FENOC

FirstEnergy Nuclear Operating Company

76 South Main Street
Akron, Ohio 44308

Robert F. Saunders
President

330-384-2415
Fax: 330-384-5909

April 18, 2001
PY-CEI/NRR-2555L (Perry)
Serial Number-2706 (Davis-Besse)
Serial Number-L-01-049 (Beaver Valley)

United States Nuclear Regulatory Commission
Document Control Desk
Washington, D.C. 20555

Annual Financial Reports and Certified Financial Statements for
Perry Nuclear Power Plant (Docket Number 50-440),
Davis-Besse Nuclear Power Station (Docket Number 50-346), and
Beaver Valley Power Station (Docket Numbers for Unit 1- 50-334 and Unit 2 - 50-412).

Ladies and Gentlemen:

FirstEnergy Corp. is the parent company for the FirstEnergy Nuclear Operating Company, which operates the Perry Nuclear Power Plant, the Davis-Besse Nuclear Power Station, and Beaver Valley Power Station. In accordance with 10CFR50.71(b), FirstEnergy Corp. hereby submits the annual financial reports, including the certified financial statements for the four licensees. Also, enclosed is Form 10-K, the Annual Report to the United States Securities and Exchange Commission, for the fiscal year ending December 31, 2000.

If you have any questions, please contact Mr. Gregory Dunn, Manager – Regulatory Affairs, Perry Nuclear Power Plant, at (440) 280-5305.

Very truly yours,

Robert F. Saunders

Enclosures

cc: Regional Administrator, NRC Region III
Regional Administrator, NRC Region I
NRC Project Manager (Perry)
NRC Project Manager (Davis-Besse)
NRC Project Manager (Beaver Valley)
NRC Senior Resident Inspector (Perry)
NRC Senior Resident Inspector (Davis-Besse)
NRC Senior Resident Inspector (Beaver Valley)
Utility Radiological Safety Board

M004

FirstEnergy®

Form 10-K

ANNUAL REPORT TO THE SECURITIES AND EXCHANGE COMMISSION

For the Year Ended December 31, 2000

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549
FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2000
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __________________ to ____________________

Commission File Number	Registrant; State of Incorporation; Address; and Telephone Number	I.R.S. Employer Identification No.
333-21011	FIRSTENERGY CORP. (An Ohio Corporation) 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-1843785
1-2578	OHIO EDISON COMPANY (An Ohio Corporation) 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-0437786
1-2323	THE CLEVELAND ELECTRIC ILLUMINATING COMPANY (An Ohio Corporation) c/o FirstEnergy Corp. 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-0150020
1-3583	THE TOLEDO EDISON COMPANY (An Ohio Corporation) c/o FirstEnergy Corp. 76 South Main Street Akron, OH 44308 Telephone (800)736-3402	34-4375005
1-3491	PENNSYLVANIA POWER COMPANY (A Pennsylvania Corporation) 1 East Washington Street P. O. Box 891 New Castle, PA 16103 Telephone (724)652-5531	25-0718810

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (X)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes (X) No (_)

State the aggregate market value of the voting stock held by non-affiliates of the registrant: $6,299,479,868 as of February 28, 2001. Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date:

CLASS	OUTSTANDING AT MARCH 16, 2001
FirstEnergy Corp., $.10 par value	223,981,580
Ohio Edison Company, no par value	100
The Cleveland Electric Illuminating Company, no par value	79,590,689
The Toledo Edison Company, $5 par value	39,133,887
Pennsylvania Power Company, $30 par value	6,290,000

FirstEnergy Corp. is the sole holder of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company common stock; Ohio Edison Company is the sole holder of Pennsylvania Power Company common stock.

Documents incorporated by reference (*to the extent indicated herein*):

DOCUMENT	PART OF FORM 10-K INTO WHICH DOCUMENT IS INCORPORATED
FirstEnergy Corp. Annual Report to Stockholders for the fiscal year ended December 31, 2000 (Pages 16-47)	Part II
Proxy Statement for 2001 Annual Meeting of Stockholders to be held May 15, 2001	Part III

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Registrant	Title of Each Class	Name of Each Exchange on Which Registered
FirstEnergy Corp.	Common Stock, $.10 par value	New York Stock Exchange
Ohio Edison Company	Cumulative Preferred Stock, $100 par value 3.90% Series 4.40% Series 4.44% Series 4.56% Series	All series registered on New York Stock Exchange and Chicago Stock Exchange
	Cumulative Preferred Stock, $25 par value 7.75% Series	Registered on New York Stock Exchange and Chicago Stock Exchange
The Cleveland Electric Illuminating Company	Cumulative Serial Preferred Stock, without par value: $7.40 Series A $7.56 Series B Adjustable Rate, Series L	All series registered on New York Stock Exchange
	Depository Shares: 1993 Series A, each share representing 1/20 of a share of Serial Preferred Stock, $42.40 Series T (without par value)	New York Stock Exchange
The Toledo Edison Company	Cumulative Preferred Stock, par value $100 per share: 4-1/4% Series 8.32% Series 7.76% Series 10% Series	All series registered on American Stock Exchange
	Cumulative Preferred Stock, par value $25 per share: 8.84% Series $2.365 Series Adjustable Rate, Series A Adjustable Rate, Series B	All series registered on New York Stock Exchange
	First Mortgage Bonds: 8% Series due 2003	All series registered on New York Stock Exchange
Pennsylvania Power Company	Cumulative Preferred Stock, $100 par value: 4.24% Series 4.25% Series 4.64% Series	All series registered on Philadelphia Stock Exchange, Inc.

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: (Cont'd)

This combined Form 10-K is separately filed by FirstEnergy Corp., Ohio Edison Company, Pennsylvania Power Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company. Information contained herein relating to any individual registrant is filed by such registrant on its own behalf. No registrant makes any representation as to information relating to any other registrant, except that information relating to any of the four FirstEnergy subsidiaries is also attributed to FirstEnergy.

FORM 10-K

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PART 1

ITEM 1. BUSINESS

The Company

FirstEnergy Corp. (Company) was organized under the laws of the State of Ohio in 1996 and became a holding company on November 8, 1997 in connection with the merger of Ohio Edison Company (OE) and Centerior Energy Corporation (Centerior). The Company's principal business is the holding, directly or indirectly, of all of the outstanding common stock of its principal electric utility operating subsidiaries, OE, The Cleveland Electric Illuminating Company (CEI), Pennsylvania Power Company (Penn) and The Toledo Edison Company (TE). These utility subsidiaries are referred to throughout as "Companies." On September 1, 2000, the Companies transferred their transmission assets to the Company's wholly owned subsidiary, American Transmission Systems, Inc. (ATSI). ATSI owns and operates the Company's major high-voltage transmission facilities and has interconnections with other regional utilities. The Company's consolidated revenues are primarily derived from electric service provided by its utility operating subsidiaries including ATSI and the revenues of its other principal subsidiaries: FirstEnergy Services Corp. (FE Services); FirstEnergy Facilities Services Group, LLC (FE Facilities); FirstEnergy Trading Services, Inc. (FETS), which merged into FE Services on January 1, 2001; and MARBEL Energy Corporation (MARBEL). In addition, the Company holds all of the outstanding common stock of four other direct subsidiaries: FirstEnergy Properties, Inc., FirstEnergy Ventures, Corp., FirstEnergy Nuclear Operating Company (FENOC) and FirstEnergy Securities Transfer Company.

The Companies' combined service areas encompass approximately 13,200 square miles in central and northern Ohio and western Pennsylvania. The areas they serve have combined populations of approximately 5.8 million.

OE was organized under the laws of the State of Ohio in 1930 and owns property and does business as an electric public utility in that state. OE also has ownership interests in certain generating facilities located in the Commonwealth of Pennsylvania. OE engages in the generation, distribution and sale of electric energy to communities in a 7,500 square mile area of central and northeastern Ohio. OE also engages in the sale, purchase and interchange of electric energy with other electric companies. The area it serves has a population of approximately 2.7 million.

OE owns all of the outstanding common stock of Penn, a Pennsylvania corporation, which furnishes electric service to communities in a 1,500 square mile area of western Pennsylvania. The area served by Penn has a population of approximately 0.4 million.

CEI was organized under the laws of the State of Ohio in 1892 and does business as an electric public utility in that state. It also has ownership interests in certain generating facilities in Pennsylvania. CEI engages in the generation, distribution and sale of electric energy in an area of approximately 1,700 square miles in northeastern Ohio. CEI also engages in the sale, purchase and interchange of electric energy with other electric companies. The area CEI serves has a population of approximately 1.9 million.

TE was organized under the laws of the State of Ohio in 1901 and does business as an electric public utility in that state. It also has ownership interests in certain generating facilities in Pennsylvania. TE engages in the generation, distribution and sale of electric energy in an area of approximately 2,500 square miles in northwestern Ohio. TE also engages in the sale, purchase and interchange of electric energy with other electric companies. The area TE serves has a population of approximately 0.8 million.

FE Services was organized under the laws of the State of Ohio in 1997 and provides energy-related products and services. FE Services has two subsidiaries, Penn Power Energy, Inc. (a Pennsylvania corporation), which provides electric generation services and other energy services to Pennsylvania customers and FirstEnergy Generation Corp., which operates the nonnuclear generation businesses of the Companies. FE Facilities is the parent company of eleven direct subsidiaries, which are heating, ventilating, air conditioning and energy management companies. FETS, which had been organized as a corporation in Delaware in 1995, had primarily acquired and arranged for the delivery of electricity and natural gas to FE Services' retail customers. MARBEL is a natural gas pipeline company whose subsidiaries include MARBEL HoldCo, Inc. a holding company which has a 50% ownership in Great Lakes Energy Partners, LLC, an oil and natural gas exploration and production venture, and other subsidiaries owning interests in natural gas distribution and transmission facilities, and Northeast Ohio Operating Companies, Inc., a holding company, which provides gas distribution and transportation services.

Merger Agreement

On August 8, 2000, the Company and GPU, Inc. (GPU), a Pennsylvania corporation, entered into an Agreement and Plan of Merger. Under the merger agreement, the Company would acquire all of the outstanding shares of GPU's common stock for approximately $4.5 billion in cash and FirstEnergy common stock. Approximately $7.4 billion of debt and preferred stock of GPU's subsidiaries would still be outstanding. The transaction would be accounted for by the purchase method. The combined company's principal electric utility operating companies would include OE, CEI, TE, Penn and ATSI, as well as GPU's electric utility operating companies - Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, which serve customers in New Jersey and Pennsylvania.

Under the agreement, GPU shareholders would receive the equivalent of $36.50 for each share of GPU common stock they own, payable in cash or in FirstEnergy common stock, as long as FirstEnergy's common stock price is between $24.2438 and $29.6313. GPU shareholders would be able to elect the form of consideration they wish to receive, subject to proration so that the aggregate consideration to all GPU shareholders will be 50 percent cash and 50 percent FirstEnergy common stock. Each GPU share converted into FirstEnergy common stock would receive not less than 1.2318 and not more than 1.5055 shares of FirstEnergy common stock, depending on the average closing price of FirstEnergy stock during the 20-day trading period ending on the seventh trading date prior to the merger closing. The stock portion of the consideration is expected to be tax-free to GPU shareholders.

The merger has been approved by the respective shareholders of the Company and GPU, the Federal Energy Regulatory Commission (FERC), the Nuclear Regulatory Commission (NRC) and the Federal Communications Commission, and is expected to close promptly after all of the conditions to the consummation of the merger, including the receipt of all necessary regulatory approvals, are fulfilled or waived. The Company and GPU are working to secure the receipt of all remaining necessary regulatory approvals, including, but not limited to, the Securities and Exchange Commission (SEC), by the end of the second quarter of 2001.

Utility Regulation

The Companies are subject to broad regulation as to rates and other matters by the Public Utilities Commission of Ohio (PUCO) and the Pennsylvania Public Utility Commission (PPUC). With respect to their wholesale and interstate electric operations and rates, the Companies are subject to regulation, including regulation of their accounting policies and practices, by the FERC. Under Ohio law, municipalities may regulate rates, subject to appeal to the PUCO if not acceptable to the utility.

PUCO Rate Matters

The PUCO approved OE's Rate Reduction and Economic Development Plan in 1995 and a Rate Reduction and Economic Development Plan for CEI and TE in January 1997. These plans were designed to enhance and accelerate economic development within the Companies' Ohio service areas and to assure the Companies' customers in those service areas of long-term competitive pricing for energy services.

These plans were to maintain then current base electric rates for OE, CEI and TE through December 31, 2005, unless additional revenues were needed to recover the costs of changes in environmental, regulatory or tax laws or regulations. At the end of the plan periods, OE base rates were to be reduced by $300 million (approximately 20 percent below then current levels) and CEI and TE base rates were to be reduced by a combined $310 million (approximately 15 percent below then current levels). As part of these plans, transition rate credits were implemented for customers, which were expected to reduce operating revenues for OE by approximately $600 million and CEI and TE by approximately $391 million during the plan period. The plans also had revised fuel recovery rate formulas so that OE's, CEI's and TE's fuel rates would be frozen through the regulatory plan period, subject to limited periodic adjustments (see "Fuel Recovery Procedures"). The plans were terminated at the end of 2000 concurrent with the implementation of the FirstEnergy transition plan as described further below.

In July 1999, Ohio's electric utility restructuring legislation, which allowed Ohio electric customers to select their generation suppliers beginning January 1, 2001, was signed into law. Among other things, the legislation provides for a 5% reduction on the generation portion of residential customers' bills and the opportunity to recover transition costs, including regulatory assets, from January 1, 2001 through December 31, 2005. The period for the recovery of regulatory assets only can be extended up to December 31, 2010. The PUCO was authorized to determine the level of transition cost recovery, as well as the recovery period for the regulatory assets portion of those costs, in considering each Ohio electric utility's transition plan application.

The Company, on behalf of its Ohio electric utility operating companies -- OE, CEI and TE -- filed its transition plan under Ohio's new electric utility restructuring law in late 1999. The filing also included additional information on the Company's plans to turn over control, and perhaps ownership, of its transmission assets to the Alliance Regional Transmission Organization. The transition plan itemized, or unbundled, the current price of electricity into its component elements -- including generation, transmission, distribution and transition charges. As required by the PUCO's rules, the Company's transition plan also included its proposals on corporate separation of its regulated and unregulated operations, operational and technical support changes needed to accommodate customer choice, an education program to inform customers of their options under the law, and how the Company's transmission system will be operated to ensure access to all users. Customer prices would be frozen through a five-year market development period (2001-2005), except for certain limited statutory exceptions including the 5% reduction in the price of generation for residential customers. The plan: (i) proposed recovery of generation-related transition costs of approximately $1.8 billion ($1.6 billion, net of deferred income taxes), $1.9 billion ($1.7 billion, net of deferred income taxes) and $0.8 billion ($0.7 billion, net of deferred income taxes) for OE, CEI and TE, respectively, over the market development period; and (ii) proposed recovery of transition costs related to regulatory assets aggregating approximately $1.5 billion ($1.0 billion, net of deferred income taxes), $1.9 billion ($1.4 billion, net of deferred income taxes) and $0.8 billion ($0.5 billion, net of deferred income taxes) for OE, CEI and TE, respectively.

On July 19, 2000, the PUCO approved the Company's transition plan as modified by a settlement agreement with major parties to the transition plan. Major parties to the settlement agreement included the PUCO staff, the Ohio Consumers' Counsel, the Industrial Energy Users-Ohio, certain power marketers and others. Major provisions of the settlement agreement consisted of approval of recovery of transition costs in the amounts filed in the transition plan through no later than 2006 for OE, mid-2007 for TE and 2008 for CEI, except where a longer period of recovery is provided for in the settlement agreement. The Company will also give preferred access over the Company's subsidiaries to nonaffiliated marketers, brokers and aggregators to 1,120 megawatts of generation capacity through 2005 at established prices for sales to the Ohio operating companies' retail customers. The base electric rates for distribution service for OE, CEI and TE under their prior respective regulatory plans will be extended from December 31, 2005 through December 31, 2007. The transition rate credits for customers under their prior regulatory plans will also be extended through the Companies' respective transition cost recovery periods.

The application of Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation" (SFAS 71), to OE's generation business and the nonnuclear generation businesses of CEI and TE was discontinued with the issuance of the PUCO transition plan order. The SEC issued interpretive guidance regarding asset impairment measurement that concluded any supplemental regulated cash flows such as a competitive transition charge (CTC) should be excluded from the cash flows of assets in a portion of the business not subject to regulatory accounting practices. If those assets are impaired, a regulatory asset should be established if the costs are recoverable through regulatory cash flows. Consistent with the SEC guidance, $1.6 billion of impaired plant investments ($1.2 billion, $304 million and $53 million for OE, CEI and TE, respectively) were recognized as regulatory assets recoverable as transition costs through future regulatory cash flows.

The settlement agreement provides to the Company's Ohio customers an additional incentive applied to the generation shopping credit of 45% for residential customers, 30% for commercial customers and 15% for industrial customers as reductions from their bills, when they select alternative energy providers (the credits exceed the price the Company will be offering to electricity suppliers relating to the 1,120 megawatts described in the preceding paragraph). The amount of the incentive will serve to reduce the amortization of transition costs during the market development period and will be recovered over the remaining transition cost recovery periods. If the customer switching targets established in the settlement agreement are not achieved by the end of 2005, the transition cost recovery periods could be shortened for OE, CEI and TE to reduce recovery by as much as $500 million (OE-$250 million, CEI-$170 million and TE-$80 million), but any such adjustment would be computed on a class-by-class and pro-rata basis.

All of OE's, CEI's and TE's regulatory assets will continue to be recovered from customers under provisions of the Ohio transition plan. Under the previous regulatory plan, the PUCO had authorized OE to recognize additional capital recovery related to its generating assets (which was reflected as additional depreciation expense) and additional amortization of regulatory assets during the plan period of at least $2 billion more than the amount that would have been recognized if OE's plan were not in effect. These additional amounts were being recovered through current rates. CEI and TE recognized fair value purchase accounting adjustments to reduce nuclear plant by $1.71 billion and $0.84 billion, respectively, in connection with the 1997 FirstEnergy merger. These fair value adjustments recognized for financial reporting purposes satisfied the asset reduction commitments of at least $1.4 billion for CEI and $0.6 billion for TE contained in the CEI and TE plan. For regulatory purposes, CEI and TE recognized the accelerated amortization over the period that their rate plan was in effect. Based on the transition plan, OE, CEI and TE continue to bill and collect cost-based rates for their transmission and distribution services,

which remain regulated; accordingly, it is appropriate that they continue the application of SFAS 71 to those operations.

PPUC Rate Matters

In December 1996, Pennsylvania enacted "The Electricity Generation Customer Choice and Competition Act," which permitted customers, including Penn's customers, to choose their electric generation supplier, while transmission and distribution services will continue to be supplied by their current providers. In June 1998, the PPUC authorized a rate restructuring plan for Penn in accordance with this law, which essentially resulted in the deregulation of Penn's generation business as of June 30, 1998. Penn was required to remove from its balance sheet all regulatory assets and liabilities related to its generation business and assess all other assets for impairment. In accordance with the above SEC guidance, Penn reduced its nuclear generating unit investments by approximately $305 million, of which approximately $227 million was recognized as a regulatory asset to be recovered through a CTC over a seven-year transition period; the remaining net amount of $78 million was written off. The charge of $51.7 million ($30.5 million after income taxes) for discontinuing the application of SFAS 71 to Penn's generation business was recorded as a 1998 extraordinary item on the Company's, OE's and Penn's respective Statement of Income.

The phase in of customer choice was completed on January 1, 2001. Under the plan, Penn continues to deliver power to homes and businesses through its distribution system, which remains regulated by the PPUC. Penn's rates have been restructured to establish separate charges for transmission and distribution; generation, which is subject to competition, and stranded cost recovery. In the event customers obtain power from an alternative source, the generation portion of Penn's rates will be excluded from their bill and the customers will receive a generation charge from the alternative supplier. The stranded cost recovery portion of rates provides for recovery of certain amounts not otherwise considered recoverable in a competitive generation market, including regulatory assets. Penn is entitled to recover $236 million of stranded costs through a competitive transition charge that started in 1999 and ends in 2006.

FERC Rate Matters

Rates for wholesale customers are regulated by the FERC. The current FirstEnergy open access rates were approved by the FERC on March 16, 2000.

On September 1, 2000, the Company transferred the Companies' transmission assets into a new subsidiary, ATSI. ATSI now owns and operates the FirstEnergy transmission system under its own open access transmission tariff. The new subsidiary represents a first step toward the goal of establishing or becoming part of a larger independent regional transmission organization (RTO). In working toward that goal, the Company joined with four other companies -- American Electric Power (AEP), Consumers Energy, Detroit Edison and Virginia Power -- to form the Alliance RTO. On June 3, 1999, the Alliance submitted an application to the FERC to form an independent, for profit RTO. On December 15, 1999, the FERC issued an order conditionally approving the Alliance's application. On January 24, 2001, the Alliance received final FERC approval. Northern Indiana Public Service Company and The Dayton Power and Light Company have also joined the Alliance. The Company is working with the Alliance to achieve operational status by the end of 2001.

On February 21, 2001, the FERC approved the application of FirstEnergy and the Companies under Sections 203 and 205 of the Federal Power Act to implement the corporate restructuring plan approved by the PUCO as part of the Ohio transition plan. The corporate separation plan approved by the PUCO will result in FirstEnergy's operations being split into a competitive business unit, a utility business unit, and a support services unit. The corporate restructuring plan calls for FirstEnergy's generating facilities to be transferred to an Exempt Wholesale Generator (EWG) owned by FE Services. The transfer of the generating facilities to the EWG will occur after bond indenture and sale/leaseback requirements are satisfied. All competitive sales of generation will occur through FE Services. FE Services will also sell power to the Companies at fixed prices sufficient for the Companies to meet their provider of last resort and other regulatory obligations. The utility business unit will consist of the transmission and distribution operations of ATSI, CEI, OE, Penn and TE.

On March 21, 2001, the Company, along with other members of the Alliance and the Midwest Independent System Operator, Inc. (MISO) filed a settlement agreement with the FERC that would resolve inter-RTO issues between the Alliance and MISO. If approved by the FERC, this settlement agreement will also permit Ameren Corporation, Commonwealth Edison Company, Commonwealth Edison of Indiana, Inc., and Illinois Power Company to leave the MISO and join the Alliance.

Fuel Recovery Procedures

In accordance with their respective rate plans, OE's, CEI's and TE's fuel recovery rates had been frozen, subject only to limited periodic adjustments. The respective rates were adjusted annually based on changes in the GDP Implicit Price Deflator, unless significant changes in environmental, regulatory or tax laws or regulations were to increase or decrease the cost of fuel. Such changes in laws, regulations and/or taxes would have required PUCO approval in order to be reflected as an adjustment to the Electric Fuel Component (EFC) rate.

Commencing July 1, 2000, the OE EFC rate was limited to 97% of the average fuel cost rate of three utilities within the state. On March 1, 2000, the respective EFC rates in effect for CEI and TE were reduced to reflect the elimination of annual fixed charges related to a Bruce Mansfield Plant coal supply contract which amounted to $13.96 million for CEI and $8.74 million for TE. The resulting reduced EFC rates were used as the basis for the annual GDP adjustment, but, in no event, could either company's annual EFC rate exceed 1.465 cents per kWh during the rate plan period.

Under the Ohio deregulation legislation the EFC was repealed effective with the beginning of the market development period on January 1, 2001. The unbundled retail electric rates for OE, CEI and TE during the market development period reflects the respective EFC rates that were in effect when the legislation was effective in 1999.

Under its 1996 plan, Penn eliminated its energy cost rate for the recovery of fuel and net purchased power costs as a separate component of customer charges. Energy costs were rolled into Penn's base electric rates at their projected 1996-1997 level.

Capital Requirements

Capital expenditures for the Company and its subsidiaries for the years 2000 through 2005, excluding nuclear fuel, are shown in the following table. Such costs include expenditures for the betterment of existing facilities and for the construction of generating capacity, transmission lines, distribution lines, substations and other additions. See "Environmental Matters" below with regard to possible environment-related expenditures not included in the forecast.

	2000 Actual	2001-2005 Capital Expenditures Forecast 2001	2002-2005	Total
			(In millions)	
OE	$192	$90	$ 270	$ 360
Penn	30	28	125	153
CEI	96	103	352	455
TE	93	49	169	218
ATSI	10	21	91	112
FE Services	2	311	519	830
Other subsidiaries	107	81	341	422
Total	$530	$683	$1,867	$2,550

During the 2001-2005 period, maturities of, and sinking fund requirements for, long-term debt and preferred stock of the Company and its subsidiaries are:

	Preferred Stock and Long-Term Debt 2001-2005 Redemption Schedule 2001	2002-2005	Total
		(In millions)	
OE	$ 22	$ 917	$ 939
Penn	1	81	82
CEI	137	944	1,081
TE	30	475	505
Other subsidiaries	3	8	11
Total	$193	$2,425	$2,618

OE's and Penn's nuclear fuel purchases are financed through OES Fuel (a wholly owned subsidiary of OE) commercial paper and loans, both of which are supported by a $180.5 million long-term bank credit agreement. CEI and TE severally lease their respective portions of nuclear fuel and pay for the fuel as it is consumed. The Companies' respective investments for additional nuclear fuel, and nuclear fuel investment reductions as the fuel is consumed, during the 2001-2005 period are presented in the following table. The table also shows the Companies' operating lease commitments, net of capital trust cash receipts for the 2001-2005 period.

	Nuclear Fuel 2001-2005 Forecasts						Other Net Operating Lease Commitments 2001-2005 Schedule		
	New Investments			Consumption					
	2001	2002-2005	Total	2001	2002-2005	Total	2001	2002-2005	Total
					(In millions)				
OE	$16	$ 90	$106	$ 27	$ 99	$126	$ 68	$304	$372
Penn	23	58	81	18	73	91	--	1	1
CEI	8	106	114	32	112	144	21	53	74
TE	7	72	79	23	76	99	72	302	374
Total	$54	$326	$380	$100	$360	$460	$161	$660	$821

Short-term borrowings outstanding at December 31, 2000, consisted of $539.8 million of bank borrowings (Company-$395.0 million, OE-$136.4 and FE Facilities-$8.4) and $159.9 million of OES Capital, Incorporated commercial paper. OES Capital is a wholly owned subsidiary of OE whose borrowings are secured by customer accounts receivable. OES Capital can borrow up to $170 million under a receivables financing agreement at rates based on certain bank commercial paper. The Company and its utility operating subsidiaries also had $243 million (Company-$55 million and OE-$188 million) available under revolving lines of credit as of December 31, 2000. The Company may borrow under the facility and could transfer any of its borrowings under its $450 million line of credit to CEI and/or TE. In addition, Penn had a $2 million bank facility available that provides for borrowings on a short-term basis at the bank's discretion.

Based on their present plans, the Companies could provide for their cash requirements in 2001 from the following sources: funds to be received from operations; available cash and temporary cash investments (approximate amounts as of December 31, 2000: Company's nonutility subsidiaries-$26 million, OE-$15 million, Penn-$3 million, CEI-$3 million, TE-$1 million and Company-$1 million); the issuance of long-term debt (for refunding purposes) and funds available under revolving credit arrangements.

The extent and type of future financings will depend on the need for external funds as well as market conditions, the maintenance of an appropriate capital structure and the ability of the Companies to comply with coverage requirements in order to issue first mortgage bonds and preferred stock. The Companies will continue to monitor financial market conditions and, where appropriate, may take advantage of economic opportunities to refund debt and preferred stock to the extent that their financial resources permit.

The coverage requirements contained in the first mortgage indentures under which the Companies issue first mortgage bonds provide that, except for certain refunding purposes, the Companies may not issue first mortgage bonds unless applicable net earnings (before income taxes), calculated as provided in the indentures, for any period of twelve consecutive months within the fifteen calendar months preceding the month in which such additional bonds are issued, are at least twice annual interest requirements on outstanding first mortgage bonds, including those being issued. Under OE's first mortgage indenture, the availability of property additions is more restrictive than the earnings test at the present time and would limit the amount of first mortgage bonds issuable against property additions to $158 million. OE is currently able to issue $921 million principal amount of first mortgage bonds against previously retired bonds without the need to meet the above restrictions. Under Penn's first mortgage indenture, other requirements also apply and are more restrictive than the earnings test at the present time. Penn is currently able to issue $224 million principal amount of first mortgage bonds, with up to $123 million of such amount issuable against property additions; the remainder could be issued against previously retired bonds. CEI and TE can issue $828 million and $543 million, respectively, principal amount of first mortgage bonds against a combination of previously retired bonds and property additions.

OE's, Penn's and TE's respective articles of incorporation prohibit the sale of preferred stock unless applicable gross income, calculated as provided in the articles of incorporation, is equal to at least 1-1/2 times the aggregate of the annual interest requirements on indebtedness and annual dividend requirements on preferred stock outstanding immediately thereafter. Based upon earnings for 2000 and an assumed dividend rate of 9.25%, OE, Penn and TE would be permitted, under the earnings coverage test contained in their charters, to issue at least $1.7 billion, $55 million and $463 million of preferred stock, respectively. There are no restrictions on CEI' s ability to issue preferred stock.

To the extent that coverage requirements or market conditions restrict the Companies' abilities to issue desired amounts of first mortgage bonds or preferred stock, the Companies may seek other methods of financing. Such financings could include the sale of preferred and/or preference stock or of such other types of securities as might be authorized by applicable regulatory authorities which would not otherwise be sold and could result in annual interest charges and/or dividend requirements in excess of those that would otherwise be incurred.

Nuclear Regulation

The construction and operation of nuclear generating units are subject to the regulatory jurisdiction of the NRC including the issuance by it of construction permits and operating licenses. The NRC's procedures with respect to the amendment of nuclear reactor operating licenses afford opportunities for interested parties to request adjudicatory hearings on health, safety and environmental issues subject to meeting NRC "standing" requirements. In this connection, the NRC may require substantial changes in operation or the installation of additional equipment to meet safety or environmental standards, subject to the backfit rule requiring the NRC to justify such new requirements as necessary for the overall protection of public health and safety. The possibility also exists for modification, denial or revocation of licenses in the event of substantial safety concerns at the nuclear facility. Beaver Valley Unit 1 was placed in commercial operation in 1976, and its operating license expires in 2016. Davis-Besse was placed in commercial operation in 1977, and its operating license expires in 2017. Perry Unit 1 and Beaver Valley Unit 2 were placed in commercial operation in 1987, and their operating licenses expire in 2026 and 2027, respectively.

The NRC has promulgated and continues to promulgate regulations related to the safe operation of nuclear power plants. The Companies cannot predict what additional regulations will be promulgated or design changes required or the effect that any such regulations or design changes, or the consideration thereof, may have upon their nuclear plants. Although the Companies have no reason to anticipate an accident at any of their nuclear plants, if such an accident did happen, it could have a material but currently undeterminable adverse effect on the Company's consolidated financial position. In addition, such an accident at any operating nuclear plant, whether or not owned by the Companies, could result in regulations or requirements that could affect the operation or licensing of plants that the Companies do own with a consequent but currently undeterminable adverse impact, and could affect the Companies' abilities to raise funds in the capital markets.

Nuclear Insurance

The Price-Anderson Act limits the public liability which can be assessed with respect to a nuclear power plant to $9.5 billion (assuming 106 units licensed to operate) for a single nuclear incident, which amount is covered by: (i) private insurance amounting to $200 million; and (ii) $9.3 billion provided by an industry retrospective rating plan required by the NRC pursuant thereto. Under such retrospective rating plan, in the event of a nuclear incident at any unit in the United States resulting in losses in excess of private insurance, up to $88.1 million (but not more than $10 million per unit per year in the event of more than one incident) must be contributed for each nuclear unit licensed to operate in the country by the licensees thereof to cover liabilities arising out of the incident. Based on their nuclear ownership and leasehold interests, the Companies' maximum potential assessment under these provisions would be $352.4 million (OE-$94.2 million, Penn-$74.0 million, CEI-$106.3 million and TE-$77.9 million) per incident but not more than $40.0 million (OE-$10.7 million, Penn-$8.4 million, CEI-$12.1 million and TE-$8.8 million) in any one year for each incident.

In addition to the public liability insurance provided pursuant to the Price-Anderson Act, the Companies have also obtained insurance coverage in limited amounts for economic loss and property damage arising out of nuclear incidents. The Companies are members of Nuclear Electric Insurance Limited (NEIL) which provides coverage (NEIL I) for the extra expense of replacement power incurred due to prolonged accidental outages of nuclear units. Under NEIL I, the Companies have policies, renewable yearly, corresponding to their respective nuclear interests, which provide an aggregate indemnity of up to approximately $789 million (OE-$210 million, Penn-$148 million, CEI-$255 million and TE-$176 million) for replacement power costs incurred during an outage after an initial 12-week waiting period. Members of NEIL I pay annual premiums and are subject to assessments if losses exceed the accumulated funds available to the insurer. The Companies' present maximum aggregate assessment for incidents at any covered nuclear facility occurring during a policy year would be approximately $4.1 million (OE-$1.1 million, Penn-$0.9 million, CEI-$1.2 million and TE-$0.9 million).

The Companies are insured as to their respective nuclear interests under property damage insurance provided by NEIL to the operating company for each plant. Under these arrangements, $2.75 billion of coverage for decontamination costs, decommissioning costs, debris removal and repair and/or replacement of property is provided. The Companies pay annual premiums for this coverage and are liable for retrospective assessments of up to approximately $33.5 million (OE-$9.3 million, Penn-$6.5 million, CEI-$10.5 million and TE-$7.2 million) during a policy year.

The Companies intend to maintain insurance against nuclear risks as described above as long as it is available. To the extent that replacement power, property damage, decontamination, decommissioning, repair and replacement costs and other such costs arising from a nuclear incident at any of the Companies' plants exceed the policy limits of the insurance in effect with respect to that plant, to the extent a nuclear incident is determined not to

be covered by the Companies' insurance policies, or to the extent such insurance becomes unavailable in the future, the Companies would remain at risk for such costs.

The NRC requires nuclear power plant licensees to obtain minimum property insurance coverage of $1.06 billion or the amount generally available from private sources, whichever is less. The proceeds of this insurance are required to be used first to ensure that the licensed reactor is in a safe and stable condition and can be maintained in that condition so as to prevent any significant risk to the public health and safety. Within 30 days of stabilization, the licensee is required to prepare and submit to the NRC a cleanup plan for approval. The plan is required to identify all cleanup operations necessary to decontaminate the reactor sufficiently to permit the resumption of operations or to commence decommissioning. Any property insurance proceeds not already expended to place the reactor in a safe and stable condition must be used first to complete those decontamination operations that are ordered by the NRC. The Companies are unable to predict what effect these requirements may have on the availability of insurance proceeds to the Companies for the Companies' bondholders.

Environmental Matters

Various federal, state and local authorities regulate the Companies with regard to air and water quality and other environmental matters. The Companies have estimated capital expenditures for environmental compliance of approximately $201 million, which is included in the construction estimate given under "Capital Requirements" for 2001 through 2005.

Air Regulation

Under the provisions of the Clean Air Act of 1970, both the State of Ohio and the Commonwealth of Pennsylvania adopted ambient air quality standards, and related emission limits, including limits for sulfur dioxide (SO_2) and particulates. In addition, the U.S. Environmental Protection Agency (EPA) promulgated an SO_2 regulatory plan for Ohio which became effective for OE's, CEI's and TE's plants in 1977. Generating plants to be constructed in the future and some future modifications of existing facilities will be covered not only by the applicable state standards but also by EPA emission performance standards for new sources. In both Ohio and Pennsylvania the construction or certain modifications of emission sources requires approval from appropriate environmental authorities, and the facilities involved may not be operated unless a permit or variance to do so has been issued by those same authorities.

The Companies are required to meet federally approved SO_2 regulations. Violations of such regulations can result in shutdown of the generating unit involved and/or civil or criminal penalties of up to $27,500 for each day the unit is in violation. The EPA has an interim enforcement policy for SO_2 regulations in Ohio that allows for compliance based on a 30-day averaging period. The Companies cannot predict what action the EPA may take in the future with respect to the interim enforcement policy.

The Companies are in compliance with the current SO_2 and nitrogen oxides (NO_x) reduction requirements under the Clean Air Act Amendments of 1990. SO_2 reductions are being achieved by burning lower-sulfur fuel, generating more electricity from lower-emitting plants, and/or using emission allowances. NO_x reductions are being achieved through combustion controls and the generation of more electricity at lower-emitting plants. In September 1998, the EPA finalized regulations requiring additional NO_x reductions from the Companies' Ohio and Pennsylvania facilities. The EPA's NO_x Transport Rule imposes uniform reductions of NO_x emissions (an approximate 85% reduction in utility plant NO_x emissions from projected 2007 emissions) across a region of twenty-two states and the District of Columbia, including Ohio and Pennsylvania, based on a conclusion that such NO_x emissions are contributing significantly to ozone pollution in the eastern United States. In March 2000, the U.S. Court of Appeals for the D.C. Circuit upheld EPA's NO_x Transport Rule except as applied to the State of Wisconsin and portions of Georgia and Missouri. By October 2000, states were to submit revised State Implementation Plans (SIP) to comply by May 31, 2004 with individual state NO_x budgets established by the EPA. Pennsylvania recently submitted a SIP that requires compliance with the NO_x budgets at the Companies' Pennsylvania facilities by May 1, 2003 and Ohio submitted a "draft" SIP that requires compliance with the NO_x budgets at the Companies' Ohio facilities by May 31, 2004. A Federal Implementation Plan accompanied the NO_x Transport Rule and may be implemented by the EPA in states which fail to revise their SIP. In another separate but related action, eight states filed petitions with the EPA under Section 126 of the Clean Air Act seeking reductions of NO_x emissions which are alleged to contribute to ozone pollution in the eight petitioning states. The EPA position is that the Section 126 petitions will be adequately addressed by the NO_x Transport Program, but a December 17, 1999 rulemaking established an alternative program which would require nearly identical 85% NO_x reductions at 392 utility plants, including the Companies' Ohio and Pennsylvania plants, by May 2003, in the event implementation of the NO_x Transport Rule is not implemented by a state. Additional Section 126 petitions were filed by New Jersey, Maryland, Delaware and the District of Columbia in

mid-1999 and are still under evaluation by the EPA. The Companies continue to evaluate their compliance plans and other compliance options.

In July 1997, the EPA promulgated changes in the National Ambient Air Quality Standard (NAAQS) for ozone and proposed a new NAAQS for previously unregulated ultra-fine particulate matter. In May 1999, the U.S. Court of Appeals found constitutional and other defects in the new NAAQS rules. In February 2001, the U.S. Supreme Court upheld the new NAAQS rules regulating ultra-fine particulates but found defects in the new NAAQS rules for ozone and decided that the EPA must revise those rules. The future cost of compliance with these regulations may be substantial and will depend on the manner in which they are ultimately implemented, if at all, by the states in which the Companies operate affected facilities.

In 1999 and 2000, the EPA issued Notices of Violation (NOV) or a Compliance Order to nine utilities covering 44 power plants, including the W. H. Sammis Plant. In addition, the U.S. Department of Justice filed eight civil complaints against various investor-owned utilities, which included a complaint against OE and Penn in the U.S. District Court for the Southern District of Ohio. The NOV and complaint allege violations of the Clean Air Act based on operation and maintenance of the Sammis Plant dating back to 1984. The complaint requests permanent injunctive relief to require the installation of "best available control technology" and civil penalties of up to $27,500 per day of violation. Although unable to predict the outcome of these proceedings, the Company believes the Sammis Plant is in full compliance with the Clean Air Act and the NOV and complaint are without merit. Penalties could be imposed if the Sammis Plant continues to operate without correcting the alleged violations and a court determines that the allegations are valid. The Sammis Plant continues to operate while these proceedings are pending.

In December 2000, the EPA announced it would proceed with the development of regulations regarding hazardous air pollutants from electric power plants. The EPA identified mercury as the hazardous air pollutant of greatest concern. The EPA established a schedule to propose regulations by December 2003 and issue final regulations by December 2004. The future cost of compliance with these regulations may be substantial.

Water Regulation

Various water quality regulations, the majority of which are the result of the federal Clean Water Act and its amendments, apply to the Companies' plants. In addition, Ohio and Pennsylvania have water quality standards applicable to the Companies' operations. As provided in the Clean Water Act, authority to grant federal National Pollutant Discharge Elimination System water discharge permits can be assumed by a state. Ohio and Pennsylvania have assumed such authority.

Waste Disposal

As a result of the Resource Conservation and Recovery Act of 1976, as amended, and the Toxic Substances Control Act of 1976, federal and state hazardous waste regulations have been promulgated. Certain fossil-fuel combustion waste products, such as coal ash, were exempted from hazardous waste disposal requirements pending EPA's evaluation of the need for future regulation. EPA has issued its final regulatory determination that regulation of coal ash as a hazardous waste is unnecessary. On April 25, 2000, the EPA announced that it will develop national standards regulating disposal of coal ash under its authority to regulate nonhazardous waste.

CEI and TE have been named as "potentially responsible parties" (PRPs) at waste disposal sites which may require cleanup under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. Allegations of disposal of hazardous substances at historical sites and the liability involved, are often unsubstantiated and subject to dispute. Federal law provides that all PRPs for a particular site be held liable on a joint and several basis. CEI and TE have accrued liabilities totaling $3.7 million at December 31, 2000, based on estimates of the total costs of cleanup, the proportionate responsibility of other PRPs for such costs and the financial ability of other PRPs to pay. CEI and TE believe that waste disposal costs will not have a material adverse effect on their financial condition, cash flows or results of operations.

