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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

06-1381-EL-A15

Gentlemen:

Enclosed for filing, are one executed copy and six conformed copies of an Application of Ohio 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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Technician Jo Date Processed 11-21-06

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Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
Ohio 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. 06-1381-EL-A12

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Ebony L. Miller  
Attorney for  
Ohio Edison Company  
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[elmiller@firstenergycorp.com](mailto:elmiller@firstenergycorp.com)

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	)	
Ohio Edison Company for	)	
Authority to Issue, Renew or	)	Case No. 06- <del>132</del> /-EL-AIS
Assume Liability on Notes and	)	
Other Evidences of Indebtedness	)	
Pursuant to O.R.C. §4905.401	)	

Applicant, Ohio 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 \$396,322,452. During the period January 1, 2006 through December 31, 2006 (the "2006 Fiscal Year"), this Commission, in its Finding and Order in Case No. 05-1423-EL-AIS, authorized the Company to have short-term notes outstanding including the Statutory Exemption Limit, in the 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. 05-1423-EL-AIS<sup>1</sup>, 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, The Cleveland Electric Illuminating Company ("CEI"), The Toledo Edison Company ("TE"), the Company's wholly-owned subsidiary, Pennsylvania Power Company ("Penn Power"), American Transmission Systems Incorporated ("ATSI"), 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 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. 05-1423-EL-AIS,

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<sup>1</sup> 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.

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 Companies (other than CEI, TE 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, CEI, TE and ATSI to the Participating Companies (other than the Company, CEI, TE and ATSI) does not exceed \$700,000,000 outstanding at any one time.

9. The Company further agrees any loans to Participating Companies (other than CEI, TE 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.

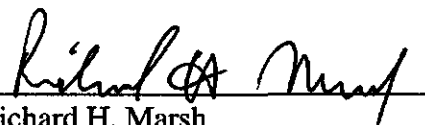
WHEREFORE, the Company prays

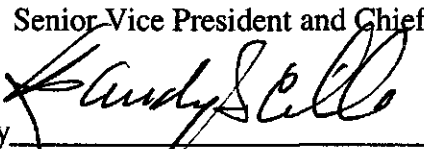
(1) That this Commission approve the extension of the Company's participation in the Money Pool through December 31, 2007 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

(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 \$500,000,000 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, CEI, TE and ATSI to the Participating Companies (other than the Company, CEI, TE and ATSI) does not exceed \$700,000,000 outstanding at any one time.

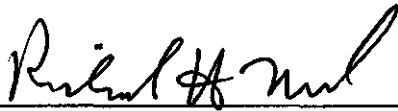
(4) That due to the time sensitive nature of this request, that this Commission issue such Order on or before December 13, 2006.


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

By   
Randy Scika  
Assistant Treasurer


STATE OF OHIO     )  
                              ) ss.:  
SUMMIT COUNTY    )

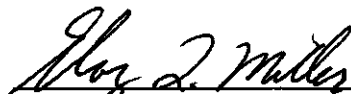
Richard H. Marsh and Randy Scilla, depose and say that they are Senior Vice President and Chief Financial Officer, and Assistant Treasurer, respectively, of Ohio Edison Company, Applicant in the above matter, and that they have read and are fully acquainted and familiar with the contents of the foregoing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

  
Richard H. Marsh

  
Randy Scilla

Subscribed and sworn to before me  
this 17<sup>th</sup> day of November, 2006

  
Michele A. Buchtel  
Notary Public, State of Ohio  
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  
OHIO EDISON COMPANY

CONSOLIDATED BALANCE SHEETS  
(Unaudited)

	September 30, 2006 (In thousands)
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 703
Receivables-	
Customers (less accumulated provisions of \$15,017,000 and \$7,619,000, respectively, for uncollectible accounts)	255,173
Associated companies	190,516
Other (less accumulated provisions of \$1,058,000 and \$4,000, respectively, for uncollectible accounts)	21,399
Notes receivable from associated companies	471,393
Prepayments and other	19,053
	<u>958,237</u>
<b>UTILITY PLANT:</b>	
In service	2,599,266
Less - Accumulated provision for depreciation	1,005,404
	<u>1,593,862</u>
Construction work in progress	48,397
	<u>1,642,259</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>	
Long-term notes receivable from associated companies	1,675,813
Investment in lease obligation bonds	310,077
Nuclear plant decommissioning trusts	111,325
Other	39,734
	<u>2,136,949</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>	
Regulatory assets	746,001
Prepaid pension costs	229,316
Property taxes	52,897
Unamortized sale and leaseback costs	51,386
Other	27,463
	<u>1,107,063</u>
	<u>\$ 5,844,508</u>
<b>LIABILITIES AND CAPITALIZATION</b>	
<b>CURRENT LIABILITIES:</b>	
Currently payable long-term debt	\$ 228,191
Short-term borrowings-	
Associated companies	1,608
Other	22,097
Accounts payable-	
Associated companies	146,370
Other	10,811
Accrued taxes	136,044
Accrued interest	21,172
Other	100,742
	<u>665,035</u>
<b>CAPITALIZATION:</b>	
Common stockholder's equity-	
Common stock, without par value, authorized 175,000,000 shares - 80 and 100 shares outstanding, respectively	1,796,560
Accumulated other comprehensive income	7,589
Retained earnings	290,880
Total common stockholder's equity	<u>2,095,029</u>
Preferred stock not subject to mandatory redemption	-
Preferred stock of consolidated subsidiary not subject to mandatory redemption	14,105
Long-term debt and other long-term obligations	1,526,833
	<u>3,635,967</u>
<b>NONCURRENT LIABILITIES:</b>	
Accumulated deferred income taxes	736,396
Accumulated deferred investment tax credits	21,419
Asset retirement obligations	86,893
Retirement benefits	296,634
Deferred revenues - electric service programs	96,718
Other	305,446
	<u>1,543,506</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 10)</b>	
	<u>\$ 5,844,508</u>

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

**Exhibit B**  
**OHIO EDISON COMPANY**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**(Unaudited)**  
**Twelve Months Ended September 30, 2006**  
**(In thousands)**

**STATEMENTS OF INCOME**

<b>REVENUES</b>	<b>\$ 2,539,761</b>
<b>EXPENSES:</b>	
Fuel	22,759
Purchased power	1,207,148
Nuclear operating costs	202,972
Other operating costs	402,009
Provision for depreciation	74,670
Amortization of regulatory assets	256,347
Deferral of new regulatory assets	(166,567)
General taxes	184,870
Total expenses	<u>2,184,208</u>
<b>OPERATING INCOME</b>	<u>355,553</u>
<b>OTHER INCOME (EXPENSE):</b>	
Investment income	129,773
Miscellaneous income (expense)	(827)
Interest expense	(78,796)
Capitalized interest	4,426
Subsidiary's preferred stock dividend requirements	(622)
Total other income (expense)	<u>53,954</u>
<b>INCOME BEFORE INCOME TAXES</b>	409,507
<b>INCOME TAXES</b>	<u>147,824</u>
<b>INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGES</b>	261,683
<b>CUMULATIVE EFFECT OF ACCOUNTING CHANGE</b>	(16,343)
<b>NET INCOME</b>	<u>245,340</u>
<b>PREFERRED STOCK DIVIDEND REQUIREMENTS AND REDEMPTION PREMIUM</b>	<u>4,956</u>
<b>EARNINGS ON COMMON STOCK</b>	<u><u>\$ 240,384</u></u>