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PUCO

September 10, 2007

Ms. Renee J. Jenkins
Director, Administration Department
Secretary to the Commission
Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43266-5073

Re: Application on Remand
Case No. 07- 1003 -EL-ATA, Case No. 07- 1004 -EL-AAM

Dear Ms. Jenkins:

Please file this letter, the Application and all of the attachments thereto as Ohio Edison Company's, The Cleveland Electric Illuminating Company's and The Toledo Edison Company's ("Companies") request to implement a recovery mechanism to recover certain increased fuel costs deferred during the 2006-2008 time period as previously approved in Case Nos. 03-2144-EL-ATA, *et seq.* and 05-1125-EL-ATA, *et seq.* This Application arises as a result of The Supreme Court of Ohio's August 29, 2007, Opinion remanding to the Commission for consideration of one aspect of the Rate Certainty Plan, which had been previously approved by the Commission in Case No. 05-1125-EL-ATA, *et seq.* This Application is limited to establishing a remedy to that single aspect of the Rate Certainty Plan subject to the Court's remand.

Thank you for your assistance in this matter. Please contact me if you have any questions concerning this matter.

Very truly yours,

James W. Burk

James W. Burk

Enc.

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**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)	
Edison Company for Authority to)	Case No. 07-___-EL-ATA
Modify Certain Accounting Practices)	Case No. 07-___-EL-AAM
and for Tariff Approvals)	

APPLICATION ON REMAND

Ohio Edison Company (hereinafter "OE"), The Cleveland Electric Illuminating Company (hereinafter "CEI"), and The Toledo Edison Company (hereinafter "TE", with OE, CEI and TE, collectively referred to as the "Companies"), each of which is an electric light company and a public utility pursuant to Sections 4905.02 and 4905.03 O.R.C., hereby request to implement the recovery mechanism proposed herein to recover fuel costs deferred during the 2006-2008 time period, as previously approved in Case Nos. 03-2144-EL-ATA, et seq. and 05-1125-EL-ATA, et seq. The Companies request that the recovery mechanism commence no later than with the first October 2007 billing cycle continuing through December 2008, with a reconciliation component expected to continue through the first quarter of 2009. This Application arises as a result of the Supreme Court of Ohio's (the "Court") August 29, 2007 Opinion remanding to the Public Utilities Commission of Ohio (the "Commission") for consideration of one aspect of the Rate Certainty Plan , which had been previously approved by the Commission in Case No. 05-1125-EL-ATA, et seq. This Application is limited to establishing a remedy to that single aspect of the Rate Certainty Plan subject to the Court's remand.

Background

On August 4, 2004, the Commission, as part of its approval of the Companies Rate Stabilization Plan, Case No. 03-2144-EL-ATA et al.¹ (the "RSP"), approved a mechanism to allow the Companies to recover fuel costs as compared to comparable fuel costs incurred during the base line year of 2002. In that case the Commission also approved 2006-2008 as the recovery period, subject to reconciliation. As a first step toward implementing this provision of the RSP, the Companies instituted a proceeding with the Commission under Case No. 05-704-EL-ATA to recover their fuel costs through a rider mechanism (the "Initial Fuel Cost Recovery Proceeding"). Subsequently, on September 9, 2005, the Companies filed their Rate Certainty Plan, Case No. 05-1125-EL-ATA, et al. (together with the Stipulation and Recommendation, the "RCP") and included an alternative to the Initial Fuel Cost Recovery Proceeding, which was later consolidated with the RCP proceeding. Among other terms, the RCP, as approved by the Commission, established cash recovery of a portion of the fuel costs during the 2006-2008 period (the "Fuel Recovery Mechanism" or "FRM") and authorized the deferral for future recovery of certain fuel costs in the Companies' next distribution rate case that exceed the 2002 base line cost level and that are not recovered through the FRM. The balance of the fuel deferrals with carrying charges would be recovered over 25 years, beginning in 2009, subject to Commission approval.

On August 29, 2007, the Court affirmed the RCP in all respects save one: it held that the Commission violated Section 4928.02(G) O.R.C. when it authorized the Companies to collect

¹ The Commission's approval of the RSP was affirmed in pertinent part by the Court in *Ohio Consumers' Counsel v. Pub. Util. Comm.* (2006), 109 Ohio St. 3d 328, 2006-Ohio-2110.

deferred fuel costs through future distribution rate cases. Elyria Foundry Co. Pub. Util. Comm. 114 Ohio St.3d 305, 2007-Ohio-4164. The Court reversed the Commission's order on this sole issue and remanded the case to the Commission to modify the RCP to comply with the Court's decision.

In response to the Court's decision, the Companies hereby request to establish the recovery mechanism described herein to remedy the single issue remanded by the Court.²

RECOVERY MECHANISM

The Companies propose two generation-related fuel cost recovery riders (collectively "Riders") applicable to retail customers of the Companies to collect actual fuel costs in 2006, 2007 and 2008 above the 2002 baseline and in excess of FRM revenues. Applicable retail customers include all tariff customers and those customers served on special contracts that permit such increases.

