

FILE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

FILED IN CASE NO. 13-2142-EL-RDR
2016 NOV -7 AM 10:17
PUCO

In the Matter of the Application of The Cleveland)
Electric Illuminating, Ohio Edison, and The)
Toledo Edison Companies to Update Rider PIR.)

Case No. 13-2142-EL-RDR
Case No. 13-2143-EL-RDR
Case No. 13-2144-EL-RDR

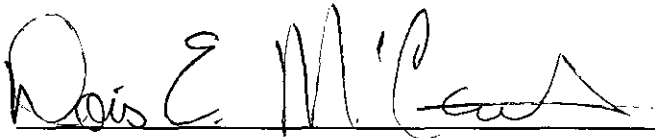
STAFF COMMENTS

On November 1, 2016, The Cleveland Electric Illuminating Company, Ohio Edison Company and The Toledo Edison Company (the Companies) filed the above captioned cases to update the Phase-In Recovery Rider (Rider PIR) tariff charges for their respective customers, as directed in Case No. 12-1465-EL-ATS by the October 10, 2012 Financing Order, the December 19, 2012 Entry on Rehearing, and the January 9, 2013 Entry Nunc Pro Tunc. On June 13, 2013, in Case No. 12-1465-EL-ATS, the Companies then filed their associated Issuance Advice Letter confirming the final securitized amounts and associated terms and conditions.

The Companies' semi-annual filings in the above captioned dockets captures the Companies' continued adherence to the established bond amortization schedule of the securitized principal and interest. They also project the Ongoing Financing costs for the period of January 1, 2017 to June 30, 2017. The filings also include reconciliation for revenues collected which exceeded/under recovered the projected revenue requirement from the previous period. Finally, the Companies' filings apply the Uncollectible Ratio, Commercial Activities Tax, and the forecasted Billing Lag Conversion Factor.

The Companies developed the tariff rates by applying the previous PIR customer differential rates as the de facto percentage to spread the revenue requirement among the customer classes. The Companies applied these percentages to forecasted kilowatt-hour sales and the established revenue requirement to develop the new Rider PIR tariff rate for customers for the period from January 1, 2017 to June 30, 2017. This methodology was proposed and approved in the Companies' application establishing the PIR Bond recovery mechanism and Staff finds that the Companies have accurately applied it in these filings.

After review of the applications, Staff finds that they are in conformance with the methodology approved by the Commission in its Financing Order and recommends their approval.



Doris E. McCarter
Division Chief, Forecasting, Markets and Corporate Oversight

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