In 1980, Congress passed the Low-Level Radioactive Waste Policy Act which provides that the disposal of low-level radioactive waste is the responsibility of the state where such waste is generated. The Act encourages states to form compacts among themselves to develop regional disposal facilities. Failure by a state or compact to begin implementation of a program could result in access denial to the two facilities currently accepting low-level radioactive waste. Ohio is part of the Midwest Compact and has responsibility for siting and constructing a disposal facility. On June 26, 1997, the Midwest Compact Commission (Compact) voted to cease all siting activities in the host state of Ohio and to dismantle the Ohio Low-Level Radioactive Waste Facility Development Authority, the statutory agency charged with siting and constructing the low-level radioactive waste disposal facility. While the Compact

remains intact, it has no plans to site or construct a low-level radioactive waste disposal facility in the Midwest. The Companies continue to ship low-level radioactive waste from their nuclear facilities to the Barnwell, South Carolina waste disposal facility.

Summary

Environmental controls are still in the process of development and require, in many instances, balancing the needs for additional quantities of energy in future years and the need to protect the environment. As a result, the Companies cannot now estimate the precise effect of existing and potential regulations and legislation upon any of their existing and proposed facilities and operations or upon their ability to issue additional first mortgage bonds under their respective mortgages. These mortgages contain covenants by the Companies to observe and conform to all valid governmental requirements at the time applicable unless in course of contest, and provisions which, in effect, prevent the issuance of additional bonds if there is a completed default under the mortgage. The provisions of each of the mortgages, in effect, also require, in the opinion of counsel for the respective Companies, that certification of property additions as the basis for the issuance of bonds or other action under the mortgages be accompanied by an opinion of counsel that the company certifying such property additions has all governmental permissions at the time necessary for its then current ownership and operation of such property additions. The Companies intend to contest any requirements they deem unreasonable or impossible for compliance or otherwise contrary to the public interest. Developments in these and other areas of regulation may require the Companies to modify, supplement or replace equipment and facilities, and may delay or impede the construction and operation of new facilities, at costs which could be substantial.

Fuel Supply

The Companies' sources of generation during 2000 were:

	Coal	Nuclear
OE	73.8%	26.2%
Penn	38.8%	61.2%
CEI	53.4%	46.6%
TE	43.3%	56.7%
Total FirstEnergy	58.5%	41.5%

The Company currently has long-term coal contracts which will provide approximately 11,040,000 tons for the year 2001. The contracts are shared among the Companies based on various economic considerations. This contract coal is produced primarily from mines located in Pennsylvania, Kentucky and West Virginia. The contracts expire at various times through December 31, 2005.

The Companies estimate their 2001 coal requirements to be approximately 18,230,000 tons (OE - 7,425,000, Penn - 6,050,000, CEI - 3,465,000, and TE - 1,290,000). See "Environmental Matters" for factors pertaining to meeting environmental regulations affecting coal-fired generating units.

OES Fuel is the sole lessor for OE's and Penn's nuclear fuel requirements (see "Capital Requirements," Note 4G of Notes to the Company's Consolidated Financial Statements and Note 3F of Notes to OE's Consolidated Financial Statements). Nuclear fuel is currently financed for CEI and TE through leases with a special-purpose corporation.

The Company has contracts for uranium material and conversion services through 2006. The enrichment services are contracted for the majority of the enrichment requirements for nuclear fuel through 2005. Fabrication services for fuel assemblies are contracted for the next three reloads for Beaver Valley Unit 1, three reloads for Beaver Valley Unit 2 (through approximately 2004 and 2005, respectively), the next two reloads for Davis-Besse (through approximately 2005) and through the life of the plant for Perry (through approximately 2026). In addition to the existing commitments, the Company intends to make additional arrangements for the supply of uranium and for the subsequent conversion, enrichment, fabrication, and waste disposal services.

On-site spent fuel storage facilities are expected to be adequate for Perry through 2011; facilities at Beaver Valley Units 1 and 2 are expected to be adequate through 2018 and 2009, respectively. After scheduled plant modifications are completed in 2002, Davis-Besse will have adequate storage through the remainder of its operating license period. After current on-site storage capacity is exhausted, additional storage capacity will have to be obtained either through plant modifications, interim off-site disposal, or permanent waste disposal facilities. The Federal Nuclear Waste Policy Act of 1982 provides for the construction of facilities for the permanent disposal of

high-level nuclear wastes, including spent fuel from nuclear power plants operated by electric utilities; however, the selection of a suitable site is embroiled in the political process. The Company has contracts with the U.S. Department of Energy (DOE) for the disposal of spent fuel for Beaver Valley, Davis-Besse and Perry. On December 17, 1996, the DOE notified the Company that it would be unable to begin acceptance of spent fuel for disposal by January 31, 1998 as mandated by Section 302(a)(5)(B) of the Nuclear Waste Policy Act (NPA). Based on the DOE schedule published in the July 1999 Draft Environmental Impact Statement, the Yucca Mountain Repository is currently projected to start receiving spent fuel in 2010. The Company intends to make additional arrangements for storage capacity as a contingency for further delays with the DOE acceptance of spent fuel for disposal past 2010.

System Capacity and Reserves

The 2000 net maximum hourly demand on each of the Companies was: OE-5,538,000 kilowatts (kW) (including an additional 310,000 kW of firm power sales as discussed under "Competition") on June 14, 2000; Penn-926,000 kW (including an additional 63,000 kW of firm power sales as discussed under "Competition") on December 12, 2000; CEI-4,280,000 kW (excluding an additional 50,000 kW of firm power sales under a contract which extends through 2002 as discussed under "Competition") on June 14, 2000; and TE-1,976,000 kW on August 15, 2000.

The Company is constructing twelve new combustion turbines (CTs), increasing generation capability by 1,155 MW by 2003. Eight of the new CTs (815 MW) are expected to be on-line by the summer of 2001. The remaining 4 CTs (340 MW) are planned to be available for the summer of 2002. Based on existing capacity plans, firm purchase contracts and anticipated term power sales, the capacity margin anticipated for the next two years ranges from 12%-14%. In addition to physical assets and contracts, the Company's power supply plan includes interruptible retail contracts and retail demand-side management options and financial hedges such as call options, futures and forwards.

Regional Reliability

The Companies participate with 24 other electric companies operating in nine states in the East Central Area Reliability Coordination Agreement (ECAR), which was organized for the purpose of furthering the reliability of bulk power supply in the area through coordination of the planning and operation by the ECAR members of their bulk power supply facilities. The ECAR members have established principles and procedures regarding matters affecting the reliability of the bulk power supply within the ECAR region. Procedures have been adopted regarding: i) the evaluation and simulated testing of systems' performance; ii) the establishment of minimum levels of daily operating reserves; iii) the development of a program regarding emergency procedures during conditions of declining system frequency; and iv) the basis for uniform rating of generating equipment.

Competition

The Companies had traditionally competed with other utilities for intersystem bulk power sales and for sales to municipalities and cooperatives. The Companies compete with suppliers of natural gas and other forms of energy in connection with their industrial and commercial sales and in the home climate control market, both with respect to new customers and conversions, and with all other suppliers of electricity. To date, there has been no substantial cogeneration by the Companies' customers.

As a result of the actions taken by state legislative bodies over the last few years, major changes in the electric utility business are occurring in parts of the United States, including Ohio and Pennsylvania, in which the Company's utility subsidiaries operate. These changes have resulted in fundamental alterations in the way traditional integrated utilities and holding company systems, like FirstEnergy, conduct their business. In accordance with the Ohio electric utility restructuring law under which Ohio electric customers choose their electric generation suppliers starting in January 2001, the Company has further aligned its business units to accommodate its retail strategy and participate in the competitive electricity marketplace in Ohio. The organizational changes are intended to deal with the unbundling of electric utility services and new ways of conducting business.

Sales of electricity in these deregulated markets are diversifying the Companies' revenue sources through FirstEnergy's competitive subsidiaries in areas outside of their franchise areas. This strategy has positioned the Company to compete in the northeast quadrant of the United States – the region targeted by the Company for growth. The Company's competitive subsidiaries are actively participating in deregulated energy markets in Ohio, Pennsylvania, New Jersey, Delaware and Maryland. Currently, FE Services is providing electric generation to customers within those states. As additional states within the northeast region of the United States become deregulated, FE Services is preparing to enter these markets.

Competition in Ohio's electric generation business is being phased in during the five-year market development period, through 2005. The Company has moved the operation of the generation portion of its business to the competitive business unit as reflected in its approved Ohio transition plan. The Companies will continue to provide generation services to regulated franchise customers who have not chosen an alternative, competitive generation supplier, by obtaining generation through power supply agreements with the competitive business unit. In addition to electric generation, FE Services is also competing in deregulated natural gas markets, adding nearly 140,000 customers in 2000, as well as offering other energy related products and services.

In an effort to utilize more fully their facilities and hold down costs to their other customers, OE and Penn have entered into a long-term power sales agreement with another utility. Currently, OE and Penn are selling 450,000 kW annually under this contract through December 31, 2005. OE and Penn have the option to reduce this commitment by 150,000 kW, with three years' advance notice. In addition, CEI has entered into a long-term power sales contract with another utility and is currently selling up to 20,000 kW under this contract though December 31, 2002.

Research and Development

The Companies participate in funding the Electric Power Research Institute (EPRI), which was formed for the purpose of expanding electric research and development under the voluntary sponsorship of the nation's electric utility industry - public, private and cooperative. Its goal is to mutually benefit utilities and their customers by promoting the development of new and improved technologies to help the utility industry meet present and future electric energy needs in environmentally and economically acceptable ways. EPRI conducts research on all aspects of electric power production and use, including fuels, generation, delivery, energy management and conservation, environment effects and energy analysis. The major portion of EPRI research and development projects is directed toward practical solutions and their applications to problems currently facing the electric utility industry. In 2000, approximately 70% of the Companies' research and development expenditures were related to EPRI.

Executive Officers

The executive officers are elected at the annual organization meeting of the Board of Directors, held immediately after the annual meeting of stockholders, and hold office until the next such organization meeting, unless the Board of Directors shall otherwise determine, or unless a resignation is submitted.

Name	Age	Position Held During Past Five Years	Dates
H. P. Burg	54	Chairman of the Board and Chief Executive Officer	2000-present
		President and Chief Executive Officer	1999-2000
		President and Chief Operating Officer	1998-1999
		President and Chief Financial Officer	1997-1998
		President, Chief Operating Officer and Chief Financial Officer-OE	1996-1997
		Senior Vice President and Chief Financial Officer-OE	*-1996
A. J. Alexander	49	President	2000-present
		Executive Vice President and General Counsel	1997-2000
		Senior Vice President and General Counsel-OE	*-1997
E. T. Carey	58	Vice President – Distribution	1997-present
		Vice President – Regional Operations and Customer Service-OE	*-1997
M. B. Carroll	49	Vice President – Corporate Affairs	1997-present
		Manager – Sandusky Area-OE	*-1997
K. W. Dindo	51	Vice President – Energy Services	1998-present
		Vice President and Controller – Caliber System, Inc.	*-1998
D. S. Elliott	46	Vice President – Sales and Marketing	1997-present
		Manager – FirstEnergy Services – OE	1997
		Manager – Eastern Division – OE	1996-1997
		Manager – Youngstown Division – OE	*-1996
A. R. Garfield	62	Senior Vice President - Supply and Sales	2000-present
		Vice President – Business Development	1997-2000
		Vice President – System Operations – OE	*-1997
J. A. Gill	64	Senior Vice President – Administrative Services	1998-present
		Vice President – Administrative Services	1997-1998
		Vice President – Administration – OE	*-1997
K. J. Keough	41	Vice President – Business Planning & Ventures	1999-present
		Partner – McKinsey & Company	*-1999
R. H. Marsh	50	Vice President and Chief Financial Officer	1998-present
		Vice President – Finance	1997-1998
		Treasurer – OE	*-1997
G. L. Pipitone	51	Vice President – Fossil Production	1997-present
		Vice President – Generation and Transmission – OE	1996-1997
		Manager – Akron Division – OE	*-1996
S. F. Szwed	48	Vice President – Transmission	1997-present
		Vice President – Engineering & Planning – Centerior Service Company	*-1997
L. L. Vespoli	41	Vice President and General Counsel	2000-present
		Associate General Counsel	1997-2000
		Senior Attorney – OE	*-1997
N. C. Ashcom	53	Corporate Secretary	1997-present
		Secretary – OE	*-1997
T. C. Navin	43	Treasurer	1998-present
		Assistant Treasurer	1998-1998
		Director, Treasury Services	1998-1998
		Director, Asset Strategy	1997-1998
		Staff Business Analyst – OE	1997-1997
		Senior Business Analyst – OE	*-1997
H. L. Wagner	48	Controller	1997-present
		Comptroller – OE	*-1997

Except for H. P. Burg, A. J. Alexander, M. B. Carroll, K. W. Dindo, D. S. Elliott and K. J. Keough, the officers above hold the same office for FirstEnergy, OE, CEI and TE and H. P. Burg holds the office of President for OE, CEI and TE.
Except for J. A. Elser holding the office of President and J. A. Gill and A. R. Garfield holding the offices of Vice President, and except for A. J. Alexander, M. B. Carroll, K. W. Dindo, D. S. Elliott and K. J. Keough, the officers above hold the same offices for Penn.

*Indicates position held at least since January 1, 1996.

As of January 1, 2001, the Company's nonutility subsidiaries and the Companies had a total of 13,830 employees consisting of the following: Company - 1,618, OE - 1,372, CEI - 1,046, TE - 539, Penn - 275, FE Services - 2,334, FENOC - 2,667, FE Facilities - 3,930 and MARBEL - 49 employees.

ITEM 2. PROPERTIES

The Companies' respective first mortgage indentures constitute, in the opinion of the Companies' counsel, direct first liens on substantially all of the respective Companies' physical property, subject only to excepted encumbrances, as defined in the indentures. See "Leases" and "Capitalization" notes to the respective financial statements for information concerning leases and financing encumbrances affecting certain of the Companies' properties.

The Companies own, individually or together as tenants in common, and/or lease, the generating units in service as of March 1, 2001, shown on the table below.

		Net Demonstrated Capacity (MW)	OE		Penn		CEI		TE	
Plant - Location	Unit	Total	%	MW	%	MW	%	MW	%	MW
Coal-Fired Units										
Ashtabula- Ashtabula, OH	5,7,8,9	376	–	–	–	–	100.00%	376	–	–
Bay Shore- Toledo, OH	1-4	631	–	–	–	–	–	–	100.00%	631
R. E. Burger- Shadyside, OH	3-5	406	100.00%	406	–	–	–	–	–	–
Eastlake-Eastlake, OH	1-5	1,233	–	–	–	–	100.00%	1,233	–	–
Lakeshore- Cleveland, OH	18	245	–	–	–	–	100.00%	245	–	–
B. Mansfield-	1	780	60.00%	468	33.50%	261	6.50%	51	–	–
Shippingport, PA	2	780	43.06%	336	9.36%	73	30.28%(b)	236	17.30%(b)	135
	3	800	49.34%	395	6.28%	50	24.47%	196	19.91%(b)	159
W. H. Sammis-	1-6	1,620	100.00%	1,620	–	–	–	–	–	–
Stratton, OH	7	600	48.00%	288	20.80%	125	31.20%	187	–	–
Total		7,471		3,513		509		2,524		925
Nuclear Units										
Beaver Valley-	1	810	35.00%	283	65.00%	527	–	–	–	–
Shippingport, PA	2	820	41.88%(a)	343	13.74%	113	24.47%	201	19.91%(c)	163
Davis-Besse- Oak Harbor, OH	1	883	–	–	–	–	51.38%	454	48.62%	429
Perry- N. Perry Village, OH	1	1.248	30.00%(a)	374	5.24%	65	44.85%	561	19.91%	248
Total		3,761		1,000		705		1,216		840
Oil/Gas-Fired/ Pumped Storage Units										
Edgewater-Lorain, OH	4	100	100.00%	100	–	–	–	–	–	–
Richland-Defiance, OH	1-6	432	–	–	–	–	–	–	100.00%	432
Seneca-Warren, PA		435	–	–	–	–	100.00%	435	–	–
West Lorain- Lorain, OH	1	120	100.00%	120	–	–	–	–	–	–
Other		196		109		19		33		35
Total		1,283		329		19		468		467
Total		12,515		4,842		1,233		4,208		2,232

Notes: (a) OE's interests consist of 20.22% owned and 21.66% leased for Beaver Valley Unit 2; and 17.42% owned (representing portion leased from a wholly owned subsidiary of OE) and 12.58% leased for Perry.
(b) CEI's interests consist of 1.68% owned and 28.60% leased and TE's interests are leased.
(c) TE's interests consist of 1.65% owned and 18.26% leased.

Prolonged outages of existing generating units might make it necessary for the Companies, depending upon the demand for electric service upon their system, to use to a greater extent than otherwise, less efficient and less economic generating units, or purchased power, and in some cases may require the reduction of load during peak periods under the Companies' interruptible programs, all to an extent not presently determinable.

The Companies' generating plants and load centers are connected by a transmission system consisting of elements having various voltage ratings ranging from 23 kilovolts (kV) to 345 kV. The Companies' overhead and underground transmission lines aggregate 8,713 pole miles.

The Companies' electric distribution systems include 56,671 miles of overhead pole line and underground conduit carrying primary, secondary and street lighting circuits. They own substations with a total installed transformer capacity of 53,423,000 kilovolt-amperes.

The Company's transmission system also interconnects with those of AEP, The Dayton Power & Light Company, Duquesne Light Company, Allegheny Energy, Inc., Michigan Electric Coordination Systems and Pennsylvania Electric Company.

The Company's distribution and transmission systems as of December 31, 2000, consists of the following:

	Distribution Lines	Transmission Lines	Substation Transformer Capacity
	(Miles)		*(kV-amperes)*
OE	26,965	550	12,291,000
Penn	5,265	44	2,303,000
CEI	23,756	2,144	12,897,000
TE	685	223	4,474,000
ATSI	-	5,752	21,458,000
Total	56,671	8,713	53,423,000

The Company's MARBEL Energy subsidiary owns interests in crude oil and natural gas production, as well as natural gas distribution and transmission facilities. MARBEL's subsidiaries include Marbel HoldCo, Inc. a holding company which has a 50% ownership in Great Lakes Energy Partners, LLC (Great Lakes), an oil and natural gas exploration and production venture and Northeast Ohio Operating Companies, Inc. which has as a subsidiary, Northeast Ohio Natural Gas Corporation. The joint venture in Great Lakes includes interests in more than 7,900 oil and natural gas wells, drilling rights to nearly one million acres, proved reserves of 480 billion cubic feet equivalent of natural gas and oil and 4,800 miles of pipelines in the Appalachian Basin.

ITEM 3. LEGAL PROCEEDINGS

See Environmental Matters section.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information required by this item for FirstEnergy is included on page 17 of FirstEnergy's 2000 Annual Report to Stockholders (Exhibit 13). The information required for OE, CEI, TE and Penn is not applicable because they are wholly owned subsidiaries.

ITEM 6. SELECTED FINANCIAL DATA

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by items 6 through 8 is incorporated herein by reference to Selected Financial Data, Management's Discussion and Analysis of Results of Operations and Financial Condition, and Financial Statements included on the pages shown in the following table in the respective company's 2000 Annual Report to Stockholders (Exhibit 13).

	Item 6	Item 7	Item 8
FirstEnergy	17	18-24	25-47
OE	1	2-7	8-26
Penn	1	2-5	6-20
CEI	1	2-6	7-24
TE	1	2-6	7-24

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

FirstEnergy

The information required by Item 10, with respect to Identification of FirstEnergy's Directors and with respect to reports required to be filed under Section 16 of the Securities Exchange Act of 1934, is incorporated herein by reference to the Company's 2001 Proxy Statement filed with the Securities and Exchange Commission (SEC) pursuant to Regulation 14A and, with respect to Identification of Executive Officers, to "Part I, Item 1. Business - Executive Officers" herein.

OE, Penn, CEI and TE

H. P. Burg, A. J. Alexander and R. H. Marsh are the Directors of OE, Penn, CEI and TE. Information concerning these individuals is shown in the "Executive Officers" section of Item 1.

ITEM 11. EXECUTIVE COMPENSATION

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

FirstEnergy, OE, CEI, TE and Penn –

The information required by Items 11, 12 and 13 is incorporated herein by reference to the Company's 2001 Proxy Statement filed with the SEC pursuant to Regulation 14A.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) 1. Financial Statements

Included in Part II of this report and incorporated herein by reference to the respective company's 2000 Annual Report to Stockholders (Exhibit 13 below) at the pages indicated.

	FE	OE	Penn	CEI	TE
Report of Independent Public Accountants	16	26	20	24	24
Statements of Income–Three Years Ended December 31, 2000	25	8	6	7	7
Balance Sheets–December 31, 2000 and 1999	26	9	7	8	8
Statements of Capitalization–December 31, 2000 and 1999	27-29	10-11	8	9-10	9-10
Statements of Common Stockholders' Equity–Three Years Ended December 31, 2000	30	12	9	11	11
Statements of Preferred Stock–Three Years Ended December 31, 2000	31	12	9	11	11
Statements of Cash Flows–Three Years Ended December 31, 2000	32	13	10	12	12
Statements of Taxes–Three Years Ended December 31, 2000	33	14	11	13	13
Notes to Financial Statements	34-47	15-25	12-19	14-23	14-23

2. Financial Statement Schedules

Included in Part IV of this report:

	FE	OE	Penn	CEI	TE
Report of Independent Public Accountants	44	45	48	46	47
Schedule - Three Years Ended December 31, 2000: II – Consolidated Valuation and Qualifying Accounts	49	50	53	51	52

Schedules other than the schedule listed above are omitted for the reason that they are not required or are not applicable, or the required information is show in the financial statements or notes thereto.

3. Exhibits – FirstEnergy

Exhibit
Number

3-1 — Articles of Incorporation constituting FirstEnergy Corp.'s Articles of Incorporation, dated September 17, 1996. (September 17, 1996 Form 8-K, Exhibit C)

3-1(a) — Amended Articles of Incorporation of FirstEnergy Corp. (Registration No. 333-21011, Exhibit (3)-1.)

3-2 — Regulations of FirstEnergy Corp. (September 17, 1996 Form 8-K, Exhibit D)

(A) 3-2(a) — FirstEnergy Corp. Amended Code of Regulations. (Registration No. 333-21011, Exhibit (3)-2.)

4-1 — Rights Agreement (December 1, 1997 Form 8-K, Exhibit 4.1)

10-1 — FirstEnergy Corp. Executive and Director Incentive Compensation Plan, revised November 15, 1999. (1999 Form 10-K, Exhibit 10-1)

10-2 — Amended FirstEnergy Corp. Deferred Compensation Plan for Directors, revised November 15, 1999. (1999 Form 10-K, Exhibit 10-2)

10-3 — Employment, severance and change of control agreement between FirstEnergy Corp. and executive officers. (1999 Form 10-K, Exhibit 10-3)

Exhibit Number		
10-4	—	FirstEnergy Corp. Supplemental Executive Retirement Plan, amended January 1, 1999. (1999 Form 10-K, Exhibit 10-4)
10-5	—	FirstEnergy Corp. Executive Incentive Compensation Plan. (1999 Form 10-K, Exhibit 10-5)
10-6	—	Restricted stock agreement between FirstEnergy Corp. and A. J. Alexander. (1999 Form 10-K, Exhibit 10-6)
10-7	—	FirstEnergy Corp. Executive and Director Incentive Compensation Plan. (1998 Form 10-K, Exhibit 10-1)
10-8	—	Amended FirstEnergy Corp. Deferred Compensation Plan for Directors, amended February 15, 1999. (1998 Form 10-K, Exhibit 10-2)
(A) 10-9	—	Restricted stock agreement between FirstEnergy Corp. and A. J. Alexander.
(A) 10-10	—	Restricted stock agreement between FirstEnergy Corp. and H. P. Burg.
(A) 10-11	—	Stock option agreement between FirstEnergy Corp. and officers dated November 22, 2000.
(A) 10-12	—	Stock option agreement between FirstEnergy Corp. and officers dated March 1, 2000.
(A) 10-13	—	Stock option agreement between FirstEnergy Corp. and director dated January 1, 2000.
(A) 10-14	—	Stock option agreement between FirstEnergy Corp. and two directors dated January 1, 2001.
(A) 12.1	—	Consolidated fixed charge ratios.
(A) 13	—	2000 Annual Report to Stockholders. (Only those portions expressly incorporated by reference in this Form 10-K are to be deemed "filed" with the SEC.)
(A) 21	—	List of Subsidiaries of the Registrant at December 31, 2000.
(A) 23	—	Consent of Independent Public Accountants.
(A)	—	Provided herein in electronic format as an exhibit.

3. *Exhibits – Ohio Edison*

2-1	—	Agreement and Plan of Merger, dated as of September 13, 1996, between Ohio Edison Company (OE) and Centerior Energy Corporation. (September 17, 1996 Form 8-K, Exhibit 2-1).
3-1	—	Amended Articles of Incorporation, Effective June 21, 1994, constituting OE's Articles of Incorporation. (1994 Form 10-K, Exhibit 3-1.)
3-2	—	Code of Regulations of OE as amended April 24, 1986. (Registration No. 33-5081, Exhibit (4)(d).)
3-3	—	Code of Regulations of OE as amended September 27, 1999. (1999 Form 10-K, Exhibit 3-3.)
(B) 4-1	—	Indenture dated as of August 1, 1930 between OE and Bankers Trust Company, (now the Bank of New York), as Trustee, as amended and supplemented by Supplemental Indentures:

Exhibit
Number

Dated as of	File Reference	Exhibit No.
March 3, 1931	2-1725	B1, B-1(a),B-1(b)
November 1, 1935	2-2721	B-4
January 1, 1937	2-3402	B-5
September 1, 1937	Form 8-A	B-6
June 13, 1939	2-5462	7(a)-7
August 1, 1974	Form 8-A, August 28, 1974	2(b)
July 1, 1976	Form 8-A, July 28, 1976	2(b)
December 1, 1976	Form 8-A, December 15, 1976	2(b)
June 15, 1977	Form 8-A, June 27, 1977	2(b)
Supplemental Indentures:		
September 1, 1944	2-61146	2(b)(2)
April 1, 1945	2-61146	2(b)(2)
September 1, 1948	2-61146	2(b)(2)
May 1, 1950	2-61146	2(b)(2)
January 1, 1954	2-61146	2(b)(2)
May 1, 1955	2-61146	2(b)(2)
August 1, 1956	2-61146	2(b)(2)
March 1, 1958	2-61146	2(b)(2)
April 1, 1959	2-61146	2(b)(2)
June 1, 1961	2-61146	2(b)(2)
September 1, 1969	2-34351	2(b)(2)
May 1, 1970	2-37146	2(b)(2)
September 1, 1970	2-38172	2(b)(2)
June 1, 1971	2-40379	2(b)(2)
August 1, 1972	2-44803	2(b)(2)
September 1, 1973	2-48867	2(b)(2)
May 15, 1978	2-66957	2(b)(4)
February 1, 1980	2-66957	2(b)(5)
April 15, 1980	2-66957	2(b)(6)
June 15, 1980	2-68023	(b)(4)(b)(5)
October 1, 1981	2-74059	(4)(d)
October 15, 1981	2-75917	(4)(e)
February 15, 1982	2-75917	(4)(e)
July 1, 1982	2-89360	(4)(d)
March 1, 1983	2-89360	(4)(e)
March 1, 1984	2-89360	(4)(f)
September 15, 1984	2-92918	(4)(d)
September 27, 1984	33-2576	(4)(d)
November 8, 1984	33-2576	(4)(d)
December 1, 1984	33-2576	(4)(d)
December 5, 1984	33-2576	(4)(e)
January 30, 1985	33-2576	(4)(e)
February 25, 1985	33-2576	(4)(e)
July 1, 1985	33-2576	(4)(e)
October 1, 1985	33-2576	(4)(e)
January 15, 1986	33-8791	(4)(d)
May 20, 1986	33-8791	(4)(d)
June 3, 1986	33-8791	(4)(e)
October 1, 1986	33-29827	(4)(d)
August 25, 1989	33-34663	(4)(d)
February 15, 1991	33-39713	(4)(d)
May 1, 1991	33-45751	(4)(d)
May 15, 1991	33-45751	(4)(d)
September 15, 1991	33-45751	(4)(d)
April 1, 1992	33-48931	(4)(d)
June 15, 1992	33-48931	(4)(d)
September 15, 1992	33-48931	(4)(e)
April 1, 1993	33-51139	(4)(d)
June 15, 1993	33-51139	(4)(d)
September 15, 1993	33-51139	(4)(d)
November 15, 1993	1-2578	(4)(2)

Exhibit
Number

Dated as of	File Reference	Exhibit No
April 1, 1995	1-2578	(4)(2)
May 1, 1995	1-2578	(4)(2)
July 1, 1995	1-2578	(4)(2)
June 1, 1997	1-2578	(4)(2)
April 1, 1998	1-2578	(4)(2)
June 1, 1998	1-2578	(4)(2)
September 29, 1999	1-2578	(4)(2)
April 1, 2000	(A)	(4)(2)(a)
April 1, 2000	(A)	(4)(2)(b)

(B) 4-2 — General Mortgage Indenture and Deed of Trust dated as of January 1, 1998 between OE and the Bank of New York, as Trustee. (Registration No. 333-05277, Exhibit 4(g).)

10-1 — Administration Agreement between the CAPCO Group dated as of September 14, 1967. (Registration No. 2-43102, Exhibit 5(c)(2)

10-2 — Amendment No. 1 dated January 4, 1974 to Administration Agreement between the CAPCO Group dated as of September 14, 1967. (Registration No. 2-68906, Exhibit 5(c)(3).)

10-3 — Transmission Facilities Agreement between the CAPCO Group dated as of September 14, 1967. (Registration No. 2-43102, Exhibit 5(c)(3).)

10-4 — Amendment No. 1 dated as of January 1, 1993 to Transmission Facilities Agreement between the CAPCO Group dated as of September 14, 1967. (1993 Form 10-K, Exhibit 10-4.)

10-5 — Agreement for the Termination or Construction of Certain Agreements effective September 1, 1980 among the CAPCO Group. (Registration No. 2-68906, Exhibit 10-4.)

10-6 — Amendment dated as of December 23, 1993 to Agreement for the Termination or Construction of Certain Agreements effective September 1, 1980 among the CAPCO Group. (1993 Form 10-K, Exhibit 10-6).

10-7 — CAPCO Basic Operating Agreement, as amended September 1, 1980. (Registration No. 2-68906, Exhibit 10-5.)

10-8 — Amendment No. 1 dated August 1, 1981, and Amendment No. 2 dated September 1, 1982 to CAPCO Basic Operating Agreement, as amended September 1, 1980. (September 30, 1981 Form 10-Q, Exhibit 20-1 and 1982 Form 10-K, Exhibit 19-3, respectively.)

10-9 — Amendment No. 3 dated July 1, 1984 to CAPCO Basic Operating Agreement, as amended September 1, 1980. (1985 Form 10-K, Exhibit 10-7.)

10-10 — Basic Operating Agreement between the CAPCO Companies as amended October 1, 1991. (1991 Form 10-K, Exhibit 10-8.)

10-11 — Basic Operating Agreement between the CAPCO Companies as amended January 1, 1993. (1993 Form 10-K, Exhibit 10-11.)

10-12 — Memorandum of Agreement effective as of September 1, 1980 among the CAPCO Group. (1982 Form 10-K, Exhibit 19-2.)

10-13 — Operating Agreement for Beaver Valley Power Station Units Nos. 1 and 2 as Amended and Restated September 15, 1987, by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 10-15.)

10-14 — Construction Agreement with respect to Perry Plant between the CAPCO Group dated as of July 22, 1974. (Registration No. 2-52251 of Toledo Edison Company, Exhibit 5(yy).)

Exhibit
Number

10-15	—	Amendment No. 3 dated as of October 31, 1980 to the Bond Guaranty dated as of October 1, 1973, as amended, with respect to the CAPCO Group. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 10-16.)
10-16	—	Amendment No. 4 dated as of July 1, 1985 to the Bond Guaranty dated as October 1, 1973, as amended, by the CAPCO Companies to National City Bank as Bond Trustee. (1985 Form 10-K, Exhibit 10-30.)
10-17	—	Amendment No. 5 dated as of May 1, 1986, to the Bond Guaranty by the CAPCO Companies to National City Bank as Bond Trustee. (1986 Form 10-K, Exhibit 10-33.)
10-18	—	Amendment No. 6A dated as of December 1, 1991, to the Bond Guaranty dated as of October 1, 1973, by The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company, The Toledo Edison Company to National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-33.)
10-19	—	Amendment No. 6B dated as of December 30, 1991, to the Bond Guaranty dated as of October 1, 1973 by The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company, The Toledo Edison Company to National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-34.)
10-20	—	Bond Guaranty dated as of December 1, 1991, by The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company, The Toledo Edison Company to National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-35.)
10-21	—	Memorandum of Understanding dated March 31, 1985 among the CAPCO Companies. (1985 Form 10-K, Exhibit 10-35.)
(C) 10-22	—	Ohio Edison System Executive Supplemental Life Insurance Plan. (1995 Form 10-K, Exhibit 10-44.)
(C) 10-23	—	Ohio Edison System Executive Incentive Compensation Plan. (1995 Form 10-K, Exhibit 10-45.)
(C) 10-24	—	Ohio Edison System Restated and Amended Executive Deferred Compensation Plan. (1995 Form 10-K, Exhibit 10-46.)
(C) 10-25	—	Ohio Edison System Restated and Amended Supplemental Executive Retirement Plan. (1995 Form 10-K, Exhibit 10-47.)
(C) 10-26	—	Severance pay agreement between Ohio Edison Company and W. R. Holland. (1995 Form 10-K, Exhibit 10-48.)
(C) 10-27	—	Severance pay agreement between Ohio Edison Company and H. P. Burg. (1995 Form 10-K, Exhibit 10-49.)
(C) 10-28	—	Severance pay agreement between Ohio Edison Company and A. J. Alexander. (1995 Form 10-K, Exhibit 10-50.)
(C) 10-29	—	Severance pay agreement between Ohio Edison Company and J. A. Gill. (1995 Form 10K, Exhibit 10-51.)
(D) 10-30	—	Participation Agreement dated as of March 16, 1987 among Perry One Alpha Limited Partnership, as Owner Participant, the Original Loan Participants listed in Schedule 1 Hereto, as Original Loan Participants, PNPP Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1986 Form 10-K, Exhibit 28-1.)

Exhibit
Number

(D) 10-31 — Amendment No. 1 dated as of September 1, 1987 to Participation Agreement dated as of March 16, 1987 among Perry One Alpha Limited Partnership, as Owner Participant, the Original Loan Participants listed in Schedule 1 thereto, as Original Loan Participants, PNPP Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company (now The Bank of New York), as Indenture Trustee, and Ohio Edison Company, as Lessee. (1991 Form 10-K, Exhibit 10-46.)

(D) 10-32 — Amendment No. 3 dated as of May 16, 1988 to Participation Agreement dated as of March 16, 1987, as amended among Perry One Alpha Limited Partnership, as Owner Participant, PNPP Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-47.)

(D) 10-33 — Amendment No. 4 dated as of November 1, 1991 to Participation Agreement dated as of March 16, 1987 among Perry One Alpha Limited Partnership, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1991 Form 10-K, Exhibit 10-47.)

(D) 10-34 — Amendment No. 5 dated as of November 24, 1992 to Participation Agreement dated as of March 16, 1987, as amended, among Perry One Alpha Limited Partnership, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company as Lessee. (1992 Form 10-K, Exhibit 10-49.)

(D) 10-35 — Amendment No. 6 dated as of January 12, 1993 to Participation Agreement dated as of March 16, 1987 among Perry One Alpha Limited Partnership, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-50.)

(D) 10-36 — Amendment No. 7 dated as of October 12, 1994 to Participation Agreement dated as of March 16, 1987 as amended, among Perry One Alpha Limited Partnership, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-54.)

(D) 10-37 — Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee, with Perry One Alpha Limited Partnership, Lessor, and Ohio Edison Company, Lessee. (1986 Form 10-K, Exhibit 28-2.)

(D) 10-38 — Amendment No. 1 dated as of September 1, 1987 to Facility Lease dated as of March 16, 1997 between The First National Bank of Boston, as Owner Trustee, Lessor and Ohio Edison Company, Lessee. (1991 Form 10-K, Exhibit 10-49.)

(D) 10-39 — Amendment No. 2 dated as of November 1, 1991, to Facility Lease dated as of March 16, 1987, between The First National Bank of Boston, as Owner Trustee, Lessor and Ohio Edison Company, Lessee. (1991 Form 10-K, Exhibit 10-50.)

(D) 10-40 — Amendment No. 3 dated as of November 24, 1992 to Facility Lease dated as March 16, 1987 as amended, between The First National Bank of Boston, as Owner Trustee, with Perry One Alpha Limited partnership, as Owner Participant and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-54.)

(D) 10-41 — Amendment No. 4 dated as of January 12, 1993 to Facility Lease dated as of March 16, 1987 as amended, between, The First National Bank of Boston, as Owner Trustee, with

Exhibit
Number

Perry One Alpha Limited Partnership, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-59.)

(D) 10-42 — Amendment No. 5 dated as of October 12, 1994 to Facility Lease dated as of March 16, 1987 as amended, between, The First National Bank of Boston, as Owner Trustee, with Perry One Alpha Limited Partnership, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-60.)

(D) 10-43 — Letter Agreement dated as of March 19, 1987 between Ohio Edison Company, Lessee, and The First National Bank of Boston, Owner Trustee under a Trust dated March 16, 1987 with Chase Manhattan Realty Leasing Corporation, required by Section 3(d) of the Facility Lease. (1986 Form 10-K, Exhibit 28-3.)

(D) 10-44 — Ground Lease dated as of March 16, 1987 between Ohio Edison Company, Ground Lessor, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with the Owner Participant, Tenant. (1986 Form 10-K, Exhibit 28-4.)

(D) 10-45 — Trust Agreement dated as of March 16, 1987 between Perry One Alpha Limited Partnership, as Owner Participant, and The First National Bank of Boston. (1986 Form 10-K, Exhibit 28-5.)

(D) 10-46 — Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of March 16, 1987 with Perry One Alpha Limited Partnership, and Irving Trust Company, as Indenture Trustee. (1986 Form 10-K, Exhibit 28-6.)

(D) 10-47 — Supplemental Indenture No. 1 dated as of September 1, 1987 to Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of March 16, 1987 between The First National Bank of Boston as Owner Trustee and Irving Trust Company (now The Bank of New York), as Indenture Trustee. (1991 Form 10-K, Exhibit 10-55.)

(D) 10-48 — Supplemental Indenture No. 2 dated as of November 1, 1991 to Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee and The Bank of New York, as Indenture Trustee. (1991 Form 10-K, Exhibit 10-56.)

(D) 10-49 — Tax Indemnification Agreement dated as of March 16, 1987 between Perry One, Inc. and PARock Limited Partnership as General Partners and Ohio Edison Company, as Lessee. (1986 Form 10-K, Exhibit 28-7.)

(D) 10-50 — Amendment No. 1 dated as of November 1, 1991 to Tax Indemnification Agreement dated as of March 16, 1987 between Perry One, Inc. and PARock Limited Partnership and Ohio Edison Company. (1991 Form 10-K, Exhibit 10-58.)

(D) 10-51 — Amendment No. 2 dated as of January 12, 1993 to Tax Indemnification Agreement dated as of March 16, 1987 between Perry One, Inc. and PARock Limited Partnership and Ohio Edison Company. (1994 Form 10-K, Exhibit 10-69.)

(D) 10-52 — Amendment No. 3 dated as of October 12, 1994 to Tax Indemnification Agreement dated as of March 16, 1987 between Perry One, Inc. and PARock Limited Partnership and Ohio Edison Company. (1994 Form 10-K, Exhibit 10-70.)

(D) 10-53 — Partial Mortgage Release dated as of March 19, 1987 under the Indenture between Ohio Edison Company and Bankers Trust Company, as Trustee, dated as of the 1st day of August 1930. (1986 Form 10-K, Exhibit 28-8.)

(D) 10-54 — Assignment, Assumption and Further Agreement dated as of March 16, 1987 among The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Perry One Alpha Limited Partnership, The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company. (1986 Form 10-K, Exhibit 28-9.)

Exhibit
Number

(D) 10-55 — Additional Support Agreement dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Perry One Alpha Limited Partnership, and Ohio Edison Company. (1986 Form 10-K, Exhibit 28-10.)

(D) 10-56 — Bill of Sale, Instrument of Transfer and Severance Agreement dated as of March 19, 1987 between Ohio Edison Company, Seller, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Perry One Alpha Limited Partnership. (1986 Form 10-K, Exhibit 28-11.)

(D) 10-57 — Easement dated as of March 16, 1987 from Ohio Edison Company, Grantor, to The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Perry One Alpha Limited Partnership, Grantee. (1986 Form 10-K, File Exhibit 28-12.)

10-58 — Participation Agreement dated as of March 16, 1987 among Security Pacific Capital Leasing Corporation, as Owner Participant, the Original Loan Participants listed in Schedule 1 Hereto, as Original Loan Participants, PNPP Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1986 Form 10-K, as Exhibit 28-13.)

10-59 — Amendment No. 1 dated as of September 1, 1987 to Participation Agreement dated as of March 16, 1987 among Security Pacific Capital Leasing Corporation, as Owner Participant, The Original Loan Participants Listed in Schedule 1 thereto, as Original Loan Participants, PNPP Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1991 Form 10-K, Exhibit 10-65.)

10-60 — Amendment No. 4 dated as of November 1, 1991, to Participation Agreement dated as of March 16, 1987 among Security Pacific Capital Leasing Corporation, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1991 Form 10-K, Exhibit 10-66.)

10-61 — Amendment No. 5 dated as of November 24, 1992 to Participation Agreement dated as of March 16, 1987 as amended among Security Pacific Capital Leasing Corporation, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNNP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-71.)