The Companies request that these new Riders be implemented on a bills-rendered basis commencing with the first October 2007 billing cycle and continuing through the December 2008 billing cycles, with a reconciliation component in each Rider continuing through the first quarter of 2009 or until all deferred fuel costs and carrying charges are recovered. The reconciliation mechanism will ensure that the Companies do not over collect or under collect fuel costs above the 2002 base line cost level and associated carrying charges incurred during the 2006-2008 time period.

² The Companies will be seeking reconsideration of the Court's decision. Should reconsideration be granted and the RCP affirmed in all respects, the Companies would withdraw this filing, as it would be rendered moot.

Due to the nature of the changes in rates to be implemented in 2009, as well as provisions of the RSP that provide for fuel cost recovery ending in 2008, the Companies request recovery of fuel costs that have been deferred or would have been deferred under the RCP by the end of 2008. The uncertainty arising from the potential for legislative changes in the foreseeable future further adds to the need to complete recovery of fuel costs prior to 2009. Additionally, recovery of costs by December 31, 2008 reduces carrying charges incurred prior to December 31, 2008 and charges which otherwise would have occurred beyond 2008, thereby reducing the nominal cost to customers.

The request for recovery of deferred fuel costs by the end of 2008 stems from both the unbundled rate structure approved by the Commission and by the aforementioned Court decision in the RCP case. The approved unbundled rate structure undergoes a substantial change at the end of 2008, at which time the existing generation rate structure is no longer applicable pursuant to the terms of the Commission-approved RCP. The means by which generation service will be available to customers after 2008 is not known with certainty at this time. While not yet approved, the Companies have proposed a competitive bidding process to procure generation in the post-2008 period in Case No. 07-796-EL-ATA, et al., as noted above. As a result of the uncertainty surrounding the provision of generation service after 2008, coupled with the Court's mandate that the distribution rate case process not be the vehicle for recovery of deferred fuel costs, the Companies' proposal is the most reasonable recovery mechanism available to provide the means of recovering deferred fuel costs which exist today and which will continue to exist through the end of 2008.

Description of the Proposed Riders

The Companies propose two separate Riders, with each proposed Rider containing a cents/kWh charge applicable to retail customers. The first Rider provides recovery of fuel costs deferred from the inception of the fuel deferral under the RCP through September 30, 2007, plus Commission-approved carrying costs on the unrecovered deferred cost balance. The second Rider provides recovery of ongoing fuel costs (those incurred after September 30, 2007 through December 31, 2008). Finally, both Riders contain a reconciliation component, the purpose of which is to ensure that the Companies recover no more or less than eligible costs under the Riders. The reconciliation component may be positive or negative depending upon actual costs and recovery.³

Deferred Fuel Cost Recovery Rider: Recovery of fuel costs deferred from inception of the fuel deferral through Sept. 30, 2007

Under the RCP, the Companies have deferred for future recovery specified fuel costs in excess of the 2002 baseline amount and not recovered through the FRM. The Companies filed the level of projected deferred cost as of September 30, 2007 (Case No. 07-551-EL-AIR, et al. see WPC-3.5c). This value is the actual deferred fuel cost as of May 31, 2007 with projected amounts for June through September 2007. This level of deferred fuel cost, in addition to Commission-approved carrying charges, is divided by the projected eligible energy sales for the period October 1, 2007 through December 31, 2008. The resulting amount represents the

³ Riders for each Company are included as Attachments 5A and 5B for Ohio Edison, 6A and 6B for CEI, and 7A and 7B for Toledo Edison.

Deferred Fuel Cost Recovery Rider ("Deferred Fuel Rider").⁴ Revenues are proposed to be collected based upon the Deferred Fuel Rider amount multiplied by the kWh sales of customers to which the Deferred Fuel Rider applies. To the extent that projected costs for the period June through September 2007 or the projected revenue for the period October 1, 2007 through December 31, 2008 differ from actual costs or revenue for those periods, such differences will be reflected in the reconciliation component with appropriate carrying charges. Similarly, if the Deferred Fuel Rider takes effect later than the first October 2007 billing cycle, the Deferred Fuel Rider will be increased to reflect additional months of deferred costs together with decreased energy sales due to fewer months over which to recover the costs.

Fuel Cost Recovery Rider: Recovery of ongoing deferred fuel costs and carrying charges on a quarterly basis

On an ongoing basis, eligible fuel costs under the RCP continue to be determined and recorded to the appropriate account. The Fuel Cost Recovery Rider ("Fuel Rider") is designed to recover these ongoing changes to the account, on a quarterly basis, from energy usage billed during that quarter. The Fuel Rider will be the sum of projected costs for the calendar quarter divided by kWh sales. Any differences between the actual fuel cost and the revenues, either over or under recovery, from the Fuel Rider will be deferred and recovered through the reconciliation component of this Rider. If the Rider takes effect later than the first October 2007 billing cycle, the Fuel Rider will be adjusted to account for less than a calendar quarter. To the extent that projected costs or projected revenue for any calendar quarter differs from actual costs or revenue

