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FIRSTENERGY CORP
Form 35-CERT
November 25, 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 July 1, 2002 through September 30, 2002, there were no sales of common stock or Preferred Securities by FirstEnergy.
2. FirstEnergy issued 414,511 shares of common stock pursuant to options granted under employee benefit plans and dividend reinvestment plans during the third quarter of 2002.

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3. During the period July 1, 2002 through September 30, 2002, no FirstEnergy common stock was transferred to a seller of securities of a company being acquired.

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

| Beneficiary ----- | Amount ----- | Terms ----- | Purpose of Guarantee ----- |
|-------------------------------------|-----------------|----------------|----------------------------------|
| FES (Trading - Electric) ----- | | | |
| Alliance Energy Services | 1,000,000 | (a) | (b) |
| Cargil Alliant | 2,000,000 | (a) | (b) |
| Cleveland Public Power | 1,000,000 | (a) | (b) |
| Connective Energy Supply | 10,000,000 | (a) | (b) |
| Duke Energy Trading | 10,000,000 | (a) | (b) |
| PJM Interconnection | 70,000,000 | (a) | (b) |
| Tractebel Energy Marketing | 4,000,000 | (a) | (b) |
| TransAlta Energy Marketing | 2,000,000 | (a) | (b) |
| FES (Trading - Gas) ----- | | | |
| Duke Energy Trading | 5,000,000 | (a) | (b) |
| Woodward Marketing | 1,000,000 | (a) | (b) |
| FGCO (Fuel Marketing/Coal) ----- | | | |
| Cincinnati Gas & Electric | 2,700,000 | (a) | (c) |
| DTE Coal Services | 4,000,000 | (a) | (c) |

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| | | | |
|-----------------------|-----------|--------|-----|
| FEFSG - HVAC ----- | | | |
| Edwards (Fifth Third) | 6,000,000 | 1 Year | (d) |
| FGCO - (GE Capital) | 2,842,000 | 1 Year | (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 backstop to revolving credit agreement
- (e) Credit backstop for software installation

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

| Beneficiary ----- | Amount ----- | Purpose of LOC ----- |
|----------------------|-----------------|----------------------------|
| FEFSG | | |

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Old Republic Insurance Company \$11,653,434 (a)

