

CLEVELAND ELECTRIC ILLUMINATING CO  
Form 10-Q/A  
November 25, 2008

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

FORM 10-Q/A

Amendment No. 1

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition  
period from

to

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	I.R.S. Employer Identification No.
1-2578	OHIO EDISON COMPANY (An Ohio Corporation) c/o FirstEnergy Corp. 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-0437786
1-2323	THE CLEVELAND ELECTRIC ILLUMINATING COMPANY (An Ohio Corporation) c/o FirstEnergy Corp. 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-0150020
1-3583	THE TOLEDO EDISON COMPANY (An Ohio Corporation)	34-4375005

c/o FirstEnergy Corp.  
76 South Main Street  
Akron, OH 44308  
Telephone (800)736-3402

1-3522	PENNSYLVANIA ELECTRIC COMPANY (A Pennsylvania Corporation) c/o FirstEnergy Corp. 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	25-0718085
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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No  Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Pennsylvania Electric Company

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  N/A

Accelerated Filer  N/A

Non-accelerated Filer (Do not check if a smaller reporting company)  Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Pennsylvania Electric Company

Smaller Reporting Company  N/A

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes  No  Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Pennsylvania Electric Company

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

CLASS	OUTSTANDING AS OF November 6, 2008
Ohio Edison Company, no par value	60
The Cleveland Electric Illuminating Company, no par value	67,930,743
The Toledo Edison Company, \$5 par value	29,402,054
Pennsylvania Electric Company, \$20 par value	4,427,577

This combined Form 10-Q/A is separately filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Pennsylvania Electric Company. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf.

OMISSION OF CERTAIN INFORMATION

Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Pennsylvania Electric Company meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this Form 10-Q/A with the reduced disclosure format specified in General Instruction H(2) to Form 10-Q.

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Forward-Looking Statements: This Form 10-Q/A includes forward-looking statements based on information currently available to management. Such statements are subject to certain risks and uncertainties. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "believe," "estimate" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Actual results may differ materially due to:

- the speed and nature of increased competition in the electric utility industry and legislative and regulatory changes affecting how generation rates will be determined following the expiration of existing rate plans in Ohio and Pennsylvania,
  - the impact of the PUCO's rulemaking process on the Ohio Companies' ESP and MRO filings,
    - economic or weather conditions affecting future sales and margins,
    - changes in markets for energy services,
    - changing energy and commodity market prices and availability,
  - replacement power costs being higher than anticipated or inadequately hedged,
- the continued ability of FirstEnergy's regulated utilities to collect transition and other charges or to recover increased transmission costs,
  - maintenance costs being higher than anticipated,
- other legislative and regulatory changes, revised environmental requirements, including possible GHG emission regulations,
- the impact of the U.S. Court of Appeals' July 11, 2008 decision to vacate the CAIR rules and the scope of any laws, rules or regulations that may ultimately take their place,
- the uncertainty of the timing and amounts of the capital expenditures needed to, among other things, implement the Air Quality Compliance Plan (including that such amounts could be higher than anticipated) or levels of emission reductions related to the Consent Decree resolving the NSR litigation or other potential regulatory initiatives,
- adverse regulatory or legal decisions and outcomes (including, but not limited to, the revocation of necessary licenses or operating permits and oversight) by the NRC (including, but not limited to, the Demand for Information issued to FENOC on May 14, 2007),
- the timing and outcome of various proceedings before the PUCO (including, but not limited to, the ESP and MRO proceedings as well as the distribution rate cases and the generation supply plan filing for the Ohio Companies and the successful resolution of the issues remanded to the PUCO by the Ohio Supreme Court regarding the RSP and RCP, including the recovery of deferred fuel costs),
- Met-Ed's and Penelec's transmission service charge filings with the PPUC as well as the resolution of the Petitions for Review filed with the Commonwealth Court of Pennsylvania with respect to the transition rate plan for Met-Ed and Penelec,
  - the continuing availability of generating units and their ability to operate at or near full capacity,
    - the ability to comply with applicable state and federal reliability standards,
- the ability to accomplish or realize anticipated benefits from strategic goals (including employee workforce initiatives),
  - the ability to improve electric commodity margins and to experience growth in the distribution business,
- the changing market conditions that could affect the value of assets held in the registrants' nuclear decommissioning trusts, pension trusts and other trust funds, and cause FirstEnergy to make additional contributions sooner, or in an amount that is larger than currently anticipated,
- the ability to access the public securities and other capital and credit markets in accordance with FirstEnergy's financing plan and the cost of such capital,
  - changes in general economic conditions affecting the registrants,
  - the state of the capital and credit markets affecting the registrants, and

- the risks and other factors discussed from time to time in the registrants' SEC filings, and other similar factors.

