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Senior Vice President and  
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CERTIFIED MAIL

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United States Nuclear Regulatory Commission  
Document Control Desk  
Washington, D.C. 20555-0001

Perry Nuclear Power Plant, Unit 1  
Docket No. 50-440

RE: Decommissioning Reports for the Perry Nuclear Power Plant, Unit 1

Ladies and Gentlemen:

Pursuant to 10 CFR 50.75(f)(1), FirstEnergy Corp. is hereby submitting the Decommissioning Reports for the Perry Nuclear Power Plant, Unit 1 for the year ending December 31, 2004.

If you have questions or require additional information, please contact Mr. R. Terry Conlin, Staff Analyst at 330-384-4605.

Very truly yours,



Attachments

A001

**NRC Decommissioning Funding Status Report  
Perry Nuclear Power Plant Unit 1  
As of December 31, 2004**

**(Note: This report reflects FirstEnergy Corp.'s consolidated share of ownership interest in Perry Nuclear Power Plant Unit 1).**

1. The minimum decommissioning fund estimate, pursuant to 10 CFR 50.75(b) and (c) (See Schedule 1):

Ohio Edison Company	\$139,198,500
Cleveland Electric Illuminating Company	208,101,757
Toledo Edison Company	92,381,405
Pennsylvania Power Company	<u>24,313,338</u>
FirstEnergy Consolidated	<u>\$463,995,000</u>

2. The amount accumulated in external trust funds at December 31, 2003:

Ohio Edison Company	\$108,738,930
Cleveland Electric Illuminating Company	155,516,340
Toledo Edison Company	71,905,493
Pennsylvania Power Company	9,669,568
FirstEnergy Consolidated	<u>\$ 345,830,330</u>

3. A schedule of the annual amounts over the number of years remaining to be collected from ratepayers is attached as Schedule 2:

4. The assumptions used regarding escalation in decommissioning cost, rates of earnings on decommissioning funds, and rates of other factors used in funding projections:

Consolidated Ownership in Unit	100%
"Real" Rate of Return through Dismantlement	2.00%
Year of Final Dismantlement	2034
Year of License Termination	2026

5. There are no contracts upon which the owners/licensees are relying pursuant to 10 CFR 50.75(e)(1)(v).

6. Due to the passage of the Pennsylvania Electricity Generation Customer Choice and Competition Act and the Ohio Electric Utility Industry Restructuring Bill, Pennsylvania Power Company, Ohio Edison Company, Cleveland Electric Illuminating Company and Toledo Edison Company, have accelerated the timing of the contributions to the external trust. The contributions pertaining to the Pennsylvania Public Utility Commission and Public Utility Commission of Ohio will be collected from ratepayers through 2005, while contributions pertaining to FERC will be collected through 2026.

7. The Trust Agreements for the above-mentioned owners of the Perry Nuclear Unit #1 were amended effective December 9, 2003 in order to incorporate the "Notice Regarding Disbursements or Payments" as required by the NRC (see Schedule 3).

OHIO EDISON COMPANY

Calculation of Minimum Financial Assurance Amount  
for December 2004

PERRY NUCLEAR POWER PLANT UNIT ONE

Ohio Regions

Labor (L) = Midwest  
Energy (E) = National  
Waste Burial (B) = South Carolina

For BWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.000	0.65	1.3
E =	1.448	0.13	0.188
B =	8.860	0.22	<u>1.949</u>

BWR Escalation Factor = 3.437

Base Amount for BWR greater than 3400 MWt = 135,000,000

Escalated Amount for unit = 135,000,000 x 3.367 = \$463,995,000

Escalated Amount for Ohio Edison Company's ownership interest  
(30 %) in the unit:

\$463,995,000 x 30% = \$139,198,500 for December 2004

CLEVELAND ELECTRIC ILLUMINATING COMPANY

Calculation of Minimum Financial Assurance Amount  
for December 2004

PERRY NUCLEAR POWER PLANT UNIT ONE

Ohio Regions

Labor (L) = Midwest  
Energy (E) = National  
Waste Burial (B) = South Carolina

For BWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.000	0.65	1.3
E =	1.448	0.13	0.188
B =	8.860	0.22	<u>1.949</u>

