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1-800-633-4766

PUCO

November 17, 2006

The Public Utilities Commission of Ohio
Attn: Docketing
Borden Building
180 E. Broad Street
Columbus, OH 43215

06-1382-EL-A15

Gentlemen:

Enclosed for filing, are one executed copy and six conformed copies of an Application of The Toledo Edison Company, for Authority to Issue, Renew or Assume Liability on Notes and Other Evidences of Indebtedness Pursuant to Ohio Revised Code ("O.R.C.") § 4905.401.

Also enclosed are one executed and one conformed copy of the Application and a self-addressed, stamped envelope for these copies to be returned with the filing information appropriately reflected.

Your cooperation in this matter is appreciated.

Very truly yours,



John C. Clark
Asst. Business Analyst

sb
Enclosures

cc: Mr. Shahid Mahmud - PUCO - w/encl.
JFPearson
RScilla
JJFeudner

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PUCO

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The Toledo Edison Company for)
Authority to Issue, Renew or)
Assume Liability on Notes and)
Other Evidences of Indebtedness)
Pursuant to Ohio Revised)
Code ("O.R.C.") § 4905.401)

Case No. 06-1382-EL-A15

Ebony L. Miller
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Akron, OH 44308
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Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The Toledo Edison Company for)
Authority to Issue, Renew or)
Assume Liability on Notes and)
Other Evidences of Indebtedness)
Pursuant to O.R.C. §4905.401)

Case No. 06-~~1382~~ - EL-AIS

Applicant, The Toledo Edison Company (the "Company") respectfully represents:

1. The Company, an Ohio corporation, is a "public utility" as defined in O.R.C. §4905.02, engaged primarily in the distribution of electric energy for sale, and is subject to the jurisdiction of this Honorable Commission.
2. Under provisions of O.R.C. §4905.401, the Company, without action by this Commission, could issue, renew or assume liability on notes and other evidences of indebtedness maturing not more than twelve months after the date of such issuance, renewal or assumption of liability (collectively, "Short-Term Notes") of not more than 5% of the par value of the other outstanding stocks, bonds, notes and other evidences of indebtedness of the Company (the "Statutory Exemption Limit"). The Statutory Exemption Limit for the Company at September 30, 2006 is \$27,108,051. During the period January 1, 2006 through December 31, 2006 (the "2006 Fiscal Year"), this Commission, in its Finding and Order in Case No. 05-1425-EL-AIS, authorized the Company to have short-term notes outstanding including the Statutory Exemption Limit, in aggregate principal amount of not more than \$500,000,000. During the period January 1, 2007 through December 31, 2007 (the "2007 Fiscal Year"), the Company estimates that it may again need

to exceed the Statutory Exemption Limit.

3. Pursuant to the provisions of O.R.C. §4905.401, the Company requests the Commission to permit the Company to have Short-Term Notes outstanding at any one time during the 2007 Fiscal Year in an aggregate principal amount up to \$500,000,000 (the "Authorized Principal") (such Authorized Principal to include the Statutory Exemption Limit).
4. The Company further requests that the Commission approve that the Authorized Principal, or any part thereof issued, renewed or assumed or to be issued, renewed or assumed, be in addition to any long-term financing that the Company may require during the 2007 Fiscal Year and which this Commission may approve pursuant to O.R.C. §4905.40.
5. The Company respectfully represents that the issuance and renewal of, or assumption of liability on, Short-Term Notes, from time to time, and the money to be procured therefrom, are reasonably required and necessary for the Company's lawful capital purposes. Such Short-Term Notes may be issued to provide funds for regulated utility purposes including: current maturities of existing obligations, retirement of securities through open market purchases, redemption of securities through applicable redemption provisions, loans to the Money Pool (as defined in Paragraph 6 below), working capital and for general corporate purposes. Prior to their use, such funds may be invested in highly liquid short-term investments. Pursuant to O.R.C. §4905.41, the Company incorporates herein by reference the following exhibits:
 - a. "Exhibit A," Balance Sheet including Statement of Capitalization as of September 30, 2006, and

b. "Exhibit B," Statement of Income for the Twelve Months Ended
September 30, 2006.

