

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio )  
Edison Company for Authority to Issue, ) Case No. 06-513-EL-AIS  
Sell, or Enter into Debt Transactions. )

In the Matter of the Application of the )  
Cleveland Electric Illuminating Company ) Case No. 06-1281-EL-AIS  
for Authority to Issue, Sell, or Enter into )  
Debt Transactions. )

In the Matter of the Application of The )  
Toledo Edison Company for Authority to ) Case No. 08-1074-EL-AIS  
Issue, Sell, or Enter into Debt Transactions. )

FINDING AND ORDER

The Commission finds:

- (1) In Case No. 06-513-EL-AIS, by Finding and Order issued May 31, 2006, the Commission authorized Ohio Edison Company (OE) to issue new bonds, notes, and other evidences of indebtedness in an amount not to exceed \$700 million, through May 30, 2007. In Case No. 06-1281-EL-AIS, by Finding and Order issued November 21, 2006, the Commission authorized The Cleveland Electric Illuminating Company (CEI) to issue new debt in an amount not to exceed \$550 million. Further, in Case No. 08-1074-EL-AIS, by Finding and Order issued October 29, 2008, the Commission authorized The Toledo Edison Company (TE) to issue and sell mortgage bonds, unsecured notes, and/or debentures in an aggregate amount not to exceed \$300 million through October 29, 2009.
- (2) In Case No. 06-513-EL-AIS, on June 20, 2013, OE filed a revised motion for modification of the Commission's May 31, 2006 order. In its memorandum in support, OE requests permission to redeem certain indebtedness previously issued under authority granted in that proceeding. OE explains that its request involves only a provision related to a note maturing in 2016 (2016 Note) and would result in a net cost

savings for OE, reduce the amount of OE's indebtedness, improve its debt-to-capitalization ratio, and permit OE to utilize its current cash position to fund the redemption of the 2016 Note and associated premiums. OE further explains that the optional redemption premium is expected to exceed the 3 percent cap adopted by the Commission in its May 31, 2006 order. Consequently, OE requests to modify the optional redemption premium cap so that OE may redeem the 2016 Note at an optional redemption price not to exceed 119 percent of the principal amount plus accrued interest to the date of the redemption. Finally, OE pledges not to seek either short-term or long-term debt authorization, the proceeds of which will either fund or refinance the redemption of the 2016 Note and associated premiums.

- (3) In Case No. 06-1281-EL-AIS, on June 13, 2013, CEI filed a motion for modification of the Commission's November 21, 2006 order. In its memorandum in support, CEI requests permission to redeem certain indebtedness previously issued under authority granted in that proceeding. CEI explains that the request involves up to \$120 million of a 2017 note (2017 Note), which would result in a net cost savings for CEI, reduce the amount of CEI's indebtedness, improve its debt-to-capitalization ratio, and permit CEI to utilize its current cash position to fund the redemption of the 2017 Note and associated premiums. Further, CEI explains that the optional redemption premium is expected to exceed the 3 percent cap adopted by the Commission in its November 21, 2006 order. Consequently, CEI requests to modify the optional redemption premium cap so that CEI may redeem up to \$120 million of the 2017 Note at an optional redemption price not to exceed 120 percent of the principal amount plus accrued interest to the date of redemption. Finally, CEI pledges not to seek either short-term or long-term debt authorization, the proceeds of which will either fund or refinance the redemption of up to \$120 million of the 2017 Note and associated premiums.
- (4) In Case No. 08-1074-EL-AIS, on June 13, 2013, TE filed a motion for modification of the Commission's October 29, 2008 order. In its memorandum in support, TE requests

permission to redeem certain indebtedness previously issued under authority granted in that proceeding. TE explains that the request involves up to \$215 million of a 2020 note (2020 Note), which would result in a net cost savings for TE, reduce the amount of TE's indebtedness, improve its debt-to-capitalization ratio, and permit TE to utilize its current cash position to fund the redemption of the 2020 Note and associated premiums. Further, TE explains that the option redemption premium is expected to exceed the 3 percent cap adopted by the Commission in its June 13, 2013 order. Consequently, TE requests to modify the optional redemption premium cap so that TE may redeem up to \$215 million of the 2020 Note at an optional redemption price not to exceed 134 percent of the principal amount plus accrued interest to the date of redemption. Finally, TE pledges not to seek either short-term or long-term debt authorization, the proceeds of which will either fund or refinance the redemption of up to \$215 million of the 2020 Note and associated premiums.

- (5) The Commission finds that the applications of OE, CEI, and TE (collectively, the Companies) to redeem certain indebtedness as specified in the applications would result in a net cost savings for the Companies, improve the Companies' debt-to-capitalization ratio, and permit the Companies to utilize their current cash positions to fund redemption of the notes and associated premiums. Consequently, the Commission finds that the Companies' applications are reasonable and should be granted. The Commission finds, however, that, as pledged by the Companies in their applications, the Companies shall not seek either short-term or long-term debt authorizations as to the debts at issue in the applications.

It is, therefore,

ORDERED, That the applications of the Companies to modify the Commission orders in Case Nos. 06-513-EL-AIS, 06-1281-EL-AIS, and 08-1074-EL-AIS, as set forth in Findings (2), (3), and (4), are reasonable and should be granted. It is, further,


ORDERED, That, in all other respects, the Commission orders in Case Nos. 06-513-EL-AIS, 06-1281-EL-AIS, and 08-1074-EL-AIS, shall remain in full force. It is, further,

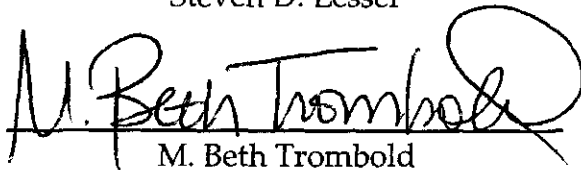
ORDERED, That the Companies shall not seek either short-term or long-term debt authorizations as to the debts at issue in their applications. It is, further,

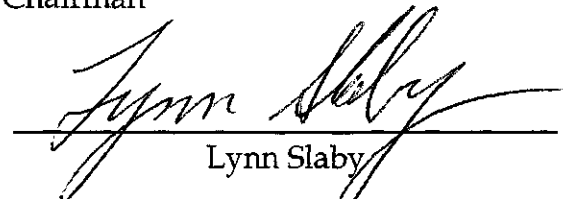

ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

  
Todd A. Snitchler, Chairman

  
Steven D. Lesser

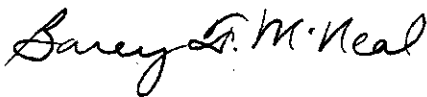
  
M. Beth Trombold

  
Lynn Slaby  
  
Asim Z. Haque

MWC/sc

Entered in the Journal

**JUL 02 2013**



Barcy F. McNeal  
Secretary