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Ohio Edison Company
The Cleveland Electric Illuminating Company
The Toledo Edison Company

Volume 4B

Section I

Direct Testimony

Exhibit 5 & Exhibit 5-Attach. PRC-1

Original Filing June 7, 2007

Original Filing Dated June 7, 2007

Case No. 07-551-EL-AIR

Case No. 07-552-EL-ATA

Case No. 07-553-EL-AAM

Case No. 07-554-EL-UNC

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION

**OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY**

FOR AUTHORITY TO INCREASE RATES FOR DISTRIBUTION
SERVICE, MODIFY CERTAIN ACCOUNTING PRACTICES AND
FOR TARIFF APPROVAL

VOLUME 4B
Section I

Standard Filing Requirements

Direct Testimony

Exhibit 5 and Exhibit 5 – Attach. PRC-1

12 Months Ending February 29, 2008 Test Year

Original Filing Dated June 7, 2007

[Company Exhibit 5]

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio	)	
Edison Company, The Cleveland Electric	)	
Illuminating Company, and The Toledo	)	Case No. 07-551-EL-AIR
Edison Company for Authority to	)	Case No. 07-552-EL-ATA
Increase Rates for Distribution Service,	)	Case No. 07-553-EL-AAM
Modify Certain Accounting Practices	)	Case No. 07-554-EL-UNC
and for Tariff Approvals	)	

DIRECT TESTIMONY OF

PAULETTE R. CHATMAN

ON BEHALF OF

OHIO EDISON COMPANY
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
THE TOLEDO EDISON COMPANY

<u> </u>	Management policies, practices, and organization
<u> X </u>	Operating income
<u> X </u>	Rate base
<u> X </u>	Allocations
<u> </u>	Rate of return
<u> </u>	Rates and tariffs
<u> X </u>	Other - Depreciation Study

I. General Background

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Paulette R. Chatman and my business address is 76 South Main Street,
Akron, Ohio 44308.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by FirstEnergy Service Company as an Assistant Controller of
FirstEnergy Corp. ("FirstEnergy") and its Ohio electric utility subsidiaries, Ohio
Edison Company ("OE"), The Cleveland Electric Illuminating Company ("CEI") and
The Toledo Edison Company ("TE") (collectively, the "Companies").

Q. PLEASE OUTLINE YOUR EDUCATIONAL BACKGROUND.

A. I received a Bachelor of Science degree in accounting from Seton Hall University in
1975 and received a Master of Science degree in taxation from Farleigh Dickinson
University in 2003.

**Q. PLEASE OUTLINE YOUR WORK EXPERIENCE AND PROFESSIONAL
QUALIFICATIONS.**

A. In 1975, I began my career with the certified public accounting firm of Touché Ross
in New Jersey. In 1979, I joined GPU, Inc. ("GPU") as an auditor, and held a variety
of positions in finance and accounting, including Manager of General Accounting,
Manager of Financial Reporting, Director of Accounting Operations and Manager of
Internal Auditing before being promoted to Assistant Controller in 1993. As
Assistant Controller for GPU, I was responsible for external reporting, including
financial reporting to regulatory agencies such as the Securities & Exchange
Commission, Federal Energy Regulatory Commission ("FERC"), Pennsylvania

Public Utility Commission and New Jersey Board of Public Utilities. Additionally, I was responsible for the accounting research, analyzing and interpreting various accounting pronouncements issued by the regulatory bodies. In 2001, GPU merged with FirstEnergy and I was elected to my current position, Assistant Controller of FirstEnergy and the Companies. I am a Certified Public Accountant in the State of New Jersey.

Q. PLEASE DESCRIBE YOUR DUTIES AS ASSISTANT CONTROLLER.

A. Among my duties as assistant controller, I am responsible for the activities performed by General Accounting Services, Property Accounting Services, Accounts Payable and shared service cost allocations.

Q. PLEASE DESCRIBE THE RESPONSIBILITIES OF PROPERTY ACCOUNTING SERVICES.

A. The Property Accounting Services group is responsible for establishing and maintaining the Companies' capitalization policy, maintaining FirstEnergy's construction and asset Continuing Property Records ("CPR") system and performing the Companies' depreciation accounting. Property Accounting Services also performs the following tasks for the Companies:

- Establishes AFUDC methodology and application rate and monitors performance of the rate.
- Develops budgets and forecasts for depreciation, amortization, AFUDC, and accretion.
- Maintains a status reporting mechanism for construction projects (e.g. in-service reporting)
- Conducts depreciation rate service life studies.
- Calculates and records book depreciation and amortization.
- Controls and maintains lease accounting in accordance with Statement of Financial Accounting Standards ("SFAS") No. 13, Accounting for Leases
- Unitizes plant additions

1 **Q. PLEASE DESCRIBE THE CPR SYSTEM AS IT APPLIES TO THE**
 2 **COMPANIES.**

3 A. The CPR system used by the Companies for property accounting establishes a
 4 uniform practice that assures the proper tracking of and accounting for (i) property
 5 related costs that are capitalized or expensed; (ii) property additions; and (iii) property
 6 retirements.

7 **Q. DO THE COMPANIES USE THE FERC UNIFORM SYSTEM OF**
 8 **ACCOUNTS?**

9 A. Yes, the Companies use the electric plant account numbers prescribed for a Major
 10 Electric utility in the FERC Uniform System of Accounts. The account descriptions
 11 are set forth in the Code of Federal Regulations, Title 18, Conservation of Power and
 12 Water Resources, Part 101.

13 **Q. WHAT SCHEDULES ARE YOU SPONSORING IN THIS PROCEEDING?**

14 A. I am sponsoring the following Schedules for all three Companies:

15	B-2	Plant in Service Summary by Major Property Groupings
16	B-2.1	Plant in Service by Accounts and Sub-accounts
17	B-2.2	Adjustments to Plant in Service
18	B-2.3	Gross Additions, Retirements and Transfers
19	B-2.4	Lease Property
20	B-2.5	Property Excluded from Rate Base
21	B-3	Reserve for Accumulated Depreciation
22	B-3.1	Adjustments to the Reserve for Accumulated Depreciation
23	B-3.2	Depreciation Accrual Rates and Jurisdictional Reserve Balances by
24		Accounts
25	B-3.3	Depreciation Reserve Accruals, Retirements, and Transfers
26	B-3.4	Depreciation Reserve and Expense for Lease Property
27	B-4	Construction Work in Progress ("CWIP")
28	B-4.1	Construction Work in Progress- Per cent Complete (Time)
29	B-4.2	Construction Work in Progress- Per cent Complete (Dollars)
30	C-3.4	Adjustment for Depreciation Expense
31		

1 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

2 A. The purpose of my testimony is to explain FirstEnergy Service Company's shared
3 cost allocation process and the Companies' depreciation studies presented in this case.
4 I will also be supporting the Companies' (i) plant in service balances; (ii) reserve for
5 accumulated depreciation; (iii) depreciation expense; and (iv) the zero balances
6 included in this proceeding for CWIP and Contributions in Aid of Construction
7 ("CIAC").

8 **Q. HOW WILL YOU ADDRESS EACH COMPANY'S DEPRECIATION**
9 **STUDY?**

10 A. Unless otherwise stated, my discussion surrounding the depreciation studies
11 conducted in this proceeding is equally applicable to all three Companies' respective
12 studies.

13 **Q. HOW WILL YOU BE ADDRESSING EACH COMPANY'S SCHEDULES?**

14 A. Unless otherwise stated, my discussion of a schedule is equally applicable to all three
15 Companies.

16 **II. Shared Service Cost Allocations**

17 **Q. EARLIER IN YOUR TESTIMONY YOU INDICATED THAT AMONG YOUR**
18 **RESPONSIBILITIES, YOU OVERSEE THE ALLOCATION OF SHARED**
19 **SERVICES COSTS. PLEASE DESCRIBE THESE COSTS.**

20 A. Shared service costs are those costs incurred by one entity for providing services to
21 another affiliated entity. At FirstEnergy, a separate entity, FirstEnergy Service
22 Company, was created for the purpose of housing those employees that perform
23 functions common throughout FirstEnergy. As examples, all employees of the legal,

1 accounting and rates departments are FirstEnergy Service Company employees
2 because each of these departments provides services on an as needed basis to any
3 entity within the FirstEnergy organization. Therefore, the costs associated with these
4 functions are allocated back to the entities for which the services were provided.

5 **Q. PLEASE EXPLAIN HOW FIRST ENERGY SERVICE COMPANY COSTS**
6 **ARE ALLOCATED.**

7 A. FirstEnergy Service Company costs are allocated to those companies receiving the
8 services in one of two ways. If the services performed by a FirstEnergy Service
9 Company employee are provided directly to a specific entity within FirstEnergy, then
10 the time spent by that employee is directly allocated to that entity. If, however, an
11 activity performed by a FirstEnergy Service Company employee is applicable to more
12 than one entity within FirstEnergy, then the costs incurred while performing that
13 activity are allocated to all companies receiving the benefit from that activity.

14 **Q. PLEASE PROVIDE AN EXAMPLE OF WHAT YOU MEAN.**

15 A. Assume that a FirstEnergy attorney represents one of FirstEnergy's Ohio operating
16 companies at the Commission. In such a situation, that attorney's time would be
17 directly billed to the applicable operating company. However, if it is assumed that
18 that same attorney is attending a continuing legal education seminar, then it is
19 presumed that all of FirstEnergy's affiliates benefit from this activity. In such a
20 situation, the costs incurred by FirstEnergy to send this attorney to the seminar must
21 be allocated to multiple affiliates.

1 **Q. HOW ARE COSTS ALLOCATED TO MORE THAN ONE ENTITY WITHIN**
2 **FIRSTENERGY?**

3 A. When costs are incurred by FirstEnergy Service Company for the benefit of more
4 than one entity within FirstEnergy, such costs are allocated consistent with the
5 allocation factors that have been audited and approved over a number of years by the
6 U.S. Securities and Exchange Commission ("SEC"), pursuant to the Public Utilities
7 Holding Company Act. Although, pursuant to the Energy Policy Act of 2005, the
8 responsibility for oversight of such cost allocations has since been transferred from
9 the SEC to FERC, these allocation factors remain in effect and continue to be
10 reasonable and appropriate.

11 **III. Depreciation Study**

12 **Q. WHAT IS DEPRECIATION FOR ACCOUNTING PURPOSES?**

13 A. Depreciation, as used in accounting, is a method of distributing fixed capital costs
14 over a period of time by allocating annual amounts to expense. Each annual amount
15 of such depreciation expense is part of that year's total cost of providing utility
16 service. Normally, the period of time over which the fixed capital cost is allocated to
17 cost of service is equal to its service life -- the period of time over which an asset
18 renders service. The straight line method of depreciation cost allocation -- the
19 distribution of an equal amount of costs to each year of an asset's service life -- is the
20 most common and is the method utilized by the Companies.

Q. DID THE COMPANIES EACH PERFORM A DEPRECIATION STUDY FOR PURPOSES OF THIS PROCEEDING?

A. Yes. All three depreciation studies are attached to my testimony as exhibits. OE's depreciation study is included as Attach. PRC-1; CEI's, as Attach. PRC-2 and TE's, as Attach. PRC-3.

Q. PLEASE SUMMARIZE THE RESULTS OF THE DEPRECIATION STUDIES PERFORMED FOR THIS PROCEEDING.

A. Based on the depreciation studies attached to my testimony, the following depreciation accrual rates should be used when calculating test year depreciation expense for each of the Companies:

OE:

<u>Cost Category</u>	<u>Life</u>	<u>Net Salvage Value</u>	<u>Accrual Rate</u>
Transmission	53	(14)	2.35%
Distribution	39	(17)	3.10%
General	25	5	3.67%

CEI:

<u>Cost Category</u>	<u>Life</u>	<u>Net Salvage Value</u>	<u>Accrual Rate</u>
Transmission	54	(20)	2.14%
Distribution	37	(26)	3.52%
General	21	4	4.08%

TE:

<u>Cost Category</u>	<u>Life</u>	<u>Net Salvage Value</u>	<u>Accrual Rate</u>
Transmission	49	(18)	2.32%
Distribution	37	(20)	3.20%
General	26	2	3.06%

1 **Q. IN YOUR RESULTS YOU LIST TRANSMISSION. WHY IS THAT?**

2 A. Each of the Companies' transmission assets with voltages of 69 kV and above were
3 sold to ATSI in the year 2000. The transmission data included in the depreciation
4 studies relates to transmission assets less than 69 kV, which are sometimes referred to
5 as "sub-transmission" assets and which remain on the accounting records of the
6 applicable company.

7 **Q. WHY DID THE COMPANIES PERFORM THESE STUDIES?**

8 A. The Companies performed new depreciation studies in this proceeding in order to
9 calculate depreciation expense based on more current information. OE's last
10 application for a change in depreciation accrual rates was based on assets at
11 December 31, 1987, and was approved by the Commission in Case Nos. 92-1424-EL-
12 AAM, effective January 1, 1993. Both CEI's and TE's applications were based on
13 assets at December 31, 1993 and approved in Case No. 95-386-EL-AAM, and 95-
14 387-EL-AAM, respectively, becoming effective on January 1, 1996.

15 **Q. PLEASE DESCRIBE THE PARAMETERS USED IN THE COMPANIES'**
16 **DEPRECIATION STUDIES.**

17 A. Each of the Company's depreciation studies was based on plant balances at
18 December 31, 2006 and plant activity for the period January 1, 1999 through
19 December 31, 2006.

20 **Q. WHY WERE PLANT BALANCES AT DECEMBER 31, 2006 USED FOR**
21 **PURPOSES OF ANALYZING PLANT ACTIVITY?**

22 A. These balances represent the most recent actual annual data available.

1 **Q. WHY DID YOU USE DATA STARTING IN 1999 FOR PLANT ACTIVITY?**

2 A. *Since each of the Companies' last rate cases, Ohio Edison Company merged with*
3 *Centerior Energy Corp. ("Centerior") to form FirstEnergy Corp. Prior to this merger,*
4 *OE and the Centerior companies (CEI and TE) used different fixed asset systems that*
5 *stored data differently. As a result of this inconsistency, the detailed asset vintage*
6 *data could not be used to populate the FirstEnergy fixed asset system that went live in*
7 *1999.*

8 **Q. DID THE CONVERSION OF THE INDIVIDUAL COMPUTER SYSTEMS**
9 **INTO A FIRSTENERGY SYSTEM AFFECT THE COMPANIES'**
10 **RESPECTIVE TOTAL PLANT BALANCES?**

11 A. No. The *net* additions and retirements from plant are correct. We simply could not
12 break the data down any further prior to 1999 because the vintage of the asset was not
13 stored in a consistent manner.

14 **Q. WHAT DO YOU MEAN BY "VINTAGE OF THE ASSET"?**

15 A. The "vintage of the asset" relates to the in service date of the asset being retired and is
16 used to determine the average service lives of the assets included in the depreciation
17 studies.

18 **Q. PLEASE DESCRIBE THE MAJOR FACTORS CONSIDERED IN A**
19 **DEPRECIATION STUDY.**

20 A. There are two major factors that are considered when performing a depreciation
21 study: (1) average service lives of the assets; and (2) salvage rates. If either of these
22 factors change subsequent to the last depreciation study performed, the depreciation
23 accrual rates will also change. A summary sheet by FERC primary plant account is

1 included in each of the Companies' respective depreciation studies. It indicates by
2 account the current and proposed service lives and salvage rates, with a brief
3 explanation for any changes.

4 **Q. WHAT WAS CONSIDERED WHEN COMPUTING THE AVERAGE**
5 **SERVICE LIVES (ASL) AND SALVAGE RATES IN THE CURRENT**
6 **STUDIES?**

7 A. The ASL and the Salvage Rates were computed for each primary plant account,
8 factoring in (i) the average life and salvage rate determination summary sheet; (ii) an
9 overlay of observed survivor and Iowa curves; (iii) Observed Life Tables; (iv) Net
10 Salvage Analysis Reports; (v) Whole Life Depreciation Accrual Computations; (vi)
11 Generation Arrangement Reports; and (vii) Depreciation Reserve Summaries.

12 **Q. HOW ARE AVERAGE SERVICE LIVES PROJECTED?**

13 A. The Companies used Iowa survivor curves, which I discuss later in my testimony, to
14 project ASLs for each property group.

15 **Q. WHAT DO YOU MEAN BY "PROPERTY GROUP"?**

16 A. A "property group" is comprised of assets within a FERC Primary Plant Account,
17 while a "property unit", which is another term used in the studies, is an individual
18 asset within a property group. For example, a pole is a property unit within the
19 property group set forth in Account 364 - Poles, Towers and Fixtures.

20 **Q. PLEASE EXPLAIN HOW THE AVERAGE SERVICE LIFE IS**
21 **DETERMINED FOR A PROPERTY GROUP.**

22 A. The use of an average service life for a property group implies that various units
23 within the group have different lives. Thus, the average life is established by

1 determining the separate lives of each of the units and plotting those lives on a scatter
2 graph. The Companies used the retirement rate method to establish ASLs used to
3 calculate the depreciation accrual rates proposed in this proceeding.

4 **Q. PLEASE EXPLAIN THE RETIREMENT RATE METHOD.**

5 A. The retirement rate method (also known as the annual rate method) is a widely used
6 actuarial method to derive survivor curves using the average rates at which property
7 of each age group is retired. The method relates to property groups for which aged
8 accounting experience is available or for which aged accounting experience is
9 developed by statistically aging unaged amounts. The survivor curves used in the
10 Companies' depreciation studies were determined through this process by placing the
11 standardized Iowa curve that best fits the scatter points on the scatter graph. The
12 resulting survivor curve graphically depicts the amount of property at each age
13 throughout the life of an original property group and is used to calculate the average
14 life of the group, the remaining life expectancy, the probable life and a frequency
15 curve.

16 **Q. PLEASE EXPLAIN THE STANDARDIZED IOWA CURVES.**

17 A. The range of survivor characteristics consistent with utility property has been
18 incorporated into a system of generalized survivor curves known as Iowa curves.
19 These curves can be used when forecasting the probable future service lives of both
20 individual items and groups of items that may or may not be the same. The
21 classification of the survivor curves is made according to whether the mode of the
22 frequency curves is to the left, to the right or coincident with average service life,
23 resulting in left modal (L); right modal (R); symmetrical (S) and origin modal Iowa

1 curves (O). The left modal curves are those in which the greatest frequency of
2 retirements occurs to the left of, or prior to, the average service life of the property
3 group, while right modal curves represent situations in which the greatest frequency
4 of retirements occurs to the right of, or after, the average service life of the group.
5 The symmetrical curves are those in which the greatest frequency of retirements
6 occurs at average service life and the origin modal curves are those in which the
7 greatest frequency of retirement occurs at the origin, or immediately after age zero.

8 **Q. WHAT DO THE NUMBER DESIGNATIONS FOR EACH FAMILY OF**
9 **STANDARD CURVES IN THE STUDIES MEAN?**

10 A. The numerical subscripts that accompany the letter designations in the studies
11 represent the relative heights of the modes of the frequency curves within each family
12 of curves.

13 **Q. WHAT DATA IS NECESSARY IN ORDER TO DETERMINE THE**
14 **AVERAGE RATE OF RETIREMENT WHEN CALCULATING PERCENT**
15 **SURVIVING FOR THE SURVIVOR CURVE?**

16 A. The average rate of retirement used in the calculation of the percent surviving for the
17 survivor curve (life table) requires two sets of data: (i) the property retired during a
18 period of observation, identified by the property's age at retirement; and (ii) the
19 property exposed to retirement at the beginning of the age intervals during the same
20 period. The period of observation is referred to as the "experience band"; the band of
21 years representing the installation dates of the property exposed to retirement during
22 the experience band, is the "placement band."

1 Q. ARE EXCEPTIONS OR UNUSUAL EVENTS CONSIDERED WHEN
2 DETERMINING AVERAGE SERVICE LIVES?

3 A. Yes. The Survivor Curve is generally smoothed to eliminate any irregularities caused
4 by incomplete historical data or anomalies in the data.

5 Q. PLEASE DESCRIBE HOW THE SURVIVOR CURVE WAS SMOOTHED IN
6 THE STUDIES PERFORMED FOR THIS PROCEEDING.

7 A. In the current studies, the Iowa curves were used to smooth those original stub curves
8 that exist when retirements that have occurred within a property group do not end at
9 zero percent surviving plant. The stub curves are expressed as percents surviving at
10 ages in years. Each original stub survivor curve was compared to the Iowa curves in
11 order to determine the better fitting smooth curves. By doing this, irregularities in the
12 original curves were eliminated.

13 Q. DO THE COMPANIES SIMPLY ACCEPT THE RESULTS OF THE
14 STUDIES, OR DO THEY ADJUST THE RESULTS BASED ON OTHER
15 FACTORS?

16 A. The ASLs resulting from the process I just described were given "a sanity check" by
17 comparing the results from the study to statistical analyses of data , the prior service
18 lives, survivor curve estimates used in the last depreciation study and the 2003 EEI
19 Survey of Depreciation Statistics. The results were adjusted if warranted based on
20 this review and are reflected in the summary sheets that I discussed earlier in my
21 testimony.

1 **Q. WHAT IS THE EEI SURVEY OF DEPRECIATION STATISTICS?**

2 A. The EEI Survey of Depreciation Statistics is exactly what it sounds like. It is a
3 compilation of depreciation data, including service lives and salvage rates used by
4 other electric companies.

5 **Q. ARE SERVICE LIVES ADJUSTED FOR ANY OTHER REASON?**

6 A. Yes. In certain instances, the Companies are aware of specific information that will
7 impact the ASL generated in a depreciation study. For example, in this proceeding,
8 the Companies decreased the life of Account 370, "Meters", to ten years due to the
9 advancements in meter technology that are expected to soon render current meter
10 technology obsolete. In doing so, the remaining life depreciation will be calculated
11 on a net plant basis, ensuring that all plant, including any new additions, are fully
12 depreciated in this ten year period. As a result, the depreciation rate for this account
13 will increase monthly, with the average depreciation rate for Year 1 being 10.5%.

14
15 The Companies also decreased the life of Account 371, "Installations [of private
16 outdoor lights] on Customer Premises", to five years, given that the Companies
17 currently have pending before the Commission a request to grandfather their current
18 private outdoor lighting programs, disallowing any new customers on those rate
19 schedules after June 1, 2007, or another date authorized by the Commission. Witness
20 Henry discusses this request in her direct testimony (Co. Exh. 14.) Like Account 370,
21 the remaining life depreciation for Account 371 will be calculated on a net plant
22 basis, with a monthly increase in the depreciation rate. Only in this instance, this will
23 occur over a five, rather than ten year period, using an average Year 1 depreciation
24 rate of 22.5%, rather than 10.5%.

1 **Q. PLEASE EXPLAIN HOW THE NET SALVAGE RATIO WAS**
2 **DETERMINED.**

3 A. The net salvage ratio includes two components -- the cost of removal and salvage.
4 The dollars expended to remove a retired asset is known as the "cost of removal",
5 while "salvage" is the cash received upon removing the asset from service. It is
6 calculated by dividing total retirements for each FERC primary plant account by the
7 net of the total cost of removal and salvage for the same account. A positive net
8 salvage ratio indicates that salvage exceeds the cost of removal; negative, means the
9 opposite. Changes in the salvage rate are generally recommended when results in
10 recent years show definite patterns or trends. As with the ASL results, the results of
11 the salvage study were also given a sanity check through a review for anomalies or a
12 lack of a consistent trend and were compared to rates from prior studies and the 2003
13 EEI Survey of Depreciation Statistics. If warranted, adjustments were made and are
14 included on the summary sheets discussed earlier in my testimony.

15 **IV. The B-2 Schedules**
16 **Schedules B-2, B-2.1, B-2.2, B-2.3, B-2.4, and B-2.5**

17
18 **Q. YOU INDICATED THAT YOU ARE SPONSORING THE B-2 SCHEDULES.**
19 **PLEASE EXPLAIN THE GENERAL PURPOSE OF THE B-2 SCHEDULES.**

20 A. The series of B-2 Schedules relates to plant and summarizes (i) plant balances, both
21 on a total company and jurisdictionally allocated basis; (ii) retirements and additions
22 to plant; (iii) adjustments to rate base; and (iv) leases, each of which is more fully
23 discussed below.

1 **Q. PLEASE DESCRIBE SCHEDULE B-2.**

2 A. Schedule B-2 summarizes plant in service by major account category -- Production,
3 (Sub)-Transmission, Distribution, General and Intangible --, both on a total company
4 and jurisdictionally allocated basis.

5 **Q. WHAT IS INCLUDED IN THE "INTANGIBLE PROPERTY" CATEGORY?**

6 A. Intangible property includes computer software and the amortization of AFUDC
7 consistent with SFAS No. 109, Accounting for Income Taxes.

8 **Q. HOW ARE CONTRIBUTIONS IN AID OF CONSTRUCTION ("CIAC")**
9 **ADDRESSED IN THE PLANT BALANCES?**

10 A. CIAC is simply the amounts paid by customers in advance for construction performed
11 on their behalf by the Companies. The Companies do not track these advances
12 separately, but rather net the advances against the applicable Plant in Service
13 accounts. Therefore, as indicated on Schedule B-6, there is no balance in the CIAC
14 accounts.

15 **Q. HOW WERE THE ALLOCATION FACTORS SET FORTH ON SCHEDULE**
16 **B-2 ESTABLISHED?**

17 A. The allocation factors used throughout the series of B-2 schedules were provided by
18 Company Witness Fernandez, who explains how they were derived in his pre-filed
19 direct testimony (Co. Exh. 9.)

20 **Q. PLEASE EXPLAIN SCHEDULE B-2.1.**

21 A. Schedule B-2.1 breaks down each of the major account groups into their sub-
22 accounts, providing the same information as that included on Schedule B-2 at a more
23 detailed level.

1 **Q. PLEASE DESCRIBE SCHEDULE B-2.2.**

2 A. Schedule B-2.2 summarizes any adjustments that are to be made to Plant in Service.

3 In this proceeding, no adjustments to plant in service are deemed necessary.

4 **Q. PLEASE DESCRIBE SCHEDULE B-2.3.**

5 A. Schedule B-2.3 reconciles the Total Plant in Service balance for each of the listed

6 FERC accounts, summarizing additions or retirements for such accounts since the

7 date certain in each of the Company's last rate cases through May 31, 2007, the date

8 certain in this proceeding.

9 **Q. PLEASE DESCRIBE SCHEDULE B-2.4.**

10 A. Schedule B-2.4 sets forth the leased property held by the indicated company.

11 **Q. SCHEDULE B-2.4 INDICATES THAT THE LISTED LEASED PROPERTY IS**

12 **NOT INCLUDED IN RATE BASE. WHY IS THAT?**

13 A. The leases listed on Schedule B-2.4 for both OE and CEI are capitalized for

14 accounting purposes. However, both companies make monthly payments on these

15 leases -- similar in character to operating leases -- and, accordingly, it would be

16 inappropriate to include the capitalized lease balances in rate base.

17 **Q. PLEASE DESCRIBE SCHEDULE B-2.5.**

18 A. Schedule B-2.5 sets forth the property to be excluded from rate base. In this

19 proceeding, the Companies determined that none of the jurisdictionally allocated

20 plant in service should be excluded from rate base and, therefore, no additional

21 information is included on this schedule.

V. B-3 Schedules
Schedule B-3, B-3.1, B-3.2, B-3.3, and B-3.4

Q. YOU ALSO INDICATED THAT YOU WERE SPONSORING THE B-3 SCHEDULES. PLEASE GENERALLY DESCRIBE THESE SCHEDULES.

A. The B-3 schedules support depreciation reserves and are based on depreciation calculations using the depreciation accrual rates last approved by the Commission. They mirror the B-2 schedules, reflecting the depreciation reserves for the corresponding plant in service assets set forth in these schedules. Schedule B-3 mirrors Schedule B-2.1, setting forth total accumulated depreciation associated with each of the indicated accounts, both on a total company and an adjusted jurisdictional basis, with total company balances based on budgeted balances at May 31, 2007, and jurisdictionally allocated balances based on the allocation factors provided by Company Witness Fernandez. Because there are no adjustments to rate base included on Schedule B-2.2, there are no adjustments to accumulated depreciation being proposed in Schedule B-3.1. Similarly, because leases are being excluded from rate base in Schedule B-2.4, the corresponding accumulated amortization of those leases is also being excluded from rate base on Schedule B-3.4.

Q. WHAT ARE RESERVES FOR DEPRECIATION AND AMORTIZATION?

A. The reserve for depreciation is simply the accumulation of depreciation expense taken each year for each of the indicated accounts and is netted against total plant in service. Accumulated amortization is a similar accounting concept used for intangible assets.

Q. PLEASE DESCRIBE SCHEDULE B-3.2

1 A. Schedule B-3.2 sets forth the depreciation accrual rates and jurisdictional reserve
2 balances by FERC account at date certain.

3 **Q. PLEASE DESCRIBE SCHEDULE B-3.3.**

4 A. Schedule B-3.3 provides a history of depreciation accruals by FERC account
5 reconciling the balances from January 1, 1999 to those at date certain in this case
6 factoring in depreciation accruals, salvage, retirements, cost of removal and any
7 transfers or reclassifications.

8 **VI. CWIP – Schedules B-4, B-4.1, B-4.2**

9 **Q. PLEASE DESCRIBE SCHEDULE B-4, B-4.1, and B-4.2.**

10 A. These schedules are designed to provide certain information related to Construction
11 Work in Progress. However, since the Companies are not including a request for
12 CWIP in this proceeding, no information related to CWIP is included on these
13 schedules.

14 **Q. DOES THIS MEAN THAT THE COMPANIES HAVE NO CWIP?**

15 A. No. The Companies have CWIP, however, with the restructuring of the electric
16 industry, the projects that would qualify for CWIP in this proceeding are significantly
17 smaller than those included in past rate cases. Given the number and relative
18 magnitude of distribution related projects in progress, the Companies have elected not
19 to request CWIP in this proceeding.

20 **Q. HOW DOES THE EXCLUSION OF CWIP AFFECT THE RATES IN THIS**
21 **PROCEEDING?**

22 A. The exclusion of CWIP reduces rate base and, therefore, rates.

VII. Requested Accounting Treatment and Schedule C-3.4

Q. HAVE THE COMPANIES REQUESTED APPROVAL FROM THE COMMISSION FOR ANY ACCOUNTING MODIFICATIONS RELATED TO DEPRECIATION?

A. Yes, they have. In the Application, the Companies requested that the Commission approve the depreciation accrual rates established in the depreciation studies included as exhibits to my testimony. Based on these studies, it is my opinion that the resulting accrual rates are proper and should be approved.

Q. PLEASE DESCRIBE THE ADJUSTMENT SET FORTH ON SCHEDULE C-3.4.

A. The adjustment on Schedule C-3.4 adjusts depreciation expense based on two factors that are different from those used to calculate the expense included in test year data -- the accrual rates and the plant balances. For purposes of this adjustment, the plant balances at the end of the test year were multiplied by the accrual rates established in the depreciation studies attached to my testimony. The result of this calculation was deducted from depreciation expense included in test year data to determine the amount of the adjustment set forth on Schedule C-3.4. Schedules supporting this calculation are included in my workpapers at WPC-3.4.

Q. WHY WERE THE FORECASTED PLANT BALANCES AT THE END OF THE TEST YEAR USED TO CALCULATE THIS ADJUSTMENT?

A. Given that the rates requested in this proceeding will not go into effect before January 1, 2009, the use of plant balances at the end of the test year will better reflect

1 the depreciation expense that the Companies will incur during the period in which the
2 rates will be effective.

3 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY ?**

4 **A. Yes it does.**

Attach. PRC-1

Ohio Edison Company

Ohio Edison Depreciation Study
Comparison of Average Service Lives, Net Salvage and Accrual Rates

Account	Description	As of 12/31/2006 SURVIVORS	CURRENT		ACCUAL		PROPOSED		DIFFERENCE	
			ASL/CURVE	SALV RATE	ASL/CURVE	SALV RATE	ASL/CURVE	SALV RATE		
TRANSMISSION										
352	Structures & Improvements	10,607,821	51 R4	-5	2.06%	218,521	51 R4	-5	2.06%	218,521.11
353	Station Equipment	90,975,686	50 R1	-10	2.20%	2,001,465	50 R2	-10	2.20%	2,001,465.09
354	Towers & Fixtures	278,312	51 S4	-8	2.14%	5,956	60 R4	-9	1.82%	5,065.28
355	Poles & Fixtures	22,349,334	48 R3	-43	2.98%	666,010	48 R3	-43	2.98%	666,010.15
356	Overhead Conductors & Devices	27,927,907	55 R2	-40	2.55%	712,162	55 R2	-40	2.55%	712,161.63
357	Underground Conduit	1,503,635	66 S3	0	1.52%	22,855	60 S3	0	1.67%	25,110.70
358	Underground Conductors & Devices	4,739,936	45 R3	10	2.00%	94,799	45 R3	10	2.00%	94,798.72
S-TOTAL		158,382,631	52	-13.86	2.35%	3,721,768	53	-13.86	2.35%	3,723,133
DISTRIBUTION										
361	Structures & Improvements	6,431,755	51 R4	-25	2.45%	157,578	51 R4	-25	2.44%	156,934.82
362	Station Equipment	159,516,413	49 R2	-25	2.55%	4,067,669	49 R3	-25	2.55%	4,067,668.53
364	Poles, Towers & Fixtures	343,551,032	42 R2	-25	2.98%	10,237,816	46 R2.5	-35	2.93%	10,068,045.24
365	Overhead Conductors & Devices	347,506,201	45 R2	-20	2.67%	9,278,416	50 R1.5	-35	2.70%	9,382,667.43
366	Underground Conduit	60,503,351	66 S3	-5	1.59%	962,003	70 R4	-5	1.50%	907,550.27
367	Underground Conductors & Devices	201,832,255	44 R2	9	2.07%	4,177,928	44 R4	9	2.07%	4,177,927.68
368	Line Transformers	326,894,068	41 S0	-40	3.41%	11,147,088	40 SC	-40	3.50%	11,441,292.38
369	Services	111,320,061	40 R3	-25	3.13%	3,484,318	40 R3	-25	3.13%	3,478,751.91
370	Meters	109,387,989	34 S0.5	-10	3.24%	3,544,171	10 Years	0	See Note 1	6,297,457.76
371	Installation on Customer Premises	19,225,412	22.5 SQ	0	4.44%	853,608	5 Years	0	See Note 2	2,753,287
373	Street Lighting & Signal Systems	13,326,088	25 SC	-5	4.20%	559,686	25 SC	-5	4.20%	1,332,208
S-TOTAL		1,699,494,625	42	-15.55	2.85%	48,470,284	39	-16.91	3.10%	559,029.38
GENERAL										
390	Structures & Improvements	61,262,397	44 R2	-10	2.50%	1,531,560	44 R2	-10	2.50%	1,531,559.93
3911	Office Furniture & Equipment	6,747,629	30 L1	5	3.17%	213,900	25 S1.5	5	3.80%	256,409.90
3912	Data Processing Equipment	5,226,380	5 L1	25	15.00%	783,957	5 L1	15	17.00%	888,484.80
392	Transportation Equipment	1,366,861	13 L4	5	7.36%	100,601	13 L4	5	5.91%	80,781.49
393	Stores Equipment	1,463,783	39 R4	0	2.56%	37,473	39 R4	0	2.56%	37,472.84
394	Tools, Shop & Garage Equipment	6,936,100	30 L0	5	3.17%	219,874	30 L0	5	3.17%	219,874.37
395	Laboratory Equipment	6,580,082	36 S3	5	2.64%	173,714	25 O4	5	3.80%	250,043.12
396	Power Operated Equipment	2,052,456	19 R4	20	4.16%	85,382	23 R1	20	3.47%	71,220.22
397	Communications Equipment	2,032,168	17 L3	0	6.25%	127,011	20 L1	0	5.00%	101,608.40
398	Miscellaneous Equipment	1,251,072	25 R2	0	4.00%	50,043	25 R2	0	4.00%	50,042.88
S-TOTAL		94,918,928	26	5.5	3.50%	3,323,515	25	4.5	3.67%	3,487,498
G-TOTAL		1,952,796,184				55,515,577				59,931,773
										4,416,196

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 2: 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 Ohio Edison Company Depreciation Study
Theoretical Reserve Summary
As of December 31, 2006

Account	Description	As of 12/31/2006 SURVIVORS	ACTUAL		PROPOSED		DIFFERENCE BETWEEN ACTUAL AND THEO. RESERVE
			BOOK RESERVE	PCT TO PLANT	THEO. RESERVE	PCT TO PLANT	
		(1)	(2)	(3) = (2/1)	(4)	(5) = (4/1)	(6) = (2-4)
TRANSMISSION							
352	Structures & Improvements	10,607,821	5,998,519	56.56%	5,353,914	50.47%	645,605
353	Station Equipment	90,975,886	41,891,213	46.05%	38,075,591	41.85%	3,815,622
354	Towers & Fixtures	278,312	283,135	101.73%	227,251	81.65%	55,884
355	Poles & Fixtures	22,349,334	16,014,842	71.66%	15,177,736	67.91%	837,106
356	Overhead Conductors & Devices	27,927,907	13,766,045	49.29%	13,549,343	48.52%	216,702
357	Underground Conduit	1,503,635	678,326	45.11%	704,486	46.85%	(26,140)
358	Underground Conductors & Devices	4,739,936	2,510,784	52.97%	2,436,259	51.40%	74,525
	S-TOTAL	158,382,631	81,143,864	51.23%	75,524,560	47.68%	5,619,304
DISTRIBUTION							
361	Structures & Improvements	6,431,755	3,669,331	57.05%	3,656,882	56.86%	12,449
362	Station Equipment	159,516,413	64,966,421	40.73%	70,919,322	44.46%	(5,952,901)
364	Poles, Towers & Fixtures	343,551,032	155,811,993	45.35%	167,649,524	48.80%	(11,837,531)
365	Overhead Conductors & Devices	347,506,201	121,474,057	34.96%	127,387,442	36.66%	(5,913,385)
366	Underground Conduit	80,503,351	15,611,548	25.80%	16,385,445	27.08%	(773,897)
367	Underground Conductors & Devices	201,832,255	41,589,709	20.66%	49,933,645	24.74%	(8,243,937)
368	Line Transformers	326,894,068	114,741,578	35.10%	94,482,786	28.90%	20,258,792
369	Services	111,320,061	56,166,185	50.45%	60,594,788	54.43%	(4,428,603)
370	Meters	109,387,989	46,413,411	42.43%	44,262,284	40.46%	2,151,127
371	Installation on Customer Premises	19,225,412	8,296,328	43.15%	6,423,977	33.41%	1,872,352
373	Street Lighting & Signal Systems	13,326,088	(6,049,802)	-45.40%	1,434,352	10.78%	(7,484,154)
	S-TOTAL	1,698,494,625	622,790,769	36.65%	643,130,457	37.84%	(20,339,688)
GENERAL							
390	Structures & Improvements	61,262,397	23,911,710	39.03%	22,654,706	36.98%	1,257,004
3911	Office Furniture & Equipment	6,747,629	1,776,411	26.33%	2,387,233	35.38%	(610,822)
3912	Data Processing Equipment	5,226,380	(69,445)	-1.33%	2,176,178	41.64%	(2,245,623)
392	Transportation Equipment	1,366,861	(854,162)	-47.86%	1,137,335	83.21%	(1,791,497)
393	Stores Equipment	1,463,783	660,617	45.13%	683,293	46.68%	(22,678)
394	Tools, Shop & Garage Equipment	6,936,100	1,805,991	26.04%	1,910,469	27.54%	(104,478)
395	Laboratory Equipment	6,580,082	2,305,191	35.03%	(1,742,796)	-26.49%	4,047,987
396	Power Operated Equipment	2,052,456	2,871,085	139.89%	941,201	45.86%	1,929,885
397	Communications Equipment	2,032,168	388,130	19.10%	125,067	6.15%	263,063
398	Miscellaneous Equipment	1,251,072	493,218	39.42%	483,799	38.67%	9,419
	S-TOTAL	94,918,928	33,488,747	35.28%	30,756,484	32.40%	2,732,263
	G-TOTAL	1,952,796,184	737,423,380	37.76%	749,411,501	38.38%	(11,988,120)

The Ohio Edison Company Depreciation Study
Theoretical Reserve Ratio Comparisons
As of December 31, 2006

		Ratio of Actual Reserve to Theoretical Reserve	Ratio of Reserve to Percent of Plant Approved Rates	Proposed Rates
Actual Depreciation Reserve as of 12/31/06 for Electric Plant				
	\$ 737,423,380.36	--	37.8%	—
Theoretical Reserve as of 12/31/06 per Proposed Rates				
	\$ 749,411,500.54	98.4%	—	38.4%
Plant In Service				
	\$ 1,952,796,184.07			

Ohio 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 51 R4.

Actuarial Life Analysis

262 R3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 36 - 70 Years.

Recommendation

Continue with 51 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 study also indicated that there had been minimal retirements in this account, and that retirement history was insufficient.

Salvage Factor Estimates

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

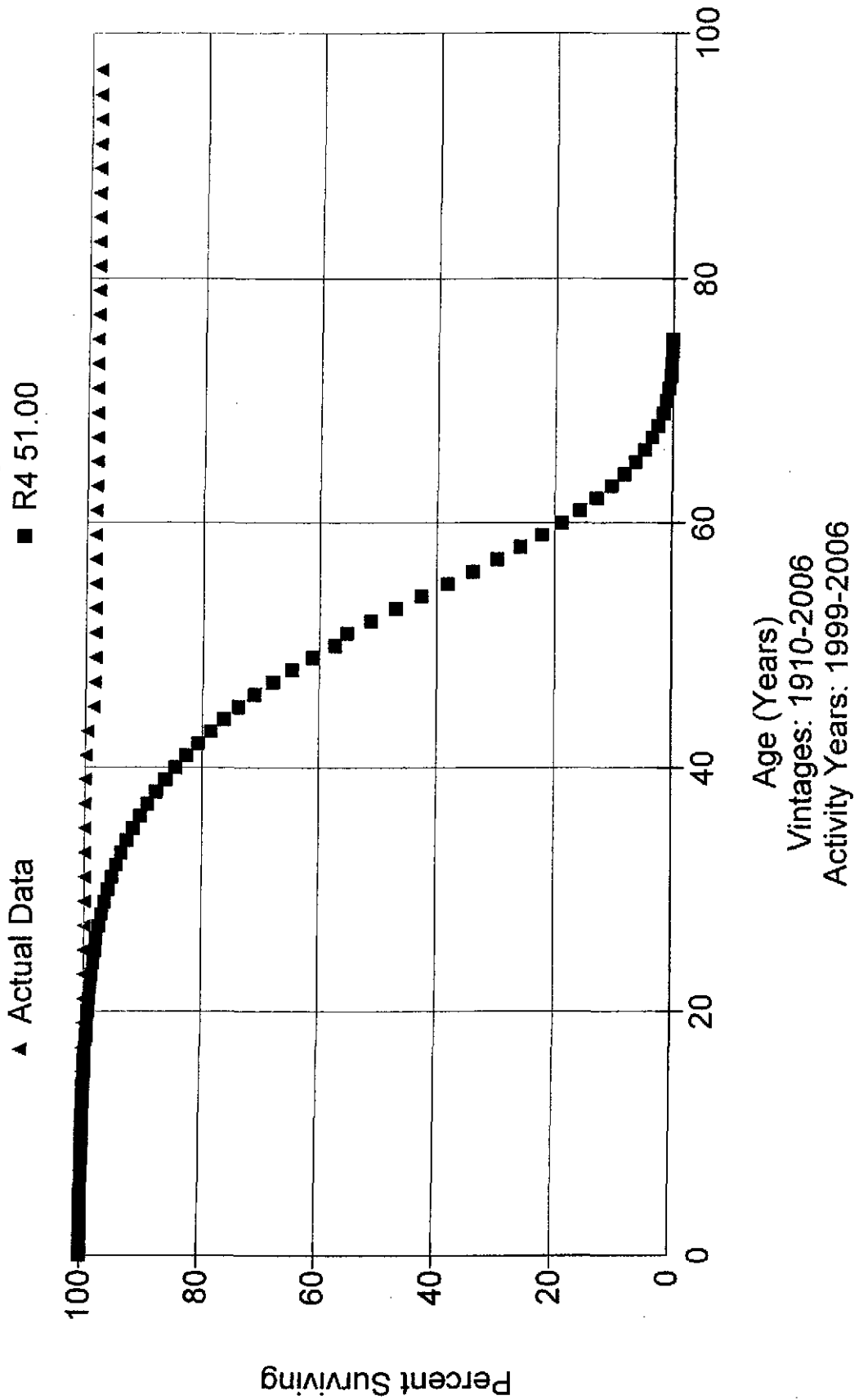
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to -40%. The activity for this study suggests a rate of -3.5%; it is therefore acceptable to continue to use -5%.

