### FILE

#### BEFORE

# RECEIVED-DOCKETING DIV 2007 JUN 14 PM 4:11 PUCO

#### THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio	)	
Edison Company, The Cleveland Electric	)	Case No. 07-548-EL-ATA
Illuminating Company, and The Toledo	)	Case No. 07-549-EL-ATA
Edison Company for Approval of Line	)	Case No. 07-550-EL-ATA
Extension Tariff Modifications.	)	

## Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company Memorandum Contra the Office of the Ohio Consumers' Counsel Motion to Intervene

Come Now Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company and respectfully submit their Memorandum Contra the Ohio Office of Consumers' Counsel Motion to Intervene.

In the above-mentioned cases, the Companies are seeking to maintain the existing line extension program, as earlier approved by the Commission, by extending one aspect of their existing line extension program to cover the gap between the Commission's authorization of the existing line extension program in Case No. 01-2708-EL-COI, which proceeding dealt only with line extension issues, and the new line extension program included in the Companies' distribution rate case filing in Case No. 07-551-EL-AIR. As explained in the Companies' Applications in the aforementioned proceedings, the proposed extension is to maintain the existing surcharge until the end of 2008. The Companies in this proceeding are proposing no change in the level of the surcharge or in the manner in which it is currently applied to customers. In other words, the line extension program will continue under the same terms and

And because of the delay in the application of the surcharge to customers' bills at the commencement of the line extension program, no customer will pay the surcharge for more than five years, which was the maximum time

conditions and charges that exist today - - customers will see no change in the operation of the program that has now been in place for several years.

The Commission has already dealt with and approved a line extension program for the Companies on a separate basis in Case No. 01-2708-EL-COI. Addressing the relief sought by the Companies in this proceeding is consistent with that approach. Approval of the proposed extension will fulfill the original intent of the Commission's approval of the line extension program, which was to approve and have the Companies implement a line extension program that would remain in place until the time new distribution rates were approved by the Commission.

The relief sought by the Companies, if approved, will only extend the existing surcharge until the end of 2008. The new distribution rates are expected to go into effect as early as January 1, 2009. Therefore, there will be no overlap between consideration of the Companies' request in this proceeding and the Companies' line extension proposal in the distribution rate case.

Because this proceeding and the rate case proceeding do not overlap, OCC's suggestion that the Commission and the Companies simply wait until the line extension program is considered in the distribution rate case is not workable. First, the proposal in this proceeding and the line extension proposal in the rate case are different. Second, it is not expected that the Commission will issue an Order in the rate case before the end of 2007. The Companies need to have a ruling on their proposal in this proceeding prior to the end of 2007 so that it can be included in rates commencing on January 1, 2008. The concern is that OCC's intervention, if granted, will cause a delay in this proceeding potentially causing an Order not to be issued in this

period the surcharge was contemplated to apply, as originally approved by the Commission in Case No. 01-2708-EL-COI.

case until after December 31, 2007, which would undermine the intent and purpose of this filing. Further, whether authorized or not, the OCC submitted comments on the Applications in this proceeding thereby making its position known. And the OCC will have a full opportunity to challenge the proposed line extension program as part of the distribution rate case proceeding. Because the two line extension proposals are different both in substance and the time period in which they will be in effect, the Companies' proposal in this proceeding cannot be simply deferred for consideration in the rate case.

In conclusion, the Companies respectfully request that the Commission approve the Companies' Applications and for all other relief just and proper in the premise.

Respectfully submitted,

James W. Burk (0043808)

Senior Attorney

FirstEnergy Service Company

rames W. Buch

76 South Main Street

Akron, Ohio 44308

Phone: 330-384-5861

Fax: 330-384-3875

Email: burkj@firstenergycorp.com On behalf of Ohio Edison Company The Cleveland Electric Illuminating

Company

The Toledo Edison Company

#### Certificate of Service

I hereby certify that a copy of the foregoing Memorandum Contra was mailed by ordinary U.S. mail, First Class, postage prepaid to the persons listed below, this 14th day of June, 2007.

James W. Burk Senior Attorney

Duane Luckey, Esq. Attorney General's Office Public Utilities Section 180 E. Broad Street, 9<sup>th</sup> Floor Columbus, Ohio 43215

Jeffrey L. Small, Esq.
Counsel of Record
Richard C. Reese, Esq.
Office of the Ohio Consumers' Counsel
10 W. Broad Street, Suite 1800
Columbus, OH 43215-3485