

FIRSTENERGY CORP
Form 35-CERT
August 29, 2003

SEC File No. 70-10122

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

CERTIFICATE PURSUANT TO
RULE 24
OF PARTIAL COMPLETION OF
TRANSACTIONS

FirstEnergy Corp.

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In the matter of           :
FirstEnergy Corp.         :      Certificate Pursuant
                           :      to Rule 24 of Partial
                           :      Completion of
                           :      Transactions
                           :
SEC File No. 70-10122     :
(Public Utility Holding Company Act :
of 1935)                  :
-----:

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TO THE MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION:

The undersigned, FirstEnergy Corp. (FirstEnergy) hereby certifies pursuant to Rule 24 of the Rules and Regulations under the Public Utility Holding Company Act of 1935 (the Act), that certain of the transactions proposed in the Applications, as amended, filed in SEC File No. 70-10122 have been carried out in accordance with the Commission's Order dated June 30, 2003 as follows:

- (1) During the period April 1, 2003 through June 30, 2003, there were no sales of common stock or Preferred Securities by FirstEnergy.
- (2) FirstEnergy issued 369,705 shares of common stock pursuant to options granted under employee benefit plans and dividend reinvestment plans during the second quarter of 2003.

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(3) During the period April 1, 2003 through June 30, 2003, no FirstEnergy common stock was transferred to a seller of securities of a company being acquired.

(4) During the period April 1, 2003 through June 30, 2003, there were no Long-term Debt and Preferred Securities issued by FirstEnergy. FirstEnergy issued the following Short-term Debt during the second quarter of 2003:

| | Transaction Date | Maturity Date | Rate | Transaction Amount | Loan B |
|---------------------------------|---------------------|------------------|------|-----------------------|----------|
| | ----- | ----- | ---- | ----- | ----- |
| CitiBank (FirstEnergy Revolver) | | | | | |
| ----- | | | | | |
| FirstEnergy | 4/4/2003 | 5/6/2003 | 2.49 | \$75,000,000.00 | \$75,16 |
| FirstEnergy | 4/7/2003 | 5/7/2003 | 2.49 | \$340,000,000.00 | \$340,70 |
| FirstEnergy | 4/10/2003 | 5/12/2003 | 2.44 | \$80,000,000.00 | \$80,17 |
| FirstEnergy | 4/25/2003 | 5/2/2003 | 2.55 | \$25,000,000.00 | \$25,01 |
| FirstEnergy | 4/28/2003 | 5/28/2003 | 2.55 | \$85,000,000.00 | \$85,18 |
| FirstEnergy | 5/1/2003 | 5/15/2003 | 2.55 | \$150,000,000.00 | \$150,14 |
| FirstEnergy | 5/12/2003 | 5/20/2003 | 2.31 | \$20,000,000.00 | \$20,01 |
| FirstEnergy | 5/6/2003 | 5/20/2003 | 2.55 | \$35,000,000.00 | \$35,03 |
| FirstEnergy | 5/12/2003 | 5/20/2003 | 2.38 | \$145,000,000.00 | \$145,07 |
| FirstEnergy | 5/7/2003 | 5/21/2003 | 2.49 | \$340,000,000.00 | \$340,32 |
| FirstEnergy | 5/20/2003 | 5/27/2003 | 2.44 | \$20,000,000.00 | \$20,00 |
| FirstEnergy | 5/20/2003 | 5/30/2003 | 2.50 | \$145,000,000.00 | \$145,10 |
| FirstEnergy | 5/15/2003 | 6/5/2003 | 2.49 | \$335,000,000.00 | \$335,48 |
| FirstEnergy | 5/20/2003 | 6/10/2003 | 2.50 | \$155,000,000.00 | \$155,22 |
| FirstEnergy | 5/28/2003 | 6/11/2003 | 2.49 | \$85,000,000.00 | \$85,08 |
| FirstEnergy | 5/21/2003 | 6/20/2003 | 2.49 | \$340,000,000.00 | \$340,70 |
| FirstEnergy | 5/30/2003 | 6/30/2003 | 2.50 | \$125,000,000.00 | \$125,26 |
| FirstEnergy | 6/17/2003 | 7/1/2003 | 2.38 | \$130,000,000.00 | \$130,12 |
| FirstEnergy | 6/5/2003 | 7/7/2003 | 2.55 | \$335,000,000.00 | \$335,75 |
| FirstEnergy | 6/30/2003 | 7/7/2003 | 2.31 | \$185,000,000.00 | \$185,08 |
| FirstEnergy | 6/27/2003 | 7/11/2003 | 2.24 | \$405,000,000.00 | \$405,35 |
| FirstEnergy | 6/23/2003 | 7/23/2003 | 2.19 | \$110,000,000.00 | \$110,20 |
| FirstEnergy | 6/30/2003 | 7/23/2003 | 2.30 | \$65,000,000.00 | \$65,09 |
| FirstEnergy | 6/25/2003 | 7/25/2003 | 2.24 | \$50,000,000.00 | \$50,09 |

