



Stephanie J. Bencin
Attorney

76 South Main St
Akron, OH 44308

330-252-6391
Fax: 330-384-3875

November 29, 2018

VIA ELECTRONIC FILING

Barcy F. McNeal, Secretary
The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

***Re: In the Matter of the Application of The Cleveland Electric Illuminating Company, for authority to issue, sell, and enter into debt transactions.
Case No.18-306-EL-AIS***

Dear Mrs. McNeal:

On May 30, 2018, the Public Utilities Commission of Ohio ("Commission") issued an order authorizing *The Cleveland Electric Illuminating Company* ("CEI") to issue long-term debt in an aggregate amount not to exceed \$300 million ("May 30 Order"). Paragraph No. 8 of CEI's application to issue new bonds, notes and other evidence of indebtedness filed with the Commission on February 27, 2018 ("February 27 Application") provided that CEI "... 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." By this letter, CEI provides the report pursuant to Paragraph No. 8 of the February 27 Application. All capitalized terms used in this letter, without definition, have the meanings assigned to them in the May 30 Order.

On November 2, 2018 CEI completed an issuance of Senior Notes which mature on November 15, 2030, pursuant to an Indenture dated as of December 1, 2003 by and between CEI and the Bank of New York Mellon Trust, N.A., as successor trustee. The aggregate principal amount of the new debt issued was \$300,000,000, which has the following associated terms:

1. \$300,000,000 in 4.55% Senior Notes maturing November 15, 2030 (the "Notes"); the coupon and issue price on the Notes was determined as follows:

Benchmark	2.875% due August 2028
Quoted Yield	3.108%
Credit Spread	+145 bps

Re-offer/Issue Price 99.925%
Final Coupon 4.55%

2. Interest is payable semi-annually on each May 15 and November 15, beginning May 15, 2019.
3. The Notes, will be redeemable in whole or in part, at CEI's option, at any time prior to August 15, 2030 at 100% of the principal amount so prepaid, plus the make-whole amount determined for the prepayment date with respect to such principal amount and (ii) at any time on or after August 15, 2030, all the Notes at 100% of the principal amount so prepaid, together with, in each case, accrued interest to the redemption date.
4. The Notes are senior unsecured general obligations of CEI and rank equally with all of CEI's existing and future unsecured and unsubordinated indebtedness.
5. The net proceeds resulting from the issuance of the Notes were used (i) to refinance existing indebtedness, including CEI's 8.875% bonds due 2018 and borrowings under the money pool (ii) to fund capital expenditures, (iii) for working capital needs and (iv) for other general corporate purposes.
6. CEI's net proceeds of \$297,082,000 from the sale of the notes reflects the following fees and expenses:

Underwriter fees	\$ 1,950,000
Discount Fee	\$ 225,000
Rating Agencies	\$ 520,500
Auditors	\$ 100,000
Trustee's fees and expenses	\$ 2,500
Counsel	\$ 120,000

Please file the letter in this proceeding and provide two copies to the Staff. Thank you.

Regards,



Stephanie J. Bencin

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in

Case No(s). 18-0306-EL-AIS

Summary: Correspondence of The Cleveland Electric Illuminating Company, for authority to issue, sell, and enter into debt transactions. electronically filed by Mrs. Ashlee E Waite on behalf of The Cleveland Electric Illuminating Company and Bencin, Stephanie J. Mrs.