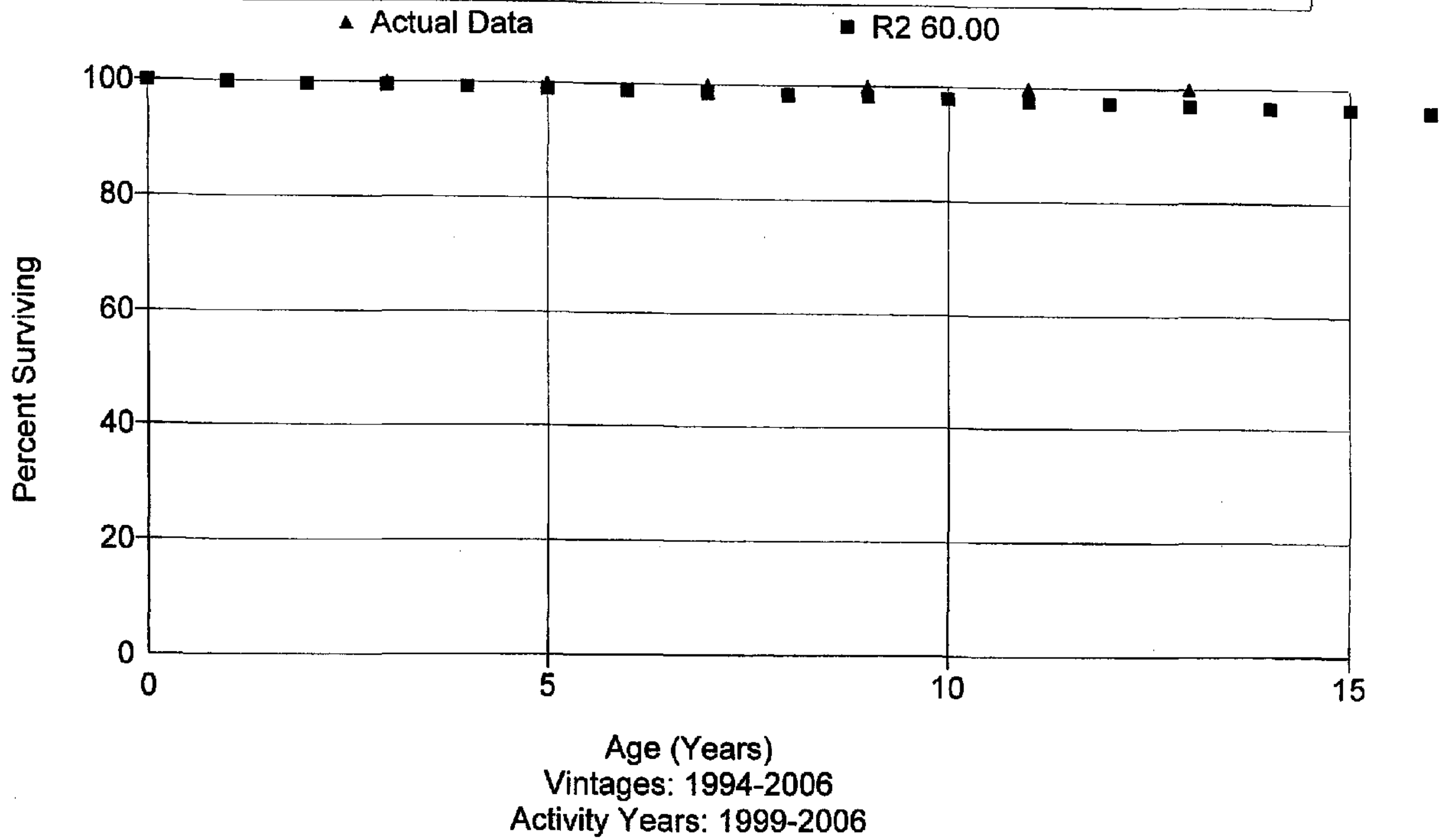
Current Net salvage Rate is -20%
Proposed Net salvage Rate -20%

Comments:
The current net salvage is limited to 5 years of data arriving at 0% . The EEI Study reflects net salvage between 0% and -20%. We find no reason to change the existing -20% net salvage rate.

Summary of Recommendations

60	Average Service Life
R2	
-20	% Net Salvage

Toledo Edison Company Account 357 Underground Conduit



Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-357 Underground conduit

Placement Band: 1994 - 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
0.5	-630,565.83	0.00	0.00000	1.00000	100.00
1.5	50,982.60	0.00	0.00000	1.00000	100.00
2.5	298,430.34	0.00	0.00000	1.00000	100.00
3.5	296,803.71	0.00	0.00000	1.00000	100.00
4.5	368,499.05	98.84	0.00027	0.99973	100.00
5.5	368,400.21	0.00	0.00000	1.00000	99.97
6.5	368,400.21	0.00	0.00000	1.00000	99.97
7.5	368,400.21	0.00	0.00000	1.00000	99.97
8.5	368,400.21	0.00	0.00000	1.00000	99.97
9.5	317,417.61	0.00	0.00000	1.00000	99.97
10.5	69,969.87	0.00	0.00000	1.00000	99.97
11.5	69,596.50	0.00	0.00000	1.00000	99.97
12.5	0.00	0.00	0.00000	0.00000	99.97

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
TECO 357 Underground Conduit	1999	98.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		98.84	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: TECO 101/6-357 Underground conduit
Dispersion: 60 - R2

Average Net Salvage Rate: -20.00%
Future Net Salvage Rate: -20.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$368,400.21		$7,357.28	1.997224
Whole Life		60	$7,368.00	
Amortization		0	$0.00	
Retirements	$1,072.59	60	$10.73	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$368,400.21 *		$7,357.28	1.997357
Average:	$367,863.92		$7,357.28	2.000000
Grand Total:	$368,400.21 *		$7,357.28	1.997357

* Excluding 2007 Retirements

Generation Arrangement Report

Account: TECO 101/6-357 Underground conduit

Dispersion: 60.00 - R2

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
1997	9.50	$50,982.60	60.00	51.58	1.0317	1.0000	$52,596.28	$1,019.65
1996	10.50	$247,447.74	60.00	50.72	1.0144	1.0000	$251,013.32	$4,948.95
1995	11.50	$373.37	60.00	49.87	0.9973	1.0000	$372.37	$7.47
1994	12.50	$69,596.50	60.00	49.01	0.9803	1.0000	$68,224.59	$1,391.93
		$368,400.21	60.00	50.52	1.0103	1.0000	$372,206.56	$7,368.00

Depreciation Reserve Summary

Account: TECO 101/6-357 Underground conduit
Scenario: *Account 357 TECO 2007 ADR*
Dispersion: 60 - R2
Average Net Salvage Rate: -20.00%
Future Net Salvage Rate: -20.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Depreciation Reserve Amount	Depreciation Reserve Ratio	Net Plant Amount	Net Plant Ratio
Recorded	$368,400.21	$101,052.06	0.2743	$341,028.19	0.9257
Computed	$368,400.21	$69,873.69	0.1897	$372,206.56	1.0103
Difference		$31,178.37	0.0846	($31,178.37)	-0.0846

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 358 Underground Conductor & Devices

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 35 S2

Actuarial Life Analysis

77.29 O4 best fit using 1999 - 2006 data and a 1971 Placement Band

Industry Survey - ***EEI Survey of Depreciation Statistics 2003***

Service Life Range 28.5 - 72 Years

Recommendation

No change is recommended for this account continue using 35 S2

Comments:
Actuarial results were somewhat inconclusive. The data results in virtually a straight line and no definitive dispersion curve. The findings ranged from 77 years which was outside the EEI Study parameters to a half year as reasonable fits with O4 And S5 Iowa Curves respectively. With that result we chose to continue with 35 S2

Salvage Factor Estimates

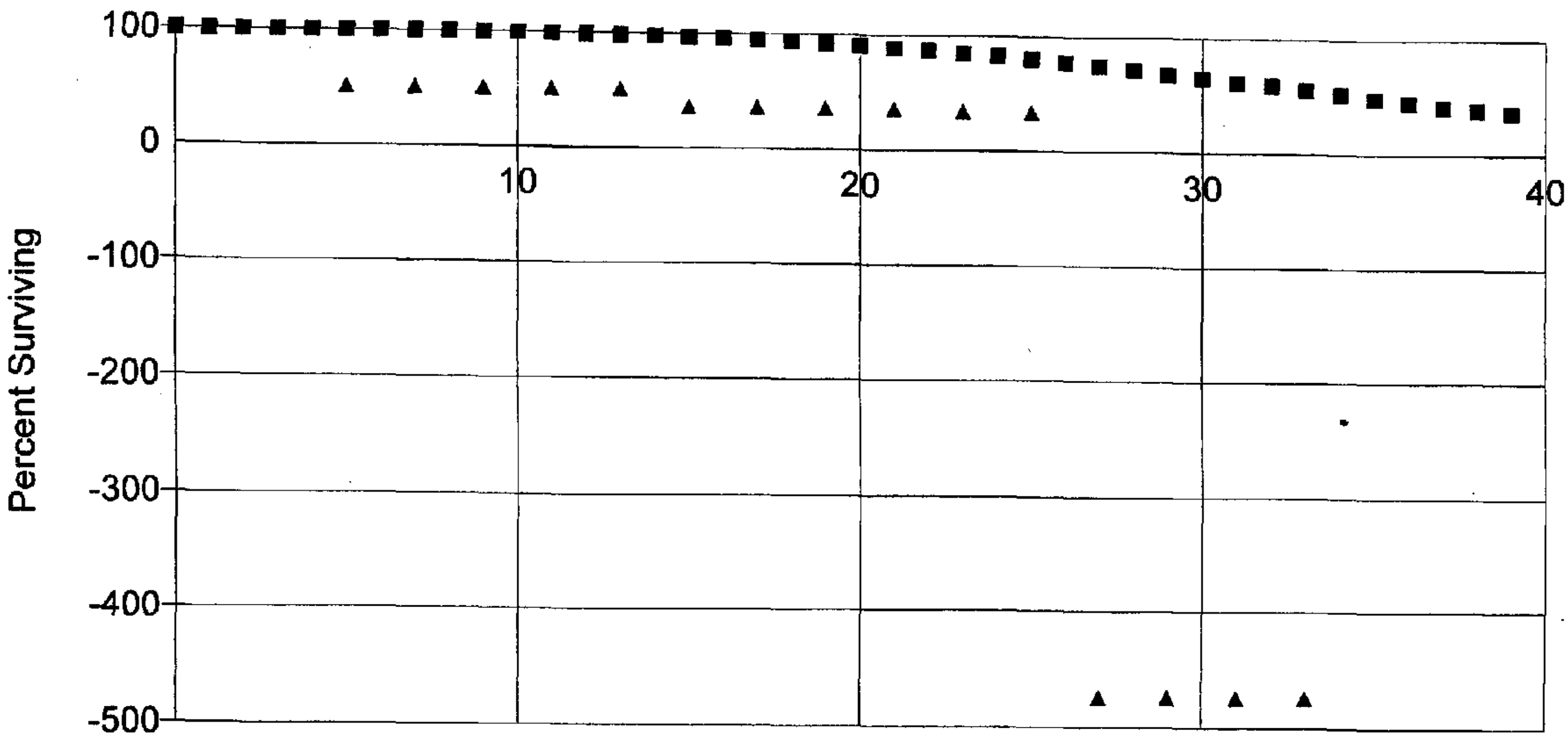
Current Net salvage Rate is 0%
Proposed Net salvage Rate 0%

Comments:
Our study of 1999 - 2006 data produced a 0% net salvage rate. This is the same result as the previous study which recommended no net salvage. The EEI Industry trend indicates low to no net salvage for the account (10% to -30%). We recommend no change in net salvage.

Summary of Recommendations

35	Average Service Life
S2	Iowa Curve
0	% Net Salvage

Toledo Edison Company Account 358 Underground Conductor & Devices



Observed Life Table

Scenario: Toledo Edison Transmission

Account: TECO 101/6-358 Undergrd conductor

Placement Band: 1971 - 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	0.00	0.00	0.00000	0.00000	100.00
0.5	0.00	0.00	0.00000	0.00000	0.00
1.5	660.40	0.00	0.00000	1.00000	
2.5	979.49	0.00	0.00000	1.00000	
3.5	979.49	0.00	0.00000	1.00000	
4.5	979.49	477.02	0.48723	0.51277	
5.5	502.47	0.00	0.00000	1.00000	
6.5	256,980.26	0.00	0.00000	1.00000	
7.5	375,235.90	0.00	0.00000	1.00000	
8.5	375,235.90	0.00	0.00000	1.00000	
9.5	374,575.50	0.00	0.00000	1.00000	
10.5	374,256.41	0.00	0.00000	1.00000	
11.5	374,256.41	0.00	0.00000	1.00000	
12.5	374,733.43	0.00	0.00000	1.00000	
13.5	374,733.43	111,602.00	0.29782	0.70218	
14.5	6,653.64	0.00	0.00000	1.00000	
15.5	-111,602.00	0.00	0.00000	1.00000	
16.5	-111,602.00	0.00	0.00000	1.00000	
17.5	-111,602.00	0.00	0.00000	1.00000	
18.5	-101,419.20	0.00	0.00000	1.00000	
19.5	-101,419.20	0.00	0.00000	1.00000	
20.5	-111,602.00	0.00	0.00000	1.00000	
21.5	7,899.00	370.73	0.04697	0.95303	
22.5	7,528.27	0.00	0.00000	1.00000	
23.5	7,528.27	0.00	0.00000	1.00000	
24.5	7,528.27	0.00	0.00000	1.00000	
25.5	7,528.27	111,492.40	14.81031	-13.81031	
26.5	-103,964.13	0.00	0.00000	1.00000	
27.5	-103,964.13	0.00	0.00000	1.00000	
28.5	-103,964.13	0.00	0.00000	1.00000	
29.5	-111,492.40	0.00	0.00000	1.00000	
30.5	-111,492.40	0.00	0.00000	1.00000	
31.5	-111,492.40	0.00	0.00000	1.00000	
32.5	-111,492.40	0.00	0.00000	1.00000	
33.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	1-Yr Avg
TECO 358 Underground Conductor	1999	(30,378.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 358 Underground Conductor	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		(30,378.25)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Whole Life Depreciation Accrual

Account: TECO 101/6-358 Undergrd conductor
Dispersion: 35 - S2
Average Net Salvage Rate: 0.00%
Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

		Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007	Additions	$379,348.81		$10,815.11	2.851100
	Whole Life		35	$10,838.54	
	Amortization		0	$0.00	
	Retirements	$1,639.59	35	$23.42	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$379,348.81 *		$10,815.11	2.851228
	Average:	$378,529.02		$10,815.11	2.857142
	Grand Total:	$379,348.81 *		$10,815.11	2.851228

