

NC

10

**FILE**  
**FirstEnergy**

76 South Main Street  
Akron, Ohio 44308

James W. Burk  
Senior Attorney

330-384-5861  
Fax: 330-384-3875

*Via Federal Express*

10-2399-EL-AIS

October 20, 2010

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

PUCO

2010 OCT 21 AM 11:27

RECEIVED-DOCKETING DIV

Dear Ms. Jenkins:

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

Enclosed for filing, please find the original and ten (10) 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. Please contact me if you have any questions concerning this matter.

Very truly yours,

*James W. Burk*

kag  
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 \_\_\_\_\_ Date Processed **OCT 21 2010**

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

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

Case No. 10-~~239~~-EL-AIS

Applicant, Ohio Edison Company (the "Company") respectfully represents:

1. The Company is an Ohio corporation engaged in the distribution of electric energy for sale to customers in Ohio under rates and tariffs approved by this Commission.
2. O.R.C. §4905.401(A) provides an exception which permits the Company, without action by this Commission, to issue, renew or assume liability on notes and other evidences of indebtedness maturing not more than twelve months after the date of such issuance, renewal or assumption of liability (collectively, "Short-Term Notes") of not more than 5% of the par value of the other outstanding stocks, bonds, notes and other evidences of indebtedness of the Company (the "Statutory Exemption Limit"). The Statutory Exemption Limit for the Company at June 30, 2010 is \$362,205,412.00. During the period January 1, 2010 through December 31, 2010 (the "2010 Fiscal Year"), this Commission, in its Finding and Order in Case No. 09-1015-EL-AIS, *et al.* authorized the Company to have short-term notes outstanding including the Statutory Exemption Limit, in the aggregate principal amount of not more than \$500,000,000. During the period January 1,

2011 through December 31, 2011 (the "2011 Fiscal Year"), the Company estimates that it may again need to exceed the Statutory Exemption Limit.

3. Pursuant to the provisions of O.R.C. §4905.401, the Company requests the Commission to authorize the Company to have Short-Term Notes outstanding at any one time during the 2011 Fiscal Year in an aggregate principal amount up to \$500,000,000 (the "Authorized Principal") (such Authorized Principal to include the Statutory Exemption Limit).
4. The Company further requests that the Commission approve that the Authorized Principal, or any part thereof issued, renewed or assumed or to be issued, renewed or assumed, be in addition to any long-term financing that the Company may require during the 2011 Fiscal Year and which this Commission may approve pursuant to O.R.C. §4905.40.
5. The Company respectfully represents that the issuance and renewal of, or assumption of liability on, Short-Term Notes, from time to time, and the money to be procured therefrom, are reasonably required and necessary for the Company's lawful capital purposes. Such Short-Term Notes may be issued to provide funds for regulated utility purposes including: current maturities of existing obligations, retirement of securities through open market purchases, redemption of securities through applicable redemption provisions, loans to the Money Pool (as defined in Paragraph 6 below), working capital and for general corporate purposes. Prior to their use, such funds may be invested in highly liquid short-term investments. Pursuant to O.R.C. §4905.41, the Company incorporates herein by reference the following exhibits:

- a. "Exhibit A, " Balance Sheet including Statement of Capitalization as of June 30, 2010, and
  - b. "Exhibit B," Statement of Income for the Twelve Months Ended June 30, 2010.
6. This Commission, in its Finding and Order in Case No. 09-1015-EL-AIS, et al., previously approved a utility money pool contract (the "Money Pool") in order to establish an intra-system financing arrangement, by and among the Company, The Cleveland Electric Illuminating Company ("CEI"), The Toledo Edison Company ("TE"), the Company's wholly-owned subsidiary, Pennsylvania Power Company ("Penn Power"), American Transmission Systems, Incorporated ("ATSI"), FirstEnergy Corp., FirstEnergy Service Company (as servicer), Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, York Haven Power Company<sup>1</sup> and Waverly Electric Power & Light Company, (each a "Participating Company", collectively called the "Participating Companies"), and the issuance and acquisition of Short-Term Notes of Participating Companies in connection therewith, through December 31, 2010. The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2011 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.
7. The Participating Companies may contribute funds to the Money Pool from the following sources: (a) surplus funds from Participating Companies ("Internal

---

<sup>1</sup> Because York Haven Power Company is no longer owned by FirstEnergy Corp., the Company is not seeking to extend York Haven Power Company's status as a Participating Company.

Funds”), and (b) proceeds from bank borrowings or the sales of commercial paper by the Participating Companies for loan to the Money Pool (“External Funds”).

8. The Commission, in its Finding and Order in Case No. 09-1015-EL-AIS, *et al.*, authorized the Company, through December 31, 2010, to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$500,000,000 at any one time and to participate in the Money Pool. During the 2011 Fiscal Year, the Company estimates that it may again need to exceed the Statutory Exemption Limit. Thus, the Company hereby requests the Commission to permit the Company to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$500,000,000 at any one time and to participate in the Money Pool by providing Internal or External Funds to Participating Companies through the Money Pool.
9. The Company hereby agrees that the aggregate amount it loans to the Money Pool will not when aggregated with the amounts loaned by ATSI, CEI, and TE exceed the amount of \$700,000,000 outstanding to the Participating Companies (other than the Company, ATSI, CEI and TE) at any one time.
10. The Company further agrees any loans to Participating Companies (other than CEI, TE and ATSI) made through the Money Pool shall be made only to those Participating Companies that have investment grade or higher credit ratings on their senior secured debt from at least one nationally recognized rating agency, or in the absence of such rating, investment grade or higher credit ratings on their corporate credit rating. The Company agrees to continue to report the details of

its participation in the Money Pool on a quarterly basis to the Director of the Utilities Department of the Commission.