1

(5) During the period April 1, 2003 through June 30, 2003, the following short-term debt was issued by the Utility Subsidiaries:

| | Transaction Date | Maturity Date | Rate | Transaction Amount | Loan B |
|---|---------------------|------------------|------|-----------------------|---------|
| | ----- | ----- | ---- | ----- | ----- |
| FirstMerit (Ohio Edison Company (OE) Bi-Lateral Facility) | | | | | |
| ----- | | | | | |
| OE | 4/18/2003 | 4/21/2003 | 2.06 | \$5,500,000.00 | \$5,50 |
| OE | 5/2/2003 | 5/5/2003 | 2.00 | \$14,000,000.00 | \$14,00 |
| OE | 5/6/2003 | 5/7/2003 | 2.00 | \$14,000,000.00 | \$14,00 |

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| | | | | | |
|----|-----------|-----------|------|-----------------|-----------------|
| OE | 5/27/2003 | 5/28/2003 | 1.94 | \$14,000,000.00 | \$14,000,000.00 |
| OE | 6/30/2003 | 7/1/2003 | 2.13 | \$14,000,000.00 | \$14,000,000.00 |

KeyBank (OE Bi-Lateral Facility)

| | | | | | |
|-------|-----------|-----------|------|-----------------|-----------------|
| ----- | | | | | |
| OE | 5/2/2003 | 5/5/2003 | 2.25 | \$5,000,000.00 | \$5,000,000.00 |
| OE | 5/6/2003 | 5/7/2003 | 2.25 | \$6,000,000.00 | \$6,000,000.00 |
| OE | 5/27/2003 | 5/28/2003 | 2.31 | \$3,000,000.00 | \$3,000,000.00 |
| OE | 6/2/2003 | 6/3/2003 | 2.34 | \$10,000,000.00 | \$10,000,000.00 |
| OE | 6/3/2003 | 6/4/2003 | 2.25 | \$10,000,000.00 | \$10,000,000.00 |
| OE | 6/4/2003 | 6/5/2003 | 2.22 | \$10,000,000.00 | \$10,000,000.00 |
| OE | 6/6/2003 | 6/9/2003 | 2.25 | \$5,000,000.00 | \$5,000,000.00 |
| OE | 6/23/2003 | 6/24/2003 | 2.24 | \$7,000,000.00 | \$7,000,000.00 |
| OE | 6/25/2003 | 6/26/2003 | 2.03 | \$13,000,000.00 | \$13,000,000.00 |

Under the Utility Money Pool, the principal balance of borrowings at the end of the second quarter of 2003 and average interest rate during the second quarter of 2003 are as follows:

| Regulated Money Pool Loan to/(from): | Average Interest Rate | Principal Balance |
|---|--------------------------|----------------------|
| ----- | ----- | ----- |
| OE | 1.4064% | \$293,711,191 |
| Pennsylvania Power Company (Penn) | 1.4064% | 3,342,605 |
| The Cleveland Electric Illuminating Company (CEI) | 1.4064% | (320,225,640) |
| The Toledo Edison Company (TE) | 1.4064% | (275,634,003) |
| American Transmission Systems, Incorporated (ATSI) | 1.4064% | 55,237,754 |
| Jersey Central Power & Light Company (JCP&L) | 1.4064% | (193,030,052) |
| Metropolitan Edison Company (Met-Ed) | 1.4064% | 6,958,723 |
| Pennsylvania Electric Company (Penelec) | 1.4064% | 24,019,135 |
| York Haven Power Company | 1.4064% | 7,726,954 |

(6) During the second quarter of 2003, there were no financings consummated by any Non-Utility subsidiary that were not exempt under rule 52.

