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PUCO

Via Federal Express

June 10, 2008

Ms. Renee J. Jenkins
Director, Administration Department
Secretary to the Commission
Docketing Division
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215-3793

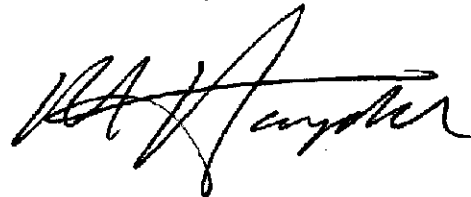
Dear Ms. Jenkins:

Re: *Application of The Cleveland Electric Illuminating Company
Requesting Approval of the Sale of Certain Electric Facilities to
the City of Cleveland and Removal of Certain Electric Facilities
Case No. 08-704-EL-ATR*

Enclosed for filing, please find the original and twelve (12) copies of the *Application* regarding the above-referenced case. Please file the enclosed *Application*, time-stamping the two extras and returning them to the undersigned in the enclosed envelope.

Thank you for your assistance in this matter. Please contact me if you have any questions concerning this matter.

Very truly yours,



kli
Enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician SM Date Processed 6/11/08

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

Application of The Cleveland Electric)
Illuminating Company Requesting)
Approval of the Sale of Certain Electric)
Facilities to the City of Cleveland)
And Removal of Certain Electric Facilities)

Case No. 08-⁷⁰⁴1-EL-ATR

APPLICATION OF
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

Mark A. Hayden
Attorney
FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
(330) 761-7735
On behalf of The Cleveland
Electric Illuminating Company

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

Application of The Cleveland Electric)	
Illuminating Company Requesting)	
Approval of the Sale of Certain Electric)	Case No. 08- __ -EL-ATR
Facilities to the City of Cleveland)	
And Removal of Certain Electric Facilities)	

**APPLICATION OF
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY**

Comes now Applicant The Cleveland Electric Illuminating Company ("CEI") and respectfully requests the Public Utilities Commission of Ohio ("Commission") pursuant to the Commission's authority set forth in ORC 4905.04, 4905.05 and 4905.06 and any other applicable statutes, rules, or regulations, to approve the sale of certain electric facilities to and the removal of certain electric facilities by the City of Cleveland providing electric service as Cleveland Public Power municipal electric company ("CPP"), all as more specifically described herein below.

1. CEI is a public utility as set forth in ORC 4905.02 and an electric light company pursuant to ORC 4905.03(A)(4) and the proposed transaction described herein below is subject to the Commission's jurisdiction pursuant to one or more of the authorities listed above.
2. CPP is a municipally owned electric utility located in Cuyahoga County, Ohio.

3. As a result of good faith negotiations, CEI and CPP have entered into a mutually beneficial agreement, attached hereto as "Asset Purchase Agreement", whereby for a sum certain CEI has agreed to sell certain electric facilities located in the City of Cleveland ("Street Lights") to CPP and allow removal of certain CEI electric facilities by CPP. Upon approval of this Application, CEI will be relieved of its obligation of maintaining and owning such facilities, wherein CPP will assume such obligation and allocate necessary resources to maintain and service the Street Lights.
4. Electric service will be provided by CEI pursuant to the applicable tariff, as may be modified by the Commission.
5. Based upon the information and representations made in the attached agreement between CEI and CPP, CEI makes the following representations:
 - a. That CPP concurs in the transaction involving the sale of certain Street Lights to CPP from CEI and the removal of certain CEI electric facilities by CPP, as reflected in the contract between the parties;
 - b. The customer(s) which will be currently affected by this transaction is limited to the City of Cleveland as the existing customer and recipient of electric service;
 - c. That all of the customer(s) affected by the transaction will be provided with uninterrupted and satisfactory electric service and

that such electric service shall be adequate and provided at a just and reasonable rate or charge; and

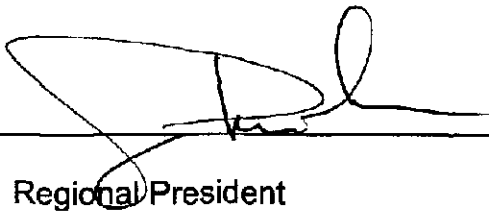
d. That the persons, other than the parties to the contract, which are or may be presently attached to the poles which will be sold or removed, either have existing agreements with CPP which will fully address and accommodate the impact of this transaction on those pole attachments or will otherwise be accommodated.

6. CEI respectfully requests that any provision for a hearing and public notice of this matter which may otherwise be required be waived and that the Commission render its decision regarding this Application as soon as practicable so as to preserve the intent of the parties to finalize the transaction and effect the customer transfer in a timely fashion.

WHEREFORE, CEI respectfully requests the Commission to approve the transaction as set forth in the agreement between the parties and attached hereto as Asset Purchase Agreement, wherein uninterrupted and adequate electric service will be provided to all present and future customers served or to be served from the subject facilities thereby relieving CEI of its obligation to own and maintain such facilities, waive any hearing or public notice requirements, and render its decision on this matter as soon as practicable.

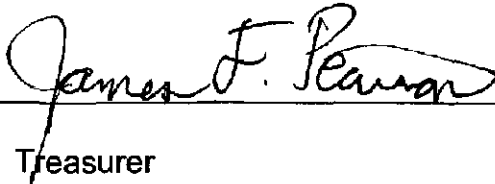
The Cleveland Electric Illuminating Company

By



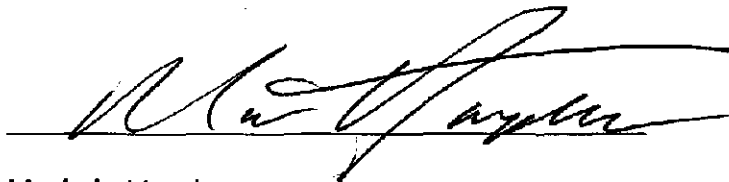
Regional President

By



Treasurer

Attorney for Applicant



Mark A. Hayden

Attorney

FirstEnergy Service Company

76 South Main Street

Akron, OH 44308

(330) 761-7735

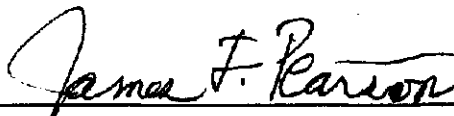
On behalf of The Cleveland
Electric Illuminating Company

VERIFICATION

STATE OF OHIO)
) ss.
COUNTY OF SUMMIT)

The undersigned, being first duty sworn, state that they have the authority to verify the foregoing Application of The Cleveland Electric Illuminating Company for authority to sell and remove certain electric facilities. Also, they state that they have read said Application and are familiar with the contents in support and that all of the statements contained in said filing made on behalf of the Company are true and correct to the best of their knowledge and belief.

Regional President
The Cleveland Electric Illuminating Co.



Treasurer
FirstEnergy Service Company

Sworn to and subscribed before me, a notary public, in and for said County and State, this 28 day of May, 2008.



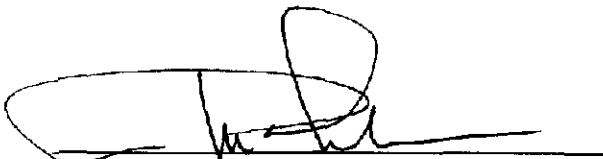
Notary Public

LINDA CAROL SNYDER
Notary Public, State of Ohio
Recorded in Summit County
My Commission Expires on August 28, 2011

VERIFICATION

STATE OF OHIO)
) ss.
COUNTY OF SUMMIT)

The undersigned, being first duty sworn, state that they have the authority to verify the foregoing Application of The Cleveland Electric Illuminating Company for authority to sell and remove certain electric facilities. Also, they state that they have read said Application and are familiar with the contents in support and that all of the statements contained in said filing made on behalf of the Company are true and correct to the best of their knowledge and belief.

