

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

FIRSTENERGY CORP  
Form 35-CERT  
August 27, 2002

SEC File No. 70-9793

And

SEC FILE NO. 70-9941

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. 70-9793      :
SEC File No. 70-9941      :
(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. 70-9793 and SEC File No. 70-9941, respectively, have been carried out in accordance with the Commission's Orders dated with respect to the said Applications as follows:

1. During the period April 1, 2002 through June 30, 2002, there were no sales of common stock or Preferred Securities by FirstEnergy.
2. FirstEnergy issued 3,429,950 shares of common stock pursuant to options granted under employee benefit plans and dividend reinvestment plans during the second quarter of 2002.
3. During the period April 1, 2002 through June 30, 2002, no FirstEnergy common stock was transferred to a seller of securities of a company being acquired.

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4. During the second quarter of 2002, the following guarantees were made by FirstEnergy to support activities of its subsidiaries, FirstEnergy Solutions Corp. (FE Solutions), FirstEnergy Facilities Services Group, LLC (FE Facilities), FirstEnergy Ventures Corp (FE Ventures) and FirstEnergy Generation Corp. (FE Generation):

| Beneficiary<br>-----                         | Amount<br>----- | Terms<br>----- | Purpose of<br>Guarantee<br>----- |
|--|-----------------|----------------|----------------------------------|
| FE Solutions (Trading - Electric)<br>-----   |                 |                |                                  |
| Mirant Energy                                | 2,000,000       | (a)            | (b)                              |
| Northern Indiana Public Svc                  | 500,000         | (a)            | (b)                              |
| FE Solutions (Trading - Gas)<br>-----        |                 |                |                                  |
| FIMAT  | 25,000,000      | (a)            | (b)                              |
| NJR Energy Services                          | 12,000,000      | (a)            | (b)                              |
| NUI Energy Brokers                           | 1,000,000       | (a)            | (b)                              |
| FE Generation (Fuel Marketing/Coal)<br>----- |                 |                |                                  |
| NRG Power Marketing                          | 4,000,000       | (a)            | (c)                              |
| FE Solutions (Retail)<br>-----               |                 |                |                                  |
| Cincinnati Gas & Electric                    | 3,600,000       | (a)            | (d)                              |

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|  |            |          |     |
|--|------------|----------|-----|
| Pennsylvania Economic<br>Financing Authority | 15,000,000 | 26 Years | (e) |
|--|------------|----------|-----|

(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) Credit backstop to support coal and emission trading

(d) Credit requirement in non-FirstEnergy service territories

(e) Credit backstop for GENCO Bond Issuance

5. During the period April 1, 2002 through June 30, 2002, the FirstEnergy Companies issued the following indebtedness:

|                                 | Transaction<br>Date<br>----- | Maturity<br>Date<br>----- | Rate<br>----- | Transaction<br>Amount<br>----- | Loan Balance<br>----- |
|---------------------------------|------------------------------|---------------------------|---------------|--------------------------------|-----------------------|
| CitiBank (FE Revolver)<br>----- |                              |                           |               |                                |                       |
| FirstEnergy Holding             | 4/5/02                       | 4/8/02                    | 4.75          | \$5,000,000                    | \$5,001,952           |
| FirstEnergy Holding             | 4/11/02                      | 4/18/02                   | 2.93          | \$20,000,000                   | \$470,267,313         |
| FirstEnergy Holding             | 4/30/02                      | 5/7/02                    | 3.05          | \$60,000,000                   | \$60,035,583          |
| FirstEnergy Holding             | 4/30/02                      | 5/30/02                   | 2.88          | \$40,000,000                   | \$40,095,833          |
| FirstEnergy Holding             | 5/16/02                      | 5/23/02                   | 2.93          | \$160,000,000                  | \$160,091,000         |
| FirstEnergy Holding             | 5/20/02                      | 5/29/02                   | 2.93          | \$45,000,000                   | \$45,032,906          |
| FirstEnergy Holding             | 5/28/02                      | 5/29/02                   | 2.93          | \$30,000,000                   | \$30,002,438          |
| FirstEnergy Holding             | 5/29/02                      | 5/30/02                   | 4.93          | \$358,000,000                  | \$358,048,305         |
| FirstEnergy Holding             | 5/30/02                      | 6/13/02                   | 3.00          | \$100,000,000                  | \$140,163,333         |

