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July 24, 2009

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: *In the Matter of the Application of The Cleveland Electric Illuminating Company for Authority to Issue, Sell, or Enter into Debt Transactions*
Application No. 09-625-EL-AIS

Enclosed for filing, please find the original and twelve (12) copies of The Cleveland Electric Illuminating Company's Application for the Authority to Issue, Sell, or Enter into Debt Transactions regarding the above-referenced case. Please file the enclosed Application, time-stamping the two extras and returning them to me 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,

kag
Enclosures

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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, Sell, or Enter into Debt Transactions	)))))	No. 09-625-EL-AIS

Applicant, The Cleveland Electric Illuminating Company, (hereinafter the "Company" or "Applicant") hereby submits this Application, pursuant to R.C. 4905.40, and respectfully shows that:

(1) The Company is an electric light company and a public utility as these terms are defined in Sections 4905.03(A)(4) and 4905.02 of the Ohio Revised Code, respectively, engaged primarily in the distribution of electricity for sale to consumers within the State of Ohio, and is subject to the jurisdiction of the Public Utilities Commission of Ohio (the "Commission").

(2) The Company has authorized capital stock as set forth in Exhibit A filed herewith, incorporated herein and made a part hereof, the number of shares of which outstanding at a recent date, all duly authorized by orders of the Commission, is also set forth in Exhibit A.

(3) The Company has issued and there are outstanding as of a recent date First Mortgage Bonds, Senior Notes and other evidence of indebtedness maturing more than twelve months after their dates of issuance in the aggregate principal amount set forth in Exhibit A, all duly authorized by orders of the Commission.

(4) The Company has issued and there are outstanding as of a recent date promissory notes and other evidence of indebtedness maturing not later than twelve months after their dates of issuance, in the aggregate principal amount set forth in Exhibit A, all duly authorized by orders of the Commission or by statute.

(5) To enable the Company to provide for the payment of its obligations on a secured or unsecured basis and to provide funds for the acquisition of property, for the construction, completion, extension or improvement of its plant and facilities, for the organization or readjustment of its indebtedness, for the discharge or lawful refunding or refinancing of its obligations, to reimburse its treasury, in part, for monies expended for such purposes, or for other corporate purposes permitted by law, the Company proposes, subject to the authorization of this Commission, to issue new bonds, notes and other evidence of indebtedness maturing more than twelve months after their date of issuance in an amount not to exceed $300 million in the aggregate (the "New Debt"). More specifically, the net proceeds of any issuance of the New Debt (after deduction of discounts and commissions to underwriters, purchasers or agents and other offering expenses) will be applied by the Company for any one or more of the following purposes:

(i) to repay outstanding short-term debt associated with O&M and capital expenditures,

(ii) to meet long-term debt maturities, including the Company's $150 million secured notes 7.43% series due November 1, 2009,

(iii) to help defray a portion of estimated construction expenditures of $94 million in 2009, $101 million in 2010 and $119 million in 2011,

(iv) for the reorganization or readjustment of its indebtedness

(v) for other corporate purposes, and

(vi) to reimburse CEI's treasury for funds previously expended or to repay short-term borrowings incurred for one or more of the above purposes.

During 2008, the Company expended treasury funds and/or incurred short-term borrowings for construction expenditures of approximately $137 million and for the repayment at maturity of $125 million of its First Mortgage Bonds, 6.86% Series due 2008.

The New Debt is expected to be issued in any one or more of the following forms:

(a) One or more series of the Company's First Mortgage Bonds;

(b) One or more series of the Company's secured or unsecured notes or debentures.

The New Debt is proposed to be offered by public offerings through underwriters or by private placements, each series to finally mature in not less than one or more than 35 years from the date of issuance. The Company proposes that the Commission authorize the issuance of the New Debt based on the financial parameters (including financial terms and underwriting fees, discounts and commissions) set forth in Exhibit F so as to assure that the terms of the New Debt are within reasonable limits. The Company proposes to consummate the sale of each new series of the New Debt from time to time as market conditions appear to be appropriate, or as the need arises, after the issuance by the Commission of an order with respect thereto.