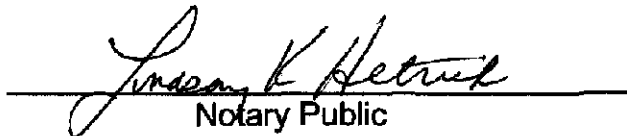


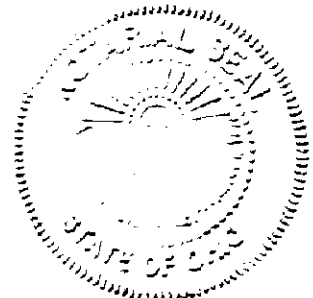
Regional President
The Cleveland Electric Illuminating Co.



Treasurer
FirstEnergy Service Company

Sworn to and subscribed before me, a notary public, in and for said County and State, this 27 day of May, 2008.


Notary Public



ASSET PURCHASE AGREEMENT

5/1 THIS ASSET PURCHASE AGREEMENT ("Agreement") is made and entered into this day of ~~May~~^{JUNE}, 2008, by and between The Cleveland Electric Illuminating Company, an Ohio corporation ("Seller") and The City of Cleveland, a municipal corporation of the State of Ohio, through its Director of Public Utilities, on behalf of the Division of Cleveland Public Power ("Buyer"). Seller and Buyer are sometimes referred to collectively as the "Parties" or individually as a "Party."

WHEREAS, Seller desires to sell to Buyer, and Buyer desires to purchase from Seller, certain assets of Seller relating to streetlight facilities, street light poles and related facilities located within the City of Cleveland, for the consideration and upon the terms and conditions set forth herein; and

WHEREAS, Buyer has authority to enter into this Agreement pursuant to Ordinance No. 1925-07, passed by the Council of the City of Cleveland on December 10, 2007.

NOW, THEREFORE, in consideration of the premises, the mutual promises and covenants set forth herein, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, the Parties hereby agree as follows:

ARTICLE 1 CERTAIN DEFINITIONS

Certain capitalized terms used in this Agreement, and not otherwise defined herein, shall have the following meanings:

1.1 "Affiliate" means, with respect to any specified Person any other Person which, directly or indirectly, owns or controls, is under common ownership or control with, or is owned or controlled by, such specified Person.

1.2 "Bill of Sale" shall have the meaning set forth in Section 10(2)(a)(i).

1.3 "Claim" means any claim, charge, complaint, action, suit, arbitration, investigation, audit or proceeding whether or not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured and whether or not the facts of or legal bases therefore are known or unknown, under any theory of law, equity, admiralty or otherwise.

1.4 "Damages" means all costs, expenses, losses, taxes, fines, penalties, damages and liabilities (including reasonable legal fees and expenses) incurred or suffered, directly or indirectly as an indemnified party or its Affiliates.

1.5 **"Governmental Body"** means any United States federal, state or local government, governmental, regulatory or administrative authority, agency, commission or official or any court, tribunal, or judicial or arbitral body or any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to a government, acting in their official capacity on behalf of such government.

1.6 **"Law" or "Laws"** means any federal, state, local or municipal law, ordinance, code, regulation, or statute issued by any Governmental Body.

1.7 **"Order"** means any order, injunction, judgment, decree, ruling, assessment or arbitration award by any court, tribunal, judicial or arbitral body.

1.8 **"Person"** means an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

1.9 **"Proceeding"** means any action, arbitration, audit, hearing, investigation, litigation or suit commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

ARTICLE 2

PURCHASE AND SALE OF ASSETS

2.1 *Purchase and Sale of Assets.*

Upon the terms and subject to the conditions contained in this Agreement, at the Closing, Seller shall sell, convey, transfer, assign and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all of Seller's right, title and interest in, to (i) Seller owned poles used exclusively for street lighting which have no other Seller owned secondary or primary electrical equipment on them, and (ii) Seller owned street light equipment including lamps, luminaries, brackets (including pole to pole supply wiring), as more fully identified on Schedule 2.1, attached hereto and made a part hereof (the **"Purchased Assets"**). Within a reasonable time following the Closing, Seller shall provide to Buyer, to the extent possible and practicable, maintenance and repair records for the Purchased Assets.

2.2 *Retained Assets.*

Notwithstanding the provisions of Section 2.1, the Purchased Assets shall not include any of Seller's assets not set forth on Schedule 2.1 (collectively, the **"Retained Assets"**).

ARTICLE 3

LIABILITIES

3.1 Assumption of Liabilities.

Subject to the terms and conditions of this Agreement, at the Closing, Buyer shall assume all of Seller's obligations and liabilities arising and to be performed after the Closing Date which are associated with the Purchased Assets (the "Assumed Liabilities"). Buyer shall pay, perform and discharge all Assumed Liabilities when due, in a prompt manner.

3.2 Excluded Liabilities.

Except for the Assumed Liabilities, Buyer does not and will not assume or become obligated to pay or perform any obligations or liabilities of Seller.

3.3 Responsibility for Assets.

On or after the Closing Date, Buyer shall be solely responsible for all on-going maintenance, repair and replacement of the Purchased Assets, except as otherwise provided in the Pole Attachment Agreement.

ARTICLE 4

CONSIDERATION

4.1 Purchase Price.

On the terms and subject to the conditions set forth in this Agreement, Buyer agrees to pay or cause to be paid to Seller the sum of Four Million and 00/100 Dollars (\$4,000,000.00) (the "Purchase Price").

4.2 Payment of the Purchase Price.

At the Closing, Buyer shall pay the Purchase Price to Seller, in immediately available funds, by wire transfer to such bank account or accounts as per written instructions of Seller delivered to Buyer.

4.3 Purchase Price Adjustment Disclaimer.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, THE PARTIES HEREBY AGREE THAT THE PURCHASE PRICE WILL NOT BE ADJUSTED FOR ANY REASON.

4.4 Allocation of Purchase Price.

The Purchase Price shall be allocated among the Purchased Assets for purposes of Tax Code Section 1060, as set forth on Schedule 4.4. Buyer and Seller agree to be bound by such allocation and to complete and attach Internal Revenue Service Form 8594 to their respective tax

returns accordingly. In any Proceeding related to the determination of any tax, neither Buyer nor Seller shall contend or represent that such allocation is not a correct allocation.

4.5 Casualty Loss.

If before the Closing, any portion of the Purchased Assets is damaged or destroyed by fire or other casualty except as would result in an impairment in the value of the Purchased Assets of less than ten (10) percent of the Purchase Price the Purchase Price will not be adjusted or prorated in any way. In the event the Purchased Assets shall be damaged or destroyed by fire or other casualty after the Closing, Seller will have no responsibility for replacing any Purchased Asset except as may be otherwise provided in the Pole Attachment Agreement.

ARTICLE 5 **REPRESENTATIONS OF WARRANTIES OF SELLER**

Seller represents and warrants to Buyer as of the date hereof as follows:

For purposes of this Agreement, "Seller's Knowledge" means the actual knowledge of Kenneth E. Dawson, Theodore S. Rader and Mark J. Vallo.

5.1 Organization and Good Standing.

Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Ohio, with the corporate power and authority to conduct its business as it is now being conducted.

5.2 Authority.

Seller has the corporate right, power and authority to enter into and perform its obligations under this Agreement and all the documents contemplated under this Agreement (the "Transaction Documents") to which Seller is a party. All necessary corporate action of Seller have been taken to authorize Seller to execute and deliver this Agreement and the Transaction Documents, and this Agreement and the Transaction Documents constitutes the valid and binding obligation of Seller enforceable against Seller in accordance with its terms, except as may be limited by the effect of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether considered in a proceeding in equity or at Law).

5.3 Non-Contravention.

Except as set forth in Schedule 5.3, neither the execution and delivery of this Agreement nor the consummation or performance of any of the transactions contemplated herein will:

(a) breach any provision of any of the corporate governance documents of Seller;

(b) to Seller's Knowledge, breach or give any Governmental Body or other Person the right to challenge this Agreement or any transaction contemplated hereby or to exercise any remedy or obtain any relief under any Law or any Order to which Seller or any of the Purchased Assets, may be subject; or

(c) result in a breach of, constitute a default under, result in the acceleration of, create in any person the right to accelerate, terminate, modify, or cancel, or require any written notice under any material agreement or contract to which Seller is a party.

