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**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

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

**OBJECTIONS TO THE STAFF REPORTS OF INVESTIGATION
AND SUMMARY OF MAJOR ISSUES
OF OHIO HOME BUILDERS ASSOCIATION**

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January 3, 2008

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AND SUMMARY OF MAJOR ISSUES
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Pursuant to Section 4909.19, Revised Code, Rule 4901-1-28, Ohio Administrative Code, Ohio Home Builders Association ("OHBA") hereby files its Objections to the Staff Reports of Investigation ("Staff Reports") in the above-captioned matters. The Staff Reports were filed with the Public Utilities Commission of Ohio ("Commission") on December 4, 2007, setting forth Staff's findings regarding the Applications for authority to increase rates for distribution service filed by Ohio Edison Company ("OE"), The Cleveland Electric Illuminating Company ("CEI"), and The Toledo Edison Company ("TE") (collectively, "FirstEnergy") on June 7, 2007. In submitting the Objections listed below, OHBA specifically reserves the right to contest, through presentation of documentary evidence, testimony or cross-examination, issues on which Staff's position changes, or which are newly raised, between the issuance of the Staff Report and the closing of the record. Additionally, unless otherwise noted, the Objections listed below apply to each of the Staff Reports as they are substantially similar.

I. OBJECTIONS TO THE STAFF REPORTS

OHBA objects to the Staff Reports in the following particulars:

A. Line Extensions

OHBA objects to the Staff's recommended approval of FirstEnergy's request to maintain the upfront payment concept for line extensions. OE Staff Report at 20-21; TE Staff Report at 20-21; CEI Staff Report at 20-21. Although Staff proposed a lower upfront payment than requested by FirstEnergy, Staff recognized but disregarded the fact that the current cost recovery mechanism is the result of a series of Commission-approved stipulations in Case No. 01-2708-EL-COI and was intended to be a "stop-gap" measure to allow FirstEnergy a cost recovery mechanism while its distribution rates were frozen. As FirstEnergy's distribution rates will no longer be frozen beginning in 2009, when the rates will take effect, there should be no upfront payment and no monthly customer payment.

II. SUMMARY OF MAJOR ISSUES

A major issue in this case will be the appropriateness of an upfront cost recovery mechanism for line extensions.

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Objections to the Staff Reports of Investigation and Summary of Major Issues of Ohio Home Builders Association* was served upon the following parties of record this 3rd day of January 2008, via electronic transmission, hand-delivery, or ordinary U.S. mail, postage prepaid.



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