

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) Case No. 02-3088-EL-AIS
Notes and Other Evidences 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 and Assume) Case No. 02-3089-EL-AIS
Liability on Notes 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 and Assume Liability on) Case No. 02-3090-EL-AIS
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), and The Toledo Edison Company (Toledo Edison), are Ohio corporations and public utilities, as defined in Section 4905.02, Revised Code, subject to the jurisdiction of this Commission.
- (2) The Applications of Ohio Edison, Cleveland Electric and Toledo Edison (Collectively hereinafter called, the "Applications") are filed under the provisions of Section 4905.401, Revised Code.
- (3) Applicants are requesting consent and authority to have short-term notes outstanding in aggregate principal amounts of not more than \$500 million for Ohio Edison, \$450 million for Cleveland Electric and \$250 million for Toledo Edison at any one time, in the period prior to December 31, 2003.
- (4) Pursuant to Section 4905.401, Revised Code (the "Statutory Exemption"), Ohio Edison, Cleveland Electric and Toledo Edison were permitted to have outstanding notes and other evidences of short-term indebtedness, issuable without prior authorization of this Commission in the amounts of approximately \$389 million, \$200 million, and \$58 million, respectively, as of September 30, 2002. As of November 30, 2002, the outstanding

This is to certify that the images appearing are an
accurate and complete reproduction of a case file
document delivered in the regular course of business
Technician AM Date Processed 12/19/02

short-term debts of the Applicants were \$278 million for Ohio Edison, \$243 million for Cleveland Electric and \$126 million for Toledo.

- (5) Applicants were authorized by Commission Order dated December 20, 2001, in Case Nos. 01-3183-EL-AIS, 01-3184-EL-AIS, and 01-3184-EL-AIS (the "Prior Order"), to issue short-term debt and to enter into and file with the Securities and Exchange Commission a utility money pool contract (the "Money Pool") through June 30, 2003.
- (6) Money Pool is an intra-system financing arrangement by and among the Companies, their parent company, FirstEnergy Corp; FirstEnergy Service Company; the North East Ohio Natural Gas Corp., and the American Transmission Systems, Inc., Jersey Central Power & Light Company, Pennsylvania Electric Company, Metropolitan Edison Company, York Heaven Power Company and Waverly Electric Power & Light Company (Collectively hereinafter called the "Participating Companies").
- (7) Applicants agrees that the funds provided by them to the Money Pool and borrowed therefrom by the Participating Companies other than the utility affiliates shall not exceed at any one time \$310 million for Ohio Edison (including short-term notes to Penn Power not exceeding in aggregate \$30 million, at any one time) and \$150 million each for Cleveland Electric and Toledo Edison.
- (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 of, or assumption of liability on notes and other evidences of short-term indebtedness and loans from the Money Pool will be used for current maturities, retire securities through open market purchases, to acquire notes or other evidence 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) The Commission is of opinion that Applicants' short-term indebtedness and their providing funds to the Money Pool and borrowed therefrom, should be in compliance with Applicants' electric transition plans as approved by this Commission in Case No. 99-1212-EL-ETP. Applicants' participation in the Money Pool will be monitored to ensure the compliance with the Applicants' electric transition plans as approved by this Commission in Case No. 99-1212-EL-ETP.

- (11) Based on the information contained in the respective Applications and the exhibits thereto, the issuance of, or assumption of liability on, said notes or other evidences of short-term indebtedness by Applicants in aggregate amounts of up to \$500 million Ohio Edison, \$450 Million for Cleveland Electric and \$250 million for Toledo Edison, including the Statutory Exemption through December 31, 2003 and the Loans from the Money Pool, should also be authorized.

It is, therefore,

ORDERED, That Applicants, Ohio Edison, Cleveland Electric and Toledo Edison, are authorized, through December 31, 2003, to have short-term notes outstanding including the Statutory Exemption, in aggregate principal amounts of not more than \$500 million for Ohio Edison, \$450 million for Cleveland Electric and \$250 million for Toledo Edison at any one time. 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 Applicants to the Money Pool and borrowed therefrom by the Participating Companies other than the Utility affiliates shall not exceed at any one time \$310 million for Ohio Edison (including the short-term notes to Penn Power not exceeding in aggregate \$30 million at any one time) and \$150 million each for Cleveland Electric and Toledo Edison. 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 Applicants' short-term indebtedness and participation in the Money Pool shall be in compliance with Applicants' electric transition plans as approved by this Commission in Case No. 99-1212-EL-ETP. It is, further,

ORDERED, That Applicants shall submit quarterly reports to the Staff relating to the issuance and assumption of liability on notes or other evidences of indebtedness to Cleveland Electric, Toledo Edison and Ohio Edison, respectively, including details of Applicants' participation in the Money Pool. 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,

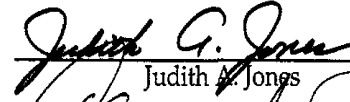
ORDERED, That nothing in this Order shall be construed to imply any guaranty or obligation by the Commission to assure completion of any specific construction project of Applicants. It is, further,

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

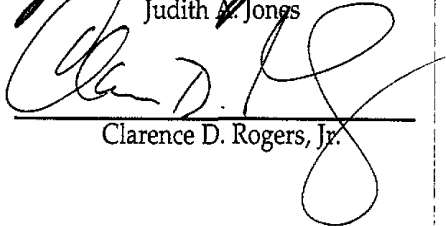
THE PUBLIC UTILITIES COMMISSION OF OHIO


Alan R. Schriber, Chairman


Ronda Hartman Fergus


Judith A. Jones

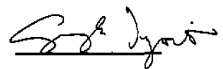

Donald E. Mason


Clarence D. Rogers, Jr.

SUM:sm

Entered in the Journal

DEC 19 2002


Gary E. Vigorito
Secretary