5.4 Consents.

Except as set forth in Schedule 5.4, no consent by, approval or authorization of or filing, registration or qualification with any Governmental Body is required: (a) for the execution, delivery or performance of this Agreement and the Transaction Documents by Seller, or (b) in connection with Seller's consummation of the transactions contemplated hereby and thereby.

5.5 Title to Assets.

Except as set forth in Schedule 5.5, Seller has good and transferable title to all of the Purchased Assets, free and clear of any liens or encumbrances.

5.6 Legal Proceedings; Orders.

(a) There is no pending or, to Seller's Knowledge, threatened Proceeding: (i) by or against Seller that relates to or may affect the Purchased Assets; or (ii) that challenges, prevents, delays, or otherwise interferes with, any of the transactions contemplated by this Agreement.

(b) To Seller's knowledge, Seller is in compliance in all material respects with all of the terms and requirements of each Order to which it or any of the Purchased Assets is or has been subject. For the avoidance of doubt, Seller does not warrant or represent to Buyer that the Purchased Assets are in compliance with any and all Laws (including but not limited to Laws related to the physical location or condition of the street light poles) that may apply to the Purchased Assets.

5.7 Brokers or Finders.

Seller has not incurred any obligation or liability for brokerage or finders' fees or agents' commissions or other similar payments in connection with the sale of the Purchased Assets or the transactions contemplated by this Agreement.

5.8 Qualification.

EXCEPT AS SPECIFIED IN ARTICLE 5 OF THE ASSET PURCHASE AGREEMENT (TO THE EXTENT APPLICABLE), (i) SELLER HEREBY GRANTS, SELLS, ASSIGNS, CONVEYS, TRANSFERS AND DELIVERS TO BUYER THE

PURCHASED ASSETS IN THEIR PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES, REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO QUALITY, MERCHANTABILITY OR THEIR FITNESS FOR BUYER'S INTENDED USE OR A PARTICULAR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER AND (ii) BUYER AGREES TO ACCEPT THE PURCHASED ASSETS "AS-IS", "WHERE IS" IN THEIR PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES, REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THEIR QUALITY, MERCHANTABILITY OR FITNESS FOR BUYER'S INTENDED USE OR A PARTICULAR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER. ALL REPRESENTATIONS AND WARRANTIES OTHER THAN THOSE SET FORTH IN ARTICLE 5 OF THE ASSET PURCHASE AGREEMENT (TO THE EXTENT APPLICABLE), EXPRESS OR IMPLIED, ARE DISCLAIMED. SELLER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY OTHER REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER.

ARTICLE 6
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller as of the date hereof as follows:

6.1 *Organization and Good Standing.*

Buyer is a municipal corporation duly organized, validly existing and in good standing under the Laws of the State of Ohio, with full corporate power and authority to conduct its business as it is now conducted.

6.2 *Authority.*

Buyer has the corporate right, power and authority to enter into and perform its obligations under this Agreement and all the Transaction Documents to which Buyer is a party. All necessary corporate action of Buyer have been taken to authorize Buyer to execute and deliver this Agreement and the Transaction Documents, and this Agreement and the Transaction Documents constitutes the valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as may be limited by the effect of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors' rights and to general equity principles (whether considered in a proceeding in equity or at Law).

6.3 *Non-Contravention.*

Neither the execution and delivery of this Agreement nor the consummation or performance of any of the transactions contemplated therein will:

(a) breach any provision of any of the corporate governance documents of Buyer; or

(b) breach or give any Governmental Body or other Person the right to challenge this Agreement or any transaction contemplated hereby or to exercise any remedy or obtain any relief under any Law or any Order to which Buyer may be subject.

6.4 Consents.

Buyer is not required to give any notice to or obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of transaction contemplated hereby.

6.5 Financing.

Buyer has the financing, and will have cash available sufficient to enable it, to pay the Purchase Price as of the Closing Date.

6.6 Certain Proceedings.

There is no pending Proceeding that has been commenced against Buyer that challenges, or may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the transactions contemplated by this Agreement. To Buyer's knowledge, no such Proceeding has been threatened.

6.7 Brokers or Finders.

Buyer has not incurred any obligation or liability for brokerage or finders' fees or agents' commissions or other similar payment in connection with the transactions contemplated by this Agreement.

ARTICLE 7 **PRE-CLOSING COVENANTS**

7.1 Pre-Closing Covenants of Seller.

Between the date of this Agreement and Closing, Seller shall:

(a) *Approvals and Consents.* Obtain as promptly as possible all approvals and consents required to be obtained by Seller in order to effectuate the transactions contemplated hereby and to deliver to Buyer copies of such approvals and consents, including, but not limited to, approval by the Public Utilities Commission of Ohio ("PUCO") of the sale contemplated by this Agreement. As promptly as possible, Seller shall make all filings required to be made by it in connection with the transactions contemplated hereunder and shall cooperate with

Buyer with respect to all filings that Buyer may make, or is required to make, in connection with the transaction contemplated hereunder.

(b) *Notification.* Promptly notify Buyer in writing of any fact, condition, event or circumstance which (i) makes it necessary to correct any representation and warranty in ARTICLE 5 which has been rendered inaccurate thereby; or (ii) arises after the date hereof and which, had it existed on or prior to the date hereof, would have resulted in an inaccuracy in a representation and warranty in ARTICLE 5. In the event the occurrence of any fact, condition, event or circumstance requires any change to one or more of the disclosure schedules attached hereto, Seller shall promptly deliver to Buyer a supplement to such schedule or schedules specifying such change. In the event such additional disclosures reveal facts or circumstances that would be reasonably expected to result in an adverse effect on the Purchased Assets in a value in excess of ten (10) percent of the Purchase Price, Buyer shall have the right to terminate this Agreement pursuant to Section 9.1(a)(i). and such right to terminate shall be the sole and exclusive remedy of Buyer with respect to such additional disclosure. Consummation of the transactions contemplated by this Agreement shall constitute acceptance of such disclosures and the waiver of any right to pursue Seller for breach of representations and warranties to which such disclosures relate. In the event such additional disclosures do not reveal facts or circumstances that would be reasonably expected to result in an adverse effect on the Purchased Assets, such disclosures shall be treated as disclosures made by the Seller as of the date of this Agreement and the Buyer will have no right to terminate this Agreement and no right to pursue Seller for breach of the representations or warranties to which such disclosures relate.

(c) *Satisfaction of Conditions.* Use reasonable commercial efforts to cause each of the conditions set forth in Section 8.1 to Buyer's proceeding with the Closing to be satisfied at or before the Closing.

7.2 *Pre-Closing Covenants of Buyer.*

Between the date of this Agreement and Closing, Buyer shall:

(a) *Approvals and Consents.* Obtain as promptly as possible all approvals and consents required to be obtained by Buyer in order to effectuate the transactions contemplated hereby and to deliver to Seller copies of such approvals and consents, including, but not limited to, assisting Seller in obtaining approval by the Public Utilities Commission of Ohio of the sale contemplated by this Agreement. As promptly as possible, Buyer shall make all filings required to be made by it in connection with the transactions contemplated hereunder and shall cooperate with Seller with respect to all filings that Seller may make, or is required to make, in connection with the transaction contemplated hereunder.

(b) *Satisfaction of Conditions.* Use reasonable commercial efforts to cause each of the conditions set forth in Section 8.2 to Seller's proceeding with the Closing to be satisfied at or before the Closing.

7.3 *Post-Closing Covenants.*

(a) *Pole Attachment Agreement.* The Parties shall amend a certain agreement covering the Joint Use of Poles on a Rental Basis dated June 22, 1998, substantially in the form attached hereto as Exhibit A (the "**Pole Attachment Agreement**"), to serve as the master agreement with respect to all existing and future attachments between Seller (and Seller's Affiliates) and Buyer related to joint use facilities located within the City of Cleveland. All existing street light equipment transferred under this Agreement as of the Date of the Closing shall not be subject to any rental charges as provided in the Pole Attachment Agreement. All new attachments after the Closing shall be subject to rental charges as provided in the Pole Attachment Agreement.

