OHIOEDISON
The Energy Makers

Annual Report 1984

Ohio Edison

The Ohio Edison System is the 18th largest investor-owned electric system in the United States, based on total kilowatt-hour sales. It includes the Ohio Edison Company, headquartered in Akron, Ohio, and the Pennsylvania Power Company, in New Castle, Pennsylvania. Together, the Companies provide electric service to more than 978,000 customers within an area of approximately 9,000 square miles in central and northeastern Ohio and western Pennsylvania.

Contents

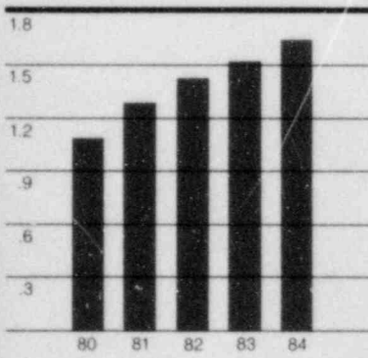
On the cover
A unique view of new environmental control equipment at the coal-fired W.H. Sammis Plant.

Financial Highlights

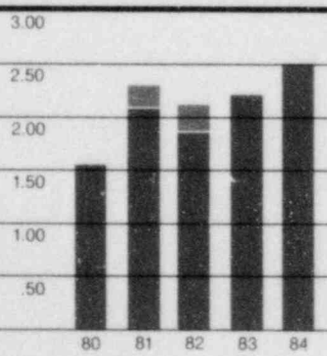
For the Years Ended December 31	1984	1983	Change
	(In millions, except per share amounts)		
Kilowatt-Hour Sales	**26,764.2**	24,345.4	+9.9%
Operating Revenues	**$1,637.1**	$1,515.9	+8.0%
Fuel Expense	**422.8**	420.3	+0.6%
Operating Income	**342.7**	302.8	+13.2%
Allowance for Funds Used During Construction, Net	**256.9**	203.7	+26.1%
Interest and Other Charges	**371.6**	319.8	+16.2%
Net Income	**339.3**	272.4	+24.6%
Earnings on Common Stock	**290.7**	227.8	+27.6%
Earnings Per Common Share	**$2.50**	$2.22	+12.6%
Dividends Per Common Share*	**$1.84**	$1.80	+2.2%
Dividends on Capital Stock	**$263.0**	$230.8	+14.0%
Capital Expenditures:			
Construction of Facilities	**$800.4**	$690.8	
Nuclear Fuel	**60.8**	55.0	
Capital Leases	**6.9**	25.3	
	$868.1	$771.1	+12.6%
Internally Generated Funds	**222.1**	217.3	+2.2%
Net Financing Activities	**581.6**	496.6	+17.1%
Return on Average Common Equity	**15.9%**	14.2%	

***The quarterly dividend was increased to 47 cents per share ($1.88 on an annual basis) beginning with the dividend payable on March 29, 1985.**

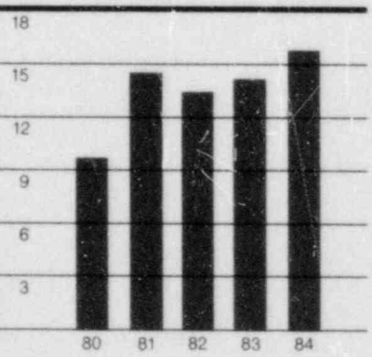
Operating Revenues
(In billions of dollars)



Earnings Per Share
(In dollars)



Return on Average Common Equity
(In percent)



Extraordinary
Ordinary

President's Message

The Company's overall financial performance in 1984 was our best in nearly a decade.

With a healthier local economy, sales to industrial customers increased 9.2 percent over 1983. Our sales to commercial and residential customers were also up. And power sales to other electric companies increased 57.4 percent to a record high. In all, total kilowatt-hour sales were 9.9 percent higher than in 1983, reaching nearly 27 billion kilowatt-hours.

Because of the stronger sales and new electric rates, revenues for the year were more than $1.6 billion, 8 percent better than in 1983; earnings climbed to $2.50 per share of common stock, an increase of nearly 13 percent.

We are especially pleased with these financial results considering the difficult operating, environmental, regulatory and financial problems we have had to overcome since the late 1970s.

Even with many of these problems behind us, and our good financial performance in 1984, we don't expect smooth sailing ahead. We still have tough problems to deal with, including those related to nuclear power and the possibility of new "acid rain" legislation.

Nuclear Power's Future

Nuclear power will have an important part in this country's energy future. But for now, controversy has placed seemingly endless regulatory and legislative roadblocks in front of utilities building or operating plants. These roadblocks have caused construction delays and higher financing costs, forcing some utilities to abandon projects well along in construction.

While this situation certainly gives cause for concern with regard to our own nuclear program, the picture does have a brighter side. In 1984, seven new nuclear units received operating licenses. Already, 90 nuclear units, including Unit 1 of the Beaver Valley Power Station in which we share ownership, are meeting 13 percent of the nation's total demand for electricity.

We expect Unit 1 at the Perry Nuclear Power Plant to join that list around the end of this year. Not only has it met all Nuclear Regulatory Commission requirements to date, but the Commission has recognized the quality control program as a strength of the Perry project.

Although the schedule is tight, The Cleveland Electric Illuminating Company, which is heading up construction of Perry, reports that the unit's systems will be tested and ready for fuel loading this summer. To help assure completion of Perry Unit 1 on schedule, work on the second unit has been reduced and relates mainly to facilities shared by both units. Ohio Edison and Penn Power will own about 35 percent of the power from the Perry units.

The Duquesne Light Company is moving forward with Beaver Valley Unit 2, but emphasis has shifted toward completion and testing of systems for operation near the end of 1987. Ohio Edison's share of the unit is about 42 percent.

During the past 12 months, new total project budgets were announced. The budget for Perry Unit 1, including common facilities shared with Perry Unit 2, was raised from $2.8 billion to $3.9 billion. The budget for Beaver Valley Unit 2 was revised from $3.1 billion to $3.9 billion.

As a back-up source of funds, should it be needed, we arranged a $500 million, six-year credit agreement with 21 major banks. This credit arrangement gives the Company more flexibility in the timing of future security sales at lower interest rates. And, it further separates us from those utilities having trouble raising money to finish their nuclear projects.

"Acid Rain" Controversy

Turning to the problem of "acid rain," there is continued pressure on Congress to pass laws requiring costly controls. Special interest groups have made "acid rain" a sensitive political issue by relying on a campaign that's long on rhetoric and short on proof. Their unproven charges about coal-burning plants being the major cause of the "acid rain" problem are preying on the anxieties of people and include demands for huge expenditures on new control equipment.

No one can legitimately accuse us of being indifferent to protecting the environment. We've just completed $510 million of environmental improvements at six of our power plants.

A major part of that program was at the W.H. Sammis Plant, where we spent nearly $409 million on elaborate air quality control systems. All of our power plants now meet current clean-air standards.

But before a new round of expensive projects is required to satisfy "acid rain" lobbies, there should be reasonable assurance of real benefits. So far, that assurance is missing, and we're doing everything we can to convince Congress to recognize this fact.

Optimism for the Future

These concerns notwithstanding, there is reason to be optimistic about the future. Along with the steady improvement in system operations and the reduction in the size of our construction program, we see continued moderate growth in the local economy and a resulting increase in electric sales.

As covered later in this report, we are focusing a great deal of our attention on area development and marketing strategies to stimulate sales growth. Our goal is to add 695 million kilowatt-hours of new business in 1985. We will also continue our aggressive pursuit of power sales to other electric companies.

I believe these efforts and our recent performance will help preserve the quality of your investment in the Company.

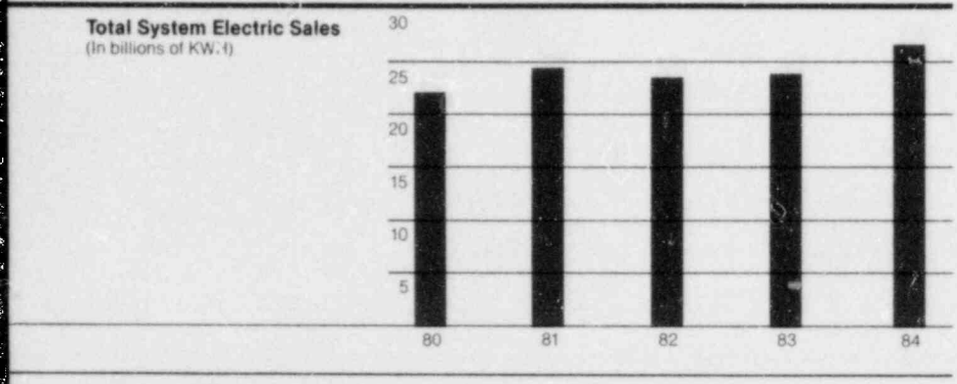
My optimism is supported by our employees' track record. Their resourcefulness and determination have played an important part in moving the Company forward. I thank them for their hard work. And, a special word of thanks to you for your understanding and support.

Justin T. Rogers Jr.

Justin T. Rogers, Jr.
President

March 1, 1985

Electric Sales Reflect Economic Recovery and Growth



With manufacturing and consumer spending up, electric sales followed the rise in the local economy.

Electric sales increased 9.9 percent in 1984 as business in our area continued to accelerate.

One of our largest customer groups, the auto industry, made dramatic gains. With domestic car production up 44.1 percent nationally, there was significant activity among the many auto-related companies we serve. As a result, our sales to these companies increased 8.7 percent over 1983.

But improving car sales is only part of the story. With more computerized operations and robots on the assembly line, the auto industry serves as a good example of how Midwest industries are using electricity and high technology to stay competitive.

Area steel companies have also been streamlining their operations and making more use of efficient electric furnaces, especially in the production of high-quality and specialty steel.

In Youngstown, LTV Steel Company added a $75 million modern rotary furnace at its Campbell Works seamless piping mill. At U.S. Steel Corporation's Lorain facility, about $140 million was spent on a new continuous caster mill.

Although steel manufacturing is well below its peak years, there has been renewed activity. Our electric sales to this industry were up 2.7 percent over 1983.

As the auto and steel industries continue to meet the test of changing markets and the challenge of foreign producers, we expect them to continue as a strong long-term market for us.

There are also signs of new economic growth. Locally, companies made major investments for new or larger facilities that totalled $280 million.

One of the most promising opportunities for business expansion is the polymer industry. Demand for rubber, plastics and other polymer compounds has been steadily increasing.

Four of the most familiar names in tires—Firestone, General, Goodrich and Goodyear—have international headquarters in Akron. They also have major research facilities here and are front-runners in the development and production of polymer products. Also, The University of Akron with its Institute of Polymer Science has gained worldwide recognition for polymer studies, teaching staff and research facilities.

The new $20 million state office building in downtown Akron is an example of communities rebuilding in our service area.

With such a solid foundation in polymers, plus the many other local companies gaining a larger share of the market, our service area has a head start in this growing industry.

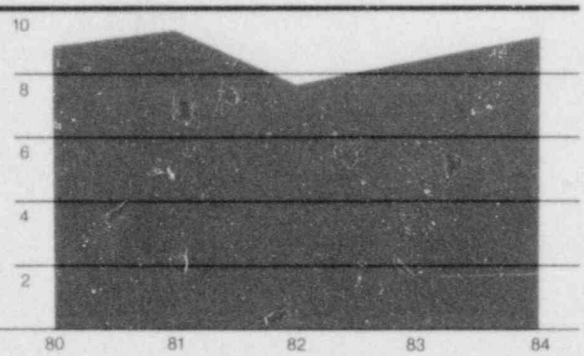
Promoting Economic Expansion

Local communities are more aggressively pursuing new business. They have well-trained people and sound strategies for promoting the many benefits of moving to this area. To boost their efforts, we work with community leaders and hold training programs on how to attract new business.

We also team up with state economic development groups in Ohio and Pennsylvania. For example, we're a member of the Ohio Economic Development Council (OEDC), a private business group working with the state's Department of Development.

For businesses considering expansion or relocation, northeastern Ohio and western Pennsylvania offer many economic advantages. The area is centrally located within

System Industrial Sales
(In billions of KWH)



Some of the nation's major centers for research and development in the growing polymer industry are located here.

500 miles of over 100 million people. Excellent highway and rail transportation systems tie our service area with major population centers. A skilled work force, quality education and job training opportunities offer companies a valuable pool of people. And in what is emerging as the most important advantage of all, the area is rich in fresh water, a major requirement of many manufacturing processes.

Stimulating Industrial Sales

With energy costs a primary consideration for manufacturers, in 1984 we established a special five-year pricing plan that encourages the growth of business. Companies qualify if they meet certain requirements for the size of the new or expanded facility, the number of new people employed and the amount of new demand for electricity. The plan offers a significant savings in energy costs.

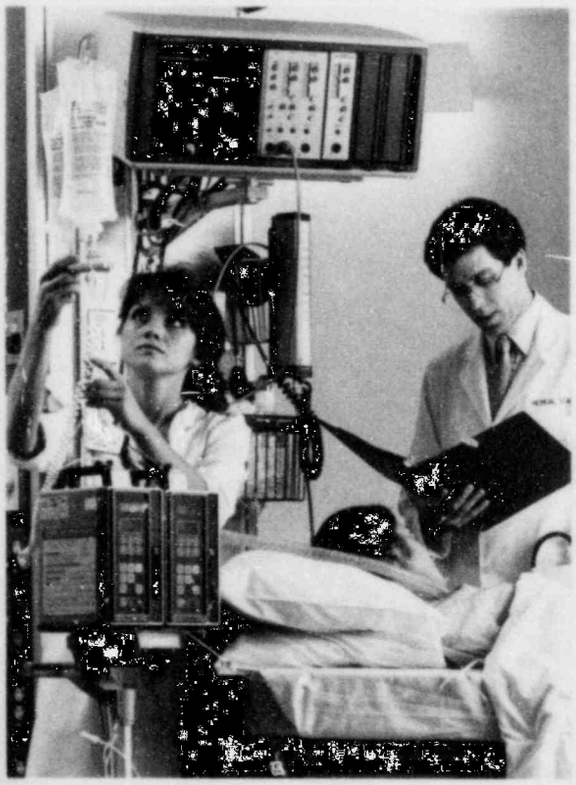
By the end of the year, 10 companies took advantage of the plan, adding automobile parts manufacturing, a meat processing line and other operations. They are providing 475 jobs and should increase our annual revenues by about $4.4 million.