(7) During the second quarter of 2003, the following guarantees were made by FirstEnergy to support activities of its subsidiary, FirstEnergy Solutions Corp. (FES):

2

| Beneficiary | Amount | Terms | Purpose of Guarantee |
|--------------------------|-----------|-------|-------------------------|
| ----- | ----- | ----- | ----- |
| FES (Trading - Electric) | | | |
| ----- | | | |
| BP Energy | 3,000,000 | (a) | (b) |
| Carolina Power & Light | 4,500,000 | (a) | (b) |
| Cinergy Services | 5,000,000 | (a) | (b) |
| Constellation New Energy | 1,500,000 | (a) | (b) |
| DTE Energy Trading | 2,000,000 | (a) | (b) |

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| | | | |
|----------------------|------------|-----|-----|
| Meyersdale Windpower | 1,800,000 | (a) | (b) |
| PJM Interconnection | 20,000,000 | (a) | (b) |
| Public Service | 40,000,000 | (a) | (b) |
| Sempra Energy | 7,500,000 | (a) | (b) |

FE Services- HVAC

| | | | |
|--------------|------------|-----------|-----|
| Elliot Lewis | 10,000,000 | 18 months | (c) |
|--------------|------------|-----------|-----|

- (a) Such guarantees are issued for a one-year term, with a ten-day termination right by FirstEnergy
- (b) Parental guarantees issued by FirstEnergy to provide credit support for electric power and natural gas purchases by subsidiary
- (c) Performance backstop for Drexel University Contract

The following Letters of Credits (LOC) were issued during the second quarter of 2003:

| Beneficiary ----- | Amount ----- | Purpose of LOC ----- |
|--|-----------------|----------------------------|
| FirstEnergy Deutsche Bank Trust Company Americas | \$50,000,000 | (a) |

- (a) Guarantees the obligations of GPU Capital, Inc. to the Indemnified Parties under the Indemnity Agreement between GPU Capital, Inc., ABB Switzerland Holding Ltd., ABB Venture Equity, GPU Power, Inc.

(8) During the Second Quarter of 2003, FirstEnergy Corp.'s utility subsidiary Ohio Edison Company entered into four (4) transactions designed to hedge the fair value of a portion of Ohio Edison Company's fixed-rate long-term debt portfolio against decreases in interest rates. The hedge structures are fixed - for - floating interest rate swaps, whereby Ohio Edison Company will receive fixed payments equivalent to the fixed coupon rates of the bonds being hedged, and pay floating rate payments based on the 6-month London Interbank Offering Rate (LIBOR) plus an applicable spread. The notional amounts, counterparties, and principal terms of the fair value hedges are filed pursuant to request for confidential treatment.

(9) Investments made during the second quarter of 2003 in any intermediate subsidiary or financing subsidiary are as follows:

| Company ----- | Investment ----- (In Thousands \$) |
|------------------------|--|
| Dunbar Mechanical Inc. | \$1,000 |

(10) During the second quarter of 2003 FirstEnergy filed the following U-6B-2 forms:

| Company ----- | Filing Date ----- |
|------------------|----------------------|
| JCP&L | May 29, 2003 |

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(11) OE and JCP&L engaged in jurisdictional financing transactions during the second quarter of 2003. Consolidated balance sheets of OE and JCP&L for the quarter ended June 30, 2003 are incorporated by reference to OE's and JCP&L's Form 10-Q Quarterly Report to SEC for the quarter ended June 30, 2003 (File No. 1-2578 and 1-3141, respectively).