WHEREFORE, the Company prays

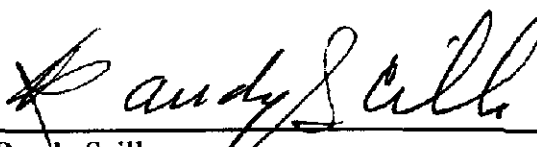
(1) That this Commission approve the extension of the Company's participation in the Money Pool through December 31, 2011 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

(2) That this Commission authorize the Company, during the 2011 Fiscal Year, to issue, renew or assume liability on Short-Term Notes, as requested in this Application, provided however, that the aggregate Short-Term Notes do not exceed \$500,000,000 outstanding at any one time, and provided further that such amount is exclusive of any long-term financing the Company may incur during said period with this Commission's approval.

(3) That this Commission authorize the Company, during the 2011 Fiscal Year, to provide Internal or External Funds to the Money Pool, as requested in this Application, provided however, that the aggregate amount loaned to the Money Pool by the Company, CEI, TE and ATSI to the Participating Companies (other than the Company, CEI, TE and ATSI) does not exceed \$700,000,000 outstanding at any one time.

(4) That due to the time sensitive nature of this request, that this Commission issue such Order approving this Application on or before December 3, 2010.


By:   
Mark T. Clark  
Executive Vice President and Chief Financial Officer

By:   
Randy Scilla  
Assistant Treasurer


STATE OF OHIO     )  
                              ) ss.:  
SUMMIT COUNTY    )

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

  
Mark T. Clark

  
Randy Scilla

Subscribed and sworn to before me  
this 20<sup>th</sup> day of October, 2010

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

  
James W. Burk  
Attorney for Applicant

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

**OHIO EDISON COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
*(Unaudited)*

	June 30, 2010 <i>(In thousands)</i>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 51,679
Receivables-	
Customers (less accumulated provision of \$4,685,000 for uncollectible accounts)	202,983
Associated companies	68,005
Other (less accumulated provision of \$6,000 for uncollectible accounts)	13,065
Notes receivable from associated companies	106,232
Prepayments and other	14,748
	<u>456,712</u>
<b>UTILITY PLANT:</b>	
In service	3,086,689
Less - Accumulated provision for depreciation	1,189,802
	<u>1,896,887</u>
Construction work in progress	36,866
	<u>1,933,753</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>	
Investment in lease obligation bonds	204,812
Nuclear plant decommissioning trusts	126,405
Other	96,633
	<u>427,850</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>	
Regulatory assets	422,559
Pension assets	36,199
Property taxes	67,037
Unamortized sale and leaseback costs	32,626
Other	17,765
	<u>576,186</u>
	<u>\$ 3,394,501</u>
<b>LIABILITIES AND CAPITALIZATION</b>	
<b>CURRENT LIABILITIES:</b>	
Currently payable long-term debt	\$ 7,975
Short-term borrowings	653
Accounts payable-	
Associated companies	54,891
Other	31,087
Accrued taxes	55,976
Accrued interest	25,639
Other	79,382
	<u>255,603</u>
<b>CAPITALIZATION:</b>	
Common stockholder's equity-	
Common stock, without par value, authorized 175,000,000 shares -	
60 shares outstanding	949,822
Accumulated other comprehensive loss	(159,096)
Retained earnings	58,112
Total common stockholder's equity	848,838
Noncontrolling interest	6,100
Total equity	854,938
Long-term debt and other long-term obligations	1,152,303
	<u>2,007,241</u>
<b>NONCURRENT LIABILITIES:</b>	
Accumulated deferred income taxes	678,669
Accumulated deferred investment tax credits	10,882
Retirement benefits	171,056
Asset retirement obligations	81,941
Other	189,109
	<u>1,131,657</u>
<b>COMMITMENTS AND CONTINGENCIES</b>	
	<u>\$ 3,394,501</u>

**OHIO EDISON COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**TWELVE MONTHS ENDING JUNE 30, 2010**  
**(Unaudited)**  
**(In thousands)**

<b>REVENUES:</b>	
Electric sales	\$ 1,946,419
Excise and gross receipts tax collections	97,126
Total revenues	<u>2,043,545</u>
<b>EXPENSES:</b>	
Purchased power from affiliates	594,470
Purchased power from non-affiliates	455,776
Other operating costs	368,504
Provision for depreciation	89,674
Amortization of regulatory assets, net	89,957
General taxes	168,913
Total expenses	<u>1,767,294</u>
<b>OPERATING INCOME</b>	<u>276,251</u>
<b>OTHER INCOME (EXPENSE):</b>	
Investment income	38,929
Miscellaneous income	1,786
Interest expense	(90,378)
Capitalized interest	848
Total other expense	<u>(48,815)</u>
<b>INCOME BEFORE INCOME TAXES</b>	227,436
<b>INCOME TAXES</b>	<u>76,794</u>
<b>NET INCOME</b>	150,642
Noncontrolling interest income	<u>540</u>
<b>EARNINGS AVAILABLE TO PARENT</b>	<u>\$ 150,102</u>