FENOC

FirstEnergy Nuclear Operating Company

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April 20, 2000
PY-CEI/NRR-2485L (Perry)
Serial Number-2656 (Davis-Besse)

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

Annual Financial Reports and Certified Financial Statements for the Perry Nuclear Power Plant (Docket Number 50-440) and the Davis-Besse Nuclear Power Station (Docket Number 50-346)

Ladies and Gentlemen:

FirstEnergy Corp. is the parent company for the FirstEnergy Nuclear Operating Company, which operates the Perry Nuclear Power Plant and the Davis-Besse Nuclear Power Station. In accordance with 10CFR50.71(b), FirstEnergy Corp. hereby submits the annual financial reports, including the certified financial statements for the two 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, 1999.

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

Very truly yours,

Robert F Saunders

pmj
Enclosures

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

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1999
ANNUAL REPORT

TAKING ON THE COMPETITION

FirstEnergy®

Corporate
PROFILE

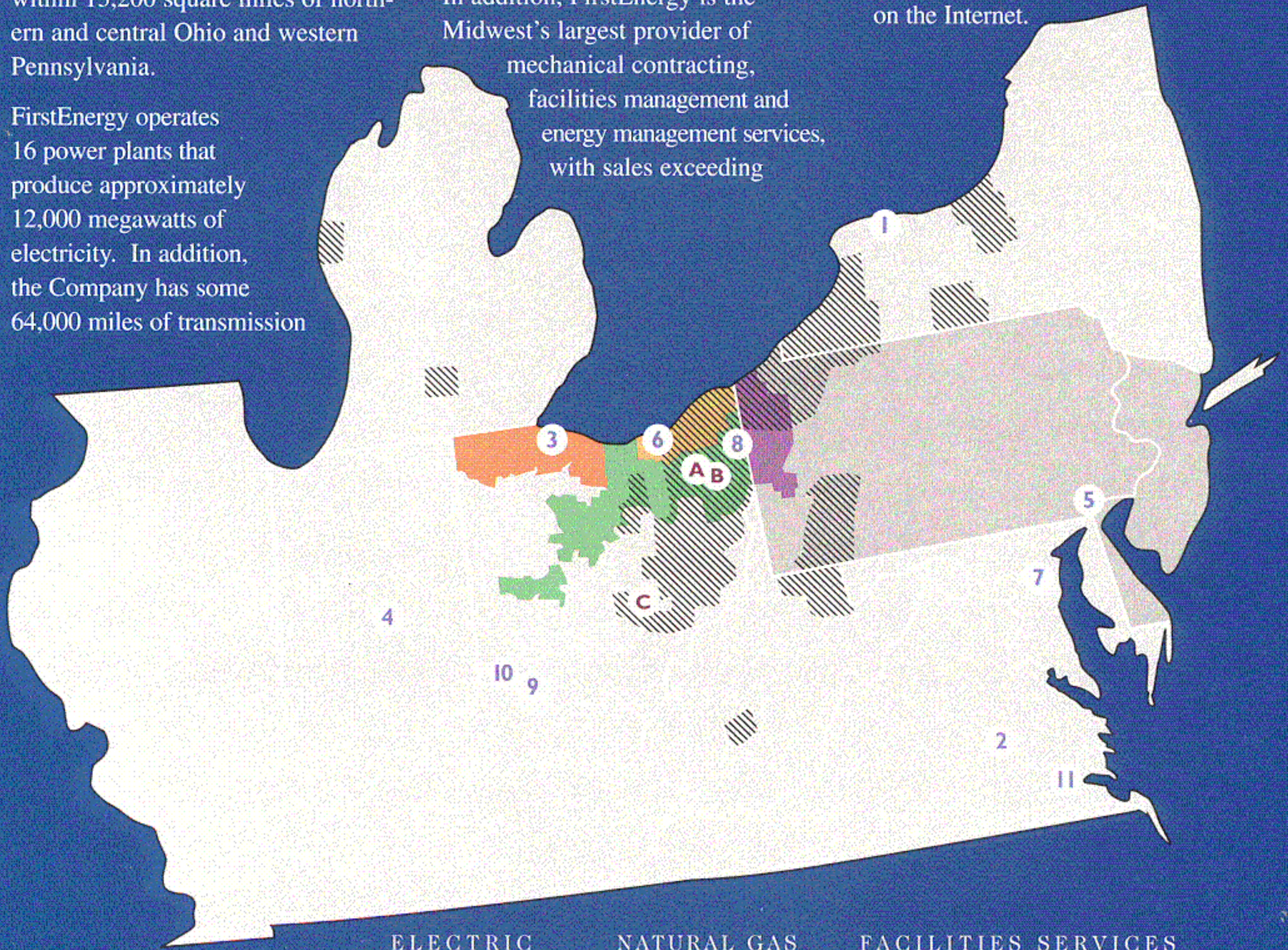
FirstEnergy Corp. is a diversified energy services holding company headquartered in Akron, Ohio. Its electric utility operating companies – Ohio Edison Company, Pennsylvania Power Company, The Illuminating Company and Toledo Edison Company – comprise the nation's 10th largest investor-owned electric system, serving 2.2 million customers within 13,200 square miles of northern and central Ohio and western Pennsylvania.

FirstEnergy operates 16 power plants that produce approximately 12,000 megawatts of electricity. In addition, the Company has some 64,000 miles of transmission and distribution lines, and 37 interconnections with 6 electric systems.

FirstEnergy also provides natural gas service to approximately 50,000 customers and is involved in the exploration and production of oil and natural gas, and the transmission and marketing of natural gas.

In addition, FirstEnergy is the Midwest's largest provider of mechanical contracting, facilities management and energy management services, with sales exceeding $500 million annually. Our 11 Facilities Services Group companies provide a wide range of services, including heating, ventilating, air conditioning, refrigeration, process piping, plumbing and electrical and facility control systems.

Additional information about FirstEnergy is available at *www.firstenergycorp.com* on the Internet.



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*

NATURAL GAS AND OIL OPERATIONS

- A FirstEnergy Trading Services, Inc., *Akron, OH*
- B Great Lakes Energy Partners, L.L.C., *Hartville, OH*
- C MARBEL Energy Corporation, *Lancaster, OH*
- 980,000 acres where we have drilling rights
- Deregulated states where we are selling electricity – *Delaware, New Jersey, Pennsylvania*

FACILITIES SERVICES GROUP COMPANIES

1. Ancoma, Inc., *Rochester, NY*
2. Colonial Mechanical Corporation, *Richmond, VA*
3. Dunbar Mechanical, Inc., *Toledo, OH*
4. Edwards Electrical & Mechanical, Inc., *Indianapolis, IN*
5. Elliott-Lewis Corporation, *Philadelphia, PA*
6. The Hattenbach Company, *Cleveland, OH*
7. L. H. Cranston and Sons, Inc., *Timonium, MD*
8. Roth Bros., Inc., *Youngstown, OH*
9. R.P.C. Mechanical, Inc., *Cincinnati, OH*
10. Spectrum Control Systems, Inc., *Cincinnati, OH*
11. Webb Technologies, Inc., *Norfolk, VA*

***Cover:** FirstEnergy is adding thousands of new customers – including the Statue of Liberty – in deregulated energy markets.*

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Financial
HIGHLIGHTS

STRATEGIC VISION

FirstEnergy will be the leading regional retail energy and related services supplier; the preferred choice for total customer solutions; the shareholder's 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

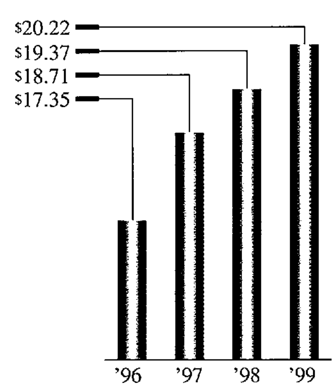
To achieve our vision we will:

- 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

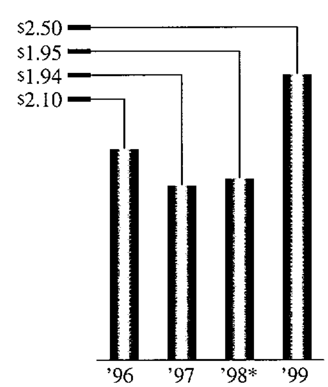
	1999	1998
(Dollars in thousands, except per share amounts)		
Total revenues	**$6,319,647**	$5,874,906
Income before extraordinary charge	**$568,299**	$441,396
Earnings per common share:		
Before extraordinary charge	**$2.50**	$1.95
After extraordinary charge	**$2.50**	$1.82
Return on average common equity*	**12.7%**	10.3%
Dividends per common share	**$1.50**	$1.50
Book value per common share	**$20.22**	$19.37
Common equity to total capitalization	**39.8%**	37.9%
Cash provided by operating activities	**$1,488,306**	$1,155,325

*Before extraordinary charge in 1998

Book Value Per Share



Earnings Per Share



*Before extraordinary charge

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A Message to SHAREHOLDERS

We're taking on the competition. With the nation's tenth largest investor-owned electric system, expanding natural gas resources and the Midwest's largest provider of facilities services, FirstEnergy is achieving its vision of becoming the region's premier retail energy and related services supplier.

In 1999, we entered deregulated electricity markets in Pennsylvania, New Jersey and Delaware, where we're adding thousands of new customers, including more than 800 federal facilities, such as the Statue of Liberty. We're expanding our natural gas operations, with 44,000 new customers added last year, and are continuing to grow our Facilities Services Group, which provides mechanical contracting, facilities management, and energy management services to customers nationwide.

By the end of 2000, we expect to produce approximately $1.5 billion in annual revenues from these unregulated activities. At the same time, we're sharpening our skills to retain and expand our customer base in Ohio, where all consumers can select their electricity supplier beginning January 1, 2001, and in other states as opportunities arise.

DELIVERING STRONGER EARNINGS PERFORMANCE

Growth in retail sales, lower purchased power costs and continued savings from our debt-reduction and refinancing activities contributed to stronger earnings performance in 1999.

We earned $568.3 million, or $2.50 per share of common stock for the year, a 38-percent increase from 1998 net income of $410.9 million, or $1.82 per share. Earnings in 1998 included a one-time charge of 13 cents per share that resulted from the deregulation of Pennsylvania's electric generation business.

The increase in earnings reflects our seventh consecutive year of growth in regulated retail kilowatt-hour sales. Residential sales increased 6.7 percent, commercial sales rose 3.9 percent, and sales to industrial customers were up 3.4 percent. Total regulated and unregulated electric sales increased 8.9 percent, reflecting a 28.4 percent rise in power sales to other utilities and new sales in deregulated energy markets.

Improved operations and cost-control efforts also contributed to higher earnings. We reduced purchased power costs by nearly $126 million, mainly due to the increased availability of our generating units. We also redeemed or refinanced $888 million in securities, which will produce about $50 million in annual savings. In addition, we repurchased approximately six million shares of our outstanding common stock. We intend to purchase up to 15 million shares by the end of 2001 to improve our long-term financial performance.

We're also strengthening our performance by setting goals and planning our operations in terms of their potential for creating value. To assess the true value of investments and changes in operating activities, we use Shareholder Value Added (SVA) – a measurement of net profit after taxes and the cost of capital. Last year, SVA improved by $166 million compared with 1998 results.

Despite these achievements, higher interest rates and uncertainty about the impact that competition will have on our industry have depressed the value of our common stock, and the stock of electric utilities nationwide. We can't predict future market performance. However, we believe a favorable resolution of competitive issues in Ohio will have a positive effect on our common stock.

PREPARING FOR COMPETITION IN OHIO

While Ohio's new electric utility restructuring law gives consumers the opportunity to choose their electricity supplier, it also gives us the opportunity to continue recovering costs we had expected to recover in future years under the current regulatory structure.

We've filed for recovery of $6.97 billion, which includes credits to customers for such items as deferred income taxes, in our proposed transition plan submitted to the Public Utilities Commission of Ohio (PUCO). The 11,000-page filing is the first step in a complex process that will determine unbundled prices for the services we provide; how we will separate our regulated and unregulated businesses; and rules for how we and other suppliers will operate in a competitive environment.

We believe our rationale for recovery of transition costs is solid. The PUCO is expected to reach a decision on our plan this summer.

ACHIEVING OUR VISION

For nearly a decade, we've been taking the necessary steps to prepare for competition, most notably the 1997 merger of Ohio Edison and Centerior Energy that formed FirstEnergy.

Since then, we've transformed FirstEnergy from an electric utility holding company into a diversified energy services enterprise equipped to meet all of our customers' energy needs.

Key operational milestones in our core electric business are contributing to our progress. For instance, last year we gained exclusive ownership and operational control of the 1,630-megawatt Beaver Valley Power Station and nine generating units that we had jointly owned with other electric utility companies.

We're aggressively working to bring Beaver Valley's performance in line with that of our other nuclear plants – Perry and Davis-Besse – which are among the world's top performers.

Our employees' ongoing commitment to operational excellence resulted in another year of impressive performance in productivity, safety and customer service. The reliable operation of our generating units significantly reduced our need to purchase costly power during periods of peak customer demand and enabled us to make highly profitable electricity sales on the wholesale market.

We did so while keeping employee safety a top priority. Operations employees at Davis-Besse marked their twentieth year without a lost-time accident. In addition, our ongoing emphasis on safety helped us achieve a 34-percent improvement in a key Occupational Safety and Health Administration measurement. That puts our safety record on track to rank among the top utility companies in the Edison Electric Institute's annual safety survey that will be released later this year.

Significant accomplishments weren't limited to our core electric business.

We now serve approximately 50,000 natural gas customers in the Midwest following our acquisitions of Atlas Gas Marketing, Inc., located near Pittsburgh, Pennsylvania; Volunteer Energy, L.L.C., of Columbus, Ohio; and Belden Energy Services Company of North Canton, Ohio.

We greatly expanded our natural gas resources by combining our properties and pipelines in the Appalachian Basin with Range Resources Corporation's Appalachian properties through a new joint venture called Great Lakes Energy Partners, L.L.C.

And, the continued growth of our Facilities Services Group's customer base is enhancing our opportunities to sell electricity and natural gas outside our traditional service area.

ADDRESSING A U.S. EPA ACTION

Despite spending more than $4 billion to ensure that our power plants comply with environmental regulations, the U.S. Environmental Protection Agency (U.S. EPA) has taken legal action against our W. H. Sammis Plant – along with 43 plants in the Midwest and South owned by other electric utilities – alleging that it has violated the Clean Air Act. New York and Connecticut have taken steps to join the U.S. EPA action, blaming the plants for pollution in the Northeast.

The U.S. EPA claims that maintenance, repairs and replacements conducted since 1984 – some under the agency's own oversight – now trigger provisions of the Act that require additional environmental controls, even though generating capacity and emissions have not increased.

We believe that this is a misinterpretation of the Clean Air Act, and we remain confident that the Sammis Plant is in full compliance with the law.

TAKING ON THE COMPETITION

Sales of electricity in deregulated markets, natural gas and facilities services are diversifying our revenue sources and helping us better meet all our customers' energy needs. This strategy has positioned us to take on the competition in the northeast quadrant of the United States – the region we've targeted for growth.

A good deal of the credit for the progress we've made goes to Willard R. Holland, who retired on December 31 as Chairman of your Board. I'm sure you'll join me in wishing Will the best in his retirement.

With your ongoing support, and the hard work of our employees, we'll continue capitalizing on opportunities and taking on challenges in the increasingly competitive energy marketplace.

Sincerely,

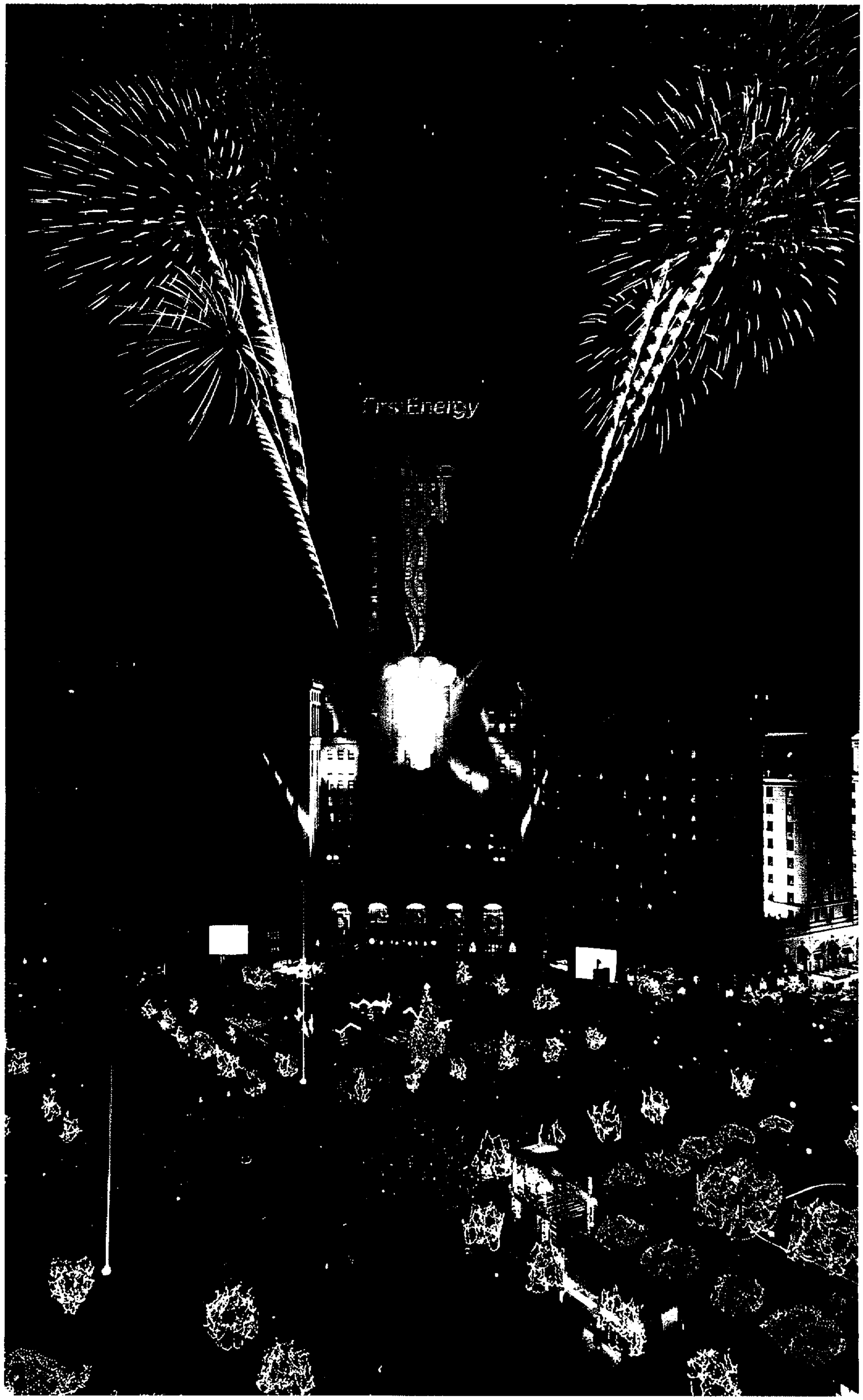
H. Peter Burg

H. Peter Burg
Chairman and Chief Executive Officer

March 8, 2000

Preparing for COMPETITION *in Ohio*

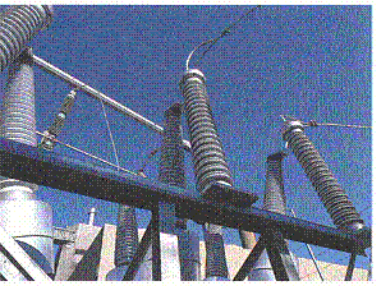
After years of debate, Ohio enacted a new law last year that will enable consumers to change their electricity supplier beginning January 1, 2001, the start of a five-year market development period, and the beginning of a transition period that could last through 2010.



The law opens the power generation portion of the electric utility industry to competition. While customers can choose a different electricity supplier, our electric utility operating companies will continue to deliver electricity, and will provide other regulated services within our traditional service area.

Under the law, we filed a transition plan with the Public Utilities Commission of Ohio (PUCO) that details how we plan to move from regulation to competition. The plan includes proposals for:

- Unbundling the price of electricity into its component elements – primarily generation, transmission, distribution and transition charges



- Corporate separation of our regulated and unregulated businesses
- Operational and technical support, including changes to customer billing, metering and accounting to accommodate new electricity suppliers
- Tariff terms and conditions for customers who choose a new supplier
- Assistance for utility employees whose jobs are affected by the new law
- Consumer education to help customers better understand their options
- Independent operation of our transmission system to ensure fair and equal access for all electricity suppliers

The plan also seeks recovery of $6.97 billion in transition costs, including credits to customers for such items as deferred income taxes. In general, transition costs were incurred to meet government policies, practices or mandates under the existing regulatory structure.

Recovery of these costs will not increase the price customers currently pay for electricity. Under our plan, most transition costs would be recovered by the end of 2005, with recovery of remaining costs continuing up through 2010. The PUCO is expected to rule on our plan this summer.

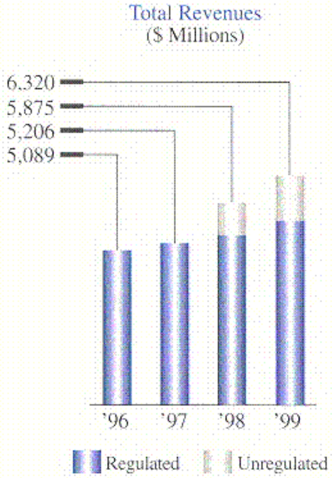
We're also repositioning our transmission business in preparation for competition. We received approval from the Federal Energy Regulatory Commission (FERC) to transfer our transmission assets – with an original cost of $1.2 billion – to a subsidiary, American Transmission Systems, Inc. (ATSI).

Upon receipt of other regulatory approvals, our high-voltage transmission facilities would be transferred to ATSI. They include approximately 7,100 miles of transmission lines with voltages of 69,000 and higher; 130 transmission substations; and 37 interconnections with 6 other electric companies.

The transfer would be the first step toward our participation in a regional transmission organization (RTO), an entity that would operate and ultimately could own the transmission system. We're working to create such an organization – called the Alliance RTO – with American Electric Power, Consumers Energy, Detroit Edison and Virginia Power.

FERC has conditionally approved our proposed formation of this RTO, through which member companies will consolidate control and operation of their transmission systems, while ensuring that users have non-discriminatory access to the transmission grid.

(Far left to right, clockwise) Our strong ties to Cleveland and hundreds of other communities will be a key advantage when Ohio's electricity market opens to competition; electrical equipment at a transmission substation; a 345,000-volt transmission tower; the Ohio Statehouse in Columbus.



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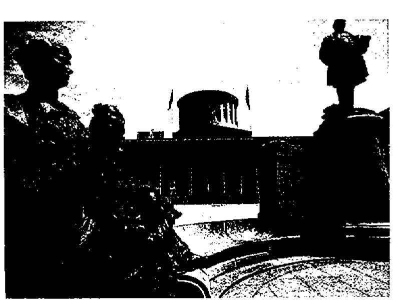

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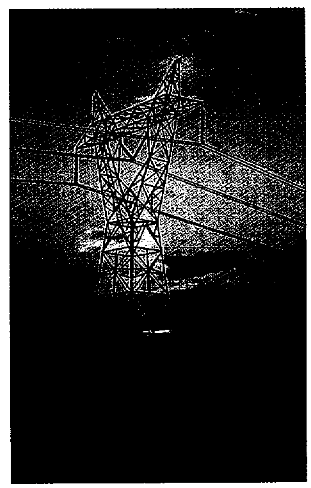

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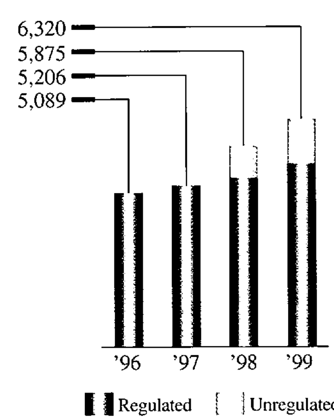
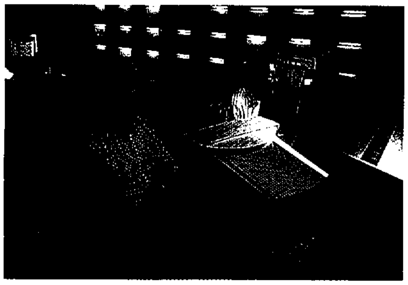
Total Revenues
($ Millions)



Achieving Operational EXCELLENCE

(Right) We now have exclusive ownership of the Beaver Valley (foreground) and Bruce Mansfield plants; (far left, clockwise) monitoring operations at our System Control Center; turbine inspection; coal barge on the Ohio River.