* Excluding 2007 Retirements

Generation Arrangement Report

Account: TECO 101/5-358 Undergrd conductor

Dispersion: 35.00 - S2

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
2004	2.50	$0.00	35.00	32.50	0.9286	1.0000	$0.00	$0.00
1997	9.50	$18,525.78	35.00	25.63	0.7322	1.0000	$13,564.75	$529.31
1996	10.50	$316,536.87	35.00	24.69	0.7054	1.0000	$223,283.78	$9,043.91
1994	12.50	$23,374.02	35.00	22.87	0.6533	1.0000	$15,271.13	$667.83
1993	13.50	$13,383.87	35.00	21.99	0.6282	1.0000	$8,407.98	$382.40
1992	14.50	$0.00	35.00	21.13	0.6038	1.0000	$0.00	$0.00
1991	15.50	$0.00	35.00	20.30	0.5800	1.0000	$0.00	$0.00
1980	26.50	$0.00	35.00	12.83	0.3667	1.0000	$0.00	$0.00
1977	29.50	$7,528.27	35.00	11.29	0.3225	1.0000	$2,428.20	$215.09
1965	41.50	$0.00	35.00	6.57	0.1877	1.0000	$0.00	$0.00
1964	42.50	$0.00	35.00	6.25	0.1787	1.0000	$0.00	$0.00
		$379,348.81	35.00	24.26	0.6932	1.0000	$262,955.84	$10,838.54

Depreciation Reserve Summary

Account: TECO 101/6-358 Undergrd conductor
Scenario: TECO Txm ADR Scenario
Dispersion: 35 - S2
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	$379,348.81	$79,639.22	0.2099	$299,709.59	0.7901
Computed	$379,348.81	$116,392.97	0.3068	$262,955.84	0.6932
Difference		($36,753.75)	-0.0969	$36,753.75	0.0969

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 361 Structures & Improvements

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 50 R2

Actuarial Life Analysis

115.94 S1.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 33 - 60 Years

Recommendation

Continue with 50 R2 based on Industry Standards and Actuarial Life Analysis

Comments:
No change was recommended as our data for analysis was too limited to establish a trend. The previous studies had used historical data through 1993 and also disregarded the actuarial results . This was due to a lack of reasonable history of retirements for substation structures for distribution plant as demonstrated by the data.

Salvage Factor Estimates

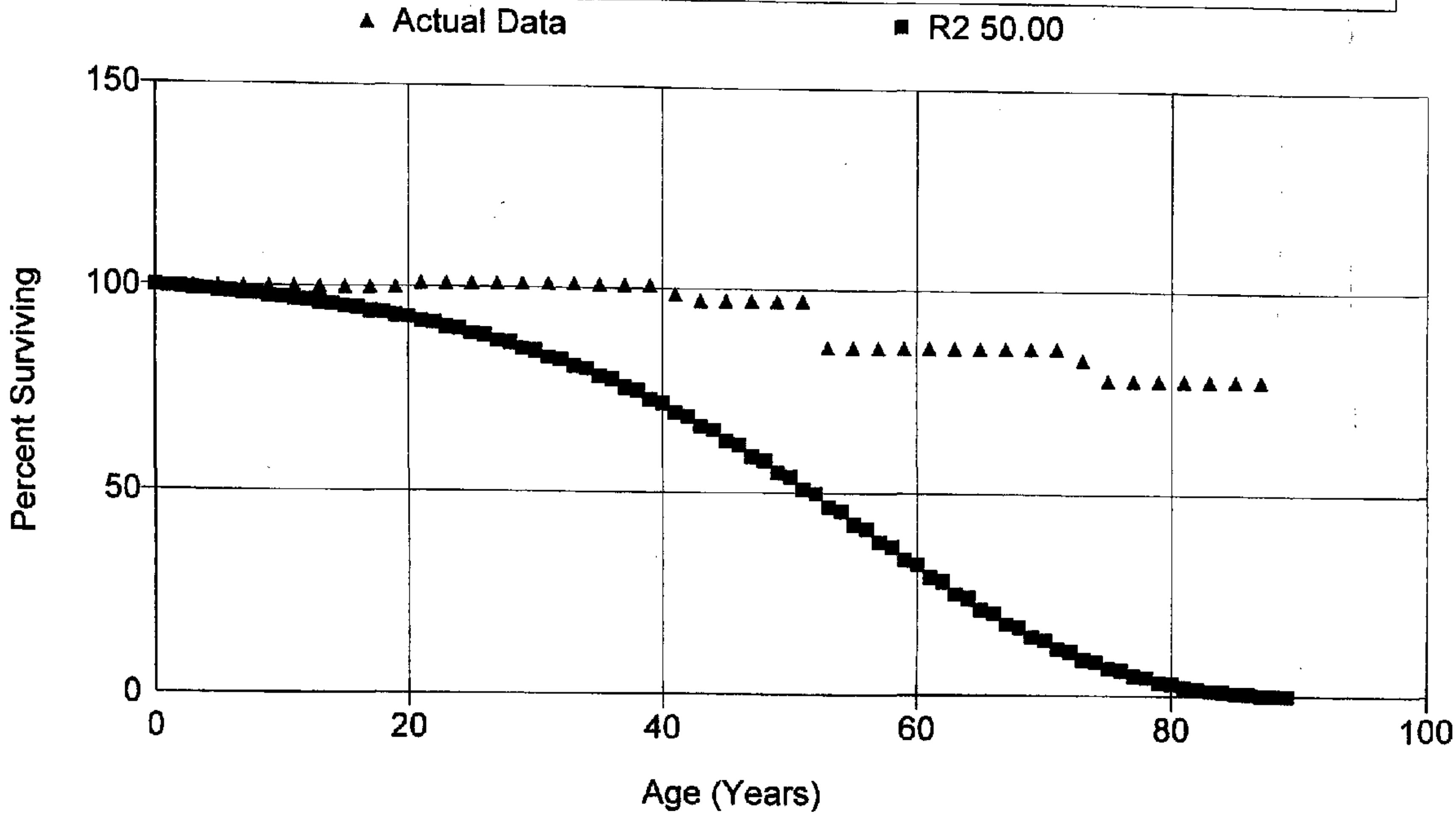
Current Net salvage Rate is -25%
Proposed Net salvage Rate -25%

Comments:
The current net salvage analysis resulted in a rate of -4.97% . This time span 1999 to 2006, was too short to be conclusive. EEI Industry results ranged from 0% to -40%. As a result of less than optimal data and EEI Study findings we recommend we continue with the present -25% net salvage rate.

Summary of Recommendations

50	Average Service Life
R2	Iowa Curve
-25	% Net Salvage

Toledo Edison Company Account 361 Structures & Improvements



Vintages: 1919-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-361 Structures/Improv

Placement Band: 1919 - 2006 Observation Band: 1989 - 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	3,452,327.26	0.00	0.00000	1.00000	100.00
0.5	38,448.32	0.00	0.00000	1.00000	100.00
1.5	38,448.32	0.00	0.00000	1.00000	100.00
2.5	89,420.32	0.00	0.00000	1.00000	100.00
3.5	89,420.32	0.00	0.00000	1.00000	100.00
4.5	111,230.32	0.00	0.00000	1.00000	100.00
5.5	111,230.32	0.00	0.00000	1.00000	100.00
6.5	286,630.00	0.00	0.00000	1.00000	100.00
7.5	315,205.00	0.00	0.00000	1.00000	100.00
8.5	319,531.00	0.00	0.00000	1.00000	100.00
9.5	326,048.00	0.00	0.00000	1.00000	100.00
10.5	275,076.00	0.00	0.00000	1.00000	100.00
11.5	277,975.10	0.00	0.00000	1.00000	100.00
12.5	262,793.02	0.00	0.00000	1.00000	100.00
13.5	291,297.93	0.00	0.00000	1.00000	100.00
14.5	83,470.81	0.00	0.00000	1.00000	100.00
15.5	60,062.06	0.00	0.00000	1.00000	100.00
16.5	76,273.16	0.00	0.00000	1.00000	100.00
17.5	139,116.48	0.00	0.00000	1.00000	100.00
18.5	179,927.76	0.00	0.00000	1.00000	100.00
19.5	143,239.91	-1,512.00	-0.01056	1.01056	100.00
20.5	135,102.13	0.00	0.00000	1.00000	101.06
21.5	164,314.24	0.00	0.00000	1.00000	101.06
22.5	227,327.62	0.00	0.00000	1.00000	101.06
23.5	313,263.75	-0.18	0.00000	1.00000	101.06
24.5	351,394.73	0.00	0.00000	1.00000	101.06
25.5	483,323.58	0.00	0.00000	1.00000	101.06
26.5	492,945.67	0.00	0.00000	1.00000	101.06
27.5	538,457.69	0.00	0.00000	1.00000	101.06
28.5	630,750.64	0.00	0.00000	1.00000	101.06
29.5	602,356.21	0.00	0.00000	1.00000	101.06
30.5	536,022.00	0.00	0.00000	1.00000	101.06
31.5	464,824.62	0.00	0.00000	1.00000	101.06
32.5	415,568.16	0.00	0.00000	1.00000	101.06
33.5	250,073.09	477.81	0.00191	0.99809	101.06
34.5	234,975.59	0.00	0.00000	1.00000	100.87
35.5	184,805.99	0.00	0.00000	1.00000	100.87
36.5	77,411.68	0.00	0.00000	1.00000	100.87
37.5	47,157.45	0.00	0.00000	1.00000	100.87
38.5	42,154.13	0.00	0.00000	1.00000	100.87
39.5	35,894.28	770.79	0.02148	0.97852	100.87
40.5	22,442.96	0.00	0.00000	1.00000	98.70
41.5	25,897.16	140.28	0.00541	0.99459	98.70
42.5	28,196.11	278.95	0.00990	0.99010	98.17
43.5	47,785.84	-0.03	0.00000	1.00000	97.20
44.5	79,393.43	0.00	0.00000	1.00000	97.20
45.5	76,319.58	0.00	0.00000	1.00000	97.20
46.5	93,474.56	0.00	0.00000	1.00000	97.20
47.5	103,696.68	0.00	0.00000	1.00000	97.20
48.5	102,701.79	0.00	0.00000	1.00000	97.20
49.5	106,678.78	0.00	0.00000	1.00000	97.20
50.5	107,349.33	0.00	0.00000	1.00000	97.20
51.5	86,272.14	0.00	0.00000	1.00000	97.20
52.5	48,914.30	5,628.62	0.11508	0.88492	97.20

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-361 Structures/improv

Placement Band: 1919 - 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	45,556.04	0.00	0.00000	1.00000	86.01
54.5	28,127.31	0.00	0.00000	1.00000	86.01
55.5	18,891.80	0.00	0.00000	1.00000	86.01
56.5	21,240.80	0.00	0.00000	1.00000	86.01
57.5	14,184.01	0.00	0.00000	1.00000	86.01
58.5	10,960.09	0.00	0.00000	1.00000	86.01
59.5	9,766.84	0.00	0.00000	1.00000	86.01
60.5	10,968.12	0.00	0.00000	1.00000	86.01
61.5	15,674.77	0.00	0.00000	1.00000	86.01
62.5	15,674.77	0.00	0.00000	1.00000	86.01
63.5	14,711.09	0.00	0.00000	1.00000	86.01
64.5	10,536.65	0.00	0.00000	1.00000	86.01
65.5	7,525.64	0.00	0.00000	1.00000	86.01
66.5	7,297.53	0.00	0.00000	1.00000	86.01
67.5	7,469.68	0.00	0.00000	1.00000	86.01
68.5	8,213.74	0.00	0.00000	1.00000	86.01
69.5	3,569.83	0.00	0.00000	1.00000	86.01
70.5	5,880.32	0.00	0.00000	1.00000	86.01
71.5	13,152.64	0.00	0.00000	1.00000	86.01
72.5	18,737.20	605.69	0.03234	0.96766	86.01
73.5	18,131.51	0.00	0.00000	1.00000	83.23
74.5	18,566.17	1,123.78	0.06054	0.93946	83.23
75.5	18,513.68	0.00	0.00000	1.00000	78.19
76.5	15,436.73	0.00	0.00000	1.00000	78.19
77.5	15,009.16	0.00	0.00000	1.00000	78.19
78.5	15,009.16	0.00	0.00000	1.00000	78.19
79.5	7,736.84	0.00	0.00000	1.00000	78.19
80.5	1,505.95	0.00	0.00000	1.00000	78.19
81.5	1,505.95	0.00	0.00000	1.00000	78.19
82.5	1,071.29	0.00	0.00000	1.00000	78.19
83.5	0.00	0.00	0.00000	0.00000	78.19

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
TECO 361 Structures/Improvements	2003	9,607.92	106.23	1.11	0.00	0.00	584.21	6.08	(477.98)	-4.97	-4.97
TECO 381 Structures/Improvements	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		9,607.92	106.23	1.11	0.00	0.00	584.21	6.08	(477.98)	-4.97	

Whole Life Depreciation Accrual

Account: TECO 101/6-361 Structures/improv

Dispersion: 50 - R2

Average Net Salvage Rate: -25.00%

Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1 , 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$4,783,088.38		$119,190.07	2.491917
Whole Life		50	$119,577.21	
Amortization		0	$0.00	
Retirements	$30,970.77	50	$387.13	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$4,783,088.38 *		$119,190.07	2.491927
Average:	$4,767,603.00		$119,190.07	2.500000
Grand Total:	$4,783,088.38 *		$119,190.07	2.491927

