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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of The Cleveland Electric Illuminating Company to Issue, Sell, or Enter Into Debt Transactions.	}	Case No. 08-886-EL-AIS
In the Matter of the Application of Ohio Edison Company to Issue, Sell, or Enter Into Debt Transactions.	}	Case No. 08-887-EL-AIS

FINDING AND ORDER

The Commission finds:

- (1) Applicants, The Cleveland Electric Illuminating Company (Cleveland Electric) and Ohio Edison Company (Ohio Edison), are Ohio corporations and public utilities as defined in Sections 4905.02 and 4905.03(A)(4), Revised Code, and are subject to the jurisdiction of this Commission.
- (2) These Applications, as supplemented (collectively the "Applications"), are filed under the provisions of Section 4905.40, Revised Code.
- (3) Applicants propose to issue and sell through August 26, 2009, in one or more series of first mortgage bonds (the "Bonds"), unsecured notes and/or debentures (collectively the "Notes"), in aggregate principal amounts of up to \$300 million each for Cleveland Electric and Ohio Edison, pursuant to the terms and conditions as set forth in the Applications and Exhibits
- (4) The Bonds and the Notes (collectively, the "New Debt") will be sold either by competitive bidding, negotiation with underwriters or agents, or direct placement with commercial banks or other institutional investors, as described in the Applications and Exhibits.
- (5) The proceeds from the sale of the New Debt will be used to provide funds for the acquisition of property, to fund construction expenditures, for the organization or readjustment of their indebtedness and capitalization including the repurchase of stock and/or the payment of paid-in capital to the

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Applicants' sole stockholder, FirstEnergy Corp., for the discharge or lawful refunding or refinancing of their obligations, to reimburse their treasuries, in part, for monies expended for such purposes, and for other corporate purposes, all pursuant to the provisions of Section 4905.40, Revised Code.

- (6) The proposed guidelines or parameters set forth in the Applications are intended to facilitate the issuance of the New Debt on the best terms possible and at lowest cost. The authorization to issue the New Debt, within the parameters set forth in the Application and Exhibits, in no way relieves the Applicants of their responsibilities to negotiate and obtain the best terms available.
- (7) The aggregate amount of the New Debt, the terms thereof, and the probable cost to Applicants, within the parameters set forth in the Applications and Exhibits, do not appear to be unjust or unreasonable.
- (8) Applicants state that the New Debt will be issued in compliance with Applicants' transition plans as approved by the Commission in Case No. 99-1212-EL-ETP.
- (9) The effect on Applicants' revenue requirements resulting from the issuance of the New Debt will be considered in the determination of required revenue in rate proceedings in which all factors affecting rates will be taken into account according to law.
- (10) Based on the information contained in the Applications and the Exhibits thereto, the purposes to which the proceeds from the New Debt shall be applied appear to be reasonably required by Applicants to meet their present and prospective obligations to provide utility service, and the Commission is satisfied that consent and authority should be granted.

It is, therefore,

ORDERED, That Applicants, The Cleveland Electric Illuminating Company and Ohio Edison Company, are authorized to issue and sell through August 26, 2009, in one or more series of first mortgage bonds, unsecured notes and/or debentures in aggregate principal amounts of up to \$300 million each for Cleveland Electric and Ohio Edison,

pursuant to the terms and conditions as set forth in the Applications and Exhibits. It is, further,

ORDERED, That Applicants shall apply the proceeds from the issuance of the New Debt for the purposes set forth in this Order and otherwise pursuant to the provisions of Section 4905.40, Revised Code. It is, further,

ORDERED, That the issuance of the New Debt shall be in compliance with Applicants' transition plan as approved by the Commission in Case Nos. 99-1212-EL-ETP. It is, further,

ORDERED, That Applicants shall file separate written reports with this Commission with the terms and full particulars of each of the transactions, as promptly as possible, when the New Debt authorized by this Order are issued. It is, further,

ORDERED, That the Applicants shall account for the New Debt as prescribed in the Federal Energy Regulatory Commission Uniform System of Accounts as currently in effect. It is, further,

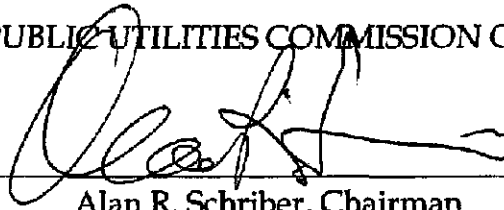
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by the Commission to assure completion of any specific construction project of the Applicants. It is, further,

ORDERED, That nothing in this Order shall be deemed to be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule or regulation. It is, further,

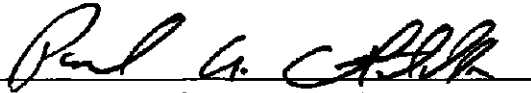
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation on the part of the State of Ohio as to the New Debt or the associated interest thereon. It is, further,

ORDERED, That a copy of this Order be served upon all parties of record.

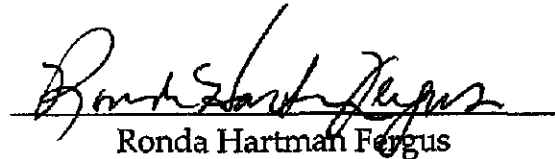
THE PUBLIC UTILITIES COMMISSION OF OHIO



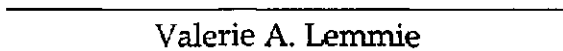
Alan R. Schriber, Chairman



Paul A. Centolella



Ronda Hartman Fergus



Valerie A. Lemmie



Cheryl L. Roberto

JH:djb

Entered in the Journal

AUG 27 2008



Renee J. Jenkins
Secretary