Incentive rates are also available for businesses that shift energy use to off-peak periods. For example, a steel company using a 10-megawatt electric furnace to melt scrap metal during off-peak hours can save approximately 40 percent of its electric cost.

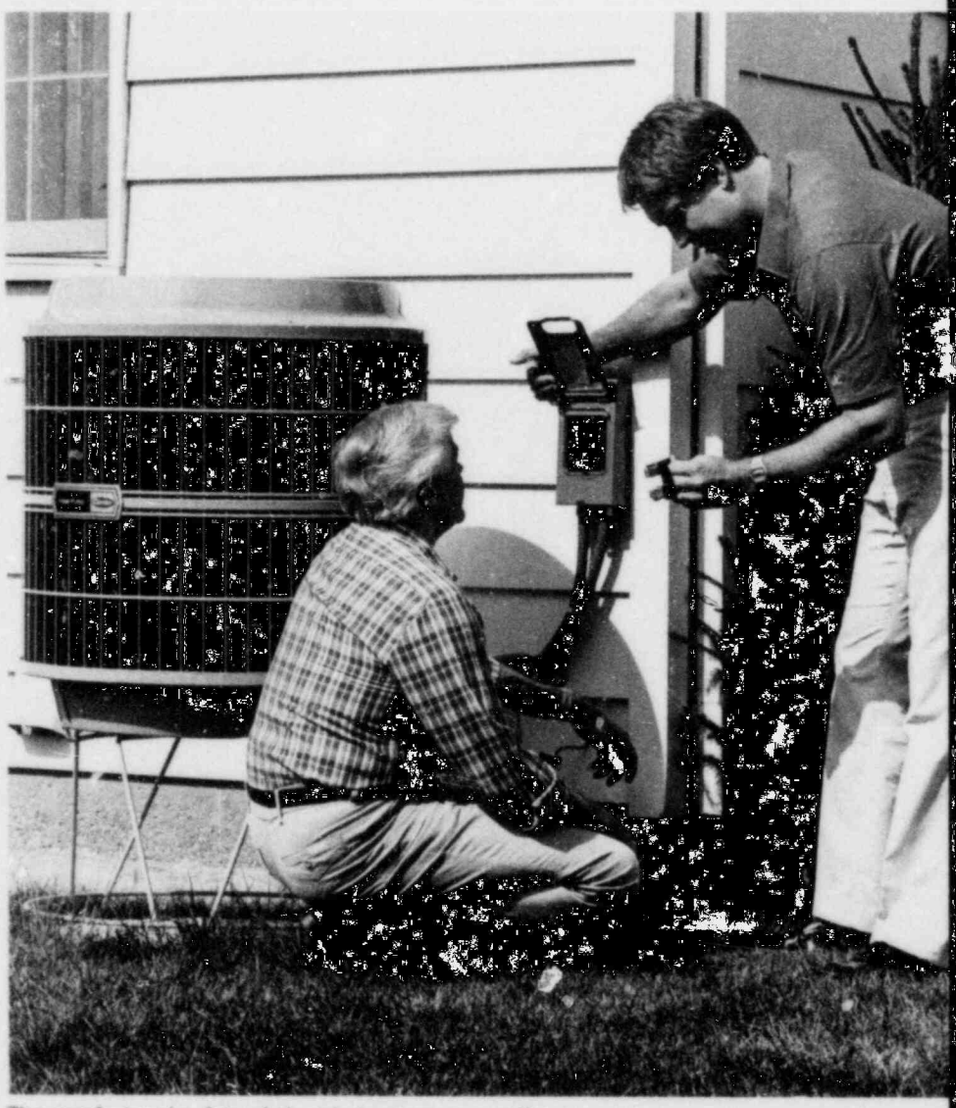
In all, we added nearly 1 billion kilowatt-hours of new business in 1984, representing about $50 million in revenues. Our goal is to add another $40 million of new business in 1985.

Expanding the Residential Market

Although many believe electric companies have no competition, a major share of the home energy market—space and water heating—is open to competition. The rest,



Most products provided by modern technology—from personal computers to lifesaving monitors—rely on electricity as the power of the future.



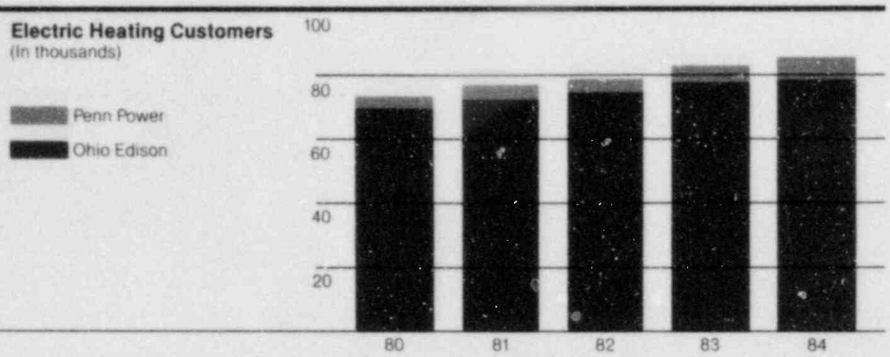
The comfort and safety of electric heat are among the many benefits that convinced nearly 2,500 residential customers to go with electric heating in 1984.

mainly air conditioning and appliances, is almost entirely ours.

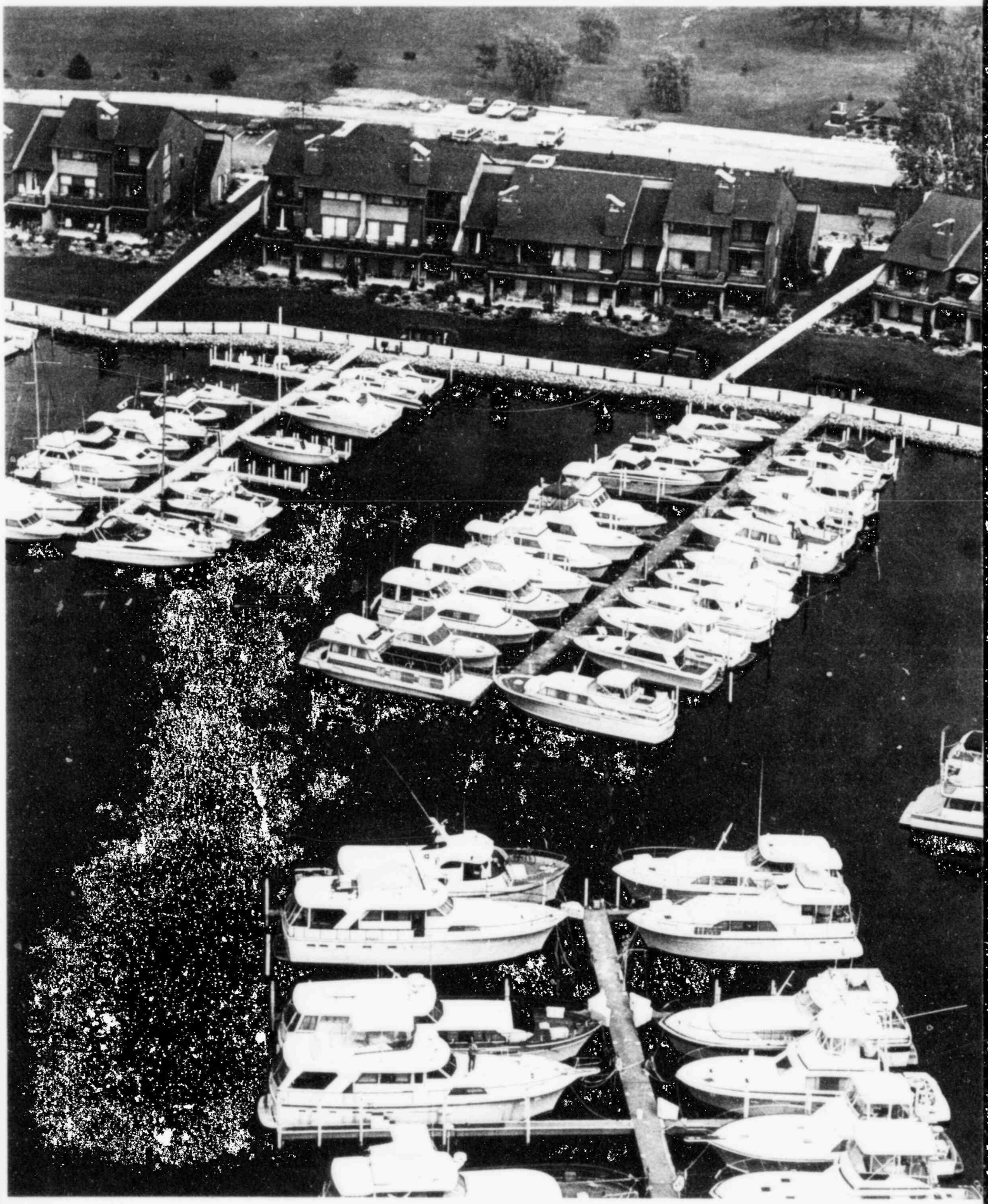
Because of the competitive choice between home heating systems, we have intensified our sales efforts to increase our share of this important market. We're vigorously promoting add-on heat pumps and dual-fuel systems that offer clean, efficient and comfortable electric heat.

To make electric heating more price competitive, we introduced "Power Commander," a new incentive plan that enables residential customers to save up to 50 percent of the cost of electric home heating or water heating. As part of the "Power Commander" agreement, a Company-installed radio receiver can temporarily interrupt service to the heating system. However, because the interruptions would be brief, customers shouldn't experience any significant inconvenience.

Last year, 2,461 heating customers were added, bringing the total to 84,910. We set a



The total electric Coliseum is one of the largest sports and entertainment facilities in the country and home for the "Cavaliers" basketball team and the "Force" indoor soccer team.



goal of adding another 2,700 heating customers in 1985. In addition to $5 million in 1984 revenues, these heating sales enable us to make better use of our generating units, especially at night when customer demand is lower.

Sales to Other Utilities

Another market that continues to grow is the sale of our power to other electric companies. Many companies often find their own generating cost higher than we are able to offer. And the transmission network that makes U.S. electric service the most reliable in the world can also be used to sell power to buyers hundreds of miles away.

As a result, we have sold power to a number of companies including Potomac Electric Power Company, General Public Utilities, Atlantic City Electric Company, the Michigan Pool and Ontario Hydro. Total kilowatt-hour sales to electric companies increased 57.4 percent over 1983 and represented $117.4 million of 1984 revenues.

We will continue pursuing this market and have set a goal of $132 million for 1985.

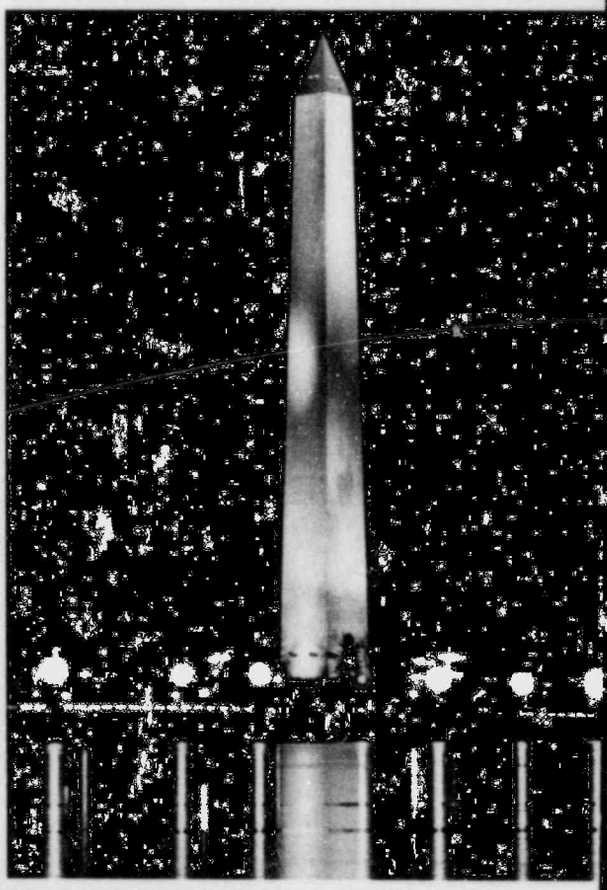
Power for the Future

New electric appliances, heat pumps, electric furnaces in steel mills, robotics and computers illustrate that electricity is the power of the future.

