

July 2, 2014

Ms. Barcy McNeal
Commission Secretary
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

SUBJECT: Case Nos. 13-2007-EL-RDR
89-6008-EL-TRF

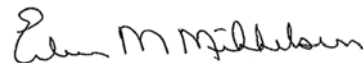
Dear Ms. McNeal:

In accordance with the Commission Orders in The Toledo Edison Company's Case No. 12-1230-EL-SSO and Case No. 10-388-EL-SSO Electric Security Plan proceedings, please file the attached schedules, bill impacts, and tariff pages on behalf of The Toledo Edison Company related to the Delivery Capital Recovery Rider (Rider DCR). The attached schedules demonstrate that the year-to-date revenue is below the permitted annual cap for 2014 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 Orders in The Toledo Edison Company's Case No. 12-1230-EL-SSO and Case No. 10-388-EL-SSO Electric Security Plan proceedings.

Further, as set forth in the Combined Stipulation, there have been no net job losses at the Companies and 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 Companies, 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 on current bills of the Rider DCR charges commencing on September 1, 2014.

Finally, attached is a tariff page that reflects the pricing update of Rider DCR. Please file one copy of the tariffs in each of the above mentioned Case Nos. 13-2007-EL-RDR 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)
September - November Filing
July 2, 2014

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Rider DCR
Rates for September - November 2014
Revenue Requirement Summary

(\$ millions)

Calculation of Annual Revenue Requirement Based on Estimated 8/31/2014 Rate Base

| Line No. | Description | Source | CEI | OE | TE | TOTAL |
|----------|--|--|---------|---------|---------|----------|
| 1 | Annual Revenue Requirement Based on Actual 5/31/2014 Rate Base | 7/2/2014 Compliance Filing; Page 2; Column (f) Lines 36-39 | \$ 91.3 | \$ 92.3 | \$ 24.7 | \$ 208.4 |
| 2 | Incremental Revenue Requirement Based on Estimated 8/31/2014 Rate Base | Calculation: 7/2/2014 Compliance Filing (Page 27, Column (f) Lines 36-39) minus Line 1 | \$ 4.6 | \$ 2.8 | \$ 1.6 | \$ 9.0 |
| 3 | Annual Revenue Requirement Based on Estimated 8/31/2014 Rate Base | Calculation: SUM [Line 1 through Line 2] | \$ 95.9 | \$ 95.1 | \$ 26.4 | \$ 217.3 |

Rider DCR
Actual Distribution Rate Base Additions as of 5/31/14
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) |
|-----------------------------|-------------------|------------------|--------------------|-----------------------------------|
| Gross Plant | 5/31/2007* | 5/31/2014 | Incremental | Source of Column (B) |
| (1) CEI | 1,927.1 | 2,739.4 | 812.4 | Sch B2.1 (Actual) Line 45 |
| (2) OE | 2,074.0 | 3,013.4 | 939.4 | Sch B2.1 (Actual) Line 47 |
| (3) TE | 771.5 | 1,096.0 | 324.5 | Sch B2.1 (Actual) Line 44 |
| (4) Total | 4,772.5 | 6,848.8 | 2,076.3 | Sum: [(1) through (3)] |
| Accumulated Reserve | | | | |
| (5) CEI | (773.0) | (1,126.8) | (353.8) | -Sch B3 (Actual) Line 46 |
| (6) OE | (803.0) | (1,185.7) | (382.7) | -Sch B3 (Actual) Line 48 |
| (7) TE | (376.8) | (530.4) | (153.7) | -Sch B3 (Actual) Line 45 |
| (8) Total | (1,952.8) | (2,843.0) | (890.2) | Sum: [(5) through (7)] |
| Net Plant In Service | | | | |
| (9) CEI | 1,154.0 | 1,612.6 | 458.5 | (1) + (5) |
| (10) OE | 1,271.0 | 1,827.6 | 556.7 | (2) + (6) |
| (11) TE | 394.7 | 565.6 | 170.9 | (3) + (7) |
| (12) Total | 2,819.7 | 4,005.8 | 1,186.1 | Sum: [(9) through (11)] |
| ADIT | | | | |
| (13) CEI | (246.4) | (458.1) | (211.7) | - ADIT Balances (Actual) Line 3 |
| (14) OE | (197.1) | (473.7) | (276.6) | - ADIT Balances (Actual) Line 3 |
| (15) TE | (10.3) | (133.8) | (123.5) | - ADIT Balances (Actual) Line 3 |
| (16) Total | (453.8) | (1,065.6) | (611.8) | Sum: [(13) through (15)] |
| Rate Base | | | | |
| (17) CEI | 907.7 | 1,154.5 | 246.9 | (9) + (13) |
| (18) OE | 1,073.9 | 1,353.9 | 280.0 | (10) + (14) |
| (19) TE | 384.4 | 431.7 | 47.3 | (11) + (15) |
| (20) Total | 2,366.0 | 2,940.2 | 574.2 | Sum: [(17) through (19)] |
| Depreciation Exp | | | | |
| (21) CEI | 60.0 | 87.3 | 27.3 | Sch B-3.2 (Actual) Line 46 |
| (22) OE | 62.0 | 89.2 | 27.2 | Sch B-3.2 (Actual) Line 48 |
| (23) TE | 24.5 | 34.9 | 10.4 | Sch B-3.2 (Actual) Line 45 |
| (24) Total | 146.5 | 211.4 | 64.8 | Sum: [(21) through (23)] |
| Property Tax Exp | | | | |
| (25) CEI | 65.0 | 100.6 | 35.6 | Sch C-3.10a (Actual) Line 4 |
| (26) OE | 57.4 | 90.5 | 33.2 | Sch C-3.10a (Actual) Line 4 |
| (27) TE | 20.1 | 29.1 | 9.0 | Sch C-3.10a (Actual) Line 4 |
| (28) Total | 142.4 | 220.1 | 77.7 | Sum: [(25) through (27)] |

| | Revenue Requirement | Rate Base | Return 8.48% | Deprec | Prop Tax | Rev. Req. |
|-------------------|----------------------------|------------------|---------------------|---------------|-----------------|------------------|
| (29) CEI | | 246.9 | 20.9 | 27.3 | 35.6 | 83.9 |
| (30) OE | | 280.0 | 23.7 | 27.2 | 33.2 | 84.1 |
| (31) TE | | 47.3 | 4.0 | 10.4 | 9.0 | 23.3 |
| (32) Total | | 574.2 | 48.7 | 64.8 | 77.7 | 191.3 |

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

| | (a) | (b) | (c) | (d) | (e) | (f) |
|-------------------|----------------------|-----------------|-------------------|------------------|--------------|------------------------|
| | Equity Return | Tax Rate | Income Tax | CAT 0.26% | Taxes | Rev. Req. + Tax |
| (36) CEI | 12.7 | 36.13% | 7.2 | 0.2 | 7.4 | 91.3 |
| (37) OE | 14.4 | 35.80% | 8.0 | 0.2 | 8.3 | 92.3 |
| (38) TE | 2.4 | 35.68% | 1.4 | 0.1 | 1.4 | 24.7 |
| (39) Total | 29.5 | | 16.6 | 0.5 | 17.1 | 208.4 |

(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: 13-2007-EL-RDR
5/31/2014 Actual Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Actual)
Page 1 of 4

NOTE: Column A contains actual plant in service balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|---------------------------|-------------|----------------------------------|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>TRANSMISSION PLANT</u> | | | | | | | |
| 1 | 350 | Land & Land Rights | \$ 17,347,852 | 100% | \$ 17,347,852 | \$ (15,628,438) | \$ 1,719,414 |
| 2 | 352 | Structures & Improvements | \$ 218,363 | 100% | \$ 218,363 | | \$ 218,363 |
| 3 | 353 | Station Equipment | \$ 10,308,076 | 100% | \$ 10,308,076 | | \$ 10,308,076 |
| 4 | 354 | Towers & Fixtures | \$ 34,264 | 100% | \$ 34,264 | | \$ 34,264 |
| 5 | 355 | Poles & Fixtures | \$ 4,100,847 | 100% | \$ 4,100,847 | | \$ 4,100,847 |
| 6 | 356 | Overhead Conductors & Devices | \$ 5,305,952 | 100% | \$ 5,305,952 | | \$ 5,305,952 |
| 7 | 357 | Underground Conduit | \$ 497,928 | 100% | \$ 497,928 | | \$ 497,928 |
| 8 | 358 | Underground Conductors & Devices | \$ 386,079 | 100% | \$ 386,079 | | \$ 386,079 |
| 9 | 359 | Roads & Trails | \$ - | 100% | \$ - | | \$ - |
| 10 | | Total Transmission Plant | \$ 38,199,361 | 100% | \$ 38,199,361 | \$ (15,628,438) | \$ 22,570,923 |

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Actual)
Page 2 of 4

NOTE: Column A contains actual plant in service balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|---------------------------|-------------|---|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>DISTRIBUTION PLANT</u> | | | | | | | |
| 11 | 360 | Land & Land Rights | \$ 4,966,340 | 100% | \$ 4,966,340 | | \$ 4,966,340 |
| 12 | 361 | Structures & Improvements | \$ 5,920,323 | 100% | \$ 5,920,323 | | \$ 5,920,323 |
| 13 | 362 | Station Equipment | \$ 92,477,931 | 100% | \$ 92,477,931 | | \$ 92,477,931 |
| 14 | 364 | Poles, Towers & Fixtures | \$ 159,699,331 | 100% | \$ 159,699,331 | | \$ 159,699,331 |
| 15 | 365 | Overhead Conductors & Devices | \$ 199,731,585 | 100% | \$ 199,731,585 | | \$ 199,731,585 |
| 16 | 366 | Underground Conduit | \$ 13,154,443 | 100% | \$ 13,154,443 | | \$ 13,154,443 |
| 17 | 367 | Underground Conductors & Devices | \$ 119,328,712 | 100% | \$ 119,328,712 | | \$ 119,328,712 |
| 18 | 368 | Line Transformers | \$ 149,096,674 | 100% | \$ 149,096,674 | | \$ 149,096,674 |
| 19 | 369 | Services | \$ 66,618,503 | 100% | \$ 66,618,503 | | \$ 66,618,503 |
| 20 | 370 | Meters | \$ 38,117,037 | 100% | \$ 38,117,037 | | \$ 38,117,037 |
| 21 | 371 | Installation on Customer Premises | \$ 6,441,560 | 100% | \$ 6,441,560 | | \$ 6,441,560 |
| 22 | 373 | Street Lighting & Signal Systems | \$ 56,156,071 | 100% | \$ 56,156,071 | | \$ 56,156,071 |
| 23 | 374 | Asset Retirement Costs for Distribution Plant | \$ 7,901 | 100% | \$ 7,901 | | \$ 7,901 |
| 24 | | Total Distribution Plant | \$ 911,716,410 | 100% | \$ 911,716,410 | \$ - | \$ 911,716,410 |

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Actual)
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NOTE: Column A contains actual plant in service balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|----------------------|-------------|--|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>GENERAL PLANT</u> | | | | | | | |
| 25 | 389 | Land & Land Rights | \$ 1,826,097 | 100% | \$ 1,826,097 | | \$ 1,826,097 |
| 26 | 390 | Structures & Improvements | \$ 56,212,175 | 100% | \$ 56,212,175 | | \$ 56,212,175 |
| 27 | 391.1 | Office Furniture & Equipment | \$ 2,325,456 | 100% | \$ 2,325,456 | | \$ 2,325,456 |
| 28 | 391.2 | Data Processing Equipment | \$ 10,300,634 | 100% | \$ 10,300,634 | | \$ 10,300,634 |
| 29 | 392 | Transportation Equipment | \$ 1,207,617 | 100% | \$ 1,207,617 | | \$ 1,207,617 |
| 30 | 393 | Stores Equipment | \$ 631,466 | 100% | \$ 631,466 | | \$ 631,466 |
| 31 | 394 | Tools, Shop & Garage Equipment | \$ 5,395,012 | 100% | \$ 5,395,012 | | \$ 5,395,012 |
| 32 | 395 | Laboratory Equipment | \$ 1,747,323 | 100% | \$ 1,747,323 | | \$ 1,747,323 |
| 33 | 396 | Power Operated Equipment | \$ 918,265 | 100% | \$ 918,265 | | \$ 918,265 |
| 34 | 397 | Communication Equipment | \$ 9,586,508 | 100% | \$ 9,586,508 | | \$ 9,586,508 |
| 35 | 398 | Miscellaneous Equipment | \$ 454,451 | 100% | \$ 454,451 | | \$ 454,451 |
| 36 | 399.1 | Asset Retirement Costs for General Plant | <u>\$ 7,345,237</u> | 100% | <u>\$ 7,345,237</u> | | <u>\$ 7,345,237</u> |
| 37 | | Total General Plant | \$ 97,950,240 | 100% | \$ 97,950,240 | \$0 | \$ 97,950,240 |

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Actual)
Page 4 of 4

NOTE: Column A contains actual plant in service balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|--------------------|-------------|----------------------------------|-------------------------|------------------|---------------------------------|------------------------|---------------------------------------|
| <u>OTHER PLANT</u> | | | | | | | |
| 38 | 303 | Intangible Software | \$ 21,822,237 | 100% | \$ 21,822,237 | | \$ 21,822,237 |
| 39 | 303 | Intangible FAS 109 Transmission | \$ 54,210 | 100% | \$ 54,210 | | \$ 54,210 |
| 40 | 303 | Intangible FAS 109 Distribution | \$ 240,093 | 100% | \$ 240,093 | | \$ 240,093 |
| 41 | | Total Other Plant | \$ 22,116,540 | | \$ 22,116,540 | \$ - | \$ 22,116,540 |
| 42 | | Company Total Plant | <u>\$ 1,069,982,552</u> | 100% | <u>\$ 1,069,982,552</u> | <u>\$ (15,628,438)</u> | <u>\$ 1,054,354,114</u> |
| 43 | | Service Company Plant Allocated* | | | | | \$ 41,653,429 |
| 44 | | Grand Total Plant (42 + 43) | | | | | <u>\$ 1,096,007,543</u> |

* Source: Line 2 of the "Service Company Allocations to the Ohio Operating Companies (Actual)" workpaper.

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Actual)
Page 1 of 4

NOTE: Column B contains actual reserve for accumulated depreciation balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" worksheet.

| Line No. | Account No. | Account Title | Total Company | Reserve Balances | | | | |
|---------------------------|-------------|----------------------------------|-----------------------------------|------------------|------------|--------------------------|-------------|---------------------------------|
| | | | Plant Investment | Total | Allocation | Allocated | Adjustments | Adjusted |
| | | | Sch B2.1 (Actual) Column E (A) | Company (B) | % (C) | Total (D) = (B) * (C) | (E) | Jurisdiction (F) = (D) + (E) |
| <u>TRANSMISSION PLANT</u> | | | | | | | | |
| 1 | 350 | Land & Land Rights | \$ 1,719,414 | \$ - | 100% | \$ - | | \$ - |
| 2 | 352 | Structures & Improvements | \$ 218,363 | \$ 195,148 | 100% | \$ 195,148 | | \$ 195,148 |
| 3 | 353 | Station Equipment | \$ 10,308,076 | \$ 4,580,427 | 100% | \$ 4,580,427 | | \$ 4,580,427 |
| 4 | 354 | Towers & Fixtures | \$ 34,264 | \$ 40,543 | 100% | \$ 40,543 | | \$ 40,543 |
| 5 | 355 | Poles & Fixtures | \$ 4,100,847 | \$ 2,745,557 | 100% | \$ 2,745,557 | | \$ 2,745,557 |
| 6 | 356 | Overhead Conductors & Devices | \$ 5,305,952 | \$ 3,068,721 | 100% | \$ 3,068,721 | | \$ 3,068,721 |
| 7 | 357 | Underground Conduit | \$ 497,928 | \$ 162,714 | 100% | \$ 162,714 | | \$ 162,714 |
| 8 | 358 | Underground Conductors & Devices | \$ 386,079 | \$ 162,268 | 100% | \$ 162,268 | | \$ 162,268 |
| 9 | 359 | Roads & Trails | \$ - | \$ - | 100% | \$ - | | \$ - |
| 10 | | Total Transmission Plant | \$ 22,570,923 | \$ 10,955,378 | 100% | \$ 10,955,378 | \$0 | \$ 10,955,378 |

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Actual)

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NOTE: Column B contains actual reserve for accumulated depreciation balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" worksheet.

| Line No. | Account No. | Account Title | Total Company Plant Investment | Reserve Balances | | | | |
|---------------------------|-------------|---|--------------------------------|------------------|--------------|-----------------|-------------|-----------------------|
| | | | Sch B2.1 (Actual) Column E | Total Company | Allocation % | Allocated Total | Adjustments | Adjusted Jurisdiction |
| | | | (A) | (B) | (C) | (D) = (B) * (C) | (E) | (F) = (D) + (E) |
| <u>DISTRIBUTION PLANT</u> | | | | | | | | |
| 11 | 360 | Land & Land Rights | \$ 4,966,340 | \$ - | 100% | \$ - | | \$ - |
| 12 | 361 | Structures & Improvements | \$ 5,920,323 | \$ 1,892,955 | 100% | \$ 1,892,955 | | \$ 1,892,955 |
| 13 | 362 | Station Equipment | \$ 92,477,931 | \$ 32,809,486 | 100% | \$ 32,809,486 | | \$ 32,809,486 |
| 14 | 364 | Poles, Towers & Fixtures | \$ 159,699,331 | \$ 104,988,606 | 100% | \$ 104,988,606 | | \$ 104,988,606 |
| 15 | 365 | Overhead Conductors & Devices | \$ 199,731,585 | \$ 76,764,348 | 100% | \$ 76,764,348 | | \$ 76,764,348 |
| 16 | 366 | Underground Conduit | \$ 13,154,443 | \$ 7,361,068 | 100% | \$ 7,361,068 | | \$ 7,361,068 |
| 17 | 367 | Underground Conductors & Devices | \$ 119,328,712 | \$ 42,007,779 | 100% | \$ 42,007,779 | | \$ 42,007,779 |
| 18 | 368 | Line Transformers | \$ 149,096,674 | \$ 63,073,665 | 100% | \$ 63,073,665 | | \$ 63,073,665 |
| 19 | 369 | Services | \$ 66,618,503 | \$ 63,339,874 | 100% | \$ 63,339,874 | | \$ 63,339,874 |
| 20 | 370 | Meters | \$ 38,117,037 | \$ 18,442,898 | 100% | \$ 18,442,898 | | \$ 18,442,898 |
| 21 | 371 | Installation on Customer Premises | \$ 6,441,560 | \$ 3,718,100 | 100% | \$ 3,718,100 | | \$ 3,718,100 |
| 22 | 373 | Street Lighting & Signal Systems | \$ 56,156,071 | \$ 36,219,849 | 100% | \$ 36,219,849 | | \$ 36,219,849 |
| 23 | 374 | Asset Retirement Costs for Distribution Plant | \$ 7,901 | \$ 4,851 | 100% | \$ 4,851 | | \$ 4,851 |
| 24 | | Total Distribution Plant | \$ 911,716,410 | \$ 450,623,478 | 100% | \$ 450,623,478 | \$ - | \$ 450,623,478 |

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Actual)
Page 3 of 4

NOTE: Column B contains actual reserve for accumulated depreciation balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company Plant Investment | Reserve Balances | | | | |
|----------------------|-------------|--|--------------------------------|------------------|--------------|-----------------|-------------|-----------------------|
| | | | Sch B2.1 (Actual) Column E | Total Company | Allocation % | Allocated Total | Adjustments | Adjusted Jurisdiction |
| | | | (A) | (B) | (C) | (D) = (B) * (C) | (E) | (F) = (D) + (E) |
| <u>GENERAL PLANT</u> | | | | | | | | |
| 25 | 389 | Land & Land Rights | \$ 1,826,097 | \$ - | 100% | \$ - | | \$ - |
| 26 | 390 | Structures & Improvements | \$ 56,212,175 | \$ 19,224,705 | 100% | \$ 19,224,705 | | \$ 19,224,705 |
| 27 | 391.1 | Office Furniture & Equipment | \$ 2,325,456 | \$ 2,097,315 | 100% | \$ 2,097,315 | | \$ 2,097,315 |
| 28 | 391.2 | Data Processing Equipment | \$ 10,300,634 | \$ 4,786,660 | 100% | \$ 4,786,660 | | \$ 4,786,660 |
| 29 | 392 | Transportation Equipment | \$ 1,207,617 | \$ 1,153,760 | 100% | \$ 1,153,760 | | \$ 1,153,760 |
| 30 | 393 | Stores Equipment | \$ 631,466 | \$ 384,072 | 100% | \$ 384,072 | | \$ 384,072 |
| 31 | 394 | Tools, Shop & Garage Equipment | \$ 5,395,012 | \$ 2,028,748 | 100% | \$ 2,028,748 | | \$ 2,028,748 |
| 32 | 395 | Laboratory Equipment | \$ 1,747,323 | \$ 1,071,233 | 100% | \$ 1,071,233 | | \$ 1,071,233 |
| 33 | 396 | Power Operated Equipment | \$ 918,265 | \$ 878,894 | 100% | \$ 878,894 | | \$ 878,894 |
| 34 | 397 | Communication Equipment | \$ 9,586,508 | \$ 7,830,410 | 100% | \$ 7,830,410 | | \$ 7,830,410 |
| 35 | 398 | Miscellaneous Equipment | \$ 454,451 | \$ 170,127 | 100% | \$ 170,127 | | \$ 170,127 |
| 36 | 399.1 | Asset Retirement Costs for General Plant | \$ 7,345,237 | \$ 356,890 | 100% | \$ 356,890 | | \$ 356,890 |
| 37 | | Total General Plant Plant | \$ 97,950,240 | \$ 39,982,812 | 100% | \$ 39,982,812 | \$ - | \$ 39,982,812 |

The Toledo Edison Company: 13-2007-EL-RDR
5/31/2014 Actual Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Actual)

Page 4 of 4

NOTE: Column B contains actual reserve for accumulated depreciation balances as of 5/31/2014, adjusted to remove the cumulative pre-2007 impact of a change in pension accounting and incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Actual 5/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company | Reserve Balances | | | | |
|--------------------|-------------|---------------------------------------|-----------------------------------|------------------|------------|--------------------------|-------------|---------------------------------|
| | | | Plant Investment | Total | Allocation | Allocated | Adjustments | Adjusted |
| | | | Sch B2.1 (Actual) Column E (A) | Company (B) | % (C) | Total (D) = (B) * (C) | (E) | Jurisdiction (F) = (D) + (E) |
| <u>OTHER PLANT</u> | | | | | | | | |
| 38 | 303 | Intangible Software | \$ 21,822,237 | \$ 18,858,349 | 100% | \$ 18,858,349 | | \$ 18,858,349 |
| 39 | 303 | Intangible FAS 109 Transmission | \$ 54,210 | \$ 47,472 | 100% | \$ 47,472 | | \$ 47,472 |
| 40 | 303 | Intangible FAS 109 Distribution | \$ 240,093 | \$ 232,943 | 100% | \$ 232,943 | | \$ 232,943 |
| 41 | | Total Other Plant | \$ 22,116,540 | \$ 19,138,765 | | \$ 19,138,765 | \$ - | \$ 19,138,765 |
| 42 | | Removal Work in Progress (RWIP) | | \$ (6,285,446) | 100% | \$ (6,285,446) | | \$ (6,285,446) |
| 43 | | Company Total Plant (Reserve) | \$ 1,054,354,114 | \$ 514,414,988 | 100% | \$ 514,414,988 | \$ - | \$ 514,414,988 |
| 44 | | Service Company Reserve Allocated* | | | | | | \$ 16,019,156 |
| 45 | | Grand Total Plant (Reserve) (43 + 44) | | | | | | \$ 530,434,144 |

* Source: Line 3 of the "Service Company Allocations to the Ohio Operating Companies (Actual)" workpaper.