An indeterminate amount of the Company's debt securities are currently registered under an automatically effective shelf registration statement on Form S-3 (file no. 333-153608 -05) filed on September 22, 2008 by The Cleveland Electric Illuminating Company, along with FirstEnergy Corp. and certain other FirstEnergy Corp. subsidiary registrants (the "Existing Shelf Registration Statement"). Although it is expected that the New Debt will be issued and sold pursuant to the Existing Shelf Registration Statement or a successor automatically effective shelf registration statement (a "Shelf Registration Statement"), there may be circumstances where the Company desires to issue and sell one or more series of the New Debt in a private offering accompanied by registration rights in favor of purchasers of such New Debt. Pursuant to such registration rights, the Company may be required to file a new registration statement under the Securities Act of 1933 to register within a specified period of time (a) such New Debt ("Original Debt Securities") or (b) a like amount of New Debt to be offered in exchange or substitution for the unregistered Original Debt Securities ("Exchange Debt Securities"). Exchange Debt Securities will be considered to be the equivalent of the

Original Debt Securities for which they are exchanged or substituted and authorized under this Application. The Exchange Debt Securities will not be counted in determining the aggregate principal amount of New Debt that the Company has authority to issue under any order granted pursuant to this Application provided that the issuance of the related Original Debt Securities are authorized and so counted under such order. To the extent that the interest rate on the Exchange Debt Securities is different than the interest rate on the Original Debt Securities that are being substituted or exchanged, such different interest rate will be within the parameters set forth in Exhibit F as established on the day that such Exchange Debt Securities are issued or priced (whichever is earlier).

FIRST MORTGAGE BONDS

(7) Any New Debt issued in the form of First Mortgage Bonds (the "New Bonds") (exclusive of First Mortgage Bonds authorized pursuant to any other application of the Company to this Commission) will be issued under the Company's General Mortgage Indenture and Deed of Trust, dated January 1, 1998, to The Bank of New York Mellon, as trustee, as heretofore amended and supplemented and to be supplemented by one or more supplemental indentures relating to the New Bonds.

(8) The financing terms and underwriting fees and commissions of the New Bonds will be within the parameters described in Exhibit F hereto. To the extent it appears desirable, the New Bonds may be offered and sold as part of a medium-term note or similar program. The structure of the transaction in which some of the debt securities are issued may involve the issuance by the Company of a separate debt or other obligation or obligations (which may be New Notes (as defined below)) and the issuance of such New Bonds as security for the repayment of such debt or other obligation or obligations. In such case, payments under the debt or other obligation or obligations would be credited against amounts due on the applicable New Bonds and vice versa. The greater of the principal amount of the New Bonds and, to the extent that authorization of the Commission was required for the Company to

undertake any such separate debt or other obligation or obligations as contained in any order granted pursuant to this Application, the principal amount of the separate debt or other obligation or obligations for which such New Bonds are issued as security will be used in determining the principal amount of New Debt that the Company has authority to issue under any order granted pursuant to this Application. The terms of any such debt obligation or obligations would not exceed the parameters described in Exhibit F hereto. Any debt obligation or obligations substituted for each debt obligation or obligations, whether by way of any exchange or otherwise, will be treated as described in paragraph (6) above. In particular, the Company may issue an amount of New Bonds in excess of the underlying obligation secured by the New Bonds in anticipation of subsequent issuances of the underlying obligation or for credit reasons. However, in no event, will the amounts required to be paid by the Company on the New Bonds exceed the amounts owed on the outstanding underlying obligations. In the event of the issuances of New Bonds in anticipation of subsequent issuances of underlying obligations, each subsequent issuance will be considered to be a new issuance for purposes of the parameters set forth in Exhibit F. The New Bonds may also provide that interest will be payable thereon only after a default with respect to amounts due under the debt or other obligation or obligations, or that no interest will be payable on the New Bonds in which case the principal amount of the New Bonds may exceed the principal amount of the underlying obligation if it is necessary for the holders of the underlying obligation to resort to the security provided by the New Bonds. Notwithstanding anything in this paragraph (8) to the contrary, in this latter case, the excess principal amount will be treated as an interest component when determining the authority the Company thereafter has to issue New Debt under any order granted pursuant to this Application.