* Excluding 2007 Retirements

Account: TECO 101/6-361 Structures/Improv

Dispersion: 50.00 - R2

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
2006	0.50	$3,413,878.94	50.00	49.55	1.2387	1.0000	$4,228,712.74	$85,346.97
2001	5.50	$0.00	50.00	45.09	1.1273	1.0000	$0.00	$0.00
2000	6.50	$38,448.32	50.00	44.22	1.1054	1.0000	$42,500.05	$961.21
1997	9.50	$15,118.58	50.00	41.63	1.0407	1.0000	$15,733.17	$377.96
1996	10.50	$50,972.00	50.00	40.77	1.0194	1.0000	$51,959.56	$1,274.30
1994	12.50	$21,810.00	50.00	39.09	0.9773	1.0000	$21,315.18	$545.25
1992	14.50	$213,848.00	50.00	37.44	0.9359	1.0000	$200,144.50	$5,346.20
1991	15.50	$24,402.00	50.00	36.62	0.9155	1.0000	$22,339.63	$610.05
1990	16.50	$4,326.00	50.00	35.81	0.8952	1.0000	$3,872.71	$108.15
1989	17.50	$6,517.00	50.00	35.01	0.8751	1.0000	$5,703.26	$162.92
1987	19.50	$2,899.10	50.00	33.42	0.8355	1.0000	$2,422.29	$72.48
1986	20.50	$6,627.92	50.00	32.64	0.8160	1.0000	$5,408.48	$165.70
1985	21.50	$28,504.91	50.00	31.87	0.7967	1.0000	$22,709.72	$712.62
1984	22.50	$10,193.88	50.00	31.10	0.7776	1.0000	$7,926.48	$254.85
1983	23.50	$993.25	50.00	30.35	0.7586	1.0000	$753.53	$24.83
1982	24.50	$20,537.10	50.00	29.60	0.7399	1.0000	$15,196.11	$513.43
1981	25.50	$24,609.08	50.00	28.86	0.7214	1.0000	$17,753.87	$615.23
1980	26.50	$19,261.70	50.00	28.13	0.7031	1.0000	$13,543.80	$481.54
1979	27.50	$8,778.76	50.00	27.40	0.6851	1.0000	$6,014.11	$219.47
1978	28.50	$12,607.00	50.00	26.69	0.6672	1.0000	$8,411.78	$315.17
1977	29.50	$59,900.75	50.00	25.98	0.6496	1.0000	$38,912.29	$1,497.52
1976	30.50	$78,606.20	50.00	25.29	0.6322	1.0000	$49,697.23	$1,965.15
1975	31.50	$82,853.97	50.00	24.60	0.6151	1.0000	$50,962.21	$2,071.35
1974	32.50	$59,189.68	50.00	23.93	0.5982	1.0000	$35,405.91	$1,479.74
1973	33.50	$160,613.34	50.00	23.26	0.5815	1.0000	$93,399.35	$4,015.33
1972	34.50	$28,883.79	50.00	22.60	0.5651	1.0000	$16,322.40	$722.09
1971	35.50	$55,802.78	50.00	21.96	0.5489	1.0000	$30,632.79	$1,395.07
1970	36.50	$104,638.57	50.00	21.32	0.5331	1.0000	$55,777.79	$2,615.96
1969	37.50	$31,226.04	50.00	20.70	0.5174	1.0000	$16,157.10	$780.65
1968	38.50	$12,087.74	50.00	20.08	0.5021	1.0000	$6,068.79	$302.19
1967	39.50	$4,241.42	50.00	19.48	0.4870	1.0000	$2,065.42	$106.04
1966	40.50	$10,378.85	50.00	18.89	0.4722	1.0000	$4,900.43	$259.47
1965	41.50	$2,336.09	50.00	18.30	0.4576	1.0000	$1,069.05	$58.40

Account: TECO 101/6-361 Structures/improv

Dispersion: 50.00 - R2

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
1964	42.50	$7,957.10	50.00	17.74	0.4434	1.0000	$3,527.98	$198.93
1963	43.50	$129.05	50.00	17.18	0.4294	1.0000	$55.42	$3.23
1962	44.50	$3,551.26	50.00	16.63	0.4157	1.0000	$1,476.43	$88.78
1961	45.50	$3,282.83	50.00	16.09	0.4024	1.0000	$1,320.92	$82.07
1960	46.50	$343.19	50.00	15.57	0.3893	1.0000	$133.60	$8.58
1959	47.50	$263.61	50.00	15.06	0.3765	1.0000	$99.25	$6.59
1958	48.50	$4,160.60	50.00	14.56	0.3640	1.0000	$1,514.55	$104.02
1957	49.50	$5,473.62	50.00	14.07	0.3518	1.0000	$1,925.83	$136.84
1956	50.50	$10,232.67	50.00	13.60	0.3400	1.0000	$3,478.63	$255.82
1955	51.50	$20,314.40	50.00	13.13	0.3284	1.0000	$6,670.52	$507.86
1954	52.50	$35,202.48	50.00	12.68	0.3171	1.0000	$11,161.60	$880.06
1953	53.50	$208.98	50.00	12.24	0.3061	1.0000	$63.96	$5.22
1952	54.50	$17,618.17	50.00	11.81	0.2954	1.0000	$5,203.61	$440.45
1951	55.50	$7,912.53	50.00	11.40	0.2849	1.0000	$2,254.52	$197.81
1950	56.50	$1,636.00	50.00	10.99	0.2748	1.0000	$449.54	$40.90
1949	57.50	$10,067.80	50.00	10.60	0.2649	1.0000	$2,667.09	$251.69
1948	58.50	$3,452.03	50.00	10.21	0.2553	1.0000	$881.32	$86.30
1947	59.50	$1,193.25	50.00	9.84	0.2460	1.0000	$293.48	$29.83
1946	60.50	$614.92	50.00	9.47	0.2368	1.0000	$145.64	$15.37
1945	61.50	$192.68	50.00	9.12	0.2280	1.0000	$43.93	$4.82
1944	62.50	$0.00	50.00	8.77	0.2193	1.0000	$0.00	$0.00
1943	63.50	$963.68	50.00	8.44	0.2109	1.0000	$203.23	$24.09
1942	64.50	$4,174.44	50.00	8.11	0.2026	1.0000	$845.91	$104.36
1941	65.50	$3,011.01	50.00	7.78	0.1946	1.0000	$585.84	$75.28
1940	66.50	$228.11	50.00	7.47	0.1867	1.0000	$42.58	$5.70
1938	68.50	$2,398.20	50.00	6.85	0.1712	1.0000	$410.64	$59.96
1937	69.50	$4,899.33	50.00	6.55	0.1637	1.0000	$801.97	$122.48
1931	75.50	$0.00	50.00	4.79	0.1197	1.0000	$0.00	$0.00
1930	76.50	$3,076.95	50.00	4.50	0.1124	1.0000	$345.95	$76.92
1929	77.50	$427.57	50.00	4.21	0.1052	1.0000	$44.98	$10.69
1928	78.50	$0.00	50.00	3.92	0.0980	1.0000	$0.00	$0.00
1927	79.50	$7,272.32	50.00	3.63	0.0908	1.0000	$660.55	$181.81
1926	80.50	$6,230.89	50.00	3.35	0.0837	1.0000	$521.45	$155.77

Generation Arrangement Report

Account: TECO 101/6-361 Structures/improv

Dispersion: 50.00 - R2

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
1924	82.50	$434.66	50.00	2.78	0.0696	1.0000	$30.24	$10.87
1923	83.50	$1,071.29	50.00	2.51	0.0626	1.0000	$67.09	$26.78
		$4,783,088.38	50.00	43.00	1.0750	1.0000	$5,141,720.00	$119,577.21

Depreciation Reserve Summary

Account: TECO.101/6-361 Structures/improv
Scenario: TECO Distribution ADR
Dispersion: 50 - R2
Average 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	$4,783,088.38	$808,775.59	0.1691	$5,170,084.89	1.0809
Computed	$4,783,088.38	$837,140.48	0.1750	$5,141,719.99	1.0750
Difference		($28,364.89)	-0.0059	$28,364.89	0.0059

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 362 Station Equipment

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 40 R1

Actuarial Life Analysis

68.41 L3 best fit using 1999 - 2006 data .

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 25 - 55 Years

Recommendation

Recommend we continue with a 40 R1 life and curve.

Comments:
The recommended 68.41 L3 is a good fit with the data, however, exposures after 40 years taper off to 10% of the beginning exposures per the observation table. EEI Study results show lives between 25 and 55 years which is well within our previous findings.

Salvage Factor Estimates

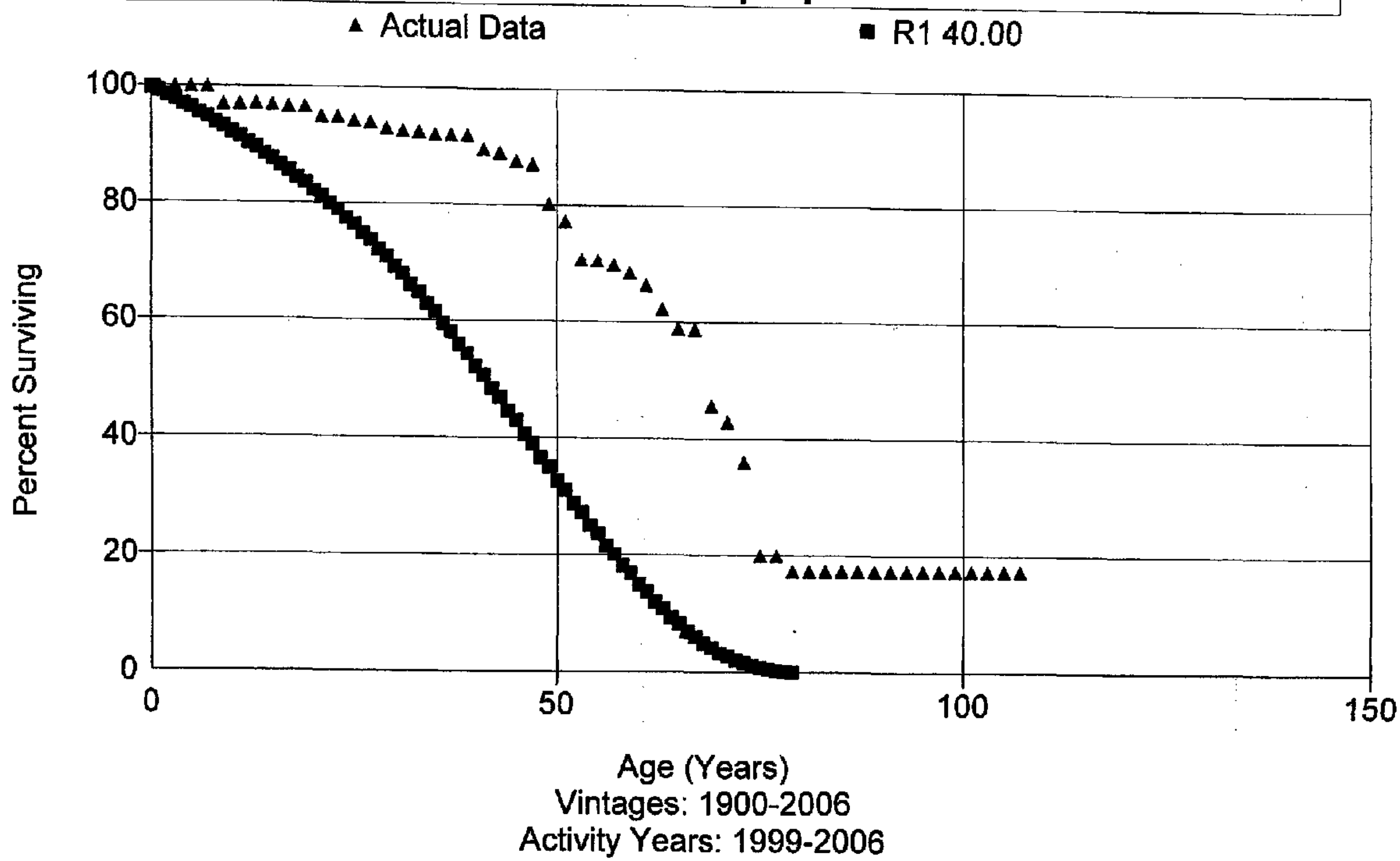
Current Net salvage Rate is 10%
Proposed Net salvage Rate 10%

Comments:
The current 8 year study results for net salvage were 9.95 %. The EEI Study net salvage per cent ranged from 30% to -25%. We recommend continuing with the current 10% net salvage rate which is well within Industry trends, is supported by current findings and our previous results.

Summary of Recommendations

40	Average Service Life
R1	Iowa Curve
10	% Net Salvage

Toledo Edison Company Account 362
Station Equipment



Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-362 Station equipment

Placement Band: 1900 - 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	14,067,360.91	0.00	0.00000	1.00000	100.00
0.5	13,744,264.68	0.00	0.00000	1.00000	100.00
1.5	19,528,933.71	0.00	0.00000	1.00000	100.00
2.5	18,981,339.10	0.00	0.00000	1.00000	100.00
3.5	20,053,108.75	0.00	0.00000	1.00000	100.00
4.5	20,531,244.60	0.00	0.00000	1.00000	100.00
5.5	21,337,153.45	0.00	0.00000	1.00000	100.00
6.5	22,707,971.07	0.00	0.00000	1.00000	100.00
7.5	23,321,958.24	15,999.00	0.00069	0.99931	100.00
8.5	21,219,013.21	618,709.31	0.02916	0.97084	99.93
9.5	15,407,102.45	0.00	0.00000	1.00000	97.02
10.5	12,903,653.73	0.00	0.00000	1.00000	97.02
11.5	12,641,267.10	-33,068.56	-0.00262	1.00262	97.02
12.5	11,882,410.42	22,801.07	0.00192	0.99808	97.27
13.5	10,778,762.01	23,686.47	0.00220	0.99780	97.08
14.5	8,264,584.93	-0.81	0.00000	1.00000	96.87
15.5	7,345,858.59	14,636.71	0.00199	0.99801	96.87
16.5	7,033,260.30	5,706.90	0.00081	0.99919	96.68
17.5	8,370,697.41	0.65	0.00000	1.00000	96.60
18.5	8,212,458.86	3,058.76	0.00037	0.99963	96.60
19.5	7,950,373.82	31,603.61	0.00398	0.99602	96.56
20.5	7,310,920.33	92,683.09	0.01268	0.98732	96.18
21.5	8,186,081.84	4,399.60	0.00054	0.99946	94.96
22.5	11,139,078.05	34.56	0.00000	1.00000	94.91
23.5	12,986,558.79	69,147.69	0.00532	0.99468	94.91
24.5	13,080,381.10	21,222.98	0.00162	0.99838	94.41
25.5	12,804,442.52	13,591.99	0.00106	0.99894	94.26
26.5	12,996,703.88	23,318.61	0.00179	0.99821	94.16
27.5	13,696,880.30	75,615.21	0.00552	0.99448	93.99
28.5	13,962,789.60	73,936.89	0.00530	0.99470	93.47
29.5	12,142,056.37	52,408.80	0.00432	0.99568	92.97
30.5	9,587,311.90	2,130.90	0.00022	0.99978	92.57
31.5	7,934,060.67	5,644.95	0.00071	0.99929	92.55
32.5	8,204,527.93	8,347.93	0.00102	0.99898	92.48
33.5	6,617,590.79	4,160.11	0.00063	0.99937	92.39
34.5	6,017,321.49	24,426.21	0.00406	0.99594	92.33
35.5	4,762,269.04	257.96	0.00005	0.99995	91.96
36.5	4,222,949.04	1,324.87	0.00031	0.99969	91.96
37.5	4,044,984.16	5.95	0.00000	1.00000	91.93
38.5	2,954,144.36	0.00	0.00000	1.00000	91.93
39.5	2,641,876.10	22,882.48	0.00866	0.99134	91.93
40.5	1,488,279.16	25,307.25	0.01700	0.98300	91.13
41.5	1,641,722.92	4,869.25	0.00297	0.99703	89.58
42.5	1,691,407.64	4,831.14	0.00286	0.99714	89.31
43.5	1,747,479.03	28,791.38	0.01648	0.98352	89.05
44.5	2,105,614.08	-0.80	0.00000	1.00000	87.58
45.5	1,993,286.93	10,831.42	0.00543	0.99457	87.58
46.5	2,159,559.03	2,357.67	0.00109	0.99891	87.10
47.5	2,066,286.50	157,556.41	0.07625	0.92375	87.01
48.5	2,052,704.53	3,475.93	0.00169	0.99831	80.38
49.5	1,896,513.68	72,701.64	0.03833	0.96167	80.24
50.5	1,784,397.86	0.00	0.00000	1.00000	77.16
51.5	1,573,432.87	61,312.35	0.03897	0.96103	77.16
52.5	953,045.66	45,187.33	0.04741	0.95259	74.15