(b) *Street Lighting Schedule.* After the Closing, Seller shall be the sole electrical supplier to the Purchased Assets with respect for an initial period of eight (8) years and automatically renewable in five (5) year terms thereafter, and charges shall be based on the pricing and other terms for components owned, maintained and replaced by municipalities presently designated "MMM Plan III" on Seller's Street Lighting Schedule Tariff Sheet No. 43, subject to changes to the same as approved from time to time by the PUCO, substantially in the form attached hereto as Exhibit B (the "**Street Lighting Schedule**"). Buyer shall have the right to terminate any renewal term (after the initial period) upon one year's advance notice of the commencement of the renewable term.

(c) *Removal of Abandoned Seller Facilities.* Buyer understands that some Purchased Assets being transferred hereto do not contain distribution primary or secondary electrical equipment or street light equipment and may be idle or abandoned in place. After the Closing, Buyer shall be solely responsible for the removal and proper disposal of such idle or abandoned poles.

(d) *Post Closing Notifications.* After the Closing, the Buyer shall have an affirmative duty to inform all interested parties that the Buyer is the new owner of the Purchased Assets and shall handle all inquiries/complaints from the public regarding the Purchased Assets.

ARTICLE 8 CONDITIONS OF CLOSING

8.1 *Conditions Precedent to Buyer's Obligation to Close.*

Buyer's obligation to purchase the Purchased Assets, and to take the other actions required to be taken by Buyer at the Closing, is subject to the satisfaction, at or prior to the

Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part):

(a) *Accuracy of Representations.* All of Seller's representations and warranties in this Agreement shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made, but giving effect to any supplement to the disclosure schedules hereto by the Seller prior to the Closing;

(b) *Seller's Performance.* All of the covenants and obligations that Seller are required to perform, or to comply with, pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects;

(c) *Closing Deliveries.* Seller shall have caused the documents and instruments required by Section 10.2 to be delivered (or tendered subject only to Closing) to Buyer;

(d) *Consents.* All material consents set forth on Schedule 5.4 which are necessary to allow Buyer to own and operate the Purchased Assets from and after the Closing shall have been obtained; and

(e) *No Proceedings.* Since the date of this Agreement, there shall not have been commenced or threatened against Buyer any Proceeding (i) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated hereunder or (ii) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on or otherwise interfering with any of the transactions contemplated hereunder.

8.2 Conditions Precedent to Seller's Obligation to Close.

Seller's obligation to sell and transfer the Purchased Assets, and to take the other actions required to be taken by Seller at the Closing, is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Seller, in whole or in part):

(a) *Accuracy of Representations.* All of Buyer's representations and warranties in this Agreement shall have been accurate in all material respects as of the date of this Agreement, and shall be accurate in all material respects as of the time of the Closing as if then made.

(b) *Buyer's Performance.* All of the covenants and obligations that Buyer is required to perform, or to comply with, pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects;

(c) *Closing Deliveries.* Buyer shall have caused the payments, documents and instruments required by Section 10.3 to be delivered (or tendered subject only to Closing) to Seller;

(d) *Consents.* All material consents set forth on Schedule 5.4 which are necessary to allow Seller to sell and transfer the Purchased Assets to Buyer from and after the Closing shall have been obtained; and

(e) *No Proceedings.* Since the date of this Agreement, there shall not have been commenced or threatened against Seller any Proceeding (i) involving any challenge to, or seeking damages or other relief in connection with, any of the transactions contemplated hereunder or (ii) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on or otherwise interfering with any of the transactions contemplated hereunder.

ARTICLE 9

TERMINATION

9.1 *Events of Termination.*

This Agreement may be terminated prior to Closing pursuant to any of the following:

(a) *Termination by Buyer.* This Agreement may be terminated by Buyer's written notice to Seller if (i) a material breach of any provision of this Agreement has been committed by Seller and such breach has not been waived by Buyer, or (ii) if any condition set forth in Section 8.1 has not been satisfied as of Closing or if satisfaction of such a condition by Closing is or becomes impossible (other than through the failure of Buyer to comply with its obligations under this Agreement), and Buyer has not waived such condition before Closing, or (iii) the Closing has not occurred on or before December 31, 2008, or such later date as the parties may agree upon, unless the Buyer is in material breach of this Agreement;

(b) *Termination by Seller.* This Agreement may be terminated by Seller's written notice to Buyer if (i) a material breach of any provision of this Agreement has been committed by Buyer and such breach has not been waived by Seller, or (ii) any condition in Section 8.2 has not been satisfied as of Closing or if satisfaction of such a condition by Closing is or becomes impossible (other than through the failure of Seller to comply with their obligations under this Agreement), and Seller has not waived such condition before Closing, or (iii) the Closing has not occurred on or before December 31, 2008, or such later date as the parties may agree upon, unless the Seller is in material breach of this Agreement;

(c) *Mutual Termination.* This Agreement may be terminated by mutual written consent of Buyer and Seller; or

(d) *Governmental Body.* This Agreement may be terminated by Buyer or Seller, upon written notice to the other Party at any time prior to the Closing, if any court of competent jurisdiction in the United States or any other Governmental Body in the United States shall have issued an order, decree or ruling or taken any other action restraining, enjoining or otherwise prohibiting the transactions contemplated

hereby and such order, decree, ruling or other action shall have become final and nonappealable; provided, however, that the right to terminate this Agreement under this Section 9.1(d) shall not be available to any Party whose breach of any obligation under this Agreement has been the cause of, or has resulted in, such order, decree, ruling or other action.

(e) *Failure to Obtain Governmental Consent/Conditions Imposed.* This Agreement may be terminated by Seller upon written notice to Buyer at any time prior to the Closing, if any Governmental Body (including, the PUCO) whose consent is necessary to approve the transactions contemplated by this Agreement does not consent to the transaction contemplated hereunder, requires such modification to this Agreement, or imposes such conditions upon Seller or Seller's Affiliates which in Seller's reasonable judgment would make this transaction uneconomic to Seller or Seller's Affiliates individually or in the aggregate.

9.2 *Effect of Termination.*

If this Agreement is terminated pursuant to Section 9.1, all obligations of the Parties under this Agreement will terminate, except that the obligations of the parties in this Section 9.2 and Article 13 will survive, provided, however, that, if this Agreement is terminated because of a breach of this Agreement by the nonterminating Party or because one or more of the conditions to the terminating Party's obligations under this Agreement is not satisfied as a result of the Party's failure to comply with its obligations under this Agreement, the terminating Party's right to pursue all legal remedies will survive such termination unimpaired.

ARTICLE 10 **CLOSING; CLOSING DELIVERIES**

10.1 *Closing.*

Unless otherwise agreed in writing by the Parties, the closing and completion of the transfer and delivery of the Purchased Assets ("Closing") shall be held at the offices of Seller commencing at 10:00 a.m. on the later of: (a) the fulfillment of all the conditions set forth in Article 8 (or the waiver thereof by the appropriate Party); or (b) within three (3) days of approval by the Public Utilities Commission of Ohio of the sale contemplated by this Agreement ("Closing Date"). The effective time of the Closing of the transactions contemplated herein shall be at 11:59 p.m. on the Closing Date, and all references herein to "Closing" shall refer to such time on the Closing Date.

10.2 *Closing Deliveries of Seller.*

At the Closing, Seller shall deliver, or cause to be delivered, to Buyer, the following:

- (a) *Transfer Documents.* The following transfer documents:

(i) *Bill of Sale.* A duly executed bill of sale, in the form attached hereto as Exhibit C, for all owned tangible personal property that is included among the Purchased Assets;

(ii) *Other Transfer Documents.* Such other documents of transfer which are necessary or appropriate, in the opinion of counsel for Buyer, to transfer and assign any of the Purchased Assets to Buyer, in each case in form and substance satisfactory to Buyer and its counsel.

(b) *Addendum to Pole Attachment Agreement.* An Addendum to the Pole Attachment Agreement, duly executed by Seller.