The foregoing review of factors should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on the registrants' business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. Also, a security rating is not a recommendation to buy, sell or hold securities, and it may be subject to revision or withdrawal at any time and each such rating should be evaluated independently of any other rating. The registrants expressly disclaim any current intention to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

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## EXPLANATORY NOTE

This combined Amendment No. 1 on Form 10-Q/A for the quarter ended September 30, 2008 is being filed by Ohio Edison Company, The Cleveland Electric Illuminating Company, The Toledo Edison Company and Pennsylvania Electric Company (the “registrants”) to correct common stock dividend payments reported in their respective consolidated statements of cash flows for the nine months ended September 30, 2008 and 2007, contained in Part I, Item 1, Consolidated Financial Statements. This correction does not affect the respective registrants’ previously reported consolidated statements of income and comprehensive income for the three months and nine ended September 30, 2008 and 2007, and consolidated balance sheets as of September 30, 2008 and December 31, 2007 contained in the combined Form 10-Q for the quarter ended September 30, 2008, as originally filed on November 7, 2008 (the “original Form 10-Q”). Except for Part I, Items 1 and 4T and certain exhibits under Part II, Item 6, no other information included in the Form 10-Q as originally filed is being revised by, or repeated in this amendment.

As discussed under “Restatement of the Consolidated Statements of Cash Flows” in Note 1 to the revised Combined Notes to Consolidated Financial Statements of the registrants included in this Form 10-Q/A, the registrants have restated their respective consolidated statements of cash flows to correct common stock dividend payments reported in cash flows from financing activities. The consolidated statements of cash flows for those registrants, as originally filed, erroneously reflected the dividends declared in the third quarter of 2008 and the third quarter of 2007 applicable to future quarters' payments as dividends paid in the quarter that they were declared. The corrections resulted in a corresponding change in operating liabilities - accounts payable, included in cash flows from operating activities.

The original Form 10-Q was a combined Form 10-Q representing separate filings by each of the registrants and their affiliates, FirstEnergy Corp., FirstEnergy Solutions Corp., Jersey Central Power & Light Company and Metropolitan Edison Company (the “affiliates”). However, this Form 10-Q/A constitutes an amendment only to Part I, Items 1 and 4T and Part II, Item 6 of the original Form 10-Q filed by each registrant. In addition, information contained herein relating to any individual registrant is filed by such registrant on its own behalf and no registrant makes any representation as to information contained herein relating to any other registrant or any of the affiliates, including, but not limited to, any such information contained in the revised Combined Notes to Consolidated Financial Statements included herein.

Please note that the information contained in this Amendment No. 1, including the consolidated financial statements and notes thereto, does not reflect events occurring after the date of the original Form 10-Q filing on November 7, 2008, except to the extent described above.

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GLOSSARY OF TERMS

The following abbreviations and acronyms are used in this report to identify FirstEnergy Corp. and its current and former subsidiaries:

ATSI	American Transmission Systems, Incorporated, owns and operates transmission facilities
CEI	The Cleveland Electric Illuminating Company, an Ohio electric utility operating subsidiary
FENOC	FirstEnergy Nuclear Operating Company, operates nuclear generating facilities
FES	FirstEnergy Solutions Corp., provides energy-related products and services
FESC	FirstEnergy Service Company, provides legal, financial and other corporate support services
FGCO	FirstEnergy Generation Corp., owns and operates non-nuclear generating facilities
FirstEnergy GPU	FirstEnergy Corp., a public utility holding company GPU, Inc., former parent of JCP&L, Met-Ed and Penelec, which merged with FirstEnergy on November 7, 2001
JCP&L	Jersey Central Power & Light Company, a New Jersey electric utility operating subsidiary
JCP&L Transition Funding	JCP&L Transition Funding LLC, a Delaware limited liability company and issuer of transition bonds
JCP&L Transition Funding II	JCP&L Transition Funding II LLC, a Delaware limited liability company and issuer of transition bonds
Met-Ed	Metropolitan Edison Company, a Pennsylvania electric utility operating subsidiary
NGC	FirstEnergy Nuclear Generation Corp., owns nuclear generating facilities
OE	Ohio Edison Company, an Ohio electric utility operating subsidiary
Ohio Companies	CEI, OE and TE
Penelec	Pennsylvania Electric Company, a Pennsylvania electric utility operating subsidiary
Penn	Pennsylvania Power Company, a Pennsylvania electric utility operating subsidiary of OE
Pennsylvania Companies	Met-Ed, Penelec and Penn
PNBV	PNBV Capital Trust, a special purpose entity created by OE in 1996
Shippingport	Shippingport Capital Trust, a special purpose entity created by CEI and TE in 1997
Signal Peak	A joint venture between FirstEnergy Ventures Corp. and Boich Companies, that owns mining and coal transportation operations near Roundup, Montana, formerly known as Bull Mountain

TE The Toledo Edison Company, an Ohio electric utility  
operating subsidiary  
Utilities OE, CEI, TE, JCP&L, Met-Ed and Penelec

The following abbreviations and acronyms are used to identify frequently used terms in this report:

ACO	Administrative Consent Order
AEP	American Electric Power Company, Inc.
ALJ	Administrative Law Judge
AMP-Ohio	American Municipal Power-Ohio, Inc.
AOCL	Accumulated Other Comprehensive Loss
ARB	Accounting Research Bulletin
ARO	Asset Retirement Obligation
ASM	Ancillary Services Market
BGS	Basic Generation Service
CAA	Clean Air Act
CAIR	Clean Air Interstate Rule
CAMR	Clean Air Mercury Rule
CBP	Competitive Bid Process
CO2	Carbon Dioxide
DFI	Demand for Information
DOJ	United States Department of Justice
DRA	Division of Ratepayer Advocate
EIS	Energy Independence Strategy
EITF	Emerging Issues Task Force
EMP	Energy Master Plan
EPA	United States Environmental Protection Agency
EPACT	Energy Policy Act of 2005
ESP	Electric Security Plan
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
FIN	FASB Interpretation
FIN 46R	FIN 46 (revised December 2003), "Consolidation of Variable Interest Entities"

GLOSSARY OF TERMS, Cont'd.

FIN 47	FIN 47, "Accounting for Conditional Asset Retirement Obligations - an interpretation of FASB Statement No. 143"
FIN 48	FIN 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109"
FMB	First Mortgage Bond
FTR	Financial Transmission Rights
GAAP	Accounting Principles Generally Accepted in the United States
GHG	Greenhouse Gases
IRS	Internal Revenue Service
ISO	Independent System Operator
kV	Kilovolt
KWH	Kilowatt-hours
LIBOR	London Interbank Offered Rate
LOC	Letter of Credit
MEIUG	Met-Ed Industrial Users Group
MEW	Mission Energy Westside, Inc.
MISO	Midwest Independent Transmission System Operator, Inc.
Moody's	Moody's Investors Service
MRO	Market Rate Offer
MW	Megawatts
NAAQS	National Ambient Air Quality Standards
NERC	North American Electric Reliability Corporation
NJBPU	New Jersey Board of Public Utilities
NOV	Notice of Violation
NOX	Nitrogen Oxide
NRC	Nuclear Regulatory Commission
NSR	New Source Review
NUG	Non-Utility Generation
NUGC	Non-Utility Generation Charge
NYMEX	New York Mercantile Exchange
OCA	Office of Consumer Advocate
OTC	Over the Counter
OVEC	Ohio Valley Electric Corporation
PCRB	Pollution Control Revenue Bond
PICA	Penelec Industrial Customer Alliance
PJM	PJM Interconnection L. L. C.
PLR	Provider of Last Resort
PPUC	Pennsylvania Public Utility Commission
PRP	Potentially Responsible Party
PSA	Power Supply Agreement
PUCO	Public Utilities Commission of Ohio
PUHCA	Public Utility Holding Company Act of 1935
RCP	Rate Certainty Plan
RECB	Regional Expansion Criteria and Benefits
RFP	Request for Proposal
RPM	Reliability Pricing Model

