

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 of Indebtedness )  
Pursuant to O.R.C. §4905.401 )

Case No. 09-1015-EL-AIS

Applicant, Ohio Edison Company (the "Company") respectfully represents:

1. The Company is an Ohio corporation engaged in the distribution of electric energy for sale to customers in Ohio under rates and tariffs approved by this Commission.
2. O.R.C. §4905.401(A) provides an exception which permits the Company, without action by this Commission, to 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 June 30, 2009 is \$364,082,912.00. During the period January 1, 2009 through December 31, 2009 (the "2009 Fiscal Year"), this Commission, in its Finding and Order in Case No. 08-1261-EL-AIS, *et al.* authorized the Company to have short-term notes outstanding including the Statutory Exemption Limit, in the aggregate principal amount of not more than \$500,000,000. During the period January 1,

2010 through December 31, 2010 (the "2010 Fiscal Year"), the Company estimates that it may again need to exceed the 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 2010 Fiscal Year in an aggregate principal amount up to \$500,000,000 (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 2010 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 investments. 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 June 30, 2009, and
  - b. "Exhibit B," Statement of Income for the Twelve Months Ended June 30, 2009.
6. Previously this Commission, in its Finding and Order in Case No. 08-1261-EL-AIS, et al., approved a utility money pool contract (the "Money Pool") in order to establish an intra-system financing arrangement, by and among the Company, The Cleveland Electric Illuminating Company ("CEI"), The Toledo Edison Company ("TE"), the Company's wholly-owned subsidiary, Pennsylvania Power Company ("Penn Power"), American Transmission Systems, Incorporated ("ATSI"), FirstEnergy Corp., FirstEnergy Service Company (as servicer), Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, York Haven Power Company and Waverly Electric Power & Light Company (each a "Participating Company", collectively called the "Participating Companies"), and the issuance and acquisition of Short-Term Notes of Participating Companies in connection therewith, through December 31, 2009. The Company hereby requests that the Commission's approval of the Money Pool be extended through December 31, 2010 and that the Authorized 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”).

8. The Commission, in its Finding and Order in Case No. 08-1261-EL-AIS, *et al.*, authorized the Company, through December 31, 2009, to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$500,000,000 at any one time and to participate in the Money Pool. During the 2010 Fiscal Year, the Company estimates that it may again need to exceed the Statutory Exemption Limit. Thus, the Company hereby requests the Commission to permit the Company to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$500,000,000 at any one time and to participate in the Money Pool by providing Internal or External Funds to Participating Companies through the Money Pool.
9. The Company hereby agrees that the aggregate amount it loans to the Money Pool will not when aggregated with the amounts loaned by ATSI, CEI, and TE exceed the amount of \$700,000,000 outstanding to the Participating Companies (other than the Company, ATSI, CEI and TE) at any one time.
10. The Company further agrees any loans to Participating Companies (other than CEI, 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.

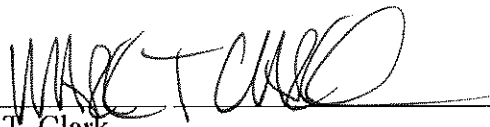
WHEREFORE, the Company prays

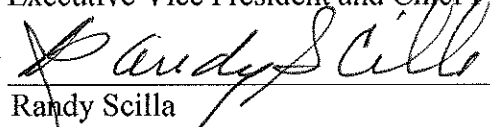
(1) That this Commission approve the extension of the Company's participation in the Money Pool through December 31, 2010 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

(2) That this Commission authorize the Company, during the 2010 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 \$500,000,000 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.

(3) That this Commission authorize the Company, during the 2010 Fiscal Year, to provide Internal or External Funds to the Money Pool, as requested in this Application, provided however, that the aggregate amount loaned to the Money Pool by the Company, CEI, TE and ATSI to the Participating Companies (other than the Company, CEI, TE and ATSI) does not exceed \$700,000,000 outstanding at any one time.

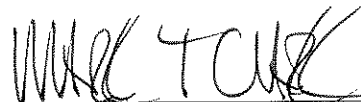
(4) That due to the time sensitive nature of this request, that this Commission issue such Order on or before December 2, 2009.

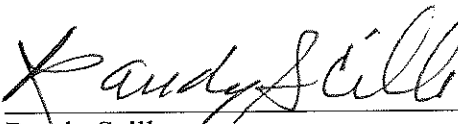
By   
Mark T. Clark  
Executive Vice President and Chief Financial Officer

By   
Randy Scilla  
Assistant Treasurer

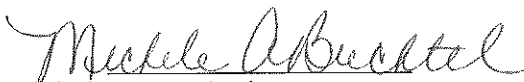
STATE OF OHIO     )  
                              ) ss.:  
SUMMIT COUNTY    )

Mark T. Clark and Randy Scilla, depose and say that they are Executive Vice President and Chief Financial Officer, and Assistant Treasurer, respectively, of Ohio Edison 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.