Summary of Recommendations

<u>51</u>	Average Service Life
<u>R4</u>	Iowa Curve
<u>-5</u>	% Net Salvage

Ohio Edison Company Account 352 Structures/Improvements



Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

Vol. 4B, Attach. PRC-1, p. 6

Account: OEEO 101/6-352 Structures/improve

Placement Band: 1910 - 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
0	156,567.20	0.00	0.00000	1.00000	100.00
0.5	538,096.16	0.00	0.00000	1.00000	100.00
1.5	560,586.67	0.00	0.00000	1.00000	100.00
2.5	1,598,948.75	0.00	0.00000	1.00000	100.00
3.5	2,691,726.71	0.00	0.00000	1.00000	100.00
4.5	3,004,960.86	0.00	0.00000	1.00000	100.00
5.5	3,522,095.35	0.00	0.00000	1.00000	100.00
6.5	4,868,012.19	0.00	0.00000	1.00000	100.00
7.5	5,691,561.11	0.00	0.00000	1.00000	100.00
8.5	4,917,987.10	0.00	0.00000	1.00000	100.00
9.5	4,321,141.28	0.00	0.00000	1.00000	100.00
10.5	3,603,283.67	0.00	0.00000	1.00000	100.00
11.5	5,216,371.95	0.00	0.00000	1.00000	100.00
12.5	5,081,778.03	0.00	0.00000	1.00000	100.00
13.5	2,582,443.70	0.00	0.00000	1.00000	100.00
14.5	2,396,009.43	0.00	0.00000	1.00000	100.00
15.5	5,545,105.02	0.00	0.00000	1.00000	100.00
16.5	5,282,451.48	0.00	0.00000	1.00000	100.00
17.5	2,615,958.14	0.00	0.00000	1.00000	100.00
18.5	3,241,161.49	0.00	0.00000	1.00000	100.00
19.5	4,326,042.94	0.00	0.00000	1.00000	100.00
20.5	4,184,846.62	0.00	0.00000	1.00000	100.00
21.5	3,415,288.28	0.00	0.00000	1.00000	100.00
22.5	3,491,932.32	0.00	0.00000	1.00000	100.00
23.5	3,351,918.44	0.00	0.00000	1.00000	100.00
24.5	2,579,640.75	0.00	0.00000	1.00000	100.00
25.5	2,508,601.36	0.00	0.00000	1.00000	100.00
26.5	3,190,631.57	0.00	0.00000	1.00000	100.00
27.5	3,192,711.73	0.00	0.00000	1.00000	100.00
28.5	2,208,836.85	625.26	0.00028	0.99972	100.00
29.5	1,482,503.39	0.00	0.00000	1.00000	99.97
30.5	1,686,046.04	0.00	0.00000	1.00000	99.97
31.5	1,752,873.44	0.00	0.00000	1.00000	99.97
32.5	1,324,853.34	0.00	0.00000	1.00000	99.97
33.5	892,883.29	0.00	0.00000	1.00000	99.97
34.5	779,142.54	0.00	0.00000	1.00000	99.97
35.5	836,474.48	0.00	0.00000	1.00000	99.97
36.5	1,156,177.68	0.00	0.00000	1.00000	99.97
37.5	1,126,179.63	0.00	0.00000	1.00000	99.97
38.5	1,019,001.59	0.00	0.00000	1.00000	99.97
39.5	856,599.82	0.00	0.00000	1.00000	99.97
40.5	575,508.93	483.61	0.00084	0.99916	99.97
41.5	855,777.01	2,358.43	0.00276	0.99724	99.89
42.5	1,009,013.11	0.00	0.00000	1.00000	99.61
43.5	669,757.78	0.00	0.00000	1.00000	99.61
44.5	580,697.92	6,095.83	0.01050	0.98950	99.61
45.5	555,425.24	0.00	0.00000	1.00000	98.56
46.5	541,822.00	0.00	0.00000	1.00000	98.56
47.5	628,977.36	102.51	0.00016	0.99984	98.56
48.5	669,750.59	496.18	0.00074	0.99926	98.54
49.5	1,389,688.48	0.00	0.00000	1.00000	98.47
50.5	1,235,383.30	0.19	0.00000	1.00000	98.47
51.5	1,258,415.66	0.00	0.00000	1.00000	98.47
52.5	1,156,715.74	0.00	0.00000	1.00000	98.47

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

Vol. 4B, Attach. PRC-1, p. 7

Account: OECO 101/6-352 Structures/improve

Placement Band: 1910 - 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	1,020,158.82	0.00	0.00000	1.00000	98.47
54.5	980,639.78	0.00	0.00000	1.00000	98.47
55.5	878,303.04	0.00	0.00000	1.00000	98.47
56.5	57,146.17	0.00	0.00000	1.00000	98.47
57.5	48,456.01	0.00	0.00000	1.00000	98.47
58.5	61,635.12	0.00	0.00000	1.00000	98.47
59.5	53,820.30	0.00	0.00000	1.00000	98.47
60.5	333,401.19	0.00	0.00000	1.00000	98.47
61.5	373,477.07	0.00	0.00000	1.00000	98.47
62.5	407,674.22	0.00	0.00000	1.00000	98.47
63.5	399,704.44	0.00	0.00000	1.00000	98.47
64.5	396,946.20	0.00	0.00000	1.00000	98.47
65.5	389,978.01	0.00	0.00000	1.00000	98.47
66.5	379,998.01	0.00	0.00000	1.00000	98.47
67.5	146,443.39	0.00	0.00000	1.00000	98.47
68.5	280,290.21	0.00	0.00000	1.00000	98.47
69.5	378,528.57	0.00	0.00000	1.00000	98.47
70.5	1,077,713.47	0.00	0.00000	1.00000	98.47
71.5	1,140,204.42	0.00	0.00000	1.00000	98.47
72.5	1,172,884.35	0.00	0.00000	1.00000	98.47
73.5	1,138,373.75	0.00	0.00000	1.00000	98.47
74.5	1,276,834.78	0.00	0.00000	1.00000	98.47
75.5	1,306,501.00	0.00	0.00000	1.00000	98.47
76.5	1,221,345.05	0.00	0.00000	1.00000	98.47
77.5	425,009.28	0.00	0.00000	1.00000	98.47
78.5	347,305.81	0.00	0.00000	1.00000	98.47
79.5	370,784.63	0.00	0.00000	1.00000	98.47
80.5	307,361.90	0.00	0.00000	1.00000	98.47
81.5	272,182.53	0.00	0.00000	1.00000	98.47
82.5	122,564.08	0.00	0.00000	1.00000	98.47
83.5	40,888.13	0.00	0.00000	1.00000	98.47
84.5	87,862.36	0.00	0.00000	1.00000	98.47
85.5	91,770.37	0.00	0.00000	1.00000	98.47
86.5	92,392.55	0.00	0.00000	1.00000	98.47
87.5	86,371.51	0.00	0.00000	1.00000	98.47
88.5	84,402.22	0.00	0.00000	1.00000	98.47
89.5	84,402.22	0.00	0.00000	1.00000	98.47
90.5	61,483.34	0.00	0.00000	1.00000	98.47
91.5	61,483.34	0.00	0.00000	1.00000	98.47
92.5	6,571.28	0.00	0.00000	1.00000	98.47
93.5	671.78	0.00	0.00000	1.00000	98.47
94.5	49.60	0.00	0.00000	1.00000	98.47
95.5	49.60	0.00	0.00000	1.00000	98.47
96.5	0.00	0.00	0.00000	0.00000	98.47

Net Salvage Analysis Report

Account	Year	Retirements	<u>Gross Salvage (Cash)</u>		<u>Gross Salvage (Returns)</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 352 Structures/Improvements	1999	4,994.94	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 352 Structures/Improvements	2001	122,405.05	85.90	0.07	0.00	0.00	4,610.16	3.77	(4,524.26)	-3.70	-3.70
OECO 352 Structures/Improvements	2002	5,011.16	7,550.00	150.66	0.00	0.00	7,668.09	153.02	(118.09)	-2.36	-2.36
OECO 352 Structures/Improvements	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		132,411.15	7,635.90	5.77	0.00	0.00	12,278.25	9.27	(4,642.35)	-3.51	

Whole Life Depreciation Accrual

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Account: OECO 101/6-352 Structures/improve

Dispersion: 51 - R4

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	\$10,607,820.76		\$216,188.77	2.038000
Whole Life		51	\$218,396.36	
Amortization		0		
Retirements \$	214,451.40	51	\$2,207.59	
2007 Additions	\$0.00			0.000000
Whole Life				
Retirements	\$0.00	0.00		
Total:	\$10,607,820.76 *		\$216,188.77	2.038000
Average:	\$10,500,595.06		\$216,188.77	2.058824
Grand Total:	\$10,607,820.76 *		\$216,188.77	2.038000

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-352 Structures/improve

Dispersion: 51.00 - R4

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
2004	2.50	\$0.00	51.00	48.50	0.9986	1.0000	\$0.00	\$0.00
2002	4.50	\$519,342.48	51.00	46.51	0.9575	1.0000	\$497,263.70	\$10,692.35
2001	5.50	\$0.00	51.00	45.51	0.9370	1.0000	\$0.00	\$0.00
2000	6.50	\$14,897.77	51.00	44.51	0.9164	1.0000	\$13,652.97	\$306.72
1999	7.50	\$0.00	51.00	43.52	0.8959	1.0000	\$0.00	\$0.00
1998	8.50	\$0.00	51.00	42.52	0.8755	1.0000	\$0.00	\$0.00
1997	9.50	\$0.00	51.00	41.53	0.8550	1.0000	\$0.00	\$0.00
1996	10.50	\$583,625.28	51.00	40.54	0.8346	1.0000	\$487,092.52	\$12,015.81
1995	11.50	\$19,861.45	51.00	39.55	0.8142	1.0000	\$16,171.30	\$408.91
1994	12.50	\$383,764.90	51.00	38.56	0.7939	1.0000	\$304,656.44	\$7,901.04
1993	13.50	\$822,284.64	51.00	37.57	0.7736	1.0000	\$636,107.46	\$16,929.39
1992	14.50	\$399,046.05	51.00	36.59	0.7534	1.0000	\$300,622.02	\$8,215.65
1991	15.50	\$692,006.56	51.00	35.61	0.7332	1.0000	\$507,372.77	\$14,247.19
1990	16.50	\$673,457.83	51.00	34.64	0.7131	1.0000	\$480,240.98	\$13,865.31
1989	17.50	\$44,152.29	51.00	33.66	0.6931	1.0000	\$30,601.72	\$909.02
1988	18.50	\$64,358.10	51.00	32.70	0.6732	1.0000	\$43,325.26	\$1,325.02
1987	19.50	\$18,376.10	51.00	31.74	0.6534	1.0000	\$12,006.80	\$378.33
1986	20.50	\$420,885.45	51.00	30.78	0.6337	1.0000	\$266,722.47	\$8,665.29
1985	21.50	\$80,809.12	51.00	29.83	0.6142	1.0000	\$49,630.90	\$1,663.72
1984	22.50	\$184,407.16	51.00	28.89	0.5948	1.0000	\$109,681.60	\$3,796.62
1983	23.50	\$337,885.94	51.00	27.96	0.5755	1.0000	\$194,470.03	\$6,956.48
1982	24.50	\$412,321.61	51.00	27.03	0.5565	1.0000	\$229,452.25	\$8,488.97
1981	25.50	\$346,489.02	51.00	26.11	0.5376	1.0000	\$186,280.10	\$7,133.60
1980	26.50	\$65,122.85	51.00	25.21	0.5190	1.0000	\$33,796.23	\$1,340.76
1979	27.50	\$325,977.08	51.00	24.31	0.5005	1.0000	\$163,158.18	\$6,711.29
1978	28.50	\$467,864.89	51.00	23.43	0.4823	1.0000	\$225,654.27	\$9,632.51
1977	29.50	\$542,760.97	51.00	22.55	0.4643	1.0000	\$252,025.61	\$11,174.49
1976	30.50	\$120,757.69	51.00	21.69	0.4466	1.0000	\$53,934.47	\$2,486.19
1975	31.50	\$326,951.83	51.00	20.85	0.4292	1.0000	\$140,325.50	\$6,731.36
1974	32.50	\$231,618.88	51.00	20.01	0.4120	1.0000	\$96,435.59	\$4,768.62
1973	33.50	\$156,958.86	51.00	19.19	0.3952	1.0000	\$62,023.89	\$3,231.51
1972	34.50	\$101,710.91	51.00	18.39	0.3786	1.0000	\$38,506.44	\$2,094.05
1971	35.50	\$95,624.82	51.00	17.60	0.3623	1.0000	\$34,646.27	\$1,968.75

Generation Arrangement Report

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Account: OECO 101/6-352 Structures/improve

Dispersion: 51.00 - R4

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	\$87,570.25	51.00	16.82	0.3463	1.0000	\$30,329.09	\$1,802.92
1969	37.50	\$93,461.32	51.00	16.06	0.3307	1.0000	\$30,905.33	\$1,924.20
1968	38.50	\$129,293.17	51.00	15.32	0.3154	1.0000	\$40,776.42	\$2,681.92
1967	39.50	\$173,018.35	51.00	14.59	0.3003	1.0000	\$51,962.04	\$3,562.14
1966	40.50	\$33,621.72	51.00	13.87	0.2856	1.0000	\$9,601.47	\$692.21
1965	41.50	\$95,203.43	51.00	13.17	0.2711	1.0000	\$25,809.70	\$1,960.07
1964	42.50	\$17,664.38	51.00	12.48	0.2569	1.0000	\$4,538.02	\$363.68
1963	43.50	\$55,840.20	51.00	11.80	0.2430	1.0000	\$13,568.24	\$1,149.65
1962	44.50	\$21,692.88	51.00	11.14	0.2294	1.0000	\$4,975.95	\$446.62
1961	45.50	\$29,529.83	51.00	10.50	0.2162	1.0000	\$6,383.69	\$607.97
1960	46.50	\$35,583.88	51.00	9.88	0.2035	1.0000	\$7,239.68	\$732.61
1959	47.50	\$42,507.45	51.00	9.29	0.1913	1.0000	\$8,131.17	\$875.15
1958	48.50	\$44,630.52	51.00	8.73	0.1797	1.0000	\$8,022.05	\$918.86
1957	49.50	\$78,716.69	51.00	8.20	0.1689	1.0000	\$13,291.44	\$1,620.64
1956	50.50	\$136,271.16	51.00	7.70	0.1586	1.0000	\$21,615.81	\$2,805.58
1955	51.50	\$38,154.64	51.00	7.24	0.1491	1.0000	\$5,686.96	\$785.54
1954	52.50	\$36,765.65	51.00	6.80	0.1401	1.0000	\$5,150.84	\$756.94
1953	53.50	\$44,541.58	51.00	6.40	0.1317	1.0000	\$5,867.60	\$917.03
1952	54.50	\$21,139.40	51.00	6.02	0.1239	1.0000	\$2,619.15	\$435.22
1951	55.50	\$94,169.21	51.00	5.66	0.1165	1.0000	\$10,974.23	\$1,938.78
1950	56.50	\$24,710.51	51.00	5.32	0.1096	1.0000	\$2,708.11	\$508.75
1949	57.50	\$31,187.13	51.00	5.00	0.1030	1.0000	\$3,212.64	\$642.09
1948	58.50	\$1,841.54	51.00	4.70	0.0967	1.0000	\$178.13	\$37.91
1947	59.50	\$4,658.73	51.00	4.41	0.0907	1.0000	\$422.55	\$95.92
1946	60.50	\$6,150.86	51.00	4.12	0.0849	1.0000	\$522.08	\$126.64
1945	61.50	\$3,236.22	51.00	3.85	0.0792	1.0000	\$256.40	\$66.63
1944	62.50	\$1,122.62	51.00	3.58	0.0737	1.0000	\$82.75	\$23.11
1943	63.50	\$64.83	51.00	3.32	0.0683	1.0000	\$4.43	\$1.33
1942	64.50	\$2,426.18	51.00	3.05	0.0627	1.0000	\$152.14	\$49.95
1941	65.50	\$6,386.89	51.00	2.79	0.0574	1.0000	\$366.58	\$131.49
1940	66.50	\$11,216.36	51.00	2.53	0.0522	1.0000	\$585.22	\$230.93
1939	67.50	\$15,132.65	51.00	2.29	0.0471	1.0000	\$712.16	\$311.55
1938	68.50	\$741.12	51.00	2.04	0.0421	1.0000	\$31.18	\$15.26

Generation Arrangement Report

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Account: OECO 101/6-352 Structures/improve

Dispersion: 51.00 - R4

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
1937	69.50	\$29,062.13	51.00	1.81	0.0372	1.0000	\$1,082.08	\$598.34
1936	70.50	\$36,518.61	51.00	1.58	0.0326	1.0000	\$1,189.11	\$751.85
1935	71.50	\$381.47	51.00	1.36	0.0281	1.0000	\$10.71	\$7.85
1934	72.50	\$635.60	51.00	1.16	0.0238	1.0000	\$15.12	\$13.09
1933	73.50	\$375.31	51.00	0.96	0.0197	1.0000	\$7.40	\$7.73
1932	74.50	\$311.35	51.00	0.77	0.0159	1.0000	\$4.94	\$6.41
1931	75.50	\$457.30	51.00	0.59	0.0122	1.0000	\$5.56	\$9.42
1930	76.50	\$83,697.91	51.00	0.26	0.0053	1.0000	\$441.68	\$1,723.19
1929	77.50	\$151,192.75	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	78.50	\$21,970.44	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1927	79.50	\$16,435.78	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1926	80.50	\$84,797.89	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	81.50	\$6,703.39	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	82.50	\$131,100.15	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	83.50	\$70,237.33	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$7,937.83	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1921	85.50	\$8,012.53	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1920	86.50	\$0.00	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1919	87.50	\$0.00	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1918	88.50	\$2,018.89	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1917	89.50	\$0.00	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1916	90.50	\$22,918.88	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1914	92.50	\$54,912.06	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1913	93.50	\$5,899.50	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1912	94.50	\$622.18	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1910	96.50	\$49.60	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$10,607,820.76	51.00	26.49	0.5453	1.0000	\$5,784,297.64	\$206,356.12

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 13

Account: OECO 101/6-352 Structures/improve
 Scenario: Ohio 2007 Transmission Accounts ADR
 Dispersion: 51 - R4

Average Net Salvage Rate: -5.00%
 Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$10,607,820.76	\$5,999,519.30	0.5656	\$5,138,692.50	0.4844
Computed	\$10,607,820.76	\$5,353,914.16	0.5047	\$5,784,297.64	0.5453
Difference		\$645,605.14	0.0609	(\$645,605.14)	-0.0609

Ohio 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 R1.

Actuarial Life Analysis

291 R1.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 10 - 60 Years

Recommendation

Use 50 R2 Based on Industry Standards and Actuarial Life Analysis.

Comments:

There is limited retirement activity in this account. Chose 50 R2 as it remains a viable choice when reviewing the EEI Industry Standards Statistics.

Salvage Factor Estimates

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

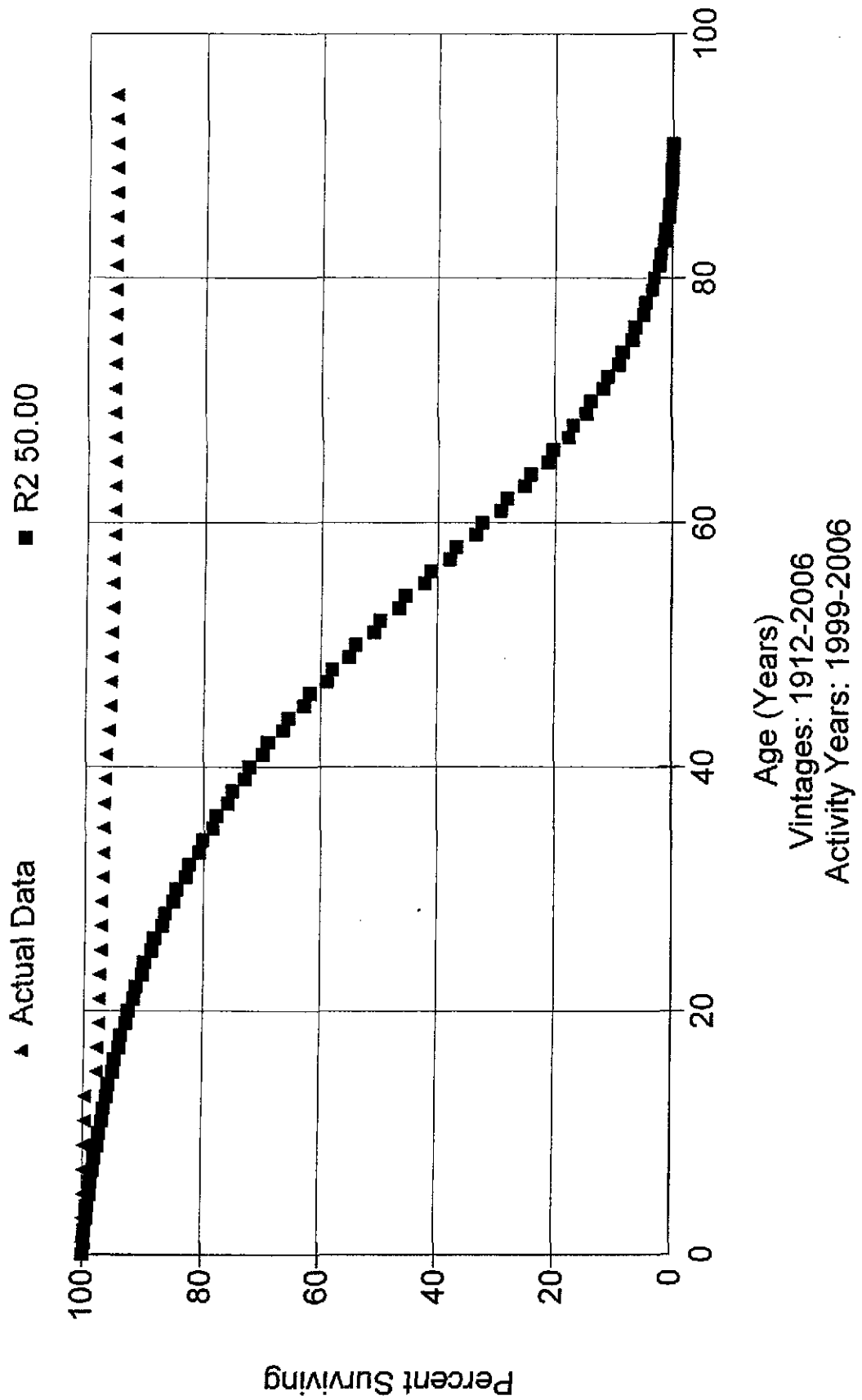
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 30% to -25%. The 1999-2006 activity used for this study suggests a rate of -4%; due to the limited years it is recommended to continue to use -10%.

Summary of Recommendations

<u>50</u>	Average Service Life
<u>R2</u>	Iowa Curve
<u>-10%</u>	% Net Salvage

Ohio Edison Company Account 353 Station Equipment



Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OEEO 101/6-353 Station equipment

Placement Band: 1912 - 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
0	-15,037,479.02	0.00	0.00000	1.00000	100.00
0.5	8,203,373.43	0.00	0.00000	1.00000	100.00
1.5	14,925,780.88	0.00	0.00000	1.00000	100.00
2.5	38,888,612.13	0.00	0.00000	1.00000	100.00
3.5	49,928,678.11	3,381.82	0.00007	0.99993	100.00
4.5	40,435,019.01	0.00	0.00000	1.00000	99.99
5.5	50,531,657.61	0.00	0.00000	1.00000	99.99
6.5	46,519,273.29	16,277.95	0.00035	0.99965	99.99
7.5	53,377,070.91	3,216.00	0.00006	0.99994	99.96
8.5	53,245,158.72	2.00	0.00000	1.00000	99.95
9.5	46,075,619.65	67,860.96	0.00147	0.99853	99.95
10.5	41,231,443.44	5,697.00	0.00014	0.99986	99.80
11.5	58,211,406.42	2,825.31	0.00005	0.99995	99.79
12.5	54,496,640.91	0.00	0.00000	1.00000	99.79
13.5	35,101,729.94	668,846.13	0.01905	0.98095	99.79
14.5	35,399,318.14	2,107.00	0.00006	0.99994	97.89
15.5	33,117,274.86	1.00	0.00000	1.00000	97.88
16.5	27,223,537.69	14,624.00	0.00054	0.99946	97.88
17.5	34,071,636.23	64,073.00	0.00188	0.99812	97.83
18.5	33,644,285.32	24,952.23	0.00074	0.99926	97.65
19.5	34,473,396.49	7,886.36	0.00023	0.99977	97.58
20.5	36,883,755.21	3,652.29	0.00010	0.99990	97.56
21.5	36,309,227.92	672.95	0.00002	0.99998	97.55
22.5	37,309,901.84	1,379.00	0.00004	0.99996	97.55
23.5	34,224,175.94	63,738.02	0.00186	0.99814	97.55
24.5	27,234,204.40	5,025.23	0.00018	0.99982	97.37
25.5	27,228,083.81	0.00	0.00000	1.00000	97.35
26.5	30,617,372.11	951.00	0.00003	0.99997	97.35
27.5	31,675,047.25	3,645.70	0.00012	0.99988	97.35
28.5	20,616,494.80	7,181.99	0.00035	0.99965	97.34
29.5	15,437,815.06	1,532.72	0.00010	0.99990	97.31
30.5	16,782,329.37	41,044.00	0.00245	0.99755	97.30
31.5	19,411,017.69	0.00	0.00000	1.00000	97.06
32.5	15,768,150.66	4,583.64	0.00029	0.99971	97.06
33.5	9,419,695.19	5,777.28	0.00061	0.99939	97.03
34.5	8,167,193.15	496.78	0.00006	0.99994	96.97
35.5	6,763,755.37	56.26	0.00001	0.99999	96.96
36.5	11,416,889.97	8,750.00	0.00077	0.99923	96.96
37.5	12,190,797.39	11,578.99	0.00095	0.99905	96.89
38.5	7,811,643.27	7,058.00	0.00090	0.99910	96.80
39.5	8,462,776.98	4,492.72	0.00053	0.99947	96.71
40.5	7,790,327.68	12,360.11	0.00159	0.99841	96.66
41.5	11,277,649.68	28,032.94	0.00249	0.99751	96.51
42.5	13,437,950.29	21,752.88	0.00162	0.99838	96.27
43.5	12,216,541.29	7,205.10	0.00059	0.99941	96.11
44.5	11,774,119.94	28,947.80	0.00246	0.99754	96.05
45.5	10,372,136.21	586.95	0.00006	0.99994	95.81
46.5	10,122,025.03	0.55	0.00000	1.00000	95.80
47.5	10,316,764.03	993.52	0.00010	0.99990	95.80
48.5	10,937,200.81	3,710.76	0.00034	0.99966	95.79
49.5	9,806,225.44	0.00	0.00000	1.00000	95.76
50.5	8,197,406.24	2,875.83	0.00035	0.99965	95.76
51.5	6,682,821.41	9,620.47	0.00144	0.99856	95.73
52.5	5,487,325.72	0.00	0.00000	1.00000	95.59

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OECO 101/6-353 Station equipment

Placement Band: 1912 - 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	4,762,001.40	307.05	0.00006	0.99994	95.59
54.5	3,833,975.66	0.00	0.00000	1.00000	95.58
55.5	2,729,930.46	0.00	0.00000	1.00000	95.58
56.5	1,893,599.35	0.00	0.00000	1.00000	95.58
57.5	1,691,928.13	0.00	0.00000	1.00000	95.58
58.5	1,371,794.65	2,109.00	0.00154	0.99846	95.58
59.5	1,041,776.12	0.00	0.00000	1.00000	95.43
60.5	1,067,345.26	0.00	0.00000	1.00000	95.43
61.5	992,634.63	0.00	0.00000	1.00000	95.43
62.5	832,741.30	0.10	0.00000	1.00000	95.43
63.5	787,748.84	0.00	0.00000	1.00000	95.43
64.5	537,594.75	0.00	0.00000	1.00000	95.43
65.5	362,250.11	0.00	0.00000	1.00000	95.43
66.5	212,963.63	0.00	0.00000	1.00000	95.43
67.5	297,001.11	0.00	0.00000	1.00000	95.43
68.5	544,290.34	0.00	0.00000	1.00000	95.43
69.5	931,274.35	0.00	0.00000	1.00000	95.43
70.5	1,104,019.36	0.00	0.00000	1.00000	95.43
71.5	948,013.57	0.00	0.00000	1.00000	95.43
72.5	981,944.07	258.00	0.00026	0.99974	95.43
73.5	987,053.17	0.00	0.00000	1.00000	95.41
74.5	1,005,389.66	0.00	0.00000	1.00000	95.41
75.5	865,726.88	0.00	0.00000	1.00000	95.41
76.5	601,514.77	0.00	0.00000	1.00000	95.41
77.5	325,887.12	0.00	0.00000	1.00000	95.41
78.5	211,624.81	0.00	0.00000	1.00000	95.41
79.5	149,194.12	0.00	0.00000	1.00000	95.41
80.5	102,384.87	0.00	0.00000	1.00000	95.41
81.5	95,509.07	0.00	0.00000	1.00000	95.41
82.5	29,390.96	0.00	0.00000	1.00000	95.41
83.5	5,742.23	0.00	0.00000	1.00000	95.41
84.5	5,923.35	0.00	0.00000	1.00000	95.41
85.5	4,886.12	0.00	0.00000	1.00000	95.41
86.5	5,141.02	0.00	0.00000	1.00000	95.41
87.5	3,465.07	0.00	0.00000	1.00000	95.41
88.5	3,465.07	0.00	0.00000	1.00000	95.41
89.5	3,465.07	0.00	0.00000	1.00000	95.41
90.5	2,323.75	0.00	0.00000	1.00000	95.41
91.5	2,080.36	0.00	0.00000	1.00000	95.41
92.5	254.90	0.00	0.00000	1.00000	95.41
93.5	254.90	0.00	0.00000	1.00000	95.41
94.5	0.00	0.00	0.00000	0.00000	95.41

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 353 Station Equipment	1999	55,390.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 353 Station Equipment	2000	0.00	10,000.00	0.00	0.00	0.00	10,000.00	0.00	0.00	0.00	0.00
OECO 353 Station Equipment	2001	559,888.74	625.44	0.11	0.00	0.00	25,344.66	4.53	(24,719.22)	-4.42	-4.42
OECO 353 Station Equipment	2002	42,964.07	0.00	0.00	0.00	0.00	1,898.30	4.42	(1,898.30)	-4.42	-4.42
OECO 353 Station Equipment	2003	16,518.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 353 Station Equipment	2004	0.00	6,099.21	0.00	0.00	0.00	10,034.06	0.00	(3,934.85)	0.00	0.00
OECO 353 Station Equipment	2005	16,797.12	6,220.00	37.03	0.00	0.00	0.00	0.00	6,220.00	37.03	37.03
OECO 353 Station Equipment	2006	12,309.36	0.00	0.00	0.00	0.00	4,370.66	35.51	(4,370.66)	-35.51	-35.51
		703,869.19	22,944.65	3.26	0.00	0.00	51,647.68	7.34	(28,703.03)	-4.08	

Whole Life Depreciation Accrual

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Account: OECO 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	\$90,975,686.42		\$1,987,150.34	2.184266
Whole Life		50	\$2,001,459.49	
Amortization		0	\$0.00	
Retirements	\$1,300,832.39	50	\$14,309.16	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$90,975,686.42 *		\$1,987,150.34	2.184266
Average:	\$90,325,270.23		\$1,987,150.34	2.199994
Grand Total:	\$90,975,686.42 *		\$1,987,150.34	2.184266

* Excluding 2007 Retirements

Account: OECO 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	\$545,261.30	50.00	49.55	1.0900	1.0000	\$594,357.04	\$11,995.75
2005	1.50	\$152,066.93	50.00	48.65	1.0702	1.0000	\$162,741.17	\$3,345.47
2004	2.50	\$125,251.35	50.00	47.75	1.0505	1.0000	\$131,573.12	\$2,755.53
2003	3.50	\$41,239.00	50.00	46.86	1.0309	1.0000	\$42,511.64	\$907.26
2002	4.50	\$4,221,136.79	50.00	45.97	1.0114	1.0000	\$4,289,101.44	\$92,865.01
2001	5.50	\$66,974.79	50.00	45.09	0.9920	1.0000	\$66,438.08	\$1,473.45
2000	6.50	\$5,277,851.16	50.00	44.22	0.9727	1.0000	\$5,133,953.37	\$116,112.73
1999	7.50	\$324,079.39	50.00	43.35	0.9536	1.0000	\$309,047.00	\$7,129.75
1998	8.50	\$1,490,760.27	50.00	42.48	0.9346	1.0000	\$1,393,308.41	\$32,796.73
1997	9.50	\$615,604.04	50.00	41.63	0.9158	1.0000	\$563,753.55	\$13,543.29
1996	10.50	\$3,082,988.48	50.00	40.77	0.8970	1.0000	\$2,765,593.88	\$67,825.75
1995	11.50	\$2,489,331.37	50.00	39.93	0.8785	1.0000	\$2,186,808.73	\$54,765.29
1994	12.50	\$2,973,419.79	50.00	39.09	0.8600	1.0000	\$2,557,244.75	\$65,415.24
1993	13.50	\$5,907,807.02	50.00	38.26	0.8417	1.0000	\$4,972,891.97	\$129,971.75
1992	14.50	\$7,599,634.10	50.00	37.44	0.8236	1.0000	\$6,259,127.74	\$167,191.95
1991	15.50	\$3,786,570.92	50.00	36.62	0.8056	1.0000	\$3,050,558.19	\$83,304.56
1990	16.50	\$4,955,504.49	50.00	35.81	0.7878	1.0000	\$3,903,907.16	\$109,021.10
1989	17.50	\$1,619,955.41	50.00	35.01	0.7701	1.0000	\$1,247,558.46	\$35,639.02
1988	18.50	\$925,720.68	50.00	34.21	0.7526	1.0000	\$696,712.27	\$20,385.85
1987	19.50	\$94,090.37	50.00	33.42	0.7353	1.0000	\$69,181.68	\$2,069.99
1986	20.50	\$1,352,508.55	50.00	32.64	0.7181	1.0000	\$971,227.33	\$29,755.19
1985	21.50	\$914,970.87	50.00	31.87	0.7011	1.0000	\$641,478.37	\$20,129.36
1984	22.50	\$1,150,373.93	50.00	31.10	0.6843	1.0000	\$787,159.59	\$25,308.23
1983	23.50	\$1,428,311.02	50.00	30.35	0.6676	1.0000	\$953,557.05	\$31,422.84
1982	24.50	\$1,500,773.07	50.00	29.60	0.6511	1.0000	\$977,216.68	\$33,017.01
1981	25.50	\$1,653,513.69	50.00	28.86	0.6349	1.0000	\$1,049,755.71	\$36,377.30
1980	26.50	\$1,558,819.88	50.00	28.13	0.6188	1.0000	\$964,549.57	\$34,294.03
1979	27.50	\$1,975,159.94	50.00	27.40	0.6029	1.0000	\$1,190,757.63	\$43,453.52
1978	28.50	\$4,444,860.57	50.00	26.69	0.5872	1.0000	\$2,609,857.24	\$97,786.93
1977	29.50	\$3,448,275.52	50.00	25.98	0.5717	1.0000	\$1,971,238.31	\$75,862.06
1976	30.50	\$850,550.18	50.00	25.29	0.5564	1.0000	\$473,214.42	\$18,712.10
1975	31.50	\$2,169,431.95	50.00	24.60	0.5413	1.0000	\$1,174,258.31	\$47,727.50
1974	32.50	\$2,139,456.65	50.00	23.93	0.5264	1.0000	\$1,126,201.15	\$47,068.05
1973	33.50	\$1,318,940.91	50.00	23.26	0.5117	1.0000	\$674,947.89	\$29,016.70

Account: OECO 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	\$785,928.11	50.00	22.60	0.4973	1.0000	\$390,836.68	\$17,290.42
1971	35.50	\$1,077,077.19	50.00	21.96	0.4831	1.0000	\$520,307.66	\$23,695.70
1970	36.50	\$641,049.73	50.00	21.32	0.4691	1.0000	\$300,707.24	\$14,103.09
1969	37.50	\$946,372.86	50.00	20.70	0.4553	1.0000	\$430,914.80	\$20,820.20
1968	38.50	\$867,273.61	50.00	20.08	0.4418	1.0000	\$383,173.99	\$19,080.02
1967	39.50	\$576,792.35	50.00	19.48	0.4285	1.0000	\$247,172.57	\$12,689.43
1966	40.50	\$326,242.27	50.00	18.89	0.4155	1.0000	\$135,552.71	\$7,177.33
1965	41.50	\$275,630.00	50.00	18.30	0.4027	1.0000	\$110,998.28	\$6,063.86
1964	42.50	\$290,922.59	50.00	17.74	0.3902	1.0000	\$113,509.36	\$6,400.30
1963	43.50	\$211,677.23	50.00	17.18	0.3779	1.0000	\$79,989.63	\$4,656.90
1962	44.50	\$194,124.96	50.00	16.63	0.3659	1.0000	\$71,022.24	\$4,270.75
1961	45.50	\$194,979.44	50.00	16.09	0.3541	1.0000	\$69,039.91	\$4,289.55
1960	46.50	\$176,091.12	50.00	15.57	0.3426	1.0000	\$60,324.19	\$3,874.00
1959	47.50	\$308,771.62	50.00	15.06	0.3313	1.0000	\$102,304.77	\$6,792.98
1958	48.50	\$328,461.84	50.00	14.56	0.3203	1.0000	\$105,219.18	\$7,226.16
1957	49.50	\$1,901,286.70	50.00	14.07	0.3096	1.0000	\$588,673.50	\$41,828.31
1956	50.50	\$1,490,870.75	50.00	13.60	0.2992	1.0000	\$446,007.02	\$32,799.16
1955	51.50	\$1,196,774.12	50.00	13.13	0.2890	1.0000	\$345,820.19	\$26,329.03
1954	52.50	\$535,132.63	50.00	12.68	0.2790	1.0000	\$149,312.91	\$11,772.92
1953	53.50	\$840,937.54	50.00	12.24	0.2693	1.0000	\$226,497.10	\$18,500.63
1952	54.50	\$709,148.91	50.00	11.81	0.2599	1.0000	\$184,316.36	\$15,601.28
1951	55.50	\$828,818.35	50.00	11.40	0.2507	1.0000	\$207,817.16	\$18,234.00
1950	56.50	\$1,063,292.15	50.00	10.99	0.2418	1.0000	\$257,113.36	\$23,392.43
1949	57.50	\$390,485.08	50.00	10.60	0.2331	1.0000	\$91,031.26	\$8,590.67
1948	58.50	\$501,316.11	50.00	10.21	0.2247	1.0000	\$112,630.18	\$11,028.95
1947	59.50	\$334,297.10	50.00	9.84	0.2164	1.0000	\$72,354.14	\$7,354.54
1946	60.50	\$103,558.58	50.00	9.47	0.2084	1.0000	\$21,584.18	\$2,278.29
1945	61.50	\$166,770.11	50.00	9.12	0.2006	1.0000	\$33,457.20	\$3,668.94
1944	62.50	\$3,882.33	50.00	8.77	0.1930	1.0000	\$749.32	\$85.41
1943	63.50	\$53,102.93	50.00	8.44	0.1856	1.0000	\$9,854.77	\$1,168.26
1942	64.50	\$257,476.85	50.00	8.11	0.1783	1.0000	\$45,913.97	\$5,664.49
1941	65.50	\$199,518.78	50.00	7.78	0.1712	1.0000	\$34,161.39	\$4,389.41
1940	66.50	\$150,929.01	50.00	7.47	0.1643	1.0000	\$24,790.94	\$3,320.44
1939	67.50	\$17,199.57	50.00	7.16	0.1574	1.0000	\$2,707.47	\$378.39

Generation Arrangement Report

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Account: OECO 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	\$21,899.14	50.00	6.85	0.1507	1.0000	\$3,299.78	\$481.78
1937	69.50	\$75,568.95	50.00	6.55	0.1440	1.0000	\$10,885.50	\$1,662.52
1936	70.50	\$14,690.43	50.00	6.25	0.1375	1.0000	\$2,019.66	\$323.19
1935	71.50	\$14,669.57	50.00	5.95	0.1310	1.0000	\$1,921.41	\$322.73
1934	72.50	\$8,742.30	50.00	5.66	0.1245	1.0000	\$1,088.59	\$192.33
1933	73.50	\$6,010.52	50.00	5.37	0.1181	1.0000	\$709.81	\$132.23
1932	74.50	\$3,266.82	50.00	5.08	0.1117	1.0000	\$364.88	\$71.87
1931	75.50	\$93,800.71	50.00	4.79	0.1053	1.0000	\$9,878.13	\$2,063.62
1930	76.50	\$125,681.64	50.00	4.50	0.0989	1.0000	\$12,434.94	\$2,765.00
1929	77.50	\$171,616.74	50.00	4.21	0.0926	1.0000	\$15,889.11	\$3,775.57
1928	78.50	\$87,971.76	50.00	3.92	0.0862	1.0000	\$7,587.08	\$1,935.38
1927	79.50	\$52,262.96	50.00	3.63	0.0799	1.0000	\$4,177.42	\$1,149.79
1926	80.50	\$54,722.86	50.00	3.35	0.0736	1.0000	\$4,030.08	\$1,203.90
1925	81.50	\$16,878.28	50.00	3.06	0.0674	1.0000	\$1,137.71	\$371.32
1924	82.50	\$59,681.58	50.00	2.78	0.0612	1.0000	\$3,653.85	\$1,312.99
1923	83.50	\$13,090.63	50.00	2.51	0.0551	1.0000	\$721.44	\$287.99
1922	84.50	\$1,566.58	50.00	2.23	0.0491	1.0000	\$76.89	\$34.46
1921	85.50	\$1,277.23	50.00	1.96	0.0432	1.0000	\$55.12	\$28.10
1919	87.50	\$1,435.95	50.00	1.44	0.0317	1.0000	\$45.54	\$31.59
1918	88.50	\$0.00	50.00	1.19	0.0263	1.0000	\$0.00	\$0.00
1917	89.50	\$0.00	50.00	0.96	0.0212	1.0000	\$0.00	\$0.00
1916	90.50	\$1,141.32	50.00	0.76	0.0168	1.0000	\$19.17	\$25.11
1915	91.50	\$243.39	50.00	0.64	0.0141	1.0000	\$3.44	\$5.35
1914	92.50	\$1,825.46	50.00	0.25	0.0055	1.0000	\$10.03	\$40.16
1913	93.50	\$0.00	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1912	94.50	\$254.90	50.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$90,975,686.42	50.00	30.98	0.6815	1.0000	\$61,997,664.15	\$2,001,459.49

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 24

Account: OECO 101/6-353 Station equipment
 Scenario: Ohio 2007 Transmission Accounts ADR
 Version: 50 - R2
 Average Net Salvage Rate: -10.00%
 Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$90,975,686.42	\$41,891,213.31	0.4605	\$58,182,041.75	0.6395
Computed	\$90,975,686.42	\$38,075,590.91	0.4185	\$61,997,664.15	0.6815
Difference		\$3,815,622.40	0.0419	(\$3,815,622.40)	-0.0419

Ohio 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 51 S4.

Actuarial Life Analysis

169 L4 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 - 75 Years

Recommendation

Change to 60 R4 Based on Industry Standards and Actuarial Life Analysis.

Comments:

The longer service life is recommended as the data demonstrates that there are few retirements and a better match to exposures is at 60 years. EEI Industry trends indicate a longer life for towers.

Salvage Factor Estimates

Current Net salvage Rate is	-9%
Proposed Net salvage Rate	-9%

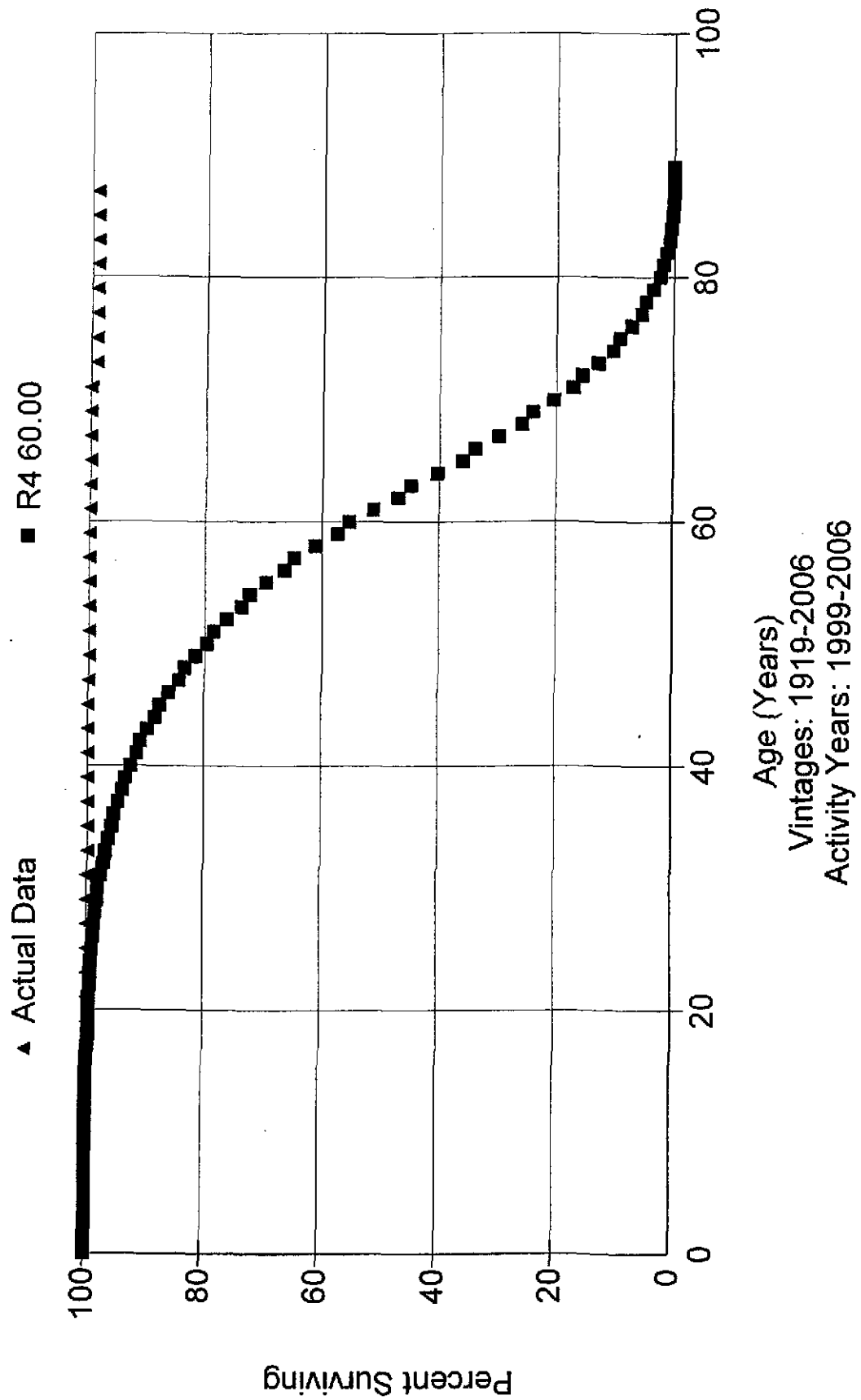
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 14% to -60%. There was no activity for this account 1999-2006 so the current rate is recommended.