⁴ Page 1 of Attachment 1, Attachment 2 and Attachment 3 shows calculations of the values for the Riders for Ohio Edison, CEI and Toledo Edison respectively.

for that quarter, such differences will be reflected in the reconciliation component with appropriate carrying charges.⁵

Reconciliation Component

The Companies also propose an ongoing reconciliation component in each of the two Riders to be applicable in subsequent Rider values. This reconciliation component will equal the difference between actual deferred fuel costs and revenues received from the application of the Riders, as well as carrying charges, either accruing to the Companies or customers for any under or over collection. As previously indicated, the purpose of the reconciliation component is to ensure that the Companies recover no more or less than the costs it has been authorized to recover. Moreover, actual costs and revenues for August through December of 2008 will be reconciled with projected costs and revenues for that period with recovery expected in the first quarter of 2009.⁶ Further, any variance between the level of fuel costs proposed to be recovered through the Riders and the level ultimately approved for recovery by the Commission will be accounted for through the reconciliation mechanism. The Application also seeks approval of accounting modifications to implement the proposed reconciliation mechanism because carrying charges at the Commission approved rate are accrued on the quarterly reconciliation balance and included in the reconciliation adjustments.

⁵ Values for the initial 2007 Riders are shown on Attachment 4 to this Application.

⁶ Illustrations of the reconciliation for the Deferred Fuel Rider are shown on page 2 of Attachments 1, 2 and 3 for Ohio Edison, CEI and Toledo Edison, respectively. Illustrations of the reconciliation for the Fuel Rider are shown on page 3 of Attachments 1, 2 and 3 for Ohio Edison, CEI and Toledo Edison, respectively.

Impact of the Riders on Shopping Credits

The Court specifically affirmed the Commission's approval of shopping credits in the RCP, expressly recognizing how incremental fuel costs in both the FRM and deferred fuel amounts were added to the shopping credit. The proposed structure in this Application is consistent with the Commission's approval in that shopping credits will continue to reflect fuel costs above the 2002 baseline amount as further described below.

The FRM, as approved by the Commission in the RCP, established cash recovery of a portion of the fuel costs during the 2006-2008 period. The FRM is currently, and will continue to be, added to the Shopping Credit Adder. The Shopping Credit Adder is the mechanism whereby fuel costs over the 2002 baseline are added to the Companies' shopping credits.

While shopping credits currently reflect both the FRM and an amount for the deferred portion of fuel costs above the 2002 baseline, the Companies propose in this Application that the Fuel Rider, intended to recover ongoing fuel costs,⁷ be added to the FRM to comprise the total Shopping Credit Adder for OE and TE. For CEI, the Shopping Credit Adder will equal the value of the Fuel Rider only.⁸ This modified Shopping Credit Adder will provide a more current estimate of fuel costs than that which was established in the RCP.⁹

⁷ Ongoing fuel costs are those incurred after September 30, 2007 through December 31, 2008.

⁸ CEI has no FRM.

⁹ The revised Shopping Credit Adder Riders, both redline and clean versions, are included as Attachments 8, 9 and 10 for OE, CEI and TE respectively. Initial values for the revised Shopping Credit Adders are shown on Attachment 4.

The Deferred Fuel Rider, intended to recover fuel costs deferred from the inception of the fuel deferral under the RCP through September 30, 2007 and carrying charges through December 2008 on the fuel costs deferred, will not be added to shopping credits.¹⁰

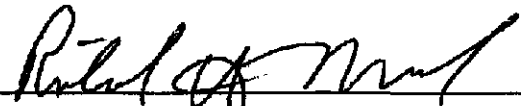
Procedural Schedule

As described above, the sooner the Riders can be implemented, the lower the nominal cost to customers. No hearing is required under R.C. 4909.18 to establish these new Riders unless the Commission finds the Application unjust and unreasonable. Therefore, the Companies propose that the Riders be implemented with the first October 2007 billing cycle, with the Riders initially established and implemented at the level proposed herein by the Companies. The Companies further propose that while the Riders are in effect, interested parties be given an opportunity to provide comments and reply comments on the Companies' proposal. Initial Comments are proposed to be due 15 days following the filing of this proposal and Reply Comments 15 days following the date for filing of Initial Comments. Thereafter, the Commission may render its decision regarding the structure and the specific level of fuel cost recovery through the Riders. Any variance between the amount initially included in the Riders and the final approved amount would be reconciled through the proposed reconciliation mechanism. This approach will expedite recovery of the deferred fuel costs, thereby reducing the level of the Riders and overall cost to customers, and assures accurate cost recovery for the Companies. Upon Commission approval of this Application, the Companies will file revised tariff sheets reflecting the Riders and the Shopping Credit Adder discussed herein.

¹⁰ The Shopping Credit Adder will reflect all fuel costs on a current basis (FRM + Fuel Rider). The Deferred Fuel Rider will not be reflected in the Shopping Credit Adder.

