

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
The Toledo Edison Company for)	
Authority to Issue, Renew or Assume)	Case No. 21-0932-EL-AIS
Liability on Notes and Other Evidences of)	
Indebtedness Pursuant to O.R.C.)	
§4905.401)	

Applicant, The Toledo 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, 2021, is \$147,010,270. On December 16, 2020, this Commission approved the Company’s participation in the Money Pool during the January 1, 2021 through December 31, 2021 period (the “2020 Order”) in its Finding and Orders in Case No. 20-1490-EL-AIS, *et al.* The 2020 Order authorized the Company to have short-term notes outstanding including the Statutory Exemption Limit, in the aggregate principal amount of not more than \$300,000,000. During the period

January 1, 2022 through December 31, 2022 (the “2022 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 authorize the Company to have Short-Term Notes outstanding at any one time during the 2022 Fiscal Year in an aggregate principal amount up to \$300,000,000 (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 2022 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, 2021; and
 - b. "Exhibit B," Statement of Income for the Twelve Months Ended June 30, 2021.
6. This Commission, in its 2020 Order, previously approved utility money pool (the "Money Pool") participation 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, The Cleveland Electric Illuminating Company ("CEI"), American Transmission Systems, Incorporated, FirstEnergy Corp., solely as a lender, FirstEnergy Service Company, solely as administrator and not as a lender or borrower, Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, Mid-Atlantic Interstate Transmission, LLC, Monongahela Power Company, The Potomac Edison Company, West Penn Power Company, Trans-Allegheny Interstate Line Company and Waverly Electric Power & Light Company (each a "2020 Participating Company", collectively called the "2021 Participating Companies"), and for the issuance and acquisition of Short-Term Notes of 2020 Participating Companies in connection therewith, through December 31, 2021.
7. The Company hereby requests that the Commission's approval of the Money Pool participation be extended through December 31, 2022 and that the Authorized

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

8. The 2021 Participating Companies may contribute funds to the Money Pool from the following sources: (a) surplus funds from 2021 Participating Companies ("Internal Funds"), and (b) proceeds borrowed from external sources by the 2021 Participating Companies for loan to the Money Pool ("External Funds").
9. The Commission, in its 2020 Order, authorized the Company, through December 31, 2021, to have short-term notes outstanding including the Statutory Exemption, in the aggregate principal amount of not more than \$300,000,000 at any one time and to participate in the Money Pool. During the 2022 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 \$300,000,000 at any one time and to participate in the Money Pool by providing Internal or External Funds to 2021 Participating Companies through the Money Pool.
10. The Commission, in its 2020 Order authorized the Company, to provide loans to the Money Pool, so long as the aggregate amount loaned to the Money Pool by the Company, ATSI, OE and CEI did not exceed \$750,000,000 to the 2021 Participating Companies at any time. The Company hereby requests Commission authorization for the Company, together with ATSI, OE and CEI, to make loans in the aggregate to the Money Pool not to exceed \$750,000,000 outstanding to the

2021 Participating Companies (other than the Company, ATSI, OE and CEI) at any one time, based upon cash forecasting for 2022.

11. The Company agrees any loans to 2021 Participating Companies (other than ATSI, OE and CEI) made through the Money Pool shall be made only to those 2021 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 in the case docket.

WHEREFORE, the Company prays

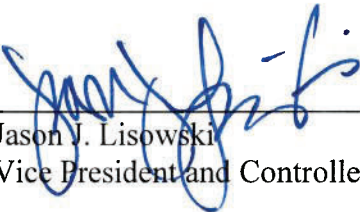
(1) That this Commission approves the extension of the Company's participation in the Money Pool through December 31, 2022 and that the Authorized Principal shall include Short-Term Notes of the Company outstanding under the Money Pool by the Company.

(2) That this Commission authorizes the Company, during the 2022 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 \$300,000,000 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 authorizes the Company, during the 2022 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, ATSI, OE and CEI to the 2021 Participating Companies (other than the Company, ATSI, OE and CEI) does not exceed \$750,000,000 outstanding at any one time.

(4) That due to the time sensitive nature of this request, that this Commission issue such Order approving this Application on or before December 22, 2021.