NOTES

(9) Any New Debt issued in the form of secured or unsecured notes or debentures (collectively the "New Notes") [(exclusive of any other secured or unsecured notes

or debentures authorized pursuant to any other application of the Company to this Commission) will be issued under the Company's Indenture to The Bank of New York Mellon Trust Company, N.A., as successor trustee to JPMorgan Chase Bank, N.A., dated as of December 1, 2003, as heretofore amended and supplemented and to be supplemented by one or more supplemental indentures, board resolutions or officer's certificates relating to the New Notes, or another similar indenture. To the extent it appears desirable, the New Notes may be offered and sold as part of a medium-term note or similar program. The financing terms and underwriting fees and commissions of the New Notes will be within the parameters described in Exhibit F. The New Notes may also contain provisions restricting the incurrence of additional secured debt by the Company or may contain provisions subordinating the rights of holders of such New Notes to payment thereunder to outstanding senior indebtedness of the Company (including, but not limited to, in connection with offerings of preferred securities by subsidiary trusts or other entities supported by subordinated notes). Any series of New Notes may be issued with the benefit of letters of credit, bond insurance or other similar forms of credit enhancement issued by banks, bond insurance firms or other appropriate financial institutions or may be secured by the Company's First Mortgage Bonds, as contemplated in Paragraph 8 above. Notwithstanding anything herein to the contrary, if any New Notes are secured by First Mortgage Bonds, such First Mortgage Bonds shall be considered authorized for issuance under any order granted pursuant to this Application, but will not be counted in determining the aggregate principal amount of New Debt that the Company has authority to issue under such order provided that the related New Notes secured thereby are authorized and so counted under such order.

(10) The Company hereby undertakes, upon the granting of the authority herein requested, to keep the Commission advised of each issuance of New Debt by providing the Staff with such documents and other information as the Commission Staff may request, and

will submit a report following each such issuance showing that the financial terms of such issuance do not exceed the parameters with respect thereto that were approved by the Commission.

(11) Attached hereto and made a part hereof are the following exhibits:

Exhibit A - Balance sheets of the Company at March 31, 2009, actual and pro forma.

Exhibit B - Statement of income of the Company for the twelve months ended March 31, 2009, actual and pro forma.

Exhibit C - Statement of capitalization of the Company at March 31, 2009.

Exhibit D - Estimate of cash requirements of the Company for 2009 – 2011.

Exhibit E - Estimate of construction expenditures of the Company for 2009 - 2011.

Exhibit F - Financing parameters for the New Debt.

WHEREFORE, Applicant prays for an order:

(1) Authorizing the Company to issue and sell or otherwise incur, from time to time by means of negotiated public offerings or private placements or otherwise, up to $300 million principal amount of New Debt (exclusive of any other debt authorized by any other order of this Commission or permitted to be issued without authorization by this Commission) consistent with the provisions set forth in paragraphs 5 through 9 at the best terms obtainable, provided that in all cases such terms are within the parameters described in Exhibit F;

(2) Finding that the amount of New Debt (or any proceeds thereof) is just and reasonable;

(3) Finding that the effects (if any) of the New Debt on current and future revenue requirements will be addressed in a future distribution rate case of the Company in which all issues related to revenue requirements can be addressed in a comprehensive manner;

(4) Finding that the purpose to which at least a portion of the New Debt (or any proceeds thereof) shall be applied is reasonably required by the Company to meet its present and prospective obligations to provide utility service; and

(5) Reserving and keeping to The Public Utilities Commission of Ohio jurisdiction for the purpose of making any further orders as it may deem proper.

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Respectfully submitted,

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

By: Mark T. Clark

Mark T. Clark
Executive Vice President and Chief Financial Officer

Ebony L. Miller

Ebony L. Miller, Attorney for Applicant

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
(Unaudited)
Corporate Balance Sheet
As of March 31, 2009
(In thousands)

ASSETS	Actual	Effect of Proposed Transactions Current Filing	Pro Forma
UTILITY PLANT:			
In service	$ 2,240,065	$ --	$ 2,240,065
Less - Accumulated provision for depreciation	852,393	--	852,393
	1,387,672	--	1,387,672
Construction work in progress	40,545	--	40,545
	1,428,217	--	1,428,217
OTHER PROPERTY AND INVESTMENTS:			
Investments in subsidiaries	282,002	--	282,002
Other	7,563	--	7,563
	289,565	--	289,565
CURRENT ASSETS:			
Cash and cash equivalents	106	273,000	273,106
Receivables-			
Customer	769	--	769
Associated companies	159,819	--	159,819
Other	4,438	--	4,438
Notes receivable from associated companies	127,341	--	127,341
Prepayments and other	2,001	--	2,001
	294,474	273,000	567,474
DEFERRED CHARGES:			
Goodwill	1,688,521	--	1,688,521
Regulatory assets	617,968	--	617,968
Property taxes	71,500	--	71,500
Other	10,628	2,700	13,328
	2,388,617	2,700	2,391,317
	$ 4,400,873	$ 275,700	$ 4,676,573