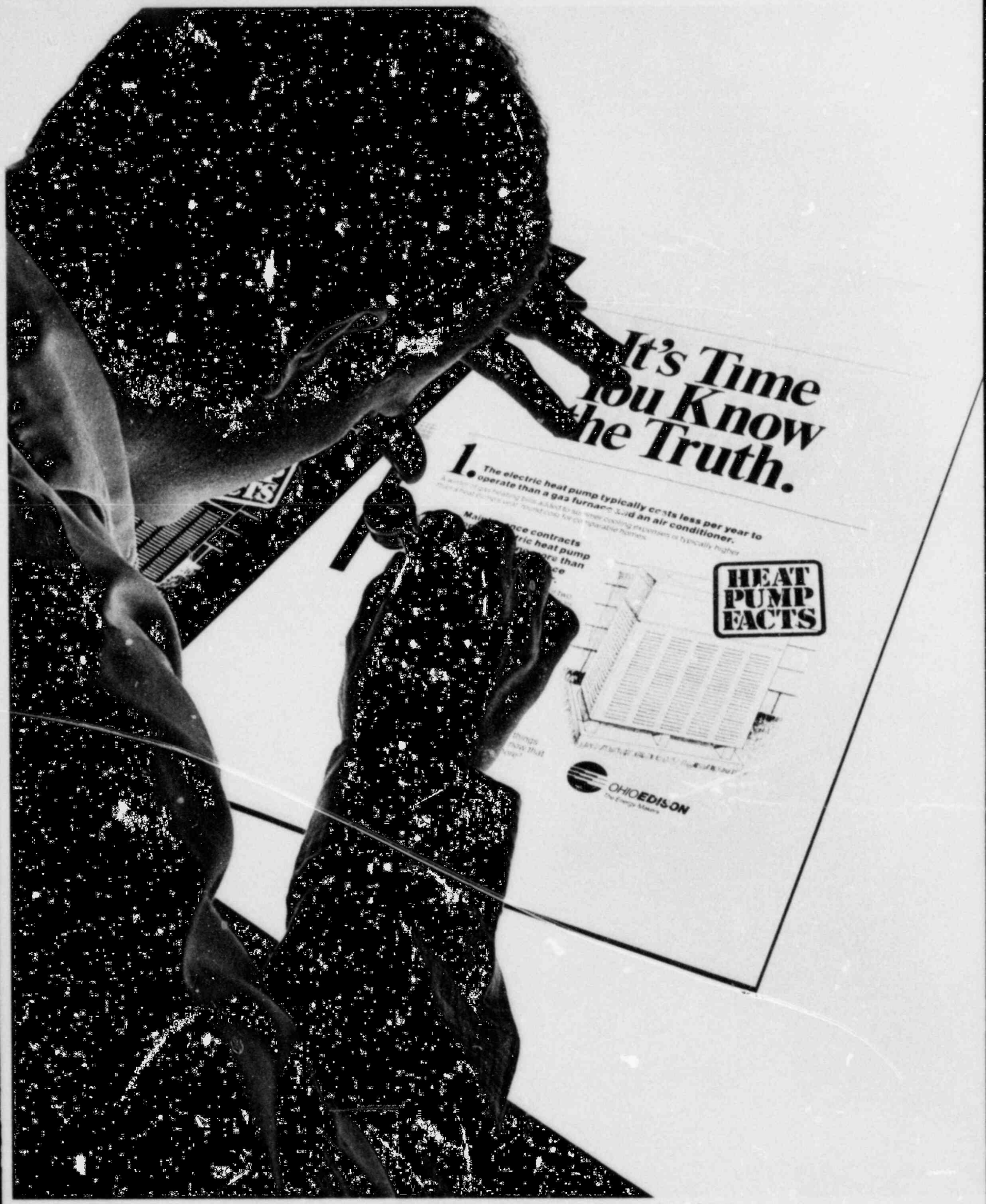
From 1975 to 1983, electric use in the United States has increased 25 percent, while use of other energy forms has dropped. This trend will continue, particularly because of limited gas and oil reserves. We expect that by the year 2005, our customers' peak demand will be 31 percent higher than the estimate for 1985. But economic conditions or other circumstances could push this figure higher.

To have reliable supplies of power for growth, Ohio Edison, Penn Power and three other utilities of the Central Area Power Coordination Group (CAPCO) are financing the

A highly skilled work force and the training opportunities available are attracting new business to the area.



Aggressive efforts to sell power to utilities such as the Potomac Electric Power Company, serving Washington, D.C., resulted in $117.4 million in revenue for 1984.



A hard-hitting advertising campaign heads our latest push to gain more of the home heating market.

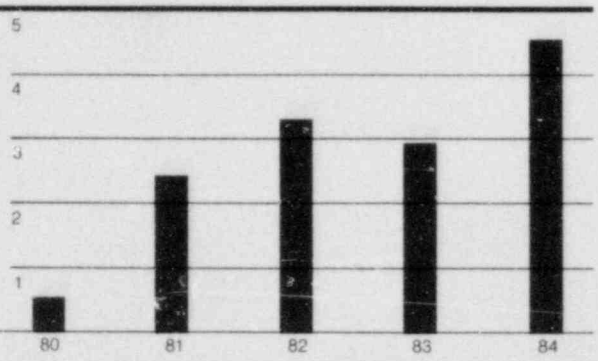
construction of generating units at the Perry Nuclear Power Plant in North Perry, Ohio, and the Beaver Valley Power Station in Shippingport, Pennsylvania.

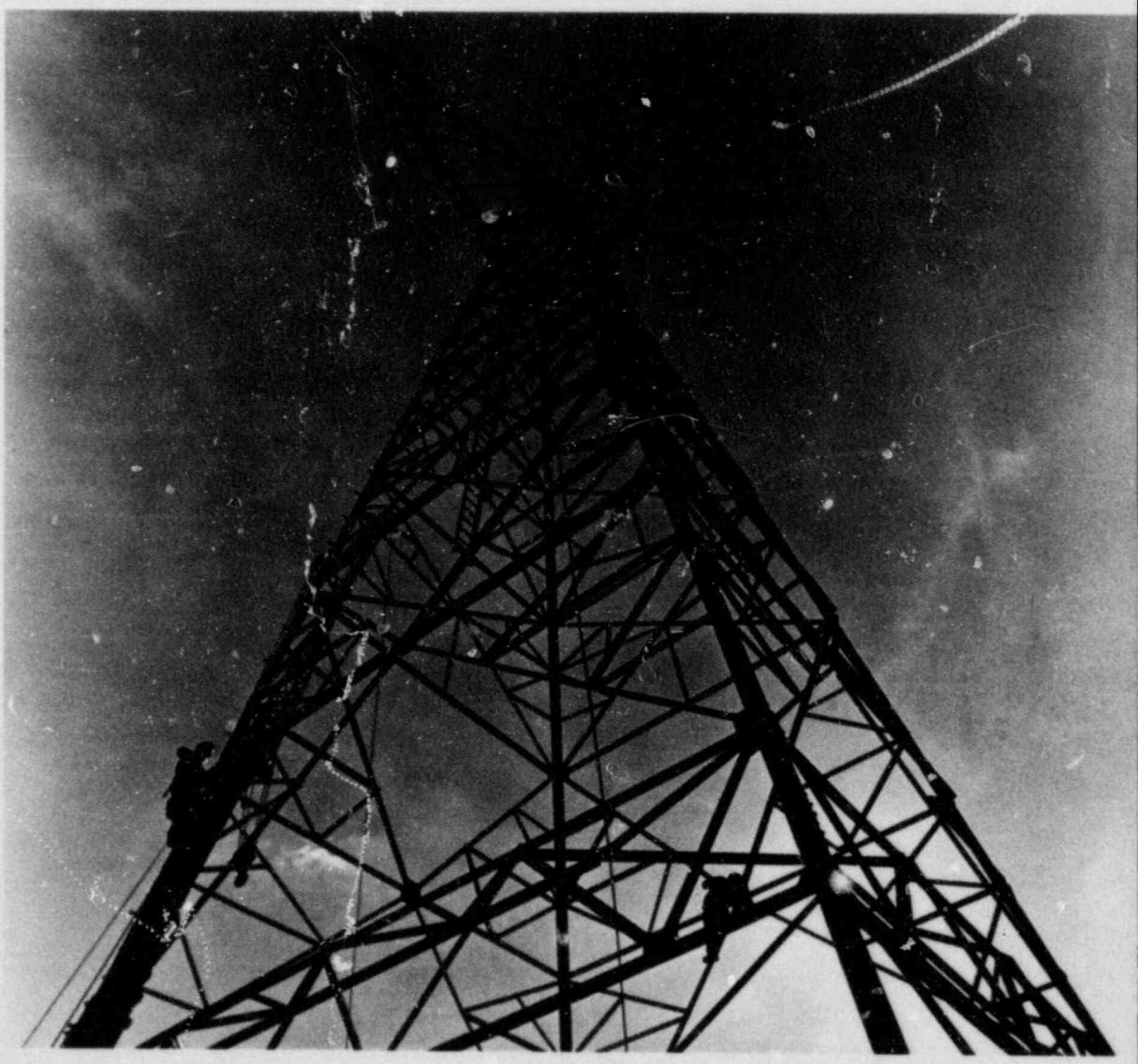
Nearest to completion is the 1,205-megawatt Perry Unit 1, scheduled to begin operating in late 1985. Ohio Edison and Penn Power own 35.24 percent of this unit being built by The Cleveland Electric Illuminating Company.

Perry Unit 1 is in the final stages of federal licensing procedures. After a number of reviews and inspections by the Nuclear Regulatory Commission (NRC), it has consistently received good marks for construction, quality assurance procedures and safety systems.

Beaver Valley Unit 2 is now scheduled to be completed at about the end of 1987. Ohio Edison owns 41.88 percent of this 833-megawatt unit being built by the Duquesne Light Company. Its sister facility, Unit 1, has been producing power since 1976 and in

System Sales to Utilities
(In billions of KWH)





Continuing system improvements, like this new 150-foot transmission tower, helps insure a highly reliable supply of power.

Simulator training for safe, reliable operation is well under way as Unit 1 of the Perry Nuclear Power Plant nears completion.

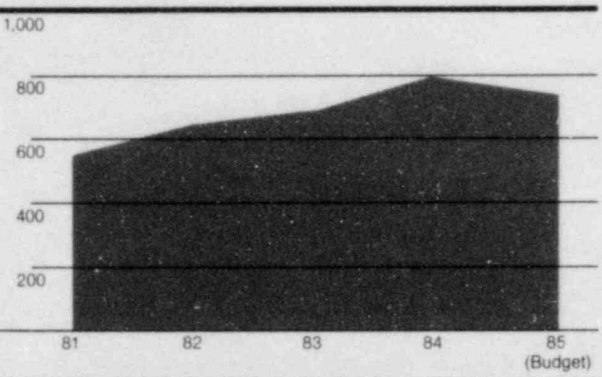
1984 recorded an outstanding 93-percent operating availability before refueling began in October.

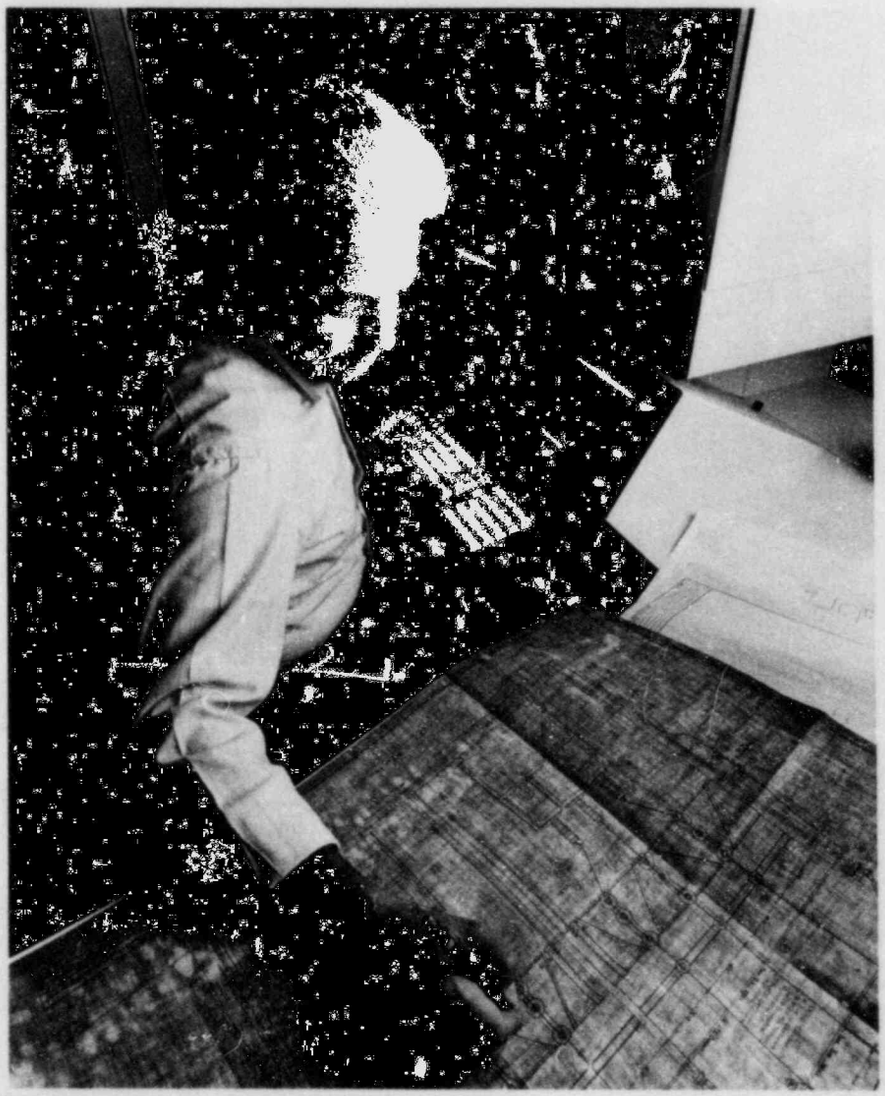
Building a nuclear plant requires top quality design and construction and also extensive testing and inspection before the NRC approves a plant for commercial operation. The CAPCO companies are committed to seeing that these requirements are met.

Also under construction by the CAPCO companies is Perry Unit 2, the status of which is currently under review. Until the review is completed, however, there will be no schedule or budget set for completing the unit.

As the System's construction program moves ahead, our efforts to raise money to finance it continues. Two recent accomplishments, early financing of the 1985 construction budget and a special arrangement for back-up funds, if needed, now enable us to be more selective in timing financings at lower interest rates.

System Construction Costs
(In millions of dollars)





Computer-aided design and drafting equipment has already more than doubled productivity for engineering drawings used in the design of Company facilities.

Even more significantly, the need to finance projects is easing. With the completion of our extensive environmental improvement program and new generating units scheduled to begin operating soon, our construction costs should drop steadily from the $800 million in 1984 to $425 million in 1989.

