

November 1, 2011

Betty McCauley  
Chief of Docketing  
The Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

SUBJECT: Case Nos. 10-0388-EL-SSO  
89-6008-EL-TRF

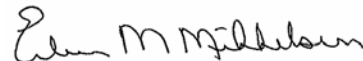
Dear Ms. McCauley:

In compliance with the Order of August 25, 2010 in the above mentioned case, please file the attached schedules, bill impacts, and tariff page on behalf of The Toledo Edison Company. The attached schedules demonstrate that the revenue requirement is well below the permitted cap for 2012 and provide detailed calculations related to plant in service, accumulated depreciation reserve, income taxes, commercial activity taxes, and property taxes, rate base, depreciation expense, and the resulting revenue requirement all as contemplated by the Combined Stipulation and Order in the above-referenced proceeding.

Further, as set forth in the Combined Stipulation, there have been no net job losses at the Company, or at FirstEnergy Service Company specifically as to employees of the FirstEnergy Service Company who are located in Ohio and provide support for distribution services provided by the Company as a result of involuntary attrition as a result of the merger between FirstEnergy Corp. and Allegheny Energy, Inc. Also included with the filing are estimated bill impacts for multiple usage levels for the different rate schedules reflecting the impact of the Delivery Service Improvement Rider (DSI) charges terminating on December 31, 2011 and the Delivery Capital Recovery Rider (DCR) charges commencing on January 1, 2012.

Finally, attached is a tariff page that reflects the initial pricing of Rider DCR. The Combined Stipulation provides that the Staff and Signatory Parties' recommendations or objections must be filed within 120 days of the filing of this application. Please file one copy of the tariffs in each of the above mentioned Case Nos. 10-0388-EL-SSO and 89-6008-EL-TRF, and distribute two copies to the Staff. Thank you.

Sincerely,



Eileen M. Mikkelsen  
Director, Rates & Regulatory Affairs

Enclosures

The Toledo Edison Company  
Delivery Capital Recovery Rider (DCR)  
Compliance Filing  
November 1, 2011

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**Rider DCR Projections**  
**Distribution Net Plant Additions as of 12/31/11**  
**Revenue Requirement Calculation**

(\$ millions)

\* 5/31/2007 balances refer to the jurisdictional balances approved in Case 07-551-EL-AIR. Source: PUCO Staff workpapers supporting the PUCO Opinion & Order

|                             | (A)               | (B)               | (C) = (B) - (A)    | (D)                               |
|-----------------------------|-------------------|-------------------|--------------------|-----------------------------------|
| <b>Gross Plant</b>          | <b>5/31/2007*</b> | <b>12/31/2011</b> | <b>Incremental</b> | <b>Source of Column (B)</b>       |
| (1) CEI                     | 1,927.1           | 2,496.6           | 569.5              | Sch B2.1 Line 45                  |
| (2) OE                      | 2,074.0           | 2,655.6           | 581.6              | Sch B2.1 Line 47                  |
| (3) TE                      | 771.5             | 990.4             | 218.9              | Sch B2.1 Line 45                  |
| (4) <b>Total</b>            | <b>4,772.5</b>    | <b>6,142.5</b>    | <b>1,370.0</b>     | <b>Sum: [ (1) through (3) ]</b>   |
| <b>Accumulated Reserve</b>  |                   |                   |                    |                                   |
| (5) CEI                     | (773.0)           | (1,034.3)         | (261.3)            | -Sch B3 Line 45                   |
| (6) OE                      | (803.0)           | (1,077.2)         | (274.2)            | -Sch B3 Line 47                   |
| (7) TE                      | (376.8)           | (497.5)           | (120.7)            | -Sch B3 Line 45                   |
| (8) <b>Total</b>            | <b>(1,952.8)</b>  | <b>(2,608.9)</b>  | <b>(656.1)</b>     | <b>Sum: [ (5) through (7) ]</b>   |
| <b>Net Plant In Service</b> |                   |                   |                    |                                   |
| (9) CEI                     | 1,154.0           | 1,462.3           | 308.2              | (1) + (5)                         |
| (10) OE                     | 1,271.0           | 1,578.4           | 307.4              | (2) + (6)                         |
| (11) TE                     | 394.7             | 492.9             | 98.2               | (3) + (7)                         |
| (12) <b>Total</b>           | <b>2,819.7</b>    | <b>3,533.6</b>    | <b>713.9</b>       | <b>Sum: [ (9) through (11) ]</b>  |
| <b>ADIT</b>                 |                   |                   |                    |                                   |
| (13) CEI                    | (246.4)           | (386.4)           | (140.0)            | - DIT Balances Line 3             |
| (14) OE                     | (197.1)           | (412.3)           | (215.3)            | - DIT Balances Line 3             |
| (15) TE                     | (10.3)            | (117.9)           | (107.6)            | - DIT Balances Line 3             |
| (16) <b>Total</b>           | <b>(453.8)</b>    | <b>(916.6)</b>    | <b>(462.8)</b>     | <b>Sum: [ (13) through (15) ]</b> |
| <b>Rate Base</b>            |                   |                   |                    |                                   |
| (17) CEI                    | 907.7             | 1,075.9           | 168.2              | (9) + (13)                        |
| (18) OE                     | 1,073.9           | 1,166.1           | 92.2               | (10) + (14)                       |
| (19) TE                     | 384.4             | 375.0             | (9.3)              | (11) + (15)                       |
| (20) <b>Total</b>           | <b>2,366.0</b>    | <b>2,617.0</b>    | <b>251.1</b>       | <b>Sum: [ (17) through (19) ]</b> |
| <b>Depreciation Exp</b>     |                   |                   |                    |                                   |
| (21) CEI                    | 60.0              | 78.0              | 18.0               | Sch B-3.2 Line 44                 |
| (22) OE                     | 62.0              | 76.5              | 14.5               | Sch B-3.2 Line 46                 |
| (23) TE                     | 24.5              | 31.0              | 6.5                | Sch B-3.2 Line 44                 |
| (24) <b>Total</b>           | <b>146.5</b>      | <b>185.5</b>      | <b>39.0</b>        | <b>Sum: [ (21) through (23) ]</b> |
| <b>Property Tax Exp</b>     |                   |                   |                    |                                   |
| (25) CEI                    | 65.0              | 86.6              | 21.7               | Sch C-3.10a Line 4                |
| (26) OE                     | 57.4              | 73.9              | 16.6               | Sch C-3.10a Line 4                |
| (27) TE                     | 20.1              | 24.9              | 4.8                | Sch C-3.10a Line 4                |
| (28) <b>Total</b>           | <b>142.4</b>      | <b>185.5</b>      | <b>43.1</b>        | <b>Sum: [ (25) through (27) ]</b> |

|                   | Revenue Requirement | Rate Base    | Return 8.48% | Deprec      | Prop Tax    | Rev. Req.    |
|-------------------|---------------------|--------------|--------------|-------------|-------------|--------------|
| (29) CEI          |                     | 168.2        | 14.3         | 18.0        | 21.7        | 53.9         |
| (30) OE           |                     | 92.2         | 7.8          | 14.5        | 16.6        | 38.9         |
| (31) TE           |                     | (9.3)        | (0.8)        | 6.5         | 4.8         | 10.5         |
| (32) <b>Total</b> |                     | <b>251.1</b> | <b>21.3</b>  | <b>39.0</b> | <b>43.1</b> | <b>103.3</b> |

|             | Capital Structure & Returns |        |              |
|-------------|-----------------------------|--------|--------------|
|             | % mix                       | rate   | wtd rate     |
| (33) Debt   | 51%                         | 6.54%  | 3.3%         |
| (34) Equity | 49%                         | 10.50% | 5.1%         |
| (35)        |                             |        | <b>8.48%</b> |

|                   | (a)           | (b)      | (c)        | (d)        | (e)        | (f)             |
|-------------------|---------------|----------|------------|------------|------------|-----------------|
|                   | Equity Return | Tax Rate | Income Tax | CAT 0.26%  | Taxes      | Rev. Req. + Tax |
| (36) CEI          | 8.7           | 36.17%   | 4.9        | 0.2        | 5.1        | 59.0            |
| (37) OE           | 4.7           | 35.90%   | 2.7        | 0.1        | 2.8        | 41.7            |
| (38) TE           | (0.5)         | 35.77%   | (0.3)      | 0.0        | (0.2)      | 10.3            |
| (39) <b>Total</b> | <b>12.9</b>   |          | <b>7.3</b> | <b>0.3</b> | <b>7.6</b> | <b>110.9</b>    |

(a) = Weighted Cost of Equity x Rate Base

(b) = Current composite income tax rates

(c) = (a) x (1 / (1-(b))) - 1

(d) = (Rev. Req. + (c)) x (1/(1-.26%) - 1)

(e) = (c) + (d)

(f) = (e) + Rev. Req. from Lines 29-31

The Toledo Edison Company  
12/31/2011 Plant in Service by Accounts and Subaccounts

Schedule B-2.1  
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NOTE: Column A contains plant in service balances from 2011 budget (version 12), while Columns B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Exclusions" workpaper / tab.

| Line No.                  | Account No. | Account Title                         | Total Company<br>(A) | Allocation %<br>(B) | Allocated Total<br>(C) = (A) * (B) | Adjustments<br>(D) | Adjusted Jurisdiction<br>(E) = (C) + (D) |
|---------------------------|-------------|---------------------------------------|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>TRANSMISSION PLANT</u> |             |                                       |                      |                     |                                    |                    |  |
| 1                         | 350         | Land & Land Rights                    | \$17,279,795         | 100%                | \$17,279,795                       | (\$15,628,800)     | \$1,650,995                              |
| 2                         | 352         | Structures & Improvements             | 210,142              | 100%                | \$210,142                          |                    | \$210,142                                |
| 3                         | 353         | Station Equipment                     | 8,705,482            | 100%                | \$8,705,482                        |                    | \$8,705,482                              |
| 4                         | 354         | Towers & Fixtures                     | 35,508               | 100%                | \$35,508                           |                    | \$35,508                                 |
| 5                         | 355         | Poles & Fixtures                      | 3,089,245            | 100%                | \$3,089,245                        |                    | \$3,089,245                              |
| 6                         | 356         | Overhead Conductors & Devices         | 5,431,247            | 100%                | \$5,431,247                        |                    | \$5,431,247                              |
| 7                         | 357         | Underground Conduit                   | 383,496              | 100%                | \$383,496                          |                    | \$383,496                                |
| 8                         | 358         | Underground Conductors & Devices      | 396,568              | 100%                | \$396,568                          |                    | \$396,568                                |
| 9                         | 359         | Roads & Trails                        | <u>0</u>             | 100%                | <u>\$0</u>                         |                    | <u>\$0</u>                               |
| 10                        |             | Total Transmission Balance 12/31/2011 | \$35,531,483         | 100%                | \$35,531,483                       | (\$15,628,800)     | \$19,902,683                             |

The Toledo Edison Company  
12/31/2011 Plant in Service by Accounts and Subaccounts

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| Line No.                  | Account No. | Account Title                                 | Total Company<br>(A) | Allocation %<br>(B) | Allocated Total<br>(C) = (A) * (B) | Adjustments<br>(D) | Adjusted Jurisdiction<br>(E) = (C) + (D) |
|---------------------------|-------------|---|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>DISTRIBUTION PLANT</u> |             |   |                      |                     |                                    |                    |  |
| 11                        | 360         | Land & Land Rights                            | \$5,230,250          | 100%                | \$5,230,250                        |                    | \$5,230,250                              |
| 12                        | 361         | Structures & Improvements                     | 6,020,512            | 100%                | 6,020,512                          |                    | 6,020,512                                |
| 13                        | 362         | Station Equipment                             | 87,160,805           | 100%                | 87,160,805                         |                    | 87,160,805                               |
| 14                        | 364         | Poles, Towers & Fixtures                      | 144,517,503          | 100%                | 144,517,503                        |                    | 144,517,503                              |
| 15                        | 365         | Overhead Conductors & Devices                 | 171,801,399          | 100%                | 171,801,399                        |                    | 171,801,399                              |
| 16                        | 366         | Underground Conduit                           | 12,321,352           | 100%                | 12,321,352                         |                    | 12,321,352                               |
| 17                        | 367         | Underground Conductors & Devices              | 110,470,863          | 100%                | 110,470,863                        |                    | 110,470,863                              |
| 18                        | 368         | Line Transformers                             | 146,145,406          | 100%                | 146,145,406                        |                    | 146,145,406                              |
| 19                        | 369         | Services                                      | 68,588,925           | 100%                | 68,588,925                         |                    | 68,588,925                               |
| 20                        | 370         | Meters  | 33,644,459           | 100%                | 33,644,459                         |                    | 33,644,459                               |
| 21                        | 371         | Installation on Customer Premises             | 6,216,349            | 100%                | 6,216,349                          |                    | 6,216,349                                |
| 22                        | 372         | Leased Property on Customer Premises          | 0                    | 100%                | 0                                  |                    | 0  |
| 23                        | 373         | Street Lighting & Signal Systems              | 52,653,802           | 100%                | 52,653,802                         |                    | 52,653,802                               |
| 24                        | 374         | Asset Retirement Costs for Distribution Plant | 7,901                | 100%                | 7,901                              |                    | 7,901                                    |
| 25                        |             | Total Distribution Balance 12/31/2011         | \$844,779,525        | 100%                | \$844,779,525                      | \$0                | \$844,779,525                            |

The Toledo Edison Company  
12/31/2011 Plant in Service by Accounts and Subaccounts

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NOTE: Column A contains plant in service balances from 2011 budget (version 12), while Columns B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Exclusions" workpaper / tab.

| Line No.             | Account No. | Account Title                            | Total Company<br>(A) | Allocation %<br>(B) | Allocated Total<br>(C) = (A) * (B) | Adjustments<br>(D) | Adjusted Jurisdiction<br>(E) = (C) + (D) |
|----------------------|-------------|--|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>GENERAL PLANT</u> |             |  |                      |                     |                                    |                    |  |
| 26                   | 389         | Land & Land Rights                       | \$1,828,178          | 100%                | \$1,828,178                        |                    | \$1,828,178                              |
| 27                   | 390         | Structures & Improvements                | 47,384,632           | 100%                | \$47,384,632                       |                    | \$47,384,632                             |
| 28                   | 391.1       | Office Furniture & Equipment             | 2,493,799            | 100%                | \$2,493,799                        |                    | \$2,493,799                              |
| 29                   | 392.2       | Data Processing Equipment                | 6,623,403            | 100%                | \$6,623,403                        |                    | \$6,623,403                              |
| 30                   | 392         | Transportation Equipment                 | 1,005,151            | 100%                | \$1,005,151                        |                    | \$1,005,151                              |
| 31                   | 393         | Stores Equipment                         | 647,198              | 100%                | \$647,198                          |                    | \$647,198                                |
| 32                   | 394         | Tools, Shop & Garage Equipment           | 4,584,434            | 100%                | \$4,584,434                        |                    | \$4,584,434                              |
| 33                   | 395         | Laboratory Equipment                     | 1,762,992            | 100%                | \$1,762,992                        |                    | \$1,762,992                              |
| 34                   | 396         | Power Operated Equipment                 | 873,084              | 100%                | \$873,084                          |                    | \$873,084                                |
| 35                   | 397         | Communication Equipment                  | 7,275,089            | 100%                | \$7,275,089                        |                    | \$7,275,089                              |
| 36                   | 398         | Miscellaneous Equipment                  | 452,261              | 100%                | \$452,261                          |                    | \$452,261                                |
| 37                   | 399.1       | Asset Retirement Costs for General Plant | <u>264,831</u>       | 100%                | <u>\$264,831</u>                   |                    | <u>\$264,831</u>                         |
| 38                   |             | Total General Plant Balance 12/31/2011   | \$75,195,052         | 100%                | \$75,195,052                       | \$0                | \$75,195,052                             |

The Toledo Edison Company  
12/31/2011 Plant in Service by Accounts and Subaccounts

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NOTE: Column A contains plant in service balances from 2011 budget (version 12), while Columns B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Exclusions" workpaper / tab.

| Line No.           | Account No. | Account Title                       | Total Company<br>(A) | Allocation %<br>(B) | Allocated Total<br>(C) = (A) * (B) | Adjustments<br>(D)    | Adjusted Jurisdiction<br>(E) = (C) + (D) |
|--------------------|-------------|-------------------------------------|----------------------|---------------------|------------------------------------|-----------------------|--|
| <u>OTHER PLANT</u> |             |                                     |                      |                     |                                    |                       |  |
| 39                 | 303         | Intangible Software                 | \$20,671,956         | 100%                | \$20,671,956                       |                       | \$20,671,956                             |
| 40                 | 303         | Intangible FAS 109 Transmission     | \$54,210             | 100%                | \$54,210                           |                       | \$54,210                                 |
| 41                 | 303         | Intangible FAS 109 Distribution     | \$240,093            | 100%                | \$240,093                          |                       | \$240,093                                |
| 42                 |             |                                     | <u>\$20,966,260</u>  |                     | <u>\$20,966,260</u>                | <u>\$0</u>            | <u>\$20,966,260</u>                      |
| 43                 |             | Company Total Plant Balance         | <u>\$976,472,319</u> | 100%                | <u>\$976,472,319</u>               | <u>(\$15,628,800)</u> | <u>\$960,843,519</u>                     |
| 44                 |             | Service Company Plant Allocated*    |                      |                     |                                    |                       | \$29,518,744                             |
| 45                 |             | Grand Total Plant Balance (43 + 44) |                      |                     |                                    |                       | <u>\$990,362,264</u>                     |

\* Source: Line 2 of the Service Company Allocations workpaper.