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|                     |         |         |      |               |               |
|---------------------|---------|---------|------|---------------|---------------|
| FirstEnergy Holding | 5/31/02 | 6/3/02  | 4.93 | \$381,000,000 | \$381,154,227 |
| FirstEnergy Holding | 5/31/02 | 6/20/02 | 3.00 | \$210,000,000 | \$210,350,000 |
| FirstEnergy Holding | 6/3/02  | 6/10/02 | 2.93 | \$45,000,000  | \$45,025,594  |
| FirstEnergy Holding | 6/20/02 | 7/5/02  | 2.93 | \$130,000,000 | \$215,262,031 |
| FirstEnergy Holding | 6/21/02 | 7/12/02 | 2.93 | \$120,000,000 | \$120,204,750 |
| FirstEnergy Holding | 6/26/02 | 7/17/02 | 2.93 | \$50,000,000  | \$50,085,313  |
| FirstEnergy Holding | 6/28/02 | 7/29/02 | 2.93 | \$80,000,000  | \$80,201,500  |

CitiBank (OE Revolver)

|             |         |         |      |               |               |
|-------------|---------|---------|------|---------------|---------------|
| Ohio Edison | 4/1/02  | 4/2/02  | 4.88 | \$145,000,000 | \$145,019,366 |
| Ohio Edison | 5/9/02  | 5/23/02 | 2.60 | \$100,000,000 | \$180,182,000 |
| Ohio Edison | 5/31/02 | 6/14/02 | 2.60 | \$120,000,000 | \$120,121,333 |
| Ohio Edison | 6/10/02 | 6/11/02 | 4.88 | \$13,000,000  | \$13,001,736  |
| Ohio Edison | 6/24/02 | 6/25/02 | 4.88 | \$11,000,000  | \$11,001,469  |

FirstMerit (OE Bi-Lateral Facility)

|             |         |         |      |              |              |
|-------------|---------|---------|------|--------------|--------------|
| Ohio Edison | 4/5/02  | 4/8/02  | 2.44 | \$14,000,000 | \$14,002,844 |
| Ohio Edison | 4/25/02 | 4/26/02 | 2.60 | \$3,000,000  | \$3,000,217  |
| Ohio Edison | 4/26/02 | 4/29/02 | 2.56 | \$7,500,000  | \$10,502,242 |
| Ohio Edison | 4/29/02 | 4/30/02 | 2.56 | \$3,500,000  | \$14,000,997 |
| Ohio Edison | 5/7/02  | 5/8/02  | 2.50 | \$10,000,000 | \$10,000,694 |
| Ohio Edison | 5/9/02  | 5/10/02 | 2.50 | \$3,500,000  | \$3,500,243  |
| Ohio Edison | 5/10/02 | 5/13/02 | 2.50 | \$2,500,000  | \$6,001,250  |
| Ohio Edison | 5/15/02 | 5/16/02 | 2.63 | \$10,500,000 | \$10,500,766 |
| Ohio Edison | 5/17/02 | 5/20/02 | 2.44 | \$7,500,000  | \$14,002,844 |
| Ohio Edison | 5/24/02 | 5/28/02 | 2.44 | \$11,000,000 | \$14,003,792 |
| Ohio Edison | 5/30/02 | 5/31/02 | 2.63 | \$14,000,000 | \$14,001,021 |
| Ohio Edison | 6/3/02  | 6/4/02  | 2.56 | \$14,000,000 | \$14,000,997 |
| Ohio Edison | 6/6/02  | 6/7/02  | 2.50 | \$12,000,000 | \$12,000,833 |
| Ohio Edison | 6/7/02  | 6/10/02 | 2.44 | \$2,000,000  | \$14,002,844 |
| Ohio Edison | 6/12/02 | 6/13/02 | 2.50 | \$11,000,000 | \$11,000,764 |
| Ohio Edison | 6/14/02 | 6/17/02 | 2.50 | \$7,500,000  | \$14,002,917 |
| Ohio Edison | 6/20/02 | 6/21/02 | 2.44 | \$14,000,000 | \$14,000,948 |