Ongoing improvements in our core electric business are preparing us for competition in Ohio and are helping us succeed in new markets.

Among our most significant accomplishments in 1999 was the completion of our asset transfer with Duquesne Light Company of Pittsburgh. This transaction gave us exclusive ownership and operating control of the power plants we had jointly owned, and better positions us to maximize their value.

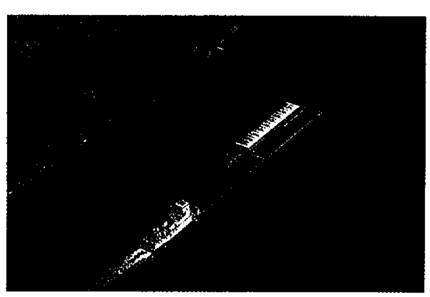
We exchanged our Avon Lake, Niles and New Castle plants for Duquesne's share in the Beaver Valley, Sammis, Eastlake, Mansfield and Perry plants, increasing our system capacity by a net 108 megawatts (MW).

Gaining operational control of Beaver Valley enables us to bring its performance in line with our other nuclear plants – Davis-Besse and Perry – which are among the industry's top performers.

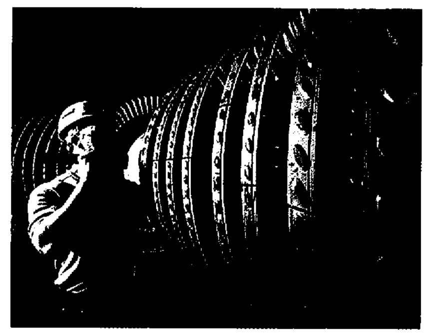
The plants are operated by FirstEnergy Nuclear Operating Company (FENOC) under which we've consolidated management of our nuclear operations to improve reliability, safety and efficiencies.

We're already seeing positive results. In 1999, the Perry Plant completed the shortest refueling outage in its history, and in January of 2000 surpassed its longest on-line run of 266 days. In addition, through year-end, Perry and Davis-Besse employees worked 1.7 and 2.5 million hours, respectively, without a lost-time accident.

Our coal-fired plants made impressive improvements as well, including an operating availability of 87.6 percent, which significantly lowered our purchased power costs.

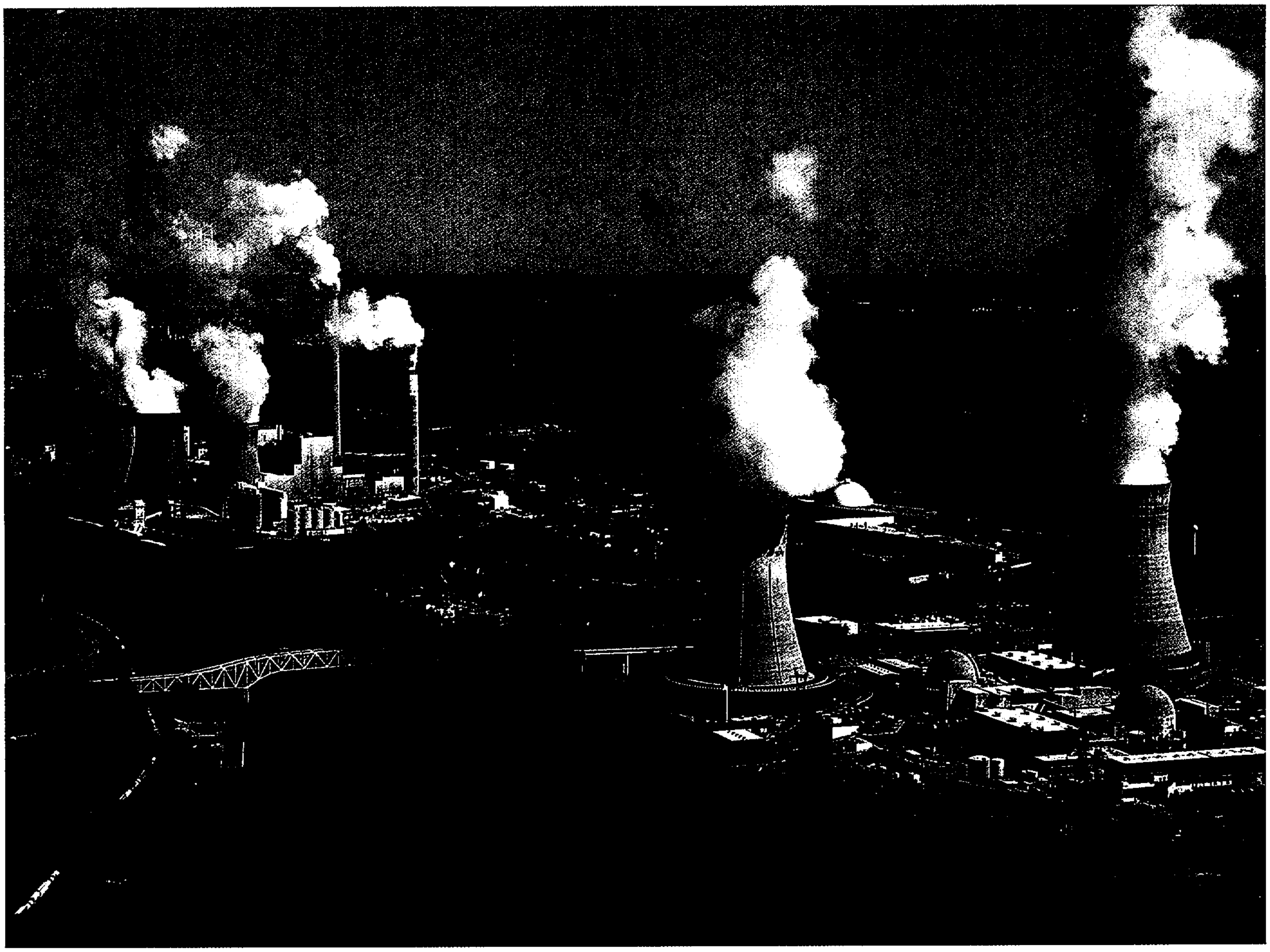


Our Occupational Safety and Health Administration incident rate of 1.66 per 100 utility employees represents a 34-percent improvement over 1998. As a result, we expect our safety record to rank near the top of the Edison Electric Institute's annual safety survey of electric utility companies nationwide that will be released later this year.



We're also increasing our peaking capacity to better serve new and existing customers and to further reduce purchased power costs.

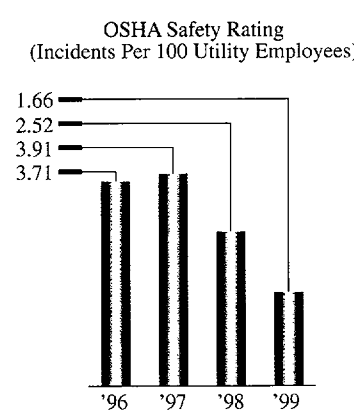
We added 87 MW of peaking capacity by acquiring GPU, Inc.'s minority share of our 435-MW Seneca Pumped-Storage Hydroelectric



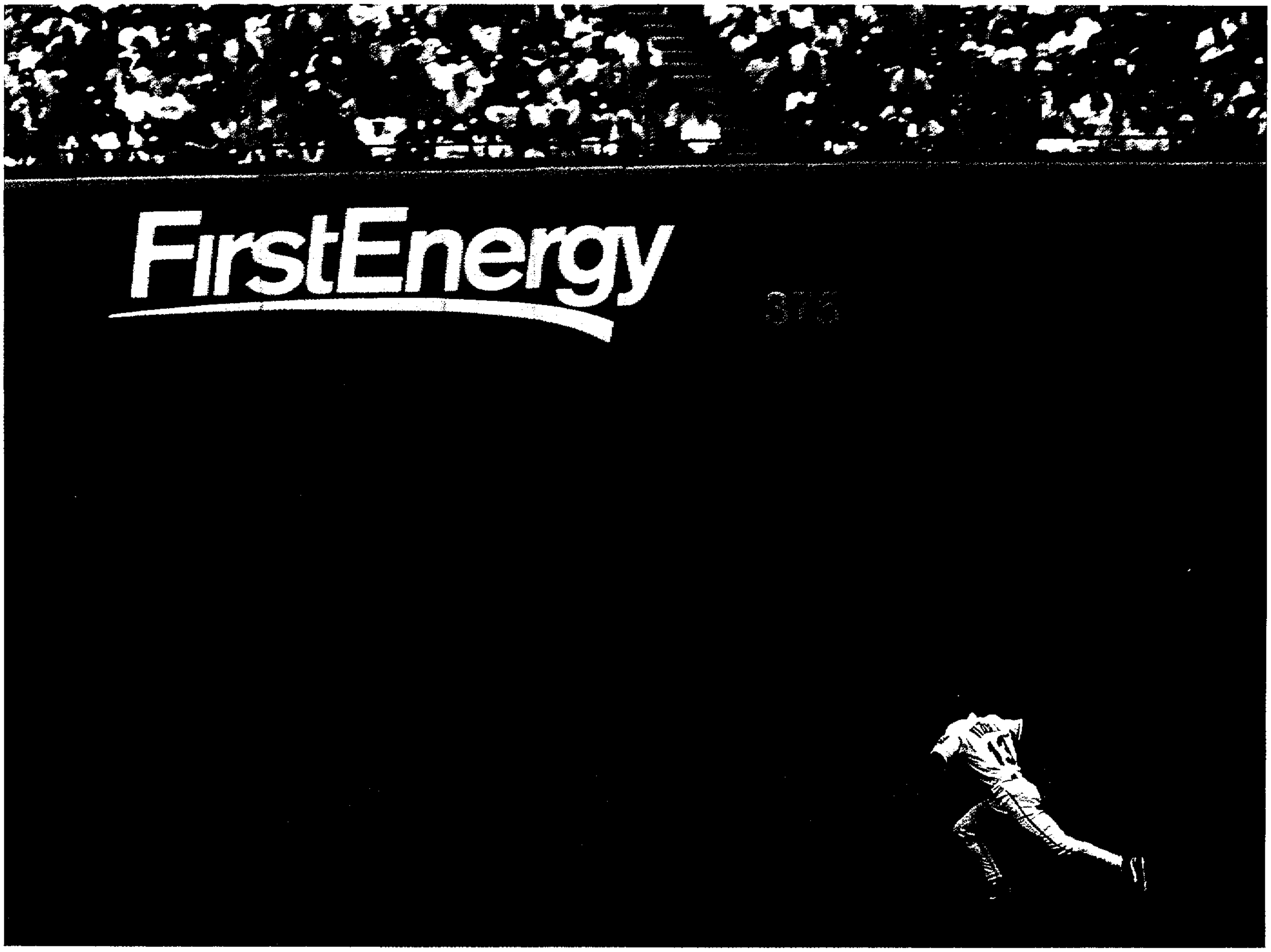
Generating Station located in western Pennsylvania.

And, we're installing three, 130-MW, natural-gas-fired turbines at our Richland Substation, located in Defiance, Ohio. These units, which will be operational later this year, are economical to install. And, unlike large, base-load units, they require shorter construction and start-up time, making it easier to respond to electrical load swings. We expect to add another 765 MW of peaking capacity over the next three years.

In addition to these improvements, we're using the Internet to further enhance the efficiency of our operations. Participation in auctions of coal and purchases of other goods and services on the Internet are examples of how new technologies are helping us improve our operations and service to customers.



Succeeding in
NEW MARKETS



Our entrance into deregulated electricity markets and continued growth in facilities services and natural gas are just a few ways that we're redefining our Company as the region's premier retail energy and related services supplier.

We are aggressively pursuing new customers in states that have deregulated their electric utility industries, including Pennsylvania, New Jersey and Delaware, where we are licensed to sell electricity.

Our efforts are paying off. We're already serving more than 20,000 new electricity accounts, including 800 federal government facilities in New Jersey, such as the Statue of Liberty and Ellis Island; 131 Wal-Mart stores; and 125 Kmart locations.

In 1999, we generated $60 million in new revenues from unregulated sales outside our traditional electric utility service area, and expect those sales to exceed $300 million in 2000.

We're also expanding our services to customers through innovative partnerships. For instance, we're the exclusive energy services manager for Akron, Ohio-based Republic Technologies International, Inc., the nation's largest producer of high-quality bar steel.

We're managing the electricity and natural gas needs of the company's 16 facilities in the eastern half of the United States. They are expected to use $1 billion in energy and related services over the next five years.

Continued growth of our natural gas business is expanding our share of the energy market.

In 1999, we acquired Atlas Gas Marketing, Inc., near Pittsburgh, Pennsylvania; Volunteer Energy, L.L.C., of Columbus, Ohio; and Belden Energy Services Company of North Canton, Ohio. These three enterprises are now part of our FirstEnergy Trading Services, Inc., subsidiary, which acquires and arranges for the delivery of natural gas and electricity to retail customers of our unregulated affiliates. With the addition of these companies, we serve approximately 50,000 natural gas customers in the Midwest.

We also formed a joint venture – Great Lakes Energy Partners, L.L.C. – with Range Resources Corporation, of Fort Worth, Texas. The venture combined our natural gas properties and pipelines in the Appalachian Basin, located in portions of Ohio, Pennsylvania, West Virginia, Kentucky and Tennessee.

Together, our resources now include:

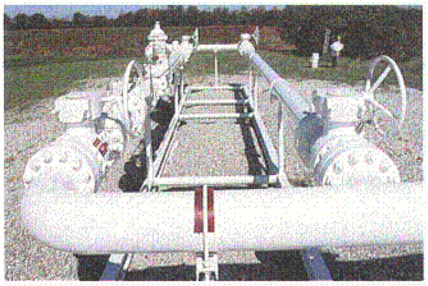
- Interests in more than 7,700 oil and natural gas wells
- Drilling rights to nearly one million acres
- Proved reserves of 450 billion cubic feet equivalent of natural gas and oil
- 5,000 miles of pipelines

Our natural gas business produced approximately $158 million in revenues in 1999, and sales are expected to more than triple to nearly $500 million in 2000.

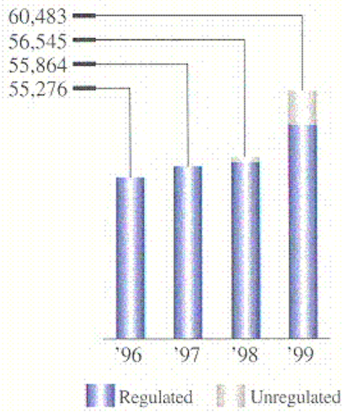
Our Facilities Services Group has emerged as one of the nation's largest providers of mechanical contracting, facilities management, and energy management services. In 1999, the Group generated more than $500 million in revenues, maintaining a pattern of double-digit growth that is expected to continue this year.

Facilities Services is playing a key role in expanding our customer base. Its 11 companies – located in Indiana, Maryland, New York, Ohio, Pennsylvania and Virginia – serve a diverse group of national and regional customers, such as Fabri-Centers of America's more than 1,000 Jo-Ann stores and OfficeMax's more than 900 stores throughout the United States. Such relationships greatly enhance our opportunities for natural gas and electricity sales.

(Far left, clockwise) Our diverse base of customers includes Jacobs Field, home of the Cleveland Indians; and the all-electric Prime Outlets at Grove City, north of Pittsburgh; above-ground natural gas transmission facility; metal fabrication for a mechanical construction customer.



Retail Kilowatt-Hour Sales
(Millions)



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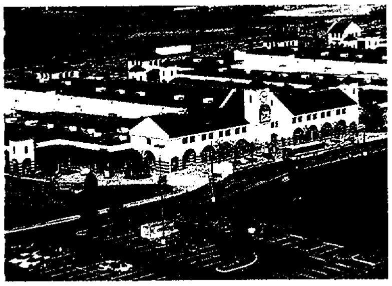
(Far left, clockwise) Our diverse base of customers includes Jacobs Field, home of the Cleveland Indians; and the all-electric Prime Outlets at Grove City, north of Pittsburgh; above-ground natural gas transmission facility; metal fabrication for a mechanical construction customer.



In 1999, we acquired Atlas Gas Marketing, Inc., near Pittsburgh, Pennsylvania; Volunteer Energy, L.L.C., of Columbus, Ohio; and Belden Energy Services Company of North Canton, Ohio. These three enterprises are now part of our FirstEnergy Trading Services, Inc., subsidiary, which acquires and arranges for the delivery of natural gas and electricity to retail customers of our unregulated affiliates. With the addition of these companies, we serve approximately 50,000 natural gas customers in the Midwest.

We also formed a joint venture – Great Lakes Energy Partners, L.L.C. – with Range Resources Corporation, of Fort Worth, Texas. The venture combined our natural gas properties and pipelines in the Appalachian Basin, located in portions of Ohio, Pennsylvania, West Virginia, Kentucky and Tennessee.

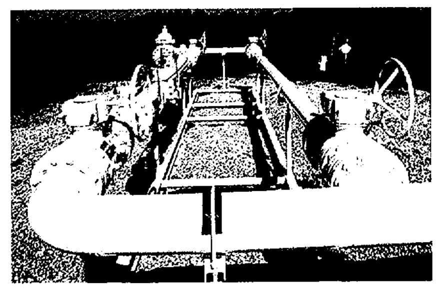
Together, our resources now include:

- Interests in more than 7,700 oil and natural gas wells
- Drilling rights to nearly one million acres
- Proved reserves of 450 billion cubic feet equivalent of natural gas and oil
- 5,000 miles of pipelines

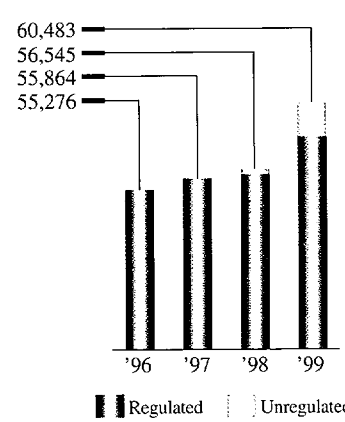
Our natural gas business produced approximately $158 million in revenues in 1999, and sales are expected to more than triple to nearly $500 million in 2000.

Our Facilities Services Group has emerged as one of the nation's largest providers of mechanical contracting, facilities management, and energy management services. In 1999, the Group generated more than $500 million in revenues, maintaining a pattern of double-digit growth that is expected to continue this year.

Facilities Services is playing a key role in expanding our customer base. Its 11 companies – located in Indiana, Maryland, New York, Ohio, Pennsylvania and Virginia – serve a diverse group of national and regional customers, such as Fabri-Centers of America's more than 1,000 Jo-Ann stores and OfficeMax's more than 900 stores throughout the United States. Such relationships greatly enhance our opportunities for natural gas and electricity sales.



Retail Kilowatt-Hour Sales (Millions)



Protecting the ENVIRONMENT

Since passage of the Clean Air Act in 1970, we've spent more than $4 billion on environmental protection efforts. As a result, we have significantly reduced emissions from our plants. Since 1990 alone, we've cut sulfur dioxide (SO_2) by more than a third and nitrous oxide (NOx) by more than a half.

We're also developing new markets for recycled materials from our plants. For instance, by-products from the air-quality-control system at our Bruce Mansfield Plant are being used to produce wallboard at a new state-of-the-art facility that began operating in 1999 adjacent to the plant.

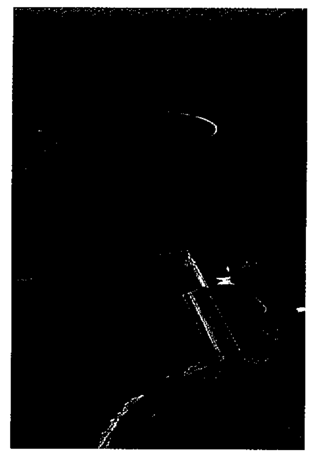
And, we're scheduled to begin operation later this year of a new petroleum coke-fired boiler at our Bay Shore Power Plant.

The boiler – part of a $184-million project – will improve the plant's performance and reduce fuel costs and emissions by using a by-product from the neighboring British Petroleum's Toledo Refinery as fuel.

The fluidized-bed boiler, the world's largest to be fired by petroleum coke, will generate low-cost steam to make electricity at our plant and petroleum products at the refinery.

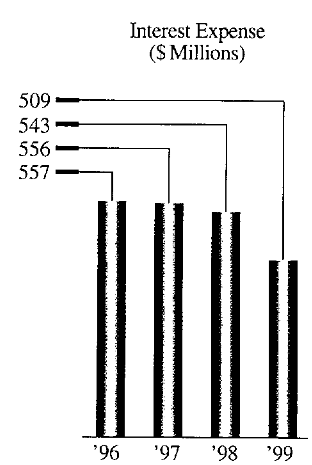
Despite the success of our recycling and other environmental protection efforts, the U.S. Environmental Protection Agency (U.S. EPA) has taken legal action against our 2,233-MW Sammis Plant, along with 43 coal-fired plants owned by other utilities in the Midwest and South, alleging violation of the Clean Air Act.

The U.S. EPA claims that maintenance, repairs and replacements – common industry practices that have been followed for decades under the agency's own oversight – have triggered provisions of the Act that require installation of costly environmental controls, even though capacity and emissions have not increased.



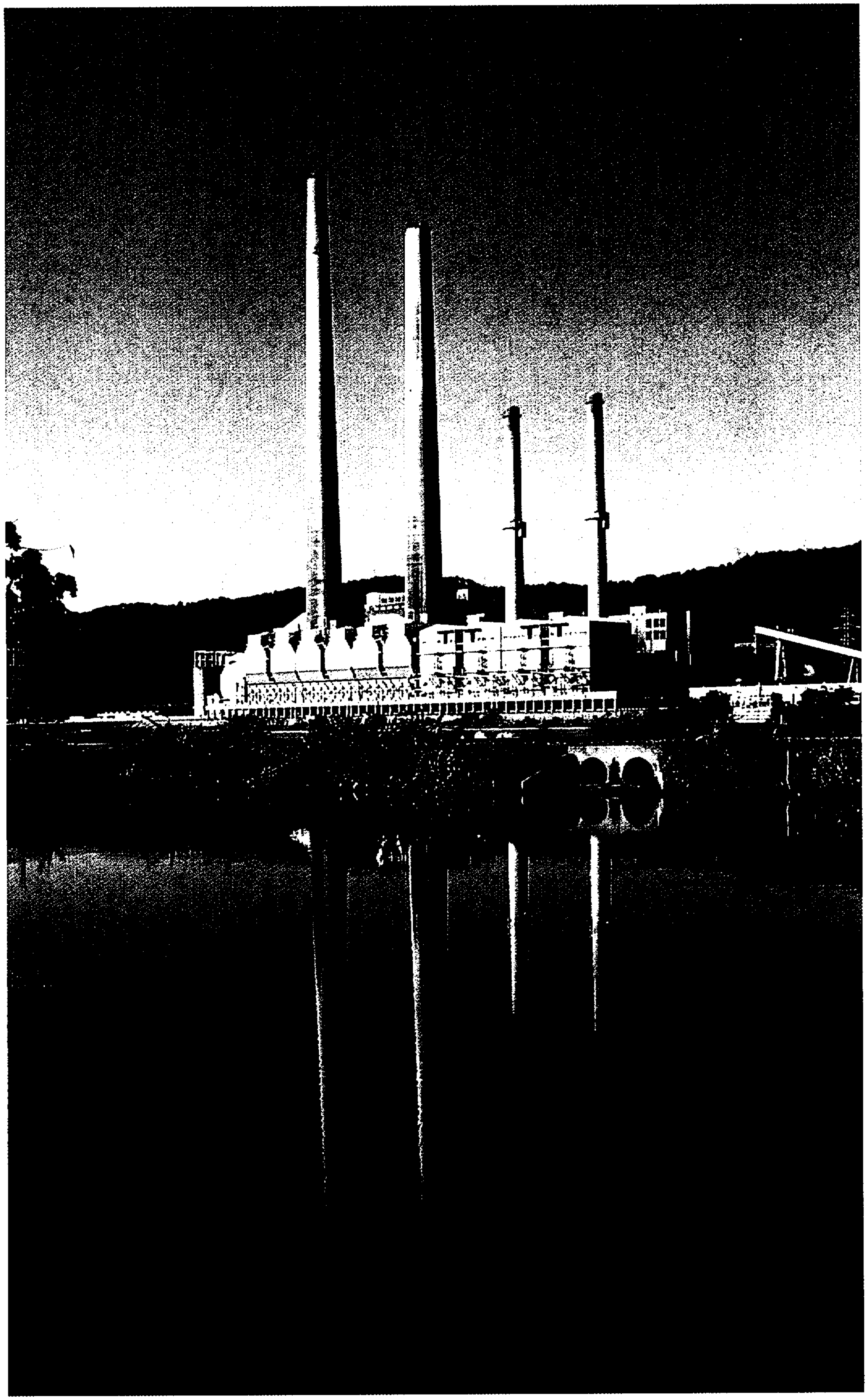
In fact, low-NOx burners, scheduled for installation in 2000, will cut NOx emissions at the plant to less than half of 1990 levels.