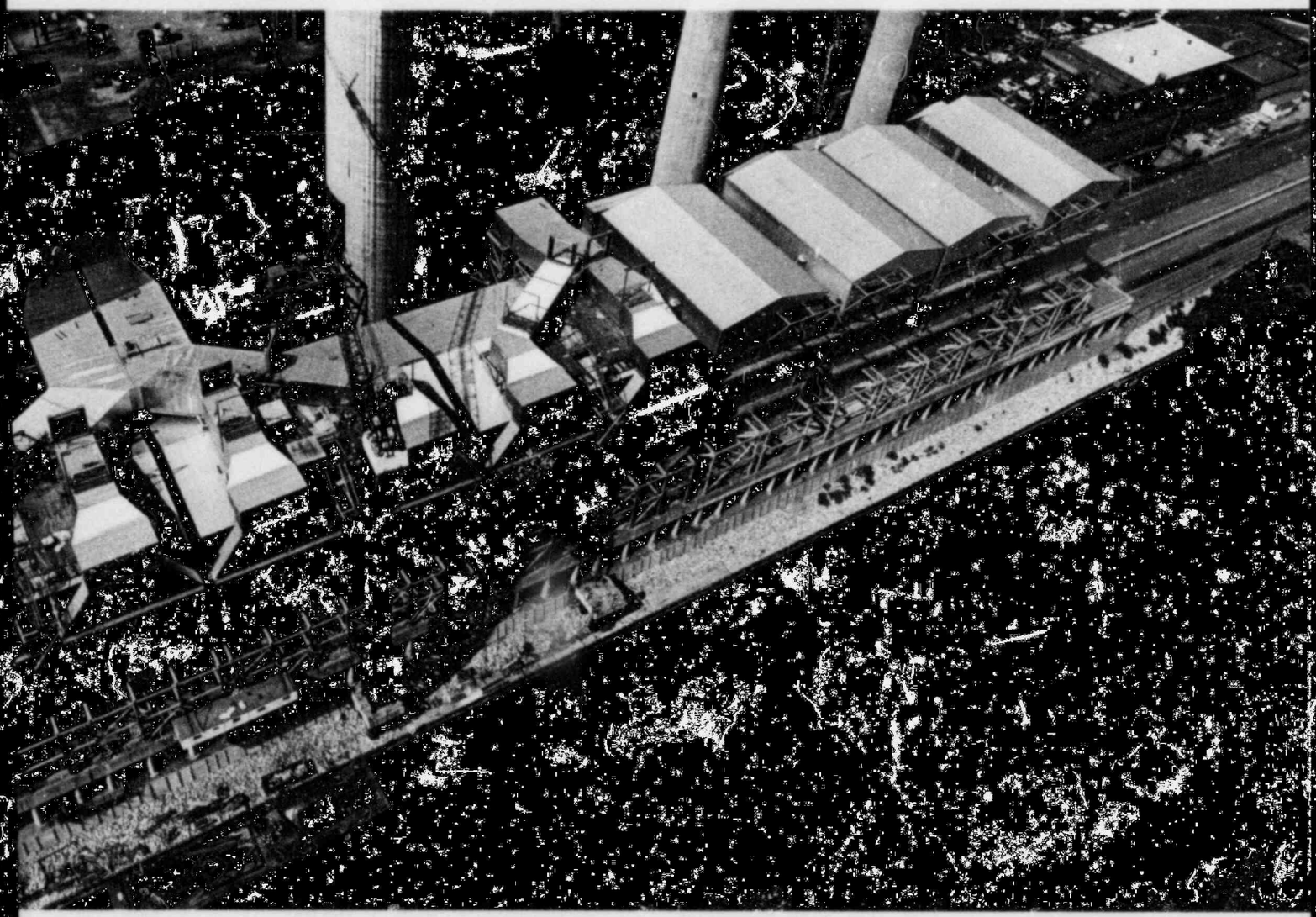
Environmental Laws Must Consider Costs
Complying with environmental laws carries an expensive price tag for us and our customers. At our seven-unit W.H. Sammis Plant alone, our cost was $409 million. In all, we've spent nearly $1 billion to meet environmental regulations.

But already, some environmental groups are demanding more. They're pushing for legislation to curb so-called "acid rain." Despite mounting evidence that raises serious questions about the cause and effect of acidity in rainfall, their demand is for still more costly controls.

There is, in fact, strong evidence that the acidity of rain is not increasing. And, perhaps more importantly, soil conditions appear to cause more acidification than any other source. With such uncertainty, we oppose the pressure being put on Congress to require that our industry spend billions of dollars to "correct" this ill-defined problem.

Representing U.S. utilities at an international meeting in Belgium, Ohio Edison President Justin T. Rogers, Jr., summarized our position: "Depending upon the particular bill, the cost to the electric utility industry is estimated at up to $222 billion. With hundreds of billions of dollars at stake, and serious doubts about results, we feel that Congress must somehow be convinced to base answers to 'acid rain' questions on science, not emotion or politics."

We recognize that concerns about "acid rain" must be addressed. But there is too little hard evidence to accurately determine



With completion of our $409 million environmental control project at the W.H. Sammis Plant, all of our power plants meet current clean-air standards.

the cause and effect. We are, however, supporting and participating in research to accurately identify the problem as well as the most cost-effective remedy.

Financial Help for Customers in Need

Despite everything we're doing to keep our electric service reasonably priced and to stimulate new business, some people, often through no fault of their own, have trouble paying their energy bills.

To give these people a helping hand, we spearheaded the "Project Reach" customer assistance program in the fall of 1984. It provides financial help to handicapped, low-income elderly and unemployed customers. With an initial gift of $70,000, Ohio Edison and Penn Power sought the support of employees and customers by offering to contribute 50 cents, up to $120,000 annually, for every dollar they donate.

By the end of 1984, nearly $170,000 in contributions were collected or pledged and some 1,300 families received credit toward their energy bills. The Salvation Army and other charitable organizations administer "Project Reach."

We also promote state and public financial assistance programs. Through such means as the Home Energy Assistance Program and Ohio Energy Credits Program, public funds are available to help elderly, low-income and other needy customers.

Employees volunteer countless hours of their time in community service programs that help thousands of people every year.

The Salvation Army and other service groups administer "Project Reach," a program we sponsor to help those who qualify for a helping hand in paying energy bills.

Financial Review

Contents

Results of Operations

Results of operations for 1984 showed healthy improvement by many financial indicators. Increases in earnings on common stock and earnings per share of common stock of 27.6% and 12.6%, respectively, were achieved over 1983 levels. The increase in earnings per share of common stock resulted despite a significant increase in the weighted average number of shares of common stock outstanding in 1984. Return on average common equity was 15.9% in 1984 compared to 14.2% and 13.5% in 1983 and 1982, respectively. This significant financial performance was achieved primarily due to the improved economic conditions within the Companies' service area and continued success in the bulk power sales market. Indicative of improved economic conditions was a 9.2% increase in kilowatt-hour sales to the Companies' industrial customers in 1984 compared to 1983. Kilowatt-hour sales to the Companies' residential and commercial customers were up slightly, with increases of 1.5% and 0.1%, respectively. In addition to the increased kilowatt-hour sales to customers, the Companies achieved a 57.4% increase in sales to other utilities.

Also contributing to the 1984 earnings increase was a $6,751,000 noncash adjustment to Penn Power's depreciation reserve, which increased earnings per share by $.06 during the third quarter. This adjustment, which was ordered by the Pennsylvania Public Utility Commission (PPUC), reflects previously recorded depreciation not recovered in retail rates but which will be recovered in future rates, and is included in Miscellaneous Income on the Consolidated Statements of Income. Excluding the effect of this adjustment in 1984, the increases in 1984 earnings on common stock and earnings per share would have been 24.6% and 9.9%, respectively, and the earned return on average common equity would have been 15.5%.

Increased operating revenues, resulting from rate increases granted in 1984 in addition to a 9.9% increase in total kilowatt-hour sales, were partially offset by decreases to the Companies' fuel recovery rates in 1984 compared to 1983. Due to the nature of the Companies' fuel recovery clauses, a reduction in fuel recovery rates, while decreasing total revenues, does not create a corresponding reduction in earnings; this results from the objective of matching fuel revenues and expenses accomplished by the use of deferred fuel accounting. The direct correlation between the fuel recovery rates charged to the Companies' customers and fuel prices is illustrated by the very slight increase in fuel costs in 1984, despite an 8.6% increase in kilowatt-hour output from the Companies' generating units compared to 1983. The reduced fuel rates charged to customers in 1984 were made possible due to lower prices paid for coal. A similar situation occurred in 1983 compared to 1982 due to the lower prices paid for coal in 1983.

Scheduled and forced outages at the Company's W. H. Sammis Plant were primarily responsible for the 6.4% increase in maintenance costs experienced in 1984 compared to 1983. This is contrasted by the maintenance cost reductions experienced at that plant in the prior year. The outages at the W. H. Sammis Plant and the Companies' increased kilowatt-hour sales resulted in an increase of 13.3% in purchased and interchanged power during 1984. The decrease in purchased and interchanged power in 1983 was the result of the improvement in generating unit availability experienced in that year compared to 1982.

The Companies' on-going construction programs, requiring the continuation of debt and equity financing, resulted in a higher level of interest expense and preferred dividend requirements in 1984. During 1984, the Companies increased their net long-term debt outstanding by $438,831,000, consisting of $515,700,000 of new long-term debt with an effective annual interest rate of 13.3% offset by long-term debt maturities of $76,869,000 which carried an effective annual interest rate of 7.0%. The Companies also raised $61,250,000 through the issuance of additional preferred stock. As the Companies' construction projects proceed and until the projects are placed in service and/or included in rate base, the total allowance for funds used during construction (AFUDC) will continue to increase in order to capitalize the appropriate financing costs which are not currently recovered through rates.

Information with respect to the estimated effects of inflation upon the Companies is given in Note 10.

Capital Resources and Liquidity

The Companies' 1984 capital requirements for their construction programs, capital leases and nuclear fuel, were approximately $868,000,000, of which approximately $582,000,000 was financed externally. Over the last five years, construction costs were approximately $3,500,000,000, of which approximately $2,700,000,000 was provided from external sources. The 1985-1989 construction program is currently estimated to be $2,600,000,000; the issuance of additional common stock and other securities will be necessary to fund a major portion of this new construction. The Companies have additional cash requirements of approximately $79,000,000 in 1985 and $1,100,000,000 for the 1985-1989 period to meet maturities of and sinking fund requirements for, long-term debt, long-term obligations, and preferred and preference stock.

The Companies' current financing plans for 1985 include the issuance of up to: 6,700,000 shares of common stock through the Dividend Reinvestment and Stock Purchase Plan; 6,000,000 additional shares of common stock through public or private sales; $100,000,000 of preferred stock; $60,000,000 of pollution control notes; and $240,000,000 of other long-term debt (of which $60,000,000 was issued or committed to be issued by the end of February 1985). Additional investments in nuclear fuel of approximately $40,000,000 in 1985 will be made through the incurrence of additional long-term obligations.

At December 31, 1984, the Companies had approximately $121,000,000 of cash and temporary cash investments, and approximately $241,000,000 of funds held in escrow from previous pollution control financings. The Companies also have $50,000,000 of short-term bank lines of credit available to them for interim financing purposes. In January 1985, the Company arranged a bank revolving credit agreement providing for borrowings of up to $500,000,000. The agreement will extend to the end of 1987 at which time any outstanding borrowings may be converted to an amortizable term loan for an additional three-year period. This agreement will benefit both customers and stockholders because it will give the Company more flexibility in the timing and terms of future securities issues.

The Company was granted a retail base rate increase, effective August 1, 1984, which was designed to produce additional annual revenues of approximately $35,400,000; the Company requested $127,200,000 in its rate filing made in October 1983. The Public Utilities Commission of Ohio (PUCO) allowed $115,000,000 of construction work in progress (CWIP) to be included in the Company's rate base, thereby permitting the Company to recover financing costs related to certain construction projects on a current basis; however, no allowance was provided for current recovery of financing costs applicable to Perry Unit 1, a nuclear generating unit scheduled for operation in late 1985. The PUCO cited the delays which had taken place with respect to the completion date for the Unit and alleged that the Unit would not be in service during the period that the new rates would be in effect. The Company had been recovering financing costs applicable to $126,300,000 of its investment in that Unit under the prior rates approved by the PUCO. Penn Power requested a rate increase of $19,900,000 in its rate filing in July 1983, of which the PPUC granted a $15,400,000 retail base rate increase effective April 11, 1984.

Those rate increases, plus a January 1984 PUCO order concerning the Company's electric fuel component rate which has allowed the Company the opportunity for recovery of current and deferred Quarto coal costs as discussed in Note 7, have had a favorable effect on the Company's internal cash generation. The Company's deferred Quarto coal costs, amounting to $57,375,000 at December 31, 1983, have been reduced to $27,640,000 at December 31, 1984.

In January 1985, the Governor of Ohio signed into law a CWIP bill that had been pending for several months. This law continues to give the PUCO discretionary authority to grant a reasonable allowance for CWIP in rate base under certain conditions. While the law also continues to allow CWIP for other than pollution control projects to be considered for inclusion in rate base, it has reduced to 10% of rate base (exclusive of CWIP) from 20% allowed under prior law, the amount of non-pollution control CWIP includable in rate base. Pollution control CWIP may continue to be included up to 20% of rate base exclusive of CWIP. Also, if CWIP is allowed in rate base, a revenue offset period, similar in duration to the CWIP allowance period, is required when the project is placed in service. However, during the revenue offset period, AFUDC will be accumulated on that portion of plant in service not included in the rate base valuation and will subsequently be recovered from customers in future periods.

The Companies currently have rate cases pending before the PUCO and the PPUC which, if granted in full, are designed to increase annual revenues by approximately $135,000,000 and $20,000,000, respectively. Penn Power filed its rate increase request in October 1984, and the Company's application was filed in January 1985. Rate orders are anticipated during the third and fourth quarters of 1985, respectively.

Management Report

The consolidated financial statements were prepared by the management of Ohio Edison Company, who take 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 & Co., independent public accountants, have expressed an opinion on the Company's financial statements, as shown on page 37.

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

The Audit Committee consists of four non-employee 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; the recommendation 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 Audit Committee held three meetings during 1984.

V. A. Owoc
Executive Vice President
Chief Financial Officer

W. A. Daniels
Comptroller

Selected Financial Data

	1984	1983	1982	1981	1980
	(In thousands, except per share amounts)				
Operating Revenues	**$1,637,104**	$1,515,852	$1,429,626	$1,279,649	$1,080,869
Operating Income	**342,713**	302,751	269,640	252,381	169,383
Income Before Extraordinary Items	**339,333**	272,400	195,571	183,020	135,150
Net Income	**339,333**	272,400	215,729	197,062	135,150
Earnings on Common Stock	**290,694**	227,843	181,496	163,892	101,403
Earnings per Share of Common Stock (based on weighted average number of shares outstanding during the year)					
Before Extraordinary Items	**2.50**	2.22	1.89	2.10	1.52
Earnings on Common Stock	**2.50**	2.22	2.13	2.30	1.52
Dividends Declared per Share of Common Stock	**1.84**	1.80	1.76	1.76	1.76
Total Assets at December 31	**6,690,093**	5,960,374	5,247,138	4,460,274	3,979,965
Preferred and Preference Stock Subject to Mandatory Redemption	**158,483**	158,112	152,560	151,141	156,450
Long-Term Debt	**2,449,502**	2,132,137	2,005,436	1,759,771	1,594,384
Long-Term Obligations	**822,234**	759,843	656,655	447,484	265,000

Common Stock Data

The Company's Common Stock is listed on the New York and Midwest Stock Exchanges and is traded on other registered exchanges.