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

FirstEnergy Companies
 ADIT Balances (281 & 282 Property Accounts) - Actual

| | <u>CEI</u> | <u>OE</u> | <u>TE</u> | <u>SC</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------------|------------|
| (1) Ending Bal. 5/31/14* | 445,569,077 | 458,582,405 | 127,177,570 | 87,886,693 |
| (2) Service Company Allocated ADIT** | \$ 12,488,699 | \$ 15,134,089 | \$ 6,661,811 | |
| (3) Grand Total ADIT Balance*** | <u>\$ 458,057,776</u> | <u>\$ 473,716,494</u> | <u>\$ 133,839,382</u> | |

*Source: Actual 5/31/2014 balances.

** Line 4 of the "Service Company Allocations to the Ohio Operating Companies (Actual)" workpaper.

*** Calculation : Line 1 + Line 2

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Actual Plant Balances as of May 31, 2014

Schedule B-3.2 (Actual)
Page 1 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 Sch. B-2.1 (Actual) (D) | Reserve Balance Sch. B-3 (Actual) (E) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=DxF) |
| <u>TRANSMISSION PLANT</u> | | | | | | |
| 1 | 350 | Land & Land Rights | \$ 1,719,414 | \$ - | 0.00% | \$ - |
| 2 | 352 | Structures & Improvements | \$ 218,363 | \$ 195,148 | 2.50% | \$ 5,459 |
| 3 | 353 | Station Equipment | \$ 10,308,076 | \$ 4,580,427 | 1.80% | \$ 185,545 |
| 4 | 354 | Towers & Fixtures | \$ 34,264 | \$ 40,543 | 1.85% | \$ 634 |
| 5 | 355 | Poles & Fixtures | \$ 4,100,847 | \$ 2,745,557 | 3.75% | \$ 153,782 |
| 6 | 356 | Overhead Conductors & Devices | \$ 5,305,952 | \$ 3,068,721 | 2.67% | \$ 141,669 |
| 7 | 357 | Underground Conduit | \$ 497,928 | \$ 162,714 | 2.00% | \$ 9,959 |
| 8 | 358 | Underground Conductors & Devices | \$ 386,079 | \$ 162,268 | 2.86% | \$ 11,042 |
| 9 | 359 | Roads & Trails | \$ - | \$ - | | \$ - |
| 10 | | Total Transmission | \$ 22,570,923 | \$ 10,955,378 | | \$ 508,090 |

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Actual Plant Balances as of May 31, 2014

Schedule B-3.2 (Actual)
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 |
|---------------------------|-------------|---|--|---|----------------------|--------------------------|
| | | | Plant Investment Sch. B-2.1 (Actual) (D) | Reserve Balance Sch. B-3 (Actual) (E) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=DxF) |
| <u>DISTRIBUTION PLANT</u> | | | | | | |
| 11 | 360 | Land & Land Rights | \$ 4,966,340 | \$ - | 0.00% | \$ - |
| 12 | 361 | Structures & Improvements | \$ 5,920,323 | \$ 1,892,955 | 2.50% | \$ 148,008 |
| 13 | 362 | Station Equipment | \$ 92,477,931 | \$ 32,809,486 | 2.25% | \$ 2,080,753 |
| 14 | 364 | Poles, Towers & Fixtures | \$ 159,699,331 | \$ 104,988,606 | 3.78% | \$ 6,036,635 |
| 15 | 365 | Overhead Conductors & Devices | \$ 199,731,585 | \$ 76,764,348 | 3.75% | \$ 7,489,934 |
| 16 | 366 | Underground Conduit | \$ 13,154,443 | \$ 7,361,068 | 2.08% | \$ 273,612 |
| 17 | 367 | Underground Conductors & Devices | \$ 119,328,712 | \$ 42,007,779 | 2.20% | \$ 2,625,232 |
| 18 | 368 | Line Transformers | \$ 149,096,674 | \$ 63,073,665 | 2.62% | \$ 3,906,333 |
| 19 | 369 | Services | \$ 66,618,503 | \$ 63,339,874 | 3.17% | \$ 2,111,807 |
| 20 | 370 | Meters | \$ 38,117,037 | \$ 18,442,898 | 3.43% | \$ 1,307,414 |
| 21 | 371 | Installation on Customer Premises | \$ 6,441,560 | \$ 3,718,100 | 4.00% | \$ 257,662 |
| 22 | 373 | Street Lighting & Signal Systems | \$ 56,156,071 | \$ 36,219,849 | 3.93% | \$ 2,206,934 |
| 23 | 374 | Asset Retirement Costs for Distribution Plant | \$ 7,901 | \$ 4,851 | 0.00% | \$ - |
| 24 | | Total Distribution | \$ 911,716,410 | \$ 450,623,478 | | \$ 28,444,324 |

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Actual Plant Balances as of May 31, 2014

Schedule B-3.2 (Actual)
Page 3 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 Sch. B-2.1 (Actual) (D) | Reserve Balance Sch. B-3 (Actual) (E) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=Dx F) |
| <u>GENERAL PLANT</u> | | | | | | |
| 25 | 389 | Land & Land Rights | \$ 1,826,097 | \$ - | 0.00% | \$ - |
| 26 | 390 | Structures & Improvements | \$ 56,212,175 | \$ 19,224,705 | 2.20% | \$ 1,236,668 |
| 27 | 391.1 | Office Furniture & Equipment | \$ 2,325,456 | \$ 2,097,315 | 3.80% | \$ 88,367 |
| 28 | 391.2 | Data Processing Equipment | \$ 10,300,634 | \$ 4,786,660 | 9.50% | \$ 978,560 |
| 29 | 392 | Transportation Equipment | \$ 1,207,617 | \$ 1,153,760 | 6.92% | \$ 83,567 |
| 30 | 393 | Stores Equipment | \$ 631,466 | \$ 384,072 | 3.13% | \$ 19,765 |
| 31 | 394 | Tools, Shop & Garage Equipment | \$ 5,395,012 | \$ 2,028,748 | 3.33% | \$ 179,654 |
| 32 | 395 | Laboratory Equipment | \$ 1,747,323 | \$ 1,071,233 | 2.86% | \$ 49,973 |
| 33 | 396 | Power Operated Equipment | \$ 918,265 | \$ 878,894 | 5.28% | \$ 48,484 |
| 34 | 397 | Communication Equipment | \$ 9,586,508 | \$ 7,830,410 | 5.88% | \$ 563,687 |
| 35 | 398 | Miscellaneous Equipment | \$ 454,451 | \$ 170,127 | 3.33% | \$ 15,133 |
| 36 | 399.1 | Asset Retirement Costs for General Plant | \$ 7,345,237 | \$ 356,890 | 0.00% | \$ - |
| 37 | | Total General | \$ 97,950,240 | \$ 39,982,812 | | \$ 3,263,858 |

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Actual Plant Balances as of May 31, 2014

Schedule B-3.2 (Actual)
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 (G=DxF) |
|--------------------|-------------|---|-----------------------|-------------------|----------------------|----------------------------------|
| | | | Plant Investment | Reserve Balance | | |
| | | | Sch. B-2.1 (Actual) | Sch. B-3 (Actual) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=DxF) |
| <u>OTHER PLANT</u> | | | | | | |
| 38 | 303 | Intangible Software | \$ 21,822,237 | \$ 18,858,349 | 14.29% | * |
| 39 | 303 | Intangible FAS 109 Transmission | \$ 54,210 | \$ 47,472 | 2.37% | * |
| 40 | 303 | Intangible FAS 109 Distribution | \$ 240,093 | \$ 232,943 | 3.10% | * |
| 41 | | Total Other | \$ 22,116,540 | \$ 19,138,765 | | \$ 998,768 |
| 42 | | Removal Work in Progress (RWIP) | | (\$6,285,446) | | |
| 43 | | Company Total Depreciation | \$ 1,054,354,114 | \$ 514,414,988 | | \$ 33,215,040 |
| 44 | | Incremental Depreciation Associated with Allocated Service Company Plant ** | \$ 41,653,429 | \$ 16,019,156 | | \$ 1,667,685 |
| 45 | | GRAND TOTAL (43 + 44) | \$ 1,096,007,543 | \$ 530,434,144 | | \$ 34,882,725 |

* Please see the "Intangible Depreciation Expense Calculation: Actual 5/31/2014 Balances" workpaper for more details behind the calculation of depreciation expense associated with Intangible Plant.

** Source: Line 6 of the "Service Company Allocations to the Ohio Operating Companies (Actual)" workpaper.

The Toledo Edison Company: 13-2007-EL-RDR

Annual Property Tax Expense on Actual Plant Balances as of May 31, 2014

Schedule C-3.10a (Actual)

Page 1 of 1

| Line No. | Description | Jurisdictional Amount |
|-------------|---|-----------------------------|
| 1 | Personal Property Taxes - See Schedule C-3.10a1 (Actual) | \$ 28,118,226 |
| 2 | Real Property Taxes - See Schedule C-3.10a2 (Actual) | \$ 904,850 |
| 3 | Incremental Property Tax Associated with Allocated Service Company Plant * | <u>\$ 28,132</u> |
| 4 | Total Property Taxes (1 + 2 + 3) | <u><u>\$ 29,051,208</u></u> |
| * | Source: Line 7 of the "Service Company Allocations to the Ohio Operating Companies (Actual)" workpaper. | |

The Toledo Edison Company: 13-2007-EL-RDR

Annual Personal Property Tax Expense on Actual Plant Balances as of May 31, 2014

Schedule C-3.10a1 (Actual)

Page 1 of 1

| Line No. | Description | Jurisdictional Amount | | |
|----------|---|-----------------------|--------------------|---------------|
| | | Transmission Plant | Distribution Plant | General Plant |
| 1 | Jurisdictional Plant in Service (a) | \$ 22,570,923 | \$ 911,716,410 | \$ 97,950,240 |
| 2 | Jurisdictional Real Property (b) | \$ 1,937,777 | \$ 10,886,663 | \$ 58,038,272 |
| 3 | Jurisdictional Personal Property (1 - 2) | \$ 20,633,146 | \$ 900,829,747 | \$ 39,911,968 |
| 4 | Purchase Accounting Adjustment (f) | \$ (12,707,440) | \$ (450,860,096) | \$ - |
| 5 | Adjusted Jurisdictional Personal Property (3 + 4) | \$ 7,925,706 | \$ 449,969,651 | \$ 39,911,968 |
| | <u>Exclusions and Exemptions</u> | | | |
| 6 | Capitalized Asset Retirement Costs (a) | \$ - | \$ 7,901 | \$ 7,345,237 |
| 7 | Exempt Facilities (c) | \$ - | \$ - | \$ - |
| 8 | Licensed Motor Vehicles (c) | \$ - | \$ - | \$ 1,800,886 |
| 9 | Capitalized Interest (g) | \$ 388,359.61 | \$ 4,004,729.90 | \$ - |
| 10 | Total Exclusions and Exemptions (6 thru 9) | \$ 388,360 | \$ 4,012,631 | \$ 9,146,123 |
| 11 | Net Cost of Taxable Personal Property (5 - 10) | \$ 7,537,347 | \$ 445,957,021 | \$ 30,765,846 |
| 12 | True Value Percentage (c) | 76.7240% | 74.6450% | 34.6730% |
| 13 | True Value of Taxable Personal Property (11 x 12) | \$ 5,782,954 | \$ 332,884,618 | \$ 10,667,442 |
| 14 | Assessment Percentage (d) | 85.00% | 85.00% | 24.00% |
| 15 | Assessment Value (13 x 14) | \$ 4,915,511 | \$ 282,951,925 | \$ 2,560,186 |
| 16 | Personal Property Tax Rate (e) | 8.8331320% | 8.8331320% | 8.8331320% |
| 17 | Personal Property Tax (15 x 16) | \$ 434,194 | \$ 24,993,517 | \$ 226,145 |
| 18 | Purchase Accounting Adjustment (f) | \$ 74,326 | \$ 2,390,044 | \$ - |
| 19 | Total Personal Property Tax (17 + 18) | | | \$ 28,118,226 |

(a) Schedule B-2.1 (Actual)

(b) Schedule B-2.1 (Actual), Accounts 350, 352, 360, 361, 389, and 390

(c) Source: TE's 2014 Ohio Annual Property Tax Return Filing

(d) Statutory Assessment for Personal Property

(e) Estimated tax rate for Personal Property based on 2012 Ohio Annual Property Tax Return Filing

(f) Adjustment made as a result of the merger between Ohio Edison and Centerior

(g) Calculation: Line 5 x Percentage from 2014 Ohio Annual Property Tax Return Filing

The Toledo Edison Company: 13-2007-EL-RDR

Annual Real Property Tax Expense on Actual Plant Balances as of May 31, 2014

Schedule C-3.10a2 (Actual)

Page 1 of 1

| Line No. | Description | Jurisdictional Amount | | |
|----------|--|-----------------------|---|--------------------------|
| | | Transmission Plant | Distribution Plant | General Plant |
| 1 | Jurisdictional Real Property (a) | \$ 1,937,777 | \$ 10,886,663 | \$ 58,038,272 |
| 2 | True Value Percentage (b) | <u>44.67%</u> | <u>44.67%</u> | <u>44.67%</u> |
| 3 | True Value of Taxable Real Property (1 x 2) | \$ 865,661 | \$ 4,863,389 | \$ 25,927,385 |
| 4 | Assessment Percentage (c) | <u>35.00%</u> | <u>35.00%</u> | <u>35.00%</u> |
| 5 | Assessment Value (3 x 4) | \$ 302,981 | \$ 1,702,186 | \$ 9,074,585 |
| 6 | Real Property Tax Rate (d) | <u>8.1667%</u> | <u>8.1667%</u> | <u>8.1667%</u> |
| 7 | Real Property Tax (5 x 6) | \$ 24,744 | \$ 139,012 | \$ 741,094 |
| 8 | Total Real Property Tax (Sum of 7) | | | <u><u>\$ 904,850</u></u> |
| (a) | Schedule C-3.10a1 (Actual) | | | |
| (b) | Calculated as follows: | | | |
| | (1) Real Property Assessed Value | \$ 12,123,070 | Source: TE's 2013 Ohio Annual Property Tax Return Filing | |
| | (2) Assessment Percentage | <u>35.00%</u> | Statutory Assessment for Real Property | |
| | (3) Real Property True Value | \$ 34,637,343 | Calculation: (1) / (2) | |
| | (4) Real Property Capitalized Cost | \$ 77,535,453 | 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 | <u>44.67%</u> | Calculation: (3) / (4) | |
| (c) | Statutory Assessment for Real Property | | | |
| (d) | Estimated tax rate for Real Estate based on 2013 Ohio Annual Property Tax Return Filing. | | | |

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

**Summary of Exclusions per Case No. 12-1230-EL-SSO
 Actual 5/31/2014 Plant in Service Balances**

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 | \$ | 57,224,624 | \$ | 85,516,470 | \$ | 15,628,438 |
| Reserve | \$ | - | \$ | - | \$ | - |

ESP2 Adjustments

In the ESP3 Stipulation (Case No. 12-1230-EL-SSO, page 20), 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 Only CEI has an AMI project so this exclusion does not impact OE or TE.
 Source: 5/31/2014 Actual Plant Balances
 Exclusions related to Rider AMI are determined by specific depreciation groups in PowerPlant and WBS CE-004000

| FERC Account | CEI | |
|--------------|---------------|--------------|
| | Gross | Reserve |
| 303 | \$ 7,467,054 | \$ 485,251 |
| 362 | \$ 1,584,267 | \$ 173,932 |
| 364 | \$ 207,471 | \$ 62,667 |
| 365 | \$ 2,344,122 | \$ 443,833 |
| 367 | \$ 13,029 | \$ 2,117 |
| 368 | \$ 212,402 | \$ 36,225 |
| 370 | \$ 16,166,037 | \$ 1,329,604 |
| Grand Total | \$ 27,994,382 | \$ 2,533,629 |

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 Exclusions related to Rider EDR(g) are determined by the WBS CE-000303.

| FERC Account | CEI | |
|--------------|-----------|----------|
| | Gross | Reserve |
| 364 | \$ 10 | \$ 50 |
| 365 | \$ 21 | \$ 53 |
| 366 | \$ 43,506 | \$ 380 |
| 367 | \$ 298 | \$ (183) |
| 368 | \$ 0 | \$ 42 |
| 369 | \$ - | \$ 13 |
| 371 | \$ 15 | \$ 0 |
| Grand Total | \$ 43,851 | \$ 356 |

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

Service Company Allocations to the Ohio Operating Companies (Actual)

| | (A) | (B) | (C) | (D) | (E) |
|---|-----------------|----------------------|----------------------|----------------------|----------------------|
| | Service Company | CEI | OE | TE | TOTAL |
| (1) Allocation Factors from Case 07-551 | | 14.21% | 17.22% | 7.58% | |
| (2) Gross Plant | \$ 549,517,527 | \$ 78,086,441 | \$ 94,626,918 | \$ 41,653,429 | \$ 214,366,787 |
| (3) Reserve | \$ 211,334,513 | \$ 30,030,634 | \$ 36,391,803 | \$ 16,019,156 | \$ 82,441,593 |
| (4) ADIT | \$ 87,886,693 | \$ 12,488,699 | \$ 15,134,089 | \$ 6,661,811 | \$ 34,284,599 |
| (5) Rate Base | | \$ 35,567,107 | \$ 43,101,027 | \$ 18,972,461 | \$ 97,640,595 |
| (6) Depreciation Expense (Incremental) | | \$ 3,126,359 | \$ 3,788,593 | \$ 1,667,685 | \$ 8,582,636 |
| (7) Property Tax Expense (Incremental) | | \$ 52,738 | \$ 63,909 | \$ 28,132 | \$ 144,778 |
| (8) Total Expenses | | \$ 3,179,097 | \$ 3,852,501 | \$ 1,695,816 | \$ 8,727,414 |

- (2) Gross Plant = Actual Service Company General and Intangible plant in-service as of 5/31/2014.
 (3) Reserve = Actual Service Company General and Intangible Plant depreciation reserve as of 5/31/2014.
 (4) ADIT: Actual ADIT Balances as of 5/31/2014.
 (5) Rate Base = Gross Plant - Reserve - ADIT
 (6) Estimated incremental depreciation expense. Additional details provided on "Incremental Depreciation and Property Tax Associated with Service Company Plant: Case No. 07-551-EL-AIR vs. Actual 5/31/2014"
 (7) Estimated incremental property tax expense. Additional details provided on "Incremental Depreciation and Property Tax Associated with Service Company Plant: Case No. 07-551-EL-AIR vs. Actual 5/31/2014"
 (8) Total Expenses = Depreciation Expense + Property Tax Expense

All Service Company Allocations for Gross Plant and Reserve can be found on Sch B2.1 (Actual) and Sch B3 (Actual), respectively, in order to determine the Grand Totals shown on the "Rider DCR Actual Distribution Rate Base Additions as of 5/31/2014: Revenue Requirement" workpaper.

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

Depreciation Rate for Service Company Plant (Actual)

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

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
|------------------|------------------------------|----------------------------------|----------------|----------------|----------------|---------------|--------|--------|---------|---------------|
| Line No. | Account | Account Description | 5/31/2007 | | | Accrual Rates | | | | Depreciation |
| | | | Gross | Reserve | Net | CEI | OE | TE | Average | Expense |
| 1 | Allocation Factors | | | | | 14.21% | 17.22% | 7.58% | 39.01% | |
| 2 | Weighted Allocation Factors | | | | | 36.43% | 44.14% | 19.43% | 100.00% | |
| GENERAL PLANT | | | | | | | | | | |
| 3 | 389 | Fee Land & Easements | \$ 556,979 | \$ - | \$ 556,979 | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 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% | \$ - |
| 16 | | | \$ 234,896,167 | \$ 91,821,447 | \$ 143,074,720 | | | | | \$ 22,576,438 |
| INTANGIBLE PLANT | | | | | | | | | | |
| 17 | 301 | Organization | \$ 49,344 | \$ 49,344 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 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 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 22 | 303 | Impairment June 2000 | \$ 77 | \$ 77 | \$ (0) | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 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 | \$ - | 3.87% | 3.87% | 3.87% | 3.87% | \$ - |
| 25 | 303 | Debt Gross-up (FAS109): G/P Land | \$ 1,135 | \$ 1,137 | \$ (2) | 3.87% | 3.87% | 3.87% | 3.87% | \$ - |
| 26 | | | \$ 79,567,511 | \$ 50,090,984 | \$ 29,476,527 | | | | | \$ 11,011,344 |
| 27 | TOTAL - GENERAL & INTANGIBLE | | \$ 314,463,678 | \$ 141,912,431 | \$ 172,551,247 | | | | 10.68% | \$ 33,587,782 |

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 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

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

Depreciation Rate for Service Company Plant (Actual)

II. Estimated Depreciation Accrual Rate for Actual Service Company Plant as of May 31, 2014

| Line No. | (A) Account | (B) Account Description | (C) 5/31/2014 Actual Balances | | | (F) Accrual Rates | | | | (J) 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% | |
| GENERAL PLANT | | | | | | | | | | |
| 30 | 389 | Fee Land & Easements | \$ 230,947 | \$ - | \$ 230,947 | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 31 | 390 | Structures, Improvements * | \$ 45,737,380 | \$ 17,245,831 | \$ 28,491,549 | 2.20% | 2.50% | 2.20% | 2.33% | \$ 1,066,791 |
| 32 | 390.3 | Struct Imprv, Leasehold Imp ** | \$ 14,068,908 | \$ 5,036,319 | \$ 9,032,588 | 22.34% | 20.78% | 0.00% | 21.49% | \$ 3,022,747 |
| 33 | 391.1 | Office Furn., Mech. Equip. | \$ 21,758,252 | \$ 9,682,082 | \$ 12,076,170 | 7.60% | 3.80% | 3.80% | 5.18% | \$ 1,127,993 |
| 34 | 391.2 | Data Processing Equipment | \$ 143,432,123 | \$ 35,967,380 | \$ 107,464,743 | 10.56% | 17.00% | 9.50% | 13.20% | \$ 18,928,466 |
| 35 | 392 | Transportation Equipment | \$ 242,303 | \$ 36,152 | \$ 206,151 | 6.07% | 7.31% | 6.92% | 6.78% | \$ 16,434 |
| 36 | 393 | Stores Equipment | \$ 16,758 | \$ 5,401 | \$ 11,357 | 6.67% | 2.56% | 3.13% | 4.17% | \$ 698 |
| 37 | 394 | Tools, Shop, Garage Equip. | \$ 215,847 | \$ 15,938 | \$ 199,909 | 4.62% | 3.17% | 3.33% | 3.73% | \$ 8,050 |
| 38 | 395 | Laboratory Equipment | \$ 114,350 | \$ 24,542 | \$ 89,808 | 2.31% | 3.80% | 2.86% | 3.07% | \$ 3,516 |
| 39 | 396 | Power Operated Equipment | \$ 91,445 | \$ 61,358 | \$ 30,087 | 4.47% | 3.48% | 5.28% | 4.19% | \$ 3,832 |
| 40 | 397 | Communication Equipment *** | \$ 80,812,853 | \$ 21,648,591 | \$ 59,164,262 | 7.50% | 5.00% | 5.88% | 6.08% | \$ 4,914,760 |
| 41 | 398 | Misc. Equipment | \$ 3,216,378 | \$ 659,174 | \$ 2,557,204 | 6.67% | 4.00% | 3.33% | 4.84% | \$ 155,750 |
| 42 | 399.1 | ARC General Plant | \$ 40,721 | \$ 23,442 | \$ 17,279 | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 43 | | | \$ 309,978,265 | \$ 90,406,210 | \$ 219,572,055 | | | | | \$ 29,249,038 |
| INTANGIBLE PLANT | | | | | | | | | | |
| 44 | 301 | FECO 101/6-301 Organization Fst | \$ 49,344 | \$ 49,344 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 45 | 303 | FECO 101/6 303 Intangibles | \$ 20,251,927 | \$ 6,270,620 | \$ 13,981,306 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 2,894,000 |
| 46 | 303 | FECO 101/6-303 Katz Software | \$ 1,268,271 | \$ 1,268,271 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 47 | 303 | FECO 101/6-303 2003 Software | \$ 24,400,196 | \$ 24,400,196 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 48 | 303 | FECO 101/6-303 2004 Software | \$ 12,676,215 | \$ 12,676,215 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 49 | 303 | FECO 101/6-303 2005 Software | \$ 1,086,776 | \$ 1,086,776 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 50 | 303 | FECO 101/6-303 2006 Software | \$ 5,680,002 | \$ 5,680,002 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 51 | 303 | FECO 101/6-303 2007 Software | \$ 7,245,250 | \$ 7,210,980 | \$ 34,270 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 34,270 |
| 52 | 303 | FECO 101/6-303 2008 Software | \$ 7,404,178 | \$ 6,781,864 | \$ 622,314 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 622,314 |
| 53 | 303 | FECO 101/6-303 2009 Software | \$ 15,969,099 | \$ 11,168,354 | \$ 4,800,745 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 2,281,984 |
| 54 | 303 | FECO 101/6-303 2010 Software | \$ 19,352,780 | \$ 11,473,288 | \$ 7,879,492 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 2,765,512 |
| 55 | 303 | FECO 101/6-303 2011 Software | \$ 53,522,158 | \$ 21,533,654 | \$ 31,988,504 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 7,648,316 |
| 56 | 303 | FECO 101/6-303 2012 Software | \$ 32,231,769 | \$ 8,003,061 | \$ 24,228,708 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 4,605,920 |
| 57 | 303 | FECO 101/6-303 2013 Software | \$ 37,620,607 | \$ 3,471,915 | \$ 34,148,691 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 5,375,985 |
| 58 | 303 | FECO 101/6-303 2014 Software | \$ 780,690 | \$ 11,366 | \$ 769,324 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 111,561 |
| | | | \$ 239,539,262 | \$ 121,085,907 | \$ 118,453,355 | | | | | \$ 26,339,862 |
| 59 | Removal Work in Progress (RWIP) | | \$ (157,605) | | | | | | | |
| 60 | TOTAL - GENERAL & INTANGIBLE | | \$ 549,517,527 | \$ 211,334,513 | \$ 338,025,410 | | | | | 10.12% |
| | | | | | | | | | | \$ 55,588,900 |

NOTES

(C) - (E) Service Company plant balances as of May 31, 2014.