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist
Account: TECO 101/6-362 Station equipment
Placement Band: 1900 - 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	869,116.04	127.76	0.00015	0.99985	70.63
54.5	694,005.13	1,632.92	0.00235	0.99765	70.62
55.5	582,616.16	5,614.09	0.00964	0.99036	70.45
56.5	366,806.02	187.27	0.00051	0.99949	69.77
57.5	318,663.46	145.53	0.00046	0.99954	69.73
58.5	222,633.79	4,285.41	0.01925	0.98075	69.70
59.5	205,313.49	87.25	0.00042	0.99958	68.36
60.5	243,648.19	7,306.64	0.02999	0.97001	68.33
61.5	218,294.21	7,619.33	0.03490	0.96510	66.28
62.5	219,395.66	5,985.00	0.02728	0.97272	63.97
63.5	209,904.46	11,539.86	0.05498	0.94502	62.22
64.5	168,122.40	0.00	0.00000	1.00000	58.80
65.5	108,706.15	147.28	0.00135	0.99865	58.80
66.5	67,458.34	0.00	0.00000	1.00000	58.72
67.5	69,212.41	10,581.25	0.15288	0.84712	58.72
68.5	50,770.65	4,315.80	0.08501	0.91499	49.74
69.5	89,779.06	0.00	0.00000	1.00000	45.51
70.5	160,114.24	9,501.06	0.05934	0.94066	45.51
71.5	164,236.74	2,261.46	0.01377	0.98623	42.81
72.5	210,241.66	30,544.55	0.14528	0.85472	42.22
73.5	188,952.11	0.00	0.00000	1.00000	36.09
74.5	184,703.26	82,422.46	0.44624	0.55376	36.09
75.5	102,247.10	0.00	0.00000	1.00000	19.99
76.5	93,379.69	0.00	0.00000	1.00000	19.99
77.5	83,911.67	11,267.00	0.13427	0.86573	19.99
78.5	33,291.34	0.00	0.00000	1.00000	17.31
79.5	30,728.94	0.00	0.00000	1.00000	17.31
80.5	9,270.66	0.00	0.00000	1.00000	17.31
81.5	15.66	0.00	0.00000	1.00000	17.31
82.5	15.66	0.00	0.00000	1.00000	17.31
83.5	0.00	0.00	0.00000	0.00000	17.31

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
TECO 362 Station Equipment	2001	247,456.28	78,315.38	31.65	0.00	0.00	6,711.42	2.71	71,603.96	28.94	28.94
TECO 362 Station Equipment	2002	96,906.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 362 Station Equipment	2003	335,061.76	3,556.40	1.06	0.00	0.00	19,559.13	5.84	(16,002.73)	-4.78	-4.78
TECO 362 Station Equipment	2004	172,026.15	0.00	0.00	0.00	0.00	11,487.36	6.68	(11,487.36)	-6.68	-6.68
TECO 362 Station Equipment	2005	95,952.74	0.00	0.00	0.00	0.00	8,112.17	8.45	(8,112.17)	-8.45	-8.45
TECO 362 Station Equipment	2006	900,198.09	149,970.61	16.66	0.00	0.00	2,093.43	0.23	147,877.18	16.43	16.43
		1,847,601.20	231,842.39	12.55	0.00	0.00	47,963.51	2.60	183,878.88	9.95	

Whole Life Depreciation Accrual

Account: TECO 101/6-362 Station equipment
Dispersion: 40 - 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	$62,672,899.52		$1,396,143.57	2.227668
	Whole Life		40	$1,409,448.84	
	Amortization		0	$0.00	
	Retirements	$1,182,690.11	40	$13,305.26	
2007	Additions	$0.00		$0.00	0.000000
	Whole Life			$0.00	
	Retirements	$0.00	0.00	$0.00	
	Total:	$62,672,899.52 *		$1,396,143.57	2.227669
	Average:	$62,081,554.47		$1,396,143.57	2.248886
	Grand Total:	$62,672,899.52 *		$1,396,143.57	2.227669

* Excluding 2007 Retirements

Account: TECO 101/6-362 Station equipment

Dispersion: 40.00 - 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	$2,628,986.64	40.00	39.63	0.8917	1.0000	$2,344,143.01	$59,152.20
2005	1.50	$1,127,973.59	40.00	38.89	0.8750	1.0000	$987,023.37	$25,379.41
2004	2.50	$3,858,803.32	40.00	38.16	0.8586	1.0000	$3,313,086.02	$86,823.07
2003	3.50	$597,738.76	40.00	37.43	0.8422	1.0000	$503,431.25	$13,449.12
2002	4.50	$1,023,502.38	40.00	36.71	0.8260	1.0000	$845,419.71	$23,028.80
2001	5.50	$1,383,941.43	40.00	36.00	0.8099	1.0000	$1,120,841.16	$31,138.68
2000	6.50	$2,195,970.77	40.00	35.28	0.7939	1.0000	$1,743,381.99	$49,409.34
1999	7.50	$728,056.11	40.00	34.58	0.7780	1.0000	$566,434.60	$16,381.26
1998	8.50	$359,870.09	40.00	33.88	0.7622	1.0000	$274,302.09	$8,097.08
1997	9.50	$3,250,974.76	40.00	33.18	0.7465	1.0000	$2,426,970.56	$73,146.93
1996	10.50	$2,721,482.35	40.00	32.49	0.7309	1.0000	$1,989,254.96	$61,233.35
1995	11.50	$1,572,214.30	40.00	31.80	0.7154	1.0000	$1,124,814.88	$35,374.82
1994	12.50	$1,486,018.96	40.00	31.11	0.7000	1.0000	$1,040,245.06	$33,435.43
1993	13.50	$2,328,339.28	40.00	30.43	0.6847	1.0000	$1,594,172.81	$52,387.63
1992	14.50	$3,544,182.12	40.00	29.75	0.6694	1.0000	$2,372,611.55	$79,744.10
1991	15.50	$1,305,383.02	40.00	29.08	0.6543	1.0000	$854,069.45	$29,371.12
1990	16.50	$1,061,414.06	40.00	28.41	0.6392	1.0000	$678,475.74	$23,881.82
1989	17.50	$643,559.84	40.00	27.74	0.6243	1.0000	$401,746.09	$14,480.10
1988	18.50	$980,207.96	40.00	27.09	0.6094	1.0000	$597,372.93	$22,054.88
1987	19.50	$1,178,870.83	40.00	26.43	0.5947	1.0000	$701,091.30	$26,524.59
1986	20.50	$702,900.72	40.00	25.78	0.5801	1.0000	$407,780.68	$15,815.27
1985	21.50	$1,101,788.68	40.00	25.14	0.5657	1.0000	$623,273.96	$24,790.25
1984	22.50	$936,344.83	40.00	24.51	0.5514	1.0000	$516,312.84	$21,067.76
1983	23.50	$442,475.26	40.00	23.88	0.5373	1.0000	$237,728.28	$9,955.69
1982	24.50	$811,630.73	40.00	23.26	0.5233	1.0000	$424,733.54	$18,261.69
1981	25.50	$1,978,533.73	40.00	22.64	0.5095	1.0000	$1,008,050.41	$44,517.01
1980	26.50	$735,293.23	40.00	22.04	0.4959	1.0000	$364,616.04	$16,544.10
1979	27.50	$816,664.45	40.00	21.44	0.4824	1.0000	$393,977.66	$18,374.95
1978	28.50	$247,077.56	40.00	20.85	0.4692	1.0000	$115,921.97	$5,559.25
1977	29.50	$2,109,840.62	40.00	20.27	0.4561	1.0000	$962,270.91	$47,471.41
1976	30.50	$3,722,684.30	40.00	19.70	0.4432	1.0000	$1,649,953.35	$83,760.40
1975	31.50	$2,075,290.59	40.00	19.13	0.4305	1.0000	$893,434.74	$46,694.04
1974	32.50	$1,060,339.61	40.00	18.58	0.4180	1.0000	$443,254.73	$23,857.64

Account: TECO 101/6-362 Station equipment

Dispersion: 40.00 - 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
1973	33.50	$1,828,392.25	40.00	18.03	0.4057	1.0000	$741,814.53	$41,138.83
1972	34.50	$808,466.89	40.00	17.49	0.3936	1.0000	$318,235.55	$18,190.51
1971	35.50	$1,425,862.27	40.00	16.97	0.3817	1.0000	$544,276.38	$32,081.90
1970	36.50	$698,228.08	40.00	16.45	0.3700	1.0000	$258,355.91	$15,710.13
1969	37.50	$327,484.51	40.00	15.93	0.3585	1.0000	$117,402.97	$7,368.40
1968	38.50	$1,169,338.78	40.00	15.43	0.3472	1.0000	$405,979.68	$26,310.12
1967	39.50	$527,360.77	40.00	14.94	0.3361	1.0000	$177,224.03	$11,865.62
1966	40.50	$1,383,725.88	40.00	14.45	0.3251	1.0000	$449,891.38	$31,133.83
1965	41.50	$140,088.49	40.00	13.97	0.3144	1.0000	$44,040.87	$3,151.99
1964	42.50	$167,581.68	40.00	13.50	0.3038	1.0000	$50,916.27	$3,770.59
1963	43.50	$199,754.23	40.00	13.04	0.2935	1.0000	$58,619.13	$4,494.47
1962	44.50	$200,859.51	40.00	12.59	0.2833	1.0000	$56,897.14	$4,519.34
1961	45.50	$195,911.15	40.00	12.14	0.2733	1.0000	$53,532.94	$4,408.00
1960	46.50	$47,541.03	40.00	11.71	0.2634	1.0000	$12,523.28	$1,069.67
1959	47.50	$242,190.45	40.00	11.28	0.2538	1.0000	$61,458.61	$5,449.29
1958	48.50	$118,426.71	40.00	10.86	0.2443	1.0000	$28,928.07	$2,664.60
1957	49.50	$281,766.01	40.00	10.44	0.2349	1.0000	$66,200.13	$6,339.74
1956	50.50	$179,063.09	40.00	10.03	0.2258	1.0000	$40,429.39	$4,028.92
1955	51.50	$219,998.86	40.00	9.64	0.2168	1.0000	$47,694.81	$4,949.97
1954	52.50	$559,706.83	40.00	9.24	0.2079	1.0000	$116,387.20	$12,593.40
1953	53.50	$81,457.00	40.00	8.86	0.1993	1.0000	$16,231.53	$1,832.78
1952	54.50	$186,952.37	40.00	8.48	0.1907	1.0000	$35,657.28	$4,206.43
1951	55.50	$113,472.76	40.00	8.10	0.1824	1.0000	$20,693.07	$2,553.14
1950	56.50	$241,469.79	40.00	7.74	0.1741	1.0000	$42,042.13	$5,433.07
1949	57.50	$123,502.19	40.00	7.38	0.1660	1.0000	$20,506.06	$2,778.80
1948	58.50	$148,788.25	40.00	7.03	0.1581	1.0000	$23,518.29	$3,347.74
1947	59.50	$10,238.48	40.00	6.68	0.1503	1.0000	$1,538.60	$230.37
1946	60.50	$1,571.79	40.00	6.34	0.1426	1.0000	$224.11	$35.37
1945	61.50	$34,153.88	40.00	6.00	0.1351	1.0000	$4,613.47	$768.46
1944	62.50	$8,681.52	40.00	5.67	0.1276	1.0000	$1,108.14	$195.33
1943	63.50	$3,845.99	40.00	5.35	0.1204	1.0000	$463.10	$86.53
1942	64.50	$30,276.95	40.00	5.03	0.1132	1.0000	$3,428.05	$681.23
1941	65.50	$59,416.25	40.00	4.72	0.1062	1.0000	$6,312.55	$1,336.87

Account: TECO 101/6-362 Station equipment

Dispersion: 40.00 - R1

rage 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
1940	66.50	$45,379.40	40.00	4.41	0.0993	1.0000	$4,505.56	$1,021.04
1939	67.50	$975.97	40.00	4.11	0.0925	1.0000	$90.32	$21.96
1938	68.50	$29,412.49	40.00	3.81	0.0858	1.0000	$2,522.78	$661.78
1937	69.50	$4,566.68	40.00	3.52	0.0792	1.0000	$361.71	$102.75
1936	70.50	$13,116.52	40.00	3.22	0.0725	1.0000	$951.40	$295.12
1935	71.50	$205.84	40.00	2.93	0.0660	1.0000	$13.59	$4.63
1934	72.50	$34.75	40.00	2.63	0.0592	1.0000	$2.06	$0.78
1932	74.50	$4,248.85	40.00	2.01	0.0452	1.0000	$192.04	$95.60
1931	75.50	$49.36	40.00	1.68	0.0379	1.0000	$1.87	$1.11
1930	76.50	$8,867.41	40.00	1.35	0.0304	1.0000	$269.91	$199.52
1929	77.50	$9,468.02	40.00	1.05	0.0235	1.0000	$222.80	$213.03
1928	78.50	$39,353.33	40.00	0.73	0.0165	1.0000	$648.67	$885.45
927	79.50	$2,562.40	40.00	0.45	0.0101	1.0000	$25.90	$57.65
1926	80.50	$21,458.28	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$9,255.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1923	83.50	$15.66	40.00	0.00	0.0000	0.0000	$0.00	$0.00
		$62,672,899.52	40.00	26.49	0.5961	1.0000	$37,357,150.88	$1,409,448.84

Depreciation Reserve Summary

Account: TECO 101/6-362 Station equipment

Scenario: TECO Distribution ADR

Dispersion: 40 - R1

Average Net Salvage Rate: *10.00%*

Future Net Salvage Rate: *10.00%*

Broad Group Procedure

January 1 , 2007

	Plant Amt	Depreciation Reserve Amount	Depreciation Reserve Ratio	Net Plant Amount	Net Plant Ratio
Recorded	$62,672,899.52	$20,410,681.88	0.3257	$35,994,927.69	0.5743
Computed	$62,672,899.52	$19,048,458.69	0.3039	$37,357,150.88	0.5961
Difference		$1,362,223.19	0.0217	($1,362,223.19)	-0.0217

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 364 Poles & Fixtures

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 40 R2.5

Actuarial Life Analysis

60.91 R2 is the best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 - 55 Years

Recommendation

Change to 45 R2.5 based on Industry Standards and Actuarial Life Analysis

Comments:
Based on the results of the current life study a life extension for poles seems warranted. The 2003 EEI Study results appear to demonstrate this same trend in general. Exposures drop below 10% after age 45. We chose to extend the life to 45 years which also fell within the EEI Industry Study results.