Summary of Recommendations

<u>60</u>	Average Service Life
<u>R4</u>	Iowa Curve
<u>-9</u>	% Net Salvage

Ohio Edison Company Account 354 Towers & Fixtures



Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OECO 101/6-354 Towers & fixtures

Placement Band: 1919 - 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
0	-1,665.39	0.00	0.00000	1.00000	100.00
0.5	10,693.97	0.00	0.00000	1.00000	100.00
1.5	11,616.72	0.00	0.00000	1.00000	100.00
2.5	9,665.87	0.00	0.00000	1.00000	100.00
3.5	9,665.87	0.00	0.00000	1.00000	100.00
4.5	72,379.71	0.00	0.00000	1.00000	100.00
5.5	157,058.17	0.00	0.00000	1.00000	100.00
6.5	111,538.50	0.00	0.00000	1.00000	100.00
7.5	27,535.18	0.00	0.00000	1.00000	100.00
8.5	617,084.04	0.00	0.00000	1.00000	100.00
9.5	2,202,757.58	0.00	0.00000	1.00000	100.00
10.5	2,913,100.05	0.00	0.00000	1.00000	100.00
11.5	3,505,113.13	0.00	0.00000	1.00000	100.00
12.5	2,383,909.56	0.00	0.00000	1.00000	100.00
13.5	15,594,550.90	0.00	0.00000	1.00000	100.00
14.5	15,388,327.96	0.00	0.00000	1.00000	100.00
15.5	0.00	0.00	0.00000	0.00000	100.00
16.5	0.00	0.00	0.00000	0.00000	
17.5	540,449.74	0.00	0.00000	1.00000	
18.5	1,405,629.81	0.00	0.00000	1.00000	
19.5	1,139,215.68	0.00	0.00000	1.00000	
20.5	379,923.53	0.00	0.00000	1.00000	
21.5	14,980,526.50	0.00	0.00000	1.00000	
22.5	16,245,016.58	0.00	0.00000	1.00000	
23.5	6,212,527.27	0.00	0.00000	1.00000	
24.5	5,276,103.31	0.00	0.00000	1.00000	
25.5	2,183,071.81	0.00	0.00000	1.00000	
26.5	2,355,124.41	0.00	0.00000	1.00000	
27.5	1,339,478.52	0.00	0.00000	1.00000	
28.5	4,336,968.78	0.00	0.00000	1.00000	
29.5	3,872,221.67	0.00	0.00000	1.00000	
30.5	7,943,407.54	0.00	0.00000	1.00000	
31.5	9,316,477.51	0.00	0.00000	1.00000	
32.5	2,233,947.35	0.00	0.00000	1.00000	
33.5	846,265.51	0.00	0.00000	1.00000	
34.5	659,949.20	0.00	0.00000	1.00000	
35.5	593,465.26	0.00	0.00000	1.00000	
36.5	3,476,018.33	0.00	0.00000	1.00000	
37.5	3,598,583.90	0.00	0.00000	1.00000	
38.5	4,636,880.44	0.00	0.00000	1.00000	
39.5	4,707,138.54	0.00	0.00000	1.00000	
40.5	985,987.79	0.00	0.00000	1.00000	
41.5	1,090,729.62	0.00	0.00000	1.00000	
42.5	992,446.40	0.00	0.00000	1.00000	
43.5	651,823.80	0.00	0.00000	1.00000	
44.5	1,870,571.17	0.00	0.00000	1.00000	
45.5	1,950,560.92	0.00	0.00000	1.00000	
46.5	1,100,314.79	0.00	0.00000	1.00000	
47.5	940,900.70	0.00	0.00000	1.00000	
48.5	1,317,841.40	0.00	0.00000	1.00000	
49.5	1,347,503.96	0.00	0.00000	1.00000	
50.5	625,303.97	0.00	0.00000	1.00000	
51.5	769,786.91	0.00	0.00000	1.00000	
52.5	1,880,132.81	0.00	0.00000	1.00000	

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

Vol. 4B, Attach. PRC-1, p. 29

Account: OEEO 101/6-354 Towers & fixtures

Placement Band: 1919 - 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	1,640,839.79	0.00	0.00000	1.00000	
54.5	69,862.42	0.00	0.00000	1.00000	
55.5	69,862.42	0.00	0.00000	1.00000	
56.5	69,862.42	0.00	0.00000	1.00000	
57.5	70,470.35	0.00	0.00000	1.00000	
58.5	89,448.12	0.00	0.00000	1.00000	
59.5	88,840.19	0.00	0.00000	1.00000	
60.5	7,581.84	0.00	0.00000	1.00000	
61.5	7,884.31	0.00	0.00000	1.00000	
62.5	62,672.18	0.00	0.00000	1.00000	
63.5	67,818.17	0.00	0.00000	1.00000	
64.5	5,448.46	0.00	0.00000	1.00000	
65.5	2,527.17	0.00	0.00000	1.00000	
66.5	2,527.17	0.00	0.00000	1.00000	
67.5	302.47	0.00	0.00000	1.00000	
68.5	4,471.02	0.00	0.00000	1.00000	
69.5	166,345.60	0.00	0.00000	1.00000	
70.5	939,323.67	0.00	0.00000	1.00000	
71.5	821,631.15	0.00	0.00000	1.00000	
72.5	194,128.42	1,941.95	0.01000	0.99000	
73.5	280,060.17	0.00	0.00000	1.00000	
74.5	882,415.40	0.00	0.00000	1.00000	
75.5	1,078,263.45	0.00	0.00000	1.00000	
76.5	330,164.41	0.00	0.00000	1.00000	
77.5	19,786.36	0.00	0.00000	1.00000	
78.5	17,833.52	0.00	0.00000	1.00000	
79.5	22,882.85	0.00	0.00000	1.00000	
80.5	22,882.85	0.00	0.00000	1.00000	
81.5	15,564.56	0.00	0.00000	1.00000	
82.5	14,747.12	0.00	0.00000	1.00000	
83.5	14,290.65	0.00	0.00000	1.00000	
84.5	13,160.85	0.00	0.00000	1.00000	
85.5	6,991.28	0.00	0.00000	1.00000	
86.5	6,991.28	0.00	0.00000	1.00000	
87.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Retirements	<u>Gross Salvage (Cash)</u>		<u>Gross Salvage (Returns)</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OEEO 354 Towers & Fixtures	2000	1,941.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OEEO 354 Towers & Fixtures	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		1,941.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Whole Life Depreciation Accrual

Vol. 4B, Attach. PRC-1, p. 31

Account: OECO 101/6-354 Towers & fixtures

Dispersion: 60 - R4

Average Net Salvage Rate: -9.00%

Future Net Salvage Rate: -9.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$278,311.58		\$4,877.59	1.752743
Whole Life		60	\$5,055.99	
Amortization		0	\$0.00	
Retirements	\$19,641.19	60	\$178.41	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$278,311.58 *		\$4,877.59	1.752919
Average:	\$268,490.99		\$4,877.59	1.816668
Grand Total:	\$278,311.58 *		\$4,877.59	1.752919

* Excluding 2007 Retirements

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 32

Account: OECO 101/6-354 Towers & fixtures

Dispersion: 60.00 - R4

Average Net Salvage Rate: -9.00%

Future Net Salvage Rate: -9.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
2003	3.50	\$0.00	60.00	56.50	1.0265	1.0000	\$0.00	\$0.00
2001	5.50	(\$675.14)	60.00	54.51	0.9902	1.0000	(\$668.55)	(\$12.27)
2000	6.50	\$1,126.82	60.00	53.51	0.9721	1.0000	\$1,095.40	\$20.47
1999	7.50	\$0.00	60.00	52.51	0.9540	1.0000	\$0.00	\$0.00
1998	8.50	\$0.00	60.00	51.52	0.9359	1.0000	\$0.00	\$0.00
1994	12.50	\$0.00	60.00	47.55	0.8637	1.0000	\$0.00	\$0.00
1993	13.50	\$0.00	60.00	46.56	0.8458	1.0000	\$0.00	\$0.00
1992	14.50	\$0.00	60.00	45.57	0.8278	1.0000	\$0.00	\$0.00
1991	15.50	\$0.00	60.00	44.58	0.8099	1.0000	\$0.00	\$0.00
1990	16.50	\$0.00	60.00	43.60	0.7920	1.0000	\$0.00	\$0.00
1989	17.50	\$0.00	60.00	42.62	0.7742	1.0000	\$0.00	\$0.00
1988	18.50	\$0.00	60.00	41.64	0.7564	1.0000	\$0.00	\$0.00
1987	19.50	\$0.00	60.00	40.66	0.7387	1.0000	\$0.00	\$0.00
1986	20.50	\$0.00	60.00	39.69	0.7211	1.0000	\$0.00	\$0.00
1985	21.50	\$0.00	60.00	38.72	0.7035	1.0000	\$0.00	\$0.00
1981	25.50	\$0.00	60.00	34.90	0.6340	1.0000	\$0.00	\$0.00
1980	26.50	\$0.00	60.00	33.96	0.6169	1.0000	\$0.00	\$0.00
1979	27.50	\$0.00	60.00	33.02	0.5999	1.0000	\$0.00	\$0.00
1978	28.50	\$0.00	60.00	32.10	0.5831	1.0000	\$0.00	\$0.00
1977	29.50	\$0.00	60.00	31.18	0.5664	1.0000	\$0.00	\$0.00
1976	30.50	\$0.00	60.00	30.27	0.5498	1.0000	\$0.00	\$0.00
1975	31.50	\$0.00	60.00	29.36	0.5334	1.0000	\$0.00	\$0.00
1974	32.50	\$0.00	60.00	28.47	0.5172	1.0000	\$0.00	\$0.00
1973	33.50	\$0.00	60.00	27.59	0.5011	1.0000	\$0.00	\$0.00
1972	34.50	\$0.00	60.00	26.71	0.4853	1.0000	\$0.00	\$0.00
1971	35.50	\$0.00	60.00	25.85	0.4696	1.0000	\$0.00	\$0.00
1970	36.50	\$0.00	60.00	25.00	0.4541	1.0000	\$0.00	\$0.00
1969	37.50	\$0.00	60.00	24.15	0.4388	1.0000	\$0.00	\$0.00
1968	38.50	\$0.00	60.00	23.33	0.4238	1.0000	\$0.00	\$0.00
1967	39.50	\$120,781.31	60.00	22.51	0.4089	1.0000	\$48,389.92	\$2,194.19
1966	40.50	\$0.00	60.00	21.70	0.3943	1.0000	\$0.00	\$0.00
1965	41.50	\$0.00	60.00	20.91	0.3799	1.0000	\$0.00	\$0.00
1964	42.50	\$0.00	60.00	20.13	0.3657	1.0000	\$0.00	\$0.00
1963	43.50	\$0.00	60.00	19.36	0.3518	1.0000	\$0.00	\$0.00

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 33

Account: OECO 101/6-354 Towers & fixtures

Dispersion: 60.00 - R4

Average Net Salvage Rate: -9.00%

Future Net Salvage Rate: -9.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1962	44.50	\$0.00	60.00	18.61	0.3381	1.0000	\$0.00	\$0.00
1961	45.50	\$0.00	60.00	17.87	0.3246	1.0000	\$0.00	\$0.00
1960	46.50	\$7,647.07	60.00	17.14	0.3113	1.0000	\$2,380.59	\$138.92
1959	47.50	\$0.00	60.00	16.42	0.2983	1.0000	\$0.00	\$0.00
1958	48.50	\$0.00	60.00	15.72	0.2855	1.0000	\$0.00	\$0.00
1957	49.50	\$0.00	60.00	15.02	0.2728	1.0000	\$0.00	\$0.00
1956	50.50	\$0.00	60.00	14.34	0.2605	1.0000	\$0.00	\$0.00
1955	51.50	\$0.00	60.00	13.67	0.2483	1.0000	\$0.00	\$0.00
1954	52.50	\$51,425.64	60.00	13.01	0.2363	1.0000	\$12,150.66	\$934.23
1953	53.50	\$0.00	60.00	12.37	0.2247	1.0000	\$0.00	\$0.00
1952	54.50	\$0.00	60.00	11.75	0.2134	1.0000	\$0.00	\$0.00
1951	55.50	\$0.00	60.00	11.15	0.2025	1.0000	\$0.00	\$0.00
1950	56.50	\$0.00	60.00	10.58	0.1922	1.0000	\$0.00	\$0.00
1949	57.50	\$0.00	60.00	10.03	0.1822	1.0000	\$0.00	\$0.00
1948	58.50	\$0.00	60.00	9.51	0.1727	1.0000	\$0.00	\$0.00
1947	59.50	\$0.00	60.00	9.02	0.1638	1.0000	\$0.00	\$0.00
1946	60.50	\$69,862.42	60.00	8.55	0.1554	1.0000	\$10,854.22	\$1,269.17
1941	65.50	\$0.00	60.00	6.58	0.1196	1.0000	\$0.00	\$0.00
1940	66.50	\$0.00	60.00	6.25	0.1135	1.0000	\$0.00	\$0.00
1938	68.50	\$0.00	60.00	5.61	0.1020	1.0000	\$0.00	\$0.00
1937	69.50	\$302.47	60.00	5.32	0.0966	1.0000	\$29.22	\$5.49
1936	70.50	\$0.00	60.00	5.04	0.0915	1.0000	\$0.00	\$0.00
1935	71.50	\$0.00	60.00	4.74	0.0862	1.0000	\$0.00	\$0.00
1933	73.50	\$0.00	60.00	4.21	0.0764	1.0000	\$0.00	\$0.00
1930	76.50	\$0.00	60.00	3.40	0.0618	1.0000	\$0.00	\$0.00
1929	77.50	\$1,063.35	60.00	3.14	0.0571	1.0000	\$60.70	\$19.32
1928	78.50	\$1,952.84	60.00	2.89	0.0526	1.0000	\$102.66	\$35.48
1927	79.50	\$1,941.95	60.00	2.66	0.0483	1.0000	\$93.84	\$35.28
1926	80.50	\$0.00	60.00	2.39	0.0435	1.0000	\$0.00	\$0.00
1925	81.50	\$7,318.29	60.00	2.16	0.0393	1.0000	\$287.42	\$132.95
1924	82.50	\$817.44	60.00	1.95	0.0355	1.0000	\$29.01	\$14.85
1923	83.50	\$456.47	60.00	1.70	0.0308	1.0000	\$14.07	\$8.29
1922	84.50	\$1,129.80	60.00	1.49	0.0270	1.0000	\$30.51	\$20.52
1921	85.50	\$6,169.57	60.00	1.32	0.0239	1.0000	\$147.57	\$112.08

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 34

Account: OECO 101/6-354 Towers & fixtures

Dispersion: 60.00 - R4

Average Net Salvage Rate: -9.00%

Future Net Salvage Rate: -9.00%

Broad Group Procedure

January 1, 2007

Vintage	Age	Surviving Plant	Avg Life	Remaining Life	Net Plant Ratio	Alloc Factor	Computed Net Plant	Accrual
1919	87.50	\$6,991.28	60.00	0.88	0.0159	1.0000	\$111.40	\$127.01
		\$278,311.58	60.00	15.05	0.2735	1.0000	\$76,108.64	\$5,055.99

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 35

Account: OECO 101/6-354 Towers & fixtures
 Scenario: Ohio 2007 Transmission Accounts ADR
 Version: 60 - R4

Average Net Salvage Rate: -9.00%

Future Net Salvage Rate: -9.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$278,311.58	\$283,135.03	1.0173	\$20,224.59	0.0727
Computed	\$278,311.58	\$227,250.99	0.8165	\$76,108.63	0.2735
Difference		\$55,884.04	0.2008	(\$55,884.04)	-0.2008

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 355 Poles and Fixtures

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 48 R3.

Actuarial Life Analysis

89 R5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 - 70 Years

Recommendation

Continue to use 48 R3.

Comments:

The current Iowa Curve is very representative of industry standards today according to the 2003 EEI Study. Due to the limited amount of activity in this account no change in the Iowa Curve and average service life is recommended.

Salvage Factor Estimates

Current Net salvage Rate is	-43%
Proposed Net salvage Rate	-43%

Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 5% to -60%. The current rate of -43% is still recommended.

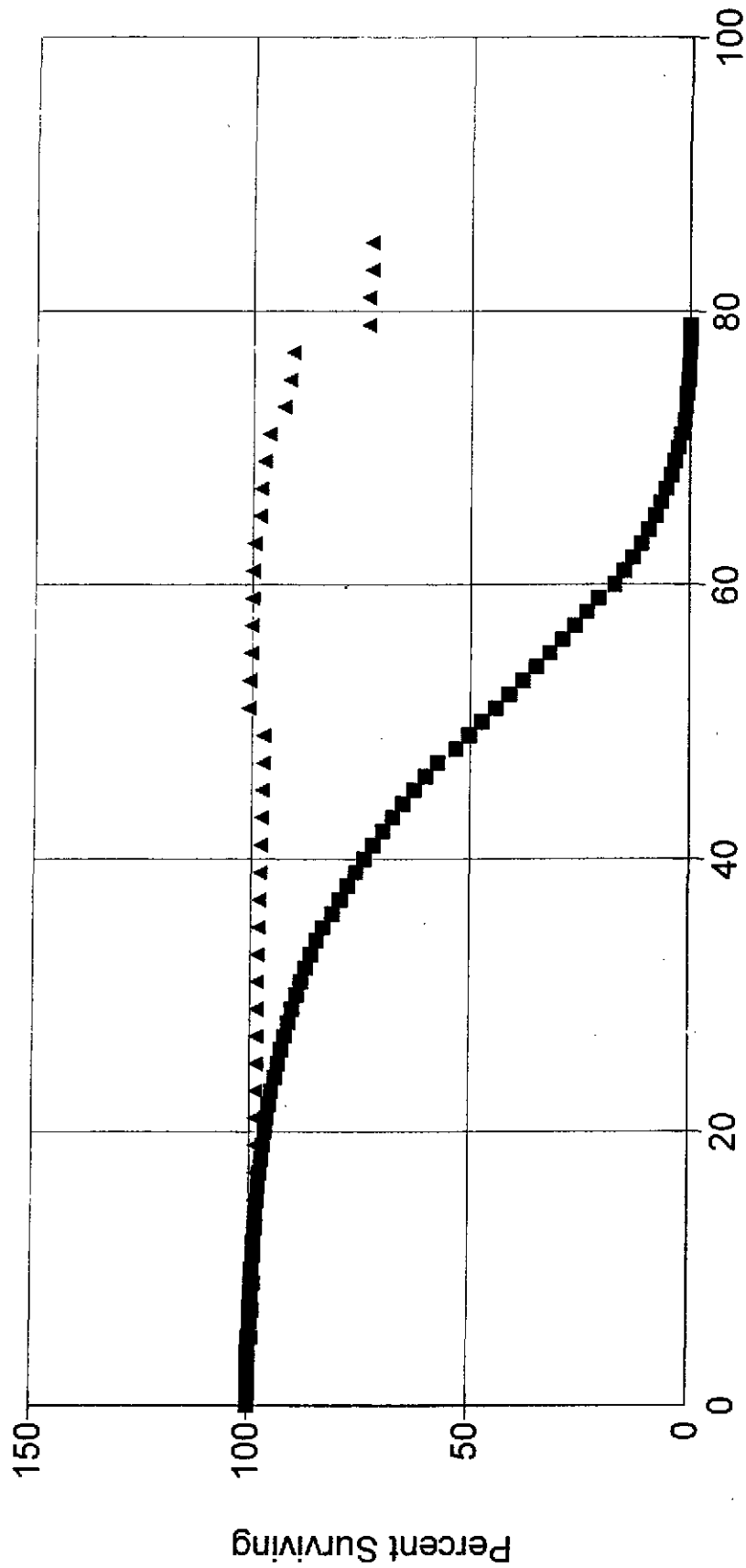
Summary of Recommendations

<u>48</u>	Average Service Life
<u>R3</u>	Iowa Curve
<u>-43</u>	% Net Salvage

Ohio Edison Company Account 355 Poles and Fixtures

▲ Actual Data

■ R3 48.00



Age (Years)
Vintages: 1921-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OEEO 101/6-355 Poles & fixtures

Placement Band: 1921 - 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
0	1,054,925.55	11,099.05	0.01052	0.98948	100.00
0.5	4,821,806.90	0.00	0.00000	1.00000	98.95
1.5	8,010,206.86	0.00	0.00000	1.00000	98.95
2.5	8,963,916.47	0.00	0.00000	1.00000	98.95
3.5	10,512,502.73	55,660.08	0.00529	0.99471	98.95
4.5	12,014,449.64	7,589.00	0.00063	0.99937	98.43
5.5	12,856,347.82	6,040.47	0.00047	0.99953	98.37
6.5	11,480,633.67	7,672.00	0.00067	0.99933	98.32
7.5	11,320,362.89	1,511.72	0.00013	0.99987	98.25
8.5	13,186,576.38	0.00	0.00000	1.00000	98.24
9.5	16,147,842.80	755.86	0.00005	0.99995	98.24
10.5	12,410,489.24	0.00	0.00000	1.00000	98.24
11.5	9,729,420.85	14,300.00	0.00147	0.99853	98.24
12.5	12,647,747.82	0.00	0.00000	1.00000	98.10
13.5	13,857,599.55	0.00	0.00000	1.00000	98.10
14.5	11,584,384.12	0.00	0.00000	1.00000	98.10
15.5	13,375,459.31	3,776.81	0.00028	0.99972	98.10
16.5	12,879,347.43	4,077.00	0.00032	0.99968	98.07
17.5	10,463,298.48	0.00	0.00000	1.00000	98.04
18.5	10,287,412.09	0.00	0.00000	1.00000	98.04
19.5	10,097,568.05	5,677.00	0.00056	0.99944	98.04
20.5	9,557,469.74	3,692.12	0.00039	0.99961	97.99
21.5	9,554,212.71	0.00	0.00000	1.00000	97.95
22.5	9,507,401.61	1,110.00	0.00012	0.99988	97.95
23.5	7,516,470.17	5,763.00	0.00077	0.99923	97.94
24.5	6,702,194.17	0.00	0.00000	1.00000	97.86
25.5	5,851,585.50	0.00	0.00000	1.00000	97.86
26.5	5,026,448.82	0.00	0.00000	1.00000	97.86
27.5	5,961,733.40	1,280.00	0.00021	0.99979	97.86
28.5	7,506,891.28	811.80	0.00011	0.99989	97.84
29.5	6,473,202.89	2,538.47	0.00039	0.99961	97.83
30.5	4,873,403.75	4,715.59	0.00097	0.99903	97.79
31.5	5,015,425.68	1,070.00	0.00021	0.99979	97.70
32.5	4,425,405.20	540.00	0.00012	0.99988	97.68
33.5	3,833,473.16	2,971.86	0.00078	0.99922	97.67
34.5	3,216,798.85	4,994.84	0.00155	0.99845	97.59
35.5	3,253,043.81	608.00	0.00019	0.99981	97.44
36.5	3,682,176.62	2,914.22	0.00079	0.99921	97.42
37.5	3,483,937.79	0.00	0.00000	1.00000	97.34
38.5	3,399,554.41	3,374.96	0.00099	0.99901	97.34
39.5	3,338,027.33	974.34	0.00029	0.99971	97.24
40.5	3,607,293.80	1,369.25	0.00038	0.99962	97.21
41.5	3,854,472.69	1,821.80	0.00047	0.99953	97.17
42.5	3,495,377.35	4,087.09	0.00117	0.99883	97.12
43.5	2,984,134.79	1,999.99	0.00067	0.99933	97.01
44.5	2,314,178.76	1,704.21	0.00074	0.99926	96.95
45.5	2,189,357.18	2,925.28	0.00134	0.99866	96.88
46.5	2,176,506.89	2,269.29	0.00104	0.99896	96.75
47.5	1,727,748.31	587.78	0.00034	0.99966	96.65
48.5	1,341,094.11	0.00	0.00000	1.00000	96.62
49.5	1,098,737.09	590.65	0.00054	0.99946	96.62
50.5	1,062,298.03	-38,008.27	-0.03578	1.03578	96.57
51.5	918,800.79	526.98	0.00057	0.99943	100.03
52.5	1,032,190.39	871.69	0.00084	0.99916	99.97

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OECO 101/6-355 Poles & fixtures

Placement Band: 1921 - 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	868,849.57	1,243.47	0.00143	0.99857	99.89
54.5	426,098.96	542.32	0.00127	0.99873	99.75
55.5	388,390.15	371.70	0.00096	0.99904	99.62
56.5	291,203.73	196.79	0.00068	0.99932	99.52
57.5	264,295.59	0.00	0.00000	1.00000	99.45
58.5	229,346.98	238.49	0.00104	0.99896	99.45
59.5	210,995.66	171.22	0.00081	0.99919	99.35
60.5	35,009.24	0.00	0.00000	1.00000	99.27
61.5	37,183.29	139.28	0.00374	0.99626	99.27
62.5	45,439.45	0.00	0.00000	1.00000	98.90
63.5	44,262.82	221.46	0.00499	0.99501	98.90
64.5	26,169.57	200.50	0.00768	0.99232	98.41
65.5	24,851.05	0.00	0.00000	1.00000	97.65
66.5	25,384.58	44.51	0.00177	0.99823	97.65
67.5	29,726.54	104.61	0.00353	0.99647	97.48
68.5	28,995.12	126.52	0.00438	0.99562	97.14
69.5	33,648.93	226.62	0.00675	0.99325	96.71
70.5	61,035.70	211.29	0.00346	0.99654	96.06
71.5	60,828.84	653.88	0.01075	0.98925	95.73
72.5	57,081.34	1,437.38	0.02517	0.97483	94.70
73.5	55,117.57	288.50	0.00524	0.99476	92.32
74.5	52,576.60	481.32	0.00915	0.99085	91.84
75.5	50,299.39	49.24	0.00097	0.99903	91.00
76.5	51,549.87	367.93	0.00714	0.99286	90.91
77.5	58,829.53	11,106.08	0.18878	0.81122	90.26
78.5	10,008.29	0.00	0.00000	1.00000	73.22
79.5	7,852.14	0.00	0.00000	1.00000	73.22
80.5	7,852.14	0.00	0.00000	1.00000	73.22
81.5	7,852.14	71.22	0.00904	0.99096	73.22
82.5	6,556.91	0.00	0.00000	1.00000	72.56
83.5	2,912.87	0.00	0.00000	1.00000	72.56
84.5	2,286.16	0.00	0.00000	1.00000	72.56
85.5	0.00	0.00	0.00000	0.00000	72.56

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 355 Poles & Fixtures	1999	45,318.43	41,912.30	92.48	0.00	0.00	48,181.61	106.32	(6,269.31)	-13.83	-13.83
OECO 355 Poles & Fixtures	2000	27,437.27	45,035.35	164.14	0.00	0.00	15,365.37	56.00	29,669.98	108.14	108.14
OECO 355 Poles & Fixtures	2001	3,787.94	0.00	0.00	0.00	0.00	6,796.37	179.42	(6,796.37)	-179.42	-179.42
OECO 355 Poles & Fixtures	2002	6,866.95	0.00	0.00	0.00	0.00	30,587.42	445.43	(30,587.42)	-445.43	-445.43
OECO 355 Poles & Fixtures	2003	3,698.93	39,675.41	1072.62	0.00	0.00	14,929.20	403.61	24,746.21	669.01	669.01
OECO 355 Poles & Fixtures	2004	1,511.72	1,385.82	91.67	0.00	0.00	7,911.17	523.32	(6,525.35)	-431.65	-431.65
OECO 355 Poles & Fixtures	2005	799.15	0.00	0.00	0.00	0.00	(4,037.56)	-505.23	4,037.56	505.23	505.23
OECO 355 Poles & Fixtures	2006	10,190.87	33,767.00	331.35	0.00	0.00	2,950.52	28.95	30,816.48	302.39	302.39
		99,611.26	161,775.88	162.41	0.00	0.00	122,684.10	123.16	39,091.78	39.24	

Whole Life Depreciation Accrual

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Account: OECO 101/6-355 Poles & fixtures

Dispersion: 48 - R3

Average Net Salvage Rate: -43.00%

Structure Net Salvage Rate: -43.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$22,349,334.40		\$659,530.64	2.951010
Whole Life		48	\$665,592.11	
Amortization		0	\$0.00	
Retirements	\$406,923.84	48	\$6,061.47	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$22,349,334.40 *		\$659,530.64	2.951012
Average:	\$22,145,872.48		\$659,530.64	2.978120
Grand Total:	\$22,349,334.40 *		\$659,530.64	2.951012

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-355 Poles & fixtures

Dispersion: 48.00 - R3

Average Net Salvage Rate: -43.00%

Future Net Salvage Rate: -43.00%

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	\$242,653.73	48.00	47.51	1.4153	1.0000	\$343,434.53	\$7,229.06
2005	1.50	\$225,264.71	48.00	46.53	1.3861	1.0000	\$312,231.25	\$6,711.01
2004	2.50	\$150,044.39	48.00	45.55	1.3569	1.0000	\$203,590.43	\$4,470.07
2003	3.50	\$271,804.79	48.00	44.57	1.3278	1.0000	\$360,893.37	\$8,097.52
2002	4.50	\$351,053.56	48.00	43.60	1.2988	1.0000	\$455,939.75	\$10,458.47
2001	5.50	\$363,589.99	48.00	42.63	1.2699	1.0000	\$461,717.28	\$10,831.95
2000	6.50	\$187,205.40	48.00	41.66	1.2411	1.0000	\$232,341.68	\$5,577.16
1999	7.50	\$326,603.63	48.00	40.70	1.2125	1.0000	\$395,998.22	\$9,730.07
1998	8.50	\$275,063.55	48.00	39.74	1.1840	1.0000	\$325,674.70	\$8,194.60
1997	9.50	\$116,567.28	48.00	38.79	1.1557	1.0000	\$134,713.19	\$3,472.73
1996	10.50	\$67,170.00	48.00	37.85	1.1275	1.0000	\$75,735.35	\$2,001.11
1995	11.50	\$431,709.53	48.00	36.91	1.0995	1.0000	\$474,678.97	\$12,861.35
1994	12.50	\$462,742.07	48.00	35.97	1.0717	1.0000	\$495,941.48	\$13,785.86
1993	13.50	\$879,131.74	48.00	35.05	1.0442	1.0000	\$917,958.49	\$26,190.80
1992	14.50	\$755,235.69	48.00	34.13	1.0168	1.0000	\$767,912.93	\$22,499.73
1991	15.50	\$562,198.09	48.00	33.22	0.9896	1.0000	\$556,371.66	\$16,748.82
1990	16.50	\$433,540.83	48.00	32.32	0.9627	1.0000	\$417,381.51	\$12,915.90
1989	17.50	\$679,720.78	48.00	31.42	0.9361	1.0000	\$636,253.50	\$20,250.01
1988	18.50	\$795,792.88	48.00	30.53	0.9096	1.0000	\$723,851.39	\$23,708.00
1987	19.50	\$226,691.66	48.00	29.65	0.8834	1.0000	\$200,270.27	\$6,753.52
1986	20.50	\$680,691.98	48.00	28.79	0.8576	1.0000	\$583,736.16	\$20,278.95
1985	21.50	\$397,013.85	48.00	27.93	0.8320	1.0000	\$330,302.88	\$11,827.70
1984	22.50	\$739,588.39	48.00	27.08	0.8067	1.0000	\$596,594.25	\$22,033.57
1983	23.50	\$1,087,724.30	48.00	26.24	0.7816	1.0000	\$850,208.55	\$32,405.12
1982	24.50	\$708,378.96	48.00	25.41	0.7569	1.0000	\$536,189.70	\$21,103.79
1981	25.50	\$1,195,021.28	48.00	24.59	0.7325	1.0000	\$875,369.96	\$35,601.68
1980	26.50	\$946,681.97	48.00	23.78	0.7084	1.0000	\$670,650.27	\$28,203.23
1979	27.50	\$137,340.07	48.00	22.98	0.6847	1.0000	\$94,030.68	\$4,091.59
1978	28.50	\$408,965.67	48.00	22.19	0.6612	1.0000	\$270,415.99	\$12,183.77
1977	29.50	\$295,974.19	48.00	21.42	0.6381	1.0000	\$188,868.96	\$8,817.56
1976	30.50	\$253,683.00	48.00	20.65	0.6153	1.0000	\$156,095.33	\$7,557.64
1975	31.50	\$466,765.11	48.00	19.90	0.5929	1.0000	\$276,759.16	\$13,905.71
1974	32.50	\$898,614.76	48.00	19.16	0.5709	1.0000	\$513,030.36	\$26,771.23

Generation Arrangement Report

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Account: OECO 101/6-355 Poles & fixtures

Dispersion: 48.00 - R3

Average Net Salvage Rate: -43.00%

Future Net Salvage Rate: -43.00%

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	\$419,405.65	48.00	18.44	0.5493	1.0000	\$230,372.73	\$12,494.79
1972	34.50	\$318,223.77	48.00	17.72	0.5281	1.0000	\$168,038.51	\$9,480.42
1971	35.50	\$389,218.15	48.00	17.03	0.5072	1.0000	\$197,420.99	\$11,595.46
1970	36.50	\$353,227.01	48.00	16.34	0.4868	1.0000	\$171,960.94	\$10,523.22
1969	37.50	\$290,170.23	48.00	15.67	0.4669	1.0000	\$135,474.81	\$8,644.65
1968	38.50	\$387,839.68	48.00	15.02	0.4474	1.0000	\$173,517.08	\$11,554.39
1967	39.50	\$289,332.88	48.00	14.38	0.4284	1.0000	\$123,947.26	\$8,619.71
1966	40.50	\$286,784.25	48.00	13.76	0.4099	1.0000	\$117,548.23	\$8,543.78
1965	41.50	\$339,433.74	48.00	13.15	0.3919	1.0000	\$133,023.54	\$10,112.30
1964	42.50	\$230,316.91	48.00	12.57	0.3744	1.0000	\$86,222.90	\$6,861.52
1963	43.50	\$314,786.71	48.00	12.00	0.3575	1.0000	\$112,528.45	\$9,378.02
1962	44.50	\$381,319.76	48.00	11.45	0.3412	1.0000	\$130,088.82	\$11,360.15
1961	45.50	\$161,645.10	48.00	10.92	0.3254	1.0000	\$52,599.54	\$4,815.68
1960	46.50	\$361,333.61	48.00	10.41	0.3102	1.0000	\$112,100.77	\$10,764.73
1959	47.50	\$166,853.35	48.00	9.92	0.2957	1.0000	\$49,333.03	\$4,970.84
1958	48.50	\$100,844.76	48.00	9.46	0.2817	1.0000	\$28,406.68	\$3,004.33
1957	49.50	\$315,305.06	48.00	9.01	0.2683	1.0000	\$84,594.98	\$9,393.46
1956	50.50	\$150,383.67	48.00	8.58	0.2555	1.0000	\$38,420.76	\$4,480.18
1955	51.50	\$144,632.84	48.00	8.16	0.2432	1.0000	\$35,181.36	\$4,308.85
1954	52.50	\$98,566.57	48.00	7.77	0.2316	1.0000	\$22,824.55	\$2,936.46
1953	53.50	\$124,099.56	48.00	7.40	0.2204	1.0000	\$27,353.79	\$3,697.13
1952	54.50	\$174,833.84	48.00	7.04	0.2098	1.0000	\$36,683.77	\$5,208.59
1951	55.50	\$38,868.64	48.00	6.70	0.1997	1.0000	\$7,761.50	\$1,157.96
1950	56.50	\$115,324.52	48.00	6.38	0.1900	1.0000	\$21,911.12	\$3,435.71
1949	57.50	\$28,350.79	48.00	6.07	0.1807	1.0000	\$5,123.54	\$844.62
1948	58.50	\$47,511.98	48.00	5.77	0.1718	1.0000	\$8,162.43	\$1,415.46
1947	59.50	\$16,476.55	48.00	5.48	0.1632	1.0000	\$2,689.02	\$490.86
1946	60.50	\$173,152.63	48.00	5.20	0.1549	1.0000	\$26,815.23	\$5,158.51
1945	61.50	\$2,185.77	48.00	4.93	0.1468	1.0000	\$320.78	\$65.12
1944	62.50	\$1,723.45	48.00	4.66	0.1388	1.0000	\$239.23	\$51.34
1943	63.50	\$1,194.20	48.00	4.40	0.1310	1.0000	\$156.42	\$35.58
1942	64.50	\$17,919.39	48.00	4.14	0.1232	1.0000	\$2,208.42	\$533.85
1941	65.50	\$1,685.21	48.00	3.88	0.1155	1.0000	\$194.70	\$50.21

Generation Arrangement Report

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Account: OECO 101/6-355 Poles & fixtures

Dispersion: 48.00 - R3

Average Net Salvage Rate: -43.00%

Future Net Salvage Rate: -43.00%

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	\$2,425.16	48.00	3.63	0.1082	1.0000	\$262.40	\$72.25
1939	67.50	\$1,435.69	48.00	3.38	0.1006	1.0000	\$144.38	\$42.77
1938	68.50	\$5,101.20	48.00	3.12	0.0929	1.0000	\$474.10	\$151.97
1937	69.50	\$3,297.57	48.00	2.86	0.0853	1.0000	\$281.36	\$98.24
1936	70.50	\$5,813.99	48.00	2.61	0.0777	1.0000	\$451.97	\$173.21
1935	71.50	\$971.70	48.00	2.36	0.0702	1.0000	\$68.22	\$28.95
1934	72.50	\$5,118.90	48.00	2.11	0.0627	1.0000	\$321.21	\$152.50
1933	73.50	\$567.19	48.00	1.86	0.0554	1.0000	\$31.42	\$16.90
1932	74.50	\$2,845.10	48.00	1.62	0.0482	1.0000	\$137.03	\$84.76
1931	75.50	\$5,511.15	48.00	1.38	0.0410	1.0000	\$226.22	\$164.19
1930	76.50	\$3,867.31	48.00	1.14	0.0340	1.0000	\$131.46	\$115.21
1929	77.50	\$5,744.65	48.00	0.90	0.0268	1.0000	\$153.81	\$171.14
1928	78.50	\$33,519.66	48.00	0.72	0.0216	1.0000	\$723.95	\$998.61
1927	79.50	\$2,156.15	48.00	0.57	0.0170	1.0000	\$36.61	\$64.24
1926	80.50	\$0.00	48.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	81.50	\$0.00	48.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	82.50	\$1,224.01	48.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	83.50	\$3,644.04	48.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$626.71	48.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1921	85.50	\$2,286.16	48.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$22,349,334.40	48.00	25.20	0.7509	1.0000	\$16,781,812.26	\$665,592.11

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 46

Account: OECO 101/6-355 Poles & fixtures

Scenario: Ohio 2007 Transmission Accounts ADR

Dispersion: 48 - R3

Average Net Salvage Rate: -43.00%

Future Net Salvage Rate: -43.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$22,349,334.40	\$16,014,842.22	0.7166	\$15,944,705.97	0.7134
Computed	\$22,349,334.40	\$15,177,735.93	0.6791	\$16,781,812.26	0.7509
Difference		\$837,106.29	0.0375	(\$837,106.29)	-0.0375

Ohio 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 55 R2.

Actuarial Life Analysis

109 R3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 30 - 72 Years

Recommendation

Continue to use 55 R2 Based on Industry Standards and Actuarial Life Analysis

Comments:

The current Iowa Curve is representative of industry standards today according to the 2003 EEI Study, and the curve is a good match to the current exposures in this account.

Salvage Factor Estimates

Current Net salvage Rate is	-40%
Proposed Net salvage Rate	-40%

Comments:

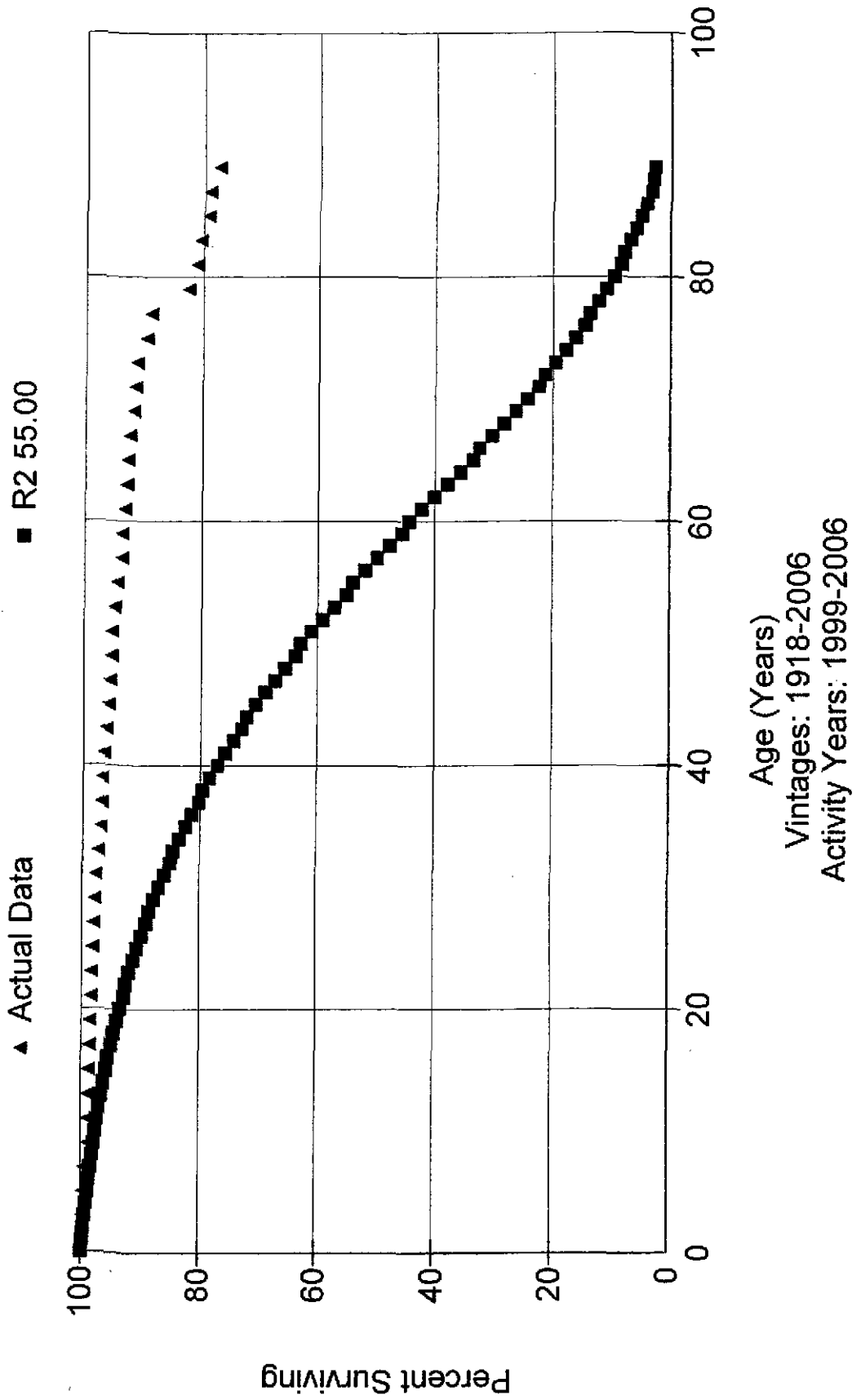
Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 15% to -60%. The current rate of -40% is recommended.

Summary of Recommendations

<u>55</u>	Average Service Life
<u>R2</u>	Iowa Curve
<u>-40</u>	% Net Salvage

Ohio Edison Compnay

Account 356 Overhead Conductor



Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OEEO 101/6-356 Overhead cond

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
0	1,017,087.08	6,008.08	0.00591	0.99409	100.00
0.5	4,741,910.37	3,354.05	0.00071	0.99929	99.41
1.5	7,582,976.55	291.73	0.00004	0.99996	99.34
2.5	11,998,196.51	1,090.68	0.00009	0.99991	99.34
3.5	15,293,646.36	3,042.80	0.00020	0.99980	99.33
4.5	12,362,239.41	5,117.06	0.00041	0.99959	99.31
5.5	12,232,175.33	5,722.78	0.00047	0.99953	99.27
6.5	11,364,392.51	19,281.74	0.00170	0.99830	99.22
7.5	17,573,315.80	99,163.64	0.00564	0.99436	99.05
8.5	19,931,792.98	6,479.42	0.00033	0.99967	98.49
9.5	18,688,324.03	3,505.95	0.00019	0.99981	98.46
10.5	17,278,156.56	2,156.69	0.00012	0.99988	98.44
11.5	17,012,040.48	3,239.42	0.00019	0.99981	98.43
12.5	20,387,142.51	2,435.88	0.00012	0.99988	98.41
13.5	27,726,473.54	20,193.81	0.00073	0.99927	98.40
14.5	23,721,016.65	1,088.49	0.00005	0.99995	98.33
15.5	16,208,920.20	5,837.86	0.00036	0.99964	98.33
16.5	15,379,089.69	4,435.28	0.00029	0.99971	98.29
17.5	12,139,903.48	2,099.80	0.00017	0.99983	98.26
18.5	16,371,285.12	4,868.23	0.00030	0.99970	98.24
19.5	15,106,235.98	3,248.87	0.00022	0.99978	98.21
20.5	8,736,445.31	19,351.28	0.00221	0.99779	98.19
21.5	14,185,859.00	2,952.02	0.00021	0.99979	97.97
22.5	14,636,660.60	3,069.45	0.00021	0.99979	97.95
23.5	8,760,705.59	17,020.94	0.00194	0.99806	97.93
24.5	8,230,332.49	3,478.93	0.00042	0.99958	97.74
25.5	6,479,753.70	2,377.92	0.00037	0.99963	97.70
26.5	6,055,217.30	4,641.92	0.00077	0.99923	97.66
27.5	7,511,470.11	4,763.63	0.00063	0.99937	97.58
28.5	8,950,218.14	12,865.68	0.00144	0.99856	97.52
29.5	6,733,314.79	6,364.61	0.00095	0.99905	97.38
30.5	5,848,867.80	4,063.99	0.00069	0.99931	97.29
31.5	6,109,789.99	14,586.44	0.00239	0.99761	97.22
32.5	5,350,241.90	2,390.96	0.00045	0.99955	96.99
33.5	4,489,375.38	2,109.85	0.00047	0.99953	96.95
34.5	2,999,112.29	13,816.95	0.00461	0.99539	96.90
35.5	2,997,314.00	2,199.65	0.00073	0.99927	96.45
36.5	8,577,560.38	3,165.34	0.00037	0.99963	96.38
37.5	8,983,721.77	6,586.53	0.00073	0.99927	96.34
38.5	9,796,422.53	4,499.57	0.00046	0.99954	96.27
39.5	9,648,005.22	11,510.77	0.00119	0.99881	96.23
40.5	5,239,361.55	5,620.44	0.00107	0.99893	96.12
41.5	6,539,559.05	9,153.95	0.00140	0.99860	96.02
42.5	5,580,643.96	13,093.59	0.00235	0.99765	95.89
43.5	4,723,795.40	7,242.89	0.00153	0.99847	95.66
44.5	5,419,537.20	9,067.28	0.00167	0.99833	95.51
45.5	4,612,428.33	5,932.67	0.00129	0.99871	95.35
46.5	3,141,945.97	4,333.07	0.00138	0.99862	95.23
47.5	2,570,614.53	2,504.12	0.00097	0.99903	95.10
48.5	2,909,235.78	4,574.85	0.00157	0.99843	95.01
49.5	3,478,824.26	2,325.28	0.00067	0.99933	94.86
50.5	2,820,207.88	-868.25	-0.00031	1.00031	94.80
51.5	1,922,443.72	4,041.64	0.00210	0.99790	94.83
52.5	2,700,710.12	5,493.45	0.00203	0.99797	94.63

Observed Life Table

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Scenario: Ohio 2007 Transmission Accounts

Account: OEEO 101/6-356 Overhead cond

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	2,284,333.01	8,508.29	0.00372	0.99628	94.44
54.5	1,115,120.46	1,229.55	0.00110	0.99890	94.09
55.5	1,047,049.74	5,807.68	0.00555	0.99445	93.99
56.5	577,100.92	1,327.05	0.00230	0.99770	93.47
57.5	547,393.56	21.67	0.00004	0.99996	93.26
58.5	549,306.03	39.19	0.00007	0.99993	93.26
59.5	535,857.53	2,669.89	0.00498	0.99502	93.25
60.5	120,948.10	30.06	0.00025	0.99975	92.79
61.5	115,690.24	84.42	0.00073	0.99927	92.77
62.5	100,091.46	90.88	0.00091	0.99909	92.70
63.5	101,189.35	41.63	0.00042	0.99958	92.62
64.5	60,945.68	135.51	0.00223	0.99777	92.58
65.5	52,062.76	158.79	0.00305	0.99695	92.37
66.5	46,725.59	22.13	0.00047	0.99953	92.09
67.5	64,483.88	25.89	0.00040	0.99960	92.05
68.5	79,719.22	583.02	0.00731	0.99269	92.01
69.5	160,098.29	290.89	0.00182	0.99818	91.34
70.5	533,811.11	508.91	0.00095	0.99905	91.17
71.5	493,772.32	132.34	0.00027	0.99973	91.08
72.5	234,015.87	319.50	0.00137	0.99863	91.06
73.5	220,050.61	3,724.58	0.01693	0.98307	90.94
74.5	234,366.23	295.30	0.00126	0.99874	89.40
75.5	396,574.89	2,903.09	0.00732	0.99268	89.29
76.5	306,772.99	299.35	0.00097	0.99903	88.64
77.5	160,750.42	10,497.09	0.06530	0.93470	88.55
78.5	82,594.85	510.17	0.00617	0.99383	82.77
79.5	48,074.15	762.93	0.01587	0.98413	82.26
80.5	57,704.23	176.38	0.00305	0.99695	80.95
81.5	51,826.96	328.11	0.00633	0.99367	80.70
82.5	48,870.27	41.07	0.00084	0.99916	80.19
83.5	21,834.45	356.61	0.01635	0.98365	80.12
84.5	17,874.76	13.24	0.00073	0.99927	78.81
85.5	10,811.45	0.78	0.00009	0.99991	78.75
86.5	10,516.98	0.00	0.00000	1.00000	78.74
87.5	10,339.98	214.18	0.02070	0.97930	78.74
88.5	0.00	0.00	0.00000	0.00000	77.11

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 356 Overhead Conductor	1999	369.61	19,829.77	5365.05	0.00	0.00	21,649.92	5857.50	(1,820.15)	-492.45	-492.45
OECO 356 Overhead Conductor	2000	260,320.69	0.00	0.00	0.00	0.00	12,925.99	4.97	(12,925.99)	-4.97	-4.97
OECO 356 Overhead Conductor	2001	1,981.77	0.00	0.00	0.00	0.00	2,412.12	121.72	(2,412.12)	-121.72	-121.72
OECO 356 Overhead Conductor	2002	6,998.87	0.00	0.00	0.00	0.00	32,619.75	466.07	(32,619.75)	-466.07	-466.07
OECO 356 Overhead Conductor	2003	6,709.51	28,542.45	425.40	0.00	0.00	5,029.92	74.97	23,512.53	350.44	350.44
OECO 356 Overhead Conductor	2004	142.83	93,128.49	65202.33	0.00	0.00	6,937.00	4856.82	86,191.49	60345.51	60345.51
OECO 356 Overhead Conductor	2005	1,377.90	0.00	0.00	0.00	0.00	15,171.88	1101.09	(15,171.88)	-1101.09	-1101.09
OECO 356 Overhead Conductor	2006	77,662.66	0.00	0.00	0.00	0.00	15,473.51	19.92	(15,473.51)	-19.92	-19.92
		355,563.84	141,500.71	39.80	0.00	0.00	112,220.09	31.56	29,280.62	8.23	

Whole Life Depreciation Accrual

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Account: OECO 101/6-356 Overhead cond

Dispersion: 55 - R2

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$27,927,906.98		\$707,501.03	2.533314
Whole Life		55	\$710,892.18	
Amortization		0	\$0.00	
Retirements	\$266,447.70	55	\$3,391.15	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$27,927,906.98 *		\$707,501.03	2.533316
Average:	\$27,794,683.13		\$707,501.03	2.545455
Grand Total:	\$27,927,906.98 *		\$707,501.03	2.533316

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-356 Overhead cond

Dispersion: 55.00 - R2

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

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	\$266,363.69	55.00	54.55	1.3885	1.0000	\$369,838.94	\$6,780.17
2005	1.50	\$315,923.79	55.00	53.64	1.3655	1.0000	\$431,391.38	\$8,041.70
2004	2.50	\$21,300.30	55.00	52.75	1.3426	1.0000	\$28,598.70	\$542.19
2003	3.50	\$470,169.67	55.00	51.85	1.3199	1.0000	\$620,592.96	\$11,967.96
2002	4.50	\$594,694.68	55.00	50.97	1.2973	1.0000	\$771,509.11	\$15,137.68
2001	5.50	\$232,582.79	55.00	50.08	1.2748	1.0000	\$296,504.14	\$5,920.29
2000	6.50	\$212,574.49	55.00	49.20	1.2525	1.0000	\$266,245.54	\$5,410.99
1999	7.50	\$190,653.31	55.00	48.33	1.2303	1.0000	\$234,552.30	\$4,852.99
1998	8.50	\$213,330.64	55.00	47.46	1.2082	1.0000	\$257,744.11	\$5,430.23
1997	9.50	\$71,298.49	55.00	46.60	1.1862	1.0000	\$84,577.74	\$1,814.87
1996	10.50	\$89,964.72	55.00	45.75	1.1644	1.0000	\$104,758.81	\$2,290.01
1995	11.50	\$487,756.40	55.00	44.89	1.1428	1.0000	\$557,395.56	\$12,415.62
1994	12.50	\$575,154.74	55.00	44.05	1.1213	1.0000	\$644,896.53	\$14,640.30
1993	13.50	\$1,163,901.28	55.00	43.21	1.0999	1.0000	\$1,280,153.06	\$29,626.58
1992	14.50	\$827,204.51	55.00	42.38	1.0787	1.0000	\$892,311.44	\$21,056.11
1991	15.50	\$5,492,534.43	55.00	41.55	1.0577	1.0000	\$5,809,208.85	\$139,809.97
1990	16.50	\$2,534,263.90	55.00	40.73	1.0368	1.0000	\$2,627,427.94	\$64,508.54
1989	17.50	\$359,454.48	55.00	39.92	1.0160	1.0000	\$365,215.49	\$9,149.75
1988	18.50	\$649,649.19	55.00	39.11	0.9955	1.0000	\$646,694.65	\$16,536.52
1987	19.50	\$513,294.07	55.00	38.31	0.9751	1.0000	\$500,500.54	\$13,065.67
1986	20.50	\$1,482,755.58	55.00	37.51	0.9549	1.0000	\$1,415,820.72	\$37,742.87
1985	21.50	\$187,814.72	55.00	36.72	0.9348	1.0000	\$175,569.01	\$4,780.74
1984	22.50	\$367,814.60	55.00	35.94	0.9149	1.0000	\$336,520.44	\$9,362.55
1983	23.50	\$298,985.81	55.00	35.17	0.8952	1.0000	\$267,658.14	\$7,610.55
1982	24.50	\$327,150.21	55.00	34.40	0.8757	1.0000	\$286,484.77	\$8,327.46
1981	25.50	\$906,287.87	55.00	33.64	0.8564	1.0000	\$776,155.68	\$23,089.15
1980	26.50	\$655,908.24	55.00	32.89	0.8373	1.0000	\$549,179.33	\$16,695.85
1979	27.50	\$59,388.80	55.00	32.15	0.8183	1.0000	\$48,600.04	\$1,511.71
1978	28.50	\$334,410.88	55.00	31.41	0.7996	1.0000	\$267,390.02	\$8,512.28
1977	29.50	\$368,639.07	55.00	30.68	0.7810	1.0000	\$287,916.63	\$9,383.54
1976	30.50	\$906,805.73	55.00	29.96	0.7627	1.0000	\$691,645.80	\$23,082.33
1975	31.50	\$270,561.43	55.00	29.25	0.7446	1.0000	\$201,459.42	\$6,887.02
1974	32.50	\$455,210.07	55.00	28.55	0.7267	1.0000	\$330,789.26	\$11,587.17
1973	33.50	\$457,171.25	55.00	27.85	0.7090	1.0000	\$324,119.23	\$11,637.09