(c) *Officer's Certificate.* A certificate dated as of the Closing Date and duly executed by a duly authorized officer of Seller certifying that (i) Seller has complied in all material respects with all covenants of Seller required by this Agreement to have been performed or complied with by it prior to Closing, and (ii) the representations and warranties made by Seller hereunder are true in all material respects at and as of Closing with the same effect as though such representations and warranties were made at and as of Closing;

(d) *Secretary's Certificate.* A certificate dated as of the Closing Date and duly executed by the Secretary of Seller certifying that (i) attached thereto is a true and accurate copy of the articles or certificate of incorporation of Seller, (ii) attached thereto is a true and accurate copy of the Code of Regulations of Seller, (iii) attached thereto is a true and accurate copy of the resolutions of the Board of Directors of Seller authorizing Seller to enter into and perform this Agreement and each Transaction Document to be entered into by it at Closing and authorizing execution of this Agreement and each such document by each Person signing on behalf of the Seller and further certifying that such resolution and such authority have not been amended, modified, revoked or rescinded and are in full force and effect at Closing, and (iv) set forth therein are the names of the individuals who are the duly elected officers of Seller who have been duly authorized by the Directors of Seller to execute and deliver this Agreement and the Transaction Documents on behalf of Seller and certifying the signatures of such officers;

(e) *Other Documents and Instruments.* Such other documents or instruments reasonably requested by Buyer.

10.3 Closing Deliveries of Buyer.

At the Closing, Buyer shall deliver, or cause to be delivered, to Seller, the following:

(a) *Wire Transfer.* A wire transfer by Buyer to Seller, in immediately available funds, in the amount of the Purchase Price;

(b) *Addendum to Pole Attachment Agreement.* An Addendum to the Pole Attachment Agreement, duly executed by Buyer.

(c) *Buyer's Certificate.* A certificate dated as of the Closing Date and duly executed by a duly authorized officer of Buyer certifying that (i) Buyer has complied in all material respects with all agreements and obligations required by this Agreement to have been performed or complied with by it prior to Closing, and (ii) the representations and warranties made by Buyer hereunder are true in all material respects at and as of Closing with the same effect as though such representations and warranties were made at and as of Closing;

(d) *Other Documents and Instruments.* Such other documents or instruments reasonably requested by Seller.

ARTICLE 11

SURVIVAL; LIMITATION ON DAMAGES

11.1 Survival.

All representations and warranties contained in this Agreement (except Sections 5.1, 5.2, 5.5, 5.8, 6.1, 6.2 which shall have no expiration) or in any Transaction Document shall survive the Closing for a period of twelve (12) months. All covenants and agreements of the Parties shall continue in full force and effect in accordance with their respective terms and thereafter until the expiration of the applicable statute of limitations.

11.2 Limitation on Damages.

NO PARTY SHALL BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES OR LOSSES, INCLUDING LOST PROFITS, REVENUE, AND OPPORTUNITY COSTS OF ANY TYPE UNDER ANY THEORY OF LAW.

ARTICLE 12

INDEMNITY

12.1 Indemnification by Buyer.

To the extent allowed by law, Buyer shall indemnify, defend and save harmless Seller and its Affiliates and their directors, managers, employees, agents, successors and assigns (each a "Seller Indemnified Party") from any and all Damages or Claims actually incurred or suffered directly or indirectly by any Seller Indemnified Party resulting from, arising out of, or in connection with (a) the ownership, maintenance, and repair of the Purchased Assets; (b) the breach of any one or more representations or warranties of Buyer made in the Agreement; or (c) the breach by Buyer of any of its covenants or agreements made in this Agreement.

12.2 Indemnification by Seller.

To the extent allowed by law, Seller shall indemnify, defend and save harmless Buyer from any and all Damages or Claims actually incurred or suffered directly or indirectly by Buyer resulting from, arising out of, or in connection with: (a) the breach of any one or more representations or warranties of Seller made in the Agreement; or (b) the breach by Seller of any of its covenants or agreements made in this Agreement.

ARTICLE 13 **ADDITIONAL COVENANTS**

13.1 Further Assurances.

The Parties shall cooperate reasonably with each other and with their respective representatives in connection with any steps required to be taken as part of their respective obligations under this Agreement, and shall: (a) furnish upon request to each other such further information; (b) execute and deliver to each other such other documents; and (c) do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement and the transactions contemplated hereunder.

ARTICLE 14 **GENERAL PROVISIONS**

14.1 Expenses.

Except as otherwise provided in this Agreement, each Party shall bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement, the Transaction Documents and the transactions contemplated hereunder, including all fees and expenses of its representatives.

14.2 Notices.

All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a Party when: (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment; or (c) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses, facsimile numbers or e-mail addresses and marked to the attention of the Person (by name or title) designated below (or to such other address, facsimile number, e-mail address or Person as a Party may designate by notice to the other Parties):

If to Seller:

The Cleveland Electric Illuminating Company
6986 Miller Road
Brecksville, OH 44141
Attn: Theodore S. Rader
Phone: (440) 546-8738
Fax: (440) 546-8775
E-Mail: radert@firstenergycorp.com

With a copy to:

FirstEnergy Service Company
76 South Main Street
Akron, OH 44308
Attn: Rick Giannantonio
Phone: (330) 384-5893
Fax: (330) 384-3875
E-Mail: giannanr@firstenergycorp.com

If to Buyer:

Cleveland Public Power
1300 Lakeside Avenue
Cleveland, OH 44114
Attn: Ivan Henderson
Phone: (216) 664-3922
Fax: (216) 420-7514
E-Mail: ihenderson@cpp.org

With a copy to:

City of Cleveland Department of Law
601 Lakeside Avenue, Room 106
Attn: Robert J. Triozzi
Phone: (216) 664-2800
Fax: (216) 664-2663

14.3 Public Announcements.

All public announcements or press releases relating to this Agreement or the transactions contemplated hereunder shall be made only as may be agreed upon by Seller and Buyer or as required by Law. If public disclosure or notice is required by Law, the disclosing Party will use reasonable commercial efforts to give the other Party prior written notice of the disclosure to be made.

14.4 Governing Law; Jurisdiction.

This Agreement will be governed by and construed and enforced in accordance with the Laws of the State of Ohio applicable to agreements made and to be performed entirely within such state, without regard to conflict of laws rules thereof. The Parties agree that either or both of them may file a copy of this Section 14.4 with any court as written evidence of the knowing, voluntary and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum. Legal process in any proceeding may be served on any party anywhere in the world.

14.5 Remedies Cumulative.

The rights and remedies of the parties to this Agreement are cumulative and not alternative.

14.6 Waiver.

Neither any failure nor any delay by any Party in exercising any right, power or privilege under this Agreement or any Transaction Document will operate as a waiver of such right, power or privilege, and no single or partial exercise of any such right, power or privilege will preclude any other or further exercise of such right, power or privilege or the exercise of any other right, power or privilege. No waiver of any of the provisions of this Agreement shall be valid unless it is in writing and signed by the Party against whom it is sought to be enforced.

14.7 Entire Agreement; Modification.

This Agreement supersedes all prior agreements, whether written or oral, between the Parties with respect to its subject matter (including any letter of intent) and constitutes (along with the Schedules and Exhibits hereto, and the Transaction Documents) a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the Party to be charged with the amendment.

14.8 Assignment, Successors and No Third Parties.

No Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties. Nothing expressed or referred to in this Agreement shall be construed to give any Person other than the parties to this Agreement any

legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section 14.8.

14.9 Construction.

The Parties acknowledge that they and their respective lawyers and counsel have negotiated and drafted this Agreement jointly and agree that the rule of construction that ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation or construction of this Agreement.

14.10 Pronouns; Headings.

The use of a particular pronoun herein shall not be restrictive as to gender or number but shall be interpreted in all cases as the context may require. Headings of the articles, sections and subsections of this Agreement are for the convenience of the Parties only, and shall be given no substantive or interpretive effect whatsoever.