The Toledo Edison Company  
Reserve for Accumulated Depreciation

Schedule B-3

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NOTE: Column B contains reserve for accumulated depreciation balances from 2011 budget (version 12), while Column C shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column E are provided on the Exclusions tab.

| Line No.                  | Account No. | Major Property Groupings & Account Titles | Total Company            | Reserve Balances |            |                          |             |                                 |
|---------------------------|-------------|---|--------------------------|------------------|------------|--------------------------|-------------|---------------------------------|
|                           |             |   | Plant Investment         | Total            | Allocation | Allocated                | Adjustments | Adjusted                        |
|                           |             |   | Sch B2.1 Column E<br>(A) | Company<br>(B)   | %<br>(C)   | Total<br>(D) = (B) * (C) | (E)         | Jurisdiction<br>(F) = (D) + (E) |
| <u>TRANSMISSION PLANT</u> |             |   |                          |                  |            |                          |             |                                 |
| 1                         | 350         | Land & Land Rights                        | \$1,650,995              | \$0              | 100%       | \$0                      |             | \$0                             |
| 2                         | 352         | Structures & Improvements                 | \$210,142                | 84,804           | 100%       | 84,804                   |             | 84,804                          |
| 3                         | 353         | Station Equipment                         | \$8,705,482              | 3,513,170        | 100%       | 3,513,170                |             | 3,513,170                       |
| 4                         | 354         | Towers & Fixtures                         | \$35,508                 | 21,884           | 100%       | 21,884                   |             | 21,884                          |
| 5                         | 355         | Poles & Fixtures                          | \$3,089,245              | 1,903,962        | 100%       | 1,903,962                |             | 1,903,962                       |
| 6                         | 356         | Overhead Conductors & Devices             | \$5,431,247              | 3,347,383        | 100%       | 3,347,383                |             | 3,347,383                       |
| 7                         | 357         | Underground Conduit                       | \$383,496                | 236,356          | 100%       | 236,356                  |             | 236,356                         |
| 8                         | 358         | Underground Conductors & Devices          | \$396,568                | 244,413          | 100%       | 244,413                  |             | 244,413                         |
| 9                         | 359         | Roads & Trails                            | \$0                      | 0                | 100%       | 0                        |             | 0                               |
| 10                        |             | Total Transmission                        | \$19,902,683             | \$9,351,972      | 100%       | \$9,351,972              | \$0         | \$9,351,972                     |



The Toledo Edison Company  
Reserve for Accumulated Depreciation

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NOTE: Column B contains reserve for accumulated depreciation balances from 2011 budget (version 12), while Column C shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column E are provided on the Exclusions tab.

| Line No.                  | Account No. | Major Property Groupings & Account Titles     | Total Company     | Reserve Balances |            |                 |             |                 |
|---------------------------|-------------|---|-------------------|------------------|------------|-----------------|-------------|-----------------|
|                           |             |   | Plant Investment  | Total            | Allocation | Allocated       | Adjustments | Adjusted        |
|                           |             |   | Sch B2.1 Column E | Company          | %          | Total           |             | Jurisdiction    |
|                           |             |   | (A)               | (B)              | (C)        | (D) = (B) * (C) | (E)         | (F) = (D) + (E) |
| <u>DISTRIBUTION PLANT</u> |             |   |                   |                  |            |                 |             |                 |
| 11                        | 360         | Land & Land Rights                            | \$5,230,250       | \$0              | 100%       | \$0             |             | \$0             |
| 12                        | 361         | Structures & Improvements                     | \$6,020,512       | 1,888,863        | 100%       | 1,888,863       |             | 1,888,863       |
| 13                        | 362         | Station Equipment                             | \$87,160,805      | 27,345,657       | 100%       | 27,345,657      |             | 27,345,657      |
| 14                        | 364         | Poles, Towers & Fixtures                      | \$144,517,503     | 77,480,994       | 100%       | 77,480,994      |             | 77,480,994      |
| 15                        | 365         | Overhead Conductors & Devices                 | \$171,801,399     | 92,108,865       | 100%       | 92,108,865      |             | 92,108,865      |
| 16                        | 366         | Underground Conduit                           | \$12,321,352      | 6,605,917        | 100%       | 6,605,917       |             | 6,605,917       |
| 17                        | 367         | Underground Conductors & Devices              | \$110,470,863     | 59,227,374       | 100%       | 59,227,374      |             | 59,227,374      |
| 18                        | 368         | Line Transformers                             | \$146,145,406     | 78,353,771       | 100%       | 78,353,771      |             | 78,353,771      |
| 19                        | 369         | Services                                      | \$68,588,925      | 36,772,972       | 100%       | 36,772,972      |             | 36,772,972      |
| 20                        | 370         | Meters  | \$33,644,459      | 18,037,996       | 100%       | 18,037,996      |             | 18,037,996      |
| 21                        | 371         | Installation on Customer Premises             | \$6,216,349       | 3,332,806        | 100%       | 3,332,806       |             | 3,332,806       |
| 22                        | 372         | Leased Property on Customer Premises          | \$0               | 0                | 100%       | 0               |             | 0               |
| 23                        | 373         | Street Lighting & Signal Systems              | \$52,653,802      | 28,229,583       | 100%       | 28,229,583      |             | 28,229,583      |
| 24                        | 374         | Asset Retirement Costs for Distribution Plant | \$7,901           | 4,168            | 100%       | 4,168           |             | 4,168           |
| 25                        |             | Total Distribution                            | \$844,779,525     | \$429,388,966    | 100%       | \$429,388,966   | \$0         | \$429,388,966   |

The Toledo Edison Company  
Reserve for Accumulated Depreciation

Schedule B-3

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NOTE: Column B contains reserve for accumulated depreciation balances from 2011 budget (version 12), while Column C shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column E are provided on the Exclusions tab.

| Line No.             | Account No. | Major Property Groupings & Account Titles | Total Company            | Reserve Balances |            |                          |             |                                 |
|----------------------|-------------|---|--------------------------|------------------|------------|--------------------------|-------------|---------------------------------|
|                      |             |   | Plant Investment         | Total            | Allocation | Allocated                | Adjustments | Adjusted                        |
|                      |             |   | Sch B2.1 Column E<br>(A) | Company<br>(B)   | %<br>(C)   | Total<br>(D) = (B) * (C) | (E)         | Jurisdiction<br>(F) = (D) + (E) |
| <u>GENERAL PLANT</u> |             |   |                          |                  |            |                          |             |                                 |
| 26                   | 389         | Land & Land Rights                        | \$1,828,178              | \$0              | 100%       | \$0                      |             | \$0                             |
| 27                   | 390         | Structures & Improvements                 | \$47,384,632             | 17,964,379       | 100%       | \$17,964,379             |             | \$17,964,379                    |
| 28                   | 391.1       | Office Furniture & Equipment              | \$2,493,799              | \$1,498,322      | 100%       | \$1,498,322              |             | \$1,498,322                     |
| 29                   | 391.2       | Data Processing Equipment                 | \$6,623,403              | \$3,979,467      | 100%       | \$3,979,467              |             | \$3,979,467                     |
| 30                   | 392         | Transportation Equipment                  | \$1,005,151              | \$603,914        | 100%       | \$603,914                |             | \$603,914                       |
| 31                   | 393         | Stores Equipment                          | \$647,198                | \$388,849        | 100%       | \$388,849                |             | \$388,849                       |
| 32                   | 394         | Tools, Shop & Garage Equipment            | \$4,584,434              | \$2,754,415      | 100%       | \$2,754,415              |             | \$2,754,415                     |
| 33                   | 395         | Laboratory Equipment                      | \$1,762,992              | \$1,059,239      | 100%       | \$1,059,239              |             | \$1,059,239                     |
| 34                   | 396         | Power Operated Equipment                  | \$873,084                | \$524,565        | 100%       | \$524,565                |             | \$524,565                       |
| 35                   | 397         | Communication Equipment                   | \$7,275,089              | \$4,371,012      | 100%       | \$4,371,012              |             | \$4,371,012                     |
| 36                   | 398         | Miscellaneous Equipment                   | \$452,261                | \$271,727        | 100%       | \$271,727                |             | \$271,727                       |
| 37                   | 399.1       | Asset Retirement Costs for General Plant  | \$264,831                | 121,618          | 100%       | \$121,618                |             | \$121,618                       |
| 38                   |             | Total General Plant                       | \$75,195,052             | \$33,537,508     | 100%       | \$33,537,508             | \$0         | \$33,537,508                    |

The Toledo Edison Company  
Reserve for Accumulated Depreciation

Schedule B-3

Page 4 of 4

NOTE: Column B contains reserve for accumulated depreciation balances from 2011 budget (version 12), while Column C shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column E are provided on the Exclusions tab.

| Line No.           | Account No. | Major Property Groupings & Account Titles | Total Company                                | Reserve Balances     |                     |                                    |                    |  |
|--------------------|-------------|---|--|----------------------|---------------------|------------------------------------|--------------------|--|
|                    |             |   | Plant Investment<br>Sch B2.1 Column E<br>(A) | Total Company<br>(B) | Allocation %<br>(C) | Allocated Total<br>(D) = (B) * (C) | Adjustments<br>(E) | Adjusted Jurisdiction<br>(F) = (D) + (E) |
| <u>OTHER PLANT</u> |             |   |  |                      |                     |                                    |                    |  |
| 39                 | 303         | Intangible Software                       | \$20,671,956                                 | \$15,136,811         | 100%                | \$15,136,811                       |                    | \$15,136,811                             |
| 40                 | 303         | Intangible FAS 109 Transmission           | \$54,210                                     | \$44,446             | 100%                | \$44,446                           |                    | \$44,446                                 |
| 41                 | 303         | Intangible FAS 109 Distribution           | \$240,093                                    | \$212,520            | 100%                | \$212,520                          |                    | \$212,520                                |
| 42                 |             |   | \$20,966,260                                 | \$15,393,776         |                     | \$15,393,776                       | \$0                | \$15,393,776                             |
|                    |             |   |  |                      |                     |                                    |                    |  |
| 43                 |             | COMPANY TOTAL RESERVE                     | \$960,843,519                                | \$487,672,222        | 100%                | \$487,672,222                      | \$0                | \$487,672,222                            |
| 44                 |             | Service Company Reserve Allocated*        |  |                      |                     |                                    |                    | \$9,780,663                              |
| 45                 |             | Grand Total Reserve (43 + 44)             |  |                      |                     |                                    |                    | \$497,452,885                            |

\* Source: Line 3 of the Service Company Allocations worksheet.

FirstEnergy Companies  
ADIT Balances (281 & 282 Property Accounts)

|                                      | <u>CEI</u>           | <u>OE</u>            | <u>TE</u>            | <u>SC</u>  |
|--------------------------------------|----------------------|----------------------|----------------------|------------|
| (1) Ending Bal. 12/31/11*            | 378,756,968          | 403,075,021          | 113,796,104          | 53,707,442 |
| (2) Service Company Allocated ADIT** | \$7,631,828          | \$9,248,422          | \$4,071,024          |            |
| (3) Grand Total ADIT Balance         | <u>\$386,388,796</u> | <u>\$412,323,442</u> | <u>\$117,867,128</u> |            |

\*Source: Tax Department. Estimated 12/31/11 balances.