BWR Escalation Factor = 3.437

Base Amount for BWR greater than 3400 MWt = 135,000,000

Escalated Amount for unit = 135,000,000 x 3.367 = \$463,995,000

Escalated Amount for Cleveland Electric Illuminating Company's ownership interest  
(44.85%) in the unit:

\$463,995,000 x 44.85% = \$208,101,757 for December 2004

TOLEDO EDISON COMPANY

Calculation of Minimum Financial Assurance Amount  
for December 2004

PERRY NUCLEAR POWER PLANT UNIT ONE

Ohio Regions

Labor (L) = Midwest  
Energy (E) = National  
Waste Burial (B) = South Carolina

For BWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.000	0.65	1.3
E =	1.448	0.13	0.188
B =	8.860	0.22	1.949

BWR Escalation Factor = 3.437

Base Amount for BWR greater than 3400 MWt = 135,000,000

Escalated Amount for unit = 135,000,000 x 3.367 = \$463,995,000

Escalated Amount for Toledo Edison Company's ownership interest  
(19.91 %) in the unit:

\$463,995,000 x 19.91% = \$92,381,405 for December 2004

PENNSYLVANIA POWER COMPANY

Calculation of Minimum Financial Assurance Amount  
for December 2004

PERRY NUCLEAR POWER PLANT UNIT ONE

Ohio Regions

Labor (L) = Midwest  
Energy (E) = National  
Waste Burial (B) = South Carolina

For BWR Unit

	Adjustment Factor	Ratio	Escalation Factor
L =	2.000	0.65	1.3
E =	1.448	0.13	0.188
B =	8.860	0.22	<u>1.949</u>

BWR Escalation Factor = 3.437

Base Amount for BWR greater than 3400 MWt = 135,000,000

Escalated Amount for unit = 135,000,000 x 3.437 \$463,995,000

Escalated Amount for Penn Power Company's ownership interest  
(5.24 %) in the unit:

\$463,995,000 x 5.24% = \$24,313,338 for December 2004

NRC Decommissioning Funding Status Report  
Schedule of Annual Amounts Remaining to be Collected

Perry 1

Year	Annual Amounts Collected				FirstEnergy Consolidated
	Ohio Edison	Cleveland Electric	Toledo Edison	Pennsylvania Power	
2005	13,193,131	9,911,159	6,573,855	771,088	30,449,233
2006	113,103	-	114,960	2,088	230,151
2007	113,103	-	114,960	2,088	230,151
2008	113,103	-	114,960	2,088	230,151
2009	113,103	-	114,960	2,088	230,151
2010	113,103	-	114,960	2,088	230,151
2011	113,103	-	114,960	2,088	230,151
2012	113,103	-	114,960	2,088	230,151
2013	113,103	-	114,960	2,088	230,151
2014	113,103	-	114,960	2,088	230,151
2015	113,103	-	114,960	2,088	230,151
2016	113,103	-	114,960	2,088	230,151
2017	113,103	-	114,960	2,088	230,151
2018	113,103	-	114,960	2,088	230,151
2019	113,103	-	114,960	2,088	230,151
2020	113,103	-	114,960	2,088	230,151
2021	113,103	-	114,960	2,088	230,151
2022	113,103	-	114,960	2,088	230,151
2023	113,103	-	114,960	2,088	230,151
2024	113,103	-	114,960	2,088	230,151
2025	113,103	-	114,960	2,088	230,151
2026	28,276	-	28,740	522	57,538
2027	-	-	-	-	-
2028	-	-	-	-	-
2029	-	-	-	-	-
2030	-	-	-	-	-
2031	-	-	-	-	-
2032	-	-	-	-	-
2033	-	-	-	-	-
2034	-	-	-	-	-
<b>Total</b>	<b>15,483,467</b>	<b>9,911,159</b>	<b>8,901,795</b>	<b>813,370</b>	<b>35,109,791</b>