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

(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 equal to the weighted average of the three operating companies.

(J) Estimated depreciation expense associated with Service Company plant as of 5/31/2014. 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 (Actual)

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

| No. | (A) Category | (B) CEI | (C) OE | (D) TE | (E) Average ** | (F) Source / Calculation |
|---|-----------------------------|------------|-----------|-----------|-------------------|---|
| 1 | Allocation Factors | 14.21% | 17.22% | 7.58% | 39.01% | "Service Company Allocations to the Ohio Operating Companies (Actual)" 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.</p> <p>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) Account | (B) Account Description | (C) Tax Category | (D) Avg. Tax Rate | (E) Gross Plant | (F) 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 | \$ - |
| 11 | 391.2 | Data Processing Equipment | Personal | | \$ 117,351,991 | \$ - |
| 12 | 392 | Transportation Equipment | Personal | | \$ 11,855 | \$ - |
| 13 | 393 | Stores Equipment | Personal | | \$ 16,787 | \$ - |
| 14 | 394 | Tools, Shop, Garage Equip. | Personal | | \$ 11,282 | \$ - |
| 15 | 395 | Laboratory Equipment | Personal | | \$ 127,988 | \$ - |
| 16 | 396 | Power Operated Equipment | Personal | | \$ 160,209 | \$ - |
| 17 | 397 | Communication Equipment | Personal | | \$ 56,845,501 | \$ - |
| 18 | 398 | Misc. Equipment | Personal | | \$ 465,158 | \$ - |
| 19 | 399.1 | ARC General Plant | Personal | | \$ 40,721 | \$ - |
| 20 | TOTAL - GENERAL PLANT | | | | \$ 234,896,167 | \$ 429,208 |
| 21 | TOTAL - INTANGIBLE PLANT | | | | \$ 79,567,511 | \$ - |
| 22 | TOTAL - GENERAL & INTANGIBLE PLANT | | | | \$ 314,463,678 | \$ 429,208 |
| 23 | Average Effective Real Property Tax Rate | | | | | 0.14% |

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

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

Property Tax Rate for Service Company Plant (Actual)

III. Average Real Property Tax Rates on Actual General Plant as of May 31, 2014 *

| No. | (A) Category | (B) CEI | (C) OE | (D) TE | (E) Average ** | (F) Source / Calculation |
|--------------------------|-----------------------------|------------|-----------|-----------|-------------------|---|
| 24 | Allocation Factors | 14.21% | 17.22% | 7.58% | 39.01% | "Service Company Allocations to the Ohio Operating Companies (Actual)" 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 | 58.81% | 44.65% | 44.67% | 49.82% | Schedule C3.10a2 (Actual) |
| 27 | Assessment Percentage | 35.00% | 35.00% | 35.00% | 35.00% | Schedule C3.10a2 (Actual) |
| 28 | Real Property Tax Rate | 8.05% | 7.08% | 8.17% | 7.65% | Schedule C3.10a2 (Actual) |
| 29 | Average Rate | 1.66% | 1.11% | 1.28% | 1.33% | Line 26 x Line 27 x Line 28 |

* 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.

** Weighted average based on Service Company allocation factors.

Assumes that the tax rate for Service Company plant is equal to the weighted average of the three operating companies.

IV. Estimated Property Tax Rate for Service Company Actual General Plant as of May 31, 2014

| No. | (A) Account | (B) Account Description | (C) Tax Category | (D) Avg. Tax Rate | (E) Gross Plant | (F) Property Tax |
|-----|---|-----------------------------|---------------------|----------------------|-----------------------|---------------------|
| 30 | 389 | Fee Land & Easements | Real | 1.33% | \$ 230,947 | \$ 3,079 |
| 31 | 390 | Structures, Improvements | Real | 1.33% | \$ 45,737,380 | \$ 609,711 |
| 32 | 390.3 | Struct Imprv, Leasehold Imp | Real | 1.33% | \$ 14,068,908 | \$ 187,548 |
| 33 | 391.1 | Office Furn., Mech. Equip. | Personal | | \$ 21,758,252 | \$ - |
| 34 | 391.2 | Data Processing Equipment | Personal | | \$ 143,432,123 | \$ - |
| 35 | 392 | Transportation Equipment | Personal | | \$ 242,303 | \$ - |
| 36 | 393 | Stores Equipment | Personal | | \$ 16,758 | \$ - |
| 37 | 394 | Tools, Shop, Garage Equip. | Personal | | \$ 215,847 | \$ - |
| 38 | 395 | Laboratory Equipment | Personal | | \$ 114,350 | \$ - |
| 39 | 396 | Power Operated Equipment | Personal | | \$ 91,445 | \$ - |
| 40 | 397 | Communication Equipment | Personal | | \$ 80,812,853 | \$ - |
| 41 | 398 | Misc. Equipment | Personal | | \$ 3,216,378 | \$ - |
| 42 | 399.1 | ARC General Plant | Personal | | \$ 40,721 | \$ - |
| 43 | TOTAL - GENERAL PLANT | | | | \$ 309,978,265 | \$ 800,339 |
| 44 | TOTAL - INTANGIBLE PLANT | | | | \$ 239,539,262 | \$ - |
| 45 | TOTAL - GENERAL & INTANGIBLE PLANT | | | | \$ 549,517,527 | \$ 800,339 |
| 46 | Average Effective Real Property Tax Rate | | | | | 0.15% |

NOTES

- (C) Source: Schedule C3.10 (Actual). Classification of General Plant account as Real or Personal Property
 (D) Weighted average property tax rate across CEI, OE, and TE. See Section III above.
 Note: Effective with an Ohio tax law change in 2005, non-utilities do not pay Personal Property Tax.
 (E) Service Company General gross plant balances as of 5/31/2014.
 (F) Calculation: Column D x Column E

| Incremental Depreciation and Property Tax Associated with Service Company Plant (Actual) | | | | | | | |
|---|--------------------|------------------|-----------------|-----------------|-----------------|-----------------|--|
| Case No. 07-551-EL-AIR vs. Actual 5/31/2014 Balances | | | | | | | |
| I. Allocated Service Company Plant and Related Expenses as of May 31, 2014 | | | | | | | |
| Line | Category | Service Co. | CEI | OE | TE | TOTAL | Source / Notes |
| 1 | Allocation Factor | | 14.21% | 17.22% | 7.58% | 39.01% | Case No. 07-551-EL-AIR |
| | <u>Total Plant</u> | | | | | | |
| 2 | Gross Plant | \$ 549,517,527 | \$ 78,086,441 | \$ 94,626,918 | \$ 41,653,429 | \$ 214,366,787 | "Depreciation Rate for Service Company Plant (Actual)" workpaper, Line 60 x Line 1 |
| 3 | Accum. Reserve | \$ (211,334,513) | \$ (30,030,634) | \$ (36,391,803) | \$ (16,019,156) | \$ (82,441,593) | "Depreciation Rate for Service Company Plant (Actual)" workpaper, Line 60 x Line 1 |
| 4 | Net Plant | \$ 338,183,015 | \$ 48,055,806 | \$ 58,235,115 | \$ 25,634,273 | \$ 131,925,194 | Line 2 + Line 3 |
| 5 | Depreciation * | 10.12% | \$ 7,899,183 | \$ 9,572,409 | \$ 4,213,639 | \$ 21,685,230 | Average Rate x Line 2 |
| 6 | Property Tax * | 0.15% | \$ 113,728 | \$ 137,818 | \$ 60,666 | \$ 312,212 | Average Rate x Line 2 |
| 7 | Total Expenses | | \$ 8,012,911 | \$ 9,710,227 | \$ 4,274,304 | \$ 21,997,442 | |
| * Effective Depreciation and Property Tax rates based on weighted averages across companies over General and Intangible plant, as of 5/31/2014. See line 60 of the "Depreciation Rate for Service Company Plant (Actual)" workpaper and line 46 of the "Property Tax Rate for Service Company Plant (Actual)" workpaper for more details. | | | | | | | |
| II. Allocated Service Company Plant and Related Expenses as of May 31, 2007 | | | | | | | |
| Line | Rate Base | Service Co. | CEI | OE | TE | TOTAL | Source / Notes |
| 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 | "Depreciation Rate for Service Company Plant (Actual)" workpaper, Line 27 x Line 8 |
| 10 | Accum. Reserve | \$ (141,912,431) | \$ (20,165,756) | \$ (24,437,321) | \$ (10,756,962) | \$ (55,360,039) | "Depreciation Rate for Service Company Plant (Actual)" workpaper, Line 27 x Line 8 |
| 11 | Net Plant | \$ 172,551,247 | \$ 24,519,532 | \$ 29,713,325 | \$ 13,079,385 | \$ 67,312,242 | 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 | | \$ 4,833,814 | \$ 5,857,726 | \$ 2,578,488 | \$ 13,270,028 | 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. See line 27 of the "Depreciation Rate for Service Company Plant (Actual)" workpaper and line 23 of the "Property Tax Rate for Service Company Plant (Actual)" workpaper for more details. | | | | | | | |
| III. Incremental Expenses Associated with Allocated Service Company Plant * | | | | | | | |
| Line | Rate Base | Service Co. | CEI | OE | TE | TOTAL | Source / Notes |
| 15 | Depreciation | -0.57% | \$ 3,126,359 | \$ 3,788,593 | \$ 1,667,685 | \$ 8,582,636 | Line 5 - Line 12 |
| 16 | Property Tax | 0.01% | \$ 52,738 | \$ 63,909 | \$ 28,132 | \$ 144,778 | Line 6 - Line 13 |
| 17 | Total Expenses | | \$ 3,179,097 | \$ 3,852,501 | \$ 1,695,816 | \$ 8,727,414 | 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 estimated expenses incurred based on actual Service Company plant balances as of May 31, 2014. The incremental expenses calculated on Line 17 above are added to the Rider DCR revenue requirements. | | | | | | | |

Intangible Depreciation Expense Calculation
Actual 5/31/2014 Balances

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 software related sub-accounts that are not fully amortized yet. All other accounts are calculated by applying the approved accrual rate to the Gross Plant balances.

| Company (A) | Utility Account (B) | Function (C) | Gross Plant May-14 (D) | Reserve May-14 (E) | Net Plant May-14 (F) | Accrual Rates (G) | Depreciation Exp (H) |
|---------------------------|-------------------------------------|------------------|---------------------------|-----------------------|-------------------------|----------------------|-------------------------|
| CECO The Illuminating Co. | CECO 101/6-303 2002 Software | Intangible Plant | \$ 2,966,784 | \$ 2,966,784 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2003 Software | Intangible Plant | \$ 1,307,067 | \$ 1,307,067 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2004 Software | Intangible Plant | \$ 3,596,344 | \$ 3,596,344 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2005 Software | Intangible Plant | \$ 1,219,862 | \$ 1,219,862 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2006 Software | Intangible Plant | \$ 1,808,778 | \$ 1,808,778 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2007 Software | Intangible Plant | \$ 5,870,456 | \$ 5,797,870 | \$ 72,586 | 14.29% | \$ 72,586 |
| CECO The Illuminating Co. | CECO 101/6-303 2008 Software | Intangible Plant | \$ 1,068,042 | \$ 1,427,868 | \$ (359,826) | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2009 Software | Intangible Plant | \$ 3,242,050 | \$ 2,158,269 | \$ 1,083,782 | 14.29% | \$ 463,289 |
| CECO The Illuminating Co. | CECO 101/6-303 2010 Software | Intangible Plant | \$ 2,795,276 | \$ 1,600,577 | \$ 1,194,699 | 14.29% | \$ 399,445 |
| CECO The Illuminating Co. | CECO 101/6-303 2011 Software | Intangible Plant | \$ 5,812,975 | \$ 2,444,008 | \$ 3,368,967 | 14.29% | \$ 830,674 |
| CECO The Illuminating Co. | CECO 101/6-303 2012 Software | Intangible Plant | \$ 688,774 | \$ 122,351 | \$ 566,423 | 14.29% | \$ 98,426 |
| CECO The Illuminating Co. | CECO 101/6-303 2013 Software | Intangible Plant | \$ 1,987,647 | \$ 185,812 | \$ 1,801,835 | 14.29% | \$ 284,035 |
| CECO The Illuminating Co. | CECO 101/6-303 2014 Software | Intangible Plant | \$ 13,848 | \$ 81 | \$ 13,768 | 14.29% | \$ 1,979 |
| CECO The Illuminating Co. | CECO 101/6-303 FAS109 Distribution | Intangible Plant | \$ 2,001,380 | \$ 2,001,380 | \$ - | 3.18% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 FAS109 Transmission | Intangible Plant | \$ 1,176,339 | \$ 1,023,252 | \$ 153,087 | 2.15% | \$ 25,291 |
| CECO The Illuminating Co. | CECO 101/6-303 Software | Intangible Plant | \$ 459,999 | \$ 325,588 | \$ 134,411 | 14.29% | \$ 65,734 |
| CECO The Illuminating Co. | CECO 101/6-303 Software Evolution | Intangible Plant | \$ 12,454,403 | \$ 12,454,403 | \$ - | 14.29% | \$ - |
| Total | | | \$ 48,470,025 | \$ 40,440,292 | \$ 8,029,732 | | \$ 2,241,459 |
| OECO Ohio Edison Co. | OECO 101/6-301 Organization | Intangible Plant | \$ 89,746 | \$ - | \$ 89,746 | 0.00% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2002 Software | Intangible Plant | \$ 3,690,067 | \$ 3,690,067 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2003 Software | Intangible Plant | \$ 17,568,726 | \$ 17,568,726 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2004 Software | Intangible Plant | \$ 4,524,343 | \$ 4,524,343 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2005 Software | Intangible Plant | \$ 1,469,370 | \$ 1,469,370 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2006 Software | Intangible Plant | \$ 2,754,124 | \$ 2,754,124 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2007 Software | Intangible Plant | \$ 7,208,211 | \$ 7,183,930 | \$ 24,282 | 14.29% | \$ 24,282 |
| OECO Ohio Edison Co. | OECO 101/6-303 2008 Software | Intangible Plant | \$ 1,343,335 | \$ 2,161,498 | \$ (818,163) | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2009 Software | Intangible Plant | \$ 4,181,335 | \$ 3,029,696 | \$ 1,151,639 | 14.29% | \$ 597,513 |
| OECO Ohio Edison Co. | OECO 101/6-303 2010 Software | Intangible Plant | \$ 3,268,891 | \$ 2,009,369 | \$ 1,259,522 | 14.29% | \$ 467,124 |
| OECO Ohio Edison Co. | OECO 101/6-303 2011 Software | Intangible Plant | \$ 8,338,283 | \$ 3,092,760 | \$ 5,245,523 | 14.29% | \$ 1,191,541 |
| OECO Ohio Edison Co. | OECO 101/6-303 2012 Software | Intangible Plant | \$ 1,176,382 | \$ 235,115 | \$ 941,268 | 14.29% | \$ 168,105 |
| OECO Ohio Edison Co. | OECO 101/6-303 2013 Software | Intangible Plant | \$ 2,801,629 | \$ 371,698 | \$ 2,429,931 | 14.29% | \$ 400,353 |
| OECO Ohio Edison Co. | OECO 101/6-303 2014 Software | Intangible Plant | \$ 24,775 | \$ 144 | \$ 24,631 | 14.29% | \$ 3,540 |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Dist Land | Intangible Plant | \$ 37,082 | \$ - | \$ 37,082 | 2.89% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Distribution | Intangible Plant | \$ 1,556,299 | \$ 1,556,299 | \$ - | 2.89% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 G/P Land | Intangible Plant | \$ 7,778 | \$ - | \$ 7,778 | 3.87% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 General Plant | Intangible Plant | \$ 191,313 | \$ 170,730 | \$ 20,584 | 3.87% | \$ 7,404 |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Transm Land | Intangible Plant | \$ 1,326,229 | \$ - | \$ 1,326,229 | 2.33% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Transmission | Intangible Plant | \$ 697,049 | \$ 697,049 | \$ - | 2.33% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 Software | Intangible Plant | \$ 1,344,124 | \$ 631,326 | \$ 712,799 | 14.29% | \$ 192,075 |
| Total | | | \$ 63,599,091 | \$ 51,146,242 | \$ 12,452,849 | | \$ 3,051,937 |
| TECO Toledo Edison Co. | TECO 101/6-303 2002 Software | Intangible Plant | \$ 1,705,114 | \$ 1,705,114 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2003 Software | Intangible Plant | \$ 7,446,712 | \$ 7,446,712 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2004 Software | Intangible Plant | \$ 854,821 | \$ 854,821 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2005 Software | Intangible Plant | \$ 670,679 | \$ 670,679 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2006 Software | Intangible Plant | \$ 834,729 | \$ 834,729 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2007 Software | Intangible Plant | \$ 3,095,002 | \$ 3,056,434 | \$ 38,568 | 14.29% | \$ 38,568 |
| TECO Toledo Edison Co. | TECO 101/6-303 2008 Software | Intangible Plant | \$ 554,817 | \$ 756,834 | \$ (202,016) | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2009 Software | Intangible Plant | \$ 1,800,726 | \$ 1,284,345 | \$ 516,381 | 14.29% | \$ 257,324 |
| TECO Toledo Edison Co. | TECO 101/6-303 2010 Software | Intangible Plant | \$ 1,429,320 | \$ 873,224 | \$ 556,097 | 14.29% | \$ 204,250 |
| TECO Toledo Edison Co. | TECO 101/6-303 2011 Software | Intangible Plant | \$ 2,119,038 | \$ 955,055 | \$ 1,163,982 | 14.29% | \$ 302,810 |
| TECO Toledo Edison Co. | TECO 101/6-303 2012 Software | Intangible Plant | \$ 424,922 | \$ 64,528 | \$ 360,394 | 14.29% | \$ 60,721 |
| TECO Toledo Edison Co. | TECO 101/6-303 2013 Software | Intangible Plant | \$ 423,412 | \$ 67,764 | \$ 355,648 | 14.29% | \$ 60,506 |
| TECO Toledo Edison Co. | TECO 101/6-303 2014 Software | Intangible Plant | \$ 8,013 | \$ 47 | \$ 7,967 | 14.29% | \$ 1,145 |
| TECO Toledo Edison Co. | TECO 101/6-303 FAS109 Distribution | Intangible Plant | \$ 240,093 | \$ 232,943 | \$ 7,150 | 3.10% | \$ 7,150 |
| TECO Toledo Edison Co. | TECO 101/6-303 FAS109 Transmission | Intangible Plant | \$ 54,210 | \$ 47,472 | \$ 6,738 | 2.37% | \$ 1,285 |
| TECO Toledo Edison Co. | TECO 101/6-303 Software | Intangible Plant | \$ 454,931 | \$ 288,064 | \$ 166,867 | 14.29% | \$ 65,010 |
| Total | | | \$ 22,116,540 | \$ 19,138,765 | \$ 2,977,776 | | \$ 998,768 |

NOTES

(D) - (F) Source: Actual Balances as of 5/31/2014.

(G) Source: Case No. 07-551-EL-AIR

(H) Accrual rate only applies to the (non-land) gross plant of those accounts that are not fully amortized.