New York and Connecticut have taken steps to join the U.S. EPA's action, alleging that emissions from coal-fired plants in the Midwest and South are to blame for pollution in those states. Scientific evidence does not support their claims.



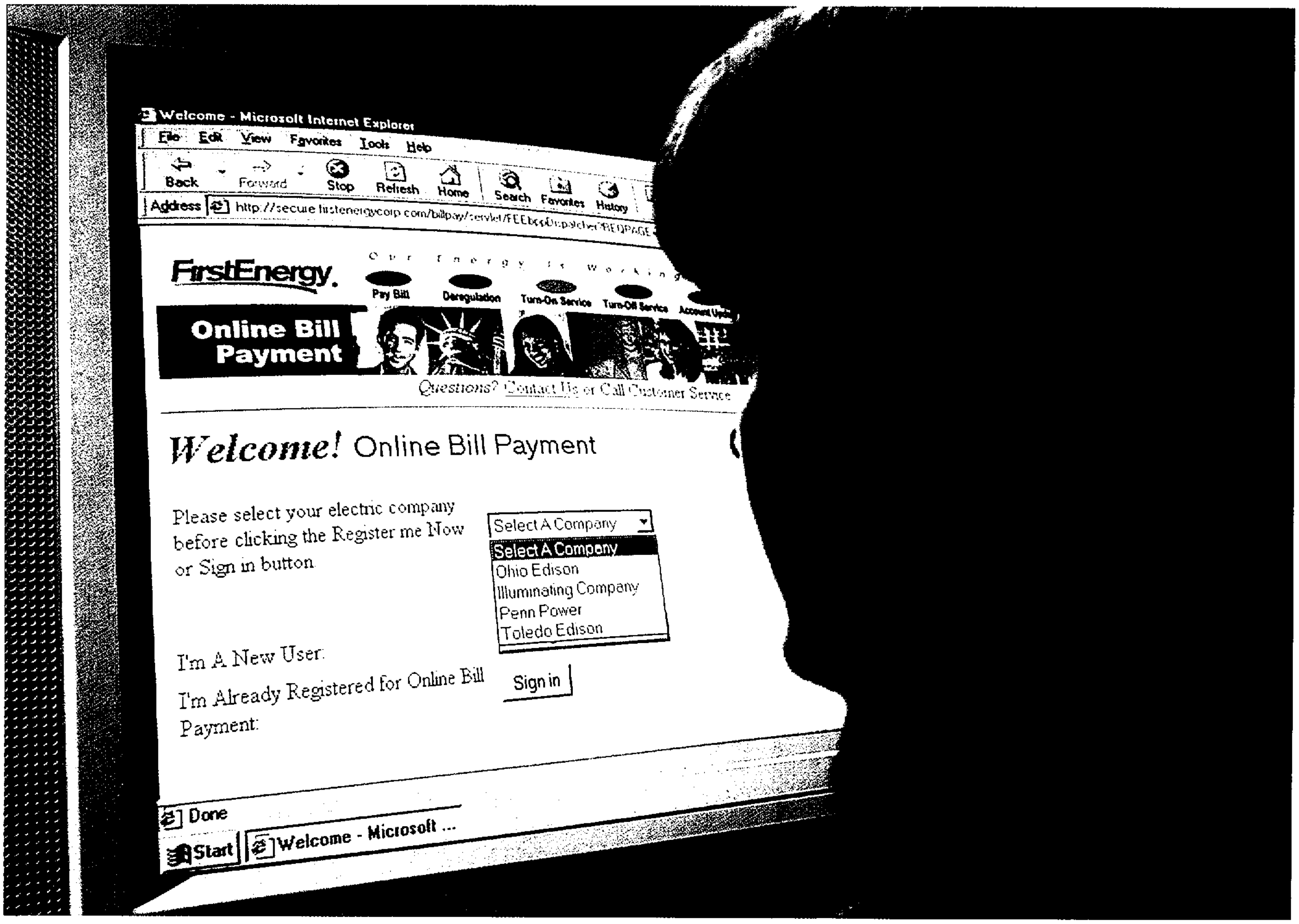
According to the Ozone Transport Assessment Group, formed by U.S. EPA, the ozone problem in the Northeast would remain essentially unchanged even if all man-made emissions from the Midwest were eliminated.

We are confident that all our plants, including Sammis, are in compliance with the Clean Air Act.



(Right) We've spent a half-billion dollars on environmental protection at Sammis; (far left, clockwise) recycled plant materials are being used to produce wallboard; our Seneca Pumped-Storage Hydroelectric Generating Station; the new petroleum coke-fired boiler under construction at our Bay Shore Plant.

Retaining and Expanding Our CUSTOMER BASE in Ohio



(Above) Our new Customer Care Web site offers convenient services; (upper right, clockwise) a customer service representative at our high-tech call center; line crew keeping electric service reliable; the Maumee River in Toledo, Ohio, one of the communities we serve.

Our work to enhance customer and community service will be a key advantage when Ohio's electricity market opens to competition next year.

The Interactive Voice Response System at our new state-of-the-art customer call center in Akron is helping us respond faster to more customer calls. When severe weather hits, the new technology also enables our crews to restore power more quickly.

In addition, we spent $30 million to prune and remove trees that interfere with our lines – the primary cause of service interruptions. We were the only investor-owned electric utility in Ohio to receive the Tree Line USA award from The National Arbor Day Foundation, which honors environmentally sensitive utility tree-care programs.

Reliability was further enhanced with high-tech

systems that provide instantaneous assessments and remote operation of critical distribution system equipment.

We plan to spend $200 million this year on additional maintenance and system improvements, such as substation upgrades, equipment replacements and distribution system expansions.

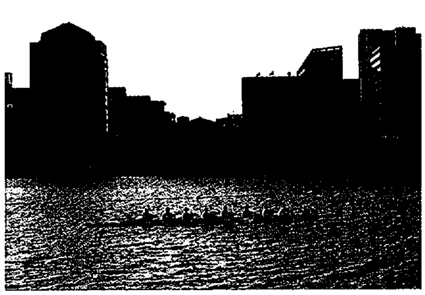
We're also using new technology to make it more convenient for customers to do business with us. Our new Customer Care Web site – *www.firstenergycorp.com* – enables customers to pay bills, obtain account information, conduct transactions, and learn more about programs we offer.

Our commitment to customers goes beyond providing reliable energy services. We're continuing our tradition of supporting efforts that make our neighborhoods better places to live and work.

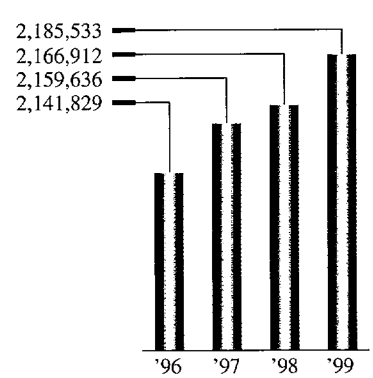
For example, a Girl Scout camp and a Youngstown sports arena are just two of the many organizations in our service area benefiting from our Investment Recovery Facility. Investment Recovery – which has generated $15 million in revenues and avoided costs by selling recycled and reusable equipment and material from our operations – donated refurbished lighting to each organization.

Investment Recovery also supports the diverse needs of our service area by working with vocational agencies to recruit workers with physical or mental challenges.

In addition, we're providing financial support to hundreds of community-based educational, civic, health and human services, and cultural organizations, through the FirstEnergy Foundation. We also offer program support to schools and social service agencies in an effort to help improve the quality of life in the communities we serve. Our corporate philosophy is that community service is good business.



Electric Customers Served



Board of DIRECTORS

Seated – left to right: Jesse T. Williams, Sr., Anthony J. Alexander, H. Peter Burg, Dr. Carol A. Cartwright.
Standing – left to right: Robert C. Savage, William F. Conway, George M. Smart, Russell W. Maier, Robert B. Heisler, Jr., Robert L. Loughhead, Paul J. Powers, Glenn H. Meadows.

H. PETER BURG, 53

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, 48

President of FirstEnergy Corp. and Director of FirstEnergy Corp. since February 1, 2000.

DR. CAROL A. CARTWRIGHT, 58

President, Kent State University, Kent, Ohio. Chairperson, Nominating Committee; Member, Finance Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.

WILLIAM F. CONWAY, 69

President of William F. Conway & Associates, Inc., Scottsdale, Arizona. Chairperson, 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., 51

President of Key Capital Partners, Cleveland, Ohio; and Group Executive Vice President of KeyCorp. Member, Compensation and Nominating committees. Director of FirstEnergy Corp. since 1998.

ROBERT L. LOUGHHEAD, 70

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

RUSSELL W. MAIER, 63

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.

GLENN H. MEADOWS, 70

Retired, formerly President and Chief Executive Officer of McNeil Corporation, Akron, Ohio. Chairperson, Audit Committee; Member, Compensation and Nuclear committees. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1981-1997.

PAUL J. POWERS, 65

Chairman of the Board and Chief Executive Officer of Commercial Intertech Corp., Youngstown, Ohio. Chairperson, Finance Committee; Member, Compensation Committee. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1992-1997.

ROBERT C. SAVAGE, 62

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, 54

Chairman of the Board and President of Phoenix Packaging Corporation, North Canton, Ohio. Member, Audit and Finance committees. Director of FirstEnergy Corp. since 1997 and of Ohio Edison from 1988-1997.

JESSE T. WILLIAMS, SR., 60

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.

Management CHANGES

H. Peter Burg, formerly president and chief executive officer, was elected chairman and chief executive officer. Anthony J. Alexander, formerly executive vice president and general counsel, was elected president and a member of the Board of Directors.

Arthur R. Garfield, formerly vice president, was elected senior vice president and president of FirstEnergy Services Corp. Leila L. Vespoli, formerly associate general counsel, was elected vice president and general counsel.

Kevin J. Keough, formerly partner at the Cleveland office of McKinsey & Company, was elected vice president. Mark T. Clark, formerly managing director of business development for FirstEnergy Services Corp., was elected vice president of the subsidiary. Jeffrey R. Kalata, formerly group accounting manager for North American Refractories Co., was elected assistant controller.

Robert F. Saunders, formerly vice president, nuclear operations, Susquehanna Nuclear Site, for PP&L, Inc., was named president and chief nuclear officer of FirstEnergy Nuclear Operating Company (FENOC). Lew W. Myers, formerly vice president FENOC – Perry, was named senior vice president FENOC – Beaver Valley.

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 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

R. Joseph Hrach
President - Pennsylvania Power

Charles E. Jones
Regional President - Northern

Stephen E. Morgan
Regional President - Central

James M. Murray
Regional President - Western

John E. Paganie
Regional Vice President - Western

David W. Whitehead
Regional Vice President - Northern

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 generally accepted accounting principles and are consistent with other financial information appearing elsewhere in this report. Arthur Andersen LLP, independent public accountants, have expressed an 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 five 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 six meetings in 1999.

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, 1999 and 1998, 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, 1999. 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 generally accepted auditing standards. 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, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1999, in conformity with generally accepted accounting principles.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP
Cleveland, Ohio
February 11, 2000

Selected Financial Data

(In thousands, except per share amounts)

For the Years Ended December 31,	1999	1998	1997	1996	1995
Revenues	**$ 6,319,647**	$ 5,874,906	$ 2,961,125	$2,521,788	$2,500,770
Income Before Extraordinary Item	**$ 568,299**	$ 441,396	$ 305,774	$ 302,673	$ 294,747
Net Income	**$ 568,299**	$ 410,874	$ 305,774	$ 302,673	$ 294,747
Earnings per Share of Common Stock:					
Before Extraordinary Item	**$2.50**	$1.95	$1.94	$2.10	$2.05
After Extraordinary Item	**$2.50**	$1.82	$1.94	$2.10	$2.05
Dividends Declared per Share of Common Stock	**$1.50**	$1.50	$1.50	$1.50	$1.50
Total Assets	**$18,224,047**	$18,192,177	$18,261,481	$9,218,623	$9,035,112
Capitalization at December 31:					
Common Stockholders' Equity	**$ 4,563,890**	$ 4,449,158	$ 4,159,598	$2,503,359	$2,407,871
Preferred Stock:					
Not Subject to Mandatory Redemption	**648,395**	660,195	660,195	211,870	211,870
Subject to Mandatory Redemption	**256,246**	294,710	334,864	155,000	160,000
Long-Term Debt	**6,001,264**	6,352,359	6,969,835	2,712,760	2,786,256
Total Capitalization	**$ 11,469,795**	$11,756,422	$12,124,492	$5,582,989	$5,565,997

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.

	1999		1998	
First Quarter High-Low	**33-3/16**	**27-15/16**	31-5/8	27-7/8
Second Quarter High-Low	**32-1/8**	**27-15/16**	31-7/8	28-1/2
Third Quarter High-Low	**31-5/16**	**24-3/4**	31-5/16	27-1/16
Fourth Quarter High-Low	**26-9/16**	**22-1/8**	34-1/16	29-3/16
Yearly High-Low	**33-3/16**	**22-1/8**	34-1/16	27-1/16

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

Holders of Common Stock

There were 181,806 and 180,679 holders of the Company's Common Stock of the 232,454,287 shares as of December 31, 1999 and 231,959,541 shares as of January 31, 2000, respectively. Information regarding retained earnings available for payment of cash dividends is given in Note 3A.

Results of Operations

FirstEnergy Corp. was formed when the merger of Ohio Edison Company (OE) and Centerior Energy Corporation (Centerior) became effective on November 8, 1997. The merger was accounted for using purchase accounting under the guidelines of Accounting Principles Board Opinion No. 16, "Business Combinations." Under these guidelines, the results of operations for the combined entity are reported from the point of consummation forward. As a result, our financial statements for 1997 reflect 12 months of operations for OE and its wholly owned subsidiary, Pennsylvania Power Company (Penn), but include only 7 weeks (November 8, to December 31, 1997) for the former Centerior companies -- The Cleveland Electric Illuminating Company (CEI) and The Toledo Edison Company (TE). Results for 1998 and 1999 include operations for the entire year for OE and Penn (OE companies), CEI and TE.

During 1998 and 1999, we took additional steps to expand our portfolio of energy-related products and services by completing a number of acquisitions and forming a joint venture. During 1998, FirstEnergy Facilities Services Group, LLC (FE Facilities), a wholly owned subsidiary, acquired eight companies, which mainly provide heating, ventilating and air-conditioning (HVAC) services. FE Facilities made one additional acquisition, in 1999, bringing its total number of acquisitions to 11 over the past three years. On June 8, 1998, we acquired MARBEL Energy Corporation (MARBEL), a fully integrated natural gas company. On September 30, 1999, MARBEL formed a joint venture with Range Resources Corporation that combines both companies' assets for the development of Appalachian Basin oil and natural gas properties and related gas-gathering and transportation systems. This joint venture is accounted for using the equity method of accounting with our proportionate share of earnings reflected in our consolidated financial results. During 1999, three additional retail gas acquisitions were added to FirstEnergy Trading Services, Inc. (FETS). All acquisitions in 1998 and 1999 were accounted for using purchase accounting and are included in our consolidated results from their respective acquisition dates.

As Ohio approaches customer choice of energy suppliers in 2001, we continue to develop our unregulated retail sales strategy, in part through acquisitions, which expand the products and services we can offer customers. In addition, related changes to our sales and marketing activities were made during 1999 to further support our retail sales strategy. As a result, we increased our functional integration across organization lines to improve economies and efficiencies to better serve customers in unregulated markets. By taking advantage of the new markets made available by advancing deregulation, we now cover a 13-state market area in the northeastern portion of the U.S. This expanded market has yielded significant multi-year contracts for us in 1999. We also completed major information systems during 1999, which improve our capabilities while resolving Year 2000 concerns.

Total revenues increased by $445 million in 1999 and $2.9 billion in 1998 compared to the prior year results. In 1999, the increased revenues resulted primarily from contributions from the Electric Utility Operating Companies' (EUOC) business segment and newly acquired businesses, which were partially offset by reduced revenues from the FETS business segment due to refocusing its activities to support our retail marketing activities. The EUOC currently represent the more traditional vertically integrated electric utility operations. In 1998, inclusion of a full 12 months of results for the former Centerior companies in the EUOC business segment compared to only 7 weeks in 1997 was the largest factor contributing to the change in electric sales, adding $2.2 billion. The sources of the increases in revenues during 1999 and 1998 are summarized in the following table.

Sources of Revenue Changes	1999	1998
	(In millions)	
Electric sales	**$213.2**	$2,204.7
Other electric utility revenues	**3.1**	115.0
Total EUOC	**216.3**	2,319.7
FETS	**(220.1)**	367.6
New businesses acquired	**341.5**	220.0
Unregulated electric sales	**54.0**	6.5
Gain on sale of investment	**53.0**	—
Net Revenue Increase	**$444.7**	$2,913.8

Electric Sales

EUOC revenues increased by $216.3 million in 1999, compared to 1998, benefiting from increased kilowatt-hour sales, offset in part by lower unit prices. Residential, commercial and industrial customers all contributed to higher EUOC retail sales. Retail kilowatt-hour sales increased due to strong consumer-driven economic growth and, to a lesser extent, the weather. Over 6,500 new EUOC customers were added in 1999. Weather-induced electricity demand in the wholesale market and additional available internal generation combined to increase sales to wholesale customers.

EUOC retail kilowatt-hour sales in 1998 increased substantially over 1997 due to the merger with the former Centerior companies. Excluding the impact of the merger, retail sales for the OE companies in 1998 were approximately the same as the previous year after setting a new record in 1997. Residential and commercial kilowatt-hour sales benefited from continued growth in the retail customer base, with over 11,000 new retail customers added in 1998 compared to 1997. The closure of an electric arc furnace by a large steel customer in the latter part of 1997 and a general decline in electricity demand by steel manufacturers due to intense foreign competition contributed to lower industrial sales in 1998, compared to the prior year. Changes in EUOC kilowatt-hour sales by customer class in 1999 and 1998 are summarized in the following table.

EUOC KWH Sales Changes	1999	1998*
Residential	**6.7%**	1.7%
Commercial	**3.9%**	3.5%
Industrial	**3.4%**	(3.6)%
Total Retail	**4.4%**	—
Wholesale	**28.4%**	8.9%
Total Sales	**6.6%**	1.4%

** Reflects OE companies only*

Unregulated kilowatt-hour sales showed strong sales growth in 1999, with sales to commercial customers accounting for most of the increase. Revenues from commercial customers represented $53.1 million of the $60.5 million of 1999 revenues from unregulated markets. Over 12,000 new unregulated customers were served in 1999. Several major contracts were entered into in 1999, including one with Republic Technologies International, Inc. (RTI). On August 17, 1999, FirstEnergy Services Corporation (FSC), a wholly owned subsidiary, signed a Master Energy Services and Supply Agreement with RTI. They are expected to use more than $1 billion in energy and related services over the five-year contract period. FSC will manage: the supply and delivery of all of RTI's electricity and natural gas needs; RTI's HVAC requirements; and other energy-related services for RTI. Although unregulated kilowatt-hour sales comprised only 1% of total revenues in 1999, these sales increased substantially compared to 1998 and are expected to be a major source of electric sales growth in future years.

Nonelectric Sales

Following an initial expansion of its trading activities in 1998, FETS revenues decreased significantly in 1999, compared to the prior year because of refocusing its activities on supporting our retail marketing activities. Revenues from new business acquisitions increased significantly in both 1999 and 1998 due to acquisitions made by FE Facilities and FETS. In addition, we recognized a gain of $53 million from the sale of a partnership investment in the fourth quarter of 1999, which is reflected in other revenues. This one-time gain was offset by nonrecurring expenses recognized in the fourth quarter of 1999, as further described below.

Operating Expenses

Total expenses increased $255.5 million in 1999 compared to 1998 reflecting higher levels of other expenses for EUOC and facilities services activities, as well as additional depreciation and amortization. This increase in other expenses was partially offset by lower fuel and purchased power costs, as well as reduced expenses for FETS. In 1998, total expenses increased $2.4 billion from the previous year primarily due to the inclusion of a full 12 months of expenses for the former Centerior companies, compared to only 7 weeks of expenses in the 1997 results.

Fuel and purchased power costs were $106.7 million lower in 1999, compared to 1998. The EUOC purchased power costs accounted for all of the reduction. Much of the improvement occurred in the second quarter due to the absence of unusual conditions experienced in 1998, which resulted in an additional $77.4 million of purchased power costs. Those 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 the same 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 internal generation. In 1998, fuel and purchased power costs were up $497.5 million compared to 1997. Excluding the merger impact of the Centerior companies in 1998, fuel and purchased power costs for the OE companies increased $74.4 million for the reasons discussed above.

Other expenses for the EUOC rose in 1999 compared to 1998 for several reasons. Refueling outages at Beaver Valley Unit 2 and the Perry Plant, as well as full ownership of those units and Beaver Valley Unit 1 following the Duquesne Light Company (Duquesne) asset swap in early December 1999 and nonrecurring swap-related liabilities assumed, increased our nuclear expenses. The EUOC incurred additional costs in 1999 related to improving the availability of their fossil generating units. Also contributing to the increase in other EUOC expenses in 1999 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. In 1998, other expenses for the EUOC increased from the previous year principally as a result of the Centerior merger. Excluding the former Centerior companies, 1998 nonnuclear costs decreased from the previous year due primarily to the absence of expenses related to a 1997 voluntary retirement program and estimated severance costs which increased other expenses for that year. Lower nonnuclear expenses in 1998 were partially offset by higher nuclear costs at the Beaver Valley Plant.

With FETS activities changing in 1999 to support our retail marketing efforts, other expenses in this business segment decreased significantly from 1998. Also, FETS expenses were significantly lower in 1999 due to the absence of costs incurred in 1998 associated with credit losses and related replacement power costs resulting from the period of sharp price increases in the spot market for electricity in June 1998. The acquisitions in the facility services and natural gas businesses, as well as costs attributable to unregulated sales activity, combined to increase other expenses in both 1999 and 1998 from the previous years.

Accelerated cost recovery in connection with the OE rate reduction plan was the primary factor contributing $160.6 million to the increase in depreciation and amortization in 1999, compared to the prior year. Excluding the effect of the former Centerior companies, depreciation and amortization in 1998 decreased $14.2 million from the prior year mainly due to the net effect of the OE and Penn rate plans.

Interest Expense

Interest expense decreased $33.7 million in 1999, from the prior year, because of long-term debt redemptions and refinancings. In 1998, interest expense increased, compared to 1997, due to the inclusion of the former Centerior companies. Excluding the impact of the merger, interest on long-term debt for the OE companies continued to trend downward due to refinancings and redemptions of long-term debt.

Extraordinary Item

The Pennsylvania Public Utility Commission's (PPUC) authorization of Penn's rate restructuring plan led to the discontinued application of Statement of Financial Accounting Standards No. 71 (SFAS 71), "Accounting for the Effects of Certain Types of Regulation," to Penn's generation business in 1998. This resulted in a write-down of $30.5 million, or $.13 per common share, of its nuclear generating unit investment and the recognition of a portion of such investment -- recoverable through future customer rates -- as a regulatory asset.

Net Income

As a result of higher sales revenues, the absence of unusually high purchased power costs experienced in 1998 and lower interest costs, net income increased significantly in 1999 to $568.3 million, compared to $410.9 million in 1998 and $305.8 million in 1997. Basic and diluted earnings per share of common stock were $2.50 in 1999, compared to $1.82 in 1998 and $1.94 in 1997.