**SECOND AMENDMENT TO THE OHIO EDISON COMPANY MASTER  
DECOMMISSIONING TRUST AGREEMENT FOR  
PERRY NUCLEAR POWER PLAN UNIT ONE, PERRY NUCLEAR POWER PLAN  
UNIT TWO, BEAVER VALLEY POWER STATION UNIT ONE AND BEAVER  
VALLEY POWER STATION UNIT TWO**

THIS AMENDMENT, entered into on this 9th day of December, 2003, by and between OHIO EDISON COMPANY, an Ohio corporation (hereinafter referred to as the "Company"), and MELLON BANK, N.A. (hereinafter referred to as the "Trustee"),

WITNESSETH

WHEREAS, the Company and the Trustee entered into a certain Master Decommissioning Trust Agreement, as of July 1, 1993 ("the Agreement");

WHEREAS, the Company and the Trustee desire to amend the Agreement; and

WHEREAS, Section 11.05 of the Agreement provides that the Agreement may be amended.

NOW, THEREFORE, the Company and the Trustee agree and mutually consent to amend the Agreement in the following respects:

1. The following Section 5.05 shall be added:

Notice Regarding Disbursements or Payments. Notwithstanding anything to the contrary in this Agreement, except for (i) payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust Fund (including legal, accounting, actuarial, trustee, and other incidental expenses) in connection with the operation of the Trust Fund, (ii) withdrawals being made under 10 CFR 50.82(a)(8), and (iii) transfers between Qualified and Nonqualified Funds in accordance with the provisions of this Agreement, no disbursement or payment may be made from the Trust Fund until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the Trust Fund, if it is otherwise in compliance with the terms and



conditions of this Agreement, may be made following the 30-working day notice period if no written notice of objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, is received by the Trustee or the Company within the notice period. The required notice may be made by the Trustee or on the Trustee's behalf. This Section 5.05 is intended to qualify each and every provision of this Trust Agreement allowing distributions from the Trust Fund, and in the event of any conflict between any such provision and this Section, this Section shall control.

2. The following shall be added to Section 7.07(a):

The Trustee shall not be responsible for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign clearing facility, book-entry system, centralized custodial depository, or similar organization. The Trustee shall not be responsible or liable for any losses or damages suffered by the Funds arising as a result of the insolvency of any custodian, subtrustee or subcustodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity. Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have sole responsibility for nonreceipt of payment (or late payment) by the counterparty.

3. The following Section 9.11 shall be added:

The Trustee may take all action necessary to pay for, and settle, authorized transactions, including exercising the power to borrow or raise monies from the Trustee in its corporate capacity or an affiliate. To secure expenses and advances made to settle or pay for authorized transactions, including payment for securities and disbursements, the Company grants to the Trustee a first priority security interest in the Funds, all Property therein, all income, substitutions and proceeds, whether now owned or hereafter acquired (the "Collateral"); provided that the Company does not grant the Trustee a security interest in any securities issued by an affiliate of the Trustee (as defined in Section 23A of the Federal Reserve Act). The parties intend that as the securities intermediary with respect to the Collateral, the Trustee's security interest shall automatically be perfected when it attaches. To the extent the Trustee advances funds to the Funds for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Funds reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

4. The following Section 11.12 shall be added:

Notwithstanding anything in this Agreement to the contrary contained herein, the Trustee shall not be responsible or liable for its failure to perform under this Agreement or for any losses to the Account resulting from any event beyond the reasonable control of the Trustee, its agents or subcustodians. This provision shall survive the termination of this Agreement.

5. Each Party hereby represents and warrants to the others that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind that Party.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have hereunto set their hands and seals as of the day and year first above written.

OHIO EDISON COMPANY

By: Don Perrine

Name: Donald C. Perrine

Title: Director, Investment Management

MELLON BANK, N.A.