(a) Collateral for insurance program

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

| | Transaction Date | Maturity Date | Rate | Transaction Amount | Loan Balance |
|-------------------------------------|---------------------|------------------|------|-----------------------|------------------|
| | ----- | ----- | ---- | ----- | ----- |
| CitiBank (FE Revolver) | | | | | |
| ----- | | | | | |
| FirstEnergy Holding | 6/20/2002 | 7/5/2002 | 2.93 | \$130,000,000.00 | \$215,262,031.25 |
| FirstEnergy Holding | 6/21/2002 | 7/12/2002 | 2.93 | \$120,000,000.00 | \$120,204,750.00 |
| FirstEnergy Holding | 6/26/2002 | 7/17/2002 | 2.93 | \$50,000,000.00 | \$50,085,312.50 |
| FirstEnergy Holding | 6/28/2002 | 7/29/2002 | 2.93 | \$80,000,000.00 | \$80,201,500.00 |
| FirstEnergy Holding | 7/19/2002 | 7/29/2002 | 2.93 | \$230,000,000.00 | \$230,186,875.00 |
| FirstEnergy Holding | 7/24/2002 | 7/29/2002 | 2.93 | \$15,000,000.00 | \$65,026,406.25 |
| FirstEnergy Holding | 7/29/2002 | 8/12/2002 | 2.99 | \$260,000,000.00 | \$260,302,069.45 |
| FirstEnergy Holding | 8/15/2002 | 8/16/2002 | 4.93 | \$70,000,000.00 | \$70,009,445.21 |
| FirstEnergy Holding | 8/16/2002 | 8/23/2002 | 2.99 | \$350,000,000.00 | \$350,203,315.97 |
| FirstEnergy Holding | 8/29/2002 | 9/30/2002 | 2.99 | \$150,000,000.00 | \$150,398,333.33 |
| FirstEnergy Holding | 9/16/2002 | 10/7/2002 | 3.00 | \$270,000,000.00 | \$270,472,500.00 |
| FirstEnergy Holding | 9/20/2002 | 9/23/2002 | 4.93 | \$60,000,000.00 | \$60,024,287.67 |
| FirstEnergy Holding | 9/24/2002 | 10/15/2002 | 3.05 | \$260,000,000.00 | \$260,462,583.33 |
| FirstEnergy Holding | 9/25/2002 | 10/25/2002 | 2.94 | \$20,000,000.00 | \$190,465,104.17 |
| FirstEnergy Holding | 9/27/2002 | 10/4/2002 | 3.05 | \$120,000,000.00 | \$340,201,638.89 |
| CitiBank (OE Revolver) | | | | | |
| ----- | | | | | |
| Ohio Edison | 7/1/2002 | 7/15/2002 | 2.60 | \$190,000,000.00 | \$190,192,111.11 |
| Ohio Edison | 7/22/2002 | 7/23/2002 | 4.88 | \$20,000,000.00 | \$20,002,671.23 |
| Ohio Edison | 8/1/2002 | 8/15/2002 | 2.54 | \$250,000,000.00 | \$250,246,701.39 |
| Ohio Edison | 9/3/2002 | 9/24/2002 | 2.60 | \$190,000,000.00 | \$190,288,166.67 |
| Ohio Edison | 9/6/2002 | 9/27/2002 | 2.54 | \$60,000,000.00 | \$60,088,812.50 |
| FirstMerit (OE Bi-Lateral Facility) | | | | | |
| ----- | | | | | |
| Ohio Edison | 7/5/2002 | 7/8/2002 | 2.44 | \$14,000,000.00 | \$14,002,843.75 |
| Ohio Edison | 7/19/2002 | 7/22/2002 | 2.44 | \$14,000,000.00 | \$14,002,843.75 |
| Ohio Edison | 7/25/2002 | 7/26/2002 | 2.50 | \$9,500,000.00 | \$9,500,659.72 |
| Ohio Edison | 7/30/2002 | 7/31/2002 | 2.50 | \$14,000,000.00 | \$14,000,972.22 |
| Ohio Edison | 8/2/2002 | 8/5/2002 | 2.44 | \$2,500,000.00 | \$14,002,843.75 |
| Ohio Edison | 8/15/2002 | 8/16/2002 | 2.63 | \$13,000,000.00 | \$13,000,947.92 |
| Ohio Edison | 8/19/2002 | 8/20/2002 | 2.50 | \$4,000,000.00 | \$4,000,277.78 |
| Ohio Edison | 9/11/2002 | 9/12/2002 | 2.50 | \$1,500,000.00 | \$1,500,104.17 |
| Ohio Edison | 9/13/2002 | 9/16/2002 | 2.50 | \$3,000,000.00 | \$3,000,625.00 |
| Ohio Edison | 9/16/2002 | 9/17/2002 | 2.63 | \$8,500,000.00 | \$11,500,838.54 |
| Ohio Edison | 9/20/2002 | 9/23/2002 | 2.44 | \$14,000,000.00 | \$14,002,843.75 |

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KeyBank (Bi-Lateral Facility)

| | | | | | |
|-------------|-----------|----------|------|----------------|----------------|
| ----- | | | | | |
| Ohio Edison | 6/28/2002 | 7/1/2002 | 3.00 | \$8,000,000.00 | \$8,002,000.00 |
| Ohio Edison | 7/5/2002 | 7/8/2002 | 2.78 | \$9,000,000.00 | \$9,002,085.98 |

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| | | | | | |
|-------------|-----------|-----------|------|-----------------|-----------------|
| Ohio Edison | 7/19/2002 | 7/22/2002 | 2.72 | \$20,000,000.00 | \$20,004,531.33 |
| Ohio Edison | 7/30/2002 | 7/31/2002 | 2.78 | \$16,000,000.00 | \$16,001,236.13 |
| Ohio Edison | 7/31/2002 | 8/1/2002 | 2.81 | \$4,000,000.00 | \$20,001,562.50 |
| Ohio Edison | 8/2/2002 | 8/5/2002 | 2.72 | \$11,500,000.00 | \$11,502,605.52 |
| Ohio Edison | 8/15/2002 | 8/16/2002 | 2.88 | \$20,000,000.00 | \$20,001,597.22 |
| Ohio Edison | 9/23/2002 | 9/24/2002 | 2.75 | \$19,000,000.00 | \$19,001,451.39 |