RSP	Rate Stabilization Plan
RTC	Regulatory Transition Charge
RTO	Regional Transmission Organization
S&P	Standard & Poor's Ratings Service
SB221	Amended Substitute Senate Bill 221
SBC	Societal Benefits Charge
SEC	U.S. Securities and Exchange Commission
SECA	Seams Elimination Cost Adjustment
SFAS	Statement of Financial Accounting Standards
SFAS 133	SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities"

GLOSSARY OF TERMS, Cont'd.

SFAS 142	SFAS No. 142, "Goodwill and Other Intangible Assets"
SFAS 143	SFAS No. 143, "Accounting for Asset Retirement Obligations"
SFAS 157	SFAS No. 157, "Fair Value Measurements"
SFAS 159	SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115"
SIP	State Implementation Plan(s) Under the Clean Air Act
SNCR	Selective Non-Catalytic Reduction
SO <sub>2</sub>	Sulfur Dioxide
TMI-1	Three Mile Island Unit 1
TMI-2	Three Mile Island Unit 2
TSC	Transmission Service Charge
VIE	Variable Interest Entity

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

1

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Report of Independent Registered Public Accounting Firm

To the Stockholder and Board of  
Directors of Ohio Edison Company:

We have reviewed the accompanying consolidated balance sheet of Ohio Edison Company and its subsidiaries as of September 30, 2008 and the related consolidated statements of income and comprehensive income for each of the three-month and nine-month periods ended September 30, 2008 and 2007 and the consolidated statement of cash flows for the nine-month periods ended September 30, 2008 and 2007. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2007, and the related consolidated statements of income, capitalization, common stockholder's equity, and cash flows for the year then ended (not presented herein), and in our report dated February 28, 2008, except as to the error correction described in Note 1, which is as of November 24, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2007, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

As discussed in Note 1 to the consolidated financial statements, the Company has restated its 2008 and 2007 financial statements to correct an error.

PricewaterhouseCoopers LLP  
Cleveland, Ohio  
November 6, 2008, except as to the error correction described in Note  
1,  
which is as of November 24, 2008.





## OHIO EDISON COMPANY

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
	2008	2007	2008	2007
	(In thousands)			
<b>REVENUES:</b>				
Electric sales	\$ 671,761	\$ 638,336	\$ 1,877,300	\$ 1,802,110
Excise tax collections	30,500	30,472	87,165	89,077
Total revenues	702,261	668,808	1,964,465	1,891,187
<b>EXPENSES:</b>				
Purchased power	349,374	364,709	997,609	1,037,200
Other operating costs	146,048	144,869	423,993	424,970
Provision for depreciation	14,997	19,482	57,904	57,440
Amortization of regulatory assets	57,660	53,026	154,054	144,569
Deferral of new regulatory assets	(15,078)	(41,417)	(66,390)	(132,410)
General taxes	49,255	46,158	144,097	141,296
Total expenses	602,256	586,827	1,711,267	1,673,065
<b>OPERATING INCOME</b>	100,005	81,981	253,198	218,122
<b>OTHER INCOME (EXPENSE):</b>				
Investment income	19,323	19,827	45,866	67,803
Miscellaneous income (expense)	(1,089)	670	(5,180)	3,362
Interest expense	(17,309)	(20,311)	(51,851)	(62,749)
Capitalized interest	55	136	324	398
Total other income (expense)	980	322	(10,841)	8,814
<b>INCOME BEFORE INCOME TAXES</b>	100,985	82,303	242,357	226,936
<b>INCOME TAXES</b>	28,501	34,089	77,122	79,074
<b>NET INCOME</b>	72,484	48,214	165,235	147,862
<b>OTHER COMPREHENSIVE INCOME (LOSS):</b>				
	(3,994)	(3,423)	(11,982)	(10,270)

Pension and other

postretirement benefits

Change in unrealized gain on available-for-sale securities	(9,936)	2,442	(20,310)	7,415
Other comprehensive loss	(13,930)	(981)	(32,292)	(2,855)
Income tax benefit related to other comprehensive loss	(5,105)	(573)	(11,931)	(1,688)
Other comprehensive loss, net of tax	(8,825)	(408)	(20,361)	(1,167)

TOTAL COMPREHENSIVE INCOME

\$ 63,659	\$ 47,806	\$ 144,874	\$ 146,695
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The accompanying Notes to Consolidated Financial Statements as they relate to Ohio Edison Company are an integral part of these statements.