(12) The following table presented in thousands, provides the capital structure of FirstEnergy on a consolidated basis and each Utility Subsidiary as of the end of the second quarter 2003.

| FirstEnergy | Amount | Ratio |
|----------------------|--------------|---------|
| ----- | ----- | ----- |
| Common Equity | \$7,124,751 | 33.32% |
| Preferred Stock | 640,224 | 3.00% |
| Long-Term Debt | 12,565,943 | 58.79% |
| Short-Term Debt | 1,045,067 | 4.89% |
| | ----- | ----- |
| Total Capitalization | \$21,375,985 | 100.00% |
| | ----- | ----- |
| OE | | |
| -- | | |
| Common Equity | \$2,645,490 | 52.33% |
| Preferred Stock | 114,320 | 2.26% |
| Long-Term Debt | 2,106,669 | 41.67% |
| Short-Term Debt | 189,072 | 3.74% |
| | ----- | ----- |
| Total Capitalization | \$5,055,551 | 100.00% |
| | ----- | ----- |
| CEI | | |
| --- | | |
| Common Equity | \$1,290,847 | 31.91% |
| Preferred Stock | 202,421 | 5.00% |
| Long-Term Debt | 2,212,847 | 54.71% |
| Short-Term Debt | 338,804 | 8.38% |
| | ----- | ----- |
| Total Capitalization | \$4,044,919 | 100.00% |
| | ----- | ----- |
| TE | | |
| -- | | |
| Common Equity | \$707,465 | 39.81% |
| Preferred Stock | 126,000 | 7.09% |
| Long-Term Debt | 662,343 | 37.27% |
| Short-Term Debt | 281,245 | 15.83% |
| | ----- | ----- |
| Total Capitalization | \$1,777,053 | 100.00% |
| | ----- | ----- |
| Penn | | |
| ---- | | |
| Common Equity | \$198,510 | 39.50% |
| Preferred Stock | 53,355 | 10.61% |
| Long-Term Debt | 250,804 | 49.89% |
| Short-Term Debt | - | -% |
| | ----- | ----- |
| Total Capitalization | \$502,669 | 100.00% |
| | ----- | ----- |

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JCP&L

| | | |
|----------------------|-------------|---------|
| ----- | | |
| Common Equity | \$3,092,677 | 66.29% |
| Preferred Stock | 12,649 | 0.27% |
| Long-Term Debt | 1,364,459 | 29.24% |
| Short-Term Debt | 196,126 | 4.20% |
| ----- | | |
| Total Capitalization | \$4,665,911 | 100.00% |
| ----- | | |

4

Met-Ed

| | | |
|----------------------|-------------|---------|
| ----- | | |
| Common Equity | \$1,289,156 | 64.06% |
| Preferred Stock | 92,513 | 4.60% |
| Long-Term Debt | 610,018 | 30.31% |
| Short-Term Debt | 20,665 | 1.03% |
| ----- | | |
| Total Capitalization | \$2,012,352 | 100.00% |
| ----- | | |

Penelec

| | | |
|----------------------|-------------|---------|
| ----- | | |
| Common Equity | \$1,297,506 | 68.74% |
| Preferred Stock | 92,321 | 4.89% |
| Long-Term Debt | 470,164 | 24.91% |
| Short-Term Debt | 27,569 | 1.46% |
| ----- | | |
| Total Capitalization | \$1,887,560 | 100.00% |
| ----- | | |

(13) The following table presented in thousands provides retained earnings analysis of FirstEnergy on a consolidated basis and each Utility Subsidiary as of the end of the second quarter 2003.

| | FirstEnergy | OE | CEI | TE |
|-----------------------------------|-------------|------------|-----------|-----------|
| | ----- | ----- | ----- | ----- |
| Balance, December 31, 2002 | | | | |
| (Restated) | \$1,634,981 | \$800,021 | \$262,323 | \$ 76,978 |
| Net Income | 160,614 | 134,135 | 66,990 | 14,438 |
| Cash Dividends on Preferred Stock | - | (1,318) | (3,726) | (4,422) |
| Cash Dividends on Common Stock | (220,442) | (285,000) | - | - |
| Other | - | - | 2,621 | 1,807 |
| ----- | | | | |
| Balance, June 30, 2003 | \$1,575,153 | \$647,838 | \$328,208 | \$ 88,801 |
| ----- | | | | |
| | Penn | JCP&L | Met-Ed | Penelec |
| | ----- | ----- | ----- | ----- |
| Balance, December 31, 2002 | \$50,916 | \$92,003 | \$17,841 | \$32,705 |
| Net Income | 9,286 | 10,238 | 29,889 | 13,594 |
| Cash Dividends on Preferred Stock | (1,823) | (250) | - | - |
| Cash Dividends on Common Stock | (26,000) | (128,000) | (20,000) | (16,000) |
| Other | - | 613 | (1) | - |
| ----- | | | | |
| Balance, June 30, 2003 | \$32,379 | \$(25,396) | \$27,729 | \$30,299 |
| ----- | | | | |