Rider DCR
Estimated Distribution Rate Base Additions as of 8/31/2014
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) | |
|------|-----------------------------|-------------------|---------------------|--------------------|-----------------------------------|------------------|
| | Gross Plant | 5/31/2007* | 8/31/2014 | Incremental | Source of Column (B) | |
| (1) | CEI | 1,927.1 | 2,760.0 | 832.9 | Sch B2.1 (Estimate) Line 45 | |
| (2) | OE | 2,074.0 | 3,038.6 | 964.6 | Sch B2.1 (Estimate) Line 47 | |
| (3) | TE | 771.5 | 1,104.1 | 332.6 | Sch B2.1 (Estimate) Line 44 | |
| (4) | Total | 4,772.5 | 6,902.6 | 2,130.1 | Sum: [(1) through (3)] | |
| | Accumulated Reserve | | | | | |
| (5) | CEI | (773.0) | (1,145.3) | (372.3) | -Sch B3 (Estimate) Line 46 | |
| (6) | OE | (803.0) | (1,201.7) | (398.7) | -Sch B3 (Estimate) Line 48 | |
| (7) | TE | (376.8) | (537.4) | (160.6) | -Sch B3 (Estimate) Line 45 | |
| (8) | Total | (1,952.8) | (2,884.3) | (931.5) | Sum: [(5) through (7)] | |
| | Net Plant In Service | | | | | |
| (9) | CEI | 1,154.0 | 1,614.7 | 460.6 | (1) + (5) | |
| (10) | OE | 1,271.0 | 1,836.9 | 565.9 | (2) + (6) | |
| (11) | TE | 394.7 | 566.7 | 172.0 | (3) + (7) | |
| (12) | Total | 2,819.7 | 4,018.3 | 1,198.6 | Sum: [(9) through (11)] | |
| | ADIT | | | | | |
| (13) | CEI | (246.4) | (457.0) | (210.6) | - ADIT Balances (Estimate) Line 3 | |
| (14) | OE | (197.1) | (471.2) | (274.1) | - ADIT Balances (Estimate) Line 3 | |
| (15) | TE | (10.3) | (132.8) | (122.5) | - ADIT Balances (Estimate) Line 3 | |
| (16) | Total | (453.8) | (1,061.0) | (607.2) | Sum: [(13) through (15)] | |
| | Rate Base | | | | | |
| (17) | CEI | 907.7 | 1,157.7 | 250.0 | (9) + (13) | |
| (18) | OE | 1,073.9 | 1,365.7 | 291.8 | (10) + (14) | |
| (19) | TE | 384.4 | 433.9 | 49.5 | (11) + (15) | |
| (20) | Total | 2,366.0 | 2,957.3 | 591.4 | Sum: [(17) through (19)] | |
| | Depreciation Exp | | | | | |
| (21) | CEI | 60.0 | 88.3 | 28.3 | Sch B-3.2 (Estimate) Line 46 | |
| (22) | OE | 62.0 | 90.2 | 28.2 | Sch B-3.2 (Estimate) Line 48 | |
| (23) | TE | 24.5 | 35.3 | 10.8 | Sch B-3.2 (Estimate) Line 45 | |
| (24) | Total | 146.5 | 213.8 | 67.3 | Sum: [(21) through (23)] | |
| | Property Tax Exp | | | | | |
| (25) | CEI | 65.0 | 103.8 | 38.9 | Sch C-3.10a (Estimate) Line 4 | |
| (26) | OE | 57.4 | 90.9 | 33.5 | Sch C-3.10a (Estimate) Line 4 | |
| (27) | TE | 20.1 | 30.0 | 9.9 | Sch C-3.10a (Estimate) Line 4 | |
| (28) | Total | 142.4 | 224.7 | 82.3 | Sum: [(25) through (27)] | |
| | Revenue Requirement | Rate Base | Return 8.48% | Deprec | Prop Tax | Rev. Req. |
| (29) | CEI | 250.0 | 21.2 | 28.3 | 38.9 | 88.3 |
| (30) | OE | 291.8 | 24.7 | 28.2 | 33.5 | 86.5 |
| (31) | TE | 49.5 | 4.2 | 10.8 | 9.9 | 24.9 |
| (32) | Total | 591.4 | 50.2 | 67.3 | 82.3 | 199.7 |

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

| | (a) | (b) | (c) | (d) | (e) | (f) |
|-------------------------------------|----------------------|-----------------|-------------------|------------------|--------------|------------------------|
| Revenue Requirement with Tax | Equity Return | Tax Rate | Income Tax | CAT 0.26% | Taxes | Rev. Req. + Tax |
| (36) CEI | 12.9 | 36.13% | 7.3 | 0.2 | 7.5 | 95.9 |
| (37) OE | 15.0 | 35.80% | 8.4 | 0.2 | 8.6 | 95.1 |
| (38) TE | 2.5 | 35.68% | 1.4 | 0.1 | 1.5 | 26.4 |
| (39) Total | 30.4 | | 17.1 | 0.6 | 17.6 | 217.3 |

(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: 13-2007-EL-RDR
8/31/2014 Estimated Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Estimate)

Page 1 of 4

NOTE: Column A contains estimated plant in service balances as of 8/31/2014 from the 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|---------------------------|-------------|----------------------------------|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>TRANSMISSION PLANT</u> | | | | | | | |
| 1 | 350 | Land & Land Rights | \$ 17,347,852 | 100% | \$ 17,347,852 | \$ (15,628,438) | \$ 1,719,414 |
| 2 | 352 | Structures & Improvements | \$ 218,363 | 100% | \$ 218,363 | | \$ 218,363 |
| 3 | 353 | Station Equipment | \$ 10,308,076 | 100% | \$ 10,308,076 | | \$ 10,308,076 |
| 4 | 354 | Towers & Fixtures | \$ 34,264 | 100% | \$ 34,264 | | \$ 34,264 |
| 5 | 355 | Poles & Fixtures | \$ 4,100,847 | 100% | \$ 4,100,847 | | \$ 4,100,847 |
| 6 | 356 | Overhead Conductors & Devices | \$ 5,305,952 | 100% | \$ 5,305,952 | | \$ 5,305,952 |
| 7 | 357 | Underground Conduit | \$ 497,928 | 100% | \$ 497,928 | | \$ 497,928 |
| 8 | 358 | Underground Conductors & Devices | \$ 386,079 | 100% | \$ 386,079 | | \$ 386,079 |
| 9 | 359 | Roads & Trails | \$ - | 100% | \$ - | | \$ - |
| 10 | | Total Transmission Plant | \$ 38,199,361 | 100% | \$ 38,199,361 | \$ (15,628,438) | \$ 22,570,923 |

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Estimate)

Page 2 of 4

NOTE: Column A contains estimated plant in service balances as of 8/31/2014 from the 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|---------------------------|-------------|---|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>DISTRIBUTION PLANT</u> | | | | | | | |
| 11 | 360 | Land & Land Rights | \$ 4,967,101 | 100% | \$ 4,967,101 | | \$ 4,967,101 |
| 12 | 361 | Structures & Improvements | \$ 5,928,629 | 100% | \$ 5,928,629 | | \$ 5,928,629 |
| 13 | 362 | Station Equipment | \$ 92,607,375 | 100% | \$ 92,607,375 | | \$ 92,607,375 |
| 14 | 364 | Poles, Towers & Fixtures | \$ 160,975,323 | 100% | \$ 160,975,323 | | \$ 160,975,323 |
| 15 | 365 | Overhead Conductors & Devices | \$ 201,333,993 | 100% | \$ 201,333,993 | | \$ 201,333,993 |
| 16 | 366 | Underground Conduit | \$ 13,259,782 | 100% | \$ 13,259,782 | | \$ 13,259,782 |
| 17 | 367 | Underground Conductors & Devices | \$ 120,289,115 | 100% | \$ 120,289,115 | | \$ 120,289,115 |
| 18 | 368 | Line Transformers | \$ 150,295,084 | 100% | \$ 150,295,084 | | \$ 150,295,084 |
| 19 | 369 | Services | \$ 67,148,293 | 100% | \$ 67,148,293 | | \$ 67,148,293 |
| 20 | 370 | Meters | \$ 38,422,624 | 100% | \$ 38,422,624 | | \$ 38,422,624 |
| 21 | 371 | Installation on Customer Premises | \$ 6,493,189 | 100% | \$ 6,493,189 | | \$ 6,493,189 |
| 22 | 373 | Street Lighting & Signal Systems | \$ 56,605,311 | 100% | \$ 56,605,311 | | \$ 56,605,311 |
| 23 | 374 | Asset Retirement Costs for Distribution Plant | \$ 7,901 | 100% | \$ 7,901 | | \$ 7,901 |
| 24 | | Total Distribution Plant | \$ 918,333,720 | 100% | \$ 918,333,720 | \$ - | \$ 918,333,720 |

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Estimate)
Page 3 of 4

NOTE: Column A contains estimated plant in service balances as of 8/31/2014 from the 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|----------------------|-------------|--|----------------------|---------------------|------------------------------------|--------------------|--|
| <u>GENERAL PLANT</u> | | | | | | | |
| 25 | 389 | Land & Land Rights | \$ 1,826,097 | 100% | \$ 1,826,097 | | \$ 1,826,097 |
| 26 | 390 | Structures & Improvements | \$ 56,212,175 | 100% | \$ 56,212,175 | | \$ 56,212,175 |
| 27 | 391.1 | Office Furniture & Equipment | \$ 2,291,993 | 100% | \$ 2,291,993 | | \$ 2,291,993 |
| 28 | 391.2 | Data Processing Equipment | \$ 10,152,407 | 100% | \$ 10,152,407 | | \$ 10,152,407 |
| 29 | 392 | Transportation Equipment | \$ 1,190,239 | 100% | \$ 1,190,239 | | \$ 1,190,239 |
| 30 | 393 | Stores Equipment | \$ 622,379 | 100% | \$ 622,379 | | \$ 622,379 |
| 31 | 394 | Tools, Shop & Garage Equipment | \$ 5,317,378 | 100% | \$ 5,317,378 | | \$ 5,317,378 |
| 32 | 395 | Laboratory Equipment | \$ 1,722,179 | 100% | \$ 1,722,179 | | \$ 1,722,179 |
| 33 | 396 | Power Operated Equipment | \$ 905,051 | 100% | \$ 905,051 | | \$ 905,051 |
| 34 | 397 | Communication Equipment | \$ 9,448,558 | 100% | \$ 9,448,558 | | \$ 9,448,558 |
| 35 | 398 | Miscellaneous Equipment | \$ 447,911 | 100% | \$ 447,911 | | \$ 447,911 |
| 36 | 399.1 | Asset Retirement Costs for General Plant | <u>\$ 7,345,237</u> | 100% | <u>\$ 7,345,237</u> | | <u>\$ 7,345,237</u> |
| 37 | | Total General Plant | \$ 97,481,604 | 100% | \$ 97,481,604 | \$ - | \$ 97,481,604 |

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Plant in Service by Accounts and Subaccounts

Schedule B-2.1 (Estimate)
Page 4 of 4

NOTE: Column A contains estimated plant in service balances as of 8/31/2014 from the 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. Column B shows jurisdictional allocation factors from Case No. 07-551-EL-AIR. Additional details on the adjustments in Column D are provided on the "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company (A) | Allocation % (B) | Allocated Total (C) = (A) * (B) | Adjustments (D) | Adjusted Jurisdiction (E) = (C) + (D) |
|--------------------|-------------|----------------------------------|-------------------------|------------------|---------------------------------|------------------------|---------------------------------------|
| <u>OTHER PLANT</u> | | | | | | | |
| 38 | 303 | Intangible Software | \$ 22,210,528 | 100% | \$ 22,210,528 | | \$ 22,210,528 |
| 39 | 303 | Intangible FAS 109 Transmission | \$ 54,210 | 100% | \$ 54,210 | | \$ 54,210 |
| 40 | 303 | Intangible FAS 109 Distribution | \$ 240,093 | 100% | \$ 240,093 | | \$ 240,093 |
| 41 | | Total Other Plant | \$ 22,504,832 | | \$ 22,504,832 | \$ - | \$ 22,504,832 |
| 42 | | Company Total Plant Balance | <u>\$ 1,076,519,516</u> | 100% | <u>\$ 1,076,519,516</u> | <u>\$ (15,628,438)</u> | <u>\$ 1,060,891,078</u> |
| 43 | | Service Company Plant Allocated* | | | | | \$ 43,208,385 |
| 44 | | Grand Total Plant (42 + 43) | | | | | <u>\$ 1,104,099,464</u> |

* Source: Line 2 of the "Service Company Allocations to the Ohio Operating Companies (Estimate)" workpaper.

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Estimate)
Page 1 of 4

NOTE: Column B contains estimated reserve for accumulated depreciation balances as of 8/31/2014 from 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company | Reserve Balances | | | | |
|--------------------|-------------|----------------------------------|------------------------------|------------------|--------------|-----------------|-------------|-----------------------|
| | | | Plant Investment | Total Company | Allocation % | Allocated Total | Adjustments | Adjusted Jurisdiction |
| | | | Sch B2.1 (Estimate) Column E | | | | | |
| | | | (A) | (B) | (C) | (D) = (B) * (C) | (E) | (F) = (D) + (E) |
| TRANSMISSION PLANT | | | | | | | | |
| 1 | 350 | Land & Land Rights | \$ 1,719,414 | \$ - | 100% | \$ - | | \$ - |
| 2 | 352 | Structures & Improvements | \$ 218,363 | \$ 197,350 | 100% | \$ 197,350 | | \$ 197,350 |
| 3 | 353 | Station Equipment | \$ 10,308,076 | \$ 4,632,456 | 100% | \$ 4,632,456 | | \$ 4,632,456 |
| 4 | 354 | Towers & Fixtures | \$ 34,264 | \$ 41,013 | 100% | \$ 41,013 | | \$ 41,013 |
| 5 | 355 | Poles & Fixtures | \$ 4,100,847 | \$ 2,777,449 | 100% | \$ 2,777,449 | | \$ 2,777,449 |
| 6 | 356 | Overhead Conductors & Devices | \$ 5,305,952 | \$ 3,104,531 | 100% | \$ 3,104,531 | | \$ 3,104,531 |
| 7 | 357 | Underground Conduit | \$ 497,928 | \$ 164,621 | 100% | \$ 164,621 | | \$ 164,621 |
| 8 | 358 | Underground Conductors & Devices | \$ 386,079 | \$ 164,173 | 100% | \$ 164,173 | | \$ 164,173 |
| 9 | 359 | Roads & Trails | \$ - | \$ - | 100% | \$ - | | \$ - |
| 10 | | Total Transmission Plant | \$ 22,570,923 | \$ 11,081,593 | 100% | \$ 11,081,593 | \$0 | \$ 11,081,593 |

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Estimate)
Page 2 of 4

NOTE: Column B contains estimated reserve for accumulated depreciation balances as of 8/31/2014 from 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company | Reserve Balances | | | | |
|---------------------------|-------------|---|------------------------------|------------------|--------------|-----------------|-------------|-----------------------|
| | | | Plant Investment | Total Company | Allocation % | Allocated Total | Adjustments | Adjusted Jurisdiction |
| | | | Sch B2.1 (Estimate) Column E | | | | | |
| | | | (A) | (B) | (C) | (D) = (B) * (C) | (E) | (F) = (D) + (E) |
| <u>DISTRIBUTION PLANT</u> | | | | | | | | |
| 11 | 360 | Land & Land Rights | \$ (85) | \$ (85) | 100% | \$ (85) | | \$ (85) |
| 12 | 361 | Structures & Improvements | \$ 1,923,153 | \$ 1,923,153 | 100% | \$ 1,923,153 | | \$ 1,923,153 |
| 13 | 362 | Station Equipment | \$ 33,331,563 | \$ 33,331,563 | 100% | \$ 33,331,563 | | \$ 33,331,563 |
| 14 | 364 | Poles, Towers & Fixtures | \$ 106,502,002 | \$ 106,502,173 | 100% | \$ 106,502,173 | | \$ 106,502,173 |
| 15 | 365 | Overhead Conductors & Devices | \$ 77,877,318 | \$ 77,877,444 | 100% | \$ 77,877,444 | | \$ 77,877,444 |
| 16 | 366 | Underground Conduit | \$ 7,467,375 | \$ 7,467,387 | 100% | \$ 7,467,387 | | \$ 7,467,387 |
| 17 | 367 | Underground Conductors & Devices | \$ 42,619,085 | \$ 42,619,154 | 100% | \$ 42,619,154 | | \$ 42,619,154 |
| 18 | 368 | Line Transformers | \$ 63,988,651 | \$ 63,988,754 | 100% | \$ 63,988,754 | | \$ 63,988,754 |
| 19 | 369 | Services | \$ 64,250,528 | \$ 64,250,631 | 100% | \$ 64,250,631 | | \$ 64,250,631 |
| 20 | 370 | Meters | \$ 18,709,664 | \$ 18,709,694 | 100% | \$ 18,709,694 | | \$ 18,709,694 |
| 21 | 371 | Installation on Customer Premises | \$ 3,771,813 | \$ 3,771,819 | 100% | \$ 3,771,819 | | \$ 3,771,819 |
| 22 | 373 | Street Lighting & Signal Systems | \$ 36,742,304 | \$ 36,742,363 | 100% | \$ 36,742,363 | | \$ 36,742,363 |
| 23 | 374 | Asset Retirement Costs for Distribution Plant | \$ 4,900 | \$ 4,900 | 100% | \$ 4,900 | | \$ 4,900 |
| 24 | | Total Distribution Plant | \$ 457,188,272 | \$ 457,188,951 | 100% | \$ 457,188,951 | \$0 | \$ 457,188,951 |

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Estimate)
Page 3 of 4

NOTE: Column B contains estimated reserve for accumulated depreciation balances as of 8/31/2014 from 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company | Reserve Balances | | | | | | | | | |
|----------------------|-------------|--|------------------------------|------------------|--------------|-----------------|-------------|-----------------------|-----------------|-----|-----------------|-----|-----------------|
| | | | Plant Investment | Total Company | Allocation % | Allocated Total | Adjustments | Adjusted Jurisdiction | | | | | |
| | | | Sch B2.1 (Estimate) Column E | | | | | | (D) = (B) * (C) | (E) | (F) = (D) + (E) | | |
| (A) | | | | | | | | | (B) | (C) | (D) = (B) * (C) | (E) | (F) = (D) + (E) |
| <u>GENERAL PLANT</u> | | | | | | | | | | | | | |
| 25 | 389 | Land & Land Rights | \$ 1,826,097 | \$ - | 100% | \$ - | | \$ - | | | | | |
| 26 | 390 | Structures & Improvements | \$ 56,212,175 | \$ 19,501,641 | 100% | \$ 19,501,641 | | \$ 19,501,641 | | | | | |
| 27 | 391.1 | Office Furniture & Equipment | \$ 2,291,993 | \$ 2,151,748 | 100% | \$ 2,151,748 | | \$ 2,151,748 | | | | | |
| 28 | 391.2 | Data Processing Equipment | \$ 10,152,407 | \$ 4,910,892 | 100% | \$ 4,910,892 | | \$ 4,910,892 | | | | | |
| 29 | 392 | Transportation Equipment | \$ 1,190,239 | \$ 1,183,705 | 100% | \$ 1,183,705 | | \$ 1,183,705 | | | | | |
| 30 | 393 | Stores Equipment | \$ 622,379 | \$ 394,040 | 100% | \$ 394,040 | | \$ 394,040 | | | | | |
| 31 | 394 | Tools, Shop & Garage Equipment | \$ 5,317,378 | \$ 2,081,402 | 100% | \$ 2,081,402 | | \$ 2,081,402 | | | | | |
| 32 | 395 | Laboratory Equipment | \$ 1,722,179 | \$ 1,099,035 | 100% | \$ 1,099,035 | | \$ 1,099,035 | | | | | |
| 33 | 396 | Power Operated Equipment | \$ 905,051 | \$ 901,704 | 100% | \$ 901,704 | | \$ 901,704 | | | | | |
| 34 | 397 | Communication Equipment | \$ 9,448,558 | \$ 8,033,639 | 100% | \$ 8,033,639 | | \$ 8,033,639 | | | | | |
| 35 | 398 | Miscellaneous Equipment | \$ 447,911 | \$ 174,542 | 100% | \$ 174,542 | | \$ 174,542 | | | | | |
| 36 | 399.1 | Asset Retirement Costs for General Plant | \$ 7,345,237 | \$ 434,533 | 100% | \$ 434,533 | | \$ 434,533 | | | | | |
| 37 | | Total General Plant | \$ 97,481,604 | \$ 40,866,881 | 100% | \$ 40,866,881 | \$0 | \$ 40,866,881 | | | | | |

The Toledo Edison Company: 13-2007-EL-RDR
8/31/2014 Estimated Reserve for Accumulated Depreciation by Accounts and Subaccounts

Schedule B-3 (Estimate)
Page 4 of 4

NOTE: Column B contains estimated reserve for accumulated depreciation balances as of 8/31/2014 from 2014 Forecast Version 12, adjusted to reflect current assumptions, incorporate recommendations from the March 2013 and April 2014 Rider DCR Audit Reports, and to remove the cumulative pre-2007 impact of a change in pension accounting. 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 "Summary of Exclusions per Case No. 12-1230-EL-SSO: Estimated 8/31/2014 Plant in Service Balances" workpaper.

| Line No. | Account No. | Account Title | Total Company | Reserve Balances | | | | |
|-------------|-------------|---------------------------------------|---|----------------------|---------------------|------------------------------------|--------------------|--|
| | | | Plant Investment Sch B2.1 (Estimate) Column E (A) | Total Company (B) | Allocation % (C) | Allocated Total (D) = (B) * (C) | Adjustments (E) | Adjusted Jurisdiction (F) = (D) + (E) |
| OTHER PLANT | | | | | | | | |
| 38 | 303 | Intangible Software | \$ 22,210,528 | \$ 19,182,804 | 100% | \$ 19,182,804 | | \$ 19,182,804 |
| 39 | 303 | Intangible FAS 109 Transmission | \$ 54,210 | \$ 47,785 | 100% | \$ 47,785 | | \$ 47,785 |
| 40 | 303 | Intangible FAS 109 Distribution | \$ 240,093 | \$ 235,056 | 100% | \$ 235,056 | | \$ 235,056 |
| 41 | | Total Other Plant | \$ 22,504,832 | \$ 19,465,646 | | \$ 19,465,646 | \$0 | \$ 19,465,646 |
| 42 | | Removal Work in Progress (RWIP) | | \$ (7,185,446) | 100% | \$ (7,185,446) | | \$ (7,185,446) |
| 43 | | Company Total Plant (Reserve) | \$ 599,745,630 | \$ 521,417,624 | 100% | \$ 521,417,624 | \$0 | \$ 521,417,624 |
| 44 | | Service Company Reserve Allocated* | | | | | | \$ 15,962,740 |
| 45 | | Grand Total Plant (Reserve) (43 + 44) | | | | | | \$ 537,380,364 |

* Source: Line 3 of the "Service Company Allocations to the Ohio Operating Companies (Estimate)" workpaper.

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

FirstEnergy Companies
 ADIT Balances (281 & 282 Property Accounts) - Estimate

| | <u>CEI</u> | <u>OE</u> | <u>TE</u> | <u>SC</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------------|------------|
| (1) Ending Bal. 8/31/2014* | 444,537,522 | 456,088,858 | 126,147,120 | 87,622,942 |
| (2) Service Company Allocated ADIT** | \$ 12,451,220 | \$ 15,088,671 | \$ 6,641,819 | |
| (3) Grand Total ADIT Balance*** | <u>\$ 456,988,742</u> | <u>\$ 471,177,529</u> | <u>\$ 132,788,939</u> | |

*Source: Estimated 8/31/2014 balances from the forecast as of June 2014 adjusted to reflect current assumptions.