Salvage Factor Estimates

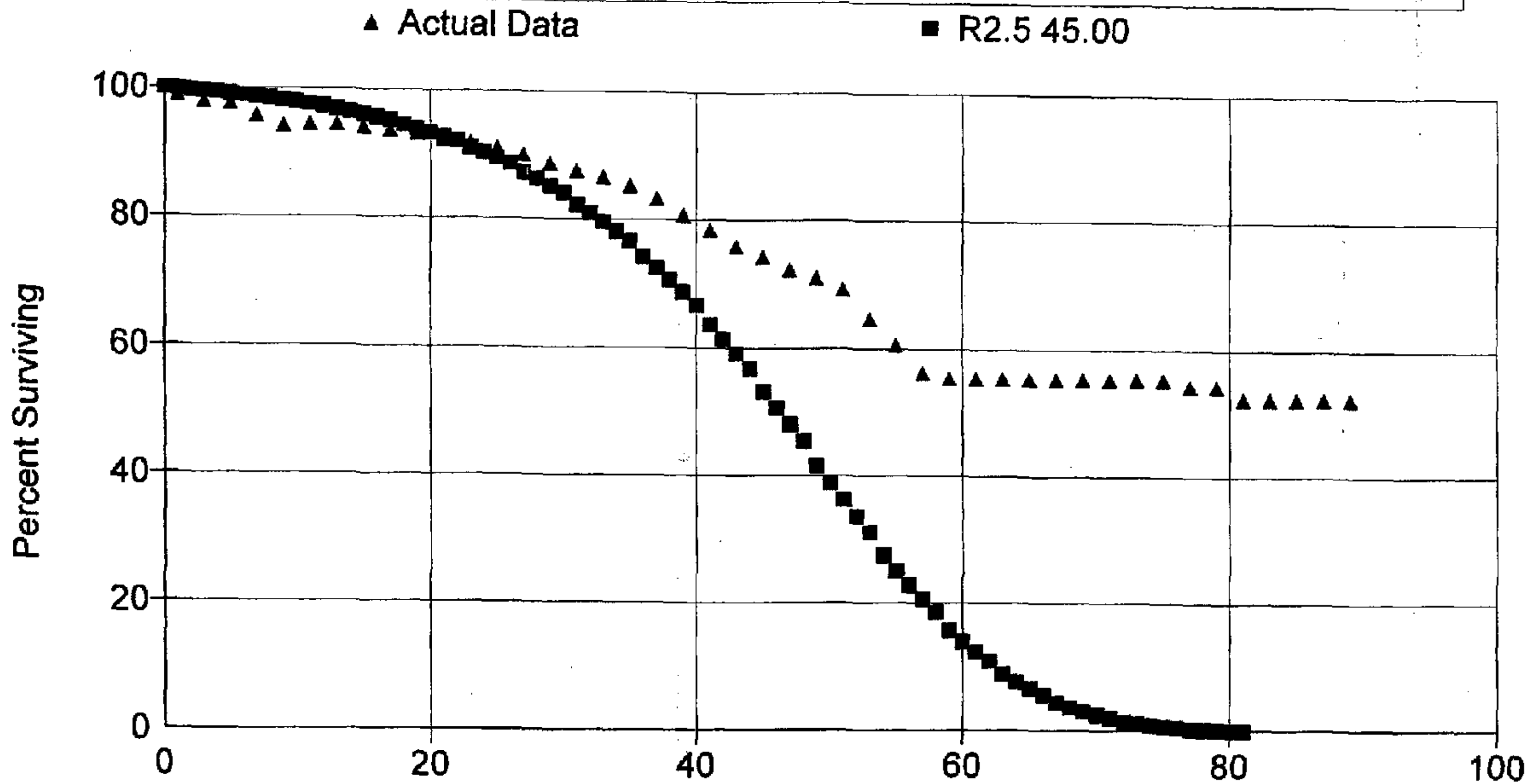
Current Net salvage Rate is -70%
Proposed Net salvage Rate -70%

Comments:
The net cost of removal results in this study resulted in a -22% rate. The previous study had arrived at a -70% rate for net salvage. EEI Industry standards indicate a range between 5% and -374% . We recommend continuing with the previous rate -70% which also falls within the EEI Industry standards.

Summary of Recommendations

45	Average Service Life
R2.5	Iowa Curve
-70	% Net Salvage

Toledo Edison Company Account 364
Poles & Fixtures



Age (Years)
Vintages: 1918-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-364 Poles, towers & fix

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	43,770,615.09	-45,745.26	-0.00105	1.00105	100.00
0.5	18,874,849.15	231,988.25	0.01229	0.98771	100.11
1.5	15,589,319.19	100,618.23	0.00645	0.99355	98.88
2.5	16,360,898.21	42,417.55	0.00259	0.99741	98.24
3.5	13,294,109.42	16,468.52	0.00124	0.99876	97.99
4.5	10,465,886.08	19,745.89	0.00189	0.99811	97.87
5.5	9,451,793.75	69,680.89	0.00737	0.99263	97.69
6.5	9,806,467.85	113,125.51	0.01154	0.98846	96.97
7.5	7,329,696.36	100,407.27	0.01370	0.98630	95.85
8.5	18,753,804.65	58,182.39	0.00310	0.99690	94.54
9.5	19,512,848.83	37,645.23	0.00193	0.99807	94.25
10.5	19,801,942.42	-106,047.22	-0.00536	1.00536	94.07
11.5	20,953,835.96	-30,680.48	-0.00146	1.00146	94.57
12.5	21,824,182.97	37,892.47	0.00174	0.99826	94.71
13.5	22,230,040.17	40,994.08	0.00184	0.99816	94.55
14.5	21,533,311.79	39,556.04	0.00184	0.99816	94.38
15.5	22,599,545.84	64,212.77	0.00284	0.99716	94.21
16.5	23,091,513.99	52,406.92	0.00227	0.99773	93.94
17.5	22,827,016.44	59,535.00	0.00261	0.99739	93.73
18.5	22,875,094.87	71,812.90	0.00314	0.99686	93.49
19.5	22,689,319.51	96,936.04	0.00427	0.99573	93.20
20.5	22,118,902.14	84,213.98	0.00381	0.99619	92.80
21.5	21,759,480.66	71,036.42	0.00326	0.99674	92.45
22.5	20,984,250.43	54,065.65	0.00258	0.99742	92.15
23.5	20,117,637.69	78,085.71	0.00388	0.99612	91.91
24.5	19,724,995.01	95,420.06	0.00484	0.99516	91.55
25.5	19,095,996.33	131,582.41	0.00689	0.99311	91.11
26.5	18,807,236.09	80,704.04	0.00429	0.99571	90.48
27.5	17,353,783.44	136,998.26	0.00789	0.99211	90.09
28.5	16,221,691.80	119,866.10	0.00739	0.99261	89.38
29.5	15,310,893.92	92,997.42	0.00607	0.99393	88.72
30.5	14,503,364.54	100,807.38	0.00695	0.99305	88.18
31.5	13,307,894.04	82,952.55	0.00623	0.99377	87.57
32.5	11,830,345.04	54,716.60	0.00463	0.99537	87.02
33.5	10,320,807.24	85,227.66	0.00826	0.99174	86.62
34.5	8,753,462.48	56,288.86	0.00643	0.99357	85.90
35.5	7,998,417.49	82,265.63	0.01029	0.98971	85.35
36.5	7,630,214.79	105,869.50	0.01388	0.98612	84.47
37.5	6,961,853.64	108,108.05	0.01553	0.98447	83.30
38.5	6,231,802.34	95,940.05	0.01540	0.98460	82.01
39.5	5,886,909.43	79,967.57	0.01358	0.98642	80.75
40.5	5,493,912.87	79,402.00	0.01445	0.98555	79.65
41.5	5,340,252.33	117,241.28	0.02195	0.97805	78.50
42.5	5,048,316.82	53,625.47	0.01062	0.98938	76.78
43.5	4,664,173.27	53,346.74	0.01144	0.98856	75.96
44.5	4,017,603.98	38,998.67	0.00971	0.99029	75.09
45.5	3,461,534.21	55,123.90	0.01592	0.98408	74.36
46.5	2,959,072.83	31,492.53	0.01064	0.98936	73.18
47.5	2,402,333.14	22,985.60	0.00957	0.99043	72.40
48.5	1,844,014.97	15,935.09	0.00864	0.99136	71.71
49.5	1,259,180.46	8,352.70	0.00663	0.99337	71.09
50.5	923,186.53	17,062.14	0.01848	0.98152	70.62
51.5	559,317.23	19,781.34	0.03537	0.96463	69.31
52.5	348,653.95	11,263.71	0.03231	0.96769	66.86

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-364 Poles, towers & fix

Placement Band: *1918 - 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
53.5	181,403.07	9,294.87	0.05124	0.94876	64.70
54.5	133,448.38	1,510.35	0.01132	0.98868	61.38
55.5	110,071.01	6,591.35	0.05988	0.94012	60.69
56.5	107,035.66	1,382.62	0.01292	0.98708	57.06
57.5	107,413.19	1,820.53	0.01695	0.98305	56.32
58.5	23,565.86	0.00	0.00000	1.00000	55.37
59.5	7,933.40	0.00	0.00000	1.00000	55.37
60.5	7,951.33	0.00	0.00000	1.00000	55.37
61.5	8,472.64	0.00	0.00000	1.00000	55.37
62.5	8,310.85	0.00	0.00000	1.00000	55.37
63.5	7,488.13	0.00	0.00000	1.00000	55.37
64.5	4,105.59	0.00	0.00000	1.00000	55.37
65.5	2,345.44	0.00	0.00000	1.00000	55.37
66.5	2,463.44	0.00	0.00000	1.00000	55.37
67.5	2,463.44	0.00	0.00000	1.00000	55.37
68.5	2,463.44	0.00	0.00000	1.00000	55.37
69.5	1,030.13	0.00	0.00000	1.00000	55.37
70.5	1,030.13	0.00	0.00000	1.00000	55.37
71.5	6,135.40	0.00	0.00000	1.00000	55.37
72.5	6,135.40	0.00	0.00000	1.00000	55.37
73.5	6,135.40	0.00	0.00000	1.00000	55.37
74.5	6,017.40	0.00	0.00000	1.00000	55.37
75.5	6,017.40	0.00	0.00000	1.00000	55.37
76.5	7,234.93	135.28	0.01866	0.98134	55.37
77.5	6,187.52	0.00	0.00000	1.00000	54.34
78.5	6,187.52	0.00	0.00000	1.00000	54.34
79.5	1,082.25	0.00	0.00000	1.00000	54.34
80.5	6,293.38	227.01	0.03607	0.96393	54.34
81.5	6,066.37	0.00	0.00000	1.00000	52.38
82.5	6,066.37	0.00	0.00000	1.00000	52.38
83.5	6,066.37	0.00	0.00000	1.00000	52.38
84.5	4,984.12	0.00	0.00000	1.00000	52.38
85.5	4,984.12	0.00	0.00000	1.00000	52.38
86.5	4,984.12	0.00	0.00000	1.00000	52.38
87.5	4,984.12	0.00	0.00000	1.00000	52.38
88.5	0.00	0.00	0.00000	0.00000	52.38

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
TECO 364 Poles & Towers	1999	314,290.51	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 364 Poles & Towers	2000	530,914.68	0.00	0.00	0.00	0.00	99,360.57	18.71	(99,360.57)	-18.71	-18.71
TECO 364 Poles & Towers	2001	692,064.25	123.00	0.02	0.00	0.00	79,407.02	11.47	(79,284.02)	-11.46	-11.46
TECO 364 Poles & Towers	2002	281,200.61	10,303.95	3.66	0.00	0.00	117,419.72	41.76	(107,115.77)	-38.09	-38.09
TECO 364 Poles & Towers	2003	289,514.96	523,858.64	180.94	0.00	0.00	80,233.35	27.71	443,625.29	153.23	153.23
TECO 364 Poles & Towers	2004	333,251.63	289,756.76	86.95	0.00	0.00	89,917.13	26.98	199,839.63	59.97	59.97
TECO 364 Poles & Towers	2005	102,092.91	2,236.42	2.19	0.00	0.00	98,897.15	96.87	(96,660.73)	-94.68	-94.68
TECO 364 Poles & Towers	2006	602,173.18	73,902.77	12.27	0.00	0.00	1,031,490.38	171.29	(957,587.61)	-159.02	-159.02
		3,145,502.73	900,181.54	28.62	0.00	0.00	1,596,725.32	50.76	(696,543.78)	-22.14	

Whole Life Depreciation Accrual

Account: TECO 101/6-364 Poles, towers & fix
Dispersion: 45 - R2.5
[illegible]rage Net Salvage Rate: -70.00%
[illegible]uture Net Salvage Rate: -70.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$125,031,103.55		$4,698,697.57	3.758023
Whole Life		45	$4,723,356.36	
Amortization		0	$0.00	
Retirements	$1,305,465.42	45	$24,658.79	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$125,031,103.55 *		$4,698,697.57	3.758024
Average:	$124,378,370.84		$4,698,697.57	3.777745
Grand Total:	$125,031,103.55 *		$4,698,697.57	3.758024