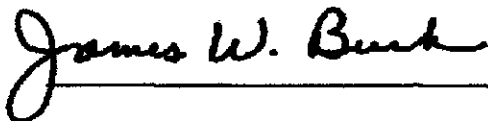
NOW, THEREFORE, the Companies urge the Commission to issue its Order on Remand that adopts and approves this Application which requests to implement the recovery mechanism described herein to recover certain fuel costs that were or would have been deferred during the 2006-2008 time period and requests implementation of such mechanism no later than the first October 2007 billing cycle through the December 2008 billing cycles, with a reconciliation component continuing through the first quarter of 2009. The Companies urge the Commission to approve this Application as filed and proposed herein without change, and to do so in an expeditious fashion.

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

By 
Senior Vice President

By 
Assistant Corporate Secretary

Attorneys for Applicants


James W. Burk, Counsel of Record
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On behalf of Ohio Edison Company,
The Cleveland Electric Illuminating Company,
and The Toledo Edison Company

VERIFICATION

STATE OF OHIO)
) ss.
COUNTY OF SUMMIT)

The undersigned, being first duly sworn, state that they have the authority to verify the foregoing Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company (collectively, the "Companies") to implement a recovery mechanism to recover certain fuel costs that were or would have been deferred during the 2006 – 2008 time period. Also, they state that they have read said Application and are familiar with the contents in support; and that all of the statements contained in said filing made on behalf of the Companies are true and correct to the best of their knowledge and belief.



Richard H. Marsh
Senior Vice President & CFO

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



Edward J. Udovich
Assistant Corporate Secretary

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

Sworn to and subscribed before me, a notary public, in and for said County and State, this 10th day of September, 2007.



Notary Public

Kathleen Anne Grant
Notary Public, State of Ohio
Resident of Summit County
My Commission Expires Nov. 8, 2009.

[illegible]

"Actual" Deferred Fuel Recovery Rider Revenue =	
"Actual" Deferred Fuel Recovery Rider Expense =	
Difference =	

Reconciliation of Fuel Cost Recovery Rider

Period	Projected Fuel Cost Recovery Rider Revenue With Reconciliation		Actual Fuel Deferral Expense (Actual Less Projected)		Actual Revenue Recovered AP (Input)		Actual Less Projected Revenue (Lagged 2 Mo)		Reconciliation Adjustment Total		Fuel Cost Recovery Rider W/ Reconciliation Adjustment	
	AJ = AW * K * 10 AJ = AIW * K * 10	AN = Sum AL - Sum C (Lagged 2 Mo)	AL (Principal) AL (Input)	AN = Sum AL - Sum C (Lagged 2 Mo)	AP (Input)	AN = Sum AL - Sum C (Lagged 2 Mo)	AR = Sum AP - Sum AJ (Lagged 2 Mo)	AS = AN + AR AT = AS * Int Rate AS = AN + AR AT = AS * Int Rate	W/O Interest AS = AN + AR AT = AS * Int Rate	Int Rate AS = AN + AR AT = AS * Int Rate	AV = AU / M Sum AT	AW = Q + AV dkWh
Balance, February 28, 2007												
March 2007												
April 2007												
May 2007												
Balance, May 31, 2007												
June 2007												
July 2007												
August 2007												
September 2007												
October 2007												
November 2007	3,697,189	2,900,000	2,900,000		3,600,000		3,600,000					
December 2007	4,238,747	4,300,000	4,300,000		4,100,000		4,100,000					
January 2008	7,362,836	6,300,000	6,300,000		4,300,000		4,300,000					
February 2008												
March 2008												
April 2008												
May 2008	8,193,093	7,500,000	7,500,000		7,800,000		7,800,000					
June 2008	9,170,172	7,900,000	7,900,000		7,800,000		7,800,000					
July 2008	10,453,928	8,500,000	8,500,000		7,300,000		7,300,000					
August 2008												
September 2008												
October 2008												
November 2008												
December 2008												
January 2009												
February 2009												
March 2009												
Balance, May 31, 2009	111,519,000				6,809,447							

"Actual" Fuel Recovery Rider Revenue =
"Actual" Fuel Recovery Rider Expense =
Difference = (628)