10-62 — Amendment No. 6 dated as of January 12, 1993 to Participation Agreement dated as of March 16, 1987 as amended among Security Pacific Capital Leasing Corporation, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-80.)

10-63 — Amendment No. 7 dated as of October 12, 1994 to Participation Agreement dated as of March 16, 1987 as amended among Security Pacific Capital Leasing Corporation, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-81.)

10-64 — Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee, with Security Pacific Capital Leasing Corporation, Lessor, and Ohio Edison Company, as Lessee. (1986 Form 10-K, Exhibit 28-14.)

Exhibit
Number

10-65	—	Amendment No. 1 dated as of September 1, 1987 to Facility Lease dated as of March 16, 1987 between The First National Bank of Boston as Owner Trustee, Lessor and Ohio Edison Company, Lessee. (1991 Form 10-K, Exhibit 10-68.)
10-66	—	Amendment No. 2 dated as of November 1, 1991 to Facility Lease dated as of March 16, 1987 between The First National Bank of Boston as Owner Trustee, Lessor and Ohio Edison Company, Lessee. (1991 Form 10-K, Exhibit 10-69.)
10-67	—	Amendment No. 3 dated as of November 24, 1992 to Facility Lease dated as of March 16, 1987, as amended, between, The First National Bank of Boston, as Owner Trustee, with Security Pacific Capital Leasing Corporation, as Owner Participant and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-75.)
10-68	—	Amendment No. 4 dated as of January 12, 1993 to Facility Lease dated as of March 16, 1987 as amended between, The First National Bank of Boston, as Owner Trustee, with Security Pacific Capital Leasing Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-76.)
10-69	—	Amendment No. 5 dated as of October 12, 1994 to Facility Lease dated as of March 16, 1987 as amended between, The First National Bank of Boston, as Owner Trustee, with Security Pacific Capital Leasing Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-87.)
10-70	—	Letter Agreement dated as of March 19, 1987 between Ohio Edison Company, as Lessee, and The First National Bank of Boston, as Owner Trustee under a Trust, dated as of March 16, 1987, with Security Pacific Capital Leasing Corporation, required by Section 3(d) of the Facility Lease. (1986 Form 10-K, Exhibit 28-15.)
10-71	—	Ground Lease dated as of March 16, 1987 between Ohio Edison Company, Ground Lessor, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Perry One Alpha Limited Partnership, Tenant. (1986 Form 10-K, Exhibit 28-16.)
10-72	—	Trust Agreement dated as of March 16, 1987 between Security Pacific Capital Leasing Corporation, as Owner Participant, and The First National Bank of Boston. (1986 Form 10-K, Exhibit 28-17.)
10-73	—	Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Security Pacific Capital Leasing Corporation, and Irving Trust Company, as Indenture Trustee. (1986 Form 10-K, Exhibit 28-18.)
10-74	—	Supplemental Indenture No. 1 dated as of September 1, 1987 to Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee and Irving Trust Company (now The Bank of New York), as Indenture Trustee. (1991 Form 10-K, Exhibit 10-74.)
10-75	—	Supplemental Indenture No. 2 dated as of November 1, 1991 to Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee and The Bank of New York, as Indenture Trustee. (1991 Form 10-K, Exhibit 10-75.)
10-76	—	Tax Indemnification Agreement dated as of March 16, 1987 between Security Pacific Capital Leasing Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1986 Form 10-K, Exhibit 28-19.)
10-77	—	Amendment No. 1 dated as of November 1, 1991 to Tax Indemnification Agreement dated as of March 16, 1987 between Security Pacific Capital Leasing Corporation and Ohio Edison Company. (1991 Form 10-K, Exhibit 10-77.)

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10-78 — Amendment No. 2 dated as of January 12, 1993 to Tax Indemnification Agreement dated as of March 16, 1987 between Security Pacific Capital Leasing Corporation and Ohio Edison Company. (1994 Form 10-K, Exhibit 10-96.)

10-79 — Amendment No. 3 dated as of October 12, 1994 to Tax Indemnification Agreement dated as of March 16, 1987 between Security Pacific Capital Leasing Corporation and Ohio Edison Company. (1994 Form 10-K, Exhibit 10-97.)

10-80 — Assignment, Assumption and Further Agreement dated as of March 16, 1987 among The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Security Pacific Capital Leasing Corporation, The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company. (1986 Form 10-K, Exhibit 28-20.)

10-81 — Additional Support Agreement dated as of March 16, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Security Pacific Capital Leasing Corporation, and Ohio Edison Company. (1986 Form 10-K, Exhibit 28-21.)

10-82 — Bill of Sale, Instrument of Transfer and Severance Agreement dated as of March 19, 1987 between Ohio Edison Company, Seller, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Security Pacific Capital Leasing Corporation, Buyer. (1986 Form 10-K, Exhibit 28-22.)

10-83 — Easement dated as of March 16, 1987 from Ohio Edison Company, Grantor, to The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of March 16, 1987, with Security Pacific Capital Leasing Corporation, Grantee. (1986 Form 10-K, Exhibit 28-23.)

10-84 — Refinancing Agreement dated as of November 1, 1991 among Perry One Alpha Limited Partnership, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee, The Bank of New York, as Collateral Trust Trustee, The Bank of New York, as New Collateral Trust Trustee and Ohio Edison Company, as Lessee. (1991 Form 10-K, Exhibit 10-82.)

10-85 — Refinancing Agreement dated as of November 1, 1991 among Security Pacific Leasing Corporation, as Owner Participant, PNPP Funding Corporation, as Funding Corporation, PNPP II Funding Corporation, as New Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee, The Bank of New York, as Collateral Trust Trustee, The Bank of New York as New Collateral Trust Trustee and Ohio Edison Company, as Lessee. (1991 Form 10-K, Exhibit 10-83.)

10-86 — Ohio Edison Company Master Decommissioning Trust Agreement for Perry Nuclear Power Plant Unit One, Perry Nuclear Power Plant Unit Two, Beaver Valley Power Station Unit One and Beaver Valley Power Station Unit Two dated July 1, 1993. (1993 Form 10-K, Exhibit 10-94.)

10-87 — Nuclear Fuel Lease dated as of March 31, 1989, between OES Fuel, Incorporated, as Lessor, and Ohio Edison Company, as Lessee. (1989 Form 10-K, Exhibit 10-62.)

10-88 — Receivables Purchase Agreement dated as November 28, 1989, as amended and restated as of April 23, 1993, between OES Capital, Incorporated, Corporate Asset Funding Company, Inc. and Citicorp North America, Inc. (1994 Form 10-K, Exhibit 10-106.)

10-89 — Guarantee Agreement entered into by Ohio Edison Company dated as of January 17, 1991. (1990 Form 10-K, Exhibit 10-64.)

10-90 — Transfer and Assignment Agreement among Ohio Edison Company and Chemical Bank, as trustee under the OE Power Contract Trust. (1990 Form 10-K, Exhibit 10-65.)

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10-91 — Renunciation of Payments and Assignment among Ohio Edison Company, Monongahela Power Company, West Penn Power Company, and the Potomac Edison Company dated as of January 4, 1991. (1990 Form 10-K, Exhibit 10-66.)

10-92 — Transfer and Assignment Agreement dated May 20, 1994 among Ohio Edison Company and Chemical Bank, as trustee under the OE Power Contract Trust. (1994 Form 10-K, Exhibit 10-110.)

10-93 — Renunciation of Payments and Assignment among Ohio Edison Company, Monongahela Power Company, West Penn Power Company, and the Potomac Edison Company dated as of May 20, 1994. (1994 Form 10-K, Exhibit 10-111.)

10-94 — Transfer and Assignment Agreement dated October 12, 1994 among Ohio Edison Company and Chemical Bank, as trustee under the OE Power Contract Trust. (1994 Form 10-K, Exhibit 10-112.)

10-95 — Renunciation of Payments and Assignment among Ohio Edison Company, Monongahela Power Company, West Penn Power Company, and the Potomac Edison Company dated as of October 12, 1994. (1994 Form 10-K, Exhibit 10-113.)

(E) 10-96 — Participation Agreement dated as of September 15, 1987, among Beaver Valley Two Pi Limited Partnership, as Owner Participant, the Original Loan Participants listed in Schedule 1 Thereto, as Original Loan Participants, BVPS Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company as Lessee. (1987 Form 10-K, Exhibit 28-1.)

(E) 10-97 — Amendment No. 1 dated as of February 1, 1988, to Participation Agreement dated as of September 15, 1987, among Beaver Valley Two Pi Limited Partnership, as Owner Participant, the Original Loan Participants listed in Schedule 1 Thereto, as Original Loan Participants, BVPS Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1987 Form 10-K, Exhibit 28-2.)

(E) 10-98 — Amendment No. 3 dated as of March 16, 1988 to Participation Agreement dated as of September 15, 1987, as amended, among Beaver Valley Two Pi Limited Partnership, as Owner Participant, BVPS Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-99.)

(E) 10-99 — Amendment No. 4 dated as of November 5, 1992 to Participation Agreement dated as of September 15, 1987, as amended, among Beaver Valley Two Pi Limited Partnership, as Owner Participant, BVPS Funding Corporation, BVPS II Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-100.)

(E) 10-100 — Amendment No. 5 dated as of September 30, 1994 to Participation Agreement dated as of September 15, 1987, as amended, among Beaver Valley Two Pi Limited Partnership, as Owner Participant, BVPS Funding Corporation, BVPS II Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-118.)

(E) 10-101 — Facility Lease dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee, with Beaver Valley Two Pi Limited Partnership, Lessor, and Ohio Edison Company, Lessee. (1987 Form 10-K, Exhibit 28-3.)

(E) 10-102 — Amendment No. 1 dated as of February 1, 1988, to Facility Lease dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee, with Beaver Valley Two Pi Limited Partnership, Lessor, and Ohio Edison Company, Lessee. (1987 Form 10-K, Exhibit 28-4.)

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(E) 10-103 — Amendment No. 2 dated as of November 5, 1992, to Facility Lease dated as of September 15, 1987, as amended, between The First National Bank of Boston, as Owner Trustee, with Beaver Valley Two Pi Limited Partnership, as Owner Participant, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-103.)

(E) 10-104 — Amendment No. 3 dated as of September 30, 1994 to Facility Lease dated as of September 15, 1987, as amended, between The First National Bank of Boston, as Owner Trustee, with Beaver Valley Two Pi Limited Partnership, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-122.)

(E) 10-105 — Ground Lease and Easement Agreement dated as of September 15, 1987, between Ohio Edison Company, Ground Lessor, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Beaver Valley Two Pi Limited Partnership, Tenant. (1987 Form 10-K, Exhibit 28-5.)

(E) 10-106 — Trust Agreement dated as of September 15, 1987, between Beaver Valley Two Pi Limited Partnership, as Owner Participant, and The First National Bank of Boston. (1987 Form 10-K, Exhibit 28-6.)

(E) 10-107 — Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987, with Beaver Valley Two Pi Limited Partnership, and Irving Trust Company, as Indenture Trustee. (1987 Form 10-K, Exhibit 28-7.)

(E) 10-108 — Supplemental Indenture No. 1 dated as of February 1, 1988 to Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of September 15, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with Beaver Valley Two Pi Limited Partnership and Irving Trust Company, as Indenture Trustee. (1987 Form 10-K, Exhibit 28-8.)

(E) 10-109 — Tax Indemnification Agreement dated as of September 15, 1987, between Beaver Valley Two Pi Inc. and PARock Limited Partnership as General Partners and Ohio Edison Company, as Lessee. (1987 Form 10-K, Exhibit 28-9.)

(E) 10-110 — Amendment No. 1 dated as of November 5, 1992 to Tax Indemnification Agreement dated as of September 15, 1987, between Beaver Valley Two Pi Inc. and PARock Limited Partnership as General Partners and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-128.)

(E) 10-111 — Amendment No. 2 dated as of September 30, 1994 to Tax Indemnification Agreement dated as of September 15, 1987, between Beaver Valley Two Pi Inc. and PARock Limited Partnership as General Partners and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-129.)

(E) 10-112 — Tax Indemnification Agreement dated as of September 15, 1987, between HG Power Plant, Inc., as Limited Partner and Ohio Edison Company, as Lessee. (1987 Form 10-K, Exhibit 28-10.)

(E) 10-113 — Amendment No. 1 dated as of November 5, 1992 to Tax Indemnification Agreement dated as of September 15, 1987, between HG Power Plant, Inc., as Limited Partner and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-131.)

(E) 10-114 — Amendment No. 2 dated as of September 30, 1994 to Tax Indemnification Agreement dated as of September 15, 1987, between HG Power Plant, Inc., as Limited Partner and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-132.)

(E) 10-115 — Assignment, Assumption and Further Agreement dated as of September 15, 1987, among The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Beaver Valley Two Pi Limited Partnership, The Cleveland Electric

Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company and Toledo Edison Company. (1987 Form 10-K, Exhibit 28-11.)

(E) 10-116 — Additional Support Agreement dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Beaver Valley Two Pi Limited Partnership, and Ohio Edison Company. (1987 Form 10-K, Exhibit 28-12.)

(F) 10-117 — Participation Agreement dated as of September 15, 1987, among Chrysler Consortium Corporation, as Owner Participant, the Original Loan Participants listed in Schedule 1 Thereto, as Original Loan Participants, BVPS Funding Corporation as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1987 Form 10-K, Exhibit 28-13.)

(F) 10-118 — Amendment No. 1 dated as of February 1, 1988, to Participation Agreement dated as of September 15, 1987, among Chrysler Consortium Corporation, as Owner Participant, the Original Loan Participants listed in Schedule 1 Thereto, as Original Loan Participants, BVPS Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee, and Ohio Edison Company, as Lessee. (1987 Form 10-K, Exhibit 28-14.)

(F) 10-119 — Amendment No. 3 dated as of March 16, 1988 to Participation Agreement dated as of September 15, 1987, as amended, among Chrysler Consortium Corporation, as Owner Participant, BVPS Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-114.)

(F) 10-120 — Amendment No. 4 dated as of November 5, 1992 to Participation Agreement dated as of September 15, 1987, as amended, among Chrysler Consortium Corporation, as Owner Participant, BVPS Funding Corporation, BVPS II Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-115.)

(F) 10-121 — Amendment No. 5 dated as of January 12, 1993 to Participation Agreement dated as of September 15, 1987, as amended, among Chrysler Consortium Corporation, as Owner Participant, BVPS Funding Corporation, BVPS II Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-139.)

(F) 10-122 — Amendment No. 6 dated as of September 30, 1994 to Participation Agreement dated as of September 15, 1987, as amended, among Chrysler Consortium Corporation, as Owner Participant, BVPS Funding Corporation, BVPS II Funding Corporation, The First National Bank of Boston, as Owner Trustee, The Bank of New York, as Indenture Trustee and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-140.)

(F) 10-123 — Facility Lease dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee, with Chrysler Consortium Corporation, Lessor, and Ohio Edison Company, as Lessee. (1987 Form 10-K, Exhibit 28-15.)

(F) 10-124 — Amendment No. 1 dated as of February 1, 1988, to Facility Lease dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee, with Chrysler Consortium Corporation, Lessor, and Ohio Edison Company, Lessee. (1987 Form 10-K, Exhibit 28-16.)

(F) 10-125 — Amendment No. 2 dated as of November 5, 1992 to Facility Lease dated as of September 15, 1987, as amended, between The First National Bank of Boston, as Owner Trustee, with Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-118.)

(F) 10-126 — Amendment No. 3 dated as of January 12, 1993 to Facility Lease dated as of September 15, 1987, as amended, between The First National Bank of Boston, as Owner Trustee, with

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Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-119.)

(F) 10-127 — Amendment No. 4 dated as of September 30, 1994 to Facility Lease dated as of September 15, 1987, as amended, between The First National Bank of Boston, as Owner Trustee, with Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-145.)

(F) 10-128 — Ground Lease and Easement Agreement dated as of September 15, 1987, between Ohio Edison Company, Ground Lessor, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Chrysler Consortium Corporation, Tenant. (1987 Form 10-K, Exhibit 28-17.)

(F) 10-129 — Trust Agreement dated as of September 15, 1987, between Chrysler Consortium Corporation, as Owner Participant, and The First National Bank of Boston. (1987 Form 10-K, Exhibit 28-18.)

(F) 10-130 — Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Chrysler Consortium Corporation and Irving Trust Company, as Indenture Trustee. (1987 Form 10-K, Exhibit 28-19.)

(F) 10-131 — Supplemental Indenture No. 1 dated as of February 1, 1988 to Trust Indenture, Mortgage, Security Agreement and Assignment of Facility Lease dated as of September 15, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with Chrysler Consortium Corporation and Irving Trust Company, as Indenture Trustee. (1987 Form 10-K, Exhibit 28-20.)

(F) 10-132 — Tax Indemnification Agreement dated as of September 15, 1987, between Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, Lessee. (1987 Form 10-K, Exhibit 28-21.)

(F) 10-133 — Amendment No. 1 dated as of November 5, 1992 to Tax Indemnification Agreement dated as of September 15, 1987, between Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-151.)

(F) 10-134 — Amendment No. 2 dated as of January 12, 1993 to Tax Indemnification Agreement dated as of September 15, 1987, between Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-152.)

(F) 10-135 — Amendment No. 3 dated as of September 30, 1994 to Tax Indemnification Agreement dated as of September 15, 1987, between Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-153.)

(F) 10-136 — Assignment, Assumption and Further Agreement dated as of September 15, 1987, among The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Chrysler Consortium Corporation, The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company, and Toledo Edison Company. (1987 Form 10-K, Exhibit 28-22.)

(F) 10-137 — Additional Support Agreement dated as of September 15, 1987, between The First National Bank of Boston, as Owner Trustee under a Trust Agreement, dated as of September 15, 1987, with Chrysler Consortium Corporation, and Ohio Edison Company. (1987 Form 10-K, Exhibit 28-23.)

10-138 — Operating Agreement dated March 10, 1987 with respect to Perry Unit No. 1 between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-24.)

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10-139 — Operating Agreement for Bruce Mansfield Units Nos. 1, 2 and 3 dated as of June 1, 1976, and executed on September 15, 1987, by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-25.)

10-140 — Operating Agreement for W. H. Sammis Unit No. 7 dated as of September 1, 1971 by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-26.)

10-141 — OE-APS Power Interchange Agreement dated March 18, 1987, by and among Ohio Edison Company and Pennsylvania Power Company, and Monongahela Power Company and West Penn Power Company and The Potomac Edison Company. (1987 Form 10-K, Exhibit 28-27.)

10-142 — OE-PEPCO Power Supply Agreement dated March 18, 1987, by and among Ohio Edison Company and Pennsylvania Power Company and Potomac Electric Power Company. (1987 Form 10-K, Exhibit 28-28.)

10-143 — Supplement No. 1 dated as of April 28, 1987, to the OE-PEPCO Power Supply Agreement dated March 18, 1987, by and among Ohio Edison Company, Pennsylvania Power Company, and Potomac Electric Power Company. (1987 Form 10-K, Exhibit 28-29.)

10-144 — APS-PEPCO Power Resale Agreement dated March 18, 1987, by and among Monongahela Power Company, West Penn Power Company, and The Potomac Edison Company and Potomac Electric Power Company. (1987 Form 10-K, Exhibit 28-30.)

(A) 12.2 — Consolidated fixed charge ratios.

(A) 13.1 — 2000 Annual Report to Stockholders (Only those portions expressly incorporated by reference in this Form 10-K are to be deemed "filed" with the SEC.)

(A) 21.1 — List of Subsidiaries of the Registrant at December 31, 2000.

(A) 23.1 — Consent of Independent Public Accountants.

(A) Provided herein in electronic format as an exhibit.

(B) Pursuant to paragraph (b)(4)(iii)(A) of Item 601 of Regulation S-K, OE has not filed as an exhibit to this Form 10-K any instrument with respect to long-term debt if the total amount of securities authorized thereunder does not exceed 10% of the total assets of OE and its subsidiaries on a consolidated basis, but hereby agrees to furnish to the SEC on request any such instruments.

(C) Management contract or compensatory plan contract or arrangement filed pursuant to Item 601 of Regulation S-K.

(D) Substantially similar documents have been entered into relating to three additional Owner Participants.

(E) Substantially similar documents have been entered into relating to five additional Owner Participants.

(F) Substantially similar documents have been entered into relating to two additional Owner Participants.

Note: Reports of OE on Forms 10-Q and 10-K are on file with the SEC under number 1-2578.

Pursuant to Rule 14a - 3 (10) of the Securities Exchange Act of 1934, the Company will furnish any exhibit in this Report upon the payment of the Company's expenses in furnishing such exhibit.

3. Exhibits - Penn

3-1 — Agreement of Merger and Consolidation dated April 1, 1929, among Pennsylvania Power Company (Penn), Harmony Electric Company and Peoples Power Company (consummated May 31, 1930), copies of Letters Patent issued thereon, together with the Election Return and Treasurer's Return, relative to decrease of capital stock; Election Return authorizing change of capital stock and increase of indebtedness; Election Return authorizing change of

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capital stock; Election Return establishing 4.24% Preferred Stock; Certificate with respect to the establishment of 4.64% Preferred Stock; Election Returns and Certificates of Actual Sale in connection with the purchase by Penn Power of all the property of Pine-Mercer Electric Company, Industry Borough Electric Company, Ohio Township Electric Company, and Shippingport Borough Electric Company; Certificate of Change of Location of Penn Power's principal office; Certificate of Consent authorizing increase in authorized Common Stock; Certificate of Consent with respect to the removal of limitations on the authorized amount of indebtedness of Penn Power; Election Returns and Certificates of Actual Sale in connection with the purchase by Penn Power of all the property of Borolak Public Service Company, Eastfax Public Service Company, Norango Public Service Company, Sadwick Public Service Company, Sosango Public Service Company, Surrick Public Service Company, Wesango Public Service Company, and Westfax Public Service Company; Certificate of Change of Location of Penn Power's principal office; Amendment to the Charter extending the territory in which Penn Power may operate in the Borough of Shippingport, Beaver County, Pennsylvania; Certificate of Consent authorizing increase in authorized Common Stock; Certificate with respect to the establishment of the 8% Preferred Stock; Certificate accepting Business Corporation Law of Pennsylvania for government and regulation of affairs of Penn Power; Articles of Amendment incorporating certain protective provisions relating to Preferred Stock, increasing amount of authorized Preferred Stock and authorizing future increases in amounts of authorized Preferred Stock without a vote of the holders of Preferred Stock; Articles of Amendment increasing the authorized number of shares of Common Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 7.64% Preferred Stock; Articles of Amendment increasing the authorized number of shares of Common Stock; Articles of Amendment increasing the number of authorized shares of Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 8.48% Preferred Stock; Articles of Amendment authorizing sinking fund requirements for Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 11% Preferred Stock; Articles of Amendment increasing the authorized number of shares of Common Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 9.16% Preferred Stock; Articles of Amendment increasing authorized number of shares of Common Stock; Articles of Amendment increasing authorized number of shares of Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 8.24% Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 10.50% Preferred Stock; Articles of Amendment increasing authorized number of shares of Common Stock; Articles of Amendment increasing authorized number of shares of Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 15.00% Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 11.50% Preferred Stock; Articles of Amendment increasing authorized number of shares of Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 13.00% Preferred Stock; Statement Affecting Class or Series of Shares with respect to the establishment of the 11.50% Preferred Stock, Series B; Articles of Amendment effective April 2, 1987, adding a standard of care for, and limiting the personal liability of, officers and directors; Articles of Amendment effective April 1, 1992, setting forth corporate purposes of the Company; Statement With Respect to Shares with respect to the establishment of the 7.625% Preferred Stock and Statement with Respect to Shares with respect to the establishment of the 7.75% Preferred Stock. (Physically filed and designated respectively, as follows: in Form A-2, Registration No. 2-3889, as Exhibit A-1; in Form 1-MD for 1938, File No. 2-3889, as Exhibit (a)-1; in Form 1-MD for 1945, File No. 2-3889, as Exhibit A; in Form U-1, File No. 70-2310, as Exhibit A-3 (d); in Form 8-K for March 1951, File No. 1-3491, as Exhibit B; in Form 8-K for June 1958, File No. 1-3491B, as Exhibit 1; in Form 10-K for 1959 as Exhibits 1, 2, 3 and 4; in Form 8-K for March 1960, File No. 1-3491B as Exhibit A; in Form U-1, File No. 70-3971, as Exhibit A-2; in Form U-1, File No. 70-4055, as Exhibit A-2; as Exhibits 1 through 8 in Form 8-K for January 1962, File No. 1-3491; as Exhibit A in Form 8-K for August 1963, File No. 1-3491; as Exhibits A and B in Form 8-K for September 1969, File No. 1-3491; as Exhibit B in Form 8-K for April 1971, File No. 1-3491; as Exhibit B in Form 8-K for September 1971, File No. 1-3491; in Form U-1, File No. 70-5264, as Exhibit A-2; as Exhibit A in Form 8-K for September 1972, File No. 1-3491; as Exhibit A in Form 8-K for December 1972, File No. 1-3491; as Exhibit A in Form 8-K for March 1973, File No. 1-3491; as Exhibit A in Form 8-K for December 1973, File No. 1-3491; as Exhibits A and C in Form 8-K for February 1974, File No. 1-3491; as Exhibits A and B in Form 8-K for

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January 1975, File No. 1-3491; as Exhibit F in Form 8-K for May 1975, File No. 1-3491; as Exhibit A in Form 8-K for April 1976, File No. 1-3491; as Exhibit G in Form 10-Q for quarter ended June 30, 1977, File No. 1-3491; as Exhibit C in Form 10-K for 1977, File No. 1-3491; as Exhibit A in Form 10-K for 1977, File No. 1-3491, as Exhibit D in Form 10-Q for quarter ended June 30, 1980, File No. 1-3491; as Exhibit (4) in Form 10-Q for quarter ended June 30, 1981, File No. 1-3491; as Exhibit 4 in Form 10-Q for quarter ended June 30, 1982, File No. 1-3491; as Exhibit 4 in Form 10-Q for quarter ended September 30, 1982, File No. 1-3491; as Exhibit 4 in Form 10-Q for quarter ended September 30, 1983, File No. 1-3491; as Exhibit 4 in Form 10-Q for quarter ended March 31, 1984, File No. 1-3491; as Exhibit 4 in Form 10-Q for quarter ended June 30, 1984, File No. 1-3491; as Exhibit 4 in Form 10-Q for quarter ended September 30, 1985, File No. 1-3491; as Exhibit 3-2 in Form 10-K for 1987, File No. 1-3491; as Exhibit 3-2 in Form 10-K for 1992, File No. 1-3491; as Exhibit 19-2 in Form 10-K for 1992, File No. 1-3491; and as Exhibit 3-2 in Form 10-K for 1993 File No. 1-3491.)

3-2 — By-Laws of Penn as amended March 25, 1992. (1992 Form 10-K, Exhibit 3-3, File No. 1-3491.)

3-3 — By-Laws of Penn as amended September 27, 1999. (1999 Form 10-K, Exhibit 3-3, File No. 1-3491.)

4-1* — Indenture dated as of November 1, 1945, between Penn and The First National Bank of the City of New York (now Citibank, N.A.), as Trustee, as supplemented and amended by Supplemental Indentures dated as of May 1, 1948, March 1, 1950, February 1, 1952, October 1, 1957, September 1, 1962, June 1, 1963, June 1, 1969, May 1, 1970, April 1, 1971, October 1, 1971, May 1, 1972, December 1, 1974, October 1, 1975, September 1, 1976, April 15, 1978, June 28, 1979, January 1, 1980, June 1, 1981, January 14, 1982, August 1, 1982, December 15, 1982, December 1, 1983, September 6, 1984, December 1, 1984, May 30, 1985, October 29, 1985, August 1, 1987, May 1, 1988, November 1, 1989, December 1, 1990, September 1, 1991, May 1, 1992, July 15, 1992, August 1, 1992, and May 1, 1993, July 1, 1993, August 31, 1993, September 1, 1993, September 15, 1993, October 1, 1993, November 1, 1993, and August 1, 1994. (Physically filed and designated as Exhibits 2(b)(1)-1 through 2(b)(1)-15 in Registration Statement File No. 2-60837; as Exhibits 2(b)(2), 2(b)(3), and 2(b)(4) in Registration Statement File No. 2-68906; as Exhibit 4-2 in Form 10-K for 1981 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1982 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1983 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1984 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1985 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1987 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1988 File No. 1-3491; as Exhibit 19 in Form 10-K for 1989 File No. 1-3491; as Exhibit 19 in Form 10-K for 1990 File No. 1-3491; as Exhibit 19 in Form 10-K for 1991 File No. 1-3491; as Exhibit 19-1 in Form 10-K for 1992 File No. 1-3491; as Exhibit 4-2 in Form 10-K for 1993 File No. 1-3491; and as Exhibit 4-2 in Form 10-K for 1994 File No. 1-3491.)

4-2 — Supplemental Indenture dated as of September 1, 1995, between Penn and Citibank, N.A., as Trustee. (1995 Form 10-K, Exhibit 4-2.)

4-3 — Supplemental Indenture dated as of June 1, 1997, between Penn and Citibank, N.A., as Trustee. (1997 Form 10-K, Exhibit 4-3.)

4-4 — Supplemental Indenture dated as of June 1, 1998, between Penn and Citibank, N. A., as Trustee. (1998 Form 10-K, Exhibit 4-4.)

4-5 — Supplemental Indenture dated as of September 29, 1999, between Penn and Citibank, N.A., as Trustee. (1999 Form 10-K, Exhibit 4-5.)

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* Pursuant to paragraph (b)(4)(iii) (A) of Item 601 of Regulation S-K, Penn has not filed as an exhibit to this Form 10-K any instrument with respect to long-term debt if the total amount of securities authorized thereunder does not exceed 10% of the total assets of Penn, but hereby agrees to furnish to the Commission on request any such instruments.

Exhibit Number		
4-6	—	Supplemental Indenture dated as of November 15, 1999, between Penn and Citibank, N.A., as Trustee. (1999 Form 10-K, Exhibit 4-6.)
10-1	—	Administration Agreement between the CAPCO Group dated as of September 14, 1967. (Registration Statement of Ohio Edison Company, File No. 2-43102, Exhibit 5(c)(2).)
10-2	—	Amendment No. 1 dated January 4, 1974 to Administration Agreement between the CAPCO Group dated as of September 14, 1967. (Registration Statement No. 2-68906, Exhibit 5 (c)(3).)
10-3	—	Transmission Facilities Agreement between the CAPCO Group dated as of September 14, 1967. (Registration Statement of Ohio Edison Company, File No. 2-43102, Exhibit 5 (c)(3).)
10-4	—	Amendment No. 1 dated as of January 1, 1993 to Transmission Facilities Agreement between the CAPCO Group dated as of September 14, 1967. (1993 Form 10-K, Exhibit 10-4, Ohio Edison Company.)
10-5	—	Agreement for the Termination or Construction of Certain Agreements effective September 1, 1980 among the CAPCO Group. (Registration Statement No. 2-68906, Exhibit 10-4.)
10-6	—	Amendment dated as of December 23, 1993 to Agreement for the Termination or Construction of Certain Agreements effective September 1, 1980 among the CAPCO Group. (1993 Form 10-K, Exhibit 10-6, Ohio Edison Company.)
10-7	—	CAPCO Basic Operating Agreement, as amended September 1, 1980. (Registration Statement No. 2-68906, as Exhibit 10-5.)
10-8	—	Amendment No. 1 dated August 1, 1981 and Amendment No. 2 dated September 1, 1982, to CAPCO Basic Operating Agreement as amended September 1, 1980. (September 30, 1981 Form 10-Q, Exhibit 20-1 and 1982 Form 10-K, Exhibit 19-3, File No. 1-2578, of Ohio Edison Company.)
10-9	—	Amendment No. 3 dated as of July 1, 1984, to CAPCO Basic Operating Agreement as amended September 1, 1980. (1985 Form 10-K, Exhibit 10-7, File No. 1-2578, of Ohio Edison Company.)
10-10	—	Basic Operating Agreement between the CAPCO Companies as amended October 1, 1991. (1991 Form 10-K, Exhibit 10-8, File No. 1-2578, of Ohio Edison Company.)
10-11	—	Basic Operating Agreement between the CAPCO Companies as amended January 1, 1993. (1993 Form 10-K, Exhibit 10-11, Ohio Edison.)
10-12	—	Memorandum of Agreement effective as of September 1, 1980, among the CAPCO Group. (1991 Form 10-K, Exhibit 19-2, Ohio Edison Company.)
10-13	—	Operating Agreement for Beaver Valley Power Station Units Nos. 1 and 2 as Amended and Restated September 15, 1987, by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 10-15, File No. 1-2578, of Ohio Edison Company.)
10-14	—	Construction Agreement with respect to Perry Plant between the CAPCO Group dated as of July 22, 1974. (Registration Statement of Toledo Edison Company, File No. 2-52251, as Exhibit 5 (yy).)
10-15	—	Memorandum of Understanding dated as of March 31, 1985, among the CAPCO Companies. (1985 Form 10-K, Exhibit 10-35, File No. 1-2578, Ohio Edison Company.)
(B) 10-16	—	Ohio Edison System Executive Supplemental Life Insurance Plan. (1995 Form 10-K, Exhibit 10-44, File No. 1-2578, Ohio Edison Company.)

Exhibit
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(B) 10-17	—	Ohio Edison System Executive Incentive Compensation Plan. (1995 Form 10-K, Exhibit 10-45, File No. 1-2578, Ohio Edison Company.)
(B) 10-18	—	Ohio Edison System Restated and Amended Executive Deferred Compensation Plan. (1995 Form 10-K, Exhibit 10-46, File No. 1-2578, Ohio Edison Company.)
(B) 10-19	—	Ohio Edison System Restated and Amended Supplemental Executive Retirement Plan. (1995 Form 10-K, Exhibit 10-47, File No. 1-2578, Ohio Edison Company.)
10-20	—	Operating Agreement for Perry Unit No. 1 dated March 10, 1987, by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-24, File No. 1-2578, Ohio Edison Company.)
10-21	—	Operating Agreement for Bruce Mansfield Units Nos. 1, 2 and 3 dated as of June 1, 1976, and executed on September 15, 1987, by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-25, File No. 1-2578, Ohio Edison Company.)
10-22	—	Operating Agreement for W. H. Sammis Unit No. 7 dated as of September 1, 1971, by and between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-26, File No. 1-2578, Ohio Edison Company.)
10-23	—	OE-APS Power Interchange Agreement dated March 18, 1987, by and among Ohio Edison Company and Pennsylvania Power Company, and Monongahela Power Company and West Penn Power Company and The Potomac Edison Company. (1987 Form 10-K, Exhibit 28-27, File No. 1-2578, of Ohio Edison Company.)
10-24	—	OE-PEPCO Power Supply Agreement dated March 18, 1987, by and among Ohio Edison Company and Pennsylvania Power Company and Potomac Electric Power Company. (1987 Form 10-K, Exhibit 28-28, File No. 1-2578, of Ohio Edison Company.)
10-25	—	Supplement No. 1 dated as of April 28, 1987, to the OE-PEPCO Power Supply Agreement dated March 18, 1987, by and among Ohio Edison Company, Pennsylvania Power Company and Potomac Electric Power Company. (1987 Form 10-K, Exhibit 28-29, File No. 1-2578, of Ohio Edison Company.)
10-26	—	APS-PEPCO Power Resale Agreement dated March 18, 1987, by and among Monongahela Power Company, West Penn Power Company, and The Potomac Edison Company and Potomac Electric Power Company. (1987 Form 10-K, Exhibit 28-30, File No. 1-2578, of Ohio Edison Company.)
10-27	—	Pennsylvania Power Company Master Decommissioning Trust Agreement for Beaver Valley Power Station and Perry Nuclear Power Plant dated as of April 21, 1995. (Quarter ended June 30, 1995 Form 10-Q, Exhibit 10, File No. 1-3491.)
10-28	—	Nuclear Fuel Lease dated as of March 31, 1989, between OES Fuel, Incorporated, as Lessor, and Pennsylvania Power Company, as Lessee. (1989 Form 10-K, Exhibit 10-39, File No. 1-3491.)
(A) 12.5	—	Fixed Charge Ratios
(A) 13.4	—	2000 Annual Report to Stockholders. (Only those portions expressly incorporated by reference in this Form 10-K are to be deemed "filed" with the Securities and Exchange Commission.)
(A) 23.3	—	Consent of Independent Public Accountants.
(A)	—	Provided herein in electronic format as an exhibit.
(B)	—	Management contract or compensatory plan contract or arrangement filed pursuant to Item 601 of Regulation S-K.

Exhibit
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Pursuant to Rule 14a-3(10) of the Securities Exchange Act of 1934, the Company will furnish any exhibit in this Report upon the payment of the Company's expenses in furnishing such exhibit.

3. *Exhibits – Common Exhibits to CEI and TE*

Exhibit Number		
2(a)	—	Agreement and Plan of Merger between Ohio Edison and Centerior Energy dated as of September 13, 1996 (Exhibit (2)-1, Form S-4 File No. 333-21011, filed by FirstEnergy).
2(b)	—	Merger Agreement by and among Centerior Acquisition Corp., FirstEnergy and Centerior (Exhibit (2)-3, Form S-4 File No. 333-21011, filed by FirstEnergy).
4(a)	—	Rights Agreement (Exhibit 4, June 25, 1996 Form 8-K, File Nos. 1-9130, 1-2323 and 1-3583).
4(b)(1)	—	Form of Note Indenture between Cleveland Electric, Toledo Edison and The Chase Manhattan Bank, as Trustee dated as of June 13, 1997 (Exhibit 4(c), Form S-4 File No. 333-35931, filed by Cleveland Electric and Toledo Edison).
4(b)(2)	—	Form of First Supplemental Note Indenture between Cleveland Electric, Toledo Edison and The Chase Manhattan Bank, as Trustee dated as of June 13, 1997 (Exhibit 4(d), Form S-4 File No. 333-35931, filed by Cleveland Electric and Toledo Edison).
10b(1)(a)	—	CAPCO Administration Agreement dated November 1, 1971, as of September 14, 1967, among the CAPCO Group members regarding the organization and procedures for implementing the objectives of the CAPCO Group (Exhibit 5(p), Amendment No. 1, File No. 2-42230, filed by Cleveland Electric).
10b(1)(b)	—	Amendment No. 1, dated January 4, 1974, to CAPCO Administration Agreement among the CAPCO Group members (Exhibit 5(c)(3), File No. 2-68906, filed by Ohio Edison).
10b(2)	—	CAPCO Transmission Facilities Agreement dated November 1, 1971, as of September 14, 1967, among the CAPCO Group members regarding the installation, operation and maintenance of transmission facilities to carry out the objectives of the CAPCO Group (Exhibit 5(q), Amendment No. 1, File No. 2-42230, filed by Cleveland Electric).
10b(2)(1)	—	Amendment No. 1 to CAPCO Transmission Facilities Agreement, dated December 23, 1993 and effective as of January 1, 1993, among the CAPCO Group members regarding requirements for payment of invoices at specified times, for payment of interest on non-timely paid invoices, for restricting adjustment of invoices after a four-year period, and for revising the method for computing the Investment Responsibility charge for use of a member's transmission facilities (Exhibit 10b(2)(1), 1993 Form 10-K, File Nos. 1-9130, 1-2323 and 1-3583).
10b(3)	—	CAPCO Basic Operating Agreement As Amended January 1, 1993 among the CAPCO Group members regarding coordinated operation of the members' systems (Exhibit 10b(3), 1993 Form 10-K, File Nos. 1-9130, 1-2323 and 1-3583).
10b(4)	—	Agreement for the Termination or Construction of Certain Agreement By and Among the CAPCO Group members, dated December 23, 1993 and effective as of September 1, 1980 (Exhibit 10b(4), 1993 Form 10-K, File Nos. 1-9130, 1-2323 and 1-3583).
10b(5)	—	Construction Agreement, dated July 22, 1974, among the CAPCO Group members and relating to the Perry Nuclear Plant (Exhibit 5 (yy), File No. 2-52251, filed by Toledo Edison).
10b(6)	—	Contract, dated as of December 5, 1975, among the CAPCO Group members for the construction of Beaver Valley Unit No. 2 (Exhibit 5 (g), File No. 2-52996, filed by Cleveland Electric).

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10b(7)	—	Amendment No. 1, dated May 1, 1977, to Contract, dated as of December 5, 1975, among the CAPCO Group members for the construction of Beaver Valley Unit No. 2 (Exhibit 5(d)(4), File No. 2-60109, filed by Ohio Edison).
10d(1)(a)	—	Form of Collateral Trust Indenture among CTC Beaver Valley Funding Corporation, Cleveland Electric, Toledo Edison and Irving Trust Company, as Trustee (Exhibit 4(a), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(1)(b)	—	Form of Supplemental Indenture to Collateral Trust Indenture constituting Exhibit 10d(1)(a) above, including form of Secured Lease Obligation bond (Exhibit 4(b), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(1)(c)	—	Form of Collateral Trust Indenture among Beaver Valley II Funding Corporation, The Cleveland Electric Illuminating Company and The Toledo Edison Company and The Bank of New York, as Trustee (Exhibit (4)(a), File No. 33-46665, filed by Cleveland Electric and Toledo Edison).
10d(1)(d)	—	Form of Supplemental Indenture to Collateral Trust Indenture constituting Exhibit 10d(1)(c) above, including form of Secured Lease Obligation Bond (Exhibit (4)(b), File No. 33-46665, filed by Cleveland Electric and Toledo Edison).
10d(2)(a)	—	Form of Collateral Trust Indenture among CTC Mansfield Funding Corporation, Cleveland Electric, Toledo Edison and IBJ Schroder Bank & Trust Company, as Trustee (Exhibit 4(a), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).
10d(2)(b)	—	Form of Supplemental Indenture to Collateral Trust Indenture constituting Exhibit 10d(2)(a) above, including forms of Secured Lease Obligation bonds (Exhibit 4(b), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).
10d(3)(a)	—	Form of Facility Lease dated as of September 15, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with the limited partnership Owner Participant named therein, Lessor, and Cleveland Electric and Toledo Edison, Lessee (Exhibit 4(c), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(3)(b)	—	Form of Amendment No. 1 to Facility Lease constituting Exhibit 10d(3)(a) above (Exhibit 4(e), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(4)(a)	—	Form of Facility Lease dated as of September 15, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with the corporate Owner Participant named therein, Lessor, and Cleveland Electric and Toledo Edison, Lessees (Exhibit 4(d), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(4)(b)	—	Form of Amendment No. 1 to Facility Lease constituting Exhibit 10d(4)(a) above (Exhibit 4(f), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(5)(a)	—	Form of Facility Lease dated as of September 30, 1987 between Meridian Trust Company, as Owner Trustee under a Trust Agreement dated as of September 30, 1987 with the Owner Participant named therein, Lessor, and Cleveland Electric and Toledo Edison, Lessees (Exhibit 4(c), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).
10d(5)(b)	—	Form of Amendment No. 1 to the Facility Lease constituting Exhibit 10d(5)(a) above (Exhibit 4(f), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).
10d(6)(a)	—	Form of Participation Agreement dated as of September 15, 1987 among the limited partnership Owner Participant named therein, the Original Loan Participants listed in Schedule 1 thereto, as Original Loan Participants, CTC Beaver Valley Fund Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee, and Cleveland Electric and Toledo Edison, as Lessees (Exhibit 28(a), File No. 33-18755, filed by Cleveland Electric And Toledo Edison).

