

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The Toledo 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. 12-2946- EL-AIS

Applicant, The Toledo 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, 2012, is \$39,941,660. During the period January 1, 2012 through December 31, 2012, this Commission, in its Finding and Order in Case No. 11-5776-EL-AIS, *et al.* (the "2011 Order"), 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, 2013

through December 31, 2013 (the "2013 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 2013 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 2013 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, 2012, and
 - b. "Exhibit B," Statement of Income for the Twelve Months Ended June 30, 2012.
6. This Commission, in its 2011 Order, previously approved a utility money pool contract (the "Money Pool") in order to establish an intra-system financing arrangement, by and among the Company, Ohio Edison Company ("OE"), OE's wholly-owned subsidiary, Pennsylvania Power Company ("Penn Power"), The Cleveland Electric Illuminating Company ("CEI"), American Transmission Systems, Incorporated ("ATSI"), FirstEnergy Corp., solely as a lender, FirstEnergy Service Company, solely as administrator and not as a lender or borrower, Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, Trans-Allegheny Interstate Line Company and Waverly Electric Power & Light Company (each a "Participating Company", collectively called the "Participating Companies"), and the issuance and acquisition of Short-Term Notes of Participating Companies in connection therewith, through December 31, 2012.
7. The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2013 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

8. The Participating Companies may contribute funds to the Money Pool from the following sources: (a) surplus funds from Participating Companies ("Internal Funds"), and (b) proceeds borrowed from external sources by the Participating Companies for loan to the Money Pool ("External Funds").
9. The Commission, in its 2011 Order, authorized the Company, through December 31, 2012, 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 2013 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.
10. The Commission, in its 2011 Order authorized the Company, to provide loans to the Money Pool, so long as the aggregate amount loaned to the Money Pool by the Company, ATSI, OE and CEI did not exceed \$1,000,000,000 to the Participating Companies at any time. The Company hereby requests Commission authorization for the Company, together with ATSI, OE and CEI, to make loans in the aggregate to the Money Pool not to exceed \$1,000,000,000 outstanding to the Participating Companies (other than the Company, ATSI, OE and CEI) at any one time.

11. The Company agrees any loans to Participating Companies (other than ATSI, OE and CEI) 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 approves the extension of the Company's participation in the Money Pool through December 31, 2013 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 authorizes the Company, during the 2013 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 authorizes the Company, during the 2013 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, ATSI, OE and CEI to the Participating Companies (other than the

Company, ATSI, CEI and TE) does not exceed \$1,000,000,000 outstanding at any one time.

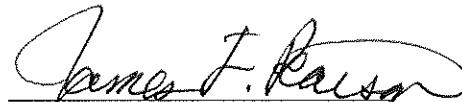
(4) That due to the time sensitive nature of this request, that this Commission issue such Order approving this Application on or before December 21, 2012.

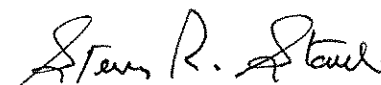
By: James F. Pearson
James F. Pearson
Senior Vice President and Treasurer

By: Steven R. Staub
Steven R. Staub
Assistant Treasurer

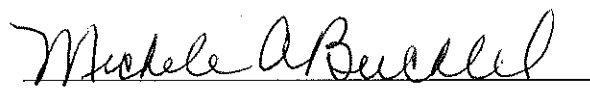
STATE OF OHIO)
) ss.:
SUMMIT COUNTY)

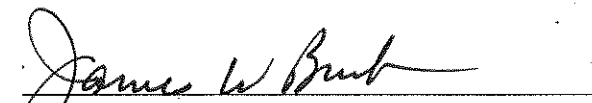
James F. Pearson and Steven R. Staub, depose and say that they are Senior Vice President and Treasurer, and Assistant Treasurer, respectively, of The Toledo Edison Company, Applicant in the above matter, and that they have read and are fully acquainted and familiar with the contents of the foregoing Application and that the statements therein are true as they verily believe.


