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PUCO

November 18, 2005

The Public Utilities Commission of Ohio
Attn: Docketing
Borden Building
180 E. Broad Street
Columbus, OH 43215

05-1424 EL-A15

Gentlemen:

Enclosed for filing are one executed copy and six conformed copies of Applications of American Transmission Systems Incorporated, The Cleveland Electric Illuminating Company, Ohio Edison Company and The Toledo Edison Company for Authority to Issue, Renew or Assume Liability on Notes and Other Evidences of Indebtedness Pursuant to Ohio Revised Code §4905.401.

Also enclosed are one executed and one conformed copy of each of the Applications and a self-addressed, stamped envelope for these copies to be returned with the filing information appropriately reflected.

Your cooperation in this matter is appreciated.

Very truly yours,

Thomas D. Haer

Thomas D. Haer
Business Analyst

cl
Enclosures

cc: Mr. Shahid Mahmud - PUCO - w/encl.
JFPearson
RScilla
BAFrastaci

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Technician TD Date Processed 11-21-05

RECEIVED-DOCKETING DIV

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PUCO

Before

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of)
The Cleveland Electric Illuminating)
Company for Authority to Issue,)
Renew or Assume Liability on Notes)
and Other Evidences of Indebtedness)
Pursuant to Ohio Revised)
Code ("O.R.C.") § 4905.401)

Case No. 05-1424-EL-AIS

Ebony L. Miller
Attorney for
The Cleveland Electric Illuminating Company
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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, Renew or)
Assume Liability on Notes and)
Other Evidences of Indebtedness)
Pursuant to O.R.C. §4905.401)

Case No. 05-~~1424~~ EL-AIS

Applicant, The Cleveland Electric Illuminating Company (the "Company"),
respectfully represents:

1. The Company, an Ohio corporation, is a "public utility" as defined in O.R.C. §4905.02, engaged primarily in the distribution of electric energy for sale, and is subject to the jurisdiction of this Honorable Commission.
2. Under provisions of O.R.C. §4905.401, the Company, without action by this Commission, could 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 September 30, 2005 is \$172,519,984. During the period January 1, 2006 through December 31, 2006 (the "2006 Fiscal Year"), the Company estimates that it may need to exceed this Statutory Exemption Limit.

3. Pursuant to the provisions of O.R.C. §4905.401, the Company requests the Commission to permit the Company to have Short-Term Notes outstanding at any one time during the 2006 Fiscal Year in an aggregate principal amount up to \$600,000,000 (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 2006 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 instruments. 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 September 30, 2005, and

b. "Exhibit B," Statement of Income for the Twelve Months
Ended September 30, 2005.

6. This Commission, in its Findings and Orders in Case Nos. 04-1756-EL-AIS¹, and the Securities and Exchange Commission ("SEC") pursuant to the Public Utility Holding Company Act of 1935, as amended, 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") and The Toledo Edison Company ("TE") The American Transmission Systems, Incorporated ("ATSI"), FirstEnergy Corp., the Company's parent company ("FirstEnergy"), FirstEnergy Service Company, Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, York Haven Power Company, Waverly Electric Power & Light Company (collectively referred to as the "Participating Companies"), and the issuance and acquisition of Short-Term Notes of Participating Companies in connection therewith, through December 31, 2005 (an extension has been filed through February 8, 2006 "the effective date of repeal of the Public Utility Holding Company Act of 1935"). The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2006 and that the Authorized

¹ This Commission's approval of the Money Pool was conditioned upon the Company continuing to seek authorization from this Commission to issue short-term debt.

Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

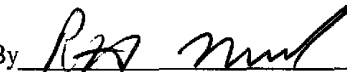
7. The Participating Companies may contribute funds to the Money Pool from the following sources: (a) surplus funds from Participating Companies ("Internal Funds"), and (b) proceeds from bank borrowings or the sales of commercial paper by the Participating Companies for loan to the Money Pool ("External Funds"). The Company hereby agrees that Internal or External Funds provided by it to the Money Pool and borrowed therefrom by Participating Companies other than OE, TE and ATSI shall not exceed in the aggregate at any one time the Company's Statutory Exemption Limit, to be determined for purposes of this Application based on the Company's most recent financial information reported to the SEC in Form 10-Q or 10-K as applicable. The Company further agrees that such loans to Participating Companies other than OE, 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 authorize the Company, during the 2006 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 \$600,000,000 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.

(2) That due to the time sensitive nature of this request, that this Commission issue such Order on or before December 14, 2005.