\*\* Line 4 on Service Company Allocations workpaper

The Toledo Edison Company  
Depreciation Accrual Rates and  
Jurisdictional Reserve Balances by Accounts

Schedule B-3.2  
Page 1 of 4

NOTE: Column F is from Case No. 07-551-EL-AIR.

|                           |         |                                  | Adjusted Jurisdiction |             |         |            |
|---------------------------|---------|----------------------------------|-----------------------|-------------|---------|------------|
| Line                      | Account |                                  | Plant                 | Reserve     | Current | Calculated |
| No.                       | No.     | Account Title                    | Investment            | Balance     | Accrual | Depr.      |
| (A)                       | (B)     | (C)                              | (D)                   | (E)         | (F)     | Expense    |
|                           |         |                                  |                       |             |         | (G=DxF)    |
| <u>TRANSMISSION PLANT</u> |         |                                  |                       |             |         |            |
| 1                         | 350     | Land & Land Rights               | \$1,650,995           | \$0         | 0.00%   | \$0        |
| 2                         | 352     | Structures & Improvements        | \$210,142             | 149,588     | 2.50%   | \$5,254    |
| 3                         | 353     | Station Equipment                | \$8,705,482           | 3,448,386   | 1.80%   | \$156,699  |
| 4                         | 354     | Towers & Fixtures                | \$35,508              | 42,965      | 1.85%   | \$657      |
| 5                         | 355     | Poles & Fixtures                 | \$3,089,245           | 2,586,995   | 3.75%   | \$115,847  |
| 6                         | 356     | Overhead Conductors & Devices    | \$5,431,247           | 2,859,001   | 2.67%   | \$145,014  |
| 7                         | 357     | Underground Conduit              | \$383,496             | 137,148     | 2.00%   | \$7,670    |
| 8                         | 358     | Underground Conductors & Devices | \$396,568             | 127,888     | 2.86%   | \$11,342   |
| 9                         | 359     | Roads & Trails                   | \$0                   | 0           |         | \$0        |
| 10                        |         | Total Transmission               | \$19,902,683          | \$9,351,972 |         | \$442,483  |

The Toledo Edison Company  
Depreciation Accrual Rates and  
Jurisdictional Reserve Balances by Accounts

Schedule B-3.2  
Page 2 of 4

NOTE: Column F is from Case No. 07-551-EL-AIR.

| Line No.                  | Account No. | Account Title                                 | Adjusted Jurisdiction |                 | Current Accrual Rate | Calculated Depr. Expense (G=DxF) |
|---------------------------|-------------|---|-----------------------|-----------------|----------------------|----------------------------------|
|                           |             |   | Plant Investment      | Reserve Balance |                      |                                  |
| (A)                       | (B)         | (C)   | (D)                   | (E)             | (F)                  | (G=DxF)                          |
| <u>DISTRIBUTION PLANT</u> |             |   |                       |                 |                      |                                  |
| 11                        | 360         | Land & Land Rights                            | 5,230,250             | \$0             | 0.00%                | \$0                              |
| 12                        | 361         | Structures & Improvements                     | 6,020,512             | 1,402,943       | 2.50%                | 150,513                          |
| 13                        | 362         | Station Equipment                             | 87,160,805            | 27,831,577      | 2.25%                | 1,961,118                        |
| 14                        | 364         | Poles, Towers & Fixtures                      | 144,517,503           | 96,202,577      | 3.78%                | 5,462,762                        |
| 15                        | 365         | Overhead Conductors & Devices                 | 171,801,399           | 81,934,101      | 3.75%                | 6,442,552                        |
| 16                        | 366         | Underground Conduit                           | 12,321,352            | 6,967,407       | 2.08%                | 256,284                          |
| 17                        | 367         | Underground Conductors & Devices              | 110,470,863           | 35,730,177      | 2.20%                | 2,430,359                        |
| 18                        | 368         | Line Transformers                             | 146,145,406           | 61,766,129      | 2.62%                | 3,829,010                        |
| 19                        | 369         | Services                                      | 68,588,925            | 61,154,260      | 3.17%                | 2,174,269                        |
| 20                        | 370         | Meters  | 33,644,459            | 20,930,352      | 3.43%                | 1,154,005                        |
| 21                        | 371         | Installation on Customer Premises             | 6,216,349             | 3,301,952       | 4.00%                | 248,654                          |
| 22                        | 372         | Leased Property on Customer Premises          | 0                     | 0               |                      | 0                                |
| 23                        | 373         | Street Lighting & Signal Systems              | 52,653,802            | 32,163,322      | 3.93%                | 2,069,294                        |
| 24                        | 374         | Asset Retirement Costs for Distribution Plant | 7,901                 | 4,168           | 0.00%                | 0                                |
| 25                        |             | Total Distribution                            | \$844,779,525         | \$429,388,966   |                      | \$26,178,820                     |

The Toledo Edison Company  
Depreciation Accrual Rates and  
Jurisdictional Reserve Balances by Accounts

Schedule B-3.2  
Page 3 of 4

NOTE: Column F is from Case No. 07-551-EL-AIR.

| Line No.<br>(A)      | Account No.<br>(B) | Account Title<br>(C)                     | Adjusted Jurisdiction   |                        | Current Accrual Rate<br>(F) | Calculated Depr. Expense<br>(G=Dx F) |
|----------------------|--------------------|--|-------------------------|------------------------|-----------------------------|--------------------------------------|
|                      |                    |  | Plant Investment<br>(D) | Reserve Balance<br>(E) |                             |                                      |
|                      |                    |  |                         |                        |                             |                                      |
| <u>GENERAL PLANT</u> |                    |  |                         |                        |                             |                                      |
| 26                   | 389                | Land & Land Rights                       | \$1,828,178             | \$0                    | 0.00%                       | \$0                                  |
| 27                   | 390                | Structures & Improvements                | \$47,384,632            | \$17,964,379           | 2.20%                       | \$1,042,462                          |
| 28                   | 391.1              | Office Furniture & Equipment             | \$2,493,799             | \$1,498,322            | 3.80%                       | \$94,764                             |
| 29                   | 391.2              | Data Processing Equipment                | \$6,623,403             | \$3,979,467            | 9.50%                       | \$629,223                            |
| 30                   | 392                | Transportation Equipment                 | \$1,005,151             | \$603,914              | 6.92%                       | \$69,556                             |
| 31                   | 393                | Stores Equipment                         | \$647,198               | \$388,849              | 3.13%                       | \$20,257                             |
| 32                   | 394                | Tools, Shop & Garage Equipment           | \$4,584,434             | \$2,754,415            | 3.33%                       | \$152,662                            |
| 33                   | 395                | Laboratory Equipment                     | \$1,762,992             | \$1,059,239            | 2.86%                       | \$50,422                             |
| 34                   | 396                | Power Operated Equipment                 | \$873,084               | \$524,565              | 5.28%                       | \$46,099                             |
| 35                   | 397                | Communication Equipment                  | \$7,275,089             | \$4,371,012            | 5.88%                       | \$427,775                            |
| 36                   | 398                | Miscellaneous Equipment                  | \$452,261               | \$271,727              | 3.33%                       | \$15,060                             |
| 37                   | 399.1              | Asset Retirement Costs for General Plant | \$264,831               | \$121,618              | 0.00%                       | \$0                                  |
| 38                   |                    | Total General                            | \$75,195,052            | \$33,537,508           |                             | \$2,548,280                          |

The Toledo Edison Company  
Depreciation Accrual Rates and  
Jurisdictional Reserve Balances by Accounts

Schedule B-3.2  
Page 4 of 4

NOTE: Column F is from Case No. 07-551-EL-AIR.

| Line No.           | Account No. | Account Title  | Adjusted Jurisdiction |                 | Current Accrual Rate | Calculated Depr. Expense |
|--------------------|-------------|--|-----------------------|-----------------|----------------------|--------------------------|
|                    |             |  | Plant Investment      | Reserve Balance |                      |                          |
| (A)                | (B)         | (C)  | (D)                   | (E)             | (F)                  | (G=DxF)                  |
| <u>OTHER PLANT</u> |             |  |                       |                 |                      |                          |
| 39                 | 303         | Intangible Software  | \$20,671,956          | \$15,136,811    | 14.29%               | **                       |
| 40                 | 303         | Intangible FAS 109 Transmission  | \$54,210              | \$44,446        | 2.37%                | **                       |
| 41                 | 303         | Intangible FAS 109 Distribution  | \$240,093             | \$212,520       | 3.10%                | **                       |
| 42                 |             |  | \$20,966,260          | \$15,393,776    |                      | \$1,485,022              |
| 43                 |             | Incremental Depreciation Associated with Allocated Service Company Plant *** | 29,518,744            | 9,780,663       |                      | 339,859                  |
| 44                 |             | GRAND TOTAL PLANT  | \$990,362,264         | \$497,452,885   |                      | \$30,994,464             |

\*\* Please see tab / workpaper "Intangible Depreciation Expense" for more details behind the calculation of depreciation expense associated with Intangible Plant.

\*\*\* Source: Line 6 of workpaper "Service Company"



The Toledo Edison Company  
Calculation of Property Taxes  
For the Twelve Months Ended December 31, 2011

Schedule C-3.10a  
Page 1 of 1

Data: 12 Months Estimated

| Line<br>No.   | Description  | Jurisdictional<br>Amount   |
|---|--|----------------------------|
| 1   | Personal Property Taxes  | \$24,061,878               |
| 2   | Real Property Taxes  | 856,169                    |
| 3   | Incremental Property Tax Associated with Allocated Service Company Plant * | <u>30,553</u>              |
| 4   | Total Property Taxes (1 + 2 + 3)   | <u><u>\$24,948,600</u></u> |
| * Source: Line 7 of workpaper "Service Company Allocation Summary" page 18 of filing. |  |                            |

The Toledo Edison Company  
Calculation of Personal Property Taxes  
For the Twelve Months Ended December 31, 2011

Schedule C-3.10a1  
Page 1 of 1

Data: 12 Months Estimated

| Line No.                         | Description                                       | Jurisdictional Amount |                    |                     |
|----------------------------------|---|-----------------------|--------------------|---------------------|
|                                  |   | Transmission Plant    | Distribution Plant | General Plant       |
| 1                                | Jurisdictional Plant in Service (a)               | \$19,902,683          | \$844,779,525      | \$75,195,052        |
| 2                                | Jurisdictional Real Property (b)                  | 1,861,137             | 11,250,762         | 49,212,811          |
| 3                                | Jurisdictional Personal Property (1 - 2)          | 18,041,546            | 833,528,764        | 25,982,241          |
| 4                                | Purchase Accting Adjustment                       | (12,705,341)          | (471,389,010)      | 0                   |
| 5                                | Adjusted Jurisdictional Personal Property (3 + 4) | 5,336,205             | 362,139,753        | 25,982,241          |
| <u>Exclusions and Exemptions</u> |   |                       |                    |                     |
| 6                                | Capitalized Asset Retirement Costs (a)            | 0                     | 7,901              | 264,831             |
| 7                                | Exempt Facilities (c)                             | 0                     | 0                  | 0                   |
| 8                                | Licensed Motor Vehicles (c)                       | 0                     | 0                  | 1,421,787           |
| 9                                | Capitalized Interest (c)                          | 321,154               | 2,156,099          | 0                   |
| 10                               | Total Exclusions and Exemptions (6 thru 9)        | 321,154               | 2,164,000          | 1,686,618           |
| 11                               | Net Cost of Taxable Personal Property (5 - 10)    | \$5,015,051           | \$359,975,753      | \$24,295,623        |
| 12                               | True Value Percentage (c)                         | 79.5548%              | 79.0620%           | 30.7135%            |
| 13                               | True Value of Taxable Personal Property (11 x 12) | \$3,989,713           | \$284,603,925      | \$7,462,025         |
| 14                               | Assessment Percentage (d)                         | 85.00%                | 85.00%             | 24.00%              |
| 15                               | Assessment Value (13 x 14)                        | \$3,391,256           | \$241,913,336      | \$1,790,886         |
| 16                               | Personal Property Tax Rate (e)                    | 8.4499%               | 8.4499%            | 8.4499%             |
| 17                               | Personal Property Tax (15 x 16)                   | \$286,558             | \$20,441,435       | 151,328             |
| 18                               | Purchase Accounting Adjustment                    | 163,644               | \$3,018,913        | 0                   |
| 19                               | Total Personal Property Tax (17 + 18)             |                       |                    | <u>\$24,061,878</u> |

- (a) Schedule B-2.1
- (b) Schedule B-2.1, Accounts 350, 352, 360, 361, 389, and 390
- (c) Source: TE's 2011 Ohio annual property tax filing. See WPC-3.10a1 for additional details.
- (d) Statutory Assessment for Personal Property
- (e) Estimated 2012 tax rate for Personal Property based on 2011 Ohio Annual property Tax return filing

The Toledo Edison Company

Calculation of Real Property Taxes  
For the Twelve Months Ended December 31, 2011

Schedule C-3.10a2

Data: 12 Months Estimated

Page 1 of 1

| Line No. | Description   | Jurisdictional Amount |   |               |
|----------|---|-----------------------|---|---------------|
|          |   | Transmission Plant    | Distribution Plant  | General Plant |
| 1        | Jurisdictional Real Property (a)  | \$1,861,137           | \$11,250,762  | \$49,212,811  |
| 2        | True Value Percentage (b)   | 51.65%                | 51.65%  | 51.65%        |
| 3        | True Value of Taxable Real Property (1 x 2)                                       | \$961,211             | \$5,810,618   | \$25,416,666  |
| 4        | Assessment Percentage (c)   | 35.00%                | 35.00%  | 35.00%        |
| 5        | Assessment Value (3 x 4)  | \$336,424             | \$2,033,716   | \$8,895,833   |
| 6        | Real Property Tax Rate (d)  | 7.5996%               | 7.5996%   | 7.5996%       |
| 7        | Real Property Tax (5 x 6)   | \$25,567              | \$154,554   | \$676,048     |
| 8        | Total Real Property Tax (Sum of 7)  |                       |   | \$856,169     |
| (a)      | Schedule C-3.10a1   |                       |   |               |
| (b)      | Calculated as follows:  |                       |   |               |
|          | (1) Real Property Assessed Value  | 13,375,990            | Source: TE's 2011 Property Tax return filing  |               |
|          | (2) Assessment Percentage   | 35.00%                | Statutory Assessment for Real Property  |               |
|          | (3) Real Property True Value  | 38,217,114            | Calculation: (1) / (2)  |               |
|          | (4) Real Property Capitalized Cost  | 73,997,572            | Book cost of real property used to compare to assessed value of real property to derive a true value percentage |               |
|          | (5) Real Property True Value Percentage   | 51.65%                | Calculation: (3) / (4)  |               |
| (c)      | Statutory Assessment for Real Property  |                       |   |               |
| (d)      | Estimated 2012 tax rate for Real Estate based on 2011 Property Tax return filing. |                       |   |               |

## Summary of Exclusions per Case No. 10-388-EL-SSO

### General Adjustments

ATSI Land Lease Certain amounts (summarized below) in account 350 are associated with land leased to ATSI, FirstEnergy's transmission subsidiary. Consistent with Case No. 07-551-EL-AIR, these amounts are not jurisdictional to distribution related plant in service, and have been excluded accordingly for each operating company. There is no accumulated depreciation reserve associated with land.

| FERC Account 350 | CEI          | OE           | TE           |
|------------------|--------------|--------------|--------------|
| Gross Plant      | \$57,266,431 | \$85,290,624 | \$15,628,800 |
| Reserve          | \$0          | \$0          | \$0          |

### ESP2 Adjustments

In the ESP2 Stipulation (Case No. 10-388-EL-SSO, page 14), it says "capital additions recovered through Riders LEX, EDR, and AMI will be identified and excluded from Rider DCR and the annual cap allowance."

AMI For purposes of preparing the 2011 Budget (version 12), all plant in service associated with AMI was budgeted to FERC Account 370. The total budgeted amount was allocated among FERC accounts 362, 364, and 370 to more appropriately reflect the AMI related investment expected to be made by the Company, and to provide a more accurate calculation of depreciation expense. Only CEI has an AMI project so this exclusion does not impact OE or TE.

| FERC Account | CEI          |           |
|--------------|--------------|-----------|
|              | Gross        | Reserve   |
| 362          | \$9,404,760  | \$470,238 |
| 364          | \$3,900,592  | \$195,030 |
| 370          | \$3,282,555  | \$168,981 |
| Grand Total  | \$16,587,908 | \$834,249 |

<- Amounts included in account 370 in 2011 Budget, version 12

LEX As implemented by the Companies, Rider LEX will recover deferred expenses associated with lost up-front line extension payments from 2009-2011. These deferred expenses are recorded as a regulatory asset, not as plant in service, on the Companies' books. Therefore, there is no adjustment to plant in service associated with Rider LEX.

EDR There is currently no plant in service projected for 12/31/2011 associated with Rider EDR (provision g).