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(14) During the second quarter of 2003, there was no change to the ratings of FirstEnergy or its Utility Subsidiaries by any of the nationally recognized credit rating agencies.

(15) FirstEnergy's aggregate investment includes all amounts invested, or commitments to be invested, in foreign utility companies (FUCOs) and exempt wholesale generators (EWGs), for which there is recourse, directly or indirectly, to the registered holding company. Accordingly, FirstEnergy's aggregate investment as of June 30, 2003 is as follows:

| | (In Thousands) |
|--|----------------|
| ----- | |
| FUCOs | |
| ----- | |
| Midlands Electricity plc | \$ 64,200 |
| Emdersa | - * |
| | ----- |
| Subtotal | 64,200 |
| | ----- |
| | |
| EWGs | |
| ----- | |
| FE Generation Corp. | \$ 835,554 |
| GPU Power, Inc. | 157,063 |
| | ----- |
| Subtotal | 992,617 |
| | ----- |
| Aggregate Investment in FUCOs and EWGs | \$1,056,817 |
| | ===== |

* In April 2003, FirstEnergy divested its ownership in Emdersa through the abandonment of its shares in Emdersa's parent company, GPU Argentina Holdings, Inc. The abandonment involved the tendering of FirstEnergy's shares in GPU Argentina Holdings back to that company.

Aggregate Investment as a Percentage of FirstEnergy and Subsidiary Companies:

| | | |
|-------------------------------|---------------|------|
| Total capitalization | \$ 21,375,985 | 4.9% |
| Net utility plant | \$ 12,914,236 | 8.2% |
| Total consolidated assets | \$ 34,024,540 | 3.1% |
| Market value of common equity | \$ 11,444,115 | 9.2% |

(16) Set forth below is a summary of the direct or indirect investments as defined in SEC Rule 53(a) by FirstEnergy, as of June 30, 2003 in EWGs and FUCOs, as well as the percentage of equity ownership.

| Associate Company | FUCO or EWG | First Energy's Investment at 6/30/03 (\$000)** | First Energy's Equity Owner- ship | % Owners not affilia FirstEnergy |
|----------------------|-------------------|--|---|-------------------------------------|
| ----- | ----- | ----- | ----- | ----- |
| | | | | Name of Entity |
| | | | | ----- |

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| | | | | |
|---|------|---------|---------|--|
| Empresa | EWG | 30,151* | 50.001% | AFP Prevision BBV |
| Guaracachi S.A. | | | | AFP Futuro de Bolivia |
| Guaracachi America, Inc. | EWG | 54,676* | 100% | Not Applicable |
| GPU Power, Inc. | EWG | 157,063 | 100% | Not Applicable |
| EI International | EWG | 1,612* | 100% | Not Applicable |
| GPUI Colombia, Ltda. | EWG | 2,110* | 100% | Not Applicable |
| Midlands Domestic Holdings LLC Electricity plc (Midlands) | FUCO | 64,200 | 20.1% | Aquila Sterling |
| Termobarranquilla S.A. | EWG | 92,156* | 28.67% | ABB Energy Ventures, Inc. Lancaster Steel Distral Group Corp. Electrica De la Costa Atlantica |
| EI Barranquilla, Inc. | EWG | 48,809* | 100% | Not Applicable |