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
(Unaudited)
Corporate Balance Sheet
As of March 31, 2009
(In thousands)

CAPITALIZATION AND LIABILITIES	Actual	Effect of Proposed Transactions Current Filing	Pro Forma
CAPITALIZATION:			
Common stockholder's equity-			
Common stock, without par value, authorized 105,000,000 shares -			
67,930,743 shares outstanding	$ 878,680	$ --	$ 878,680
Accum. Other comprehensive income	$ (132,260)	$ --	$ (132,260)
Retained earnings	754,096	(15,703)	738,393
Total common stockholder's equity	1,500,516	(15,703)	1,484,813
Long-term debt and other long-term obligations	1,450,234	300,000	1,750,234
	2,950,750	284,297	3,235,047
CURRENT LIABILITIES:			
Currently payable long-term debt	150,704	--	150,704
Accounts payable-			
Associated companies	94,824	--	94,824
Other	26,656	--	26,656
Notes payable to associated companies	116,292	--	116,292
Accrued taxes	69,077	(8,597)	60,480
Accrued interest	41,542	--	41,542
Other	28,659	--	28,659
	527,754	(8,597)	519,157
NONCURRENT LIABILITIES:			
Accumulated deferred income taxes	648,200	--	648,200
Accumulated deferred investment tax credits	12,731	--	12,731
Retirement benefits	129,537	--	129,537
Lease assignment payable to associated companies	40,827	--	40,827
Other	91,074	--	91,074
	922,369	--	922,369
	$ 4,400,873	$ 275,700	$ 4,676,573

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
Pro Forma Journal Entries
Current Filing
(In thousands)

	Debit	Credit
Current Assets:		
Cash and Cash Equivalents	$ 297,000	
Deferred Charges:		
Unamortized Debt Expense	3,000	
Capitalization:		
Long-Term Debt		$ 300,000
To record the proposed issuances of $300,000,000, principal amount of long-term debt with an interest rate of 8% and related debt issuance costs.		
Capitalization:		
Retained Earnings	$ 15,703	
Current Liabilities:		
Accrued Taxes	8,597	
Current Assets:		
Cash and Cash Equivalents		$ 24,000
Deferred Charges:		
Unamortized Debt Expense		300
To record the annual effect on retained earnings resulting from the increase in interest requirements and the amortization of debt expense associated with the above transaction.		

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
(Unaudited)
Corporate Statement of Income
For the Twelve Months Ended March 31, 2009
(In thousands)

	Actual	Effect of Proposed Transactions Current Filing	Pro Forma
OPERATING REVENUES	$ 1,823,410	$ --	$ 1,823,410
OPERATING EXPENSES AND TAXES:			
Purchased power	805,770	--	805,770
Other operating costs	256,903	--	256,903
Total operation and maintenance expenses	1,062,673	--	1,062,673
Provision for depreciation and amortization	362,546	--	362,546
General taxes	139,400	--	139,400
Income taxes	39,619	(8,597)	31,022
Total operating expenses and taxes	1,604,238	(8,597)	1,595,641
OPERATING INCOME	219,172	8,597	227,769
OTHER INCOME:			
Equity in earnings of subsidiaries	5,910	--	5,910
Miscellaneous, net	8,338	--	8,338
Income taxes	(3,243)	--	(3,243)
OTHER INCOME	11,005	--	11,005
INCOME BEFORE NET INTEREST CHARGES	230,177	8,597	238,774
NET INTEREST CHARGES:			
Interest on long-term debt	99,674	24,000	123,674
Allowance for borrowed funds used during construction	(657)	--	(657)
Other interest expense	10,343	300	10,643
Net interest charges	109,360	24,300	133,660
NET INCOME	$ 120,817	$ (15,703)	$ 105,114

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
Statement of Income
For the Twelve Months Ended March 31, 2009
Estimated Effect of Proposed Transactions
Current Filing
(In thousands)