## Service Company Allocations to the Ohio Operating Companies

|   | Service Company      | CEI                 | OE                  | TE                  | TOTAL               |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
| (1) Allocation Factors from Case 07-551 |                      | 14.21%              | 17.22%              | 7.58%               |                     |
| (2) Gross Plant                         | \$389,429,345        | \$55,337,910        | \$67,059,733        | \$29,518,744        | \$151,916,388       |
| (3) Reserve                             | \$129,032,494        | \$18,335,517        | \$22,219,396        | \$9,780,663         | \$50,335,576        |
| (4) ADIT                                | \$53,707,442         | \$7,631,828         | \$9,248,422         | \$4,071,024         | \$20,951,273        |
| (5) <b>Rate Base</b>                    | <b>\$206,689,409</b> | <b>\$29,370,565</b> | <b>\$35,591,916</b> | <b>\$15,667,057</b> | <b>\$80,629,538</b> |
| (6) Depreciation Expense (Incremental)  |                      | \$637,123           | \$772,080           | \$339,859           | \$1,749,062         |
| (7) Property Tax Expense (Incremental)  |                      | \$57,276            | \$69,409            | \$30,553            | \$157,238           |
| (8) <b>Total Expenses</b>               |                      | <b>\$694,399</b>    | <b>\$841,489</b>    | <b>\$370,412</b>    | <b>\$1,906,300</b>  |

- (2) Gross Plant = 12/31/2011 General and Intangible Plant Balances in the 2011 Budget
- (3) Reserve = 12/31/2011 General and Intangible Reserve Balances in the 2011 Budget
- (4) ADIT: See ADIT Balances
- (5) Rate Base = Gross Plant - Reserve - ADIT
- (6) Estimated incremental depreciation expense. Additional details provided on Service Co. Incremental
- (7) Estimated incremental property tax expense. Additional details provided on Service Co. Incremental
- (8) Total Expenses = Depreciation Expense + Property Tax Expense

All Service Company Allocations for Gross Plant and Reserve can be found on Sch B2.1 and Sch B3, respectively, in order to determine the Grand Totals shown on the Revenue Requirement Calculation sheet.

## Depreciation Rate for Service Company Plant

### I. Estimated Depreciation Accrual Rate for Service Company Plant as of May 31, 2007

| Line No.                | (A)<br>Account                          | (B)<br>Account Description       | (D)<br>5/31/2007 |                |               | (G)<br>Accrual Rates |           |           |                | (J)<br>Depreciation Expense |
|-------------------------|---|----------------------------------|------------------|----------------|---------------|----------------------|-----------|-----------|----------------|-----------------------------|
|                         |   |                                  | (C)<br>Gross     | (D)<br>Reserve | (E)<br>Net    | (F)<br>CEI           | (G)<br>OE | (H)<br>TE | (I)<br>Average |                             |
| 1                       | Allocation Factors                      |                                  |                  |                |               | 14.21%               | 17.22%    | 7.58%     | 39.01%         |                             |
| 2                       | Weighted Allocation Factors             |                                  |                  |                |               | 36.43%               | 44.14%    | 19.43%    | 100.00%        |                             |
| <b>GENERAL PLANT</b>    |   |                                  |                  |                |               |                      |           |           |                |                             |
| 3                       | 389                                     | Fee Land & Easements             | \$556,979        | \$0            | \$556,979     | 0.00%                | 0.00%     | 0.00%     | 0.00%          | \$0                         |
| 4                       | 390                                     | Structures, Improvements *       | \$21,328,601     | \$7,909,208    | \$13,419,393  | 2.20%                | 2.50%     | 2.20%     | 2.33%          | \$497,474                   |
| 5                       | 390.3                                   | Struct Imprv, Leasehold Imp **   | \$6,938,688      | \$1,006,139    | \$5,932,549   | 22.34%               | 20.78%    | 0.00%     | 21.49%         | \$1,490,798                 |
| 6                       | 391.1                                   | Office Furn., Mech. Equip.       | \$31,040,407     | \$24,400,266   | \$6,640,141   | 7.60%                | 3.80%     | 3.80%     | 5.18%          | \$1,609,200                 |
| 7                       | 391.2                                   | Data Processing Equipment        | \$117,351,991    | \$26,121,795   | \$91,230,196  | 10.56%               | 17.00%    | 9.50%     | 13.20%         | \$15,486,721                |
| 8                       | 392                                     | Transportation Equipment         | \$11,855         | \$1,309        | \$10,546      | 6.07%                | 7.31%     | 6.92%     | 6.78%          | \$804                       |
| 9                       | 393                                     | Stores Equipment                 | \$16,787         | \$1,447        | \$15,340      | 6.67%                | 2.56%     | 3.13%     | 4.17%          | \$700                       |
| 10                      | 394                                     | Tools, Shop, Garage Equip.       | \$11,282         | \$506          | \$10,776      | 4.62%                | 3.17%     | 3.33%     | 3.73%          | \$421                       |
| 11                      | 395                                     | Laboratory Equipment             | \$127,988        | \$11,126       | \$116,862     | 2.31%                | 3.80%     | 2.86%     | 3.07%          | \$3,935                     |
| 12                      | 396                                     | Power Operated Equipment         | \$160,209        | \$20,142       | \$140,067     | 4.47%                | 3.48%     | 5.28%     | 4.19%          | \$6,713                     |
| 13                      | 397                                     | Communication Equipment ***      | \$56,845,501     | \$32,304,579   | \$24,540,922  | 7.50%                | 5.00%     | 5.88%     | 6.08%          | \$3,457,148                 |
| 14                      | 398                                     | Misc. Equipment                  | \$465,158        | \$27,982       | \$437,176     | 6.67%                | 4.00%     | 3.33%     | 4.84%          | \$22,525                    |
| 15                      | 399.1                                   | ARC General Plant                | \$40,721         | \$16,948       | \$23,773      | 0.00%                | 0.00%     | 0.00%     | 0.00%          | \$0                         |
| 16                      |   |                                  | \$234,896,167    | \$91,821,447   | \$143,074,720 |                      |           |           |                | \$22,576,438                |
| <b>INTANGIBLE PLANT</b> |   |                                  |                  |                |               |                      |           |           |                |                             |
| 17                      | 301                                     | Organization                     | \$49,344         | \$49,344       | \$0           | 0.00%                | 0.00%     | 0.00%     | 0.00%          | \$0                         |
| 18                      | 303                                     | Misc. Intangible Plant           | \$75,721,715     | \$46,532,553   | \$29,189,162  | 14.29%               | 14.29%    | 14.29%    | 14.29%         | \$10,820,633                |
| 19                      | 303                                     | Katz Software                    | \$1,268,271      | \$1,027,642    | \$240,630     | 14.29%               | 14.29%    | 14.29%    | 14.29%         | \$181,236                   |
| 20                      | 303                                     | Software 1999                    | \$10,658         | \$4,881        | \$5,777       | 14.29%               | 14.29%    | 14.29%    | 14.29%         | \$1,523                     |
| 21                      | 303                                     | Software GPU SC00                | \$2,343,368      | \$2,343,368    | \$0           | 14.29%               | 14.29%    | 14.29%    | 14.29%         | \$0                         |
| 22                      | 303                                     | Impairment June 2000             | \$77             | \$77           | (\$0)         | 14.29%               | 14.29%    | 14.29%    | 14.29%         | \$0                         |
| 23                      | 303                                     | 3 year depreciable life          | \$55,645         | \$14,684       | \$40,961      | 14.29%               | 14.29%    | 14.29%    | 14.29%         | \$7,952                     |
| 24                      | 303                                     | Debt Gross-up (FAS109): General  | \$117,298        | \$117,298      | \$0           | 3.87%                | 3.87%     | 3.87%     | 3.87%          | \$0                         |
| 25                      | 303                                     | Debt Gross-up (FAS109): G/P Land | \$1,135          | \$1,137        | (\$2)         | 3.87%                | 3.87%     | 3.87%     | 3.87%          | \$0                         |
| 26                      |   |                                  | \$79,567,511     | \$50,090,984   | \$29,476,527  |                      |           |           |                | \$11,011,344                |
| 27                      | <b>TOTAL - GENERAL &amp; INTANGIBLE</b> |                                  | \$314,463,678    | \$141,912,431  | \$172,551,247 |                      |           |           | <b>10.68%</b>  | <b>\$33,587,782</b>         |

#### NOTES

(C) - (E) Service Company plant balances as of May 31, 2007.

(F) - (H) Source: Case No. 07-551-EL-AIR. Staff workpapers, Schedule B3.2.

In Case No. 07-551-EL-AIR, CEI and TE did not have an accrual rate for Account 303 (FAS 109 - General). Assumed to be the same as OE.

(I) Weighted average of columns F through H based on Service Company allocation factors on Line 2.

Assumes that the accrual rate, by account, for Service Company plant is the equal to the weighted average of the three operating companies.

(J) Estimated depreciation expense associated with Service Company plant as of 5/31/07. Calculation: Column C x Column I.

\* Includes accounts 390.1 and 390.2.

\*\* Weighted average accrual rate is taken over CEI and OE only. (TE had no balance in Case No. 07-551-EL-AIR).

\*\*\* Includes accounts 397 and 397.1

## Depreciation Rate for Service Company Plant

### II. Estimated Depreciation Accrual Rate for Service Company Plant as of December 31, 2011

| Line No.                | (A)<br>Account                          | (B)<br>Account Description      | (C) 12/31/11 Balances |               |               | (F) Accrual Rates |        |        |              | (J)<br>Depreciation Expense |
|-------------------------|---|---------------------------------|-----------------------|---------------|---------------|-------------------|--------|--------|--------------|-----------------------------|
|                         |   |                                 | Gross                 | Reserve       | Net           | CEI               | OE     | TE     | Average      |                             |
| 28                      | Allocation Factors                      |                                 |                       |               |               | 14.21%            | 17.22% | 7.58%  | 39.01%       |                             |
| 29                      | Weighted Allocation Factors             |                                 |                       |               |               | 36.43%            | 44.14% | 19.43% | 100.00%      |                             |
| <b>GENERAL PLANT</b>    |   |                                 |                       |               |               |                   |        |        |              |                             |
| 30                      | 389                                     | Fee Land & Easements            | \$230,947             | \$0           | \$230,947     | 0.00%             | 0.00%  | 0.00%  | 0.00%        | \$0                         |
| 31                      | 390                                     | Structures, Improvements *      | \$39,333,719          | \$11,384,168  | \$27,949,550  | 2.20%             | 2.50%  | 2.20%  | 2.33%        | \$917,431                   |
| 32                      | 390.3                                   | Struct Imprv, Leasehold Imp **  | \$14,927,788          | \$3,268,050   | \$11,659,738  | 22.34%            | 20.78% | 0.00%  | 21.49%       | \$3,207,280                 |
| 33                      | 391.1                                   | Office Furn., Mech. Equip.      | \$20,572,121          | \$8,871,602   | \$11,700,519  | 7.60%             | 3.80%  | 3.80%  | 5.18%        | \$1,066,502                 |
| 34                      | 391.2                                   | Data Processing Equipment       | \$124,304,233         | \$27,652,566  | \$96,651,667  | 10.56%            | 17.00% | 9.50%  | 13.20%       | \$16,404,195                |
| 35                      | 392                                     | Transportation Equipment        | \$33,135              | \$18,376      | \$14,760      | 6.07%             | 7.31%  | 6.92%  | 6.78%        | \$2,247                     |
| 36                      | 393                                     | Stores Equipment                | \$20,191              | \$3,593       | \$16,598      | 6.67%             | 2.56%  | 3.13%  | 4.17%        | \$842                       |
| 37                      | 394                                     | Tools, Shop, Garage Equip.      | \$280,330             | \$9,526       | \$270,803     | 4.62%             | 3.17%  | 3.33%  | 3.73%        | \$10,454                    |
| 38                      | 395                                     | Laboratory Equipment            | \$144,664             | \$18,949      | \$125,714     | 2.31%             | 3.80%  | 2.86%  | 3.07%        | \$4,448                     |
| 39                      | 396                                     | Power Operated Equipment        | \$49,962              | \$16,358      | \$33,605      | 4.47%             | 3.48%  | 5.28%  | 4.19%        | \$2,094                     |
| 40                      | 397                                     | Communication Equipment ***     | \$58,887,926          | \$9,281,682   | \$49,606,244  | 7.50%             | 5.00%  | 5.88%  | 6.08%        | \$3,581,361                 |
| 41                      | 398                                     | Misc. Equipment                 | \$3,871,836           | \$285,247     | \$3,586,589   | 6.67%             | 4.00%  | 3.33%  | 4.84%        | \$187,490                   |
| 42                      | 399.1                                   | ARC General Plant               | \$40,721              | \$20,195      | \$20,526      | 0.00%             | 0.00%  | 0.00%  | 0.00%        | \$0                         |
| 43                      |   |                                 | \$262,697,574         | \$60,830,313  | \$201,867,261 |                   |        |        |              | \$25,384,343                |
| <b>INTANGIBLE PLANT</b> |   |                                 |                       |               |               |                   |        |        |              |                             |
| 44                      | 301                                     | FECO 101/6-301 Organization Fst | \$49,344              | \$49,344      | \$0           | 0.00%             | 0.00%  | 0.00%  | 0.00%        | \$0                         |
| 45                      | 303                                     | FECO 101/6-303 2005 Software    | \$1,086,776           | \$1,041,808   | \$44,968      | 14.29%            | 14.29% | 14.29% | 14.29%       | \$44,968                    |
| 46                      | 303                                     | FECO 101/6-303 2006 Software    | \$4,963,101           | \$4,118,333   | \$844,768     | 14.29%            | 14.29% | 14.29% | 14.29%       | \$709,227                   |
| 47                      | 303                                     | FECO 101/6-303 2007 Software    | \$7,245,174           | \$6,217,142   | \$1,028,032   | 14.29%            | 14.29% | 14.29% | 14.29%       | \$1,028,032                 |
| 48                      | 303                                     | FECO 101/6-303 2008 Software    | \$7,403,295           | \$5,393,426   | \$2,009,869   | 14.29%            | 14.29% | 14.29% | 14.29%       | \$1,057,931                 |
| 49                      | 303                                     | FECO 101/6-303 2004 Software    | \$12,676,215          | \$12,676,215  | \$0           | 14.29%            | 14.29% | 14.29% | 14.29%       | \$0                         |
| 50                      | 303                                     | FECO 101/6-303 2009 Software    | \$15,967,869          | \$5,599,873   | \$10,367,996  | 14.29%            | 14.29% | 14.29% | 14.29%       | \$2,281,809                 |
| 51                      | 303                                     | FECO 101/6 303 Intangibles      | \$18,683,269          | \$1,429,956   | \$17,253,312  | 14.29%            | 14.29% | 14.29% | 14.29%       | \$2,669,839                 |
| 52                      | 303                                     | FECO 101/6-303 2003 Software    | \$24,400,196          | \$24,400,196  | \$0           | 14.29%            | 14.29% | 14.29% | 14.29%       | \$0                         |
| 53                      | 303                                     | FECO 101/6-303 2010 Software    | \$34,256,533          | \$7,275,887   | \$26,980,646  | 14.29%            | 14.29% | 14.29% | 14.29%       | \$4,895,259                 |
| 54                      |   |                                 | \$126,731,771         | \$68,202,181  | \$58,529,590  |                   |        |        |              | \$12,687,064                |
| 55                      | <b>TOTAL - GENERAL &amp; INTANGIBLE</b> |                                 | \$389,429,345         | \$129,032,494 | \$260,396,851 |                   |        |        | <b>9.78%</b> | <b>\$38,071,406</b>         |

#### NOTES

(C) - (E) Estimated 12/31/11 balances. Source: 2011 budget.

Note: Accounts 391.1 - 398 are aggregated together in the 2011 budget and were allocated based on June 2011 actual balances.

(F) - (H) Source: Schedule B3.2.

(I) Weighted average of columns F through H based on Service Company allocation factors on Line 29.

Assumes that the accrual rate, by account, for Service Company plant is the equal to the weighted average of the three operating companies.

(J) Estimated depreciation expense associated with Service Company plant as of 12/31/11. Calculation: Column C x Column I.

\* Includes accounts 390.1 and 390.2.

\*\* Weighted average accrual rate is taken over CEI and OE only. (TE had no balance in Case No. 07-551-EL-AIR).