By: 


Jason J. Lisowski
Vice President and Controller

By: 


Steven R. Staub
Vice President and Treasurer

STATE OF OHIO)
) ss.:
SUMMIT COUNTY)

Jason J. Lisowski and Steven R. Staub, depose and say that they are Vice President and Controller, and Vice President and Treasurer, respectively, of The Toledo 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.



Jason J. Lisowski




Steven R. Staub

Subscribed and sworn to before me
this 14th day of September, 2021



Notary Public, State of Ohio
Attorney for Applicant



Stephanie J. Bencin



Jaime E. Hudson
Resident Summit County
Notary Public, State of Ohio
My Commission Expires: 8-12-2022

EXHIBIT A

TOLEDO EDISON COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited)

(In millions, except share amounts)	June 30, 2021
ASSETS	
CURRENT ASSETS:	
Cash and cash equivalents	\$ 100
Restricted cash	2
Receivables-	
Customers	51
Less - Allowance for uncollectible customer receivables	9
	42
Affiliated companies	69
Other, net of allowance for uncollectible accounts of \$56	8
Notes receivable from affiliated companies	31
Prepaid taxes and other	2
	254
UTILITY PLANT:	
In service	1,331
Less - Accumulated provision for depreciation	650
	681
Construction work in progress	35
	716
DEFERRED CHARGES AND OTHER ASSETS:	
Goodwill	501
Regulatory assets	17
Property taxes	18
Other	13
	549
	<u>\$ 1,519</u>
LIABILITIES AND CAPITALIZATION	
CURRENT LIABILITIES:	
Currently payable long-term debt	\$ 3
Short-term borrowings-	
Affiliated companies	-
Other	100
Accounts payable-	
Affiliated companies	23
Other	6
Accrued taxes	33
Other	23
	188
CAPITALIZATION:	
Common stockholder's equity-	
Common stock, \$5 par value, authorized 60,000,000 shares -	
29,402,054 shares outstanding	147
Other paid-in capital	320
Retained earnings	89
Total common stockholder's equity	556
Long-term debt and other long-term obligations	480
	1,036
NONCURRENT LIABILITIES:	
Accumulated deferred income taxes	84
Retirement benefits	51
Property taxes	18
Other	142
	295
	<u>\$ 1,519</u>

EXHIBIT A

TOLEDO EDISON COMPANY CONSOLIDATED STATEMENT OF CAPITALIZATION (Unaudited)

(In millions, except share amounts)	June 30, 2021
COMMON STOCKHOLDER'S EQUITY:	
Common stock, \$5 par value, authorized 60,000,000 shares - 29,402,054 shares outstanding	\$ 147
Other paid-in capital	320
Accumulated other comprehensive income	-
Retained earnings	89
Total common stockholder's equity	556
LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS:	
Toledo Edison Company-	
Secured Notes:	
6.150% due 2037	300
2.650% due 2028	150
Total	450
Ohio Securitization	
Ohio Securitization Bonds	
3.450% due 2034	34
Total	34
Capital lease obligations	3
Unamortized discount on long-term debt	(1)
Unamortized debt expense	(3)
Long-term debt due within one year	(3)
Total long-term debt and other long-term obligations	480
TOTAL CAPITALIZATION	\$ 1,036

EXHIBIT B

TOLEDO EDISON COMPANY

CONSOLIDATED STATEMENT OF INCOME
TWELVE MONTHS ENDED JUNE 30, 2021

(Unaudited)

(In millions)

REVENUES:

Electric sales	\$	421
Excise and gross receipts tax collections		28
Total revenues		<u>449</u>

OPERATING EXPENSES:

Purchased power from affiliates		-
Purchased power from non-affiliates		51
Other operating expenses		191
Provision for depreciation		42
Deferral of regulatory assets, net		30
General taxes		66
Total operating expenses		<u>380</u>

OPERATING INCOME

69

OTHER INCOME (EXPENSE):

Miscellaneous income		11
Pension and OPEB mark-to-market adjustments		1
Interest expense		(23)
Capitalized financing costs		1
Total other expense		<u>(10)</u>

INCOME BEFORE INCOME TAXES

59

INCOME TAXES

9

NET INCOME

\$ 50

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Case No(s). 21-0932-EL-AIS

Summary: Application for Authority to Issue, Renew, or Assume Liability on Notes and Other Evidences of Indebtedness electronically filed by Ms. Christine E. Watchorn on behalf of The Toledo Edison Company