James F. Pearson


Steve R. Staub

Subscribed and sworn to before me
this 9th day of November, 2012


Michele A. Buchtel
Notary Public, State of Ohio
Resident of Summit County
My Commission Expires August 28, 2016


James W. Burk
Attorney for Applicant



Michele A. Buchtel
Resident Summit County
Notary Public, State of Ohio
My Commission Expires: 08/28/2016

THE TOLEDO EDISON COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited)

(In thousands)	June 30, 2012
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 12
Receivables-	
Customers, net of allowance for uncollectible accounts of \$1,339	49,287
Associated companies	19,013
Other, net of allowance for uncollectible accounts of \$280	2,339
Notes receivable from associated companies	178,887
Prepayments and other	3,478
	<u>253,016</u>
UTILITY PLANT:	
In service	1,015,666
Less - Accumulated provision for depreciation	473,063
	<u>542,603</u>
Construction work in progress	10,123
	<u>552,726</u>
OTHER PROPERTY AND INVESTMENTS:	
Investment in lessor notes	57,429
Nuclear plant decommissioning trusts	83,957
Other	1,442
	<u>142,828</u>
DEFERRED CHARGES AND OTHER ASSETS:	
Goodwill	500,576
Regulatory assets	74,662
Other	79,333
	<u>654,571</u>
	<u>\$ 1,603,141</u>
LIABILITIES AND CAPITALIZATION	
CURRENT LIABILITIES:	
Currently payable long-term debt	\$ 195
Accounts payable-	
Associated companies	23,437
Other	9,393
Accrued taxes	23,167
Lease market valuation liability	36,900
Other	21,750
	<u>114,842</u>
CAPITALIZATION:	
Common stockholder's equity-	
Common stock, \$5 par value, authorized 60,000,000 shares -	
29,402,054 shares outstanding	147,010
Other paid-in capital	162,728
Accumulated other comprehensive income	13,552
Retained earnings	46,224
Total common stockholder's equity	<u>369,514</u>
Noncontrolling interest	2,600
Total equity	<u>372,114</u>
Long-term debt and other long-term obligations	598,904
	<u>971,018</u>
NONCURRENT LIABILITIES:	
Accumulated deferred income taxes	186,901
Accumulated deferred investment tax credits	5,288
Retirement benefits	51,778
Asset retirement obligations	31,787
Lease market valuation liability	143,950
Other	97,577
	<u>517,281</u>
COMMITMENTS AND CONTINGENCIES	
	<u>\$ 1,603,141</u>

EXHIBIT A-1

THE TOLEDO EDISON COMPANY
CONSOLIDATED STATEMENT OF CAPITALIZATION
(Unaudited)

<u>(In thousands)</u>	<u>June 30,</u> <u>2012</u>
COMMON STOCKHOLDER'S EQUITY:	
Common stock, \$5 par value, 60,000,000 shares authorized, 29,402,054 shares outstanding	\$ 147,010
Other paid-in capital	162,728
Accumulated other comprehensive loss	13,552
Retained earnings	46,224
Total	<u>369,514</u>
NONCONTROLLING INTEREST	<u>2,600</u>
LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS:	
Secured notes-	
7.250% due 2020	300,000
6.150% due 2037	300,000
Total	<u>600,000</u>
Capital lease obligations	1,303
Net unamortized discount on debt	(2,204)
Long-term debt due within one year	(195)
Total long-term debt and other long-term obligations	<u>598,904</u>
TOTAL CAPITALIZATION	<u><u>\$ 971,018</u></u>

THE TOLEDO EDISON COMPANY
CONSOLIDATED STATEMENT OF INCOME
TWELVE MONTHS ENDED JUNE 30, 2012
(Unaudited)
(In thousands)

REVENUES:	
Electric sales	\$ 459,846
Excise tax collections	27,870
Total revenues	<u>487,716</u>
EXPENSES:	
Purchased power from affiliates	75,478
Purchased power from non-affiliates	87,756
Other operating expenses	149,803
Provision for depreciation	33,356
Deferral of regulatory assets, net	9,877
General taxes	54,726
Total expenses	<u>410,996</u>
OPERATING INCOME	<u>76,720</u>
OTHER INCOME (EXPENSE):	
Investment income	10,720
Miscellaneous income (expense)	1,484
Interest expense	(42,003)
Capitalized interest	549
Total other expense	<u>(29,250)</u>
INCOME BEFORE INCOME TAXES	47,470
INCOME TAXES	<u>18,869</u>
NET INCOME	28,601
Income attributable to noncontrolling interest	<u>7</u>
EARNINGS AVAILABLE TO PARENT	<u>\$ 28,594</u>

EXHIBIT B

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

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Case No(s). 12-2946-EL-AIS

Summary: Application for Authority to Issue, Renew or Assume Liability on Notes and Other Evidences of Indebtedness Pursuant to O.R.C. 4905.401 electronically filed by Ms. Carrie M Dunn on behalf of The Toledo Edison Company