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10d(6)(b) — Form of Amendment No. 1 to Participation Agreement constituting Exhibit 10d(6)(a) above (Exhibit 28(c), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).

10d(7)(a) — Form of Participation Agreement dated as of September 15, 1987 among the corporate Owner Participant named therein, the Original Loan Participants listed in Schedule 1 thereto, as Owner Loan Participants, CTC Beaver Valley Funding Corporation, as Funding Corporation, The First National Bank of Boston, as Owner Trustee, Irving Trust Company, as Indenture Trustee, and Cleveland Electric and Toledo Edison, as Lessees (Exhibit 28(b), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).

10d(7)(b) — Form of Amendment No. 1 to Participation Agreement constituting Exhibit 10d(7)(a) above (Exhibit 28(d), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).

10d(8)(a) — Form of Participation Agreement dated as of September 30, 1987 among the Owner Participant named therein, the Original Loan Participants listed in Schedule II thereto, as Owner Loan Participants, CTC Mansfield Funding Corporation, Meridian Trust Company, as Owner Trustee, IBJ Schroder Bank & Trust Company, as Indenture Trustee, and Cleveland Electric and Toledo Edison, as Lessees (Exhibit 28(a), File No. 33-0128, filed by Cleveland Electric and Toledo Edison).

10d(8)(b) — Form of Amendment No. 1 to the Participation Agreement constituting Exhibit 10d(8)(a) above (Exhibit 28(b), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).

10d(9) — Form of Ground Lease dated as of September 15, 1987 between Toledo Edison, Ground Lessor, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with the Owner Participant named therein, Tenant (Exhibit 28(e), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).

10d(10) — Form of Site Lease dated as of September 30, 1987 between Toledo Edison, Lessor, and Meridian Trust Company, as Owner Trustee under a Trust Agreement dated as of September 30, 1987 with the Owner Participant named therein, Tenant (Exhibit 28(c), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).

10d(11) — Form of Site Lease dated as of September 30, 1987 between Cleveland Electric, Lessor, and Meridian Trust Company, as Owner Trustee under a Trust Agreement dated as of September 30, 1987 with the Owner Participant named therein, Tenant (Exhibit 28(d), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).

10d(12) — Form of Amendment No. 1 to the Site Leases constituting Exhibits 10d(10) and 10d(11) above (Exhibit 4(f), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).

10d(13) — Form of Assignment, Assumption and Further Agreement dated as of September 15, 1987 among The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with the Owner Participant named therein, Cleveland Electric, Duquesne, Ohio Edison, Pennsylvania Power and Toledo Edison (Exhibit 28(f), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).

10d(14) — Form of Additional Support Agreement dated as of September 15, 1987 between The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with the Owner Participant named therein, and Toledo Edison (Exhibit 28(g), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).

10d(15) — Form of Support Agreement dated as of September 30, 1987 between Meridian Trust Company, as Owner Trustee under a Trust Agreement dated as of September 30, 1987 with the Owner Participant named therein, Toledo Edison, Cleveland Electric, Duquesne, Ohio Edison and Pennsylvania Power (Exhibit 28(e), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).

10d(16) — Form of Indenture, Bill of Sale, Instrument of Transfer and Severance Agreement dated as of September 30, 1987 between Toledo Edison, Seller, and The First National Bank of Boston, as Owner Trustee under a Trust Agreement dated as of September 15, 1987 with

Exhibit Number		
		the Owner Participant named therein, Buyer (Exhibit 28(h), File No. 33-18755, filed by Cleveland Electric and Toledo Edison).
10d(17)	—	Form of Bill of Sale, Instrument of Transfer and Severance Agreement dated as of September 30, 1987 between Toledo Edison, Seller, and Meridian Trust Company, as Owner Trustee under a Trust Agreement dated as of September 30, 1987 with the Owner Participant named therein, Buyer (Exhibit 28(f), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).
10d(18)	—	Form of Bill of Sale, Instrument of Transfer and Severance Agreement dated as of September 30, 1987 between Cleveland Electric, Seller, and Meridian Trust Company, as Owner Trustee under a Trust Agreement dated as of September 30, 1987 with the Owner Participant named therein, Buyer (Exhibit 28(g), File No. 33-20128, filed by Cleveland Electric and Toledo Edison).
10d(19)	—	Forms of Refinancing Agreement, including exhibits thereto, among the Owner Participant named therein, as Owner Participant, CTC Beaver Valley Funding Corporation, as Funding Corporation, Beaver Valley II Funding Corporation, as New Funding Corporation, The Bank of New York, as Indenture Trustee, The Bank of New York, as New Collateral Trust Trustee, and The Cleveland Electric Illuminating Company and The Toledo Edison Company, as Lessees (Exhibit (28)(e)(i), File No. 33-46665, filed by Cleveland Electric and Toledo Edison).
10d(20)(a)	—	Form of Amendment No. 2 to Facility Lease among Citicorp Lescaman, Inc., Cleveland Electric and Toledo Edison (Exhibit 10(a), Form S-4 File No. 333-47651, filed by Cleveland Electric).
10d(20)(b)	—	Form of Amendment No. 3 to Facility Lease among Citicorp Lescaman, Inc., Cleveland Electric and Toledo Edison (Exhibit 10(b), Form S-4 File No. 333-47651, filed by Cleveland Electric).
10d(21)(a)	—	Form of Amendment No. 2 to Facility Lease among US West Financial Services, Inc., Cleveland Electric and Toledo Edison (Exhibit 10(c), Form S-4 File No. 333-47651, filed by Cleveland Electric).
10d(21)(b)	—	Form of Amendment No. 3 to Facility Lease among US West Financial Services, Inc., Cleveland Electric and Toledo Edison (Exhibit 10(d), Form S-4 File No. 333-47651, filed by Cleveland Electric).
10d(22)	—	Form of Amendment No. 2 to Facility Lease among Midwest Power Company, Cleveland Electric and Toledo Edison (Exhibit 10(e), Form S-4 File No. 333-47651, filed by Cleveland Electric).
10e(1)	—	Centerior Energy Corporation Equity Compensation Plan (Exhibit 99, Form S-8, File No. 33-59635).

3. *Exhibits – Cleveland Electric Illuminating (CEI)*

3a	—	Amended Articles of Incorporation of CEI, as amended, effective May 28, 1993 (Exhibit 3a, 1993 Form 10-K, File No. 1-2323).
3b	—	Regulations of CEI, dated April 29, 1981, as amended effective October 1, 1988 and April 24, 1990 (Exhibit 3b, 1990 Form 10-K, File No. 1-2323).
(B)4b(1)	—	Mortgage and Deed of Trust between CEI and Guaranty Trust Company of New York (now The Chase Manhattan Bank (National Association)), as Trustee, dated July 1, 1940 (Exhibit 7(a), File No. 2-4450).

Exhibit
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Supplemental Indentures between CEI and the Trustee, supplemental to Exhibit 4b(1), dated as follows:

4b(2)	—	July 1, 1940 (Exhibit 7(b), File No. 2-4450).
4b(3)	—	August 18, 1944 (Exhibit 4(c), File No. 2-9887).
4b(4)	—	December 1, 1947 (Exhibit 7(d), File No. 2-7306).
4b(5)	—	September 1, 1950 (Exhibit 7(c), File No. 2-8587).
4b(6)	—	June 1, 1951 (Exhibit 7(f), File No. 2-8994).
4b(7)	—	May 1, 1954 (Exhibit 4(d), File No. 2-10830).
4b(8)	—	March 1, 1958 (Exhibit 2(a)(4), File No. 2-13839).
4b(9)	—	April 1, 1959 (Exhibit 2(a)(4), File No. 2-14753).
4b(10)	—	December 20, 1967 (Exhibit 2(a)(4), File No. 2-30759).
4b(11)	—	January 15, 1969 (Exhibit 2(a)(5), File No. 2-30759).
4b(12)	—	November 1, 1969 (Exhibit 2(a)(4), File No. 2-35008).
4b(13)	—	June 1, 1970 (Exhibit 2(a)(4), File No. 2-37235).
4b(14)	—	November 15, 1970 (Exhibit 2(a)(4), File No. 2-38460).
4b(15)	—	May 1, 1974 (Exhibit 2(a)(4), File No. 2-50537).
4b(16)	—	April 15, 1975 (Exhibit 2(a)(4), File No. 2-52995).
4b(17)	—	April 16, 1975 (Exhibit 2(a)(4), File No. 2-53309).
4b(18)	—	May 28, 1975 (Exhibit 2(c), June 5, 1975 Form 8-A, File No. 1-2323).
4b(19)	—	February 1, 1976 (Exhibit 3(d)(6), 1975 Form 10 K, File No. 1-2323).
4b(20)	—	November 23, 1976 (Exhibit 2(a)(4), File No. 2-57375).
4b(21)	—	July 26, 1977 (Exhibit 2(a)(4), File No. 2-59401).
4b(22)	—	September 7, 1977 (Exhibit 2(a)(5), File No. 2-67221).
4b(23)	—	May 1, 1978 (Exhibit 2(b), June 30, 1978 Form 10-Q, File No. 1-2323).
4b(24)	—	September 1, 1979 (Exhibit 2(a), September 30, 1979 Form 10-Q, File No. 1-2323).
4b(25)	—	April 1, 1980 (Exhibit 4(a)(2), September 30, 1980 Form 10-Q, File No. 1-2323).
4b(26)	—	April 15, 1980 (Exhibit 4(b), September 30, 1980 Form 10-Q, File No. 1-2323).
4b(27)	—	May 28, 1980 (Exhibit 2(a)(4), Amendment No. 1, File No. 2-67221).
4b(28)	—	June 9, 1980 (Exhibit 4(d), September 30, 1980 Form 10-Q, File No. 1-2323).
4b(29)	—	December 1, 1980 (Exhibit 4(b)(29), 1980 Form 10-K, File No. 1-2323).
4b(30)	—	July 28, 1981 (Exhibit 4(a), September 30, 1981, Form 10-Q, File No. 1-2323).
4b(31)	—	August 1, 1981 (Exhibit 4(b), September 30, 1981, Form 10-Q, File No. 1-2323).
4b(32)	—	March 1, 1982 (Exhibit 4(b)(3), Amendment No. 1, File No. 2-76029).
4b(33)	—	July 15, 1982 (Exhibit 4(a), September 30, 1982 Form 10-Q, File No. 1-2323).
4b(34)	—	September 1, 1982 (Exhibit 4(a)(1), September 30, 1982 Form 10-Q, File No. 1-2323).
4b(35)	—	November 1, 1982 (Exhibit (a)(2), September 30, 1982 Form 10-Q, File No. 1-2323).
4b(36)	—	November 15, 1982 (Exhibit 4(b)(36), 1982 Form 10-K, File No. 1-2323).
4b(37)	—	May 24, 1983 (Exhibit 4(a), June 30, 1983 Form 10-Q, File No. 1-2323).
4b(38)	—	May 1, 1984 (Exhibit 4, June 30, 1984 Form 10-Q, File No. 1-2323).
4b(39)	—	May 23, 1984 (Exhibit 4, May 22, 1984 Form 8-K, File No. 1-2323).
4b(40)	—	June 27, 1984 (Exhibit 4, June 11, 1984 Form 8-K, File No. 1-2323).
4b(41)	—	September 4, 1984 (Exhibit 4b(41), 1984 Form 10-K, File No. 1-2323).
4b(42)	—	November 14, 1984 (Exhibit 4b(42), 1984 Form 10 K, File No. 1-2323).
4b(43)	—	November 15, 1984 (Exhibit 4b(43), 1984 Form 10-K, File No. 1-2323).
4b(44)	—	April 15, 1985 (Exhibit 4(a), May 8, 1985 Form 8-K, File No. 1-2323).
4b(45)	—	May 28, 1985 (Exhibit 4(b), May 8, 1985 Form 8-K, File No. 1-2323).
4b(46)	—	August 1, 1985 (Exhibit 4, September 30, 1985 Form 10-Q, File No. 1-2323).
4b(47)	—	September 1, 1985 (Exhibit 4, September 30, 1985 Form 8-K, File No. 1-2323).
4b(48)	—	November 1, 1985 (Exhibit 4, January 31, 1986 Form 8-K, File No. 1-2323).
4b(49)	—	April 15, 1986 (Exhibit 4, March 31, 1986 Form 10-Q, File No. 1-2323).
4b(50)	—	May 14, 1986 (Exhibit 4(a), June 30, 1986 Form 10-Q, File No. 1-2323).
4b(51)	—	May 15, 1986 (Exhibit 4(b), June 30, 1986 Form 10-Q, File No. 1-2323).
4b(52)	—	February 25, 1987 (Exhibit 4b(52), 1986 Form 10-K, File No. 1-2323).
4b(53)	—	October 15, 1987 (Exhibit 4, September 30, 1987 Form 10-Q, File No. 1-2323).
4b(54)	—	February 24, 1988 (Exhibit 4b(54), 1987 Form 10-K, File No. 1-2323).
4b(55)	—	September 15, 1988 (Exhibit 4b(55), 1988 Form 10-K, File No. 1-2323).
4b(56)	—	May 15, 1989 (Exhibit 4(a)(2)(i), File No. 33-32724).

Exhibit Number		
4b(57)	—	June 13, 1989 (Exhibit 4(a)(2)(ii), File No. 33-32724).
4b(58)	—	October 15, 1989 (Exhibit 4(a)(2)(iii), File No. 33-32724).
4b(59)	—	January 1, 1990 (Exhibit 4b(59), 1989 Form 10-K, File No. 1-2323).
4b(60)	—	June 1, 1990 (Exhibit 4(a). September 30, 1990 Form 10-Q, File No. 1-2323).
4b(61)	—	August 1, 1990 (Exhibit 4(b), September 30, 1990 Form 10-Q, File No. 1-2323).
4b(62)	—	May 1, 1991 (Exhibit 4(a), June 30, 1991 Form 10-Q, File No. 1-2323).
4b(63)	—	May 1, 1992 (Exhibit 4(a)(3), File No. 33-48845).
4b(64)	—	July 31, 1992 (Exhibit 4(a)(3), File No. 33-57292).
4b(65)	—	January 1, 1993 (Exhibit 4b(65), 1992 Form 10-K, File No. 1-2323).
4b(66)	—	February 1, 1993 (Exhibit 4b(66), 1992 Form 10-K, File No. 1-2323).
4b(67)	—	May 20, 1993 (Exhibit 4(a), July 14, 1993 Form 8-K, File No. 1-2323).
4b(68)	—	June 1, 1993 (Exhibit 4(b), July 14, 1993 Form 8-K, File No. 1-2323).
4b(69)	—	September 15, 1994 (Exhibit 4(a), September 30, 1994 Form 10-Q, File No. 1-2323).
4b(70)	—	May 1, 1995 (Exhibit 4(a), September 30, 1995 Form 10-Q, File No. 1-2323).
4b(71)	—	May 2, 1995 (Exhibit 4(b), September 30, 1995 Form 10-Q, File No. 1-2323).
4b(72)	—	June 1, 1995 (Exhibit 4(c), September 30, 1995 Form 10-Q, File No. 1-2323).
4b(73)	—	July 15, 1995 (Exhibit 4b(73), 1995 Form 10-K, File No. 1-2323).
4b(74)	—	August 1, 1995 (Exhibit 4b(74), 1995 Form 10-K, File No. 1-2323).
4b(75)	—	June 15, 1997 (Exhibit 4(a), Form S-4 File No. 333-35931, filed by Cleveland Electric and Toledo Edison).
4b(76)	—	October 15, 1997 (Exhibit 4(a), Form S-4 File No. 333-47651, filed by Cleveland Electric).
4b(77)	—	June 1, 1998 (Exhibit 4b(77), Form S-4 File No. 333-72891).
4b(78)	—	October 1,. 1998 (Exhibit 4b(78), Form S-4 File No. 333-72891).
4b(79)	—	October 1, 1998 (Exhibit 4b(79), Form S-4 File No. 333-72891).
4b(80)	—	February 24, 1999 (Exhibit 4b(80), Form S-4 File No. 333-72891).
4b(81)	—	September 29, 1999. (Exhibit 4b(81), 1999 Form 10-K, File No. 1-2323).
4b(82)	—	January 15, 2000. (Exhibit 4b(82), 1999 Form 10-K, File No. 1-2323).
4d	—	Form of Note Indenture between Cleveland Electric and The Chase Manhattan Bank, as Trustee dated as of October 24, 1997 (Exhibit 4(b), Form S-4 File No. 333-47651, filed by Cleveland Electric).
4d(1)	—	Form of Supplemental Note Indenture between Cleveland Electric and The Chase Manhattan Bank, as Trustee dated as of October 24, 1997 (Exhibit 4(c), Form S-4 File No. 333-47651, filed by Cleveland Electric).
10-1	—	Administration Agreement between the CAPCO Group dated as of September 14, 1967. (Registration No. 2-43102, Exhibit 5(c)(2).)
10-2	—	Amendment No. 1 dated January 4, 1974 to Administration Agreement between the CAPCO Group dated as of September 14, 1967. (Registration No. 2-68906, Exhibit 5(c)(3).)
10-3	—	Transmission Facilities Agreement between the CAPCO Group dated as of September 14, 1967. (Registration No. 2-43102, Exhibit 5(c)(3).)
10-4	—	Amendment No. 1 dated as of January 1, 1993 to Transmission Facilities Agreement between the CAPCO Group dated as of September 14, 1967. (1993 Form 10-K, Exhibit 10-4.)
10-5	—	Agreement for the Termination or Construction of Certain Agreements effective September 1, 1980, October 15, 1997 (Exhibit 4(a), Form S-4 File No. 333-47651, filed by Cleveland Electric).
(A)12.3	—	Consolidated fixed charge ratios.
(A)13.2	—	2000 Annual Report to Stockholders. (Only those portions expressly incorporated by reference in this Form 10-K are to be deemed "filed" with the SEC.)
(A)21.2	—	List of Subsidiaries of the Registrant at December 31, 2000.

Exhibit
<u>Number</u>

(A)23.2	—	Consent of Independent Public Accountants.
(A)	—	Provided herein in electronic format as an exhibit.
(B)	—	Pursuant to paragraph (b)(4)(iii)(A) of Item 601 of Regulation S-K, CEI has not filed as an exhibit to this Form 10-K any instrument with respect to long-term debt if the total amount of securities authorized thereunder does not exceed 10% of the total assets of CEI, but hereby agrees to furnish to the Commission on request any such instruments.

3. Exhibits – Toledo Edison (TE)

Exhibit
<u>Number</u>

3a	—	Amended Articles of Incorporation of TE, as amended effective October 2, 1992 (Exhibit 3a, 1992 Form 10-K, File No. 1-3583).
3b	—	Code of Regulations of TE dated January 28, 1987, as amended effective July 1 and October 1, 1988 and April 24, 1990 (Exhibit 3b, 1990 Form 10-K, File No. 1-3583).
(B)4b(1)	—	Indenture, dated as of April 1, 1947, between TE and The Chase National Bank of the City of New York (now The Chase Manhattan Bank (National Association)) (Exhibit 2(b), File No. 2-26908).
4b(2)	—	September 1, 1948 (Exhibit 2(d), File No. 2-26908).
4b(3)	—	April 1, 1949 (Exhibit 2(e), File No. 2-26908).
4b(4)	—	December 1, 1950 (Exhibit 2(f), File No. 2-26908).
4b(5)	—	March 1, 1954 (Exhibit 2(g), File No. 2-26908).
4b(6)	—	February 1, 1956 (Exhibit 2(h), File No. 2-26908).
4b(7)	—	May 1, 1958 (Exhibit 5(g), File No. 2-59794).
4b(8)	—	August 1, 1967 (Exhibit 2(c), File No. 2-26908).
4b(9)	—	November 1, 1970 (Exhibit 2(c), File No. 2-38569).
4b(10)	—	August 1, 1972 (Exhibit 2(c), File No. 2-44873).
4b(11)	—	November 1, 1973 (Exhibit 2(c), File No. 2-49428).
4b(12)	—	July 1, 1974 (Exhibit 2(c), File No. 2-51429).
4b(13)	—	October 1, 1975 (Exhibit 2(c), File No. 2-54627).
4b(14)	—	June 1, 1976 (Exhibit 2(c), File No. 2-56396).
4b(15)	—	October 1, 1978 (Exhibit 2(c), File No. 2-62568).
4b(16)	—	September 1, 1979 (Exhibit 2(c), File No. 2-65350).
4b(17)	—	September 1, 1980 (Exhibit 4(s), File No. 2-69190).
4b(18)	—	October 1, 1980 (Exhibit 4(c), File No. 2-69190).
4b(19)	—	April 1, 1981 (Exhibit 4(c), File No. 2-71580).
4b(20)	—	November 1, 1981 (Exhibit 4(c), File No. 2-74485).
4b(21)	—	June 1, 1982 (Exhibit 4(c), File No. 2-77763).
4b(22)	—	September 1, 1982 (Exhibit 4(x), File No. 2-87323).
4b(23)	—	April 1, 1983 (Exhibit 4(c), March 31, 1983, Form 10-Q, File No. 1-3583).
4b(24)	—	December 1, 1983 (Exhibit 4(x), 1983 Form 10-K, File No. 1-3583).
4b(25)	—	April 1, 1984 (Exhibit 4(c), File No. 2-90059).
4b(26)	—	October 15, 1984 (Exhibit 4(z), 1984 Form 10-K, File No. 1-3583).
4b(27)	—	October 15, 1984 (Exhibit 4(aa), 1984 Form 10-K, File No. 1-3583).
4b(28)	—	August 1, 1985 (Exhibit 4(dd), File No. 33-1689).
4b(29)	—	August 1, 1985 (Exhibit 4(ee), File No. 33-1689).
4b(30)	—	December 1, 1985 (Exhibit 4(c), File No. 33-1689).
4b(31)	—	March 1, 1986 (Exhibit 4b(31), 1986 Form 10-K, File No. 1-3583).
4b(32)	—	October 15, 1987 (Exhibit 4, September 30, 1987 Form 10-Q, File No. 1-3583).
4b(33)	—	September 15, 1988 (Exhibit 4b(33), 1988 Form 10-K, File No. 1-3583).
4b(34)	—	June 15, 1989 (Exhibit 4b(34), 1989 Form 10-K, File No. 1-3583).
4b(35)	—	October 15, 1989 (Exhibit 4b(35), 1989 Form 10-K, File No. 1-3583).
4b(36)	—	May 15, 1990 (Exhibit 4, June 30, 1990 Form 10-Q, File No. 1-3583).

Exhibit
Number

4b(37)	—	March 1, 1991 (Exhibit 4(b), June 30, 1991 Form 10-Q, File No. 1-3583).
4b(38)	—	May 1, 1992 (Exhibit 4(a)(3), File No. 33-48844).
4b(39)	—	August 1, 1992 (Exhibit 4b(39), 1992 Form 10-K, File No. 1-3583).
4b(40)	—	October 1, 1992 (Exhibit 4b(40), 1992 Form 10-K, File No. 1-3583).
4b(41)	—	January 1, 1993 (Exhibit 4b(41), 1992 Form 10-K, File No. 1-3583).
4b(42)	—	September 15, 1994 (Exhibit 4(b), September 30, 1994 Form 10-Q, File No. 1-3583).
4b(43)	—	May 1, 1995 (Exhibit 4(d), September 30, 1995 Form 10-Q, File No. 1-3583).
4b(44)	—	June 1, 1995 (Exhibit 4(e), September 30, 1995 Form 10-Q, File No. 1-3583).
4b(45)	—	July 14, 1995 (Exhibit 4(f), September 30, 1995 Form 10-Q, File No. 1-3583).
4b(46)	—	July 15, 1995 (Exhibit 4(g), September 30, 1995 Form 10-Q, File No. 1-3583).
4b(47)	—	August 1, 1997 (Exhibit 4b(47), 1998 Form 10-K, File No. 1-3583).
4b(48)	—	June 1, 1998 (Exhibit 4b (48), 1998 Form 10-K, File No. 1-3583).
4b(49)	—	January 15, 2000. (Exhibit 4b(49), 1999 Form 10-K, File No. 1-3583).
(A) 4b(50)	—	May 1, 2000.
(A) 12.4	—	Consolidated fixed charge ratios.
(A) 13.3	—	2000 Annual Report to Stockholders. (Only those portions expressly incorporated by reference in this Form 10-K are to be deemed "filed" with the SEC.)
(A) 21.3	—	List of Subsidiaries of the Registrant at December 31, 2000.
(A)	—	Provided herein in electronic format as an exhibit.
(B)	—	Pursuant to paragraph (b)(4)(iii)(A) of Item 601 of Regulation S-K, TE has not filed as an exhibit to this Form 10-K any instrument with respect to long-term debt if the total amount of securities authorized thereunder does not exceed 10% of the total assets of TE, but hereby agrees to furnish to the Commission on request any such instruments.

(b) Reports on Form 8-K

FirstEnergy-

One report on Form 8-K was filed since September 30, 2000. A report dated November 27, 2000 reported that the common stock shareholders of FirstEnergy Corp. and GPU, Inc. approved the Agreement and Plan of Merger whereby FirstEnergy would acquire all of the outstanding shares of GPU's common stock.

OE, CEI, TE, Penn-

None.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of FirstEnergy Corp.:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in FirstEnergy Corp.'s Annual Report to Stockholders incorporated by reference in this Form 10-K and have issued our report thereon dated February 16, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule of consolidated valuation and qualifying accounts listed in Item 14 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
February 16, 2001.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of Ohio Edison Company:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in Ohio Edison Company's Annual Report to Stockholders incorporated by reference in this Form 10-K and have issued our report thereon dated February 16, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule of consolidated valuation and qualifying accounts listed in Item 14 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
February 16, 2001.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of The Cleveland Electric Illuminating Company:

We have audited, in accordance with auditing standards generally accepted in the Unites States, the consolidated financial statements included in The Cleveland Electric Illuminating Company's Annual Report to Stockholders incorporated by reference in this Form 10-K and have issued our report thereon dated February 16, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule of consolidated valuation and qualifying accounts listed in Item 14 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
February 16, 2001.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of The Toledo Edison Company:

We have audited, in accordance with auditing standards generally accepted in the United States, the consolidated financial statements included in The Toledo Edison Company's Annual Report to Stockholders incorporated by reference in this Form 10-K and have issued our report thereon dated February 16, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule of consolidated valuation and qualifying accounts listed in Item 14 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
February 16, 2001.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Stockholders and Board of Directors of Pennsylvania Power Company:

We have audited, in accordance with auditing standards generally accepted in the United States, the financial statements included in Pennsylvania Power Company's Annual Report to Stockholders incorporated by reference in this Form 10-K and have issued our report thereon dated February 16, 2001. Our audit was made for the purpose of forming an opinion on those statements taken as a whole. The schedule of valuation and qualifying accounts listed in Item 14 is the responsibility of the Company's management and is presented for the purpose of complying with the Securities and Exchange Commission's rules and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
February 16, 2001.

SCHEDULE II

FIRSTENERGY CORP.

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
Year Ended December 31, 2000:					
Accumulated provision for uncollectible accounts - customers	$ 6,719	$20,841	$2,218 (a)	$13,978 (b)	$15,800
- other	$ 5,359	$15,951	$ -- (a)	$ 824 (b)	$20,486
Year Ended December 31, 1999:					
Accumulated provision for uncollectible accounts - customers	$ 6,397	$ 8,668	$2,313 (a)	$10,659 (b)	$ 6,719
- other	$46,251	$ 4,039	$ 18 (a)	$44,949 (b)	$ 5,359
Year Ended December 31, 1998:					
Accumulated provision for uncollectible accounts - customers	$ 5,618	$28,984	$2,290 (a)	$30,495 (b)	$ 6,397
- other	$ 4,026	$45,836	$ 42 (a)	$ 3,653 (b)	$46,251

(a) Represents recoveries and reinstatements of accounts previously written off.
(b) Represents the write-off of accounts considered to be uncollectible.

SCHEDULE II

OHIO EDISON COMPANY

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
Year Ended December 31, 2000:					
Accumulated provision for uncollectible accounts - customers	$6,452	$16,808	$2,218 (a)	$13,701 (b)	$11,777
- other	$1,000	$ --	$ --	$ --	$ 1,000
Year Ended December 31, 1999:					
Accumulated provision for uncollectible accounts - customers	$6,397	$ 8,401	$2,313 (a)	$10,659 (b)	$ 6,452
- other	$ --	$ 1,000	$ --	$ --	$ 1,000
Year Ended December 31, 1998:					
Accumulated provision for uncollectible accounts	$5,618	$ 7,933	$2,290 (a)	$ 9,444 (b)	$ 6,397

(a) Represents recoveries and reinstatements of accounts previously written off.
(b) Represents the write-off of accounts considered to be uncollectible.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
Year Ended December 31, 2000:					
Accumulated provision for uncollectible accounts	$1,000	$ --	$ --	$ --	$1,000
Year Ended December 31, 1999:					
Accumulated provision for uncollectible accounts	$ 491	$ 1,180	$ 18 (a)	$ 689 (b)	$1,000
Year Ended December 31, 1998:					
Accumulated provision for uncollectible accounts	$1,226	$ (16)	$ 42 (a)	$ 761 (b)	$ 491

(a) Represents recoveries and reinstatements of accounts previously written off.
(b) Represents the write-off of accounts considered to be uncollectible.

SCHEDULE II

THE TOLEDO EDISON COMPANY

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

		Additions			
Description	Beginning Balance	Charged to Income	Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
Year Ended December 31, 2000:					
Accumulated provision for uncollectible accounts	$ --	$ --	$ --	$ --	$ --
Year Ended December 31, 1999:					
Accumulated provision for uncollectible accounts	$ 100	$ --	$ --	$ 100 (a)	$ --
Year Ended December 31, 1998:					
Accumulated provision for uncollectible accounts	$2,800	$ 192	$ --	$2,892 (a)	$ 100

(a) Represents the write-off of accounts considered to be uncollectible.

SCHEDULE II

PENNSYLVANIA POWER COMPANY

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

		Additions			
Description	Beginning Balance	Charged to Income	Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
Year Ended December 31, 2000:					
Accumulated provision for uncollectible accounts	$3,537	$ (496)	$478 (a)	$2,891 (b)	$ 628
Year Ended December 31, 1999:					
Accumulated provision for uncollectible accounts	$3,599	$1,289	$300 (a)	$1,651 (b)	$3,537
Year Ended December 31, 1998:					
Accumulated provision for uncollectible accounts	$3,609	$1,242	$409 (a)	$1,661 (b)	$3,599

(a) Represents recoveries and reinstatements of accounts previously written off.
(b) Represents the write-off of accounts considered to be uncollectible.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FIRSTENERGY CORP.

BY ______________________

H. Peter Burg
Chairman of the Board
and Chief Executive Officer

Date: March 20, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

H. Peter Burg
Chairman of the Board
and Chief Executive Officer
and Director (Principal Executive Officer)

Anthony J. Alexander
President and Director

Richard H. Marsh
Vice President and Chief Financial Officer
(Principal Financial Officer)

Harvey L. Wagner
Controller
(Principal Accounting Officer)

Carol A. Cartwright
Director

Paul J. Powers
Director

William F. Conway
Director

Robert C. Savage
Director

Robert B. Heisler, Jr.
Director

George M. Smart
Director

Robert L. Loughhead
Director

Jesse T. Williams, Sr.
Director

Russell W. Maier
Director

Date: March 20, 2001

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OHIO EDISON COMPANY

BY ______________________
H. Peter Burg
President

Date: March 20, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

H. Peter Burg
President and Director
(Principal Executive Officer)

Richard H. Marsh
Vice President and Director
(Principal Financial Officer)

Harvey L. Wagner
Controller
(Principal Accounting Officer)

Anthony J. Alexander
Director

Date: March 20, 2001

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE CLEVELAND ELECTRIC
ILLUMINATING COMPANY

BY H. Peter Burg
President

Date: March 20, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

H. Peter Burg
President and Director
(Principal Executive Officer)

Richard H. Marsh
Vice President and Director
(Principal Financial Officer)

Harvey L. Wagner
Controller
(Principal Accounting Officer)

Anthony J. Alexander
Director

Date: March 20, 2001

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE TOLEDO EDISON COMPANY

BY H. Peter Burg
President

Date: March 20, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

H. Peter Burg
President and Director
(Principal Executive Officer)

Richard H. Marsh
Vice President and Director
(Principal Financial Officer)

Harvey L. Wagner
Controller
(Principal Accounting Officer)

Anthony J. Alexander
Director

Date: March 20, 2001

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PENNSYLVANIA POWER COMPANY

BY ______________________
H. Peter Burg
Chairman of the Board and
Chief Executive Officer

Date: March 20, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated:

H. Peter Burg Chairman of the Board and Chief Executive Officer (Principal Executive Officer)	Richard H. Marsh Vice President and Director (Principal Financial Officer)
Harvey L. Wagner Controller (Principal Accounting Officer)	Anthony J. Alexander Director

Date: March 20, 2001

EXHIBIT 12.1

FIRSTENERGY CORP.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$315,170	$318,166	$ 441,396	$ 568,299	$ 598,970
Interest and other charges, before reduction for amounts capitalized	255,572	299,606	608,618	585,648	556,194
Provision for income taxes	201,295	207,985	321,699	394,827	376,802
Interest element of rentals charged to income (a)	114,093	142,363	283,869	279,519	271,471
Earnings as defined	$886,130	$968,120	$1,655,582	$1,828,293	$1,803,437
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest expense	$240,146	$284,180	$ 542,819	$ 509,169	493,473
Subsidiaries' preferred stock dividend requirements	15,426	15,426	65,299	76,479	62,721
Adjustments to subsidiaries' preferred stock dividends to state on a pre-income tax basis	2,910	2,918	43,370	44,829	32,098
Interest element of rentals charged to income (a)	114,093	142,363	283,869	279,519	271,471
Fixed charges as defined	$372,575	$444,887	$ 935,357	$ 909,996	$ 859,763
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES (b)	2.38	2.18	1.77	2.01	2.10

(a) Includes the interest element of rentals where determinable plus 1/3 of rental expense where no readily defined interest element can be determined.

(b) These ratios exclude fixed charges applicable to the guarantee of the debt of a coal supplier aggregating $5,093,000, $3,828,000 and $2,209,000 for each of the three years ended December 31, 1998, respectively. The guarantee and related coal supply contract debt expired December 31, 1999.

OHIO EDISON COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$315,170	$293,194	$301,320	$297,689	$336,456
Interest and other charges, before reduction for amounts capitalized	255,572	250,920	235,317	225,358	211,364
Provision for income taxes	201,295	187,805	191,261	191,835	212,580
Interest element of rentals charged to income (a)	114,093	117,409	115,310	113,804	109,497
Earnings as defined	$886,130	$849,328	$843,208	$828,686	$869,897
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest on long-term debt	$211,935	$204,285	$184,915	$178,217	$165,409
Other interest expense	28,211	31,209	34,976	31,971	31,451
Subsidiaries' preferred stock dividend requirements	15,426	15,426	15,426	15,170	14,504
Adjustments to subsidiaries' preferred stock dividends to state on a pre-income tax basis	2,910	2,918	2,892	2,770	2,296
Interest element of rentals charged to income (a)	114,093	117,409	115,310	113,804	109,497
Fixed charges as defined	$372,575	$371,247	$353,519	$341,932	$323,157
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES (b)	2.38	2.29	2.39	2.42	$2.69

(a) Includes the interest element of rentals where determinable plus 1/3 of rental expense where no readily defined interest element can be determined.
(b) These ratios exclude fixed charges applicable to the guarantee of the debt of a coal supplier aggregating $5,093,000, $3,828,000 and $2,209,000 for each of the three years ended December 31, 1998, respectively. The guarantee and related coal supply contract debt expired December 31, 1999.

OHIO EDISON COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$315,170	$293,194	$301,320	$297,689	$336,456
Interest and other charges, before reduction for amounts capitalized	255,572	250,920	235,317	225,358	211,364
Provision for income taxes	201,295	187,805	191,261	191,835	212,580
Interest element of rentals charged to income (a)	114,093	117,409	115,310	113,804	109,497
Earnings as defined	$886,130	$849,328	$843,208	$828,686	$869,897
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest on long-term debt	$211,935	$204,285	$184,915	$178,217	$165,409
Other interest expense	28,211	31,209	34,976	31,971	31,451
Preferred and preference stock dividend requirements	27,923	27,817	27,395	26,717	25,628
Adjustments to preferred and preference stock dividends to state on a pre-income tax basis	10,542	10,503	10,140	9,859	8,976
Interest element of rentals charged to income (a)	114,093	117,409	115,310	113,804	109,497
Fixed charges as defined plus preferred and preference stock dividend requirements (pre-income tax basis)	$392,704	$391,223	$372,736	$360,568	$340,961
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS) (b)	2.26	2.17	2.26	2.30	2.55

(a) Includes the interest element of rentals where determinable plus 1/3 of rental expense where no readily defined interest element can be determined.
(b) These ratios exclude fixed charges applicable to the guarantee of the debt of a coal supplier aggregating $5,093,000, $3,828,000 and $2,209,000 for each of the three years ended December 31, 1998, respectively. The guarantee and related coal supply contract debt expired December 31, 1999.

EXHIBIT 12.3
Page 1

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$116,553	$114,481	$164,891	$194,089	$202,950
Interest and other charges, before reduction for amounts capitalized	244,789	248,429	232,727	211,960	202,752
Provision for income taxes	69,120	92,969	110,611	123,869	126,701
Interest element of rentals charged to income (a)	79,503	69,086	68,314	66,680	65,616
Earnings as defined	$509,965	$524,965	$576,543	$596,598	$598,019
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest expense	$244,789	$248,429	$232,727	$211,960	$202,752
Interest element of rentals charged to income (a)	79,503	69,086	68,314	66,680	65,616
Fixed charges as defined	$324,292	$317,515	$301,041	$278,640	$268,368
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES	1.57	1.65	1.92	2.14	2.23

(a) Includes the interest component of Bruce Mansfield sale and leaseback rentals, leased nuclear fuel in the reactor, and other miscellaneous rentals.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$116,553	$114,481	$164,891	$194,089	$202,950
Interest and other charges, before reduction for amounts capitalized	244,789	248,429	232,727	211,960	202,752
Provision for income taxes	69,120	92,969	110,611	123,869	126,701
Interest element of rentals charged to income (a)	79,503	69,086	68,314	66,680	65,616
Earnings as defined	$509,965	$524,965	$576,543	$596,598	$598,019
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest expense	$244,789	$248,429	$232,727	$211,960	$202,752
Preferred stock dividend requirements	38,743	45,029	24,794	33,524	20,843
Adjustments to preferred stock dividends to state on a pre-income tax basis	22,976	36,568	16,632	21,395	13,012
Interest element of rentals charged to income (a)	79,503	69,086	68,314	66,680	65,616
Fixed charges as defined plus preferred stock dividend requirements (pre-income tax basis)	$386,011	$399,112	$342,467	$333,559	$302,223
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)	1.32	1.32	1.68	1.79	1.98

(a) Includes the interest component of Bruce Mansfield sale and leaseback rentals, leased nuclear fuel in the reactor, and other miscellaneous rentals.

THE TOLEDO EDISON COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$57,289	$49,385	$106,582	$99,945	$137,233
Interest and other charges, before reduction for amounts capitalized	97,329	98,423	88,263	78,496	72,055
Provision for income taxes	31,501	39,703	72,696	56,821	76,991
Interest element of rentals charged to income (a)	109,935	102,795	100,245	98,445	96,358
Earnings as defined	$296,054	$290,306	$367,786	$333,707	$382,637
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest expense	$97,329	$98,423	$88,263	$78,496	$ 72,055
Interest element of rentals charged to income (a)	109,935	102,795	100,245	98,445	96,358
Fixed charges as defined	$207,264	$201,218	$188,508	$176,941	$168,413
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES	1.43	1.44	1.95	1.89	2.27

(a) Includes the interest component of Beaver Valley and Bruce Mansfield sale and leaseback rentals, leased nuclear fuel in the reactor, and other miscellaneous rentals.

