BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Edison Company for Authority to Issue, Sell, or Enter into Debt Transactions	)))	Case No. 06-513-EL-AIS

Motion of Ohio Edison Company for Modification of Order Condition and Seeking Expedited Ruling

Comes now Ohio Edison Company ("Company"), by counsel, and respectfully requests that the Public Utilities Commission of Ohio ("Commission") grant a modification to one provision of its Order that was previously issued on May 31, 2006 in this proceeding to permit the Company to redeem certain indebtedness, previously issued under the authority granted in this proceeding, under current market conditions. The attached Memorandum in Support sets forth in detail the support for the Company's request.

The Company requests that the Commission act on an expedited basis and approve the relief sought by this Motion by July 2, 2013 to permit the redemption of the indebtedness to move forward on a timely basis.

Respectfully submitted,

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In the Matter of the Application of Ohio	)	
Edison Company for Authority to Issue,	)	Case No. 06-513-EL-AIS
Sell, or Enter into Debt Transactions	)	

Memorandum in Support of Motion of Ohio Edison Company for Modification of Order Condition

I. Background.

On March 29, 2006, the Company filed a request with the Commission pursuant to R.C. 4905.40 to issue up to $700 million dollars of new debt for anticipated construction and other corporate purposes. The Commission approved the Company's request with its Order issued on May 31, 2006. Subsequent to this approval the Company did issue indebtedness and filed a report advising the Commission of that issuance on October 18, 2006.

The authorized debt issuances included two separate series of Notes: one series included a $250 million, 6.4% Note maturing in 2016 (the "2016 Notes") and a $350 million, Note maturing in 2036. For purposes of this Motion, a modification is sought of the Order only as to a single provision related to the 2016 Notes.

More specifically, as part of its Application in this proceeding, the Company included a provision that set a limit on the optional redemption premium that the Company was permitted to pay. This provision was adopted and approved by the Commission in its Ordering paragraph at page 3. The language included in the Application at Exhibit F, page 1 included the following:

Redemption Price and Other Terms:	For each issue, the optional redemption price will not exceed 103 percent of the principal amount plus accrued interest to the date of redemption. Except to the extent specific limitations are imposed, each series or issue will be redeemable as a whole or in part, at the option of the Company, at any time upon appropriate notice.

Under this provision the Company is not permitted to redeem the 2016 Notes if the optional redemption premium exceeds 3%.

II. Benefits of Debt Redemption.

The Company seeks this modification for three primary reasons. First, redeeming the 2016 Notes will result in a net cost savings for the Company. This cost savings will be achieved through a reduction in interest expense that would otherwise be paid to service the 2016 Notes that is greater than the optional redemption premium resulting in net cost savings. By redeeming the 2016 Notes, the interest expense is avoided resulting in anticipated savings of at least $3,000,000.00 as measured on a net present value basis.

The second benefit, and equally as important, is that through the redemption of the 2016 Notes the Company would reduce its amount of indebtedness thereby improving its debt to total capitalization ratio. With this redemption, the Company's debt ratio will improve from approximately 62% to 56%.[1] This reduction in debt ratio serves to strengthen the balance sheet and helps preserve the Company's current investment grade credit metrics, which in turn should help reduce the cost of borrowing for the Company and its customers. The redemption also significantly alleviates the risk associated with the Company unintentionally exceeding the 65% debt ratio limitation set forth in the Company's revolving credit agreement.

The third and final benefit arises out of the Company utilizing its current cash position, which is currently earning less than 0.15% annually, to fund the redemption of

[1] Together with the anticipated redemptions occurring in connection with the securitization transaction the Company's debt ratio will improve from approximately 62% to 52%

the 2016 Notes as the 2016 Notes carry an annual interest rate of 6.4%. Consequently, the Company benefits by avoiding the negative carry associated with the extremely low investment rate it earns on its cash versus the 6.4% coupon on the 2016 Notes. The Company will use its cash to fully fund the redemption of the 2016 Notes and the associated premiums. Additionally, the Company pledges not to seek either short-term or long-term debt authorization the proceeds of which will either fund or refinance the redemption of the 2016 Notes or the associated premiums.

III. Modification Request.

Due to the current historically low interest rate environment, the remaining term of the bonds and their current coupon of 6.4%, the optional redemption premium is expected to exceed the 3% cap set forth in the Application as adopted by the Commission. In order for the Company to realize the benefits of redeeming the 2016 Notes, as discussed above, the Company is seeking to modify the optional redemption premium cap discussed in the Company's Application. Specifically, the Company requests the Commission to modify its Order and determine that the Company may redeem the 2016 Note at an optional redemption price not to exceed 120% of the principal amount plus accrued interest to the date of redemption. In effect, the Company is requesting that the "103" appearing in the above quoted redemption price provision be changed to "120" with respect to the 2016 Notes and that no other modifications need be made. This change will allow the Company to move forward with the redemption of the 2016 Notes.

IV. Conclusion.

The Company requests the Commission to grant the modification of the Order outlined above and to do so on an expedited basis so as to permit the redemption of the 2016 Note to occur in a timely fashion.

Respectfully submitted,

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