

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

FIRSTENERGY CORP
Form 35-CERT
March 28, 2003

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.

| | | |
|-------------------------------------|---|-----------------------|
| ----- | : | |
| 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) | : | |
| ----- | : | |

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.

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

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 October 1, 2002 through December 31, 2002, there were no sales of common stock or Preferred Securities by FirstEnergy.
2. FirstEnergy issued 817,213 shares of common stock pursuant to options granted under employee benefit plans and dividend reinvestment plans during the fourth quarter of 2002.
3. During the period October 1, 2002 through December 31, 2002, no FirstEnergy common stock was transferred to a seller of securities of a company being acquired.
4. During the fourth quarter of 2002, the following guarantees were made by FirstEnergy to support activities of its subsidiary, FirstEnergy Solutions Corp. (FES):

| Beneficiary ----- | Amount ----- | Terms ----- | Purpose of Guarantee ----- |
|-----------------------------------|-----------------|----------------|----------------------------------|
| FES (Trading - Electric) ----- | | | |
| BP Energy Trading | 12,000,000 | (a) | (b) |
| Dominion Energy Marketing | 7,000,000 | (a) | (b) |
| Edison Mission Marketing | 5,000,000 | (a) | (b) |
| Select Energy | 5,000,000 | (a) | (b) |
| Tenaska Power Services | 1,000,000 | (a) | (b) |
| FES (Trading - Gas) ----- | | | |
| Amerada Hess | 5,000,000 | (a) | (b) |
| BP Energy | 3,000,000 | (a) | (b) |
| Dominion Field Services | 1,500,000 | (a) | (b) |
| Noble Gas Marketing | 7,000,000 | (a) | (b) |
| ProLiance Energy | 3,000,000 | (a) | (b) |
| Tenaska Marketing Ventures | 2,000,000 | (a) | (b) |
| Vista Resources | 500,000 | (a) | (b) |
| WPS Energy Services | 2,000,000 | (a) | (b) |

1

- (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

The following Letters of Credits (LOC) were issued during the fourth quarter of 2002:

| Beneficiary ----- | Amount ----- | Purpose of LOC ----- |
|------------------------------------------------------------------------------------|-----------------|----------------------------|
| Pennsylvania Electric Company (Penelec) ----- | | |
| Pennsylvania Dept of Environment Bureau of Land Recycling & Waste Management | \$ 210,000 | (a) |

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

FES

National Fuel Gas Distribution Corp. \$3,267,000 (b)

(a) Collateral for the Harborcreek Ash Disposal Site in Erie, PA

(b) Collateral for Customer Balancing Aggregator Program

5. During the period October 1, 2002 through December 31, 2002, the FirstEnergy Companies issued the following indebtedness:

| | Transaction Date | Maturity Date | Rate | Transaction Amount | Loan B |
|-------------------------------------------------------|---------------------|------------------|------|-----------------------|------------------|
| | ----- | ----- | ---- | ----- | ----- |
| CitiBank (FirstEnergy Revolver) | | | | | |
| ----- | | | | | |
| FirstEnergy | 10/21/2002 | 10/28/2002 | 2.86 | \$25,000,000.00 | \$100,000,000.00 |
| FirstEnergy | 11/1/2002 | 11/8/2002 | 2.86 | \$130,000,000.00 | \$130,000,000.00 |
| FirstEnergy | 11/8/2002 | 11/22/2002 | 2.80 | \$595,000,000.00 | \$595,000,000.00 |
| FirstEnergy | 11/15/2002 | 11/29/2002 | 2.61 | \$65,000,000.00 | \$65,000,000.00 |
| FirstEnergy | 11/25/2002 | 11/26/2002 | 4.43 | \$19,000,000.00 | \$19,000,000.00 |
| FirstEnergy | 11/29/2002 | 12/20/2002 | 2.61 | \$35,000,000.00 | \$100,000,000.00 |
| FirstEnergy | 12/2/2002 | 12/16/2002 | 2.61 | \$60,000,000.00 | \$60,000,000.00 |
| FirstEnergy | 12/16/2002 | 1/6/2003 | 2.61 | \$140,000,000.00 | \$200,000,000.00 |
| FirstEnergy | 12/20/2002 | 1/10/2003 | 2.61 | \$65,000,000.00 | \$165,000,000.00 |
| FirstEnergy | 12/23/2002 | 12/24/2002 | 4.43 | \$5,000,000.00 | \$5,000,000.00 |
| FirstEnergy | 12/27/2002 | 1/13/2003 | 2.56 | \$60,000,000.00 | \$60,000,000.00 |
| CitiBank (Ohio Edison Company (Ohio Edison) Revolver) | | | | | |
| ----- | | | | | |
| Ohio Edison | 10/1/2002 | 10/8/2002 | 2.31 | \$20,000,000.00 | \$20,000,000.00 |
| Ohio Edison | 10/15/2002 | 10/29/2002 | 2.54 | \$250,000,000.00 | \$250,000,000.00 |
| FirstMerit (Ohio Edison Bi-Lateral Facility) | | | | | |
| ----- | | | | | |
| Ohio Edison | 10/4/2002 | 10/7/2002 | 2.50 | \$10,000,000.00 | \$10,000,000.00 |
| Ohio Edison | 10/28/2002 | 10/29/2002 | 2.56 | \$2,500,000.00 | \$2,500,000.00 |
| Ohio Edison | 10/29/2002 | 10/30/2002 | 2.50 | \$2,500,000.00 | \$5,000,000.00 |
| Ohio Edison | 11/1/2002 | 11/4/2002 | 2.56 | \$10,500,000.00 | \$10,500,000.00 |
| Ohio Edison | 11/4/2002 | 11/5/2002 | 2.50 | \$3,500,000.00 | \$14,000,000.00 |
| Ohio Edison | 11/8/2002 | 11/12/2002 | 2.00 | \$5,500,000.00 | \$5,500,000.00 |
| Ohio Edison | 11/22/2002 | 11/25/2002 | 2.06 | \$14,000,000.00 | \$14,000,000.00 |
| Ohio Edison | 12/2/2002 | 12/3/2002 | 1.88 | \$14,000,000.00 | \$14,000,000.00 |
| Ohio Edison | 12/6/2002 | 12/9/2002 | 2.00 | \$9,000,000.00 | \$14,000,000.00 |
| Ohio Edison | 12/13/2002 | 12/16/2002 | 2.00 | \$14,000,000.00 | \$14,000,000.00 |
| Ohio Edison | 12/26/2002 | 12/27/2002 | 2.00 | \$9,500,000.00 | \$14,000,000.00 |
| KeyBank (Ohio Edison Bi-Lateral Facility) | | | | | |
| ----- | | | | | |
| Ohio Edison | 11/4/2002 | 11/5/2002 | 2.75 | \$13,500,000.00 | \$13,500,000.00 |
| Ohio Edison | 11/22/2002 | 11/25/2002 | 2.25 | \$9,000,000.00 | \$9,000,000.00 |
| Ohio Edison | 11/25/2002 | 11/26/2002 | 2.27 | \$11,000,000.00 | \$20,000,000.00 |
| Ohio Edison | 12/2/2002 | 12/3/2002 | 2.31 | \$18,000,000.00 | \$18,000,000.00 |
| Ohio Edison | 12/4/2002 | 12/5/2002 | 2.25 | \$1,000,000.00 | \$2,500,000.00 |
| Ohio Edison | 12/6/2002 | 12/9/2002 | 2.25 | \$8,000,000.00 | \$8,000,000.00 |
| Ohio Edison | 12/9/2002 | 12/10/2002 | 2.27 | \$4,500,000.00 | \$12,500,000.00 |

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

| | | | | | |
|-------------|------------|------------|------|-----------------|-----------------|
| Ohio Edison | 12/13/2002 | 12/16/2002 | 2.28 | \$17,000,000.00 | \$17,000,000.00 |
| Ohio Edison | 12/20/2002 | 12/23/2002 | 2.28 | \$20,000,000.00 | \$20,000,000.00 |
| Ohio Edison | 12/26/2002 | 12/27/2002 | 2.28 | \$14,500,000.00 | \$14,500,000.00 |
| Ohio Edison | 12/30/2002 | 12/31/2002 | 2.38 | \$4,000,000.00 | \$8,500,000.00 |