14.11 Severability.

If for any reason whatsoever, any one or more of the provisions of this Agreement shall be held or deemed to be inoperative, unenforceable or invalid as applied to any particular case or in all cases, such circumstances shall not have the effect of rendering such provision invalid in any other case or of rendering any of the provisions of this Agreement inoperative, unenforceable or invalid.

14.12 Time Periods.

Any action required hereunder to be taken within a certain number of days shall be taken within that number of calendar days (and not business days); provided, however, that if the last day for taking such action falls on a weekend or a holiday, the period during which such action may be taken shall be automatically extended to the next business day.

14.13 Execution of Agreement.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

14.14 Engineering and Work in Process Wind Down.

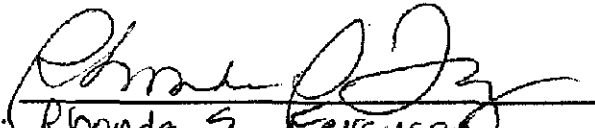
The Parties agree that Buyer will not accept any new applications or engineering reviews for any street light poles or facilities on or after May 1, 2008, and that all work in progress on new installations shall cease on or after May 31, 2008. Partially completed work in process shall become the responsibility of Buyer to complete after the Closing. Seller shall provide Buyer at the Closing with a status report of the Authority Orders (as that term is defined in the Pole Attachment Agreement) which are unfinished as of the Closing.

[signature page follows]

INTENDING TO BE LEGALLY BOUND, the Parties have executed this Asset Purchase Agreement as of the day and year first above written.

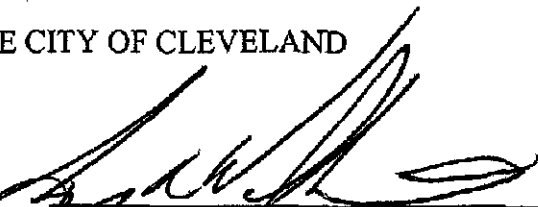
SELLER:

THE CLEVELAND ELECTRIC ILLUMINATING
COMPANY

By: 
Name: Rhonda S. Ferguson
Title: Corporate Secretary

BUYER:

THE CITY OF CLEVELAND

By: 
Name: Barry A. Withers
Title: Interim Director of Public Utilities

The legal form and correctness of the
within instrument is hereby approved.

Robert J. Trionzi, Director of Law

By: 
Chief Asst. Director of Law

Date 6-6-08

Exhibit A
Addendum to Pole Attachment Agreement

See Attached

Exhibit B
Street Lighting Schedule

See Attached

STREET LIGHTING SCHEDULE

Applicable to any municipality or governmental authority for the lighting of its streets, roadways, avenues, alleys, sidewalks, parks and other public grounds where the lighting equipment, in the opinion of the Company, can be maintained using Company vehicles.

MONTHLY RATES:

Monthly charges per customer for all customers served under this schedule shall include Distribution Charges and Generation Charges, as shown below. Customers served under this schedule who receive Generation Services from a Certified Supplier will qualify for a Shopping Credit as shown below to reduce the sum of other applicable charges.

1. GROSS RATE

a. Company-Owned, Overhead-Fed Wood Pole Lighting Installations

			<u>Distribution Charges</u> <u>¢/kWhr per Lamp</u>
<u>Nominal</u> <u>Lumens</u>	<u>Lamp</u> <u>Watts</u>	<u>kWh</u> <u>Per Lamp</u>	
Mercury Vapor			
8,600	175	79	10.50¢
12,100	250	111	8.89¢
22,500	400	174	7.34¢
*63,000	1,000	417	6.32¢
High Pressure Sodium			
9,500	100	45	25.65¢
16,000	150	65	18.91¢
27,500	250	116	12.76¢
50,000	400	183	9.30¢
Incandescent*			
2,500		79	11.39¢
4,000		120	9.59¢
6,500		164	8.51¢
10,000		254	6.71¢

*These rates are not available for new installations

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

1. GROSS RATE (Cont'd)

b. Lighting Installations with Standard Ornamental Poles and Luminaires*

<u>Distribution Charges</u> <u>¢/kWh per Lamp for Various Plans</u>								
<u>Nominal</u> <u>Lumens</u>	<u>Lamp</u> <u>Watts</u>	<u>kWh</u> <u>Per Lamp</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>VI</u>
Mercury Vapor								
8,600	175	79	8.137¢	24.998¢	4.099¢	--	10.314¢	27.225¢
12,100	250	111	7.228¢	19.192¢	3.840¢	4.985¢	--	20.795¢
22,500	400	174	6.212¢	14.097¢	3.729¢	4.424¢	7.235¢	15.126¢
42,000	700	295	--	--	3.997¢	4.824¢	--	--
*** 63,000	1,000	417	--	9.555¢	3.920¢	--	6.325¢	10.049¢
High-Pressure Sodium								
5,800	70	31	--	--	5.390¢	--	--	--
9,500	100	45	21.234¢	49.234¢	4.746¢	12.857¢	24.634¢	55.034¢
16,000	150	65	16.036¢	36.513¢	4.252¢	10.128¢	18.698¢	39.344¢
**** 16,000	150	146	--	--	5.034¢	--	--	--
22,000	200	95	--	--	3.937¢	--	--	--
27,500	250	116	11.157¢	22.614¢	3.830¢	7.157¢	12.657¢	24.106¢
37,000	310	144	--	--	3.703¢	--	--	--
50,000	400	183	8.308¢	14.997¢	3.592¢	4.789¢	8.882¢	16.548¢
140,000	1,000	418	--	---	3.407¢	--	--	--
Incandescent**								
2,500		79	--	--	--	--	--	--
4,000		120	7.982¢	--	--	--	--	--
6,000		164	7.341¢	--	4.768¢	--	--	--
10,000		254	6.473¢	--	--	--	--	--
330		121	--	--	4.373¢	--	--	--

NA = Not Available.

* Steel Galvanized Pole, unpainted, single bracket up to 12 ft. in length and Oval Luminaire installed at nominal 30 ft. height.

** These rates are not available for new installations.

*** These rates are not available for new installations except the rate under Plan III.

**** Fixture operating in a continuous-burn mode.

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

1. GROSS RATE (Cont'd)

c. Special Plan VI Installations

<u>Distribution Charges</u> <u>¢/kWhr per Lamp or Installation</u>					
<u>Nominal Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>Standard Post*</u>	<u>30 ft. Concrete Pole**</u>	<u>Steel Pole 2 Brackets and 2 Lamps</u>
Mercury Vapor					
8,600	175	79	16.681¢	--	--
22,500	400	174	--	15.212¢	--
22,500	400	348	--	--	10.585¢
High-Pressure Sodium					
9,500	100	45	36.946¢	--	--
27,500	250	232	--	--	18.110¢

d. Underpass Lighting Installations

Nominal <u>Lumens</u>	Lamp <u>Watts</u>	<u>Distribution Charges</u>			
		<u>kWh per Lamp</u>		<u>¢/kWhr Per Lamp (Plan VII)</u>	
		<u>Controlled</u>	<u>Continuous</u>	<u>Controlled</u>	<u>Continuous</u>
Mercury Vapor					
8,600	175	79	158	4.074¢	2.232¢
12,100	250	111	222	3.849¢	2.120¢
High-Pressure Sodium					
9,500	100	45	90	4.746¢	2.568¢

NA = Not Available.

* Plain Round Post and Standard Luminaire installed at nominal height of 15 ft. to 20 ft.

** These rates not available for new installations.

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

1. GROSS RATE (Cont'd)

e. Special Underground Installations

<u>Distribution Charges</u>			
<u>Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>¢/kWhr per Lamp Special Plan</u>
<u>Incandescent**</u>			
2,500	215	79	8.631¢

NA = Not Available.

* Plain Round Post and Standard Luminaire installed at nominal height of 15 ft. to 20 ft.