** Line 4 of the "Service Company Allocations to the Ohio Operating Companies (Estimate)" workpaper.

*** Calculation : Line 1 + Line 2

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Estimated Plant Balances as of August 31, 2014

Schedule B-3.2 (Estimate)
Page 1 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 Sch. B-2.1 (Estimate) (D) | Reserve Balance Sch. B-3 (Estimate) (E) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=DxF) |
| <u>TRANSMISSION PLANT</u> | | | | | | |
| 1 | 350 | Land & Land Rights | \$ 1,719,414 | \$ - | 0.00% | \$ - |
| 2 | 352 | Structures & Improvements | \$ 218,363 | \$ 197,350 | 2.50% | \$ 5,459 |
| 3 | 353 | Station Equipment | \$ 10,308,076 | \$ 4,632,456 | 1.80% | \$ 185,545 |
| 4 | 354 | Towers & Fixtures | \$ 34,264 | \$ 41,013 | 1.85% | \$ 634 |
| 5 | 355 | Poles & Fixtures | \$ 4,100,847 | \$ 2,777,449 | 3.75% | \$ 153,782 |
| 6 | 356 | Overhead Conductors & Devices | \$ 5,305,952 | \$ 3,104,531 | 2.67% | \$ 141,669 |
| 7 | 357 | Underground Conduit | \$ 497,928 | \$ 164,621 | 2.00% | \$ 9,959 |
| 8 | 358 | Underground Conductors & Devices | \$ 386,079 | \$ 164,173 | 2.86% | \$ 11,042 |
| 9 | 359 | Roads & Trails | \$ - | \$ - | | \$ - |
| 10 | | Total Transmission | \$ 22,570,923 | \$ 11,081,593 | | \$ 508,090 |

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Estimated Plant Balances as of August 31, 2014

Schedule B-3.2 (Estimate)
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=Dx F) |
|--------------------|-------------|---|-----------------------|---------------------|----------------------|-----------------------------------|
| | | | Plant Investment | Reserve Balance | | |
| | | | Sch. B-2.1 (Estimate) | Sch. B-3 (Estimate) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=Dx F) |
| DISTRIBUTION PLANT | | | | | | |
| 11 | 360 | Land & Land Rights | \$ 4,967,101 | \$ (85) | 0.00% | \$ - |
| 12 | 361 | Structures & Improvements | \$ 5,928,629 | \$ 1,923,153 | 2.50% | \$ 148,216 |
| 13 | 362 | Station Equipment | \$ 92,607,375 | \$ 33,331,563 | 2.25% | \$ 2,083,666 |
| 14 | 364 | Poles, Towers & Fixtures | \$ 160,975,323 | \$ 106,502,173 | 3.78% | \$ 6,084,867 |
| 15 | 365 | Overhead Conductors & Devices | \$ 201,333,993 | \$ 77,877,444 | 3.75% | \$ 7,550,025 |
| 16 | 366 | Underground Conduit | \$ 13,259,782 | \$ 7,467,387 | 2.08% | \$ 275,803 |
| 17 | 367 | Underground Conductors & Devices | \$ 120,289,115 | \$ 42,619,154 | 2.20% | \$ 2,646,361 |
| 18 | 368 | Line Transformers | \$ 150,295,084 | \$ 63,988,754 | 2.62% | \$ 3,937,731 |
| 19 | 369 | Services | \$ 67,148,293 | \$ 64,250,631 | 3.17% | \$ 2,128,601 |
| 20 | 370 | Meters | \$ 38,422,624 | \$ 18,709,694 | 3.43% | \$ 1,317,896 |
| 21 | 371 | Installation on Customer Premises | \$ 6,493,189 | \$ 3,771,819 | 4.00% | \$ 259,728 |
| 22 | 373 | Street Lighting & Signal Systems | \$ 56,605,311 | \$ 36,742,363 | 3.93% | \$ 2,224,589 |
| 23 | 374 | Asset Retirement Costs for Distribution Plant | \$ 7,901 | \$ 4,900 | 0.00% | \$ - |
| 24 | | Total Distribution | \$ 918,333,720 | \$ 457,188,951 | | \$ 28,657,483 |

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Estimated Plant Balances as of August 31, 2014

Schedule B-3.2 (Estimate)
Page 3 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 | | |
| | | | Sch. B-2.1 (Estimate) | Sch. B-3 (Estimate) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G=DxF) |
| <u>GENERAL PLANT</u> | | | | | | |
| 25 | 389 | Land & Land Rights | \$ 1,826,097 | \$ - | 0.00% | \$ - |
| 26 | 390 | Structures & Improvements | \$ 56,212,175 | \$ 19,501,641 | 2.20% | \$ 1,236,668 |
| 27 | 391.1 | Office Furniture & Equipment | \$ 2,291,993 | \$ 2,151,748 | 3.80% | \$ 87,096 |
| 28 | 391.2 | Data Processing Equipment | \$ 10,152,407 | \$ 4,910,892 | 9.50% | \$ 964,479 |
| 29 | 392 | Transportation Equipment | \$ 1,190,239 | \$ 1,183,705 | 6.92% | \$ 82,365 |
| 30 | 393 | Stores Equipment | \$ 622,379 | \$ 394,040 | 3.13% | \$ 19,480 |
| 31 | 394 | Tools, Shop & Garage Equipment | \$ 5,317,378 | \$ 2,081,402 | 3.33% | \$ 177,069 |
| 32 | 395 | Laboratory Equipment | \$ 1,722,179 | \$ 1,099,035 | 2.86% | \$ 49,254 |
| 33 | 396 | Power Operated Equipment | \$ 905,051 | \$ 901,704 | 5.28% | \$ 47,787 |
| 34 | 397 | Communication Equipment | \$ 9,448,558 | \$ 8,033,639 | 5.88% | \$ 555,575 |
| 35 | 398 | Miscellaneous Equipment | \$ 447,911 | \$ 174,542 | 3.33% | \$ 14,915 |
| 36 | 399.1 | Asset Retirement Costs for General Plant | \$ 7,345,237 | \$ 434,533 | 0.00% | \$ - |
| 37 | | Total General | \$ 97,481,604 | \$ 40,866,881 | | \$ 3,234,688 |

The Toledo Edison Company: 13-2007-EL-RDR
Annual Depreciation Expense on Estimated Plant Balances as of August 31, 2014

Schedule B-3.2 (Estimate)
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 (G=DxF) |
|--------------------|-------------|---|---|--|----------------------|----------------------------------|
| | | | Plant Investment Sch. B-2.1 (Estimate) | Reserve Balance Sch. B-3 (Estimate) | | |
| (A) | (B) | (C) | (D) | (E) | (F) | |
| <u>OTHER PLANT</u> | | | | | | |
| 38 | 303 | Intangible Software | \$ 22,210,528 | \$ 19,182,804 | 14.29% | * |
| 39 | 303 | Intangible FAS 109 Transmission | \$ 54,210 | \$ 47,785 | 2.37% | * |
| 40 | 303 | Intangible FAS 109 Distribution | \$ 240,093 | \$ 235,056 | 3.10% | * |
| 41 | | Total Other | \$ 22,504,832 | \$ 19,465,646 | | \$ 1,013,575 |
| 42 | | Removal Work in Progress (RWIP) | | (\$7,185,446) | | |
| 43 | | Total Company Depreciation | \$ 1,060,891,078 | \$ 521,417,624 | | \$ 33,413,836 |
| 44 | | Incremental Depreciation Associated with Allocated Service Company Plant ** | \$ 43,208,385 | \$ 15,962,740 | | \$ 1,892,963 |
| 45 | | GRAND TOTAL (43 + 44) | <u>\$ 1,104,099,464</u> | <u>\$ 537,380,364</u> | | <u>\$ 35,306,798</u> |

* Please see the "Intangible Depreciation Expense Calculation: Estimated 8/31/2014 Balances" workpaper for more details behind the calculation of depreciation expense associated with Intangible Plant.

** Source: Line 6 of the "Service Company Allocations to the Ohio Operating Companies (Estimate)" workpaper.

The Toledo Edison Company: 13-2007-EL-RDR

Annual Property Tax Expense on Estimated Plant Balances as of August 31, 2014

Schedule C-3.10a (Estimate)

Page 1 of 1

| Line No. | Description | Jurisdictional Amount |
|-------------|--|--------------------------|
| 1 | Personal Property Taxes | \$ 29,090,320 |
| 2 | Real Property Taxes | \$ 904,954 |
| 3 | Incremental Property Tax Associated with Allocated Service Company Plant * | \$ 28,178 |
| 4 | Total Property Taxes (1 + 2 + 3) | <u>\$ 30,023,452</u> |

* Source: Line 7 of the "Service Company Allocations to the Ohio Operating Companies (Estimate)" workpaper.

The Toledo Edison Company: 13-2007-EL-RDR

Annual Personal Property Tax Expense on Estimated Plant Balances as of August 31, 2014

Schedule C-3.10a1 (Estimate)

Page 1 of 1

| Line No. | Description | Jurisdictional Amount | | |
|----------------------------------|---|-----------------------|--------------------|---------------|
| | | Transmission Plant | Distribution Plant | General Plant |
| 1 | Jurisdictional Plant in Service (a) | \$ 22,570,923 | \$ 918,333,720 | \$ 97,481,604 |
| 2 | Jurisdictional Real Property (b) | \$ 1,937,777 | \$ 10,895,731 | \$ 58,038,272 |
| 3 | Jurisdictional Personal Property (1 - 2) | \$ 20,633,146 | \$ 907,437,989 | \$ 39,443,332 |
| 4 | Purchase Accounting Adjustment (f) | \$ (12,707,440) | \$ (450,860,096) | \$ - |
| 5 | Adjusted Jurisdictional Personal Property (3 + 4) | \$ 7,925,706 | \$ 456,577,893 | \$ 39,443,332 |
| <u>Exclusions and Exemptions</u> | | | | |
| 6 | Capitalized Asset Retirement Costs (a) | \$ - | \$ 7,901 | \$ 7,345,237 |
| 7 | Exempt Facilities (c) | \$ - | \$ - | \$ - |
| 8 | Licensed Motor Vehicles (c) | \$ - | \$ - | \$ 1,800,886 |
| 9 | Capitalized Interest (g) | \$ 388,359.61 | \$ 4,063,543.25 | \$ - |
| 10 | Total Exclusions and Exemptions (6 thru 9) | \$ 388,360 | \$ 4,071,444 | \$ 9,146,123 |
| 11 | Net Cost of Taxable Personal Property (5 - 10) | \$ 7,537,347 | \$ 452,506,449 | \$ 30,297,209 |
| 12 | True Value Percentage (c) | 76.7240% | 74.6450% | 34.6730% |
| 13 | True Value of Taxable Personal Property (11 x 12) | \$ 5,782,954 | \$ 337,773,439 | \$ 10,504,951 |
| 14 | Assessment Percentage (d) | 85.00% | 85.00% | 24.00% |
| 15 | Assessment Value (13 x 14) | \$ 4,915,511 | \$ 287,107,423 | \$ 2,521,188 |
| 16 | Personal Property Tax Rate (e) | 9.0218410% | 9.0218410% | 9.0218410% |
| 17 | Personal Property Tax (15 x 16) | \$ 443,470 | \$ 25,902,375 | \$ 227,458 |
| 18 | Purchase Accounting Adjustment (f) | \$ 75,913 | \$ 2,441,104 | \$ - |
| 19 | Total Personal Property Tax (17 + 18) | | | \$ 29,090,320 |

(a) Schedule B-2.1 (Estimate)

(b) Schedule B-2.1 (Estimate), Accounts 350, 352, 360, 361, 389, and 390

(c) Source: TE's 2014 Ohio Annual Property Tax Return Filing

(d) Statutory Assessment for Personal Property

(e) Estimated tax rate for Personal Property based on 2013 Ohio Annual Property Tax Return Filing

(f) Adjustment made as a result of the merger between Ohio Edison and Centerior

(g) Calculation: Line 5 x Percentage from 2014 Ohio Annual Property Tax Return Filing

The Toledo Edison Company: 13-2007-EL-RDR

Annual Real Property Tax Expense on Estimated Plant Balances as of August 31, 2014

Schedule C-3.10a2 (Estimate)

Page 1 of 1

| Line No. | Description | Jurisdictional Amount | | |
|----------|---|-----------------------|---|-------------------|
| | | Transmission Plant | Distribution Plant | General Plant |
| 1 | Jurisdictional Real Property (a) | \$ 1,937,777 | \$ 10,895,731 | \$ 58,038,272 |
| 2 | True Value Percentage (b) | 44.67% | 44.67% | 44.67% |
| 3 | True Value of Taxable Real Property (1 x 2) | \$ 865,650 | \$ 4,867,377 | \$ 25,927,050 |
| 4 | Assessment Percentage (c) | 35.00% | 35.00% | 35.00% |
| 5 | Assessment Value (3 x 4) | \$ 302,978 | \$ 1,703,582 | \$ 9,074,468 |
| 6 | Real Property Tax Rate (d) | 8.1667% | 8.1667% | 8.1667% |
| 7 | Real Property Tax (5 x 6) | \$ 24,743 | \$ 139,126 | \$ 741,085 |
| 8 | Total Real Property Tax (Sum of 7) | | | <u>\$ 904,954</u> |
| (a) | Schedule C-3.10a1 (Estimate) | | | |
| (b) | Calculated as follows: | | | |
| | (1) Real Property Assessed Value | \$ 12,123,070 | Source: TE's 2013 Ohio Annual Property Tax Return Filing Statutory Assessment for Real Property Calculation: (1) / (2) Book cost of real property used to compare to assessed value of real property to derive a true value percentage Calculation: (3) / (4) | |
| | (2) Assessment Percentage | 35.00% | | |
| | (3) Real Property True Value | \$ 34,637,343 | | |
| | (4) Real Property Capitalized Cost | \$ 77,536,453 | | |
| | (5) Real Property True Value Percentage | 44.67% | | |
| (c) | Statutory Assessment for Real Property | | | |
| (d) | Estimated tax rate for Real Estate based on 2013 Ohio Annual Property Tax Return Filing | | | |

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

**Summary of Exclusions per Case No. 12-1230-EL-SSO
 Estimated 8/31/2014 Plant in Service Balances**

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 | \$ 57,224,624 | \$ 85,516,470 | \$ 15,628,438 |
| Reserve | \$ - | \$ - | \$ - |

ESP2 Adjustments

In the ESP2 Stipulation (Case No. 12-1230-EL-SSO, page 20), 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 Only CEI has an AMI project so this exclusion does not impact OE or TE.
 Source: 2014 Forecast Version 12, adjusted to reflect current assumptions.
 Exclusions related to Rider AMI are determined by specific depreciation groups in PowerPlant and WBS CE-004000

| FERC Account | CEI | |
|--------------|---------------|--------------|
| | Gross | Reserve |
| 303 | \$ 7,467,054 | \$ 654,334 |
| 362 | \$ 1,584,267 | \$ 209,192 |
| 364 | \$ 207,471 | \$ 87,659 |
| 365 | \$ 2,344,122 | \$ 498,496 |
| 367 | \$ 13,029 | \$ 2,442 |
| 368 | \$ 212,402 | \$ 41,535 |
| 370 | \$ 16,166,037 | \$ 1,629,357 |
| Grand Total | \$ 27,994,382 | \$ 3,123,016 |

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 Exclusions related to Rider EDR(g) are determined by the WBS CE-000303.

| FERC Account | CEI | |
|--------------|-----------|----------|
| | Gross | Reserve |
| 364 | \$ 10 | \$ 50 |
| 365 | \$ 21 | \$ 53 |
| 366 | \$ 43,506 | \$ 380 |
| 367 | \$ 298 | \$ (183) |
| 368 | \$ 0 | \$ 42 |
| 369 | \$ - | \$ 13 |
| 371 | \$ 15 | \$ 0 |
| Grand Total | \$ 43,851 | \$ 356 |

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

Service Company Allocations to the Ohio Operating Companies (Estimate)

| | Service Company | CEI | OE | TE | TOTAL |
|---|----------------------|----------------------|----------------------|-----------------------|----------------|
| (1) Allocation Factors from Case 07-551 | | 14.21% | 17.22% | 7.58% | |
| (2) Gross Plant | \$ 570,031,469 | \$ 81,001,472 | \$ 98,159,419 | \$ 43,208,385 | \$ 222,369,276 |
| (3) Reserve | \$ 210,590,233 | \$ 29,924,872 | \$ 36,263,638 | \$ 15,962,740 | \$ 82,151,250 |
| (4) ADIT | \$ 87,622,942 | \$ 12,451,220 | \$ 15,088,671 | \$ 6,641,819 | \$ 34,181,710 |
| (5) Rate Base | \$ 38,625,380 | \$ 46,807,110 | \$ 20,603,827 | \$ 106,036,316 | |
| (6) Depreciation Expense (Incremental) | \$ 3,548,681 | \$ 4,300,372 | \$ 1,892,963 | \$ 9,742,016 | |
| (7) Property Tax Expense (Incremental) | \$ 52,824 | \$ 64,013 | \$ 28,178 | \$ 145,014 | |
| (8) Total Expenses | \$ 3,601,505 | \$ 4,364,385 | \$ 1,921,140 | \$ 9,887,030 | |

- (2) Estimated Gross Plant = 8/31/2014 General and Intangible Plant Balances in the 2014 Forecast Version 12 adjusted to reflect current assumptions
- (3) Estimated Reserve = 8/31/2014 General and Intangible Reserve Balances in the 2014 Forecast Version 12 adjusted to reflect current assumptions
- (4) ADIT: Estimated ADIT Balances as of 8/31/2014
- (5) Rate Base = Gross Plant - Reserve - ADIT
- (6) Estimated incremental depreciation expense. Additional details provided on "Incremental Depreciation and Property Tax Associated with Service Company Plant: Case No. 07-551-EL-AIR vs. Estimated 8/31/2014 Balances" workpaper.
- (7) Estimated incremental property tax expense. Additional details provided on "Incremental Depreciation and Property Tax Associated with Service Company Plant: Case No. 07-551-EL-AIR vs. Estimated 8/31/2014 Balances" workpaper.
- (8) Total Expenses = Depreciation Expense + Property Tax Expense

All Service Company Allocations for Gross Plant and Reserve can be found on Sch B2.1 (Estimate) and Sch B3 (Estimate), respectively, in order to determine the Grand Totals shown on the "Rider DCR Estimated Distribution Rate Base Additions as of 8/31/2014: Revenue Requirement" workpaper.

Depreciation Rate for Service Company Plant (Estimate)

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

| Line No. | (A) Account | (B) Account Description | (D) 5/31/2007 | | | (F) Accrual Rates | | | | (J) Depreciation Expense |
|-------------------------|---|----------------------------------|------------------|----------------|----------------|----------------------|-----------|-----------|----------------|-----------------------------|
| | | | (C) Gross | (D) Reserve | (E) Net | (F) CEI | (G) OE | (H) TE | (I) Average | |
| 1 | Allocation Factors | | | | | 14.21% | 17.22% | 7.58% | 39.01% | |
| 2 | Weighted Allocation Factors | | | | | 36.43% | 44.14% | 19.43% | 100.00% | |
| GENERAL PLANT | | | | | | | | | | |
| 3 | 389 | Fee Land & Easements | \$ 556,979 | \$ - | \$ 556,979 | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 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% | \$ - |
| 16 | | | \$ 234,896,167 | \$ 91,821,447 | \$ 143,074,720 | | | | | \$ 22,576,438 |
| INTANGIBLE PLANT | | | | | | | | | | |
| 17 | 301 | Organization | \$ 49,344 | \$ 49,344 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 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 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 22 | 303 | Impairment June 2000 | \$ 77 | \$ 77 | \$ (0) | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 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 | \$ - | 3.87% | 3.87% | 3.87% | 3.87% | \$ - |
| 25 | 303 | Debt Gross-up (FAS109): G/P Land | \$ 1,135 | \$ 1,137 | \$ (2) | 3.87% | 3.87% | 3.87% | 3.87% | \$ - |
| 26 | | | \$ 79,567,511 | \$ 50,090,984 | \$ 29,476,527 | | | | | \$ 11,011,344 |
| 27 | TOTAL - GENERAL & INTANGIBLE | | \$ 314,463,678 | \$ 141,912,431 | \$ 172,551,247 | | | | 10.68% | \$ 33,587,782 |

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 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 (Estimate)

II. Estimated Depreciation Accrual Rate for Service Company Plant as of August 31, 2014

| Line No. | (A) Account | (B) Account Description | (C) Estimated 8/31/2014 Balances | | | (F) Accrual Rates | | | | (J) 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% | |
| GENERAL PLANT | | | | | | | | | | |
| 30 | 389 | Fee Land & Easements | \$ 230,947 | \$ - | \$ 230,947 | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 31 | 390 | Structures, Improvements * | \$ 45,772,174 | \$ 17,826,083 | \$ 27,946,090 | 2.20% | 2.50% | 2.20% | 2.33% | \$ 1,067,603 |
| 32 | 390.3 | Struct Imprv, Leasehold Imp ** | \$ 14,079,610 | \$ 5,215,063 | \$ 8,864,547 | 22.34% | 20.78% | 0.00% | 21.49% | \$ 3,025,047 |
| 33 | 391.1 | Office Furn., Mech. Equip. | \$ 21,220,456 | \$ 8,845,495 | \$ 12,374,961 | 7.60% | 3.80% | 3.80% | 5.18% | \$ 1,100,113 |
| 34 | 391.2 | Data Processing Equipment | \$ 139,886,926 | \$ 32,859,593 | \$ 107,027,333 | 10.56% | 17.00% | 9.50% | 13.20% | \$ 18,460,613 |
| 35 | 392 | Transportation Equipment | \$ 236,314 | \$ 33,028 | \$ 203,286 | 6.07% | 7.31% | 6.92% | 6.78% | \$ 16,028 |
| 36 | 393 | Stores Equipment | \$ 16,344 | \$ 4,934 | \$ 11,410 | 6.67% | 2.56% | 3.13% | 4.17% | \$ 681 |
| 37 | 394 | Tools, Shop, Garage Equip. | \$ 210,512 | \$ 14,561 | \$ 195,951 | 4.62% | 3.17% | 3.33% | 3.73% | \$ 7,851 |
| 38 | 395 | Laboratory Equipment | \$ 111,523 | \$ 22,421 | \$ 89,102 | 2.31% | 3.80% | 2.86% | 3.07% | \$ 3,429 |
| 39 | 396 | Power Operated Equipment | \$ 89,185 | \$ 56,057 | \$ 33,128 | 4.47% | 3.48% | 5.28% | 4.19% | \$ 3,737 |
| 40 | 397 | Communication Equipment *** | \$ 79,290,032 | \$ 20,207,176 | \$ 59,082,856 | 7.50% | 5.00% | 5.88% | 6.08% | \$ 4,822,147 |
| 41 | 398 | Misc. Equipment | \$ 3,136,879 | \$ 595,145 | \$ 2,541,733 | 6.67% | 4.00% | 3.33% | 4.84% | \$ 151,900 |
| 42 | 399.1 | ARC General Plant | \$ 40,721 | \$ 23,674 | \$ 17,047 | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 43 | | | \$ 304,321,622 | \$ 85,703,230 | \$ 218,618,393 | | | | | \$ 28,659,149 |
| INTANGIBLE PLANT | | | | | | | | | | |
| 44 | 301 | FECO 101/6-301 Organization Fst | \$ 49,344 | \$ 49,344 | \$ - | 0.00% | 0.00% | 0.00% | 0.00% | \$ - |
| 45 | 303 | FECO 101/6 303 Intangibles | \$ 46,422,511 | \$ 4,997,565 | \$ 41,424,945 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 6,633,777 |
| 46 | 303 | FECO 101/6 303 Katz Software | \$ 1,268,271 | \$ 1,268,271 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 47 | 303 | FECO 101/6-303 2003 Software | \$ 24,400,196 | \$ 24,400,196 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 48 | 303 | FECO 101/6-303 2004 Software | \$ 12,676,215 | \$ 12,676,215 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 49 | 303 | FECO 101/6-303 2005 Software | \$ 1,086,776 | \$ 1,086,776 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 50 | 303 | FECO 101/6-303 2006 Software | \$ 5,680,002 | \$ 5,680,002 | \$ - | 14.29% | 14.29% | 14.29% | 14.29% | \$ - |
| 51 | 303 | FECO 101/6-303 2007 Software | \$ 7,245,250 | \$ 7,245,250 | \$ 0 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 0 |
| 52 | 303 | FECO 101/6-303 2008 Software | \$ 7,404,178 | \$ 6,925,475 | \$ 478,703 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 478,703 |
| 53 | 303 | FECO 101/6-303 2009 Software | \$ 15,969,099 | \$ 11,744,443 | \$ 4,224,656 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 2,281,984 |
| 54 | 303 | FECO 101/6-303 2010 Software | \$ 19,352,780 | \$ 12,112,020 | \$ 7,240,760 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 2,765,512 |
| 55 | 303 | FECO 101/6-303 2011 Software | \$ 53,522,158 | \$ 23,494,853 | \$ 30,027,306 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 7,648,316 |
| 56 | 303 | FECO 101/6-303 2012 Software | \$ 32,231,769 | \$ 9,196,904 | \$ 23,034,866 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 4,605,920 |
| 57 | 303 | FECO 101/6-303 2013 Software | \$ 37,620,607 | \$ 4,155,927 | \$ 33,464,680 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 5,375,985 |
| | 303 | FECO 101/6-303 2014 Software | \$ 780,690 | \$ 11,366 | \$ 769,324 | 14.29% | 14.29% | 14.29% | 14.29% | \$ 111,561 |
| 58 | | | \$ 265,709,846 | \$ 125,044,607 | \$ 140,665,239 | | | | | \$ 29,901,758 |
| 59 | Removal Work in Progress (RWIP) | | \$ (157,605) | | | | | | | |
| 60 | TOTAL - GENERAL & INTANGIBLE | | \$ 570,031,469 | \$ 210,590,233 | \$ 359,283,632 | | | | | 10.27% \$ 58,560,907 |

NOTES

- (C) - (E) Estimated 8/31/2014 balances. Source: 2014 Forecast Version 12 adjusted to reflect current assumptions.
 Note: Accounts 391.1 - 398 are aggregated together in the 2014 Forecast Version 12 and were allocated based on May 2014 actual balances.
- (F) - (H) Source: Schedule B3.2 (Estimate).
- (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 equal to the weighted average of the three operating companies.
- (J) Estimated depreciation expense associated with Service Company plant as of 8/31/2014. 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

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
Ohio Edison Company: 13-2006-EL-RDR
The Toledo Edison Company: 13-2007-EL-RDR

Property Tax Rate for Service Company Plant (Estimate)

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

| No. | (A) Category | (B) CEI | (C) OE | (D) TE | (E) Average ** | (F) Source / Calculation |
|--------------------------|-----------------------------|------------|-----------|-----------|-------------------|--|
| 1 | Allocation Factors | 14.21% | 17.22% | 7.58% | 39.01% | "Service Company Allocations to the Ohio Operating Companies (Estimate)" 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 |

* 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.