KeyBank (Bi-Lateral Facility)

|             |         |         |      |              |              |
|-------------|---------|---------|------|--------------|--------------|
| Ohio Edison | 4/5/02  | 4/8/02  | 2.70 | \$20,000,000 | \$20,004,500 |
| Ohio Edison | 4/29/02 | 4/30/02 | 2.84 | \$7,500,000  | \$7,500,592  |
| Ohio Edison | 5/17/02 | 5/20/02 | 2.72 | \$4,000,000  | \$4,000,906  |

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|             |         |         |      |              |              |
|-------------|---------|---------|------|--------------|--------------|
| Ohio Edison | 5/20/02 | 5/21/02 | 2.75 | \$5,000,000  | \$9,000,688  |
| Ohio Edison | 5/22/02 | 5/23/02 | 2.69 | \$2,500,000  | \$3,500,261  |
| Ohio Edison | 5/24/02 | 5/28/02 | 2.72 | \$10,000,000 | \$10,003,021 |
| Ohio Edison | 6/3/02  | 6/4/02  | 2.81 | \$1,000,000  | \$1,000,078  |
| Ohio Edison | 6/7/02  | 6/10/02 | 2.72 | \$16,500,000 | \$16,503,738 |
| Ohio Edison | 6/10/02 | 6/11/02 | 2.78 | \$3,500,000  | \$20,001,545 |
| Ohio Edison | 6/24/02 | 6/25/02 | 2.81 | \$20,000,000 | \$20,001,563 |
| Ohio Edison | 6/28/02 | 7/1/02  | 3.00 | \$8,000,000  | \$8,002,000  |

6. During the period April 1, 2002 through June 30, 2002, the following short term debt was issued by the Utility Subsidiaries:

| Transaction Date | Maturity Date | Rate | Transaction Amount | Loan Balance |
|------------------|---------------|------|--------------------|--------------|
|------------------|---------------|------|--------------------|--------------|

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### ATSI-Intercompany Loan to:

|             |         |        |      |             |              |
|-------------|---------|--------|------|-------------|--------------|
| Ohio Edison | 4/30/02 | 5/1/02 | 2.29 | \$3,580,000 | \$43,136,843 |
| Ohio Edison | 5/31/02 | 6/1/02 | 2.40 | \$9,577,000 | \$52,803,464 |

### Ohio Edison - Intercompany Loan to:

|                    |         |        |      |              |               |
|--------------------|---------|--------|------|--------------|---------------|
| Cleveland Electric | 5/31/02 | 6/1/02 | 2.40 | 23,685,000   | \$173,076,221 |
| Toledo Edison      | 4/30/02 | 5/1/02 | 2.29 | \$21,212,000 | \$107,599,607 |
| Toledo Edison      | 5/31/02 | 6/1/02 | 2.40 | \$3,429,000  | \$98,985,174  |
| Toledo Edison      | 6/28/02 | 7/1/02 | 2.46 | \$34,995,000 | \$134,190,116 |

### PennPower - Intercompany Loan to:

|             |         |         |      |              |              |
|-------------|---------|---------|------|--------------|--------------|
| Ohio Edison | 4/30/02 | 5/1/02  | 2.29 | \$6,625,000  | \$7,632,546  |
| Ohio Edison | 5/30/02 | 5/31/02 | 2.40 | \$8,179,000  | \$15,827,327 |
| Ohio Edison | 5/31/02 | 6/1/02  | 2.40 | \$356,000    | \$16,184,404 |
| Ohio Edison | 6/28/02 | 7/1/02  | 2.46 | \$21,147,000 | \$37,368,889 |