THE TOLEDO EDISON COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$ 57,289	$ 49,385	$106,582	$ 99,945	$137,233
Interest and other charges, before reduction for amounts capitalized	97,329	98,423	88,263	78,496	72,055
Provision for income taxes	31,501	39,703	72,696	56,821	76,991
Interest element of rentals charged to income (a)	109,935	102,795	100,245	98,445	96,358
Earnings as defined	$296,054	$290,306	$367,786	$333,707	$382,637
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest expense	$ 97,329	$ 98,423	$ 88,263	$ 78,496	$ 72,055
Preferred stock dividend requirements	16,926	19,435	13,609	16,238	16,247
Adjustments to preferred stock dividends to state on a pre-income tax basis	9,307	15,783	8,335	10,363	10,143
Interest element of rentals charged to income (a)	109,935	102,795	100,245	98,445	96,358
Fixed charges as defined plus preferred stock dividend requirements (pre-income tax basis)	$233,497	$236,436	$210,452	$203,542	$194,803
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)	1.27	1.23	1.75	1.64	1.96

(a) Includes the interest component of Beaver Valley and Bruce Mansfield sale and leaseback rentals, leased nuclear fuel in the reactor, and other miscellaneous rentals.

PENNSYLVANIA POWER COMPANY

RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$ 40,587	$31,472	$39,748	$12,648	$22,847
Interest before reduction for amounts capitalized	27,889	22,438	21,073	21,317	20,437
Provision for income taxes	33,421	26,658	32,504	18,834	26,121
Interest element of rentals charged to income (a)	1,868	1,750	1,920	1,887	2,791
Earnings as defined	$103,765	$82,318	$95,245	$54,686	$72,196
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest on long-term debt	$ 25,715	$20,458	$19,255	$19,268	$18,651
Interest on nuclear fuel obligations	219	276	28	90	364
Other interest expense	1,955	1,704	1,789	1,959	1,422
Interest element of rentals charged to income (a)	1,868	1,750	1,920	1,887	2,791
Fixed charges as defined	$ 29,757	$24,188	$22,992	$23,204	$23,228
RATIO OF EARNINGS TO FIXED CHARGES (b)	3.49	3.40	4.14	2.36	3.11

(a) Includes the interest element of rentals where determinable plus 1/3 of rental expense where no readily defined interest element can be determined.
(b) These ratios exclude fixed charges applicable to the guarantee of the debt of a coal supplier aggregating $642,000, $483,000 and $273,000 for each of the three years ended December 31, 1998, respectively. The guarantee and related coal supply contract debt expired December 31, 1999.

PENNSYLVANIA POWER COMPANY

RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)

	Year Ended December 31,				
	1996	1997	1998	1999	2000
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$ 40,587	$31,472	$39,748	$12,648	$22,847
Interest before reduction for amounts capitalized	27,889	22,438	21,073	21,317	20,437
Provision for income taxes	33,421	26,658	32,504	18,834	26,121
Interest element of rentals charged to income (a)	1,868	1,750	1,920	1,887	2,791
Earnings as defined	$103,765	$82,318	$95,245	$54,686	$72,196
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest on long-term debt	$ 25,715	$20,458	$19,255	$19,268	$18,651
Interest on nuclear fuel obligations	219	276	28	90	364
Other interest expense	1,955	1,704	1,789	1,959	1,422
Preferred stock dividend requirements	4,626	4,626	4,626	4,370	3,704
Adjustment to preferred stock dividends to state on a pre-income tax basis	3,751	3,859	3,726	6,403	4,018
Interest element of rentals charged to income (a)	1,868	1,750	1,920	1,887	2,791
Fixed charges as defined plus preferred stock dividend requirements (pre-income tax basis)	$ 38,134	$32,673	$31,344	$33,977	$30,950
RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS) (b)	2.72	2.52	3.04	1.61	2.33

(a) Includes the interest element of rentals where determinable plus 1/3 of rental expense where no readily defined interest element can be determined.
(b) These ratios exclude fixed charges applicable to the guarantee of the debt of a coal supplier aggregating $642,000, $483,000 and $273,000 for each of the three years ended December 31, 1998, respectively. The guarantee and related coal supply contract debt expired December 31, 1999.

EXHIBIT 23

FIRSTENERGY CORP.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into FirstEnergy Corp.'s previously filed Registration Statements, File No. 333-40065, No. 333-48587, No. 333-48651, No. 333-58279, No. 333-65409, No. 333-75985, No. 333-46444, No. 333-56094 and No. 333-81183.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
March 28, 2001.

EXHIBIT 23.1

OHIO EDISON COMPANY

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into Ohio Edison Company's previously filed Registration Statements, File No. 33-49135, No. 33-49259, No. 33-49413, No. 33-51139, No. 333-01489 and No. 333-05277.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
March 28, 2001.

EXHIBIT 23.2

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into The Cleveland Electric Illuminating Company's previously filed Registration Statements, File No. 33-55513, No. 333-47651 and No. 333-72891.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
March 28, 2001.

EXHIBIT 23.3

PENNSYLVANIA POWER COMPANY

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our reports included or incorporated by reference in this Form 10-K, into Pennsylvania Power Company's previously filed Registration Statements, File No. 33-62450 and No. 33-65156.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio,
March 28, 2001.

FirstEnergy®

76 South Main Street
Akron, Ohio 44308-1890
(330) 384-5100

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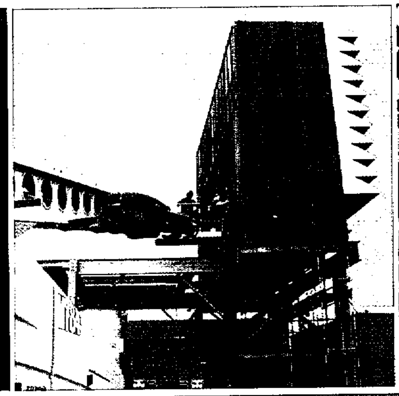
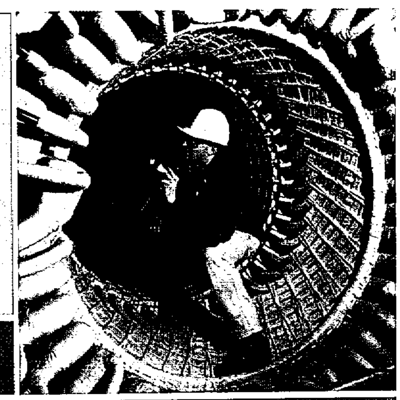
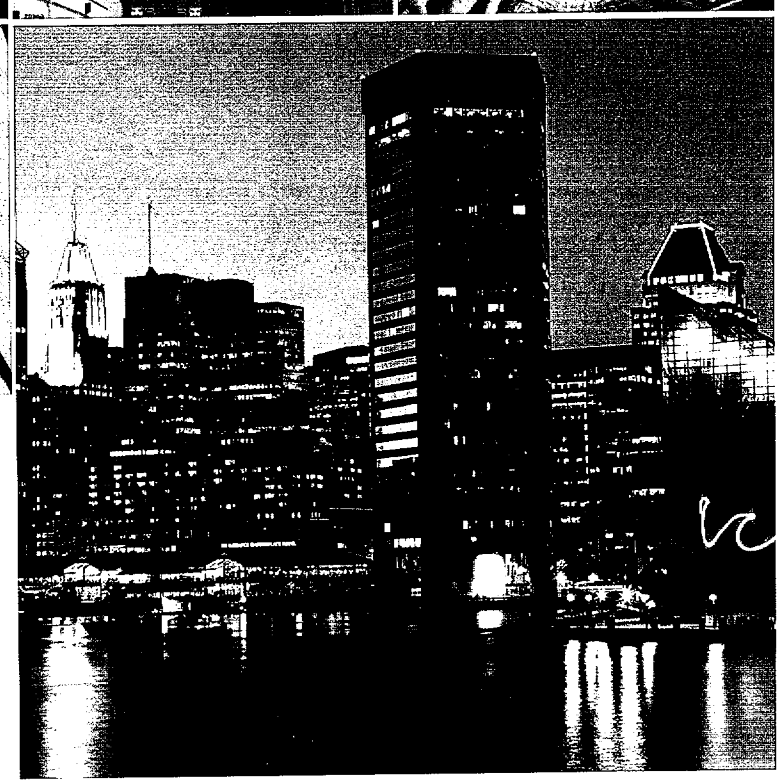
Permit No. 561

FirstEnergy®

2000
Annual Report



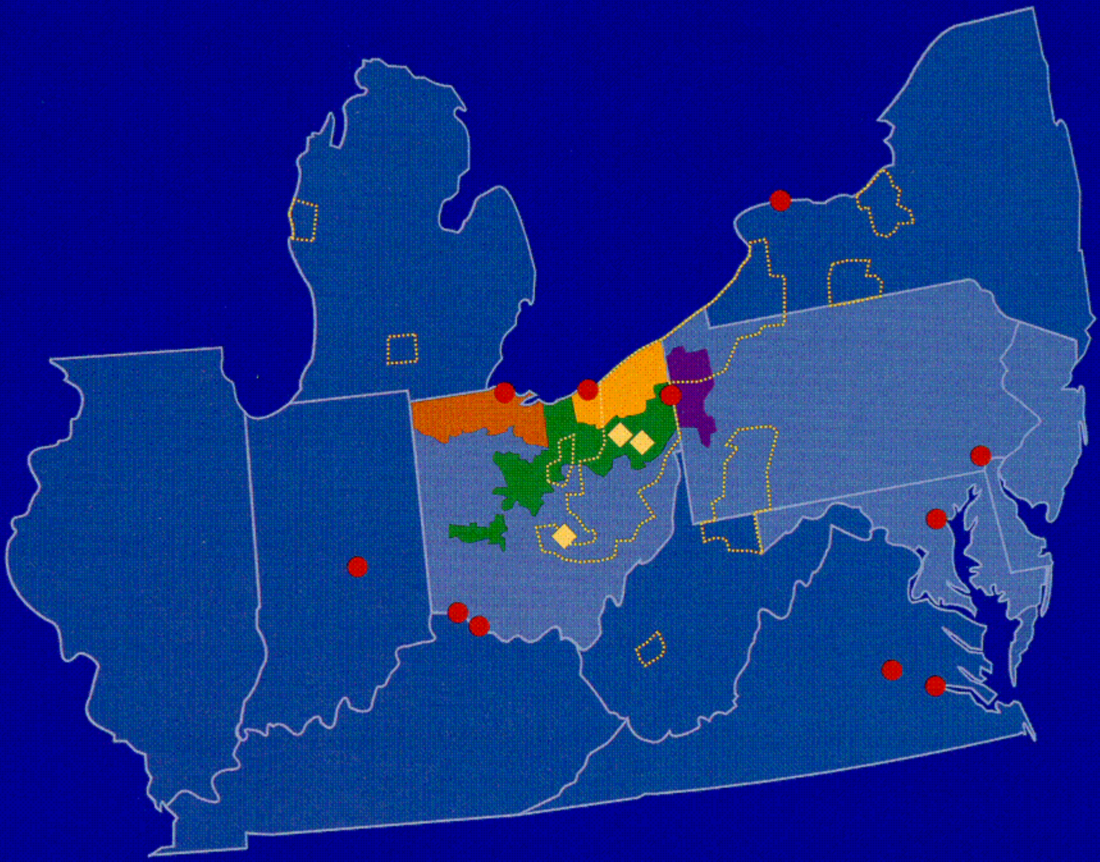




Corporate Profile

FirstEnergy Corp. is a diversified energy services holding company headquartered in Akron, Ohio. Its electric utility operating companies – Ohio Edison and its Pennsylvania Power subsidiary, The Illuminating Company and Toledo Edison – comprise the nation's tenth largest investor-owned electric system, serving 2.2 million customers within 13,200 square miles of northern and central Ohio and western Pennsylvania.

FirstEnergy subsidiaries and affiliates provide a wide range of energy and energy-related products and services, including the generation and sale of electricity; exploration and production of oil and natural gas; transmission and marketing of natural gas; mechanical and electrical contracting and construction; energy management; telecommunications; and e-commerce.



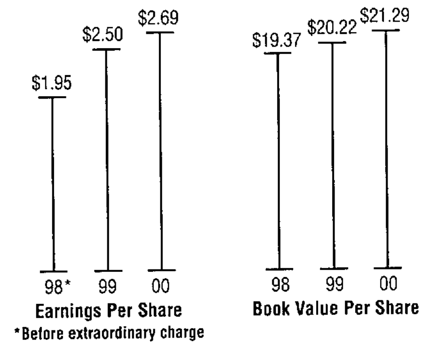
Electric Utility Operating Companies

- Ohio Edison Company, Akron, OH
- Pennsylvania Power Company, New Castle, PA
- The Illuminating Company, Cleveland, OH
- Toledo Edison Company, Toledo, OH

Assets and Other Operations

- Drilling rights to nearly one million acres
- Natural gas and oil operations
- Facilities Services Group companies
- Deregulated states where we are selling electricity

Contents



Financial Highlights

(Dollars in thousands, except per share amounts)	2000	1999
Total revenues	**$7,028,961**	$6,319,647
Net income	**$598,970**	$568,299
Earnings per common share	**$2.69**	$2.50
Return on average common equity	**13.0%**	12.7%
Dividends per common share	**$1.50**	$1.50
Book value per common share	**$21.29**	$20.22
Common equity to total capitalization	**41.5%**	39.8%
Cash provided by operating activities	**$1,507,826**	$1,488,306

Strategic Vision

FirstEnergy will be the leading regional retail energy and related services supplier; the preferred choice for total customer solutions; shareholders' choice for long-term growth and investment value; and a Company that is driven by the skills, diversity, flexibility and character of its employees.

Mission Statement

FirstEnergy will provide competitively priced, high-quality products and value-added services in:

- Energy sales and services
- Energy delivery
- Power supply
- Regulated and unregulated supplemental services related to our core business

Strategy

To achieve our vision we will:

- Maximize the value of core operations
- Position the Company for profitable growth in related areas
- Maximize value retention during the transition to competition
- Increase financial flexibility and investor confidence

Message to Shareholders

Enhancing value through strategic growth. That best captures FirstEnergy's progress in 2000 as we continued to expand our presence and improve our competitiveness in the energy marketplace.

Most notably, shareholders overwhelmingly approved our pending merger with Morristown, New Jersey-based GPU, Inc., in November. Upon completion – which we hope will occur during the second quarter of this year – the merger will nearly double our annual revenues to more than $12 billion, and will move us closer to achieving our vision of becoming the leading retail energy and related services supplier in the northeast quadrant of the U.S., our targeted region for growth.

With the nation's sixth largest investor-owned electric utility system, based on 4.3 million customers served; contiguous transmission systems; and a 37,000-square-mile service area in Ohio, Pennsylvania and New Jersey, this combination will greatly expand our market for electricity, natural gas, telecommunications and other energy-related products and services.

The merger will help give us the size and scope we need to succeed in our changing business. It is expected to be accretive to earnings immediately upon completion, and to improve our earnings growth from what it otherwise would have been on a stand-alone basis.

Growth will be driven in part by strategic advantages, including anticipated annual cost savings of approximately $150 million through improved operating efficiencies and the elimination of duplicate activities.

To make sure we begin capturing the benefits as soon as the merger is completed, some 200 employees from both companies are reviewing operations and identifying strategies and best practices.

We're committed to making this a great success. Capturing the synergies offered by the merger will further enhance our financial and operational performance – areas where we made steady progress in 2000.

Delivering Stronger Earnings

We earned $599 million, or $2.69 per share of common stock, for the year, a 7.6 percent increase compared with earnings of $2.50 per share, or $568 million, in 1999. A $96-million reduction in fuel costs; the addition of 14,000 new electricity customers in our regulated service area; increased power sales to customers in unregulated energy markets; and a new generation output record by our power plants contributed to stronger earnings performance in 2000.

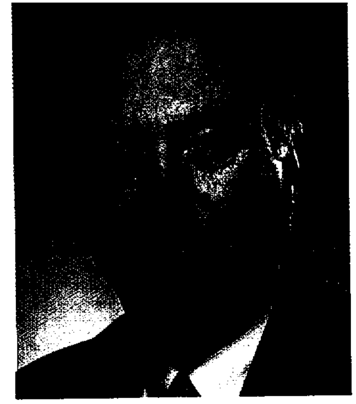
During the year, FirstEnergy retired, refinanced or repriced long-term debt totaling $927.7 million, which will produce annual interest savings of $31.9 million. We also repurchased 6.5 million shares of common stock in 2000 – reaching a total of 12.5 million shares – under our program to buy back up to 15 million shares during a three-year period that runs through 2001.

Competing in Ohio

Stronger financial performance and approval of our transition plan by the Public Utilities Commission of Ohio are enhancing our competitive position in the state, which opened the electric generation business to competition on January 1, 2001.

Our transition plan – which established the framework for how we're operating in Ohio – gives us the opportunity through 2008 to recover $6.9 billion in transition costs – past expenses we incurred in the regulated environment. Our ability to recover these costs was a key reason why the investor services firms of Moody's and Fitch upgraded the debt ratings of our electric utility operating companies in 2000.

Ohio's competitive electric market poses new challenges for our Company, including meeting a target that calls for 20 percent of our electric customers to switch to new suppliers during the next five years. We're confident that we'll achieve that mark, in part because we've helped jump-start competition under an innovative plan through which we are selling – at established prices – 1,120 megawatts of power through 2005 to other suppliers and aggregators for sale to our customers.



In addition, customers who choose our unregulated FirstEnergy Services subsidiary as their new supplier count toward the switching target. By the end of the first quarter of this year, we expect that approximately 150,000 of our electric utility customers will switch to new suppliers – including some 100,000 to FirstEnergy Services, which is building on a successful track record in other unregulated electricity markets.

Expanding Markets

FirstEnergy Services also serves electricity customers in Pennsylvania, New Jersey, Delaware and Maryland. And, it's selling other products and services as well, including natural gas, adding nearly 140,000 customers in 2000. The merger with GPU will help further expand the market for our diverse mix of products and services.

While electricity remains our core business, growth in other areas is important because adding new sources of revenues will help replace revenues we'll lose in Ohio's competitive market. In fact, in 2000 we more than tripled our natural gas revenues to $582 million and increased our Facilities Services Group revenues by 12 percent to $563 million.

Learning from California

We're well positioned for success in Ohio's deregulated electricity market, which is governed by rules far different than those in California, where electricity shortages and price spikes are plaguing that state's deregulated market. Ohio also has an adequate supply of electricity in the near term, unlike California, which has added little capacity in recent years – despite significant increases in customer demand.

Since 1998, Ohio regulators have approved plans to add approximately 5,700 megawatts of new generating capacity, and are considering applications for the installation of an additional 8,500 megawatts of capacity. However, most of this proposed generation is comprised of natural-gas-fired peaking units, so it's unclear how much actually will be built because of price volatility in the gas market.

As a result, during Ohio's five-year transition to full competition, it's important that the government provide incentives, not disincentives, for adding new generation in the region to meet growing customer demand and eventually to replace existing base-load power plants. Also, the government needs to take a more consistent approach to environmental regulations. Our industry should not be subjected to ongoing changes in how the Clean Air Act is interpreted by the U.S. Environmental Protection Agency, affecting plants that provide much of our region's electricity supply.

Enhancing your Investment

We cannot predict the future impact of competition. However, we remain focused on running our Company as efficiently as possible, and we continue to explore new business opportunities that complement our market strategy.

We're proud of our progress. And, with your ongoing support and the hard work of our dedicated employees, we'll continue increasing the competitiveness of your Company and enhancing the value of your investment.

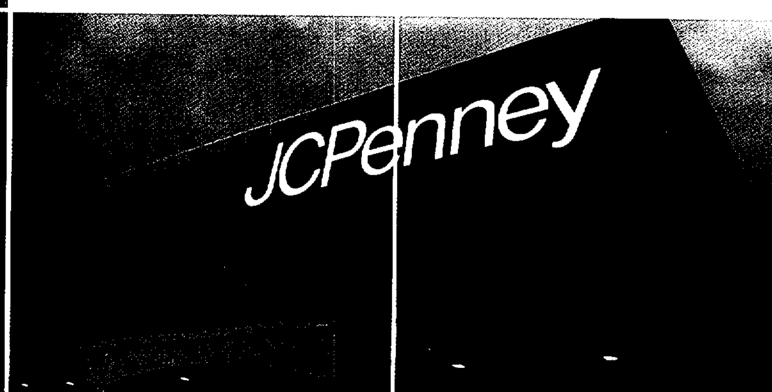
Sincerely,

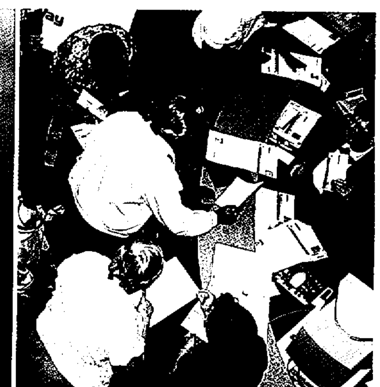
H. Peter Burg

H. Peter Burg
Chairman and Chief Executive Officer

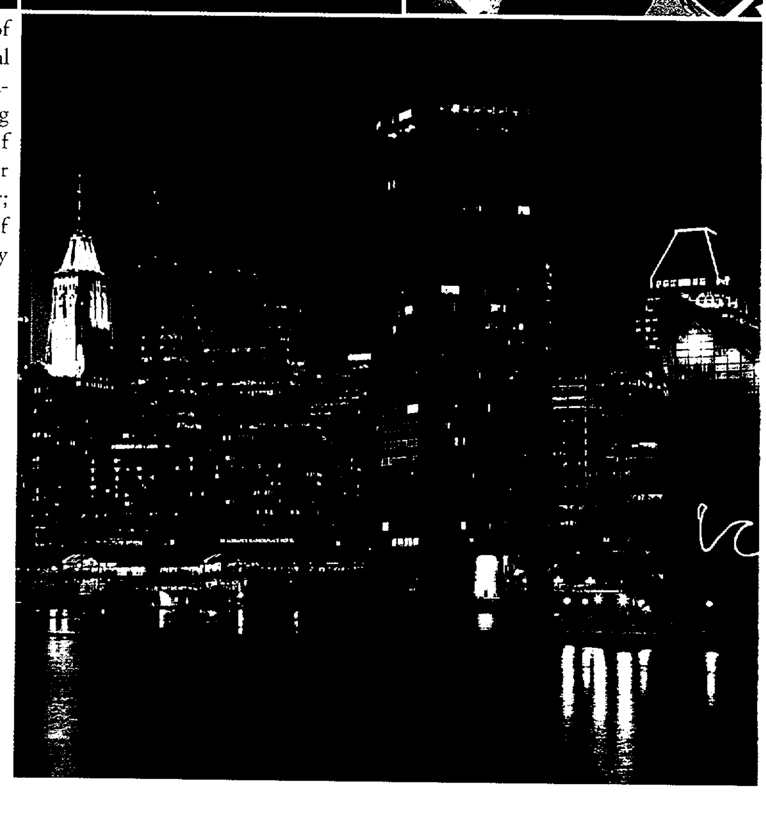
March 12, 2001

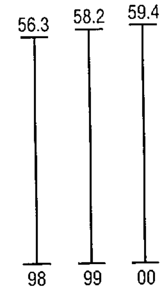
Enhancing value through strategic growth





FROM TOP LEFT: 2000 marked a year of growth in residential electric and natural gas customers; welding for a mechanical construction customer; JCPenney is among FirstEnergy Services' growing number of customers; customers signing up for FirstEnergy Services' natural gas offer; FirstEnergy Services has added hundreds of local government accounts, including many in the Baltimore, Maryland, area.





Regulated Retail Kilowatt-Hour Sales
(Billions)

Competing in Ohio's Electric Industry and Other Unregulated Markets

After years of debate and preparation, Ohio opened its electric generation business to competition in January 2001.

The state's deregulation law gives Ohioans – including customers of our subsidiaries, Ohio Edison, The Illuminating Company and Toledo Edison – the option of buying their electricity from suppliers other than their local electric companies.

The deregulated marketplace poses new challenges to our Company, but also presents growth opportunities. For instance, while rules governing how we operate in Ohio include a target that calls for 20 percent of our customers to switch to new suppliers during the next five years, they also enable our unregulated FirstEnergy Services subsidiary to add customers inside and outside our traditional service area.

We're confident that the unregulated sale of electricity – and other energy and related products and services – will help cover lost revenues from our traditional electric business.

Continuing to Grow our Unregulated Operations

FirstEnergy Services is building on a successful track record, with more than 130,000 electric customers in Ohio, Pennsylvania, New Jersey, Delaware and Maryland. Customers include JCPenney and Kroger facilities, and hundreds of local government accounts.

FirstEnergy Services is part of our new competitive business unit, under which we've consolidated many of our unregulated activities. In addition to electricity, FirstEnergy Services sells a variety of energy and energy-related products and services, including natural gas, mechanical and electrical contracting and telecommunications.

Our unregulated operations produced revenues of $1.6 billion in 2000, including $582 million from our natural gas operations. That's more than triple the natural gas revenues generated in 1999. And, we've added nearly 140,000 residential and small business natural gas customers in Ohio, bringing our total number of retail natural gas customers to more than 170,000.

As one of the largest natural gas producers in the Appalachian Basin, our resources include more than 7,900 oil and gas wells, drilling rights to nearly one million acres, 4,800 miles of pipelines and proved reserves of 480 billion cubic feet equivalent of natural gas and oil.

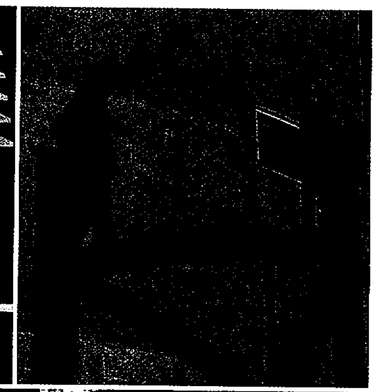
Our Facilities Services Group also posted an increase in revenues to $563 million in 2000, compared with approximately $500 million in 1999. Its 11 companies, which provide a variety of mechanical and electrical contracting and construction services, continue to serve an impressive list of customers, including Kodak, Xerox, Toyota and Nabisco.

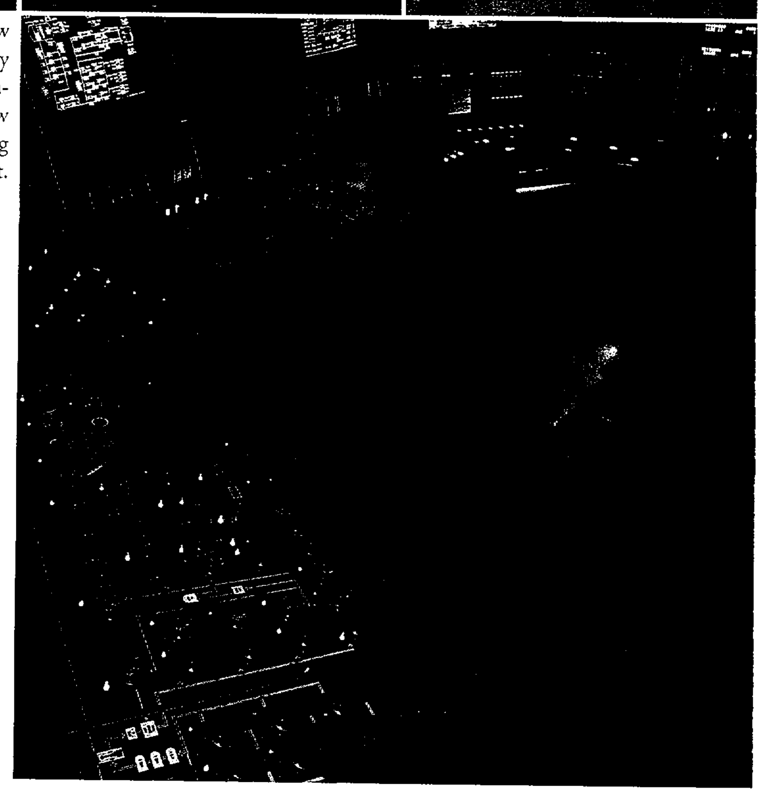
Entering Other Competitive Businesses

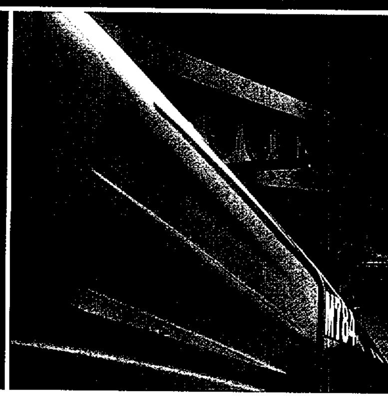
We're also expanding our telecommunications activities. For example, our FirstEnergy Telecommunications subsidiary has been certified by the state of Ohio to sell advanced communications services to retail and wholesale customers.

By tapping our existing fiber-optic network, FirstEnergy Telecommunications will support the efforts of FirstEnergy Services by targeting customers with high demand for data transfer services, such as banks, universities, hospitals and other telecommunications companies. We've also entered the telecommunications business on other fronts through our ownership interests in two enterprises – America's Fiber Network, LLC, (AFN), and First Communications.

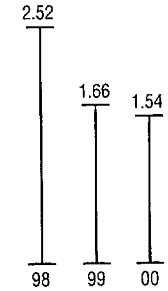
Exploring new business opportunities in competitive markets







FROM TOP LEFT: FirstEnergy Services now serves as energy manager for The University of Akron; an operator at our First Communications affiliate; construction of a new natural-gas-fired peaking unit; monitoring operations at the Perry Nuclear Power Plant.



OSHA Safety Rating
(Incidents per 100 Utility Employees)

AFN is a high-speed, fiber-optic based network services provider that is being positioned to reach one-third of the nation's wholesale telecommunications market, serving customers such as Internet service providers, local and long-distance telephone companies and wireless communication companies. Upon completion of the merger with GPU, which also has an interest in AFN, we'll own more than 30 percent of the venture and its 140,000 fiber miles. AFN complements our ownership position in First Communications, a provider of long-distance telephone, data and Internet services, with 40,000 customers and offices in Akron, Chicago and Indianapolis.

We also own an interest in another venture called Pantellos Corporation, which we co-founded in 2000 with 20 other energy and utility companies, including GPU. This independent, for-profit enterprise is operating an Internet marketplace for buyers and sellers in the $130-billion energy market. It provides companies in the energy industry and their suppliers with a centralized location for the purchase of goods and services, from transformers and wire to turbines and equipment repairs.

Meeting our Customers' Energy Needs

Our diverse mix of products and services is at the core of a growing number of master energy services agreements our FirstEnergy Services subsidiary is signing with large public and private sector customers, under which we provide comprehensive energy and related services.

For instance, FirstEnergy Services is now the energy manager for the Cleveland-based National City Corp., an $85-billion financial holding company. Under the long-term contract, we're helping the company secure competitive prices for electricity, natural gas and energy-efficiency projects for 1,300 branches, operations centers and other facilities throughout its six-state region. FirstEnergy Services also is serving as energy manager for other organizations, including Kent State University and The University of Akron.

Improving Power Plant Performance

2000 marked another year of milestones by our power plants, which are supplying electricity to our regulated and unregulated customers.

Our plants set an all-time record for their highest level of output – 69.7 million megawatt hours. Our largest plant, Bruce Mansfield, generated a record 16.4 million megawatt hours – nearly 24 percent of our total generation. And, our Beaver Valley, Davis-Besse, and Perry nuclear plants recorded a 21-percent increase in generation output.

Other accomplishments included Beaver Valley's refueling outage completion in just 32 days, the shortest in the plant's history; and Perry's completion of one of the best operating years since starting up in 1987, including achieving an availability factor of nearly 97 percent.

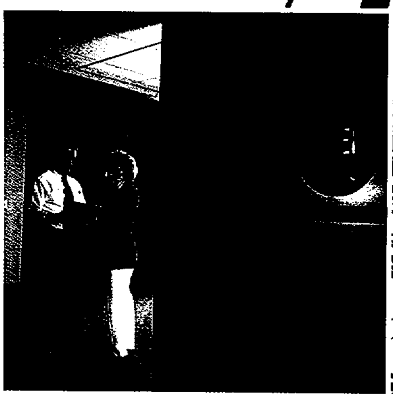
Plant employees also posted impressive safety records. For example, during the year, Davis-Besse and Mansfield plant employees reached the 4 million and 2.5 million hour marks, respectively, without a lost-time accident.

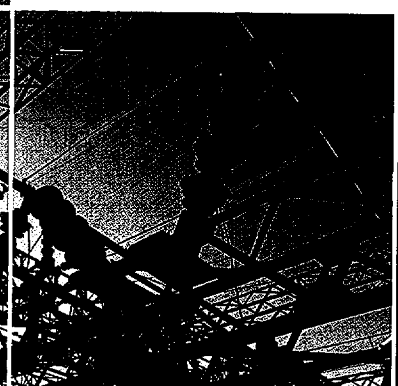
And, our Occupational Safety and Health Administration (OSHA) incident rate of 1.54 per 100 electric utility employees – a 7-percent improvement compared with 1999 – ranks us among our industry's leaders in safety.

These accomplishments are important because they contribute to the safe and efficient operation of our plants, which – with competition in effect – is more important than ever. We'll rely even more on the skills and expertise of plant employees as we work to meet the needs of our expanded service area upon completion of our merger with GPU.

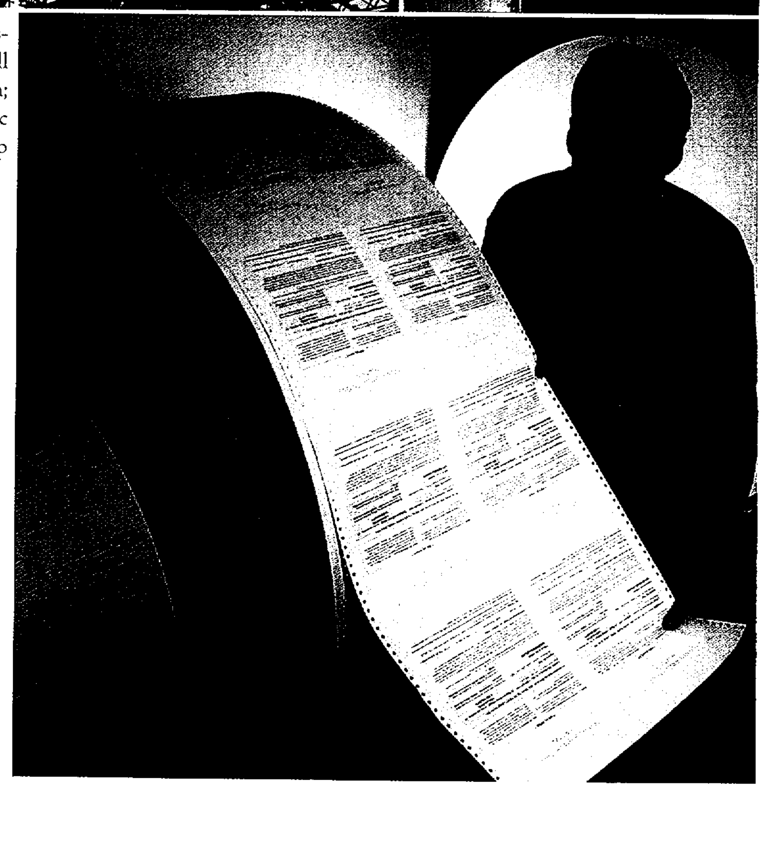
In addition to our some 12,000 megawatts of capacity, we're adding 425 megawatts from new natural-gas-fired peaking plants this year, and another 340 megawatts by the summer of 2002. With our existing

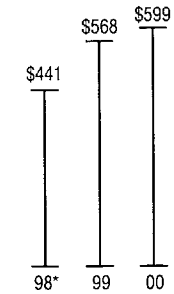
Focusing on the reliability of our electric service






FROM TOP LEFT: Maintenance at a transmission tower; our state-of-the-art Call Center in Akron; a transmission substation; production of our new unbundled electric bill, which provides more details to help customers make shopping decisions.





Net Income (Millions)
*Before extraordinary charge

and planned generation resources – and our expertise in securing and managing cost-competitive, short- and long-term power-supply agreements – we're confident we can meet the increased power supply needs of our customers.

However, as evidenced by electricity shortages in California and other states, it is critical that new generating capacity be built in the region to meet growing customer demand and to eventually replace existing base-load power plants.

Continuing to Improve our Transmission and Distribution Businesses

While we've diversified into other energy-related areas, electricity remains our core business. And, regardless of whether customers of our Ohio electric utility operating companies switch suppliers under the state's deregulation law, our still-regulated transmission and distribution businesses will continue to deliver power and provide other services, such as meter reading, billing and service maintenance and repairs.

Competition in Ohio's electric generation business is being phased in during a five-year market development period, through 2005. It is designed to provide an adequate amount of time for competition to develop and to educate consumers, who are protected during this period from volatile price fluctuations through rate caps.

The market development period also marks the beginning of transition cost recovery for our electric operating companies. These costs reflect expenses incurred to serve customers in a regulated environment. Under our state-approved transition plan, our operating companies have the opportunity to recover $6.9 billion through 2008. Recovery of these costs provides us with the cash needed to pay down related debt.

Improving Customer Service

As part of our ongoing commitment to provide superior customer service, we spent approximately $120 million on transmission and distribution improvements, including new substations, overhead and underground lines and equipment designed to enhance circuit reliability.

We're also continuing to use Internet technology to make it easier for customers to do business with us. Our Customer Care site, *www.firstenergycorp.com*, offers customers the opportunity to pay their bills online; request service connection or disconnection; enter meter readings; and access energy efficiency tips and electric deregulation information.

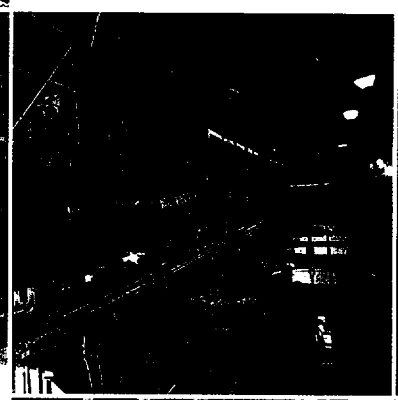
And, our high-tech Interactive Voice Response System is enabling our customer service representatives to respond faster to customer calls. This provides a tremendous value, especially when severe weather occurs. For example, when hurricane-force winds caused power outages for nearly 300,000 of our electric customers last December, the system helped crews track more quickly the location of downed poles and power lines. As a result, service was restored to 90 percent of those customers within 24 hours.

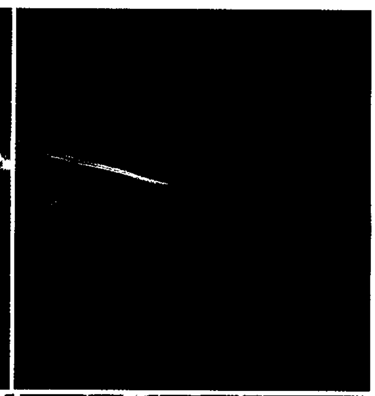
We've also designed a new bill format that itemizes generation, delivery and transition charges, as well as a price to compare, which customers can use to shop for other suppliers. In doing so, we met rules that require our electric operating companies to unbundle the price of electricity to reflect the cost of regulated and unregulated services.

Repositioning our Transmission Business

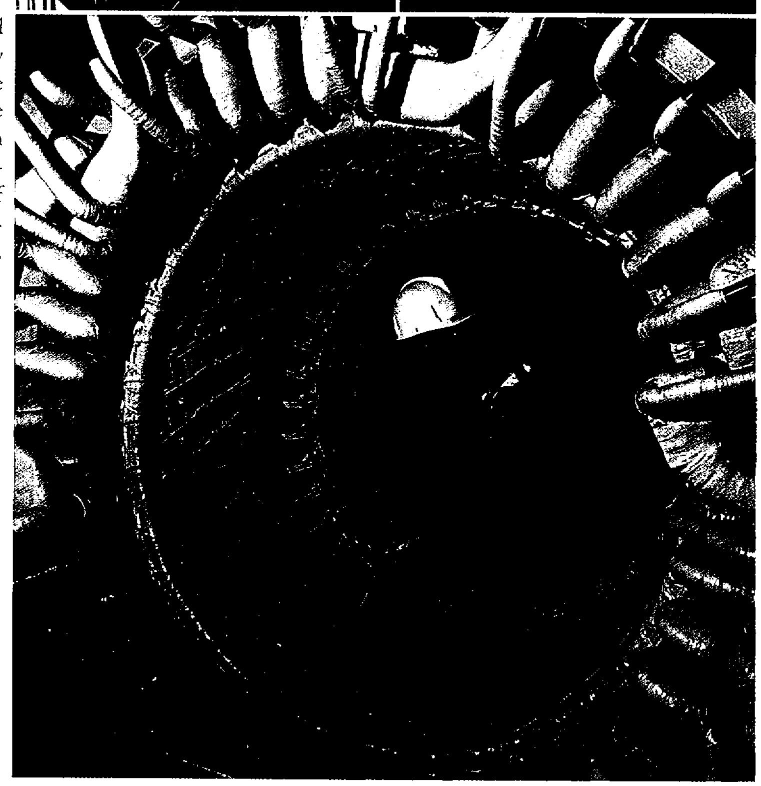
In 2000, we made significant progress in positioning our transmission operations to succeed in the competitive market, including transferring $1.2 billion in transmission assets to a new subsidiary, American Transmission Systems, Incorporated. The subsidiary

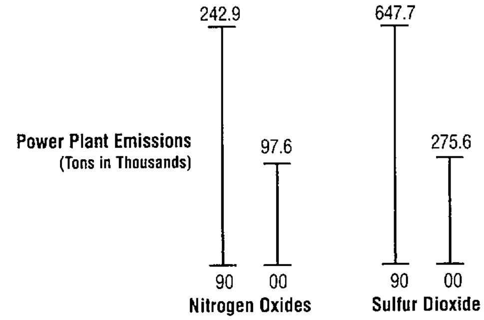
Providing customers with affordable electricity while protecting the environment





FROM TOP LEFT: We support parks and nature preserves that contribute to the quality of life in our service area; major high-voltage facilities, including transmission towers, are now part of our new American Transmission Systems, Incorporated, subsidiary; low-NOx burners at our Sammis Plant; skyline of Toledo, home of our Toledo Edison subsidiary; inspection of a power plant generator.





owns and operates our major high-voltage transmission facilities – approximately 7,100 circuit miles of transmission lines with voltages of 69 kilovolts and higher, 37 interconnections with 6 neighboring utilities and approximately 120 transmission substations.