* Excluding 2007 Retirements

Account: TECO 101/6-364 Poles, towers & fix

Dispersion: 45.00 - R2.5

age Net Salvage Rate: -70.00%

Future Net Salvage Rate: -70.00%

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	$13,851,478.60	45.00	44.53	1.6822	1.0000	$23,300,271.61	$523,278.08
2005	1.50	$7,578,400.99	45.00	43.59	1.6466	1.0000	$12,478,414.71	$286,295.15
2004	2.50	$1,460,320.65	45.00	42.65	1.6111	1.0000	$2,352,777.21	$55,167.67
2003	3.50	$5,315,578.14	45.00	41.71	1.5759	1.0000	$8,376,670.60	$200,810.73
2002	4.50	$4,853,867.38	45.00	40.79	1.5408	1.0000	$7,478,875.75	$183,368.32
2001	5.50	$3,170,511.86	45.00	39.86	1.5059	1.0000	$4,774,610.30	$119,774.89
2000	6.50	$3,134,815.20	45.00	38.95	1.4713	1.0000	$4,612,148.67	$118,426.35
1999	7.50	$4,192,360.91	45.00	38.03	1.4368	1.0000	$6,023,491.70	$158,378.08
1998	8.50	$1,771,068.14	45.00	37.13	1.4025	1.0000	$2,484,003.96	$66,907.02
1997	9.50	$3,847,828.11	45.00	36.23	1.3685	1.0000	$5,265,934.54	$145,362.40
1996	10.50	$2,200,285.34	45.00	35.33	1.3348	1.0000	$2,936,915.74	$83,121.89
1995	11.50	$1,728,824.16	45.00	34.45	1.3013	1.0000	$2,249,643.93	$65,311.13
1994	12.50	$2,012,975.60	45.00	33.57	1.2680	1.0000	$2,552,524.74	$76,045.74
1993	13.50	$2,131,931.55	45.00	32.69	1.2351	1.0000	$2,633,131.52	$80,539.64
1992	14.50	$3,752,199.24	45.00	31.83	1.2024	1.0000	$4,511,799.37	$141,749.75
1991	15.50	$1,922,100.76	45.00	30.97	1.1701	1.0000	$2,249,032.60	$72,612.70
1990	16.50	$2,246,783.38	45.00	30.12	1.1380	1.0000	$2,556,883.99	$84,878.48
1989	17.50	$3,173,577.20	45.00	29.28	1.1063	1.0000	$3,510,949.34	$119,890.69
1988	18.50	$2,597,571.60	45.00	28.45	1.0749	1.0000	$2,792,222.65	$98,130.48
1987	19.50	$3,020,891.94	45.00	27.63	1.0439	1.0000	$3,153,542.79	$114,122.58
1986	20.50	$2,813,603.91	45.00	26.82	1.0132	1.0000	$2,850,660.26	$106,291.70
1985	21.50	$2,510,991.65	45.00	26.02	0.9829	1.0000	$2,467,997.61	$94,859.68
1984	22.50	$2,743,268.16	45.00	25.22	0.9529	1.0000	$2,614,169.40	$103,634.57
1983	23.50	$2,942,227.64	45.00	24.44	0.9234	1.0000	$2,716,823.40	$111,150.82
1982	24.50	$2,715,995.89	45.00	23.67	0.8942	1.0000	$2,428,681.95	$102,604.29
1981	25.50	$2,889,163.91	45.00	22.91	0.8654	1.0000	$2,500,298.02	$109,146.19
1980	26.50	$2,646,679.82	45.00	22.16	0.8371	1.0000	$2,215,432.75	$99,985.68
1979	27.50	$2,888,917.02	45.00	21.42	0.8091	1.0000	$2,337,543.07	$109,136.87
1978	28.50	$2,265,234.55	45.00	20.69	0.7817	1.0000	$1,770,623.79	$85,575.53
1977	29.50	$2,153,201.36	45.00	19.97	0.7545	1.0000	$1,624,692.38	$81,343.16
1976	30.50	$1,961,744.70	45.00	19.27	0.7280	1.0000	$1,428,111.96	$74,110.36
1975	31.50	$1,972,242.15	45.00	18.58	0.7019	1.0000	$1,384,299.09	$74,506.93
1974	32.50	$2,326,431.01	45.00	17.90	0.6763	1.0000	$1,573,339.08	$87,887.39

Account: TECO 101/6-364 Poles, towers & fix

Dispersion: 45.00 - R2.5

Average Net Salvage Rate: *-70.00%*

Future Net Salvage Rate: -70.00%

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	$2,276,689.02	45.00	17.24	0.6512	1.0000	$1,482,575.04	$86,008.25
1972	34.50	$2,288,128.44	45.00	16.59	0.6266	1.0000	$1,433,696.81	$86,440.41
1971	35.50	$1,464,769.48	45.00	15.95	0.6026	1.0000	$882,657.56	$55,335.74
1970	36.50	$1,156,131.73	45.00	15.33	0.5792	1.0000	$669,602.51	$43,676.09
1969	37.50	$1,296,020.37	45.00	14.73	0.5564	1.0000	$721,048.38	$48,960.77
1968	38.50	$1,184,348.30	45.00	14.14	0.5341	1.0000	$632,523.23	$44,742.05
1967	39.50	$827,389.25	45.00	13.57	0.5125	1.0000	$424,064.20	$31,256.93
1966	40.50	$892,123.41	45.00	13.01	0.4917	1.0000	$438,619.95	$33,702.44
1965	41.50	$690,521.94	45.00	12.48	0.4715	1.0000	$325,555.02	$26,086.38
1964	42.50	$641,079.47	45.00	11.96	0.4520	1.0000	$289,743.03	$24,218.56
1963	43.50	$728,432.98	45.00	11.47	0.4331	1.0000	$315,501.70	$27,518.58
1962	44.50	$791,696.92	45.00	10.99	0.4151	1.0000	$328,575.73	$29,904.77
1961	45.50	$674,511.16	45.00	10.53	0.3978	1.0000	$268,294.69	$25,481.53
1960	46.50	$475,796.63	45.00	10.09	0.3812	1.0000	$181,363.29	$17,974.54
1959	47.50	$530,962.28	45.00	9.67	0.3653	1.0000	$193,957.78	$20,058.58
1958	48.50	$514,471.26	45.00	9.27	0.3502	1.0000	$180,149.41	$19,435.58
1957	49.50	$542,294.63	45.00	8.89	0.3357	1.0000	$182,062.06	$20,486.69
1956	50.50	$418,987.97	45.00	8.52	0.3220	1.0000	$134,902.76	$15,828.43
1955	51.50	$352,481.15	45.00	8.18	0.3089	1.0000	$108,870.21	$13,315.95
1954	52.50	$179,280.95	45.00	7.85	0.2964	1.0000	$53,143.78	$6,772.84
1953	53.50	$151,639.51	45.00	7.53	0.2845	1.0000	$43,142.91	$5,728.60
1952	54.50	$36,247.66	45.00	7.23	0.2731	1.0000	$9,899.91	$1,369.36
1951	55.50	$21,236.75	45.00	6.94	0.2622	1.0000	$5,568.41	$802.28
1950	56.50	$0.00	45.00	6.67	0.2519	1.0000	$0.00	$0.00
1949	57.50	$0.00	45.00	6.40	0.2418	1.0000	$0.00	$0.00
1948	58.50	$74,325.03	45.00	6.14	0.2320	1.0000	$17,239.79	$2,807.83
1947	59.50	$16,890.00	45.00	5.89	0.2224	1.0000	$3,756.95	$638.07
1946	60.50	$0.00	45.00	5.64	0.2131	1.0000	$0.00	$0.00
1945	61.50	$1,424.89	45.00	5.41	0.2043	1.0000	$291.06	$53.83
1944	62.50	$0.00	45.00	5.17	0.1953	1.0000	$0.00	$0.00
1943	63.50	$0.00	45.00	4.94	0.1865	1.0000	$0.00	$0.00
1942	64.50	$3,382.54	45.00	4.71	0.1779	1.0000	$601.64	$127.78
1941	65.50	$0.00	45.00	4.49	0.1697	1.0000	$0.00	$0.00

Account: TECO 101/6-364 Poles, towers & fix

Dispersion: 45.00 - R2.5

Average Net Salvage Rate: -70.00%

Future Net Salvage Rate: -70.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1937	69.50	$2,345.44	45.00	3.61	0.1364	1.0000	$319.93	$88.61
1932	74.50	$118.00	45.00	2.44	0.0921	1.0000	$10.87	$4.46
1929	77.50	$0.00	45.00	1.62	0.0613	1.0000	$0.00	$0.00
1927	79.50	$3,321.72	45.00	1.13	0.0428	1.0000	$142.12	$125.49
1922	84.50	$1,082.25	45.00	0.00	0.0000	0.0000	$0.00	$0.00
1918	88.50	$0.00	45.00	0.00	0.0000	0.0000	$0.00	$0.00
		$125,031,103.55	45.00	30.39	1.1480	1.0000	$143,534,399.08	$4,723,356.36

Depreciation Reserve Summary

Account: ***TECO 101/6-364 Poles, towers & fix***
Scenario: **TECO Distribution ADR**
Version: **45 - R2.5**

Average Net Salvage Rate: **-70.00%**
Future Net Salvage Rate: ***-70.00%***

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$125,031,103.55	$76,704,258.01	0.6135	$135,848,618.02	1.0865
Computed	$125,031,103.55	$69,018,476.95	0.5520	$143,534,399.08	1.1480
Difference		$7,685,781.06	0.0615	($7,685,781.06)	-0.0615

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 365 Overhead Conductor

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 40 R1.5

Actuarial Life Analysis

71.25 R3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 29 - 53 Years

Recommendation

Change to 40 R4 per analysis

Comments:
The actuarial data suggests a 71 year life . This appears too drastic a change looking at prior study results and EEI Industry trends. In reviewing the Observation Table the number of exposures become statistically insignificant after 40 years which leads us to agree with the life chosen in the previous study. An R4 dispersion curve appeared to be a more appropriate match to the data during the 40 year period than the previous R1.5.

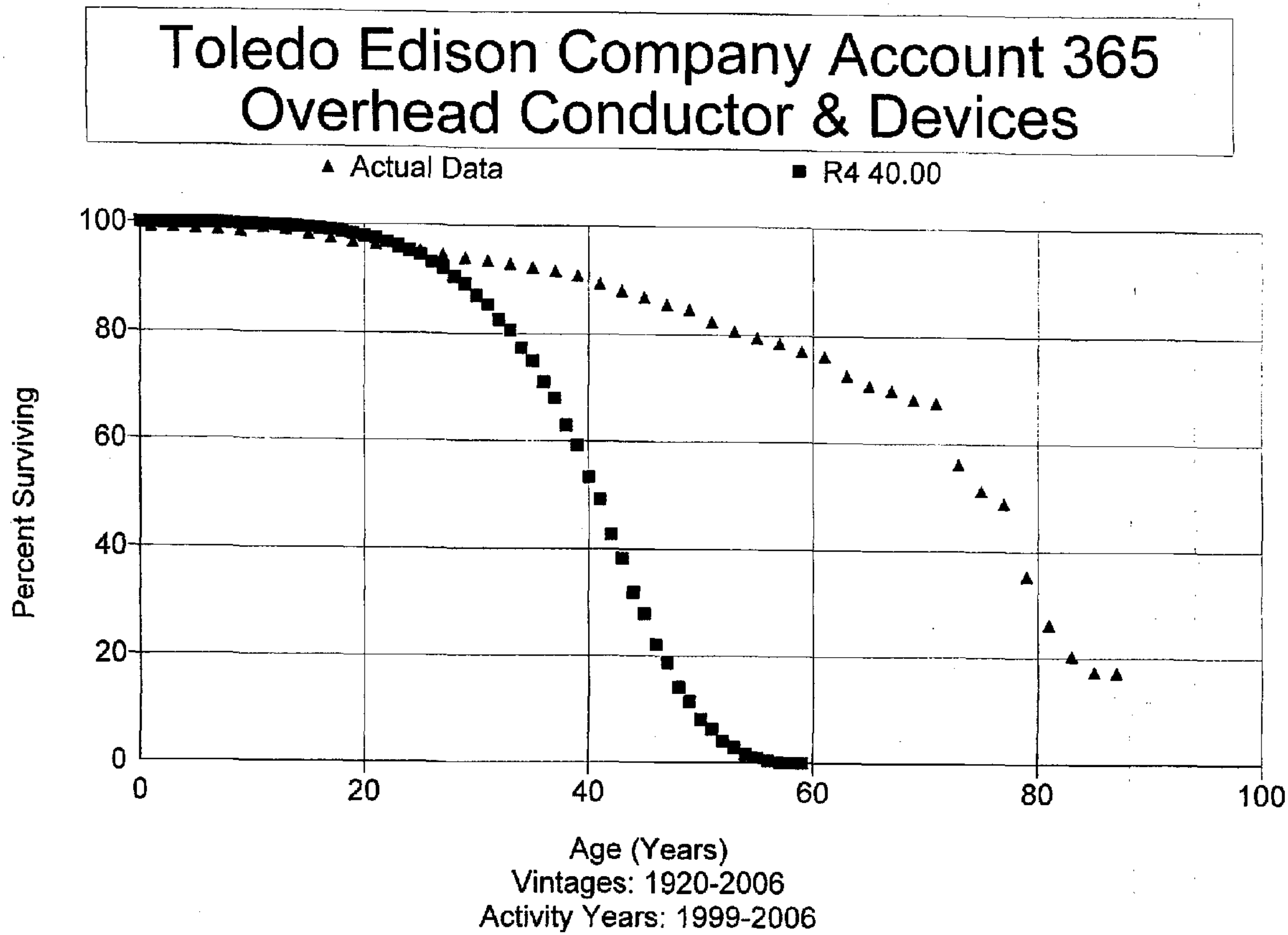
Salvage Factor Estimates

Current Net salvage Rate is -50%
Proposed Net salvage Rate -50%

Comments:
The 1999 - 2006 data studied produced a net salvage rate of 37.44%.The previous study produced a -50% net salvage rate. The EEI Study of net salvage ranged from 25% to -110%. We recommend using the previous results of -50% . The period studied was too short and produced a switch from cost of removal to salvage in the net salvage rate. This did not seem plausible.