Capital Resources and Liquidity

We continue to pursue cost efficiencies to fund strategic investments while also strengthening our financial position. During 1999, our financing costs continued their downward trend. Net redemptions of long-term debt and preferred stock totaled $528.9 million, including $18.3 million of optional redemptions in 1999. In addition, we completed $359.6 million of refinancings. Combined, these actions are expected to generate annual savings of about $50 million. The average cost of long-term debt was reduced to 7.65% in 1999 from 8.02% at the end of 1997. As of December 31, 1999, our common equity as a percentage of capitalization increased to 40% from 34% at the end of 1997, following the merger with Centerior.

We had approximately $111.8 million of cash and temporary investments and $417.8 million of short-term indebtedness on December 31, 1999. Our unused borrowing capability included $136.5 million under revolving lines of credit. At the end of 1999, the EUOC had the capability to issue $2.1 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 $1.6 billion of preferred stock (assuming no additional debt was issued). CEI has no restrictions on the issuance of preferred stock.

Our cash requirements in 2000 for operating expenses, construction expenditures, scheduled debt maturities, preferred stock redemptions, and common stock repurchases are expected to be met without issuing new securities. During 1999, we reduced our total debt by approximately $300.0 million. We have cash requirements of approximately $2.8 billion for the 2000-2004 period to meet scheduled maturities of long-term debt and sinking fund requirements of preferred stock. Of that amount, approximately $494 million applies to 2000. During 1999, we repurchased and retired 4.6 million shares of our common stock at an average price of $28.08 per share. We have authority to repurchase up to 15 million shares of common stock. We also entered into an equity forward purchase contract, which enables us to purchase an additional 1.4 million shares in November 2000 at an average price of $24.22 per share.

Our capital spending for the period 2000-2004 is expected to be about $3.0 billion (excluding nuclear fuel), of which approximately $650 million applies to 2000. Investments for additional nuclear fuel during the 2000-2004 period are estimated to be approximately $497 million, of which about $159 million applies to 2000. During the same period, our nuclear fuel investments are expected to be reduced by approximately $480 million and $106 million, respectively, as the nuclear fuel is consumed. Also, we have operating lease commitments, net of trust cash receipts, of nearly $782 million for the 2000-2004 period, of which approximately $146 million relates to 2000.

Two transactions were completed in 1999, which modified our portfolio of generation resources. On July 26, CEI completed its purchase of the remaining 20 percent interest in the Seneca pumped-storage hydroelectric generation plant from GPU, Inc. for $43 million. The purchase makes available 87 megawatts of additional capacity and provides CEI with full ownership of the plant. On December 3, the generating asset transfer with Duquesne was completed. Duquesne transferred 1,436 megawatts it owned at five generating plants to us in exchange for 1,328 megawatts at three plants owned by our EUOC. The transaction provides us with exclusive ownership and operating control of all generating assets which were formerly jointly owned and operated under the Central Area Power Coordination Group agreement.

Additional generating capacity is under construction, and is expected to go into service in early June 2000 to supply electricity for peak demand periods, reducing our requirements for purchased power. In total, we will be adding 390 megawatts of gas-fired combustion turbines by the end of 2000 to meet this need. Another 150 megawatts of diesel generation will be available to us on a limited basis during the summer of 2000.

We completed four acquisitions during 1999, which further expand energy-related products and services available to our customers. FE Facilities acquired one company having total annual revenues of approximately $14 million. Collectively, the FE Facilities companies now produce more than $500 million in annual revenues and have approximately 3,400 employees. In addition, FETS acquired three retail gas companies having combined annual revenues of $239 million and more than 43,000 customers. These three acquisitions further expanded our retail natural gas business in Ohio and surrounding states, bringing our total annual revenues in that business to approximately $500 million.

MARBEL and Range Resources Corporation formed a joint venture, Great Lakes Energy Partners L.L.C., on September 30, 1999. This joint venture combined each company's Appalachian oil and natural gas properties and related gas gathering and transportation systems with the objective of lowering operating costs, and increasing natural gas market share in the Appalachian Basin. As exclusive marketing agent for the new joint venture, we continue to expand our network of gas assets to supply our retail customer base.

Interest Rate Risk

Our exposure to fluctuations in market interest rates is mitigated 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 2, 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 a corresponding change to the decommissioning liability, as described in Note 1.

Comparison of Carrying Value to Fair Value

	2000	2001	2002	2003	2004	Thereafter	**Total**	**Fair Value**
				(Dollars in millions)				
Investments other than Cash and Cash Equivalents:								
Fixed Income	$111	$ 60	$ 84	$ 97	$314	$1,370	**$2,036**	**$2,022**
Average interest rate	6.5%	7.0%	7.7%	7.7%	7.8%	7.5%	7.5%	
Liabilities								
Long-term Debt:								
Fixed rate	$456	$105	$724	$459	$591	$3,009	**$5,344**	**$5,307**
Average interest rate	7.1%	8.6%	7.9%	8.0%	7.7%	7.5%	7.6%	
Variable rate			$190			$ 847	**$1,037**	**$1,024**
Average interest rate			7.5%			4.4%	5.0%	
Short-term Borrowings	$418						**$ 418**	**$ 418**
Average interest rate	6.5%						6.5%	
Preferred Stock	$ 38	$ 85	$ 20	$ 2	$ 2	$ 137	**$ 284**	**$ 280**
Average dividend rate	8.9%	8.9%	8.9%	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 and oil prices. To manage the volatility relating to these exposures, we use a variety of derivative instruments, including forward contracts, options and futures contracts. These derivatives are used principally for hedging purposes and, to a lesser extent, for trading purposes. A sensitivity analysis has been prepared to estimate our exposure to the market risk of our commodity position. A hypothetical 10 percent adverse shift in quoted market prices in the near term on both our trading and nontrading instruments would not have a material effect on our consolidated financial position, results of operations or cash flows as of or for the year ended December 31, 1999.

Outlook

We continue to face many competitive challenges as the electric utility industry undergoes significant changes, including changing regulation and the entrance of more energy suppliers into the marketplace. Retail wheeling, which began in 1999 in our Pennsylvania service area, allows retail customers to purchase electricity from alternative energy suppliers. Recent legislation provides for similar changes beginning in 2001 in Ohio. Our existing regulatory plans provide us with a solid foundation to position us to meet the challenges we are facing by significantly reducing fixed costs and lowering rates to a more competitive level. The transition plan ultimately approved by the Public Utilities Commission of Ohio (PUCO) will supersede our current Ohio rate plans.

OE's Rate Reduction and Economic Development Plan, approved by the PUCO in 1995, and FirstEnergy's Rate Reduction and Economic Development Plan for CEI and TE, approved in January 1997, provide interim rate credits to customers during the periods covered by the plans. The OE regulatory plan provides for accelerated capital recovery. The regulatory plan for CEI and TE includes a commitment to accelerate depreciation on the regulatory books. The CEI/TE plan does not provide for full recovery of nuclear operations; accordingly, CEI and TE ceased application of SFAS 71 for their nuclear operations when implementation of the FirstEnergy regulatory plan became probable.

In July 1999, Ohio's new electric utility restructuring legislation, which will allow Ohio electric customers to select their generation suppliers beginning January 1, 2001, was signed into law. Among other things, the new law 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.

On behalf of our Ohio electric utility operating companies -- OE, CEI and TE -- we refiled our transition plan on December 22, 1999. The plan was originally filed with the PUCO on October 4, 1999, but was refiled to conform to PUCO rules established on November 30, 1999. The new filing also included additional information on our plans to turn over control, and perhaps ownership, of our transmission assets to the Alliance Regional Transmission Organization (Alliance), which is discussed below.

The transition plan itemizes, or unbundles, the current price of electricity into separate components – including generation, transmission, distribution and transition charges. As required by the PUCO's rules, our filing also included our proposals on corporate separation of our 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 our transmission system will be operated to ensure access to all users. Under the plan, customers who remain with OE, CEI, or TE as their generation provider will continue to receive savings under our rate plans, expected to total $759 million between 2000 and 2005. In addition, customers will save $358 million through reduced charges for taxes and a 5% reduction in the price of generation for residential customers beginning January 1, 2001. Customer prices are expected to 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 proposes recovery of generation-related transition costs of approximately $4.5 billion ($4.0 billion, net of deferred income taxes) over the market development period; transition costs related to regulatory assets aggregating approximately $4.2 billion ($2.9 billion, net of deferred income taxes) are expected to be recovered over the period of 2001 through early 2004 for OE; 2001 through 2007 for TE; and 2001 through 2010 for CEI.

When the transition plan is approved by the PUCO, the application of SFAS 71 to OE's generation business and the nonnuclear generation businesses of CEI and TE will be discontinued. In the meantime, we will continue to bill and collect cost-based rates relating to CEI's and TE's nonnuclear operations and all of OE's operations through the end of 2000. If the transition plans ultimately approved by the PUCO for OE, CEI and TE do not provide adequate recovery of their nuclear generating unit investments and regulatory assets, there would be a charge to earnings which could have a material adverse effect on our results of operations and financial condition and those of our Ohio EUOC. The EUOC believe they will continue to bill and collect cost-based rates for their transmission and distribution services, which will remain regulated; accordingly, it is appropriate that the EUOC continue the application of SFAS 71 to those operations after December 31, 2000.

For Penn, application of SFAS 71 was discontinued for the generation portion of its business in 1998 following PPUC approval of its restructuring plan. Under the plan, a phase-in period for customer choice began with 66% of Penn's customers able to select their energy supplier beginning January 2, 1999, and all remaining customers able to select their energy providers starting January 1, 2001. Penn is entitled to recover $236 million of stranded costs through a competitive transition charge that started in 1999 and ends in 2006.

In the second half of 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. However, we are unable 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. We expect the Sammis Plant to continue to operate while the matter is being decided.

CEI and TE have been named as "potentially responsible parties" (PRPs) for three sites listed on the Superfund National Priorities List and are aware of their potential involvement in the cleanup of several other sites. Allegations that CEI and TE disposed of hazardous waste at these sites, and the amount 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. If CEI and TE were held liable for 100% of the cleanup costs of all sites, the ultimate liability could be as high as $340 million. However, we believe that the actual cleanup costs will be substantially lower than $340 million, that CEI's and TE's share of any cleanup costs will be substantially less than 100% and that most of the other PRPs are financially able to contribute their share. CEI and TE have accrued liabilities of $5.4 million as of December 31, 1999, based on estimates of the costs of cleanup and their proportionate responsibility for such costs. CEI and TE believe that the waste disposal costs will not have a material adverse effect on their financial condition, cash flows or results of operations.

On October 27, 1999, the Federal Energy Regulatory Commission (FERC) approved our plan to transfer our transmission assets to American Transmission Systems Inc. (ATSI), a wholly owned subsidiary. The PUCO approved the transfer in February 2000. PPUC and Securities and Exchange Commission regulatory approvals are also required. The new subsidiary represents a first step toward the goal of establishing or becoming part of a larger independent, regional transmission organization (RTO). We believe that such an entity better addresses the FERC's stated transmission objectives of non-discriminatory service, while providing for streamlined and cost-effective operation. In working toward that goal, we joined with four other companies — American Electric Power, 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.

Recently Issued Accounting Standard

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities." SFAS 133 establishes accounting and reporting standards requiring that every derivative instrument (including derivative instruments embedded in other contracts) be recorded on the balance sheet as either an asset or liability measured at its fair value. SFAS 133 requires that changes in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income statement. We have not completed quantifying the impacts of adopting SFAS 133 on our financial statements or determined the method of its adoption. However, SFAS 133 could increase volatility in earnings and other comprehensive income. We anticipate adopting the new statement on its amended effective date of January 1, 2001.

Year 2000 Update

Based on the results of our remediation and testing efforts, we filed documents with the North American Electric Reliability Council, Nuclear Regulatory Commission, PUCO and PPUC that as of June 30, 1999, our generation, transmission, and distribution systems were ready to serve customers in the year 2000. We have since experienced no failures or interruptions of service to our customers resulting from the Year 2000 issue, which was consistent with our expectations. We spent $84.9 million on Year 2000-related costs through December 31, 1999, which was slightly lower than previously estimated. Of this total, $68.3 million was capitalized since those costs are attributable to the purchase of new software for total system replacements because the Year 2000 solution comprises only a portion of the benefits resulting from the system replacements. The remaining $16.6 million was expensed as incurred. We do not believe there are any continuing Year 2000 issues to be addressed, nor any additional material Year 2000 expenditures.

Forward-Looking Information

This discussion includes forward-looking statements based on information currently available to management that are subject to certain risks and uncertainties. These 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 market prices, legislative and regulatory changes, and the availability and cost of capital and other similar factors.

Consolidated Statements of Income

(In thousands, except per share amounts)

For the Years Ended December 31,	1999	1998	1997
REVENUES:			
Electric sales	**$5,192,876**	$4,979,718	$2,774,996
Other—electric utilities	**260,887**	257,750	142,742
Facilities services	**502,990**	198,336	—
Trading services	**190,634**	410,728	43,145
Other	**172,260**	28,374	242
Total revenues	**6,319,647**	5,874,906	2,961,125
EXPENSES:			
Fuel and purchased power	**876,986**	983,735	486,267
Other expenses:			
Electric utilities	**1,632,638**	1,492,461	851,146
Facilities services	**469,176**	184,440	—
Trading services	**196,474**	517,001	44,032
Other	**126,926**	41,337	—
Provision for depreciation and amortization	**937,976**	758,865	474,679
General taxes	**544,052**	550,908	282,163
Total expenses	**4,784,228**	4,528,747	2,138,287
INCOME BEFORE INTEREST AND INCOME TAXES	**1,535,419**	1,346,159	822,838
NET INTEREST CHARGES:			
Interest expense	**509,169**	542,819	284,180
Allowance for borrowed funds used during construction and capitalized interest	**(13,355)**	(7,642)	(3,469)
Subsidiaries' preferred stock dividends	**76,479**	65,799	27,818
Net interest charges	**572,293**	600,976	308,529
INCOME TAXES	**394,827**	303,787	208,535
INCOME BEFORE EXTRAORDINARY ITEM	**568,299**	441,396	305,774
EXTRAORDINARY ITEM (NET OF INCOME TAX BENEFIT OF $21,208,000) (Note 1)	**—**	(30,522)	—
NET INCOME	**$ 568,299**	$ 410,874	$ 305,774
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	**227,227**	226,373	157,464
BASIC AND DILUTED EARNINGS PER SHARE OF COMMON STOCK (Note 3C):			
Income before extraordinary item	**$2.50**	$1.95	$1.94
Extraordinary item (Net of income taxes) (Note 1)	**—**	(.13)	—
Net income	**$2.50**	$1.82	$1.94
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)

At December 31,	1999	1998
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	**$ 111,788**	$ 77,798
Receivables—		
Customers (less accumulated provisions of $6,719,000 and $6,397,000, respectively, for uncollectible accounts)	**322,687**	239,183
Other (less accumulated provisions of $5,359,000 and $46,251,000, respectively, for uncollectible accounts)	**445,242**	322,186
Materials and supplies, at average cost—		
Owned	**154,834**	145,926
Under consignment	**99,231**	110,109
Prepayments and other	**167,894**	171,931
	1,301,676	1,067,133
PROPERTY, PLANT AND EQUIPMENT:		
In service	**14,645,131**	14,961,664
Less—Accumulated provision for depreciation	**5,919,170**	6,012,761
	8,725,961	8,948,903
Construction work in progress	**367,380**	293,671
	9,093,341	9,242,574
INVESTMENTS:		
Capital trust investments (Note 2)	**1,281,834**	1,329,010
Letter of credit collateralization (Note 2)	**277,763**	277,763
Nuclear plant decommissioning trusts	**543,694**	358,371
Other	**599,443**	391,855
	2,702,734	2,356,999
DEFERRED CHARGES:		
Regulatory assets	**2,543,427**	2,887,437
Goodwill	**2,129,902**	2,167,968
Other	**452,967**	470,066
	5,126,296	5,525,471
	$18,224,047	$18,192,177
LIABILITIES AND CAPITALIZATION		
CURRENT LIABILITIES:		
Currently payable long-term debt and preferred stock	**$ 762,520**	$ 876,470
Short-term borrowings (Note 4)	**417,819**	254,470
Accounts payable	**360,379**	247,353
Accrued taxes	**409,724**	401,688
Accrued interest	**125,397**	141,575
Other	**301,572**	255,158
	2,377,411	2,176,714
CAPITALIZATION (See Consolidated Statements of Capitalization):		
Common stockholders' equity	**4,563,890**	4,449,158
Preferred stock of consolidated subsidiaries—		
Not subject to mandatory redemption	**648,395**	660,195
Subject to mandatory redemption	**136,246**	174,710
Ohio Edison obligated mandatorily redeemable preferred securities of subsidiary trust holding solely Ohio Edison subordinated debentures	**120,000**	120,000
Long-term debt	**6,001,264**	6,352,359
	11,469,795	11,756,422
DEFERRED CREDITS:		
Accumulated deferred income taxes	**2,231,265**	2,282,864
Accumulated deferred investment tax credits	**269,083**	286,154
Other postretirement benefits	**498,184**	463,642
Nuclear plant decommissioning costs	**562,295**	375,958
Other	**816,014**	850,423
	4,376,841	4,259,041
COMMITMENTS AND CONTINGENCIES (Notes 2 and 5)		
	$18,224,047	$18,192,177

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)

At December 31,	Number of Shares Outstanding 1999	Number of Shares Outstanding 1998	Optional Redemption Price Per Share	Optional Redemption Price Aggregate	1999	1998
COMMON STOCKHOLDERS' EQUITY:						
Common stock, $.10 par value—authorized 300,000,000 shares 232,454,287 and 237,069,087 shares outstanding, respectively					**$ 23,245**	$ 23,707
Other paid-in capital					**3,722,375**	3,846,513
Accumulated other comprehensive income (Note 3D)					**(195)**	(439)
Retained earnings (Note 3A)					**945,241**	718,409
Unallocated employee stock ownership plan common stock—6,778,905 and 7,406,332 shares, respectively (Note 3B)					**(126,776)**	(139,032)
Total common stockholders' equity					**4,563,890**	4,449,158
PREFERRED STOCK OF CONSOLIDATED SUBSIDIARIES (Note 3E):						
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 3F):						
8.45%	100,000	150,000			**10,000**	15,000
Redemption Within One Year					**(5,000)**	(5,000)
	100,000	150,000			**5,000**	10,000
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
7.64%	—	60,000	—	—	**—**	6,000
7.75%	250,000	250,000	—	—	**25,000**	25,000
8.00%	—	58,000	—	—	**—**	5,800
Total Not Subject to Mandatory Redemption	391,049	509,049		$ 14,614	**39,105**	50,905
Subject to Mandatory Redemption (Note 3F):						
7.625%	150,000	150,000	106.10	$ 15,915	**15,000**	15,000
OE OBLIGATED MANDATORILY REDEEMABLE PREFERRED SECURITIES OF SUBSIDIARY TRUST HOLDING SOLELY OE SUBORDINATED DEBENTURES (Note 3G):						
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)

(Dollars in thousands, except per share amounts)

At December 31,	Number of Shares Outstanding 1999	Number of Shares Outstanding 1998	Optional Redemption Price Per Share	Optional Redemption Price Aggregate	1999	1998
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	90,000	100,000	101.00	$ 9,090	**9,110**	10,110
$88.00 Series E	3,000	6,000	1,000.00	3,000	**3,000**	6,000
$91.50 Series Q	21,430	32,144	1,000.00	21,430	**21,430**	32,144
$88.00 Series R	50,000	50,000	—	—	**55,000**	55,000
$90.00 Series S	55,250	74,000	—	—	**61,170**	79,920
	219,680	262,144		33,520	**149,710**	183,174
Redemption Within One Year					**(33,464)**	(33,464)
Total Subject to Mandatory Redemption	219,680	262,144		$ 33,520	**116,246**	149,710
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
Cumulative, $100 par value—						
Subject to Mandatory Redemption:						
$9.375	—	16,900		$ —	—	1,690
Redemption Within One Year					—	(1,690)
Total Subject to Mandatory Redemption	—	16,900		$ —	—	—

Consolidated Statements of Capitalization (Cont'd)

LONG-TERM DEBT (Note 3H) (Interest rates reflect weighted average rates) *(In thousands)*

	FIRST MORTGAGE BONDS			SECURED NOTES			UNSECURED NOTES			TOTAL	
At December 31,		1999	1998		1999	1998		1999	1998	1999	1998
Ohio Edison Co. –											
Due 1999-2004	7.81%	$ 509,265	$ 659,265	7.57%	$ 269,152	$ 203,062	5.40%	$ 742,225	$566,500		
Due 2005-2009	6.88%	80,000	80,000	7.65%	49,534	48,194	—	—	—		
Due 2010-2014	—	—	—	—	—	—	—	—	—		
Due 2015-2019	—	—	—	6.89%	66,000	113,725	—	—	—		
Due 2020-2024	7.99%	219,460	225,960	7.02%	129,942	317,943	—	—	—		
Due 2025-2029	—	—	—	5.75%	119,734	119,734	—	—	—		
Due 2030-2034	—	—	—	5.45%	14,800	14,800	—	—	—		
Total-Ohio Edison		808,725	965,225		649,162	817,458		742,225	566,500	**$ 2,200,112**	$ 2,349,183
Cleveland Electric Illuminating Co. –											
Due 1999-2004	7.54%	295,000	295,000	7.64%	559,650	704,180	5.58%	27,700	—		
Due 2005-2009	8.72%	425,000	425,000	7.29%	271,700	271,700	—	—	—		
Due 2010-2014	—	—	—	8.00%	78,700	78,700	—	—	—		
Due 2015-2019	—	—	—	6.74%	412,630	412,630	—	—	—		
Due 2020-2024	9.00%	150,000	150,000	6.66%	264,160	291,860	—	—	—		
Due 2025-2029	—	—	—	7.59%	148,843	148,843	—	—	—		
Due 2030-2034	—	—	—	4.56%	104,895	104,895	—	—	—		
Total-Cleveland Electric		870,000	870,000		1,840,578	2,012,808		27,700	—	**2,738,278**	2,882,808
Toledo Edison Co. –											
Due 1999-2004	7.90%	179,925	265,325	7.84%	266,000	284,500	7.28%	226,100	138,750		
Due 2005-2009	—	—	—	7.13%	30,000	30,000	10.00%	150	150		
Due 2010-2014	—	—	—	4.98%	—	31,250	10.00%	700	700		
Due 2015-2019	—	—	—	8.00%	67,300	67,300	—	—	—		
Due 2020-2024	—	—	—	7.89%	210,600	266,700	—	—	—		
Due 2025-2029	—	—	—	5.90%	13,851	13,851	—	—	—		
Due 2030-2034	—	—	—	—	—	—	—	—	—		
Total-Toledo Edison		179,925	265,325		587,751	693,601		226,950	139,600	**994,626**	1,098,526
Pennsylvania Power Co. –											
Due 1999-2004	7.19%	79,370	79,857	6.45%	28,200	23,000	5.90%	5,200	—		
Due 2005-2009	9.74%	4,870	4,870	—	—	—	—	—	—		
Due 2010-2014	9.74%	4,870	4,870	5.40%	1,000	1,000	—	—	—		
Due 2015-2019	9.74%	4,903	4,903	6.28%	45,325	45,325	—	—	—		
Due 2020-2024	8.33%	33,750	33,750	6.68%	27,182	32,382	—	—	—		
Due 2025-2029	—	—	—	6.03%	47,972	47,972	—	—	—		
Due 2030-2034	—	—	—	—	—	—	—	—	—		
Total-Penn Power		127,763	128,250		149,679	149,679		5,200	—	**282,642**	277,929
OES Fuel		—	—	6.85%	81,260	79,524	—	—	—	**81,260**	79,524
Bay Shore Power		—	—	6.72%	147,500	147,500	—	—	—	**147,500**	147,500
MARBEL Energy Corp.		—	—	6.40%	—	12,418	8.00%	692	—	**692**	12,418
Facilities Services Group		—	—	6.61%	14,782	10,237	7.29%	1,887	3,917	**16,669**	14,154
Total		$1,986,413	$2,228,800		$3,470,712	$3,923,225		$1,004,654	$710,017	**6,461,779**	6,862,042
Capital lease obligations										**158,303**	199,491
Net unamortized premium on debt										**105,238**	127,142
Long-term debt due within one year										**(724,056)**	(836,316)
Total long-term debt										**6,001,264**	6,352,359
TOTAL CAPITALIZATION										**$11,469,795**	$11,756,422

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-Note 3D	Number of Shares	Par Value	Other Paid-In Capital	Accumulated Other Comprehensive Income-Note 3D	Retained Earnings	Unallocated ESOP Common Stock
Balance, January 1, 1997		152,569,437	$1,373,125	$ 728,261	$(659)	$ 557,642	$(155,010)
Net income	$305,774					305,774	
Minimum liability for unfunded retirement benefits, net of $26,000 of income taxes	45				45		
Comprehensive income	$305,819						
Centerior acquisition		77,637,704	(1,350,104)	2,907,387			
Allocation of ESOP shares				1,874			8,033
Cash dividends on common stock						(216,770)	
Balance, December 31, 1997		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)

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, 1997	5,118,699	$211,870	5,200,000	$160,000
Centerior acquisition	7,324,000	448,325	319,408	201,243
Redemptions—				
8.45% Series			(50,000)	(5,000)
Balance, December 31, 1997	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

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,	1999	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income	**$ 568,299**	$ 410,874	$ 305,774
Adjustments to reconcile net income to net cash from operating activities:			
Provision for depreciation and amortization	**937,976**	758,865	474,679
Nuclear fuel and lease amortization	**104,928**	94,348	61,960
Other amortization, net	**(10,730)**	(13,007)	(1,187)
Deferred income taxes, net	**(45,054)**	(23,763)	(29,093)
Investment tax credits, net	**(19,661)**	(22,070)	(16,252)
Allowance for equity funds used during construction	**—**	—	(201)
Extraordinary item	**—**	51,730	—
Receivables	**(203,567)**	35,515	21,846
Materials and supplies	**19,631**	(14,235)	(18,909)
Accounts payable	**82,578**	(73,205)	57,087
Other	**53,906**	(49,727)	733
Net cash provided from operating activities	**1,488,306**	1,155,325	856,437
CASH FLOWS FROM FINANCING ACTIVITIES:			
New Financing—			
Common stock	**—**	204,182	1,558,237
Long-term debt	**364,832**	499,975	89,773
Ohio Schools Council prepayment program	**—**	116,598	—
Short-term borrowings, net	**163,327**	—	—
Redemptions and Repayments—			
Common stock	**130,133**	—	—
Preferred stock	**52,159**	21,379	5,000
Long-term debt	**847,006**	804,780	335,909
Short-term borrowings, net	**—**	48,354	47,251
Common Stock Dividend Payments	**341,467**	339,111	237,848
Net cash provided from (used for) financing activities	**(842,606)**	(392,869)	1,022,002
CASH FLOWS FROM INVESTING ACTIVITIES:			
Centerior acquisition	**—**	—	1,582,459
Property additions	**624,901**	652,852	203,839
Cash investments	**(41,213)**	47,804	8,934
Other	**28,022**	82,239	62,237
Net cash used for investing activities	**611,710**	782,895	1,857,469
Net increase (decrease) in cash and cash equivalents	**33,990**	(20,439)	20,970
Cash and cash equivalents at beginning of period*	**77,798**	98,237	77,267
Cash and cash equivalents at end of year	**$ 111,788**	$ 77,798	$ 98,237
SUPPLEMENTAL CASH FLOWS INFORMATION:			
Cash Paid During the Year—			
Interest (net of amounts capitalized)	**$ 520,072**	$ 536,064	$ 281,670
Income taxes	**$ 441,067**	$ 326,268	$ 265,615

1997 beginning balance includes Centerior cash and cash equivalents as of the November 8, 1997 acquisition date.