** These rates not available for new installations.

f. Special Architectural Installations

<u>Distribution Charges</u>					
<u>Nominal Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>Pole with Single Luminaire ¢/kWhr Per Lamp Plan VI*</u>	<u>Pole with Twin Luminaire ¢/kWhr Per Lamp Plan VI</u>	
9,500	100	45	54.079¢		80.612¢
16,000	150	65	38.513¢		57.282¢
27,500	250	116	23.640¢		35.088¢
50,000	400	183	16.193¢		23.947¢
<u>Nominal Lumens</u>	<u>Lamp Watts</u>	<u>kWh Per Lamp</u>	<u>Luminaire Only ¢/kWhr Per Lamp Plan V</u>	<u>Pole or Support Bracket with Luminaire ¢/kWhr Per Lamp Plan VI*</u>	
9,500	100	45	41.079¢		50.590¢
16,000	150	65	29.313¢		35.898¢

* Galvanized, unpainted steel pole with up to a 2 ft. length bracket or painted non-metallic pole with up to an 8 ft. length bracket and architectural roadway luminaire installed at nominal 30 ft. height.

** Plain round post and architectural post-top luminaire installed at nominal 15 ft. to 20 ft. height or ornamental side mounting bracket and architectural post-top luminaire installed on a pole at nominal 15 ft. height.

*** The duct shall be owned, maintained and replaced by the municipality.

STREET LIGHTING SCHEDULE

MONTHLY RATES: (Cont'd)

1. GROSS RATE (Cont'd)

- g. Underground Facilities***
Dollars Per 20 Cable Feet

<u>Distribution Charges:</u>	<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>
Direct Buried Cable	--	\$0.03	\$0.49
Cable Wire (only) in Duct	--	\$0.01	\$0.17

- * Galvanized, unpainted steel pole with up to a 2 ft. length bracket or painted non-metallic pole with up to an 8 ft. length bracket and architectural roadway luminaire installed at nominal 30 ft. height.
** Plain round post and architectural post-top luminaire installed at nominal 15 ft. to 20 ft. height or ornamental side mounting bracket and architectural post-top luminaire installed on a pole at nominal 15 ft. height.
*** The duct shall be owned, maintained and replaced by the municipality.

For each lamp type listed above, the following charges apply:

Generation Charge:

Energy Charge:

For all kWh, per kWh

1.002¢

The Generation Charge above may be replaced by charges pursuant to the Returning Customer Generation Service Rider, Tariff Sheet No. 102, if applicable.

Shopping Credit:

The Shopping Credit values are subject to the provisions of the Opinion and Order and the Entry on Rehearing in Case No. 03-2144-EL-ATA (Rate Stabilization Plan).

This Shopping Credit applies only to customers who receive Generation services from a Certified Supplier. Such customers shall receive a Shopping Credit equal to the Generation Charge in this schedule. In 2007 and 2008, the applicable shopping credits will be increased by the Shopping Credit Adder, Tariff Sheet No. 103, based on the provisions of the Rate Certainty Plan (RCP) approved by the PUCO in Case No. 05-1125-EL-ATA et al.

For those customers who qualify under the Shopping Credit Rider, Sheet No. 101, the Shopping Credit may be modified as shown in Option 1 or Option 2 on Tariff Sheet No. 101.

In no event will the Shopping Credit be less than zero or exceed the amount set forth on Sheet No. 101.

2. APPLICABLE RIDERS

The Rates and charges specified above shall be modified in accordance with the provisions of the following applicable Riders:

RETURNING CUSTOMER GENERATION SERVICE RIDER	Rider No. 25	Sheet No. 102
SHOPPING CREDIT RIDER	Rider No. 24	Sheet No. 101
SHOPPING CREDIT ADDER	Rider No. 26	Sheet No. 103
UNIVERSAL SERVICE	Rider No. 14	Sheet No. 90
STATE KWH TAX SELF-ASSESSOR CREDIT	Rider No. 18	Sheet No. 94
FUEL COST RECOVERY RIDER	Rider No. 30	Sheet No. 107

The kWh to which the applicable riders are applied shall be the total of the average monthly kilowatthours as shown in Section 1 for each lamp.

Filed pursuant to Order dated January 9, 2008, in Case No. 07-1003-EL-ATA, before

The Public Utilities Commission of Ohio

Issued by: Anthony J. Alexander, President

Effective: January 11, 2008

STREET LIGHTING SCHEDULE

3. PROMPT PAYMENT DISCOUNT

The monthly billing for lamps in service shall be subject to a discount of 2% of the gross amount so billed for services provided by the Company, if the net amount is paid in full within 60 days from the billing date.

If there is an unpaid balance 90 days following the billing date, interest shall accrue at the rate of one percent (1%) per month on the outstanding balance (from the 60th day after the billing date).

4. RESPONSIBILITIES FOR OWNERSHIP, MAINTENANCE AND REPLACEMENT

Components	Type of Supply						
	Overhead			Overhead or Underground		Underground	
	Wood Pole*	Plan I*	Plan II*	Plan III	Plan IV*	Plan V*	Plan VI*
Controlled Energy	CCC	CCC	CCC	CCC	CCC	CCC	CCC
Lamp and Glassware	CCC	CCC	CCC	MMM	MCC	CCC	CCC
Luminaire and Ballast	CCC	CCC	CCC	MMM	MCC	CCC	CCC
Pole and Bracket (a)	CCC	MMM	CCC	MMM	MMM	MMM	CCC
Pole Foundation	CCC	MMM	CCC	MMM	MMM	MMM	CCC
Pole Wire	CCC	MMM	CCC	MMM	MMM	MCC	CCC
Overhead Wire	CCC	CCC	CCC	MMM	MMM	NA	NA

*Nonfreeway Installations

- (a) Poles will be located approximately 3 feet from the berm and provide luminaire mounting heights of up to 40 feet. Standard steel poles are nominally 25, 30 and 32 feet long and have one 8 or 12 foot bracket. Steel poles maintained by the Company will be painted once every five years; the Company will specify the color of paint used.

CCC Component Owned, Maintained and Replaced by Company.

MCC Component Owned by Municipality (Customer), but Maintained and Replaced by Company. Municipality (Customer) must permit the Company to take legal action to recover abnormal maintenance costs caused by accidents or vandalism; and its equipment must meet the Company's minimum installation, equipment and/or operating specifications and standards.

MMM Component Owned, Maintained and Replaced by Municipality (Customer).

NA Not Applicable.

Components	Underpass Lighting	
	Plan VII	Special Plan
	VII	Plan
Controlled Energy	CCC	CCC
Lamp and Glassware	MMM	CCC
Luminaire and Ballast	MMM	CCC
All Other Components	MMM	MMM

STREET LIGHTING SCHEDULE

<u>Components</u>	<u>Underground Facilities Plan (b)</u>		
	<u>A</u>	<u>B</u>	<u>C</u>
Direct Buried Cable	MMM	MCC	CCC
Cable Wire (only) in Duct	MMM	MCC	CCC
Ducts (only)	MMM	MMM	MMM

(b) Dirt digging only; Company shall charge for sod replacement, concrete work or boring.

CCC Component Owned, Maintained and Replaced by Company.

MCC Component Owned by Municipality (Customer), but Maintained and Replaced by Company. Municipality (Customer) must permit the Company to take legal action to recover abnormal maintenance costs caused by accidents or vandalism; and its equipment must meet the Company's minimum installation, equipment and/or operating specifications and standards.

MMM Component Owned, Maintained and Replaced by Municipality (Customer).

OUTAGE ADJUSTMENT:

If the annual reported lamp outage hours which have occurred as a result of faulty or defective equipment maintained by the Company exceed 2% of the total annual lamp hours to be provided, and if the Customer so requests, the annual billing for services provided by the Company, will be reduced by ratio of the excess lamp outage hours divided by the annual lamp hours to be provided. No outage adjustment shall be required for outages which the Company is not responsible to correct.