Price Range of Common Stock	1984		1983	
First Quarter High-Low	**13-3/4**	**11-3/4**	15-7/8	13-7/8
Second Quarter High-Low	**12**	**9-3/8**	16-1/8	14-3/8
Third Quarter High-Low	**12-1/8**	**9-7/8**	15-1/4	14
Fourth Quarter High-Low	**14-1/8**	**11-5/8**	16	11-7/8
Yearly High-Low	**14-1/8**	**9-3/8**	16-1/8	11-7/8

Prices are as quoted on the New York Stock Exchange Composite Transactions.

Classification of Holders of Common Stock as of December 31, 1984

	Holders of Record		Shares Held	
	Number	%	Number	%
Individuals	185,858	88.70	56,771,012	46.44
Fiduciaries	19,263	9.19	4,492,592	3.68
Brokers	70	0.03	1,334,450	1.09
Nominees	419	0.20	56,867,993	46.52
Banks & Financial Institutions	21	0.01	44,223	0.04
Insurance Companies & Other Corporations	1,982	0.95	1,549,572	1.27
Charitable, Religious & Educational Institutions	470	0.23	247,786	0.20
Pensions, Profit Sharing & Other Investment Trusts	1,446	0.69	929,008	0.76
Total	209,529	100.00	122,236,636	100.00

As of January 31, 1985, there were 209,225 holders of 122,489,026 shares of the Company's Common Stock.

Quarterly dividends of 46¢ and 45¢ per share were paid on the Company's Common Stock during 1984 and 1983, respectively. Information regarding retained earnings available for payment of cash dividends is given in Note 4b.

Consolidated Statements of Income

For the Years Ended December 31	1984	1983	1982
	(In thousands, except per share amounts)		
Operating Revenues	**$1,637,104**	$1,515,852	$1,429,626
Operating Expenses and Taxes:			
Operation—			
Fuel	**422,805**	420,336	432,749
Purchased and interchanged power, net	**56,659**	50,026	52,607
Other operation expenses	**267,288**	234,526	221,129
Total operation	**746,752**	704,888	706,485
Maintenance	**129,313**	121,544	139,615
Provision for depreciation and amortization	**131,340**	124,572	105,072
General taxes	**136,880**	126,818	114,569
Income taxes	**150,106**	135,279	94,245
Total operating expenses and taxes	**1,294,391**	1,213,101	1,159,986
Operating Income	**342,713**	302,751	269,640
Other Income and Deductions:			
Allowance for equity funds used during construction	**152,567**	121,814	84,210
Miscellaneous, net	**28,928**	20,812	16,871
Income taxes—credit	**82,383**	64,923	59,166
Total other income and deductions	**263,878**	207,549	160,247
Total Income	**606,591**	510,300	429,887
Net Interest and Other Charges:			
Interest on long-term debt	**267,391**	233,626	211,765
Interest on long-term obligations	**89,780**	73,177	80,092
Allowance for borrowed funds used during construction, net of deferred income taxes	**(104,351)**	(81,901)	(76,088)
Other interest expense	**5,473**	5,702	12,449
Subsidiary's preferred stock dividend requirements	**8,965**	7,296	6,098
Net interest and other charges	**267,258**	237,900	234,316
Income Before Extraordinary Item	**339,333**	272,400	195,571
Extraordinary Item—Gain on exchange of common stock for first mortgage bonds (Note 8)	**—**	—	20,158
Net Income	**339,333**	272,400	215,729
Preferred and Preference Stock Dividend Requirements	**48,639**	44,557	34,233
Earnings on Common Stock	**$ 290,694**	$ 227,843	$ 181,496
Weighted Average Number of Shares of Common Stock Outstanding	**116,171**	102,414	85,241
Earnings Per Share of Common Stock (based on weighted average number of shares outstanding during the year):			
Before extraordinary item (after preferred and preference stock dividend requirements)	**$2.50**	$2.22	$1.89
Extraordinary item	**—**	—	.24
Earnings on common stock	**$2.50**	$2.22	$2.13
Dividends Declared Per Share of Common Stock	**$1.84**	$1.80	$1.76

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

Consolidated Balance Sheets

At December 31	1984	1983
Assets	(In thousands)	
Utility Plant:		
In service, at original cost	**$4,043,391**	$3,700,313
Less—Accumulated provision for depreciation	**1,161,565**	1,062,173
	2,881,826	2,638,140
Construction work in progress—		
Electric plant	**2,785,977**	2,351,089
Nuclear fuel	**277,746**	216,905
	3,063,723	2,567,994
	5,945,549	5,206,134
Other Property and Investments	**69,560**	63,614
Current Assets:		
Cash	**5,147**	2,781
Temporary cash investments, at cost, which approximates market value	**115,930**	112,993
Receivables—		
Customers (less accumulated provisions of $1,310,000 and $1,541,000, respectively, for uncollectible accounts)	**135,322**	132,968
Other	**20,169**	19,416
Materials and supplies, at average cost—		
Fuel	**87,499**	69,047
Other	**44,822**	45,657
Prepayments	**46,990**	41,184
	455,879	424,046
Deferred Charges:		
Deferred Quarto coal and other energy costs (Note 7)	**38,542**	67,254
Property taxes	**57,601**	52,575
Unamortized costs of terminated construction projects (Note 2)	**84,378**	94,747
Other	**38,589**	52,004
	219,110	266,580
	$6,690,098	$5,960,374
Capitalization and Liabilities		
Capitalization (See Consolidated Statements of Capitalization):		
Common stockholders' equity	**$1,947,357**	$1,711,974
Preferred stock—		
Not subject to mandatory redemption	**363,585**	312,335
Subject to mandatory redemption	**56,000**	60,000
Preference stock—		
Not subject to mandatory redemption	**50,000**	50,000
Subject to mandatory redemption	**45,922**	50,641
Preferred stock of consolidated subsidiary—		
Not subject to mandatory redemption	**41,905**	41,905
Subject to mandatory redemption	**56,561**	47,471
Long-term debt	**2,449,502**	2,132,137
	5,010,832	4,406,463
Long-Term Obligations:		
Construction energy trust (Note 5)	**500,000**	500,000
Nuclear fuel (Note 5)	**290,323**	219,364
Capital leases (Note 3)	**31,911**	40,479
	822,234	759,843
Current Liabilities:		
Currently payable preferred and preference stock, long-term debt and long-term obligations	**79,124**	94,532
Notes payable to banks (Note 6)	**—**	—
Accounts payable	**171,796**	154,727
Accrued taxes	**52,915**	52,564
Accrued interest	**83,107**	67,891
Other	**61,975**	44,072
	448,917	413,786
Deferred Credits:		
Accumulated deferred income taxes	**178,440**	158,437
Accumulated deferred investment tax credits	**145,409**	107,390
Property taxes	**57,601**	52,575
Energy costs recovered in advance	**9,094**	33,335
Other	**17,571**	28,545
	408,115	380,282
Commitments, Guarantees and Contingencies (Notes 3 and 7)		
	$6,690,098	$5,960,374

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

Consolidated Statements of Capitalization

At December 31					1984	1983
Common Stockholders' Equity:					(In thousands)	
Common stock, $9 par value, authorized 155,000,000 shares—						
122,236,635 and 108,460,054 shares outstanding, respectively (Note 4a)					**$1,100,130**	$ 976,140
Other paid-in capital					**529,596**	494,520
Retained earnings (Note 4b)					**317,631**	241,314
Total common stockholders' equity					**1,947,357**	1,711,974
	Number of Shares Outstanding		Optional Redemption Price			
	1984	1983	Per Share	Aggregate (In Thousands)		
Preferred Stock (Note 4c):						
Cumulative, $100 par value—Authorized 6,000,000 shares						
Not Subject to Mandatory Redemption:						
3.90%–7.24%	973,350	973,350	$103.38-108.00	$102,034	**97,335**	97,335
7.36%–8.20%	800,000	800,000	$104.68-105.35	84,046	**80,000**	80,000
8.64%–9.12%	850,000	850,000	$106.48-106.84	90,670	**85,000**	85,000
Total not subject to mandatory redemption	2,623,350	2,623,350		$276,750	**262,335**	262,335
Subject to Mandatory Redemption (Note 4d):						
10.48%–10.76%	576,810	615,000	$107.86-111.87	$ 63,338	**57,681**	61,500
Redemption within one year					**(1,681)**	(1,500)
Total subject to mandatory redemption					**56,000**	60,000
Cumulative, $25 par value—Authorized 8,000,000 shares						
Not Subject to Mandatory Redemption:						
$3.50 Series	2,000,000	2,000,000	$28.75	$ 57,500	**50,000**	50,000
Series A	2,050,000	—	$25.00	51,250	**51,250**	—
	4,050,000	2,000,000		$108,750	**101,250**	50,000
Preference Stock (Note 4c):						
Cumulative, no par value—Authorized 8,000,000 shares						
Not Subject to Mandatory Redemption:						
$3.92 Series	2,000,000	2,000,000	$31.42	$ 62,840	**50,000**	50,000
Subject to Mandatory Redemption (Note 4e):						
$95.00–$102.50 Series	26,100	27,000	$1,070.00-1,078.50	$ 27,999	**26,100**	27,000
$1.80 Series	1,589,096	1,622,546	$15.58	24,750	**24,035**	24,541
Redemption within one year					**(4,213)**	(900)
Total subject to mandatory redemption	1,615,196	1,649,546		$ 52,749	**45,922**	50,641
Preferred Stock of Consolidated Subsidiary (Note 4c):						
Cumulative, $100 par value—Authorized 950,000 shares						
Not Subject to Mandatory Redemption:						
4.24%–9.16%	419,049	419,049	$102.98-106.87	$ 43,954	**41,905**	41,905
Subject to Mandatory Redemption (Note 4d):						
8.24%–15.00%	570,616	47[illegible],708	$103.29-114.62	$ 62,302	**57,061**	47,971
Redemption within one year					**(500)**	(500)
Total subject to mandatory redemption					**56,561**	47,471
Long-Term Debt (Note 4f):						
First mortgage bonds:						
Ohio Edison Company—						
9.15% weighted average interest rate, due 1985–1989					**160,679**	186,455
15.51% weighted average interest rate, due 1990–1994					**398,252**	218,252
10.07% weighted average interest rate, due 1995–1999					**129,345**	129,345
8.50% weighted average interest rate, due 2000–2004					**197,876**	197,876
9.09% weighted average interest rate, due 2005–2009					**274,310**	274,310
13.44% weighted average interest rate, due 2010–2014					**200,000**	150,000
					1,360,462	1,156,238
Pennsylvania Power Company—10.61% weighted average interest rate, due 1985–2008					**279,000**	259,000
Total first mortgage bonds					**1,639,462**	1,415,238
Secured notes and obligations:						
Ohio Edison Company—9.73% weighted average interest rate, due 1985–2014					**484,172**	282,215
Amount held by Trustee					**(106,138)**	(985)
					378,034	281,230
Ohio Edison Finance N.V.—17.38% weighted average interest rate, due 1987–1988					**150,000**	150,000
Pennsylvania Power Company—9.48% weighted average interest rate, due 1985–2014					**80,311**	67,661
Amount held by Trustee					**(13,305)**	(2,572)
					67,006	65,089
Total secured notes and obligations					**595,040**	496,319
Unsecured notes of Ohio Edison Company, 11.36% weighted average interest rate, due 1986–2014					**402,000**	402,000
Amount held by Trustee					**(114,823)**	(93,555)
Total unsecured notes of Ohio Edison Company					**287,177**	308,445
Net unamortized discount on debt					**(18,987)**	(11,128)
Long-term debt due within one year					**(53,190)**	(76,737)
Total long-term debt					**2,449,502**	2,132,137
Total Capitalization					**$5,010,832**	$4,406,463

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

Consolidated Statements of Retained Earnings

For the Years Ended December 31	1984	1983	1982
		(In thousands)	
Balance at beginning of period	**$241,314**	$200,439	$171,191
Net income	**339,333**	272,400	215,729
	580,647	472,839	386,920
Deduct:			
Cash dividends on preferred and preference stock	**49,100**	45,468	34,488
Cash dividends on common stock	**213,916**	185,309	151,289
Capital stock expense	**—**	748	704
	263,016	231,525	186,481
Balance at end of period (Note 4b)	**$317,631**	$241,314	$200,439

Consolidated Statements of Capital Stock and Other Paid-In Capital

	Common Stock			Preferred and Preference Stock			
				Not Subject to Mandatory Redemption		Subject to Mandatory Redemption	
	Number of Shares	Par Value	Other Paid-In Capital	Number of Shares	Par or Stated Value	Number of Shares	Par or Stated Value
			(Dollars in thousands)				
Balance, January 1, 1982	78,675,703	$708,081	$349,772	3,042,399	$304,240	2,960,844	$152,917
Sale of Common Stock	10,000,000	90,000	42,000	—	—	—	—
Dividend Reinvestment Plan	4,644,622	41,802	17,647	—	—	—	—
Exchange of Common Stock for First Mortgage Bonds	2,650,600	23,855	9,463	—	—	—	—
Conversion of $1.80 Preference Stock	110,919	999	610	—	—	(110,919)	(1,678)
Sale of $3.92 Series of Preference Stock	—	—	2,940	2,000,000	50,000	—	—
Sale of 15% Series of Preferred Stock	—	—	—	—	—	80,000	8,000
Preferred Stock Sinking Fund Redemptions—							
8.24% Series	—	—	—	—	—	(5,000)	(500)
10.48% Series	—	—	284	—	—	(13,130)	(1,313)
10.76% Series	—	—	435	—	—	(20,000)	(2,000)
11.00% Series	—	—	44	—	—	(4,033)	(403)
Balance, December 31, 1982	96,081,844	864,737	423,195	5,042,399	354,240	2,887,762	155,023
Sale of Common Stock	5,000,000	45,000	33,350	—	—	—	—
Dividend Reinvestment Plan	7,138,575	64,247	33,056	—	—	—	—
Conversion of $1.80 Preference Stock	239,635	2,156	1,332	—	—	(239,635)	(3,624)
Sale of $3.50 Series of Class A Preferred Stock	—	—	3,140	2,000,000	50,000	—	—
Sale of 11.5% Preferred Stock	—	—	—	—	—	150,000	15,000
Preferred Stock Sinking Fund Redemptions—							
8.24% Series	—	—	—	—	—	(5,000)	(500)
10.48% Series	—	—	270	—	—	(24,630)	(2,463)
10.76% Series	—	—	160	—	—	(20,000)	(2,000)
11.00% Series	—	—	17	—	—	(4 243)	(424)
Balance, December 31, 1983	108,460,054	976,140	494,520	7,042,399	404,240	2,744,254	161,012
Sale of Common Stock	3,673,400	33,061	13,599	—	—	—	—
Dividend Reinvestment Plan	10,067,071	90,604	23,333	—	—	—	—
Employee Stock Ownership Plan	2,661	24	12	—	—	—	—
Conversion of $1.80 Preference Stock	33,450	301	187	—	—	(33,450)	(506)
Capital Stock Expense	—	—	(2,548)	—	—	—	—
Sale of Series A Class A Preferred Stock	—	—	—	2,050,000	51,250	—	—
Sale of 13% Preferred Stock	—	—	—	—	—	100,000	10,000
Preferred and Preference Stock Sinking Fund Redemptions—							
8.24% Series	—	—	—	—	—	(5,000)	(500)
10.48% Series	—	—	252	—	—	(18,190)	(1,819)
10.76% Series	—	—	218	—	—	(20,000)	(2,000)
11.00% Series	—	—	23	—	—	(4,092)	(409)
$102.50 Series	—	—	—	—	—	(900)	(900)
Balance, December 31, 1984	122,236,636	$1,100,130	$529,596	9,092,399	$455,490	2,762,622	$164,878