### FirstEnergy Holding-Intercompany Loan to:

|             |         |         |      |              |               |
|-------------|---------|---------|------|--------------|---------------|
| JCP&L       | 5/15/02 | 5/20/02 | 2.40 | \$15,000,000 | \$15,004,990  |
| JCP&L       | 5/20/02 | 6/1/02  | 2.40 | \$45,000,000 | \$60,052,902  |
| JCP&L       | 6/3/02  | 6/11/02 | 2.46 | \$41,000,000 | \$101,116,299 |
| Met-Ed      | 6/3/02  | 6/6/02  | 2.46 | \$18,000,000 | \$121,152,468 |
| Ohio Edison | 4/30/02 | 5/1/02  | 2.29 | \$29,550,000 | \$105,310,018 |
| Penelec     | 4/11/02 | 4/18/02 | 2.29 | \$20,000,000 | \$58,139,135  |
| Penelec     | 4/18/02 | 5/1/02  | 2.29 | \$25,000,000 | \$83,207,922  |

7. During the second quarter of 2002, there were no financings consummated by any Non-Utility Subsidiary that were not exempt under rule 52.

8. During the Second Quarter of 2002, FirstEnergy Corp. entered into five (5) transactions designed to hedge the fair value of a portion of FirstEnergy Corp.'s long-term debt portfolio. The hedge structures are fixed - for - floating interest rate swaps, whereby FirstEnergy Corp. will receive fixed payments equivalent to the fixed coupons of the bonds being hedged, and pay floating rate payments based on the 6-month London Interbank Offering Rate (LIBOR) plus an applicable, negotiated spread. Four (4) of the five (5) hedges contain written options which give the counterparty the right to cancel the transactions at predetermined rates. The notional amounts, counterparties, and principal terms of the fair value hedges are filed pursuant to request for confidential treatment.

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9. Investments made during the second quarter 2002 in any intermediate subsidiary or financing subsidiary are as follows:

| Company                           | Investment        |
|-----------------------------------|-------------------|
| -----                             | -----             |
|                                   | (in Thousands \$) |
| Bay Shore Power Company           | \$16,400          |
| FE Facilities Services Group, LLC | 1,510             |
| MARBEL Holding Co.                | 10,624            |

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Centerior Funding Corp.

38,930

10. During the second quarter of 2002 FirstEnergy filed the following U-6B-2 forms:

| Company                                     | Filing Date    |
|---|----------------|
| Ohio Edison Company                         | April 15, 2002 |
| Ohio Edison Company                         | April 15, 2002 |
| Toledo Edison Company                       | April 15, 2002 |
| The Cleveland Electric Illuminating Company | April 15, 2002 |

11. Metropolitan Edison Company (Met-Ed) engaged in jurisdictional financing transactions during the second quarter of 2002. Consolidated balance sheets of Met-Ed for the quarter ended June 30, 2002 - incorporated by reference to Met-Ed's Form 10-Q Quarterly Report to SEC for the quarter ended June 30, 2002 (File No. 1-446)

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 2002.

| FirstEnergy Corp.    | Amount       | Ratio   |
|----------------------|--------------|---------|
| Common Equity        | \$7,565,454  | 33.67%  |
| Preferred Stock      | 1,099,132    | 4.89%   |
| Long Term Debt       | 13,149,059   | 58.52%  |
| Short Term Debt      | 655,409      | 2.92%   |
| Total Capitalization | \$22,469,054 | 100.00% |

| Ohio Edison          |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$2,738,794 | 52.09%  |
| Preferred Stock      | 335,070     | 6.37%   |
| Long Term Debt       | 1,963,892   | 37.35%  |
| Short Term Debt      | 219,669     | 4.19%   |
| Total Capitalization | \$5,257,425 | 100.00% |

| Cleveland Electric   |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$1,152,825 | 28.07%  |
| Preferred Stock      | 265,614     | 6.47%   |
| Long-Term Debt       | 2,563,905   | 62.43%  |
| Short-Term Debt      | 124,367     | 3.03%   |
| Total Capitalization | \$4,106,711 | 100.00% |

| Toledo Edison        |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$647,466   | 35.91%  |
| Preferred Stock      | 126,000     | 6.99%   |
| Long-Term Debt       | 895,354     | 49.66%  |
| Short-Term Debt      | 134,163     | 7.44%   |
| Total Capitalization | \$1,802,983 | 100.00% |