Summary of Recommendations

40	Average Service Life
R4	Iowa Curve
-50	% Net Salvage


Toledo Edison Company Account 365
Overhead Conductor & Devices
▲ Actual Data
■ R4 40.00
Percent Surviving
100
80
60
40
20
0
0
20
40
60
80
100
Age (Years)
Vintages: 1920-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-365 Overhead conductor

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	31,598,698.29	6,777.66	0.00021	0.99979	100.00
0.5	35,081,514.89	258,857.47	0.00738	0.99262	99.98
1.5	48,712,398.91	24,361.45	0.00050	0.99950	99.24
2.5	54,505,487.07	19,625.24	0.00036	0.99964	99.19
3.5	60,488,462.85	52,557.83	0.00087	0.99913	99.15
4.5	64,162,190.57	29,243.77	0.00046	0.99954	99.06
5.5	69,526,014.77	62,638.53	0.00090	0.99910	99.01
6.5	69,152,518.66	88,731.77	0.00128	0.99872	98.92
7.5	66,437,135.38	56,383.35	0.00085	0.99915	98.79
8.5	50,998,198.84	58,039.84	0.00114	0.99886	98.71
9.5	41,604,284.44	51,343.66	0.00123	0.99877	98.60
10.5	36,867,405.58	-292,478.86	-0.00793	1.00793	98.48
11.5	30,896,663.37	6,301.61	0.00020	0.99980	99.26
12.5	26,742,094.08	45,436.38	0.00170	0.99830	99.24
13.5	21,320,423.20	53,747.40	0.00252	0.99748	99.07
14.5	20,088,210.78	136,677.92	0.00680	0.99320	98.82
15.5	19,920,239.38	63,854.75	0.00321	0.99679	98.15
16.5	20,117,496.49	82,383.86	0.00410	0.99590	97.83
17.5	21,178,989.81	73,978.76	0.00349	0.99651	97.43
18.5	21,888,102.23	59,216.79	0.00271	0.99729	97.09
19.5	21,100,608.83	56,604.43	0.00268	0.99732	96.83
20.5	20,849,903.76	62,547.14	0.00300	0.99700	96.57
21.5	20,184,744.92	55,566.53	0.00275	0.99725	96.28
22.5	19,351,982.30	48,443.48	0.00250	0.99750	96.02
23.5	18,758,910.69	46,897.91	0.00250	0.99750	95.78
24.5	19,212,959.07	61,563.17	0.00320	0.99680	95.54
25.5	18,964,301.82	73,371.37	0.00387	0.99613	95.23
26.5	18,939,413.84	65,474.18	0.00346	0.99654	94.86
27.5	17,861,935.16	51,551.77	0.00289	0.99711	94.53
28.5	17,213,037.74	48,706.31	0.00283	0.99717	94.26
29.5	16,468,309.26	47,588.02	0.00289	0.99711	93.99
30.5	15,780,564.64	41,207.03	0.00261	0.99739	93.72
31.5	14,604,128.58	44,339.31	0.00304	0.99696	93.48
32.5	12,357,927.46	36,207.80	0.00293	0.99707	93.20
33.5	10,207,234.99	38,927.86	0.00381	0.99619	92.93
34.5	7,465,708.39	24,674.11	0.00330	0.99670	92.58
35.5	6,091,010.10	21,754.27	0.00357	0.99643	92.27
36.5	5,014,261.39	17,332.04	0.00346	0.99654	91.94
37.5	4,210,004.21	16,808.54	0.00399	0.99601	91.62
38.5	3,556,644.01	19,013.31	0.00535	0.99465	91.25
39.5	3,159,024.39	16,810.96	0.00532	0.99468	90.76
40.5	2,810,969.71	28,005.63	0.00996	0.99004	90.28
41.5	2,812,304.15	23,571.50	0.00838	0.99162	89.38
42.5	2,913,924.04	17,992.28	0.00617	0.99383	88.63
43.5	2,988,648.81	19,900.40	0.00666	0.99334	88.08
44.5	3,025,953.49	20,175.79	0.00667	0.99333	87.49
45.5	3,102,716.93	22,930.61	0.00739	0.99261	86.91
46.5	2,871,292.70	20,475.46	0.00713	0.99287	86.27
47.5	2,682,329.71	16,781.64	0.00626	0.99374	85.65
48.5	2,286,252.14	11,259.21	0.00492	0.99508	85.11
49.5	1,776,590.87	16,592.02	0.00934	0.99066	84.69
50.5	2,088,841.45	35,620.38	0.01705	0.98295	83.90
51.5	1,881,781.44	18,118.41	0.00963	0.99037	82.47
52.5	1,533,499.39	16,874.27	0.01100	0.98900	81.68

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-365 Overhead conductor

Placement Band: 1920 - 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
53.5	1,282,973.41	12,019.82	0.00937	0.99063	80.78
54.5	1,026,540.31	5,640.21	0.00549	0.99451	80.02
55.5	864,631.00	4,674.61	0.00541	0.99459	79.58
56.5	888,703.30	6,537.39	0.00736	0.99264	79.15
57.5	881,914.73	6,733.69	0.00764	0.99236	78.57
58.5	282,397.85	2,930.05	0.01038	0.98962	77.97
59.5	157,636.87	485.64	0.00308	0.99692	77.16
60.5	157,151.23	1,320.74	0.00841	0.99159	76.92
61.5	95,464.47	3,456.05	0.03620	0.96380	76.27
62.5	91,330.94	1,128.29	0.01235	0.98765	73.51
63.5	87,368.25	1,521.04	0.01741	0.98259	72.60
64.5	48,113.72	359.85	0.00748	0.99252	71.34
65.5	47,106.02	278.75	0.00592	0.99408	70.81
66.5	47,514.13	305.59	0.00644	0.99356	70.39
67.5	47,208.54	175.97	0.00373	0.99627	69.94
68.5	47,032.57	936.41	0.01990	0.98010	69.68
69.5	639.76	2.90	0.00469	0.99531	68.29
70.5	636.86	2.67	0.00471	0.99529	67.97
71.5	3,735.62	503.59	0.13490	0.86510	67.65
72.5	3,908.22	158.82	0.04069	0.95931	58.52
73.5	3,763.97	116.41	0.03082	0.96918	56.14
74.5	3,820.67	222.78	0.05836	0.94164	54.41
75.5	3,597.89	95.46	0.02640	0.97360	51.23
76.5	3,502.43	75.40	0.02142	0.97858	49.88
77.5	3,427.03	90.63	0.02655	0.97345	48.81
78.5	14,194.14	3,610.57	0.25440	0.74560	47.51
79.5	8,496.08	1,311.57	0.15443	0.84557	35.42
80.5	6,865.92	839.35	0.12220	0.87780	29.95
81.5	6,020.24	942.16	0.15648	0.84352	26.29
82.5	4,913.29	386.49	0.07857	0.92143	22.18
83.5	4,526.80	590.51	0.13055	0.86945	20.44
84.5	3,936.29	68.50	0.01753	0.98247	17.77
85.5	3,867.79	31.29	0.00801	0.99199	17.46
86.5	0.00	0.00	0.00000	0.00000	17.32

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
TECO 365 Overhead Conductor	1999	(4,491,604.15)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 365 Overhead Conductor	2000	214,511.44	0.00	0.00	0.00	0.00	2,065.60	0.96	(2,065.60)	-0.96	-0.96
TECO 365 Overhead Conductor	2001	525,883.30	99.88	0.02	0.00	0.00	39,101.30	7.44	(39,001.42)	-7.42	-7.42
TECO 365 Overhead Conductor	2002	130,929.50	6,011.39	4.59	0.00	0.00	268,006.15	204.70	(261,994.76)	-200.10	-200.10
TECO 365 Overhead Conductor	2003	105,873.63	126,701.05	119.67	0.00	0.00	38,084.20	35.97	88,616.85	83.70	83.70
TECO 365 Overhead Conductor	2004	111,631.62	1,892,894.81	1695.66	0.00	0.00	417,834.92	374.30	1,475,059.89	1321.36	1321.36
TECO 365 Overhead Conductor	2005	107,460.88	5,346.35	4.98	0.00	0.00	856,361.71	796.91	(851,015.36)	-791.93	-791.93
TECO 365 Overhead Conductor	2006	724,205.24	13,169.83	1.82	0.00	0.00	1,385,269.36	191.28	(1,372,099.53)	-189.46	-189.46
		(2,571,108.54)	2,044,223.31	-79.51	0.00	0.00	3,006,723.24	-116.94	(962,499.93)	37.44	

Whole Life Depreciation Accrual

Account: TECO 101/6-365 Overhead conductor

Dispersion: 40 - R4

rage Net Salvage Rate: -50.00%

ture Net Salvage Rate: -50.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	$118,446,692.10		$4,378,653.39	3.696730
Whole Life		40	$4,434,579.15	
Amortization		0	$0.00	
Retirements	$2,982,707.24	40	$55,925.76	
2007 Additions	$0.00		$0.00	0.000000
Whole Life			$0.00	
Retirements	$0.00	0.00	$0.00	
Total:	$118,446,692.10 *		$4,378,653.39	3.696730
Average:	$116,955,338.48		$4,378,653.39	3.743868
Grand Total:	$118,446,692.10 *		$4,378,653.39	3.696730

* Excluding 2007 Retirements

Generation Arrangement Report

Account: TECO 101/6-365 Overhead conductor
Dispersion: 40.00 - R4
Average Net Salvage Rate: -50.00%
Future Net Salvage Rate: -50.00%
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	$9,273,578.20	40.00	39.50	1.4813	1.0000	$13,736,660.53	$347,759.18
2005	1.50	$2,671,503.07	40.00	38.50	1.4438	1.0000	$3,857,120.26	$100,181.37
2004	2.50	$874,307.09	40.00	37.50	1.4064	1.0000	$1,229,589.25	$32,786.52
2003	3.50	$3,771,572.43	40.00	36.51	1.3689	1.0000	$5,163,050.13	$141,433.97
2002	4.50	$2,720,573.09	40.00	35.51	1.3315	1.0000	$3,622,560.08	$102,021.49
2001	5.50	$2,542,875.49	40.00	34.51	1.2942	1.0000	$3,290,982.63	$95,357.83
2000	6.50	$4,209,556.63	40.00	33.52	1.2569	1.0000	$5,290,890.53	$157,858.37
1999	7.50	$5,338,795.79	40.00	32.52	1.2196	1.0000	$6,511,305.60	$200,204.84
1998	8.50	$4,961,130.39	40.00	31.53	1.1825	1.0000	$5,866,294.59	$186,042.39
1997	9.50	$5,116,189.26	40.00	30.54	1.1454	1.0000	$5,859,870.08	$191,867.47
1996	10.50	$3,255,724.01	40.00	29.56	1.1084	1.0000	$3,608,582.31	$122,089.65
1995	11.50	$3,162,699.44	40.00	28.57	1.0715	1.0000	$3,388,886.52	$118,601.23
1994	12.50	$1,943,580.09	40.00	27.60	1.0348	1.0000	$2,011,301.15	$72,884.25
1993	13.50	$3,763,828.73	40.00	26.62	0.9983	1.0000	$3,757,535.65	$141,143.58
1992	14.50	$3,988,426.63	40.00	25.65	0.9621	1.0000	$3,837,092.10	$149,566.00
1991	15.50	$2,591,106.12	40.00	24.69	0.9260	1.0000	$2,399,377.37	$97,166.48
1990	16.50	$2,334,463.98	40.00	23.74	0.8903	1.0000	$2,078,333.69	$87,542.40
1989	17.50	$1,809,519.12	40.00	22.80	0.8548	1.0000	$1,546,867.08	$67,856.97
1988	18.50	$1,895,320.17	40.00	21.86	0.8198	1.0000	$1,553,836.87	$71,074.51
1987	19.50	$3,388,825.13	40.00	20.94	0.7852	1.0000	$2,660,810.09	$127,080.94
1986	20.50	$2,223,760.30	40.00	20.03	0.7510	1.0000	$1,670,082.85	$83,391.01
1985	21.50	$2,441,893.80	40.00	19.13	0.7173	1.0000	$1,751,604.03	$91,571.02
1984	22.50	$2,593,104.10	40.00	18.25	0.6842	1.0000	$1,774,197.85	$97,241.40
1983	23.50	$2,459,006.27	40.00	17.38	0.6516	1.0000	$1,602,295.24	$92,212.74
1982	24.50	$2,529,408.29	40.00	16.52	0.6197	1.0000	$1,567,429.93	$94,852.81
1981	25.50	$2,868,706.43	40.00	15.69	0.5883	1.0000	$1,687,771.43	$107,576.49
1980	26.50	$2,920,065.86	40.00	14.87	0.5577	1.0000	$1,628,622.08	$109,502.47
1979	27.50	$2,635,413.72	40.00	14.07	0.5277	1.0000	$1,390,826.39	$98,828.01
1978	28.50	$1,993,185.04	40.00	13.29	0.4985	1.0000	$993,695.21	$74,744.44
1977	29.50	$1,805,629.52	40.00	12.53	0.4700	1.0000	$848,800.74	$67,711.11
1976	30.50	$1,785,801.05	40.00	11.79	0.4422	1.0000	$789,672.67	$66,967.54
1975	31.50	$1,872,761.28	40.00	11.07	0.4150	1.0000	$777,243.32	$70,228.55
1974	32.50	$2,939,970.49	40.00	10.36	0.3886	1.0000	$1,142,500.88	$110,248.89

Account: TECO 101/6-365 Overhead conductor

Dispersion: 40.00 - R4

Average Net Salvage Rate: -50.00%

Future Net Salvage Rate: -50.00%

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	$2,605,850.93	40.00	9.67	0.3627	1.0000	$945,264.08	$97,719.41
1972	34.50	$2,880,846.06	40.00	9.00	0.3376	1.0000	$972,674.95	$108,031.73
1971	35.50	$1,577,390.44	40.00	8.35	0.3132	1.0000	$494,111.21	$59,152.14
1970	36.50	$1,349,043.25	40.00	7.73	0.2901	1.0000	$391,294.41	$50,589.12
1969	37.50	$1,075,897.56	40.00	7.15	0.2680	1.0000	$288,371.84	$40,346.16
1968	38.50	$1,111,122.09	40.00	6.60	0.2476	1.0000	$275,136.57	$41,667.08
1967	39.50	$723,008.35	40.00	6.10	0.2286	1.0000	$165,295.84	$27,112.81
1966	40.50	$735,530.02	40.00	5.63	0.2113	1.0000	$155,385.35	$27,582.38
1965	41.50	$487,942.68	40.00	5.21	0.1953	1.0000	$95,272.24	$18,297.85
1964	42.50	$203,689.09	40.00	4.82	0.1806	1.0000	$36,782.21	$7,638.34
1963	43.50	$235,772.64	40.00	4.46	0.1671	1.0000	$39,388.84	$8,841.47
1962	44.50	$294,621.65	40.00	4.12	0.1544	1.0000	$45,503.22	$11,048.31
1961	45.50	$280,834.05	40.00	3.81	0.1427	1.0000	$40,086.94	$10,531.28
1960	46.50	$459,480.54	40.00	3.51	0.1315	1.0000	$60,416.71	$17,230.52
1959	47.50	$331,150.80	40.00	3.23	0.1209	1.0000	$40,049.59	$12,418.16
1958	48.50	$386,433.08	40.00	2.95	0.1105	1.0000	$42,692.83	$14,491.24
1957	49.50	$484,970.62	40.00	2.68	0.1006	1.0000	$48,787.65	$18,186.40
1956	50.50	$302,373.15	40.00	2.42	0.0906	1.0000	$27,385.69	$11,338.99
1955	51.50	$295,125.71	40.00	2.16	0.0812	1.0000	$23,955.20	$11,067.21
1954	52.50	$319,276.37	40.00	1.91	0.0715	1.0000	$22,831.65	$11,972.86
1953	53.50	$345,226.46	40.00	1.67	0.0627	1.0000	$21,649.80	$12,945.99
1952	54.50	$236,388.72	40.00	1.43	0.0536	1.0000	$12,668.31	$8,864.58
1951	55.50	$153,476.95	40.00	1.22	0.0457	1.0000	$7,017.49	$5,756.39
1950	56.50	$15,283.12	40.00	1.00	0.0373	1.0000	$570.28	$573.12
1949	57.50	$958.94	40.00	0.82	0.0308	1.0000	$29.52	$35.96
1948	58.50	$565,564.46	40.00	0.62	0.0233	1.0000	$13,156.14	$21,208.67
1947	59.50	$115,895.22	40.00	0.45	0.0169	1.0000	$1,955.75	$4,346.07
1945	61.50	$106,889.00	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1944	62.50	$636.72	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1943	63.50	$2,648.85	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1942	64.50	$37,411.39	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1941	65.50	$599.23	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1937	69.50	$41,070.98	40.00	0.00	0.0000	0.0000	$0.00	$0.00