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 55

Account: OECO 101/6-356 Overhead cond

Dispersion: 55.00 - R2

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

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	\$298,651.70	55.00	27.17	0.6915	1.0000	\$206,510.15	\$7,602.04
1971	35.50	\$203,355.36	55.00	26.49	0.6742	1.0000	\$137,101.54	\$5,176.32
1970	36.50	\$340,371.90	55.00	25.82	0.6572	1.0000	\$223,695.14	\$8,664.01
1969	37.50	\$200,985.40	55.00	25.16	0.6404	1.0000	\$128,710.87	\$5,115.99
1968	38.50	\$241,290.80	55.00	24.51	0.6238	1.0000	\$150,522.45	\$6,141.95
1967	39.50	\$278,740.58	55.00	23.87	0.6075	1.0000	\$169,329.10	\$7,095.21
1966	40.50	\$187,568.18	55.00	23.23	0.5914	1.0000	\$110,924.65	\$4,774.46
1965	41.50	\$239,513.29	55.00	22.61	0.5756	1.0000	\$137,858.86	\$6,096.70
1964	42.50	\$195,624.39	55.00	22.00	0.5600	1.0000	\$109,546.41	\$4,979.53
1963	43.50	\$344,799.68	55.00	21.40	0.5446	1.0000	\$187,789.43	\$8,776.72
1962	44.50	\$264,180.48	55.00	20.80	0.5295	1.0000	\$139,895.31	\$6,724.59
1961	45.50	\$119,400.57	55.00	20.22	0.5147	1.0000	\$61,456.15	\$3,039.29
1960	46.50	\$179,699.03	55.00	19.65	0.5001	1.0000	\$89,872.80	\$4,574.16
1959	47.50	\$145,662.41	55.00	19.09	0.4859	1.0000	\$70,774.33	\$3,707.77
1958	48.50	\$158,553.81	55.00	18.54	0.4718	1.0000	\$74,813.55	\$4,035.92
1957	49.50	\$285,945.54	55.00	18.00	0.4581	1.0000	\$130,987.83	\$7,278.61
1956	50.50	\$111,669.70	55.00	17.47	0.4446	1.0000	\$49,648.09	\$2,842.50
1955	51.50	\$164,307.22	55.00	16.95	0.4314	1.0000	\$70,877.59	\$4,182.37
1954	52.50	\$147,954.39	55.00	16.44	0.4185	1.0000	\$61,914.82	\$3,766.11
1953	53.50	\$188,489.18	55.00	15.94	0.4058	1.0000	\$76,490.71	\$4,797.91
1952	54.50	\$208,378.75	55.00	15.46	0.3934	1.0000	\$81,981.95	\$5,304.19
1951	55.50	\$74,440.80	55.00	14.98	0.3813	1.0000	\$28,385.63	\$1,894.86
1950	56.50	\$218,366.61	55.00	14.52	0.3695	1.0000	\$80,682.59	\$5,558.42
1949	57.50	\$32,171.59	55.00	14.06	0.3579	1.0000	\$11,514.83	\$818.91
1948	58.50	\$33,992.84	55.00	13.62	0.3467	1.0000	\$11,783.79	\$865.27
1947	59.50	\$17,000.17	55.00	13.19	0.3356	1.0000	\$5,705.97	\$432.73
1946	60.50	\$400,900.52	55.00	12.76	0.3249	1.0000	\$130,248.99	\$10,204.74
1945	61.50	\$13,151.66	55.00	12.35	0.3144	1.0000	\$4,134.89	\$334.77
1944	62.50	\$23,284.83	55.00	11.95	0.3042	1.0000	\$7,082.76	\$582.70
1943	63.50	\$3,802.59	55.00	11.56	0.2942	1.0000	\$1,118.69	\$96.79
1942	64.50	\$44,215.04	55.00	11.17	0.2845	1.0000	\$12,577.10	\$1,125.47
1941	65.50	\$6,844.93	55.00	10.80	0.2750	1.0000	\$1,882.02	\$174.23
1940	66.50	\$19,922.67	55.00	10.44	0.2657	1.0000	\$5,293.15	\$507.12
1939	67.50	\$4,165.03	55.00	10.08	0.2566	1.0000	\$1,068.92	\$106.02

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 56

Account: OECO 101/6-356 Overhead cond

Dispersion: 55.00 - R2

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

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	\$3,529.79	55.00	9.74	0.2478	1.0000	\$874.74	\$89.85
1937	69.50	\$6,869.20	55.00	9.39	0.2391	1.0000	\$1,642.52	\$174.85
1936	70.50	\$3,575.34	55.00	9.06	0.2306	1.0000	\$824.63	\$91.01
1935	71.50	\$3,771.85	55.00	8.74	0.2224	1.0000	\$838.70	\$96.01
1934	72.50	\$6,311.12	55.00	8.42	0.2142	1.0000	\$1,352.04	\$160.65
1933	73.50	\$489.56	55.00	8.10	0.2063	1.0000	\$100.98	\$12.46
1932	74.50	\$17,604.93	55.00	7.79	0.1983	1.0000	\$3,491.06	\$448.13
1931	75.50	\$10,154.88	55.00	7.48	0.1905	1.0000	\$1,934.77	\$258.49
1930	76.50	\$2,355.47	55.00	7.18	0.1829	1.0000	\$430.73	\$59.96
1929	77.50	\$10,129.07	55.00	6.89	0.1753	1.0000	\$1,775.51	\$257.83
1928	78.50	\$14,927.41	55.00	6.59	0.1678	1.0000	\$2,504.86	\$379.97
1927	79.50	\$33,292.06	55.00	6.30	0.1604	1.0000	\$5,339.55	\$847.43
1926	80.50	\$2,396.45	55.00	6.00	0.1528	1.0000	\$366.14	\$61.00
1925	81.50	\$5,700.89	55.00	5.71	0.1454	1.0000	\$828.74	\$145.11
1924	82.50	\$179.10	55.00	5.42	0.1380	1.0000	\$24.71	\$4.56
1923	83.50	\$26,994.75	55.00	5.13	0.1307	1.0000	\$3,527.14	\$687.14
1922	84.50	\$3,603.08	55.00	4.85	0.1234	1.0000	\$444.53	\$91.71
1921	85.50	\$7,050.07	55.00	4.55	0.1158	1.0000	\$816.70	\$179.46
1920	86.50	\$293.69	55.00	4.26	0.1085	1.0000	\$31.86	\$7.48
1919	87.50	\$177.00	55.00	3.98	0.1012	1.0000	\$17.91	\$4.51
1918	88.50	\$10,125.80	55.00	3.69	0.0940	1.0000	\$951.44	\$257.75
		\$27,927,906.98	55.00	35.94	0.9148	1.0000	\$25,548,726.65	\$710,892.18

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 57

Account: OECO 101/6-356 Overhead cond
 Scenario: Ohio 2007 Transmission Accounts ADR
 Version: 55 - R2
 Average Net Salvage Rate: -40.00%
 Future Net Salvage Rate: -40.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$27,927,906.98	\$13,766,044.91	0.4929	\$25,333,024.86	0.9071
Computed	\$27,927,906.98	\$13,549,343.13	0.4852	\$25,549,726.64	0.9148
Difference		\$216,701.78	0.0078	(\$216,701.78)	-0.0078

Ohio 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 is 66 S3.

Actuarial Life Analysis

Account 357 does not have enough history for analysis.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 28.5 to 75 Years.

Recommendation

Change to 60 S3 Based on Industry Standards and Actuarial Life Analysis.

Comments:

This account has limited history for analysis, but the decreased life is more in line with EEI Standards.

Salvage Factor Estimates

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

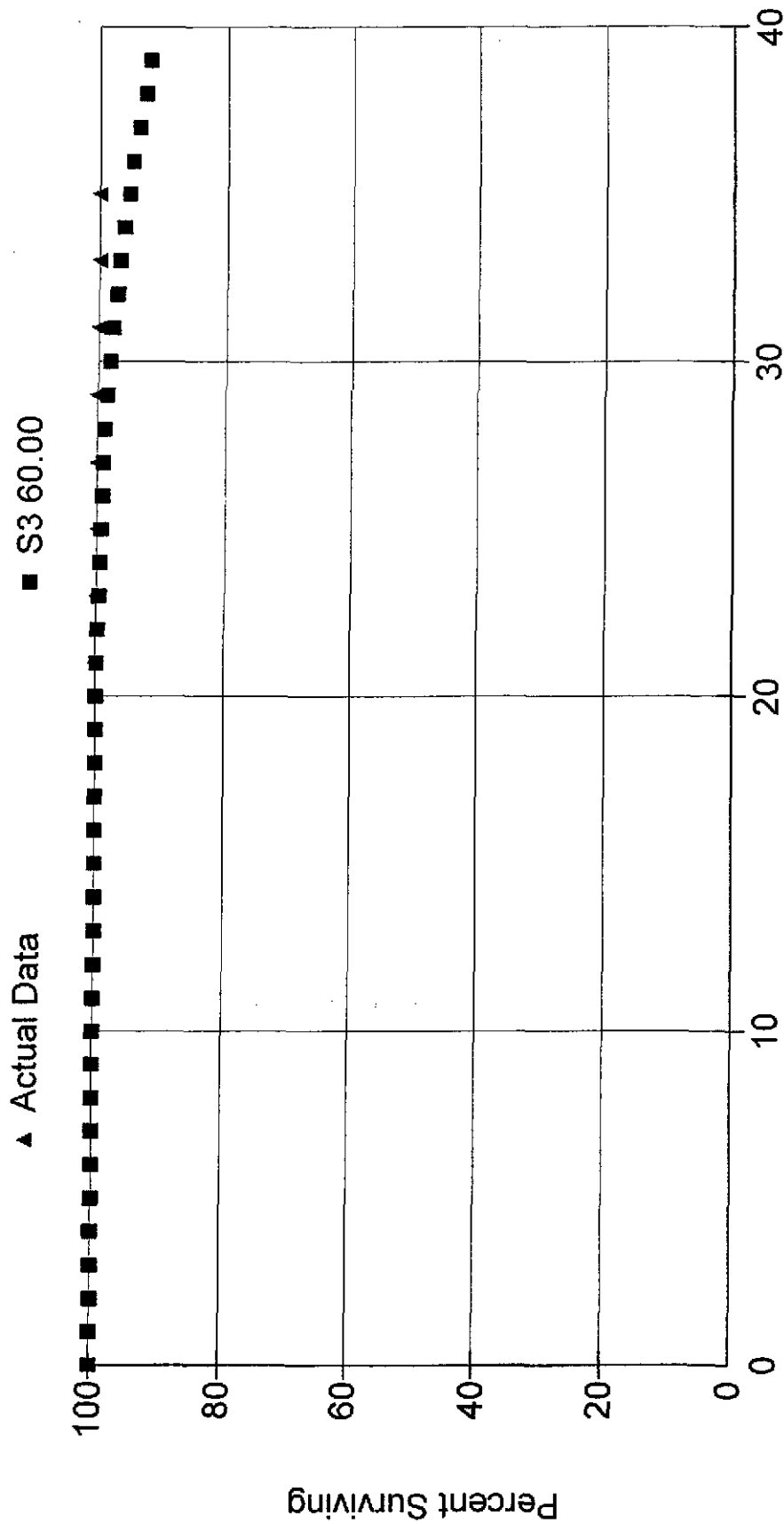
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to -20%. As there were no retirements during the study period no change in the rate is recommended.

Summary of Recommendations

<u>60</u>	Average Service Life
<u>S3</u>	Iowa Curve
<u>0</u>	% Net Salvage

Ohio Edison Company Account 357 Underground Conduit



Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OECO 101/6-357 Underground conduit

Placement Band: 1971 - 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
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	0.00	0.00	0.00000	0.00000	
2.5	0.00	0.00	0.00000	0.00000	
3.5	0.00	0.00	0.00000	0.00000	
4.5	0.00	0.00	0.00000	0.00000	
5.5	205,942.15	0.00	0.00000	1.00000	
6.5	205,942.15	0.00	0.00000	1.00000	
7.5	212,340.94	0.00	0.00000	1.00000	
8.5	212,340.94	0.00	0.00000	1.00000	
9.5	276,779.29	0.00	0.00000	1.00000	
10.5	276,779.29	0.00	0.00000	1.00000	
11.5	276,779.29	0.00	0.00000	1.00000	
12.5	276,779.29	0.00	0.00000	1.00000	
13.5	70,837.14	0.00	0.00000	1.00000	
14.5	70,837.14	0.00	0.00000	1.00000	
15.5	69,580.88	0.00	0.00000	1.00000	
16.5	69,580.88	0.00	0.00000	1.00000	
17.5	5,142.53	0.00	0.00000	1.00000	
18.5	5,142.53	0.00	0.00000	1.00000	
19.5	9,668.19	0.00	0.00000	1.00000	
20.5	54,353.85	0.00	0.00000	1.00000	
21.5	65,116.60	0.00	0.00000	1.00000	
22.5	88,674.81	0.00	0.00000	1.00000	
23.5	295,346.35	0.00	0.00000	1.00000	
24.5	394,559.25	0.00	0.00000	1.00000	
25.5	398,872.20	0.00	0.00000	1.00000	
26.5	1,081,059.71	0.00	0.00000	1.00000	
27.5	1,152,110.22	0.00	0.00000	1.00000	
28.5	1,107,424.56	0.00	0.00000	1.00000	
29.5	1,096,661.81	0.00	0.00000	1.00000	
30.5	1,073,103.60	0.00	0.00000	1.00000	
31.5	861,289.53	0.00	0.00000	1.00000	
32.5	762,076.63	0.00	0.00000	1.00000	
33.5	757,763.68	0.00	0.00000	1.00000	
34.5	75,576.17	0.00	0.00000	1.00000	
35.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
		Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 357 Underground Conduit	1999	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2000	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2001	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2002	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2003	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2005	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 357 Underground Conduit	2006	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

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Account: OECO 101/6-357 Underground conduit

Dispersion: 60 - S3

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	\$1,503,634.67		\$24,997.75	1.662521
Whole Life		60	\$25,060.58	
Amortization		0	\$0.00	
Retirements	\$7,539.93	60	\$62.83	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$1,503,634.67 *		\$24,997.75	1.662554
Average:	\$1,499,864.70		\$24,997.75	1.666667
Grand Total:	\$1,503,634.67 *		\$24,997.75	1.662554

* Excluding 2007 Retirements

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 64

Account: OECO 101/6-357 Underground conduit

Dispersion: 60.00 - S3

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
2003	3.50	\$0.00	60.00	56.50	0.9417	1.0000	\$0.00	\$0.00
1995	11.50	\$65,076.97	60.00	48.50	0.8084	1.0000	\$52,605.59	\$1,084.62
1993	13.50	\$205,942.15	60.00	46.50	0.7751	1.0000	\$159,618.43	\$3,432.37
1991	15.50	\$6,398.79	60.00	44.51	0.7418	1.0000	\$4,746.89	\$106.65
1989	17.50	\$64,438.35	60.00	42.52	0.7087	1.0000	\$45,669.84	\$1,073.97
1983	23.50	\$5,142.53	60.00	38.65	0.6109	1.0000	\$3,141.62	\$85.71
1979	27.50	\$4,525.66	60.00	32.88	0.5481	1.0000	\$2,480.40	\$75.43
1978	28.50	\$44,685.66	60.00	31.97	0.5328	1.0000	\$23,808.19	\$744.76
1977	29.50	\$10,762.75	60.00	31.07	0.5178	1.0000	\$5,572.98	\$179.38
1976	30.50	\$23,558.21	60.00	30.18	0.5030	1.0000	\$11,849.23	\$392.64
1975	31.50	\$211,814.07	60.00	29.30	0.4884	1.0000	\$103,444.45	\$3,530.23
1974	32.50	\$99,212.90	60.00	28.45	0.4741	1.0000	\$47,039.21	\$1,653.55
1973	33.50	\$4,312.95	60.00	27.60	0.4601	1.0000	\$1,984.25	\$71.88
1972	34.50	\$682,187.51	60.00	26.78	0.4463	1.0000	\$304,491.84	\$11,369.79
1971	35.50	\$75,576.17	60.00	25.97	0.4329	1.0000	\$32,715.73	\$1,259.60
		\$1,503,634.67	60.00	31.89	0.5315	1.0000	\$799,168.65	\$25,060.58

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 65

Account: OECO 101/6-357 Underground conduit
 Scenario: Ohio 2007 Transmission Accounts ADR
 Version: 60 - S3

Average Net Salvage Rate: 0.00%

Future Net Salvage Rate: 0.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$1,503,634.67	\$678,326.34	0.4511	\$825,308.33	0.5489
Computed	\$1,503,634.67	\$704,466.02	0.4685	\$799,168.65	0.5315
Difference		(\$26,139.68)	-0.0174	\$26,139.68	0.0174

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 358 Underground Conductor

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 45 R3.

Actuarial Life Analysis

241 S1.5 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 28.5 to 72 Years.

Recommendation

Continue to use 45 R3 Based on Industry Standards and Actuarial Life Analysis

Comments:

The current Iowa Curve is representative of industry standards today according to the 2003 EEI Study, and the curve is a good match to the current exposures in this account.

Salvage Factor Estimates

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

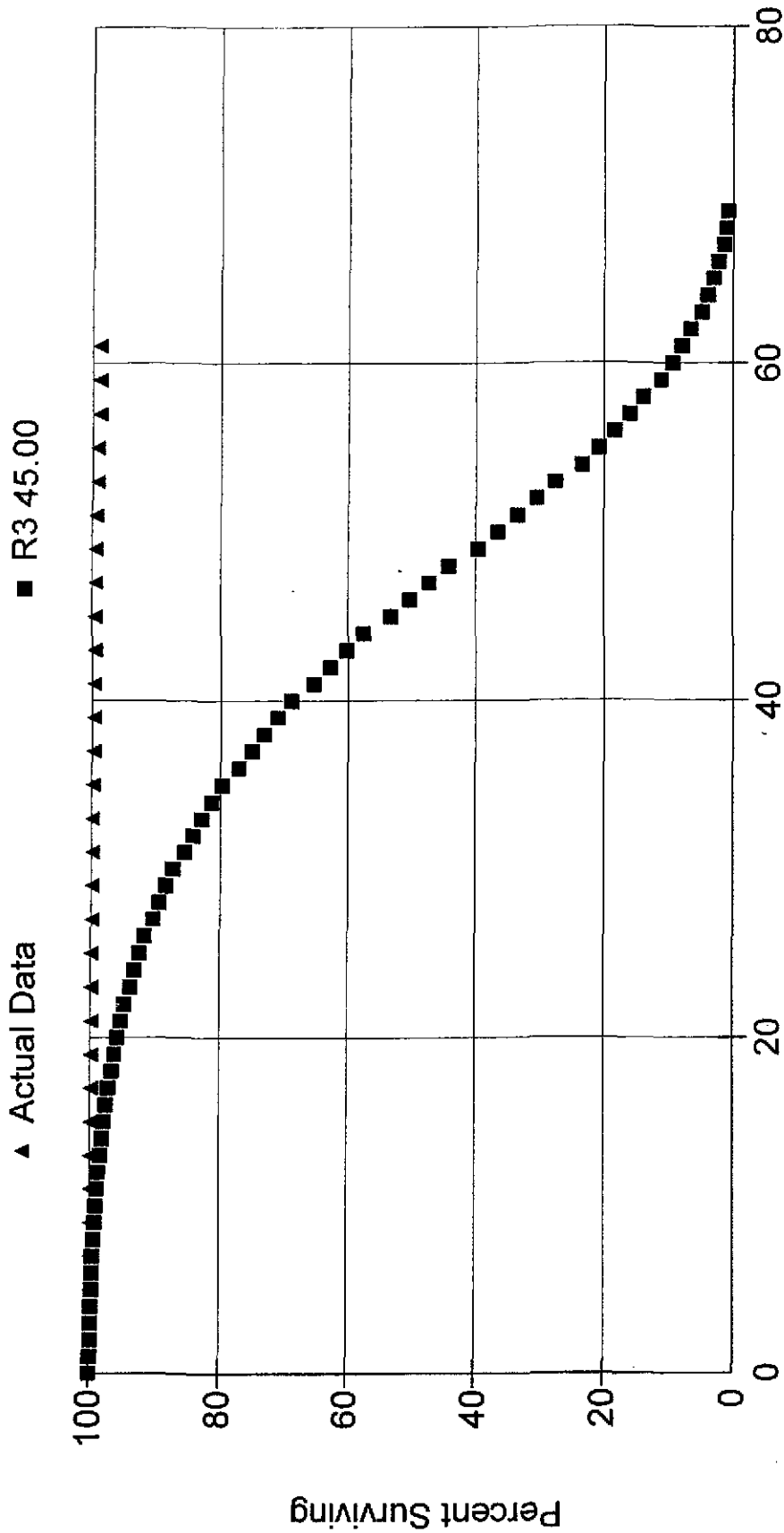
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 10% to -30%. The study data has limited information and the current rate is recommended.

Summary of Recommendations

<u>45</u>	Average Service Life
<u>R3</u>	Iowa Curve
<u>10</u>	% Net Salvage

Ohio Edison Company Account 358 Underground Conductor



Age (Years)
Vintages: 1946-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OECO 101/6-358 Undergrd condtr CR

Placement Band: 1946 - 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
0	208,184.40	64.34	0.00031	0.99969	100.00
0.5	195,662.75	0.00	0.00000	1.00000	99.97
1.5	278,792.87	0.00	0.00000	1.00000	99.97
2.5	190,463.06	0.00	0.00000	1.00000	99.97
3.5	87,231.75	0.00	0.00000	1.00000	99.97
4.5	40,666.52	0.00	0.00000	1.00000	99.97
5.5	97,372.39	0.00	0.00000	1.00000	99.97
6.5	97,372.39	0.00	0.00000	1.00000	99.97
7.5	129,718.40	0.00	0.00000	1.00000	99.97
8.5	140,202.22	0.00	0.00000	1.00000	99.97
9.5	574,111.40	54.94	0.00010	0.99990	99.97
10.5	602,501.28	0.00	0.00000	1.00000	99.96
11.5	651,140.38	0.00	0.00000	1.00000	99.96
12.5	651,140.38	109.88	0.00017	0.99983	99.96
13.5	844,561.89	22.03	0.00003	0.99997	99.94
14.5	881,123.67	0.00	0.00000	1.00000	99.94
15.5	846,957.79	0.00	0.00000	1.00000	99.94
16.5	1,037,647.60	103.33	0.00010	0.99990	99.94
17.5	766,519.16	38.91	0.00005	0.99995	99.93
18.5	924,295.74	0.00	0.00000	1.00000	99.93
19.5	1,041,279.09	74.45	0.00007	0.99993	99.93
20.5	1,872,936.89	194.04	0.00010	0.99990	99.92
21.5	1,632,721.83	108.22	0.00007	0.99993	99.91
22.5	1,638,685.75	0.00	0.00000	1.00000	99.90
23.5	1,662,357.58	363.28	0.00022	0.99978	99.90
24.5	1,756,024.06	92.96	0.00005	0.99995	99.88
25.5	1,688,868.56	28.17	0.00002	0.99998	99.88
26.5	2,031,241.01	144.40	0.00007	0.99993	99.88
27.5	1,892,735.37	175.65	0.00009	0.99991	99.87
28.5	1,084,541.12	0.00	0.00000	1.00000	99.86
29.5	1,131,110.89	314.66	0.00028	0.99972	99.86
30.5	1,198,789.80	54.72	0.00005	0.99995	99.83
31.5	1,176,075.73	11.29	0.00001	0.99999	99.83
32.5	881,221.91	74.42	0.00008	0.99992	99.83
33.5	823,959.53	121.64	0.00015	0.99985	99.82
34.5	332,629.52	24.44	0.00007	0.99993	99.81
35.5	312,082.27	16.20	0.00005	0.99995	99.80
36.5	292,546.56	46.48	0.00016	0.99984	99.80
37.5	217,980.69	39.45	0.00018	0.99982	99.78
38.5	127,847.95	39.17	0.00031	0.99969	99.76
39.5	140,790.57	12.97	0.00009	0.99991	99.73
40.5	294,323.61	138.28	0.00047	0.99953	99.72
41.5	265,136.07	43.47	0.00016	0.99984	99.67
42.5	375,918.47	169.55	0.00045	0.99955	99.65
43.5	373,465.17	303.74	0.00081	0.99919	99.61
44.5	398,961.02	18.04	0.00005	0.99995	99.53
45.5	389,053.82	311.56	0.00080	0.99920	99.53
46.5	369,076.80	0.00	0.00000	1.00000	99.45
47.5	358,656.28	28.65	0.00008	0.99992	99.45
48.5	205,500.35	0.00	0.00000	1.00000	99.44
49.5	196,247.71	0.00	0.00000	1.00000	99.44
50.5	48,962.45	41.91	0.00086	0.99914	99.44
51.5	48,586.16	0.00	0.00000	1.00000	99.35
52.5	234,340.92	363.79	0.00155	0.99845	99.35

Observed Life Table

Scenario: Ohio 2007 Transmission Accounts

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Account: OECO 101/6-358 Undergrd condtr CR

Placement Band: 1946 - 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	233,977.13	0.00	0.00000	1.00000	99.20
54.5	233,317.91	0.00	0.00000	1.00000	99.20
55.5	218,938.10	808.42	0.00369	0.99631	99.20
56.5	218,129.68	0.00	0.00000	1.00000	98.83
57.5	218,129.68	0.00	0.00000	1.00000	98.83
58.5	218,129.68	0.00	0.00000	1.00000	98.83
59.5	214,069.17	0.00	0.00000	1.00000	98.83
60.5	0.00	0.00	0.00000	0.00000	98.83

Net Salvage Analysis Report

Account	Year	Retirements		Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
		Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 358 Underground Conductor	1999	1,430.63	0.00	0.00	0.00	0.00	0.00	1,078.34	75.38	(1,078.34)	-75.38	-75.38
OECO 358 Underground Conductor	2002	3,126.82	-404.51	(12,648.33)	0.00	0.00	0.00	0.00	0.00	(12,648.33)	-404.51	-404.51
OECO 358 Underground Conductor	2004	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 358 Underground Conductor	2005	0.00	0.00	0.00	0.00	0.00	0.00	11.21	0.00	(11.21)	0.00	0.00
OECO 358 Underground Conductor	2006	0.00	0.00	0.00	0.00	0.00	0.00	239.63	0.00	(239.63)	0.00	0.00
		4,557.45	(12,648.33)	-277.53	0.00	0.00	0.00	1,329.18	29.16	(13,977.51)	-306.70	

Whole Life Depreciation Accrual

Vol. 4B, Attach. PRC-1, p. 72

Account: OECO 101/6-358 Undergrd condtr CR

Dispersion: 45 - R3

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	\$4,739,936.25		\$93,480.88	1.972208
Whole Life		45	\$94,798.73	
Amortization		0	\$0.00	
Retirements	\$131,784.44	45	\$1,317.84	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$4,739,936.25 *		\$93,480.88	1.972218
Average:	\$4,674,044.03		\$93,480.88	2.000000
Grand Total:	\$4,739,936.25 *		\$93,480.88	1.972218

* Excluding 2007 Retirements

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 73

Account: OECO 101/6-358 Undergrd condtr CR

Dispersion: 45.00 - R3

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	\$12,457.31	45.00	44.51	0.8902	1.0000	\$11,088.89	\$249.15
2005	1.50	\$5,199.69	45.00	43.53	0.8705	1.0000	\$4,526.37	\$103.99
2004	2.50	\$0.00	45.00	42.55	0.8509	1.0000	\$0.00	\$0.00
2003	3.50	\$103,231.31	45.00	41.57	0.8314	1.0000	\$85,825.90	\$2,064.63
2002	4.50	\$46,565.23	45.00	40.60	0.8119	1.0000	\$37,808.61	\$931.30
2001	5.50	\$27,862.29	45.00	39.63	0.7926	1.0000	\$22,083.15	\$557.25
1999	7.50	\$12,804.23	45.00	37.71	0.7541	1.0000	\$9,656.00	\$256.08
1998	8.50	\$0.00	45.00	36.75	0.7351	1.0000	\$0.00	\$0.00
1995	11.50	\$0.00	45.00	33.93	0.6786	1.0000	\$0.00	\$0.00
1993	13.50	\$84,568.16	45.00	32.08	0.6416	1.0000	\$54,262.98	\$1,691.36
1991	15.50	\$45,150.24	45.00	30.27	0.6054	1.0000	\$27,331.74	\$903.00
1990	16.50	\$10,483.82	45.00	29.37	0.5874	1.0000	\$6,158.59	\$209.68
1989	17.50	\$433,744.36	45.00	28.49	0.5697	1.0000	\$247,118.69	\$8,674.89
1988	18.50	\$28,444.82	45.00	27.61	0.5522	1.0000	\$15,707.69	\$568.90
1987	19.50	\$48,639.10	45.00	26.74	0.5349	1.0000	\$26,016.58	\$972.78
1985	21.50	\$278,011.42	45.00	25.04	0.5008	1.0000	\$139,237.92	\$5,560.23
1984	22.50	\$36,583.81	45.00	24.21	0.4841	1.0000	\$17,711.57	\$731.68
1983	23.50	\$10,984.36	45.00	23.38	0.4677	1.0000	\$5,136.94	\$219.69
1982	24.50	\$201,061.95	45.00	22.57	0.4514	1.0000	\$90,759.65	\$4,021.24
1981	25.50	\$162,641.43	45.00	21.77	0.4353	1.0000	\$70,805.36	\$3,252.83
1980	26.50	\$186,161.81	45.00	20.98	0.4196	1.0000	\$78,106.60	\$3,723.24
1979	27.50	\$165,622.45	45.00	20.20	0.4040	1.0000	\$66,914.96	\$3,312.45
1978	28.50	\$831,235.83	45.00	19.44	0.3887	1.0000	\$323,118.26	\$16,624.72
1977	29.50	\$37,961.25	45.00	18.68	0.3736	1.0000	\$14,183.70	\$759.23
1976	30.50	\$42,627.78	45.00	17.94	0.3589	1.0000	\$15,297.62	\$852.56
1975	31.50	\$34,612.21	45.00	17.22	0.3444	1.0000	\$11,919.38	\$692.24
1974	32.50	\$294,842.53	45.00	16.51	0.3302	1.0000	\$97,343.58	\$5,896.85
1973	33.50	\$95,578.89	45.00	15.81	0.3162	1.0000	\$30,225.01	\$1,911.58
1972	34.50	\$528,162.57	45.00	15.13	0.3026	1.0000	\$159,812.50	\$10,563.25
1971	35.50	\$27,246.36	45.00	14.47	0.2893	1.0000	\$7,882.45	\$544.93
1970	36.50	\$23,217.23	45.00	13.82	0.2764	1.0000	\$6,416.23	\$464.34
1969	37.50	\$84,419.39	45.00	13.19	0.2638	1.0000	\$22,266.20	\$1,688.39
1968	38.50	\$110,475.39	45.00	12.57	0.2515	1.0000	\$27,781.48	\$2,209.51
1967	39.50	\$11,930.28	45.00	11.98	0.2396	1.0000	\$2,858.83	\$238.61

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 74

Account: OECO 101/6-358 Undergrd condtr CR

Dispersion: 45.00 - R3

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
1965	41.50	\$38,328.96	45.00	10.86	0.2171	1.0000	\$8,321.75	\$766.58
1964	42.50	\$36,901.60	45.00	10.32	0.2065	1.0000	\$7,618.76	\$738.03
1963	43.50	\$6,691.09	45.00	9.81	0.1962	1.0000	\$1,312.76	\$133.82
1962	44.50	\$3,697.72	45.00	9.32	0.1864	1.0000	\$689.23	\$73.95
1961	45.50	\$9,889.16	45.00	8.85	0.1770	1.0000	\$1,750.53	\$197.78
1960	46.50	\$20,324.68	45.00	8.40	0.1681	1.0000	\$3,415.64	\$406.49
1959	47.50	\$24,860.20	45.00	7.97	0.1595	1.0000	\$3,965.02	\$497.20
1958	48.50	\$153,127.28	45.00	7.57	0.1514	1.0000	\$23,177.52	\$3,062.55
1957	49.50	\$9,252.64	45.00	7.18	0.1436	1.0000	\$1,328.86	\$185.05
1956	50.50	\$147,285.26	45.00	6.81	0.1363	1.0000	\$20,068.52	\$2,945.71
1955	51.50	\$4,394.89	45.00	6.46	0.1292	1.0000	\$568.03	\$87.90
1954	52.50	\$29,486.62	45.00	6.13	0.1226	1.0000	\$3,615.56	\$589.73
1952	54.50	\$659.22	45.00	5.51	0.1102	1.0000	\$72.62	\$13.18
1951	55.50	\$14,379.81	45.00	5.22	0.1043	1.0000	\$1,499.82	\$287.60
1947	59.50	\$4,060.51	45.00	4.13	0.0827	1.0000	\$335.62	\$81.21
1946	60.50	\$214,069.17	45.00	3.87	0.0775	1.0000	\$16,580.05	\$4,281.38
		\$4,739,938.25	45.00	19.30	0.3860	1.0000	\$1,829,683.70	\$94,798.73

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 75

Account: OECO 101/6-358 Undergrd condtr CR
 Scenario: Ohio 2007 Transmission Accounts ADR
 Version: 45 - R3

Average Net Salvage Rate: 10.00%
 Future Net Salvage Rate: 10.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$4,739,936.25	\$2,510,783.63	0.5297	\$1,755,159.00	0.3703
Computed	\$4,739,936.25	\$2,436,258.93	0.5140	\$1,829,683.69	0.3860
Difference		\$74,524.70	0.0157	(\$74,524.70)	-0.0157

Ohio 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 51 R4.

Actuarial Life Analysis

239 R3 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 33 to 60 Years.

Recommendation

Continue to use 51 R4 Based on Industry Standards and Actuarial Life Analysis

Comments:

No change to the average life is recommended. Due to limited retirements the results of the actuarial study are inconclusive.

Salvage Factor Estimates

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

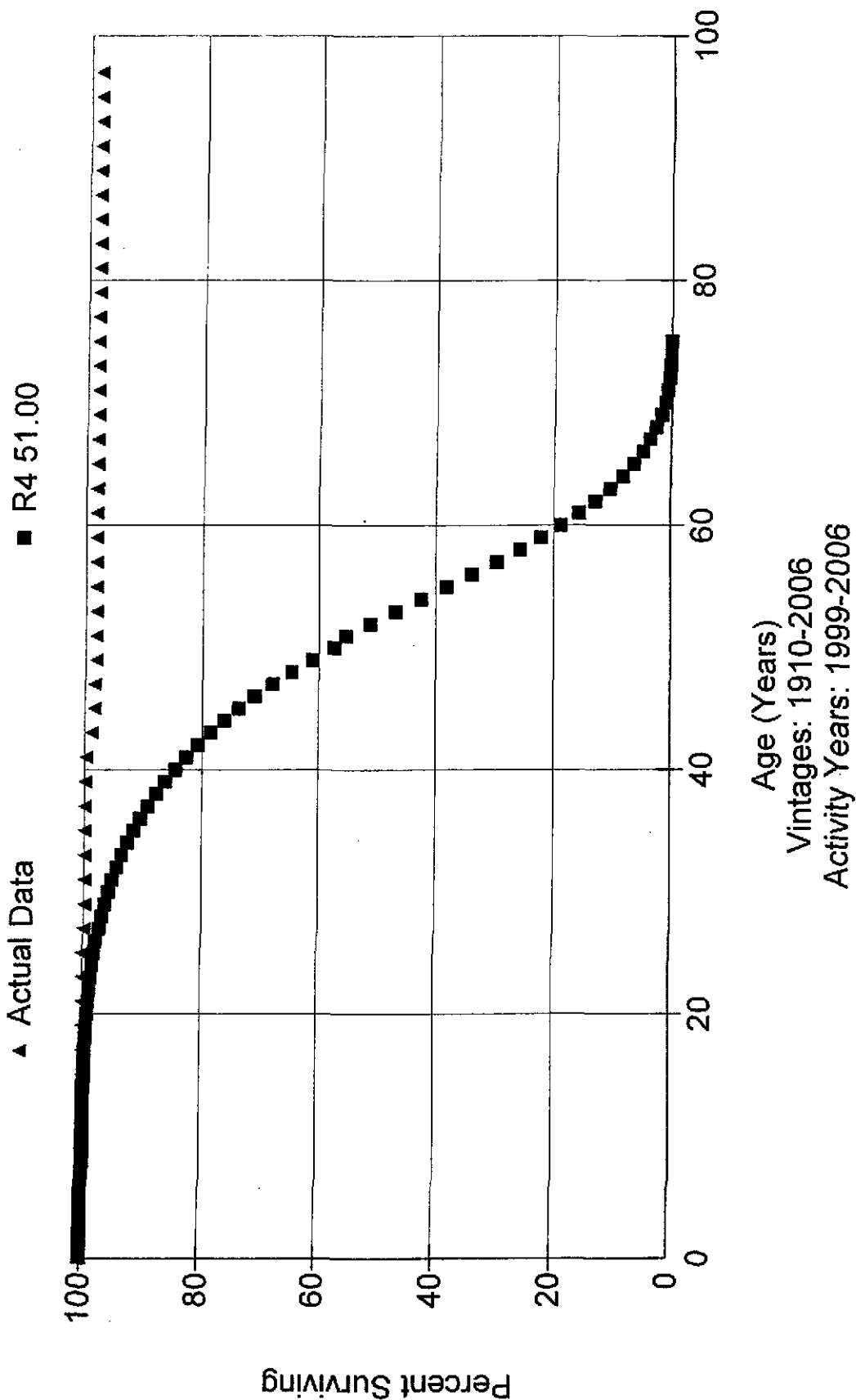
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 0% to -40% The current rate of -25% is thus still a viable option.

Summary of Recommendations

<u>51</u>	Average Service Life
<u>R4</u>	Iowa Curve
<u>-25</u>	% Net Salvage

Ohio Edison Company Account 361 Structures/Improvements



Observed Life Table

Vol. 4B, Attach. PRC-1, p. 79

Scenario: Ohio 2007 Distribution Accounts

Account: OEEO 101/6-361 Structures/improve

Placement Band: 1910 - 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
0	287,703.78	0.00	0.00000	1.00000	100.00
0.5	287,703.78	0.00	0.00000	1.00000	100.00
1.5	450,099.59	0.00	0.00000	1.00000	100.00
2.5	795,478.66	0.00	0.00000	1.00000	100.00
3.5	1,141,325.28	0.00	0.00000	1.00000	100.00
4.5	1,515,901.24	0.00	0.00000	1.00000	100.00
5.5	1,804,575.75	0.00	0.00000	1.00000	100.00
6.5	2,072,367.06	0.00	0.00000	1.00000	100.00
7.5	2,453,678.75	0.00	0.00000	1.00000	100.00
8.5	2,769,684.99	0.00	0.00000	1.00000	100.00
9.5	2,636,915.15	0.00	0.00000	1.00000	100.00
10.5	2,367,247.99	0.00	0.00000	1.00000	100.00
11.5	1,944,083.14	0.00	0.00000	1.00000	100.00
12.5	1,833,918.00	0.00	0.00000	1.00000	100.00
13.5	1,540,608.98	0.00	0.00000	1.00000	100.00
14.5	1,477,349.80	0.00	0.00000	1.00000	100.00
15.5	1,278,209.03	0.00	0.00000	1.00000	100.00
16.5	1,089,346.77	0.00	0.00000	1.00000	100.00
17.5	1,225,312.76	0.00	0.00000	1.00000	100.00
18.5	1,203,496.99	0.00	0.00000	1.00000	100.00
19.5	1,336,023.86	0.00	0.00000	1.00000	100.00
20.5	1,116,258.26	0.00	0.00000	1.00000	100.00
21.5	1,072,925.77	0.00	0.00000	1.00000	100.00
22.5	920,113.25	0.00	0.00000	1.00000	100.00
23.5	806,083.81	0.00	0.00000	1.00000	100.00
24.5	806,284.30	0.00	0.00000	1.00000	100.00
25.5	820,981.82	0.00	0.00000	1.00000	100.00
26.5	897,514.71	0.00	0.00000	1.00000	100.00
27.5	909,901.84	0.00	0.00000	1.00000	100.00
28.5	971,585.85	937.91	0.00097	0.99903	100.00
29.5	979,381.40	0.00	0.00000	1.00000	99.90
30.5	972,920.11	0.00	0.00000	1.00000	99.90
31.5	1,014,391.69	0.00	0.00000	1.00000	99.90
32.5	934,645.42	0.00	0.00000	1.00000	99.90
33.5	800,791.95	0.00	0.00000	1.00000	99.90
34.5	657,042.50	0.00	0.00000	1.00000	99.90
35.5	537,274.90	0.00	0.00000	1.00000	99.90
36.5	488,976.26	0.00	0.00000	1.00000	99.90
37.5	450,141.56	0.00	0.00000	1.00000	99.90
38.5	424,502.28	0.00	0.00000	1.00000	99.90
39.5	341,288.11	0.00	0.00000	1.00000	99.90
40.5	348,986.54	725.41	0.00208	0.99792	99.90
41.5	413,937.79	3,537.64	0.00855	0.99145	99.69
42.5	464,964.99	0.00	0.00000	1.00000	98.84
43.5	484,257.73	0.00	0.00000	1.00000	98.84
44.5	514,101.31	2,291.47	0.00446	0.99554	98.84
45.5	530,518.85	0.00	0.00000	1.00000	98.40
46.5	520,702.98	0.00	0.00000	1.00000	98.40
47.5	494,503.86	153.76	0.00031	0.99969	98.40
48.5	442,248.85	744.26	0.00168	0.99832	98.37
49.5	362,690.69	0.00	0.00000	1.00000	98.20
50.5	303,383.35	0.00	0.00000	1.00000	98.20
51.5	257,039.99	0.00	0.00000	1.00000	98.20
52.5	174,855.15	0.00	0.00000	1.00000	98.20

Observed Life Table

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Scenario: Ohio 2007 Distribution Accounts

Account: OEEO 101/6-361 Structures/Improve

Placement Band: 1910 - 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	110,904.65	0.00	0.00000	1.00000	98.20
54.5	83,338.18	0.00	0.00000	1.00000	98.20
55.5	53,537.32	0.00	0.00000	1.00000	98.20
56.5	39,336.39	0.00	0.00000	1.00000	98.20
57.5	15,860.13	0.00	0.00000	1.00000	98.20
58.5	16,183.89	0.00	0.00000	1.00000	98.20
59.5	16,998.11	0.00	0.00000	1.00000	98.20
60.5	15,652.14	0.00	0.00000	1.00000	98.20
61.5	19,227.19	0.00	0.00000	1.00000	98.20
62.5	21,456.51	0.00	0.00000	1.00000	98.20
63.5	21,669.07	0.00	0.00000	1.00000	98.20
64.5	19,794.33	0.00	0.00000	1.00000	98.20
65.5	18,059.65	0.00	0.00000	1.00000	98.20
66.5	16,643.06	0.00	0.00000	1.00000	98.20
67.5	13,732.12	0.00	0.00000	1.00000	98.20
68.5	21,234.79	0.00	0.00000	1.00000	98.20
69.5	21,442.60	0.00	0.00000	1.00000	98.20
70.5	29,048.19	0.00	0.00000	1.00000	98.20
71.5	32,722.31	0.00	0.00000	1.00000	98.20
72.5	34,423.18	0.00	0.00000	1.00000	98.20
73.5	35,748.74	0.00	0.00000	1.00000	98.20
74.5	34,079.27	0.00	0.00000	1.00000	98.20
75.5	34,473.66	0.00	0.00000	1.00000	98.20
76.5	26,034.81	0.00	0.00000	1.00000	98.20
77.5	19,713.49	0.00	0.00000	1.00000	98.20
78.5	9,620.34	0.00	0.00000	1.00000	98.20
79.5	5,374.01	0.00	0.00000	1.00000	98.20
80.5	3,212.53	0.00	0.00000	1.00000	98.20
81.5	1,835.96	0.00	0.00000	1.00000	98.20
82.5	2,167.78	0.00	0.00000	1.00000	98.20
83.5	1,429.00	0.00	0.00000	1.00000	98.20
84.5	331.82	0.00	0.00000	1.00000	98.20
85.5	419.77	0.00	0.00000	1.00000	98.20
86.5	1,353.03	0.00	0.00000	1.00000	98.20
87.5	1,353.03	0.00	0.00000	1.00000	98.20
88.5	1,427.43	0.00	0.00000	1.00000	98.20
89.5	1,427.43	0.00	0.00000	1.00000	98.20
90.5	1,095.61	0.00	0.00000	1.00000	98.20
91.5	1,095.61	0.00	0.00000	1.00000	98.20
92.5	1,095.61	0.00	0.00000	1.00000	98.20
93.5	1,007.66	0.00	0.00000	1.00000	98.20
94.5	74.40	0.00	0.00000	1.00000	98.20
95.5	74.40	0.00	0.00000	1.00000	98.20
96.5	0.00	0.00	0.00000	0.00000	98.20

Net Salvage Analysis Report

Account	Year	Retirements	<u>Gross Salvage (Cash)</u>		<u>Gross Salvage (Returns)</u>		<u>Cost of Removal</u>		<u>Net Salvage</u>		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 361 Structures/Improvements	1999	7,492.43	0.00	0.00	0.00	0.00	536.41	7.16	(536.41)	-7.16	-7.16
OECO 361 Structures/Improvements	2002	6,667.17	2,265.70	33.98	0.00	0.00	177.10	2.66	2,088.60	31.33	31.33
OECO 361 Structures/Improvements	2004	0.00	0.00	0.00	0.00	0.00	0.01	0.00	(0.01)	0.00	0.00
		14,159.60	2,265.70	16.00	0.00	0.00	713.52	5.04	1,552.18	10.96	

Whole Life Depreciation Accrual

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Account: OECO 101/6-361 Structures/improve

Dispersion: 51 - R4

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	\$6,431,754.68		\$155,797.13	2.422319
Whole Life		51	\$156,967.95	
Amortization		0	\$0.00	
Retirements	\$95,538.77	51	\$1,170.82	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$6,431,754.68 *		\$155,797.13	2.422327
Average:	\$6,383,985.30		\$155,797.13	2.440437
Grand Total:	\$6,431,754.68 *		\$155,797.13	2.422327

