

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio Edison)
Company for Authority to Issue, Renew or)
Assume Liability on Notes and Other Evidences) Case No. 08-1261-EL-AIS
of Indebtedness Pursuant to Section 4905.401 of)
the Ohio Revised Code.)

In the Matter of the Application of The Cleveland)
Electric Illuminating Company for Authority)
to Issue, Renew or Assume Liability on Notes) Case No. 08-1262-EL-AIS
and Other Evidences of Indebtedness Pursuant)
to Section 4905.401 of the Ohio Revised Code.)

In the Matter of the Application of The Toledo)
Edison Company for Authority to Issue, Renew)
or Assume Liability On Notes and Other) Case No. 08-1263-EL-AIS
Evidences of Indebtedness Pursuant to)
Section 4905.401 of the Ohio Revised Code.)

In the Matter of the Application of American)
Transmission Systems Incorporated for)
Authority to Issue, Renew or Assume Liability) Case No. 08-1264-EL-AIS
on Notes and Other Evidences of)
Indebtedness Pursuant to Section 4905.401 of)
the Ohio Revised Code.)

FINDING AND ORDER

The Commission finds:

- (1) Applicants, Ohio Edison Company (Ohio Edison), The Cleveland Electric Illuminating Company (Cleveland Electric), Toledo Edison Company (Toledo Edison), and American Transmission Systems Incorporated (ATSI), are Ohio corporations and public utilities, as defined in Section 4905.02, Revised Code, subject to the jurisdiction of this Commission.
- (2) The Applications are filed under the provisions of Section 4905.401, Revised Code.

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- (3) Pursuant to Section 4905.401, Revised Code (the "Statutory Exemption"), Applicants were permitted as of September 30, 2008, to have outstanding notes and other evidences of short-term indebtedness, issuable without prior authorization of this Commission in the amounts of approximately \$356 million for Ohio Edison, \$133 million for Cleveland Electric, and \$26 million each for Toledo Edison and ATSI. Applicants' existing authority in Case No. 07-1193-EL-AIS, et al. (the "Prior Order") to issue short-term debt and participate in the utility money pool arrangement (the "Money Pool") expires on December 31, 2008.
- (4) Applicants are requesting consent and authority to have short-term notes outstanding in aggregate principal amounts of not more than \$500 million each for Ohio Edison, Cleveland Electric, and Toledo Edison and \$50 million for ATSI at any one time, and continue their participation in the Money Pool through December 31, 2009.
- (5) As of November 30, 2008, Cleveland Electric and Toledo Edison had \$94 million and \$70 million outstanding short-term debt, respectively. Ohio Edison and ATSI had no outstanding short-term debt as of that date.
- (6) The Money Pool is an intra-system financing arrangement by and among the following companies: FirstEnergy Corp., FirstEnergy Service Company, Ohio Edison, CEI, Toledo Edison, ATSI, Pennsylvania Power Company, Pennsylvania Electric Company, Metropolitan Edison Company, Jersey Central Power & Light Company, York Haven Power Company and Waverly Electric Power & Light Company (Collectively hereinafter called the "Participating Companies"). A separate non-utility money pool is comprised of FirstEnergy Corp. and its unregulated subsidiary companies.
- (7) With respect to the Money Pool, Applicants were authorized by the Prior Order to continue their participation in the Money Pool through December 31, 2008, subject to the following conditions:
 - (a) The aggregate amount to be loaned to the Money Pool by Applicants to the Participating Companies (other than the Applicants) shall not exceed \$700 million

outstanding at any one time, as described in the Applications.

- (b) Loans to the Participating Companies, other than the Applicants, 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.
- (c) Applicants shall report the details of their respective participation in the Money Pool on a quarterly basis to the Director of the Utilities Department of the Commission.

Applicants state that they will continue to abide by the above conditions, as described in their Applications.

- (8) The aggregate amount of short-term indebtedness is to be in addition to any long-term financing which Applicants may accomplish during the period with the approval of this Commission.
- (9) The proceeds derived by Applicants from the issuance, renewal, or assumption of liability of notes and other evidences of short-term indebtedness and loans from the Money Pool will be used for current maturities, to retire securities through open market purchases, to acquire notes or other evidences of indebtedness payable at periods of not more than 12 months, for working capital and for general corporate purposes, all pursuant to Section 4905.40, Revised Code.
- (10) Based on the information contained in the respective Applications and the exhibits thereto, the issuance of, or assumption of liability of said notes or other evidences of short-term indebtedness by Applicants and the participation in the Money Pool are reasonably required for the Applicants' lawful capital purposes and should be authorized.

It is, therefore,

ORDERED, That Applicants, Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company, and American Transmission Systems Incorporated, are authorized, through December 31, 2009, to have short-term notes outstanding, including the Statutory Exemption, in aggregate principal amounts of not more than \$500 million each for Ohio Edison, Toledo Edison, and Cleveland Electric, and \$50 million for ATSI at any one time and to continue to participate in the Money Pool, pursuant to the terms and conditions as described in the Applications and Exhibits, and this Finding and Order. It is, further,

ORDERED, That such aggregate principal amounts or any part thereof issued, renewed or assumed during the period is to be in addition to any long-term financing which Applicants may require during the twelve-month period with the approval of this Commission. It is, further,

ORDERED, That the funds provided by each of the Applicants to the Money Pool and borrowed therefrom by the Participating Companies, other than the Applicants, shall not exceed \$700 million outstanding at any one time through December 31, 2009. It is, further,

ORDERED, That Applicants' Loans to the Participating Companies, other than the Applicants, 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. It is, further,

ORDERED, That Applicants shall report the details of their respective participation in the Money Pool on a quarterly basis to the Director of the Utilities Department of the Commission as set forth in this Order. It is, further,

ORDERED, That the proceeds derived by Applicants under the authority granted shall be applied for the purposes set forth in this Order. It is, further,

ORDERED, That the authorization granted by this Order shall not be construed as limiting the Commission's determination of the appropriateness of Applicants' future long-term security offerings issued wholly or in part for the purpose of retiring its outstanding short-term evidences of indebtedness. It is, further,

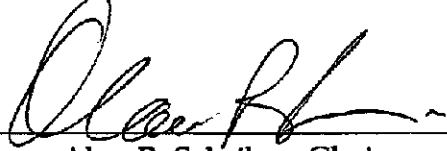
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation as to the unsecured notes and other evidences of indebtedness or the associated interest on the part of the State of Ohio. It is, further,

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

ORDERED, That a copy of this Finding and Order be served upon Ohio Edison Company, The Cleveland Electric Illuminating Company, Toledo Edison Company, and American Transmission Systems Incorporated.

THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


Paul A. Centolella


Ronda Hartman Fergus

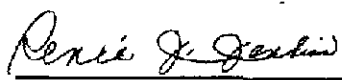

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Renee J. Jenkins
Secretary