Period A	Fuel Deferral			Deferred Fuel Costs		Proj Mnth Sales K	Quarterly Mnth Sales M	Deferred Fuel Cost Recovery Rider W/O Reconciliation Rate (cents / kWh) Q = 1 / M / 10		Fuel Cost Recovery Rider W/O Reconciliation (cents / kWh) Q	
	Principal C	Interest E	Total G	To Recover H	Quantity Totals I						
Balance, February 28, 2007	\$ 40,860,016.38	\$ 1,787,687.20	\$ 42,647,703.58								
March 2007											
April 2007											
May 2007											
Balance, May 31, 2007	\$ 48,410,577.43	\$ 2,557,513.92	\$ 50,968,091.35								
Estimated Deferrals											
June 2007	4,095,735.88	312,842.86	4,408,578.54								
July 2007	4,323,503.72	336,461.04	4,659,964.76								
August 2007	4,164,427.01	362,531.83	4,526,958.84								
September 2007	3,701,961.11	386,985.12	4,088,946.23	80,794,363.86	7,761,708.55	1,372,717	4,183,460	0.32201		0.18509	
October 2007	2,972,943.98	385,020.97	3,357,964.95			1,323,017					
November 2007	1,946,113.75	370,844.21	2,316,957.96			1,497,717					
December 2007	2,842,648.81	345,286.30	3,187,935.11								
January 2008	4,237,301.94	317,701.10	4,555,003.04		14,486,443.83	1,512,017	4,402,650	0.32201		0.32911	
February 2008	4,933,616.49	290,304.02	5,223,920.51			1,461,517					
March 2008	5,318,525.40	263,568.62	5,582,094.22			1,428,517					
April 2008	4,711,174.36	237,851.49	4,949,025.85		15,065,372.12	1,362,017	4,231,250	0.32201		0.35605	
May 2008	5,061,599.06	212,311.37	5,273,910.45			1,353,917					
June 2008	5,272,598.68	185,303.45	5,457,902.13			1,515,317					
July 2008	5,857,940.94	155,371.67	6,013,312.61		16,212,162.49	1,613,217	4,606,450	0.32201		0.35104	
August 2008	5,737,664.01	125,524.50	5,863,188.51			1,528,817					
September 2008	4,616,527.54	98,781.32	4,715,308.86			1,464,417					
October 2008	3,285,200.98	69,207.11	3,354,408.09		11,261,450.78	1,388,417	4,240,750	0.32201		0.26565	
November 2008	3,223,468.28	42,724.28	3,266,192.56			1,338,717					
December 2008	4,752,763.54	14,943.85	4,767,707.39			1,513,617					
	\$ 127,905,740.72	\$ 7,078,756.91	\$ 134,984,497.63				21,674,590				
January 2009						1,615,500					
February 2009						1,328,300					
March 2009						1,402,700					

Reconciliation of Deferred Fuel Cost Recovery Rider

Period	Projected Deferred Recovery Rider Revenue With Reconciliation $U = O + K \cdot 10$ $U = AH + K \cdot 10$	Actual Fuel Deferral (Principal) W (Input)		Change in Compound Interest for Actual Exp $X = (W-C) \cdot \text{Int R}$ $X = X \text{ (prior yr)} + \text{Int R}$	Fuel Deferral Expense (Actual Less Projected+ Change in Interest) $Y = \text{Sum W} - \text{Sum C}$ +Sum X	Actual Revenue Recovered AA (Input)	Actual Less Projected Revenue (Lagged 2 Mo) $AC = \text{Sum U} - \text{Sum AA}$	Reconciliation Adjustment $AD = Y + AC$	Reconciliation Interest $AE = \text{Int R} \cdot (U-AD)$	Total $AF = AD + AE$	Total g/Wh $AG = AF / M$
Balance, February 26, 2007											
March 2007											
April 2007											
May 2007											
Balance, May 31, 2007											
SAMPLE INPUT											
June 2007											
July 2007											
August 2007											
September 2007											
October 2007											
November 2007	4,260,248			(957)		4,200,000					
December 2007	4,822,797			(963)		5,300,000					
January 2008	4,532,994			(969)	(2,890)	5,200,000	(966,969)	(966,968)	(6,030)	(1,005,053)	-0.02375
February 2008											
March 2008											
April 2008											
May 2008	4,036,192			(893)		4,650,000					
June 2008	4,519,583			(899)		5,000,000					
July 2008	4,767,217			(1,005)	(2,998)	5,200,000	(1,525,006)	(1,528,006)	(6,345)	(1,558,214)	-0.03870
August 2008											
September 2008											
October 2008											
November 2008											
December 2008											
65,320,136											
SAMPLE INPUT											
January 2009											
February 2009											
March 2009						(3,894,803)					

"Actual" Deferred Fuel Recovery Rider Revenue =
"Actual" Deferred Fuel Recovery Rider Expense =
Difference =

Period	Deferred Fuel Cost Recovery Rider W/ Reconciliation Adjustment \$/kWh	
	A	Alt = O + AG
Balance, February 28, 2007		

March 2007
April 2007
May 2007

Balance, May 31, 2007

June 2007		
July 2007		
August 2007		
September 2007		
October 2007		
November 2007		
December 2007		
January 2008		
February 2008		
March 2008		
April 2008		0.28626
May 2008		
June 2008		
July 2008		
August 2008		
September 2008		
October 2008		0.28531
November 2008		
December 2008		

January 2009	0
February 2009	
March 2009	

Reconciliation of Fuel Cost Recovery Rider									
Period	Projected Fuel Cost Recovery Rider			Fuel Deferral			Actual Less		
	Recovery Rider Revenue With Reconciliation	Reconciliation Adjustment	Reconciliation Interest	Actual Fuel Deferral (Principal)	Actual Less Expense (Actual Less Projected)	Actual Revenue Recovered	Projected Revenue (Lagged 2 Mo)	Reconciliation W/O Interest	Fuel Cost Recovery Rider W/ Reconciliation Adjustment
A	AJ = AW * K * 10	AJ = AW * K * 10	AT = AS * Int. Rate	AL (Input)	AN = Sum AL - Sum C (Lagged 2 Mo)	AP (Input)	AR = Sum AP - Sum AJ (Lagged 2 Mo)	AS = AN + AR	AW = Q + AV
Balance, February 26, 2007									
March 2007									
April 2007									
May 2007									
Balance, May 31, 2007									
June 2007									
July 2007									
August 2007									
September 2007									
October 2007									
November 2007									
December 2007									
January 2008									
February 2008									
March 2008									
April 2008									
May 2008									
June 2008									
July 2008									
August 2008									
September 2008									
October 2008									
November 2008									
December 2008									
January 2009									
February 2009									
March 2009									
<div> <div>94,680,391</div> <div>(276,429)</div> <div>0</div> </div>									