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

| | Transaction Date | Maturity Date | Rate | Transaction Amount | Loan Balance |
|-------------------------------------|------------------|---------------|------|--------------------|------------------|
| ATSI-Intercompany Loan to: | | | | | |
| Ohio Edison | 8/30/2002 | 9/1/2002 | 2.04 | \$10,286,000.00 | \$43,638,268.91 |
| JCP&L - Intercompany Loan to: | | | | | |
| Met Edison Co | 8/20/2002 | 9/4/2002 | 2.04 | \$16,000,000.00 | \$16,013,625.33 |
| Ohio Edison - Intercompany Loan to: | | | | | |
| Cleveland Electric | 7/31/2002 | 8/1/2002 | 2.06 | \$62,334,000.00 | \$171,194,972.14 |
| Cleveland Electric | 8/30/2002 | 9/1/2002 | 2.04 | \$140,830,000.00 | \$312,342,287.30 |
| Toledo Edison | 6/28/2002 | 7/1/2002 | 2.46 | \$34,995,000.00 | \$134,190,116.48 |
| Toledo Edison | 7/31/2002 | 8/1/2002 | 2.06 | \$11,601,000.00 | \$146,029,983.67 |
| Toledo Edison | 9/30/2002 | 10/1/2002 | 1.99 | \$18,000,000.00 | \$147,450,237.86 |
| PennPower - Intercompany Loan to: | | | | | |
| Ohio Edison | 6/28/2002 | 7/1/2002 | 2.46 | \$21,147,000.00 | \$37,368,889.44 |
| Ohio Edison | 7/31/2002 | 8/1/2002 | 2.06 | \$11,934,000.00 | \$49,369,906.85 |
| Ohio Edison | 8/30/2002 | 9/1/2002 | 2.04 | \$14,330,000.00 | \$63,788,431.19 |

7. During the third quarter of 2002, the following financing was consummated by FirstEnergy Generation Corp. that was not exempt under rule 52:

Pennsylvania Economic Development Financing Authority
Exempt Facilities Revenue Bonds Series 2002 A

| | |
|---------------|---|
| Issued Date | July 2, 2002 |
| Maturity Date | June 1, 2028 |
| Amount | \$15,000,000 |
| Interest Rate | 5% for 3 years; reset after 3 years per documents |

8. During the Third Quarter of 2002, FirstEnergy Corp. entered into three (3) 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 spread. Two (2) of the three(3) hedges contain written options which give the counterparty the right to cancel the transactions at predetermined rates. FirstEnergy cancelled one (1) of the hedges on September 30, 2002, receiving a cash payment of \$2,448,000, equivalent to the then-current market value of the hedge, from the hedge counterparty on October 2, 2002. 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 third quarter 2002 in any intermediate subsidiary or financing subsidiary are as follows:

| Company ----- | Investment ----- (In Thousands \$) |
|-------------------------|--|
| Bay Shore Power Company | \$11,100 |

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

| Company ----- | Filing Date ----- |
|---|----------------------|
| The Cleveland Electric Illuminating Company | July 24, 2002 |
| Pennsylvania Power Company | July 12, 2002 |

11. The Cleveland Electric Illuminating Company (CEI) and Pennsylvania Power Company (Penn) engaged in jurisdictional financing transactions during the third quarter of 2002. Consolidated balance sheets of CEI and balance sheets for Penn for the quarter ended September 30, 2002 - incorporated by reference to CEI's and Penn's Form 10-Q Quarterly Report to SEC for the quarter ended September 30, 2002 (File No. 1-2323 and 1-3491, 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 third quarter 2002.

| FirstEnergy Corp. ----- | Amount ----- | Ratio ----- |
|----------------------------|-----------------|----------------|
| Common Equity | \$7,792,774 | 34.82% |
| Preferred Stock | 782,945 | 3.50% |
| Long Term Debt | 12,551,483 | 56.08% |
| Short Term Debt | 1,253,413 | 5.60% |
| | ----- | ----- |
| Total Capitalization | \$22,380,615 | 100.00% |
| | ----- | ----- |

| Ohio Edison ----- | Amount ----- | Ratio ----- |
|----------------------|-----------------|----------------|
| Common Equity | \$2,852,455 | 53.50% |
| Preferred Stock | 115,070 | 2.16% |
| Long Term Debt | 1,796,372 | 33.69% |
| Short Term Debt | 567,800 | 10.65% |
| | ----- | ----- |
| Total Capitalization | \$5,331,697 | 100.00% |
| | ----- | ----- |

| Cleveland Electric ----- | Amount ----- | Ratio ----- |
|-----------------------------|-----------------|----------------|
| Common Equity | \$1,286,331 | 31.17% |
| Preferred Stock | 219,463 | 5.32% |
| Long-Term Debt | 2,333,983 | 56.55% |
| Short-Term Debt | 287,225 | 6.96% |
| | ----- | ----- |