Account: TECO 101/6-365 Overhead conductor

Dispersion: 40.00 - R4

rage Net Salvage Rate: -50.00%

Future Net Salvage Rate: -50.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1932	74.50	$272.74	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1927	79.50	$1,478.39	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1926	80.50	$208.97	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1925	81.50	$3.73	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1924	82.50	$12.50	40.00	0.00	0.0000	0.0000	$0.00	$0.00
1920	86.50	$15.64	40.00	0.00	0.0000	0.0000	$0.00	$0.00
		$118,446,692.10	40.00	23.23	0.8710	1.0000	$103,163,221.57	$4,434,579.15

Depreciation Reserve Summary

Account: TECO 101/6-365 Overhead conductor
Scenario: TECO Distribution ADR
Dispersion: 40 - R4
Average Net Salvage Rate: -50.00%
Future Net Salvage Rate: -50.00%

Broad Group Procedure

January 1 , 2007

		Depreciation Reserve		Net Plant	
	Plant Amt	Amount	Ratio	Amount	Ratio
Recorded	$118,446,692.10	$67,065,773.27	0.5662	$110,604,264.88	0.9338
Computed	$118,446,692.10	$74,506,816.58	0.6290	$103,163,221.57	0.8710
Difference		($7,441,043.31)	-0.0628	$7,441,043.31	0.0628

03/28/2007

Toledo Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 366 Underground Conduit

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 60 R4

Actuarial Life Analysis

245.85 R3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 28 - 84 Years

Recommendation

Do not change existing curve of 60 R4

Comments:
The current data produces a straight line which is inconclusive with regard to actuarial analysis. The previous study arrived at the same conclusion. The EEI Industry standard results would also lead one to conclude to continue with the existing Curve and Life.

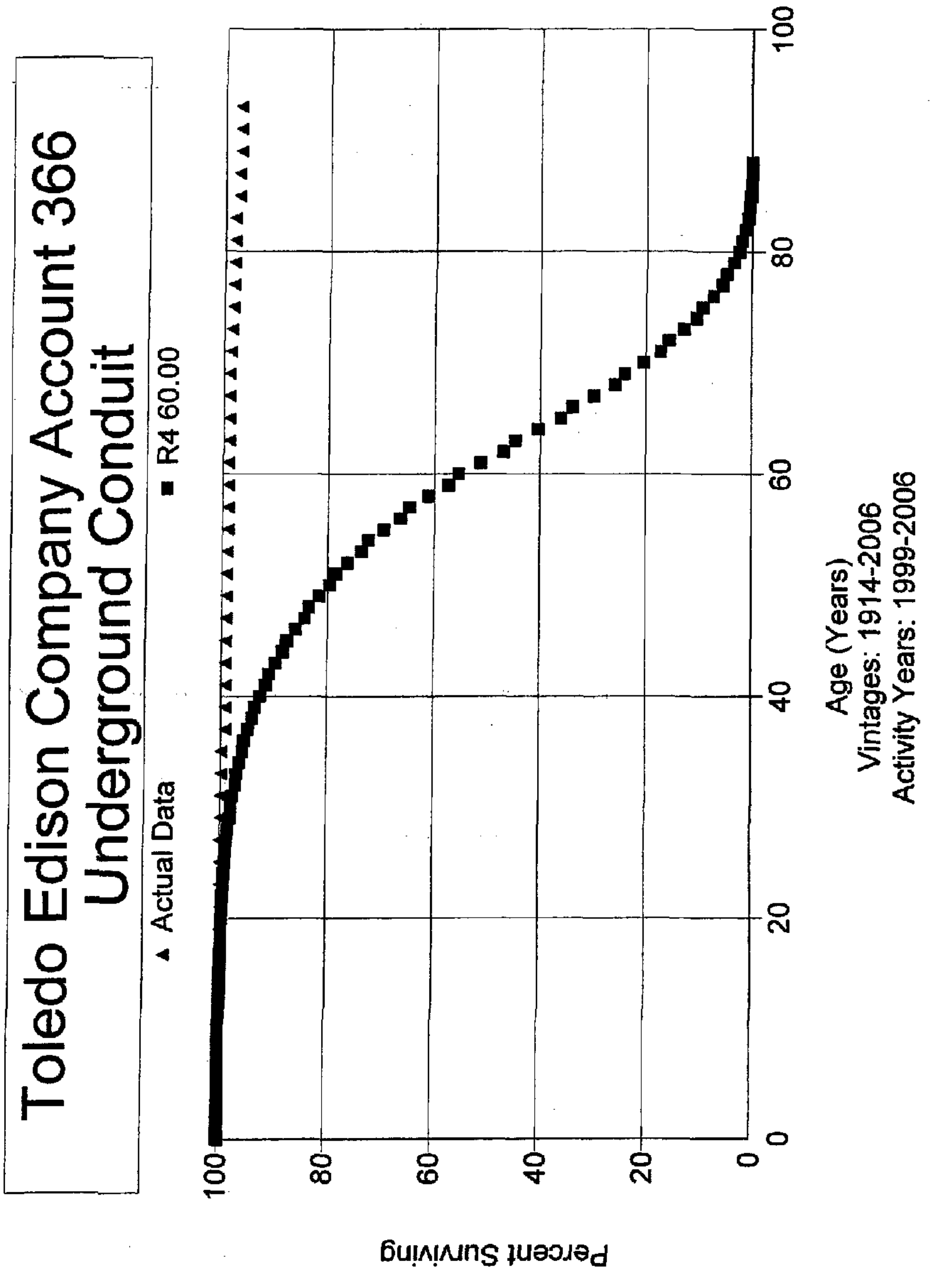
Salvage Factor Estimates

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

Comments:
The current net salvage study yielded a -18.72% net salvage rate . The EEI Study reflects net salvage between 10% and -60%. *We find no reason to change the existing -25% net salvage* rate in light of these results or EEI Study trends.

Summary of Recommendations

60	*Average Service Life*
R4	
-25	% Net Salvage



Toledo Edison Company Account 366
Underground Conduit
Actual Data
R4 60.00
Percent Surviving
100
80
60
40
20
0
Age (Years)
Vintages: 1914-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-366 Underground conduit

Placement Band: 1914 - 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	1,562,435.75	0.00	0.00000	1.00000	100.00
0.5	1,336,463.82	0.00	0.00000	1.00000	100.00
1.5	1,075,747.59	49.42	0.00005	0.99995	100.00
2.5	1,066,961.70	103.77	0.00010	0.99990	100.00
3.5	1,031,523.83	30.30	0.00003	0.99997	99.99
4.5	714,984.26	11.58	0.00002	0.99998	99.99
5.5	695,701.75	0.00	0.00000	1.00000	99.99
6.5	993,159.52	0.00	0.00000	1.00000	99.99
7.5	897,475.72	7.24	0.00001	0.99999	99.99
8.5	873,619.83	12.46	0.00001	0.99999	99.99
9.5	1,024,555.91	14.81	0.00001	0.99999	99.99
10.5	1,526,786.24	19.36	0.00001	0.99999	99.99
11.5	2,748,480.89	233.96	0.00009	0.99991	99.99
12.5	2,941,847.58	67.87	0.00002	0.99998	99.98
13.5	3,191,349.43	47.31	0.00001	0.99999	99.98
14.5	2,965,983.26	15.77	0.00001	0.99999	99.98
15.5	2,990,268.88	0.00	0.00000	1.00000	99.98
16.5	3,201,206.60	31.95	0.00001	0.99999	99.98
17.5	3,185,283.03	32.79	0.00001	0.99999	99.98
18.5	4,537,255.77	374.05	0.00008	0.99992	99.98
19.5	3,376,736.59	99.83	0.00003	0.99997	99.97
20.5	3,239,012.73	15.00	0.00000	1.00000	99.97
21.5	3,036,047.07	36.60	0.00001	0.99999	99.97
22.5	3,130,626.46	35.61	0.00001	0.99999	99.97
23.5	3,086,557.79	38.97	0.00001	0.99999	99.97
24.5	2,920,198.55	44.84	0.00002	0.99998	99.97
25.5	3,014,455.72	41.75	0.00001	0.99999	99.97
26.5	1,382,270.57	65.10	0.00005	0.99995	99.97
27.5	1,440,785.60	63.48	0.00004	0.99996	99.97
28.5	1,409,248.15	32.16	0.00002	0.99998	99.97
29.5	1,433,920.70	30.82	0.00002	0.99998	99.97
30.5	1,209,299.03	7.85	0.00001	0.99999	99.97
31.5	1,191,600.11	28.44	0.00002	0.99998	99.97
32.5	998,322.46	14.00	0.00001	0.99999	99.97
33.5	785,308.91	4.52	0.00001	0.99999	99.97
34.5	569,382.88	4.43	0.00001	0.99999	99.97
35.5	360,402.46	2,623.43	0.00728	0.99272	99.97
36.5	264,552.56	17.41	0.00006	0.99994	99.24
37.5	198,754.58	0.00	0.00000	1.00000	99.23
38.5	205,453.59	0.00	0.00000	1.00000	99.23
39.5	128,619.96	0.00	0.00000	1.00000	99.23
40.5	122,657.09	1.79	0.00002	0.99998	99.23
41.5	141,788.49	1.79	0.00001	0.99999	99.23
42.5	153,313.36	0.00	0.00000	1.00000	99.23
43.5	185,108.72	0.00	0.00000	1.00000	99.23
44.5	246,597.05	32.62	0.00013	0.99987	99.23
45.5	239,304.53	25.07	0.00010	0.99990	99.22
46.5	233,706.55	8.76	0.00004	0.99996	99.21
47.5	247,309.83	59.55	0.00024	0.99976	99.21
48.5	265,298.25	9.19	0.00003	0.99997	99.19
49.5	294,346.27	29.37	0.00010	0.99990	99.19
50.5	345,392.96	46.09	0.00013	0.99987	99.18
51.5	338,150.63	79.15	0.00023	0.99977	99.17
52.5	429,161.71	184.13	0.00043	0.99957	99.15

Observed Life Table

Scenario: Toledo Edison Company Accounts Dist

Account: TECO 101/6-366 Underground conduit

Placement Band: 1914 - 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	394,700.88	195.34	0.00049	0.99951	99.11
54.5	373,375.79	0.00	0.00000	1.00000	99.06
55.5	356,523.33	0.00	0.00000	1.00000	99.06
56.5	329,240.40	0.00	0.00000	1.00000	99.06
57.5	286,822.53	19.30	0.00007	0.99993	99.06
58.5	229,123.41	9.04	0.00004	0.99996	99.05
59.5	226,004.29	26.52	0.00012	0.99988	99.05
60.5	80,369.79	0.00	0.00000	1.00000	99.04
61.5	90,539.36	0.00	0.00000	1.00000	99.04
62.5	111,062.72	21.53	0.00020	0.99980	99.04
63.5	129,184.82	17.60	0.00014	0.99986	99.02
64.5	131,940.22	10.40	0.00008	0.99992	99.01
65.5	110,091.66	0.00	0.00000	1.00000	99.00
66.5	100,131.99	0.00	0.00000	1.00000	99.00
67.5	116,054.92	77.00	0.00066	0.99934	99.00
68.5	166,881.86	49.34	0.00029	0.99971	98.93
69.5	246,049.17	135.53	0.00055	0.99945	98.90
70.5	319,112.19	716.75	0.00225	0.99775	98.85
71.5	336,740.50	93.65	0.00028	0.99972	98.63
72.5	343,724.14	23.80	0.00007	0.99993	98.60
73.5	354,691.70	750.78	0.00212	0.99788	98.59
74.5	383,926.97	67.50	0.00018	0.99982	98.38
75.5	362,317.60	75.44	0.00021	0.99979	98.36
76.5	310,002.72	34.16	0.00011	0.99989	98.34
77.5	220,772.52	3.33	0.00001	0.99999	98.33
78.5	129,681.56	0.00	0.00000	1.00000	98.33
79.5	152,863.40	191.87	0.00126	0.99874	98.33
80.5	142,039.44	7.49	0.00005	0.99995	98.21
81.5	131,060.72	0.00	0.00000	1.00000	98.21
82.5	100,632.17	0.00	0.00000	1.00000	98.21
83.5	73,981.63	0.00	0.00000	1.00000	98.21
84.5	346,524.34	2,767.30	0.00799	0.99201	98.21
85.5	342,131.37	29.98	0.00009	0.99991	97.43
86.5	342,101.39	0.00	0.00000	1.00000	97.42
87.5	282,733.98	206.24	0.00073	0.99927	97.42
88.5	281,306.23	620.71	0.00221	0.99779	97.35
89.5	280,685.52	0.00	0.00000	1.00000	97.13
90.5	280,685.52	0.00	0.00000	1.00000	97.13
91.5	280,685.52	0.00	0.00000	1.00000	97.13
92.5	0.00	0.00	0.00000	0.00000	97.13

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
TECO 366 Underground Conduit	1999	14,041.83	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 366 Underground Conduit	2000	715.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 366 Underground Conduit	2001	153.19	0.00	0.00	0.00	0.00	1,162.21	758.67	(1,162.21)	-758.67	-758.67
TECO 366 Underground Conduit	2002	206.24	0.00	0.00	0.00	0.00	1,920.16	931.03	(1,920.16)	-931.03	-931.03
TECO 366 Underground Conduit	2003	1,351.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TECO 366 Underground Conduit	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		16,468.35	0.00	0.00	0.00	0.00	3,082.37	18.72	(3,082.37)	-18.72	