Actual Fuel Recovery Rider Revenue =
 Actual Fuel Recovery Rider Expense =
 Difference = (249)

**The Toledo Edison Company
Attachment 3 Page 1**

[illegible]

Reconciliation of Deferred Fuel Cost Recovery Rider

Period	Projected Deferred Recovery Rider Revenue With Reconciliation			Fuel Deferral Expense			Actual Less Projected Revenue			Reconciliation Adjustment			Deferred Fuel Cost Recovery Rider W/ Reconciliation Adjustment	
	U = O * K * 10 U = AH * K * 10	Change in Compound Interest for Actual Exp X = (W-C) * Int R X = X (prior yr) * Int R Y = Sum W - Sum C + Sum X	Actual Fuel Deferral (Principal) W (Input)	Actual Less Expense (Actual Less Projected + Change in Interest)	Actual Revenue Recovered AA (Input)	Projected Revenue AO = Sum U - Sum AA (Lagged 2 Mo)	Reconciliation Adjustment AD = Y + AG	Interest AE = Int R * (U-AA)	Total AF = AD + AE	Total AG = AF / M	AH = O + AG			
Balance, February 28, 2007														
March 2007														
April 2007														
May 2007														
Balance, May 31, 2007														
June 2007														
July 2007														
August 2007														
September 2007														
October 2007														
November 2007														
December 2007														
January 2008														
February 2008														
March 2008														
April 2008														
May 2008														
June 2008														
July 2008														
August 2008														
September 2008														
October 2008														
November 2008														
December 2008														
January 2009														
February 2009														
March 2009														

SAMPLE INPUT													
Balance, February 28, 2007													
March 2007													
April 2007													
May 2007													
Balance, May 31, 2007													
June 2007													
July 2007													
August 2007													
September 2007													
October 2007													
November 2007													
December 2007													
January 2008													
February 2008													
March 2008													
April 2008													
May 2008													
June 2008													
July 2008													
August 2008													
September 2008													
October 2008													
November 2008													
December 2008													
January 2009													
February 2009													
March 2009													

27,547,012													
(1,757,121)													

M = Projected months

Actual Deferred Fuel Recovery Rider Revenue =

Actual Deferred Fuel Recovery Rider Expense =

Difference =

(1)

Reconciliation of Fuel Cost Recovery Rider

Period	Projected Fuel Cost Recovery Rider			Fuel Deferral Expense			Actual Fuel Deferral			Actual Revenue Recovered			Actual Less Projected Revenue			Reconciliation Adjustment			Fuel Cost Recovery Rider W/ Reconciliation Adjustment		
	Reconciliation	Revenue With	Recovery Rider	Actual Fuel Deferral (Principal)	Actual Less Projected	Actual Revenue Recovered AP (Input)	AN = Sum AL - Sum C (Lagged 2 Mo)	Actual Revenue Recovered AP (Input)	AR = Sum AP - Sum AJ (Lagged 2 Mo)	Reconciliation Interest	AS = AN + AR	AT = AS + Int. Rate	Sum AT	AV = AU / M	AW = Q + AV						
Balance, February 28, 2007																			M = Projected mwh's		
March 2007																					
April 2007																					
May 2007																					
Balance, May 31, 2007																					
June 2007																					
July 2007																					
August 2007																					
September 2007																					
October 2007																					
November 2007																					
December 2007																					
January 2008																					
February 2008																					
March 2008																					
April 2008																					
May 2008																					
June 2008																					
July 2008																					
August 2008																					
September 2008																					
October 2008																					
November 2008																					
December 2008																					
January 2009																					
February 2009																					
March 2009																					

Actual Fuel Recovery Rider Revenue =
Actual Fuel Recovery Rider Expense =
Difference = 128

Attachment 4

Initial Values for Deferred Fuel Cost Recovery Rider

For Billing Cycles Beginning October, 2007 Through December, 2007

Ohio Edison:	0.32339 cents / kWh
Cleveland Electric Illuminating:	0.32201 cents / kWh
Toledo Edison:	0.31037 cents / kWh

Initial Values for Fuel Cost Recovery Rider

For Billing Cycles Beginning October, 2007 Through December, 2007

Ohio Edison:	0.18944 cents / kWh
Cleveland Electric Illuminating:	0.18509 cents / kWh
Toledo Edison:	0.18131 cents / kWh

Values for Shopping Credit Adder

For Billing Cycles Beginning October, 2007 Through December, 2007

Ohio Edison:	0.38444 cents / kWh
Cleveland Electric Illuminating:	0.18509 cents / kWh
Toledo Edison:	0.55131 cents / kWh

DEFERRED FUEL COST RECOVERY RIDER**DRAFT**

This Deferred Fuel Cost Recovery Rider is effective for bills rendered beginning on the first billing cycle portion of October 2007 and applies to all customers on tariffs and to all contracts that permit the inclusion of this Rider.