By: Thomas J. McNally

Name: THOMAS J. MCNALLY

Title: VICE PRESIDENT

**AMENDMENT NUMBER TWO  
TO THE  
PENNSYLVANIA POWER COMPANY  
MASTER DECOMMISSIONING TRUST AGREEMENT  
FOR BEAVER VALLEY POWER STATION  
AND PERRY NUCLEAR POWER PLANT**

This Amendment Number Two to the Pennsylvania Power Company Master Decommissioning Trust Agreement for Beaver Valley Power Station and Perry Nuclear Power Plant (the "Agreement") by and between Pennsylvania Power Company (the "Company") and Mellon Bank, N.A. (the "Trustee"), made this 9th day of December, 2003.

**WITNESSETH:**

**WHEREAS**, the Company entered into the Agreement to provide for the decommissioning of the Beaver Valley Power Station and the Perry Nuclear Power Plant Unit No. 1;

**WHEREAS**, Section 11.05 of the Agreement allows the Trustee and the Company to amend the Agreement;

**WHEREAS**, the parties wish to amend the Agreement.

**NOW THEREFORE**, the Trustee and the Company hereby amend the Agreement as follows:

1. The following Section 5.05 shall be added:

Notice Regarding Disbursements or Payments. Notwithstanding anything to the contrary in this Agreement, except for (i) payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust Fund (including legal, accounting, actuarial, trustee, and other incidental expenses) in connection with the operation of the Trust Fund, (ii) withdrawals being made under 10 CFR 50.82(a)(8), and (iii) transfers between Qualified and Nonqualified Funds in accordance with the provisions of this Agreement, no disbursement or payment may be made from the Trust Fund until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the Trust Fund, if it is otherwise in compliance with the terms and conditions of this Agreement, may be made following the 30-working day notice period if no written notice of objection from the Director, Office of

Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, is received by the Trustee or the Company within the notice period. The required notice may be made by the Trustee or on the Trustee's behalf. This Section 5.05 is intended to qualify each and every provision of this Trust Agreement allowing distributions from the Trust Fund, and in the event of any conflict between any such provision and this Section, this Section shall control.

2. The last sentence of Section 9.02 shall be restated as follows:

To the extent the Trustee advances funds to the Trust Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust Fund reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures

3. The Company and the Trustee hereby each represent and warrant to the other that it has full authority to enter into this Amendment upon the terms and conditions hereof and that the individual executing this Amendment on its behalf has the requisite authority to bind the Company and the Trustee to this Amendment.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have hereunto set their hands and seals as of the day and year first above written.

PENNSYLVANIA POWER COMPANY

By: Donald C. Perrine

Name: Donald C. Perrine

Title: Manager, Investment Management

MELLON BANK, N.A.

By: Thomas J. McNally

Name: THOMAS J. MCNALLY

Title: VICE PRESIDENT

**FIRST AMENDMENT  
TO  
DECOMMISSIONING TRUST AGREEMENT  
dated as of December 16, 1996  
between  
THE TOLEDO EDISON COMPANY (Davis-Besse and Perry) and  
Mellon Bank, N.A.**

THIS AMENDMENT, entered into on this 9th day of December, 2003, by and between THE TOLEDO EDISON COMPANY, an Ohio corporation (hereinafter referred to as the "Company"), and MELLON BANK, N.A. (hereinafter referred to as the "Trustee"),

WITNESSETH

WHEREAS, the Company and the Trustee entered into a certain Decommissioning Trust Agreement, as of December 16, 1996 ("the Agreement");

WHEREAS, Section 11.1 of the Agreement provides that the Agreement may be amended at any time.

NOW, THEREFORE, the Company and the Trustee agree and mutually consent to amend the Agreement in the following respects:

1. The following Section 2.5 shall be added:

Notice Regarding Disbursements or Payments. Notwithstanding anything to the contrary in this Agreement, except for (i) payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust Fund (including legal, accounting, actuarial, trustee, and other incidental expenses in connection with the operation of the Trust Fund, (ii) withdrawals being made under 10 CFR 50.82(a)(8), and (iii) transfers between Qualified and Nonqualified Funds in accordance with the provisions of this Agreement, no disbursement or payment may be made from the Trust Fund until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the Trust Fund, if it is otherwise in compliance with the

terms and conditions of this Agreement, may be made following the 30-working day notice period if no written notice of objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, is received by the Trustee or the Company within the notice period. The required notice may be made by the Trustee or on the Trustee's behalf. This Section 2.5 is intended to qualify each and every provision of this Trust Agreement allowing distributions from the Trust Fund, and in the event of any conflict between any such provision and this Section, this Section shall control.