## OHIO EDISON COMPANY

## CONSOLIDATED BALANCE SHEETS

(Unaudited)

September 30,  
2008December 31,  
2007

(In thousands)

## ASSETS

## CURRENT ASSETS:

Cash and cash equivalents	\$	715	\$	732
Receivables-				
Customers (less accumulated provisions of \$6,888,000 and 8,032,000, respectively, for uncollectible accounts)		268,252		248,990
Associated companies		205,776		185,437
Other (less accumulated provisions of \$13,000 and \$5,639,000 respectively, for uncollectible accounts)		16,731		12,395
Notes receivable from associated companies		362,695		595,859
Prepayments and other		11,285		10,341
		865,454		1,053,754
UTILITY PLANT:				
In service		2,854,174		2,769,880
Less - Accumulated provision for depreciation		1,101,572		1,090,862
		1,752,602		1,679,018
Construction work in progress		41,880		50,061
		1,794,482		1,729,079
OTHER PROPERTY AND INVESTMENTS:				
Long-term notes receivable from associated companies		257,457		258,870
Investment in lease obligation bonds		248,751		253,894
Nuclear plant decommissioning trusts		115,523		127,252
Other		31,441		36,037
		653,172		676,053
DEFERRED CHARGES AND OTHER ASSETS:				
Regulatory assets		621,192		737,326
Pension assets		250,762		228,518
Property taxes		65,520		65,520
Unamortized sale and leaseback costs		41,381		45,133
Other		33,820		48,075
		1,012,675		1,124,572
	\$	4,325,783	\$	4,583,458

LIABILITIES AND CAPITALIZATION			
<b>CURRENT LIABILITIES:</b>			
Currently payable long-term debt	\$	159,662	\$ 333,224
Short-term borrowings-			
Associated companies		-	50,692
Other		242,449	2,609
Accounts payable-			
Associated companies		95,604	174,088
Other		20,902	19,881
Accrued taxes		58,800	89,571
Accrued interest		14,216	22,378
Other		123,177	65,163
		714,810	757,606
<b>CAPITALIZATION:</b>			
Common stockholder's equity-			
Common stock, without par value, authorized 175,000,000 shares -			
60 shares outstanding		1,224,039	1,220,512
Accumulated other comprehensive income		28,025	48,386
Retained earnings		207,512	307,277
Total common stockholder's equity		1,459,576	1,576,175
Long-term debt and other long-term obligations		841,871	840,591
		2,301,447	2,416,766
<b>NONCURRENT LIABILITIES:</b>			
Accumulated deferred income taxes		776,042	781,012
Accumulated deferred investment tax credits		14,040	16,964
Asset retirement obligations		79,372	93,571
Retirement benefits		173,297	178,343
Deferred revenues - electric service programs		14,954	46,849
Other		251,821	292,347
		1,309,526	1,409,086
<b>COMMITMENTS AND CONTINGENCIES (Note 11)</b>			
	\$	4,325,783	\$ 4,583,458

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 STATEMENTS OF CASH FLOWS  
(Unaudited)