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-361 Structures/improve

Dispersion: 51.00 - 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
2005	1.50	\$8,811.91	51.00	49.50	1.2133	1.0000	\$10,691.24	\$215.98
2004	2.50	\$25,530.75	51.00	48.50	1.1888	1.0000	\$30,350.89	\$625.75
2003	3.50	\$82,750.29	51.00	47.50	1.1643	1.0000	\$96,347.74	\$2,028.19
2002	4.50	\$919.38	51.00	46.51	1.1399	1.0000	\$1,047.97	\$22.53
2001	5.50	\$121,142.66	51.00	45.51	1.1154	1.0000	\$135,124.90	\$2,969.18
2000	6.50	\$18,434.29	51.00	44.51	1.0910	1.0000	\$20,111.90	\$451.82
1999	7.50	\$30,114.50	51.00	43.52	1.0666	1.0000	\$32,120.05	\$738.10
1998	8.50	\$13,311.09	51.00	42.52	1.0422	1.0000	\$13,873.02	\$326.25
1997	9.50	\$62,047.39	51.00	41.53	1.0179	1.0000	\$63,156.16	\$1,520.77
1996	10.50	\$447,168.58	51.00	40.54	0.9936	1.0000	\$444,292.89	\$10,960.01
1995	11.50	\$111,108.66	51.00	39.55	0.9693	1.0000	\$107,696.78	\$2,723.25
1994	12.50	\$375,495.34	51.00	38.56	0.9451	1.0000	\$354,870.90	\$9,203.32
1993	13.50	\$414,522.70	51.00	37.57	0.9209	1.0000	\$381,748.50	\$10,159.87
1992	14.50	\$286,225.60	51.00	36.59	0.8968	1.0000	\$256,700.65	\$7,015.33
1991	15.50	\$411,426.19	51.00	35.61	0.8728	1.0000	\$359,111.73	\$10,083.98
1990	16.50	\$329,317.33	51.00	34.64	0.8489	1.0000	\$279,565.84	\$8,071.50
1989	17.50	\$25,126.79	51.00	33.66	0.8251	1.0000	\$20,732.44	\$615.85
1988	18.50	\$96,537.13	51.00	32.70	0.8014	1.0000	\$77,366.52	\$2,366.11
1987	19.50	\$5,432.06	51.00	31.74	0.7776	1.0000	\$4,225.32	\$133.14
1986	20.50	\$265,330.20	51.00	30.78	0.7544	1.0000	\$200,171.89	\$6,503.19
1985	21.50	\$121,213.68	51.00	29.83	0.7312	1.0000	\$88,626.61	\$2,970.92
1984	22.50	\$222,966.42	51.00	28.89	0.7081	1.0000	\$157,876.03	\$5,464.86
1983	23.50	\$212,285.42	51.00	27.96	0.6852	1.0000	\$145,453.25	\$5,203.07
1982	24.50	\$140,455.07	51.00	27.03	0.6625	1.0000	\$93,049.57	\$3,442.53
1981	25.50	\$161,092.78	51.00	26.11	0.6400	1.0000	\$103,103.59	\$3,948.35
1980	26.50	\$74,721.36	51.00	25.21	0.6178	1.0000	\$46,163.66	\$1,831.41
1979	27.50	\$137,958.93	51.00	24.31	0.5959	1.0000	\$82,203.88	\$3,381.35
1978	28.50	\$45,564.60	51.00	23.43	0.5742	1.0000	\$26,162.03	\$1,116.78
1977	29.50	\$77,881.19	51.00	22.55	0.5528	1.0000	\$43,051.61	\$1,908.85
1976	30.50	\$70,153.90	51.00	21.69	0.5317	1.0000	\$37,301.31	\$1,719.46
1975	31.50	\$98,255.98	51.00	20.85	0.5109	1.0000	\$50,203.33	\$2,408.23
1974	32.50	\$140,655.56	51.00	20.01	0.4905	1.0000	\$68,994.43	\$3,447.44
1973	33.50	\$175,790.30	51.00	19.19	0.4704	1.0000	\$82,696.81	\$4,308.59
1972	34.50	\$151,254.25	51.00	18.39	0.4507	1.0000	\$68,170.14	\$3,707.21

Generation Arrangement Report

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Account: QECO 101/6-361 Structures/improve

Dispersion: 51.00 - 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
1971	35.50	\$150,758.81	51.00	17.60	0.4313	1.0000	\$65,026.33	\$3,695.07
1970	36.50	\$106,310.70	51.00	16.82	0.4123	1.0000	\$43,832.92	\$2,605.65
1969	37.50	\$86,614.65	51.00	16.06	0.3937	1.0000	\$34,096.80	\$2,122.91
1968	38.50	\$63,279.86	51.00	15.32	0.3755	1.0000	\$23,758.54	\$1,550.98
1967	39.50	\$139,727.56	51.00	14.59	0.3575	1.0000	\$49,957.05	\$3,424.70
1966	40.50	\$37,164.86	51.00	13.87	0.3400	1.0000	\$12,634.88	\$910.90
1965	41.50	\$41,936.83	51.00	13.17	0.3227	1.0000	\$13,534.64	\$1,027.86
1964	42.50	\$7,504.80	51.00	12.48	0.3058	1.0000	\$2,295.24	\$183.94
1963	43.50	\$29,491.73	51.00	11.80	0.2893	1.0000	\$8,530.96	\$722.84
1962	44.50	\$58,012.06	51.00	11.14	0.2731	1.0000	\$15,841.56	\$1,421.86
1961	45.50	\$47,779.95	51.00	10.50	0.2574	1.0000	\$12,296.38	\$1,171.08
1960	46.50	\$37,640.58	51.00	9.88	0.2422	1.0000	\$9,116.82	\$922.56
1959	47.50	\$56,513.39	51.00	9.29	0.2277	1.0000	\$12,869.45	\$1,385.13
1958	48.50	\$69,381.79	51.00	8.73	0.2140	1.0000	\$14,846.34	\$1,700.53
1957	49.50	\$103,012.23	51.00	8.20	0.2010	1.0000	\$20,706.88	\$2,524.81
1956	50.50	\$62,069.64	51.00	7.70	0.1888	1.0000	\$11,721.08	\$1,521.31
1955	51.50	\$48,784.47	51.00	7.24	0.1774	1.0000	\$8,656.36	\$1,195.70
1954	52.50	\$85,564.17	51.00	6.80	0.1668	1.0000	\$14,270.82	\$2,097.16
1953	53.50	\$66,488.96	51.00	6.40	0.1568	1.0000	\$10,427.13	\$1,629.63
1952	54.50	\$27,824.71	51.00	6.02	0.1475	1.0000	\$4,104.11	\$681.98
1951	55.50	\$30,160.51	51.00	5.66	0.1387	1.0000	\$4,184.32	\$739.23
1950	56.50	\$16,536.28	51.00	5.32	0.1305	1.0000	\$2,157.46	\$405.30
1949	57.50	\$25,261.95	51.00	5.00	0.1226	1.0000	\$3,097.95	\$619.17
1948	58.50	\$2,762.30	51.00	4.70	0.1152	1.0000	\$318.09	\$67.70
1947	59.50	\$2,441.11	51.00	4.41	0.1080	1.0000	\$263.59	\$59.83
1946	60.50	\$3,379.33	51.00	4.12	0.1010	1.0000	\$341.47	\$82.83
1945	61.50	\$2,538.46	51.00	3.85	0.0943	1.0000	\$239.43	\$62.22
1944	62.50	\$258.24	51.00	3.58	0.0878	1.0000	\$22.66	\$6.33
1943	63.50	\$359.65	51.00	3.32	0.0813	1.0000	\$29.26	\$8.81
1942	64.50	\$2,335.35	51.00	3.05	0.0747	1.0000	\$174.34	\$57.24
1941	65.50	\$1,785.69	51.00	2.79	0.0683	1.0000	\$122.01	\$43.77
1940	66.50	\$3,086.06	51.00	2.53	0.0621	1.0000	\$191.69	\$75.64
1939	67.50	\$3,255.33	51.00	2.29	0.0560	1.0000	\$182.38	\$79.79
1938	68.50	\$2,033.36	51.00	2.04	0.0501	1.0000	\$101.85	\$49.84

Account: OECO 101/6-361 Structures/improve

Dispersion: 51.00 - 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
1937	69.50	\$6,113.51	51.00	1.81	0.0443	1.0000	\$270.98	\$149.84
1936	70.50	\$2,487.56	51.00	1.58	0.0388	1.0000	\$96.43	\$60.97
1935	71.50	\$572.21	51.00	1.36	0.0334	1.0000	\$19.12	\$14.02
1934	72.50	\$460.61	51.00	1.16	0.0283	1.0000	\$13.04	\$11.29
1933	73.50	\$51.01	51.00	0.96	0.0235	1.0000	\$1.20	\$1.25
1932	74.50	\$1,669.47	51.00	0.77	0.0189	1.0000	\$31.56	\$40.92
1931	75.50	\$344.39	51.00	0.59	0.0145	1.0000	\$4.99	\$8.44
1930	76.50	\$9,536.03	51.00	0.26	0.0063	1.0000	\$59.91	\$233.73
1929	77.50	\$6,321.32	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	78.50	\$10,093.15	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1927	79.50	\$4,246.33	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1926	80.50	\$2,161.48	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	81.50	\$1,376.57	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	83.50	\$738.78	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$1,097.18	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1916	90.50	\$331.82	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1913	93.50	\$87.95	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1912	94.50	\$933.26	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1910	96.50	\$74.40	51.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$6,431,754.68	51.00	27.80	0.6814	1.0000	\$4,382,811.57	\$156,967.95

Depreciation Reserve Summary

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Account: OECO 101/6-361 Structures/improve

Scenario: Ohio 2007 Distribution Accts ADR

Version: 51 - R4

Average Net Salvage Rate: -25.00%

Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$6,431,754.68	\$3,669,330.57	0.5705	\$4,370,362.78	0.6795
Computed	\$6,431,754.68	\$3,656,881.78	0.5686	\$4,382,811.57	0.6814
Difference		\$12,448.79	0.0019	(\$12,448.79)	-0.0019

Ohio 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 49 R2.

Actuarial Life Analysis

173 L0 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 25 to 55 Years.

Recommendation

Change to 49 R3 Based on Industry Standards and Actuarial Life Analysis.

Comments:

Due to limited retirement data in older vintages the actuarial analysis suggested an average life of 173 years. Currently a 49 year average life is being used and this falls within EEI Industry Standards. An R3 Iowa Curve is suggested to more closely match plant activity.

Salvage Factor Estimates

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

Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 30% to -25% The current rate of -25% is thus still a viable option.

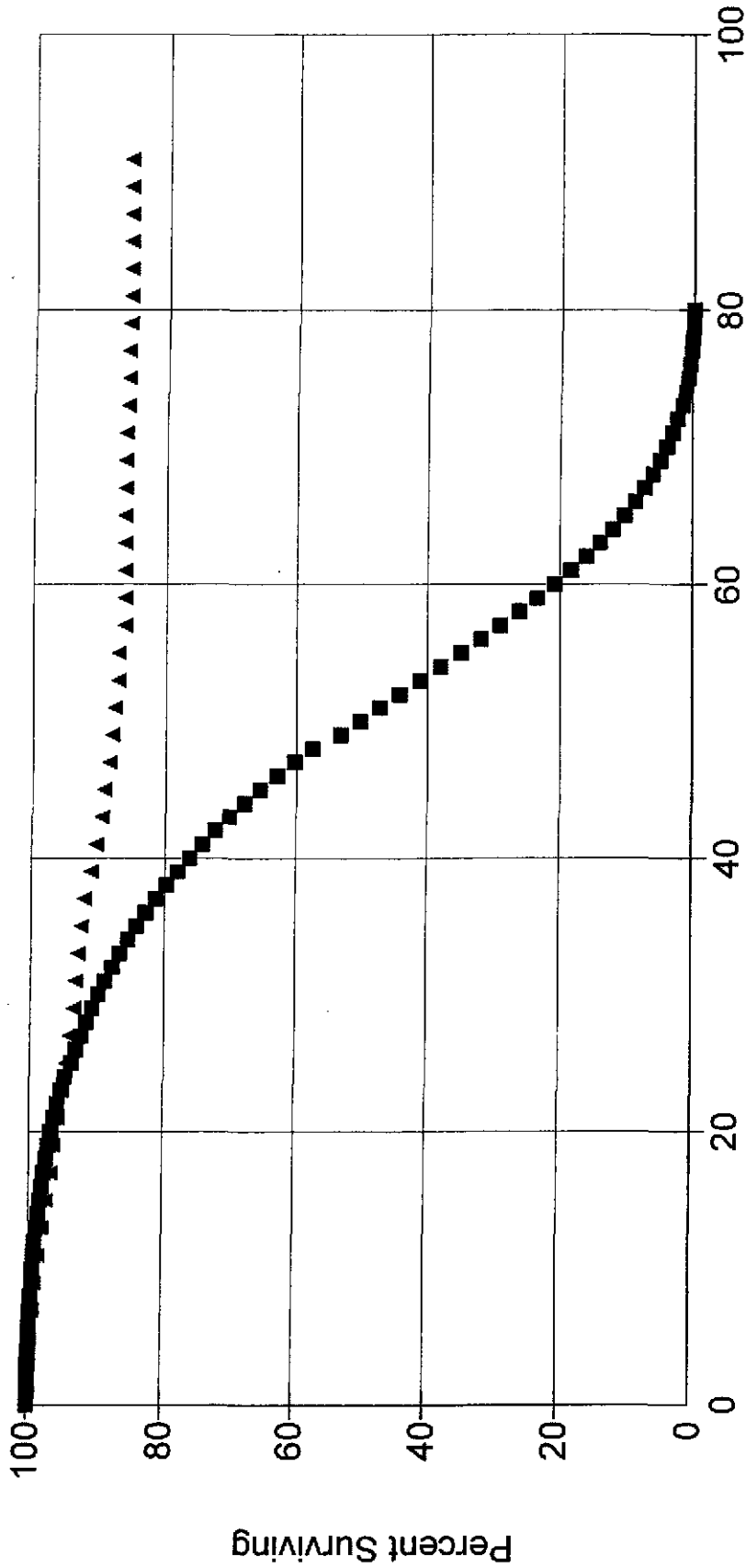
Summary of Recommendations

<u>49</u>	Average Service Life
<u>R3</u>	Iowa Curve
<u>-25</u>	% Net Salvage

Ohio Edison Company Account 362 Station Equipment

▲ Actual Data

■ R3 49.00



Age (Years)
Vintages: 1916-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OEEO 101/6-362 Station equipment

Placement Band: 1916 - 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
0	35,176,701.79	39,706.78	0.00113	0.99887	100.00
0.5	31,481,400.81	44,474.66	0.00141	0.99859	99.89
1.5	26,527,564.38	1,316.94	0.00005	0.99995	99.75
2.5	27,272,011.72	811.57	0.00003	0.99997	99.75
3.5	27,838,545.74	0.00	0.00000	1.00000	99.75
4.5	25,606,659.93	24,324.57	0.00095	0.99905	99.75
5.5	30,175,137.57	22,608.59	0.00075	0.99925	99.66
6.5	41,418,186.52	96,980.38	0.00234	0.99766	99.59
7.5	46,921,535.77	64,316.12	0.00137	0.99863	99.36
8.5	55,549,250.51	89,225.76	0.00161	0.99839	99.22
9.5	54,541,395.75	238,449.76	0.00437	0.99563	99.06
10.5	50,495,327.72	62,648.38	0.00124	0.99876	98.63
11.5	47,809,940.31	75,836.08	0.00159	0.99841	98.51
12.5	44,258,625.46	117,778.24	0.00266	0.99734	98.35
13.5	37,314,120.11	190,688.06	0.00511	0.99489	98.09
14.5	26,551,429.13	29,008.00	0.00109	0.99891	97.59
15.5	22,211,639.31	153,095.32	0.00689	0.99311	97.48
16.5	13,466,005.13	0.00	0.00000	1.00000	96.81
17.5	14,495,400.85	15,253.00	0.00105	0.99895	96.81
18.5	15,314,129.28	46,338.13	0.00303	0.99697	96.71
19.5	18,697,899.55	66,020.75	0.00353	0.99647	96.42
20.5	19,388,213.10	53,287.64	0.00275	0.99725	96.08
21.5	21,887,321.08	18,121.30	0.00083	0.99917	95.82
22.5	21,931,717.63	125,180.20	0.00571	0.99429	95.74
23.5	21,783,679.70	59,597.81	0.00274	0.99726	95.19
24.5	22,045,816.76	57,365.67	0.00260	0.99740	94.93
25.5	22,773,670.70	0.00	0.00000	1.00000	94.68
26.5	23,853,797.90	115,559.70	0.00484	0.99516	94.68
27.5	22,444,023.96	70,456.71	0.00314	0.99686	94.22
28.5	23,171,774.65	67,544.38	0.00291	0.99709	93.92
29.5	21,928,377.02	41,215.66	0.00188	0.99812	93.65
30.5	21,163,837.70	33,541.38	0.00158	0.99842	93.47
31.5	19,442,800.56	42,350.84	0.00218	0.99782	93.32
32.5	17,351,410.61	19,229.23	0.00111	0.99889	93.12
33.5	14,550,379.58	59,292.68	0.00408	0.99592	93.02
34.5	11,618,687.20	16,538.74	0.00142	0.99858	92.64
35.5	9,334,932.25	35,994.93	0.00386	0.99614	92.51
36.5	7,612,078.65	4,050.46	0.00053	0.99947	92.15
37.5	5,901,102.02	11,284.36	0.00191	0.99809	92.10
38.5	4,762,918.73	40,511.31	0.00851	0.99149	91.92
39.5	4,734,252.87	24,625.06	0.00520	0.99480	91.14
40.5	5,354,912.76	19,035.00	0.00355	0.99645	90.67
41.5	6,179,370.72	36,082.19	0.00584	0.99416	90.35
42.5	6,726,983.44	22,172.76	0.00330	0.99670	89.82
43.5	6,892,986.30	245.41	0.00004	0.99996	89.52
44.5	7,120,654.65	17,844.56	0.00251	0.99749	89.52
45.5	7,754,674.75	24,880.21	0.00321	0.99679	89.30
46.5	7,557,219.59	39,467.96	0.00522	0.99478	89.01
47.5	7,062,038.94	7,510.49	0.00106	0.99894	88.55
48.5	6,642,673.26	25,989.12	0.00391	0.99609	88.46
49.5	5,669,549.58	22,850.52	0.00403	0.99597	88.11
50.5	5,064,305.99	18.53	0.00000	1.00000	87.75
51.5	4,546,982.31	64.18	0.00001	0.99999	87.75
52.5	3,574,401.48	21,735.63	0.00608	0.99392	87.75

Observed Life Table

Vol. 4B, Attach. PRC-1, p. 91

Scenario: Ohio 2007 Distribution Accounts

Account: OECO 101/6-362 Station equipment

Placement Band: 1916 - 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	2,549,662.40	170.37	0.00007	0.99993	87.22
54.5	2,081,894.23	190.48	0.00009	0.99991	87.21
55.5	1,507,054.31	0.00	0.00000	1.00000	87.20
56.5	989,469.10	10,124.25	0.01023	0.98977	87.20
57.5	467,023.80	0.00	0.00000	1.00000	86.31
58.5	336,179.52	0.00	0.00000	1.00000	86.31
59.5	311,466.60	0.00	0.00000	1.00000	86.31
60.5	285,959.53	85.69	0.00030	0.99970	86.31
61.5	316,580.96	0.00	0.00000	1.00000	86.28
62.5	310,134.99	0.00	0.00000	1.00000	86.28
63.5	329,912.21	0.00	0.00000	1.00000	86.28
64.5	255,967.27	0.00	0.00000	1.00000	86.28
65.5	226,972.33	0.00	0.00000	1.00000	86.28
66.5	192,167.72	0.00	0.00000	1.00000	86.28
67.5	164,503.91	0.00	0.00000	1.00000	86.28
68.5	239,982.75	0.00	0.00000	1.00000	86.28
69.5	396,028.11	0.00	0.00000	1.00000	86.28
70.5	495,623.54	114.11	0.00023	0.99977	86.28
71.5	519,375.94	1,806.88	0.00348	0.99652	86.26
72.5	525,760.89	80.03	0.00015	0.99985	85.96
73.5	510,734.94	0.00	0.00000	1.00000	85.95
74.5	509,094.94	0.00	0.00000	1.00000	85.95
75.5	507,272.51	0.00	0.00000	1.00000	85.95
76.5	416,699.75	0.00	0.00000	1.00000	85.95
77.5	205,762.60	0.00	0.00000	1.00000	85.95
78.5	80,963.86	93.20	0.00115	0.99885	85.95
79.5	39,617.05	0.00	0.00000	1.00000	85.85
80.5	17,882.42	0.00	0.00000	1.00000	85.85
81.5	5,262.74	0.00	0.00000	1.00000	85.85
82.5	4,905.39	0.00	0.00000	1.00000	85.85
83.5	3,422.19	0.00	0.00000	1.00000	85.85
84.5	3,131.63	0.00	0.00000	1.00000	85.85
85.5	3,068.10	0.00	0.00000	1.00000	85.85
86.5	2,866.04	0.00	0.00000	1.00000	85.85
87.5	220.48	0.00	0.00000	1.00000	85.85
88.5	61.10	0.00	0.00000	1.00000	85.85
89.5	0.00	0.00	0.00000	0.00000	85.85

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 362 Station Equipment	1999	165,980.38	0.00	0.00	0.00	0.00	1,500.00	0.90	(1,500.00)	-0.90	-0.90
OECO 362 Station Equipment	2000	259.87	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 362 Station Equipment	2001	825,871.00	161.50	0.02	0.00	0.00	46,483.74	5.63	(46,322.24)	-5.61	-5.61
OECO 362 Station Equipment	2002	819,582.90	56,614.30	6.91	0.00	0.00	5,524.49	0.67	51,089.81	6.23	6.23
OECO 362 Station Equipment	2003	139,306.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 362 Station Equipment	2004	0.00	29,574.29	0.00	0.00	0.00	82,091.17	0.00	(52,516.88)	0.00	0.00
OECO 362 Station Equipment	2005	58,079.72	103.58	0.18	0.00	0.00	60,208.70	103.67	(60,105.12)	-103.49	-103.49
OECO 362 Station Equipment	2006	688,334.54	0.00	0.00	0.00	0.00	45,549.70	6.62	(45,549.70)	-6.62	-6.62
		2,697,415.02	86,453.67	3.21	0.00	0.00	241,357.80	8.95	(154,904.13)	-5.74	

Whole Life Depreciation Accrual

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Account: OECO 101/6-362 Station equipment

Dispersion: 49 - R3

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	\$159,516,413.25		\$4,045,510.90	2.536110
Whole Life		49	\$4,069,169.02	
Amortization		0	\$0.00	
Retirements	\$1,854,796.67	49	\$23,658.12	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$159,516,413.25 *		\$4,045,510.90	2.536110
Average:	\$158,589,014.92		\$4,045,510.90	2.550940
Grand Total:	\$159,516,413.25 *		\$4,045,510.90	2.536110

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OEEO 101/6-362 Station equipment

Dispersion: 49.00 - R3

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	\$4,599,641.55	49.00	48.51	1.2374	1.0000	\$5,691,761.06	\$117,337.79
2005	1.50	\$10,036,577.91	49.00	47.53	1.2124	1.0000	\$12,168,113.16	\$256,035.15
2004	2.50	\$4,702,673.06	49.00	46.55	1.1874	1.0000	\$5,583,827.10	\$119,966.15
2003	3.50	\$2,663,854.90	49.00	45.57	1.1624	1.0000	\$3,096,589.84	\$67,955.48
2002	4.50	\$6,939,630.09	49.00	44.59	1.1376	1.0000	\$7,894,627.11	\$177,031.38
2001	5.50	\$2,987,746.53	49.00	43.62	1.1129	1.0000	\$3,324,959.43	\$76,218.02
2000	6.50	\$2,032,109.61	49.00	42.66	1.0882	1.0000	\$2,211,393.34	\$51,839.53
1999	7.50	\$1,882,859.15	49.00	41.70	1.0637	1.0000	\$2,002,784.80	\$48,032.12
1998	8.50	\$1,507,146.55	49.00	40.74	1.0393	1.0000	\$1,566,356.64	\$38,447.62
1997	9.50	\$3,544,228.00	49.00	39.79	1.0150	1.0000	\$3,597,410.27	\$90,413.98
1996	10.50	\$6,238,366.12	49.00	38.84	0.9909	1.0000	\$6,181,365.93	\$159,141.99
1995	11.50	\$3,724,617.42	49.00	37.90	0.9669	1.0000	\$3,601,201.64	\$95,015.75
1994	12.50	\$4,918,259.00	49.00	36.97	0.9430	1.0000	\$4,637,914.14	\$125,465.79
1993	13.50	\$6,861,356.76	49.00	36.04	0.9193	1.0000	\$6,307,894.98	\$175,034.61
1992	14.50	\$13,096,624.64	49.00	35.12	0.8958	1.0000	\$11,732,400.68	\$334,097.57
1991	15.50	\$7,309,984.30	49.00	34.20	0.8725	1.0000	\$6,378,163.08	\$186,479.19
1990	16.50	\$10,918,183.39	49.00	33.30	0.8494	1.0000	\$9,274,138.02	\$278,525.09
1989	17.50	\$1,743,487.86	49.00	32.40	0.8265	1.0000	\$1,440,997.16	\$44,476.73
1988	18.50	\$1,357,057.63	49.00	31.51	0.8038	1.0000	\$1,090,814.29	\$34,618.82
1987	19.50	\$615,620.40	49.00	30.63	0.7813	1.0000	\$480,998.23	\$15,704.60
1986	20.50	\$1,140,014.70	49.00	29.76	0.7591	1.0000	\$865,340.29	\$29,082.01
1985	21.50	\$819,057.61	49.00	28.89	0.7370	1.0000	\$603,671.86	\$20,894.33
1984	22.50	\$2,538,240.32	49.00	28.04	0.7152	1.0000	\$1,815,475.53	\$64,751.03
1983	23.50	\$2,861,177.15	49.00	27.19	0.6937	1.0000	\$1,984,813.66	\$72,989.21
1982	24.50	\$2,272,331.36	49.00	26.36	0.6724	1.0000	\$1,527,934.12	\$57,967.64
1981	25.50	\$2,718,333.36	49.00	25.53	0.6514	1.0000	\$1,770,648.45	\$69,345.24
1980	26.50	\$2,183,031.31	49.00	24.72	0.6306	1.0000	\$1,376,616.41	\$55,689.57
1979	27.50	\$3,967,600.19	49.00	23.92	0.6101	1.0000	\$2,420,599.31	\$101,214.29
1978	28.50	\$1,740,903.48	49.00	23.12	0.5899	1.0000	\$1,026,893.76	\$44,410.80
1977	29.50	\$3,315,920.20	49.00	22.34	0.5699	1.0000	\$1,889,780.81	\$84,589.80
1976	30.50	\$2,540,873.70	49.00	21.57	0.5503	1.0000	\$1,398,117.89	\$64,818.21
1975	31.50	\$2,800,812.37	49.00	20.81	0.5309	1.0000	\$1,486,899.87	\$71,449.30
1974	32.50	\$2,564,983.95	49.00	20.06	0.5118	1.0000	\$1,312,803.67	\$65,433.26

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 95

Account: OECO 101/6-362 Station equipment

Dispersion: 49.00 - R3

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
1973	33.50	\$3,412,760.69	49.00	19.33	0.4931	1.0000	\$1,682,726.00	\$87,060.22
1972	34.50	\$3,038,006.17	49.00	18.61	0.4746	1.0000	\$1,441,975.90	\$77,500.16
1971	35.50	\$2,656,408.27	49.00	17.90	0.4566	1.0000	\$1,212,802.20	\$67,765.52
1970	36.50	\$2,462,314.22	49.00	17.20	0.4388	1.0000	\$1,080,506.37	\$62,814.14
1969	37.50	\$2,078,302.33	49.00	16.52	0.4214	1.0000	\$875,751.62	\$53,017.92
1968	38.50	\$1,804,890.67	49.00	15.85	0.4044	1.0000	\$729,864.27	\$46,043.13
1967	39.50	\$1,058,883.59	49.00	15.20	0.3878	1.0000	\$410,605.99	\$27,012.34
1966	40.50	\$450,241.83	49.00	14.57	0.3716	1.0000	\$167,298.26	\$11,485.76
1965	41.50	\$721,026.56	49.00	13.95	0.3558	1.0000	\$256,541.62	\$18,393.53
1964	42.50	\$180,846.47	49.00	13.35	0.3405	1.0000	\$61,571.50	\$4,613.43
1963	43.50	\$345,878.42	49.00	12.76	0.3256	1.0000	\$112,609.44	\$8,823.43
1962	44.50	\$744,117.52	49.00	12.20	0.3112	1.0000	\$231,535.58	\$18,982.59
1961	45.50	\$414,882.16	49.00	11.65	0.2972	1.0000	\$123,308.38	\$10,583.73
1960	46.50	\$672,985.66	49.00	11.12	0.2837	1.0000	\$190,959.58	\$17,168.00
1959	47.50	\$1,030,741.87	49.00	10.61	0.2708	1.0000	\$279,109.06	\$26,294.44
1958	48.50	\$1,072,985.10	49.00	10.13	0.2583	1.0000	\$277,163.76	\$27,372.07
1957	49.50	\$1,547,139.94	49.00	9.66	0.2463	1.0000	\$381,117.87	\$39,467.86
1956	50.50	\$730,965.45	49.00	9.21	0.2349	1.0000	\$171,672.61	\$18,647.08
1955	51.50	\$572,859.57	49.00	8.78	0.2239	1.0000	\$128,243.58	\$14,613.76
1954	52.50	\$1,015,549.35	49.00	8.36	0.2134	1.0000	\$216,672.10	\$25,906.87
1953	53.50	\$1,043,207.80	49.00	7.97	0.2033	1.0000	\$212,098.37	\$26,612.44
1952	54.50	\$488,014.25	49.00	7.59	0.1937	1.0000	\$94,538.52	\$12,449.34
1951	55.50	\$550,836.85	49.00	7.23	0.1846	1.0000	\$101,662.54	\$14,051.96
1950	56.50	\$605,130.57	49.00	6.89	0.1758	1.0000	\$106,386.49	\$15,437.00
1949	57.50	\$546,477.64	49.00	6.56	0.1674	1.0000	\$91,498.83	\$13,940.76
1948	58.50	\$165,540.26	49.00	6.25	0.1594	1.0000	\$26,388.38	\$4,222.97
1947	59.50	\$55,682.36	49.00	5.95	0.1517	1.0000	\$8,446.89	\$1,420.47
1946	60.50	\$40,977.24	49.00	5.66	0.1443	1.0000	\$5,911.47	\$1,045.34
1945	61.50	\$24,248.20	49.00	5.38	0.1372	1.0000	\$3,327.57	\$618.58
1944	62.50	\$20,967.45	49.00	5.11	0.1303	1.0000	\$2,731.42	\$534.88
1943	63.50	\$189.26	49.00	4.84	0.1235	1.0000	\$23.37	\$4.83
1942	64.50	\$81,318.37	49.00	4.58	0.1168	1.0000	\$9,494.90	\$2,074.45
1941	65.50	\$57,755.17	49.00	4.32	0.1101	1.0000	\$6,361.72	\$1,473.35

Generation Arrangement Report

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Account: OECO 101/6-362 Station equipment

Dispersion: 49.00 - R3

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
1940	66.50	\$27,653.00	49.00	4.06	0.1036	1.0000	\$2,864.37	\$705.43
1939	67.50	\$30,969.44	49.00	3.80	0.0970	1.0000	\$3,005.31	\$790.04
1938	68.50	\$15,384.48	49.00	3.55	0.0905	1.0000	\$1,392.43	\$392.46
1937	69.50	\$54,955.32	49.00	3.29	0.0840	1.0000	\$4,615.03	\$1,401.92
1936	70.50	\$25,519.48	49.00	3.04	0.0775	1.0000	\$1,976.66	\$651.01
1935	71.50	\$19,966.48	49.00	2.78	0.0710	1.0000	\$1,416.70	\$509.35
1934	72.50	\$13,941.59	49.00	2.53	0.0645	1.0000	\$899.10	\$355.65
1933	73.50	\$27,626.70	49.00	2.28	0.0581	1.0000	\$1,604.72	\$704.76
1932	74.50	\$1,997.35	49.00	2.03	0.0518	1.0000	\$103.40	\$50.95
1931	75.50	\$3,305.63	49.00	1.79	0.0456	1.0000	\$150.60	\$84.33
1930	76.50	\$90,863.32	49.00	1.55	0.0395	1.0000	\$3,588.23	\$2,317.94
1929	77.50	\$161,195.22	49.00	1.32	0.0336	1.0000	\$5,412.02	\$4,112.12
1928	78.50	\$124,473.17	49.00	1.09	0.0279	1.0000	\$3,469.38	\$3,175.34
1927	79.50	\$43,404.53	49.00	0.88	0.0224	1.0000	\$973.10	\$1,107.26
1926	80.50	\$22,053.39	49.00	0.67	0.0171	1.0000	\$377.85	\$562.59
1925	81.50	\$12,680.78	49.00	0.41	0.0105	1.0000	\$132.70	\$323.49
1924	82.50	\$357.35	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	83.50	\$1,483.20	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$290.56	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1921	85.50	\$63.53	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1920	86.50	\$159.38	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1919	87.50	\$2,413.04	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1918	88.50	\$159.38	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1917	89.50	\$61.10	49.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$159,516,413.25	49.00	31.57	0.8054	1.0000	\$128,476,194.36	\$4,069,169.02

Depreciation Reserve Summary

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Account: OECO 101/6-362 Station equipment

Scenario: Ohio 2007 Distribution Accts ADR

Version: 49 - R3

Average Net Salvage Rate: -25.00%

Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$159,516,413.25	\$64,966,420.91	0.4073	\$134,429,095.65	0.8427
Computed	\$159,516,413.25	\$70,919,322.21	0.4446	\$128,476,194.35	0.8054
Difference		(\$5,952,901.30)	-0.0373	\$5,952,901.30	0.0373

Ohio Edison Company**Average Life and Salvage Rate Determination**

Based On Year End 2006 Data using Beginning Balance 1999

Account 364 Poles & Towers**Life and Iowa Survivor Curve**

Current Life and Iowa Survivor Curve is 42 R2.

Actuarial Life Analysis

58 R3.0 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 to 55 Years.

Recommendation

Change to 46 R2.5 Based on Industry Standards and Actuarial Life Analysis.

Comments:

Based on EEI Industry Standards and plant data, a slightly longer life is warranted for this account. The actuarial life analysis recommends a 58 year average life; this is not warranted based on the information analyzed. The average service life and Iowa Curve were chosen based on their fit to the lower aged vintages.

Salvage Factor Estimates

Current Net salvage Rate is	-25%
Proposed Net salvage Rate	-35%

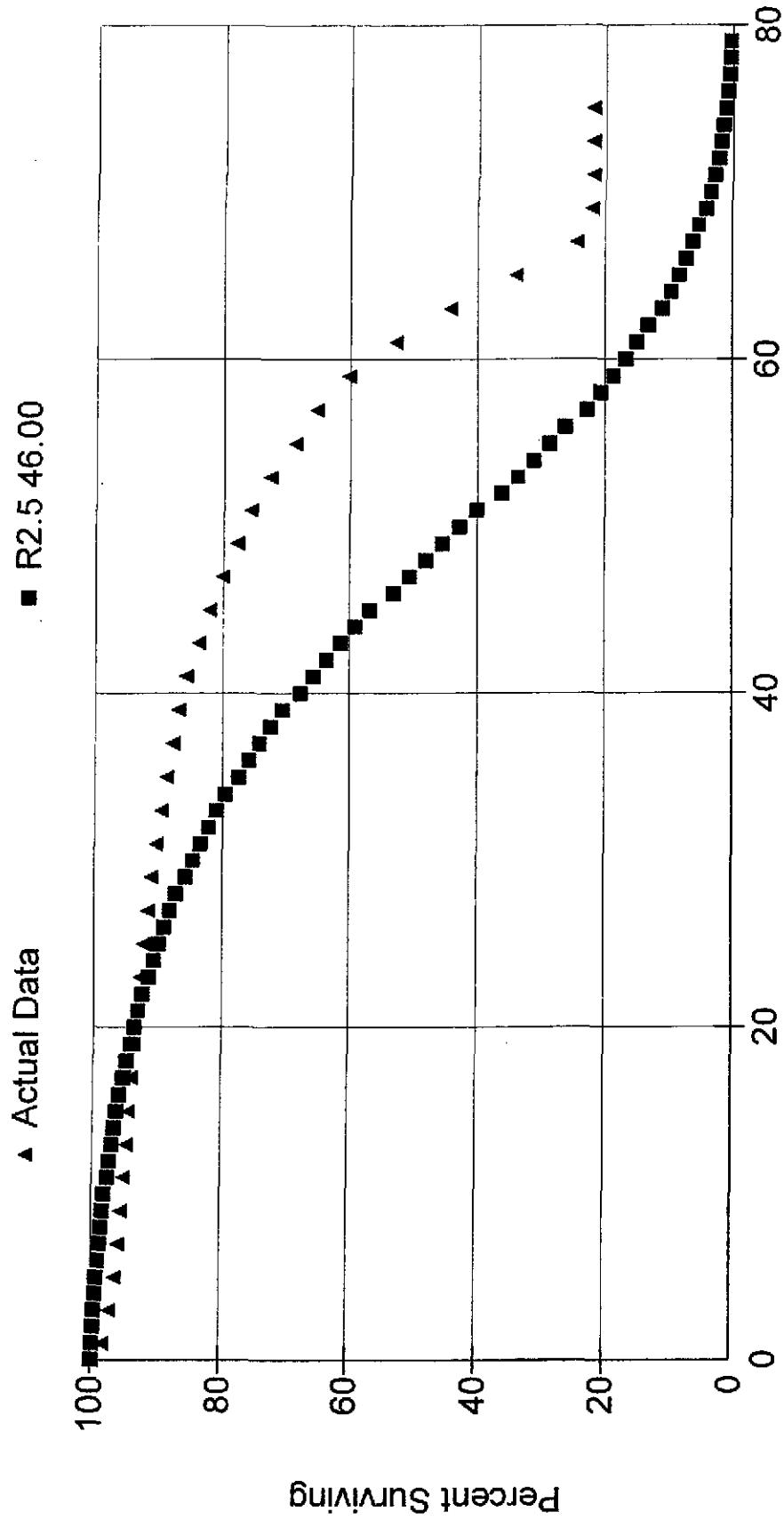
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 5% to -374%. The activity used for this study shows an average of 41%; this is inconsistent with industry standards and a slight increase to -35% is recommended.

Summary of Recommendations

<u>46</u>	Average Service Life
<u>R2.5</u>	Iowa Curve
<u>-35</u>	% Net Salvage

Ohio Edison Company Account 364 Poles & Towers



Age (Years)
Vintages: 1931-2006
Activity Years: 1999-2006

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OEEO 101/6-364 Poles towers

Placement Band: 1931 - 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
0	79,265,251.41	569,375.16	0.00718	0.99282	100.00
0.5	59,507,421.21	668,631.01	0.01124	0.98876	99.28
1.5	64,284,559.35	526,623.51	0.00819	0.99181	98.16
2.5	71,637,566.74	139,870.24	0.00195	0.99805	97.36
3.5	73,844,743.10	470,204.37	0.00637	0.99363	97.17
4.5	74,557,459.66	179,163.30	0.00240	0.99760	96.55
5.5	77,967,390.75	144,327.49	0.00185	0.99815	96.32
6.5	80,585,637.82	245,517.89	0.00305	0.99695	96.14
7.5	83,282,366.85	137,618.45	0.00165	0.99835	95.85
8.5	80,036,289.13	175,005.15	0.00219	0.99781	95.69
9.5	76,862,714.64	115,216.43	0.00150	0.99850	95.48
10.5	76,149,988.31	157,624.50	0.00207	0.99793	95.34
11.5	74,702,912.71	122,578.08	0.00164	0.99836	95.14
12.5	73,158,965.23	173,938.12	0.00238	0.99762	94.98
13.5	73,643,750.90	120,042.61	0.00163	0.99837	94.75
14.5	73,576,154.54	123,738.28	0.00168	0.99832	94.60
15.5	72,813,113.38	170,240.94	0.00234	0.99766	94.44
16.5	71,361,400.10	134,441.43	0.00188	0.99812	94.22
17.5	71,318,498.59	139,078.89	0.00195	0.99805	94.04
18.5	69,229,137.41	124,334.01	0.00180	0.99820	93.86
19.5	65,949,365.45	154,151.57	0.00234	0.99766	93.69
20.5	63,812,599.96	180,193.41	0.00282	0.99718	93.47
21.5	59,746,157.26	158,303.31	0.00265	0.99735	93.21
22.5	55,688,166.10	133,721.41	0.00240	0.99760	92.96
23.5	53,848,225.56	162,811.59	0.00302	0.99698	92.74
24.5	53,434,949.81	115,304.95	0.00216	0.99784	92.46
25.5	51,751,890.79	220,423.90	0.00426	0.99574	92.26
26.5	48,358,302.49	125,430.05	0.00259	0.99741	91.87
27.5	44,980,800.25	118,616.32	0.00264	0.99736	91.63
28.5	41,659,049.99	143,166.87	0.00344	0.99656	91.39
29.5	38,026,392.88	144,163.22	0.00379	0.99621	91.08
30.5	34,522,827.16	129,609.16	0.00375	0.99625	90.73
31.5	30,868,737.61	140,913.92	0.00456	0.99544	90.39
32.5	25,874,544.39	111,919.55	0.00433	0.99567	89.98
33.5	23,840,482.48	99,781.08	0.00419	0.99581	89.59
34.5	22,425,308.77	128,669.59	0.00574	0.99426	89.21
35.5	22,658,798.80	110,469.46	0.00488	0.99512	88.70
36.5	22,660,835.48	122,424.82	0.00540	0.99460	88.27
37.5	22,225,918.22	104,630.84	0.00471	0.99529	87.79
38.5	22,126,011.05	116,468.66	0.00526	0.99474	87.38
39.5	21,517,345.72	124,000.92	0.00576	0.99424	86.92
40.5	21,029,078.45	152,751.30	0.00726	0.99274	86.42
41.5	20,440,017.05	177,598.57	0.00869	0.99131	85.79
42.5	19,846,032.55	291,634.24	0.01469	0.98531	85.04
43.5	18,667,993.73	196,536.55	0.01053	0.98947	83.79
44.5	17,620,158.78	171,459.70	0.00973	0.99027	82.91
45.5	16,226,892.54	209,365.89	0.01290	0.98710	82.10
46.5	14,364,264.78	166,014.90	0.01156	0.98844	81.04
47.5	12,238,016.83	209,754.05	0.01714	0.98286	80.10
48.5	10,436,907.28	130,397.10	0.01249	0.98751	78.73
49.5	8,246,838.79	100,363.55	0.01217	0.98783	77.75
50.5	6,357,127.56	92,571.84	0.01456	0.98544	76.80
51.5	4,699,641.64	92,616.77	0.01971	0.98029	75.68
52.5	2,973,040.34	62,059.88	0.02087	0.97913	74.19

Observed Life Table

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Scenario: Ohio 2007 Distribution Accounts

Account: OECO 101/6-364 Poles towers

Placement Band: 1931 - 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	1,753,194.70	45,945.14	0.02621	0.97379	72.64
54.5	1,028,663.85	29,934.05	0.02910	0.97090	70.74
55.5	883,967.10	25,081.30	0.02837	0.97163	68.68
56.5	551,665.32	11,798.16	0.02139	0.97861	66.73
57.5	407,922.86	10,664.53	0.02614	0.97386	65.30
58.5	300,970.74	16,208.48	0.05385	0.94615	63.59
59.5	251,292.22	11,733.83	0.04669	0.95331	60.17
60.5	181,387.99	14,383.45	0.07929	0.92071	57.36
61.5	208,799.26	11,765.01	0.05635	0.94365	52.81
62.5	184,158.28	20,543.50	0.11156	0.88844	49.83
63.5	178,125.76	23,694.52	0.13302	0.86698	44.27
64.5	157,816.18	18,252.32	0.11565	0.88435	38.38
65.5	138,751.22	21,255.77	0.15320	0.84680	33.94
66.5	118,818.10	17,784.15	0.14967	0.85033	28.74
67.5	106,915.14	10,297.83	0.09632	0.90368	24.44
68.5	76,460.27	430.26	0.00562	0.99438	22.09
69.5	5,377.88	0.00	0.00000	1.00000	21.97
70.5	7,423.59	0.00	0.00000	1.00000	21.97
71.5	9,003.08	0.00	0.00000	1.00000	21.97
72.5	7,830.18	0.00	0.00000	1.00000	21.97
73.5	7,830.18	0.00	0.00000	1.00000	21.97
74.5	7,415.19	0.00	0.00000	1.00000	21.97
75.5	0.00	0.00	0.00000	0.00000	21.97

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 364 Poles & Towers	1999	367,190.08	163,864.91	44.63	0.00	0.00	(28,806.70)	-7.85	192,671.61	52.47	52.47
OECO 364 Poles & Towers	2000	1,091,355.23	56,511.65	5.18	0.00	0.00	364,589.55	35.24	(328,077.90)	-30.06	-30.06
OECO 364 Poles & Towers	2001	903,704.62	225,874.53	24.99	0.00	0.00	398,606.59	44.11	(172,732.06)	-19.11	-19.11
OECO 364 Poles & Towers	2002	1,068,125.41	454,353.71	42.54	0.00	0.00	435,729.43	40.79	18,624.28	1.74	1.74
OECO 364 Poles & Towers	2003	989,413.22	1,367,547.13	138.22	0.00	0.00	241,552.20	24.41	1,125,994.93	113.80	113.80
OECO 364 Poles & Towers	2004	1,038,339.24	55,796.03	5.37	0.00	0.00	83,781.93	8.07	(27,985.90)	-2.70	-2.70
OECO 364 Poles & Towers	2005	883,673.08	3,756,207.89	425.07	0.00	0.00	771,960.92	87.36	2,984,246.97	337.71	337.71
OECO 364 Poles & Towers	2006	2,731,981.99	1,029,119.85	37.67	0.00	0.00	1,062,288.86	38.88	(33,169.01)	-1.21	-1.21
		9,073,782.87	7,109,275.70	78.35	0.00	0.00	3,349,702.78	36.92	3,759,572.92	41.43	

Whole Life Depreciation Accrual

Vol. 4B, Attach. PRC-1, p. 104

Account: DECO 101/6-364 Poles towers

Dispersion: 46 - R2.8

Average Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$343,551,032.08		\$10,022,467.04	2.917316
Whole Life		46	\$10,082,483.14	
Amortization		0	\$0.00	
Retirements	\$4,088,623.40	46	\$59,996.10	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$343,551,032.08 *		\$10,022,467.04	2.917316
Average:	\$341,506,720.38		\$10,022,467.04	2.934779
Grand Total:	\$343,551,032.08 *		\$10,022,467.04	2.917316

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-364 Poles towers

Dispersion: 46.00 - R2.5

Average Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

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	\$22,390,863.86	46.00	45.53	1.3361	1.0000	\$29,917,166.30	\$657,123.18
2005	1.50	\$12,414,717.15	46.00	44.59	1.3085	1.0000	\$16,244,589.88	\$364,344.96
2004	2.50	\$2,391,279.76	46.00	43.65	1.2810	1.0000	\$3,063,155.60	\$70,178.86
2003	3.50	\$8,449,700.71	46.00	42.71	1.2535	1.0000	\$10,592,093.17	\$247,980.35
2002	4.50	\$8,680,295.19	46.00	41.78	1.2263	1.0000	\$10,644,600.07	\$254,747.79
2001	5.50	\$6,741,139.84	46.00	40.86	1.1992	1.0000	\$8,083,955.41	\$197,837.80
2000	6.50	\$7,817,897.73	46.00	39.94	1.1722	1.0000	\$9,164,431.55	\$229,438.30
1999	7.50	\$6,428,377.33	46.00	39.03	1.1454	1.0000	\$7,363,299.87	\$188,658.90
1998	8.50	\$7,635,528.77	46.00	38.12	1.1188	1.0000	\$8,542,662.53	\$224,086.17
1997	9.50	\$10,281,640.05	46.00	37.22	1.0923	1.0000	\$11,231,011.88	\$301,743.78
1996	10.50	\$10,467,511.13	46.00	36.33	1.0661	1.0000	\$11,159,124.51	\$307,198.70
1995	11.50	\$10,738,071.21	46.00	35.44	1.0400	1.0000	\$11,167,541.26	\$315,139.05
1994	12.50	\$10,135,100.85	46.00	34.56	1.0141	1.0000	\$10,278,329.11	\$297,443.18
1993	13.50	\$10,275,340.00	46.00	33.68	0.9885	1.0000	\$10,156,900.28	\$301,558.89
1992	14.50	\$10,477,383.32	46.00	32.81	0.9630	1.0000	\$10,089,721.14	\$307,488.42
1991	15.50	\$9,275,994.99	46.00	31.95	0.9378	1.0000	\$8,698,951.28	\$272,230.29
1990	16.50	\$9,573,825.29	46.00	31.10	0.9128	1.0000	\$8,739,202.03	\$280,970.96
1989	17.50	\$6,665,716.93	46.00	30.26	0.8881	1.0000	\$5,919,810.62	\$195,624.30
1988	18.50	\$9,384,774.46	46.00	29.43	0.8636	1.0000	\$8,104,868.26	\$275,422.73
1987	19.50	\$8,963,742.94	46.00	28.60	0.8394	1.0000	\$7,524,204.09	\$263,066.37
1986	20.50	\$8,204,737.61	46.00	27.78	0.8154	1.0000	\$6,690,224.48	\$240,791.21
1985	21.50	\$10,650,355.93	46.00	26.98	0.7917	1.0000	\$8,432,234.06	\$312,564.79
1984	22.50	\$10,233,945.85	46.00	26.18	0.7683	1.0000	\$7,863,119.38	\$300,344.06
1983	23.50	\$8,446,290.77	46.00	25.39	0.7452	1.0000	\$6,294,396.87	\$247,880.27
1982	24.50	\$8,095,227.49	46.00	24.62	0.7224	1.0000	\$5,848,085.06	\$237,577.33
1981	25.50	\$6,656,213.45	46.00	23.85	0.6999	1.0000	\$4,658,621.41	\$195,345.39
1980	26.50	\$7,189,666.22	46.00	23.09	0.6776	1.0000	\$4,872,007.80	\$211,001.07
1979	27.50	\$5,709,421.48	46.00	22.34	0.6558	1.0000	\$3,743,970.81	\$167,559.11
1978	28.50	\$6,068,213.32	46.00	21.61	0.6342	1.0000	\$3,848,463.01	\$178,088.87
1977	29.50	\$6,617,575.54	46.00	20.89	0.6130	1.0000	\$4,056,374.00	\$194,211.46
1976	30.50	\$6,209,505.25	46.00	20.17	0.5921	1.0000	\$3,676,571.22	\$182,235.48
1975	31.50	\$6,569,249.76	46.00	19.48	0.5716	1.0000	\$3,754,677.47	\$192,793.20
1974	32.50	\$7,648,735.51	46.00	18.79	0.5513	1.0000	\$4,217,115.52	\$224,473.76