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,	1999	1998	1997
GENERAL TAXES:			
Real and personal property	**$ 276,227**	$ 292,503	$ 137,816
State gross receipts	**220,117**	217,633	118,390
Social security and unemployment	**37,019**	27,363	16,551
Other	**10,689**	13,409	9,406
Total general taxes	**$ 544,052**	$ 550,908	$ 282,163
PROVISION FOR INCOME TAXES:			
Currently payable—			
Federal	**$ 433,872**	$ 313,960	$ 235,728
State	**25,670**	14,452	18,152
	459,542	328,412	253,880
Deferred, net—			
Federal	**(36,021)**	(14,259)	(23,204)
State	**(9,033)**	(9,504)	(5,889)
	(45,054)	(23,763)	(29,093)
Investment tax credit amortization	**(19,661)**	(22,070)	(16,252)
Total provision for income taxes	**$ 394,827**	$ 282,579	$ 208,535
RECONCILIATION OF FEDERAL INCOME TAX EXPENSE AT STATUTORY RATE TO TOTAL PROVISION FOR INCOME TAXES:			
Book income before provision for income taxes	**$ 963,126**	$ 693,453	$ 514,309
Federal income tax expense at statutory rate	**$ 337,094**	$ 242,709	$ 180,008
Increases (reductions) in taxes resulting from—			
Amortization of investment tax credits	**(19,661)**	(22,070)	(16,252)
State income taxes, net of federal income tax benefit	**10,814**	3,216	7,971
Amortization of tax regulatory assets	**23,908**	28,915	30,735
Amortization of goodwill	**19,341**	17,868	2,685
Preferred stock dividends	**22,988**	19,250	5,956
Other, net	**343**	(7,309)	(2,568)
Total provision for income taxes	**$ 394,827**	$ 282,579	$ 208,535
ACCUMULATED DEFERRED INCOME TAXES AT DECEMBER 31:			
Property basis differences	**$1,878,904**	$1,938,735	$2,091,207
Deferred nuclear expense	**421,837**	436,601	454,902
Customer receivables for future income taxes	**159,577**	159,526	262,428
Competitive transition charge	**115,277**	135,730	—
Deferred sale and leaseback costs	**(129,775)**	(61,506)	(121,974)
Unamortized investment tax credits	**(96,036)**	(102,085)	(116,593)
Unused alternative minimum tax credits	**(101,185)**	(190,781)	(243,039)
Other	**(17,334)**	(33,356)	(22,626)
Net deferred income tax liability	**$2,231,265**	$2,282,864	$2,304,305

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). The Company and its utility subsidiaries are referred to throughout as "Companies." The Company's 1997 results of operations include the results of CEI and TE for the period November 8, 1997 through December 31, 1997. The consolidated financial statements also include the Company's other principal subsidiaries: FirstEnergy Facilities Services Group, LLC. (FE Facilities); FirstEnergy Trading Services, Inc. (FETS); and MARBEL Energy Corporation (MARBEL). FE Facilities is the parent company of several heating, ventilating, air conditioning and energy management companies. FETS markets and trades electricity and natural gas in unregulated markets. 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 generally accepted accounting principles 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, 1999 or 1998, with respect to any particular segment of the Companies' customers.

CEI and TE sell substantially all of their retail customer accounts receivable to Centerior Funding Corp. under an asset-backed securitization agreement which expires in 2001. Centerior Funding completed a public sale of $150 million of receivables-backed investor certificates in 1996 in a transaction that qualified for sale accounting treatment.

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 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 current levels) and CEI and TE base rates were to be reduced by a combined $310 million (approximately 15 percent below current levels). The plans also revised the Companies' fuel cost recovery methods. The Companies formerly recovered fuel-related costs not otherwise included in base rates from retail customers through separate energy rates. In accordance with the respective regulatory plans, 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 are expected to reduce operating revenues for OE by approximately $600 million and CEI and TE by approximately $391 million during the regulatory plan period.

In July 1999, Ohio's new electric utility restructuring legislation which will allow Ohio electric customers to select their generation suppliers beginning January 1, 2001, was signed into law. Among other things, the new law 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 – – on December 22, 1999 refiled its transition plan under Ohio's new electric utility restructuring law. The plan was originally filed with the PUCO on October 4, 1999, but was refiled to conform to PUCO rules established on November 30, 1999. The new 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 PUCO indicated that it will endeavor to issue its order in the Company's case within 275 days of the initial October filing date.

The transition plan itemizes, or unbundles, 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 filing 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. Under the plan, customers who remain with OE, CEI, or TE as their generation provider will continue to receive savings under the Company's rate plans, expected to total $759 million between 2000 and 2005. In addition, customers will save $358 million through reduced charges for taxes and a five percent reduction in the price of generation for residential customers beginning January 1, 2001. Customer prices are expected to 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 proposes recovery of generation-related transition costs of approximately $4.5 billion ($4.0 billion, net of deferred income taxes) over the market development period; transition costs related to regulatory assets aggregating approximately $4.2 billion ($2.9 billion, net of deferred income taxes) will be recovered over the period of 2001 through early 2004 for OE; 2001 through 2007 for TE; and 2001 through 2010 for CEI.

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. The Securities and Exchange Commission (SEC) issued interpretive guidance regarding asset impairment measurement which concluded that 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, 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 Statement of Financial Accounting Standards (SFAS) No. 71, "Accounting for the Effects of Certain Types of Regulation" (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 are being recovered under provisions of the regulatory plans. In addition, the PUCO has authorized OE to recognize additional capital recovery related to its generating assets (which is reflected as additional depreciation expense) and additional amortization of regulatory assets during the 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 regulatory plans were not in effect. These additional amounts are being recovered through current rates. As of December 31, 1999, OE's and Penn's cumulative additional capital recovery and regulatory asset amortization amounted to $1.048 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 will ultimately satisfy the $2 billion asset reduction commitment contained in the CEI and TE regulatory plan. For regulatory purposes, CEI and TE will recognize the accelerated amortization over the period that their rate plan is in effect.

Application of SFAS 71 was discontinued in 1997 with respect to CEI's and TE's nuclear operations (see "Regulatory Assets" below) and in 1998 with respect to Penn's generation operations (as described above). 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 at December 31, 1999.

	SFAS 71 Discontinued Net Assets	Total Assets
	(In millions)	
CEI	$977	$6,209
TE	530	2,667
Penn	76	1,016

Property, Plant and Equipment — Property, plant and equipment reflects original cost (except for CEI's, TE's and Penn's 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 3.0% in 1999, 1998 and 1997. The annual composite rate for Penn's electric plant was approximately 2.5% in 1999 and 3.0% in 1998 and 1997. CEI's and TE's composite rates were both approximately 3.4% in 1999 and 1998. In addition to the straight-line depreciation recognized in 1999, 1998 and 1997, OE and Penn recognized additional capital recovery of $95 million, $141 million (excluding Penn's impairment) and $172 million, respectively, as additional depreciation expense in accordance with their regulatory plans. Such additional charges in the accumulated provision for depreciation were $517 million and $422 million as of December 31, 1999 and 1998, respectively.

Annual depreciation expense in 1999 included approximately $31.0 million for future decommissioning costs applicable to the Companies' ownership and leasehold interests in four nuclear generating units. The Companies' future decommissioning costs reflect the increase in their ownership interests related to the asset transfer with Duquesne Light Company (Duquesne) discussed below in "Common Ownership of Generating Facilities." The Companies' share of the future obligation to decommission these units is approximately $1.8 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 $315 million for decommissioning through their electric rates from customers through December 31, 1999. If the actual costs of decommissioning the units exceed the funds accumulated from investing amounts recovered from customers, the Companies expect that additional amount to be recoverable from their customers. The Companies have approximately $543.7 million invested in external decommissioning trust funds as of December 31, 1999. This includes additions to the trust funds and the corresponding liability of $123 million as a result of the asset transfer. Earnings on these funds are reinvested with a corresponding increase to the decommissioning liability. The Companies have also recognized an estimated liability of approximately $36.7 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 increase; (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 revised proposal may be issued by the FASB in the first quarter of 2000.

Common Ownership of Generating Facilities — The Companies and Duquesne constituted the Central Area Power Coordination Group (CAPCO). The CAPCO companies formerly owned and/or leased, as tenants in common, various power generating facilities. Each of the companies is obligated to pay a share of the costs associated with any jointly owned facility in the same proportion as its interest. The companies' portions of operating expenses associated with jointly owned facilities are included in the corresponding operating expenses on the Consolidated Statements of Income.

On March 26, 1999, FirstEnergy completed its agreements with Duquesne to exchange certain generating assets. All regulatory approvals were received by October 1999. In December 1999, Duquesne transferred 1,436 megawatts owned by Duquesne at eight CAPCO generating units in exchange for 1,328 megawatts at three non-CAPCO power plants owned by the Companies. The agreements for the exchange of assets, which was structured as a like-kind exchange for tax purposes, provides the Companies with exclusive ownership and operating control of all CAPCO generating units. The three FirstEnergy plants transferred are being sold by Duquesne to a wholly owned subsidiary of Orion Power Holdings, Inc. (Orion). The Companies will continue to operate those plants until the assets are transferred to the new owners. Duquesne funded decommissioning costs equal to its percentage interest in the three nuclear generating units that were transferred to FirstEnergy. The Duquesne asset transfer to the Orion subsidiary could take place by the middle of 2000. Under the agreements, Duquesne is no longer a participant in the CAPCO arrangements after the exchange.

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 2). The Companies amortize the cost of nuclear fuel based on the rate of consumption. The Companies' electric rates include amounts for the future disposal of spent nuclear fuel based upon the formula used to compute payments to the DOE.

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 $101 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. In 1998, the Centerior Energy Corporation (Centerior) pension plan was merged into the FirstEnergy pension plan. 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, 1999. 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	
	1999	1998	1999	1998
	(In millions)			
Change in benefit obligation:				
Benefit obligation as of January 1	$1,500.1	$1,327.5	$ 601.3	$ 534.1
Service cost	28.3	25.0	9.3	7.5
Interest cost	102.0	92.5	40.7	37.6
Plan amendments	—	44.3	—	40.1
Actuarial loss (gain)	(155.6)	101.6	(17.6)	10.7
Net increase from asset swap	14.8	—	12.5	—
Benefits paid	(95.5)	(90.8)	(37.8)	(28.7)
Benefit obligation as of December 31	1,394.1	1,500.1	608.4	601.3
Change in plan assets:				
Fair value of plan assets as of January 1	1,683.0	1,542.5	3.9	2.8
Actual return on plan assets	220.0	231.3	0.6	0.7
Company contribution	—	—	0.4	0.4
Benefits paid	(95.5)	(90.8)	—	—
Fair value of plan assets as of December 31	1,807.5	1,683.0	4.9	3.9
Funded status of plan	413.4	182.9	(603.5)	(597.4)
Unrecognized actuarial loss (gain)	(303.5)	(110.8)	24.9	30.6
Unrecognized prior service cost	57.3	63.0	24.1	27.4
Unrecognized net transition obligation (asset)	(10.1)	(18.0)	120.1	129.3
Prepaid (accrued) benefit cost	$ 157.1	$ 117.1	$(434.4)	$(410.1)
Assumptions used as of December 31:				
Discount rate	7.75%	7.00%	7.75%	7.00%
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, 1999 were computed as follows:

	Pension Benefits			Other Postretirement Benefits		
	1999	1998	1997	1999	1998	1997
	(In millions)					
Service cost	$ 28.3	$ 25.0	$ 15.2	$ 9.3	$ 7.5	$ 4.6
Interest cost	102.0	92.5	55.9	40.7	37.6	20.4
Expected return on plan assets	(168.1)	(152.7)	(99.7)	(0.4)	(0.3)	(0.2)
Amortization of transition obligation (asset)	(7.9)	(8.0)	(8.0)	9.2	9.2	8.2
Amortization of prior service cost	5.7	2.3	2.1	3.3	(0.8)	0.3
Recognized net actuarial loss (gain)	—	(2.6)	(0.9)	—	—	—
Voluntary early retirement program expense	—	—	54.5	—	—	1.9
Net benefit cost	$ (40.0)	$ (43.5)	$ 19.1	$62.1	$53.2	$35.2

The health care trend rate assumption is 5.3% in 2000, 5.2% in 2001 and 5.0% for 2002 and 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 $4.5 million and the postretirement benefit obligation by $72.0 million. A decrease in the same assumption by one percentage point would decrease the total service and interest cost components by $3.5 million and the postretirement benefit obligation by $58.2 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. At December 31, 1999 and 1998, cash and cash equivalents included $83 million and $26 million, respectively, to be used for the redemption of long-term debt in the first quarter of 2000 and in 1999, respectively. 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 $36.2 million, $61.8 million and $3.0 million for the years 1999, 1998 and 1997, 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 3H).

All borrowings with initial maturities of less than one year are defined as financial instruments under generally accepted accounting principles 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:

	1999		1998	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In millions)			
Long-term debt	$6,381	$6,331	$6,783	$7,247
Preferred stock	$ 295	$ 280	$ 335	$ 340
Investments other than cash and cash equivalents:				
Debt securities				
—Maturity (5-10 years)	$ 475	$ 476	$ 481	$ 520
—Maturity (more than 10 years)	1,068	1,013	1,109	1,139
Equity securities	17	17	17	17
All other	852	874	520	533
	$2,412	$2,380	$2,127	$2,209

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 debt and equity securities referred to above are in the held-to-maturity category. 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.

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 are being recovered from customers under the Companies' respective regulatory plans. Based on those regulatory plans, at this time, the Companies are continuing to bill and collect cost-based rates relating to all of OE's operations, CEI's and TE's nonnuclear operations, and Penn's nongeneration operations and they continue the application of SFAS 71 to those respective operations. OE and Penn recognized additional cost recovery of $257 million, $50 million and $39 million in 1999, 1998 and 1997, respectively, as additional regulatory asset amortization in accordance with their regulatory plans. FirstEnergy's regulatory plan does not provide for full recovery of CEI's and TE's nuclear operations. As a result, in October 1997, CEI and TE discontinued application of SFAS 71 for their nuclear operations and decreased their regulatory assets of customer receivables for future income taxes related to the nuclear assets by $794 million.

The PUCO indicated that it will endeavor to issue its order related to the Company's transition plan by mid-2000. The application of SFAS 71 to OE's generation business and the nonnuclear generation businesses of CEI and TE will be discontinued at that time. If the transition plans ultimately approved by the PUCO for OE, CEI and TE do not provide adequate recovery of their nuclear generating unit investments and regulatory assets, there would be a charge to earnings which could have a material adverse effect on the results of operations and financial condition for the Company, OE, CEI and TE. The Companies will continue to bill and collect cost-based rates for their transmission and distribution services, which will remain regulated; accordingly, it is appropriate that the Companies continue the application of SFAS 71 to those respective operations after December 31, 2000.

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

	1999	1998
	(In millions)	
Nuclear unit expenses	$1,123.0	$1,164.8
Customer receivables for future income taxes	444.3	444.0
Rate stabilization program deferrals	420.1	440.1
Sale and leaseback costs	17.8	218.7
Competitive transition charge	280.4	331.0
Loss on reacquired debt	173.9	183.5
Employee postretirement benefit costs	24.8	28.9
DOE decommissioning and decontamination costs	29.5	32.9
Other	29.6	43.5
Total	$2,543.4	$2,887.4

2. 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, 1999, $116 million of nuclear fuel was financed under a lease financing arrangement totaling $145 million ($30 million of intermediate-term notes and $115 million from bank credit arrangements). The notes mature in August 2000 and the bank credit arrangements expire in September 2000. Lease rates are based on intermediate-term note rates, 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, 1999, are summarized as follows:

	1999	1998	1997
		(In millions)	
Operating leases			
Interest element	$208.6	$201.2	$149.9
Other	110.3	147.8	45.2
Capital leases			
Interest element	17.5	17.6	6.1
Other	76.1	66.3	6.0
Total rentals	$412.5	$432.9	$207.2

The future minimum lease payments as of December 31, 1999, are:

		Operating Leases		
	Capital Leases	Lease Payments	Capital Trusts	Net
		(In millions)		
2000	$ 75.4	$ 296.5	$ 150.6	$ 145.9
2001	45.2	307.5	146.1	161.4
2002	29.7	312.7	169.5	143.2
2003	16.0	326.6	176.5	150.1
2004	12.1	291.8	110.7	181.1
Years thereafter	71.6	3,645.8	1,364.3	2,281.5
Total minimum lease payments	250.0	$5,180.9	$2,117.7	$3,063.2
Executory costs	26.9			
Net minimum lease payments	223.1			
Interest portion	64.8			
Present value of net minimum lease payments	158.3			
Less current portion	55.2			
Noncurrent portion	$103.1			

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.

3. 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 through market purchases; the shares were converted into the Company's common stock in connection with the merger. 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 1999, 1998 and 1997, 627,427 shares, 423,206 shares and 429,515 shares, respectively, were allocated to employees with the corresponding expense recognized based on the shares allocated method. The fair value of 6,778,905 shares unallocated as of December 31, 1999, was approximately $153.8 million. Total ESOP-related compensation expense was calculated as follows:

	1999	1998	1997
		(In millions)	
Base compensation	$18.3	$13.5	$ 9.9
Dividends on common stock held by the ESOP and used to service debt	(4.5)	(3.9)	(3.4)
Net expense	$ 13.8	$ 9.6	$ 6.5

(C) Stock Compensation Plans — Under the Centerior Equity Compensation Plan (Centerior Plan) adopted in 1994, common stock options were granted to management employees. Upon consummation of the merger, outstanding options became exercisable for the Company's common stock with option prices and the number of shares adjusted to reflect the merger conversion ratio. All options under the Centerior Plan expire on or before February 25, 2007.

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. A total of 20,000 shares of restricted stock were granted in 1998, with a per share market price of $30.78. Restrictions on the restricted stock lapse in 25% annual increments beginning in the fourth year from date of grant. Dividends on the 1998 grant are not restricted. An additional 8,000 shares of restricted stock were granted in 1999, in five separate awards with a weighted average market price per share of $30.89 and weighted average cliff vesting period of 5.8 years. Dividends on the 1999 grants are being restricted. Options were granted in 1998 and 1999, and are exercisable after four years from the date of grant with some acceleration of vesting possible based on performance. Stock option activity for the converted Centerior Plan stock options and FE Plan stock options was as follows:

Stock Option Activity	Number of Options	Weighted Average Exercise Price
Balance at December 31, 1996	—	$ —
Options granted (at merger)	743,086	23.85
Options exercised	222,023	22.13
Options forfeited	3,675	22.75
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)		

As of December 31, 1999, the weighted average remaining contractual life of outstanding stock options was 6.2 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, 1999, there were 61,465.81 stock units outstanding.

The Company continues to apply APB 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:

	1999	1998	1997
Valuation assumptions:			
Expected option term (years)	6.4	10	8
Expected volatility	20.03%	15.50%	16.00%
Expected dividend yield	5.97%	5.68%	5.80%
Risk-free interest rate	5.97%	5.65%	5.94%
Fair value per option	$3.42	$3.25	$2.92

The pro forma effects of applying fair value accounting to the Company's stock options would be to reduce net income and earnings per share. The following table summarizes the pro forma effect.

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

(D) Comprehensive Income — In 1998, the Company adopted SFAS 130, "Reporting Comprehensive Income," and applied the standard to all periods presented in the Consolidated Statements of Common Stockholders' Equity. 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.

(E) 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.

(F) 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	$ 7.35 C	10,000	100		(i)
	88.00 E	3,000	1,000		(i)
	91.50 Q	10,714	1,000		(i)
	90.00 S	18,750	1,000		(i)
	88.00 R	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 $38 million in 2000, $85 million in 2001, $19 million in 2002, $2 million in 2003 and $2 million in 2004. A liability of $19 million was included in the net assets acquired from CEI and TE for preferred dividends declared attributable to the post-merger period. Accordingly, no accruals for CEI and TE preferred dividends are included in the Company's Consolidated Statement of Income for the period November 8, 1997 through December 31, 1997.

(G) 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 beginning December 31, 2000, 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.

(H) 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, 1999, OE's, TE's and Penn's annual sinking and improvement fund requirements for all bonds issued under the mortgage amounts to $31 million. OE, TE and Penn expect to deposit funds in 2000 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)
2000	$668.8
2001	375.7
2002	945.8
2003	459.0
2004	833.3

The Companies' obligations to repay certain pollution control revenue bonds are secured by several series of first mortgage bonds and, in some cases, by subordinate liens on the related pollution control facilities. Certain pollution control revenue bonds are entitled to the benefit of irrevocable bank letters of credit of $397.3 million. To the extent that drawings are made under those letters of credit to pay principal of, or interest on, the pollution control revenue bonds, OE, Penn and/or CEI are entitled to a credit against their obligation to repay those bonds. The Companies pay annual fees of 0.43% to 1.10% 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 $190 million at December 31, 1999, 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 2).

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. Accordingly, the commercial paper and loans are 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.