** Weighted average based on Service Company allocation factors.

Assumes that the tax rate for Service Company plant is equal to the weighted average of the three operating companies.

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

| No. | (A) Account | (B) Account Description | (C) Tax Category | (D) Avg. Tax Rate | (E) Gross Plant | (F) 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 | \$ - |
| 11 | 391.2 | Data Processing Equipment | Personal | | \$ 117,351,991 | \$ - |
| 12 | 392 | Transportation Equipment | Personal | | \$ 11,855 | \$ - |
| 13 | 393 | Stores Equipment | Personal | | \$ 16,787 | \$ - |
| 14 | 394 | Tools, Shop, Garage Equip. | Personal | | \$ 11,282 | \$ - |
| 15 | 395 | Laboratory Equipment | Personal | | \$ 127,988 | \$ - |
| 16 | 396 | Power Operated Equipment | Personal | | \$ 160,209 | \$ - |
| 17 | 397 | Communication Equipment | Personal | | \$ 56,845,501 | \$ - |
| 18 | 398 | Misc. Equipment | Personal | | \$ 465,158 | \$ - |
| 19 | 399.1 | ARC General Plant | Personal | | \$ 40,721 | \$ - |
| 20 | TOTAL - GENERAL PLANT | | | | \$ 234,896,167 | \$ 429,208 |
| 21 | TOTAL - INTANGIBLE PLANT | | | | \$ 79,567,511 | \$ - |
| 22 | TOTAL - GENERAL & INTANGIBLE PLANT | | | | \$ 314,463,678 | \$ 429,208 |
| 23 | Average Effective Real Property Tax Rate | | | | | 0.14% |

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

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
Ohio Edison Company: 13-2006-EL-RDR
The Toledo Edison Company: 13-2007-EL-RDR

Property Tax Rate for Service Company Plant (Estimate)

III. Estimated Average Real Property Tax Rates on General Plant as of August 31, 2014 *

| (A) | | (B) | (C) | (D) | (E) | (F) |
|--------------------------|-----------------------------|--------|--------|--------|------------|--|
| No. | Category | CEI | OE | TE | Average ** | Source / Calculation |
| 24 | Allocation Factors | 14.21% | 17.22% | 7.58% | 39.01% | "Service Company Allocations to the Ohio Operating Companies (Estimate)" 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 | 58.81% | 44.65% | 44.67% | 49.82% | Schedule C3.10a2 (Estimate) |
| 27 | Assessment Percentage | 35.00% | 35.00% | 35.00% | 35.00% | Schedule C3.10a2 (Estimate) |
| 28 | Real Property Tax Rate | 8.05% | 7.08% | 8.17% | 7.65% | Schedule C3.10a2 (Estimate) |
| 29 | Average Rate | 1.66% | 1.11% | 1.28% | 1.33% | Line 26 x Line 27 x Line 28 |

* 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.

** Weighted average based on Service Company allocation factors.

Assumes that the tax rate for Service Company plant is equal to the weighted average of the three operating companies.

IV. Estimated Property Tax Rate for Service Company General Plant as of August 31, 2014

| (A) | | (B) | (C) | (D) | (E) | (F) |
|-----|---|-----------------------------|--------------|---------------|----------------|-------------------|
| No. | Account | Account Description | Tax Category | Avg. Tax Rate | Gross Plant | Property Tax |
| 30 | 389 | Fee Land & Easements | Real | 1.33% | \$ 230,947 | \$ 3,079 |
| 31 | 390 | Structures, Improvements | Real | 1.33% | \$ 45,772,174 | \$ 610,174 |
| 32 | 390.3 | Struct Imprv, Leasehold Imp | Real | 1.33% | \$ 14,079,610 | \$ 187,691 |
| 33 | 391.1 | Office Furn., Mech. Equip. | Personal | | \$ 21,220,456 | \$ - |
| 34 | 391.2 | Data Processing Equipment | Personal | | \$ 139,886,926 | \$ - |
| 35 | 392 | Transportation Equipment | Personal | | \$ 236,314 | \$ - |
| 36 | 393 | Stores Equipment | Personal | | \$ 16,344 | \$ - |
| 37 | 394 | Tools, Shop, Garage Equip. | Personal | | \$ 210,512 | \$ - |
| 38 | 395 | Laboratory Equipment | Personal | | \$ 111,523 | \$ - |
| 39 | 396 | Power Operated Equipment | Personal | | \$ 89,185 | \$ - |
| 40 | 397 | Communication Equipment | Personal | | \$ 79,290,032 | \$ - |
| 41 | 398 | Misc. Equipment | Personal | | \$ 3,136,879 | \$ - |
| 42 | 399.1 | ARC General Plant | Personal | | \$ 40,721 | \$ - |
| 43 | TOTAL - GENERAL PLANT | | | | \$ 304,321,622 | \$ 800,943 |
| 44 | TOTAL - INTANGIBLE PLANT | | | | \$ 265,709,846 | \$ - |
| 45 | TOTAL - GENERAL & INTANGIBLE PLANT | | | | \$ 570,031,469 | \$ 800,943 |
| 46 | Average Effective Real Property Tax Rate | | | | | 0.14% |

NOTES

(C) Source: Schedule C3.10 (Estimate). Classification of General Plant account as Real or Personal Property

(D) Weighted average property tax rate across CEI, OE, and TE. See Section III 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 8/31/2014. Source: 2014 Forecast Version 12 adjusted to reflect current assumptions.

(F) Calculation: Column D x Column E

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR

Ohio Edison Company: 13-2006-EL-RDR

The Toledo Edison Company: 13-2007-EL-RDR

Incremental Depreciation and Property Tax Associated with Service Company Plant

Case No. 07-551-EL-AIR vs. Estimated 8/31/2014 Balances

| I. Estimated Allocated Service Company Plant and Related Expenses as of August 31, 2014 | | | | | | | |
|--|--------------------|-----------------------|----------------------|----------------------|----------------------|-----------------------|--|
| Line | Category | Service Co. | CEI | OE | TE | TOTAL | Source / Notes |
| 1 | Allocation Factor | | 14.21% | 17.22% | 7.58% | 39.01% | Case No. 07-551-EL-AIR |
| | <u>Total Plant</u> | | | | | | |
| 2 | Gross Plant | \$ 570,031,469 | \$ 81,001,472 | \$ 98,159,419 | \$ 43,208,385 | \$ 222,369,276 | "Depreciation Rate for Service Company Plant (Estimate)" workpaper, Line 60 x Line 1 |
| 3 | Accum. Reserve | \$ (210,590,233) | \$ (29,924,872) | \$ (36,263,638) | \$ (15,962,740) | \$ (82,151,250) | "Depreciation Rate for Service Company Plant (Estimate)" workpaper, Line 60 x Line 1 |
| 4 | Net Plant | <u>\$ 359,441,236</u> | <u>\$ 51,076,600</u> | <u>\$ 61,895,781</u> | <u>\$ 27,245,646</u> | <u>\$ 140,218,026</u> | Line 2 + Line 3 |
| 5 | Depreciation * | 10.27% | \$ 8,321,505 | \$ 10,084,188 | \$ 4,438,917 | \$ 22,844,610 | Average Rate x Line 2 |
| 6 | Property Tax * | 0.14% | \$ 113,814 | \$ 137,922 | \$ 60,711 | \$ 312,448 | Average Rate x Line 2 |
| 7 | Total Expenses | | <u>\$ 8,435,319</u> | <u>\$ 10,222,111</u> | <u>\$ 4,499,628</u> | <u>\$ 23,157,058</u> | |
| <p>* Effective Depreciation and Property Tax rates based on weighted averages across companies over General and Intangible plant, as of 8/31/2014. See line 60 of the "Depreciation Rate for Service Company Plant (Estimate)" workpaper and line 46 of the "Property Tax Rate for Service Company Plant (Estimate)" workpaper for more details.</p> | | | | | | | |

| II. Estimated Allocated Service Company Plant and Related Expenses as of May 31, 2007 | | | | | | | |
|---|--------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|--|
| Line | Rate Base | Service Co. | CEI | OE | TE | TOTAL | Source / Notes |
| 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 | "Depreciation Rate for Service Company Plant (Estimate)" workpaper, Line 27 x Line 8 |
| 10 | Accum. Reserve | \$ (141,912,431) | \$ (20,165,756) | \$ (24,437,321) | \$ (10,756,962) | \$ (55,360,039) | "Depreciation Rate for Service Company Plant (Estimate)" workpaper, 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 |
| <p>* Effective Depreciation and Property Tax rates based on weighted averages across companies over General and Intangible plant as of 5/31/07. See line 27 of the "Depreciation Rate for Service Company Plant (Estimate)" workpaper and line 23 of the "Property Tax Rate for Service Company Plant (Estimate)" workpaper for more details.</p> | | | | | | | |

| III. Estimated Incremental Expenses Associated with Allocated Service Company Plant * | | | | | | | |
|--|----------------|-------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| Line | Rate Base | Service Co. | CEI | OE | TE | TOTAL | Source / Notes |
| 15 | Depreciation | -0.41% | \$ 3,548,681 | \$ 4,300,372 | \$ 1,892,963 | \$ 9,742,016 | Line 5 - Line 12 |
| 16 | Property Tax | 0.00% | \$ 52,824 | \$ 64,013 | \$ 28,178 | \$ 145,014 | Line 6 - Line 13 |
| 17 | Total Expenses | | <u>\$ 3,601,505</u> | <u>\$ 4,364,385</u> | <u>\$ 1,921,140</u> | <u>\$ 9,887,030</u> | Line 15 + Line 16 |
| <p>* 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 August 31, 2014. The incremental expenses calculated on Line 17 above are added to the Rider DCR revenue requirements.</p> | | | | | | | |

Intangible Depreciation Expense Calculation
Estimated 8/31/2014 Balances

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 worksheet 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 (A) | Utility Account (B) | Function (C) | Gross Plant Aug-14 (D) | Reserve Aug-14 (E) | Net Plant Aug-14 (F) | Accrual Rates (G) | Depreciation Exp (H) |
|---------------------------|--------------------------------------|------------------|---------------------------|-----------------------|-------------------------|----------------------|-------------------------|
| CECO The Illuminating Co. | CECO 101/6-303 2002 Software | Intangible Plant | \$ 2,966,784 | \$ 2,966,784 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2003 Software | Intangible Plant | \$ 1,307,067 | \$ 1,307,067 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2004 Software | Intangible Plant | \$ 3,596,344 | \$ 3,596,344 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2005 Software | Intangible Plant | \$ 1,219,862 | \$ 1,219,862 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2006 Software | Intangible Plant | \$ 1,808,778 | \$ 1,808,778 | \$ - | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2007 Software | Intangible Plant | \$ 5,870,456 | \$ 5,870,456 | \$ (0) | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2008 Software | Intangible Plant | \$ 1,068,042 | \$ 1,344,975 | \$ (276,933) | 14.29% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 2009 Software | Intangible Plant | \$ 3,242,050 | \$ 2,288,322 | \$ 953,728 | 14.29% | \$ 463,289 |
| CECO The Illuminating Co. | CECO 101/6-303 2010 Software | Intangible Plant | \$ 2,795,276 | \$ 1,706,949 | \$ 1,088,327 | 14.29% | \$ 399,445 |
| CECO The Illuminating Co. | CECO 101/6-303 2011 Software | Intangible Plant | \$ 5,812,975 | \$ 2,660,058 | \$ 3,152,917 | 14.29% | \$ 830,674 |
| CECO The Illuminating Co. | CECO 101/6-303 2012 Software | Intangible Plant | \$ 688,774 | \$ 148,287 | \$ 540,487 | 14.29% | \$ 98,426 |
| CECO The Illuminating Co. | CECO 101/6-303 2013 Software | Intangible Plant | \$ 1,987,647 | \$ 224,812 | \$ 1,762,835 | 14.29% | \$ 284,035 |
| CECO The Illuminating Co. | CECO 101/6-303 2014 Software | Intangible Plant | \$ 13,848 | \$ 81 | \$ - | 14.29% | \$ 1,979 |
| CECO The Illuminating Co. | CECO 101/6-303 FAS109 Dist- Forecast | Intangible Plant | \$ 2,001,380 | \$ 2,001,380 | \$ - | 3.18% | \$ - |
| CECO The Illuminating Co. | CECO 101/6-303 FAS109 Transm-FCT | Intangible Plant | \$ 1,176,339 | \$ 1,030,251 | \$ 146,088 | 2.15% | \$ 25,291 |
| CECO The Illuminating Co. | CECO 101/6-303 Software | Intangible Plant | \$ 878,782 | \$ 513,759 | \$ 365,023 | 14.29% | \$ 125,578 |
| CECO The Illuminating Co. | CECO 101/6-303 Software Evolution | Intangible Plant | \$ 12,454,403 | \$ 12,454,403 | \$ - | 14.29% | \$ - |
| Total | | | \$ 48,888,808 | \$ 41,142,568 | \$ 7,732,472 | | \$ 2,228,717 |
| OECO Ohio Edison Co. | OECO 101/6-301 Organization | Intangible Plant | \$ 89,746 | \$ - | \$ 89,746 | 0.00% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2002 Software | Intangible Plant | \$ 3,690,067 | \$ 3,690,067 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2003 Software | Intangible Plant | \$ 17,568,726 | \$ 17,568,726 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2004 Software | Intangible Plant | \$ 4,524,343 | \$ 4,524,343 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2005 Software | Intangible Plant | \$ 1,469,370 | \$ 1,469,370 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2006 Software | Intangible Plant | \$ 2,754,124 | \$ 2,754,124 | \$ - | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2007 Software | Intangible Plant | \$ 7,208,211 | \$ 7,208,211 | \$ 0 | 14.29% | \$ 0 |
| OECO Ohio Edison Co. | OECO 101/6-303 2008 Software | Intangible Plant | \$ 1,343,335 | \$ 1,972,875 | \$ (629,540) | 14.29% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 2009 Software | Intangible Plant | \$ 4,181,335 | \$ 3,167,893 | \$ 1,013,442 | 14.29% | \$ 597,513 |
| OECO Ohio Edison Co. | OECO 101/6-303 2010 Software | Intangible Plant | \$ 3,268,891 | \$ 2,122,562 | \$ 1,146,328 | 14.29% | \$ 467,124 |
| OECO Ohio Edison Co. | OECO 101/6-303 2011 Software | Intangible Plant | \$ 8,338,283 | \$ 3,419,080 | \$ 4,919,202 | 14.29% | \$ 1,191,541 |
| OECO Ohio Edison Co. | OECO 101/6-303 2012 Software | Intangible Plant | \$ 1,176,382 | \$ 293,835 | \$ 882,547 | 14.29% | \$ 168,105 |
| OECO Ohio Edison Co. | OECO 101/6-303 2013 Software | Intangible Plant | \$ 2,801,629 | \$ 465,033 | \$ 2,336,596 | 14.29% | \$ 400,353 |
| OECO Ohio Edison Co. | OECO 101/6-303 2014 Software | Intangible Plant | \$ 24,775 | \$ 144 | \$ 24,631 | 14.29% | \$ 3,540 |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Dist Land | Intangible Plant | \$ 37,082 | \$ - | \$ 37,082 | 2.89% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Distribution | Intangible Plant | \$ 1,556,299 | \$ 1,556,299 | \$ - | 2.89% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 General Lan | Intangible Plant | \$ 7,778 | \$ - | \$ 7,778 | 3.87% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 General Plt | Intangible Plant | \$ 191,313 | \$ 172,059 | \$ 19,254 | 3.87% | \$ 7,404 |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Trans Land | Intangible Plant | \$ 1,326,229 | \$ - | \$ 1,326,229 | 2.33% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 FAS109 Transmissio | Intangible Plant | \$ 697,049 | \$ 697,049 | \$ - | 2.33% | \$ - |
| OECO Ohio Edison Co. | OECO 101/6-303 Intangibles | Intangible Plant | \$ 1,782,471 | \$ 865,864 | \$ 916,607 | 14.29% | \$ 254,715 |
| Total | | | \$ 64,037,438 | \$ 51,947,535 | \$ 12,089,903 | | \$ 3,090,295 |
| TECO Toledo Edison Co. | TECO 101/6-303 2002 Software | Intangible Plant | \$ 1,705,114 | \$ 1,705,114 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2003 Software | Intangible Plant | \$ 7,446,712 | \$ 7,446,712 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2004 Software | Intangible Plant | \$ 854,821 | \$ 854,821 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2005 Software | Intangible Plant | \$ 670,679 | \$ 670,679 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2006 Software | Intangible Plant | \$ 834,729 | \$ 834,729 | \$ - | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2007 Software | Intangible Plant | \$ 3,095,002 | \$ 3,095,002 | \$ (0) | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2008 Software | Intangible Plant | \$ 554,817 | \$ 710,292 | \$ (155,475) | 14.29% | \$ - |
| TECO Toledo Edison Co. | TECO 101/6-303 2009 Software | Intangible Plant | \$ 1,800,726 | \$ 1,346,310 | \$ 454,415 | 14.29% | \$ 257,324 |
| TECO Toledo Edison Co. | TECO 101/6-303 2010 Software | Intangible Plant | \$ 1,429,320 | \$ 922,374 | \$ 506,947 | 14.29% | \$ 204,250 |
| TECO Toledo Edison Co. | TECO 101/6-303 2011 Software | Intangible Plant | \$ 2,119,038 | \$ 1,031,006 | \$ 1,088,031 | 14.29% | \$ 302,810 |
| TECO Toledo Edison Co. | TECO 101/6-303 2012 Software | Intangible Plant | \$ 424,922 | \$ 76,767 | \$ 348,156 | 14.29% | \$ 60,721 |
| TECO Toledo Edison Co. | TECO 101/6-303 2013 Software | Intangible Plant | \$ 423,412 | \$ 84,718 | \$ 338,694 | 14.29% | \$ 60,506 |
| TECO Toledo Edison Co. | TECO 101/6-303 2014 Software | Intangible Plant | \$ 8,013 | \$ 47 | \$ 7,967 | 14.29% | \$ 1,145 |
| TECO Toledo Edison Co. | TECO 101/6-303 FAS109 Distribution | Intangible Plant | \$ 240,093 | \$ 235,056 | \$ 5,037 | 3.10% | \$ 5,037 |
| TECO Toledo Edison Co. | TECO 101/6-303 FAS109 Transmission | Intangible Plant | \$ 54,210 | \$ 47,785 | \$ 6,425 | 2.37% | \$ 1,285 |
| TECO Toledo Edison Co. | TECO 101/6-303 Software | Intangible Plant | \$ 843,223 | \$ 404,234 | \$ 438,989 | 14.29% | \$ 120,497 |
| Total | | | \$ 22,504,832 | \$ 19,465,646 | \$ 3,039,186 | | \$ 1,013,575 |

NOTES

- (D) - (F) Source: 2014 Forecast Version 12 adjusted to reflect current assumptions
(G) Source: Case No. 07-551-EL-AIR
(H) Accrual rate only applies to the (non-land) gross plant of those accounts that are not fully amortized.