6. This Commission, in its Finding and Order in Case No. 05-1425-EL-AIS¹, the Securities and Exchange Commission ("SEC") pursuant to the Public Utility Holding Company Act of 1935 (repealed on February 8, 2006), and the Federal Energy Regulatory Commission ("FERC"), previously approved a utility money pool contract (the "Money Pool") in order to establish an intra-system financing arrangement, by and among the Company, Ohio Edison Company ("OE"), OE's wholly-owned subsidiary, Pennsylvania Power Company ("Penn Power"), American Transmission Systems Incorporated ("ATSI"), The Cleveland Electric Illuminating Company ("CEI"), FirstEnergy Corp., the Company's parent company, FirstEnergy Service Company, Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, York Haven Power Company, and Waverly Electric Power & Light Company, (each a "Participating Company", collectively called the "Participating Companies"), and the issuance and acquisition of Short-Term Notes of Participating Companies in connection therewith, through December 31, 2006 (FERC approval extends through December 31, 2007). The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2007 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.
7. The Participating Companies may contribute funds to the Money Pool from the

¹ This Commission's approval of the Money Pool was conditioned upon the Company continuing to seek authorization from this Commission to issue short-term debt.

following sources: (a) surplus funds from Participating Companies ("Internal Funds"), and (b) proceeds from bank borrowings or the sales of commercial paper by the Participating Companies for loan to the Money Pool ("External Funds").

8. The Commission, in its Finding and Order in Case No. 05-1425-EL-AIS, authorized the Company to make loans to the Participating Companies through the Money Pool during the 2006 Fiscal Year in an amount not to exceed the Statutory Exemption Limit of the respective Participating Company (other than OE, CEI, and ATSI). During the 2007 Fiscal Year, the Company estimates that it may need to exceed the Statutory Exemption Limit applied to loans to the Money Pool. Thus, the Company hereby requests the Commission to permit the Company to provide Internal or External Funds to Participating Companies through the Money Pool, provided that the aggregate amount loaned to the Money Pool by the Company, OE, ATSI and CEI to the Participating Companies (other than the Company, OE, ATSI and CEI) does not exceed \$700,000,000 outstanding at any one time.
9. The Company further agrees any loans to Participating Companies other than OE, CEI and ATSI made through the Money Pool shall be made only to those Participating Companies that have investment grade or higher credit ratings on their senior secured debt from at least one nationally recognized rating agency, or in the absence of such rating, investment grade or higher credit ratings on their corporate credit rating. The Company agrees to continue to report the details of its participation in the Money Pool on a quarterly basis to the Director of the Utilities Department of the Commission.

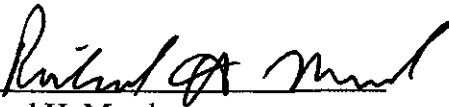
WHEREFORE, the Company prays

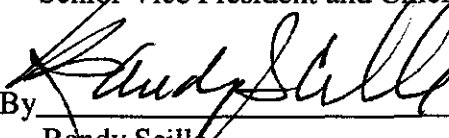
(1) That this Commission approve the extension of the Company's participation in the Money Pool through December 31, 2007 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company

(2) That this Commission authorize the Company, during the 2007 Fiscal Year, to issue, renew or assume liability on Short-Term Notes, as requested in this Application, provided however, that the aggregate Short-Term Notes do not exceed \$50,000,000 outstanding at any one time, and provided further that such amount is exclusive of any long-term financing the Company may incur during said period with this Commission's approval.

(3) That this Commission authorize the Company, during the 2007 Fiscal Year, to provide Internal or External Funds to the Money Pool, as requested in this Application, provided however, that the aggregate amount loaned to the Money Pool by the Company, OE, CEI and TE to the Participating Companies (other than the Company, OE, CEI and TE) does not exceed \$700,000,000 outstanding at any one time.

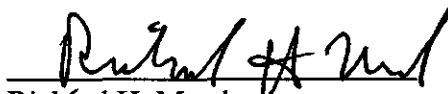
(4) That due to the time sensitive nature of this request, that this Commission issue such Order on or before December 13, 2006.