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

Short-term borrowings outstanding at December 31, 1999, consisted of $257.8 million of bank borrowings and $160.0 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 $205 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 0.125% to 0.50%. These lines expire at various times during 2000. The weighted average interest rates on short-term borrowings outstanding at December 31, 1999 and 1998, were 6.51% and 5.67%, respectively.

5. Commitments and Contingencies:

Capital Expenditures — The Companies' current forecasts reflect expenditures of approximately $3.0 billion for property additions and improvements from 2000-2004, of which approximately $650 million is applicable to 2000. Investments for additional nuclear fuel during the 2000-2004 period are estimated to be approximately $497 million, of which approximately $159 million applies to 2000. During the same periods, the Companies' nuclear fuel investments are expected to be reduced by approximately $480 million and $106 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 1999, the Company repurchased and retired 4.6 million shares of its common stock at an average price of $28.08 per share. The Company also entered into a forward contract with Credit Suisse First Boston Corporation for the purchase of 1.4 million shares of the Company's common stock at an average price of $24.22 per share to be settled on November 3, 2000. The contract may be settled through gross physical settlement, net share settlement or net cash settlement at the Company's election.

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 $1.43 billion of insurance coverage for replacement power costs. Under these policies, the Companies can be assessed a maximum of approximately $44 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 $292 million, which is included in the construction forecast provided under "Capital Expenditures" for 2000 through 2004.

The Companies are in compliance with the current sulfur dioxide (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 purchasing emission allowances. NOx reductions are being achieved through combustion controls and generating more electricity from lower-emitting plants. In September 1998, the Environmental Protection Agency (EPA) finalized regulations requiring additional NOx reductions from the Companies' Ohio and Pennsylvania facilities by May 2003. The EPA's NOx Transport Rule imposes uniform reductions of NOx 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 May 1999, the U.S. Court of Appeals for the D.C. Circuit issued a stay which delays implementation of EPA's NOx Transport Rule until the Court has ruled on the merits of various appeals. Under the NOx Transport Rule, each of the twenty-two states are required to submit revised State Implementation Plans (SIP) which comply with individual state NOx budgets established by the EPA contemplating an approximate 85% reduction in utility plant NOx emissions from projected 2007 emissions. A proposed 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 suggests 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 delayed. New 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.

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.

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 for the D.C. Circuit remanded both standards back to the EPA finding constitutional and other defects in the new NAAQS rules. The D.C. Circuit Court, on October 29, 1999, denied an EPA petition for rehearing. The Companies cannot predict the EPA's action in response to the Court's remand order. The cost of compliance with these regulations, if they are reinstated, may be substantial and depends on the manner in which they are ultimately implemented, if at all, by the states in which the Companies operate affected facilities.

In September 1999, FirstEnergy received, and subsequently in October 1999, OE and Penn received, a citizen suit notification letter from the New York Attorney General's office alleging Clean Air Act violations at the W. H. Sammis Plant. In November 1999, OE and Penn received a citizen suit notification letter from the Connecticut Attorney General's office alleging Clean Air Act violations at the Sammis Plant. On November 3, 1999, the EPA issued Notices of Violation (NOV) or a Compliance Order to eight utilities covering 32 power plants, including the Sammis Plant. In addition, the U.S. Department of Justice filed seven 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 this litigation, 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. It is anticipated at this time that the Sammis Plant will continue to operate while the matter is being decided.

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 $5.4 million as of December 31, 1999, based on estimates of the costs of cleanup and the proportionate responsibility of other PRPs for such costs. 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.

6. Segment Information:

The Company's primary segment is its Electric Utility Operating Companies which includes four regulated electric utility operating companies that provide electric service in Ohio and Pennsylvania. Its other material business segment is FETS which markets and trades electricity in nonregulated markets. Financial data for these business segments and products and services are as shown on the following page:

Segment Financial Information

	Electric Utilities	FE Trading Services	All Other	Reconciling Eliminations	Totals
			(In millions)		
1999					
External revenues	$ 5,421	$191	$ 708	$ —	$ 6,320
Intersegment revenues	32	60	102	(194)	—
Total revenues	5,453	251	810	(194)	6,320
Depreciation and amortization	913	—	25	—	938
Net interest charges	549	6	66	(49)	572
Income taxes	377	(5)	23	—	395
Net income/Earnings on common stock	545	(8)	35	(4)	568
Total assets	17,105	181	1,864	(926)	18,224
Property additions	417	—	130	—	547
Acquisitions	—	25	53	—	78
1998					
External revenues	$ 5,215	$411	$ 249	$ —	$ 5,875
Intersegment revenues	32	26	97	(155)	—
Total revenues	5,247	437	346	(155)	5,875
Depreciation and amortization	748	—	11	—	759
Net interest charges	590	2	69	(60)	601
Income taxes	320	(35)	(2)	—	283
Extraordinary item:					
Pennsylvania restructuring	(31)	—	—	—	(31)
Net income/Earnings on common stock	478	(52)	1	(16)	411
Total assets	18,316	54	1,742	(1,920)	18,192
Property additions	304	—	64	—	368
Acquisitions	—	—	285	—	285
1997					
External revenues	$ 2,844	$ 43	$ 74	$ —	$ 2,961
Intersegment revenues	33	—	106	(139)	—
Total revenues	2,877	43	180	(139)	2,961
Depreciation and amortization	470	—	5	—	475
Net interest charges	300	—	60	(51)	309
Income taxes	206	—	3	—	209
Net income/Earnings on common stock	335	(1)	4	(32)	306
Total assets	18,700	32	1,209	(1,680)	18,261
Property additions	166	—	38	—	204
Acquisitions	—	—	1,582	—	1,582

Products and Services

Year	Electricity Sales	Oil & Gas Sales and Production	Energy Related Sales and Services
		(In millions)	
1999	$5,253	$203	$503
1998	4,980	26	198
1997	2,775	—	—

7. Summary of Quarterly Financial Data (Unaudited):

The following summarizes certain consolidated operating results by quarter for 1999 and 1998.

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

Three Months Ended	March 31, 1998	June 30, 1998	September 30, 1998	December 31, 1998
	(In millions, except per share amounts)			
Revenues	$1,367.1	$1,464.0	$1,722.0	$1,321.8
Expenses	1,016.8	1,197.1	1,294.0	1,020.8
Income Before Interest and Income Taxes	350.3	266.9	428.0	301.0
Net Interest Charges	143.6	154.7	153.3	149.4
Income Taxes	83.0	52.2	111.7	56.9
Income Before Extraordinary Item	123.7	60.0	163.0	94.7
Extraordinary Item (Net of Income Taxes) (Note 1)	—	(30.5)	—	—
Net Income	$ 123.7	$ 29.5	$ 163.0	$ 94.7
Earnings per Share of Common Stock Before Extraordinary Item	$.56	$.27	$.71	$.41
Extraordinary Item (Net of Income Taxes) (Note 1)	—	(.14)	—	—
Earnings per Share of Common Stock	$.56	$.13	$.71	$.41

8. Pro Forma Combined Condensed FirstEnergy Statement of Income (Unaudited):

The Company was formed on November 8, 1997 by the merger of OE and Centerior. The merger was accounted for as a purchase of Centerior's net assets with 77,637,704 shares of FirstEnergy Common Stock through the conversion of each outstanding Centerior Common Stock share into 0.525 of a share of FirstEnergy Common Stock (fractional shares were paid in cash). Based on an imputed value of $20.125 per share, the purchase price was approximately $1.582 billion, which also included approximately $20 million of merger related costs. Goodwill of approximately $2.0 billion was recognized (to be amortized on a straight-line basis over forty years), which represented the excess of the purchase price over Centerior's net assets after fair value adjustments.

Accumulated amortization of goodwill was approximately $109 million as of December 31, 1999. The merger purchase accounting adjustments, which were recorded in the records of Centerior's direct subsidiaries, included recognizing estimated severance and other compensation liabilities ($80 million). The amount charged against the liability in 1998 relating to the costs of involuntary employee separation was $41 million. In addition, the liability was reduced to approximately $9 million as of December 31, 1998 to represent potential costs associated with the separation of 493 CEI employees. The liability adjustment was offset by a corresponding reduction to goodwill recognized in connection with the Centerior acquisition.

The following pro forma statement of income of FirstEnergy gives effect to the OE/Centerior merger as if it had been consummated on January 1, 1997, with the purchase accounting adjustments actually recognized in the business combination.

	Year Ended December 31, 1997
	(In millions, except per share amounts)
Revenues	$5,206
Expenses	3,800
Income Before Interest and Income Taxes	1,406
Net Interest Charges	643
Income Taxes	336
Net Income	$ 427
Earnings per Share of Common Stock	$ 1.92

Pro forma adjustments reflected above include: (1) adjusting CEI and TE nuclear generating units to fair value based upon independent appraisals and estimated discounted future cash flows based on management's estimate of cost recovery; (2) goodwill recognized representing the excess of the purchase price over Centerior's adjusted net assets; (3) elimination of revenue and expense transactions between OE and Centerior; (4) amortization of the fair value adjustment for long-term debt; and (5) adjustments for estimated tax effects on the above adjustments.

Consolidated Financial and Pro Forma Combined Operating Statistics (Unaudited)

	1999	1998	1997	1996	1995	1994	1989
GENERAL FINANCIAL INFORMATION							
(Dollars in thousands)							
Revenues	**$ 6,319,647**	$ 5,874,906	$ 2,961,125	$2,521,788	$2,500,770	$2,390,957	$2,193,852
Net Income	**$ 568,299**	$ 410,874	$ 305,774	$ 302,673	$ 294,747	$ 281,852	$ 332,932
SEC Ratio of Earnings to Fixed Charges	**2.01**	1.77	2.18	2.38	2.32	2.24	2.03
Net Property, Plant and Equipment	**$ 9,093,341**	$ 9,242,574	$ 9,635,992	$5,534,382	$5,788,436	$5,904,445	$6,088,598
Capital Expenditures	**$ 474,118**	$ 305,577	$ 188,145	$ 145,005	$ 196,041	$ 258,642	$ 258,041
Total Capitalization	**$ 11,469,795**	$11,756,422	$12,124,492	$5,582,989	$5,565,997	$5,852,030	$6,083,504
Capitalization Ratios:							
Common Stockholders' Equity	**39.8%**	37.9%	34.3%	44.8%	43.3%	39.6%	42.2%
Preferred and Preference Stock:							
Not Subject to Mandatory Redemption	**5.7**	5.6	5.5	3.8	3.8	5.6	5.8
Subject to Mandatory Redemption	**2.2**	2.5	2.7	2.8	2.9	0.7	1.5
Long-Term Debt	**52.3**	54.0	57.5	48.6	50.0	54.1	50.5
Total Capitalization	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Average Capital Costs:							
Preferred and Preference Stock	**7.99%**	8.01%	8.02%	7.59%	7.59%	7.15%	8.72%
Long-Term Debt	**7.65%**	7.83%	8.02%	7.76%	8.00%	8.17%	9.67%
COMMON STOCK DATA (a)							
Earnings per Share	**$2.50**	$1.95	$1.94	$2.10	$2.05	$1.97	$2.18
Return on Average Common Equity	**12.7%**	10.3%	11.0%	12.4%	12.5%	12.4%	13.0%
Dividends Paid per Share	**$1.50**	$1.50	$1.50	$1.50	$1.50	$1.50	$1.96
Dividend Payout Ratio	**60%**	77%	77%	71%	73%	76%	90%
Dividend Yield	**6.6%**	4.6%	5.2%	6.6%	6.4%	8.1%	8.3%
Price/Earnings Ratio	**9.1**	16.7	14.9	10.8	11.5	9.4	10.9
Book Value per Share	**$20.22**	$19.37	$18.71	$17.35	$16.73	$16.15	$16.82
Market Price per Share	**$22.69**	$32.56	$29.00	$22.75	$23.50	$18.50	$23.75
Ratio of Market Price to Book Value	**112%**	168%	155%	131%	140%	115%	141%
OPERATING STATISTICS (b)							
Kilowatt-Hour Sales (Millions):							
Residential	**16,933**	15,873	15,562	15,807	15,773	15,181	14,425
Commercial	**18,295**	16,255	15,868	14,944	14,845	14,366	13,064
Industrial	**24,884**	24,039	24,062	23,367	22,681	21,910	22,315
Other	**371**	378	372	1,158	1,196	1,218	1,135
Total Retail	**60,483**	56,545	55,864	55,276	54,495	52,675	50,939
Total Wholesale	**7,135**	5,557	7,870	9,670	9,295	7,039	9,416
Total Sales	**67,618**	62,102	63,734	64,946	63,790	59,714	60,355
Customers Served:							
Residential	**1,951,928**	1,938,259	1,929,371	1,912,850	1,907,850	1,893,827	1,833,955
Commercial	**219,761**	214,698	215,307	212,092	210,745	207,362	195,888
Industrial	**11,667**	11,888	12,918	12,974	12,763	12,618	12,517
Other	**2,177**	2,067	2,040	3,913	3,869	3,760	3,965
Total	**2,185,533**	2,166,912	2,159,636	2,141,829	2,135,227	2,117,567	2,046,325
Number of Employees (Excludes Facilities Services Group and MARBEL) (c)	**10,034****	8,765	10,020	10,477	11,633	11,933	15,967

(a) Before extraordinary charge in 1998.

(b) Years prior to 1998 reflect pro forma combined Ohio Edison and Centerior statistics.

(c) 1999 number of employees includes approximately 1,100 Beaver Valley Power Station employees added as a result of the generation plant asset swap.

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: 800-736-3402. For Internet access to shareholder information and useful forms, visit our Web site at: *www.firstenergycorp.com/ir* on the Internet.

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 2000 are:

Ex-Dividend Date	Record Date	Payment Date
February 3	February 7	March 1
May 3	May 5	June 1
August 3	August 7	September 1
November 3	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. To receive an authorization form, contact Investor Services.

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 $250 cash investment. 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. To receive an enrollment form, contact Investor Services.

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 the held 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, including the exact registration of the account for which you want the mailing discontinued, to Investor Services.

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, 330-384-5500.

Annual Meeting of Shareholders

Shareholders are invited to attend the 2000 Annual Meeting of Shareholders on Thursday, April 27, 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 by completing and returning the proxy card that is sent to them. 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 10, 2000.

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1 9 9 9 ANNUAL REPORT

FirstEnergy

Form 10-K

ANNUAL REPORT TO THE SECURITIES AND EXCHANGE COMMISSION

For the Year Ended December 31, 1999

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, 1999
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 (412)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: $4,238,859,520 as of March 10, 2000. 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 24, 2000
FirstEnergy Corp., $.10 par value	231,119,841
Ohio Edison Company, $9 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 INCORPORTED
FirstEnergy Corp. Annual Report to Stockholders for the fiscal year ended December 31, 1999 (Pages 16-47)	Part II
Proxy Statement for 2000 Annual Meeting of Stockholders to be held April 27, 2000	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 four 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." The Company's consolidated revenues are primarily derived from electric service provided by its utility operating subsidiaries 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), and MARBEL Energy Corporation (MARBEL). In addition, the Company holds all of the outstanding common stock of five other direct subsidiaries: FirstEnergy Properties, Inc., FirstEnergy Ventures, Corp., FirstEnergy Nuclear Operating Co. (FENOC), American Transmission Systems, Inc., 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 furnishes electric service to communities in a 7,500 square mile area of central and northeastern Ohio. It also provides transmission services and electric energy for resale to certain municipalities in OE's service area and transmission services to certain rural cooperatives. 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. Penn also provides transmission services and electric energy for resale to certain municipalities in 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 furnishes electric service in an area of approximately 1,700 square miles in northeastern Ohio, including the City of Cleveland. 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 furnishes electric service in an area of approximately 2,500 square miles in northwestern Ohio, including the City of Toledo. 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 offers energy-related products and services primarily on a regional basis. FE Services has one subsidiary, Penn Power Energy, Inc. (a Pennsylvania corporation) which provides electric generation services and other energy services to Pennsylvania customers under Pennsylvania's deregulated environment. FE Facilities is the parent company of eleven direct subsidiaries, which are heating, ventilating, air conditioning and energy management companies. FETS, which was organized as a corporation in Delaware in 1995, acquires and arranges for the delivery of electricity and natural gas to FE Services' retail customers. MARBEL, which was acquired by the Company in June 1998, is a 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.

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 operation and rates, the Companies are subject to regulation, including regulation of their accounting policies and practices, by the Federal Energy Regulatory Commission (FERC). Under Ohio law, municipalities may regulate rates, subject to appeal to the PUCO if not acceptable to the utility.

The Energy Policy Act of 1992 (1992 Act) amended portions of the 1935 Act, providing independent power producers and other nonregulated generating facilities easier entry into electric generation markets. The 1992 Act also amended portions of the Federal Power Act, authorizing the FERC, under certain circumstances, to mandate access to utility-owned transmission facilities. Following the enactment of the 1992 Act, the FERC has ordered all utilities to file open access tariffs applicable to transmission facilities, including provisions which require utilities to offer comparable services on a nondiscriminatory basis. The FirstEnergy system has such an open access tariff in effect (see "FERC Rate Matters").

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 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 current levels) and CEI and TE base rates were to be reduced by a combined $310 million (approximately 15 percent below current levels). As part of these plans, transition rate credits were implemented for customers, which are 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 established revised fuel recovery rate formulas which eliminated the automatic pass-through of fuel costs to their retail customers (see "Fuel Recovery Procedures").

In July 1999, Ohio's new electric utility restructuring legislation, which will allow Ohio electric customers to select their generation suppliers beginning January 1, 2001, was signed into law. Among other things, the new law 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 -- on December 22, 1999 refiled its transition plan under Ohio's new electric utility restructuring law. The plan was originally filed with the PUCO on October 4, 1999, but was refiled to conform to PUCO rules established on November 30, 1999. The new 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 PUCO indicated that it will endeavor to issue its order in the Company's case within 275 days of the initial October filing date.

The transition plan itemizes, or unbundles, 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 filing 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. Under the plan, customers who remain with OE, CEI, or TE as their generation provider will continue to receive savings under the Company's rate plans, expected to total $759 million between 2000 and 2005. In addition, customers will save $358 million through reduced charges for taxes and the 5% reduction in the price of generation for residential customers beginning January 1, 2001. Customer prices are expected to 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 proposes 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; 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, will be recovered over the period of 2001 through 2004 for OE; 2001 through 2007 for TE; and 2001 through 2010 for CEI.

The PUCO indicated that it will endeavor to issue its order related to the transition plan filing by mid-2000. The application of Statement of Financial Accounting Standards (SFAS) No. 71 "Accounting for the Effect of Certain Types of Regulation" (SFAS 71) to OE's generation business and the nonnuclear generation businesses of CEI and TE will be discontinued at that time. If the transition plans ultimately approved by the PUCO for OE, CEI and TE do not provide adequate recovery of their nuclear generating unit investments and regulatory assets, there would be a charge to earnings which could have a material adverse effect on the results of operations and financial condition for the Company, OE, CEI and TE. The Companies will continue to bill and collect cost-based rates for their transmission and distribution services, which will remain regulated; accordingly, it is appropriate that the Companies continue the application of SFAS 71 to those respective operations after December 31, 2000.

All of OE's regulatory assets and CEI's and TE's regulatory assets related to their nonnuclear operations are being recovered under provisions of the regulatory plans currently in effect. In addition, the PUCO has authorized OE to recognize additional capital recovery related to its generating assets (which is 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 are being recovered through current rates. CEI and TE recognized fair value purchase accounting adjustments to reduce nuclear plant by $1.71 billion and $.84 billion, respectively, in connection with the FirstEnergy merger. These fair value adjustments recognized for financial reporting purposes will ultimately satisfy 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 will recognize the accelerated amortization over the period that their rate plan is in effect.

Based on the Ohio plans, at this time, OE, CEI and TE are continuing to bill and collect cost-based rates (with the exception of CEI's and TE's nuclear operations) and they continue the application of SFAS 71 to those respective operations. CEI's and TE's plan does not provide for full recovery of their nuclear operations. As a result, in October 1997 CEI and TE discontinued application of SFAS 71 for their nuclear operations and decreased their regulatory assets of customer receivables for future income taxes related to the nuclear assets by $499 million and $295 million, respectively, in addition to the fair value adjustments referred to above.

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. The Securities and Exchange Commission (SEC) issued interpretive guidance regarding asset impairment measurement which concluded that 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, 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.

Customer choice is being phased in over three years with 66% of each customer class able to choose alternative suppliers of generation by January 2, 2000, and all remaining customers having choice as of January 1, 2001. Under the plan, Penn continues to deliver power to homes and businesses through its transmission and distribution systems, which remain 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 FirstEnergy merger was approved by the FERC on October 29, 1997, and the Companies have operated as a single utility system since December 1997. An open access transmission tariff and joint dispatch agreement for the FirstEnergy system submitted with the merger application were approved by the FERC on February 9, 2000. The current FirstEnergy open access rates were approved by the FERC on March 16, 2000.

In October 1998, the Company announced plans to transfer the Companies' transmission assets into a new subsidiary, American Transmission Systems, Inc. (ATSI), with the transfer expected to be finalized in 2000. The new subsidiary represents a first step toward the goal of establishing or becoming part of a larger independent transmission company (TransCo). The Company believes that a TransCo better addresses the FERC's stated transmission objectives of providing non-discriminatory service, while providing for streamlined and cost-efficient operation. On October 27, 1999, the FERC approved the plan to transfer the Company's transmission assets to ATSI. The PUCO approved the transfer in February 2000. PPUC and SEC regulatory approvals are also required. 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, 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.

Fuel Recovery Procedures

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

Furthermore, for the period July 1, 1999 through June 30, 2000, the OE EFC rate is limited to the average fuel cost rate of certain utilities within the state. Commencing July 1, 2000, the OE EFC rate will be limited to 97% of the average fuel cost rate of three of these companies. The average fuel cost rate for these three utilities may be adjusted by the PUCO to reflect any significant changes in the Phase II environmental compliance plans of such companies involving capital additions or equipment utilization.

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 (see "Fuel Supply"), which amounts to $13.96 million for CEI and $8.74 million for TE. The resulting reduced EFC rates will be used as the basis for the annual GDP adjustment, but, in no event, would either company's annual EFC rate exceed 1.465 cents per kWh during the rate plan period.

Under the Ohio deregulation legislation the EFC will be 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 will reflect the respective EFC rates 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 1999 through 2004, excluding nuclear fuel, are shown on 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.

	1999 Actual	2000-2004 Capital Expenditures Forecast		
		2000	2001-2004	Total
		(In millions)		
OE	$167	$213	$ 553	$ 766
Penn	22	38	196	234
CEI	122	112	417	529
TE	107	97	162	259
Other subsidiaries	81	190	1,022	1,212
Total	$499	$650	$2,350	$3,000

During the 2000-2004 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 2000-2004 Redemption Schedule		
	2000	2001-2004 (In millions)	Total
OE	$177	$ 883	$1,060
Penn	29	81	110
CEI	209	780	989
TE	76	505	581
Other subsidiaries	3	10	13
Total	$494	$2,259	$2,753

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 2000-2004 period are presented in the following table. The table also shows the Companies' operating lease commitments, net of capital trust cash receipts for the 2000-2004 period.

	Nuclear Fuel 2000-2004 Forecasts						Other Net Operating Lease Commitments 2000-2004 Schedule		
	New Investments			Consumption					
	2000	2001-2004	Total	2000	2001-2004 (In millions)	Total	2000	2001-2004	Total
OE	$ 40	$ 88	$128	$ 28	$101	$129	$ 71	$286	$357
Penn	24	66	90	18	68	86	--	1	1
CEI	56	110	166	36	123	159	6	55	61
TE	39	74	113	24	82	106	69	294	363
Total	$159	$338	$497	$106	$374	$480	$146	$636	$782

Short-term borrowings outstanding at December 31, 1999, consisted of $257.8 million of bank borrowings (Company - $90.0 million, OE-$162.7 and FE Facilities - $5.1) and $160.0 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 $137 million (Company-$60 million and OE-$77 million) available under revolving lines of credit as of December 31, 1999. The Company may borrow under the facility and could transfer any of its borrowings under its $150 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 2000 from the following sources: funds to be received from operations; available cash and temporary cash investments (approximate amounts as of December 31, 1999: Company's nonutility subsidiaries-$24 million, OE-$81 million, Penn-$6 million and CEI-$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 $162 million. OE is currently able to issue $833 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 $114 million principal amount of first mortgage bonds, with up to $94 million of such amount issuable against property additions; the remainder could be issued against previously retired bonds. CEI and TE can issue $615 million and $367 million, respectively, principal amount of first mortgage bonds against previously retired bonds and against 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 1999 and an assumed dividend rate of 10.25%, OE would be permitted, under the earnings coverage test contained in its charter, to issue at least $1.3 billion of preferred stock. Based on its 1999 earnings, TE could issue $250 million of additional preferred stock. 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.

