

November 6, 2007

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

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PUCO

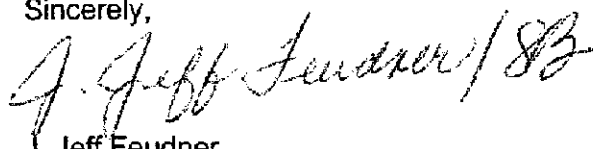
Gentlemen:

Enclosed for filing, are one executed copy and six conformed copies of an application of The Toledo Edison Company, Cleveland Electric Illuminating Company, Ohio Edison Company and American Transmission Systems for Authority to Issue, Renew or Assume Liability on Notes and Other Evidences of Indebtedness.

Also enclosed are one executed and one conformed copy of each 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.

Sincerely,



J. Jeff Feudner  
Supervisor, Cash Operations

sb  
Enclosures

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

FILE

*Executed*

PUCO

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RECEIVED-DOCKETING DIV

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Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of )  
The Cleveland Electric )  
Illuminating 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. 07-1195-EL-A/S

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Ebony L. Miller  
Attorney for  
The Cleveland Electric Illuminating Company  
76 South Main Street  
Akron, OH 44308  
(330) 384-5969  
(Fax) (330) 384-3875

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of	)	
The Cleveland Electric	)	
Illuminating Company for	)	
Authority to Issue, Renew or	)	Case No. 07-_____ - EL-AIS
Assume Liability on Notes and	)	
Other Evidences of Indebtedness	)	
Pursuant to O.R.C. §4905.401	)	

Applicant, The Cleveland Electric Illuminating 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, 2007 is \$147,023,744.75. During the period January 1, 2007 through December 31, 2007 (the "2007 Fiscal Year"), this Commission, in its Finding and Order in Case No. 06-1381-EL-AIS, *et al.*, 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, 2008 through December 31, 2008 (the "2008 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 2008 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 2008 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, 2007, and
  - b. "Exhibit B," Statement of Income for the Twelve Months Ended September 30, 2007.
6. This Commission, in its Finding and Order in Case Nos. 06-1381-EL-AIS<sup>1</sup>, *et al.*, 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") and The Toledo Edison Company ("TE"), 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, 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, 2007. The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2008 and that the

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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 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. 06-1381-EL-AIS, *et al.*, authorized the Company through December 31, 2007, to have Short-Term Notes outstanding under the Money Pool including the Statutory Exemption Limit, in the aggregate principal amount of not more than \$500,000,000 at any one time and to make loans to the Participating Companies through the Money Pool during the 2007 Fiscal Year. The Company desires to continue such authorization and hereby requests the Commission to permit the Company, during the 2008 Fiscal Year, to have Short-Term Notes outstanding including the Statutory Exemption Limit, in the aggregate principal amount of not more than \$500,000,000 at any one time and to participate in the Money Pool by lending Internal or External Funds to Participating Companies through the Money Pool.
9. The Company hereby agrees that the aggregate amount it loans to the Money Pool will not when aggregated with the amounts loaned by ATSI, OE and TE exceed the amount of \$700,000,000 outstanding to the Participating Companies (other than the Company, ATSI, OE and TE) at any one time.
10. The Company further agrees any loans to Participating Companies other than OE, 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.

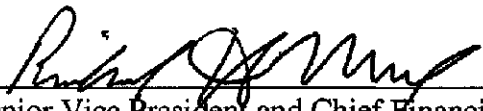
WHEREFORE, the Company prays

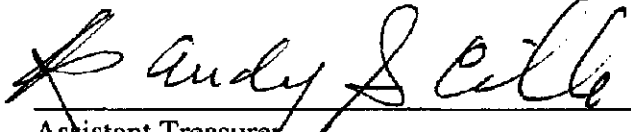
(1) That this Commission approve the extension of the Company's participation in the Money Pool through December 31, 2008 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company;

(2) That this Commission authorize the Company, during the 2008 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 2008 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, ATSI and TE to the Participating Companies (other than the Company, OE, ATSI and TE) does not exceed \$700,000,000 outstanding at any one time; and

(4) That due to the time sensitive nature of this request, that this Commission issue such Order on or before December 13, 2007.

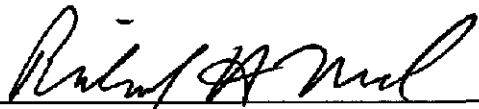
By   
Senior Vice President and Chief Financial Officer

By   
Assistant Treasurer



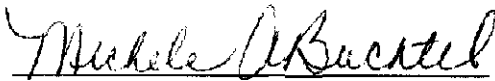
STATE OF OHIO     )  
                              ) ss.:  
SUMMIT COUNTY    )

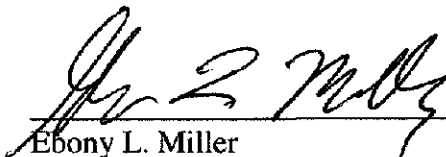
Richard H. Marsh and Randy Scilla, depose and say that they are Senior Vice President and Chief Financial Officer, and Assistant Treasurer, respectively, of The Cleveland Electric Illuminating Company, Applicant in the above matter, and that they have read and are fully acquainted and familiar with the 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 16<sup>th</sup> day of November, 2007

  
Notary Public, State of Ohio  
Resident of Summit County  
My Commission Expires August 28, 2011

  
Ebony L. Miller  
Attorney for Applicant

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