6. During the period October 1, 2002 through December 31, 2002, the following short-term debt was issued by the Utility Subsidiaries:

| | Transaction Date | Maturity Date | Rate | Transaction Amount | Loan Balance |
|----------------------------------------------------------------------------|---------------------|------------------|------|-----------------------|------------------|
| | ----- | ----- | ---- | ----- | ----- |
| American Transmission Systems, Incorporated (ATSI) - Intercompany Loan to: | | | | | |
| ----- | | | | | |
| Ohio Edison | 10/31/2002 | 11/1/2002 | 1.94 | \$6,820,000.00 | \$31,600,000.00 |
| Ohio Edison | 11/29/2002 | 12/2/2002 | 1.94 | \$15,690,000.00 | \$47,290,000.00 |
| Jersey Central Power & Light Company (JCP&L) - Intercompany Loan to: | | | | | |
| ----- | | | | | |
| Ohio Edison | 10/7/2002 | 10/25/2002 | 1.94 | \$50,000,000.00 | \$50,000,000.00 |
| Ohio Edison | 10/25/2002 | 11/1/2002 | 1.94 | \$50,000,000.00 | \$100,000,000.00 |
| Ohio Edison | 11/4/2002 | 12/2/2002 | 1.94 | \$20,000,000.00 | \$120,000,000.00 |
| Ohio Edison | 12/26/2002 | 1/2/2003 | 1.80 | \$15,000,000.00 | \$77,350,000.00 |
| Ohio Edison - Intercompany Loan to: | | | | | |
| ----- | | | | | |
| The Cleveland Electric Illuminating Company (CEI) | | | | | |
| CEI | 11/29/2002 | 12/2/2002 | 1.94 | \$25,615,000.00 | \$243,100,000.00 |
| CEI | 12/31/2002 | 1/2/2003 | 1.80 | \$43,359,000.00 | \$286,459,000.00 |
| The Toledo Edison Company (TE) | | | | | |
| TE | 9/30/2002 | 10/1/2002 | 1.99 | \$18,000,000.00 | \$147,459,000.00 |
| TE | 12/31/2002 | 1/2/2003 | 1.80 | \$23,000,000.00 | \$149,660,000.00 |
| Pennsylvania Power Company (PennPower) - Intercompany Loan to: | | | | | |
| ----- | | | | | |
| Ohio Edison | 10/31/2002 | 11/1/2002 | 1.94 | \$9,780,000.00 | \$32,190,000.00 |
| Ohio Edison | 11/29/2002 | 12/2/2002 | 1.94 | \$6,780,000.00 | \$39,000,000.00 |

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

8. During the Fourth Quarter of 2002, no financial Hedge Instruments or Anticipatory Hedges were entered into by FirstEnergy or its Utility Subsidiaries.

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

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

| Company ----- | Investment ----- (In Thousands \$) |
|-------------------------------|------------------------------------------|
| Bay Shore Power Company | \$1,563 |
| Webb Technologies, Inc. | 1,351 |
| L. H. Cranston and Sons, Inc. | 134 |

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

| Company ----- | Filing Date ----- |
|------------------|----------------------|
| CEI | October 18, 2002 |
| TE | October 18, 2002 |

11. CEI and TE engaged in jurisdictional financing transactions during the fourth quarter of 2002. Consolidated balance sheets of CEI and TE for the quarter ended December 31, 2002 - incorporated by reference to CEI's and TE's

3

Form 10-K Annual Report to SEC for the year ended December 31, 2002 (File No. 1-2323 and 1-3583, 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 fourth quarter 2002.

| FirstEnergy ----- | Amount ----- | Ratio ----- |
|----------------------|-----------------|----------------|
| Common Equity | \$7,120,049 | 33.04% |
| Preferred Stock | 765,261 | 3.55% |
| Long Term Debt | 12,573,288 | 58.34% |
| Short Term Debt | 1,092,817 | 5.07% |
| | ----- | ----- |
| Total Capitalization | \$21,551,415 | 100.00% |
| | ----- | ----- |

| Ohio Edison ----- | Amount ----- | Ratio ----- |
|----------------------|-----------------|----------------|
| Common Equity | \$2,840,361 | 55.21% |
| Preferred Stock | 114,320 | 2.22% |
| Long Term Debt | 1,781,864 | 34.64% |
| Short Term Debt | 407,662 | 7.93% |
| | ----- | ----- |
| Total Capitalization | \$5,144,207 | 100.00% |
| | ----- | ----- |

| CEI --- | Amount ----- | Ratio ----- |
|----------------------|-----------------|----------------|
| Common Equity | \$1,226,632 | 30.07% |
| Preferred Stock | 202,425 | 4.96% |
| Long-Term Debt | 2,362,191 | 57.90% |
| Short-Term Debt | 288,583 | 7.07% |
| | ----- | ----- |
| Total Capitalization | \$4,079,831 | 100.00% |
| | ----- | ----- |