The amount of this Rider reflects increased fuel costs occurring from January 2006 through September 2007 in accordance with Case 05-1125-EL-ATA, et al.

The Deferred Fuel Cost Recovery Rider Charge shall equal 0.32339¢ per kWh.

The Deferred Fuel Cost Recovery Rider Charge shall be reconciled and updated to reflect the difference between actual and forecasted expenses and the difference between actual and forecasted revenues collected under this Deferred Fuel Cost Recovery Rider and to reflect appropriate carrying charges on the differences. It shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008, with further updates occurring until all applicable increased fuel costs as defined in this Rider are fully recovered. Each update may result in a higher or lower monthly charge per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: _____

FUEL COST RECOVERY RIDER**DRAFT**

This Fuel Cost Recovery Rider is effective for bills rendered beginning on the first billing cycle portion of October 2007 and applies to all customers on tariffs and to all contracts that permit the inclusion of this Rider.

The amount of this Rider reflects increased fuel costs occurring from October 2007 through December 2008 in accordance with Case 05-1125-EL-ATA, et al.

The Fuel Cost Recovery Rider Charge shall equal 0.18944¢ per kWh.

The Fuel Cost Recovery Rider Charge shall be reconciled and updated to reflect the difference between actual and forecasted expenses and the difference between actual and forecasted revenues collected under this Fuel Cost Recovery Rider and to reflect appropriate carrying charges on the differences. It shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008, with further updates occurring until all applicable increased fuel costs as defined in this Rider are fully recovered. Each update may result in a higher or lower monthly charge per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

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DEFERRED FUEL COST RECOVERY RIDER**DRAFT**

This Deferred Fuel Cost Recovery Rider is effective for bills rendered beginning on the first billing cycle portion of October 2007 and applies to all customers on tariffs and to all contracts that permit the inclusion of this Rider.

The amount of this Rider reflects increased fuel costs occurring from January 2006 through September 2007 in accordance with Case 05-1125-EL-ATA, et al.

The Deferred Fuel Cost Recovery Rider Charge shall equal 0.32201¢ per kWh.

The Deferred Fuel Cost Recovery Rider Charge shall be reconciled and updated to reflect the difference between actual and forecasted expenses and the difference between actual and forecasted revenues collected under this Deferred Fuel Cost Recovery Rider and to reflect appropriate carrying charges on the differences. It shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008, with further updates occurring until all applicable increased fuel costs as defined in this Rider are fully recovered. Each update may result in a higher or lower monthly charge per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: _____

FUEL COST RECOVERY RIDER**DRAFT**

This Fuel Cost Recovery Rider is effective for bills rendered beginning on the first billing cycle portion of October 2007 and applies to all customers on tariffs and to all contracts that permit the inclusion of this Rider.

The amount of this Rider reflects increased fuel costs occurring from October 2007 through December 2008 in accordance with Case 05-1125-EL-ATA, et al.

The Fuel Cost Recovery Rider Charge shall equal 0.18509¢ per kWh.

The Fuel Cost Recovery Rider Charge shall be reconciled and updated to reflect the difference between actual and forecasted expenses and the difference between actual and forecasted revenues collected under this Fuel Cost Recovery Rider and to reflect appropriate carrying charges on the differences. It shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008, with further updates occurring until all applicable increased fuel costs as defined in this Rider are fully recovered. Each update may result in a higher or lower monthly charge per kWh.

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The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: _____

DEFERRED FUEL COST RECOVERY RIDER**DRAFT**

This Deferred Fuel Cost Recovery Rider is effective for bills rendered beginning on the first billing cycle portion of October 2007 and applies to all customers on tariffs and to all contracts that permit the inclusion of this Rider.

The amount of this Rider reflects increased fuel costs occurring from January 2006 through September 2007 in accordance with Case 05-1125-EL-ATA, et al.

The Deferred Fuel Cost Recovery Rider Charge shall equal 0.31037¢ per kWh.

The Deferred Fuel Cost Recovery Rider Charge shall be reconciled and updated to reflect the difference between actual and forecasted expenses and the difference between actual and forecasted revenues collected under this Deferred Fuel Cost Recovery Rider and to reflect appropriate carrying charges on the differences. It shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008, with further updates occurring until all applicable increased fuel costs as defined in this Rider are fully recovered. Each update may result in a higher or lower monthly charge per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before _____

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: _____

FUEL COST RECOVERY RIDER**DRAFT**

This Fuel Cost Recovery Rider is effective for bills rendered beginning on the first billing cycle portion of October 2007 and applies to all customers on tariffs and to all contracts that permit the inclusion of this Rider.