Central Area Power Coordination Group (CAPCO)

In September 1967, the CAPCO companies, which consisted of the Companies and Duquesne Light Company (Duquesne), announced a program for joint development of power generation and transmission facilities. Included in the program are Unit 7 at the W H Sammis Plant, Unit 5 at the Eastlake Plant, Units 1, 2 and 3 at the Bruce Mansfield Plant, Units 1 and 2 at the Beaver Valley Power Station, the Perry Nuclear Power Plant and the Davis-Besse Nuclear Power Station, each now in service.

On March 26, 1999, the Company completed its agreements with Duquesne to exchange certain generating assets. All regulatory approvals were received by October 1999. In December 1999, Duquesne transferred 1,436 megawatts owned by Duquesne at eight CAPCO generating units in exchange for 1,328 megawatts at three non-CAPCO power plants owned by the Companies. The agreements for the exchange of assets, which was structured as a like-kind exchange for tax purposes, provides the Companies with exclusive ownership and operating control of all CAPCO generating units. The three FirstEnergy plants transferred are being sold by Duquesne to a wholly owned subsidiary of Orion Power Holdings, Inc. (Orion). The Companies will continue to operate those plants until the assets are transferred to the new owners. Duquesne funded decommissioning costs equal to its percentage interest in the three nuclear generating units that were transferred to FirstEnergy. The Duquesne asset transfer to the Orion subsidiary could take place by the middle of 2000. Under the agreements, Duquesne is no longer a participant in the CAPCO arrangements after the exchange.

Nuclear Regulation

The construction and operation of nuclear generating units are subject to the regulatory jurisdiction of the Nuclear Regulatory Commission (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. Davis-Besse was placed in commercial operation in 1977, and its operating license expires in 2017. Beaver Valley Unit 1 was placed in commercial operation in 1976, and its operating license expires in 2016. 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 present 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 $1.43 billion (OE-$339 million, Penn-$367 million, CEI-$443 million and TE-$276 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 $7.9 million (OE-$2.0 million, Penn-$2.3 million, CEI-$2.2 million and TE-$1.4 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 $36.1 million (OE-$10.3 million, Penn-$7.5 million, CEI-$10.9 million and TE-$7.4 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 $292 million, which is included in the construction estimate given under "Capital Requirements" for 2000 through 2004.

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 modification 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 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 purchasing emission allowances. NO_x reductions are being achieved through combustion controls and generating more electricity from lower-emitting plants. In September 1998, the EPA finalized regulations requiring additional NO_x reductions from the Companies' Ohio and Pennsylvania facilities by May 2003. The EPA's NO_x Transport Rule imposes uniform reductions of NO_x 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. The Court's decision left in place a stay which delays the requirement for states to submit revised State Implementation Plans (SIP) which comply with individual state NO_x budgets established by the EPA contemplating an approximate 85% reduction in utility plant NO_x emissions from projected 2007 emissions. A proposed 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 suggests 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 delayed. New 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.

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.

In July 1997, 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 for the D.C. Circuit remanded both standards back to the EPA finding constitutional and other defects in the new NAAQS rules. The D.C. Circuit Court, on October 29, 1999, denied an EPA petition for rehearing. The Companies cannot predict the EPA's action in response to the Court's remand order. The cost of compliance with these regulations, if they are reinstated, may be substantial and depends on the manner in which they are ultimately implemented, if at all, by the states in which the Companies operate affected facilities.

In September 1999, the Company received, and subsequently in October 1999, OE and Penn received, a citizen suit notification letter from the New York Attorney General's office alleging Clean Air Act violations at the W. H. Sammis Plant. In November 1999, OE and Penn received a citizen suit notification letter from the Connecticut Attorney General's office alleging Clean Air Act violations at the Sammis Plant. In November 1999 and March 2000, the EPA issued Notices of Violation (NOV) or a Compliance Order to eight utilities covering 36 power plants, including the Sammis Plant. In addition, the U.S. Department of Justice filed seven 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. On March 1, 2000, the Department of Justice added 12 additional plants owned by the other utilities to the complaints. 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 this litigation, 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. It is anticipated at this time that the Sammis Plant will continue to operate while the matter is being decided.

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 (NPDES) 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.

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. Federal law provides that all PRPs for a particular site be held liable on a joint and several basis. CEI and TE have accrued a liability totaling $5.4 million at December 31, 1999 based on estimates of the costs of cleanup and the proportionate responsibility of other PRPs for such costs. 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 1999 were:

	Coal	Nuclear
OE	75.2%	24.8%
Penn	61.1%	38.9%
CEI	59.0%	41.0%
TE	42.3%	57.7%

The Company currently has long-term coal contracts which will provide approximately 6,300,000 tons for the year 2000. The contracts are shared between the Companies based on various economic considerations and the coal is produced primarily from mines located in Pennsylvania, Kentucky and West Virginia. The contracts expire at various times through December 31, 2004.

The Companies estimate their 2000 coal requirements to be approximately 17,950,000 tons (OE – 8,420,000, Penn – 1,160,000, CEI – 6,030,000, and TE – 2,340,000). 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" and Note 3G 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 through 2002 and conversion services through 2002. 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 four reloads for Beaver Valley Unit 1, three reloads for Beaver Valley Unit 2 (through approximately 2006 and 2005, respectively), the next four 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.

Due to the present lack of availability of domestic reprocessing services, to the continuing absence of any program to begin development of such reprocessing capability and questions as to the economics of reprocessing, nuclear fuel costs are calculated based on the assumption that spent fuel will not be reprocessed. 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 2022. After on-site storage capacity is exhausted, additional storage capacity will have to be obtained which could result in significant additional costs unless reprocessing services, interim off-site disposal, or permanent waste disposal facilities become available. The Federal Nuclear Waste Policy Act of 1982 provides for the construction of facilities for the disposal of high-level nuclear wastes, including spent fuel from nuclear power plants operated by electric utilities; however, the selection of a suitable site has become embroiled in the political process. The Company has contracts with the U.S. Department of Energy (DOE) for the disposal of spent fuel. On December 17, 1996, the DOE notified the Companies 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.

System Capacity and Reserves

The respective 1999 net maximum hourly demand on each of the Companies was OE-5,750,000 kilowatts (kW) (including 301,000 kW of firm power sales which extend through 2005 as discussed under "Competition") on July 30, 1999; Penn-905,000 kW (including 63,000 kW of firm power sales which extend through 2005 as discussed under "Competition") on September 2, 1999; CEI-4,451,000 kW (including 18,000 kW of firm power sales which extend through 2002 as discussed under "Competition") on July 30, 1999; and TE-2,085,000 kW on July 30, 1999.

During the next three years, twelve combustion turbines (CT) are scheduled to be added to the FirstEnergy system. The timing of the capacity additions is: three CTs (390 MW) in 2000; five CTs (425 MW) in 2001; and four CTs (340 MW) in 2002. Based on existing capacity plans, the load forecast made in November 1999, and anticipated term power sales to other utilities, the capacity margin anticipated for the year 2000 is 13%. With the start of electric utility industry deregulation in Ohio in 2001, the Company's risk management strategy with respect to power supply is addressing existing capacity, new capacity additions, retail risk products such as interruptible contracts and 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 have 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.

In an effort to more fully utilize their facilities and hold down rates 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 through December 31, 2002.

As a result of the actions taken by state legislative bodies over the last few years, major changes in the retail utility business are now occurring in some parts of the United States, including states in which the Company's utility companies operate. Although it is too early to accurately predict all of the effects of the changes that are beginning to take place in the retail energy market, it is anticipated that these changes will result in fundamental alterations in the way traditional integrated utilities and holding company systems, like FirstEnergy, conduct their business. These changes will likely result in increased costs associated with utility unbundling and transitioning to new organizational structures and ways of conducting business.

Sales of electricity in these deregulated markets are diversifying the Company's revenue sources through its competitive subsidiaries in areas outside of its traditional native load. 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 have actively participated in three of the deregulated energy markets: Pennsylvania, New Jersey and Delaware. Currently, FE Services is providing electric generation to more than 20,000 accounts within these states. As additional states within the northeast region of the United States become deregulated, FE Services is preparing to enter into these markets.

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, generating, 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 1999, approximately 60% 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	53	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	48	President	2000-present
		Executive Vice President and General Counsel	1997-2000
		Senior Vice President and General Counsel-OE	*-1997
E. T. Carey	57	Vice President – Distribution	1997-present
		Vice President – Regional Operations and Customer Service-OE	1995-1997
		Vice President – Marketing and Customer Service Support-OE	*-1995
M. B. Carroll	48	Vice President – Corporate Affairs	1997-present
		Manager – Sandusky Area-OE	*-1997
K. W. Dindo	50	Vice President – Energy Services	1998-present
		Vice President and Controller – Caliber System, Inc.	*-1998
D. S. Elliott	45	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	61	Senior Vice President	2000-present
		Vice President – Business Development	1997-2000
		Vice President – System Operations – OE	*-1997
J. A. Gill	63	Senior Vice President – Administrative Services	1998-present
		Vice President – Administrative Services	1997-1998
		Vice President – Administration – OE	*-1997
R. H. Marsh	49	Vice President and Chief Financial Officer	1998-present
		Vice President – Finance	1997-1998
		Treasurer – OE	*-1997
G. L. Pipitone	50	Vice President – Fossil Production	1997-present
		Vice President – Generation and Transmission – OE	1996-1997
		Manager – Akron Division – OE	*-1996
S. F. Szwed	47	Vice President – Transmission	1997-present
		Vice President – Engineering & Planning – Centerior Service Company	1995-1997
		Director – System Planning & Operations – Centerior Service Company	*-1995
L. L. Vespoli	40	Vice President and General Counsel	2000-present
		Associate General Counsel	1997-2000
		Senior Attorney – OE	1995-1997
		Attorney – OE	*-1995
N. C. Ashcom	52	Corporate Secretary	1997-present
		Secretary – OE	*-1997
T. C. Navin	42	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	1995-1997
		Senior Planning Analyst – OE	*-1995
H. L. Wagner	47	Controller	1997-present
		Comptroller – OE	*-1997

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

*Indicates position held at least since January 1, 1995.

At December 31, 1999, the Company's nonutility subsidiaries and the Companies had a total of 13,461 employees consisting of the following: Company – 1,942, OE – 1,839, CEI – 1,694, TE – 977, Penn – 895, FE Services – 409, FENOC – 2,278, FE Facilities – 3,383 and MARBEL – 44 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, 2000, 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%(b)	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%(b)	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 (d)	1	1,194	30.00%(a)	358	5.24%	63	44.85%	535	19.91%	238
Total		3,707		984		703		1,190		830
Oil/Gas-Fired/ Pumped Storage Units										
Edgewater-Lorain, OH	4	100	100.00%	100	–	–	–	–	–	–
Seneca-Warren, PA		435	–	–	–	–	100.00%	435	–	–
West Lorain– Lorain, OH	1	120	100.00%	120	–	–	–	–	–	–
Other		238		109		19		33		77
Total		893		329		19		468		77
Total		12,071		4,826		1,231		4,182		1,832

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 8,752 miles.

The Companies' electric distribution systems include 55,932 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 50,456,000 kilovolt-amperes.

The Companies' transmission lines also interconnect with those of AEP, The Dayton Power and Light Company, Duquesne, Monogahela Power Company, West Penn Power Company, Detroit Edison Company and Pennsylvania Electric Company. These interconnections make possible utilization by the Companies of generating capacity constructed as a part of the CAPCO program, as well as providing opportunities for the sale of power to other utilities.

	Distribution Lines	Transmission Lines	Substation Transformer Capacity
	(Miles)		*(kV-amperes)*
OE	26,668	4,040	20,468,000
Penn	5,183	651	4,282,000
CEI	23,518	3,013	17,304,000
TE	563	1,048	8,402,000
Total	55,932	8,752	50,456,000

MARBEL is a company owning 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, an oil and natural gas exploration and production venture and Northeast Ohio Operating Companies, Inc. which has as subsidiaries Gas Transport, Inc. and NEO Construction Company. The joint venture in Great Lakes Energy Partners, LLC includes interests in more than 7,700 oil and natural gas wells, drilling rights to nearly one million acres, proved reserves of 450 billion cubic feet equivalent of natural gas and oil and 5,000 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 for this item for FirstEnergy is included on page 17 of FirstEnergy's 1999 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 1999 Annual Report to Stockholders (Exhibit 13).

	Item 6	Item 7	Item 8
FirstEnergy	17	18-24	25-47
OE	1	2-6	7-25
Penn	1	2-5	6-21
CEI	1	2-7	8-27
TE	1	2-7	8-27

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 2000 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 2000 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 1999 Annual Report to Stockholders (Exhibit 13 below) at the pages indicated.

	FE	OE	Penn	CEI	TE
Report of Independent Public Accountants	16	25	21	27	27
Statements of Income–Three Years Ended December 31, 1999	25	7	6	8	8
Balance Sheets–December 31, 1999 and 1998	26	8	7	9	9
Statements of Capitalization–December 31, 1999 and 1998	27-29	9-10	8	10-11	10-11
Statements of Common Stockholders' Equity–Three Years Ended December 31, 1999	30	11	9	12	12
Statements of Preferred Stock–Three Years Ended December 31, 1999	30	11	9	12	12
Statements of Cash Flows–Three Years Ended December 31, 1999	31	12	10	13	13
Statements of Taxes–Three Years Ended December 31, 1999	32	13	11	14	14
Notes to Financial Statements	33-47	14-24	12-20	15-26	15-26

2. Financial Statement Schedules

Included in Part IV of this report:

	FE	OE	Penn	CEI	TE
Report of Independent Public Accountants	47	48	51	49	50
Schedule - Three Years Ended December 31, 1999:					
II - Consolidated Valuation and Qualifying Accounts	52	53	56	54	55

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)

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)

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

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

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

Exhibit
Number

(A) 10-4	—	FirstEnergy Corp. Supplemental Executive Retirement Plan, amended January 1, 1999.
(A) 10-5	—	FirstEnergy Corp. Executive Incentive Compensation Plan.
(A) 10-6	—	Restricted stock agreement between FirstEnergy Corp. and A. J. Alexander.
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) 12.1	—	Consolidated fixed charge ratios.
(A) 13	—	1999 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, 1999.
(A) 23	—	Consent of Independent Public Accountants.
(A) 27	—	Financial Data Schedule.
(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).)
(A) 3-3	—	Code of Regulations of OE as amended September 27, 1999.
(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:

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)

Exhibit
Number

Dated as of	File Reference	Exhibit No
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)
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	(A)	(4)(2)

(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).)

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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).)

10-15 — Participation Agreement No. 1 relating to the financing of the development of certain coal mines, dated as of October 1, 1973, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Registration No. 2-61146, Exhibit 5(e)(1).

10-16 — Amendment No. 1 dated as of September 15, 1978 to Participation Agreement No. 1 dated as of October 1, 1973 among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland as Owner Trustee, National City Bank as Loan Trustee and National City Bank as Bond Trustee. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 5(e)(2).)

10-17 — Participation Agreement No. 2 relating to the financing of the development of certain coal mines, dated as of August 1, 1974, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc. General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Registration No. 2-53059, Exhibit 5(h)(2).)

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10-18 — Amendment No. 1 dated as of September 15, 1978 to Participation Agreement No. 2 dated as of August 1, 1974 among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland as Owner Trustee, National City Bank as Loan Trustee and National City Bank as Bond Trustee. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 5(e)(4).)

10-19 — Participation Agreement No. 3 dated as of September 15, 1978 among Quarto Mining Company, the CAPCO Companies, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland as Owner Trustee, and National City Bank as Loan Trustee and Bond Trustee. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 5(e)(5).)

10-20 — Participation Agreement No. 4 dated as of October 31, 1980 among Quarto Mining Company, the CAPCO Group, the Loan Participants listed in Schedule A thereto and National City Bank as Bond Trustee. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 10-16.)

10-21 — Participation Agreement dated as of May 1, 1986, among Quarto Mining Company, the CAPCO Companies, the Loan Participants thereto, and National City Bank as Bond Trustee. (1986 Form 10-K, Exhibit 10-22.)

10-22 — Participation Agreement No. 6 dated as of December 1, 1991 among Quarto Mining Company, The Cleveland Electric Illuminating Company, Duquesne Light Company, Ohio Edison Company, Pennsylvania Power Company, the Toledo Edison Company, the Loan Participants listed in Schedule A thereto, National City Bank, as Mortgage Bond Trustee and National City Bank, as Refunding Bond Trustee. (1991 Form 10-K, Exhibit 10-19.)

10-23 — Agreement entered into as of October 20, 1981 among the CAPCO Companies regarding the use of Quarto coal at Mansfield Units 1, 2 and 3. (1981 Form 10-K, Exhibit 20-1.)

10-24 — Restated Option Agreement dated as of May 1, 1983 by and between the North American Coal Corporation and the CAPCO Companies. (1983 Form 10-K, Exhibit 19-1.)

10-25 — Trust Indenture and Mortgage dated as of October 1, 1973 between Quarto Mining Company and National City Bank, as Bond Trustee, together with Guaranty dated as of October 1, 1973 with respect thereto by the CAPCO Group. (Registration No. 2-61146, Exhibit 5(e)(5).)

10-26 — Amendment No. 1 dated August 1, 1974 to Trust Indenture and Mortgage dated as of October 1, 1973 between Quarto Mining Company and National City Bank, as Bond Trustee, together with Amendment No. 1 dated August 1, 1974 to Guaranty dated as of October 1, 1973 with respect thereto by the CAPCO Group. (Registration No. 2-53059, Exhibit 5(h)(2).)

10-27 — Amendment No. 2 dated as of September 15, 1978 to the Trust Indenture and Mortgage dated as of October 1, 1973, as amended, between Quarto Mining Company and National City Bank, as Bond Trustee, together with Amendment No. 2 dated as of September 15, 1978 to Guaranty dated as of October 1, 1973 with respect to the CAPCO Group. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibits 5(e)(11) and 5(e)(12).)

10-28 — Amendment No. 3 dated as of October 31, 1980, to Trust Indenture and Mortgage dated as of October 1, 1973, as amended between Quarto Mining Company and National City Bank as Bond Trustee. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 10-16.)

10-29 — Amendment No. 4 dated as of July 1, 1985 to the Trust Indenture and Mortgage dated as of October 1, 1973, as amended between Quarto Mining Company and National City Bank as Bond Trustee. (1985 Form 10-K, Exhibit 10-28.)

10-30 — Amendment No. 5 dated as of May 1,1986, to the Trust Indenture and Mortgage between Quarto and National City Bank as Bond Trustee. (1986 Form 10-K, Exhibit 10-30.)

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10-31 — Amendment No. 6 dated as of December 1, 1991, to the Trust Indenture and Mortgage dated as of October 1, 1973, between Quarto Mining Company and National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-28.)

10-32 — Trust Indenture dated as of December 1, 1991, between Quarto Mining Company and National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-29.)

10-33 — 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.)

10-34 — 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.)

10-35 — 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.)

10-36 — 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.)

10-37 — 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.)

10-38 — 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.)

10-39 — Open end Mortgage dated as of October 1, 1973 between Quarto Mining Company and the CAPCO Companies and Amendment No. 1 thereto, dated as of September 15, 1978. (Registration No. 2-68906 of Pennsylvania Power Company, Exhibit 10-23.)

10-40 — Repayment and Security Agreement and Assignment of Lease dated as of October 1, 1973 between Quarto Mining Company and Ohio Edison Company as Agent for the CAPCO Companies and Amendment No. 1 thereto, dated as of September 15, 1978. (1980 Form 10-K, Exhibit 20-2.)

10-41 — Restructuring Agreement dated as of April 1, 1985 among Quarto Mining Company, the Company and the other CAPCO Companies, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants signatories thereto, Central National Bank of Cleveland, as Owner Trustee and National City Bank as Loan Trustee and Bond Trustee. (1985 Form 10- K, Exhibit 10-33.)

10-42 — Unsecured Note Guaranty dated as of July 1, 1985 by the CAPCO Companies to General Electric Credit Corporation. (1985 Form 10-K, Exhibit 10-34.)

10-43 — Memorandum of Understanding dated March 31, 1985 among the CAPCO Companies. (1985 Form 10-K, Exhibit 10-35.)

(C) 10-44 — Ohio Edison System Executive Supplemental Life Insurance Plan. (1995 Form 10-K, Exhibit 10- 44.)

(C) 10-45 — Ohio Edison System Executive Incentive Compensation Plan. (1995 Form 10-K, Exhibit 10-45.)

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(C) 10-46 — Ohio Edison System Restated and Amended Executive Deferred Compensation Plan. (1995 Form 10-K, Exhibit 10-46.)

(C) 10-47 — Ohio Edison System Restated and Amended Supplemental Executive Retirement Plan. (1995 Form 10-K, Exhibit 10-47.)

(C) 10-48 — Severance pay agreement between Ohio Edison Company and W. R. Holland. (1995 Form 10-K, Exhibit 10-48.)

(C) 10-49 — Severance pay agreement between Ohio Edison Company and H. P. Burg. (1995 Form 10-K, Exhibit 10-49.)

(C) 10-50 — Severance pay agreement between Ohio Edison Company and A. J. Alexander. (1995 Form 10-K, Exhibit 10-50.)

(C) 10-51 — Severance pay agreement between Ohio Edison Company and J. A. Gill. (1995 Form 10K, Exhibit 10.51.)

(D) 10-52 — 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.)

(D) 10-53 — 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) 10-54 — 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) 10-55 — 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) 10-56 — 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, PNPPII 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) 10-57 — 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) 10-58 — 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

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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) 10-59 — 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) 10-60 — 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) 10-61 — 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) 10-62 — 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) 10-63 — 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 Perry One Alpha Limited Partnership, as Owner Participant, and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-59.)

(D) 10-64 — 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) 10-65 — 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) 10-66 — 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) 10-67 — 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) 10-68 — 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) 10-69 — 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) 10-70 — 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.)

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(D) 10-71 — 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) 10-72 — 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) 10-73 — 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) 10-74 — 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) 10-75 — 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) 10-76 — 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.)

(D) 10-77 — 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) 10-78 — 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) 10-79 — 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.)

10-80 — 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.)

10-81 — 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.)

10-82 — 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.)

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10-83 — 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.)

10-84 — 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.)

10-85 — 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.)

10-86 — 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.)

10-87 — 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.)

10-88 — 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.)

10-89 — 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.)

10-90 — 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.)

10-91 — 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 From 10-K, Exhibit 10-87.)

10-92 — 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.)

10-93 — 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.)

10-94 — 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.)

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10-95 — 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.)

10-96 — 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.)

10-97 — 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.)

10-98 — 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.)

10-99 — 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.)

10-100 — 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.)

10-101 — 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.)

10-102 — 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.)

10-103 — 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.)

10-104 — 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.)

10-105 — 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.)

10-106 — 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.)

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10-107 — 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.)

10-108 — 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.)

10-109 — 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.)

10-110 — 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.)

10-111 — Guarantee Agreement entered into by Ohio Edison Company dated as of January 17, 1991. (1990 Form 10-K, Exhibit 10-64.)

10-112 — 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.)

10-113 — 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.)

10-114 — 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.)

10-115 — 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.)

10-116 — 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.)

10-117 — 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) 10-118 — 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) 10-119 — 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) 10-120 — 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

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Trustee, Irving Trust Company, as Indenture Trustee and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-99.)

(E) 10-121 — 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) 10-122 — 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) 10-123 — 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) 10-124 — 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 Beaver Valley Two Pi Limited Partnership, Lessor, and Ohio Edison Company, Lessee. (1987 Form 10-K, Exhibit 28-4.)

(E) 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 Beaver Valley Two Pi Limited Partnership, as Owner Participant, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-103.)

(E) 10-126 — 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) 10-127 — 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) 10-128 — 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) 10-129 — 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) 10-130 — 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) 10-131 — 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) 10-132 — 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

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Partnership as General Partners and Ohio Edison Company, as Lessee. (1994 Form 10-K, Exhibit 10-128.)

(E) 10-133	—	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) 10-134	—	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) 10-135	—	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) 10-136	—	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) 10-137	—	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) 10-138	—	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) 10-139	—	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) 10-140	—	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) 10-141	—	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) 10-142	—	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) 10-143	—	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.)