2. The following shall be added to Section 6.2 (xi)

The Trustee shall not be responsible for any losses resulting from the deposit or maintenance of securities or other property (in accordance with market practice, custom, or regulation) with any recognized foreign clearing facility, book-entry system, centralized custodial depository, or similar organization.

3. Section 6.3. shall be restated as follows:

To the extent the Trustee advances funds to the Trust Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust Fund reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

4. The following Section 6.6 shall be added:

The Trustee shall not be responsible or liable for any losses or damages suffered by the Trust Fund arising as a result of the insolvency of any custodian, subtrustee or subcustodian, except to the extent the Trustee was negligent in its selection or continued retention of such entity. Settlements of transactions may be effected in trading and processing practices customary in the jurisdiction or market where the transaction occurs. The Company acknowledges that this may, in certain circumstances, require the delivery of cash or securities (or other property) without the concurrent receipt of securities (or other property) or cash and, in such circumstances, the Company shall have sole responsibility for nonreceipt of payment (or late payment) by the counterparty.

5. All other terms and conditions of the Agreement shall remain in full force and effect. Each of the parties represents and warrants to the other parties that it has full authority to enter into this Amendment upon the terms and conditions hereof and that the individual executing this Amendment on its behalf has the requisite authority to bind the respective parties to this Amendment.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have hereunto set their hands and seals as of the day and year first above written.

THE TOLEDO EDISON COMPANY

By: Don Perrine

Name: Donald C. Perrine

Title: Director, Investment Management

MELLON BANK, N.A.

By: Thomas J. McNally

Name: THOMAS J. McNally

Title: VICE PRESIDENT

**AMENDMENT NO. 3 TO THE  
DECOMMISSIONING TRUST AGREEMENT**

**between  
THE TOLEDO EDISON COMPANY  
and  
AMERITRUST COMPANY NATIONAL ASSOCIATION**

This amendment is entered into as of the 9th day of December, 2003, by and between The Toledo Edison Company (the "Company"), and Mellon Bank, N.A..

WHEREAS, by Amendment dated December 20, 1999 the Company appointed Mellon Bank, N.A. as successor Trustee, and Mellon Bank, N.A. agreed to act as successor Trustee subject to the terms of the Decommissioning Trust Agreement between The Toledo Edison Company and Ameritrust Company National Association ("the Agreement").

WHEREAS, in Section 10.1 of the Agreement, the parties specifically reserve the right to amend the Agreement; and

WHEREAS, the parties wish to amend the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. The following Section 2.6 shall be added:

Notice Regarding Disbursements or Payments. Notwithstanding anything to the contrary in this Agreement, except for (i) payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust Fund (including legal, accounting, actuarial, trustee expenses, and other incidental expenses) in connection with the operation of the Trust Fund, (ii) withdrawals being made under 10 CFR 50.82(a)(8), and (iii) transfers between Qualified and Nonqualified Funds in accordance with the provisions of this Agreement, no disbursement or payment may be made from the Trust Fund until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the Trust Fund, if it is otherwise in compliance with the terms and conditions of this Agreement, may be made following the 30-working day notice period if no written notice of objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, is received by the Trustee or the Company within the notice period. The required notice may be made by the Trustee or on the Trustee's behalf. This Section 2.6 is intended to qualify each and every provision of this Trust Agreement allowing



distributions from the Trust Fund, and in the event of any conflict between any such provision and this Section, this Section shall control.

2. The following Section 5.5 shall be added:

The Trustee may lend the assets of the Trust Fund in accordance with the terms and conditions of a separate securities lending agreement.