\*\*\* Includes accounts 397 and 397.1

## Property Tax Rate for Service Company Plant

### I. Average Real Property Tax Rates on General Plant as of May 31, 2007 \*

| No.  | (A)<br>Category             | (B)<br>CEI | (C)<br>OE | (D)<br>TE | (E)<br>Average ** | (F)<br>Source / Calculation |
|--|-----------------------------|------------|-----------|-----------|-------------------|-----------------------------|
| 1  | Allocation Factors          | 14.21%     | 17.22%    | 7.58%     | 39.01%            | Service Company workpaper   |
| 2  | Weighted Allocation Factors | 36.43%     | 44.14%    | 19.43%    | 100.00%           | Weighted Line 1             |
| <u>Real Property Tax</u>   |                             |            |           |           |                   |                             |
| 3  | True Value Percentage       | 72.69%     | 62.14%    | 49.14%    | 63.45%            | Case No. 07-551-EL-AIR.     |
| 4  | Assessment Percentage       | 35.00%     | 35.00%    | 35.00%    | 35.00%            | Case No. 07-551-EL-AIR.     |
| 5  | Real Property Tax Rate      | 7.23%      | 6.04%     | 7.23%     | 6.70%             | Case No. 07-551-EL-AIR.     |
| 6  | Average Rate                | 1.84%      | 1.31%     | 1.24%     | 1.49%             | Line 3 x Line 4 x Line 5    |
| <p>* Note: Effective with an Ohio tax law change in 2005, non-utilities do not pay Personal Property Tax. Accordingly, for purposes of determining the average Property Tax rate applicable to Service Company plant, only Real Property Tax is considered.</p> <p>** Weighted average based on Service Company allocation factors.<br/>Assumes that the tax rate for Service Company plant is equal to the weighted average of the three operating companies.</p> |                             |            |           |           |                   |                             |

### II. Estimated Property Tax Rate for Service Company General Plant as of May 31, 2007

| No. | (A)<br>Account                                  | (B)<br>Account Description  | (C)<br>Tax Category | (D)<br>Avg. Tax Rate | (E)<br>Gross Plant   | (F)<br>Property Tax |
|-----|---|-----------------------------|---------------------|----------------------|----------------------|---------------------|
| 7   | 389   | Fee Land & Easements        | Real                | 1.49%                | \$556,979            | \$8,294             |
| 8   | 390   | Structures, Improvements    | Real                | 1.49%                | \$21,328,601         | \$317,594           |
| 9   | 390.3   | Struct Imprv, Leasehold Imp | Real                | 1.49%                | \$6,938,688          | \$103,321           |
| 10  | 391.1   | Office Furn., Mech. Equip.  | Personal            |                      | \$31,040,407         | \$0                 |
| 11  | 391.2   | Data Processing Equipment   | Personal            |                      | \$117,351,991        | \$0                 |
| 12  | 392   | Transportation Equipment    | Personal            |                      | \$11,855             | \$0                 |
| 13  | 393   | Stores Equipment            | Personal            |                      | \$16,787             | \$0                 |
| 14  | 394   | Tools, Shop, Garage Equip.  | Personal            |                      | \$11,282             | \$0                 |
| 15  | 395   | Laboratory Equipment        | Personal            |                      | \$127,988            | \$0                 |
| 16  | 396   | Power Operated Equipment    | Personal            |                      | \$160,209            | \$0                 |
| 17  | 397   | Communication Equipment     | Personal            |                      | \$56,845,501         | \$0                 |
| 18  | 398   | Misc. Equipment             | Personal            |                      | \$465,158            | \$0                 |
| 19  | 399.1   | ARC General Plant           | Personal            |                      | \$40,721             | \$0                 |
| 20  | <b>TOTAL - GENERAL PLANT</b>                    |                             |                     |                      | <b>\$234,896,167</b> | <b>\$429,208</b>    |
| 21  | <b>TOTAL - INTANGIBLE PLANT</b>                 |                             |                     |                      | <b>\$79,567,511</b>  | <b>\$0</b>          |
| 22  | <b>TOTAL - GENERAL &amp; INTANGIBLE PLANT</b>   |                             |                     |                      | <b>\$314,463,678</b> | <b>\$429,208</b>    |
| 23  | <b>Average Effective Real Property Tax Rate</b> |                             |                     |                      |                      | <b>0.14%</b>        |

#### NOTES

- (C) Source: Case No. 07-551-EL-AIR, Schedule C3.10. Classification of General Plant account as Real or Personal Property
- (D) Average property tax rate across CEI, OE, and TE. See Section I above.  
Note: Effective with an Ohio tax law change in 2005, non-utilities do not pay Personal Property Tax.
- (E) Service Company General plant as of May 31, 2007.
- (F) Calculation: Column D x Column E



## Property Tax Rate for Service Company Plant

### III. Average Real Property Tax Rates on General Plant as of December 31, 2011 \*

| No.   | (A)<br>Category             | (B)<br>CEI | (C)<br>OE | (D)<br>TE | (E)<br>Average ** | (F)<br>Source / Calculation |
|---|-----------------------------|------------|-----------|-----------|-------------------|-----------------------------|
| 24  | Allocation Factors          | 14.21%     | 17.22%    | 7.58%     | 39.01%            | Service Company workpaper   |
| 25  | Weighted Allocation Factors | 36.43%     | 44.14%    | 19.43%    | 100.00%           | Weighted Line 24            |
| <u>Real Property Tax</u>  |                             |            |           |           |                   |                             |
| 26  | True Value Percentage       | 75.38%     | 57.50%    | 51.65%    | 62.88%            | Schedule C3.10a2            |
| 27  | Assessment Percentage       | 35.00%     | 35.00%    | 35.00%    | 35.00%            | Schedule C3.10a2            |
| 28  | Real Property Tax Rate      | 7.44%      | 6.24%     | 7.60%     | 6.94%             | Schedule C3.10a2            |
| 29  | Average Rate                | 1.96%      | 1.26%     | 1.37%     | 1.53%             | Line 26 x Line 27 x Line 28 |
| <p>* Note: Effective with an Ohio tax law change in 2005, non-utilities do not pay Personal Property Tax. Accordingly, for purposes of determining the average Property Tax rate applicable to Service Company plant, only Real Property Tax is considered.</p> <p>** Weighted average based on Service Company allocation factors.</p> <p>Assumes that the tax rate for Service Company plant is equal to the weighted average of the three operating companies.</p> |                             |            |           |           |                   |                             |

### IV. Estimated Property Tax Rate for Service Company General Plant as of December 31, 2011

| No. | (A)<br>Account                                  | (B)<br>Account Description  | (C)<br>Tax Category | (D)<br>Avg. Tax Rate | (E)<br>Gross Plant   | (F)<br>Property Tax |
|-----|---|-----------------------------|---------------------|----------------------|----------------------|---------------------|
| 30  | 389   | Fee Land & Easements        | Real                | 1.53%                | \$230,947            | \$3,527             |
| 31  | 390   | Structures, Improvements    | Real                | 1.53%                | \$39,333,719         | \$600,755           |
| 32  | 390.3   | Struct Imprv, Leasehold Imp | Real                | 1.53%                | \$14,927,788         | \$227,996           |
| 33  | 391.1   | Office Furn., Mech. Equip.  | Personal            |                      | \$20,572,121         | \$0                 |
| 34  | 391.2   | Data Processing Equipment   | Personal            |                      | \$124,304,233        | \$0                 |
| 35  | 392   | Transportation Equipment    | Personal            |                      | \$33,135             | \$0                 |
| 36  | 393   | Stores Equipment            | Personal            |                      | \$20,191             | \$0                 |
| 37  | 394   | Tools, Shop, Garage Equip.  | Personal            |                      | \$280,330            | \$0                 |
| 38  | 395   | Laboratory Equipment        | Personal            |                      | \$144,664            | \$0                 |
| 39  | 396   | Power Operated Equipment    | Personal            |                      | \$49,962             | \$0                 |
| 40  | 397   | Communication Equipment     | Personal            |                      | \$58,887,926         | \$0                 |
| 41  | 398   | Misc. Equipment             | Personal            |                      | \$3,871,836          | \$0                 |
| 42  | 399.1   | ARC General Plant           | Personal            |                      | \$40,721             | \$0                 |
| 43  | <b>TOTAL - GENERAL PLANT</b>                    |                             |                     |                      | <b>\$262,697,574</b> | <b>\$832,279</b>    |
| 44  | <b>TOTAL - INTANGIBLE PLANT</b>                 |                             |                     |                      | <b>\$126,731,771</b> | <b>\$0</b>          |
| 45  | <b>TOTAL - GENERAL &amp; INTANGIBLE PLANT</b>   |                             |                     |                      | <b>\$389,429,345</b> | <b>\$832,279</b>    |
| 46  | <b>Average Effective Real Property Tax Rate</b> |                             |                     |                      |                      | <b>0.21%</b>        |

#### NOTES

- (C) Source: Schedule C3.10. Classification of General Plant account as Real or Personal Property
- (D) Weighted average property tax rate across CEI, OE, and TE. See Section I above.  
Note: Effective with an Ohio tax law change in 2005, non-utilities do not pay Personal Property Tax.
- (E) Estimated Service Company General gross plant balances as of 12/31/11. Source: 2011 budget.
- (F) Calculation: Column D x Column E

**Incremental Depreciation and Property Tax Associated with Service Company Plant**  
**Case No. 07-551-EL-AIR vs. Estimated 12/31/11 Balances**

| <b><u>I. Estimated Service Company Plant and Related Expenses as of December 31, 2011</u></b>   |                    |                      |                     |                     |                     |                      |   |
|---|--------------------|----------------------|---------------------|---------------------|---------------------|----------------------|---|
| <b>Line</b>   | <b>Category</b>    | <b>Service Co.</b>   | <b>CEI</b>          | <b>OE</b>           | <b>TE</b>           | <b>TOTAL</b>         | <b>Source / Notes</b>                           |
| 1   | Allocation Factor  |                      | 14.21%              | 17.22%              | 7.58%               | 39.01%               | Case No. 07-551-EL-AIR                          |
|   | <u>Total Plant</u> |                      |                     |                     |                     |                      |   |
| 2   | Gross Plant        | \$389,429,345        | \$55,337,910        | \$67,059,733        | \$29,518,744        | \$151,916,388        | Service Co. Depreciation Rate, Line 55 x Line 1 |
| 3   | Accum. Reserve     | (\$129,032,494)      | (\$18,335,517)      | (\$22,219,396)      | (\$9,780,663)       | (\$50,335,576)       | Service Co. Depreciation Rate, Line 55 x Line 1 |
| 4   | Net Plant          | <u>\$260,396,851</u> | <u>\$37,002,393</u> | <u>\$44,840,338</u> | <u>\$19,738,081</u> | <u>\$101,580,812</u> | Line 2 + Line 3                                 |
| 5   | Depreciation *     | 9.78%                | \$5,409,947         | \$6,555,896         | \$2,885,813         | \$14,851,656         | Average Rate x Line 2                           |
| 6   | Property Tax *     | 0.21%                | \$118,267           | \$143,318           | \$63,087            | \$324,672            | Average Rate x Line 2                           |
| 7   | Total Expenses     |                      | <u>\$5,528,214</u>  | <u>\$6,699,215</u>  | <u>\$2,948,899</u>  | <u>\$15,176,328</u>  |   |
| * Effective Depreciation and Property Tax rates based on weighted averages across companies over General and Intangible plant, as of 12/31/11.<br>See line 55 on workpaper "Service Co. Depreciation Rate" and line 46 on workpaper "Service Co. Property Tax Rate" for more details. |                    |                      |                     |                     |                     |                      |   |

| <b><u>II. Estimated Allocated Service Company Plant and Related Expenses as of May 31, 2007</u></b>   |                    |                      |                     |                     |                     |                     |   |
|---|--------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---|
| <b>Line</b>   | <b>Rate Base</b>   | <b>Service Co.</b>   | <b>CEI</b>          | <b>OE</b>           | <b>TE</b>           | <b>TOTAL</b>        | <b>Source / Notes</b>                           |
| 8   | Allocation Factor  |                      | 14.21%              | 17.22%              | 7.58%               | 39.01%              | Case No. 07-551-EL-AIR                          |
|   | <u>Total Plant</u> |                      |                     |                     |                     |                     |   |
| 9   | Gross Plant        | \$314,463,678        | \$44,685,289        | \$54,150,645        | \$23,836,347        | \$122,672,281       | Service Co. Depreciation Rate, Line 27 x Line 8 |
| 10  | Accum. Reserve     | (\$141,912,431)      | (\$20,165,756)      | (\$24,437,321)      | (\$10,756,962)      | (\$55,360,039)      | Service Co. Depreciation Rate, Line 27 x Line 8 |
| 11  | Net Plant          | <u>\$172,551,247</u> | <u>\$24,519,532</u> | <u>\$29,713,325</u> | <u>\$13,079,385</u> | <u>\$67,312,242</u> | Line 9 + Line 10                                |
| 12  | Depreciation *     | 10.68%               | \$4,772,824         | \$5,783,816         | \$2,545,954         | \$13,102,594        | Average Rate x Line 9                           |
| 13  | Property Tax *     | 0.14%                | \$60,990            | \$73,910            | \$32,534            | \$167,434           | Average Rate x Line 9                           |
| 14  | Total Expenses     |                      | <u>\$4,833,814</u>  | <u>\$5,857,726</u>  | <u>\$2,578,488</u>  | <u>\$13,270,028</u> | Line 12 + Line 13                               |
| * Effective Depreciation and Property Tax rates based on weighted averages across companies over General and Intangible plant as of 5/31/07.<br>See line 27 on workpaper "Service Co. Depreciation Rate" and line 23 on workpaper "Service Co. Property Tax Rate" for more details. |                    |                      |                     |                     |                     |                     |   |

| <b><u>III. Estimated Incremental Expenses Associated with Allocated Service Company Plant *</u></b>   |                  |                    |                  |                  |                  |                    |                       |
|---|------------------|--------------------|------------------|------------------|------------------|--------------------|-----------------------|
| <b>Line</b>   | <b>Rate Base</b> | <b>Service Co.</b> | <b>CEI</b>       | <b>OE</b>        | <b>TE</b>        | <b>TOTAL</b>       | <b>Source / Notes</b> |
| 15  | Depreciation     | -0.90%             | \$637,123        | \$772,080        | \$339,859        | \$1,749,062        | Line 5 - Line 12      |
| 16  | Property Tax     | 0.08%              | \$57,276         | \$69,409         | \$30,553         | \$157,238          | Line 6 - Line 13      |
| 17  | Total Expenses   |                    | <u>\$694,399</u> | <u>\$841,489</u> | <u>\$370,412</u> | <u>\$1,906,300</u> | Line 15 + Line 16     |
| * In Case No. 07-551-EL-AIR, test year operating expenses included allocated depreciation and property tax associated with Service Company plant. This section calculates the difference between the estimated level of these expenses included in base rates and the expected expenses to be incurred based on Service Company plant balances as of December 31, 2011. The incremental expenses calculated on Line 17 above are added to the Rider DCR revenue requirements. |                  |                    |                  |                  |                  |                    |                       |

### Intangible Depreciation Expense Calculation

#### **NOTE**

The software accounts are amortized over a 7 year period (leading to an accrual rate of 14.29%), and many of these accounts have already been fully amortized.