	Nine Months Ended September 30	
	Restated 2008	Restated 2007
	(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 165,235	\$ 147,862
Adjustments to reconcile net income to net cash from operating activities-		
Provision for depreciation	57,904	57,440
Amortization of regulatory assets	154,054	144,569
Deferral of new regulatory assets	(66,390)	(132,410)
Amortization of lease costs	28,535	28,567
Deferred income taxes and investment tax credits, net	17,267	(29,155)
Accrued compensation and retirement benefits	(41,190)	(34,572)
Pension trust contribution	-	(20,261)
Decrease (increase) in operating assets-		
Receivables	(26,009)	(70,098)
Prepayments and other current assets	2,065	(3,542)
Increase (decrease) in operating liabilities-		
Accounts payable	(27,463)	4,550
Accrued taxes	(27,776)	(25,734)
Accrued interest	(8,162)	(7,277)
Electric service prepayment programs	(31,895)	(27,455)
Other	(1,283)	9,868
Net cash provided from operating activities	194,892	42,352
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
New Financing-		
Short-term borrowings, net	189,148	-
Redemptions and Repayments-		
Common stock	-	(500,000)
Long-term debt	(175,588)	(1,190)
Short-term borrowings, net	-	(64,475)
Dividend Payments-		
Common stock	(315,000)	(65,000)
Net cash used for financing activities	(301,440)	(630,665)

## CASH FLOWS FROM INVESTING

## ACTIVITIES:

Property additions	(135,450)	(109,461)
Sales of investment securities held in trusts	115,988	31,624
Purchases of investment securities held in trusts	(121,871)	(36,194)
Loan repayments from associated companies, net	234,577	685,364
Cash investments	5,143	17,316
Other	8,144	(321)
Net cash provided from investing activities	106,531	588,328
Net increase (decrease) in cash and cash equivalents	(17)	15
Cash and cash equivalents at beginning of period	732	712
Cash and cash equivalents at end of period	\$ 715	\$ 727

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

Report of Independent Registered Public Accounting Firm

To the Stockholder and Board of Directors of  
The Cleveland Electric Illuminating Company:

We have reviewed the accompanying consolidated balance sheet of The Cleveland Electric Illuminating Company and its subsidiaries as of September 30, 2008 and the related consolidated statements of income and comprehensive income for each of the three-month and nine-month periods ended September 30, 2008 and 2007 and the consolidated statement of cash flows for the nine-month periods ended September 30, 2008 and 2007. These interim financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.

We previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of December 31, 2007, and the related consolidated statements of income, capitalization, common stockholder's equity, and cash flows for the year then ended (not presented herein), and in our report dated February 28, 2008, except as to the error correction described in Note 1, which is as of November 24, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet information as of December 31, 2007, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

As discussed in Note 1 to the consolidated financial statements, the Company has restated its 2008 and 2007 financial statements to correct an error.

PricewaterhouseCoopers LLP  
Cleveland, Ohio  
November 6, 2008, except as to the error correction described in Note  
1,  
which is as of November 24, 2008.





## THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
(Unaudited)

	Three Months Ended September 30		Nine Months Ended Septmeber 30	
	2008	2007	2008	2007
	(In thousands)			
<b>REVENUES:</b>				
Electric sales	\$ 505,425	\$ 510,577	\$ 1,342,327	\$ 1,366,396
Excise tax collections	18,652	18,514	53,447	53,009
Total revenues	524,077	529,091	1,395,774	1,419,405
<b>EXPENSES:</b>				
Fuel	-	12,160	-	39,683
Purchased power	211,445	216,194	590,300	575,520
Other operating costs	66,342	85,114	194,119	243,140
Provision for depreciation	17,677	18,913	54,497	56,094
Amortization of regulatory assets	48,155	42,077	124,936	110,253
Deferral of new regulatory assets	(16,176)	(37,692)	(71,443)	(114,708)
General taxes	36,722	37,930	109,230	110,922
Total expenses	364,165	374,696	1,001,639	1,020,904
<b>OPERATING INCOME</b>	<b>159,912</b>	<b>154,395</b>	<b>394,135</b>	<b>398,501</b>
<b>OTHER INCOME (EXPENSE):</b>				
Investment income	8,390	13,805	25,972	47,816
Miscellaneous income (expense)	(1,114)	(760)	(1,319)	3,197
Interest expense	(31,024)	(34,423)	(94,479)	(107,430)
Capitalized interest	200	309	584	655
Total other expense	(23,548)	(21,069)	(69,242)	(55,762)
<b>INCOME BEFORE INCOME TAXES</b>	<b>136,364</b>	<b>133,326</b>	<b>324,893</b>	<b>342,739</b>
<b>INCOME TAXES</b>	<b>42,977</b>	<b>54,610</b>	<b>107,082</b>	<b>131,525</b>
<b>NET INCOME</b>	<b>93,387</b>	<b>78,716</b>	<b>217,811</b>	<b>211,214</b>