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

Consolidated Statements of Sources of Funds for Property Additions

For the Years Ended December 31	1984	1983	1982
		(In thousands)	
Internally generated funds—			
Income before extraordinary item	**$339,333**	$272,400	$195,571
Principal noncash items—			
Depreciation and amortization	**142,260**	139,978	107,025
Deferred income taxes, net	**113,551**	80,814	91,832
Investment tax credits, net	**38,026**	53,670	7,312
Allowance for equity funds used during construction	**(152,567)**	(121,814)	(84,210)
Deferred fuel and energy costs, net	**4,471**	23,009	4,609
	485,074	448,057	322,139
Less—Dividends on common stock	**213,916**	185,309	151,289
Dividends on preferred and preference stock	**49,100**	45,468	34,488
	222,058	217,280	136,362
Financing activities—			
Common stock	**160,633**	175,653	224,767
Preferred and preference stock	**61,250**	68,140	60,940
Long-term debt	**375,154**	252,800	295,833
Long-term obligations	**82,329**	88,224	209,171
Repayment of preferred and preference stock, long-term debt and long-term obligations	**(97,790)**	(88,191)	(43,295)
Notes payable to banks	**—**	—	(74,400)
Sale of tax benefits	**—**	—	10,480
	581,576	496,626	683,496
Net change in current assets and current liabilities excluding notes payable to banks and currently payable preferred and preference stock, long-term debt and long-term obligations—			
Cash and temporary investments	**(5,303)**	(51,462)	(48,266)
Receivables	**(3,107)**	(11,475)	(9,[illegible]3)
Materials and supplies	**(17,617)**	22,446	(12,045)
Accounts payable	**17,069**	20,951	(8,942)
Accrued taxes	**351**	1,449	4,041
Accrued interest	**15,216**	10,155	17,754
Miscellaneous, net	**12,097**	12,463	(16,082)
	18,706	4,527	(72,603)
Other, net—			
Allowance for equity funds used during construction	**152,567**	121,814	84,210
Sale of utility property	**—**	—	13,568
Deferred income taxes on allowance for borrowed funds used during construction	**(92,502)**	(76,982)	(67,127)
Miscellaneous, net	**(14,306)**	7,866	(3,673)
	45,759	52,698	26,978
Total Sources of Funds for Property Additions	**$868,099**	$771,131	$774,233
Property Additions—			
Electric plant	**$799,572**	$689,646	$648,633
Nuclear fuel	**60,842**	55,032	124,292
Capital leases	**6,855**	25,333	—
Nonutility property	**830**	1,120	1,308
	$868,099	$771,131	$774,233

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

Consolidated Statements of Taxes

For the Years Ended December 31	1984	1983	1982
General Taxes:		(In thousands)	
State gross receipts	**$ 71,044**	$ 65,495	$ 56,808
Real and personal property	**48,717**	47,099	45,028
Social security and unemployment	**12,649**	10,097	8,990
Miscellaneous	**4,470**	4,127	3,743
Total general taxes	**$136,880**	$126,818	$114,569
Provision for Income Taxes:			
Currently payable—			
Federal	**$ 5,778**	$ 10,119	$ 324
State	**2,616**	2,507	2,532
Foreign	**254**	228	206
	8,648	12,854	3,062
Deferred, net (see below)—			
Federal	**108,154**	75,947	88,666
State	**5,397**	4,867	3,166
	113,551	80,814	91,832
Investment tax credits, net of amortization	**38,026**	53,670	7,312
Total provision for income taxes	**$160,225**	$147,338	$102,206
Income Statement Classification of Provision for Income Taxes:			
Operating expenses	**$150,106**	$135,279	$ 94,245
Other income	**(82,383)**	(64,923)	(59,166)
Allowance for borrowed funds used during construction	**92,502**	76,982	67,127
Total provision for income taxes	**$160,225**	$147,338	$102,206
Sources of Deferred Tax Expense:			
Allowance for borrowed funds used during construction, which is credited to plant	**$ 92,502**	$ 76,982	$ 67,127
Excess of tax over book depreciation, net	**25,045**	23,081	17,387
Pensions and taxes charged to utility plant, net	**4,923**	4,153	2,675
Deferred fuel and energy costs, net	**(1,805)**	(10,202)	7,000
Deferred interest on leased nuclear fuel, net	**(5,824)**	(3,165)	(2,840)
Cost of terminated construction projects, net	**(3,952)**	(3,258)	384
Other, net	**2,662**	(6,777)	99
Total deferred tax expense, net	**$113,551**	$ 80,814	$ 91,832
Reconciliation of Federal Income Tax Expense at Statutory Rate to Total Provision for Income Taxes:			
Book income before provision for income taxes	**$499,558**	$419,738	$317,935
Federal income tax expense at statutory rate	**$229,797**	$193,079	$146,250
Increases (reductions) in taxes resulting from:			
Allowance for equity funds used during construction, which does not constitute taxable income	**(70,181)**	(56,034)	(38,737)
Excess of book over tax depreciation	**10,163**	9,115	4,026
Gain on exchange of common stock for first mortgage bonds, which does not constitute taxable income	**—**	—	(9,273)
Other, net	**(9,554)**	1,178	(60)
Total provision for income taxes	**$160,225**	$147,338	$102,206

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 Ohio Edison Company (Company) and its wholly owned subsidiaries, Pennsylvania Power Company (Penn Power) and Ohio Edison Finance N.V. All significant intercompany transactions have been eliminated. The Company and Penn Power (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).

Revenues—
The Companies' residential and commercial customers are metered on a cycle basis. Revenue is recognized for electric service based on meters read through the end of the month.

Deferred Fuel and Energy Costs—
The Company recovers fuel-related costs from its retail customers through an electric fuel component (EFC). The EFC is an estimated fixed rate per kilowatt-hour included on customer bills for a six-month period and is based upon fuel-related costs for the preceding six-month period. Any over or under collection resulting from the operation of the EFC is included as an adjustment to the EFC rate in a subsequent six-month period. Accordingly, the Company defers the difference between actual fuel-related costs incurred and the amounts currently recovered from its customers.

Penn Power recovers fuel and energy costs from its retail customers through an annual "levelized" energy cost rate (ECR). The ECR, which includes adjustment for any over or under collection from customers, is recalculated each year. Accordingly, Penn Power defers the difference between actual energy costs and the amounts currently recovered from its customers.

Reference is made to Note 7 with respect to accounting for the cost of coal received from Quarto Mining Company (Quarto).

Utility Plant and Depreciation—
Utility plant reflects the original cost of construction, including payroll and related costs such as taxes, pensions and other fringe benefits, administrative and general costs and allowance for funds used during construction (see AFUDC).

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 rates for electric plant were 3.5% in 1984, 3.4% in 1983 and 3.3% in 1982. The Company's depreciation rates include provisions for the estimated decommissioning costs for its only nuclear generating unit in service. Penn Power provides for the cost of decommissioning radioactive components only, in accordance with a PPUC rate order.

Common Ownership of Generating Facilities—
The Companies and other Central Area Power Coordination Group (CAPCO) companies own, as tenants in common, various power generating facilities. Each of the companies is obligated to pay a share of the construction costs of any jointly owned facility in the same proportion as its ownership interest. The Companies' portions of operating expenses associated with these jointly owned facilities are included in the corresponding operating expenses on the Consolidated Statements of Income. The amounts reflected on the Consolidated Balance Sheet under utility plant at December 31, 1984, include the following:

Generating Units	Utility Plant in Service	Accumulated Provision for Depreciation	Construction Work in Progress	Companies' Ownership Interest
		(In thousands)		
W. H. Sammis #7	$ 225,143	$ 30,890	$ 802	68.80%
Bruce Mansfield #1, #2 and #3	702,372	137,068	3,085	50.68%
Beaver Valley #1 (i)	544,071	127,772	69,006	52.50%
Beaver Valley #2 (Note 5)	—	—	982,229	41.88%
Perry #1 and #2	—	—	1,564,867	35.24%
Total	$1,471,586	$295,730	$2,619,989	

(i) Includes common facilities applicable to Beaver Valley #2.

All nuclear fuel in process relates to the CAPCO units but is not segregated among them.

Nuclear Fuel—
The Companies amortize the cost of nuclear fuel based on the rate of consumption. The Companies also make provision for future disposal costs associated with the nuclear fuel.

Allowance for Funds Used During Construction (AFUDC)—
AFUDC represents the net financing costs capitalized to construction work in progress during the construction period. AFUDC is not capitalized on that portion of any construction project included in rate base. The borrowed funds portion reflects capitalized interest payments and the equity funds portion represents the noncash capitalization of imputed equity costs which are charged to construction. The Company also charged AFUDC to certain projects which were completed but not yet included in rate base during 1983 and 1984, in accordance with a PUCO order. AFUDC varies according to changes in the level of construction work in progress and in the cost of capital. The Companies compute AFUDC utilizing a net of tax rate, which is consistent with the rate treatment. The AFUDC rate related to assets financed only through the incurrence of long-term obligations (see Note 5) is based on actual interest accrued on the obligations during the period. The annual rates used by the Company for all other construction projects were 10.70%, 10.90% and 10.32% during 1984, 1983 and 1982, respectively. Penn Power's rates applicable to such projects were 9.45% in 1984 and 9.25% in 1983 and 1982.

Income Taxes—
Details of the total provision for income taxes are shown on the Consolidated Statements of Taxes. The deferred income taxes result from timing differences in the recognition of revenues and expenses for tax and accounting purposes.

The Companies allocate the income tax benefit which results from interest expense related to construction work in progress to income taxes–credit included under other income and deductions on the Consolidated Statements of Income.

For income tax purposes, the Companies claim liberalized depreciation and, consistent with the rate treatment, generally provide deferred income taxes. The Companies expect that deferred taxes which have not been provided will be collected from their customers when the taxes become payable, based upon the established rate making practices of the PUCO, the PPUC and the FERC. As of December 31, 1984, the cumulative net income tax timing differences for which deferred income taxes have not been provided were approximately $700,000,000.

Proceeds from the sales of certain tax benefits in accordance with provisions of the Economic Recovery Tax Act of 1981 are being amortized over the life of the related property. Proceeds attributable to investment tax credits were recorded as additional deferred investment tax credits; the remaining amounts were recorded as reductions to utility plant in service.

The Companies defer investment tax credits utilized and amortize these credits to income over the estimated life of the related property. At December 31, 1984, approximately $46,000,000 of unused investment tax credits were available to offset future Federal income taxes payable. These credits expire at the end of the following years:

1996	$ 2,000,000
1997	2,000,000
1998	12,000,000
1999	30,000,000
	$46,000,000

Retirement Benefits—
The Companies' trusteed, noncontributory pension plans cover almost all full-time employees. Upon retirement employees receive a monthly pension based on length of service and compensation. Pension costs for 1984, 1983 and 1982 were $20,483,000, $16,904,000 and $15,448,000, respectively. Of those amounts, $14,369,000, $11,913,000 and $10,350,000, respectively, were charged to operating expenses; the balances were charged primarily to construction. Such costs include the amortization of unfunded past service costs on an actuarial basis over approximately 35 years in 1984 and 1982, and 40 years in 1983. The Companies fund pension costs accrued. A comparison of accumulated plan benefits and plan net assets from the two latest actuarial reports is as follows:

At June 30,	1984	1983
Actuarial present value of accumulated plan benefits:		
Vested	$194,518,000	$176,732,000
Nonvested	20,987,000	16,939,000
	$215,505,000	$193,671,000
Net assets available for benefits	$316,537,000	$314,323,000
Assumed rate of return for actuarial present value of accumulated plan benefits	8%	8%

The above total actuarial present value of accumulated plan benefits reflects pension benefits applicable to eligible employees based upon present salary levels and past years of service accumulated through the valuation date. This is the generally accepted reporting procedure currently set forth by the Financial Accounting Standards Board. The Companies' annual contributions to the plans, however, consider estimated ultimate salary increases due to inflation and other factors and the estimated total service expected to be accumulated by employees. This is a widely recognized funding technique and is consistent with the recommendation of the Companies' actuary. In addition, the actuary recommended, and the Companies utilized, a discount rate of 7% for funding purposes. Differences between funding bases and reporting requirements can have a significant effect on the comparisons above.

The Companies provide a minimum amount of noncontributory life insurance to retired employees in addition to optional contributory insurance features. Health care benefits, which include certain employee deductibles and co-payments, are also available to retired employees, their dependents and, under certain circumstances, to 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. Expenses associated with health care and life insurance benefits for retirees amounted to $3,597,000 in 1984 and are charged to income during the applicable payment periods.

2 Terminated Construction Projects:

In January 1980, the Companies and all other CAPCO companies terminated plans to construct four nuclear generating units. Costs (including settlement of all asserted claims resulting from termination) unrecovered by the Company and Penn Power as of December 31, 1984, applicable to these units amounted to approximately $69,560,000 and $14,818,000, respectively. The Company is recovering these costs from its PUCO jurisdictional customers through an increment to the allowed rate of return in rate cases and Penn Power (and the Company with respect to its FERC jurisdictional customers) is recovering these costs as an operating expense allowance. Neither company is earning a return on the unamortized investment. The remaining periods of recovery for the Company and Penn Power are approximately 8 and 9 years, respectively.