Therefore, applying the 14.29% accrual rate to the Gross Plant (the methodology employed for all other accounts) overstates the "depreciation expense" associated with intangible plant. This workpaper looks at each sub account within intangible plant and calculates the expense by applying the 14.29% to only those sub-accounts that are not fully amortized yet.

| Company<br>(A)            | Utility Account<br>(B)               | Function<br>(C)  | Gross Plant Dec-11<br>(D)       | Reserve Dec-11<br>(E) | Net Plant Dec-11<br>(F) | Accrual Rates<br>(G) | Depreciation Expense<br>(H)   |
|---------------------------|--------------------------------------|------------------|---------------------------------|-----------------------|-------------------------|----------------------|---|
|                           |                                      |                  | Source: 2011 Budget, Version 12 |                       |                         | Case # 07-551-EL-AIR | Accrual rate only applies to the gross plant of those accounts that are not fully amortized and those accounts that have reserve balances |
| CECO The Illuminating Co. | CECO 101/6-303 Software              | Intangible Plant | (51,305.25)                     | (51,305.28)           | 0.03                    | 14.29%               | \$0.00  |
| CECO The Illuminating Co. | CECO 101/6-39030 General LH - FCT    | Intangible Plant | 436,850.26                      | 430,636.46            | 6,213.80                | 14.29%               | \$6,213.80  |
| CECO The Illuminating Co. | CECO 101/6-303 FAS109 Transm-FCT     | Intangible Plant | 1,176,339.38                    | 955,592.90            | 220,746.48              | 2.15%                | \$25,291.30   |
| CECO The Illuminating Co. | CECO 101/6-303 2005 Software         | Intangible Plant | 1,219,861.54                    | 1,134,746.53          | 85,115.01               | 14.29%               | \$85,115.01   |
| CECO The Illuminating Co. | CECO 101/6-303 2003 Software         | Intangible Plant | 1,307,066.95                    | 1,307,066.95          | 0.00                    | 14.29%               | \$0.00  |
| CECO The Illuminating Co. | CECO 101/6-303 2006 Software         | Intangible Plant | 1,808,777.88                    | 1,428,065.73          | 380,712.15              | 14.29%               | \$258,474.36  |
| CECO The Illuminating Co. | CECO 101/6-303 FAS109 Dist- Forecast | Intangible Plant | 2,001,380.25                    | 1,914,742.31          | 86,637.94               | 3.18%                | \$63,643.89   |
| CECO The Illuminating Co. | CECO 101/6-303 Intangible            | Intangible Plant | 2,137,564.98                    | 12,932.29             | 2,124,632.69            | 14.29%               | \$305,458.04  |
| CECO The Illuminating Co. | CECO 101/6-303 2008 Software         | Intangible Plant | 2,778,014.49                    | 1,460,680.26          | 1,317,334.23            | 14.29%               | \$396,978.27  |
| CECO The Illuminating Co. | CECO 101/6-303 2002 Software         | Intangible Plant | 2,966,784.11                    | 2,966,784.11          | 0.00                    | 14.29%               | \$0.00  |
| CECO The Illuminating Co. | CECO 101/6-303 2010 Software         | Intangible Plant | 3,151,620.23                    | 719,656.50            | 2,431,963.73            | 14.29%               | \$450,366.53  |
| CECO The Illuminating Co. | CECO 101/6-303 2009 Software         | Intangible Plant | 3,231,553.65                    | 901,226.03            | 2,330,327.62            | 14.29%               | \$461,789.02  |
| CECO The Illuminating Co. | CECO 101/6-303 2004 Software         | Intangible Plant | 3,596,344.42                    | 3,596,344.42          | 0.00                    | 14.29%               | \$0.00  |
| CECO The Illuminating Co. | CECO 101/6-303 2007 Software         | Intangible Plant | 5,870,455.85                    | 3,692,867.93          | 2,177,587.92            | 14.29%               | \$838,888.14  |
| CECO The Illuminating Co. | CECO 101/6-303 Software Evolution    | Intangible Plant | 12,454,403.18                   | 12,454,403.18         | 0.00                    | 14.29%               | \$0.00  |
| <b>Total</b>              |                                      |                  | <b>44,085,711.92</b>            | <b>32,924,440.32</b>  | <b>11,161,271.60</b>    |                      | <b>\$2,892,218.35</b>   |
| OECO Ohio Edison Co.      | OECO 101/6-303 FAS109 General Lan    | Intangible Plant | 7,778.00                        | 0.00                  | 7,778.00                | 3.87%                | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-39730-39830 LH Equip      | Intangible Plant | 21,722.08                       | 21,722.08             | 0.00                    | 14.29%               | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 FAS109 Dist Land      | Intangible Plant | 37,082.00                       | 0.00                  | 37,082.00               | 2.89%                | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-301 Organization          | Intangible Plant | 89,746.46                       | 0.00                  | 89,746.46               | 0.00%                | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-39030 LH Buildings        | Intangible Plant | 91,101.29                       | 88,181.86             | 2,919.43                | 14.29%               | \$2,919.43  |
| OECO Ohio Edison Co.      | OECO 101/6-303 FAS109 General Plt    | Intangible Plant | 191,313.37                      | 157,876.54            | 33,436.83               | 3.87%                | \$7,403.83  |
| OECO Ohio Edison Co.      | OECO 101/6-303 FAS109 Transmissio    | Intangible Plant | 697,049.00                      | 697,049.00            | 0.00                    | 2.33%                | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 FAS109 Trans Land     | Intangible Plant | 1,326,229.00                    | 0.00                  | 1,326,229.00            | 2.33%                | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2005 Software         | Intangible Plant | 1,469,370.24                    | 1,469,370.24          | 0.00                    | 14.29%               | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 FAS109 Distribution   | Intangible Plant | 1,556,299.00                    | 1,556,299.00          | 0.00                    | 2.89%                | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 Intangibles           | Intangible Plant | 1,894,098.14                    | 145,219.89            | 1,748,878.25            | 14.29%               | \$270,666.62  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2006 Software         | Intangible Plant | 2,754,123.71                    | 2,759,189.99          | (5,066.28)              | 14.29%               | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2008 Software         | Intangible Plant | 3,495,629.67                    | 3,072,840.91          | 422,788.76              | 14.29%               | \$422,788.76  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2002 Software         | Intangible Plant | 3,690,066.71                    | 3,690,066.71          | 0.00                    | 14.29%               | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2010 Software         | Intangible Plant | 4,144,691.94                    | 977,764.65            | 3,166,927.29            | 14.29%               | \$592,276.48  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2004 Software         | Intangible Plant | 4,524,342.87                    | 4,524,342.87          | 0.00                    | 14.29%               | \$0.00  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2009 Software         | Intangible Plant | 4,764,479.26                    | 1,514,776.67          | 3,249,702.59            | 14.29%               | \$680,844.09  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2007 Software         | Intangible Plant | 7,208,211.44                    | 6,479,760.46          | 728,450.98              | 14.29%               | \$728,450.98  |
| OECO Ohio Edison Co.      | OECO 101/6-303 2003 Software         | Intangible Plant | 17,568,726.13                   | 17,568,726.13         | 0.00                    | 14.29%               | \$0.00  |
| <b>Total</b>              |                                      |                  | <b>55,532,060.31</b>            | <b>44,723,187.00</b>  | <b>10,808,873.31</b>    |                      | <b>\$2,705,350.19</b>   |
| TECO Toledo Edison Co.    | TECO 101/6-303 Software              | Intangible Plant | 0.21                            | 0.00                  | 0.21                    | 14.29%               | \$0.00  |
| TECO Toledo Edison Co.    | TECO 101/6-303 FAS109 Transmission   | Intangible Plant | 54,210.29                       | 44,445.80             | 9,764.49                | 2.37%                | \$1,284.78  |
| TECO Toledo Edison Co.    | TECO 101/6-303 FAS109 Distribution   | Intangible Plant | 240,093.46                      | 212,519.66            | 27,573.80               | 3.10%                | \$7,442.90  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2005 Software         | Intangible Plant | 670,679.46                      | 622,617.87            | 48,061.59               | 14.29%               | \$48,061.59   |
| TECO Toledo Edison Co.    | TECO 101/6-303 Intangible            | Intangible Plant | 770,983.39                      | 57,593.92             | 713,389.47              | 14.29%               | \$110,173.53  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2006 Software         | Intangible Plant | 834,729.01                      | 656,605.98            | 178,123.03              | 14.29%               | \$119,282.78  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2004 Software         | Intangible Plant | 854,820.65                      | 854,820.65            | 0.00                    | 14.29%               | \$0.00  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2008 Software         | Intangible Plant | 1,445,550.32                    | 829,299.76            | 616,250.56              | 14.29%               | \$206,569.14  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2002 Software         | Intangible Plant | 1,705,113.91                    | 1,705,113.91          | 0.00                    | 14.29%               | \$0.00  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2010 Software         | Intangible Plant | 1,788,976.34                    | 420,384.70            | 1,368,591.64            | 14.29%               | \$255,644.72  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2009 Software         | Intangible Plant | 2,059,388.78                    | 605,696.94            | 1,453,691.84            | 14.29%               | \$294,286.66  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2007 Software         | Intangible Plant | 3,095,001.76                    | 1,937,965.11          | 1,157,036.65            | 14.29%               | \$442,275.75  |
| TECO Toledo Edison Co.    | TECO 101/6-303 2003 Software         | Intangible Plant | 7,446,711.94                    | 7,446,711.94          | 0.00                    | 14.29%               | \$0.00  |
| <b>Total</b>              |                                      |                  | <b>20,966,259.52</b>            | <b>15,393,776.24</b>  | <b>5,572,483.28</b>     |                      | <b>\$1,485,021.84</b>   |

**Rider Charge Calculation - Rider DCR**

I. Revenue Requirement Summary

|     | (A)     | (B)                 | (C)     | (D)              |
|-----|---------|---------------------|---------|------------------|
|     | Company | Revenue Requirement |         | Annual KWH Sales |
|     |         | Annual \$           | % Total |                  |
| (1) | CEI     | \$58,963,446        | 53.16%  | 19,085,906,000   |
| (2) | OE      | \$41,669,486        | 37.57%  | 24,253,180,000   |
| (3) | TE      | \$10,287,769        | 9.27%   | 10,872,515,000   |
| (4) | TOTAL   | \$110,920,701       | 100.00% | 54,211,601,000   |

**NOTES**

- (B) Revenue Requirement Calculations Lines 36 through 39
- (C) Percent of Total Ohio Revenue Requirements.
- (D) Source: 2012 Forecast

**Rider Charge Calculation - Rider DCR**

II. Allocation of Total DCR Revenue Requirement to RS and Non-RS (Based on Sales)

|      | (A)     | (B)              | (C)              | (D)     | (E)                        |
|------|---------|------------------|------------------|---------|----------------------------|
|      | Company | Rate<br>Schedule | Annual KWH Sales |         | DCR Revenue<br>Allocations |
|      |         |                  | Total            | % Total |                            |
| (1)  | CEI     | RS               | 5,532,391,000    | 32.86%  | \$19,373,982               |
| (2)  |         | GS, GP, GSU      | 11,305,079,000   | 67.14%  | \$39,589,464               |
| (3)  |         |                  | 16,837,470,000   | 100.00% | \$58,963,446               |
| (4)  | OE      | RS               | 9,129,782,000    | 46.78%  | \$19,494,451               |
| (5)  |         | GS, GP, GSU      | 10,385,173,000   | 53.22%  | \$22,175,036               |
| (6)  |         |                  | 19,514,955,000   | 100.00% | \$41,669,486               |
| (7)  | TE      | RS               | 2,504,779,000    | 43.14%  | \$4,438,283                |
| (8)  |         | GS, GP, GSU      | 3,301,202,000    | 56.86%  | \$5,849,486                |
| (9)  |         |                  | 5,805,981,000    | 100.00% | \$10,287,769               |
| (10) | OH      | RS               | 17,166,952,000   | 40.72%  | \$43,306,716               |
| (11) | TOTAL   | GS, GP, GSU      | 24,991,454,000   | 59.28%  | \$67,613,986               |
| (12) |         |                  | 42,158,406,000   | 100.00% | \$110,920,701              |

**NOTES**

(C) Source: 2012 Forecast

(D) Calculation: Individual Rate Schedule Total / Total for RS, GS, GP, GSU

(E) Calculation: Annual DCR Revenue from Section I, Column B x Column D

**Rider Charge Calculation - Rider DCR**

III. Allocation of DCR Revenue Amongst Non-RS Schedules

|      | (A)     | (B)                          | (C)                    | (D)         | (E)         | (F)                     |
|------|---------|------------------------------|------------------------|-------------|-------------|-------------------------|
|      | Company | Rate Schedule                | Stipulation Allocation |             |             | DCR Revenue Allocations |
|      |         |                              | % of Total             | % of Non-RS | DCR Jurisd. |                         |
| (1)  | CEI     | RS                           | 47.55%                 | 0.00%       | 0.00%       | \$0                     |
| (2)  |         | GS                           | 42.23%                 | 80.52%      | 90.02%      | \$35,637,802            |
| (3)  |         | GP                           | 0.63%                  | 1.19%       | 1.33%       | \$528,102               |
| (4)  |         | GSU                          | 4.06%                  | 7.74%       | 8.65%       | \$3,423,560             |
| (5)  |         | GT                           | 0.18%                  | 0.35%       | 0.00%       | \$0                     |
| (6)  |         | STL                          | 3.53%                  | 6.73%       | 0.00%       | \$0                     |
| (7)  |         | POL                          | 1.79%                  | 3.41%       | 0.00%       | \$0                     |
| (8)  |         | TRF                          | 0.03%                  | 0.06%       | 0.00%       | \$0                     |
| (9)  |         |                              | 100.00%                | 100.00%     | 100.00%     | \$39,589,464            |
| (10) |         | Subtotal (GT, STL, POL, TRF) |                        | 10.55%      |             |                         |
| (11) | OE      | RS                           | 62.45%                 | 0.00%       | 0.00%       | \$0                     |
| (12) |         | GS                           | 27.10%                 | 72.17%      | 81.75%      | \$18,128,749            |
| (13) |         | GP                           | 5.20%                  | 13.85%      | 15.69%      | \$3,479,115             |
| (14) |         | GSU                          | 0.85%                  | 2.26%       | 2.56%       | \$567,172               |
| (15) |         | GT                           | 2.19%                  | 5.84%       | 0.00%       | \$0                     |
| (16) |         | STL                          | 1.39%                  | 3.70%       | 0.00%       | \$0                     |
| (17) |         | POL                          | 0.76%                  | 2.02%       | 0.00%       | \$0                     |
| (18) |         | TRF                          | 0.06%                  | 0.16%       | 0.00%       | \$0                     |
| (19) |         |                              | 100.00%                | 100.00%     | 100.00%     | \$22,175,036            |
| (20) |         | Subtotal (GT, STL, POL, TRF) |                        | 11.72%      |             |                         |
| (21) | TE      | RS                           | 57.93%                 | 0.00%       | 0.00%       | \$0                     |
| (22) |         | GS                           | 32.13%                 | 76.36%      | 86.74%      | \$5,073,830             |
| (23) |         | GP                           | 4.80%                  | 11.42%      | 12.97%      | \$758,860               |
| (24) |         | GSU                          | 0.11%                  | 0.25%       | 0.29%       | \$16,796                |
| (25) |         | GT                           | 1.38%                  | 3.29%       | 0.00%       | \$0                     |
| (26) |         | STL                          | 2.91%                  | 6.92%       | 0.00%       | \$0                     |
| (27) |         | POL                          | 0.69%                  | 1.64%       | 0.00%       | \$0                     |
| (28) |         | TRF                          | 0.05%                  | 0.12%       | 0.00%       | \$0                     |
| (29) |         |                              | 100.00%                | 100.00%     | 100.00%     | \$5,849,486             |
| (30) |         | Subtotal (GT, STL, POL, TRF) |                        | 11.96%      |             |                         |

**NOTES**

- (C) Source: Stipulation in Case No. 07-551-EL-AIR.  
 (D) Calculation: Individual Non-RS Rate Schedule Total from Column C / (1 - RS Total from Column C).  
 (E) Besides customers taking service under Rate Schedule RS, Rider DCR is only applicable to customers taking service under Rate Schedule GS, GP, and GSU. Thus, the portion of the distribution rate increase allocated to Rate Schedules GT, STL, POL, and TRF per the Stipulation in Case No. 07-551-EL-AIR needs to be re-allocated across Rate Schedules GS, GP and GSU  
 Calculation: ((Column D) / Sum of GS, GP, GSU from Column D)  
 (F) Calculation: Total DCR Revenue Allocated to Non-RS customers from Section II x Column E.