OTHER COMPREHENSIVE  
INCOME (LOSS):

Pension and other postretirement benefits	(213)	1,202	(639)	3,607
Income tax expense (benefit) related to other comprehensive income	(130)	356	(239)	1,068
Other comprehensive income (loss), net of tax	(83)	846	(400)	2,539

TOTAL COMPREHENSIVE INCOME	\$ 93,304	\$ 79,562	\$ 217,411	\$ 213,753
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The accompanying Notes to Consolidated Financial Statements as they relate to The Cleveland Electric Illuminating Company are an integral part of these statements.

## THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

## CONSOLIDATED BALANCE SHEETS

(Unaudited)

September 30,  
2008December 31,  
2007

(In thousands)

## ASSETS

## CURRENT ASSETS:

Cash and cash equivalents	\$	237	\$	232
Receivables-				
Customers (less accumulated provisions of \$6,907,000 and \$7,540,000 respectively, for uncollectible accounts)		292,735		251,000
Associated companies		122,210		166,587
Other		4,151		12,184
Notes receivable from associated companies		21,682		52,306
Prepayments and other		2,373		2,327
		443,388		484,636

## UTILITY PLANT:

In service		2,180,347		2,256,956
Less - Accumulated provision for depreciation		836,058		872,801
		1,344,289		1,384,155
Construction work in progress		44,392		41,163
		1,388,681		1,425,318

## OTHER PROPERTY AND INVESTMENTS:

Investment in lessor notes		425,717		463,431
Other		10,260		10,285
		435,977		473,716

## DEFERRED CHARGES AND OTHER ASSETS:

Goodwill		1,688,521		1,688,521
Regulatory assets		796,475		870,695
Pension assets		68,548		62,471
Property taxes		76,000		76,000
Other		9,036		32,987
		2,638,580		2,730,674
	\$	4,906,626	\$	5,114,344

## LIABILITIES AND CAPITALIZATION

## CURRENT LIABILITIES:

Currently payable long-term debt	\$	207,312	\$	207,266
Short-term borrowings-				
Associated companies		367,422		531,943
Accounts payable-				

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Associated companies	124,335	169,187
Other	5,704	5,295
Accrued taxes	70,515	94,991
Accrued interest	37,885	13,895
Other	41,366	34,350
	854,539	1,056,927
<b>CAPITALIZATION:</b>		
Common stockholder's equity-		
Common stock, without par value, authorized 105,000,000 shares - 67,930,743 shares outstanding		
	878,199	873,536
Accumulated other comprehensive loss	(69,529)	(69,129)
Retained earnings	793,238	685,428
Total common stockholder's equity	1,601,908	1,489,835
Long-term debt and other long-term obligations	1,447,718	1,459,939
	3,049,626	2,949,774
<b>NONCURRENT LIABILITIES:</b>		
Accumulated deferred income taxes	727,615	725,523
Accumulated deferred investment tax credits	13,442	18,567
Retirement benefits	95,931	93,456
Deferred revenues - electric service programs	9,594	27,145
Lease assignment payable to associated companies	40,827	131,773
Other	115,052	111,179
	1,002,461	1,107,643
<b>COMMITMENTS AND CONTINGENCIES (Note 11)</b>		
	\$ 4,906,626	\$ 5,114,344

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

## THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

	Nine Months Ended September 30	
	Restated 2008	Restated 2007
	(In thousands)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 217,811	\$ 211,214
Adjustments to reconcile net income to net cash from operating activities-		
Provision for depreciation	54,497	56,094
Amortization of regulatory assets	124,936	110,253
Deferral of new regulatory assets	(71,443)	(114,708)
Deferred rents and lease market valuation liability	-	(46,327)
Deferred income taxes and investment tax credits, net	4,623	(40,964)
Accrued compensation and retirement benefits	(3,291)	2,575
Pension trust contribution	-	(24,800)
Decrease (increase) in operating assets-		
Receivables	43,927	140,359
Prepayments and other current assets	(37)	661
Increase (decrease) in operating liabilities-		
Accounts payable	(4,443)	(303,210)
Accrued taxes	(19,613)	17,301