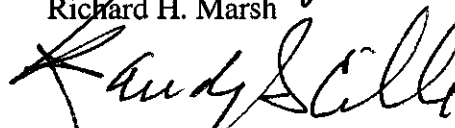
By 
Richard H. Marsh
Senior Vice President and Chief Financial Officer

By 
Randy Scilla
Assistant Treasurer

STATE OF OHIO)
) ss.:
SUMMIT COUNTY)

Richard H. Marsh and Randy Scilla, depose and say that they are Senior Vice President and Chief Financial Officer, and Assistant Treasurer, respectively, of The Toledo Edison Company, Applicant in the above matter, and that they have read and are fully acquainted and familiar with the contents of the foregoing Application and that the statements therein are true as they verily believe.



Richard H. Marsh


Randy Scilla

Subscribed and sworn to before me
this 14 day of November, 2006



Michele A. Buchtel
Notary Public, State of Ohio
Resident of Summit County
My Commission Expires August 28, 2011


Ebony L. Miller
Attorney for Applicant

Michele A. Buchtel
Resident Summit County
Notary Public, State of Ohio
My Commission Expires: 08/28/11

Exhibit A
THE TOLEDO EDISON COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2006 <i>(in thousands)</i>
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 20
Receivables-	
Customers	527
Associated companies	46,252
Other	3,220
Notes receivable from associated companies	109,972
Prepayments and other	1,134
	<u>161,125</u>
UTILITY PLANT:	
In service	862,462
Less - Accumulated provision for depreciation	387,114
	<u>475,348</u>
Construction work in progress	33,912
	<u>509,260</u>
OTHER PROPERTY AND INVESTMENTS:	
Long-term notes receivable from associated companies	382,668
Investment in lessor notes	169,523
Nuclear plant decommissioning trusts	60,826
Other	1,802
	<u>614,819</u>
DEFERRED CHARGES AND OTHER ASSETS:	
Goodwill	500,576
Regulatory assets	255,869
Prepaid pension costs	34,903
Property taxes	18,047
Other	27,159
	<u>836,554</u>
	<u>\$ 2,121,758</u>
LIABILITIES AND CAPITALIZATION	
CURRENT LIABILITIES:	
Currently payable long-term debt	\$ 30,000
Accounts payable-	
Associated companies	47,214
Other	2,946
Notes payable to associated companies	178,575
Accrued taxes	52,802
Lease market valuation liability	24,600
Other	33,055
	<u>369,192</u>
CAPITALIZATION:	
Common stockholder's equity -	
Common stock, \$5 par value, authorized 60,000,000 shares -	
39,133,887 shares outstanding	195,670
Other paid-in capital	473,924
Accumulated other comprehensive income	4,966
Retained earnings	225,613
Total common stockholder's equity	<u>900,173</u>
Preferred stock	66,000
Long-term debt	207,660
	<u>1,173,833</u>
NONCURRENT LIABILITIES:	
Accumulated deferred income taxes	195,552
Accumulated deferred investment tax credits	11,217
Lease market valuation liability	224,950
Retirement benefits	42,740
Asset retirement obligations	26,105
Deferred revenues - electric service programs	25,862
Other	52,307
	<u>578,733</u>
COMMITMENTS AND CONTINGENCIES (Note 10)	
	<u>\$ 2,121,758</u>

The preceding Notes to Consolidated Financial Statements as they relate to The Toledo Edison Company are an integral part of these balance sheets.

Exhibit B
THE TOLEDO EDISON COMPANY
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended September 30, 2008 (In thousands)
<u>STATEMENTS OF INCOME</u>	
REVENUES	\$ 958,774
EXPENSES:	
Fuel	44,222
Purchased power	339,588
Nuclear operating costs	90,801
Other operating costs	169,095
Provision for depreciation	38,485
Amortization of regulatory assets	107,580
Deferral of new regulatory assets	(60,279)
General taxes	53,738
Total expenses	<u>783,230</u>
OPERATING INCOME	<u>175,544</u>
OTHER INCOME (EXPENSE):	
Investment income	38,010
Miscellaneous expense	(8,320)
Interest expense	(18,256)
Capitalized interest	1,183
Total other income	<u>12,617</u>
INCOME BEFORE INCOME TAXES	188,161
INCOME TAXES	<u>71,709</u>
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES	116,452
CUMULATIVE EFFECT OF ACCOUNTING CHANGE	-
NET INCOME	<u>116,452</u>
PREFERRED STOCK DIVIDEND REQUIREMENTS	<u>5,283</u>
EARNINGS ON COMMON STOCK	<u><u>\$ 111,169</u></u>