3 Leases:

The Companies lease a portion of their nuclear fuel requirements, certain transmission facilities, computer equipment, office space and other property and equipment under cancelable and noncancelable leases. Consistent with the regulatory treatment, the rental payments 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, 1984, are summarized as follows:

	1984	1983	1982
	(In thousands)		
Interest on capitalized leases	$13,524	$10,325	$ —
Amortization of capital leases	15,283	12,808	—
All other leases	12,120	11,645	20,776
Total rental payments	$40,927	$34,778	$20,776

Certain leases entered into prior to January 1, 1983, which would be reflected as capital leases on the Consolidated Balance Sheets, have not yet been capitalized as permitted by Statement of Financial Accounting Standards No. 71 (SFAS No. 71). If they had been capitalized, total assets and liabilities would have increased by $37,665,000 and $40,431,000 at December 31, 1984 and 1983, respectively. Also in accordance with SFAS No. 71, the December 31, 1983 Consolidated Balance Sheet and the Consolidated Statement of Sources of Funds for Property Additions for 1983 have been restated to include capital leases entered into during 1983.

The future minimum rental commitments as of December 31, 1984, for leases reported as capital leases and noncancelable operating leases are:

	Capital Leases	Operating Leases
1985	$ 14,104,000	$ 10,421,000
1986	13,138,000	9,689,000
1987	7,051,000	7,775,000
1988	5,883,000	7,218,000
1989	4,983,000	6,671,000
Years thereafter	75,730,000	105,680,000
Total minimum lease payments	120,889,000	$147,454,000
Less: Amount representing estimated executory costs (such as taxes, maintenance and insurance) included in total minimum lease payments	22,948,000	
Net minimum lease payments	97,941,000	
Less: Amount representing interest	56,583,000	
Present value of net minimum lease payments	$ 41,358,000	

4 Capitalization:

(a) Common Stock—

Through the Dividend Reinvestment and Stock Purchase Plan, holders of common, preferred and preference stock can acquire additional shares of the Company's common stock by automatically reinvesting all or a portion of their dividends and by making optional cash payments. Purchases are made at a price equal to 100% of the average closing price for the Company's common stock for each of the five New York Stock Exchange trading days ending on the investment date. At December 31, 1984, the Company had 5,823,487 shares of common stock reserved for issuance under this plan, 1,326,600 shares reserved for issuance under a continuous shelf registration program, 1,589,096 shares reserved for possible conversion of the $1.80 Preference Stock, 5,000,000 shares reserved for possible conversion of the Convertible Adjustable Series A Preferred Stock and 497,339 shares reserved for issuance through the payroll-based employee stock ownership plan.

(b) Retained Earnings—

Under the Company's indenture, the Company's consolidated retained earnings unrestricted for payment of cash dividends on the Company's common stock were $245,584,000 at December 31, 1984.

(c) Preferred and Preference Stock—

At the Companies' option, all preferred and preference stock may be redeemed in whole, or in part, at any time upon not less than 30 nor more than 60 days notice, unless otherwise noted. Redemption of all preferred and preference stock issued within the past five years is subject to certain restrictions regarding refunding operations. The optional redemption prices shown on the Consolidated Statements of Capitalization will decline to eventual minimums per share according to the Charter provisions that establish each series.

The Convertible Adjustable Series A Preferred Stock is convertible into the Company's common stock only during a specified period each quarter and may be converted, based upon market price at the time of conversion, to not more than 6.15 shares nor less than 2.08 shares of common stock for each share of preferred stock surrendered for conversion. The Company may, at its option, elect to purchase for cash, in lieu of delivery of common stock, any Convertible Adjustable Series A Preferred Stock surrendered for conversion, subject to certain limitations.

(d) Preferred Stock Subject to Mandatory Redemption—

The Company's 10.48% Series and 10.76% Series each include provisions for a mandatory sinking fund to retire a minimum of 20,000 shares every year on December 1, and January 1, respectively, at $100 per share plus accrued dividends. Penn Power's 8.24% Series and 11% Series each include provisions for a mandatory sinking fund to retire a minimum of 5,000 shares and 4,000 shares, respectively, every year on December 1, and January 1, respectively, at $100 per share plus accrued dividends. Penn Power's 15% Series and 11.50% Series each include provisions for a mandatory sinking fund to retire a minimum of 3,200 shares and 15,000 shares, respectively, on July 15 of each year, beginning in 1988 and 1989, respectively, at $100 per share plus accrued dividends. Penn Power's 13.00% Series includes a provision for a mandatory sinking fund to retire a minimum of 5,000 shares on July 1 of each year beginning in 1990, at $100 per share plus accrued dividends. Penn Power's 10.50% Series includes a provision for mandatory redemption of the entire series on April 1, 2040, at $100 per share plus accrued dividends.

The sinking fund requirements for the next five years are:

1985	$2,181,000
1986	4,900,000
1987	4,900,000
1988	5,220,000
1989	6,720,000

(e) Preference Stock Subject to Mandatory Redemption—
The $102.50 Series includes a provision for a mandatory sinking fund to retire a minimum of 900 shares on July 1 in each year at $1,000 per share plus accrued dividends. The $95.00 Series and $1.80 Series each include provisions for a mandatory sinking fund to retire a minimum of 1,800 and 100,000 shares, respectively, on July 1 and October 1, respectively, in each year beginning in 1985, at $1,000 and $15.125 per share, respectively, plus accrued dividends. The annual sinking fund requirements are $4,213,000 for 1985 through 1989.

The $1.80 Series is convertible at any time into common stock at a price of $15.125 per share. Holders receive one share of common stock for each share of $1.80 Preference Stock converted, subject to adjustment under certain conditions.

(f) Long-Term Debt—
The mortgages 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, 1984, the Companies' annual sinking and improvement fund requirements for all bonds issued under the mortgages amount to $26,767,000. The Company expects to deposit funds in 1985 which 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 requirements. Penn Power expects to satisfy its requirements in 1985 by certifying unfunded property additions of 166-2/3% of the required amount.

As of December 31, 1984, the Companies' sinking fund requirements for certain series of first mortgage bonds and maturing long-term debt for the next five years are:

1985	$ 53,190,000
1986	36,131,000
1987	161,137,000
1988	171,746,000
1989	94,695,000

The weighted average interest rates shown on the Consolidated Statements of Capitalization relate to long-term debt outstanding at December 31, 1984.

Total secured and unsecured notes outstanding at December 31, 1984, and December 31, 1983, exclude $234,266,000 and $97,112,000, respectively, of certain pollution control notes, the proceeds of which were then in escrow pending their disbursement for construction of pollution control facilities. The Companies' obligations to repay certain pollution control revenue bonds are secured by several series of first mortgage bonds. Certain unsecured notes are entitled to the benefit of irrevocable bank letters of credit of $213,885,000. To the extent that drawings are made under those letters of credit to pay principal of, or interest on, the pollution control revenue bonds, the Company is entitled to a credit on the notes. The Company pays an annual fee of 5/8% to 7/8% of the amounts of the letters of credit to the issuing banks and is obligated to reimburse the banks for any drawings thereunder.

5 Long-Term Obligations:

Ohio Edison Energy Trust (OEET)—
OEET, which finances part of the Company's investment in Beaver Valley Unit 2, has two lines of revolving credit available to it for $400,000,000 and $100,000,000. The latter credit also serves as a standby facility in connection with OEET commercial paper sales; total borrowings under that credit and commercial paper outstanding may not exceed $100,000,000 at any time.

The Company has transferred its interest in Beaver Valley Unit 2 (exclusive of common facilities and transmission facilities) to OEET, where the assets are used to secure OEET borrowings. Under the agreement, the Company presently anticipates payments of $100,000,000 in 1986 and $80,000,000 in each year 1987 through 1989.

The Company accrues interest applicable to OEET which is subsequently capitalized, net of income tax effect. Interest on borrowings under the $400,000,000 line of credit includes a commitment fee of 1/2% on the unused portion of this line. No direct borrowings have been or are expected to be made against the $100,000,000 line of credit, but OEET has issued and has outstanding commercial paper supported by this facility. To the extent that borrowings are less than the $100,000,000 available under this line of credit, the Company must pay a commitment fee of 1/2%. Under the standby support, an irrevocable bank letter of credit has been issued upon which OEET pays a fee of 1/8% of the amount of commercial paper notes outstanding. The effective average annual interest rates on OEET borrowings were 11.8%, 10.7% and 14.8% during 1984, 1983 and 1982, respectively.

Nuclear Fuel Financing—
Ohio Edison Fuel Corporation and Pennsylvania Power Fuel Corporation (corporations in which the Companies have no ownership interest) provide funds for the procurement of nuclear fuel on behalf of the Companies. The Companies also participate in arrangements wherein the Central Area Energy Trust (CAET) finances the acquisition of nuclear material that will ultimately be used to fuel various CAPCO generating units. Under ordinary circumstances, the Companies will make payments for the nuclear fuel as it is consumed. Financing on behalf of the Companies of up to $303,000,000 is currently available through the fuel corporations, either through revolving credit arrangements or the issuance of commercial paper, which is supported by bank letters of credit, or a combination of both. Financing of up to $137,000,000 is available to CAET on behalf of the Companies, subject to certain limitations.

The Companies accrue interest applicable to the nuclear fuel obligations (for fuel which is not included in utility plant in service) which is subsequently capitalized, net of income tax effect. No direct borrowings have been or are expected to be made against the lines of credit available to the fuel corporations; the fuel corporations have issued and have outstanding commercial paper supported by the lines of credit. To the extent that borrowings are less than the $303,000,000 available under these credit lines, the fuel corporations must pay commitment fees of 1/8% to 1/2% on the available portions of the lines of credit. They also pay fees of 5/8% to 7/8% for the letters of credit on the aggregate amount of outstanding commercial paper. Interest rates on CAET purchase commitments vary from 1-1/8% to 1-1/2% over the interest rate applicable to certain dealer placed commercial paper. The effective average annual interest rates applicable to nuclear fuel obligations were 11.9%, 10.6% and 12.6% during 1984, 1983 and 1982, respectively.

The Companies presently expect to make payments applicable to these obligations during the next five years as follows:

1985	$10,093,000
1986	35,521,000
1987	36,574,000
1988	60,263,000
1989	46,334,000

6 Bank Lines of Credit and Revolving Credit Agreement:
The Companies have lines of credit with domestic banks that provide for borrowings of up to $50,000,000 at the prevailing prime or similar interest rate. Short-term borrowings may be made under these lines of credit on the Companies' unsecured notes. All of the current lines expire December 31, 1985; however, all unused lines may be cancelled by the banks.

Penn Power maintains cash balances on deposit with banks to provide operating funds, to assure availability of $8,000,000 of the lines of credit and for other banking arrangements. Such compensating balances, net of "float," are expected to be maintained at an average of approximately $700,000 and are not subject to any

contractual restriction against withdrawal. Penn Power is required to pay commitment fees that vary from a flat rate of 3/8% to a variable rate of 5% of the applicable prime interest rate to assure the availability of $16,000,000 of the lines of credit.

In January 1985, the Company arranged a bank revolving credit agreement providing for borrowings of up to $500,000,000. Interest rates on borrowings under the agreement will vary depending upon the amount of the current borrowing, total borrowings then outstanding and, at the option of the Company, may be based upon the prevailing prime rate or certain other interest measurements. The Company must pay commitment fees of 1/2% on the average daily unused portion of the credit agreement. In certain circumstances, borrowings under the agreement are required to be secured by the Company's first mortgage bonds. At the Company's option, all obligations outstanding at December 31, 1987, may be converted into an amortizable three-year term loan.

7 Commitments, Guarantees and Contingencies:

Construction Program—

The Companies' current budget forecasts reflect expenditures of approximately $2,600,000,000 for property additions and improvements from 1985-1989, of which approximately $740,000,000 is applicable to 1985. In addition, the Companies expect to invest approximately $256,000,000 for nuclear fuel during the 1985-1989 period, of which approximately $40,000,000 is applicable to 1985. The major portion of the Companies' construction activities during this five-year period relates to the CAPCO companies' program for the joint development of power generation and transmission facilities.

The CAPCO companies are continuing to review the status of Perry Unit 2. Until this review has been completed, there will be no defined schedule for the completion of Unit 2. Possible alternatives being reviewed with respect to Unit 2 include temporary cessation of work on the Unit and termination of the Unit. Presently, the only significant work being performed on Unit 2 is that necessary to enable Unit 1 to be placed in service. This work is expected to be completed sometime in 1985. Whether under those circumstances it would still be appropriate to continue capitalizing AFUDC (as described in Note 1) to Unit 2 is uncertain at this time. Accordingly, if the CAPCO companies do not decide to resume significant construction, the Companies may not be able to include the AFUDC in net income. Instead, a reserve may be provided for AFUDC capitalized to Unit 2 prospectively. Currently, the Companies' AFUDC for Unit 2 is being included in net income at the rate of approximately $3,600,000 per month.

As of December 31, 1984, the Company and Penn Power had invested approximately $348,700,000 and $57,300,000, respectively, applicable to Perry Unit 2. Delays in the completion of the Unit can be expected to increase its total cost by amounts which are not presently determinable. If a decision were made to terminate Unit 2, certain costs which are currently assigned to Unit 2 would be reassigned, where appropriate, to Unit 1. However, cancellation charges payable to contractors and other costs of termination could be incurred.

Pending completion of the CAPCO review, the Company is unable to predict whether the construction on Perry Unit 2 will continue or, if continued, on what basis such continuation will proceed. If construction of Perry Unit 2 is terminated, the Company cannot now predict whether its investment in Perry Unit 2 applicable to its PUCO jurisdictional customers will be recoverable. If no means of recovery of the costs of Unit 2, in the case of termination, were available to the Company from its PUCO jurisdictional customers and no other basis for recovery could be found or anticipated, the Company would be required to write off the portion of its investment applicable to its PUCO jurisdictional customers. Based upon the Company's investment in Unit 2 as of December 31, 1984, the Company estimates that this write-off could be in the range of $205,000,000, net of income tax effect. The Company does not presently anticipate that a write-off of even this magnitude, if required, would affect its ability to pay common stock dividends at current levels, and studies being conducted indicate that the magnitude of any such write-off could be much smaller. If, despite its best current information, a much larger write-off were required, depending upon the timing involved, such a write-off could temporarily affect the Company's ability to pay common stock dividends at current levels. Based on past experience, Penn Power would expect to recover its investment in Unit 2 through its rates if the Unit were terminated. This is also true for the Company with respect to its FERC jurisdictional customers.