The transfer was the first step toward our participation in a regional transmission organization that meets a Federal Energy Regulatory Commission (FERC) mandate that transmission systems be operated separately from power plants in order to ensure non-discriminatory access to the transmission grid. We formed such an organization – called the Alliance Regional Transmission Organization (RTO) – along with American Electric Power, Consumers Energy, Detroit Edison and Dominion Virginia Power.

Approved by FERC in January 2001, the Alliance RTO will operate – and ultimately could own – the transmission systems of participating companies. Ameren, Commonwealth Edison, Dayton Power & Light, Illinois Power and Northern Indiana Public Service Company also have signed the Alliance RTO agreement. The Alliance RTO – expected to be operational in late 2001– will be the country's largest independent RTO.

Protecting the Environment

We continue to demonstrate our commitment to protecting the environment while providing our customers with a reliable and affordable electricity supply.

By restructuring our generation portfolio and investing nearly $1.5 billion in new environmental protection systems and emerging technologies, in the last decade alone we've reduced emissions of nitrogen oxides (NOx) by 60 percent and sulfur dioxide (SO_2) by 57 percent.

Our environmental stewardship does not stop there. We continue working to further reduce emissions. In 2000, we installed low-NOx burners at our 2,233-megawatt W. H. Sammis Plant that will cut NOx emissions at the plant to less than half of 1990 levels. We're also installing other equipment to reduce NOx emissions at our largest coal-fired generating units.

Despite these and other environmental protection efforts, legal action is pending against more than 40 plants in the Midwest and South, including our Sammis Plant, by the U.S. Environmental Protection Agency. The agency claims that routine maintenance, repairs and replacements of plant equipment triggered provisions of the Clean Air Act that require additional environmental controls – an unprecedented interpretation of the law.

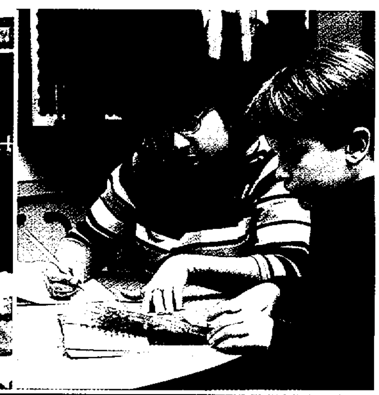
We've spent a total of $4.6 billion on environmental protection efforts since passage of the Clean Air Act, and remain confident that all our plants – including Sammis – are in compliance.

Exploring New Environmental Protection Measures

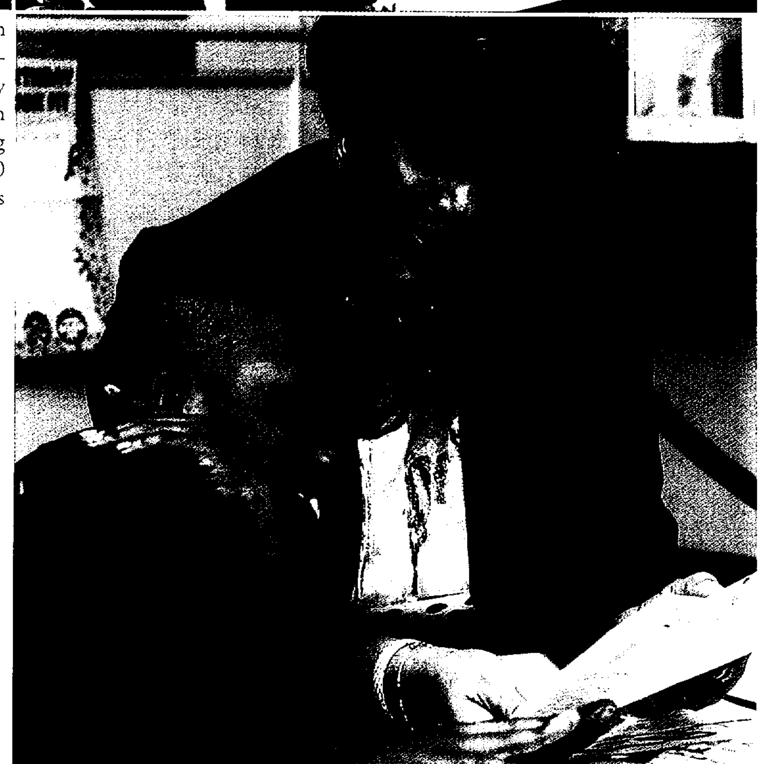
We continue to explore new ways to minimize the impact of our plants on the environment. For example, we're testing a new air emission reduction technology designed to simultaneously cut emissions of NOx, SO_2, fine particulate matter, mercury and other substances, at our R. E. Burger Plant. We intend to further test this technology on a larger scale at another of our coal-fired power plants.

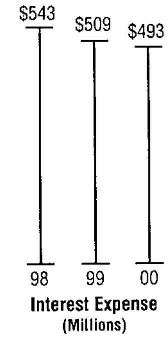
Developed by New Hampshire-based Powerspan Corp., this technology – Electro-Catalytic Oxidation™ – breaks down gases that result from the combustion of coal into compounds that can be captured as by-products in electrostatic precipitators, a lower-cost control option that can also produce commercial-grade sulfuric and nitric acids.

Helping make our communities better places to live and work



FROM TOP LEFT: Akron landmark Stan Hywet Hall & Gardens is among the organizations supported by The FirstEnergy Foundation; supporting energy education with our Cycle Science program; teaching children about electrical safety; nearly 70 employees are supporting FirstEnergy's leadership role in AkronReads.





Recycling Projects

We're developing uses for recycled materials. In fact, we've started operation of a new circulating fluidized bed boiler at our Bay Shore Plant that is reducing fuel costs and emissions by using a by-product, petroleum coke, from the neighboring BP Oil Toledo Refinery as fuel. The boiler is generating low-cost steam to make electricity at our plant and petroleum products at the refinery.

In addition, we're continuing to supply by-products from the air-quality-control system at our Bruce Mansfield Plant to produce wallboard at a state-of-the-art facility adjacent to the plant.

Supporting our Communities

While our Company has changed significantly, our commitment to supporting the communities we serve has not. We continue to support economic development efforts in our communities through programs that promote the location, retention and expansion of businesses in our service area. For example, through Export Now, we help local businesses access resources they need to increase international sales in Canada and Mexico. In 2000, this program – and others we support – helped attract $1 billion in business projects in our service area that will retain and create more than 8,800 jobs.

We're proud to support other programs and organizations that also make our communities better places to live and work. The FirstEnergy Foundation continues its tradition of providing direct financial support to hundreds of non-profit organizations based on our community involvement priorities:

- To ensure the safety and health of the community
- To promote economic development
- To advance professional development
- To support employee involvement

FirstEnergy also offers program support to schools and social service agencies that are working to improve the quality of life in our cities and towns. Among our most important initiatives is providing educational and electricity safety materials to schools. For example, in an effort to further educate elementary school children on the potential dangers of electricity and electrical equipment, we shipped more than 1,000 safety videos to local elementary schools and media centers in 2000. And, we've recently introduced an electrical safety video for middle school students.

Education is a cornerstone of our community support efforts. For example, we've taken a leadership role in AkronReads – an outgrowth of Governor Bob Taft's OhioReads initiative. Through this program, nearly 70 FirstEnergy employees are helping improve the reading skills of area students by tutoring them one hour a week.

FirstEnergy Corp. Officers

H. Peter Burg
Chairman and
Chief Executive Officer

Anthony J. Alexander
President

Arthur R. Garfield
Senior Vice President

John A. Gill
Senior Vice President

Richard H. Marsh
Vice President and
Chief Financial Officer

Leila L. Vespoli
Vice President and
General Counsel

Earl T. Carey
Vice President

Mary Beth Carroll
Vice President

Kathryn W. Dindo
Vice President

Douglas S. Elliott
Vice President

Kevin J. Keough
Vice President

Guy L. Pipitone
Vice President

Stanley F. Szwed
Vice President

Nancy C. Ashcom
Corporate Secretary

Thomas C. Navin
Treasurer

Harvey L. Wagner
Controller

Jeffrey R. Kalata
Assistant Controller

Randy Scilla
Assistant Treasurer

Edward J. Udovich
Assistant Corporate Secretary

Nuclear Officers

Robert F. Saunders
President and Chief Nuclear Officer
of FirstEnergy Nuclear Operating
Company (FENOC)

Lew W. Myers
Senior Vice President FENOC –
Beaver Valley

Guy G. Campbell
Vice President FENOC –
Davis-Besse

John K. Wood
Vice President FENOC –
Perry

Regional Officers

Lynn M. Cavalier
Regional President –
Eastern

Thomas A. Clark
Regional President –
Southern

Charles E. Jones
Regional President –
Northern

Stephen E. Morgan
Regional President –
Central

James M. Murray
Regional President –
Western

Jeffrey A. Elser
President –
Pennsylvania Power

John E. Paganie
Regional Vice President –
Western

David W. Whitehead
Regional Vice President –
Northern

Glenn H. Meadows

We are saddened to report the passing of Board member Glenn H. Meadows in June. Mr. Meadows, retired president and chief executive officer of McNeil Corporation, Akron, Ohio, was elected to the Board of Ohio Edison Company in 1981. He was a trusted counselor, and his knowledge and good judgement will be missed by the Board.

Board of Directors

H. Peter Burg, 54
Chairman of the Board and Chief Executive Officer of FirstEnergy Corp. Director of FirstEnergy Corp. since 1997 and of Ohio Edison since 1989.

Anthony J. Alexander, 49
President of FirstEnergy Corp. and Director of FirstEnergy Corp. since 2000.

Dr. Carol A. Cartwright, 59
President, Kent State University, Kent, Ohio. Chair, Nominating Committee; Member, Finance Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.

William F. Conway, 70
President of William F. Conway & Associates, Inc., Scottsdale, Arizona. Chair, Nuclear Committee; Member, Audit Committee. Director of FirstEnergy Corp. since 1997 and of the former Centerior Energy Corporation from 1994-1997.

Robert B. Heisler, Jr., 52
Group Executive Vice President of KeyCorp, Cleveland, Ohio. Member, Compensation and Nominating committees. Director of FirstEnergy Corp. since 1998.

Robert L. Loughhead, 71
Retired, formerly Chairman of the Board, President and Chief Executive Officer of Weirton Steel Corporation, Weirton, West Virginia. Chair, Compensation Committee; Member, Audit Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1980-1997.

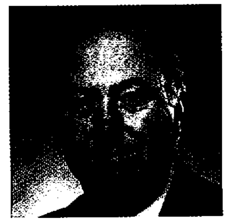
Russell W. Maier, 64
Retired, formerly Chairman of the Board and Chief Executive Officer of Republic Engineered Steels, Inc., Massillon, Ohio. Member, Compensation and Nuclear committees. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1995-1997.

Paul J. Powers, 66
Retired, formerly Chairman of the Board and Chief Executive Officer of Commercial Intertech Corp., Youngstown, Ohio. Chair, Finance Committee; Member, Compensation Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.

Robert C. Savage, 63
President and Chief Executive Officer of Savage & Associates, Inc., Toledo, Ohio. Member, Finance and Nominating committees. Director of FirstEnergy Corp. since 1997 and of the former Centerior Energy Corporation from 1990-1997.

George M. Smart, 55
Chairman of the Board and President of Phoenix Packaging Corporation, North Canton, Ohio. Chair, Audit Committee; Member, Finance Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1988-1997.

Jesse T. Williams, Sr., 61
Retired, formerly Vice President of Human Resources Policy, Employment Practices and Systems of The Goodyear Tire & Rubber Company, Akron, Ohio. Member, Audit and Nominating committees. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.


H. Peter Burg

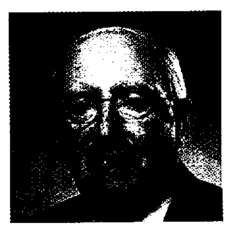

Russell W. Maier


Anthony J. Alexander


Paul J. Powers

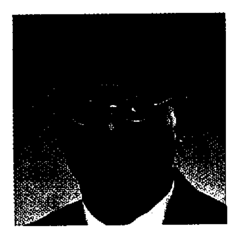

Dr. Carol A. Cartwright

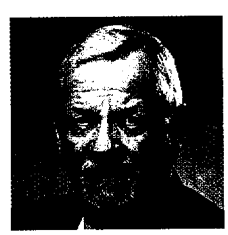

Robert C. Savage


William F. Conway


George M. Smart


Robert B. Heisler, Jr.


Jesse T. Williams, Sr.


Robert L. Loughhead

Management Report

The consolidated financial statements were prepared by the management of FirstEnergy Corp., who takes responsibility for their integrity and objectivity. The statements were prepared in conformity with accounting principles generally accepted in the United States and are consistent with other financial information appearing elsewhere in this report. Arthur Andersen LLP, independent public accountants, have expressed an unqualified opinion on the Company's consolidated financial statements.

The Company's internal auditors, who are responsible to the Audit Committee of the Board of Directors, review the results and performance of operating units within the Company for adequacy, effectiveness and reliability of accounting and reporting systems, as well as managerial and operating controls.

The Audit Committee consists of four nonemployee directors whose duties include: consideration of the adequacy of the internal controls of the Company and the objectivity of financial reporting; inquiry into the number, extent, adequacy and validity of regular and special audits conducted by independent public accountants and the internal auditors; recommendation to the Board of Directors of independent accountants to conduct the normal annual audit and special purpose audits as may be required; and reporting to the Board of Directors the Committee's findings and any recommendation for changes in scope, methods or procedures of the auditing functions. The Committee also reviews the results of management's programs to monitor compliance with the Company's policies on business ethics and risk management. The Audit Committee held five meetings in 2000.

R.H. Marsh

Richard H. Marsh
Vice President and Chief Financial Officer

Harvey L. Wagner

Harvey L. Wagner
Controller and
Chief Accounting Officer

Report of Independent Public Accountants

To the Stockholders and Board of Directors of FirstEnergy Corp.:

We have audited the accompanying consolidated balance sheets and consolidated statements of capitalization of FirstEnergy Corp. (an Ohio corporation) and subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of income, common stockholders' equity, preferred stock, cash flows and taxes for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of FirstEnergy Corp. and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Arthur Andersen LLP

Arthur Andersen LLP
Cleveland, Ohio
February 16, 2001

SELECTED FINANCIAL DATA

(In thousands, except per share amounts)

For the Years Ended December 31,	2000	1999	1998	1997	1996
Revenues	**$ 7,028,961**	$ 6,319,647	$ 5,874,906	$ 2,961,125	$2,521,788
Income Before Extraordinary Item	**$ 598,970**	$ 568,299	$ 441,396	$ 305,774	$ 302,673
Net Income	**$ 598,970**	$ 568,299	$ 410,874	$ 305,774	$ 302,673
Earnings per Share of Common Stock:					
Before Extraordinary Item	**$2.69**	$2.50	$1.95	$1.94	$2.10
After Extraordinary Item	**$2.69**	$2.50	$1.82	$1.94	$2.10
Dividends Declared per Share of Common Stock	**$1.50**	$1.50	$1.50	$1.50	$1.50
Total Assets	**$17,941,294**	$18,224,047	$18,192,177	$18,261,481	$9,218,623
Capitalization at December 31:					
Common Stockholders' Equity	**$ 4,653,126**	$ 4,563,890	$ 4,449,158	$ 4,159,598	$2,503,359
Preferred Stock:					
Not Subject to Mandatory Redemption	**648,395**	648,395	660,195	660,195	211,870
Subject to Mandatory Redemption	**161,105**	256,246	294,710	334,864	155,000
Long-Term Debt	**5,742,048**	6,001,264	6,352,359	6,969,835	2,712,760
Total Capitalization	**$11,204,674**	$11,469,795	$11,756,422	$12,124,492	$5,582,989

PRICE RANGE OF COMMON STOCK

FirstEnergy Corp.'s Common Stock is listed on the New York Stock Exchange and is traded on other registered exchanges.

	2000		1999	
First Quarter High-Low	**23.56**	**18.00**	33.19	27.94
Second Quarter High-Low	**26.88**	**20.56**	32.13	27.94
Third Quarter High-Low	**27.88**	**22.94**	31.31	24.75
Fourth Quarter High-Low	**32.13**	**24.11**	26.56	22.13
Yearly High-Low	**32.13**	**18.00**	33.19	22.13

Prices are based on reports published in The Wall Street Journal *for New York Stock Exchange Composite Transactions.*

HOLDERS OF COMMON STOCK

There were 167,912 and 166,966 holders of 224,531,580 and 223,981,580 shares of the Company's Common Stock as of December 31, 2000 and January 31, 2001, respectively. Information regarding retained earnings available for payment of cash dividends is given in Note 4A.

This discussion includes forward-looking statements based on information currently available to management that is subject to certain risks and uncertainties. Such statements typically contain, but are not limited to, the terms anticipate, potential, expect, believe, estimate and similar words. Actual results may differ materially due to the speed and nature of increased competition and deregulation in the electric utility industry, economic or weather conditions affecting future sales and margins, changes in markets for energy services, changing energy and commodity market prices, legislative and regulatory changes (including revised environmental requirements), the availability and cost of capital, inability to accomplish or realize anticipated benefits of strategic goals (including our merger with GPU, Inc.) and other similar factors.

Proposed Business Combination

On August 8, 2000, FirstEnergy entered into an agreement to merge with GPU, Inc. (GPU), a Pennsylvania corporation, headquartered in Morristown, New Jersey. Subsequently, the agreement was overwhelmingly approved by the shareholders of both companies. All regulatory filings necessary to complete the merger have since been made. Our target to complete the merger is by the end of the second quarter of 2001.

Under the merger agreement, we would acquire all the outstanding shares of GPU's common stock for approximately $4.5 billion in cash and FirstEnergy common stock. Our cash investment would be financed through the issuance of about $2.2 billion of new debt. Also, approximately $7.4 billion of debt and preferred stock of GPU's subsidiaries would remain outstanding. The transaction would be accounted for by the purchase method. The combined company's principal electric utility operating companies would include Ohio Edison Company (OE), The Cleveland Electric Illuminating Company (CEI), The Toledo Edison Company (TE), Pennsylvania Power Company (Penn) and American Transmission Systems, Incorporated (ATSI), as well as GPU's electric utility operating companies – Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, which serve customers in Pennsylvania and New Jersey.

The merger is expected to provide enhanced opportunities for financial growth, greater scope and size, improved generation efficiency and broadened unregulated opportunities. The combination will provide a significant market for our generating capacity and value-added services and will support our strategic vision of being the premier retail energy and related services provider in our targeted area for growth – a thirteen-state region in the northeastern quadrant of the nation.

Competition

We continue to face many competitive challenges as consumers are provided increasing opportunities to select their electricity suppliers. As our industry changes to a more competitive environment, we continue to take actions designed to create a larger, stronger enterprise that will be better positioned to compete in the changing energy marketplace. As Ohio approached a new era of customer choice in the selection of energy suppliers, we continued to develop our regionally-focused retail sales strategy.

Results of Operations

Net income increased to $599.0 million in 2000, compared to $568.3 million in 1999 and $410.9 million in 1998. The increase in 2000 resulted primarily from lower fuel costs and increased generation output, reduced financing costs and gains realized on the sales of emission allowances. In 1999, higher sales revenues, the absence of unusually high purchased power costs experienced in 1998 and lower interest costs contributed to the increase in net income from the prior year.

Additional sales by our unregulated businesses resulted in a $709.3 million increase in total revenues in 2000 compared to the prior year. The increase resulted from an expansion of both gas and electric sales. In 1999, the $444.7 million increase in revenues resulted substantially from contributions of the Electric Utility Operating Companies (EUOC) and increases in newly acquired businesses, which were partially offset by reduced revenues from FirstEnergy Trading Services, Inc. (FETS) compared to the prior year's

results. The sources of the changes in revenues during 2000 and 1999 are summarized in the following table.

Sources of Revenue Changes	2000	1999
Increase (Decrease)	*(In millions)*	
EUOC:		
Electric sales	**$ (38.5)**	$213.2
Other electric utility revenues	**6.4**	3.1
Total EUOC	**(32.1)**	216.3
Unregulated Businesses:		
Retail electric sales	**170.7**	54.0
FETS	**211.5**	(220.1)
Other businesses	**359.2**	394.5
Total Unregulated Businesses	**741.4**	228.4
Net Revenue Increase	**$709.3**	$444.7

Electric Sales

EUOC electric sales revenues decreased by $32.1 million in 2000, compared to 1999, as a result of lower unit prices which were partially offset by increased generation sales volume. Despite a milder summer, retail electric generation sales were 2.0% higher in 2000 than the previous year. Total electric generation sales (including unregulated sales) increased 8.4% in 2000, compared to 1999. Unregulated retail sales more than tripled from the prior year reflecting continued progress in our marketing efforts to expand retail electric sales to our targeted unregulated markets in the eastern seaboard states. Sales to commercial customers accounted for most of the increase. The cooler summer weather reduced retail customer demand, making more of our energy available to serve the wholesale market. As a result, we were able to achieve moderate growth in kilowatt-hour sales to that market in 2000. EUOC kilowatt-hour deliveries (to customers in our franchise areas) increased in 2000 from the prior year due to additional sales to commercial and industrial customers. Kilowatt-hour sales to residential customers declined. Other electric utility revenues increased in 2000 from the previous year primarily due to additional transmission service revenues.

EUOC revenues increased $216.3 million in 1999, compared to 1998, benefiting from increases in kilowatt-hour sales, which were only partially offset by reduced unit prices. Retail kilowatt-hour sales increased 2.3%. Total electric generation sales increased 8.0% in 1999 from the prior year due to additional unregulated sales reflecting our initial expansion into targeted eastern markets and weather-induced demand in the wholesale market. EUOC kilowatt-hour deliveries to residential, commercial and industrial customers increased in 1999, compared to 1998, reflecting a strong consumer-driven economy and warmer weather than the preceding year.

Changes in electric generation sales and kilowatt-hour deliveries in 2000 and 1999 are summarized in the following table:

Changes in KWH Sales	2000	1999
Increase (Decrease)		
Electric Generation Sales:		
EUOC – Retail	**2.0%**	2.3%
Unregulated	**50.4%**	52.0%
Total Electric Generation Sales	**8.4%**	8.0%
EUOC Distribution Deliveries:		
Residential	**(1.2)%**	5.5%
Commercial	**2.5%**	2.8%
Industrial	**3.2%**	2.5%
Total Distribution Deliveries	**1.7%**	3.4%

Other Sales

Retail natural gas revenues were the largest source of increase in other business revenues in 2000, compared to 1999. Collectively, three gas acquisitions in 1999 (Atlas Gas Marketing Inc., Belden Energy Services Company and Volunteer Energy LLC), as well as increased retail marketing efforts, significantly expanded retail gas revenues in 2000. Margins were held down by higher natural gas supply costs but increased activities in our natural gas exploration and production joint venture, Great Lakes Energy Partners, helped to offset the lower gas sales margins. FETS also expanded its wholesale electric and gas revenues in 2000 from prior year levels. In 1999, FETS revenues decreased significantly compared to the prior year because of refocusing its activities on supporting our retail marketing activities. New acquisitions and a one-time gain of $53 million from the sale of a partnership investment contributed to the increase in other business revenues in 1999, compared to 1998.

Operating Expenses

Total expenses increased $739.8 million in 2000 and $255.5 million in 1999, compared to the prior year, primarily reflecting higher levels of other expenses for EUOC and unregulated operations, offset in part by lower EUOC fuel and purchased power costs.

Fuel and purchased power decreased $75.7 million in 2000, compared to 1999. Lower fuel expense accounted for all of the reduction, declining $103.6 million from 1999, despite a 7% increase in output

from our generating units. Factors contributing to lower fuel expense in 2000 included:

- A higher proportion of nuclear generation (which has lower unit fuel costs than fossil fuel) due to improved nuclear availability and increased nuclear ownership from the exchange of generating assets with Duquesne Light Company (Duquesne) in December 1999;

- The expiration of an above-market coal contract at the end of 1999; and

- Continued improvement of coal-blending strategies, which resulted in the use of additional lower-cost western coal and enhanced the efficiency and cost-competitiveness of our fossil generation fleet.

Purchased power costs increased $27.9 million in 2000 from the prior year due to higher average prices and to additional megawatt-hours purchased. In 1999, fuel and purchased power costs were down $106.7 million, compared to 1998. The EUOC purchased power costs accounted for all of the reduction. Much of the improvement was due to the absence in 1999 of unusual conditions experienced in 1998, which resulted in an additional $77.4 million of purchased power costs in that year. The costs were incurred during a period of record heat and humidity in late June 1998, which coincided with a regional power shortage resulting in high prices for purchased power. Unscheduled outages at several of our power plants at that time required the EUOC to purchase significant amounts of power on the spot market. Although above normal temperatures were also experienced in 1999, the EUOC maintained a stronger capacity position compared to the previous year and better met customer demand from their own generation resources.

Other expenses for the EUOC rose $26.6 million in 2000, compared to 1999, primarily due to additional nuclear refueling costs associated with three refueling outages in 2000 versus two during the previous year and increased nuclear ownership resulting from the Duquesne asset swap. Costs incurred to improve the availability of our fossil generation fleet and leased portable diesel generators, acquired as part of our summer supply strategy, added to other expenses for the EUOC in 2000, compared to 1999. Also, we incurred unusual charges in 2000 for early retirement program costs, as well as increased reserves for potentially uncollectible accounts for customers in the steel sector who are experiencing significant financial pressures from foreign steel competition. Partially offsetting the higher costs were increased gains of $38.5 million realized from the sale of emission allowances in 2000 as well as nonrecurring costs recorded in the prior year.

In 1999, other expenses for the EUOC increased from 1998 due to several factors. Similar to 2000, refueling outage costs and incremental expenses related to the asset swap, which occurred in early December 1999, contributed to increase other expenses in 1999 compared to 1998. Additionally, nuclear costs in 1999 included nonrecurring swap-related liabilities assumed. Also contributing to the increase were higher customer, sales and marketing expenses resulting from marketing programs and information system costs; higher distribution expenses from storm damage, as well as line and meter maintenance; and a nonrecurring expense related to a change in employee vacation benefits.

Other expenses for unregulated businesses rose $789.6 million in 2000, compared to 1999. FETS contributed to the increase with its other expenses rising in line with its higher revenues, reflecting the continued expansion of its operations to support our retail marketing efforts. FETS expenses were significantly lower in 1999 due to the absence of costs incurred in 1998 associated with credit losses and replacement power costs resulting from the period of sharp price increases in the spot market for electricity in late June 1998. Refocusing FETS activities in 1999 on supporting our retail market activities also reduced expenses from the preceding year.

Acquisitions of three natural gas companies in 1999 and a general expansion of unregulated sales activity combined to increase the scope, and therefore, the operating expenses of our unregulated business activities in 2000. Also, increased reserves for potential uncollectible accounts were established for customers in the steel sector. In addition, a $10.5 million reserve was recognized in 2000 for potential construction contract losses. The acquisitions in the facilities services and natural gas businesses, as well as costs attributable to unregulated sales activity, combined to increase other expenses in 1999, compared to the previous year.

Depreciation and amortization was reduced by $9.8 million in the second half of 2000, following approval by the Public Utilities Commission of Ohio (PUCO) of the Ohio transition plan (see Outlook).

Total accelerated cost recovery in connection with OE's rate reduction plan and Penn's restructuring plan are summarized by income statement caption in the table below:

Regulatory Plan Accelerations	2000	1999	1998
		(In millions)	
Depreciation and amortization	**$332.6**	$333.3	$172.9
Income tax amortization	**42.6**	18.7	18.5
Total Accelerations	**$375.2**	$352.0	$191.4

The impact of OE's rate reduction plan and Penn's restructuring plan on depreciation and amortization was relatively unchanged in 2000 from 1999. In 1999, accelerated cost recovery in connection with the OE rate reduction plan was the primary factor contributing to the increase in depreciation and amortization, compared to 1998.

Net Interest Charges

We continue to redeem and refinance our outstanding debt and preferred stock, thus maintaining the downward trend in our financing costs during 2000. Interest charges decreased by $43.2 million in 2000 and $28.7 million in 1999, compared to the prior year. Net redemptions of long-term debt and preferred stock totaled $405.9 million and refinancings totaled $284.7 million in 2000.

Effects of SFAS 71 Discontinuation

The application of Statement of Financial Accounting Standards No. (SFAS) 71, "Accounting for the Effects of Certain Types of Regulation," was discontinued for OE's generation business and the nonnuclear generation businesses of CEI and TE effective with the PUCO approval of the Ohio transition plan. Beginning June 30, 2000, the balance sheets of our Ohio EUOC reflected that discontinuance with $1.6 billion of impaired generating plant investment recognized as regulatory assets which will be recovered as transition costs. We expect the incremental amortization of transition costs in 2001 for the Ohio EUOC to be lower than the depreciation and amortization accelerated under OE's former regulatory plan in 2000. The application of SFAS 71 to CEI's and TE's nuclear operations was discontinued in connection with the implementation of their regulatory plan in 1997.

On June 18, 1998, the Pennsylvania Public Utility Commission authorized Penn's rate restructuring plan that resulted in the discontinuation of SFAS 71 to Penn's generation business. Under the plan, Penn's rates were restructured to establish separate charges for transmission and distribution services; generation (which is subject to competition); and stranded cost recovery. A total of $215.4 million of impaired nuclear generating plant investments were recognized as regulatory assets to be recovered through the stranded cost recovery charge. The portion of generating plant investment not recovered through future customer rates resulted in a $30.5 million extraordinary after-tax write-down, or $.13 per FirstEnergy common share.

The EUOC continue to bill and collect cost-based rates for transmission and distribution services, which remain subject to cost-based regulation; accordingly, it is appropriate that they continue the application of SFAS 71 to those operations.

Capital Resources and Liquidity

We continued to pursue cost efficiencies to fund strategic investments while also strengthening our financial position in 2000. Net security redemptions and refinancings in 2000 should generate annual financing cost savings of about $33 million. Also, approval by the PUCO of our transition plan on July 19, 2000 (see Outlook), was cited as an important reason that Moody's Investors Service and Fitch upgraded our EUOC debt ratings during the second half of 2000. Moody's ratings for senior secured debt of OE and Penn were raised from Baa2 to Baa1, and for CEI and TE from Ba1 to Baa3. Fitch's rating for senior secured debt of OE was raised from BBB to BBB+ (Penn's remained at BBB+) and for CEI and TE from BB+ to BBB-. Ratings of many of the junior securities of the EUOC were upgraded to conform to rating relationships typical of investment grade issuers. Those improved ratings should help to enhance our opportunities for further savings in the future. As of December 31, 2000, our common equity as a percentage of capitalization increased to nearly 42% from 38% at the end of 1998.

We had approximately $49.3 million of cash and temporary investments and $699.8 million of short-term indebtedness on December 31, 2000. Our unused borrowing capability included $242.5 million under revolving lines of credit. At the end of 2000, the EUOC had the capability to issue $2.7 billion of additional first mortgage bonds on the basis of property additions and retired bonds. Based upon applicable earnings coverage tests and their respective charters, OE, Penn and TE could issue $2.3 billion of preferred stock (assuming no additional debt was issued). CEI has no restrictions on the issuance of preferred stock.

Our cash requirements in 2001 for operating expenses, construction expenditures, scheduled debt

maturities, preferred stock redemptions and common stock repurchases are expected to be met without increasing our net debt and preferred stock outstanding. However, our anticipated merger with GPU (see Proposed Business Combination) is expected to require the issuance of approximately $2.2 billion of acquisition-related debt. During 2000, we reduced our total debt by approximately $250.3 million. We have cash requirements of approximately $2.6 billion for the 2001-2005 period to meet scheduled maturities of long-term debt and sinking fund requirements of preferred stock (before giving effect to the GPU acquisition). Of that amount, approximately $193 million applies to 2001. During 2000, we repurchased and retired 7.9 million shares of our common stock at an average price of $24.51 per share. As of December 31, 2000, we had repurchased 12.5 million of the 15 million shares authorized by our Board of Directors under the three-year program, which began in March 1999.

Our capital spending (before giving effect to the GPU acquisition) for the period 2001-2005 is expected to be about $3.0 billion (excluding nuclear fuel), of which approximately $683 million applies to 2001. Capital spending in 2001 includes expenditures to complete five combustion turbines expected to provide 425 megawatts (MW) of additional peaking generation capacity to our system by mid-year 2001. Investments for additional nuclear fuel during the 2001-2005 period are estimated to be approximately $380 million, of which about $54 million applies to 2001. During the same period, our nuclear fuel investments are expected to be reduced by approximately $460 million and $100 million, respectively, as the nuclear fuel is consumed. Also, we have operating lease commitments, net of trust cash receipts, of nearly $821 million for the 2001-2005 period, of which approximately $161 million relates to 2001.

We invested $4.4 million in 2000 by joining with 20 other leading energy and utility companies (including GPU) to form Pantellos Corporation (Pantellos). Pantellos manages an online, independent marketplace for buyers and sellers from the $130 billion North American utility and energy supply market, which opened for business on January 1, 2001. We expect to realize savings by using the e-market site and to benefit from our ownership interest in this new venture.

Interest Rate Risk

Our exposure to fluctuations in market interest rates is reduced since a significant portion of our debt has fixed interest rates, as noted in the table below. We are subject to the inherent interest rate risks related to refinancing maturing debt by issuing new debt securities. As discussed in Note 3, our investments in capital trusts effectively reduce future lease obligations, also reducing interest rate risk. Changes in the market value of our nuclear decommissioning trust funds are recognized by making corresponding changes to the decommissioning liability, as described in Note 1.

COMPARISON OF CARRYING VALUE TO FAIR VALUE

	2001	2002	2003	2004	2005	There-after	Total	Fair Value
				(Dollars in millions)				
Investments other than Cash and Cash Equivalents:								
Fixed Income	$ 87	$ 84	$ 97	$314	$ 58	$1,402	**$2,042**	**$2,086**
Average interest rate	5.1%	7.7%	7.7%	7.8%	7.9%	7.4%	7.4%	
Liabilities								
Long-term Debt:								
Fixed rate	$106	$721	$460	$591	$436	$2,460	**$4,774**	**$4,932**
Average interest rate	8.6%	7.9%	8.0%	7.7%	8.8%	7.3%	7.7%	
Variable rate	$ 1	$101	$ 1		$ 1	$ 975	**$1,079**	**$1,078**
Average interest rate	8.2%	7.4%	8.0%		8.7%	4.8%	5.1%	
Short-term Borrowings	$700						**$ 700**	**$ 700**
Average interest rate	7.9%						7.9%	
Preferred Stock	$ 85	$ 20	$ 2	$ 2	$ 2	$ 135	**$ 246**	**$ 243**
Average dividend rate	8.9%	8.9%	7.5%	7.5%	7.5%	8.8%	8.8%	

Market Risk – Commodity Prices

We are exposed to market risk due to fluctuations in electricity, natural gas, coal and oil prices. To manage the volatility relating to these exposures, we use a variety of derivative instruments, including forward contracts, options, futures contracts and swaps. These derivatives are used principally for hedging purposes and, to a much lesser extent, for trading purposes. We performed a sensitivity analysis to estimate our exposure to the market risk of our commodity posi-

tion. A hypothetical 10% adverse shift in quoted market prices in the near term on both our trading and nontrading instruments would not have had a material effect on our consolidated financial position, results of operations or cash flows as of or for the year ended December 31, 2000.

Outlook

On July 19, 2000, the PUCO approved our plan for transition to customer choice in Ohio (see Note 1). As part of its authorization, the PUCO approved a settlement agreement between us and major groups representing most of our Ohio customers regarding the transition to customer choice in selection of electricity suppliers. On January 1, 2001, electric choice became available to our Ohio customers. Under the plan, OE, CEI and TE continue to deliver power to homes and businesses through their existing distribution systems, which remain regulated. Their rates have been restructured to establish separate charges for transmission and distribution, transition cost recovery and a generation-related component. When one of our Ohio customers elects to obtain power from an alternative supplier, the regulated utility company reduces the customer's bill with a "generation shopping credit," based on the regulated generation component plus an incentive, and the customer receives a generation charge from the alternative supplier.

The transition cost portion of rates provides for recovery of certain amounts not otherwise recoverable in a competitive generation market (such as regulatory assets). The transition costs will be paid by all customers regardless of whether or not they choose an alternative supplier. Under the plan, we assume the risk of not recovering up to $500 million of transition revenue if the rate of customers (excluding contracts and full-service accounts) switching their service from OE, CEI and TE has not reached an average of 20% over any consecutive twelve-month period by December 31, 2005 – the end of the market development period. We are also committed under the transition agreement to make available 1,120 MW of our generating capacity to marketers, brokers and aggregators at set prices, to be used for sales only to retail customers in our Ohio service areas. Through February 8, 2001, approximately 794 MW of the 1,120 MW supply commitment had been secured by alternative suppliers. We began accepting customer applications for switching to alternative suppliers on December 8, 2000; as of February 8, 2001 our Ohio EUOC had been notified that about 108,000 of their customers requested generation services from other authorized suppliers, including FirstEnergy Services Corp. (FE Services), a wholly owned subsidiary.

Beginning in 2001, Ohio utilities that offer both competitive and regulated retail electric services must implement a corporate separation plan approved by the PUCO – one which provides a clear separation between regulated and competitive operations. Since our regionally-focused retail sales strategy envisions the continued operation of both regulated and competitive operations, our transition plan included details for our corporate separation. The approved plan is consistent with the way we managed our businesses in 2000, through a competitive services unit, a utility services unit and a corporate support services unit. FE Services provides competitive retail energy services while the EUOC continue to provide regulated transmission and distribution services. FirstEnergy Generation Corp. (FE Generation), a wholly owned subsidiary of FE Services, leases fossil and hydroelectric plants from the EUOC and operates those plants. We expect that the transfer of ownership of the EUOC fossil and hydroelectric generating assets to FE Generation will be completed by the end of the market development period. All of the EUOC power supply requirements are provided by FE Services to satisfy the EUOC "provider of last resort" obligation under the transition plan, as well as grandfathered wholesale contracts. The reportable segments in 2000 under SFAS 131, "Disclosures about Segments of an Enterprise and Related Information," reflect the management of these businesses as "Regulated Services" and "Competitive Services." The "Corporate Support Services" is included in "Other".

In 1999, we received notification of pending legal actions based on alleged violations of the Clean Air Act at our W. H. Sammis Plant involving the states of New York and Connecticut as well as the U.S. Department of Justice. The civil complaint filed by the U.S. Department of Justice requests installation of "best available control technology" as well as civil penalties of up to $27,500 per day. We believe the Sammis Plant is in full compliance with the Clean Air Act and the legal actions are without merit. We are unable, however, to predict the outcome of this litigation. Penalties could be imposed if the Sammis Plant continues to operate without correcting the alleged violations and a court determines that the allegations are valid. The Sammis Plant continues to operate while the matter is being decided.

Under federal environmental law and related federal and state waste regulations, certain fossil-fuel combustion waste products, such as coal ash, were exempted from hazardous waste disposal requirements pending the Environmental Protection Agency's (EPA) evaluation of the need for future regulation. The EPA has issued its final regulatory determination that regulation of coal ash as a hazardous waste is unnecessary. On April 25, 2000, the EPA announced that it will develop national standards regulating disposal of coal ash as a nonhazardous waste.

In December 2000, the EPA announced it would proceed with the development of regulations regarding hazardous air pollutants from electric power plants. The EPA identified mercury as the hazardous air pollutant of greatest concern. The EPA established a schedule to propose regulations by December 2003 and issue final regulations by December 2004. The future cost of compliance with these regulations may be substantial.

We are in compliance with current sulfur dioxide and nitrogen oxides (NOx) reduction requirements under the Clean Air Act Amendments of 1990. In 1998, the EPA finalized regulations requiring additional NOx reductions in the future from our Ohio and Pennsylvania facilities (see Note 6). We continue to evaluate our compliance plans and other compliance options.

In July 1997, the EPA changed the National Ambient Air Quality Standard (NAAQS) for ozone emissions and proposed a new NAAQS for previously unregulated ultra-fine particulate matter. In May 1999, the U.S. Court of Appeals found constitutional and other defects in the new NAAQS rules. In February 2001, the U.S. Supreme Court upheld the new NAAQS rules regulating ultra-fine particulates but found defects in the new NAAQS rules for ozone and decided that the EPA must revise those rules. The future cost of compliance with these regulations may be substantial and will depend on the manner in which they are ultimately implemented, if at all, by the states in which we operate affected facilities.

CEI and TE have been named as "potentially responsible parties" (PRPs) at waste disposal sites which may require cleanup under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. Allegations of disposal of hazardous substances at historical sites and the liability involved are often unsubstantiated and subject to dispute. Federal law provides that all PRPs for a particular site be held liable on a joint and several basis. CEI and TE have accrued liabilities totaling $3.7 million as of December 31, 2000, based on estimates of the total costs of cleanup, the proportionate responsibility of other PRPs for such costs and the financial ability of other PRPs to pay. CEI and TE believe that waste disposal costs will not have a material adverse effect on their financial condition, cash flows, or results of operations.

Recently Issued Accounting Standards

SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recognized on the balance sheet as either an asset or liability measured at its fair value. The Statement requires that changes in the derivative instrument's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative instrument's gains and losses to partially or wholly offset related results on the hedged item in the income statement, and requires that a company must formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

We adopted SFAS 133, as amended, on January 1, 2001. Prior to adoption, we reviewed all outstanding contracts to determine if they were derivatives or contained embedded derivatives. Derivatives involved in "normal-purchase/normal-sale" transactions were documented and excluded from further treatment under SFAS 133. The remaining derivatives were either documented as cash flow hedges or treated as non-hedge derivatives.