3. The last sentence of Section 6.3 shall be restated as follows:

To the extent the Trustee advances funds to the Trust Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust Fund reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

4. Each Party hereby represents and warrants to the others that it has full authority to enter into this Agreement upon the terms and conditions hereof and that the individual executing this Agreement on its behalf has the requisite authority to bind that Party.

IN WITNESS WHEREOF, the Parties have each set their Hands and Seals to this Amendment to the Agreement as of the date and year first written above.

THE TOLEDO EDISON COMPANY

By: Don Perrine

Name: Donald C. Perrine

Title: Director, Investment Management

MELLON BANK, N.A.

By: Thomas J. McNally

Name: THOMAS J. McNALLY

Title: VICE PRESIDENT

First Energy Toledo Edison

**AMENDMENT NUMBER TWO  
TO THE  
FIRST AMENDED AND RESTATED MASTER DECOMMISSIONING  
TRUST AGREEMENT  
Dated as of December 16, 1999  
between  
THE CLEVELAND ELECTRIC ILLUMINATING COMPANY  
(Davis-Besse, Perry and Beaver Valley)  
and  
MELLON BANK, N.A.  
As Trustee**

This Amendment Number Two to the First Amended and Restated Master Decommissioning Trust Agreement dated as of December 16, 1999 for The Cleveland Electric Illuminating Company (Davis-Besse, Perry and Beaver Valley) (the "Agreement") by and between, The Cleveland Electric Illuminating Company, (the "Company") and Mellon Bank, N.A. (the "Trustee"), made this 9th day of December, 2003.

**WITNESSETH:**

**WHEREAS**, the Company entered into the Agreement to provide for the decommissioning of the Davis-Besse Power Station Unit No. 1, Beaver Valley Power Station Unit 2 and Perry Power Station Unit No. 1; and

**WHEREAS**, Section 11.1 of the Agreement allows the Trustee and the Company to amend the Agreement;

**NOW THEREFORE**, the Trustee and the Company hereby amend the Agreement as follows:

1. The following Section 2.5 shall be added:

Notice Regarding Disbursements or Payments. Notwithstanding anything to the contrary in this Agreement, except for (i) payments of ordinary administrative costs (including taxes) and other incidental expenses of the Trust Fund (including legal, accounting, actuarial, trustee, and other incidental expenses) in connection with the operation of the Trust Fund, (ii) withdrawals being made under 10 CFR 50.82(a)(8), and (iii) transfers between Qualified and Nonqualified Funds in accordance with the provisions of this Agreement, no disbursement or payment may be made from the Trust Fund until written notice of the intention to make a disbursement or payment has been given to the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, at least 30 working days before the date of the intended disbursement or payment. The disbursement or payment from the Trust Fund, if it is otherwise in compliance with the terms and conditions of this Agreement, may

be made following the 30-working day notice period if no written notice of objection from the Director, Office of Nuclear Reactor Regulation, or the Director, Office of Nuclear Material Safety and Safeguards, as applicable, is received by the Trustee or the Company within the notice period. The required notice may be made by the Trustee or on the Trustee's behalf. This Section 2.5 is intended to qualify each and every provision of this Trust Agreement allowing distributions from the Trust Fund, and in the event of any conflict between any such provision and this Section, this Section shall control.

2. Section 6.3 shall be restated as follows:

To the extent the Trustee advances funds to the Trust Fund for disbursements or to effect the settlement of purchase transactions, the Trustee shall be entitled to collect from the Trust Fund reasonable charges established under the Trustee's standard overdraft terms, conditions and procedures.

3. The Company and the Trustee hereby each represent and warrant to the other that it has full authority to enter into this Amendment upon the terms and conditions hereof and that the individual executing this Amendment on its behalf has the requisite authority to bind the Company and the Trustee to this Amendment.

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have hereunto set their hands and seals as of the day and year first above written.

The Cleveland Electric Illuminating  
Company

By: Don Perrine  
Name: Donald C. Perrine  
Title: Director, Investment Management

MELLON BANK, N.A.

By: Thomas J. McNally  
Name: THOMAS J. MCNALLY  
Title: VICE PRESIDENT