**Rider Charge Calculation - Rider DCR (Delivery Capital Recovery Rider)**

IV. Rider DCR Charge Calculation - Rate RS

|     | (A)     | (B)           | (C)                 | (D)                   | (E)                   |
|-----|---------|---------------|---------------------|-----------------------|-----------------------|
|     | Company | Rate Schedule | Annual DCR Revenue  | Annual KWH Sales      | DCR Charge (\$ / KWH) |
| (1) | CEI     | RS            | \$19,373,982        | 5,532,391,000         | <b>\$0.003502</b>     |
| (2) | OE      | RS            | \$19,494,451        | 9,129,782,000         | <b>\$0.002135</b>     |
| (3) | TE      | RS            | \$4,438,283         | 2,504,779,000         | <b>\$0.001772</b>     |
| (4) |         |               | <u>\$43,306,716</u> | <u>17,166,952,000</u> |                       |

**NOTES**

- (C) Source: Section II.  
(D) Source: 2012 Forecast  
(E) Calculation: Column C / Column D.

V. Rider DCR Charge Calculation - Rate GS, Rate GP, Rate GSU

|      | (A)     | (B)           | (C)                 | (D)                      | (E)                              |
|------|---------|---------------|---------------------|--------------------------|----------------------------------|
|      | Company | Rate Schedule | Annual DCR Revenue  | Billing Units (kW / kVa) | DCR Charge (\$ / kW or \$ / kVa) |
| (1)  | CEI     | GS            | \$35,637,802        | 23,870,858               | <b>\$1.4929 per kW</b>           |
| (2)  |         | GP            | \$528,102           | 770,392                  | <b>\$0.6855 per kW</b>           |
| (3)  |         | GSU           | <u>\$3,423,560</u>  | <u>8,270,529</u>         | <b>\$0.4139 per kW</b>           |
| (4)  |         |               | <u>\$39,589,464</u> |                          |                                  |
| (5)  | OE      | GS            | \$18,128,749        | 23,841,092               | <b>\$0.7604 per kW</b>           |
| (6)  |         | GP            | \$3,479,115         | 6,435,639                | <b>\$0.5406 per kW</b>           |
| (7)  |         | GSU           | <u>\$567,172</u>    | <u>2,506,618</u>         | <b>\$0.2263 per kVa</b>          |
| (8)  |         |               | <u>\$22,175,036</u> |                          |                                  |
| (9)  | TE      | GS            | \$5,073,830         | 7,730,519                | <b>\$0.6563 per kW</b>           |
| (10) |         | GP            | \$758,860           | 2,561,889                | <b>\$0.2962 per kW</b>           |
| (11) |         | GSU           | <u>\$16,796</u>     | <u>167,099</u>           | <b>\$0.1005 per kVa</b>          |
| (12) |         |               | <u>\$5,849,486</u>  |                          |                                  |

**NOTES**

- (C) Source: Section III.  
(D) Source: 2012 Forecast  
(E) Calculation: Column C / Column D.

## 2012 Forecast, Energy and Demand

### **Energy:**

|       |     | <u><b>CEI</b></u> | <u><b>OE</b></u> | <u><b>TE</b></u> | <u><b>Total</b></u> |
|-------|-----|-------------------|------------------|------------------|---------------------|
| RS    | kWh | 5,532,391,000     | 9,129,782,000    | 2,504,779,000    | 17,166,952,000      |
| GS    | kWh | 6,999,661,000     | 6,679,590,000    | 2,139,709,000    | 15,818,960,000      |
| GP    | kWh | 408,110,000       | 2,701,298,000    | 1,051,386,000    | 4,160,794,000       |
| GSU   | kWh | 3,897,308,000     | 1,004,285,000    | 110,107,000      | 5,011,700,000       |
| GT    | kWh | 2,026,061,000     | 4,563,496,000    | 5,002,030,000    | 11,591,587,000      |
| STL   | kWh | 138,420,000       | 25,079,000       | 50,001,000       | 213,500,000         |
| POL   | kWh | 60,680,000        | 35,745,000       | 10,674,000       | 107,099,000         |
| TRF   | kWh | 23,275,000        | 17,755,000       | 3,829,000        | 44,859,000          |
| ESIP  | kWh | -                 | 96,150,000       | -                | 96,150,000          |
| Total |     | 19,085,906,000    | 24,253,180,000   | 10,872,515,000   | 54,211,601,000      |

### **Demand:**

|     |        | <u><b>CEI</b></u> | <u><b>OE</b></u> | <u><b>TE</b></u> |
|-----|--------|-------------------|------------------|------------------|
| GS  | kW     | 23,870,858        | 23,841,092       | 7,730,519        |
| GP  | kW     | 770,392           | 6,435,639        | 2,561,889        |
| GSU | kW/kVA | 8,270,529         | 2,506,618        | 167,099          |



True Value Percentage & Capitalized InterestTrue Value Percentage

|                                  | Transmission | Distribution | General    | Notes / Source                               |
|----------------------------------|--------------|--------------|------------|--|
| 1 True Value of Taxable Property | 4,124,990    | 260,836,266  | 8,029,863  | Source: TE's 2011 property tax return filing |
| 2 Net Cost of Taxable Property   | 5,185,094    | 329,913,691  | 26,144,449 | Source: TE's 2011 property tax return filing |
| 3 True Value Percentage          | 79.5548%     | 79.0620%     | 30.7135%   | Calculation: Line 1 / Line 2                 |