Generation Arrangement Report

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Account: OECO 101/6-364 Poles towers

Dispersion: 46.00 - R2.5

Average Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

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	\$4,957,124.53	46.00	18.11	0.5316	1.0000	\$2,635,075.80	\$145,480.83
1972	34.50	\$3,896,398.82	46.00	17.45	0.5122	1.0000	\$1,995,708.65	\$114,350.83
1971	35.50	\$2,384,019.95	46.00	16.81	0.4932	1.0000	\$1,175,848.98	\$69,965.80
1970	36.50	\$2,734,118.46	46.00	16.17	0.4747	1.0000	\$1,297,801.77	\$80,240.43
1969	37.50	\$3,000,072.26	46.00	15.55	0.4565	1.0000	\$1,369,526.73	\$88,045.60
1968	38.50	\$2,740,627.65	46.00	14.95	0.4389	1.0000	\$1,202,741.39	\$80,431.46
1967	39.50	\$2,932,083.29	46.00	14.37	0.4217	1.0000	\$1,236,432.99	\$86,050.27
1966	40.50	\$2,684,387.19	46.00	13.80	0.4050	1.0000	\$1,087,223.20	\$78,780.93
1965	41.50	\$2,903,860.50	46.00	13.25	0.3888	1.0000	\$1,129,162.52	\$85,221.99
1964	42.50	\$2,497,812.34	46.00	12.72	0.3732	1.0000	\$932,184.07	\$73,305.36
1963	43.50	\$2,651,842.28	46.00	12.20	0.3580	1.0000	\$949,436.56	\$77,825.81
1962	44.50	\$2,735,599.00	46.00	11.70	0.3435	1.0000	\$939,607.88	\$80,283.88
1961	45.50	\$2,541,190.68	46.00	11.23	0.3295	1.0000	\$837,231.16	\$74,578.42
1960	46.50	\$2,470,697.48	46.00	10.77	0.3160	1.0000	\$780,760.35	\$72,509.60
1959	47.50	\$2,209,800.20	46.00	10.33	0.3031	1.0000	\$669,817.01	\$64,852.83
1958	48.50	\$2,010,442.34	46.00	9.91	0.2908	1.0000	\$584,566.59	\$59,002.11
1957	49.50	\$2,256,661.54	46.00	9.51	0.2790	1.0000	\$629,510.00	\$66,228.11
1956	50.50	\$1,923,854.44	46.00	9.12	0.2677	1.0000	\$515,004.55	\$56,460.95
1955	51.50	\$1,645,112.41	46.00	8.76	0.2570	1.0000	\$422,723.44	\$48,280.47
1954	52.50	\$1,730,702.45	46.00	8.41	0.2467	1.0000	\$426,988.44	\$50,792.35
1953	53.50	\$1,218,920.45	46.00	8.07	0.2369	1.0000	\$288,806.59	\$35,772.67
1952	54.50	\$732,302.64	46.00	7.76	0.2276	1.0000	\$166,679.13	\$21,491.49
1951	55.50	\$211,522.15	46.00	7.45	0.2188	1.0000	\$46,271.10	\$6,207.72
1950	56.50	\$355,702.43	46.00	7.16	0.2102	1.0000	\$74,768.41	\$10,439.09
1949	57.50	\$156,870.81	46.00	6.88	0.2020	1.0000	\$31,683.97	\$4,603.82
1948	58.50	\$115,036.47	46.00	6.61	0.1941	1.0000	\$22,323.39	\$3,376.07
1947	59.50	\$56,893.51	46.00	6.35	0.1864	1.0000	\$10,603.62	\$1,669.70
1946	60.50	\$85,164.87	46.00	6.10	0.1791	1.0000	\$15,254.80	\$2,499.40
1945	61.50	\$44,528.32	46.00	5.86	0.1718	1.0000	\$7,651.57	\$1,306.81
1944	62.50	\$26,738.53	46.00	5.61	0.1647	1.0000	\$4,404.22	\$784.72
1943	63.50	\$718.98	46.00	5.37	0.1577	1.0000	\$113.40	\$21.10
1942	64.50	\$5,438.89	46.00	5.14	0.1509	1.0000	\$820.52	\$159.62
1941	65.50	\$14,690.53	46.00	4.91	0.1441	1.0000	\$2,117.02	\$431.14

Generation Arrangement Report

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Account: OECD 101/6-364 Poles towers

Dispersion: 46.00 - R2.5

Age Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

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	\$7,344.90	46.00	4.69	0.1377	1.0000	\$1,011.59	\$215.56
1939	67.50	\$7,622.28	46.00	4.47	0.1312	1.0000	\$999.70	\$223.70
1938	68.50	\$20,157.04	46.00	4.25	0.1247	1.0000	\$2,512.87	\$591.57
1937	69.50	\$70,317.03	46.00	4.03	0.1182	1.0000	\$8,313.45	\$2,063.65
1936	70.50	(\$2,060.87)	46.00	3.81	0.1118	1.0000	(\$230.44)	(\$60.48)
1935	71.50	(\$977.97)	46.00	3.59	0.1054	1.0000	(\$103.05)	(\$28.70)
1934	72.50	\$1,172.90	46.00	3.38	0.0992	1.0000	\$116.34	\$34.42
1933	73.50	\$0.00	46.00	3.15	0.0924	1.0000	\$0.00	\$0.00
1932	74.50	\$381.38	46.00	2.91	0.0854	1.0000	\$32.55	\$11.19
1931	75.50	\$7,415.19	46.00	2.65	0.0779	1.0000	\$577.71	\$217.62
1930	76.50	\$0.00	46.00	2.39	0.0701	1.0000	\$0.00	\$0.00
1929	77.50	\$1,605.43	46.00	2.11	0.0620	1.0000	\$99.61	\$47.12
1928	78.50	\$0.00	46.00	1.86	0.0545	1.0000	\$0.00	\$0.00
1927	79.50	\$0.00	46.00	1.59	0.0467	1.0000	\$0.00	\$0.00
1926	80.50	\$16,586.55	46.00	1.33	0.0391	1.0000	\$648.00	\$486.78
1925	81.50	\$1,627.64	46.00	1.08	0.0316	1.0000	\$51.41	\$47.77
1924	82.50	\$428.35	46.00	0.82	0.0241	1.0000	\$10.31	\$12.57
1921	85.50	\$63.53	46.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1908	98.50	\$372.62	46.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$343,551,032.08	46.00	29.37	0.8620	1.0000	\$296,144,369.74	\$10,082,463.14

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 108

Account: OECO 101/6-364 Poles towers
 Scenario: Ohio 2007 Distribution Accts ADR
 Dispersion: 46 - R2.5

Average Net Salvage Rate: -35.00%
 Future Net Salvage Rate: -35.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$343,551,032.08	\$155,811,992.73	0.4535	\$307,981,900.58	0.8965
Computed	\$343,551,032.08	\$167,649,523.57	0.4880	\$296,144,369.74	0.8620
Difference		(\$11,837,530.84)	-0.0345	\$11,837,530.84	0.0345

Ohio 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 45 R2.

Actuarial Life Analysis

71 R3 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 29 to 53 Years.

Recommendation

Change to 50 R1.5 Based on Industry Standards and Actuarial Life Analysis.

Comments:

Based on plant data, a slightly longer life is warranted for this account. The actuarial life analysis recommends a 71 year average life; this is not warranted based on the information analyzed.

Salvage Factor Estimates

Current Net salvage Rate is	-20%
Proposed Net salvage Rate	-35%

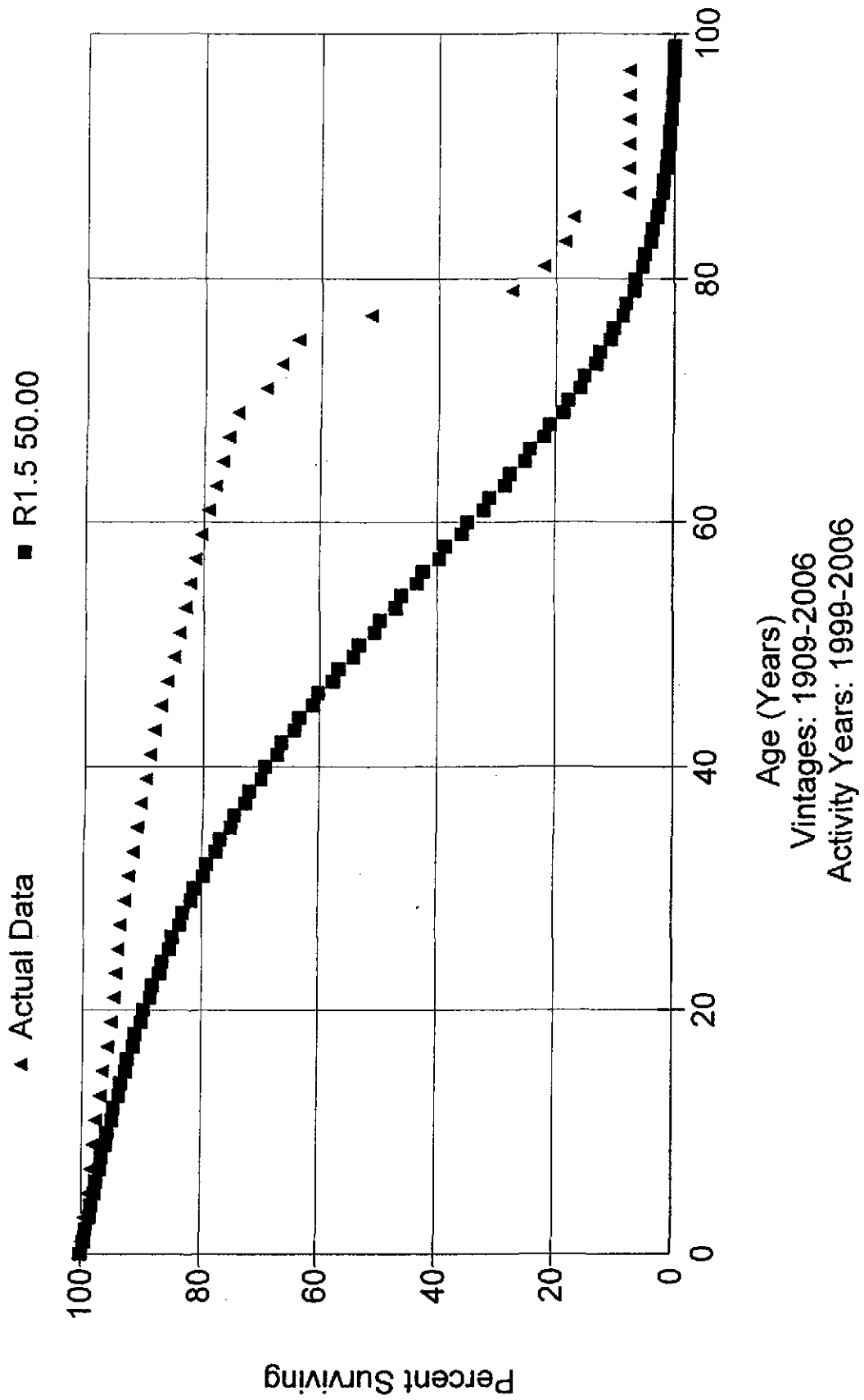
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 25% to -110%. Changing to a -35% rate is recommended to be more consistent with the other Ohio companies.

Summary of Recommendations

<u>50</u>	Average Service Life
<u>R1.5</u>	Iowa Curve
<u>-35</u>	% Net Salvage

Ohio Edison Company Account 365 Overhead Conductor



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

Vol. 4B, Attach. PRC-1, p. 112

Account: OECO 101/6-365 Overhead conductor

Placement Band: 1909 - 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
0	85,926,944.26	6,503.29	0.00008	0.99992	100.00
0.5	67,985,000.54	138,262.84	0.00203	0.99797	99.99
1.5	73,444,560.15	26,840.02	0.00037	0.99963	99.79
2.5	85,104,164.88	120,019.62	0.00141	0.99859	99.75
3.5	91,200,200.49	389,243.08	0.00427	0.99573	99.61
4.5	93,199,262.87	161,890.02	0.00174	0.99826	99.18
5.5	95,155,542.13	180,267.60	0.00189	0.99811	99.01
6.5	97,901,456.22	298,574.09	0.00305	0.99695	98.82
7.5	101,433,480.39	177,341.81	0.00175	0.99825	98.52
8.5	99,438,420.21	158,928.91	0.00160	0.99840	98.35
9.5	88,082,848.64	214,386.53	0.00243	0.99757	98.19
10.5	80,935,561.95	169,590.37	0.00210	0.99790	97.95
11.5	74,202,136.76	239,234.56	0.00322	0.99678	97.74
12.5	70,805,939.37	246,803.66	0.00349	0.99651	97.43
13.5	71,141,977.09	195,345.02	0.00275	0.99725	97.09
14.5	70,523,093.33	130,457.13	0.00185	0.99815	96.82
15.5	68,712,022.20	337,546.28	0.00491	0.99509	96.64
16.5	67,102,057.92	239,318.50	0.00357	0.99643	96.17
17.5	66,366,287.36	207,071.08	0.00312	0.99688	95.83
18.5	63,710,322.21	165,440.04	0.00260	0.99740	95.53
19.5	60,232,055.19	181,733.08	0.00302	0.99698	95.28
20.5	56,907,160.51	77,028.06	0.00135	0.99865	94.99
21.5	50,512,978.21	69,836.64	0.00138	0.99862	94.86
22.5	44,698,102.15	66,749.76	0.00149	0.99851	94.73
23.5	42,486,827.94	69,357.25	0.00163	0.99837	94.59
24.5	39,371,734.53	72,160.09	0.00183	0.99817	94.44
25.5	37,160,241.73	75,633.91	0.00204	0.99796	94.27
26.5	34,216,019.71	84,327.97	0.00246	0.99754	94.08
27.5	32,634,236.70	97,082.90	0.00297	0.99703	93.85
28.5	30,751,979.99	157,919.72	0.00514	0.99486	93.57
29.5	30,028,461.10	92,239.32	0.00307	0.99693	93.09
30.5	28,579,751.06	102,628.91	0.00359	0.99641	92.80
31.5	26,236,372.32	106,262.62	0.00405	0.99595	92.47
32.5	23,290,655.65	103,098.40	0.00443	0.99557	92.10
33.5	21,537,053.48	54,843.79	0.00255	0.99745	91.69
34.5	19,651,132.06	60,474.17	0.00308	0.99692	91.46
35.5	18,629,783.30	59,695.07	0.00320	0.99680	91.18
36.5	17,991,371.62	76,184.50	0.00423	0.99577	90.89
37.5	17,289,736.67	72,029.52	0.00417	0.99583	90.51
38.5	17,196,543.64	85,240.90	0.00496	0.99504	90.13
39.5	16,399,876.69	63,811.94	0.00389	0.99611	89.68
40.5	15,963,205.39	59,998.29	0.00376	0.99624	89.33
41.5	15,572,684.15	52,787.19	0.00339	0.99661	88.99
42.5	15,020,084.30	64,070.27	0.00427	0.99573	88.69
43.5	14,112,362.99	88,396.66	0.00626	0.99374	88.31
44.5	12,949,886.02	74,961.45	0.00579	0.99421	87.76
45.5	11,514,411.51	74,757.04	0.00649	0.99351	87.25
46.5	10,182,627.92	55,756.81	0.00548	0.99452	86.68
47.5	9,121,764.96	53,640.59	0.00588	0.99412	86.20
48.5	8,237,624.52	60,197.75	0.00731	0.99269	85.69
49.5	7,004,154.00	39,856.05	0.00569	0.99431	85.06
50.5	6,638,146.79	32,453.74	0.00489	0.99511	84.58
51.5	6,108,818.66	41,797.86	0.00684	0.99316	84.17
52.5	5,501,642.07	35,608.79	0.00647	0.99353	83.59

Observed Life Table

Vol. 4B, Attach. PRC-1, p. 113

Scenario: Ohio 2007 Distribution Accounts

Account: OEEO 101/6-365 Overhead conductor

Placement Band: 1909 - 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	5,112,765.63	27,733.95	0.00542	0.99458	83.05
54.5	4,349,936.84	19,251.29	0.00443	0.99557	82.60
55.5	3,727,326.14	20,221.67	0.00543	0.99457	82.23
56.5	2,855,003.37	13,061.38	0.00457	0.99543	81.78
57.5	2,346,557.99	16,011.32	0.00682	0.99318	81.41
58.5	1,771,493.23	10,021.69	0.00566	0.99434	80.85
59.5	1,357,194.54	8,579.07	0.00632	0.99368	80.39
60.5	1,119,474.92	8,619.94	0.00770	0.99230	79.88
61.5	1,809,316.95	12,841.48	0.00710	0.99290	79.26
62.5	1,804,080.66	16,085.16	0.00892	0.99108	78.70
63.5	1,710,718.14	12,116.86	0.00708	0.99292	78.00
64.5	1,648,207.30	12,270.56	0.00745	0.99255	77.45
65.5	1,495,745.39	10,472.98	0.00700	0.99300	76.87
66.5	1,346,223.25	8,332.39	0.00619	0.99381	76.33
67.5	1,281,592.79	6,951.43	0.00542	0.99458	75.86
68.5	1,183,381.61	17,246.08	0.01457	0.98543	75.45
69.5	310,583.50	13,155.55	0.04236	0.95764	74.35
70.5	214,606.75	5,246.97	0.02445	0.97555	71.20
71.5	194,671.08	3,573.92	0.01836	0.98164	69.46
72.5	180,907.87	3,717.75	0.02055	0.97945	68.18
73.5	172,009.73	3,252.02	0.01891	0.98109	66.78
74.5	153,448.65	3,783.36	0.02465	0.97535	65.52
75.5	84,493.00	3,520.18	0.04166	0.95834	63.90
76.5	32,569.15	5,105.49	0.15674	0.84326	61.24
77.5	2,578.63	534.41	0.20706	0.79294	51.64
78.5	1,585.61	514.14	0.32409	0.67591	40.95
79.5	1,071.47	87.20	0.08123	0.91877	27.68
80.5	861.47	113.53	0.13240	0.86760	25.43
81.5	350.38	35.14	0.10000	0.90000	22.06
82.5	300.43	20.25	0.06667	0.93333	19.85
83.5	280.18	5.06	0.01786	0.98214	18.53
84.5	275.12	16.71	0.06182	0.93818	18.20
85.5	0.00	0.00	0.00000	0.00000	17.07
86.5	164.57	90.18	0.54545	0.45455	
87.5	74.39	0.00	0.00000	1.00000	
88.5	74.39	0.00	0.00000	1.00000	
89.5	74.39	0.00	0.00000	1.00000	
90.5	74.39	0.00	0.00000	1.00000	
91.5	74.39	0.00	0.00000	1.00000	
92.5	74.39	0.00	0.00000	1.00000	
93.5	74.39	0.00	0.00000	1.00000	
94.5	0.00	0.00	0.00000	0.00000	

Net Salvage Analysis Report

Account	Year	Gross Salvage (Cash)			Gross Salvage (Returns)			Cost of Removal			Net Salvage		
		Amount	Pct.	Retirements	Amount	Pct.	Amount	Amount	Pct.	Amount	Amount	Pct.	1-Yr Avg
OECO 365 Overhead Conductor	1999	224,837.63	78.04	288,115.40	0.00	0.00	233,156.48	(8,318.85)	80.92	-2.89	-2.89	-2.89	-2.89
OECO 365 Overhead Conductor	2000	414,711.53	87.78	472,466.91	0.00	0.00	352,658.63	62,052.90	74.64	13.13	13.13	13.13	13.13
OECO 365 Overhead Conductor	2001	151,629.15	45.94	330,027.61	0.00	0.00	267,145.76	(115,516.61)	80.95	-35.00	-35.00	-35.00	-35.00
OECO 365 Overhead Conductor	2002	1,068,750.61	237.18	450,599.22	0.00	0.00	515,384.46	553,366.15	114.38	122.81	122.81	122.81	122.81
OECO 365 Overhead Conductor	2003	767,813.66	162.02	473,784.04	0.00	0.00	545,405.59	222,208.07	115.12	46.90	46.90	46.90	46.90
OECO 365 Overhead Conductor	2004	444,438.88	62.49	711,211.15	0.00	0.00	383,434.17	61,004.71	53.91	8.58	8.58	8.58	8.58
OECO 365 Overhead Conductor	2005	371,934.96	108.71	342,130.16	0.00	0.00	2,490,135.51	(2,118,200.55)	727.83	-619.12	-619.12	-619.12	-619.12
OECO 365 Overhead Conductor	2006	3,454,339.98	112.04	3,083,081.98	0.00	0.00	7,886,167.73	(4,431,827.75)	255.79	-143.75	-143.75	-143.75	-143.75
		6,898,256.40	112.14	6,151,396.48	0.00	0.00	12,673,488.33	(5,775,231.93)	206.03	-93.88	-93.88	-93.88	-93.88

Whole Life Depreciation Accrual

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Account: OECO 101/6-365 Overhead conductor

Dispersion: 50 - R1.5

Average Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$347,506,200.55		\$9,337,041.12	2.686871
Whole Life		50	\$9,382,667.41	
Amortization		0	\$0.00	
Retirements	\$3,379,725.41	50	\$45,626.29	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$347,506,200.55 *		\$9,337,041.12	2.686871
Average:	\$345,816,337.85		\$9,337,041.12	2.700000
Grand Total:	\$347,506,200.55 *		\$9,337,041.12	2.686871

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-365 Overhead conductor

Dispersion: 50.00 - R1.5

Age Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

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	\$23,247,615.27	50.00	49.59	1.3389	1.0000	\$31,125,494.86	\$627,685.61
2005	1.50	\$18,907,154.50	50.00	48.77	1.3167	1.0000	\$24,895,406.20	\$510,493.17
2004	2.50	\$4,637,364.49	50.00	47.95	1.2947	1.0000	\$6,003,891.13	\$125,208.84
2003	3.50	\$8,769,497.73	50.00	47.14	1.2728	1.0000	\$11,161,520.81	\$236,776.44
2002	4.50	\$9,089,222.76	50.00	46.33	1.2510	1.0000	\$11,370,444.59	\$245,409.01
2001	5.50	\$7,497,045.26	50.00	45.53	1.2293	1.0000	\$9,216,342.04	\$202,420.22
2000	6.50	\$7,422,728.43	50.00	44.73	1.2078	1.0000	\$8,965,049.55	\$200,413.67
1999	7.50	\$5,385,653.27	50.00	43.94	1.1864	1.0000	\$6,389,404.70	\$145,412.64
1998	8.50	\$6,032,159.15	50.00	43.15	1.1651	1.0000	\$7,028,066.95	\$162,868.30
1997	9.50	\$19,411,285.42	50.00	42.37	1.1439	1.0000	\$22,205,364.61	\$524,104.71
1996	10.50	\$16,638,500.13	50.00	41.59	1.1229	1.0000	\$18,683,675.60	\$449,239.50
1995	11.50	\$14,968,936.03	50.00	40.82	1.1020	1.0000	\$16,495,994.87	\$404,161.27
1994	12.50	\$11,333,397.23	50.00	40.05	1.0813	1.0000	\$12,254,241.39	\$306,001.73
1993	13.50	\$9,352,251.97	50.00	39.28	1.0606	1.0000	\$9,919,073.17	\$252,510.80
1992	14.50	\$10,131,752.23	50.00	38.52	1.0401	1.0000	\$10,537,978.96	\$273,557.31
1991	15.50	\$8,992,201.62	50.00	37.77	1.0197	1.0000	\$9,169,394.02	\$242,789.44
1990	16.50	\$9,665,829.66	50.00	37.02	0.9995	1.0000	\$9,660,585.47	\$260,977.40
1989	17.50	\$6,717,594.28	50.00	36.27	0.9793	1.0000	\$6,578,852.72	\$181,375.05
1988	18.50	\$9,014,406.48	50.00	35.53	0.9594	1.0000	\$8,648,225.80	\$243,388.97
1987	19.50	\$7,894,151.16	50.00	34.80	0.9396	1.0000	\$7,417,015.69	\$213,142.08
1986	20.50	\$7,812,174.74	50.00	34.07	0.9199	1.0000	\$7,186,277.50	\$210,928.72
1985	21.50	\$9,789,769.96	50.00	33.35	0.9004	1.0000	\$8,814,360.36	\$264,323.79
1984	22.50	\$9,482,886.50	50.00	32.63	0.8810	1.0000	\$8,354,529.98	\$256,037.94
1983	23.50	\$7,187,691.16	50.00	31.92	0.8618	1.0000	\$6,194,550.10	\$194,067.66
1982	24.50	\$8,301,338.17	50.00	31.22	0.8428	1.0000	\$6,996,518.26	\$224,136.13
1981	25.50	\$6,180,459.11	50.00	30.52	0.8240	1.0000	\$5,092,624.18	\$166,872.40
1980	26.50	\$6,485,032.05	50.00	29.83	0.8053	1.0000	\$5,222,669.33	\$175,095.87
1979	27.50	\$4,513,918.91	50.00	29.14	0.7869	1.0000	\$3,551,979.84	\$121,875.81
1978	28.50	\$4,584,662.18	50.00	28.47	0.7686	1.0000	\$3,523,963.93	\$123,785.88
1977	29.50	\$3,359,627.92	50.00	27.80	0.7506	1.0000	\$2,521,729.54	\$90,709.95
1976	30.50	\$3,662,898.74	50.00	27.14	0.7328	1.0000	\$2,684,020.52	\$98,898.27
1975	31.50	\$4,831,416.97	50.00	26.49	0.7151	1.0000	\$3,455,134.20	\$130,448.26
1974	32.50	\$5,128,875.30	50.00	25.84	0.6977	1.0000	\$3,578,599.15	\$138,479.63

Account: OECO 101/6-365 Overhead conductor

Dispersion: 50.00 - R1.5

Average Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

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	\$3,945,642.63	50.00	25.21	0.6806	1.0000	\$2,685,262.57	\$106,532.35
1972	34.50	\$3,540,506.33	50.00	24.58	0.6636	1.0000	\$2,349,558.14	\$95,593.67
1971	35.50	\$2,948,723.67	50.00	23.96	0.6469	1.0000	\$1,907,579.37	\$79,615.54
1970	36.50	\$2,738,344.21	50.00	23.35	0.6305	1.0000	\$1,726,407.49	\$73,935.29
1969	37.50	\$2,725,132.94	50.00	22.75	0.6142	1.0000	\$1,673,889.56	\$73,578.59
1968	38.50	\$2,241,363.05	50.00	22.16	0.5983	1.0000	\$1,340,964.14	\$60,516.80
1967	39.50	\$2,515,741.28	50.00	21.58	0.5826	1.0000	\$1,465,611.60	\$67,925.01
1966	40.50	\$2,222,765.94	50.00	21.00	0.5671	1.0000	\$1,260,601.62	\$60,014.68
1965	41.50	\$2,238,930.21	50.00	20.44	0.5520	1.0000	\$1,235,781.10	\$60,451.12
1964	42.50	\$1,660,219.28	50.00	19.89	0.5370	1.0000	\$891,592.01	\$44,825.92
1963	43.50	\$1,941,605.26	50.00	19.35	0.5224	1.0000	\$1,014,292.39	\$52,423.34
1962	44.50	\$2,097,366.91	50.00	18.82	0.5080	1.0000	\$1,065,534.89	\$56,628.91
1961	45.50	\$2,022,367.26	50.00	18.29	0.4939	1.0000	\$998,931.70	\$54,603.92
1960	46.50	\$2,123,749.56	50.00	17.78	0.4801	1.0000	\$1,019,699.06	\$57,341.24
1959	47.50	\$1,732,099.93	50.00	17.28	0.4666	1.0000	\$808,221.63	\$46,766.70
1958	48.50	\$1,783,385.60	50.00	16.79	0.4534	1.0000	\$808,529.74	\$48,151.41
1957	49.50	\$1,848,941.73	50.00	16.31	0.4404	1.0000	\$814,298.79	\$49,921.43
1956	50.50	\$1,082,329.90	50.00	15.84	0.4277	1.0000	\$462,953.91	\$29,222.91
1955	51.50	\$1,060,684.38	50.00	15.38	0.4153	1.0000	\$440,553.42	\$28,638.48
1954	52.50	\$977,453.81	50.00	14.93	0.4032	1.0000	\$394,151.99	\$26,391.25
1953	53.50	\$628,044.29	50.00	14.50	0.3914	1.0000	\$245,822.51	\$16,957.20
1952	54.50	\$823,899.38	50.00	14.07	0.3799	1.0000	\$312,971.89	\$22,245.28
1951	55.50	\$701,777.04	50.00	13.65	0.3686	1.0000	\$258,666.24	\$18,947.98
1950	56.50	\$919,135.40	50.00	13.24	0.3576	1.0000	\$328,663.44	\$24,816.66
1949	57.50	\$651,219.04	50.00	12.85	0.3468	1.0000	\$225,869.89	\$17,582.91
1948	58.50	\$723,927.24	50.00	12.46	0.3364	1.0000	\$243,500.17	\$19,546.04
1947	59.50	\$538,457.25	50.00	12.08	0.3261	1.0000	\$175,605.40	\$14,538.35
1946	60.50	\$389,299.71	50.00	11.71	0.3161	1.0000	\$123,071.49	\$10,511.09
1945	61.50	\$258,938.88	50.00	11.35	0.3064	1.0000	\$79,330.94	\$6,991.35
1944	62.50	\$82,977.31	50.00	10.99	0.2968	1.0000	\$24,630.96	\$2,240.39
1943	63.50	\$93,662.88	50.00	10.65	0.2875	1.0000	\$26,928.89	\$2,528.90
1942	64.50	\$61,965.37	50.00	10.31	0.2784	1.0000	\$17,250.19	\$1,673.06
1941	65.50	\$147,338.92	50.00	9.98	0.2695	1.0000	\$39,701.08	\$3,978.15

Generation Arrangement Report

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Account: OECO 101/6-365 Overhead conductor

Dispersion: 50.00 - R1.5

Average Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

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	\$156,250.97	50.00	9.66	0.2607	1.0000	\$40,733.13	\$4,218.78
1939	67.50	\$126,694.41	50.00	9.34	0.2521	1.0000	\$31,938.83	\$3,420.75
1938	68.50	\$151,098.99	50.00	9.02	0.2436	1.0000	\$36,815.26	\$4,079.67
1937	69.50	\$903,268.24	50.00	8.72	0.2354	1.0000	\$212,588.20	\$24,388.24
1936	70.50	\$83,775.16	50.00	8.41	0.2272	1.0000	\$19,032.37	\$2,261.93
1935	71.50	\$14,804.32	50.00	8.12	0.2191	1.0000	\$3,244.14	\$399.72
1934	72.50	\$10,505.05	50.00	7.82	0.2112	1.0000	\$2,218.83	\$283.64
1933	73.50	\$6,403.40	50.00	7.53	0.2034	1.0000	\$1,302.46	\$172.89
1932	74.50	\$15,374.59	50.00	7.25	0.1957	1.0000	\$3,008.93	\$415.11
1931	75.50	\$65,172.29	50.00	6.97	0.1881	1.0000	\$12,261.17	\$1,759.65
1930	76.50	\$48,403.67	50.00	6.69	0.1807	1.0000	\$8,744.92	\$1,306.90
1929	77.50	\$25,627.51	50.00	6.42	0.1733	1.0000	\$4,442.11	\$691.94
1928	78.50	\$458.61	50.00	6.15	0.1661	1.0000	\$76.19	\$12.38
1927	79.50	\$0.00	50.00	5.89	0.1591	1.0000	\$0.00	\$0.00
1926	80.50	\$122.80	50.00	5.64	0.1522	1.0000	\$18.69	\$3.32
1925	81.50	\$397.56	50.00	5.39	0.1455	1.0000	\$57.84	\$10.73
1924	82.50	\$14.81	50.00	5.15	0.1389	1.0000	\$2.06	\$0.40
1921	85.50	\$258.41	50.00	4.45	0.1203	1.0000	\$31.08	\$6.98
1912	94.50	\$74.39	50.00	2.05	0.0554	1.0000	\$4.12	\$2.01
		\$347,506,200.55	50.00	36.42	0.9834	1.0000	\$341,745,928.58	\$9,382,667.41

Depreciation Reserve Summary

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Account: OECO 101/6-365 Overhead conductor

Scenario: Ohio 2007 Distribution Accts ADR

Version: 50 - R1.5

Age Net Salvage Rate: -35.00%

Future Net Salvage Rate: -35.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$347,506,200.55	\$121,474,057.02	0.3496	\$347,659,313.72	1.0004
Computed	\$347,506,200.55	\$127,387,442.16	0.3666	\$341,745,928.58	0.9834
Difference		(\$5,913,385.14)	-0.0170	\$5,913,385.14	0.0170

Ohio 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 66 S3.

Actuarial Life Analysis

78 R4 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 28 to 84 Years.

Recommendation

Change to 70 R4 Based on Industry Standards and Actuarial Life Analysis.

Comments:

The actuarial analysis recommends an R4 Iowa Curve which is a good fit for the data. A 70 year average life matches significant activity; a 78 year average life is not warranted.

Salvage Factor Estimates

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

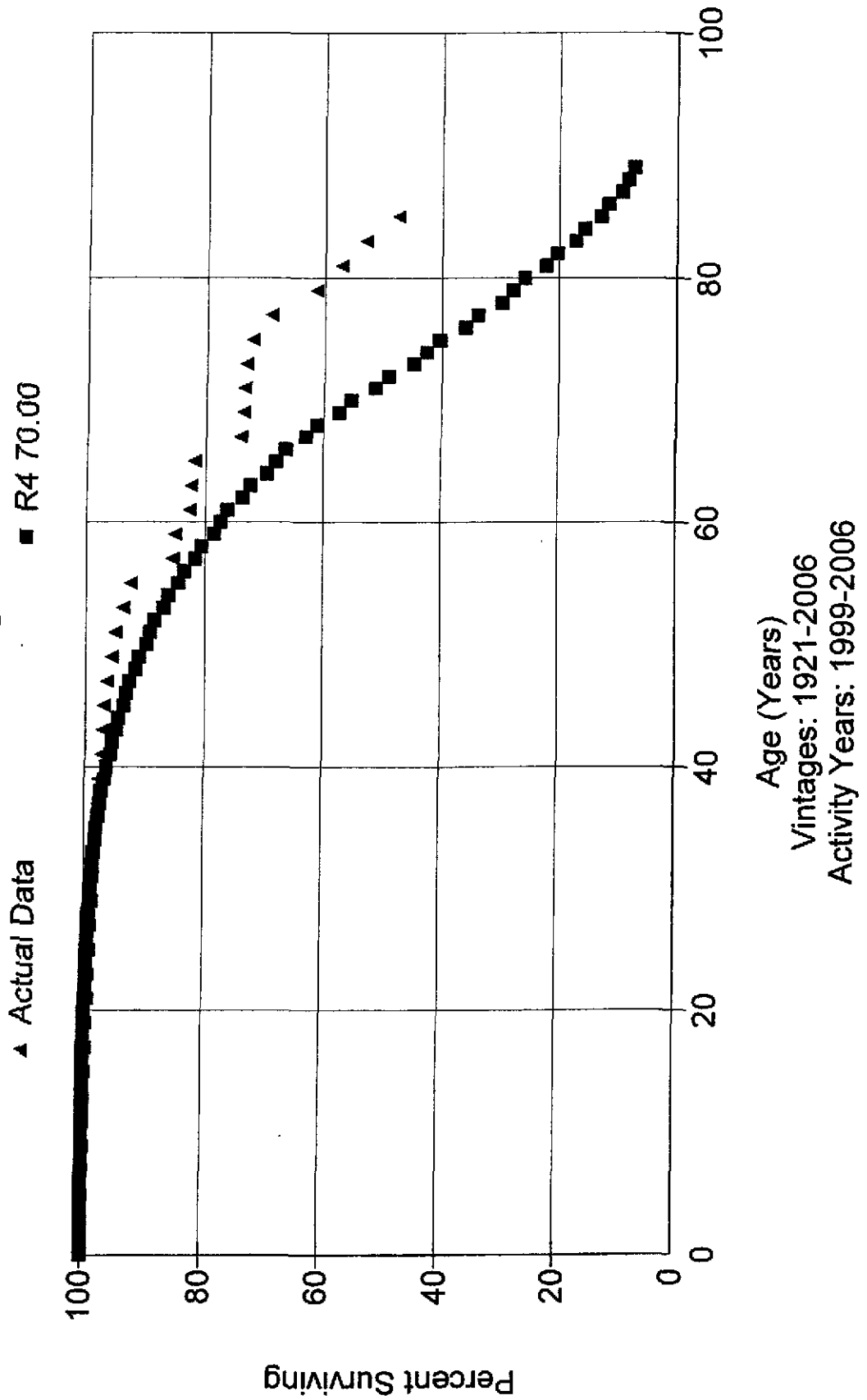
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 10% to -60%. The current rate of -5% is still a viable option.

Summary of Recommendations

<u>70</u>	Average Service Life
<u>R4</u>	Iowa Curve
<u>-5</u>	% Net Salvage

Ohio Edison Company Account 366 Underground Conduit



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OECO 101/6-366 Underground conduit

Placement Band: 1921 - 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
0	8,960,116.40	1,921.57	0.00021	0.99979	100.00
0.5	8,540,208.62	1,565.37	0.00018	0.99982	99.98
1.5	12,686,218.74	1,165.94	0.00009	0.99991	99.96
2.5	16,479,993.13	991.71	0.00006	0.99994	99.95
3.5	18,837,166.87	3,139.46	0.00017	0.99983	99.94
4.5	19,155,816.70	1,855.85	0.00010	0.99990	99.92
5.5	20,713,797.11	3,871.27	0.00019	0.99981	99.91
6.5	23,287,806.86	2,757.02	0.00012	0.99988	99.89
7.5	23,319,614.13	7,167.44	0.00031	0.99969	99.88
8.5	25,200,727.80	4,001.46	0.00016	0.99984	99.85
9.5	22,863,731.06	4,159.36	0.00018	0.99982	99.83
10.5	20,740,856.83	4,271.82	0.00021	0.99979	99.81
11.5	19,097,868.59	4,684.09	0.00025	0.99975	99.79
12.5	18,865,415.50	5,379.66	0.00029	0.99971	99.77
13.5	17,115,289.06	10,284.73	0.00060	0.99940	99.74
14.5	14,160,268.47	3,889.25	0.00027	0.99973	99.68
15.5	13,438,519.63	7,984.41	0.00059	0.99941	99.65
16.5	9,890,138.10	6,347.38	0.00064	0.99936	99.59
17.5	8,633,753.56	3,034.76	0.00035	0.99965	99.53
18.5	7,896,046.96	3,389.27	0.00043	0.99957	99.50
19.5	7,212,844.66	3,276.39	0.00045	0.99955	99.46
20.5	6,956,719.31	3,620.56	0.00052	0.99948	99.42
21.5	7,010,898.97	1,963.87	0.00028	0.99972	99.37
22.5	6,978,998.63	3,877.85	0.00056	0.99944	99.34
23.5	7,574,629.17	4,067.30	0.00054	0.99946	99.28
24.5	7,139,015.45	4,958.08	0.00069	0.99931	99.23
25.5	7,304,125.60	5,314.84	0.00073	0.99927	99.16
26.5	7,047,439.96	6,500.30	0.00092	0.99908	99.09
27.5	6,877,981.44	8,474.48	0.00123	0.99877	99.00
28.5	6,236,149.19	5,181.15	0.00083	0.99917	98.88
29.5	5,799,764.01	4,760.34	0.00082	0.99918	98.80
30.5	5,555,746.26	6,068.45	0.00109	0.99891	98.72
31.5	4,524,037.17	4,705.68	0.00104	0.99896	98.61
32.5	4,109,482.67	4,011.87	0.00098	0.99902	98.51
33.5	3,260,220.94	3,678.44	0.00113	0.99887	98.41
34.5	2,573,718.96	6,648.06	0.00258	0.99742	98.30
35.5	2,125,459.16	2,277.99	0.00107	0.99893	98.05
36.5	1,683,305.78	2,971.80	0.00177	0.99823	97.95
37.5	1,204,838.07	851.34	0.00071	0.99929	97.78
38.5	603,050.83	443.74	0.00074	0.99926	97.71
39.5	403,510.95	611.87	0.00152	0.99848	97.64
40.5	324,496.60	226.15	0.00070	0.99930	97.49
41.5	529,728.58	835.78	0.00158	0.99842	97.42
42.5	822,312.90	602.31	0.00073	0.99927	97.27
43.5	1,232,325.44	1,245.85	0.00101	0.99899	97.20
44.5	1,736,740.85	953.46	0.00055	0.99945	97.10
45.5	1,786,581.27	3,448.09	0.00193	0.99807	97.05
46.5	1,910,703.38	7,268.64	0.00380	0.99620	96.86
47.5	2,042,644.62	13,799.91	0.00676	0.99324	96.49
48.5	2,000,631.20	4,149.93	0.00207	0.99793	95.84
49.5	1,799,244.77	4,163.24	0.00231	0.99769	95.64
50.5	1,562,800.49	5,275.22	0.00338	0.99662	95.42
51.5	1,180,537.59	11,996.82	0.01016	0.98984	95.10
52.5	1,727,506.78	6,752.06	0.00391	0.99609	94.13

Observed Life Table

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Scenario: Ohio 2007 Distribution Accounts

Account: DECO 101/6-366 Underground conduit

Placement Band: 1921 - 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	1,638,293.54	10,843.57	0.00662	0.99338	93.76
54.5	1,464,576.78	9,337.39	0.00638	0.99362	93.14
55.5	1,268,860.40	11,887.58	0.00937	0.99063	92.55
56.5	1,200,761.19	80,288.99	0.06687	0.93313	91.68
57.5	1,079,012.68	2,249.09	0.00208	0.99792	85.55
58.5	1,014,575.98	2,978.95	0.00294	0.99706	85.37
59.5	988,518.56	20,543.87	0.02078	0.97922	85.12
60.5	19,497.35	147.25	0.00754	0.99246	83.35
61.5	3,489.75	7.45	0.00201	0.99799	82.72
62.5	4,291.06	2.86	0.00070	0.99930	82.55
63.5	5,865.28	7.72	0.00136	0.99864	82.49
64.5	5,857.56	34.45	0.00580	0.99420	82.38
65.5	5,823.11	107.88	0.01855	0.98145	81.90
66.5	4,969.07	382.15	0.07688	0.92312	80.38
67.5	5,526.47	16.93	0.00308	0.99692	74.20
68.5	9,382.22	33.09	0.00352	0.99648	73.97
69.5	13,012.34	19.93	0.00154	0.99846	73.71
70.5	11,247.44	3.05	0.00027	0.99973	73.60
71.5	10,489.81	15.31	0.00143	0.99857	73.58
72.5	10,598.53	13.84	0.00132	0.99868	73.47
73.5	10,584.69	10.03	0.00094	0.99906	73.37
74.5	13,589.11	191.90	0.01413	0.98587	73.30
75.5	12,475.95	411.27	0.03294	0.96706	72.26
76.5	7,852.91	92.53	0.01184	0.98816	69.88
77.5	5,284.37	341.66	0.06472	0.93528	69.05
78.5	4,935.05	243.54	0.04944	0.95056	64.58
79.5	3,921.12	215.48	0.05483	0.94517	61.39
80.5	3,583.18	57.63	0.01619	0.98381	58.02
81.5	3,525.55	250.38	0.07090	0.92910	57.08
82.5	1,565.04	0.00	0.00000	1.00000	53.03
83.5	1,565.04	0.00	0.00000	1.00000	53.03
84.5	1,565.04	164.00	0.10479	0.89521	53.03
85.5	0.00	0.00	0.00000	0.00000	47.47

Net Salvage Analysis Report

Account	Year	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
		Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 366 Underground Conduit	1999	5,868.47	43.18	0.00	0.00	2,829.17	20.82	3,039.30	22.36	22.36
OECO 366 Underground Conduit	2000	4,841.00	171.74	0.00	0.00	1,790.49	63.52	3,050.51	108.22	108.22
OECO 366 Underground Conduit	2001	311.09	6.01	0.00	0.00	411.04	7.94	(99.95)	-1.93	-1.93
OECO 366 Underground Conduit	2002	61,494.12	135.22	0.00	0.00	3,878.51	8.53	57,615.61	126.69	126.69
OECO 366 Underground Conduit	2003	39,482.70	19.85	0.00	0.00	6,216.72	3.13	33,265.98	16.72	16.72
OECO 366 Underground Conduit	2004	11,695.37	344.29	0.00	0.00	538.73	15.86	11,156.64	328.43	328.43
OECO 366 Underground Conduit	2005	14,918.01	356.33	0.00	0.00	19,606.56	468.32	(4,688.55)	-111.99	-111.99
OECO 366 Underground Conduit	2006	25.71	0.03	0.00	0.00	49,204.69	52.73	(49,178.98)	-52.70	-52.70
		138,636.47	37.79	0.00	0.00	84,475.91	23.03	54,160.56	14.76	

Whole Life Depreciation Accrual

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Account: OECO 101/6-366 Underground conduit

Dispersion: 70 - R4

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	\$60,503,351.06		\$906,928.61	1.498973
Whole Life		70	\$907,550.27	
Amortization		0	\$0.00	
Retirements	\$82,887.51	70	\$621.66	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$60,503,351.06 *		\$906,928.61	1.498974
Average:	\$60,461,907.31		\$906,928.61	1.500000
Grand Total:	\$60,503,351.06 *		\$906,928.61	1.498974

* Excluding 2007 Retirements

Account: OECO 101/6-366 Underground conduit

Dispersion: 70.00 - R4

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	\$1,559,189.59	70.00	69.50	1.0425	1.0000	\$1,625,466.78	\$23,387.84
2005	1.50	\$1,700,389.10	70.00	68.50	1.0275	1.0000	\$1,747,187.63	\$25,505.84
2004	2.50	\$36,227.73	70.00	67.50	1.0125	1.0000	\$36,681.75	\$543.42
2003	3.50	\$590,627.94	70.00	66.50	0.9976	1.0000	\$589,187.50	\$8,859.42
2002	4.50	\$1,264,268.61	70.00	65.51	0.9826	1.0000	\$1,242,244.49	\$18,964.03
2001	5.50	\$1,108,136.13	70.00	64.51	0.9676	1.0000	\$1,072,251.54	\$16,622.04
2000	6.50	\$1,306,412.75	70.00	63.51	0.9526	1.0000	\$1,244,550.64	\$19,596.19
1999	7.50	\$1,378,511.24	70.00	62.51	0.9377	1.0000	\$1,292,609.53	\$20,677.67
1998	8.50	\$1,525,619.85	70.00	61.52	0.9227	1.0000	\$1,407,749.93	\$22,884.30
1997	9.50	\$4,538,590.73	70.00	60.52	0.9078	1.0000	\$4,120,155.59	\$68,078.86
1996	10.50	\$3,974,043.74	70.00	59.52	0.8929	1.0000	\$3,548,301.99	\$59,610.66
1995	11.50	\$2,965,918.64	70.00	58.53	0.8779	1.0000	\$2,603,925.62	\$44,488.78
1994	12.50	\$1,584,758.10	70.00	57.54	0.8630	1.0000	\$1,367,713.47	\$23,771.37
1993	13.50	\$2,663,842.24	70.00	56.54	0.8482	1.0000	\$2,259,350.97	\$39,957.63
1992	14.50	\$3,877,044.49	70.00	55.55	0.8333	1.0000	\$3,230,691.40	\$58,155.67
1991	15.50	\$1,410,478.15	70.00	54.56	0.8184	1.0000	\$1,154,379.38	\$21,157.17
1990	16.50	\$4,555,420.68	70.00	53.57	0.8036	1.0000	\$3,660,733.45	\$68,331.31
1989	17.50	\$1,975,827.20	70.00	52.59	0.7888	1.0000	\$1,558,518.78	\$29,637.41
1988	18.50	\$1,698,532.33	70.00	51.60	0.7740	1.0000	\$1,314,698.06	\$25,477.98
1987	19.50	\$1,301,898.06	70.00	50.62	0.7593	1.0000	\$988,489.59	\$19,528.47
1986	20.50	\$1,348,143.31	70.00	49.64	0.7446	1.0000	\$1,003,768.97	\$20,222.15
1985	21.50	\$915,493.32	70.00	48.66	0.7299	1.0000	\$668,198.08	\$13,732.40
1984	22.50	\$929,182.84	70.00	47.68	0.7152	1.0000	\$664,592.62	\$13,937.74
1983	23.50	\$689,823.06	70.00	46.71	0.7006	1.0000	\$483,320.49	\$10,347.35
1982	24.50	\$1,012,618.24	70.00	45.74	0.6861	1.0000	\$694,769.25	\$15,189.27
1981	25.50	\$723,476.37	70.00	44.78	0.6716	1.0000	\$485,908.64	\$10,852.15
1980	26.50	\$958,933.41	70.00	43.81	0.6572	1.0000	\$630,205.81	\$14,384.00
1979	27.50	\$618,341.46	70.00	42.86	0.6428	1.0000	\$397,490.93	\$9,275.12
1978	28.50	\$1,089,390.55	70.00	41.90	0.6285	1.0000	\$684,710.23	\$16,340.86
1977	29.50	\$967,269.32	70.00	40.95	0.6143	1.0000	\$594,204.71	\$14,509.04
1976	30.50	\$892,640.34	70.00	40.01	0.6001	1.0000	\$535,714.47	\$13,389.61
1975	31.50	\$1,279,965.10	70.00	39.07	0.5861	1.0000	\$750,184.51	\$19,199.48
1974	32.50	\$576,409.92	70.00	38.14	0.5721	1.0000	\$329,784.24	\$8,646.15
1973	33.50	\$888,191.59	70.00	37.22	0.5582	1.0000	\$495,824.23	\$13,322.87

Account: OECO 101/6-366 Underground conduit

Dispersion: 70.00 - R4

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
1972	34.50	\$701,709.00	70.00	36.30	0.5445	1.0000	\$382,063.81	\$10,525.64
1971	35.50	\$450,882.80	70.00	35.39	0.5308	1.0000	\$239,321.23	\$6,763.24
1970	36.50	\$451,953.60	70.00	34.48	0.5172	1.0000	\$233,769.07	\$6,779.30
1969	37.50	\$531,355.80	70.00	33.58	0.5038	1.0000	\$267,681.61	\$7,970.34
1968	38.50	\$647,478.61	70.00	32.70	0.4905	1.0000	\$317,571.10	\$9,712.18
1967	39.50	\$252,875.79	70.00	31.82	0.4773	1.0000	\$120,694.95	\$3,793.14
1966	40.50	\$164,908.75	70.00	30.95	0.4642	1.0000	\$76,551.97	\$2,473.63
1965	41.50	\$42,113.59	70.00	30.09	0.4513	1.0000	\$19,006.02	\$631.70
1964	42.50	\$18,461.63	70.00	29.23	0.4385	1.0000	\$8,095.30	\$276.92
1963	43.50	\$8,958.13	70.00	28.39	0.4259	1.0000	\$3,815.07	\$134.37
1962	44.50	\$11,895.60	70.00	27.56	0.4134	1.0000	\$4,917.11	\$178.43
1961	45.50	\$54,906.35	70.00	26.74	0.4010	1.0000	\$22,020.09	\$823.60
1960	46.50	\$46,222.04	70.00	25.93	0.3889	1.0000	\$17,975.03	\$893.33
1959	47.50	\$52,949.14	70.00	25.12	0.3768	1.0000	\$19,953.45	\$794.24
1958	48.50	\$86,069.95	70.00	24.33	0.3650	1.0000	\$31,415.74	\$1,291.05
1957	49.50	\$244,107.23	70.00	23.55	0.3533	1.0000	\$86,235.19	\$3,661.61
1956	50.50	\$304,046.05	70.00	22.78	0.3418	1.0000	\$103,911.73	\$4,560.69
1955	51.50	\$403,544.10	70.00	22.02	0.3303	1.0000	\$133,308.43	\$6,053.16
1954	52.50	\$503,575.35	70.00	21.28	0.3192	1.0000	\$160,726.24	\$7,553.63
1953	53.50	\$99,466.98	70.00	20.54	0.3081	1.0000	\$30,649.03	\$1,492.00
1952	54.50	\$164,222.44	70.00	19.81	0.2972	1.0000	\$48,809.18	\$2,463.34
1951	55.50	\$186,539.55	70.00	19.10	0.2865	1.0000	\$53,444.06	\$2,798.09
1950	56.50	\$56,211.63	70.00	18.39	0.2759	1.0000	\$15,507.70	\$843.17
1949	57.50	\$41,459.52	70.00	17.70	0.2655	1.0000	\$11,006.35	\$621.89
1948	58.50	\$62,954.01	70.00	17.01	0.2551	1.0000	\$16,061.48	\$944.31
1947	59.50	\$23,078.47	70.00	16.33	0.2450	1.0000	\$5,654.71	\$346.18
1946	60.50	\$948,919.44	70.00	15.67	0.2351	1.0000	\$223,046.66	\$14,233.79
1945	61.50	\$16,675.49	70.00	15.02	0.2252	1.0000	\$3,755.81	\$250.13
1944	62.50	\$1,338.90	70.00	14.38	0.2157	1.0000	\$288.79	\$20.08
1943	63.50	\$130.46	70.00	13.76	0.2063	1.0000	\$26.92	\$1.96
1940	66.50	\$746.16	70.00	12.02	0.1803	1.0000	\$134.50	\$11.19
1938	68.50	\$402.40	70.00	10.97	0.1645	1.0000	\$66.21	\$6.04
1937	69.50	\$703.06	70.00	10.48	0.1572	1.0000	\$110.55	\$10.55
1936	70.50	\$1,752.63	70.00	10.02	0.1502	1.0000	\$263.30	\$26.29

Account: OECO 101/6-366 Underground conduit

Dispersion: 70.00 - R4

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
1935	71.50	\$1,701.55	70.00	9.57	0.1438	1.0000	\$244.37	\$25.52
1931	75.50	\$921.26	70.00	8.00	0.1200	1.0000	\$110.57	\$13.82
1930	76.50	\$4,211.77	70.00	7.65	0.1148	1.0000	\$483.31	\$63.18
1929	77.50	\$4,274.02	70.00	7.32	0.1097	1.0000	\$469.06	\$64.11
1928	78.50	\$7.66	70.00	6.99	0.1049	1.0000	\$0.80	\$0.11
1927	79.50	\$770.39	70.00	6.68	0.1003	1.0000	\$77.24	\$11.56
1926	80.50	\$122.46	70.00	6.38	0.0956	1.0000	\$11.71	\$1.84
1924	82.50	\$1,710.13	70.00	5.80	0.0869	1.0000	\$148.68	\$25.65
1921	85.50	\$1,401.04	70.00	4.96	0.0744	1.0000	\$104.27	\$21.02
		\$60,503,351.06	70.00	51.95	0.7792	1.0000	\$47,143,073.63	\$907,550.27

Depreciation Reserve Summary

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Account: OECO 101/6-366 Underground conduit

Scenario: Ohio 2007 Distribution Accts ADR

Version: 70 - R4

Average Net Salvage Rate: -5.00%

Future Net Salvage Rate: -5.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$60,503,351.06	\$15,811,547.50	0.2580	\$47,916,971.11	0.7920
Computed	\$60,503,351.06	\$16,385,444.98	0.2708	\$47,143,073.63	0.7792
Difference		(\$773,897.48)	-0.0128	\$773,897.48	0.0128

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 367 Underground Conductor

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 44 R2.