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

TE

| | | |
|----------------------|-------------|---------|
| --- | | |
| Common Equity | \$712,931 | 41.09% |
| Preferred Stock | 126,000 | 7.26% |
| Long-Term Debt | 746,620 | 43.03% |
| Short-Term Debt | 149,653 | 8.62% |
| | ----- | ----- |
| Total Capitalization | \$1,735,204 | 100.00% |
| | ----- | ----- |

PennPower

| | | |
|----------------------|-----------|---------|
| ----- | | |
| Common Equity | \$229,374 | 42.95% |
| Preferred Stock | 53,355 | 9.99% |
| Long-Term Debt | 251,305 | 47.06% |
| Short-Term Debt | - | -% |
| | ----- | ----- |
| Total Capitalization | \$534,034 | 100.00% |
| | ----- | ----- |

JCP&L

| | | |
|----------------------|-------------|---------|
| ----- | | |
| Common Equity | \$3,274,069 | 68.26% |
| Preferred Stock | 137,893 | 2.88% |
| Long-Term Debt | 1,384,261 | 28.86% |
| Short-Term Debt | - | -% |
| | ----- | ----- |
| Total Capitalization | \$4,796,223 | 100.00% |
| | ----- | ----- |

Metropolitan Edison Company (Met-Ed)

| | | |
|----------------------|-------------|---------|
| ----- | | |
| Common Equity | \$1,315,586 | 62.78% |
| Preferred Stock | 92,409 | 4.41% |
| Long-Term Debt | 599,257 | 28.60% |
| Short-Term Debt | 88,299 | 4.21% |
| | ----- | ----- |
| Total Capitalization | \$2,095,551 | 100.00% |
| | ----- | ----- |

4

Penelec

| | | |
|----------------------|-------------|---------|
| ----- | | |
| Common Equity | \$1,353,704 | 67.43% |
| Preferred Stock | 92,214 | 4.59% |
| Long-Term Debt | 471,087 | 23.47% |
| Short-Term Debt | 90,427 | 4.51% |
| | ----- | ----- |
| Total Capitalization | \$2,007,432 | 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 fourth quarter 2002.

| | | | |
|-------------|--------|-----|----|
| | Ohio | | |
| FirstEnergy | Edison | CEI | TE |

Edgar Filing: FIRSTENERGY CORP - Form 35-CERT

| | | | | |
|-----------------------------------|-------------|-----------|-----------|-----------|
| Balance, January 1, 2002 | \$1,521,805 | \$572,272 | \$150,183 | \$113,436 |
| Net Income | 629,280 | 363,483 | 155,946 | 13,337 |
| Cash Dividends on Preferred Stock | - | (6,510) | (12,665) | (10,057) |
| Cash Dividends on Common Stock | (439,628) | (121,900) | - | (5,600) |
| Other | - | - | (4,743) | (1,299) |
| Balance, December 31, 2002 | \$1,711,457 | \$807,345 | \$288,721 | \$109,817 |

| | PennPower | JCP&L | Met-Ed | Penelec |
|-----------------------------------|-----------|-----------|----------|----------|
| Balance, January 1, 2002 | \$35,398 | \$ 29,343 | \$14,617 | \$10,795 |
| Net Income | 47,717 | 251,895 | 63,224 | 50,910 |
| Cash Dividends on Preferred Stock | (3,699) | (1,471) | - | - |
| Cash Dividends on Common Stock | (28,500) | (190,700) | (60,000) | (29,000) |
| Other | - | 2,936 | - | - |
| Balance, December 31, 2002 | \$50,916 | \$ 92,003 | \$17,841 | \$32,705 |

14. During the fourth quarter of 2002, there was no change to the ratings of FirstEnergy or its Utility Subsidiaries by any of the nationally recognized credit rating agencies.

5

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.

March 28, 2003

By: /s/ Harvey L. Wagner

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

6