  
\_\_\_\_\_  
Mark T. Clark

  
\_\_\_\_\_  
Randy Scilla

Subscribed and sworn to before me  
this 27<sup>th</sup> day of October, 2009

  
Michele A. Buchtel  
Notary Public, State of Ohio  
Resident of Summit County  
My Commission Expires August 28, 2011

  
\_\_\_\_\_  
Ebony L. Miller  
Attorney for Applicant

**OHIO EDISON COMPANY**  
**CONSOLIDATED BALANCE SHEET**  
(Unaudited)

	June 30, 2009 <i>(In thousands)</i>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash and cash equivalents	\$ 223,812
Receivables-	
Customers (less accumulated provision of \$6,186,000 for uncollectible accounts)	289,084
Associated companies	244,266
Other (less accumulated provision of \$99,000 for uncollectible accounts)	12,970
Notes receivable from associated companies	172,061
Prepayments and other	19,027
	<u>961,220</u>
<b>UTILITY PLANT:</b>	
In service	2,956,467
Less - Accumulated provision for depreciation	1,135,811
	<u>1,820,656</u>
Construction work in progress	37,385
	<u>1,858,041</u>
<b>OTHER PROPERTY AND INVESTMENTS:</b>	
Long-term notes receivable from associated companies	193,071
Investment in lease obligation bonds	230,150
Nuclear plant decommissioning trusts	117,523
Other	97,807
	<u>638,551</u>
<b>DEFERRED CHARGES AND OTHER ASSETS:</b>	
Regulatory assets	514,415
Property taxes	60,542
Unamortized sale and leaseback costs	37,629
Other	33,290
	<u>645,876</u>
	<u>\$ 4,103,688</u>
<b>LIABILITIES AND CAPITALIZATION</b>	
<b>CURRENT LIABILITIES:</b>	
Currently payable long-term debt	\$ 2,715
Short-term borrowings-	
Associated companies	114,771
Other	1,386
Accounts payable-	
Associated companies	78,944
Other	74,371
Accrued taxes	77,974
Accrued interest	25,709
Other	95,689
	<u>471,559</u>
<b>CAPITALIZATION:</b>	
Common stockholder's equity-	
Common stock, without par value, authorized 175,000,000 shares -	
60 shares outstanding	1,224,398
Accumulated other comprehensive loss	(128,603)
Retained earnings	174,010
Total common stockholder's equity	1,269,805
Noncontrolling interest	6,835
Total equity	1,276,640
Long-term debt and other long-term obligations	1,160,609
	<u>2,437,249</u>
<b>NONCURRENT LIABILITIES:</b>	
Accumulated deferred income taxes	681,972
Accumulated deferred investment tax credits	12,335
Asset retirement obligations	83,261
Retirement benefits	216,661
Other	200,651
	<u>1,194,880</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 8)</b>	
	<u>\$ 4,103,688</u>

The accompanying Notes to Consolidated Financial Statements as they relate to Ohio Edison Company are an integral part of these balance sheets.



**OHIO EDISON COMPANY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**TWELVE MONTHS ENDING JUNE 30, 2009**  
**(Unaudited)**  
**(In thousands)**

<b>REVENUES:</b>	
Electric sales	\$ 2,649,652
Excise and gross receipts tax collections	111,068
Total revenues	<u>2,760,720</u>
<b>EXPENSES:</b>	
Purchased power from affiliates	1,250,785
Purchased power from non-affiliates	302,615
Other operating costs	557,716
Provision for depreciation	80,046
Amortization of regulatory assets, net	115,157
General taxes	184,577
Total expenses	<u>2,490,896</u>
<b>OPERATING INCOME</b>	<u>269,824</u>
<b>OTHER INCOME (EXPENSE):</b>	
Investment income	49,071
Miscellaneous income	1,100
Interest expense	(85,272)
Capitalized interest	644
Total other expense	<u>(34,457)</u>
<b>INCOME BEFORE INCOME TAXES</b>	235,367
<b>INCOME TAXES</b>	<u>70,820</u>
<b>NET INCOME</b>	164,547
Less: Noncontrolling interest income	<u>589</u>
<b>EARNINGS AVAILABLE TO PARENT</b>	<u>\$ 163,958</u>

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 09-1015-EL-AIS**

Summary: Application In the Matter of the Application of Ohio Edison Company for  
Authority to Issue, Renew or Assume Liability on Notes and Other Evidences of Indebtedness  
Pursuant to O.R.C. §4905.401  
electronically filed by Ms. Ebony L Miller on behalf of Ohio Edison Company