The amount of this Rider reflects increased fuel costs occurring from October 2007 through December 2008 in accordance with Case 05-1125-EL-ATA, et al.

The Fuel Cost Recovery Rider Charge shall equal 0.18131¢ per kWh.

The Fuel Cost Recovery Rider Charge shall be reconciled and updated to reflect the difference between actual and forecasted expenses and the difference between actual and forecasted revenues collected under this Fuel Cost Recovery Rider and to reflect appropriate carrying charges on the differences. It shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008, with further updates occurring until all applicable increased fuel costs as defined in this Rider are fully recovered. Each update may result in a higher or lower monthly charge per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: _____

SHOPPING CREDIT ADDER

This Shopping Credit Adder is effective for bills rendered beginning on the first billing cycle portion of October 2007 through December 2007. The amount of this adder reflects the amount set forth on the Fuel Recovery Mechanism Rider (Sheet 100) plus the amount set forth on the Fuel Cost Recovery Rider (Sheet 105).

This adder shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008.

This adder applies only to customers who receive Generation services from a Certified Supplier.

The Shopping Credit Adder will be applied at the rate of 0.38444¢ per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: October 1, 2007

SHOPPING CREDIT ADDER

This Shopping Credit Adder is effective for bills rendered beginning on the first billing cycle portion of January October 1, 2007 through December 31, 2007. The amount of this adder reflects the increased fuel costs during the immediately prior year based on that year's increased fuel costs (calculated by using nine months' actual and three months' projected increased fuel costs.) amount set forth on the Fuel Recovery Mechanism Rider (Sheet 100) plus the amount set forth on the Fuel Cost Recovery Rider (Sheet 105).

This adder shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008.

This adder applies only to customers who receive Generation services from a Certified Supplier.

The Shopping Credit Adder will be applied at the rate of 0.3940.38444¢ per kWh.

Filed pursuant to Order dated December 20, 2006 in Case No. 06-1335-EL-ATA, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January-October 1, 2007

Rider 26 - SHOPPING CREDIT ADDER

This Shopping Credit Adder is effective for bills rendered beginning on the first billing cycle portion of October 2007 through December 2007. The amount of this adder reflects the amount set forth on the Fuel Cost Recovery Rider (Sheet 105).

This adder shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008.

This adder applies only to customers who receive Generation services from a Certified Supplier.

The Shopping Credit Adder will be applied at the rate of 0.18509¢ per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: October 1, 2007

Rider 26 - SHOPPING CREDIT ADDER

This Shopping Credit Adder is effective for bills rendered beginning on the first billing cycle portion of January ~~October 1, 2007~~ through December 31, 2007. The amount of this adder reflects the fuel ~~deferrals booked during the immediately prior year based on that year's fuel deferrals (calculated by using nine months' actual and three months' projected fuel deferrals.)~~ amount set forth on the Fuel Cost Recovery Rider (Sheet 105).

This adder shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008.

This adder applies only to customers who receive Generation services from a Certified Supplier.

The Shopping Credit Adder will be applied at the rate of ~~0.248018509%~~ per kWh.

Filed pursuant to Order dated December 20, 2006 _____, in Case No. 06-1335-EL-ATA _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: ~~January~~ October 1, 2007

Rider No. 23 - SHOPPING CREDIT ADDER

This Shopping Credit Adder is effective for bills rendered beginning on the first billing cycle portion of October 2007 through December 2007. The amount of this adder reflects the amount set forth on the Fuel Recovery Mechanism Rider (Sheet 100) plus the amount set forth on the Fuel Cost Recovery Rider (Sheet 105).

This adder shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008.

This adder applies only to customers who receive Generation services from a Certified Supplier.

The Shopping Credit Adder will be applied at the rate of 0.55131¢ per kWh.

Filed pursuant to Order dated _____, in Case No. _____, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: October 1, 2007

Rider No. 23 - SHOPPING CREDIT ADDER

This Shopping Credit Adder is effective for bills rendered beginning on the first billing cycle portion of January 1, October 2007 through December 31, 2007. The amount of this adder reflects the increased fuel costs during the immediately prior year based on that year's increased fuel costs (calculated by using nine months' actual and three months' projected increased fuel costs.) amount set forth on the Fuel Recovery Mechanism Rider (Sheet 100) plus the amount set forth on the Fuel Cost Recovery Rider (Sheet 105).

This adder shall be updated quarterly beginning with bills rendered on the first billing cycle portion of January 2008 and continue through the last quarter of 2008.

This adder applies only to customers who receive Generation services from a Certified Supplier.

The Shopping Credit Adder will be applied at the rate of 0.3940.55131¢ per kWh.

Filed pursuant to Order dated December 20, 2006, in Case No. 06-1335-EL-ATA, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January-October 1, 2007

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Application of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company was delivered via regular U.S. Mail to the following this 10th day of September, 2007:

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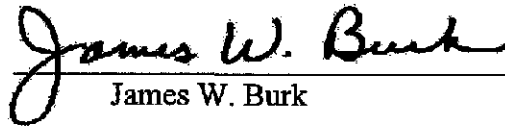
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