SPECIAL RULES:

I. COMPANY RESPONSIBILITIES

- a. In locating where facilities can be served using normal Company practices and equipment, the Company will install, maintain and replace the various components of the street lighting systems in accordance with the standard responsibility plans selected by the Customer. The Municipal Street Lighting Listing on file at the Company's business offices identifies the applicable responsibility plan and type of construction for each existing lamp. Ordinary maintenance and lamp replacement will be performed during normal weekday working hours.
- b. For Company owned wood pole installations, the Company will install the lighting equipment and bracket on an approved existing pole or, where necessary, will furnish one pole for mounting the lighting equipment and one section of secondary wire.
- c. Additional facilities, not provided for herein, installed by the Company at the request of the Customer, shall be and remain the property of the Company and shall be paid for by the Customer on the basis of estimates of cost prepared by the Company. Extensions of existing Distribution facilities which are required only to serve a street lighting system shall be paid for by the Customer.

STREET LIGHTING SCHEDULE

1. COMPANY RESPONSIBILITIES (Cont'd)

- d. Lamps will be operated by photoelectric control or by time clocks, with hours of operation from dusk to dawn.
- e. Service and necessary maintenance will be performed only during the regular working hours of the Company. Burned out lamps will be replaced upon notification of the outage to the Company.

2. CUSTOMER RESPONSIBILITIES

- a. The Customer will furnish, install and maintain the various components of the street lighting systems in accordance with the standard responsibility plans selected by the Customer.
- b. The Customer shall reimburse the Company for any work performed by the Company which normally is part of the Customer's responsibilities.

3. CHANGES IN NUMBER, SIZE, TYPE, PLAN OR LOCATION

- a. All such requests shall be made in writing by the Customer's authorized representative.
- b. For street lighting Plans involving Company maintenance and replacement, the Company shall not be required to assume such obligations where any part of the Customer's system does not meet the Company's minimum installation, equipment and/or operating specifications and standards.
- c. Customer requests for the following work shall be subject to one-time nonrefundable charges:

STREET LIGHTING SCHEDULE

SPECIAL RULES: (Cont'd)

3. CHANGES IN NUMBER, SIZE, TYPE, PLAN OR LOCATION (Cont'd)

<u>Type of Service</u>	<u>Charge</u>
(1) For replacement of an existing lamp with one of a comparable or smaller size at the same location	\$35 per lamp
(2) For installing a shield on a luminaire	\$40 per luminaire
(3) For removal and relocation of pole, lamp, luminaire and bracket	\$240 per pole
(4) For removal and relocation of lamp, luminaire and bracket	\$118 per lamp, luminaire and bracket
(5) For removal of an existing	Unamortized installed lamp, luminaire and bracket cost and removal cost less salvage
(6) For disconnecting lamps for periods of less than one (1) year**	\$7.00 per disconnecting point, and \$7.00 per reconnecting point, plus credit* in base rates of .75 cents/ rated watts for each lamp disconnected

* Credits for lamps disconnected for less than one month shall be prorated based on the number of days that the lamp was disconnected.

** After one year from the notice of disconnection, the lamps will be reconnected and billed at the appropriate charge or removed and billed in accordance with (5) above.

STREET LIGHTING SCHEDULE

SPECIAL RULES: (Cont'd)

3. CHANGES IN NUMBER, SIZE, TYPE, PLAN OR LOCATION (Cont'd)

- d. Customer requests for replacement of mercury vapor lighting systems with high-pressure sodium or other lighting systems will be subject to charges resulting from the unamortized installed cost and removal cost less the salvage value of the mercury vapor lighting system equipment.
- e. Billing for new lamps installed shall be rendered beginning with the first full calendar month after installation. Lamps permanently disconnected or removed shall be billed for the full calendar month.

4. FORCE MAJEURE

In addition to the provisions contained in Section IV of the Company's Standard Rules and Regulations, the Company shall not be required to furnish lighting service, or otherwise perform as contemplated under this Schedule, if prevented from so doing at any time by state, federal or local governmental authorities, or other public authority, or by acts of violence, strikes, invasions, acts of public enemy, acts of God or other causes beyond the control of the Company.

5. TERMINATION FOR NONPAYMENT

If the Customer fails to pay for street lighting service within ninety days after the billing date, the Company may discontinue all or a part of the Customer's street lighting service until all monies due to the Company have been paid.

EXHIBIT C – FORM OF BILL OF SALE

This BILL OF SALE (this "*Bill of Sale*") is given by The Cleveland Electric Illuminating Company, an Ohio Corporation ("*Seller*"), to The City of Cleveland, a municipal corporation of the State of Ohio, ("*Buyer*"). All capitalized terms used, but not defined herein, shall have the meanings set forth in that certain Asset Purchase Agreement, dated as of May __, 2008, by and between Seller and Buyer (as may be amended, supplemented or otherwise modified from time to time, the "*Purchase Agreement*").

WHEREAS, the Purchase Agreement provides for the sale, transfer and assignment of the Purchased Assets from Seller to Buyer.

NOW, THEREFORE, for and in consideration of the Purchase Price and other good and valuable consideration, the receipt and sufficiency of which Seller and Buyer hereby acknowledge, and subject to the terms and conditions of the Purchase Agreement:

Seller hereby grants, sells, assigns, conveys, transfers and delivers to Buyer, and its successors and assigns, forever, all of Seller's right, title and interest in and to the Purchased Assets without any warranty of title except (a) as set forth in the Purchase Agreement and (b) that Seller hereby warrants to Buyer that Seller's right, title and interest in the Purchased Assets are free and clear of all liens except for permitted liens.

EXCEPT AS SPECIFIED IN ARTICLE 5 OF THE ASSET PURCHASE AGREEMENT (TO THE EXTENT APPLICABLE), (i) SELLER HEREBY GRANTS, SELLS, ASSIGNS, CONVEYS, TRANSFERS AND DELIVERS TO BUYER THE PURCHASED ASSETS IN THEIR PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES, REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO QUALITY, MERCHANTABILITY OR THEIR FITNESS FOR BUYER'S INTENDED USE OR A PARTICULAR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER AND (ii) BY ACCEPTING THIS BILL OF SALE, BUYER AGREES TO ACCEPT THE PURCHASED ASSETS "AS-IS", "WHERE IS" IN THEIR PRESENT CONDITION AND STATE OF REPAIR, WITH ALL FAULTS, LIMITATIONS AND DEFECTS (HIDDEN AND APPARENT) AND WITHOUT ANY GUARANTEES, REPRESENTATIONS OR WARRANTIES, EXPRESS OF IMPLIED, AS TO THEIR QUALITY, MERCHANTABILITY OR FITNESS FOR BUYER'S INTENDED USE OR A PARTICULAR PURPOSE OR ANY USE OR PURPOSE WHATSOEVER. ALL REPRESENTATIONS AND WARRANTIES OTHER THAN THOSE SET FORTH IN ARTICLE 5 OF THE ASSET PURCHASE AGREEMENT (TO THE EXTENT APPLICABLE), EXPRESS OR IMPLIED, ARE DISCLAIMED. SELLER DISCLAIMS ALL LIABILITY AND RESPONSIBILITY FOR ANY OTHER REPRESENTATION, WARRANTY, STATEMENT OR INFORMATION MADE OR COMMUNICATED (ORALLY OR IN WRITING) TO BUYER.

This Bill of Sale is an instrument of transfer and conveyance contemplated by, and is executed and delivered under and pursuant to, the Purchase Agreement, and nothing contained in this Bill of Sale shall be deemed to modify any of the provisions of the Purchase Agreement or any rights or obligations of Seller or Buyer under the Purchase Agreement.

This Bill of Sale shall be construed in accordance with and governed by the laws of the State of Ohio, without regard to principles of conflict of laws that would result in the application of the laws of another jurisdiction.

IN WITNESS WHEREOF, THE CLEVELAND ELECTRIC ILLUMINATING COMPANY has executed and delivered this Bill of Sale on this _____ day of _____, 2008.

THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY

By: _____

Its: _____

Schedule 2.1

Purchased Assets

See Attached

Schedule 4.4

Allocation of Purchase Price

None.

Schedule 5.3

Non-Contravention

None.

Schedule 5.4

Required Consents

1. Release of the Purchased Assets from the lien of Morgan Guaranty Trust Company of New York.
2. Approval from The Public Utilities Commission of Ohio of the transfer of the Purchased Assets as contemplated by this Agreement.

Schedule 5.5

Exceptions to Title to Assets

None.