Rider Charge Calculation - Rider DCR

I. Annual Revenue Requirement For September - November 2014 Rider DCR Rates

| | (A) | (B) |
|-----|---------|----------------------|
| | Company | Rev Req 8/31/2014 |
| (1) | CEI | \$ 95,855,951 |
| (2) | OE | \$ 95,088,377 |
| (3) | TE | \$ 26,392,409 |
| (4) | TOTAL | \$ 217,336,737 |

NOTES

(B) Annual Revenue Requirement based on estimated 8/31/2014 Rate Base

II. Quarterly Revenue Requirement Additions

| | (A) | (B) | (C) | (D) |
|-----|--|------------|--------------|-------------|
| | Description | CEI | OE | TE |
| (1) | DCR Audit Expense Recovery | \$ 812 | \$ 812 | \$ 812 |
| (2) | Jun - Aug 2014 Reconciliation Amount Adjusted for Sept - Nov 2014 | \$ 365,460 | \$ (148,042) | \$ (47,720) |
| (3) | Total Reconciliation | \$ 366,273 | \$ (147,230) | \$ (46,907) |

SOURCES

- Line 1: Source: Remaining DCR Audit Expenses to be recovered during September - November 2014.
Line 2: Source: "Quarterly Revenue Requirement Additions: Calculation of June - August 2014 Reconciliation Amount Adjusted for September - November 2014" workpaper, Section III, Col. G
Line 3: Calculation: Line 1 + Line 2

Rider Charge Calculation - Rider DCR

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

| | (A) | (B) | (C) | (D) | (E) | (F) |
|------|---------|---------------|------------------|---------|----------------------------|--------------------------|
| | Company | Rate Schedule | Annual KWH Sales | | Annual Rev Req Allocations | Quarterly Reconciliation |
| | | | Total | % Total | | |
| (1) | CEI | RS | 5,487,350,074 | 33.24% | \$ 31,864,628 | \$ 121,757 |
| (2) | | GS, GP, GSU | 11,019,830,444 | 66.76% | \$ 63,991,324 | \$ 244,516 |
| (3) | | | 16,507,180,517 | 100.00% | \$ 95,855,951 | \$ 366,273 |
| (4) | OE | RS | 9,197,682,378 | 46.77% | \$ 44,468,655 | \$ (68,853) |
| (5) | | GS, GP, GSU | 10,469,939,214 | 53.23% | \$ 50,619,721 | \$ (78,377) |
| (6) | | | 19,667,621,593 | 100.00% | \$ 95,088,377 | \$ (147,230) |
| (7) | TE | RS | 2,486,533,587 | 44.27% | \$ 11,682,603 | \$ (20,763) |
| (8) | | GS, GP, GSU | 3,130,845,739 | 55.73% | \$ 14,709,806 | \$ (26,144) |
| (9) | | | 5,617,379,326 | 100.00% | \$ 26,392,409 | \$ (46,907) |
| (10) | OH | RS | 17,171,566,039 | 41.09% | \$ 88,015,886 | \$ 32,141 |
| (11) | TOTAL | GS, GP, GSU | 24,620,615,397 | 58.91% | \$ 129,320,851 | \$ 139,995 |
| (12) | | | 41,792,181,436 | 100.00% | \$ 217,336,737 | \$ 172,136 |

NOTES

- (C) Source: Forecast for September 2014 through August 2015 (All forecasted numbers associated with 2014 3+9 Forecast as of June 2014)
(D) Calculation: Individual Rate Schedule Total / Total for RS, GS, GP, GSU
(E) Calculation: Annual Rider DCR Revenue Requirement from Section I, Column B x Column D
(F) Calculation: Quarterly Reconciliation from Section II, Line 3 x Column D

Rider Charge Calculation - Rider DCR

IV. Allocation of DCR Revenue Requirement Amongst Non-RS Schedules

| | (A) Company | (B) Rate Schedule | (C) Stipulation Allocation | | | (F) Annual Rev Req Allocations | (G) Quarterly Reconciliation |
|------|----------------|------------------------------|-------------------------------|-------------|-------------|--------------------------------------|------------------------------------|
| | | | % of Total | % of Non-RS | DCR Jurisd. | | |
| (1) | CEI | RS | 47.55% | 0.00% | 0.00% | \$ - | \$ - |
| (2) | | GS | 42.23% | 80.52% | 90.02% | \$ 57,603,965 | \$ 220,109 |
| (3) | | GP | 0.63% | 1.19% | 1.33% | \$ 853,610 | \$ 3,262 |
| (4) | | GSU | 4.06% | 7.74% | 8.65% | \$ 5,533,748 | \$ 21,145 |
| (5) | | GT | 0.18% | 0.35% | 0.00% | \$ - | \$ - |
| (6) | | STL | 3.53% | 6.73% | 0.00% | \$ - | \$ - |
| (7) | | POL | 1.79% | 3.41% | 0.00% | \$ - | \$ - |
| (8) | | TRF | 0.03% | 0.06% | 0.00% | \$ - | \$ - |
| (9) | | | 100.00% | 100.00% | 100.00% | \$ 63,991,324 | \$ 244,516 |
| (10) | | Subtotal (GT, STL, POL, TRF) | | 10.55% | | | |
| (11) | OE | RS | 62.45% | 0.00% | 0.00% | \$ - | \$ - |
| (12) | | GS | 27.10% | 72.17% | 81.75% | \$ 41,383,122 | \$ (64,075) |
| (13) | | GP | 5.20% | 13.85% | 15.69% | \$ 7,941,896 | \$ (12,297) |
| (14) | | GSU | 0.85% | 2.26% | 2.56% | \$ 1,294,703 | \$ (2,005) |
| (15) | | GT | 2.19% | 5.84% | 0.00% | \$ - | \$ - |
| (16) | | STL | 1.39% | 3.70% | 0.00% | \$ - | \$ - |
| (17) | | POL | 0.76% | 2.02% | 0.00% | \$ - | \$ - |
| (18) | | TRF | 0.06% | 0.16% | 0.00% | \$ - | \$ - |
| (19) | | | 100.00% | 100.00% | 100.00% | \$ 50,619,721 | \$ (78,377) |
| (20) | | Subtotal (GT, STL, POL, TRF) | | 11.72% | | | |
| (21) | TE | RS | 57.93% | 0.00% | 0.00% | \$ - | \$ - |
| (22) | | GS | 32.13% | 76.36% | 86.74% | \$ 12,759,250 | \$ (22,677) |
| (23) | | GP | 4.80% | 11.42% | 12.97% | \$ 1,908,320 | \$ (3,392) |
| (24) | | GSU | 0.11% | 0.25% | 0.29% | \$ 42,236 | \$ (75) |
| (25) | | GT | 1.38% | 3.29% | 0.00% | \$ - | \$ - |
| (26) | | STL | 2.91% | 6.92% | 0.00% | \$ - | \$ - |
| (27) | | POL | 0.69% | 1.64% | 0.00% | \$ - | \$ - |
| (28) | | TRF | 0.05% | 0.12% | 0.00% | \$ - | \$ - |
| (29) | | | 100.00% | 100.00% | 100.00% | \$ 14,709,806 | \$ (26,144) |
| (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 Schedules 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 Annual DCR Revenue Requirement Allocated to Non-RS customers from Section III x Column E.
(G) Calculation: Quarterly Reconciliation Allocated to Non-RS customers from Section III x Column E.

Rider Charge Calculation - Rider DCR

V. Rider DCR Charge Calculation - Annual Revenue Requirement - Rate RS

| | (A) | (B) | (C) | (D) | (E) |
|-----|---------|---------------|--------------------|------------------|----------------------------------|
| | Company | Rate Schedule | Annual Revenue Req | Annual KWH Sales | Annual Rev Req Charge (\$ / KWH) |
| (1) | CEI | RS | \$ 31,864,628 | 5,487,350,074 | \$ 0.005807 |
| (2) | OE | RS | \$ 44,468,655 | 9,197,682,378 | \$ 0.004835 |
| (3) | TE | RS | \$ 11,682,603 | 2,486,533,587 | \$ 0.004698 |
| (4) | | | \$ 88,015,886 | 17,171,566,039 | |

NOTES

- (C) Source: Section III, Column E.
(D) Source: Forecast for September 2014 through August 2015 (All forecasted numbers associated with 2014 3+9 Forecast as of June 2014)
(E) Calculation: Column C / Column D.

VI. Rider DCR Charge Calculation - Annual Revenue Requirement - Rate GS, Rate GP, Rate GSU

| | (A) | (B) | (C) | (D) | (E) |
|------|---------|---------------|--------------------|---------------------------------|---|
| | Company | Rate Schedule | Annual Revenue Req | Annual Billing Units (kW / kVa) | Annual Rev Req Charge (\$ / kW or \$ / kVa) |
| (1) | CEI | GS | \$ 57,603,965 | 22,126,764 | \$ 2.6034 per kW |
| (2) | | GP | \$ 853,610 | 883,345 | \$ 0.9663 per kW |
| (3) | | GSU | \$ 5,533,748 | 8,265,766 | \$ 0.6695 per kW |
| (4) | | | \$ 63,991,324 | | |
| (5) | OE | GS | \$ 41,383,122 | 24,143,175 | \$ 1.7141 per kW |
| (6) | | GP | \$ 7,941,896 | 6,842,293 | \$ 1.1607 per kW |
| (7) | | GSU | \$ 1,294,703 | 2,671,264 | \$ 0.4847 per kVa |
| (8) | | | \$ 50,619,721 | | |
| (9) | TE | GS | \$ 12,759,250 | 7,430,990 | \$ 1.7170 per kW |
| (10) | | GP | \$ 1,908,320 | 2,715,284 | \$ 0.7028 per kW |
| (11) | | GSU | \$ 42,236 | 224,783 | \$ 0.1879 per kVa |
| (12) | | | \$ 14,709,806 | | |

NOTES

- (C) Source: Section IV, Column F.
(D) Source: Forecast for September 2014 through August 2015 (All forecasted numbers associated with 2014 3+9 Forecast as of June 2014)
(E) Calculation: Column C / Column D.

Rider Charge Calculation - Rider DCR

VII. Rider DCR Charge Calculation - Quarterly Reconciliation - Rate RS

| | (A) | (B) | (C) | (D) | (E) |
|-----|---------|---------------|-----------------------|---------------------|---------------------------|
| | Company | Rate Schedule | Quarterly Revenue Req | Quarterly KWH Sales | Reconciliation (\$ / KWH) |
| (1) | CEI | RS | \$ 121,757 | 1,197,517,757 | \$ 0.000102 |
| (2) | OE | RS | \$ (68,853) | 1,972,994,229 | \$ (0.000035) |
| (3) | TE | RS | \$ (20,763) | 535,493,493 | \$ (0.000039) |
| (4) | | | \$ 32,141 | 3,706,005,478 | |

NOTES

- (C) Source: Section III, Column F.
(D) Source: Forecast for September 2014 through November 2014 (All forecasted numbers associated with 2014 3+9 Forecast as of June 2014)
(E) Calculation: Column C / Column D.

VIII. Rider DCR Charge Calculation - Quarterly Reconciliation - Rate GS, Rate GP, Rate GSU

| | (A) | (B) | (C) | (D) | (E) |
|------|---------|---------------|-----------------------|------------------------------------|--------------------------------------|
| | Company | Rate Schedule | Quarterly Revenue Req | Quarterly Billing Units (kW / kVa) | Reconciliation (\$ / kW or \$ / kVa) |
| (1) | CEI | GS | \$ 220,109 | 5,518,783 | \$ 0.0399 per kW |
| (2) | | GP | \$ 3,262 | 225,495 | \$ 0.0145 per kW |
| (3) | | GSU | \$ 21,145 | 2,070,761 | \$ 0.0102 per kW |
| (4) | | | \$ 244,516 | | |
| (5) | OE | GS | \$ (64,075) | 6,053,612 | \$ (0.0106) per kW |
| (6) | | GP | \$ (12,297) | 1,724,532 | \$ (0.0071) per kW |
| (7) | | GSU | \$ (2,005) | 665,644 | \$ (0.0030) per kVa |
| (8) | | | \$ (78,377) | | |
| (9) | TE | GS | \$ (22,677) | 1,868,387 | \$ (0.0121) per kW |
| (10) | | GP | \$ (3,392) | 681,216 | \$ (0.0050) per kW |
| (11) | | GSU | \$ (75) | 58,556 | \$ (0.0013) per kVa |
| (12) | | | \$ (26,144) | | |

NOTES

- (C) Source: Section IV, Column G.
(D) Source: Forecast for September 2014 through November 2014 (All forecasted numbers associated with 2014 3+9 Forecast as of June 2014)
(E) Calculation: Column C / Column D.

Rider Charge Calculation - Rider DCR

IX. Rider DCR Charge Calculation

| | (A) | (B) | (C) | (D) | (E) |
|------|---------|---------------|-----------------------|--------------------------|---|
| | Company | Rate Schedule | Annual Rev Req Charge | Quarterly Reconciliation | Proposed DCR Charge For September - November 2014 |
| (1) | CEI | RS | \$ 0.005807 per kWh | \$ 0.000102 per kWh | \$ 0.005909 per kWh |
| (2) | | GS | \$ 2.6034 per kW | \$ 0.0399 per kW | \$ 2.6432 per kW |
| (3) | | GP | \$ 0.9663 per kW | \$ 0.0145 per kW | \$ 0.9808 per kW |
| (4) | | GSU | \$ 0.6695 per kW | \$ 0.0102 per kW | \$ 0.6797 per kW |
| (5) | | | | | |
| (6) | OE | RS | \$ 0.004835 per kWh | \$ (0.000035) per kWh | \$ 0.001258 per kWh |
| (7) | | GS | \$ 1.7141 per kW | \$ (0.0106) per kW | \$ 0.4466 per kW |
| (8) | | GP | \$ 1.1607 per kW | \$ (0.0071) per kW | \$ 0.3024 per kW |
| (9) | | GSU | \$ 0.4847 per kVa | \$ (0.0030) per kVa | \$ 0.1263 per kVa |
| (10) | | | | | |
| (11) | TE | RS | \$ 0.004698 per kWh | \$ (0.000039) per kWh | \$ 0.004660 per kWh |
| (12) | | GS | \$ 1.7170 per kW | \$ (0.0121) per kW | \$ 1.7049 per kW |
| (13) | | GP | \$ 0.7028 per kW | \$ (0.0050) per kW | \$ 0.6978 per kW |
| (14) | | GSU | \$ 0.1879 per kVa | \$ (0.0013) per kVa | \$ 0.1866 per kVa |
| (15) | | | | | |

NOTES

- (C) Source: Sections V and VI, Column E
(D) Source: Sections VII and VIII, Column E
(E) Calculation: Column C + Column D. Rates for OE adjusted such that the estimated aggregated 2014 Rider DCR revenue does not exceed the annual aggregate revenue cap.

Annual Rider DCR Revenue To-Date and Rider DCR Revenue Cap

X. Annual Rider DCR Revenue Through May 31, 2014

| | (A) | (B) | (C) | (D) | (E) | (F) |
|--|---------|-------------------------------|------------------------------|------------------|-------------------------|-------------------------------|
| | Company | Annual Revenue Thru 5/31/2014 | 2013 Revenue vs. Revenue Cap | 2014 Revenue Cap | Actual 2014 Revenue Cap | Under (Over) 2014 Revenue Cap |
| | CEI | \$ 37,417,086 | | | \$ 132,651,274 | \$ 95,234,188 |
| | OE | \$ 37,968,791 | | | \$ 94,750,910 | \$ 56,782,119 |
| | TE | \$ 10,312,121 | | | \$ 56,850,546 | \$ 46,538,425 |
| | Total | \$ 85,697,998 | \$ 751,820 | \$ 188,750,000 | \$ 189,501,820 | \$ 103,803,822 |

NOTES

- (C) The actual annual 2013 Rider DCR revenue cap was equal to \$186,383,747. Actual annual 2013 Rider DCR revenue billed was equal to \$185,631,927. Pursuant to the Stipulation in Case No. 10-388-EL-SSO (page 15): "For any year the revenue collected under the Companies' Rider DCR is less than the annual cap allowance, as established above, then the difference between the revenue collected and the cap shall be applied to increase the level of the subsequent period's cap."
(D) Source: Case No. 10-388-EL-SSO Stipulation (page 14) and Case No. 12-1230-EL-SSO Stipulation (page 20). Note that the 2014 revenue cap is calculated as the January - May 2014 cap of \$75M plus the equivalent of 7 months of the June 2014 - May 2015 cap of \$195M.
(E) Calculation: Column C + Column D. The sum of the individual company caps does not equal the total company cap. Each individual company has a cap of 50%, 70% and 30% for OE, CEI, and TE, respectively, of the total aggregate cap. Source: Case No. 10-388-EL-SSO Stipulation (page 14) and Case No. 12-1230-EL-SSO Stipulation (page 20).
(F) Calculation: Column E - Column B

Quarterly Revenue Requirement Additions: Calculation of June - August 2014 Reconciliation Amount Adjusted for September - November 2014

I. Rider DCR June - August 2014 Rates Based on Estimated 5/31/14 Rate Base

| (A) Company | (B) Rate Schedule | (C) Allocation | (D) Annual Revenue Requirements | | | (E) Quarterly Reconciliation | | | (J) June - August 2014 Rate Estimated Rate Base |
|----------------|-------------------------|-------------------|---------------------------------|---------------|---------------------|------------------------------|---------------|-----------------------|---|
| | | | Rev. Req | Billing Units | Rate | Rev. Req | Billing Units | Rate | |
| CEI | RS | 33.22% | \$ 29,882,719 | 5,484,543,122 | \$ 0.005449 per kWh | \$ (87,783) | 1,516,743,596 | \$ (0.000058) per kWh | \$ 0.005391 per kWh |
| | GS | 60.11% | \$ 54,066,148 | 22,099,827 | \$ 2.4465 per kW | \$ (158,824) | 5,939,030 | \$ (0.0267) per kW | \$ 2.4197 per kW |
| | GP | 0.89% | \$ 801,185 | 882,056 | \$ 0.9083 per kW | \$ (2,354) | 231,390 | \$ (0.0102) per kW | \$ 0.8981 per kW |
| | GSU | 5.77% | \$ 5,193,886 | 8,253,638 | \$ 0.6293 per kW | \$ (15,257) | 2,176,521 | \$ (0.0070) per kW | \$ 0.6223 per kW |
| | | 100.00% | \$ 89,943,937 | | | \$ (264,218) | | | |
| OE | RS | 46.82% | \$ 43,486,555 | 9,176,499,573 | \$ 0.004739 per kWh | \$ (69,797) | 2,445,677,585 | \$ (0.000029) per kWh | \$ 0.004710 per kWh |
| | GS | 43.48% | \$ 40,387,341 | 24,006,107 | \$ 1.6824 per kW | \$ (64,823) | 6,444,742 | \$ (0.0101) per kW | \$ 1.6723 per kW |
| | GP | 8.34% | \$ 7,750,795 | 6,795,858 | \$ 1.1405 per kW | \$ (12,440) | 1,797,301 | \$ (0.0069) per kW | \$ 1.1336 per kW |
| | GSU | 1.36% | \$ 1,263,549 | 2,653,410 | \$ 0.4762 per kVa | \$ (2,028) | 690,727 | \$ (0.0029) per kVa | \$ 0.4733 per kVa |
| | | 100.00% | \$ 92,888,240 | | | \$ (149,089) | | | |
| TE | RS | 44% | \$ 10,992,923 | 2,479,299,221 | \$ 0.004434 per kWh | \$ (7,534) | 715,167,257 | \$ (0.000011) per kWh | \$ 0.004423 per kWh |
| | GS | 48% | \$ 12,075,336 | 7,435,493 | \$ 1.6240 per kW | \$ (8,276) | 2,016,400 | \$ (0.0041) per kW | \$ 1.6199 per kW |
| | GP | 7% | \$ 1,806,031 | 2,698,164 | \$ 0.6694 per kW | \$ (1,238) | 719,416 | \$ (0.0017) per kW | \$ 0.6676 per kW |
| | GSU | 0% | \$ 39,973 | 223,393 | \$ 0.1789 per kVa | \$ (27) | 57,314 | \$ (0.0005) per kVa | \$ 0.1785 per kVa |
| | | 100.00% | \$ 24,914,262 | | | \$ (17,076) | | | |
| TOTAL | | | \$ 207,746,439 | | | \$ (430,382) | | | |

Notes:

Source: See "Rider Charge Calculation - Rider DCR" workpaper from Rider DCR filing April 23, 2014.

Quarterly Revenue Requirement Additions: Calculation of June - August 2014 Reconciliation Amount Adjusted for September - November 2014

II. Rider DCR June - August 2014 Rates Based on Actual 5/31/14 Rate Base

| (A) Company | (B) Rate Schedule | (C) Allocation | (D) Annual Revenue Requirements | | | (E) Quarterly Reconciliation | | | (J) June - August 2014 Rate Actual Rate Base |
|----------------|-------------------------|-------------------|---------------------------------|---------------|---------------------|------------------------------|---------------|-----------------------|--|
| | | | Rev. Req | Billing Units | Rate | Rev. Req | Billing Units | Rate | |
| CEI | RS | 33.22% | \$ 30,330,787 | 5,484,543,122 | \$ 0.005530 per kWh | \$ (87,783) | 1,516,743,596 | \$ (0.000058) per kWh | \$ 0.005472 per kWh |
| | GS | 60.11% | \$ 54,876,828 | 22,099,827 | \$ 2.4831 per kW | \$ (158,824) | 5,939,030 | \$ (0.0267) per kW | \$ 2.4564 per kW |
| | GP | 0.89% | \$ 813,198 | 882,056 | \$ 0.9219 per kW | \$ (2,354) | 231,390 | \$ (0.0102) per kW | \$ 0.9118 per kW |
| | GSU | 5.77% | \$ 5,271,765 | 8,253,638 | \$ 0.6387 per kW | \$ (15,257) | 2,176,521 | \$ (0.0070) per kW | \$ 0.6317 per kW |
| | | 100.00% | \$ 91,292,578 | | | \$ (264,218) | | | |
| OE | RS | 46.82% | \$ 43,227,081 | 9,176,499,573 | \$ 0.004711 per kWh | \$ (69,797) | 2,445,677,585 | \$ (0.000029) per kWh | \$ 0.004682 per kWh |
| | GS | 43.48% | \$ 40,146,359 | 24,006,107 | \$ 1.6723 per kW | \$ (64,823) | 6,444,742 | \$ (0.0101) per kW | \$ 1.6623 per kW |
| | GP | 8.34% | \$ 7,704,547 | 6,795,858 | \$ 1.1337 per kW | \$ (12,440) | 1,797,301 | \$ (0.0069) per kW | \$ 1.1268 per kW |
| | GSU | 1.36% | \$ 1,256,010 | 2,653,410 | \$ 0.4734 per kVa | \$ (2,028) | 690,727 | \$ (0.0029) per kVa | \$ 0.4704 per kVa |
| | | 100.00% | \$ 92,333,997 | | | \$ (149,089) | | | |
| TE | RS | 44.12% | \$ 10,917,307 | 2,479,299,221 | \$ 0.004403 per kWh | \$ (7,534) | 715,167,257 | \$ (0.000011) per kWh | \$ 0.004393 per kWh |
| | GS | 48.47% | \$ 11,992,275 | 7,435,493 | \$ 1.6128 per kW | \$ (8,276) | 2,016,400 | \$ (0.0041) per kW | \$ 1.6087 per kW |
| | GP | 7.25% | \$ 1,793,608 | 2,698,164 | \$ 0.6648 per kW | \$ (1,238) | 719,416 | \$ (0.0017) per kW | \$ 0.6630 per kW |
| | GSU | 0.16% | \$ 39,698 | 223,393 | \$ 0.1777 per kVa | \$ (27) | 57,314 | \$ (0.0005) per kVa | \$ 0.1772 per kVa |
| | | 100.00% | \$ 24,742,888 | | | \$ (17,076) | | | |
| TOTAL | | | \$ 208,369,462 | | | \$ (430,382) | | | |

- (C) Source: Rider DCR filing April 23, 2014
(D) Calculation: Annual DCR Revenue Requirement based on actual 5/31/14 Rate Base x Column C
(E) Estimated billing units for June 2014 - May 2015. Source: Rider DCR filing April 23, 2014.
(F) Calculation: Column D / Column E
(G) Source: Rider DCR filing April 23, 2014
(H) Estimated billing units for June - August 2014. Source: Rider DCR filing April 23, 2014.
(I) Calculation: Column G / Column H
(J) Calculation: Column F + Column I

Quarterly Revenue Requirement Additions: Calculation of June - August 2014 Reconciliation Amount Adjusted for September - November 2014