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Pennsylvania Power

|                      |           |         |
|----------------------|-----------|---------|
| -----                |           |         |
| Common Equity        | \$244,096 | 44.38%  |
| Preferred Stock      | 54,105    | 9.84%   |
| Long-Term Debt       | 251,807   | 45.78%  |
| Short-Term Debt      | -         | -%      |
| -----                |           | -----   |
| Total Capitalization | \$550,008 | 100.00% |
| -----                |           | -----   |

JCP&L

|                      |             |         |
|----------------------|-------------|---------|
| -----                |             |         |
| Common Equity        | \$3,193,708 | 64.91%  |
| Preferred Stock      | 188,037     | 3.82%   |
| Long-Term Debt       | 1,538,740   | 31.27%  |
| Short-Term Debt      | -           | -%      |
| -----                |             | -----   |
| Total Capitalization | \$4,920,485 | 100.00% |
| -----                |             | -----   |

Met-Ed

|                      |             |         |
|----------------------|-------------|---------|
| -----                |             |         |
| Common Equity        | \$1,297,636 | 62.03%  |
| Preferred Stock      | 92,304      | 4.41%   |
| Long-Term Debt       | 630,997     | 30.16%  |
| Short-Term Debt      | 71,152      | 3.40%   |
| -----                |             | -----   |
| Total Capitalization | \$2,092,089 | 100.00% |
| -----                |             | -----   |

Penelec

|                      |             |         |
|----------------------|-------------|---------|
| -----                |             |         |
| Common Equity        | \$1,316,387 | 65.52%  |
| Preferred Stock      | 92,107      | 4.58%   |
| Long-Term Debt       | 497,227     | 24.75%  |
| Short-Term Debt      | 103,488     | 5.15%   |
| -----                |             | -----   |
| Total Capitalization | \$2,009,209 | 100.00% |
| -----                |             | -----   |

Note: FirstEnergy's long-term debt and short-term debt are adjusted to include \$86 million and \$10.6 million, respectively, classified as "Liabilities Related to Assets Pending Sale" on the balance sheet.

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 2002.

|                                  | FirstEnergy<br>Corp. | Ohio<br>Edison | Cleveland<br>Electric | Toledo<br>Edison |
|----------------------------------|----------------------|----------------|-----------------------|------------------|
|                                  | -----                | -----          | -----                 | -----            |
| Balance, January 1, 2002         | \$1,521,805          | \$572,272      | \$150,183             | \$113,436        |
| Net Income                       | 349,803              | 174,186        | 82,056                | 22,335           |
| Cash Dividends on Pfd Stock      | 0                    | (5,193)        | (8,226)               | (5,635)          |
| Cash Dividends on Common Stock   | (219,602)            | (101,200)      | 0                     | (5,600)          |
| Premium on Pfd Stock Redemptions | 0                    | 0              | (3,150)               | (1,299)          |
|                                  | -----                | -----          | -----                 | -----            |
| Balance, June 30, 2002           | \$1,652,006          | \$640,065      | \$220,863             | \$123,237        |

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|                                  | Penn.<br>Power | JCP&L    | Met-Ed   | Penelec  |
|----------------------------------|----------------|----------|----------|----------|
| Balance, January 1, 2002         | \$35,398       | \$29,343 | \$14,617 | \$10,795 |
| Net Income                       | 29,959         | 97,359   | 38,785   | 25,392   |
| Cash Dividends on Pfd Stock      | (1,851)        | (1,184)  | 0        | 0        |
| Cash Dividends on Common Stock   | (7,800)        | (66,000) | (30,000) | (14,000) |
| Premium on Pfd Stock Redemptions | 0              | 0        | 0        | 0        |
| Balance, June 30, 2002           | \$55,706       | \$59,518 | \$23,402 | \$22,187 |

14. On April 4, 2002 Standard & Poor's affirmed the credit ratings of FirstEnergy Corp. and its seven subsidiary electric utility operating companies and revised FirstEnergy's Credit Outlook to Negative from Stable.

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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 27, 2002

By: /s/ Harvey L. Wagner

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

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