Capitalized Interest

|   | Transmission | Distribution | Notes / Source                               |
|---|--------------|--------------|--|
| 4 Cost of Taxable Property (Gross)        | 23,089,226   | 365,082,353  | Source: TE's 2011 property tax return filing |
| 5 Exemption - Land                        | (17,349,646) | (4,966,428)  | Source: TE's 2011 property tax return filing |
| 6 Exemption - Structures                  | (222,443)    | (5,821,671)  | Source: TE's 2011 property tax return filing |
| 7 Exemption - Land - 121 Acct.            |              | (245,306)    | Source: TE's 2011 property tax return filing |
| 8 Exemption - Structure - 121 Acct.       |              | (1,244)      | Source: TE's 2011 property tax return filing |
| 9 Net Cost of Taxable Property (b/f Int.) | 5,517,137    | 354,047,704  | Calculation: Sum (lines 4-8)                 |
| 10 Capitalized Interest                   | 332,043      | 2,107,921    | Source: TE's 2011 property tax return filing |
| 11 Capitalized Interest Percentage        | 6.0184%      | 0.5954%      | Calculation: Line 10 / Line 11               |
| 12 Personal Property Bal. 12/31/11        | 5,336,205    | 362,139,753  | Source: Schedule C-3.10a1, Line 5            |
| 13 Capitalized Interest on 12/31/11 Bal.  | 321,154      | 2,156,099    | Calculation: Line 11 x Line 12               |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data                                |                             |                             |                                 |                                  |                                |                                 |  |
|--|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|--|
| Line No.                                 | Level of Demand (kW)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |  |
| Residential Service - Standard (Rate RS) |                             |                             |                                 |                                  |                                |                                 |  |
| 1  | 0                           | 250                         | \$ 35.04                        | \$ 34.84                         | \$ (0.20)                      | -0.6%                           |  |
| 2  | 0                           | 500                         | \$ 66.06                        | \$ 65.66                         | \$ (0.40)                      | -0.6%                           |  |
| 3  | 0                           | 750                         | \$ 97.01                        | \$ 96.41                         | \$ (0.60)                      | -0.6%                           |  |
| 4  | 0                           | 1,000                       | \$ 128.01                       | \$ 127.21                        | \$ (0.80)                      | -0.6%                           |  |
| 5  | 0                           | 1,250                       | \$ 158.99                       | \$ 157.99                        | \$ (1.00)                      | -0.6%                           |  |
| 6  | 0                           | 1,500                       | \$ 189.99                       | \$ 188.79                        | \$ (1.20)                      | -0.6%                           |  |
| 7  | 0                           | 2,000                       | \$ 251.93                       | \$ 250.33                        | \$ (1.60)                      | -0.6%                           |  |
| 8  | 0                           | 2,500                       | \$ 313.76                       | \$ 311.76                        | \$ (2.00)                      | -0.6%                           |  |
| 9  | 0                           | 3,000                       | \$ 375.47                       | \$ 373.07                        | \$ (2.40)                      | -0.6%                           |  |
| 10                                       | 0                           | 3,500                       | \$ 437.20                       | \$ 434.40                        | \$ (2.80)                      | -0.6%                           |  |
| 11                                       | 0                           | 4,000                       | \$ 498.94                       | \$ 495.74                        | \$ (3.20)                      | -0.6%                           |  |
| 12                                       | 0                           | 4,500                       | \$ 560.71                       | \$ 557.11                        | \$ (3.60)                      | -0.6%                           |  |
| 13                                       | 0                           | 5,000                       | \$ 622.45                       | \$ 618.46                        | \$ (4.00)                      | -0.6%                           |  |
| 14                                       | 0                           | 5,500                       | \$ 684.17                       | \$ 679.78                        | \$ (4.39)                      | -0.6%                           |  |
| 15                                       | 0                           | 6,000                       | \$ 745.91                       | \$ 741.12                        | \$ (4.79)                      | -0.6%                           |  |
| 16                                       | 0                           | 6,500                       | \$ 807.67                       | \$ 802.48                        | \$ (5.19)                      | -0.6%                           |  |
| 17                                       | 0                           | 7,000                       | \$ 869.41                       | \$ 863.82                        | \$ (5.59)                      | -0.6%                           |  |
| 18                                       | 0                           | 7,500                       | \$ 931.18                       | \$ 925.19                        | \$ (5.99)                      | -0.6%                           |  |
| 19                                       | 0                           | 8,000                       | \$ 992.90                       | \$ 986.51                        | \$ (6.39)                      | -0.6%                           |  |
| 20                                       | 0                           | 8,500                       | \$ 1,054.66                     | \$ 1,047.87                      | \$ (6.79)                      | -0.6%                           |  |
| 21                                       | 0                           | 9,000                       | \$ 1,116.39                     | \$ 1,109.20                      | \$ (7.19)                      | -0.6%                           |  |
| 22                                       | 0                           | 9,500                       | \$ 1,178.14                     | \$ 1,170.55                      | \$ (7.59)                      | -0.6%                           |  |
| 23                                       | 0                           | 10,000                      | \$ 1,239.87                     | \$ 1,231.88                      | \$ (7.99)                      | -0.6%                           |  |
| 24                                       | 0                           | 10,500                      | \$ 1,301.64                     | \$ 1,293.25                      | \$ (8.39)                      | -0.6%                           |  |
| 25                                       | 0                           | 11,000                      | \$ 1,363.37                     | \$ 1,354.58                      | \$ (8.79)                      | -0.6%                           |  |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data                                    |                             |                             |                                 |                                  |                                |                                 |
|--|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Line No.                                     | Level of Demand (kW)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |
| Residential Service - All-Electric (Rate RS) |                             |                             |                                 |                                  |                                |                                 |
| 1  | 0                           | 250                         | \$ 35.04                        | \$ 34.84                         | \$ (0.20)                      | -0.6%                           |
| 2  | 0                           | 500                         | \$ 66.06                        | \$ 65.66                         | \$ (0.40)                      | -0.6%                           |
| 3  | 0                           | 750                         | \$ 87.86                        | \$ 87.26                         | \$ (0.60)                      | -0.7%                           |
| 4  | 0                           | 1,000                       | \$ 109.71                       | \$ 108.91                        | \$ (0.80)                      | -0.7%                           |
| 5  | 0                           | 1,250                       | \$ 131.54                       | \$ 130.54                        | \$ (1.00)                      | -0.8%                           |
| 6  | 0                           | 1,500                       | \$ 153.39                       | \$ 152.19                        | \$ (1.20)                      | -0.8%                           |
| 7  | 0                           | 2,000                       | \$ 197.03                       | \$ 195.43                        | \$ (1.60)                      | -0.8%                           |
| 8  | 0                           | 2,500                       | \$ 225.06                       | \$ 223.06                        | \$ (2.00)                      | -0.9%                           |
| 9  | 0                           | 3,000                       | \$ 252.97                       | \$ 250.57                        | \$ (2.40)                      | -0.9%                           |
| 10   | 0                           | 3,500                       | \$ 280.90                       | \$ 278.10                        | \$ (2.80)                      | -1.0%                           |
| 11   | 0                           | 4,000                       | \$ 308.84                       | \$ 305.64                        | \$ (3.20)                      | -1.0%                           |
| 12   | 0                           | 4,500                       | \$ 336.81                       | \$ 333.21                        | \$ (3.60)                      | -1.1%                           |
| 13   | 0                           | 5,000                       | \$ 364.75                       | \$ 360.76                        | \$ (4.00)                      | -1.1%                           |
| 14   | 0                           | 5,500                       | \$ 392.67                       | \$ 388.28                        | \$ (4.39)                      | -1.1%                           |
| 15   | 0                           | 6,000                       | \$ 420.61                       | \$ 415.82                        | \$ (4.79)                      | -1.1%                           |
| 16   | 0                           | 6,500                       | \$ 448.57                       | \$ 443.38                        | \$ (5.19)                      | -1.2%                           |
| 17   | 0                           | 7,000                       | \$ 476.51                       | \$ 470.92                        | \$ (5.59)                      | -1.2%                           |
| 18   | 0                           | 7,500                       | \$ 504.48                       | \$ 498.49                        | \$ (5.99)                      | -1.2%                           |
| 19   | 0                           | 8,000                       | \$ 532.40                       | \$ 526.01                        | \$ (6.39)                      | -1.2%                           |
| 20   | 0                           | 8,500                       | \$ 560.36                       | \$ 553.57                        | \$ (6.79)                      | -1.2%                           |
| 21   | 0                           | 9,000                       | \$ 588.29                       | \$ 581.10                        | \$ (7.19)                      | -1.2%                           |
| 22   | 0                           | 9,500                       | \$ 616.24                       | \$ 608.65                        | \$ (7.59)                      | -1.2%                           |
| 23   | 0                           | 10,000                      | \$ 644.17                       | \$ 636.18                        | \$ (7.99)                      | -1.2%                           |
| 24   | 0                           | 10,500                      | \$ 672.14                       | \$ 663.75                        | \$ (8.39)                      | -1.2%                           |
| 25   | 0                           | 11,000                      | \$ 700.07                       | \$ 691.28                        | \$ (8.79)                      | -1.3%                           |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data   |                             |                             |                                 |                                  |                                |                                 |
|---|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Line No.  | Level of Demand (kW)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |
| Residential Service - All-Electric Apt. (Rate RS) |                             |                             |                                 |                                  |                                |                                 |
| 1   | 0                           | 250                         | \$ 24.84                        | \$ 24.64                         | \$ (0.20)                      | -0.8%                           |
| 2   | 0                           | 500                         | \$ 45.66                        | \$ 45.26                         | \$ (0.40)                      | -0.9%                           |
| 3   | 0                           | 750                         | \$ 57.26                        | \$ 56.66                         | \$ (0.60)                      | -1.0%                           |
| 4   | 0                           | 1,000                       | \$ 68.91                        | \$ 68.11                         | \$ (0.80)                      | -1.2%                           |
| 5   | 0                           | 1,250                       | \$ 80.54                        | \$ 79.54                         | \$ (1.00)                      | -1.2%                           |
| 6   | 0                           | 1,500                       | \$ 92.19                        | \$ 90.99                         | \$ (1.20)                      | -1.3%                           |
| 7   | 0                           | 2,000                       | \$ 115.43                       | \$ 113.83                        | \$ (1.60)                      | -1.4%                           |
| 8   | 0                           | 2,500                       | \$ 158.96                       | \$ 156.96                        | \$ (2.00)                      | -1.3%                           |
| 9   | 0                           | 3,000                       | \$ 202.37                       | \$ 199.97                        | \$ (2.40)                      | -1.2%                           |
| 10  | 0                           | 3,500                       | \$ 245.80                       | \$ 243.00                        | \$ (2.80)                      | -1.1%                           |
| 11  | 0                           | 4,000                       | \$ 289.24                       | \$ 286.04                        | \$ (3.20)                      | -1.1%                           |
| 12  | 0                           | 4,500                       | \$ 332.71                       | \$ 329.11                        | \$ (3.60)                      | -1.1%                           |
| 13  | 0                           | 5,000                       | \$ 376.15                       | \$ 372.16                        | \$ (4.00)                      | -1.1%                           |
| 14  | 0                           | 5,500                       | \$ 419.57                       | \$ 415.18                        | \$ (4.39)                      | -1.0%                           |
| 15  | 0                           | 6,000                       | \$ 463.01                       | \$ 458.22                        | \$ (4.79)                      | -1.0%                           |
| 16  | 0                           | 6,500                       | \$ 506.47                       | \$ 501.28                        | \$ (5.19)                      | -1.0%                           |
| 17  | 0                           | 7,000                       | \$ 549.91                       | \$ 544.32                        | \$ (5.59)                      | -1.0%                           |
| 18  | 0                           | 7,500                       | \$ 593.38                       | \$ 587.39                        | \$ (5.99)                      | -1.0%                           |
| 19  | 0                           | 8,000                       | \$ 636.80                       | \$ 630.41                        | \$ (6.39)                      | -1.0%                           |
| 20  | 0                           | 8,500                       | \$ 680.26                       | \$ 673.47                        | \$ (6.79)                      | -1.0%                           |
| 21  | 0                           | 9,000                       | \$ 723.69                       | \$ 716.50                        | \$ (7.19)                      | -1.0%                           |
| 22  | 0                           | 9,500                       | \$ 767.14                       | \$ 759.55                        | \$ (7.59)                      | -1.0%                           |
| 23  | 0                           | 10,000                      | \$ 810.57                       | \$ 802.58                        | \$ (7.99)                      | -1.0%                           |
| 24  | 0                           | 10,500                      | \$ 854.04                       | \$ 845.65                        | \$ (8.39)                      | -1.0%                           |
| 25  | 0                           | 11,000                      | \$ 897.47                       | \$ 888.68                        | \$ (8.79)                      | -1.0%                           |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data                                     |                             |                             |                                 |                                  |                                |                                 |
|---|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Line No.                                      | Level of Demand (kW)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |
| Residential Service - Water Heating (Rate RS) |                             |                             |                                 |                                  |                                |                                 |
| 1   | 0                           | 250                         | \$ 35.04                        | \$ 34.84                         | \$ (0.20)                      | -0.6%                           |
| 2   | 0                           | 500                         | \$ 66.06                        | \$ 65.66                         | \$ (0.40)                      | -0.6%                           |
| 3   | 0                           | 750                         | \$ 91.36                        | \$ 90.76                         | \$ (0.60)                      | -0.7%                           |
| 4   | 0                           | 1,000                       | \$ 116.71                       | \$ 115.91                        | \$ (0.80)                      | -0.7%                           |
| 5   | 0                           | 1,250                       | \$ 142.04                       | \$ 141.04                        | \$ (1.00)                      | -0.7%                           |
| 6   | 0                           | 1,500                       | \$ 167.39                       | \$ 166.19                        | \$ (1.20)                      | -0.7%                           |
| 7   | 0                           | 2,000                       | \$ 218.03                       | \$ 216.43                        | \$ (1.60)                      | -0.7%                           |
| 8   | 0                           | 2,500                       | \$ 268.56                       | \$ 266.56                        | \$ (2.00)                      | -0.7%                           |
| 9   | 0                           | 3,000                       | \$ 318.97                       | \$ 316.57                        | \$ (2.40)                      | -0.8%                           |
| 10  | 0                           | 3,500                       | \$ 369.40                       | \$ 366.60                        | \$ (2.80)                      | -0.8%                           |
| 11  | 0                           | 4,000                       | \$ 419.84                       | \$ 416.64                        | \$ (3.20)                      | -0.8%                           |
| 12  | 0                           | 4,500                       | \$ 470.31                       | \$ 466.71                        | \$ (3.60)                      | -0.8%                           |
| 13  | 0                           | 5,000                       | \$ 520.75                       | \$ 516.76                        | \$ (4.00)                      | -0.8%                           |
| 14  | 0                           | 5,500                       | \$ 571.17                       | \$ 566.78                        | \$ (4.39)                      | -0.8%                           |
| 15  | 0                           | 6,000                       | \$ 621.61                       | \$ 616.82                        | \$ (4.79)                      | -0.8%                           |
| 16  | 0                           | 6,500                       | \$ 672.07                       | \$ 666.88                        | \$ (5.19)                      | -0.8%                           |
| 17  | 0                           | 7,000                       | \$ 722.51                       | \$ 716.92                        | \$ (5.59)                      | -0.8%                           |
| 18  | 0                           | 7,500                       | \$ 772.98                       | \$ 766.99                        | \$ (5.99)                      | -0.8%                           |
| 19  | 0                           | 8,000                       | \$ 823.40                       | \$ 817.01                        | \$ (6.39)                      | -0.8%                           |
| 20  | 0                           | 8,500                       | \$ 873.86                       | \$ 867.07                        | \$ (6.79)                      | -0.8%                           |
| 21  | 0                           | 9,000                       | \$ 924.29                       | \$ 917.10                        | \$ (7.19)                      | -0.8%                           |
| 22  | 0                           | 9,500                       | \$ 974.74                       | \$ 967.15                        | \$ (7.59)                      | -0.8%                           |
| 23  | 0                           | 10,000                      | \$ 1,025.17                     | \$ 1,017.18                      | \$ (7.99)                      | -0.8%                           |
| 24  | 0                           | 10,500                      | \$ 1,075.64                     | \$ 1,067.25                      | \$ (8.39)                      | -0.8%                           |
| 25  | 0                           | 11,000                      | \$ 1,126.07                     | \$ 1,117.28                      | \$ (8.79)                      | -0.8%                           |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data                           |                             |                             |                                 |                                  |                                |                                 |
|-------------------------------------|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Line No.                            | Level of Demand (kW)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |
| General Service Secondary (Rate GS) |                             |                             |                                 |                                  |                                |                                 |
| 1                                   | 10                          | 1,000                       | \$ 170.23                       | \$ 165.76                        | \$ (4.47)                      | -2.6%                           |
| 2                                   | 10                          | 2,000                       | \$ 256.17                       | \$ 251.70                        | \$ (4.47)                      | -1.7%                           |
| 3                                   | 10                          | 3,000                       | \$ 341.72                       | \$ 337.25                        | \$ (4.47)                      | -1.3%                           |
| 4                                   | 10                          | 4,000                       | \$ 427.21                       | \$ 422.74                        | \$ (4.47)                      | -1.0%                           |
| 5                                   | 10                          | 5,000                       | \$ 512.73                       | \$ 508.26                        | \$ (4.47)                      | -0.9%                           |
| 6                                   | 10                          | 6,000                       | \$ 598.19                       | \$ 593.72                        | \$ (4.47)                      | -0.7%                           |
| 7                                   | 1,000                       | 100,000                     | \$ 19,100.83                    | \$ 18,653.73                     | \$ (447.10)                    | -2.3%                           |
| 8                                   | 1,000                       | 200,000                     | \$ 27,594.95                    | \$ 27,147.85                     | \$ (447.10)                    | -1.6%                           |
| 9                                   | 1,000                       | 300,000                     | \$ 36,089.06                    | \$ 35,641.96                     | \$ (447.10)                    | -1.2%                           |
| 10                                  | 1,000                       | 400,000                     | \$ 44,583.18                    | \$ 44,136.08                     | \$ (447.10)                    | -1.0%                           |
| 11                                  | 1,000                       | 500,000                     | \$ 53,077.30                    | \$ 52,630.20                     | \$ (447.10)                    | -0.8%                           |
| 12                                  | 1,000                       | 600,000                     | \$ 61,571.41                    | \$ 61,124.31                     | \$ (447.10)                    | -0.7%                           |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data                         |                             |                             |                                 |                                  |                                |                                 |
|-----------------------------------|-----------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Line No.                          | Level of Demand (kW)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |
| General Service Primary (Rate GP) |                             |                             |                                 |                                  |                                |                                 |
| 1                                 | 500                         | 50,000                      | \$ 6,020.18                     | \$ 5,929.13                      | \$ (91.05)                     | -1.5%                           |
| 2                                 | 500                         | 100,000                     | \$ 9,770.33                     | \$ 9,679.28                      | \$ (91.05)                     | -0.9%                           |
| 3                                 | 500                         | 150,000                     | \$ 13,520.49                    | \$ 13,429.44                     | \$ (91.05)                     | -0.7%                           |
| 4                                 | 500                         | 200,000                     | \$ 17,270.65                    | \$ 17,179.60                     | \$ (91.05)                     | -0.5%                           |
| 5                                 | 500                         | 250,000                     | \$ 21,020.81                    | \$ 20,929.76                     | \$ (91.05)                     | -0.4%                           |
| 6                                 | 500                         | 300,000                     | \$ 24,770.96                    | \$ 24,679.91                     | \$ (91.05)                     | -0.4%                           |
| 7                                 | 5,000                       | 500,000                     | \$ 58,730.55                    | \$ 57,820.05                     | \$ (910.50)                    | -1.6%                           |
| 8                                 | 5,000                       | 1,000,000                   | \$ 95,886.16                    | \$ 94,975.66                     | \$ (910.50)                    | -0.9%                           |
| 9                                 | 5,000                       | 1,500,000                   | \$ 132,351.89                   | \$ 131,441.39                    | \$ (910.50)                    | -0.7%                           |
| 10                                | 5,000                       | 2,000,000                   | \$ 168,817.62                   | \$ 167,907.12                    | \$ (910.50)                    | -0.5%                           |
| 11                                | 5,000                       | 2,500,000                   | \$ 205,283.35                   | \$ 204,372.85                    | \$ (910.50)                    | -0.4%                           |
| 12                                | 5,000                       | 3,000,000                   | \$ 241,749.08                   | \$ 240,838.58                    | \$ (910.50)                    | -0.4%                           |

The Toledo Edison Company  
Case No. 10-388-EL-SSO  
Typical Bills - Comparison (DCR vs. DSI)

| Bill Data                                  |                              |                             |                                 |                                  |                                |                                 |
|--|------------------------------|-----------------------------|---------------------------------|----------------------------------|--------------------------------|---------------------------------|
| Line No.                                   | Level of Demand (kVa)<br>(A) | Level of Usage (kWH)<br>(B) | Current Winter Bill (\$)<br>(C) | Proposed Winter Bill (\$)<br>(D) | Dollar Increase (D)-(C)<br>(E) | Percent Increase (E)/(C)<br>(F) |
| General Service Subtransmission (Rate GSU) |                              |                             |                                 |                                  |                                |                                 |
| 1  | 1,000                        | 100,000                     | \$ 9,558.69                     | \$ 9,500.39                      | \$ (58.30)                     | -0.6%                           |
| 2  | 1,000                        | 200,000                     | \$ 16,336.01                    | \$ 16,277.71                     | \$ (58.30)                     | -0.4%                           |
| 3  | 1,000                        | 300,000                     | \$ 23,113.32                    | \$ 23,055.02                     | \$ (58.30)                     | -0.3%                           |
| 4  | 1,000                        | 400,000                     | \$ 29,890.64                    | \$ 29,832.34                     | \$ (58.30)                     | -0.2%                           |
| 5  | 1,000                        | 500,000                     | \$ 36,667.96                    | \$ 36,609.66                     | \$ (58.30)                     | -0.2%                           |
| 6  | 1,000                        | 600,000                     | \$ 43,445.27                    | \$ 43,386.97                     | \$ (58.30)                     | -0.1%                           |
| 7  | 10,000                       | 1,000,000                   | \$ 93,318.77                    | \$ 92,735.77                     | \$ (583.00)                    | -0.6%                           |
| 8  | 10,000                       | 2,000,000                   | \$ 159,020.23                   | \$ 158,437.23                    | \$ (583.00)                    | -0.4%                           |
| 9  | 10,000                       | 3,000,000                   | \$ 224,721.69                   | \$ 224,138.69                    | \$ (583.00)                    | -0.3%                           |
| 10   | 10,000                       | 4,000,000                   | \$ 290,423.15                   | \$ 289,840.15                    | \$ (583.00)                    | -0.2%                           |
| 11   | 10,000                       | 5,000,000                   | \$ 356,124.62                   | \$ 355,541.62                    | \$ (583.00)                    | -0.2%                           |
| 12   | 10,000                       | 6,000,000                   | \$ 421,826.08                   | \$ 421,243.08                    | \$ (583.00)                    | -0.1%                           |



**RIDER DCR**  
**Delivery Capital Recovery Rider**

**APPLICABILITY:**

Applicable to any customer who receives electric service under the Company's rate schedules set forth below. The Delivery Capital Recovery Rider (DCR) charges will apply, by rate schedule, effective for bills rendered beginning January 1, 2012. This Rider is not avoidable for customers who take electric generation service from a certified supplier.

**RATE:**

|                                 |           |
|---------------------------------|-----------|
| RS (all kWhs, per kWh)          | 0.1772¢   |
| GS (per kW of Billing Demand)   | \$ 0.6563 |
| GP (per kW of Billing Demand)   | \$ 0.2962 |
| GSU (per kVa of Billing Demand) | \$ 0.1005 |

**PROVISIONS:**

The charges set forth in this Rider recover costs associated with delivery plant investments made since the date certain in Case No. 07-551-EL-AIR, exclusive of any delivery plant investments being recovered elsewhere.

**RIDER UPDATES:**

The charges contained in this Rider shall be updated on a quarterly basis. No later than October 31st, January 31st, April 30th and July 30th of each year, the Company will file with the PUCO a request for approval of the Rider charges which, unless otherwise ordered by the PUCO, shall become effective on a bills rendered basis on January 1st, April 1st, July 1st and October 1st of each year.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 10-0388-EL-SSO, 89-6008-EL-TRF**

Summary: Tariff Compliance filing for 2012 Rider DCR for The Toledo Edison Company electronically filed by Ms. Meghan C. Moreland on behalf of FirstEnergy and Ms. Eileen M. Mikkelsen