In January 2001, we recorded assets and liabilities representing the difference between the derivatives' previous carrying amounts and their fair values under SFAS 133. Related amounts were recorded in net income and other comprehensive income. For derivatives that had previously been treated as hedges of forecast transactions, the difference between the derivatives' previous carrying amount and their fair value under SFAS 133 was an adjustment of accumulated other comprehensive income. For derivatives not previously designated as hedges, the difference was an adjustment to net income. These amounts will be reported separately in results for the first quarter of 2001 as a "cumulative effect of a change in accounting principle." The cumulative effect increases assets by $108.3 million, liabilities by $72.6 million and common stockholders' equity by $35.7 million – other comprehensive income increases by $44.2 million and net income is reduced by $8.5 million.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

For the Years Ended December 31,	2000	1999	1998
REVENUES:			
Electric utilities	**$5,421,668**	$5,453,763	$5,237,468
Unregulated businesses	**1,607,293**	865,884	637,438
Total revenues	**7,028,961**	6,319,647	5,874,906
EXPENSES:			
Fuel and purchased power	**801,292**	876,986	983,735
Other expenses:			
Electric utilities	**1,659,246**	1,632,638	1,492,461
Unregulated businesses	**1,582,151**	792,576	742,778
Provision for depreciation and amortization	**933,684**	937,976	758,865
General taxes	**547,681**	544,052	550,908
Total expenses	**5,524,054**	4,784,228	4,528,747
INCOME BEFORE INTEREST AND INCOME TAXES	**1,504,907**	1,535,419	1,346,159
NET INTEREST CHARGES:			
Interest expense	**493,473**	509,169	542,819
Allowance for borrowed funds used during construction and capitalized interest	**(27,059)**	(13,355)	(7,642)
Subsidiaries' preferred stock dividends	**62,721**	76,479	65,799
Net interest charges	**529,135**	572,293	600,976
INCOME TAXES	**376,802**	394,827	303,787
INCOME BEFORE EXTRAORDINARY ITEM	**598,970**	568,299	441,396
EXTRAORDINARY ITEM (NET OF INCOME TAX BENEFIT OF $21,208,000) (Note 1)	**—**	—	(30,522)
NET INCOME	**$ 598,970**	$ 568,299	$ 410,874
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**222,444**	227,227	226,373
BASIC AND DILUTED EARNINGS PER SHARE OF COMMON STOCK (Note 4C):			
Income before extraordinary item	**$2.69**	$2.50	$1.95
Extraordinary item (Net of income taxes) (Note 1)	**—**	—	(.13)
Net income	**$2.69**	$2.50	$1.82
DIVIDENDS DECLARED PER SHARE OF COMMON STOCK	**$1.50**	$1.50	$1.50

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED BALANCE SHEETS

(In thousands)

As of December 31,	2000	1999
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 49,258	$ 111,788
Receivables –		
Customers (less accumulated provisions of $15,800,000 and $6,719,000, respectively, for uncollectible accounts)	399,242	322,687
Other (less accumulated provisions of $20,486,000 and $5,359,000, respectively, for uncollectible accounts)	519,207	445,242
Materials and supplies, at average cost –		
Owned	171,563	154,834
Under consignment	112,155	99,231
Prepayments and other	189,869	167,894
	1,441,294	1,301,676
PROPERTY, PLANT AND EQUIPMENT:		
In service	12,417,684	14,645,131
Less – Accumulated provision for depreciation	5,263,483	5,919,170
	7,154,201	8,725,961
Construction work in progress	420,875	367,380
	7,575,076	9,093,341
INVESTMENTS:		
Capital trust investments (Note 3)	1,223,794	1,281,834
Nuclear plant decommissioning trusts	584,288	543,694
Letter of credit collateralization (Note 3)	277,763	277,763
Other	669,057	599,443
	2,754,902	2,702,734
DEFERRED CHARGES:		
Regulatory assets	3,727,662	2,543,427
Goodwill	2,088,770	2,129,902
Other	353,590	452,967
	6,170,022	5,126,296
	$17,941,294	$18,224,047
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt and preferred stock	$ 536,482	$ 762,520
Short-term borrowings (Note 5)	699,765	417,819
Accounts payable	478,661	360,379
Accrued taxes	409,640	409,724
Accrued interest	116,544	125,397
Other	352,713	301,572
	2,593,805	2,377,411
CAPITALIZATION (See Consolidated Statements of Capitalization):		
Common stockholders' equity	4,653,126	4,563,890
Preferred stock of consolidated subsidiaries –		
Not subject to mandatory redemption	648,395	648,395
Subject to mandatory redemption	41,105	136,246
Ohio Edison obligated mandatorily redeemable preferred securities of subsidiary trust holding solely Ohio Edison subordinated debentures	120,000	120,000
Long-term debt	5,742,048	6,001,264
	11,204,674	11,469,795
DEFERRED CREDITS:		
Accumulated deferred income taxes	2,094,107	2,231,265
Accumulated deferred investment tax credits	241,005	269,083
Nuclear plant decommissioning costs	598,985	562,295
Other postretirement benefits	544,541	498,184
Other	664,177	816,014
	4,142,815	4,376,841
COMMITMENTS AND CONTINGENCIES (Notes 3 and 6)		
	$17,941,294	$18,224,047

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

CONSOLIDATED STATEMENTS OF CAPITALIZATION

(Dollars in thousands, except per share amounts)

As of December 31,					2000	1999
COMMON STOCKHOLDERS' EQUITY:						
Common stock, $.10 par value – authorized 375,000,000 shares 224,531,580 and 232,454,287 shares outstanding, respectively					**$ 22,453**	$ 23,245
Other paid-in capital					**3,531,821**	3,722,375
Accumulated other comprehensive income (loss) (Note 4H)					**593**	(195)
Retained earnings (Note 4A)					**1,209,991**	945,241
Unallocated employee stock ownership plan common stock – 5,952,032 and 6,778,905 shares, respectively (Note 4B)					**(111,732)**	(126,776)
Total common stockholders' equity					**4,653,126**	4,563,890
	Number of Shares Outstanding		Optional Redemption Price			
	2000	1999	Per Share	Aggregate		
PREFERRED STOCK OF CONSOLIDATED SUBSIDIARIES (Note 4D):						
Ohio Edison Company (OE)						
Cumulative, $100 par value – Authorized 6,000,000 shares						
Not Subject to Mandatory Redemption:						
3.90%	152,510	152,510	$103.63	$ 15,804	**15,251**	15,251
4.40%	176,280	176,280	108.00	19,038	**17,628**	17,628
4.44%	136,560	136,560	103.50	14,134	**13,656**	13,656
4.56%	144,300	144,300	103.38	14,917	**14,430**	14,430
	609,650	609,650		63,893	**60,965**	60,965
Cumulative, $25 par value – Authorized 8,000,000 shares						
Not Subject to Mandatory Redemption:						
7.75%	4,000,000	4,000,000	25.00	100,000	**100,000**	100,000
Total Not Subject to Mandatory Redemption	4,609,650	4,609,650		$163,893	**160,965**	160,965
Cumulative, $100 par value – Subject to Mandatory Redemption (Note 4E):						
8.45%	50,000	100,000			**5,000**	10,000
Redemption Within One Year					**(5,000)**	(5,000)
	50,000	100,000			**—**	5,000
Pennsylvania Power Company						
Cumulative, $100 par value – Authorized 1,200,000 shares						
Not Subject to Mandatory Redemption:						
4.24%	40,000	40,000	103.13	$ 4,125	**4,000**	4,000
4.25%	41,049	41,049	105.00	4,310	**4,105**	4,105
4.64%	60,000	60,000	102.98	6,179	**6,000**	6,000
7.75%	250,000	250,000	—	—	**25,000**	25,000
Total Not Subject to Mandatory Redemption	391,049	391,049		$ 14,614	**39,105**	39,105
Subject to Mandatory Redemption:						
7.625%	150,000	150,000	105.34	$ 15,801	**15,000**	15,000

CONSOLIDATED STATEMENTS OF CAPITALIZATION (CONT'D)

(Dollars in thousands, except per share amounts)

As of December 31,	Number of Shares Outstanding 2000	Number of Shares Outstanding 1999	Optional Redemption Price Per Share	Optional Redemption Price Aggregate	2000	1999
PREFERRED STOCK OF CONSOLIDATED SUBSIDIARIES (Cont'd)						
Cleveland Electric Illuminating Company						
Cumulative, without par value – Authorized 4,000,000 shares						
Not Subject to Mandatory Redemption:						
$7.40 Series A	500,000	500,000	$ 101.00	$ 50,500	**$ 50,000**	$ 50,000
$7.56 Series B	450,000	450,000	102.26	46,017	**45,071**	45,071
Adjustable Series L	474,000	474,000	100.00	47,400	**46,404**	46,404
$42.40 Series T	200,000	200,000	500.00	100,000	**96,850**	96,850
Total Not Subject to Mandatory Redemption	1,624,000	1,624,000		$243,917	**238,325**	238,325
Subject to Mandatory Redemption:						
$7.35 Series C	80,000	90,000	101.00	$ 8,080	**8,041**	9,110
$88.00 Series E	—	3,000	—	—	**—**	3,000
$91.50 Series Q	10,716	21,430	1,000.00	10,716	**10,716**	21,430
$88.00 Series R	50,000	50,000	—	—	**51,128**	55,000
$90.00 Series S	36,500	55,250	—	—	**36,686**	61,170
	177,216	219,680		18,796	**106,571**	149,710
Redemption Within One Year					**(80,466)**	(33,464)
Total Subject to Mandatory Redemption	177,216	219,680		$ 18,796	**26,105**	116,246
Toledo Edison Company						
Cumulative, $100 par value – Authorized 3,000,000 shares						
Not Subject to Mandatory Redemption:						
$ 4.25	160,000	160,000	104.63	$ 16,740	**16,000**	16,000
$ 4.56	50,000	50,000	101.00	5,050	**5,000**	5,000
$ 4.25	100,000	100,000	102.00	10,200	**10,000**	10,000
$ 8.32	100,000	100,000	102.46	10,246	**10,000**	10,000
$ 7.76	150,000	150,000	102.44	15,366	**15,000**	15,000
$ 7.80	150,000	150,000	101.65	15,248	**15,000**	15,000
$10.00	190,000	190,000	101.00	19,190	**19,000**	19,000
	900,000	900,000		92,040	**90,000**	90,000
Cumulative, $25 par value – Authorized 12,000,000 shares						
Not Subject to Mandatory Redemption:						
$2.21	1,000,000	1,000,000	25.25	25,250	**25,000**	25,000
$2.365	1,400,000	1,400,000	27.75	38,850	**35,000**	35,000
Adjustable Series A	1,200,000	1,200,000	25.00	30,000	**30,000**	30,000
Adjustable Series B	1,200,000	1,200,000	25.00	30,000	**30,000**	30,000
	4,800,000	4,800,000		124,100	**120,000**	120,000
Total Not Subject to Mandatory Redemption	5,700,000	5,700,000		$216,140	**210,000**	210,000
OE OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY OE SUBORDINATED DEBENTURES (Note 4F):						
Cumulative, $25 par value – Authorized 4,800,000 shares						
Subject to Mandatory Redemption:						
9.00%	4,800,000	4,800,000			**120,000**	120,000

CONSOLIDATED STATEMENTS OF CAPITALIZATION (CONT'D)

(In thousands)

LONG-TERM DEBT (Note 4G) (Interest rates reflect weighted average rates)

	FIRST MORTGAGE BONDS			SECURED NOTES			UNSECURED NOTES			TOTAL	
As of December 31,		**2000**	**1999**		**2000**	**1999**		**2000**	**1999**	**2000**	**1999**
Ohio Edison Co. –											
Due 2000-2005	7.89%	$ 509,265	$ 589,265	7.53%	$ 232,691	$ 316,623	5.75%	$ 541,725	$ 742,225		
Due 2006-2010	—	—	—	7.74%	7,483	2,062	—	—	—		
Due 2011-2015	—	—	—	6.17%	59,000	40,000	—	—	—		
Due 2016-2020	—	—	—	7.05%	60,000	86,000	—	—	—		
Due 2021-2025	7.99%	219,460	219,460	7.00%	69,943	69,943	—	—	—		
Due 2026-2030	—	—	—	5.48%	180,134	119,734	—	—	—		
Due 2031-2035	—	—	—	5.09%	71,900	14,800	—	—	—		
Total - Ohio Edison		728,725	808,725		681,151	649,162		541,725	742,225	**$ 1,951,601**	$ 2,200,112
Cleveland Electric Illuminating Co. –											
Due 2000-2005	8.53%	595,000	595,000	7.85%	384,650	559,680	5.58%	27,700	27,700		
Due 2006-2010	6.86%	125,000	125,000	7.29%	271,670	271,670	—	—	—		
Due 2011-2015	—	—	—	6.87%	118,535	118,535	—	—	—		
Due 2016-2020	—	—	—	6.88%	553,355	553,355	—	—	—		
Due 2021-2025	9.00%	150,000	150,000	7.70%	226,450	226,450	—	—	—		
Due 2026-2030	—	—	—	4.80%	110,888	110,888	—	—	—		
Due 2031-2035	—	—	—	—	—	—	—	—	—		
Total - Cleveland Electric		870,000	870,000		1,665,548	1,840,578		27,700	27,700	**2,563,248**	2,738,278
Toledo Edison Co. –											
Due 2000-2005	7.90%	179,525	179,925	8.06%	190,400	266,000	7.28%	226,100	226,130		
Due 2006-2010	—	—	—	7.13%	30,000	30,000	10.00%	820	820		
Due 2011-2015	—	—	—	—	—	—	—	—	—		
Due 2016-2020	—	—	—	7.69%	99,000	166,300	—	—	—		
Due 2021-2025	—	—	—	7.39%	148,000	111,600	—	—	—		
Due 2026-2030	—	—	—	5.90%	13,851	13,851	—	—	—		
Due 2031-2035	—	—	—	5.15%	30,900	—	—	—	—		
Total - Toledo Edison		179,525	179,925		512,151	587,751		226,920	226,950	**918,596**	994,626
Pennsylvania Power Co. –											
Due 2000-2005	7.19%	79,370	80,344	—	—	28,200	5.90%	5,200	5,200		
Due 2006-2010	9.74%	4,870	4,870	—	—	—	—	—	—		
Due 2011-2015	9.74%	4,870	4,870	5.40%	1,000	1,000	—	—	—		
Due 2016-2020	9.74%	3,929	3,929	6.28%	45,325	45,325	—	—	—		
Due 2021-2025	8.33%	33,750	33,750	6.68%	27,182	27,182	—	—	—		
Due 2026-2030	—	—	—	6.10%	47,972	47,972	—	—	—		
Due 2031-2035	—	—	—	—	—	—	—	—	—		
Total - Penn Power		126,789	127,763		121,479	149,679		5,200	5,200	**253,468**	282,642
OES Fuel		—	—	7.10%	91,620	81,260	—	—	—	**91,620**	81,260
Bay Shore Power		—	—	6.60%	147,500	147,500	—	—	—	**147,500**	147,500
MARBEL Energy Corp.		—	—	—	—	—	9.37%	638	692	**638**	692
Facilities Services Group		—	—	6.53%	17,601	14,782	7.29%	—	1,887	**17,601**	16,669
Total		$1,905,039	$1,986,413		$3,237,050	$3,470,712		$ 802,183	$1,004,654	**5,944,272**	6,461,779
Capital lease obligations										**163,242**	158,303
Net unamortized premium on debt										**85,550**	105,238
Long-term debt due within one year										**(451,016)**	(724,056)
Total long-term debt										**5,742,048**	6,001,264
TOTAL CAPITALIZATION										**$11,204,674**	$11,469,795

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF COMMON STOCKHOLDERS' EQUITY

(Dollars in thousands)

	Comprehensive Income	Number of Shares	Par Value	Other Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Unallocated ESOP Common Stock
Balance, January 1, 1998		230,207,141	$ 23,021	$3,637,522	$(614)	$ 646,646	$ (146,977)
Net income	$ 410,874					410,874	
Minimum liability for unfunded retirement benefits, net of $53,000 of income taxes	175				175		
Comprehensive income	$ 411,049						
Business acquisitions		6,861,946	686	203,496			
Allocation of ESOP Shares				5,495			7,945
Cash dividends on common stock						(339,111)	
Balance, December 31, 1998		237,069,087	23,707	3,846,513	(439)	718,409	(139,032)
Net income	$ 568,299					568,299	
Minimum liability for unfunded retirement benefits, net of $160,000 of income taxes	244				244		
Comprehensive income	$ 568,543						
Reacquired common stock		(4,614,800)	(462)	(129,671)			
Centerior acquisition adjustment				(468)			
Allocation of ESOP Shares				6,001			12,256
Cash dividends on common stock						(341,467)	
Balance, December 31, 1999		232,454,287	23,245	3,722,375	(195)	945,241	(126,776)
Net income	$ 598,970					598,970	
Minimum liability for unfunded retirement benefits, net of $(85,000) of income taxes	(134)				(134)		
Unrealized gain on investment of securities available for sale	922				922		
Comprehensive income	$ 599,758						
Reacquired common stock		(7,922,707)	(792)	(194,210)			
Allocation of ESOP Shares				3,656			15,044
Cash dividends on common stock						(334,220)	
Balance, December 31, 2000		224,531,580	$ 22,453	$3,531,821	$ 593	$1,209,991	$ (111,732)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF PREFERRED STOCK

(Dollars in thousands)

	Not Subject to Mandatory Redemption		Subject to Mandatory Redemption	
	Number of Shares	Par or Stated Value	Number of Shares	Par or Stated Value
Balance, January 1, 1998	12,442,699	$660,195	5,469,408	$356,243
Redemptions –				
8.45% Series			(50,000)	(5,000)
$ 7.35 Series C			(10,000)	(1,000)
$88.00 Series E			(3,000)	(3,000)
$91.50 Series Q			(10,714)	(10,714)
$9.375 Series			(16,650)	(1,665)
Balance, December 31, 1998	12,442,699	660,195	5,379,044	334,864
Redemptions –				
7.64% Series	(60,000)	(6,000)		
8.00% Series	(58,000)	(5,800)		
8.45% Series			(50,000)	(5,000)
$ 7.35 Series C			(10,000)	(1,000)
$88.00 Series E			(3,000)	(3,000)
$91.50 Series Q			(10,714)	(10,714)
$90.00 Series S			(18,750)	(18,750)
$9.375 Series			(16,900)	(1,690)
Balance, December 31, 1999	12,324,699	648,395	5,269,680	294,710
Redemptions –				
8.45% Series			(50,000)	(5,000)
$ 7.35 Series C			(10,000)	(1,000)
$88.00 Series E			(3,000)	(3,000)
$91.50 Series Q			(10,714)	(10,714)
$90.00 Series S			(18,750)	(18,750)
Amortization of fair market value adjustments –				
$ 7.35 Series C				(69)
$88.00 Series R				(3,872)
$90.00 Series S				(5,734)
Balance, December 31, 2000	12,324,699	$648,395	5,177,216	$246,571

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

For the Years Ended December 31,	2000	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	**$ 598,970**	$ 568,299	$ 410,874
Adjustments to reconcile net income to net cash from operating activities:			
Provision for depreciation and amortization	**933,684**	937,976	758,865
Nuclear fuel and lease amortization	**113,330**	104,928	94,348
Other amortization, net	**(11,635)**	(10,730)	(13,007)
Deferred income taxes, net	**(79,429)**	(45,054)	(23,763)
Investment tax credits, net	**(30,732)**	(19,661)	(22,070)
Extraordinary item	**—**	—	51,730
Receivables	**(150,520)**	(203,567)	35,515
Materials and supplies	**(29,653)**	19,631	(14,235)
Accounts payable	**118,282**	82,578	(73,205)
Other	**45,529**	53,906	(49,727)
Net cash provided from operating activities	**1,507,826**	1,488,306	1,155,325
CASH FLOWS FROM FINANCING ACTIVITIES:			
New Financing –			
Common stock	**—**	—	204,182
Long-term debt	**307,512**	364,832	499,975
Ohio Schools Council prepayment program	**—**	—	116,598
Short-term borrowings, net	**281,946**	163,327	—
Redemptions and Repayments –			
Common stock	**195,002**	130,133	—
Preferred stock	**38,464**	52,159	21,379
Long-term debt	**901,764**	847,006	804,780
Short-term borrowings, net	**—**	—	48,354
Common Stock Dividend Payments	**334,220**	341,467	339,111
Net cash used for financing activities	**879,992**	842,606	392,869
CASH FLOWS FROM INVESTING ACTIVITIES:			
Property additions	**587,618**	624,901	652,852
Cash investments	**(17,449)**	(41,213)	47,804
Other	**120,195**	28,022	82,239
Net cash used for investing activities	**690,364**	611,710	782,895
Net increase (decrease) in cash and cash equivalents	**(62,530)**	33,990	(20,439)
Cash and cash equivalents at beginning of year	**111,788**	77,798	98,237
Cash and cash equivalents at end of year	**$ 49,258**	$ 111,788	$ 77,798
SUPPLEMENTAL CASH FLOWS INFORMATION:			
Cash Paid During the Year –			
Interest (net of amounts capitalized)	**$ 485,374**	$ 520,072	$ 536,064
Income taxes	**$ 512,182**	$ 441,067	$ 326,268

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

CONSOLIDATED STATEMENTS OF TAXES

(In thousands)

For the Years Ended December 31,	2000	1999	1998
GENERAL TAXES:			
Real and personal property	$ 281,374	$ 276,227	$ 292,503
State gross receipts	221,385	220,117	217,633
Social security and unemployment	39,134	37,019	27,363
Other	5,788	10,689	13,409
Total general taxes	$ 547,681	$ 544,052	$ 550,908
PROVISION FOR INCOME TAXES:			
Currently payable –			
Federal	$ 467,045	$ 433,872	$ 313,960
State	19,918	25,670	14,452
	486,963	459,542	328,412
Deferred, net –			
Federal	(60,831)	(36,021)	(14,259)
State	(18,598)	(9,033)	(9,504)
	(79,429)	(45,054)	(23,763)
Investment tax credit amortization	(30,732)	(19,661)	(22,070)
Total provision for income taxes	$ 376,802	$ 394,827	$ 282,579
RECONCILIATION OF FEDERAL INCOME TAX EXPENSE AT STATUTORY RATE TO TOTAL PROVISION FOR INCOME TAXES:			
Book income before provision for income taxes	$ 975,772	$ 963,126	$ 693,453
Federal income tax expense at statutory rate	$ 341,520	$ 337,094	$ 242,709
Increases (reductions) in taxes resulting from –			
Amortization of investment tax credits	(30,732)	(19,661)	(22,070)
State income taxes, net of federal income tax benefit	1,133	10,814	3,216
Amortization of tax regulatory assets	38,702	23,908	28,915
Amortization of goodwill	18,420	19,341	17,868
Preferred stock dividends	18,172	22,988	19,250
Other, net	(10,413)	343	(7,309)
Total provision for income taxes	$ 376,802	$ 394,827	$ 282,579
ACCUMULATED DEFERRED INCOME TAXES AT DECEMBER 31:			
Property basis differences	$1,245,297	$1,878,904	$1,938,735
Deferred nuclear expense	408,771	421,837	436,601
Impaired generating assets	565,893	—	—
Customer receivables for future income taxes	62,527	159,577	159,526
Competitive transition charge	95,497	115,277	135,730
Deferred sale and leaseback costs	(128,298)	(129,775)	(61,506)
Unamortized investment tax credits	(85,641)	(96,036)	(102,085)
Unused alternative minimum tax credits	(32,215)	(101,185)	(190,781)
Other	(37,724)	(17,334)	(33,356)
Net deferred income tax liability	$2,094,107	$2,231,265	$2,282,864

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

1. Summary of Significant Accounting Policies:

The consolidated financial statements include FirstEnergy Corp. (Company) and its principal electric utility operating subsidiaries, Ohio Edison Company (OE), The Cleveland Electric Illuminating Company (CEI), Pennsylvania Power Company (Penn) and The Toledo Edison Company (TE). These utility subsidiaries are referred to throughout as "Companies." On September 1, 2000, the Companies transferred their transmission assets to the Company's wholly owned subsidiary, American Transmission Systems, Inc. (ATSI). As a result, ATSI owns and operates the Company's major high-voltage transmission facilities and has interconnections with other regional utilities. The consolidated financial statements also include the Company's other principal subsidiaries: FirstEnergy Services Corp. (FE Services); FirstEnergy Facilities Services Group, LLC (FE Facilities); FirstEnergy Trading Services, Inc. (FETS), which merged into FE Services on January 1, 2001; and MARBEL Energy Corporation (MARBEL). FE Services provides energy-related products and services primarily on a regional basis and has two subsidiaries, Penn Power Energy, Inc., which provides electric generation services and other energy services to Pennsylvania customers and FirstEnergy Generation Corp., which operates the nonnuclear generation businesses of the Companies. FE Facilities is the parent company of several heating, ventilating, air conditioning and energy management companies. FETS had primarily acquired and arranged for the delivery of electricity and natural gas to FE Services' retail customers. MARBEL is a fully integrated natural gas company. Significant intercompany transactions have been eliminated.

The Companies follow the accounting policies and practices prescribed by the Public Utilities Commission of Ohio (PUCO), the Pennsylvania Public Utility Commission (PPUC) and the Federal Energy Regulatory Commission (FERC). The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make periodic estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Certain prior year amounts have been reclassified to conform with the current year presentation.

Revenues –

The Companies' principal business is providing electric service to customers in central and northern Ohio and western Pennsylvania. The Companies' retail customers are metered on a cycle basis. Revenue is recognized for unbilled electric service through the end of the year.

Receivables from customers include sales to residential, commercial and industrial customers located in the Companies' service area and sales to wholesale customers. There was no material concentration of receivables at December 31, 2000 or 1999, with respect to any particular segment of the Companies' customers.

CEI and TE sell substantially all of their retail customer receivables to Centerior Funding Corp. (CFC), a wholly owned subsidiary of CEI. CFC subsequently transfers the receivables to a trust under an asset-backed securitization agreement. The trust completed a public sale of $150 million and private sales of $50 million of receivables-backed investor certificates in 1996 and 2000, respectively, in transactions that qualified for sale accounting treatment. CFC's retained interest in the pool of receivables held by the trust (15.15% as of December 31, 2000) is stated at fair value, reflecting adjustments for anticipated credit losses. Collections of receivables previously transferred to the trust used to purchase new receivables from CFC during 2000, totaled approximately $2.5 billion. Expenses associated with the factoring discount related to the sale of receivables were $13 million in 2000. As of December 31, 2000, receivables recorded on the Consolidated Balance Sheet were reduced by $193 million due to these sales.

Regulatory Plans –

The PUCO approved OE's Rate Reduction and Economic Development Plan in 1995 and FirstEnergy's Rate Reduction and Economic Development Plan for CEI and TE in January 1997. These regulatory plans were to maintain then current base electric rates for OE, CEI and TE through December 31, 2005. At the end of the regulatory plan periods, OE base rates were to be reduced by $300 million (approximately 20 percent below then current levels) and CEI and TE base rates were to be reduced by a combined $310 million (approximately 15 percent below then current levels). The plans also revised the Companies' fuel cost recovery methods so that OE's, CEI's and TE's fuel rates would be frozen through the regulatory plan period, subject to limited periodic adjustments. As part of OE's and FirstEnergy's regulatory plans, transition rate credits were implemented for customers, which were expected to reduce operating revenues for OE by approximately $600 million and CEI and TE by approximately $391 million during the regulatory plan period. The regulatory plans were terminated at the end of 2000 concurrent with the implementation of the FirstEnergy transition plan as described further below.

In July 1999, Ohio's electric utility restructuring legislation, which allowed Ohio electric customers to select their generation suppliers beginning January 1, 2001, was signed into law. Among other things, the legislation provides for a five percent reduction on the generation portion of residential customers' bills and the opportunity to recover transition costs, including regulatory assets, from January 1, 2001 through December 31, 2005. The period for the recovery of regulatory assets only can be extended up to December 31, 2010. The PUCO was authorized to determine the level of transition cost recovery, as well as the recovery period for the regulatory assets portion of those costs, in considering each Ohio electric utility's transition plan application.

The Company, on behalf of its Ohio electric utility operating companies – OE, CEI and TE – filed its transition plan under Ohio's new electric utility restructuring law in late 1999. The filing also included additional information on FirstEnergy's plans to turn over control, and perhaps ownership, of its transmission assets to the Alliance Regional Transmission Organization. The transition plan itemized, or unbundled, the current price of electricity into its component elements – including generation, transmission, distribution and transition charges. As required by the PUCO's rules, the Company's transition plan also included its proposals on corporate separation of its regulated and unregulated operations, operational and technical support changes needed to accommodate customer choice, an education program to inform customers of their options under the new law, and how the Company's transmission system will be operated to ensure access to all users. Customer prices would be frozen through a five-year market development period (2001-2005), except for certain limited statutory exceptions including the five percent reduction in the price of generation for residential customers. The plan proposed recovery of generation-related transition costs of approximately $4.5 billion ($4.0 billion, net of deferred income taxes) and transition costs related to regulatory assets aggregating approximately $4.2 billion ($2.9 billion, net of deferred income taxes).

On July 19, 2000, the PUCO approved the Company's transition plan as modified by a settlement agreement with major parties to the transition plan. Major parties to the settlement agreement included the PUCO staff, the Ohio Consumers' Counsel, the Industrial Energy Users-Ohio, certain power marketers and others. Major provisions of the settlement agreement consisted of approval of recovery of transition costs in the amounts filed in the transition plan through no later than 2006 for OE, mid-2007 for TE and 2008 for CEI, except where a longer period of recovery is provided for in the settlement agreement. The Company will also give preferred access over the Company's subsidiaries to nonaffiliated marketers, brokers and aggregators to 1,120 megawatts of generation capacity through 2005 at established prices for sales to the Ohio operating companies' retail customers. The base electric rates for distribution service for OE, CEI and TE under their prior respective regulatory plans will be extended from December 31, 2005 through December 31, 2007. The transition rate credits for customers under their prior regulatory plans will also be extended through the Companies' respective transition cost recovery periods.

The application of Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation" (SFAS 71), to OE's generation business and the nonnuclear generation businesses of CEI and TE was discontinued with the issuance of the PUCO transition plan order. The Securities and Exchange Commission (SEC) issued interpretive guidance regarding asset impairment measurement that concluded any supplemental regulated cash flows such as a competitive transition charge (CTC) should be excluded from the cash flows of assets in a portion of the business not subject to regulatory accounting practices. If those assets are impaired, a regulatory asset should be established if the costs are recoverable through regulatory cash flows. Consistent with the SEC guidance $1.6 billion of impaired plant investments ($1.2 billion, $304 million and $53 million for OE, CEI and TE, respectively) were recognized as regulatory assets recoverable as transition costs through future regulatory cash flows.

The settlement agreement provides to the Company's Ohio customers an additional incentive applied to the generation shopping credit of 45% for residential customers, 30% for commercial customers and 15% for industrial customers as reductions from their bills, when they select alternative energy providers (the credits exceed the price the Company will be offering to electricity suppliers relating to the 1,120 megawatts described in a previous paragraph). The amount of the incentive will serve to reduce the amortization of transition costs during the market development period and will be recovered over the remaining transition cost recovery periods. If the customer switching targets established in the settlement agreement are not achieved by the end of 2005, the transition cost recovery periods could be shortened for OE, CEI and TE to reduce recovery by as much as $500 million (OE-$250 million, CEI-$170 million and

TE-$80 million), but any such adjustment would be computed on a class-by-class and pro-rata basis.

In June 1998, the PPUC authorized a rate restructuring plan for Penn which essentially resulted in the deregulation of Penn's generation business as of June 30, 1998. Penn was required to remove from its balance sheet all regulatory assets and liabilities related to its generation business and assess all other assets for impairment. In accordance with the SEC guidance, Penn reduced its nuclear generating unit investments by approximately $305 million, of which approximately $227 million was recognized as a regulatory asset to be recovered through a CTC over a seven-year transition period; the remaining net amount of $78 million was written off. The charge of $51.7 million ($30.5 million after income taxes) for discontinuing the application of SFAS 71 to Penn's generation business was recorded as a 1998 extraordinary item on the Consolidated Statement of Income.

All of the Companies' regulatory assets will continue to be recovered under provisions of the Ohio transition plan and the Pennsylvania rate restructuring plan. Under the previous regulatory plan, the PUCO had authorized OE to recognize additional capital recovery related to its generating assets (which was reflected as additional depreciation expense) and additional amortization of regulatory assets during the prior regulatory plan period of at least $2 billion, and the PPUC had authorized Penn to accelerate at least $358 million, more than the amounts that would have been recognized if the prior regulatory plans were not in effect. These additional amounts are being recovered through current rates. As of December 31, 2000, OE's and Penn's cumulative additional capital recovery and regulatory asset amortization amounted to $1.424 billion (including Penn's impairment discussed above and CTC recovery). CEI and TE recognized a fair value purchase accounting adjustment of $2.55 billion in connection with the FirstEnergy merger; that fair value adjustment recognized for financial reporting purposes satisfied the $2 billion asset reduction commitment contained in the CEI and TE regulatory plan. For regulatory purposes, CEI and TE recognized the accelerated amortization over the period that their rate plan was in effect.

Application of SFAS 71 was discontinued in 1997 with respect to CEI's and TE's nuclear operations (see "Regulatory Assets" below); in 1998 with respect to Penn's generation operations (as described above) and in mid-2000, as discussed above, with respect to OE's generation business and the nonnuclear generation businesses of CEI and TE effective with the issuance of the PUCO transition plan order. The following summarizes net assets included in property, plant and equipment relating to operations for which the application of SFAS 71 was discontinued, compared with the respective company's total assets as of December 31, 2000.

	SFAS 71 Discontinued Net Assets	Total Assets
	(In millions)	
OE	$1,075	$7,422
CEI	1,556	5,965
TE	623	2,652
Penn	92	989

Property, Plant and Equipment –

Property, plant and equipment reflects original cost (except for the Companies' nuclear generating units which were adjusted to fair value), including payroll and related costs such as taxes, employee benefits, administrative and general costs, and interest costs.

The Companies provide for depreciation on a straight-line basis at various rates over the estimated lives of property included in plant in service. The annual composite rate for OE's electric plant was approximately 2.8% in 2000 and 3.0% in 1999 and 1998. The annual composite rate for Penn's electric plant was approximately 2.6% in 2000, 2.5% in 1999 and 3.0% in 1998. CEI's and TE's composite rates were both approximately 3.4% in 2000, 1999 and 1998. In addition to the straight-line depreciation recognized in 2000, 1999 and 1998, OE and Penn recognized additional capital recovery of $105 million, $95 million and $141 million (excluding Penn's impairment), respectively, as additional depreciation expense in accordance with their regulatory plans. These amounts were included in the 2000 transfer of accumulated depreciation included in OE's impaired plant investment recognized as regulatory assets as discussed in "Regulatory Plans" above.

Annual depreciation expense in 2000 included approximately $29.3 million for future decommissioning costs applicable to the Companies' ownership and leasehold interests in four nuclear generating units. Annual decommissioning costs will increase by approximately $66 million from implementing the Ohio utilities' transition plan in 2001. The Companies' future decommissioning costs reflect the 1999 increase in their ownership interests related to the exchange of certain generating assets with Duquesne Light Company. The Companies' share of the future obligation to decommission these units is approximately $1.9 billion in current dollars and (using a 4.0% escalation rate) approximately $4.5 billion in future dollars. The estimated obligation and the escalation rate were developed based on site specific studies. Payments for decommissioning are expected to begin in 2016, when actual decommissioning work begins. The Companies have recovered approximately $342 million for decommissioning through their electric rates from customers through

December 31, 2000. The Companies have also recognized an estimated liability of approximately $31.6 million related to decontamination and decommissioning of nuclear enrichment facilities operated by the United States Department of Energy (DOE), as required by the Energy Policy Act of 1992.

The Financial Accounting Standards Board (FASB) issued a proposed accounting standard for nuclear decommissioning costs in 1996. If the standard is adopted as proposed: (1) annual provisions for decommissioning could change; (2) the net present value of estimated decommissioning costs could be recorded as a liability; and (3) income from the external decommissioning trusts could be reported as investment income. The FASB subsequently expanded the scope of the proposed standard to include other closure and removal obligations related to long-lived assets. A final pronouncement is expected in the second quarter of 2001 and is anticipated to be implemented on January 1, 2002.

Nuclear Fuel –

OE's and Penn's nuclear fuel is recorded at original cost, which includes material, enrichment, fabrication and interest costs incurred prior to reactor load. CEI and TE severally lease their respective portions of nuclear fuel and pay for the fuel as it is consumed (see Note 3). The Companies amortize the cost of nuclear fuel based on the rate of consumption.

Income Taxes –

Details of the total provision for income taxes are shown on the Consolidated Statements of Taxes. Deferred income taxes result from timing differences in the recognition of revenues and expenses for tax and accounting purposes. Investment tax credits, which were deferred when utilized, are being amortized over the recovery period of the related property. The liability method is used to account for deferred income taxes. Deferred income tax liabilities related to tax and accounting basis differences are recognized at the statutory income tax rates in effect when the liabilities are expected to be paid. Alternative minimum tax credits of $32 million, which may be carried forward indefinitely, are available to reduce future federal income taxes.

Retirement Benefits –

The Companies' trusteed, noncontributory defined benefit pension plan covers almost all full-time employees. Upon retirement, employees receive a monthly pension based on length of service and compensation. The Companies use the projected unit credit method for funding purposes and were not required to make pension contributions during the three years ended December 31, 2000. The assets of the pension plan consist primarily of common stocks, United States government bonds and corporate bonds.

The Companies provide a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance. Health care benefits, which include certain employee deductibles and copayments, are also available to retired employees, their dependents and, under certain circumstances, their survivors. The Companies pay insurance premiums to cover a portion of these benefits in excess of set limits; all amounts up to the limits are paid by the Companies. The Companies recognize the expected cost of providing other postretirement benefits to employees and their beneficiaries and covered dependents from the time employees are hired until they become eligible to receive those benefits.

The following sets forth the funded status of the plans and amounts recognized on the Consolidated Balance Sheets as of December 31:

	Pension Benefits		Other Postretirement Benefits	
	2000	1999	2000	1999
	(In millions)			
Change in benefit obligation:				
Benefit obligation as of January 1	$1,394.1	$1,500.1	$ 608.4	$ 601.3
Service cost	27.4	28.3	11.3	9.3
Interest cost	104.8	102.0	45.7	40.7
Plan amendments	41.3	—	—	—
Actuarial loss (gain)	17.3	(155.6)	121.7	(17.6)
Net increase from asset swap	—	14.8	—	12.5
Voluntary early retirement program expense	23.4	—	—	—
Benefits paid	(102.2)	(95.5)	(35.1)	(37.8)
Benefit obligation as of December 31	1,506.1	1,394.1	752.0	608.4
Change in plan assets:				
Fair value of plan assets as of January 1	1,807.5	1,683.0	4.9	3.9
Actual return on plan assets	0.7	220.0	(0.2)	0.6
Company contribution	—	—	18.3	0.4
Benefits paid	(102.2)	(95.5)	—	—
Fair value of plan assets as of December 31	1,706.0	1,807.5	23.0	4.9
Funded status of plan	199.9	413.4	(729.0)	(603.5)
Unrecognized actuarial loss (gain)	(90.9)	(303.5)	147.3	24.9
Unrecognized prior service cost	93.1	57.3	20.9	24.1
Unrecognized net transition obligation (asset)	(2.1)	(10.1)	110.9	120.1
Prepaid (accrued) benefit cost	$ 200.0	$ 157.1	$(449.9)	$(434.4)
Assumptions used as of December 31:				
Discount rate	7.75%	7.75%	7.75%	7.75%
Expected long-term return on plan assets	10.25%	10.25%	10.25%	10.25%
Rate of compensation increase	4.00%	4.00%	4.00%	4.00%

Net pension and other postretirement benefit costs for the three years ended December 31, 2000 were computed as follows:

	Pension Benefits			Other Postretirement Benefits		
	2000	1999	1998	2000	1999	1998
	(In millions)					
Service cost	$ 27.4	$ 28.3	$ 25.0	$11.3	$ 9.3	$ 7.5
Interest cost	104.8	102.0	92.5	45.7	40.7	37.6
Expected return on plan assets	(181.0)	(168.1)	(152.7)	(0.5)	(0.4)	(0.3)
Amortization of transition obligation (asset)	(7.9)	(7.9)	(8.0)	9.2	9.2	9.2
Amortization of prior service cost	5.7	5.7	2.3	3.2	3.3	(0.8)
Recognized net actuarial loss (gain)	(9.1)	—	(2.6)	—	—	—
Voluntary early retirement program expense	17.2	—	—	—	—	—
Net benefit cost	$ (42.9)	$(40.0)	$ (43.5)	$68.9	$62.1	$53.2

The health care trend rate assumption is 7.2% in 2001, 7.0% in 2002 and 6.5% in 2003, trending to 5.0% – 5.5% in later years. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. An increase in the health care trend rate assumption by one percentage point would increase the total service and interest cost components by $7.5 million and the postretirement benefit obligation by $94.4 million. A decrease in the same assumption by one percentage point would decrease the total service and interest cost components by $8.5 million and the postretirement benefit obligation by $111.0 million.