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(F) 10-144 — 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) 10-145 — 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) 10-146 — 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) 10-147 — 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 118.)

(F) 10-148 — 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 Chrysler Consortium Corporation, as Owner Participant, and Ohio Edison Company, as Lessee. (1992 Form 10-K, Exhibit 10-119.)

(F) 10-149 — 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) 10-150 — 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) 10-151 — 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) 10-152 — 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) 10-153 — 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) 10-154 — 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) 10-155 — 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.)

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(F) 10-156 — 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) 10-157 — 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) 10-158 — 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) 10-159 — 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.)

10-160 — Operating Agreement dated March 10, 1987 with respect to Perry Unit No. 1 between the CAPCO Companies. (1987 Form 10-K, Exhibit 28-24.)

10-161 — 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.)

10-162 — 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.)

10-163 — 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.)

10-164 — 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.)

10-165 — 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.)

10-166 — 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 — 1999 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, 1999.

(A) 23.1 — Consent of Independent Public Accountants.

(A) 27.1 — Financial Data Schedule.

(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

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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 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

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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 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.)

(A) 3-3 — By-Laws of Penn as amended September 27, 1999.

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

* 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.

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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.)

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

(A) 4-6 — Supplemental Indenture dated as of November 15, 1999, between Penn and Citibank, N.A., as Trustee.

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.)

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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 — Participation Agreement No. 1 relating to the financing of the development of certain coal mines, dated as of October 1, 1973, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Registration Statement of Ohio Edison Company, File No. 2-61146, Exhibit 5 (e) (1).)

10-16 — Amendment No. 1 dated as of September, 15, 1978, to Participation Agreement No. 1 dated as of October 1, 1973, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Registration Statement No. 2-68906, Exhibit 5 (e) (2).)

10-17 — Participation Agreement No. 2 relating to the financing of the development of certain coal mines, dated as of August 1, 1974, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Ohio Edison Company, File No. 2-53059, Exhibit 5 (h) (2).)

10-18 — Amendment No. 1 dated as of September 15, 1978, to Participation Agreement No. 2 dated as of August 1, 1974, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Registration Statement No. 2-68906, Exhibit 5(e) (4).)

10-19 — Participation Agreement No. 3 relating to the financing of the development of certain coal mines, dated as of September 15, 1978, among Quarto Mining Company, the CAPCO Group, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in Schedules A and B thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (Registration Statement No. 2-68906, Exhibit 5 (e) (5).)

10-20 — Participation Agreement No. 4 relating to the financing of the development of certain coal mines, dated as of October 31, 1980, among Quarto Mining Company, the CAPCO Group, the Loan Participants listed in Schedule A thereto and National City Bank, as Bond Trustee. (Registration Statement No. 2-68906, Exhibit 10-16.)

10-21 — Participation Agreement No. 5 dated as of May 1, 1986, among Quarto Mining Company, the CAPCO Companies, the Loan Participants listed in Schedule A thereto, and National City Bank, as Bond Trustee. (1986 Form 10-K, Exhibit 10-22, File No. 1-2578, Ohio Edison Company.)

10-22 — Participation Agreement No. 6 dated as of December 1, 1991, among Quarto Mining Company, the CAPCO Companies, the Loan Participants listed in Schedule A thereto,

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National City Bank, as Mortgage Bond Trustee, and National City Bank, as Refunding Bond Trustee. (1991 Form 10-K, Exhibit 10-19, File No. 1-2578, Ohio Edison Company.)

10-23 — Agreement entered into as of October 20, 1981, among the CAPCO Companies regarding the use of Quarto Coal at Mansfield Units Nos. 1, 2 and 3. (1981 Form 10-K, Exhibit 20-1, File No. 1-2578, Ohio Edison Company.)

10-24 — Restated Option Agreement dated as of May 1, 1983, by and between The North American Coal Corporation and the CAPCO Companies. (1983 Form 10-K, Exhibit 19-1, File No. 1-2578, Ohio Edison Company.)

10-25 — Trust Indenture and Mortgage dated as of October 1, 1973, between Quarto Mining Company and National City Bank, as Bond Trustee, together with Guaranty, dated as of October 1, 1973, with respect thereto by the CAPCO Group. (Registration Statement of Ohio Edison Company, File No. 2-61146, Exhibit 5 (e) (5).)

10-26 — Amendment No. 1 dated August 1, 1974, to Trust Indenture and Mortgage dated as of October 1, 1973, between Quarto Mining Company and National City Bank, as Bond Trustee, together with Amendment No. 1 dated August 1, 1974, to Guaranty dated as of October 1, 1973, with respect thereto by the CAPCO Group. (Registration Statement of Ohio Edison Company, File No. 2-53059, Exhibit 5 (h) (2).)

10-27 — Amendment No. 2 dated as of September 15, 1978, to Trust Indenture and Mortgage dated as of October 1, 1973, as amended, between Quarto Mining Company and National City Bank, as Bond Trustee, together with Amendment No. 2 dated as of September 15, 1978, to Bond Guaranty dated as of October 1, 1973, as amended, between the CAPCO Group and National City Bank, as Bond Trustee. (Registration Statement No. 2-68906, Exhibits 5 (e) (11) and 5 (e) (12).)

10-28 — Amendment No. 3 dated as of October 31, 1980, to Trust Indenture and Mortgage dated as of October 1, 1973, as amended, between Quarto Mining Company and National City Bank, as Bond Trustee. (Registration Statement No. 2-68906, Exhibit 10-16.)

10-29 — Amendment No. 4 dated as of July 1, 1985, to Trust Indenture and Mortgage dated as of October 1, 1973, as amended, between Quarto Mining Company and National City Bank, as Bond Trustee. (1985 Form 10-K, Exhibit 10-28, File No. 1-2578, Ohio Edison Company.)

10-30 — Amendment No. 5 dated as of May 1, 1986, to Trust Indenture and Mortgage dated as of October 1, 1973, as amended, between Quarto Mining Company and National City Bank, as Bond Trustee. (1986 Form 10-K, Exhibit 10-30, File No. 1-2578, Ohio Edison Company.)

10-31 — Amendment No. 6 dated as of December 1, 1991, to Trust Indenture and Mortgage dated as of October 1, 1973, as amended, between Quarto Mining Company and National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-28, File No. 1-2578, Ohio Edison Company.)

10-32 — Trust Indenture dated as of December 1, 1991, between Quarto Mining Company and National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-29, File No. 1-25-78, Ohio Edison Company.)

10-33 — 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 Statement No. 2-68906, Exhibit 10-16.)

10-34 — Amendment No. 4 dated as of July 1, 1985, to the Bond Guaranty dated as of October 1, 1973, as amended, by the CAPCO Companies to National City Bank, as Bond Trustee. (1985 Form 10-K, Exhibit 10-30, File No. 1-2578, Ohio Edison Company.)

10-35 — Amendment No. 5 dated as of May 1, 1986, to the Bond Guaranty dated as of October 1, 1973, as amended, by the CAPCO Companies to National City Bank, as Bond Trustee. (1986 Form 10-K, Exhibit 10-33, File No. 1-2578, Ohio Edison Company.)

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10-36 — Amendment No. 6A dated as of December 1, 1991, to the Bond Guaranty dated as of October 1, 1973, as amended, by the CAPCO Companies to National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-33, File No. 1-2578, Ohio Edison Company.)

10-37 — Amendment No. 6B dated as of December 30, 1991, to the Bond Guaranty dated as of October 1, 1973, as amended, by the CAPCO Companies to National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-34, File No. 1-2578, Ohio Edison Company.)

10-38 — Bond Guaranty dated as of December 1, 1991, by the CAPCO Companies to National City Bank, as Bond Trustee. (1991 Form 10-K, Exhibit 10-35, File No. 1-2578, Ohio Edison Company.)

10-39 — Open End Mortgage dated as of October 1, 1973, between Quarto Mining Company and the CAPCO Companies and Amendment No. 1 thereto dated as of September 15, 1978. (Registration Statement No. 2-68906, Exhibit 10-23.)

10-40 — Restructuring Agreement dated as of April 1, 1985, among Quarto Mining Company, the CAPCO Companies, Energy Properties, Inc., General Electric Credit Corporation, the Loan Participants listed in schedules thereto, Central National Bank of Cleveland, as Owner Trustee, National City Bank, as Loan Trustee, and National City Bank, as Bond Trustee. (1985 Form 10-K, Exhibit 10-33, File No. 1-2578, Ohio Edison Company.)

10-41 — Unsecured Note Guaranty dated as of July 1, 1985, by the CAPCO Companies to General Electric Credit Corporation. (1985 Form 10-K, Exhibit 10-34, File No. 1-2578, Ohio Edison Company.)

10-42 — 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) 10-43 — Ohio Edison System Executive Supplemental Life Insurance Plan. (1995 Form 10-K, Exhibit 10-44, File No. 1-2578, Ohio Edison Company.)

(B) 10-44 — Ohio Edison System Executive Incentive Compensation Plan. (1995 Form 10-K, Exhibit 10-45, File No. 1-2578, Ohio Edison Company.)

(B) 10-45 — 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) 10-46 — Ohio Edison System Restated and Amended Supplemental Executive Retirement Plan. (1995 Form 10-K, Exhibit 10-47, File No. 1-2578, Ohio Edison Company.)

10-47 — 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.)

10-48 — 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.)

10-49 — 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.)

10-50 — 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.)

10-51 — 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.)

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10-52 — 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.)

10-53 — 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.)

10-54 — 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.)

10-55 — 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 — 1999 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) 27.4 — Financial Data Schedule.

(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.

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*

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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

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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).
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).

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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).
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. 33-20128, 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).

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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 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).

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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).
		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 27, 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).

Exhibit Number		
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 4(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).
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).

Exhibit
Number

(A) 4b(81)	—	September 29, 1999.
(A) 4b(82)	—	January 15, 2000.
4c	—	Open-End Subordinate Indenture of Mortgage between The Cleveland Electric Illuminating Company and Bank One, Columbus N.A., as Trustee, Dated as of June 1, 1994 (Exhibit 4(a), August 26, 1994 Form 8-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	—	1999 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, 1999.
(A)23.2	—	Consent of Independent Public Accountants.
(A)27.2	—	Financial Data Schedule.
(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
Number

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).

Exhibit
<u>Number</u>

(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).
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).
(A) 4b(49)	—	January 15, 2000.
4c	—	Open-End Subordinate Indenture of Mortgage between The Toledo Edison Company and Bank One, Columbus, N.A., as Trustee, dated as of June 1, 1994 (Exhibit 4(b), August 26, 1994 Form 8-K, File No. 1-3583).
(A) 12.4	—	Consolidated fixed charge ratios.
(A) 13.3	—	1999 Annual Report to Stockholders. (Only those portions expressly incorporated by reference in this Form 10-K are to be deemed "filed" with the SEC.)

Exhibit
Number

(A) 21.3	—	List of Subsidiaries of the Registrant at December 31, 1999.
(A) 27.3	—	Financial Data Schedule.
(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, 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 generally accepted auditing standards, 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 11, 2000. 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 11, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited, in accordance with generally accepted auditing standards, 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 11, 2000. 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 11, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited, in accordance with generally accepted auditing standards, 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 11, 2000. 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 11, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited, in accordance with generally accepted auditing standards, 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 11, 2000. 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 11, 2000

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

We have audited, in accordance with generally accepted auditing standards, 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 11, 2000. 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 11, 2000

FIRSTENERGY CORP.

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
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
Year Ended December 31, 1997:					
Accumulated provision for uncollectible accounts - customers	$ 2,306	$13,565	$2,277 (a)	$12,530 (b)	$ 5,618
- other	$ --	$ 941	$4,808 (c)	$ 1,723	$ 4,026

(a) Represents recoveries and reinstatements of accounts previously written off.
(b) Represents the write-off of accounts considered to be uncollectible.
(c) Includes the $4,026,000 effect of the FirstEnergy merger on November 8, 1997.

SCHEDULE II

OHIO EDISON COMPANY

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
		(In Thousands)			
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
Year Ended December 31, 1997:					
Accumulated provision for uncollectible accounts	$2,306	$10,979	$2,277 (a)	$ 9,944 (b)	$5,618

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

SCHEDULE II

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED VALUATION AND QUALIFYING ACCOUNTS FOR THE YEARS ENDED DECEMBER 31, 1999, 1998 AND 1997

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
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
Year Ended December 31, 1997:					
Accumulated provision for uncollectible accounts:					
Nov. 8 – Dec. 31, 1997	$1,226	$ 2,331	$ 216 (a)	$ 2,547 (b)	$1,226
Jan. 1 – Nov. 7, 1997	$ 58	$12,853	$1,366 (a)	$13,051 (b)	$1,226

(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, 1999, 1998 AND 1997

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
			(In Thousands)		
Year Ended December 31, 1999:					
Accumulated provision for uncollectible accounts	$ 100	$ --	$ --	$ 100 (b)	$ --
Year Ended December 31, 1998:					
Accumulated provision for uncollectible accounts	$2,800	$ 192	$ --	$2,892 (b)	$ 100
Year Ended December 31, 1997:					
Accumulated provision for uncollectible accounts:					
Nov. 8 – Dec. 31, 1997	$2,800	$1,196	$ 566 (a)	$1,762 (b)	$2,800
Jan. 1 – Nov. 7, 1997	$ 100	$9,367	$1,797 (a)	$8,464 (b)	$2,800

(a) Represents recoveries and reinstatements of accounts previously written off.
(b) 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, 1999, 1998 AND 1997

Description	Beginning Balance	Additions: Charged to Income	Additions: Charged to Other Accounts	Deductions	Ending Balance
		(In Thousands)			
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
Year Ended December 31, 1997:					
Accumulated provision for uncollectible accounts	$ 569	$4,409	$397 (a)	$1,766 (b)	$3,609

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

Date: March 21, 2000

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

Glenn H. Meadows
Director

William F. Conway
Director

Paul J. Powers
Director

Robert B. Heisler, Jr.
Director

Robert C. Savage
Director

Robert L. Loughhead
Director

George M. Smart
Director

Russell W. Maier
Director

Jesse T. Williams, Sr.
Director

Date: March 21, 2000

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

H. Peter Burg
President

Date: March 21, 2000

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 21, 2000

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
H. Peter Burg
President

Date: March 21, 2000

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 21, 2000

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
H. Peter Burg
President

Date: March 21, 2000

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 21, 2000

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 21, 2000

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 21, 2000

FIRSTENERGY CORP.

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$317,241	$315,170	$318,166	$ 441,396	$ 568,299
Interest and other charges, before reduction for amounts capitalized	273,719	255,572	299,606	608,618	585,648
Provision for income taxes	199,307	201,295	207,985	321,699	394,827
Interest element of rentals charged to income	111,534	114,093	142,363	283,869	279,519
Earnings as defined	$901,801	$886,130	$968,120	$1,655,582	$1,828,293
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest expense	$266,514	$240,146	$284,180	$ 542,819	$ 509,169
Subsidiaries' preferred stock dividend requirements	7,205	15,426	15,426	65,299	76,479
Adjustments to subsidiaries' preferred stock dividends to state on a pre-income tax basis	2,956	2,910	2,918	43,370	44,829
Interest element of rentals charged to income	111,534	114,093	142,363	283,869	279,519
Fixed charges as defined	$388,209	$372,575	$444,887	$ 935,357	$ 909,996
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES	2.32	2.38	2.18	1.77	2.01

EXHIBIT 12.2
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OHIO EDISON COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$317,241	$315,170	$293,194	$301,320	$297,689
Interest and other charges, before reduction for amounts capitalized	273,719	255,572	250,920	235,317	225,358
Provision for income taxes	199,307	201,295	187,805	191,261	191,835
Interest element of rentals charged to income (a)	111,534	114,093	117,409	115,310	113,804
Earnings as defined	$901,801	$886,130	$849,328	$843,208	$828,686
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest on long-term debt	$243,570	$211,935	$204,285	$184,915	$178,217
Other interest expense	22,944	28,211	31,209	34,976	31,971
Subsidiaries' preferred stock dividend requirements	7,205	15,426	15,426	15,426	15,170
Adjustments to subsidiaries' preferred stock dividends to state on a pre-income tax basis	2,956	2,910	2,918	2,892	2,770
Interest element of rentals charged to income (a)	111,534	114,093	117,409	115,310	113,804
Fixed charges as defined	$388,209	$372,575	$371,247	$353,519	$341,932
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES (b)	2.32	2.38	2.29	2.39	2.42

(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 $6,315,000, $5,093,000, $3,828,000 and $2,209,000 for each of the four 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 AND PREFERENCE STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)

	Year Ended December 31,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$317,241	$315,170	$293,194	$301,320	$297,689
Interest and other charges, before reduction for amounts capitalized	273,719	255,572	250,920	235,317	225,358
Provision for income taxes	199,307	201,295	187,805	191,261	191,835
Interest element of rentals charged to income (a)	111,534	114,093	117,409	115,310	113,804
Earnings as defined	$901,801	$886,130	$849,328	$843,208	$828,686
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest on long-term debt	$243,570	$211,935	$204,285	$184,915	$178,217
Other interest expense	22,944	28,211	31,209	34,976	31,971
Preferred and preference stock dividend requirements	29,699	27,923	27,817	27,395	26,717
Adjustments to preferred and preference stock dividends to state on a pre-income tax basis	16,745	10,542	10,503	10,140	9,859
Interest element of rentals charged to income (a)	111,534	114,093	117,409	115,310	113,804
Fixed charges as defined plus preferred and preference stock dividend requirements (pre-income tax basis)	$424,492	$392,704	$391,223	$372,736	$360,568
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED AND PREFERENCE STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS) (b)	2.12	2.26	2.17	2.26	2.30

(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 $6,315,000, $5,093,000, $3,828,000 and $2,209,000 for each of the four years ended December 31, 1998, respectively. The guarantee and related coal supply contract debt expired December 31, 1999.

THE CLEVELAND ELECTRIC ILLUMINATING COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1995	1996	1997	1998	1999
			(Dollars in Thousands)		
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$183,719	$116,553	$114,481	$164,891	$194,089
Interest and other charges, before reduction for amounts capitalized	251,793	244,789	248,429	232,727	211,960
Provision for income taxes	95,561	69,120	92,969	110,611	123,869
Interest element of rentals charged to income (a)	79,642	79,503	69,086	68,314	66,680
Earnings as defined	$610,715	$509,965	$524,965	$576,543	$596,598
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest expense	$251,793	$244,789	$248,429	$232,727	$211,960
Interest element of rentals charged to income (a)	79,642	79,503	69,086	68,314	66,680
Fixed charges as defined	$331,435	$324,292	$317,515	$301,041	$278,640
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES	1.84	1.57	1.65	1.92	2.14

(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,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$183,719	$116,553	$114,481	$164,891	$194,089
Interest and other charges, before reduction for amounts capitalized	95,561	69,120	92,969	110,611	123,869
Provision for income taxes	251,793	244,789	248,429	232,727	211,960
Interest element of rentals charged to income (a)	79,642	79,503	69,086	68,314	66,680
Earnings as defined	$610,715	$509,965	$524,965	$576,543	$596,598
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest expense	$251,793	$244,789	$248,429	$232,727	$211,960
Preferred stock dividend requirements	42,444	38,743	45,029	24,794	33,524
Adjustments to preferred stock dividends to state on a pre-income tax basis	22,077	22,976	36,568	16,632	21,395
Interest element of rentals charged to income (a)	79,642	79,503	69,086	68,314	66,680
Fixed charges as defined plus preferred stock dividend requirements (pre-income tax basis)	$395,956	$386,011	$399,112	$342,467	$333,559
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)	1.54	1.32	1.32	1.68	1.79

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

EXHIBIT 12.4
Page 1

THE TOLEDO EDISON COMPANY

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

	Year Ended December 31,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$96,762	$57,289	$49,385	$106,582	$99,945
Interest and other charges, before reduction for amounts capitalized	112,344	97,329	98,423	88,263	78,496
Provision for income taxes	43,828	31,501	39,703	72,696	56,821
Interest element of rentals charged to income (a)	110,977	109,935	102,795	100,245	98,445
Earnings as defined	$363,911	$296,054	$290,306	$367,786	$333,707
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest expense	$112,344	$97,329	$98,423	$88,263	$78,496
Interest element of rentals charged to income (a)	110,977	109,935	102,795	100,245	98,445
Fixed charges as defined	$223,321	$207,264	$201,218	$188,508	$176,941
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES	1.63	1.43	1.44	1.95	1.89

(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,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$ 96,762	$ 57,289	$ 49,385	$106,582	$ 99,945
Interest and other charges, before reduction for amounts capitalized	43,828	31,501	39,703	72,696	56,821
Provision for income taxes	112,344	97,329	98,423	88,263	78,496
Interest element of rentals charged to income (a)	110,977	109,935	102,795	100,245	98,445
Earnings as defined	$363,911	$296,054	$290,306	$367,786	$333,707
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest expense	$112,344	$ 97,329	$ 98,423	$ 88,263	$ 78,496
Preferred stock dividend requirements	18,252	16,926	19,435	13,609	16,238
Adjustments to preferred stock dividends to state on a pre-income tax basis	8,266	9,307	15,783	8,335	10,363
Interest element of rentals charged to income (a)	110,977	109,935	102,795	100,245	98,445
Fixed charges as defined plus preferred stock dividend requirements (pre-income tax basis)	$249,839	$233,497	$236,436	$210,452	$203,542
CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS)	1.46	1.27	1.23	1.75	1.64

(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,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$ 38,930	$ 40,587	$31,472	$39,748	$12,648
Interest before reduction for amounts capitalized	31,350	27,889	22,438	21,073	21,317
Provision for income taxes	32,591	33,421	26,658	32,504	18,834
Interest element of rentals charged to income (a)	1,865	1,868	1,750	1,920	1,887
Earnings as defined	$104,736	$103,765	$82,318	$95,245	$54,686
FIXED CHARGES AS DEFINED IN REGULATION S-K:					
Interest on long-term debt	$ 28,937	$ 25,715	$20,458	$19,255	$19,268
Interest on nuclear fuel obligations	407	219	276	28	90
Other interest expense	2,006	1,955	1,704	1,789	1,959
Interest element of rentals charged to income (a)	1,865	1,868	1,750	1,920	1,887
Fixed charges as defined	$ 33,215	$ 29,757	$24,188	$22,992	$23,204
RATIO OF EARNINGS TO FIXED CHARGES (b)	3.15	3.49	3.40	4.14	2.36

(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 $795,000, $642,000, $483,000 and $273,000 for each of the four 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,				
	1995	1996	1997	1998	1999
	(Dollars in Thousands)				
EARNINGS AS DEFINED IN REGULATION S-K:					
Income before extraordinary items	$ 38,930	$ 40,587	$31,472	$39,748	$12,648
Interest before reduction for amounts capitalized	31,350	27,889	22,438	21,073	21,317
Provision for income taxes	32,591	33,421	26,658	32,504	18,834
Interest element of rentals charged to income (a)	1,865	1,868	1,750	1,920	1,887
Earnings as defined	$104,736	$103,765	$82,318	$95,245	$54,686
FIXED CHARGES AS DEFINED IN REGULATION S-K PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS):					
Interest on long-term debt	$ 28,937	$ 25,715	$20,458	$19,255	$19,268
Interest on nuclear fuel obligations	407	219	276	28	90
Other interest expense	2,006	1,955	1,704	1,789	1,959
Preferred stock dividend requirements	4,775	4,626	4,626	4,626	4,370
Adjustment to preferred stock dividends to state on a pre-income tax basis	3,939	3,751	3,859	3,726	6,403
Interest element of rentals charged to income (a)	1,865	1,868	1,750	1,920	1,887
Fixed charges as defined plus preferred stock dividend requirements (pre-income tax basis)	$ 41,929	$ 38,134	$32,673	$31,344	$33,977
RATIO OF EARNINGS TO FIXED CHARGES PLUS PREFERRED STOCK DIVIDEND REQUIREMENTS (PRE-INCOME TAX BASIS) (b)	2.50	2.72	2.52	3.04	1.61

(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 $795,000, $642,000, $483,000 and $273,000 for each of the four 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 and No. 333-75985.

Arthur Andersen LLP

ARTHUR ANDERSEN LLP

Cleveland, Ohio
March 29, 2000

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 29, 2000

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 29, 2000

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 29, 2000

FirstEnergy

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Akron, Ohio 44308-1890
(330) 384-5100