Interest on long-term debt:		
Annual increase in interest requirements resulting from the proposed issuance of $300,000,000 of long-term debt with an interest rate of 8%.		$ 24,000
Other interest expense:		
Annual increase in the amortization of debt expense		300
		24,300
Operating Income Taxes:		
Decrease in state and local income taxes based on 1.2470% of the increase in interest expense.	$ 303	
Decrease in Federal income tax at 34.5636% on a net decrease of income before Federal income taxes of $20,294,000.	8,294	8,597
Decrease in earnings on common stock due to proposed debt issuance		$ 15,703

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
(Unaudited)
SCHEDULE OF PREFERRED STOCK,
PREFERENCE STOCK AND LONG-TERM DEBT

PREFERRED STOCK:

The Company had no preferred stock outstanding at March 31, 2009:

Series	Number of Shares Authorized	Number of Shares Outstanding	Redemption Price Per Share	Aggregate Redemption Amount	Outstanding
No Par Value:					
Undesignated	4,000,000	--		--	--

PREFERENCE STOCK:

The Company had no preference stock outstanding at March 31, 2009:

Series	Number of Shares Authorized	Number of Shares Outstanding	Redemption Price Per Share	Aggregate Redemption Amount	Involuntary Liquidation Value
No Par Value:					
Undesignated	3,000,000	--		--	--

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
(Unaudited)
SCHEDULE OF PREFERRED STOCK,
PREFERENCE STOCK AND LONG-TERM DEBT (Continued)

LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS:
Long-term debt outstanding at March 31, 2009 consists of the following:

		(In thousands)
First Mortgage Bonds:		
8.875%	Series due 2018	$300,000
		300,000
Secured Notes:		
7.430%	Series due 2009	150,000
7.880%	Series due 2017	300,000
		450,000
Unsecured Notes:		
5.650%	Series due 2013	300,000
5.700%	Series due 2017	250,000
5.950%	Series due 2036	300,000
		850,000
Capital lease obligations		2,880
Net unamortized discount on debt		(1,942)
Long-term debt due within one year		(150,704)
		$1,450,234

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
2008 to 2011
Estimate of Sources and Uses of Funds
($ millions)

SOURCES OF FUNDS	2008 actual	2009 estimate	2010 estimate	2011 estimate
Debt Obligations	$ 300	$ 300	$ -	$ 16
Retained Earnings Objective	285	0	80	39
Non-cash Charges to Income				
Prov for Depr & Amort	128	257	224	105
Prov for Deferred Taxes & ITC	12	(55)	(60)	(18)
Pension/OPEB Accrual	2	11	5	8
	$ 726	**$ 513**	**$ 248**	**$ 149**

DISPOSITION OF FUNDS	2008 actual	2009 estimate	2010 estimate	2011 estimate
Construction Expenditures	137	94	101	119
Mandatory Long-term Redemptions	213	150	18	20
Common Dividends	185	25	160	22
Short-term Debt	316	133	-	-
Working Capital and Other	(125)	111	(31)	(13)
	$ 726	**$ 513**	**$ 248**	**$ 149**

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

2009-2011 Estimated Construction Expenditures
($ in millions)

	2009	2010	2011
Construction Expenditures	$94	$101	$119

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

Financing Parameters

Principal Amount:	Up to $300,000,000
Price to the Company:	The Company will receive proceeds equal to the offering price which shall not be less than 96 percent of the aggregate principal amount of the Notes or Bonds inclusive of any Fees or Commissions indicated below.
Fees or Commissions:	For each series or issue, any underwriting or sales commission or placement fee will not exceed 1.65% of the aggregate principal amount of such series.
Interest Rate:	The interest rate applicable to the Notes or Bonds will result in a yield to maturity of the holder thereof which does not exceed (exclusive of increases in interest rate payable during a default): (a) For Notes with a maturity of 10 years or less, 600 basis points above the yield to maturity on United States Treasury Notes of comparable maturity at the time of pricing or issuance, whichever is earlier. (b) For Notes with a maturity of more than 10 years, 700 basis points above the yield to maturity on United States Treasury Bonds or Bonds of comparable maturity at the time of pricing or issuance, whichever is earlier.
Maturity:	No more than 35 years from the date of issuance.
Redemption Price and Other Terms:	For each issue, the optional redemption price will not exceed the greater of (i) 100% of the principal amount of the Notes or Bonds being redeemed and (ii) a make-whole calculated by reference to the present value of then-remaining scheduled principal and interest payments discounted at a rate derived from the then current yield on US Treasury securities of comparable maturity.