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| | | |
|----------------------|-------------|---------|
| Total Capitalization | \$4,127,002 | 100.00% |
| | ----- | ----- |
| Toledo Edison | | |
| | ----- | |
| Common Equity | \$759,867 | 43.16% |
| Preferred Stock | 126,000 | 7.16% |
| Long-Term Debt | 727,430 | 41.31% |
| Short-Term Debt | 147,442 | 8.37% |
| | ----- | ----- |
| Total Capitalization | \$1,760,739 | 100.00% |
| | ----- | ----- |
| 4 | | |
| | | |
| Pennsylvania Power | | |
| | ----- | |
| Common Equity | \$238,272 | 43.79% |
| Preferred Stock | 54,105 | 9.94% |
| Long-Term Debt | 251,800 | 46.27% |
| Short-Term Debt | - | -% |
| | ----- | ----- |
| Total Capitalization | \$544,177 | 100.00% |
| | ----- | ----- |
| | | |
| JCP&L | | |
| | ----- | |
| Common Equity | \$3,250,625 | 68.08% |
| Preferred Stock | 137,895 | 2.89% |
| Long-Term Debt | 1,386,403 | 29.03% |
| Short-Term Debt | - | -% |
| | ----- | ----- |
| Total Capitalization | \$4,774,923 | 100.00% |
| | ----- | ----- |
| | | |
| Met-Ed | | |
| | ----- | |
| Common Equity | \$1,318,720 | 61.54% |
| Preferred Stock | 92,357 | 4.31% |
| Long-Term Debt | 600,034 | 28.00% |
| Short-Term Debt | 131,780 | 6.15% |
| | ----- | ----- |
| Total Capitalization | \$2,142,891 | 100.00% |
| | ----- | ----- |
| | | |
| Penelec | | |
| | ----- | |
| Common Equity | \$1,330,526 | 65.76% |
| Preferred Stock | 92,160 | 4.55% |
| Long-Term Debt | 496,748 | 24.55% |
| Short-Term Debt | 103,932 | 5.14% |
| | ----- | ----- |
| Total Capitalization | \$2,023,366 | 100.00% |
| | ----- | ----- |

Note: FirstEnergy's short-term debt is adjusted to include \$99.8 million, classified as "Liabilities Related to Assets Pending Sale" on the balance sheet.

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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 third quarter 2002.

| | FirstEnergy Corp. ----- | Ohio Edison ----- | Cleveland Electric ----- | Toledo Edison ----- |
|--------------------------------|-------------------------------|-------------------------|--------------------------------|---------------------------|
| Balance, January 1, 2002 | \$1,521,805 | \$572,272 | \$150,183 | \$113,436 |
| Net Income | 660,058 | 309,205 | 168,847 | 36,947 |
| Cash Dividends on Pfd Stock | 0 | (5,851) | (10,429) | (7,846) |
| Cash Dividends on Common Stock | (329,565) | (121,900) | 0 | (5,600) |
| Other | 0 | 0 | (4,232) | (1,299) |
| | ----- | ----- | ----- | ----- |
| Balance, September 30, 2002 | \$1,852,298 | \$753,726 | \$304,369 | \$135,638 |
| | ----- | ----- | ----- | ----- |
| | Penn. Power ----- | JCP&L ----- | Met-Ed ----- | Penelec ----- |
| Balance, January 1, 2002 | \$35,398 | \$ 29,343 | \$14,617 | \$10,795 |
| Net Income | 45,762 | 198,134 | 49,661 | 30,140 |
| Cash Dividends on Pfd Stock | (2,778) | (1,347) | 0 | 0 |
| Cash Dividends on Common Stock | (28,500) | (123,700) | (30,000) | (14,000) |
| Other | 0 | 2,936 | 5,570 | 4,502 |
| | ----- | ----- | ----- | ----- |
| Balance, September 30, 2002 | \$49,882 | \$105,366 | \$39,848 | \$31,437 |
| | ----- | ----- | ----- | ----- |

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

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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.

November 25, 2002

By: /s/ Harvey L. Wagner

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

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