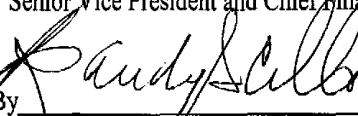
By



Richard H. Marsh

Senior Vice President and Chief Financial Officer

By



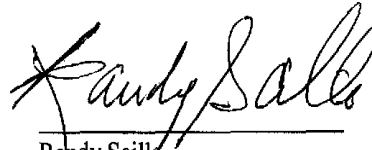
Randy Scilla

Assistant Treasurer

STATE OF OHIO)
) ss.:
SUMMIT COUNTY)

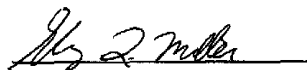
Richard H. Marsh and Randy Scilla, depose and say that they are Senior Vice President and Chief Financial Officer, and Assistant Treasurer, respectively, of The Cleveland Electric Illuminating Company, Applicant in the above matter, and that they have read and are fully acquainted and familiar with the contents of the foregoing Application and that the statements therein are true as they verily believe.


Richard H. Marsh


Randy Scilla

Subscribed and sworn to before me
this 18 day of November, 2005




Ebony L. Miller
Attorney for Applicant

EBONY L. MILLER, Attorney-At-Law
Notary Public - State of Ohio
My commission has no expiration date.
Section 147.03 O.R.C.

Exhibit A
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2005 (In thousands)
ASSETS	
UTILITY PLANT:	
In service	\$ 4,498,876
Less - Accumulated provision for depreciation	2,020,868
	<u>2,478,008</u>
Construction work in progress -	
Electric plant	90,811
Nuclear fuel	8,632
	<u>99,543</u>
	<u>2,577,551</u>
OTHER PROPERTY AND INVESTMENTS:	
Investment in lessor notes	564,169
Nuclear plant decommissioning trusts	427,920
Long-term notes receivable from associated companies	8,774
Other	16,028
	<u>1,016,891</u>
CURRENT ASSETS:	
Cash and cash equivalents	207
Receivables-	
Customers (less accumulated provision of \$5,309,000 for uncollectible accounts in 2005)	255,769
Associated companies	19,883
Other (less accumulated provisions of \$6,000 and \$293,000, respectively, for uncollectible accounts)	9,651
Notes receivable from associated companies	-
Materials and supplies, at average cost	72,506
Prepayments and other	2,769
	<u>360,785</u>
DEFERRED CHARGES:	
Goodwill	1,688,966
Regulatory assets	889,127
Property taxes	77,792
Other	29,995
	<u>2,685,880</u>
	<u>\$ 6,641,107</u>
CAPITALIZATION AND LIABILITIES	
CAPITALIZATION:	
Common stockholder's equity-	
Common stock, without par value, authorized 105,000,000 shares - 79,590,689 shares outstanding	\$ 1,356,898
Accumulated other comprehensive income	12,148
Retained earnings	574,394
Total common stockholder's equity	<u>1,943,540</u>
Preferred stock	-
Long-term debt and other long-term obligations	1,939,730
	<u>3,883,270</u>
CURRENT LIABILITIES:	
Currently payable long-term debt	75,706
Short-term borrowings-	
Associated companies	518,784
Other	35,000
Accounts payable-	
Associated companies	33,802
Other	6,702
Accrued taxes	156,830
Accrued interest	27,242
Lease market valuation liability	60,200
Other	39,094
	<u>953,180</u>
NONCURRENT LIABILITIES:	
Accumulated deferred income taxes	552,072
Accumulated deferred investment tax credits	58,736
Lease market valuation liability	623,100
Asset retirement obligation	280,765
Retirement benefits	86,597
Other	203,407
	<u>1,804,677</u>
COMMITMENTS AND CONTINGENCIES (Note 13)	
	<u>\$ 6,641,107</u>

The preceding Notes to Consolidated Financial Statements as they relate to The Cleveland Electric Illuminating Company are an integral part of these balance sheets.

Exhibit B

CLEVELAND ELECTRIC ILLUMINATING COMPANY

(Unaudited)

Consolidated Statement of Income

Twelve Months Ended September 30, 2005

(In thousands)

	<u>Actual</u>
OPERATING REVENUES	<u>\$ 1,844,567</u>
OPERATING EXPENSES AND TAXES:	
Fuel and purchased power	627,772
Other operating costs	<u>439,059</u>
Total operation and maintenance expenses	1,066,831
Provision for depreciation and amortization	204,630
General taxes	151,176
Income taxes	<u>125,836</u>
Total operating expenses and taxes	<u>1,548,473</u>
OPERATING INCOME	296,094
OTHER INCOME	50,396
INCOME BEFORE NET INTEREST CHARGES	<u>346,490</u>
NET INTEREST CHARGES:	
Interest on long-term debt	110,543
Allowance for borrowed funds used during construction	(3,340)
Other interest expense	<u>18,822</u>
Net interest charges	<u>126,025</u>
NET INCOME	220,465
PREFERRED STOCK DIVIDEND REQUIREMENT	<u>4,673</u>
EARNINGS ON COMMON STOCK	<u>\$ 215,792</u>