Actuarial Life Analysis

56 R4 best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 24 to 63 Years.

Recommendation

Change to 44 R4 Based on Industry Standards and Actuarial Life Analysis.

Comments:

In analyzing the exposures a 44 year average service life is still an acceptable choice for this account. The R3 Iowa Curve is a better fit for the plant data.

Salvage Factor Estimates

Current Net salvage Rate is	9%
Proposed Net salvage Rate	9%

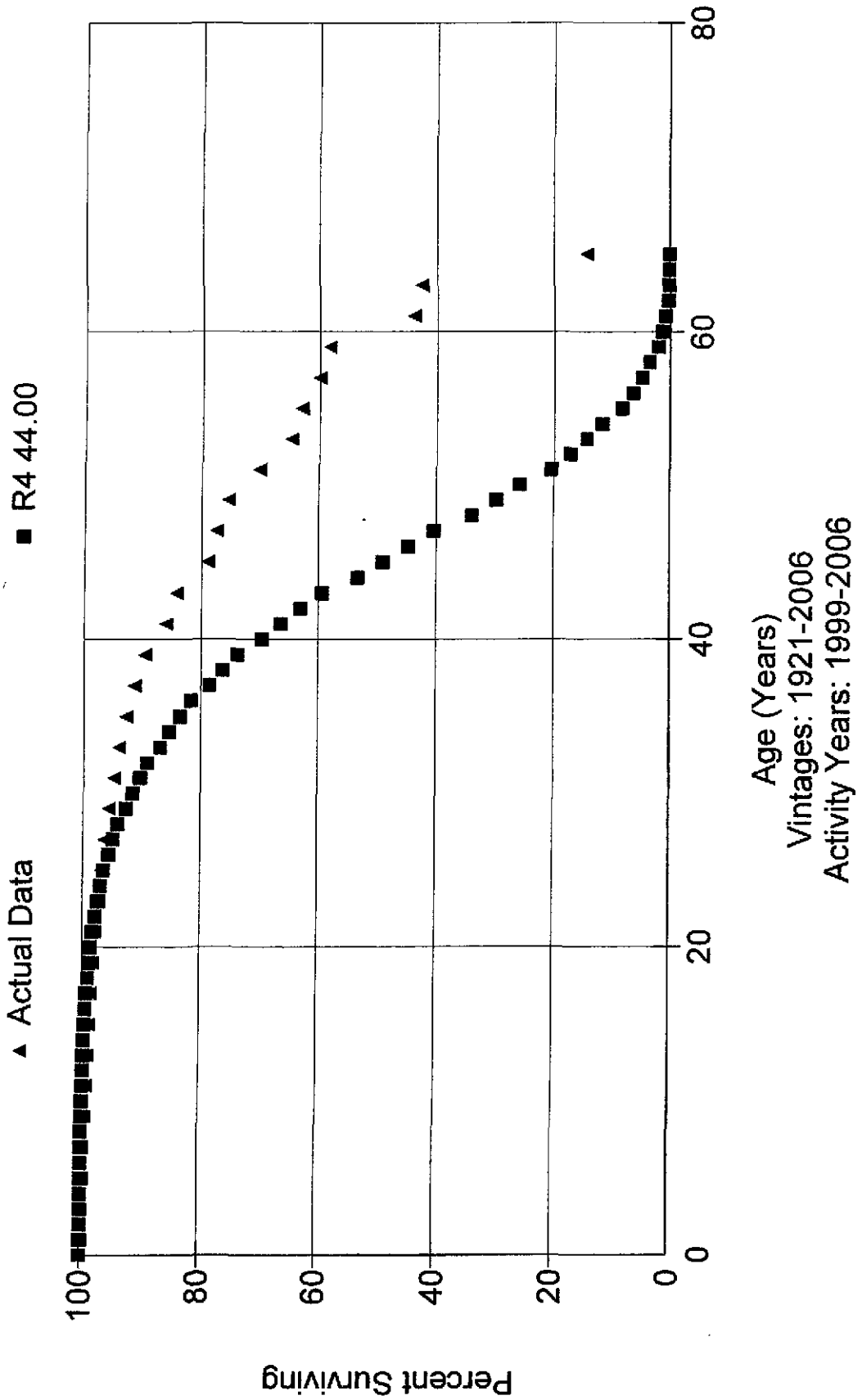
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 49% to -73%. The current rate of 9% falls within the industry average and is recommended.

Summary of Recommendations

44	Average Service Life
R4	Iowa Curve
9	% Net Salvage

Ohio Edison Company Account 367 Underground Conductor



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OEEO 101/6-367 Undergrd conductor

Placement Band: 1921 - 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
0	70,678,890.86	9,544.08	0.00014	0.99986	100.00
0.5	61,730,418.38	67,193.08	0.00109	0.99891	99.99
1.5	66,806,876.13	21,156.21	0.00032	0.99968	99.88
2.5	78,518,170.16	24,123.75	0.00031	0.99969	99.85
3.5	85,475,158.79	39,604.06	0.00046	0.99954	99.82
4.5	82,428,721.57	32,477.45	0.00039	0.99961	99.77
5.5	82,083,770.92	42,414.84	0.00052	0.99948	99.73
6.5	80,502,206.66	46,622.43	0.00058	0.99942	99.68
7.5	76,705,296.14	44,198.54	0.00058	0.99942	99.62
8.5	70,321,729.96	49,429.07	0.00070	0.99930	99.56
9.5	62,464,358.19	121,247.08	0.00194	0.99806	99.49
10.5	56,120,508.76	53,098.98	0.00095	0.99905	99.30
11.5	47,022,498.22	40,154.00	0.00085	0.99915	99.21
12.5	46,129,814.04	42,498.51	0.00092	0.99908	99.13
13.5	42,873,553.30	45,674.74	0.00107	0.99893	99.04
14.5	38,011,766.81	39,808.65	0.00105	0.99895	98.93
15.5	33,851,520.94	55,456.91	0.00164	0.99836	98.83
16.5	27,062,401.27	34,665.09	0.00128	0.99872	98.67
17.5	24,911,666.92	39,173.77	0.00157	0.99843	98.54
18.5	21,074,760.21	31,966.87	0.00152	0.99848	98.39
19.5	19,350,854.67	33,503.53	0.00173	0.99827	98.24
20.5	17,272,126.17	32,288.46	0.00187	0.99813	98.07
21.5	16,556,957.37	74,122.40	0.00448	0.99552	97.89
22.5	15,849,200.37	32,493.07	0.00205	0.99795	97.45
23.5	15,803,372.02	32,409.80	0.00205	0.99795	97.25
24.5	15,330,335.81	28,945.14	0.00189	0.99811	97.05
25.5	14,319,114.78	39,260.43	0.00274	0.99726	96.87
26.5	13,253,897.08	42,937.35	0.00324	0.99676	96.60
27.5	11,324,512.96	38,595.60	0.00341	0.99659	96.29
28.5	10,177,531.45	37,796.79	0.00371	0.99629	95.96
29.5	8,801,122.22	34,764.35	0.00395	0.99605	95.60
30.5	7,907,750.07	32,559.99	0.00412	0.99588	95.22
31.5	6,674,728.22	28,093.35	0.00421	0.99579	94.83
32.5	5,893,546.78	28,585.45	0.00485	0.99515	94.43
33.5	4,809,933.29	34,868.15	0.00725	0.99275	93.97
34.5	3,281,448.46	18,277.69	0.00557	0.99443	93.29
35.5	2,625,787.23	17,114.22	0.00652	0.99348	92.77
36.5	2,078,904.56	17,376.19	0.00836	0.99164	92.17
37.5	1,497,293.97	13,183.03	0.00880	0.99120	91.40
38.5	994,961.94	9,804.50	0.00985	0.99015	90.60
39.5	792,714.42	27,141.92	0.03424	0.96576	89.71
40.5	685,281.29	5,228.05	0.00763	0.99237	86.64
41.5	815,112.06	5,726.77	0.00703	0.99297	85.98
42.5	1,076,782.28	14,256.61	0.01324	0.98676	85.38
43.5	1,143,028.27	15,050.65	0.01317	0.98683	84.25
44.5	1,143,983.82	57,960.82	0.05067	0.94933	83.14
45.5	1,047,895.39	10,361.60	0.00989	0.99011	78.93
46.5	985,261.64	9,019.05	0.00915	0.99085	78.15
47.5	876,668.21	9,386.72	0.01071	0.98929	77.43
48.5	782,250.86	11,892.38	0.01520	0.98480	76.60
49.5	553,838.74	15,078.41	0.02722	0.97278	75.44
50.5	263,761.49	11,824.64	0.04483	0.95517	73.39
51.5	144,336.53	6,795.03	0.04708	0.95292	70.10
52.5	335,901.49	10,279.15	0.03060	0.96940	66.80

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OECO 101/6-367 Undergrd conductor

Placement Band: 1921 - 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	297,592.97	4,181.05	0.01405	0.98595	64.76
54.5	284,953.81	3,764.32	0.01321	0.98679	63.85
55.5	272,371.75	8,138.03	0.02988	0.97012	63.01
56.5	249,940.83	4,578.18	0.01832	0.98168	61.13
57.5	229,113.45	4,510.36	0.01968	0.98032	60.01
58.5	213,012.54	1,925.27	0.00904	0.99096	58.83
59.5	209,246.16	8,448.85	0.04038	0.95962	58.30
60.5	5,770.30	1,226.03	0.21248	0.78752	55.95
61.5	1,095.22	5.96	0.00548	0.99452	44.06
62.5	1,089.26	28.72	0.02663	0.97337	43.82
63.5	1,060.54	9.76	0.00943	0.99057	42.65
64.5	1,050.78	697.34	0.66318	0.33682	42.25
65.5	353.44	353.44	1.00000	0.00000	14.23
66.5	0.00	0.00	0.00000	0.00000	0.00
67.5	207.48	11.59	0.05797	0.94203	
68.5	1,783.45	80.61	0.04543	0.95457	
69.5	2,492.82	150.12	0.06017	0.93983	
70.5	2,342.70	306.57	0.13103	0.86897	
71.5	2,036.13	483.36	0.23723	0.76277	
72.5	1,552.77	1,013.24	0.65229	0.34771	
73.5	539.53	0.00	0.00000	1.00000	
74.5	539.53	0.00	0.00000	1.00000	
75.5	539.53	0.00	0.00000	1.00000	
76.5	376.60	0.00	0.00000	1.00000	
77.5	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		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 367 Underground Conductor	1999	87,659.36	168,246.98	191.93	0.00	0.00	37,204.99	42.44	131,041.99	149.49	149.49
OECO 367 Underground Conductor	2000	140,868.40	120,099.11	85.26	0.00	0.00	52,710.64	37.42	67,388.47	47.84	47.84
OECO 367 Underground Conductor	2001	142,882.76	104,142.40	72.89	0.00	0.00	31,526.93	22.06	72,615.47	50.82	50.82
OECO 367 Underground Conductor	2002	186,574.21	244,729.39	131.17	0.00	0.00	55,784.65	29.90	188,944.74	101.27	101.27
OECO 367 Underground Conductor	2003	138,245.09	92,702.43	67.06	0.00	0.00	26,454.39	19.14	66,248.04	47.92	47.92
OECO 367 Underground Conductor	2004	249,076.46	(263,737.33)	-105.89	0.00	0.00	20,370.40	8.18	(284,107.73)	-114.06	-114.06
OECO 367 Underground Conductor	2005	63,061.79	117,825.44	186.84	0.00	0.00	198,324.18	314.49	(80,498.74)	-127.65	-127.65
OECO 367 Underground Conductor	2006	674,635.13	102,479.19	15.19	0.00	0.00	354,287.65	52.52	(251,808.46)	-37.33	-37.33
		1,683,003.20	686,487.61	40.79	0.00	0.00	776,663.83	46.15	(90,176.22)	-5.36	

Whole Life Depreciation Accrual

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Account: OECO 101/6-367 Undergrd conductor

Dispersion: 44 - R4

Average Net Salvage Rate: 9.00%

Future Net Salvage Rate: 9.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$201,832,254.71		\$4,166,025.98	2.064103
Whole Life		44	\$4,174,246.84	
Amortization		0	\$0.00	
Retirements	\$794,983.93	44	\$8,220.86	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$201,832,254.71 *		\$4,166,025.98	2.064104
Average:	\$201,434,762.75		\$4,166,025.98	2.068176
Grand Total:	\$201,832,254.71 *		\$4,166,025.98	2.064104

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OECO 101/6-367 Undergrd conductor

Dispersion: 44.00 - R4

Average Net Salvage Rate: 9.00%

Future Net Salvage Rate: 9.00%

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	\$14,748,871.21	44.00	43.50	0.8997	1.0000	\$13,269,107.62	\$305,033.47
2005	1.50	\$15,777,564.34	44.00	42.50	0.8790	1.0000	\$13,868,601.55	\$326,308.72
2004	2.50	\$1,087,146.48	44.00	41.50	0.8584	1.0000	\$933,153.94	\$22,484.17
2003	3.50	\$6,517,712.48	44.00	40.50	0.8377	1.0000	\$5,459,997.41	\$134,798.14
2002	4.50	\$7,812,751.57	44.00	39.51	0.8171	1.0000	\$6,383,664.78	\$161,581.91
2001	5.50	\$6,334,847.99	44.00	38.51	0.7965	1.0000	\$5,045,529.81	\$131,016.17
2000	6.50	\$8,543,300.70	44.00	37.51	0.7759	1.0000	\$6,628,558.02	\$176,690.99
1999	7.50	\$9,521,547.54	44.00	36.52	0.7553	1.0000	\$7,191,709.29	\$196,922.92
1998	8.50	\$8,657,883.84	44.00	35.53	0.7348	1.0000	\$6,361,594.81	\$179,060.78
1997	9.50	\$13,811,429.43	44.00	34.54	0.7143	1.0000	\$9,865,157.65	\$285,645.47
1996	10.50	\$14,262,552.89	44.00	33.55	0.6938	1.0000	\$9,895,766.91	\$294,975.53
1995	11.50	\$13,613,555.01	44.00	32.56	0.6734	1.0000	\$9,167,852.27	\$281,553.07
1994	12.50	\$4,773,910.01	44.00	31.58	0.6531	1.0000	\$3,117,862.00	\$98,733.14
1993	13.50	\$6,016,156.81	44.00	30.60	0.6328	1.0000	\$3,807,322.40	\$124,425.06
1992	14.50	\$6,960,953.98	44.00	29.62	0.6127	1.0000	\$4,264,889.74	\$143,965.18
1991	15.50	\$5,732,657.81	44.00	28.65	0.5926	1.0000	\$3,397,366.77	\$118,561.79
1990	16.50	\$8,239,315.64	44.00	27.69	0.5727	1.0000	\$4,718,511.07	\$170,404.03
1989	17.50	\$4,323,818.31	44.00	26.73	0.5529	1.0000	\$2,390,580.14	\$89,424.42
1988	18.50	\$6,472,265.44	44.00	25.78	0.5332	1.0000	\$3,451,285.49	\$133,858.22
1987	19.50	\$4,344,689.03	44.00	24.84	0.5138	1.0000	\$2,232,158.30	\$89,856.07
1986	20.50	\$3,814,408.62	44.00	23.91	0.4945	1.0000	\$1,886,078.10	\$78,888.91
1985	21.50	\$2,740,084.95	44.00	22.99	0.4754	1.0000	\$1,302,613.20	\$56,669.94
1984	22.50	\$2,117,961.32	44.00	22.07	0.4565	1.0000	\$966,953.58	\$43,803.29
1983	23.50	\$1,590,250.70	44.00	21.18	0.4380	1.0000	\$696,456.75	\$32,889.28
1982	24.50	\$1,445,170.38	44.00	20.29	0.4196	1.0000	\$606,384.60	\$29,888.75
1981	25.50	\$2,195,612.46	44.00	19.42	0.4016	1.0000	\$881,665.15	\$45,409.26
1980	26.50	\$2,628,553.27	44.00	18.56	0.3838	1.0000	\$1,008,893.37	\$54,363.26
1979	27.50	\$2,603,856.38	44.00	17.71	0.3663	1.0000	\$953,908.29	\$53,852.48
1978	28.50	\$1,733,824.43	44.00	16.89	0.3493	1.0000	\$605,561.00	\$35,858.64
1977	29.50	\$2,012,310.23	44.00	16.08	0.3325	1.0000	\$869,134.18	\$41,618.23
1976	30.50	\$1,457,446.76	44.00	15.28	0.3161	1.0000	\$460,723.83	\$30,142.65
1975	31.50	\$1,538,206.11	44.00	14.51	0.3000	1.0000	\$461,490.70	\$31,812.90
1974	32.50	\$977,479.44	44.00	13.75	0.2843	1.0000	\$277,936.58	\$20,216.05
1973	33.50	\$1,178,300.39	44.00	13.01	0.2690	1.0000	\$316,973.16	\$24,369.39

Account: OECO 101/6-367 Undergrd conductor

Dispersion: 44.00 - R4

Average Net Salvage Rate: 9.00%

Future Net Salvage Rate: 9.00%

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	\$1,550,462.44	44.00	12.28	0.2540	1.0000	\$393,847.27	\$32,066.38
1971	35.50	\$694,545.26	44.00	11.57	0.2393	1.0000	\$166,222.57	\$14,364.46
1970	36.50	\$603,038.43	44.00	10.88	0.2250	1.0000	\$135,688.87	\$12,471.93
1969	37.50	\$647,706.56	44.00	10.20	0.2110	1.0000	\$136,671.10	\$13,395.75
1968	38.50	\$562,277.03	44.00	9.54	0.1973	1.0000	\$110,935.13	\$11,628.91
1967	39.50	\$320,630.18	44.00	8.90	0.1842	1.0000	\$59,044.91	\$6,631.22
1966	40.50	\$192,089.52	44.00	8.30	0.1716	1.0000	\$32,961.84	\$3,972.76
1965	41.50	\$115,788.76	44.00	7.72	0.1597	1.0000	\$18,493.50	\$2,394.72
1964	42.50	\$52,277.81	44.00	7.18	0.1485	1.0000	\$7,763.68	\$1,081.20
1963	43.50	\$50,394.89	44.00	6.68	0.1382	1.0000	\$6,962.86	\$1,042.26
1962	44.50	\$68,616.46	44.00	6.22	0.1286	1.0000	\$8,822.19	\$1,419.11
1961	45.50	\$77,054.76	44.00	5.79	0.1197	1.0000	\$9,222.40	\$1,593.63
1960	46.50	\$67,664.56	44.00	5.39	0.1115	1.0000	\$7,541.61	\$1,399.43
1959	47.50	\$117,623.58	44.00	5.02	0.1038	1.0000	\$12,211.54	\$2,432.67
1958	48.50	\$102,381.29	44.00	4.67	0.0967	1.0000	\$9,898.49	\$2,117.43
1957	49.50	\$236,316.45	44.00	4.36	0.0901	1.0000	\$21,285.59	\$4,887.45
1956	50.50	\$295,978.19	44.00	4.05	0.0837	1.0000	\$24,775.93	\$6,121.37
1955	51.50	\$117,737.25	44.00	3.75	0.0776	1.0000	\$9,138.43	\$2,435.02
1954	52.50	\$77,130.94	44.00	3.47	0.0717	1.0000	\$5,533.29	\$1,595.21
1953	53.50	\$34,440.87	44.00	3.20	0.0662	1.0000	\$2,280.75	\$712.30
1952	54.50	\$8,458.11	44.00	2.93	0.0606	1.0000	\$512.71	\$174.93
1951	55.50	\$8,817.74	44.00	2.66	0.0551	1.0000	\$485.95	\$182.37
1950	56.50	\$14,292.89	44.00	2.40	0.0497	1.0000	\$710.34	\$295.60
1949	57.50	\$16,542.20	44.00	2.16	0.0447	1.0000	\$738.86	\$342.12
1948	58.50	\$11,590.55	44.00	1.91	0.0395	1.0000	\$457.29	\$239.71
1947	59.50	\$2,615.93	44.00	1.66	0.0343	1.0000	\$89.84	\$54.10
1946	60.50	\$195,397.53	44.00	1.45	0.0301	1.0000	\$5,879.04	\$4,041.18
1945	61.50	\$3,449.05	44.00	1.23	0.0255	1.0000	\$87.96	\$71.33
1939	67.50	\$0.00	44.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1938	68.50	\$0.00	44.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	75.50	\$0.00	44.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1930	76.50	\$162.93	44.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1929	77.50	\$376.60	44.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$201,832,254.71	44.00	32.04	0.6626	1.0000	\$133,733,706.36	\$4,174,246.84

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 140

Account: OECO 101/6-367 Undergrd conductor

Scenario: Ohio 2007 Distribution Accts ADR

Version: 44 - R4

Average Net Salvage Rate: 9.00%

Future Net Salvage Rate: 9.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$201,832,254.71	\$41,689,708.71	0.2066	\$141,977,643.08	0.7034
Computed	\$201,832,254.71	\$49,933,645.43	0.2474	\$133,733,706.36	0.6626
Difference		(\$8,243,936.72)	-0.0408	\$8,243,936.72	0.0408

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 368 Transformers

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 41 S0.

Actuarial Life Analysis

38 SC best fit using 1999 - 2006 data

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 25 to 50 Years.

Recommendation

Change to 40 SC Based on Industry Standards and Actuarial Life Analysis.

Comments:

The actuarial analysis recommended SC curve is a good fit with the data, and the 40 year average service life is a viable option based on EEI Industry Standards.

Salvage Factor Estimates

Current Net salvage Rate is	-40%
Proposed Net salvage Rate	-40%

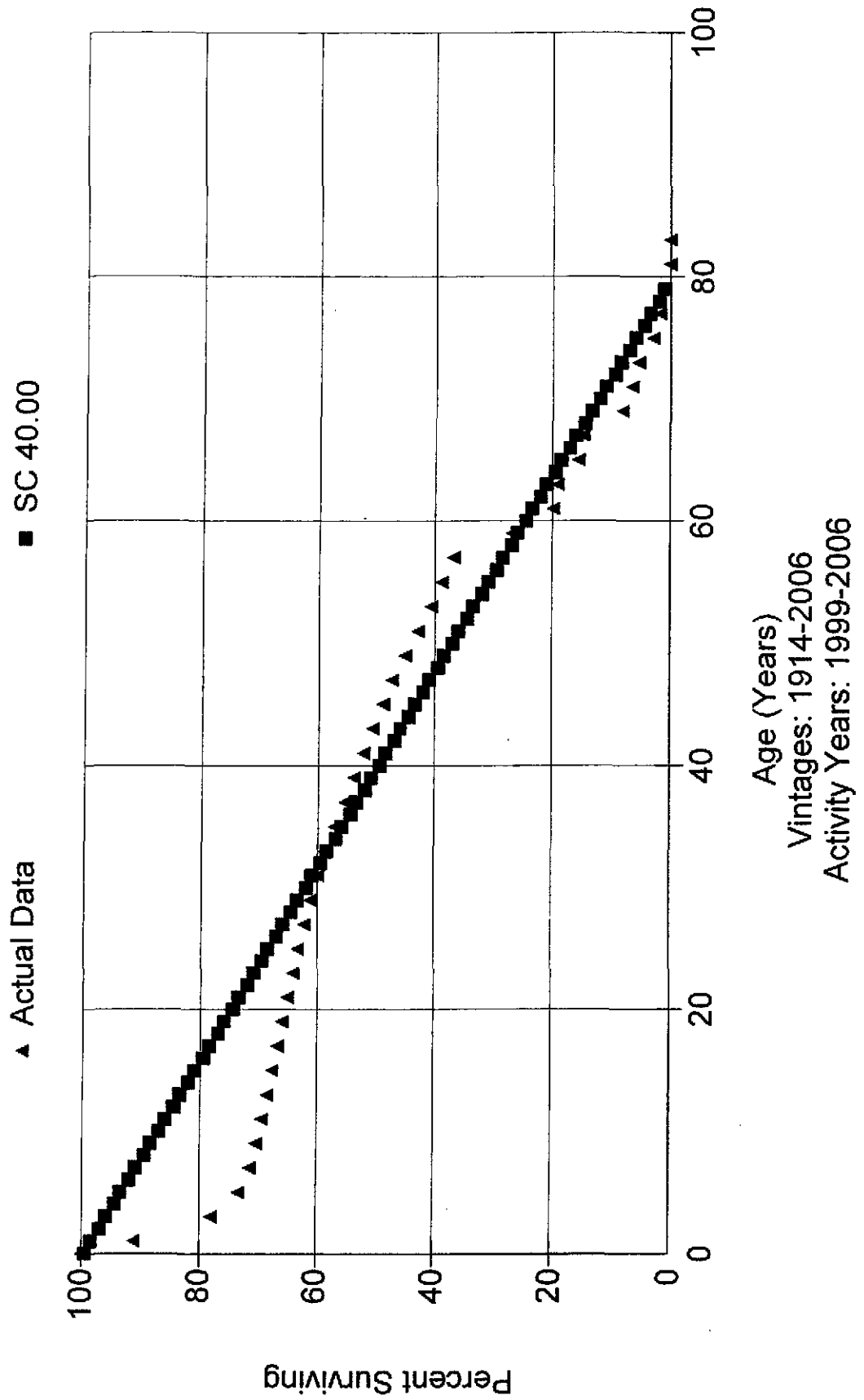
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 43% to -25%. The current rate of -40% is recommended.

Summary of Recommendations

<u>40</u>	Average Service Life
<u>SC</u>	Iowa Curve
<u>-40</u>	% Net Salvage

Ohio Edison Company Account 368 Transformers



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

Vol. 4B, Attach. PRC-1, p. 144

Account: OEEO 101/6-368 Line transformers

Placement Band: 1914 - 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
0	118,872,755.49	2,742,439.01	0.02307	0.97693	100.00
0.5	80,016,862.20	5,421,689.00	0.06776	0.93224	97.69
1.5	48,835,667.19	3,905,419.23	0.07997	0.92003	91.07
2.5	51,201,879.15	3,526,938.78	0.06888	0.93112	83.79
3.5	55,508,545.13	2,191,291.29	0.03948	0.96052	78.02
4.5	61,583,474.46	1,311,247.64	0.02129	0.97871	74.94
5.5	68,499,201.78	1,026,436.68	0.01498	0.98502	73.34
6.5	76,241,415.80	906,772.86	0.01189	0.98811	72.24
7.5	80,913,980.19	552,159.43	0.00682	0.99318	71.38
8.5	81,046,256.09	654,109.81	0.00807	0.99193	70.89
9.5	84,210,639.84	480,123.12	0.00570	0.99430	70.32
10.5	86,674,580.65	632,135.00	0.00729	0.99271	69.92
11.5	88,196,591.08	443,287.01	0.00503	0.99497	69.41
12.5	85,586,306.41	712,736.03	0.00833	0.99167	69.06
13.5	81,238,130.99	550,354.93	0.00677	0.99323	68.48
14.5	73,465,573.64	476,898.55	0.00649	0.99351	68.02
15.5	67,287,936.95	430,778.43	0.00640	0.99360	67.58
16.5	61,383,096.25	392,217.83	0.00639	0.99361	67.15
17.5	58,481,144.29	298,960.20	0.00511	0.99489	66.72
18.5	52,665,912.63	331,180.96	0.00629	0.99371	66.38
19.5	47,656,772.79	273,656.26	0.00574	0.99426	65.96
20.5	46,300,941.64	385,589.06	0.00833	0.99167	65.58
21.5	46,451,794.85	274,790.42	0.00592	0.99408	65.03
22.5	44,504,454.10	347,574.25	0.00781	0.99219	64.65
23.5	42,880,125.18	299,015.21	0.00697	0.99303	64.15
24.5	43,389,113.76	286,431.28	0.00660	0.99340	63.70
25.5	41,162,454.57	355,534.38	0.00864	0.99136	63.28
26.5	40,165,606.64	320,704.10	0.00798	0.99202	62.73
27.5	37,513,981.48	300,287.11	0.00800	0.99200	62.23
28.5	33,759,004.36	310,550.93	0.00920	0.99080	61.73
29.5	28,768,495.97	319,886.66	0.01112	0.98888	61.16
30.5	26,551,128.13	258,447.79	0.00973	0.99027	60.48
31.5	25,320,891.53	242,388.18	0.00957	0.99043	59.89
32.5	20,861,212.75	218,968.44	0.01050	0.98950	59.32
33.5	17,051,451.54	232,683.07	0.01365	0.98635	58.70
34.5	14,888,829.78	178,666.79	0.01200	0.98800	57.90
35.5	13,004,752.94	231,403.50	0.01779	0.98221	57.21
36.5	11,763,891.99	176,807.98	0.01503	0.98497	56.19
37.5	11,288,783.52	160,524.44	0.01422	0.98578	55.35
38.5	11,528,982.17	160,848.88	0.01395	0.98605	54.56
39.5	11,515,137.22	163,157.20	0.01417	0.98583	53.80
40.5	11,662,204.18	178,180.95	0.01528	0.98472	53.04
41.5	12,571,867.27	192,162.81	0.01529	0.98471	52.23
42.5	12,972,206.40	197,576.40	0.01523	0.98477	51.43
43.5	13,372,804.54	242,904.90	0.01816	0.98184	50.65
44.5	13,007,234.65	212,229.21	0.01632	0.98368	49.73
45.5	12,249,841.53	205,727.48	0.01679	0.98321	48.92
46.5	11,157,223.23	171,592.41	0.01538	0.98462	48.10
47.5	10,139,265.68	238,441.61	0.02352	0.97648	47.36
48.5	8,756,748.53	206,101.13	0.02354	0.97646	46.25
49.5	6,727,434.58	132,542.08	0.01970	0.98030	45.16
50.5	5,239,412.79	154,913.54	0.02957	0.97043	44.27
51.5	3,956,908.86	110,757.05	0.02799	0.97201	42.96
52.5	3,074,420.02	80,012.17	0.02603	0.97397	41.76

Observed Life Table

Vol. 4B, Attach. PRC-1, p. 145

Scenario: Ohio 2007 Distribution Accounts

Account: OEEO 101/6-368 Line transformers

Placement Band: 1914 - 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	2,288,173.58	66,421.97	0.02903	0.97097	40.67
54.5	1,670,391.66	28,720.63	0.01719	0.98281	39.49
55.5	1,065,436.71	16,445.71	0.01544	0.98456	38.81
56.5	712,873.51	25,675.24	0.03602	0.96398	38.21
57.5	571,428.80	97,956.56	0.17142	0.82858	36.83
58.5	339,298.41	40,311.64	0.11881	0.88119	30.52
59.5	212,286.81	34,583.18	0.16291	0.83709	26.89
60.5	160,487.89	18,971.38	0.11821	0.88179	22.51
61.5	217,519.62	6,501.99	0.02989	0.97011	19.85
62.5	212,267.62	1,659.40	0.00782	0.99218	19.26
63.5	205,286.83	22,869.38	0.11140	0.88860	19.11
64.5	168,479.16	13,736.49	0.08153	0.91847	16.98
65.5	136,166.95	5,917.03	0.04345	0.95655	15.60
66.5	121,477.86	322.46	0.00265	0.99735	14.92
67.5	116,554.15	35,105.24	0.30119	0.69881	14.88
68.5	77,448.20	15,916.98	0.20552	0.79448	10.40
69.5	9,091.37	1,207.94	0.13288	0.86712	8.26
70.5	10,046.26	816.96	0.08133	0.91867	7.16
71.5	9,299.15	1,059.71	0.11399	0.88601	6.58
72.5	13,699.24	686.39	0.05008	0.94992	5.83
73.5	13,321.51	2,564.39	0.19246	0.80754	5.54
74.5	13,354.56	4,366.63	0.32699	0.67301	4.47
75.5	8,107.86	1,419.94	0.17514	0.82486	3.01
76.5	6,098.69	1,528.62	0.25070	0.74930	2.48
77.5	6,867.61	717.79	0.10454	0.89546	1.86
78.5	5,357.96	2,071.52	0.38671	0.61329	1.67
79.5	3,286.44	2,899.20	0.88223	0.11777	1.02
80.5	236.45	0.00	0.00000	1.00000	0.12
81.5	206.78	0.00	0.00000	1.00000	0.12
82.5	206.78	17.17	0.08213	0.91787	0.12
83.5	189.61	189.61	1.00000	0.00000	0.11
84.5	36.44	36.44	1.00000	0.00000	0.00
85.5	0.00	0.00	0.00000	0.00000	0.00

Net Salvage Analysis Report

Account	Year	Retirements	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 368 Transformers	1999	1,298,168.76	13,493.78	1.04	0.00	0.00	1,926.77	0.15	11,567.01	0.89	0.89
OECO 368 Transformers	2000	1,199,801.11	325,774.99	27.15	0.00	0.00	149,800.32	12.49	175,974.67	14.67	14.67
OECO 368 Transformers	2001	2,010,839.72	856,335.42	42.59	0.00	0.00	68,767.63	3.42	787,567.79	39.17	39.17
OECO 368 Transformers	2002	1,688,280.73	299,396.03	17.73	0.00	0.00	115,191.18	6.82	184,204.85	10.91	10.91
OECO 368 Transformers	2003	21,958,833.95	173,533.96	0.79	0.00	0.00	447,692.96	2.04	(274,159.00)	-1.25	-1.25
OECO 368 Transformers	2004	819,529.81	0.00	0.00	0.00	0.00	29,640.54	3.62	(29,640.54)	-3.62	-3.62
OECO 368 Transformers	2005	1,576,730.70	107,419.30	6.81	0.00	0.00	(4,337,066.86)	-275.07	4,444,486.16	281.88	281.88
OECO 368 Transformers	2006	3,533,948.27	4,485.23	0.13	0.00	0.00	44,003.53	1.25	(39,518.30)	-1.12	-1.12
		34,086,133.05	1,780,438.71	5.22	0.00	0.00	(3,480,043.93)	-10.21	5,260,482.84	15.43	

Whole Life Depreciation Accrual

Vol. 4B, Attach. PRC-1, p. 147

Account: OECO 101/6-368 Line transformers

Dispersion: 40 - SC

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	Period (Years)	Accrual (Dollars)	Accrual Rate (Percent)
Pre- 2007 Additions	\$326,894,068.49		\$11,345,319.51	3.470641
Whole Life		40	\$11,441,286.08	
Amortization		0	\$0.00	
Retirements	\$5,483,803.97	40	\$95,966.57	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$326,894,068.49 *		\$11,345,319.51	3.470641
Average:	\$324,152,166.51		\$11,345,319.51	3.499998
Grand Total:	\$326,894,068.49 *		\$11,345,319.51	3.470641

* Excluding 2007 Retirements

Generation Arrangement Report

Vol. 4B, Attach. PRC-1, p. 148

Account: OECO 101/6-368 Line transformers

Dispersion: 40.00 - SC

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

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	\$42,715,066.76	40.00	39.75	1.3913	1.0000	\$59,427,336.63	\$1,495,027.34
2005	1.50	\$40,429,770.00	40.00	39.25	1.3738	1.0000	\$55,540,396.54	\$1,415,041.95
2004	2.50	\$1,222,431.07	40.00	38.75	1.3563	1.0000	\$1,657,922.14	\$42,785.09
2003	3.50	\$1,370,613.86	40.00	38.25	1.3388	1.0000	\$1,834,909.31	\$47,971.49
2002	4.50	\$2,235,892.06	40.00	37.75	1.3213	1.0000	\$2,954,172.38	\$78,256.22
2001	5.50	\$3,082,719.54	40.00	37.25	1.3038	1.0000	\$4,019,095.60	\$107,895.18
2000	6.50	\$4,912,674.89	40.00	36.75	1.2863	1.0000	\$6,318,928.08	\$171,943.62
1999	7.50	\$5,153,185.39	40.00	36.25	1.2688	1.0000	\$6,538,103.96	\$180,361.49
1998	8.50	\$4,848,788.73	40.00	35.75	1.2513	1.0000	\$6,067,046.90	\$169,707.61
1997	9.50	\$6,771,045.20	40.00	35.25	1.2338	1.0000	\$8,353,777.02	\$236,986.58
1996	10.50	\$7,779,123.50	40.00	34.75	1.2163	1.0000	\$9,461,358.96	\$272,269.32
1995	11.50	\$8,800,498.19	40.00	34.25	1.1988	1.0000	\$10,549,597.21	\$308,017.44
1994	12.50	\$10,005,635.28	40.00	33.75	1.1813	1.0000	\$11,819,156.67	\$350,197.23
1993	13.50	\$10,883,623.51	40.00	33.25	1.1638	1.0000	\$12,665,816.86	\$380,926.82
1992	14.50	\$13,030,168.69	40.00	32.75	1.1463	1.0000	\$14,935,830.86	\$456,055.90
1991	15.50	\$10,286,613.04	40.00	32.25	1.1288	1.0000	\$11,611,014.47	\$360,031.46
1990	16.50	\$11,422,748.99	40.00	31.75	1.1113	1.0000	\$12,693,529.82	\$399,796.21
1989	17.50	\$9,893,200.60	40.00	31.25	1.0938	1.0000	\$10,820,688.16	\$346,262.02
1988	18.50	\$10,123,191.66	40.00	30.75	1.0763	1.0000	\$10,895,085.02	\$354,311.71
1987	19.50	\$10,380,995.22	40.00	30.25	1.0588	1.0000	\$10,990,878.69	\$363,334.83
1986	20.50	\$7,419,126.94	40.00	29.75	1.0413	1.0000	\$7,725,165.93	\$259,669.44
1985	21.50	\$6,867,065.03	40.00	29.25	1.0238	1.0000	\$7,030,157.82	\$240,347.28
1984	22.50	\$5,485,773.22	40.00	28.75	1.0063	1.0000	\$5,520,059.30	\$192,002.06
1983	23.50	\$4,295,102.56	40.00	28.25	0.9888	1.0000	\$4,246,782.66	\$150,328.59
1982	24.50	\$5,510,345.04	40.00	27.75	0.9713	1.0000	\$5,351,922.62	\$192,862.08
1981	25.50	\$7,311,328.53	40.00	27.25	0.9538	1.0000	\$6,973,179.59	\$255,896.50
1980	26.50	\$4,269,615.41	40.00	26.75	0.9363	1.0000	\$3,988,064.93	\$149,086.54
1979	27.50	\$5,391,624.47	40.00	26.25	0.9188	1.0000	\$4,953,554.98	\$188,706.86
1978	28.50	\$5,990,156.56	40.00	25.75	0.9013	1.0000	\$5,398,628.60	\$209,655.48
1977	29.50	\$6,937,980.60	40.00	25.25	0.8838	1.0000	\$6,131,440.36	\$242,829.32
1976	30.50	\$3,557,148.55	40.00	24.75	0.8663	1.0000	\$3,081,379.93	\$124,500.20
1975	31.50	\$2,830,689.61	40.00	24.25	0.8488	1.0000	\$2,402,547.81	\$99,074.14
1974	32.50	\$5,888,762.95	40.00	23.75	0.8313	1.0000	\$4,895,034.20	\$206,106.70

Generation Arrangement Report

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Account: OECO 101/6-368 Line transformers

Dispersion: 40.00 - SC

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

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	\$5,023,517.33	40.00	23.25	0.8138	1.0000	\$4,087,887.23	\$175,823.11
1972	34.50	\$3,358,470.92	40.00	22.75	0.7963	1.0000	\$2,674,182.47	\$117,546.48
1971	35.50	\$2,830,357.50	40.00	22.25	0.7788	1.0000	\$2,204,140.90	\$99,062.51
1970	36.50	\$2,296,864.55	40.00	21.75	0.7613	1.0000	\$1,748,488.14	\$80,390.26
1969	37.50	\$1,999,723.97	40.00	21.25	0.7438	1.0000	\$1,487,294.70	\$69,990.34
1968	38.50	\$1,456,568.82	40.00	20.75	0.7263	1.0000	\$1,057,833.11	\$50,979.91
1967	39.50	\$1,651,569.57	40.00	20.25	0.7088	1.0000	\$1,170,549.93	\$57,804.93
1966	40.50	\$1,487,919.68	40.00	19.75	0.6913	1.0000	\$1,028,524.48	\$52,077.19
1965	41.50	\$1,278,014.13	40.00	19.25	0.6738	1.0000	\$861,062.02	\$44,730.49
1964	42.50	\$1,264,001.77	40.00	18.75	0.6563	1.0000	\$829,501.16	\$44,240.06
1963	43.50	\$972,744.04	40.00	18.25	0.6388	1.0000	\$621,340.26	\$34,046.04
1962	44.50	\$1,129,827.34	40.00	17.75	0.6213	1.0000	\$701,905.23	\$39,543.96
1961	45.50	\$1,431,464.69	40.00	17.25	0.6038	1.0000	\$864,246.81	\$50,101.26
1960	46.50	\$1,609,058.72	40.00	16.75	0.5863	1.0000	\$943,310.67	\$56,317.06
1959	47.50	\$1,570,803.03	40.00	16.25	0.5688	1.0000	\$893,394.22	\$54,978.11
1958	48.50	\$1,600,827.62	40.00	15.75	0.5513	1.0000	\$882,456.23	\$56,028.97
1957	49.50	\$2,017,974.66	40.00	15.25	0.5338	1.0000	\$1,077,093.97	\$70,629.11
1956	50.50	\$1,652,169.43	40.00	14.75	0.5163	1.0000	\$852,932.47	\$57,825.93
1955	51.50	\$1,339,002.15	40.00	14.25	0.4988	1.0000	\$667,827.32	\$46,865.08
1954	52.50	\$848,110.37	40.00	13.75	0.4813	1.0000	\$408,153.12	\$29,683.86
1953	53.50	\$777,289.14	40.00	13.25	0.4638	1.0000	\$360,467.84	\$27,205.12
1952	54.50	\$593,513.81	40.00	12.75	0.4463	1.0000	\$264,855.54	\$20,772.98
1951	55.50	\$617,030.46	40.00	12.25	0.4288	1.0000	\$264,551.81	\$21,596.07
1950	56.50	\$378,528.58	40.00	11.75	0.4113	1.0000	\$155,669.88	\$13,248.50
1949	57.50	\$158,397.77	40.00	11.25	0.3938	1.0000	\$62,369.12	\$5,543.92
1948	58.50	\$162,653.89	40.00	10.75	0.3763	1.0000	\$61,198.53	\$5,692.89
1947	59.50	\$109,725.50	40.00	10.25	0.3588	1.0000	\$39,364.02	\$3,840.39
1946	60.50	\$22,672.23	40.00	9.75	0.3413	1.0000	\$7,736.90	\$793.53
1945	61.50	\$25,044.33	40.00	9.25	0.3238	1.0000	\$8,108.10	\$876.55
1944	62.50	\$11,770.75	40.00	8.75	0.3063	1.0000	\$3,604.79	\$411.98
1943	63.50	\$6,633.93	40.00	8.25	0.2888	1.0000	\$1,915.55	\$232.19
1942	64.50	\$14,750.94	40.00	7.75	0.2713	1.0000	\$4,001.19	\$516.28
1941	65.50	\$19,382.34	40.00	7.25	0.2538	1.0000	\$4,918.27	\$678.38

Account: OECO 101/6-368 Line transformers

Dispersion: 40.00 - SC

Average Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

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	\$9,303.78	40.00	6.75	0.2363	1.0000	\$2,198.02	\$325.63
1939	67.50	\$6,667.08	40.00	6.25	0.2188	1.0000	\$1,458.42	\$233.35
1938	68.50	\$5,184.16	40.00	5.75	0.2013	1.0000	\$1,043.31	\$181.45
1937	69.50	\$54,921.82	40.00	5.25	0.1838	1.0000	\$10,091.88	\$1,922.26
1936	70.50	\$1,270.10	40.00	4.75	0.1663	1.0000	\$211.15	\$44.45
1935	71.50	\$1,089.43	40.00	4.25	0.1488	1.0000	\$162.05	\$38.13
1934	72.50	\$0.00	40.00	3.75	0.1313	1.0000	\$0.00	\$0.00
1933	73.50	\$171.84	40.00	3.25	0.1138	1.0000	\$19.55	\$6.01
1932	74.50	\$200.84	40.00	2.75	0.0963	1.0000	\$19.33	\$7.03
1931	75.50	\$880.07	40.00	2.25	0.0788	1.0000	\$69.31	\$30.80
1930	76.50	\$795.18	40.00	1.75	0.0613	1.0000	\$48.70	\$27.83
1929	77.50	\$1,422.26	40.00	1.25	0.0438	1.0000	\$62.22	\$49.78
1928	78.50	\$2,891.86	40.00	0.75	0.0263	1.0000	\$75.91	\$101.22
1927	79.50	\$0.00	40.00	0.25	0.0088	1.0000	\$0.00	\$0.00
1926	80.50	\$150.79	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	81.50	\$29.67	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	82.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1921	85.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1920	86.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1914	92.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$326,894,068.49	40.00	31.74	1.1110	1.0000	\$363,168,909.83	\$11,441,286.08

Depreciation Reserve Summary

Vol. 4B, Attach. PRC-1, p. 151

Account: OECO 101/6-368 Line transformers

Scenario: Ohio 2007 Distribution Accts ADR

Dispersion: 40 - SC

Age Net Salvage Rate: -40.00%

Future Net Salvage Rate: -40.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$326,894,068.49	\$114,741,578.39	0.3510	\$342,910,117.50	1.0490
Computed	\$326,894,068.49	\$94,482,786.06	0.2890	\$363,168,909.83	1.1110
Difference		\$20,258,792.33	0.0620	(\$20,258,792.33)	-0.0620

Ohio Edison Company**Average Life and Salvage Rate Determination**

Based On Year End 2006 Data using Beginning Balance 1999

Account 369 Services**Life and Iowa Survivor Curve**

Current Life and Iowa Survivor Curve is 40 R3.