6

| Associate Company | FUCO or EWG | First Energy's Investment at 6/30/03 (\$000)** | First Energy's Equity Ownership | % Owners not affiliated with FirstEnergy Name of Entity |
|--|-------------|--|---------------------------------|--|
| Barranquilla Lease Holdings, Inc. | EWG | 47,478* | 100% | Not Applicable |
| Los Amigos Leasing Company, Ltd. | EWG | 12* | 100% | Not Applicable |
| International Power Advisors, Inc. | EWG | 3,962* | 100% | Not Applicable |
| Empresa Distribuidora Electrica Regional, S.A. | | | | |

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| | | | | |
|--|------|-------------|------|----------------|
| (EMDERSA) | FUCO | - | 0% | Not Applicable |
| FE Generation Corp. | EWG | 835,554 | 100% | Not Applicable |
| | | ----- | | |
| Total Aggregate Investment in EWGs & FUCOs * | | \$1,056,817 | | |
| | | ===== | | |

(*) FirstEnergy's aggregate investment does not include the items shown with asterisks in order to avoid duplication.

(**) Aggregate investment amounts reflected here do not include any goodwill or other fair value adjustments.

As of June 30, 2003, FirstEnergy also owned, directly or indirectly, a 100% interest in each of the following EWGs, in which its aggregate investment did not exceed \$10,000: GPU Power Philippines, Inc.

(17) FirstEnergy and Subsidiary Companies Consolidated Capitalization Ratios as of June 30, 2003:

| | Amount (000's) | % |
|--|----------------|--------|
| | ----- | - |
| Common equity | \$ 7,124,751 | 33.3 |
| Cumulative preferred stock | 355,390 | 1.7 |
| Subsidiary-obligated mandatory redeemable preferred securities | 284,834 | 1.3 |
| Subsidiary-obligated trust preferred securities | - | - |
| Long-term debt | 12,565,943 | 58.8 |
| Notes payable | 1,045,067 | 4.9 |
| | ----- | ----- |
| Total capitalization | \$ 21,375,985 | 100.0% |
| | ===== | ===== |

7

(18) Market-to-book ratio of FirstEnergy and Subsidiary Companies common stock at June 30, 2003:

| | |
|--------------------------------------|---------|
| Closing Market Price per Share | \$38.45 |
| Book Value per Share | \$24.16 |
| Market-to Book Ratio of Common Stock | 159.1% |

(19) No new EWG/FUCO project covered by the Modified Rule 53 Test in which Firstenergy has invested or committed to invest during the second quarter of 2003.

(20) Analysis of Growth in Retained Earnings for FirstEnergy and Subsidiary Companies:

| | |
|----------------------------------|----------------|
| | (In Thousands) |
| | ----- |
| Retained Earnings as of 06/30/03 | \$1,575,153 |

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| | |
|-----------------------------------|-------------|
| Retained Earnings as of 12/31/02* | 1,634,981 |
| | ----- |
| Decrease in Retained Earnings | \$ (59,828) |
| | ===== |

Analysis of Decrease in Retained Earnings:

| | |
|--|-------------|
| Income contribution from regulated utility companies | \$ 272,654 |
| Loss from FUCOs/EWGs | (43,888) |
| Income contribution from all other companies | 8,237 |
| FirstEnergy Holding and Service companies | (76,488) |
| Cash dividends declared on common stock | (220,443) |
| | ----- |
| Decrease in Retained Earnings | \$ (59,828) |
| | ===== |

* Retained Earnings as of 12/31/02 restated per Amendment No. 2 of FirstEnergy 2002 Form 10-K/A.

(21) Statements of Operations for the period ended June 30, 2003 for the following Project Parents and Exempt Entities will be filed separately under a request for confidential treatment under Rule 104 (b):

Termobarranquilla, S.A.
 GPUI Colombia, Ltda.
 Empresa Guaracachi, S.A.
 FirstEnergy Generation Corp.

SIGNATURE

The undersigned registered holding company has duly caused this quarterly report to be signed on its behalf by the undersigned officer thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

FIRSTENERGY CORP.

August 29, 2003

By: /s/ Harvey L. Wagner

 Harvey L. Wagner
 Vice President, Controller
 and Chief Accounting Officer
 (Principal Accounting Officer)