

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Delivery Capital :  
Recovery Rider Contained in the Tariffs : Case No. **12-2855-EL-RDR**  
of **Ohio Edison Company, The** :  
**Cleveland Electric Illuminating** :  
**Company, and The Toledo Edison** :  
**Company.**

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**JOINT COMMENTS**  
SUBMITTED ON BEHALF OF THE STAFF OF  
THE PUBLIC UTILITIES COMMISSION OF OHIO  
AND  
OHIO EDISON COMPANY, THE CLEVELAND ELECTRIC ILLUMINATING  
COMPANY, AND THE TOLEDO EDISON COMPANY

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On March 22, 2013, Blue Ridge Consulting Services, Inc. (Blue Ridge), an independent auditor selected by the Commission Staff, with the consent of the Companies, filed its Compliance Audit Report (Report) of the Delivery Capital Recovery (DCR) Rider of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company (collectively, Companies). The Commission Staff and the Companies agree that the Commission should adopt the recommendations Blue Ridge made in its Report as specifically described below:

- On Page 14 of the Report, Blue Ridge recommended that the Companies include quantification of any increase in efficiency and savings within its (IT) project justifications.

- On Page 14 of the Report, Blue Ridge found that of the 90 work orders tested, 12 had errors. On Page 15 of the Report, Blue Ridge found that Ohio Edison and Toledo Edison's Rider DCR inappropriately includes two Pennsylvania related items in accumulated deferred income taxes (ADIT). The total estimated impact to the Rider DCR of Blue Ridge's findings associated with the work order transactional testing and ADIT is a reduction of approximately \$470,614 in the DCR annual revenue requirement. Blue Ridge recommended that the Companies correct the errors identified by Blue Ridge and adjust Rider DCR accordingly. Rider DCR effective July 1, 2013 incorporates these adjustments.
- On Page 16, Blue Ridge recommended that the Commission consider an updated depreciation study be conducted as the last approved study was based on balances as of May 31, 2007. Staff recommends the Commission direct the Companies to submit this study to Staff no later than June 1, 2015.
- On Page 25, Blue Ridge recommended that the Companies continue to closely monitor IT project planning and implementation.
- On Page 26, Blue Ridge recommended that the Companies continue their efforts to reduce the unitization backlog before the next audit to reduce the potential for over or under accrual of depreciation.
- On Page 46, Blue Ridge recommended that the sample of December 2012 work orders be included in the test sample for the 2013 compliance audit.

Respectfully submitted,

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Ohio Attorney General

**William L. Wright**  
Section Chief

/s/ Thomas W. McNamee

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## PROOF OF SERVICE

I hereby certify that a true copy of the foregoing **Post-Hearing Brief** submitted on behalf of the Staff of the Public Utilities Commission of Ohio, was served by regular U.S. mail, postage prepaid, or hand-delivered, upon the following Parties of Record, this 22<sup>nd</sup> day of May, 2013.

/s/ Thomas W. McNamee

**Thomas W. McNamee**  
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### **Parties of Record:**

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**Case No(s). 12-2855-EL-RDR**

Summary: Comments Joint Comments submitted by Assistant Attorney General Thomas McNamee on behalf of the Staff of the Public Utilities Commission of Ohio, and by James Burk on behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company. electronically filed by Kimberly L Keeton on behalf of Public Utilities Commission of Ohio