Actuarial Life Analysis

70 S6 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 to 50 Years.

Recommendation

Continue to use 40 R3 Based on Industry Standards and Actuarial Life Analysis.

Comments:

The recommended life from the actuarial analysis is out of the range of EEI Industry Standards. The data analyzed has insufficient history, and the current Iowa Curve and average service life is still a good fit.

Salvage Factor Estimates

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

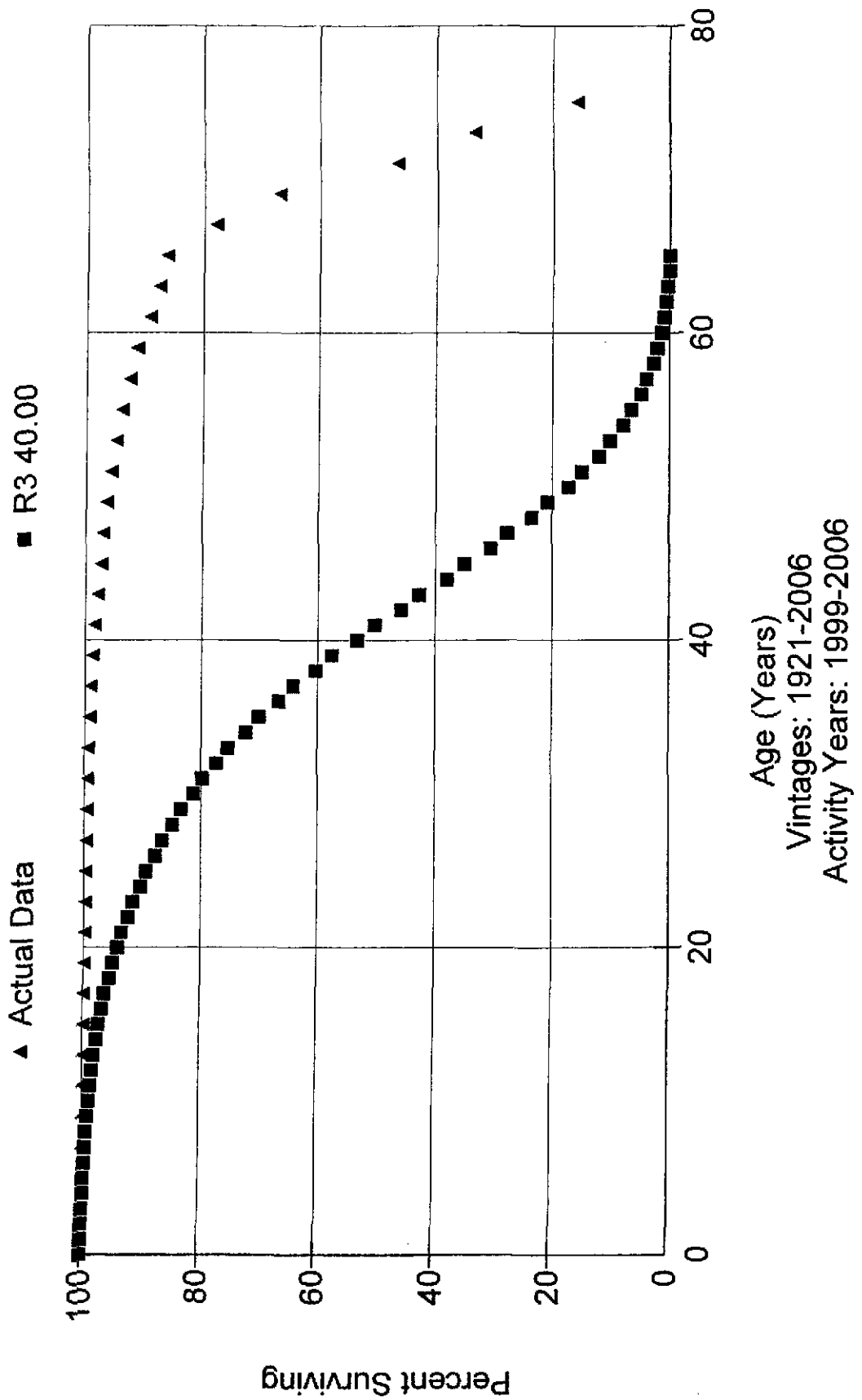
Comments:

Industry Averages per the 2003 EEI Study for the Net Salvage Rate range from 100% to -60%. The current rate of -25% is recommended.

Summary of Recommendations

40	Average Service Life
R3	Iowa Curve
-25	% Net Salvage

Ohio Edison Company Account 369 Services



Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OEEO 101/6-369 Services

Placement Band: 1921 - 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
0	19,896,093.83	2,604.76	0.00013	0.99987	100.00
0.5	12,599,691.48	0.00	0.00000	1.00000	99.99
1.5	15,158,872.97	0.00	0.00000	1.00000	99.99
2.5	17,825,975.21	0.00	0.00000	1.00000	99.99
3.5	19,983,600.67	19,659.00	0.00098	0.99902	99.99
4.5	23,748,708.35	1,169.00	0.00005	0.99995	99.89
5.5	25,470,216.80	-6,859.82	-0.00027	1.00027	99.89
6.5	28,257,274.75	1,011.00	0.00004	0.99996	99.92
7.5	28,569,279.05	1,532.53	0.00005	0.99995	99.92
8.5	28,460,259.89	1,132.63	0.00004	0.99996	99.92
9.5	28,346,414.55	745.65	0.00003	0.99997	99.92
10.5	29,503,121.49	914.36	0.00003	0.99997	99.92
11.5	30,274,414.60	859.56	0.00003	0.99997	99.92
12.5	29,592,491.04	1,462.54	0.00005	0.99995	99.92
13.5	28,253,948.54	1,911.43	0.00007	0.99993	99.92
14.5	28,234,336.77	2,623.14	0.00009	0.99991	99.91
15.5	27,762,775.37	1,664.02	0.00006	0.99994	99.90
16.5	27,302,420.02	4,239.69	0.00016	0.99984	99.89
17.5	26,928,176.41	2,383.66	0.00009	0.99991	99.87
18.5	26,023,320.28	6,677.17	0.00026	0.99974	99.86
19.5	25,150,059.85	6,948.65	0.00028	0.99972	99.83
20.5	23,117,435.23	4,817.66	0.00021	0.99979	99.80
21.5	20,962,819.40	3,256.36	0.00016	0.99984	99.78
22.5	18,365,880.84	2,488.51	0.00014	0.99986	99.76
23.5	16,458,847.29	3,623.58	0.00022	0.99978	99.75
24.5	14,813,352.47	2,367.79	0.00016	0.99984	99.73
25.5	13,377,477.31	4,316.20	0.00032	0.99968	99.71
26.5	12,608,182.82	6,547.07	0.00052	0.99948	99.68
27.5	11,052,563.21	4,757.48	0.00043	0.99957	99.63
28.5	10,559,424.01	3,695.45	0.00035	0.99965	99.59
29.5	10,555,144.43	4,613.36	0.00044	0.99956	99.56
30.5	10,853,197.55	5,769.33	0.00053	0.99947	99.52
31.5	10,695,078.46	5,844.55	0.00055	0.99945	99.47
32.5	10,373,846.84	6,572.59	0.00063	0.99937	99.42
33.5	9,854,824.94	8,128.17	0.00082	0.99918	99.36
34.5	8,565,164.21	6,922.65	0.00081	0.99919	99.28
35.5	8,106,747.32	7,561.71	0.00093	0.99907	99.20
36.5	7,803,097.57	8,253.61	0.00106	0.99894	99.11
37.5	7,502,127.25	9,349.93	0.00125	0.99875	99.00
38.5	6,500,942.98	8,381.65	0.00129	0.99871	98.88
39.5	5,669,700.30	8,235.31	0.00145	0.99855	98.75
40.5	4,866,552.35	9,203.84	0.00189	0.99811	98.61
41.5	4,124,113.81	8,908.79	0.00216	0.99784	98.42
42.5	3,948,508.81	12,602.94	0.00319	0.99681	98.21
43.5	3,689,368.76	10,114.90	0.00274	0.99726	97.90
44.5	3,388,580.09	9,054.97	0.00267	0.99733	97.63
45.5	3,244,367.00	5,737.80	0.00177	0.99823	97.37
46.5	3,384,756.99	7,262.62	0.00215	0.99785	97.20
47.5	3,282,293.46	8,234.84	0.00251	0.99749	96.99
48.5	3,442,815.64	8,127.81	0.00236	0.99764	96.75
49.5	3,301,159.73	12,728.01	0.00386	0.99614	96.52
50.5	2,661,490.84	10,579.03	0.00397	0.99603	96.15
51.5	2,114,233.09	9,097.37	0.00430	0.99570	95.77
52.5	1,793,416.33	9,533.80	0.00532	0.99468	95.36

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OEEO 101/6-369 Services

Placement Band: 1921 - 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	1,247,264.23	6,792.52	0.00545	0.99455	94.85
54.5	916,329.22	3,885.02	0.00424	0.99576	94.33
55.5	800,902.86	6,759.86	0.00844	0.99156	93.93
56.5	540,680.75	3,100.57	0.00574	0.99426	93.14
57.5	479,175.23	3,463.41	0.00723	0.99277	92.61
58.5	421,189.86	2,399.88	0.00570	0.99430	91.94
59.5	373,580.82	5,927.51	0.01587	0.98413	91.42
60.5	177,974.17	1,545.34	0.00868	0.99132	89.97
61.5	332,640.62	2,888.14	0.00868	0.99132	89.19
62.5	320,286.15	3,011.18	0.00940	0.99060	88.42
63.5	294,991.88	1,342.21	0.00455	0.99545	87.59
64.5	284,997.88	2,443.44	0.00857	0.99143	87.19
65.5	281,682.42	8,094.40	0.02873	0.97127	86.44
66.5	275,435.26	19,742.85	0.07168	0.92832	83.96
67.5	253,542.11	8,582.81	0.03385	0.96615	77.94
68.5	224,905.06	24,754.46	0.11006	0.88994	75.30
69.5	68,680.97	12,545.39	0.18266	0.81734	67.01
70.5	65,819.24	9,667.43	0.14687	0.85313	54.77
71.5	78,961.05	13,060.83	0.16541	0.83459	46.73
72.5	81,614.78	11,495.50	0.14086	0.85914	39.00
73.5	78,587.64	16,289.94	0.20728	0.79272	33.51
74.5	68,283.26	27,902.56	0.40864	0.59136	26.56
75.5	43,113.16	32,109.43	0.74476	0.25524	15.71
76.5	11,003.73	11,003.73	1.00000	0.00000	4.01
77.5	0.00	0.00	0.00000	0.00000	0.00

Net Salvage Analysis Report

Account	Year	Gross Salvage (Cash)		Gross Salvage (Returns)		Cost of Removal		Net Salvage		1-Yr Avg
		Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 369 Services	1999	40,131.59	35.51	0.00	0.00	11,679.83	29.10	2,569.24	6.40	6.40
OECO 369 Services	2000	41,514.39	320.03	0.00	0.00	147,147.59	354.45	(14,289.67)	-34.42	-34.42
OECO 369 Services	2001	1,564.96	4436.04	0.00	0.00	71,580.61	4573.96	(2,158.37)	-137.92	-137.92
OECO 369 Services	2002	40,345.78	127.38	0.00	0.00	44,020.06	109.11	7,374.17	18.28	18.28
OECO 369 Services	2003	57,005.01	50.72	0.00	0.00	147,313.24	258.42	(118,401.63)	-207.70	-207.70
OECO 369 Services	2004	62,758.02	15.61	0.00	0.00	41,695.45	66.44	(31,898.53)	-50.83	-50.83
OECO 369 Services	2005	43,828.86	314.53	0.00	0.00	491,197.83	1120.72	(353,344.53)	-806.19	-806.19
OECO 369 Services	2006	209,377.45	4.36	0.00	0.00	718,896.95	343.35	(709,776.74)	-338.99	-338.99
		496,526.06	91.36	0.00	0.00	1,673,531.56	337.05	(1,219,926.06)	-245.69	

Whole Life Depreciation Accrual

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Account: OECO 101/6-369 Services

Dispersion: 40 - R3

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	\$111,320,061.18		\$3,439,806.08	3.090000
Whole Life		40	\$3,478,751.91	
Amortization		0		
Retirements \$	2,492,533.38	40	\$38,945.83	
2007 Additions	\$0.00			0.000000
Whole Life				
Retirements	\$0.00	0.00		
Total:	\$111,320,061.18 *		\$3,439,806.08	3.090000
Average:	\$110,073,794.49		\$3,439,806.08	3.125000
Grand Total:	\$111,320,061.18 *		\$3,439,806.08	3.090000

* Excluding 2007 Retirements

Generation Arrangement Report

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Account: OEEO 101/6-369 Services

Dispersion: 40.00 - R3

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	\$8,820,448.07	40.00	39.51	1.2346	1.0000	\$10,889,850.10	\$275,639.00
2005	1.50	\$2,542,388.70	40.00	38.53	1.2039	1.0000	\$3,060,822.71	\$79,449.65
2004	2.50	\$28,295.28	40.00	37.55	1.1733	1.0000	\$33,200.02	\$884.23
2003	3.50	\$831,979.89	40.00	36.57	1.1429	1.0000	\$950,850.78	\$25,999.37
2002	4.50	\$579,777.95	40.00	35.60	1.1126	1.0000	\$645,035.91	\$18,118.06
2001	5.50	\$2,808,977.25	40.00	34.64	1.0824	1.0000	\$3,040,381.57	\$87,780.54
2000	6.50	\$757,710.32	40.00	33.68	1.0524	1.0000	\$797,404.61	\$23,678.45
1999	7.50	\$3,393,831.79	40.00	32.72	1.0226	1.0000	\$3,470,436.16	\$106,057.24
1998	8.50	\$1,715,392.36	40.00	31.77	0.9930	1.0000	\$1,703,330.33	\$53,606.01
1997	9.50	\$3,398,754.75	40.00	30.83	0.9636	1.0000	\$3,274,917.53	\$106,211.09
1996	10.50	\$2,707,430.85	40.00	29.90	0.9344	1.0000	\$2,529,896.45	\$84,607.21
1995	11.50	\$3,003,240.98	40.00	28.98	0.9055	1.0000	\$2,719,513.74	\$93,851.28
1994	12.50	\$4,375,072.61	40.00	28.06	0.8769	1.0000	\$3,836,562.21	\$136,721.02
1993	13.50	\$4,530,956.87	40.00	27.15	0.8486	1.0000	\$3,844,816.73	\$141,592.40
1992	14.50	\$3,536,785.29	40.00	26.26	0.8205	1.0000	\$2,902,101.61	\$110,524.54
1991	15.50	\$3,704,950.37	40.00	25.37	0.7928	1.0000	\$2,937,365.94	\$115,779.70
1990	16.50	\$3,257,494.77	40.00	24.49	0.7655	1.0000	\$2,493,482.20	\$101,796.71
1989	17.50	\$3,270,680.86	40.00	23.63	0.7384	1.0000	\$2,415,076.15	\$102,208.78
1988	18.50	\$3,850,400.57	40.00	22.78	0.7118	1.0000	\$2,740,527.39	\$120,325.02
1987	19.50	\$3,748,627.16	40.00	21.93	0.6854	1.0000	\$2,569,395.97	\$117,144.60
1986	20.50	\$3,676,787.44	40.00	21.10	0.6595	1.0000	\$2,424,894.69	\$114,899.61
1985	21.50	\$3,188,115.97	40.00	20.29	0.6339	1.0000	\$2,021,101.62	\$99,628.62
1984	22.50	\$3,513,623.25	40.00	19.48	0.6088	1.0000	\$2,139,212.84	\$109,800.73
1983	23.50	\$3,231,774.88	40.00	18.69	0.5841	1.0000	\$1,887,630.79	\$100,992.97
1982	24.50	\$2,795,902.14	40.00	17.91	0.5598	1.0000	\$1,565,184.14	\$87,371.94
1981	25.50	\$2,899,193.40	40.00	17.15	0.5359	1.0000	\$1,553,740.28	\$90,599.79
1980	26.50	\$2,942,350.63	40.00	16.40	0.5125	1.0000	\$1,508,066.72	\$91,948.46
1979	27.50	\$2,875,331.77	40.00	15.67	0.4896	1.0000	\$1,407,684.50	\$89,854.12
1978	28.50	\$1,646,327.89	40.00	14.95	0.4672	1.0000	\$769,088.96	\$51,447.75
1977	29.50	\$1,035,755.25	40.00	14.25	0.4452	1.0000	\$461,102.11	\$32,367.35
1976	30.50	\$917,208.91	40.00	13.56	0.4238	1.0000	\$388,730.47	\$28,662.78
1975	31.50	\$1,323,551.19	40.00	12.89	0.4030	1.0000	\$533,330.40	\$41,360.97
1974	32.50	\$1,149,296.08	40.00	12.25	0.3827	1.0000	\$439,885.42	\$35,915.50

Generation Arrangement Report

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Account: OECO 101/6-369 Services

Dispersion: 40.00 - R3

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
1973	33.50	\$1,460,049.72	40.00	11.62	0.3631	1.0000	\$530,116.01	\$45,626.55
1972	34.50	\$2,167,214.23	40.00	11.01	0.3441	1.0000	\$745,828.65	\$67,725.44
1971	35.50	\$1,320,031.96	40.00	10.43	0.3258	1.0000	\$430,065.90	\$41,251.00
1970	36.50	\$1,151,059.90	40.00	9.86	0.3082	1.0000	\$354,790.19	\$35,970.62
1969	37.50	\$1,028,664.19	40.00	9.32	0.2913	1.0000	\$299,659.14	\$32,145.76
1968	38.50	\$1,210,926.92	40.00	8.81	0.2752	1.0000	\$333,228.69	\$37,841.47
1967	39.50	\$1,072,848.75	40.00	8.31	0.2597	1.0000	\$278,664.26	\$33,526.52
1966	40.50	\$915,921.54	40.00	7.84	0.2451	1.0000	\$224,495.40	\$28,622.55
1965	41.50	\$938,128.33	40.00	7.40	0.2312	1.0000	\$216,863.50	\$29,316.51
1964	42.50	\$876,212.56	40.00	6.98	0.2180	1.0000	\$191,004.12	\$27,381.64
1963	43.50	\$858,556.24	40.00	6.58	0.2055	1.0000	\$176,442.74	\$26,829.88
1962	44.50	\$844,488.09	40.00	6.20	0.1937	1.0000	\$163,589.87	\$26,390.25
1961	45.50	\$724,838.39	40.00	5.84	0.1826	1.0000	\$132,345.50	\$22,651.20
1960	46.50	\$215,889.41	40.00	5.50	0.1720	1.0000	\$37,139.09	\$6,746.54
1959	47.50	\$245,910.81	40.00	5.19	0.1621	1.0000	\$39,857.87	\$7,684.71
1958	48.50	\$118,822.70	40.00	4.88	0.1525	1.0000	\$18,126.14	\$3,713.21
1957	49.50	\$201,413.00	40.00	4.59	0.1436	1.0000	\$28,913.08	\$6,294.16
1956	50.50	\$694,276.92	40.00	4.31	0.1348	1.0000	\$93,556.94	\$21,696.15
1955	51.50	\$598,177.07	40.00	4.05	0.1264	1.0000	\$75,615.97	\$18,693.03
1954	52.50	\$541,151.87	40.00	3.76	0.1181	1.0000	\$63,894.22	\$16,911.00
1953	53.50	\$575,061.69	40.00	3.52	0.1101	1.0000	\$63,305.51	\$17,970.68
1952	54.50	\$353,341.88	40.00	3.26	0.1019	1.0000	\$36,013.50	\$11,041.93
1951	55.50	\$146,909.16	40.00	3.01	0.0941	1.0000	\$13,819.36	\$4,590.91
1950	56.50	\$276,938.73	40.00	2.75	0.0859	1.0000	\$23,795.30	\$8,654.34
1949	57.50	\$65,394.21	40.00	2.50	0.0781	1.0000	\$5,108.43	\$2,043.57
1948	58.50	\$61,066.54	40.00	2.24	0.0700	1.0000	\$4,273.61	\$1,908.33
1947	59.50	\$58,938.81	40.00	1.99	0.0623	1.0000	\$3,673.05	\$1,841.84
1946	60.50	\$218,744.88	40.00	1.74	0.0543	1.0000	\$11,879.79	\$6,835.78
1945	61.50	\$36,345.90	40.00	1.50	0.0470	1.0000	\$1,707.97	\$1,135.81
1944	62.50	\$27,760.46	40.00	1.26	0.0393	1.0000	\$1,089.94	\$867.51
1943	63.50	\$31,847.96	40.00	1.04	0.0326	1.0000	\$1,037.86	\$995.25
1942	64.50	\$22,251.65	40.00	0.81	0.0253	1.0000	\$562.88	\$695.36
1941	65.50	\$6,538.12	40.00	0.63	0.0197	1.0000	\$128.65	\$204.32

Generation Arrangement Report

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Account: OECO 101/6-369 Services

Dispersion: 40.00 - R3

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
1940	66.50	\$5,927.88	40.00	0.35	0.0109	1.0000	\$64.83	\$185.25
1939	67.50	\$12,645.86	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1938	68.50	\$27,130.39	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1937	69.50	\$143,032.39	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1936	70.50	\$1,787.07	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1935	71.50	\$2,675.36	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1934	72.50	\$60.21	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1933	73.50	\$533.71	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1932	74.50	\$1,686.16	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1931	75.50	\$444.07	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1930	76.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1929	77.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1928	78.50	\$0.00	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
1926	80.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1925	81.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	82.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1923	83.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$0.00	40.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$111,320,061.18	40.00	22.58	0.7057	1.0000	\$78,555,278.98	\$3,472,814.56

Depreciation Reserve Summary

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Account: OECO 101/6-369 Services

Scenario: Ohio 2007 Distribution Accts ADR

Version: 40 - R3

Age Net Salvage Rate: -25.00%

Future Net Salvage Rate: -25.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$111,320,061.18	\$56,166,194.58	0.5045	\$82,983,881.90	0.7455
Computed	\$111,320,061.18	\$60,594,797.50	0.5443	\$78,555,278.98	0.7057
Difference		(\$4,428,602.92)	-0.0398	\$4,428,602.92	0.0398

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 370 Meters

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 34 S0.5.

Actuarial Life Analysis

41 R1 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 20 to 45 Years.

Recommendation

Change to remaining life of 10 years

Comments:

The Company will be installing an automated meter system in the next 10 years. The 10 year remaining life reflects the remaining life of the meters that will be replaced with the automated metering system.

Salvage Factor Estimates

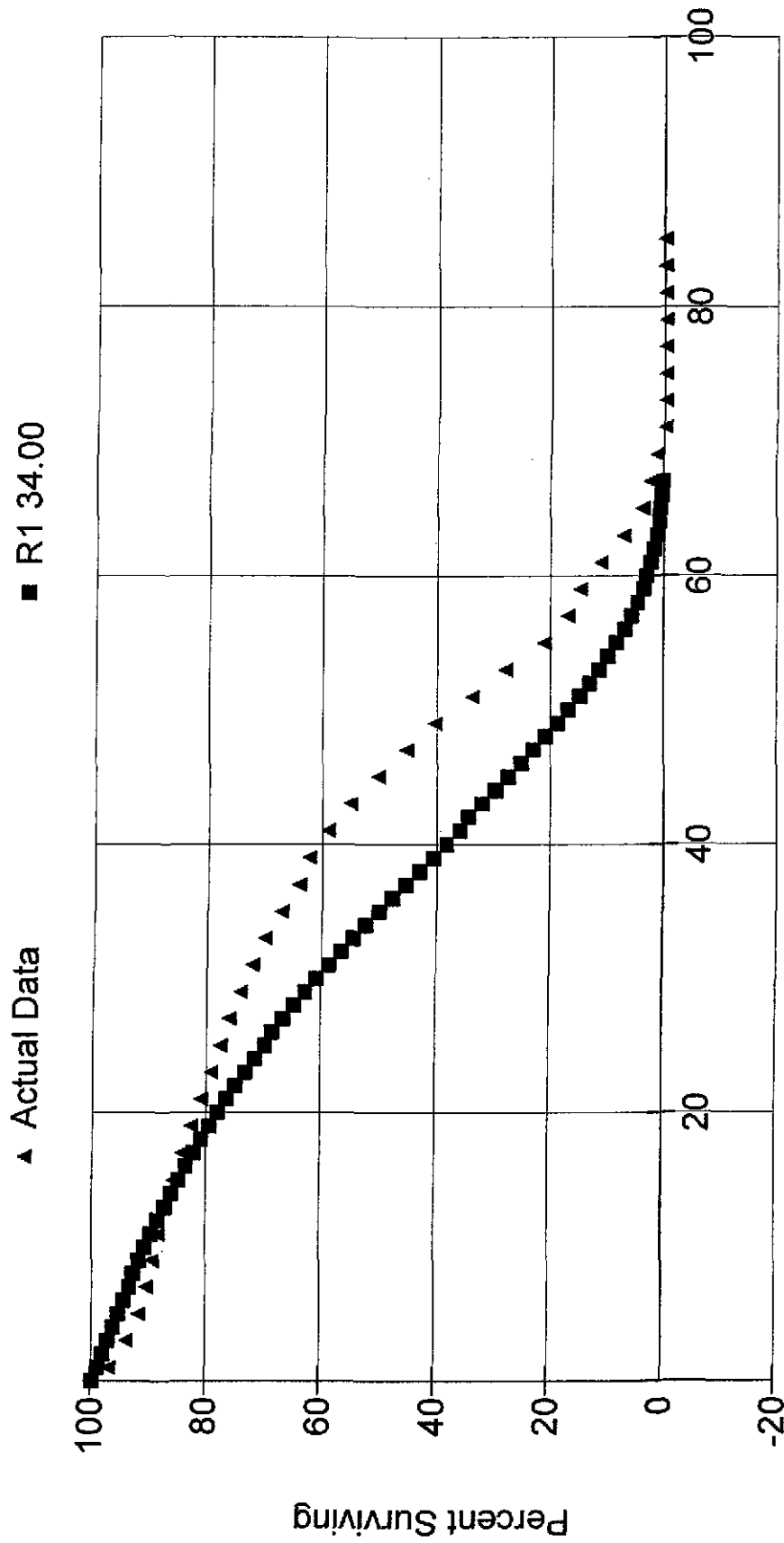
Current Net salvage Rate is	-10%
Proposed Net salvage Rate	0%

Comments:

Summary of Recommendations

<u>10</u>	Remaining Life
<u></u>	Iowa Curve
<u>0</u>	% Net Salvage

Ohio Edison Company Account 370 Meters



Age (Years)
Vintages: 1921-2006
Activity Years: 1999-2006

Observed Life Table

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Scenario: Ohio 2007 Distribution Accounts

Account: OEEO 101/6-370 Meters

Placement Band: 1921 - 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
0	25,747,131.59	659,748.96	0.02562	0.97438	100.00
0.5	19,670,986.14	154,236.54	0.00784	0.99216	97.44
1.5	19,201,785.88	246,360.37	0.01283	0.98717	96.68
2.5	20,370,414.55	370,024.73	0.01816	0.98184	95.44
3.5	18,764,162.26	153,876.96	0.00820	0.99180	93.71
4.5	19,728,899.20	295,580.44	0.01498	0.98502	92.94
5.5	20,704,790.39	161,050.40	0.00778	0.99222	91.55
6.5	23,193,022.67	154,756.29	0.00667	0.99333	90.84
7.5	28,261,988.43	175,396.13	0.00621	0.99379	90.23
8.5	27,345,563.57	144,535.76	0.00529	0.99471	89.67
9.5	31,858,100.03	181,487.26	0.00570	0.99430	89.20
10.5	36,286,331.27	253,679.24	0.00699	0.99301	88.69
11.5	40,091,509.87	285,608.64	0.00712	0.99288	88.07
12.5	41,175,607.23	278,886.04	0.00677	0.99323	87.44
13.5	39,618,603.62	273,220.87	0.00690	0.99310	86.85
14.5	37,083,254.63	336,031.48	0.00906	0.99094	86.25
15.5	31,837,030.91	321,099.47	0.01009	0.98991	85.47
16.5	28,078,583.26	218,357.87	0.00778	0.99222	84.61
17.5	24,458,588.61	209,256.44	0.00856	0.99144	83.95
18.5	21,231,050.08	211,522.98	0.00996	0.99004	83.23
19.5	18,433,797.20	197,593.75	0.01072	0.98928	82.40
20.5	16,407,756.95	161,174.05	0.00982	0.99018	81.52
21.5	16,421,130.19	203,367.06	0.01238	0.98762	80.72
22.5	15,608,114.23	156,671.26	0.01004	0.98996	79.72
23.5	15,265,616.10	167,826.66	0.01099	0.98901	78.92
24.5	15,711,906.25	152,966.00	0.00974	0.99026	78.05
25.5	15,827,981.82	148,932.08	0.00941	0.99059	77.29
26.5	14,931,430.49	145,162.61	0.00972	0.99028	76.56
27.5	13,891,286.56	182,242.21	0.01312	0.98688	75.82
28.5	12,861,611.67	183,220.04	0.01425	0.98575	74.83
29.5	11,269,629.55	135,517.30	0.01202	0.98798	73.76
30.5	10,161,785.03	140,657.39	0.01384	0.98616	72.87
31.5	9,369,237.62	126,309.11	0.01348	0.98652	71.86
32.5	10,270,108.75	179,866.16	0.01751	0.98249	70.89
33.5	8,344,659.73	140,739.63	0.01687	0.98313	69.65
34.5	7,083,037.26	167,269.46	0.02362	0.97638	68.48
35.5	6,156,274.11	128,869.96	0.02093	0.97907	66.86
36.5	6,093,818.45	142,147.12	0.02333	0.97667	65.46
37.5	6,268,476.43	76,748.77	0.01224	0.98776	63.93
38.5	6,339,889.70	99,402.89	0.01568	0.98432	63.15
39.5	6,211,351.68	138,033.75	0.02222	0.97778	62.16
40.5	4,100,784.42	132,920.10	0.03241	0.96759	60.78
41.5	3,844,659.47	126,780.60	0.03298	0.96702	58.81
42.5	3,972,461.41	143,901.14	0.03622	0.96378	56.87
43.5	4,151,600.58	176,697.75	0.04256	0.95744	54.81
44.5	3,960,266.66	179,575.79	0.04534	0.95466	52.48
45.5	3,554,986.15	159,664.50	0.04491	0.95509	50.10
46.5	3,331,714.67	189,634.41	0.05692	0.94308	47.85
47.5	3,071,026.81	162,088.97	0.05278	0.94722	45.13
48.5	2,612,006.78	155,042.73	0.05936	0.94064	42.75
49.5	2,132,914.92	166,648.34	0.07813	0.92187	40.21
50.5	1,680,803.96	153,783.12	0.09149	0.90851	37.07
51.5	1,209,332.34	103,901.05	0.08592	0.91408	33.68
52.5	1,097,429.80	105,592.61	0.09622	0.90378	30.79

Observed Life Table

Scenario: Ohio 2007 Distribution Accounts

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Account: OEEO 101/6-370 Meters

Placement Band: 1921 - 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	820,301.96	100,474.85	0.12249	0.87751	27.83
54.5	601,219.52	81,774.55	0.13602	0.86398	24.42
55.5	359,877.33	41,050.29	0.11407	0.88593	21.10
56.5	280,241.49	25,512.48	0.09104	0.90896	18.69
57.5	236,812.01	13,549.14	0.05721	0.94279	16.99
58.5	190,296.32	14,449.69	0.07593	0.92407	16.02
59.5	154,526.18	9,160.14	0.05928	0.94072	14.80
60.5	19,394.75	3,851.51	0.19861	0.80139	13.92
61.5	14,704.06	2,256.31	0.15343	0.84657	11.16
62.5	18,534.61	4,448.63	0.24003	0.75997	9.45
63.5	19,366.98	4,206.62	0.21723	0.78277	7.18
64.5	13,215.19	4,604.54	0.34847	0.65153	5.62
65.5	7,464.41	1,377.82	0.18462	0.81538	3.66
66.5	6,086.59	1,478.37	0.24281	0.75719	2.98
67.5	4,608.22	700.68	0.15213	0.84787	2.26
68.5	3,907.54	1,636.77	0.41888	0.58112	1.92
69.5	2,191.30	1,327.67	0.60612	0.39388	1.12
70.5	770.46	1,176.37	1.52727	-0.52727	0.44
71.5	0.00	0.00	0.00000	0.00000	-0.23
72.5	0.00	0.00	0.00000	0.00000	
73.5	0.00	0.00	0.00000	0.00000	
74.5	52.34	0.00	0.00000	1.00000	
75.5	52.34	0.00	0.00000	1.00000	
76.5	898.03	0.00	0.00000	1.00000	
77.5	898.03	0.00	0.00000	1.00000	
78.5	898.03	28.68	0.03229	0.96771	
79.5	869.35	0.00	0.00000	1.00000	
80.5	869.35	463.44	0.53280	0.46720	
81.5	405.91	0.00	0.00000	1.00000	
82.5	382.25	0.00	0.00000	1.00000	
83.5	382.25	0.00	0.00000	1.00000	
84.5	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		1-Yr Avg
			Amount	Pct.	Amount	Pct.	Amount	Pct.	Amount	Pct.	
OECO 370 Meters	1999	369,387.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OECO 370 Meters	2000	356,550.47	26,593.94	7.46	0.00	0.00	81,287.48	22.80	(54,693.54)	-15.34	-15.34
OECO 370 Meters	2001	1,225,486.81	8,280.62	0.68	0.00	0.00	94,304.09	7.70	(86,023.47)	-7.02	-7.02
OECO 370 Meters	2002	783,757.61	86,922.79	11.09	0.00	0.00	317,756.44	40.54	(230,833.65)	-29.45	-29.45
OECO 370 Meters	2003	3,310,338.49	119,020.34	3.60	0.00	0.00	889,215.66	26.86	(770,195.32)	-23.27	-23.27
OECO 370 Meters	2004	181,489.37	173.28	0.10	0.00	0.00	11,012.46	6.07	(10,839.18)	-5.97	-5.97
OECO 370 Meters	2005	1,111,741.18	11,588.38	1.04	0.00	0.00	(1,805,928.96)	-162.44	1,817,517.34	163.48	163.48
OECO 370 Meters	2006	1,967,776.76	0.00	0.00	0.00	0.00	(207,570.28)	-10.55	207,570.28	10.55	10.55
		9,306,527.79	252,579.35	2.71	0.00	0.00	(619,923.11)	-6.66	872,502.46	9.38	

Whole Life Depreciation Accrual

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Account: OECO 101/6-370 Meters

Dispersion: 34 - 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	\$109,387,988.63		\$3,496,299.18	3.196237
Whole Life		34	\$3,539,017.58	
Amortization		0	\$0.00	
Retirements	\$2,640,773.70	34	\$42,718.40	
2007 Additions	\$0.00		\$0.00	0.000000
Whole Life			\$0.00	
Retirements	\$0.00	0.00	\$0.00	
Total:	\$109,387,988.63 *		\$3,496,299.18	3.196238
Average:	\$108,067,601.78		\$3,496,299.18	3.235289
Grand Total:	\$109,387,988.63 *		\$3,496,299.18	3.196238

* Excluding 2007 Retirements

Account: OEEO 101/6-370 Meters

Version: 34.00 - 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	\$5,056,074.46	34.00	33.63	1.0880	1.0000	\$5,501,023.44	\$163,578.88
2005	1.50	\$6,002,618.78	34.00	32.89	1.0642	1.0000	\$6,387,772.80	\$194,202.37
2004	2.50	\$0.00	34.00	32.16	1.0405	1.0000	\$0.00	\$0.00
2003	3.50	\$2,695,049.14	34.00	31.44	1.0171	1.0000	\$2,741,226.47	\$87,192.77
2002	4.50	\$1,388,457.04	34.00	30.72	0.9939	1.0000	\$1,380,017.65	\$44,920.67
2001	5.50	\$2,217,323.77	34.00	30.01	0.9709	1.0000	\$2,152,793.79	\$71,736.95
2000	6.50	\$2,119,752.03	34.00	29.30	0.9481	1.0000	\$2,009,659.45	\$68,580.21
1999	7.50	\$1,759,004.49	34.00	28.60	0.9254	1.0000	\$1,627,776.45	\$56,908.97
1998	8.50	\$3,536,537.26	34.00	27.91	0.9029	1.0000	\$3,193,132.91	\$114,417.38
1997	9.50	\$1,704,589.33	34.00	27.22	0.8806	1.0000	\$1,500,982.50	\$55,148.48
1996	10.50	\$1,379,167.20	34.00	26.53	0.8583	1.0000	\$1,183,802.93	\$44,620.12
1995	11.50	\$1,351,961.99	34.00	25.85	0.8363	1.0000	\$1,130,632.56	\$43,739.95
1994	12.50	\$2,339,969.30	34.00	25.17	0.8144	1.0000	\$1,905,611.34	\$75,704.89
1993	13.50	\$3,376,488.96	34.00	24.50	0.7926	1.0000	\$2,676,251.38	\$109,239.35
1992	14.50	\$4,620,130.49	34.00	23.83	0.7710	1.0000	\$3,562,297.00	\$149,474.81
1991	15.50	\$6,635,789.29	34.00	23.17	0.7496	1.0000	\$4,974,475.74	\$214,687.30
1990	16.50	\$5,062,807.71	34.00	22.52	0.7285	1.0000	\$3,688,008.26	\$163,796.72
1989	17.50	\$6,096,313.17	34.00	21.87	0.7075	1.0000	\$4,313,165.88	\$197,233.66
1988	18.50	\$5,679,811.48	34.00	21.23	0.6868	1.0000	\$3,900,796.80	\$183,758.61
1987	19.50	\$5,013,250.64	34.00	20.60	0.6663	1.0000	\$3,340,402.46	\$162,193.40
1986	20.50	\$3,395,261.00	34.00	19.97	0.6461	1.0000	\$2,193,715.91	\$109,846.68
1985	21.50	\$1,886,918.43	34.00	19.36	0.6262	1.0000	\$1,181,583.15	\$61,047.36
1984	22.50	\$2,161,890.34	34.00	18.75	0.6066	1.0000	\$1,311,338.46	\$69,943.51
1983	23.50	\$1,624,648.30	34.00	18.15	0.5873	1.0000	\$954,081.71	\$52,562.15
1982	24.50	\$1,486,008.46	34.00	17.56	0.5682	1.0000	\$844,415.72	\$48,076.74
1981	25.50	\$2,546,367.24	34.00	16.99	0.5496	1.0000	\$1,399,378.63	\$82,382.47
1980	26.50	\$2,456,933.98	34.00	16.42	0.5312	1.0000	\$1,305,110.05	\$79,489.04
1979	27.50	\$2,243,394.99	34.00	15.86	0.5132	1.0000	\$1,151,235.73	\$72,580.43
1978	28.50	\$1,442,986.18	34.00	15.31	0.4955	1.0000	\$714,943.54	\$46,684.85
1977	29.50	\$1,918,173.76	34.00	14.78	0.4781	1.0000	\$917,076.77	\$62,058.56
1976	30.50	\$1,434,572.36	34.00	14.25	0.4611	1.0000	\$661,431.31	\$46,412.64
1975	31.50	\$1,355,629.95	34.00	13.73	0.4444	1.0000	\$602,387.63	\$43,856.62
1974	32.50	\$1,958,853.13	34.00	13.23	0.4280	1.0000	\$838,362.70	\$63,374.66
1973	33.50	\$2,616,471.57	34.00	12.73	0.4119	1.0000	\$1,077,840.33	\$84,650.55

Account: DECO 101/6-370 Meters

Dispersion: 34.00 - 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
1972	34.50	\$1,552,142.13	34.00	12.25	0.3962	1.0000	\$615,019.54	\$50,216.36
1971	35.50	\$1,184,385.51	34.00	11.77	0.3808	1.0000	\$451,058.73	\$38,318.35
1970	36.50	\$497,812.68	34.00	11.31	0.3658	1.0000	\$182,079.28	\$16,105.70
1969	37.50	\$428,980.65	34.00	10.85	0.3510	1.0000	\$150,564.13	\$13,878.79
1968	38.50	\$410,247.54	34.00	10.40	0.3365	1.0000	\$138,052.91	\$13,272.71
1967	39.50	\$600,210.93	34.00	9.96	0.3223	1.0000	\$193,473.85	\$19,418.59
1966	40.50	\$2,613,530.33	34.00	9.53	0.3085	1.0000	\$806,198.81	\$84,555.39
1965	41.50	\$706,736.36	34.00	9.11	0.2949	1.0000	\$208,405.00	\$22,865.00
1964	42.50	\$313,995.59	34.00	8.70	0.2816	1.0000	\$88,413.21	\$10,158.68
1963	43.50	\$289,695.52	34.00	8.30	0.2685	1.0000	\$77,796.76	\$9,372.50
1962	44.50	\$389,034.49	34.00	7.91	0.2558	1.0000	\$99,507.45	\$12,586.41
1961	45.50	\$559,501.03	34.00	7.52	0.2433	1.0000	\$136,118.40	\$18,101.50
1960	46.50	\$379,915.68	34.00	7.14	0.2311	1.0000	\$87,782.67	\$12,291.39
1959	47.50	\$394,670.09	34.00	6.77	0.2191	1.0000	\$86,460.88	\$12,768.74
1958	48.50	\$394,529.94	34.00	6.41	0.2073	1.0000	\$81,801.66	\$12,764.20
1957	49.50	\$370,981.39	34.00	6.05	0.1958	1.0000	\$72,656.40	\$12,002.34
1956	50.50	\$367,454.32	34.00	5.71	0.1846	1.0000	\$67,834.26	\$11,888.23
1955	51.50	\$371,878.60	34.00	5.36	0.1735	1.0000	\$64,534.53	\$12,031.37
1954	52.50	\$212,555.63	34.00	5.03	0.1627	1.0000	\$34,590.16	\$6,876.80
1953	53.50	\$184,900.45	34.00	4.70	0.1522	1.0000	\$28,133.77	\$5,982.07
1952	54.50	\$166,251.25	34.00	4.38	0.1418	1.0000	\$23,573.97	\$5,378.72
1951	55.50	\$168,340.83	34.00	4.07	0.1316	1.0000	\$22,161.37	\$5,446.32
1950	56.50	\$48,798.18	34.00	3.76	0.1217	1.0000	\$5,938.38	\$1,578.76
1949	57.50	\$23,385.41	34.00	3.46	0.1119	1.0000	\$2,617.32	\$756.59
1948	58.50	\$37,103.06	34.00	3.16	0.1023	1.0000	\$3,795.70	\$1,200.39
1947	59.50	\$22,702.69	34.00	2.87	0.0928	1.0000	\$2,106.53	\$734.50
1946	60.50	\$129,475.63	34.00	2.57	0.0833	1.0000	\$10,785.86	\$4,188.92
1945	61.50	\$1,572.33	34.00	2.28	0.0737	1.0000	\$115.92	\$50.87
1944	62.50	\$1,768.76	34.00	1.97	0.0639	1.0000	\$112.95	\$57.22
1943	63.50	\$126.70	34.00	1.65	0.0535	1.0000	\$6.78	\$4.10
1942	64.50	\$1,231.97	34.00	1.32	0.0428	1.0000	\$52.76	\$39.86
1941	65.50	\$694.10	34.00	1.00	0.0324	1.0000	\$22.51	\$22.46
1940	66.50	\$0.00	34.00	0.70	0.0226	1.0000	\$0.00	\$0.00
1939	67.50	\$0.00	34.00	0.42	0.0136	1.0000	\$0.00	\$0.00

Generation Arrangement Report

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Account: OECO 101/6-370 Meters

Dispersion: 34.00 - 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
1938	68.50	\$0.00	34.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1937	69.50	\$79.47	34.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1936	70.50	\$93.17	34.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1935	71.50	\$0.00	34.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1924	82.50	\$0.00	34.00	0.00	0.0000	0.0000	\$0.00	\$0.00
1922	84.50	\$0.00	34.00	0.00	0.0000	0.0000	\$0.00	\$0.00
		\$109,387,988.63	34.00	21.49	0.6954	1.0000	\$76,064,503.88	\$3,539,017.58

Depreciation Reserve Summary

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Account: OECO 101/6-370 Meters

Scenario: Ohio 2007 Distribution Accts ADR

Version: 34 - R1

Average Net Salvage Rate: -10.00%

Future Net Salvage Rate: -10.00%

Broad Group Procedure

January 1, 2007

	Plant Amt	<u>Depreciation Reserve</u>		<u>Net Plant</u>	
		Amount	Ratio	Amount	Ratio
Recorded	\$109,387,988.63	\$46,413,411.01	0.4243	\$73,913,376.48	0.6757
Computed	\$109,387,988.63	\$44,262,283.61	0.4046	\$76,064,503.88	0.6954
Difference		\$2,151,127.40	0.0197	(\$2,151,127.40)	-0.0197

Ohio Edison Company

Average Life and Salvage Rate Determination

Based On Year End 2006 Data using Beginning Balance 1999

Account 371 Installation on Customer Premises

Life and Iowa Survivor Curve

Current Life and Iowa Survivor Curve is 22.5 SQ.

Actuarial Life Analysis

35 S1 best fit using 1999 - 2006 data.

Industry Survey - EEI Survey of Depreciation Statistics 2003

Service Life Range 14 to 60 Years.

Recommendation

Change to remaining life of 5 years.

Comments:

The Company is exiting the outdoor lighting installed on customer premises in 5 years.

Salvage Factor Estimates

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

Comments:

Summary of Recommendations

<u>5</u>	Remaining Life
<u> </u>	Iowa Curve
<u>0</u>	% Net Salvage