

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of First-)
Energy Corp. on behalf of Ohio Edison)
Company, The Cleveland Electric Illuminating) Case No. 02-2877-EL-UNC
Company, and The Toledo Edison)
Company for Approval of Tariff)
Adjustments.)

In the Matter of the Application for)
Approval of the Municipal Distribution) Case No. 02-3286-EL-UNC
Tax Portion of the Ohio Edison Company's)
State and Local Tax Rider.)

In the Matter of the Application for)
Approval of the Municipal Distribution) Case No. 02-3287-EL-UNC
Tax Portion of The Cleveland Electric)
Illuminating Company's State And)
Local Tax Rider 16.)

In the Matter of the Application for)
Approval of the Municipal Distribution) Case No. 02-3288-EL-UNC
Tax Portion of The Toledo Edison)
Company's State and Local Tax Rider)

FINDING AND ORDER

The Commission finds:

- (1) The Applicants, the Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company, collectively referred to as FirstEnergy, are public utilities as defined in Section 4905.02, Revised Code, and, as such, are subject to the jurisdiction of this Commission.
- (2) On December 5, 2002, in an entry in Case No. 02-2877-EL-UNC, the Commission ordered that, pursuant to the Stipulation and Recommendation approved by the Commission on July 19, 2000 in Case No. 99-1212-EL-ETP, FirstEnergy should file revisions to its municipal distribution tax riders by January 1, 2003, for Commission approval.
- (3) On December 17, 2002, the Ohio Edison Company in Case No. 02-3286-EL-UNC, The Cleveland Electric Illuminating Company in Case No. 02-3287-EL-UNC, and The Toledo Edison Company in Case No. 02-3288-EL-UNC filed for approval to reflect revisions to the municipal distribution tax portion of the respective state and local tax riders.

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- (4) On January 21, 2003, each company filed amended applications. The municipal distribution tax rate to be applied to the 2003 distribution revenues for the Ohio Edison Company is 1.659%, for The Cleveland Electric Illuminating Company is 1.220%, and for The Toledo Edison Company is 0.633%. The determination is based on calendar year 2001 actual municipal tax liability. The 2004 riders will be based upon 2002 actual municipal tax liability and a reconciliation of 2002 billings. Subsequent years will follow a similar pattern, including reconciliations to address variances between actual municipal tax obligation and actual recovery.
- (5) These applications have been filed pursuant to the Commission Order in Case No. 02-2877-EL-UNC. The proposed recovery approach is consistent with the recovery of other tax cost components and is administratively feasible. The Commission finds they are not unreasonable and should be approved.

It is, therefore,

ORDERED, That the applications are approved as filed and amended on January 21, 2003. It is, further,

ORDERED, That the Applicants are authorized to file in final form four complete copies of tariffs consistent with this Finding and Order. One copy shall be filed with these case dockets, one shall be filed with the Applicants' TRF dockets and the remaining two copies shall be designated for distribution to the Electricity Division of the Commission's Utilities Department. The Applicants shall also update their tariffs previously filed electronically with the Commission's Docketing Division. It is, further,

ORDERED, That the effective date of the new tariffs shall be the date upon which the copies of the final tariffs are filed with this Commission. The new riders shall be effective for bills rendered reflecting meter usage occurring on or after January 1, 2003. It is, further,

ORDERED, That the Applicant shall commence notification of all customers affected by the tariff changes pursuant to Rule 4901:1-03, O.A.C. It is, further,

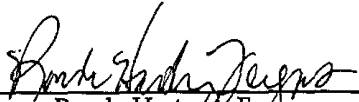
ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

ORDERED, That these cases be closed as a matter of record. It is, further,


ORDERED, That a copy of this Finding and Order be served upon the Applicants and all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

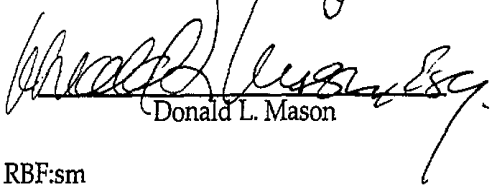
Alan R. Schriber, Chairman



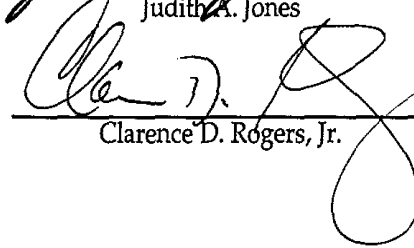
Ronda Hartman Fergus



Judith A. Jones



Donald L. Mason

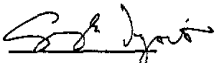


Clarence D. Rogers, Jr.

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JAN 30 1989



Gary E. Vigorito
Secretary