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BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO PUCO

In the Matter of the Regulation )  
of the Electric Fuel Component )  
Contained Within the Rate ) Case No. 97-107-EL-EFC  
Schedules of The Toledo Edison )  
Company and Related Matters )

STIPULATION AND RECOMMENDATION

I. Introduction

Pursuant to Rule 4901-1-30 of the Ohio Administrative Code, The Toledo Edison Company (hereinafter the "Company"), the Staff of the Public Utilities Commission of Ohio (hereinafter the "Staff")<sup>1</sup>, The Ohio Consumers' Counsel (hereinafter the "OCC"), and the City of Toledo, Ohio (hereinafter the "Toledo") (collectively referred to as "the Parties") do hereby move for the acceptance of the following Stipulation and Recommendation (hereinafter the "Stipulation") in the above captioned proceeding. While the Parties hereto recognize that this Stipulation and Recommendation is not binding upon the Public Utilities Commission of Ohio (hereinafter the "Commission"), it is the position of the Parties that the Stipulation is a unanimous agreement among all of the parties to this proceeding; that such Parties represent a range of interests including, *inter alia*, those of residential consumers as represented by the OCC and all the citizens of Toledo represented

<sup>1</sup> Staff will be considered a party for the purpose of entering into this Stipulation by virtue of O.A.C. Rule 4901-1-10(C).

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by Toledo; that the Stipulation is supported by adequate data and information; that it represents the mutual interests of the parties; and that, accordingly, the Stipulation is entitled to careful consideration and should be adopted in its entirety by the Commission.

## II. Stipulation and Recommendation

Subject to the terms and conditions set forth in this Stipulation, the Parties hereto agree, stipulate and recommend that the Commission find as follows:

### A. EFC Rate

1. That the Company is an electric light company within the meaning of Section 4905.03(A)(4), Revised Code, and as such, is a public utility subject to the jurisdiction and supervision of the Commission. The Company is also an electric utility within the meaning of Rule 4901:1-11-01(L), O.A.C.
2. That pursuant to the Commission's Opinion and Order issued in Case No. 96-1211-EL-UNC, dated January 30, 1997 ("Rate Plan"), the Company's EFC rates will be based on a fixed rate, subject to certain annual adjustments for general price level changes, rate caps, and regulatory or tax law changes, over the period beginning March 1, 1998 through December 31, 2005.

### B. Agreements

1. The Parties agree, notwithstanding the Commission's Order and Opinion of February 12, 1998 in Case No. 97-107-EL-EFC establishing an EFC rate of 1.3600 cents/kWh beginning September 1, 1998 and the terms and conditions of the Rate Plan relating to the fixed-rate EFC mechanism, to further adjust the prospective EFC rates of Toledo Edison Company as follows:

- a. To delay implementing the authorized EFC rate of 1.3600 cents/kWh from September 1, 1998 until October 1, 1998 which will result in the 1.3600 cents/kWh rate level only being in effect for the five-month period of October 1, 1998 through February 28, 1999. The one month delay will permit the previously-approved EFC rate change to coincide with implementation of the Company's winter rate schedule. The current EFC rate level of 1.1966 cents/kWh will remain in effect for the month of September 1998;
- b. To increase the otherwise effective EFC rate for the 12-month period of March 1, 2000 through February 28, 2001 by 0.0136 cents/kWh (the result of the September 1998 difference between the 1.3600 cents/kWh rate less the 1.1966 cents/kWh rate being divided by 12 months). This amount of 0.0136 cents/kWh will be added to the EFC rate otherwise calculated in accordance with the approved EFC fixed-rate mechanism pursuant to the Rate Plan;
- c. The EFC rate calculation for the period of March 1, 2001 through February 28, 2002 under the approved EFC fixed-rate mechanism pursuant to the Rate Plan will be calculated as if the adjustment in item (b) above never occurred.
3. Except as expressly set forth above in this subsection B, all other provisions of the Rate Plan are and shall remain in full force and effect.
4. That the Stipulation be admitted into the record in this proceeding as a Joint Exhibit, and that the Parties hereto waive any rights they may have to a hearing, testimony, cross-examination, or briefing related to the Stipulation.

III. Other Conditions of Agreement

A. The Parties agree that this Stipulation represents the mutual interests of the Parties in this case.

B. In the event the Commission rejects or modifies all or part of this Stipulation, imposes additional conditions or requirements upon the Parties, or fails to approve the Stipulation prior to September 1, 1998, the Stipulation shall immediately become null and void. In such an event, the EFC rate for the Company, as established in the Commission's February 12, 1998 Order, shall go into effect on September 1, 1998 as if this Stipulation had never been executed.

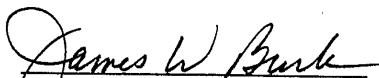
C. The Parties agree and recognize that this Stipulation has been entered into only for the purpose of this proceeding. Except as hereinafter noted, each party agrees not to assert against another party in any proceeding before the Commission or any court or other forum the participation in this Stipulation as support for any particular position on any particular issue. The Parties additionally recommend that the Commission impose these conditions on its Staff. Except to enforce the terms of this Stipulation, the Parties request that the Commission recognize that use of this Stipulation in any other proceeding is contrary to the intentions of the Parties when entering into this Stipulation.

The Parties request that the Commission review and approve the Stipulation on or before August 27, 1998 so that the terms and conditions thereof may be placed into effect on September 1, 1998.

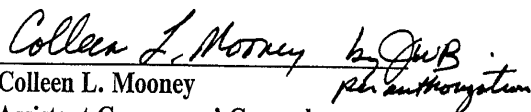
The undersigned hereby stipulate and agree and each represents that it is authorized to enter into this Stipulation this \_\_\_\_th day of August, 1998.

THE TOLEDO EDISON COMPANY

THE OHIO CONSUMERS' COUNSEL



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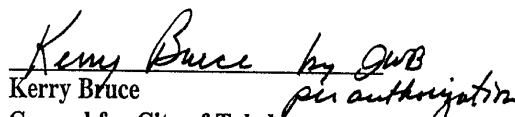
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THE CITY OF TOLEDO



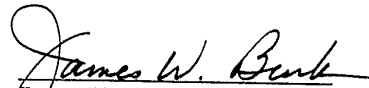
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CERTIFICATE OF SERVICE

A copy of the foregoing Stipulation and Recommendation has been delivered by hand, via facsimile transmission or regular U.S. mail, postage prepaid, this 20<sup>th</sup> day of August, 1998 to all parties of record.

  
James W. Burk  
Attorney

PARTIES OF RECORD

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