

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.

-----:
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. 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 -----	Amount -----	Terms -----	Purpose of Guarantee -----
FE Solutions (Trading - Electric) -----			
Mirant Energy	2,000,000	(a)	(b)
Northern Indiana Public Svc	500,000	(a)	(b)
FE Solutions (Trading - Gas) -----			
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) -----			
NRG Power Marketing	4,000,000	(a)	(c)
FE Solutions (Retail) -----			
Cincinnati Gas & Electric	3,600,000	(a)	(d)

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Pennsylvania Economic Financing Authority	15,000,000	26 Years	(e)
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(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 Date -----	Maturity Date -----	Rate -----	Transaction Amount -----	Loan Balance -----
CitiBank (FE Revolver) -----					
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 Corp.	Ohio Edison	Cleveland Electric	Toledo 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. 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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