Supplemental Cash Flows Information –

All temporary cash investments purchased with an initial maturity of three months or less are reported as cash equivalents on the Consolidated Balance Sheets. As of December 31, 1999, cash and cash equivalents included $83 million used for the redemption of long-term debt in the first quarter of 2000. The Companies reflect temporary cash investments at cost, which approximates their fair market value. Noncash financing and investing activities included capital lease transactions amounting to $89.3 million, $36.2 million and $61.8 million for the years 2000, 1999 and 1998, respectively. Commercial paper transactions of OES Fuel, Incorporated (OES Fuel) (a wholly owned subsidiary of OE) that have initial maturity periods of three months or less are reported net within financing activities under long-term debt and are reflected as long-term debt on the Consolidated Balance Sheets (see Note 4G).

All borrowings with initial maturities of less than one year are defined as financial instruments under GAAP and are reported on the Consolidated Balance Sheets at cost, which approximates their fair market value. The following sets forth the approximate fair value and related carrying amounts of all other long-term debt, preferred stock subject to mandatory redemption and investments other than cash and cash equivalents as of December 31:

	2000		1999	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In millions)			
Long-term debt	$5,853	$6,010	$6,381	$6,331
Preferred stock	$ 247	$ 243	$ 295	$ 280
Investments other than cash and cash equivalents:				
Debt securities				
– Maturity (5-10 years)	$ 460	$ 441	$ 475	$ 476
– Maturity (more than 10 years)	1,026	1,051	1,068	1,013
Equity securities	16	16	17	17
All other	924	935	852	874
	$2,426	$2,443	$2,412	$2,380

The fair values of long-term debt and preferred stock reflect the present value of the cash outflows relating to those securities based on the current call price, the yield to maturity or the yield to call, as deemed appropriate at the end of each respective year. The yields assumed were based on securities with similar characteristics offered by a corporation with credit ratings similar to the Companies' ratings.

The fair value of investments other than cash and cash equivalents represent cost (which approximates fair value) or the present value of the cash inflows based on the yield to maturity. The yields assumed were based on financial instruments with similar characteristics and terms. Investments other than cash and cash equivalents include decommissioning trust investments. Unrealized gains and losses applicable to the decommissioning trusts have been recognized in the trust investment with a corresponding change to the decommissioning liability. The Companies have no securities held for trading purposes.

Effective December 31, 1998, the Company began accounting for its commodity price derivatives, entered into specifically for trading purposes, on a mark-to-market basis in accordance with Emerging Issues Task Force Issue 98-10, "Accounting for Energy Trading and Risk Management Activities," with gains and losses recognized currently in the Consolidated Statements of Income. The contracts that were marked to market are included in the Consolidated Balance Sheets as Deferred Charges and Deferred Credits at their fair values. The impact on the consolidated financial statements was immaterial.

On January 1, 2001, the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities," as amended by SFAS 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities – an amendment of FASB Statement No. 133." The cumulative effect of adopting SFAS 133, as amended, increases assets by $108.3 million, liabilities by $72.6 million and common stockholders' equity by $35.7 million – other comprehensive income increases by $44.2 million and net income is reduced by $8.5 million.

Regulatory Assets –

The Companies recognize, as regulatory assets, costs which the FERC, PUCO and PPUC have authorized for recovery from customers in future periods. Without such authorization, the costs would have been charged to income as incurred. All regulatory assets will continue to be recovered from customers under the Companies' respective transition and rate restructuring plans. Based on those plans, the Companies continue to bill and collect cost-based rates for their transmission and distribution services, which remain regulated; accordingly, it is appropriate that the Companies continue the application of SFAS 71 to those operations. OE and Penn recognized additional cost recovery of $270 million, $257 million and $50 million in 2000, 1999 and 1998, respectively, as additional regulatory asset amortization in accordance with their regulatory plans. The application of SFAS 71 to OE's generation business and the nonnuclear generation businesses of CEI and TE was discontinued effective with the PUCO's approval of the Company's transition plan. The effect of such discontinuance was reflected on the financial statements as of June 30, 2000, with the reduction of plant investment and the corresponding recognition of regulatory assets recoverable through future regulatory cash flows for generating assets that were impaired of approximately $1.6 billion ($1.2 billion, $304 million and $53 million for OE, CEI and TE, respectively).

Net regulatory assets on the Consolidated Balance Sheets are comprised of the following:

	2000	1999
	(In millions)	
Nuclear unit expenses	$1,081.1	$1,123.0
Customer receivables for future income taxes	173.5	444.3
Rate stabilization program deferrals	400.0	420.1
Sale and leaseback costs	8.0	17.8
Competitive transition charge	230.9	280.4
Loss on reacquired debt	167.1	173.9
Employee postretirement benefit costs	20.7	24.8
DOE decommissioning and decontamination costs	26.8	29.5
Impaired generating assets	1,595.5	—
Other	24.1	29.6
Total	$3,727.7	$2,543.4

2. Merger Agreement:

On August 8, 2000, FirstEnergy and GPU, Inc. (GPU), a Pennsylvania corporation, entered into an Agreement and Plan of Merger. Under the merger agreement, FirstEnergy would acquire all of the outstanding shares of GPU's common stock for approximately $4.5 billion in cash and FirstEnergy common stock. Approximately $7.4 billion of debt and preferred stock of GPU's subsidiaries would remain outstanding. The transaction would be accounted for by the purchase method. The combined company's principal electric utility operating companies would include OE, CEI, TE, Penn and ATSI, as well as GPU's electric utility operating companies – Jersey Central Power & Light Company, Metropolitan Edison Company and Pennsylvania Electric Company, which serve customers in New Jersey and Pennsylvania.

Under the agreement, GPU shareholders would receive the equivalent of $36.50 for each share of GPU common stock they own, payable in cash or in FirstEnergy common stock, as long as FirstEnergy's common stock price is between $24.2438 and $29.6313. Each GPU shareholder would be able to elect the form of consideration they wish to receive, subject to proration so that the aggregate consideration to all GPU shareholders will be 50 percent cash and 50 percent FirstEnergy common stock. Each GPU share converted into FirstEnergy common

stock would receive not less than 1.2318 and not more than 1.5055 shares of FirstEnergy common stock, depending on the average closing price of FirstEnergy stock during the 20-day trading period ending on the seventh trading date prior to the merger closing. The stock portion of the consideration is expected to be tax-free to GPU shareholders.

The merger has been approved by the respective shareholders of the Company and GPU and is expected to close promptly after all of the conditions to the consummation of the merger, including the receipt of all necessary regulatory approvals, are fulfilled or waived. The receipt of all necessary regulatory approvals, including, but not limited to, the FERC, the Nuclear Regulatory Commission, the Federal Communications Commission, and the SEC, are expected by the end of the second quarter of 2001.

3. Leases:

The Companies lease certain generating facilities, nuclear fuel, office space and other property and equipment under cancelable and noncancelable leases.

OE sold portions of its ownership interests in Perry Unit 1 and Beaver Valley Unit 2 and entered into operating leases on the portions sold for basic lease terms of approximately 29 years. CEI and TE also sold portions of their ownership interests in Beaver Valley Unit 2 and Bruce Mansfield Units 1, 2 and 3 and entered into similar operating leases for lease terms of approximately 30 years. During the terms of their respective leases, OE, CEI and TE continue to be responsible, to the extent of their individual combined ownership and leasehold interests, for costs associated with the units including construction expenditures, operation and maintenance expenses, insurance, nuclear fuel, property taxes and decommissioning. They have the right, at the end of the respective basic lease terms, to renew their respective leases. They also have the right to purchase the facilities at the expiration of the basic lease term or renewal term (if elected) at a price equal to the fair market value of the facilities. The basic rental payments are adjusted when applicable federal tax law changes.

OES Finance, Incorporated (OES Finance), a wholly owned subsidiary of OE, maintains deposits pledged as collateral to secure reimbursement obligations relating to certain letters of credit supporting OE's obligations to lessors under the Beaver Valley Unit 2 sale and leaseback arrangements. The deposits pledged to the financial institution providing those letters of credit are the sole property of OES Finance. In the event of liquidation, OES Finance, as a separate corporate entity, would have to satisfy its obligations to creditors before any of its assets could be made available to OE as sole owner of OES Finance common stock.

Nuclear fuel is currently financed for CEI and TE through leases with a special-purpose corporation. As of December 31, 2000, $142 million of nuclear fuel was financed under a lease financing arrangement through $150 million of bank credit arrangements. The bank credit arrangements expire in August 2001. Lease rates are based on bank rates and commercial paper rates.

Consistent with the regulatory treatment, the rentals for capital and operating leases are charged to operating expenses on the Consolidated Statements of Income. Such costs for the three years ended December 31, 2000, are summarized as follows:

	2000	1999	1998
	(In millions)		
Operating leases			
Interest element	$202.4	$208.6	$201.2
Other	111.1	110.3	147.8
Capital leases			
Interest element	12.3	17.5	17.6
Other	64.2	76.1	66.3
Total rentals	$390.0	$412.5	$432.9

The future minimum lease payments as of December 31, 2000, are:

	Capital Leases	Operating Leases: Lease Payments	Operating Leases: Capital Trusts	Operating Leases: Net
	(In millions)			
2001	$ 74.3	$ 306.8	$ 146.0	$ 160.8
2002	50.1	317.9	169.5	148.4
2003	32.9	326.1	176.5	149.6
2004	19.6	291.3	110.7	180.6
2005	9.6	310.1	128.8	181.3
Years thereafter	17.7	3,321.2	1,235.6	2,085.6
Total minimum lease payments	204.2	$4,873.4	$1,967.1	$2,906.3
Executory costs	10.6			
Net minimum lease payments	193.6			
Interest portion	30.4			
Present value of net minimum lease payments	163.2			
Less current portion	52.0			
Noncurrent portion	$111.2			

OE invested in the PNBV Capital Trust, which was established to purchase a portion of the lease obligation bonds issued on behalf of lessors in OE's Perry Unit 1 and Beaver Valley Unit 2 sale and leaseback transactions. CEI and TE established the Shippingport Capital Trust to purchase the lease obligation bonds issued on behalf of lessors in their Bruce Mansfield Units 1, 2 and 3 sale and leaseback transactions. The PNBV and Shippingport capital trust arrangements effectively reduce lease costs related to those transactions.

4. Capitalization:

(A) Retained Earnings –

There are no restrictions on retained earnings for payment of cash dividends on the Company's common stock.

(B) Employee Stock Ownership Plan –

The Companies fund the matching contribution for their 401(k) savings plan through an ESOP Trust. All full-time employees eligible for participation in the 401(k) savings plan are covered by the ESOP. The ESOP borrowed $200 million from OE and acquired 10,654,114 shares of OE's common stock (subsequently converted to FirstEnergy common stock) through market purchases. Dividends on ESOP shares are used to service the debt. Shares are released from the ESOP on a pro rata basis as debt service payments are made. In 2000, 1999 and 1998, 826,873 shares, 627,427 shares and 423,206 shares, respectively, were allocated to employees with the corresponding expense recognized based on the shares allocated method. The fair value of 5,952,032 shares unallocated as of December 31, 2000, was approximately $187.8 million. Total ESOP-related compensation expense was calculated as follows:

	2000	1999	1998
		(In millions)	
Base compensation	$ 18.7	$ 18.3	$ 13.5
Dividends on common stock held by the ESOP and used to service debt	(6.4)	(4.5)	(3.9)
Net expense	$ 12.3	$ 13.8	$ 9.6

(C) Stock Compensation Plans –

On April 30, 1998, the Company adopted the Executive and Director Incentive Compensation Plan (FE Plan). The FE Plan permits awards to be made to key employees in the form of restricted stock, stock options, stock appreciation rights, performance shares or cash. Common stock granted under the FE Plan may not exceed 7.5 million shares. No stock appreciation rights or performance shares have been issued under the FE Plan. Restricted common stock shares were granted under the FE Plan in 1998, 1999 and 2000 for various vesting periods ranging from six months to eight years. The restricted common stock shares were purchased in the open market and have full voting and dividend rights. There were no exercise prices related to these shares. Restricted common stock grants were as follows:

	2000	1999	1998
Restricted common shares granted	208,400	8,000	20,000
Weighted average market price	$ 26.63	$ 30.89	$30.78
Weighted average vesting period	3.8	5.8	4.0
Dividends restricted	Yes	Yes	No

FE Plan options were granted in 1998, 1999 and 2000 and are exercisable after four years from the date of grant with some acceleration of vesting possible based on performance. Stock options, which were granted prior to 1998, expire on or before February 25, 2007. Stock option activity was as follows:

Stock Option Activity	Number of Options	Weighted Average Exercise Price
Balance at December 31, 1997	517,388	$ 24.59
(517,388 options exercisable)		
Options granted	189,491	29.82
Options exercised	335,058	24.67
Options forfeited	7,535	29.82
Balance at December 31, 1998	364,286	27.13
(182,330 options exercisable)		
Options granted	1,811,658	24.90
Options exercised	22,575	21.42
Balance at December 31, 1999	2,153,369	25.32
(159,755 options exercisable)		
Options granted	3,011,584	23.24
Options exercised	90,491	26.00
Options forfeited	52,600	22.20
Balance at December 31, 2000	5,021,862	24.09
(473,314 options exercisable)		

As of December 31, 2000, the weighted average remaining contractual life of outstanding stock options was 8.4 years.

Under the Executive Deferred Compensation Plan, adopted January 1, 1999, employees can direct a portion of their Annual Incentive Award and/or Long Term Incentive Award into an unfunded FirstEnergy Stock Account to receive vested stock units. An additional 20% premium is received in the form of stock units based on the amount allocated to the

FirstEnergy Stock Account. Dividends are calculated quarterly on stock units outstanding and are paid in the form of additional stock units. Upon withdrawal, stock units are converted to FirstEnergy shares. Payout occurs three years from the date of deferral. As of December 31, 2000, there were 123,787.48 stock units outstanding.

The Company continues to apply Accounting Principles Board Opinion 25, "Accounting for Stock Issued to Employees." As required by SFAS 123, "Accounting for Stock-Based Compensation," the Company has determined pro forma earnings as though the Company had accounted for employee stock options under the fair value method. The weighted average assumptions used in valuing the options and their resulting fair values are as follows:

	2000	1999	1998
Valuation assumptions:			
Expected option term (years)	7.6	6.4	10
Expected volatility	21.77%	20.03%	15.50%
Expected dividend yield	6.68%	5.97%	5.68%
Risk-free interest rate	5.28%	5.97%	5.65%
Fair value per option	$2.86	$3.42	$3.25

The following table summarizes the pro forma effect of applying fair value accounting to the Company's stock options.

	2000	1999	1998
Net Income (000)			
As Reported	$598,970	$568,299	$410,874
Pro Forma	$597,378	$567,876	$410,839
Earnings Per Share of Common Stock – Basic and Diluted			
As Reported	$2.69	$2.50	$1.82
Pro Forma	$2.69	$2.50	$1.81

(D) Preferred and Preference Stock –

Penn's 7.75% series of preferred stock has a restriction which prevents early redemption prior to July 2003. OE's 8.45% series of preferred stock has no optional redemption provision. CEI's $88.00 Series R preferred stock is not redeemable before December 2001 and its $90.00 Series S has no optional redemption provision. All other preferred stock may be redeemed by the Companies in whole, or in part, with 30-90 days' notice.

Preference stock authorized for the Companies are 8 million shares without par value for OE; 3 million shares without par value for CEI; and 5 million shares, $25 par value for TE. No preference shares are currently outstanding.

(E) Preferred Stock Subject to Mandatory Redemption –

Annual sinking fund provisions for the Companies' preferred stock are as follows:

	Series	Shares	Redemption Price Per Share	Date	Beginning
OE	8.45%	50,000	$ 100		(i)
CEI	$ 7.35C	10,000	100		(i)
	91.50Q	10,714	1,000		(i)
	90.00S	18,750	1,000		(i)
	88.00R	50,000	1,000	December 1	2001
Penn	7.625%	7,500	100	October 1	2002

(i) Sinking fund provisions are in effect.

Annual sinking fund requirements for the next five years are $85 million in 2001, $19 million in 2002 and $2 million in each year 2003-2005.

(F) Ohio Edison Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trust Holding Solely Ohio Edison Subordinated Debentures –

Ohio Edison Financing Trust, a wholly owned subsidiary of OE, has issued $120 million of 9% Cumulative Trust Preferred Capital Securities. OE purchased all of the Trust's Common Securities and simultaneously issued to the Trust $123.7 million principal amount of 9% Junior Subordinated Debentures due 2025 in exchange for the proceeds that the Trust received from its sale of Preferred and Common Securities. The sole assets of the Trust are the Subordinated Debentures whose interest and other payment dates coincide with the distribution and other payment dates on the Trust Securities. Under certain circumstances, the Subordinated Debentures could be distributed to the holders of the outstanding Trust Securities in the event the Trust is liquidated. The Subordinated Debentures may be optionally redeemed by OE at a redemption price of $25 per Subordinated Debenture plus accrued interest, in which event the Trust Securities will be redeemed on a pro rata basis at $25 per share plus accumulated distributions. OE's obligations under the Subordinated Debentures along with the related Indenture, amended and restated Trust Agreement, Guarantee Agreement and the Agreement for expenses and liabilities, constitute a full and unconditional guarantee by OE of payments due on the Preferred Securities.

(G) Long-Term Debt –

The first mortgage indentures and their supplements, which secure all of the Companies' first mortgage bonds, serve as direct first mortgage liens on substantially all property and franchises, other than specifically excepted property, owned by the Companies.

Based on the amount of bonds authenticated by the Trustees through December 31, 2000, OE's, TE's and Penn's annual sinking and improvement fund requirements for all bonds issued under the mortgage amounts to $31.4 million. OE, TE and Penn expect to deposit funds in 2001 that will be withdrawn upon the surrender for cancellation of a like principal amount of bonds, which are specifically authenticated for such purposes against unfunded property additions or against previously retired bonds. This method can result in minor increases in the amount of the annual sinking fund requirement.

Sinking fund requirements for first mortgage bonds and maturing long-term debt (excluding capital leases) for the next five years are:

	(In millions)
2001	$399.0
2002	945.0
2003	460.1
2004	833.9
2005	436.3

The Companies' obligations to repay certain pollution control revenue bonds are secured by several series of first mortgage bonds. Certain pollution control revenue bonds are entitled to the benefit of irrevocable bank letters of credit of $341.2 million and noncancelable municipal bond insurance policies of $280 million to pay principal of, or interest on, the pollution control revenue bonds. To the extent that drawings are made under the letters of credit, the Companies are entitled to a credit against their obligation to repay those bonds. The Companies pay annual fees of 0.60% to 1.375% of the amounts of the letters of credit to the issuing banks and are obligated to reimburse the banks for any drawings thereunder.

OE had unsecured borrowings of $100 million as of December 31, 2000, supported by a $250 million long-term revolving credit facility agreement which expires November 18, 2002. OE must pay an annual facility fee of 0.20% on the total credit facility amount. In addition, the credit agreement provides that OE maintain unused first mortgage bond capability for the full credit agreement amount under OE's indenture as potential security for the unsecured borrowings.

CEI and TE have letters of credit of approximately $222 million in connection with the sale and leaseback of Beaver Valley Unit 2 that expire in May 2002. The letters of credit are secured by first mortgage bonds of CEI and TE in the proportion of 40% and 60%, respectively (see Note 3).

OE's and Penn's nuclear fuel purchases are financed through the issuance of OES Fuel commercial paper and loans, both of which are supported by a $180.5 million long-term bank credit agreement which expires March 31, 2001. The Company intends to extend the credit agreement through March 31, 2002. Accordingly, a portion of the commercial paper and loans is reflected as long-term debt on the Consolidated Balance Sheets. OES Fuel must pay an annual facility fee of 0.20% on the total line of credit and an annual commitment fee of 0.0625% on any unused amount.

(H) **Comprehensive Income –**
Comprehensive income includes net income as reported on the Consolidated Statements of Income and all other changes in common stockholders' equity except those resulting from transactions with common stockholders. As of December 31, 2000, accumulated other comprehensive income (loss) consisted of a minimum liability for unfunded retirement benefits of $(329,000) and an unrealized gain on investment of securities available for sale of $922,000.

5. Short-Term Borrowings and Bank Lines of Credit:

Short-term borrowings outstanding as of December 31, 2000, consisted of $539.8 million of bank borrowings and $159.9 million of OES Capital, Incorporated (OES Capital) commercial paper. OES Capital is a wholly owned subsidiary of OE whose borrowings are secured by customer accounts receivable. OES Capital can borrow up to $170 million under a receivables financing agreement at rates based on certain bank commercial paper and is required to pay an annual fee of 0.20% on the amount of the entire finance limit. The receivables financing agreement expires in 2002.

The Companies have various credit facilities with domestic banks that provide for borrowings of up to $505 million under various interest rate options. OE's short-term borrowings may be made under its lines of credit on its unsecured notes. To assure the availability of these lines, the Companies are required to pay annual commitment fees that vary from 0.15% to 0.375%. These lines expire at various times during 2001. The weighted average interest rates on short-term borrowings outstanding as of December 31, 2000 and 1999, were 7.92% and 6.51%, respectively.

6. Commitments and Contingencies:

Capital Expenditures –

The Company's current forecast reflects expenditures of approximately $3.0 billion for property additions and improvements from 2001-2005, of which approximately $683 million is applicable to 2001. Investments for additional nuclear fuel during the 2001-2005 period are estimated to be approximately $380 million, of which approximately $54 million applies to 2001. During the same periods, the Companies' nuclear fuel investments are expected to be reduced by approximately $460 million and $100 million, respectively, as the nuclear fuel is consumed.

Stock Repurchase Program –

On November 17, 1998, the Board of Directors authorized the repurchase of up to 15 million shares of the Company's common stock over a three-year period beginning in 1999. Repurchases are made on the open market, at prevailing prices, and are funded primarily through the use of operating cash flows. During 2000 and 1999, the Company repurchased and retired 7.9 million shares (average price of $24.51 per share) and 4.6 million shares (average price of $28.08 per share), respectively.

Nuclear Insurance –

The Price-Anderson Act limits the public liability relative to a single incident at a nuclear power plant to $9.5 billion. The amount is covered by a combination of private insurance and an industry retrospective rating plan. The Companies' maximum potential assessment under the industry retrospective rating plan would be $352.4 million per incident but not more than $40 million in any one year for each incident.

The Companies are also insured under policies for each nuclear plant. Under these policies, up to $2.75 billion is provided for property damage and decontamination and decommissioning costs. The Companies have also obtained approximately $789 million of insurance coverage for replacement power costs. Under these policies, the Companies can be assessed a maximum of approximately $38 million for incidents at any covered nuclear facility occurring during a policy year which are in excess of accumulated funds available to the insurer for paying losses.

The Companies intend to maintain insurance against nuclear risks as described above as long as it is available. To the extent that replacement power, property damage, decontamination, decommissioning, repair and replacement costs and other such costs arising from a nuclear incident at any of the Companies' plants exceed the policy limits of the insurance in effect with respect to that plant, to the extent a nuclear incident is determined not to be covered by the Companies' insurance policies, or to the extent such insurance becomes unavailable in the future, the Companies would remain at risk for such costs.

Environmental Matters –

Various federal, state and local authorities regulate the Companies with regard to air and water quality and other environmental matters. The Companies estimate additional capital expenditures for environmental compliance of approximately $201 million, which is included in the construction forecast provided under "Capital Expenditures" for 2001 through 2005.

The Companies are required to meet federally approved sulfur dioxide (SO_2) regulations. Violations of such regulations can result in shutdown of the generating unit involved and/or civil or criminal penalties of up to $27,500 for each day the unit is in violation. The Environmental Protection Agency (EPA) has an interim enforcement policy for SO_2 regulations in Ohio that allows for compliance based on a 30-day averaging period. The Companies cannot predict what action the EPA may take in the future with respect to the interim enforcement policy.

The Companies are in compliance with the current SO_2 and nitrogen oxides (NOx) reduction requirements under the Clean Air Act Amendments of 1990. SO_2 reductions are being achieved by burning lower-sulfur fuel, generating more electricity from lower-emitting plants, and/or using emission allowances. NOx reductions are being achieved through combustion controls and the generation of more electricity at lower-emitting plants. In September 1998, the EPA finalized regulations requiring additional NOx reductions from the Companies' Ohio and Pennsylvania facilities. The EPA's NOx Transport Rule imposes uniform reductions of NOx emissions (an approximate 85% reduction in utility plant NOx emissions from projected 2007 emissions) across a region of twenty-two states and the District of Columbia, including Ohio and Pennsylvania, based on a conclusion that such NOx emissions are contributing significantly to ozone pollution in the eastern United States. In March 2000, the U.S. Court of Appeals for the D.C. Circuit upheld EPA's NOx Transport Rule except as applied to the State of Wisconsin and portions of Georgia and Missouri. By October 2000, states were

to submit revised State Implementation Plans (SIP) to comply by May 31, 2004 with individual state NOx budgets established by the EPA. Pennsylvania recently submitted a SIP that requires compliance with the NOx budgets at the Companies' Pennsylvania facilities by May 1, 2003 and Ohio submitted a "draft" SIP that requires compliance with the NOx budgets at the Companies' Ohio facilities by May 31, 2004. A Federal Implementation Plan accompanied the NOx Transport Rule and may be implemented by the EPA in states which fail to revise their SIP. In another separate but related action, eight states filed petitions with the EPA under Section 126 of the Clean Air Act seeking reductions of NOx emissions which are alleged to contribute to ozone pollution in the eight petitioning states. The EPA position is that the Section 126 petitions will be adequately addressed by the NOx Transport Program, but a December 17, 1999 rulemaking established an alternative program which would require nearly identical 85% NOx reductions at 392 utility plants, including the Companies' Ohio and Pennsylvania plants, by May 2003, in the event implementation of the NOx Transport Rule is not implemented by a state. Additional Section 126 petitions were filed by New Jersey, Maryland, Delaware and the District of Columbia in mid-1999 and are still under evaluation by the EPA. The Companies continue to evaluate their compliance plans and other compliance options.

In July 1997, the EPA promulgated changes in the National Ambient Air Quality Standard (NAAQS) for ozone emissions and proposed a new NAAQS for previously unregulated ultra-fine particulate matter. In May 1999, the U.S. Court of Appeals found constitutional and other defects in the new NAAQS rules. In February 2001, the U.S. Supreme Court upheld the new NAAQS rules regulating ultra-fine particulates but found defects in the new NAAQS rules for ozone and decided that the EPA must revise those rules. The future cost of compliance with these regulations may be substantial and will depend on the manner in which they are ultimately implemented, if at all, by the states in which the Companies operate affected facilities.

In 1999 and 2000, the EPA issued Notices of Violation (NOV) or a Compliance Order to nine utilities covering 44 power plants, including the W. H. Sammis Plant. In addition, the U.S. Department of Justice filed eight civil complaints against various investor-owned utilities, which included a complaint against OE and Penn in the U.S. District Court for the Southern District of Ohio. The NOV and complaint allege violations of the Clean Air Act based on operation and maintenance of the Sammis Plant dating back to 1984. The complaint requests permanent injunctive relief to require the installation of "best available control technology" and civil penalties of up to $27,500 per day of violation. Although unable to predict the outcome of these proceedings, the Company believes the Sammis Plant is in full compliance with the Clean Air Act and the NOV and complaint are without merit. Penalties could be imposed if the Sammis Plant continues to operate without correcting the alleged violations and a court determines that the allegations are valid. The Sammis Plant continues to operate while these proceedings are pending.

In December 2000, the EPA announced it would proceed with the development of regulations regarding hazardous air pollutants from electric power plants. The EPA identified mercury as the hazardous air pollutant of greatest concern. The EPA established a schedule to propose regulations by December 2003 and issue final regulations by December 2004. The future cost of compliance with these regulations may be substantial.

As a result of the Resource Conservation and Recovery Act of 1976, as amended, and the Toxic Substances Control Act of 1976, federal and state hazardous waste regulations have been promulgated. Certain fossil-fuel combustion waste products, such as coal ash, were exempted from hazardous waste disposal requirements pending the EPA's evaluation of the need for future regulation. The EPA has issued its final regulatory determination that regulation of coal ash as a hazardous waste is unnecessary. On April 25, 2000, the EPA announced that it will develop national standards regulating disposal of coal ash under its authority to regulate nonhazardous waste.

CEI and TE have been named as "potentially responsible parties" (PRPs) at waste disposal sites which may require cleanup under the Comprehensive Environmental Response, Compensation and Liability Act of 1980. Allegations of disposal of hazardous substances at historical sites and the liability involved, are often unsubstantiated and subject to dispute. Federal law provides that all PRPs for a particular site be held liable on a joint and several basis. CEI and TE have accrued liabilities totaling $3.7 million as of December 31, 2000, based on estimates of the total costs of cleanup, the proportionate responsibility of other PRPs for such costs and the financial ability of other PRPs to pay. CEI and TE believe that waste disposal costs will not have a material adverse effect on their financial condition, cash flows or results of operations.

7. Segment Information:

The Company operates under the following reportable segments: regulated services, competitive services and other (primarily corporate support services). The Company's primary segment is its regulated services, which include five electric utility operating companies that formerly provided bundled electric service in Ohio and Pennsylvania. Its other material business segment consisted of the subsidiaries that operate unregulated businesses. During 2000, the Company made certain organizational changes to further align its business units to accommodate its retail strategy and the impact of its plan to move the generation portion of its electricity services from the regulated segment to the competitive segment as reflected in its approved Ohio transition plan. These reportable segments are strategic businesses, which are managed and operated differently based on the degree of regulation, and the products and services offered.

The regulated services segment designs, constructs, operates and maintains our regulated transmission and distribution systems. It also provides generation services to regulated franchise customers who have not chosen an alternative, competitive generation supplier. The regulated services segment obtains generation through power supply agreements with the competitive services segment.

The competitive services segment includes all unregulated energy and energy-related services including commodity sales (both electricity and natural gas) in the retail and wholesale markets, marketing, generation, trading and sourcing of commodity requirements, as well as other competitive energy application services. Competitive products are increasingly marketed to customers as bundled services.

SEGMENT FINANCIAL INFORMATION

	Regulated Services	Competitive Services	Other	Reconciling Adjustments	Consolidated
			(In millions)		
2000					
External revenues	$ 4,747	$2,020	$ 8	$ 254 (A)	$ 7,029
Intersegment revenues	28	1,827	303'	(2,158) (B)	–
Total revenues	4,775	3,847	311	(1,904)	7,029
Depreciation and amortization	790	194	13	(63) (C)	934
Income taxes	561	68	1	(253) (D)	377
Net operating profit after taxes	916	128	3	(448) (E)	599
Total assets	15,688	1,933	320	–	17,941
1999					
External revenues	$ 4,723	$1,218	$ 16	$ 363 (A)	$ 6,320
Intersegment revenues	55	1,301	181	(1,537) (B)	–
Total revenues	4,778	2,519	197	(1,174)	6,320
Depreciation and amortization	789	170	9	(30) (C)	938
Income taxes	574	75	(32)	(222) (D)	395
Net operating profit after taxes	977	126	(61)	(474) (E)	568
Total assets	15,931	1,514	779	–	18,224
1998					
External revenues	$ 4,802	$ 934	$ 8	$ 131 (A)	$ 5,875
Intersegment revenues	–	2,806	144	(2,950) (B)	–
Total revenues	4,802	3,740	152	(2,819)	5,875
Depreciation and amortization	784	8	5	(38) (C)	759
Income taxes	822	(40)	(22)	(456) (D)	304
Net operating profit after taxes	893	(59)	(43)	(350) (E)	441
Total assets	15,918	1,558	716	–	18,192

Reconciling adjustments to segment operating results from internal management reporting to consolidated external financial reporting:

(A) Principally interest income and revenues related to gross receipts taxes which are excluded for internal management reporting purposes.

(B) Elimination of intersegment revenues.

(C) Reclassification for amortization of tax regulatory assets included in income taxes for external financial reporting; reduction for depreciation expense recognized for internal management reporting for assets subject to sale and leaseback transactions (see Note 3); and recognition of goodwill amortization which is excluded for internal management reporting.

(D) Income tax effects of the differences described above and the tax benefit of interest expense not otherwise included in the computation of net operating profit after taxes.

(E) The net effect from the differences described above and the recognition of interest costs not included in net operating profit after taxes for internal management reporting purposes.

PRODUCTS AND SERVICES

Year	Electricity Sales	Oil & Gas Sales and Production	Energy Related Sales and Services
		(In millions)	
2000	$ 5,537	$ 582	$ 563
1999	5,253	203	503
1998	4,980	26	198

8. Summary of Quarterly Financial Data (Unaudited):

The following summarizes certain consolidated operating results by quarter for 2000 and 1999.

Three Months Ended	March 31, 2000	June 30, 2000	September 30, 2000	December 31, 2000
	(In millions, except per share amounts)			
Revenues	$1,607.9	$1,702.1	$1,891.7	$1,827.3
Expenses	1,234.1	1,338.0	1,433.1	1,518.9
Income Before Interest and Income Taxes	373.8	364.1	458.6	308.4
Net Interest Charges	135.0	134.4	131.2	128.5
Income Taxes	97.9	95.1	129.2	54.6
Net Income	$ 140.9	$ 134.6	$ 198.2	$ 125.3
Earnings per Share of Common Stock	$.63	$.60	$.89	$.57

Three Months Ended	March 31, 1999	June 30, 1999	September 30, 1999	December 31, 1999
	(In millions, except per share amounts)			
Revenues	$1,417.4	$1,523.9	$1,732.4	$1,645.9
Expenses	1,041.7	1,149.8	1,291.0	1,301.7
Income Before Interest and Income Taxes	375.7	374.1	441.4	344.2
Net Interest Charges	146.1	147.4	141.3	137.5
Income Taxes	92.9	101.4	114.3	86.2
Net Income	$ 136.7	$ 125.3	$ 185.8	$ 120.5
Earnings per Share of Common Stock	$.60	$.55	$.82	$.53

CONSOLIDATED FINANCIAL AND PRO FORMA COMBINED OPERATING STATISTICS (UNAUDITED)

	2000	1999	1998	1997	1996	1995	1990
GENERAL FINANCIAL INFORMATION							
(Dollars in thousands)							
Revenues	**$ 7,028,961**	$ 6,319,647	$ 5,874,906	$ 2,961,125	$ 2,521,788	$ 2,500,770	$ 2,252,527
Net Income	**$ 598,970**	$ 568,299	$ 410,874	$ 305,774	$ 302,673	$ 294,747	$ 254,048
SEC Ratio of Earnings to Fixed Charges	**2.10**	2.01	1.77	2.18	2.38	2.32	1.97
Net Property, Plant and Equipment	**$ 7,575,076**	$ 9,093,341	$ 9,242,574	$ 9,635,992	$ 5,534,382	$ 5,788,436	$ 6,055,441
Capital Expenditures	**$ 568,711**	$ 474,118	$ 305,577	$ 188,145	$ 145,005	$ 196,041	$ 270,993
Total Capitalization	**$11,204,674**	$11,469,795	$11,756,422	$12,124,492	$ 5,582,989	$ 5,565,997	$ 6,067,469
Capitalization Ratios:							
Common Stockholders' Equity	**41.5%**	39.8%	37.9%	34.3%	44.8%	43.3%	41.9%
Preferred and Preference Stock:							
Not Subject to Mandatory Redemption	**5.8**	5.7	5.6	5.5	3.8	3.8	5.9
Subject to Mandatory Redemption	**1.4**	2.2	2.5	2.7	2.8	2.9	1.0
Long-Term Debt	**51.3**	52.3	54.0	57.5	48.6	50.0	51.2
Total Capitalization	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Capital Costs:							
Preferred and Preference Stock	**7.92%**	7.99%	8.01%	8.02%	7.59%	7.59%	8.59%
Long-Term Debt	**7.84%**	7.65%	7.83%	8.02%	7.76%	8.00%	9.28%
COMMON STOCK DATA *(a)*							
Earnings per Share	**$2.69**	$2.50	$1.95	$1.94	$2.10	$2.05	$1.67
Return on Average Common Equity	**13.0%**	12.7%	10.3%	11.0%	12.4%	12.5%	9.9%
Dividends Paid per Share	**$1.50**	$1.50	$1.50	$1.50	$1.50	$1.50	$1.73
Dividend Payout Ratio	**56%**	60%	77%	77%	71%	73%	104%
Dividend Yield	**4.8%**	6.6%	4.6%	5.2%	6.6%	6.4%	8.8%
Price/Earnings Ratio	**11.7**	9.1	16.7	14.9	10.8	11.5	10.3
Book Value per Share	**$21.29**	$20.22	$19.37	$18.71	$17.35	$16.73	$ 16.68
Market Price per Share	**$31.56**	$22.69	$32.56	$29.00	$22.75	$23.50	$17.125
Ratio of Market Price to Book Value	**148%**	112%	168%	155%	131%	140%	103%
OPERATING STATISTICS *(b)*							
Kilowatt-Hour Sales (Millions):							
Residential	**16,686**	16,898	15,873	15,562	15,807	15,773	14,193
Commercial	**22,359**	18,049	16,255	15,868	14,944	14,845	13,218
Industrial	**25,630**	24,624	24,039	24,062	23,367	22,681	22,040
Other	**364**	370	378	372	1,158	1,196	1,103
Total Retail	**65,039**	59,941	56,545	55,864	55,276	54,495	50,554
Total Wholesale	**7,661**	7,135	5,557	7,870	9,670	9,295	6,754
Total Sales	**72,700**	67,076	62,102	63,734	64,946	63,790	57,308
Customers Served:							
Residential	**1,963,462**	1,951,928	1,938,259	1,929,371	1,912,850	1,907,850	1,846,991
Commercial	**234,569**	219,761	214,698	215,307	212,092	210,745	197,819
Industrial	**11,491**	11,667	11,888	12,918	12,974	12,763	12,804
Other	**2,530**	2,177	2,067	2,040	3,913	3,869	4,195
Total	**2,212,052**	2,185,533	2,166,912	2,159,636	2,141,829	2,135,227	2,061,809
Number of Employees	**13,830**	13,461	11,918	10,020	10,477	11,633	15,309

(a) Before extraordinary charge in 1998.
(b) Years prior to 1998 reflect pro forma combined Ohio Edison and Centerior statistics.

Shareholder Information

Investor Services, Transfer Agent and Registrar

We act as our own transfer agent and registrar for all stock issues of FirstEnergy and its subsidiaries. Shareholders wanting to transfer stock, or who need assistance or information, can send their stock or write to Investor Services, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890. Shareholders also can call the following toll-free telephone number, which is valid in the United States, Canada, Puerto Rico and the Virgin Islands, weekdays between 8 a.m. and 4:30 p.m., Eastern time: 1-800-736-3402. For Internet access to general shareholder information and useful forms, visit our Internet site at *www.firstenergycorp.com/ir.*

Stock Listings and Trading

Newspapers generally report FirstEnergy common stock under the abbreviation FSTENGY, but this can vary depending upon the newspaper. The common stock of FirstEnergy and preferred stock of its electric utility subsidiaries are listed on the following stock exchanges:

Company	Stock Exchange	Symbol
FirstEnergy	New York	FE
The Illuminating Company	New York, OTC	CVX
Ohio Edison	New York	OEC
Pennsylvania Power	Philadelphia	PPC
Toledo Edison	New York, OTC, American	TED

Dividends

Proposed dates for the payment of FirstEnergy common stock dividends in 2001 are:

Ex-Dividend Date	Record Date	Payment Date
February 5	February 7	March 1
May 3	May 7	June 1
August 3	August 7	September 1
November 5	November 7	December 1

Direct Dividend Deposit

Shareholders can have their dividend payments automatically deposited to checking and savings accounts at any financial institution that accepts electronic direct deposits. Use of this free service ensures that payments will be available to you on the payment date, eliminating the possibility of mail delay or lost checks.

Stock Investment Plan

Shareholders and others can purchase or sell shares of FirstEnergy common stock through the Company's Stock Investment Plan. Investors who are not registered shareholders can enroll with an initial cash investment of $250. Participants may invest all or some of their dividends or make optional cash payments at any time of at least $25 per payment up to $100,000 annually.

Safekeeping of Shares

Shareholders can request that the Company hold their shares of FirstEnergy common stock in safekeeping. To take advantage of this service, shareholders should forward their stock certificate(s) to the Company along with a signed letter requesting that the Company hold the shares. They should also state whether future dividends for these shares are to be reinvested or paid in cash. The certificate(s) should not be endorsed, and registered mail is suggested. The shares will be held in uncertificated form and we will make certificate(s) available to shareholders upon request at no cost. Shares held in safekeeping will be reported on dividend checks or Stock Investment Plan statements.

Combining Stock Accounts

If you have more than one stock account and want to combine them, please write or call Investor Services and specify the account that you want to retain as well as the registration of each of your accounts.

Duplicate Mailings of the Annual Report

If you hold stock in more than one registration and do not wish to combine accounts, you can eliminate duplicate mailings of our annual report by informing us when voting your shares for the Annual Meeting of Shareholders. You also can send a written request to Investor Services, including the exact registration of the account for which you want the mailing discontinued.

Form 10-K Annual Report

Form 10-K, the Annual Report to the Securities and Exchange Commission, will be sent without charge by writing to Nancy C. Ashcom, Corporate Secretary, FirstEnergy Corp., 76 South Main Street, Akron, Ohio 44308-1890.

Institutional Investor and Security Analyst Inquiries

Institutional investors and security analysts should direct inquiries to: Kurt E. Turosky, Manager, Investor Relations, 1-330-384-5500.

Annual Meeting of Shareholders

Shareholders are invited to attend the 2001 Annual Meeting of Shareholders on Tuesday, May 15, at 10 a.m., at the John S. Knight Center in Akron, Ohio. Registered holders of common stock not attending the meeting can appoint a proxy and vote on the items of business by telephone, Internet or mail. Shareholders whose shares are held in the name of a broker can attend the meeting if they present a letter from their broker indicating ownership of FirstEnergy common stock on the record date of March 21, 2001.

FirstEnergy
76 South Main Street, Akron, Ohio 44308-1890
www.firstenergycorp.com

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