III. Estimated Rider DCR Reconciliation Amount for September - November 2014

| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
|--------------|---------------|---|--|-----------------------|---------------|-----------------------|
| Company | Rate Schedule | June - August 2014 Rate Estimated Rate Base | June - August 2014 Rate Actual Rate Base | Difference | Billing Units | Reconciliation Amount |
| CEI | RS | \$ 0.005391 per kWh | \$ 0.005472 per kWh | \$ 0.000082 per kWh | 1,516,743,596 | \$ 123,913 |
| | GS | \$ 2.4197 per kW | \$ 2.4564 per kW | \$ 0.0367 per kW | 5,939,030 | \$ 217,859 |
| | GP | \$ 0.8981 per kW | \$ 0.9118 per kW | \$ 0.0136 per kW | 231,390 | \$ 3,151 |
| | GSU | \$ 0.6223 per kW | \$ 0.6317 per kW | \$ 0.0094 per kW | 2,176,521 | \$ 20,537 |
| | | | | | | \$ 365,460 |
| OE | RS | \$ 0.004710 per kWh | \$ 0.004682 per kWh | \$ (0.000028) per kWh | 2,445,677,585 | \$ (69,154) |
| | GS | \$ 1.6723 per kW | \$ 1.6623 per kW | \$ (0.0100) per kW | 6,444,742 | \$ (64,695) |
| | GP | \$ 1.1336 per kW | \$ 1.1268 per kW | \$ (0.0068) per kW | 1,797,301 | \$ (12,231) |
| | GSU | \$ 0.4733 per kVa | \$ 0.4704 per kVa | \$ (0.0028) per kVa | 690,727 | \$ (1,963) |
| | | | | | | \$ (148,042) |
| TE | RS | \$ 0.004423 per kWh | \$ 0.004393 per kWh | \$ (0.000030) per kWh | 715,167,257 | \$ (21,812) |
| | GS | \$ 1.6199 per kW | \$ 1.6087 per kW | \$ (0.0112) per kW | 2,016,400 | \$ (22,525) |
| | GP | \$ 0.6676 per kW | \$ 0.6630 per kW | \$ (0.0046) per kW | 719,416 | \$ (3,312) |
| | GSU | \$ 0.1785 per kVa | \$ 0.1772 per kVa | \$ (0.0012) per kVa | 57,314 | \$ (71) |
| | | | | | | \$ (47,720) |
| TOTAL | | | | | | \$ 169,699 |

- (C) Source: Section I, Column J
(D) Source: Section II, Column J
(E) Calculation: Column D - Column C
(F) Estimated billing units for June - August 2014. Source: Original budget used in Rider DCR filing April 23, 2014.
(G) Calculation: Column E x Column F

The Cleveland Electric Illuminating Company: 13-2005-EL-RDR
 Ohio Edison Company: 13-2006-EL-RDR
 The Toledo Edison Company: 13-2007-EL-RDR

Energy and Demand Forecast

Source: All forecasted numbers associated with 2014 3+9 Forecast as of June 2014

Annual Energy (September 2014 - August 2015) :

Source: 2014 3+9 Forecast as of June 2014

| | | <u>CEI</u> | <u>OE</u> | <u>TE</u> | <u>Total</u> |
|-------|-----|----------------|----------------|---------------|----------------|
| RS | kWh | 5,487,350,074 | 9,197,682,378 | 2,486,533,587 | 17,171,566,039 |
| GS | kWh | 6,597,594,185 | 6,563,355,460 | 1,985,740,357 | 15,146,690,002 |
| GP | kWh | 444,517,026 | 2,847,263,672 | 1,033,136,261 | 4,324,916,959 |
| GSU | kWh | 3,977,719,233 | 1,059,320,082 | 111,969,121 | 5,149,008,436 |
| Total | | 16,507,180,517 | 19,667,621,593 | 5,617,379,326 | 41,792,181,436 |

Annual Demand (September 2014 - August 2015) :

Source: 2014 3+9 Forecast as of June 2014

| | | <u>CEI</u> | <u>OE</u> | <u>TE</u> |
|-----|--------|------------|------------|-----------|
| GS | kW | 22,126,764 | 24,143,175 | 7,430,990 |
| GP | kW | 883,345 | 6,842,293 | 2,715,284 |
| GSU | kW/kVA | 8,265,766 | 2,671,264 | 224,783 |

September 2014 - November 2014 Energy:

Source: 2014 3+9 Forecast as of June 2014

| | | <u>CEI</u> | <u>OE</u> | <u>TE</u> | <u>Total</u> |
|-------|-----|---------------|---------------|---------------|---------------|
| RS | kWh | 1,197,517,757 | 1,972,994,229 | 535,493,493 | 3,706,005,478 |
| GS | kWh | 1,582,357,052 | 1,562,954,185 | 479,389,252 | 3,624,700,489 |
| GP | kWh | 113,587,996 | 693,914,643 | 250,276,081 | 1,057,778,720 |
| GSU | kWh | 977,213,296 | 254,491,085 | 27,326,479 | 1,259,030,860 |
| Total | | 3,870,676,102 | 4,484,354,142 | 1,292,485,305 | 9,647,515,548 |

September 2014 - November 2014 Demand:

Source: 2014 3+9 Forecast as of June 2014

| | | <u>CEI</u> | <u>OE</u> | <u>TE</u> |
|-----|--------|------------|-----------|-----------|
| GS | kW | 5,518,783 | 6,053,612 | 1,868,387 |
| GP | kW | 225,495 | 1,724,532 | 681,216 |
| GSU | kW/kVA | 2,070,761 | 665,644 | 58,556 |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kW) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| Residential Service - Standard (Rate RS) | | | | | | |
| 1 | 0 | 250 | \$ 37.63 | \$ 37.69 | \$ 0.06 | 0.2% |
| 2 | 0 | 500 | \$ 71.08 | \$ 71.20 | \$ 0.12 | 0.2% |
| 3 | 0 | 750 | \$ 104.57 | \$ 104.75 | \$ 0.18 | 0.2% |
| 4 | 0 | 1,000 | \$ 138.02 | \$ 138.26 | \$ 0.24 | 0.2% |
| 5 | 0 | 1,250 | \$ 171.48 | \$ 171.78 | \$ 0.30 | 0.2% |
| 6 | 0 | 1,500 | \$ 204.93 | \$ 205.29 | \$ 0.36 | 0.2% |
| 7 | 0 | 2,000 | \$ 271.87 | \$ 272.34 | \$ 0.47 | 0.2% |
| 8 | 0 | 2,500 | \$ 338.56 | \$ 339.15 | \$ 0.59 | 0.2% |
| 9 | 0 | 3,000 | \$ 405.27 | \$ 405.98 | \$ 0.71 | 0.2% |
| 10 | 0 | 3,500 | \$ 471.95 | \$ 472.78 | \$ 0.83 | 0.2% |
| 11 | 0 | 4,000 | \$ 538.63 | \$ 539.58 | \$ 0.95 | 0.2% |
| 12 | 0 | 4,500 | \$ 605.34 | \$ 606.41 | \$ 1.07 | 0.2% |
| 13 | 0 | 5,000 | \$ 672.07 | \$ 673.26 | \$ 1.18 | 0.2% |
| 14 | 0 | 5,500 | \$ 738.71 | \$ 740.01 | \$ 1.30 | 0.2% |
| 15 | 0 | 6,000 | \$ 805.42 | \$ 806.84 | \$ 1.42 | 0.2% |
| 16 | 0 | 6,500 | \$ 872.10 | \$ 873.64 | \$ 1.54 | 0.2% |
| 17 | 0 | 7,000 | \$ 938.79 | \$ 940.45 | \$ 1.66 | 0.2% |
| 18 | 0 | 7,500 | \$ 1,005.51 | \$ 1,007.29 | \$ 1.78 | 0.2% |
| 19 | 0 | 8,000 | \$ 1,072.16 | \$ 1,074.06 | \$ 1.90 | 0.2% |
| 20 | 0 | 8,500 | \$ 1,138.90 | \$ 1,140.91 | \$ 2.01 | 0.2% |
| 21 | 0 | 9,000 | \$ 1,205.57 | \$ 1,207.70 | \$ 2.13 | 0.2% |
| 22 | 0 | 9,500 | \$ 1,272.29 | \$ 1,274.54 | \$ 2.25 | 0.2% |
| 23 | 0 | 10,000 | \$ 1,338.95 | \$ 1,341.32 | \$ 2.37 | 0.2% |
| 24 | 0 | 10,500 | \$ 1,405.65 | \$ 1,408.14 | \$ 2.49 | 0.2% |
| 25 | 0 | 11,000 | \$ 1,472.35 | \$ 1,474.96 | \$ 2.61 | 0.2% |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kW) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| Residential Service - All-Electric (Rate RS) | | | | | | |
| 1 | 0 | 250 | \$ 37.63 | \$ 37.69 | \$ 0.06 | 0.2% |
| 2 | 0 | 500 | \$ 71.08 | \$ 71.20 | \$ 0.12 | 0.2% |
| 3 | 0 | 750 | \$ 104.57 | \$ 104.75 | \$ 0.18 | 0.2% |
| 4 | 0 | 1,000 | \$ 138.02 | \$ 138.26 | \$ 0.24 | 0.2% |
| 5 | 0 | 1,250 | \$ 171.48 | \$ 171.78 | \$ 0.30 | 0.2% |
| 6 | 0 | 1,500 | \$ 204.93 | \$ 205.29 | \$ 0.36 | 0.2% |
| 7 | 0 | 2,000 | \$ 271.87 | \$ 272.34 | \$ 0.47 | 0.2% |
| 8 | 0 | 2,500 | \$ 338.56 | \$ 339.15 | \$ 0.59 | 0.2% |
| 9 | 0 | 3,000 | \$ 405.27 | \$ 405.98 | \$ 0.71 | 0.2% |
| 10 | 0 | 3,500 | \$ 471.95 | \$ 472.78 | \$ 0.83 | 0.2% |
| 11 | 0 | 4,000 | \$ 538.63 | \$ 539.58 | \$ 0.95 | 0.2% |
| 12 | 0 | 4,500 | \$ 605.34 | \$ 606.41 | \$ 1.07 | 0.2% |
| 13 | 0 | 5,000 | \$ 672.07 | \$ 673.26 | \$ 1.18 | 0.2% |
| 14 | 0 | 5,500 | \$ 738.71 | \$ 740.01 | \$ 1.30 | 0.2% |
| 15 | 0 | 6,000 | \$ 805.42 | \$ 806.84 | \$ 1.42 | 0.2% |
| 16 | 0 | 6,500 | \$ 872.10 | \$ 873.64 | \$ 1.54 | 0.2% |
| 17 | 0 | 7,000 | \$ 938.79 | \$ 940.45 | \$ 1.66 | 0.2% |
| 18 | 0 | 7,500 | \$ 1,005.51 | \$ 1,007.29 | \$ 1.78 | 0.2% |
| 19 | 0 | 8,000 | \$ 1,072.16 | \$ 1,074.06 | \$ 1.90 | 0.2% |
| 20 | 0 | 8,500 | \$ 1,138.90 | \$ 1,140.91 | \$ 2.01 | 0.2% |
| 21 | 0 | 9,000 | \$ 1,205.57 | \$ 1,207.70 | \$ 2.13 | 0.2% |
| 22 | 0 | 9,500 | \$ 1,272.29 | \$ 1,274.54 | \$ 2.25 | 0.2% |
| 23 | 0 | 10,000 | \$ 1,338.95 | \$ 1,341.32 | \$ 2.37 | 0.2% |
| 24 | 0 | 10,500 | \$ 1,405.65 | \$ 1,408.14 | \$ 2.49 | 0.2% |
| 25 | 0 | 11,000 | \$ 1,472.35 | \$ 1,474.96 | \$ 2.61 | 0.2% |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|---|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kW) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| Residential Service - All-Electric Apt. (Rate RS) | | | | | | |
| 1 | 0 | 250 | \$ 37.63 | \$ 37.69 | \$ 0.06 | 0.2% |
| 2 | 0 | 500 | \$ 71.08 | \$ 71.20 | \$ 0.12 | 0.2% |
| 3 | 0 | 750 | \$ 104.57 | \$ 104.75 | \$ 0.18 | 0.2% |
| 4 | 0 | 1,000 | \$ 138.02 | \$ 138.26 | \$ 0.24 | 0.2% |
| 5 | 0 | 1,250 | \$ 171.48 | \$ 171.78 | \$ 0.30 | 0.2% |
| 6 | 0 | 1,500 | \$ 204.93 | \$ 205.29 | \$ 0.36 | 0.2% |
| 7 | 0 | 2,000 | \$ 271.87 | \$ 272.34 | \$ 0.47 | 0.2% |
| 8 | 0 | 2,500 | \$ 338.56 | \$ 339.15 | \$ 0.59 | 0.2% |
| 9 | 0 | 3,000 | \$ 405.27 | \$ 405.98 | \$ 0.71 | 0.2% |
| 10 | 0 | 3,500 | \$ 471.95 | \$ 472.78 | \$ 0.83 | 0.2% |
| 11 | 0 | 4,000 | \$ 538.63 | \$ 539.58 | \$ 0.95 | 0.2% |
| 12 | 0 | 4,500 | \$ 605.34 | \$ 606.41 | \$ 1.07 | 0.2% |
| 13 | 0 | 5,000 | \$ 672.07 | \$ 673.26 | \$ 1.18 | 0.2% |
| 14 | 0 | 5,500 | \$ 738.71 | \$ 740.01 | \$ 1.30 | 0.2% |
| 15 | 0 | 6,000 | \$ 805.42 | \$ 806.84 | \$ 1.42 | 0.2% |
| 16 | 0 | 6,500 | \$ 872.10 | \$ 873.64 | \$ 1.54 | 0.2% |
| 17 | 0 | 7,000 | \$ 938.79 | \$ 940.45 | \$ 1.66 | 0.2% |
| 18 | 0 | 7,500 | \$ 1,005.51 | \$ 1,007.29 | \$ 1.78 | 0.2% |
| 19 | 0 | 8,000 | \$ 1,072.16 | \$ 1,074.06 | \$ 1.90 | 0.2% |
| 20 | 0 | 8,500 | \$ 1,138.90 | \$ 1,140.91 | \$ 2.01 | 0.2% |
| 21 | 0 | 9,000 | \$ 1,205.57 | \$ 1,207.70 | \$ 2.13 | 0.2% |
| 22 | 0 | 9,500 | \$ 1,272.29 | \$ 1,274.54 | \$ 2.25 | 0.2% |
| 23 | 0 | 10,000 | \$ 1,338.95 | \$ 1,341.32 | \$ 2.37 | 0.2% |
| 24 | 0 | 10,500 | \$ 1,405.65 | \$ 1,408.14 | \$ 2.49 | 0.2% |
| 25 | 0 | 11,000 | \$ 1,472.35 | \$ 1,474.96 | \$ 2.61 | 0.2% |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|---|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kW) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| Residential Service - Water Heating (Rate RS) | | | | | | |
| 1 | 0 | 250 | \$ 37.63 | \$ 37.69 | \$ 0.06 | 0.2% |
| 2 | 0 | 500 | \$ 71.08 | \$ 71.20 | \$ 0.12 | 0.2% |
| 3 | 0 | 750 | \$ 104.57 | \$ 104.75 | \$ 0.18 | 0.2% |
| 4 | 0 | 1,000 | \$ 138.02 | \$ 138.26 | \$ 0.24 | 0.2% |
| 5 | 0 | 1,250 | \$ 171.48 | \$ 171.78 | \$ 0.30 | 0.2% |
| 6 | 0 | 1,500 | \$ 204.93 | \$ 205.29 | \$ 0.36 | 0.2% |
| 7 | 0 | 2,000 | \$ 271.87 | \$ 272.34 | \$ 0.47 | 0.2% |
| 8 | 0 | 2,500 | \$ 338.56 | \$ 339.15 | \$ 0.59 | 0.2% |
| 9 | 0 | 3,000 | \$ 405.27 | \$ 405.98 | \$ 0.71 | 0.2% |
| 10 | 0 | 3,500 | \$ 471.95 | \$ 472.78 | \$ 0.83 | 0.2% |
| 11 | 0 | 4,000 | \$ 538.63 | \$ 539.58 | \$ 0.95 | 0.2% |
| 12 | 0 | 4,500 | \$ 605.34 | \$ 606.41 | \$ 1.07 | 0.2% |
| 13 | 0 | 5,000 | \$ 672.07 | \$ 673.26 | \$ 1.18 | 0.2% |
| 14 | 0 | 5,500 | \$ 738.71 | \$ 740.01 | \$ 1.30 | 0.2% |
| 15 | 0 | 6,000 | \$ 805.42 | \$ 806.84 | \$ 1.42 | 0.2% |
| 16 | 0 | 6,500 | \$ 872.10 | \$ 873.64 | \$ 1.54 | 0.2% |
| 17 | 0 | 7,000 | \$ 938.79 | \$ 940.45 | \$ 1.66 | 0.2% |
| 18 | 0 | 7,500 | \$ 1,005.51 | \$ 1,007.29 | \$ 1.78 | 0.2% |
| 19 | 0 | 8,000 | \$ 1,072.16 | \$ 1,074.06 | \$ 1.90 | 0.2% |
| 20 | 0 | 8,500 | \$ 1,138.90 | \$ 1,140.91 | \$ 2.01 | 0.2% |
| 21 | 0 | 9,000 | \$ 1,205.57 | \$ 1,207.70 | \$ 2.13 | 0.2% |
| 22 | 0 | 9,500 | \$ 1,272.29 | \$ 1,274.54 | \$ 2.25 | 0.2% |
| 23 | 0 | 10,000 | \$ 1,338.95 | \$ 1,341.32 | \$ 2.37 | 0.2% |
| 24 | 0 | 10,500 | \$ 1,405.65 | \$ 1,408.14 | \$ 2.49 | 0.2% |
| 25 | 0 | 11,000 | \$ 1,472.35 | \$ 1,474.96 | \$ 2.61 | 0.2% |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kW) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| General Service Secondary (Rate GS) | | | | | | |
| 1 | 10 | 1,000 | \$ 180.85 | \$ 181.70 | \$ 0.85 | 0.5% |
| 2 | 10 | 2,000 | \$ 272.05 | \$ 272.90 | \$ 0.85 | 0.3% |
| 3 | 10 | 3,000 | \$ 362.78 | \$ 363.63 | \$ 0.85 | 0.2% |
| 4 | 10 | 4,000 | \$ 453.50 | \$ 454.35 | \$ 0.85 | 0.2% |
| 5 | 10 | 5,000 | \$ 544.25 | \$ 545.10 | \$ 0.85 | 0.2% |
| 6 | 10 | 6,000 | \$ 634.93 | \$ 635.78 | \$ 0.85 | 0.1% |
| 7 | 1,000 | 100,000 | \$ 20,108.53 | \$ 20,193.53 | \$ 85.00 | 0.4% |
| 8 | 1,000 | 200,000 | \$ 29,124.70 | \$ 29,209.70 | \$ 85.00 | 0.3% |
| 9 | 1,000 | 300,000 | \$ 38,140.86 | \$ 38,225.86 | \$ 85.00 | 0.2% |
| 10 | 1,000 | 400,000 | \$ 47,157.03 | \$ 47,242.03 | \$ 85.00 | 0.2% |
| 11 | 1,000 | 500,000 | \$ 56,173.20 | \$ 56,258.20 | \$ 85.00 | 0.2% |
| 12 | 1,000 | 600,000 | \$ 65,189.36 | \$ 65,274.36 | \$ 85.00 | 0.1% |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kW) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| General Service Primary (Rate GP) | | | | | | |
| 1 | 500 | 50,000 | \$ 6,629.61 | \$ 6,644.71 | \$ 15.10 | 0.2% |
| 2 | 500 | 100,000 | \$ 11,038.44 | \$ 11,053.54 | \$ 15.10 | 0.1% |
| 3 | 500 | 150,000 | \$ 15,447.27 | \$ 15,462.37 | \$ 15.10 | 0.1% |
| 4 | 500 | 200,000 | \$ 19,856.11 | \$ 19,871.21 | \$ 15.10 | 0.1% |
| 5 | 500 | 250,000 | \$ 24,264.94 | \$ 24,280.04 | \$ 15.10 | 0.1% |
| 6 | 500 | 300,000 | \$ 28,673.77 | \$ 28,688.87 | \$ 15.10 | 0.1% |
| 7 | 5,000 | 500,000 | \$ 64,758.21 | \$ 64,909.21 | \$ 151.00 | 0.2% |
| 8 | 5,000 | 1,000,000 | \$ 108,778.37 | \$ 108,929.37 | \$ 151.00 | 0.1% |
| 9 | 5,000 | 1,500,000 | \$ 152,662.60 | \$ 152,813.60 | \$ 151.00 | 0.1% |
| 10 | 5,000 | 2,000,000 | \$ 196,546.83 | \$ 196,697.83 | \$ 151.00 | 0.1% |
| 11 | 5,000 | 2,500,000 | \$ 240,431.06 | \$ 240,582.06 | \$ 151.00 | 0.1% |
| 12 | 5,000 | 3,000,000 | \$ 284,315.29 | \$ 284,466.29 | \$ 151.00 | 0.1% |

The Toledo Edison Company
Case No. 13-2007-EL-RDR
Typical Bills - Comparison (DCR June - August 2014 vs. DCR September - November 2014)

| Bill Data | | | | | | |
|--|------------------------------|-----------------------------|-----------------------------------|------------------------------------|--------------------------------|---------------------------------|
| Line No. | Level of Demand (kVa) (A) | Level of Usage (kWH) (B) | Bill with Current DCR (\$) (C) | Bill with Proposed DCR (\$) (D) | Dollar Increase (D)-(C) (E) | Percent Increase (E)/(C) (F) |
| General Service Subtransmission (Rate GSU) | | | | | | |
| 1 | 1,000 | 100,000 | \$ 10,330.33 | \$ 10,338.43 | \$ 8.10 | 0.1% |
| 2 | 1,000 | 200,000 | \$ 17,898.00 | \$ 17,906.10 | \$ 8.10 | 0.0% |
| 3 | 1,000 | 300,000 | \$ 25,465.66 | \$ 25,473.76 | \$ 8.10 | 0.0% |
| 4 | 1,000 | 400,000 | \$ 33,033.33 | \$ 33,041.43 | \$ 8.10 | 0.0% |
| 5 | 1,000 | 500,000 | \$ 40,601.00 | \$ 40,609.10 | \$ 8.10 | 0.0% |
| 6 | 1,000 | 600,000 | \$ 48,168.66 | \$ 48,176.76 | \$ 8.10 | 0.0% |
| 7 | 10,000 | 1,000,000 | \$ 101,238.36 | \$ 101,319.36 | \$ 81.00 | 0.1% |
| 8 | 10,000 | 2,000,000 | \$ 176,506.82 | \$ 176,587.82 | \$ 81.00 | 0.0% |
| 9 | 10,000 | 3,000,000 | \$ 251,775.28 | \$ 251,856.28 | \$ 81.00 | 0.0% |
| 10 | 10,000 | 4,000,000 | \$ 327,043.74 | \$ 327,124.74 | \$ 81.00 | 0.0% |
| 11 | 10,000 | 5,000,000 | \$ 402,312.21 | \$ 402,393.21 | \$ 81.00 | 0.0% |
| 12 | 10,000 | 6,000,000 | \$ 477,580.67 | \$ 477,661.67 | \$ 81.00 | 0.0% |

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The following rates, rules and regulations for electric service are applicable throughout the Company's service territory except as noted.

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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 September 1, 2014. This Rider is not avoidable for customers who take electric generation service from a certified supplier.

RATE:

| | |
|---------------------------------|----------|
| RS (all kWhs, per kWh) | 0.4660¢ |
| GS (per kW of Billing Demand) | \$1.7049 |
| GP (per kW of Billing Demand) | \$0.6978 |
| GSU (per kVa of Billing Demand) | \$0.1866 |

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. Effective with the filing made on or about April 20, 2014, the Company will file a request for approval of the Rider charges on or about March 31st, June 30th, September 30th and December 31st of each year. Charges, unless otherwise ordered by the PUCO, shall become effective on a bills rendered basis on June 1st, September 1st, December 1st and March 1st of each year.

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in

Case No(s). 13-2007-EL-RDR, 89-6008-EL-TRF

Summary: Tariff Pricing update of Rider DCR electronically filed by Ms. Tamera J Singleton on behalf of The Toledo Edison Company and Mikkelsen, Eileen M