Quarto Project—
The Companies, together with the other CAPCO companies, have entered into a long-term coal supply contract with Quarto. The CAPCO companies have also agreed to guarantee severally, and not jointly, their proportionate shares of Quarto's debt and lease obligations incurred while developing and equipping the mines. As of December 31, 1984, the Companies' share of the guarantee was $209,717,000.

Under the terms of the coal supply contract, which expires December 31, 1999, the Companies must reimburse Quarto for their shares of the cost of operating the Quarto mines, including those costs associated with mine construction, whether or not they receive coal from Quarto. These payments will permit Quarto, over the life of the contract, to meet the debt and lease obligations it incurred while developing and equipping the mines. The Companies' total payments under this contract, including amounts related to mine construction costs, amounted to $103,464,000, $92,644,000 and $80,709,000 during 1984, 1983, and 1982, respectively. Under the coal supply contract, the Companies' future minimum payments related solely to mine construction costs are:

1985	$ 25,122,000
1986	24,504,000
1987	23,886,000
1988	23,269,000
1989	22,659,000
Years thereafter	197,166,000

Following the end of the development period, the Company was ordered by the PUCO, and Penn Power was ordered by the PPUC, to defer recovery of the cost of Quarto coal in excess of generally prevailing market prices, pending further proceedings. As a result of those orders, the Companies began deferring a portion of the cost of Quarto coal, rather than including such costs in their respective fuel adjustment clauses. The Company has subsequently received PUCO orders which provide an opportunity for recovery of the deferred costs, which amounted to $27,640,000 at December 31, 1984. Although unable to predict the ultimate level of recovery, the Company believes that the PUCO's formula recovery method provides a sufficient basis to recover the deferred costs and future costs of Quarto coal under the jurisdiction of the PUCO.

Although the PPUC issued an order which found that Penn Power was not imprudent in initiating and continuing the Quarto project, it prescribed a method for recovery of the current cost of Quarto coal and the deferred Quarto coal costs (amounting to $9,916,000 at December 31, 1984) which could result in a substantial underrecovery of Quarto coal costs. Penn Power has appealed the order to the Commonwealth Court of Pennsylvania. If the PPUC method stands and no other means of recovery could be found or anticipated, a loss equivalent to the amount not recoverable would be incurred. Although unable to predict the final resolution of this matter, management believes that its ultimate disposition will not have a material adverse effect upon the Company's consolidated results of operations.

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 that compliance requires additional capital expenditures of approximately $125,000,000, which is included in the construction estimate given above under "Construction Program" for 1985 through 1989.

On December 5, 1984, the Federal Environmental Protection Agency (EPA) denied a petition from the Commonwealth of Pennsylvania and the states of New York and Maine, which sought to force the EPA to make findings under Section 126 of the Clean Air Act. Section 126 provides a remedy for a downwind state that can show adverse impact because air pollution in an upwind state causes nonattainment of air quality standards in the downwind state. The petition complained of excessive particulate and sulfur dioxide (SO_2) emissions from a number of sources in Ohio and other states, including potentially all of the Companies' Ohio plants. Seven northeastern states have appealed the EPA's decision to the U.S. Court of Appeals for the District of Columbia, asking that the decision be reviewed, reversed, modified or set aside. The

Company, along with other electric utilities and others, has petitioned to intervene in the case. The Company is unable to predict the outcome of these proceedings.

As a part of the reauthorization of the Clean Air Act, legislation has been introduced in Congress to address the so-called "acid rain" problem. Various bills introduced thus far would require reductions in SO_2 emissions from utility power plants and other sources located in several states, including Ohio and Pennsylvania. The Company is unable to predict whether the proposed bills will be enacted and, if so, to what extent, if any, the SO_2 emission limits at the Companies' plants would be affected. Substantial changes in the SO_2 emission limits could result in the need for changes in coal supply, significant capital investments in flue gas desulfurization equipment or the closing of some coal-fired generating capacity to assure compliance. If flue gas desulfurization equipment were to be installed on all of their generating units to achieve compliance, a circumstance that may be physically impossible because of space limitations at certain of their plants, the Companies estimate that the capital costs associated with such installation could exceed $1,000,000,000. The Companies expect that any such capital costs, as well as any increased operating costs associated with such equipment, would ultimately be recovered from their customers.

In October 1983, the U.S. Court of Appeals for the District of Columbia reversed several significant portions of the EPA's regulations on the methods used by the EPA to determine the amount of stack height credit for establishing individual source emission limitations. In July 1984, the U.S. Supreme Court denied a utility industry request to review the Court of Appeals' decision. On November 8, 1984, the EPA proposed new stack height regulations to conform with the court's decision. Such changes could result in more stringent emission limitations for some existing plants and increased capital costs and operating expenses. The Companies are studying the proposed new regulations and are currently unable to predict their ultimate effect if adopted as proposed.

8 Extraordinary Income:

During 1982, the Company exchanged 2,650,600 shares of its common stock for $53,432,000 principal amount of its outstanding first mortgage bonds which were subsequently retired. The exchange resulted in a nontaxable gain of $20,158,000, which is included as an extraordinary item on the 1982 Consolidated Statement of Income.

9 Summary of Quarterly Financial Data:

The following summarizes certain consolidated operating results for the four quarters of 1984 and 1983.

Three Months Ended (Unaudited)	March 31, 1984	June 30, 1984	September 30, 1984	December 31, 1984
	(In thousands, except per share amounts)			
Operating Revenues	$420,453	$391,548	$416,794	$408,309
Operating Expenses and Taxes	330,524	309,150	326,981	327,736
Operating Income	89,929	82,398	89,813	80,573
Other Income and Deductions	56,757	61,332	74,141	71,648
Net Interest and Other Charges	62,729	64,386	66,820	73,323
Net Income	$ 83,957	$ 79,344	$ 97,134	$ 78,898
Earnings on Common Stock	$ 72,429	$ 67,827	$ 84,563	$ 65,875
Weighted Average Number of Shares of Common Stock Outstanding	110,539	115,164	117,938	121,044
Earnings per Share of Common Stock	$.66	$.59	$.72	$.54

Three Months Ended	March 31, 1983	June 30, 1983	September 30, 1983	December 31, 1983
	(In thousands, except per share amounts)			
Operating Revenues	$378,157	$364,478	$386,400	$386,817
Operating Expenses and Taxes	302,104	296,956	308,288	305,753
Operating Income	76,053	67,522	78,112	81,064
Other Income and Deductions	47,530	50,060	54,668	55,291
Net Interest and Other Charges	59,472	57,578	60,017	60,833
Net Income	$ 64,111	$ 60,004	$ 72,763	$ 75,522
Earnings on Common Stock	$ 54,091	$ 48,708	$ 61,117	$ 63,927
Weighted Average Number of Shares of Common Stock Outstanding	96,841	100,244	105,312	107,261
Earnings per Share of Common Stock	$.56	$.49	$.58	$.60

10 Supplementary Financial Data—Financial Reporting and Changing Prices (Unaudited):

Statement of Financial Accounting Standards No. 33, "Financial Reporting and Changing Prices" (SFAS No. 33), as amended, provides for the preparation of supplementary financial information to disclose the estimated effects of inflation and changes in prices on property, plant and equipment. This data is presented in accordance with SFAS No. 33; however, it is not intended as a substitute for earnings reported on a historical cost basis.

Results of Operations Adjusted for the Effects of Changing Prices for the Year Ended December 31, 1984

	(Thousands of average 1984 dollars)
Historical income from continuing operations	$290,694
Inflationary Effects on Common Equity:	
Capital Investments Effects—	
Increase in specific prices (current cost) of property held during the year (i)	137,599
Change in general price level on property held during the year	(382,151)
Adjustment to net recoverable cost	219,340
Additional provision for depreciation	(187,300)
	(212,512)
Advantage from the decrease in purchasing power of net monetary liabilities	145,614
Net erosion of common stockholders' equity	(66,898)
Income from continuing operations adjusted for changing prices (ii)	$223,796

(i) At December 31, 1984, net property, plant and equipment, adjusted for changes in specific prices (current cost) was $10,273,343,000, while historical cost (net recoverable cost) was $5,954,129,000.

(ii) Income from continuing operations, adjusted for changes in specific prices (current cost) would be $103,394,000 if only the amount reportable as additional provision for depreciation was included in the adjustment.

Comparison of Supplementary Financial Data
For the Years Ended December 31

	1984	1983	1982	1981	1980
	(Dollars in thousands, except per share amounts)				
Operating Revenues—					
Historical	$1,637,104	$1,515,852	$1,429,626	$1,279,649	$1,080,869
Adjusted to average 1984 dollars	$1,637,104	$1,580,427	$1,538,476	$1,461,505	$1,362,525
Income (Loss) from Continuing Operations—					
Historical	$ 290,694	$ 227,843	$ 161,338	$ 149,850	$ 101,403
Adjusted for changing prices (average 1984 dollars)	$ 223,796	$ 176,282	$ 120,357	$ 62,139	$ (28,154)
Income (Loss) from Continuing Operations per Common Share—					
Historical	$2.50	$2.22	$1.89	$2.10	$1.52
Adjusted for changing prices (average 1984 dollars)	$1.93	$1.72	$1.41	$ .87	$ (.42)
Return from Continuing Operations on Average Common Equity—					
Historical	15.9%	14.2%	12.3%	13.5%	9.7%
Adjusted for changing prices	12.2%	10.5%	8.3%	4.9%	(2.1)%
Effective Income Tax Rate—					
Historical	32.1%	35.1%	32.1%	33.5%	28.3%
Adjusted for changing prices	37.0%	40.8%	38.1%	49.4%	82.4%
Excess of Increase in the Specific Level of Prices on Property, Plant and Equipment Over General Price Changes (average 1984 dollars)	$ (244,552)	$ 111,220	$ 359,423	$ (42,055)	$ (211,358)
Advantage Resulting from the Decrease in Purchasing Power of Net Monetary Liabilities (average 1984 dollars)	$ 145,614	$ 126,879	$ 115,218	$ 246,718	$ 319,318
Year End Common Stockholders' Equity—					
Historical	$1,947,357	$1,711,974	$1,488,371	$1,229,044	$1,067,524
Adjusted for changing prices (average 1984 dollars)	$1,923,258	$1,754,121	$1,584,184	$1,360,143	$1,278,835
Cash Dividends Declared per Common Share—					
Historical	$1.84	$1.80	$1.76	$1.76	$1.76
Adjusted to average 1984 dollars	$1.84	$1.87	$1.90	$2.00	$2.20
Year End Market Price per Common Share—					
Historical	$13.50	$12.25	$14.00	$11.625	$11.875
Adjusted to average 1984 dollars	$13.31	$12.55	$14.90	$12.84	$14.30
Average Consumer Price Index	311.1	298.4	289.1	272.4	246.8

The increase in specific prices of property held during the year attempts to measure increasing asset values which approximate dollars that would have to be spent today to acquire property, plant and equipment identical to assets currently owned. The Companies use the Handy-Whitman Index of Public Utility Construction Costs and the Bureau of Labor and Statistics engineering indices to calculate the current cost of those assets. The indices are applied to actual dollars spent on large construction projects according to the year of expenditure. For all other plant facilities, the current cost is determined based upon the year the facilities were placed in service.

Additional depreciation expense adjusted for the change in specific prices was determined using the same rates and methods used for computing the historical cost provision for depreciation. No inflation adjustment has been reflected for income taxes, in conformity with the reporting requirements of SFAS No. 33.

During periods of inflation, the Companies' net monetary liabilities (principally long-term debt and preferred stock) will be repaid with dollars having less purchasing power than dollars had when the original liability was incurred. This economic benefit is portrayed on the summary as the advantage from the decrease in purchasing power of net monetary liabilities, which serves as an offset to the inflationary effects of replacing the Companies' property, plant and equipment.

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

We have examined the consolidated balance sheets and consolidated statements of capitalization of Ohio Edison Company (an Ohio corporation) and its subsidiary companies as of December 31, 1984, and 1983, and the related consolidated statements of income, retained earnings, capital stock and other paid-in capital, sources of funds for property additions and taxes for each of the three years in the period ended December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As discussed more fully in Note 7 to the consolidated financial statements, the continued construction of Perry Nuclear Unit No. 2 is currently being reviewed by the CAPCO companies. Possible alternatives being considered include temporary cessation of work and termination of the Unit. Because the Company is unable to predict the results of the review, it cannot now predict if construction of Perry Unit No. 2 will be terminated, and if terminated, whether the investment applicable to its PUCO jurisdictional customers will be recoverable.

In our opinion, subject to the effect on the consolidated financial statements of such adjustment, if any, that might have been required had the outcome of the uncertainty referred to in the preceding paragraph been known, the financial statements referred to above present fairly the financial position of Ohio Edison Company and its subsidiary companies as of December 31, 1984, and 1983, and the results of its operations and the sources of funds for property additions for each of the three years in the period ended December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis after giving retroactive effect to the change, with which we concur, in the method of accounting for capital leases as discussed in Note 3 to the consolidated financial statements.

Arthur Andersen & Co.

ARTHUR ANDERSEN & CO.

New York, N.Y.
February 8, 1985

Consolidated Financial Statistics

	1984	1983	1982	1981	1980	1979	1974
General Financial Information			(Dollars in thousands, except per share amounts)				
Total Operating Revenues	**$1,637,104**	$1,515,852	$1,429,626	$1,279,649	$1,080,869	$ 994,585	$ 498,355
Operating Income	**$ 342,713**	$ 302,751	$ 269,640	$ 252,381	$ 169,383	$ 163,744	$ 71,095
Earnings on Common Stock	**$ 290,694**	$ 227,843	$ 181,496	$ 163,892	$ 101,403	$ 105,120	$ 51,035
Ratio of Earnings on Common Stock to Operating Revenues	**17.8%**	15.0%	12.7%	12.8%	9.4%	10.6%	10.2%
Times Interest Earned Before Income Tax	**2.34×**	2.31×	2.02×	2.11×	2.05×	2.31×	2.18×
Net Utility Plant at December 31	**$5,945,549**	$5,206,134	$4,522,733	$3,867,757	$3,435,267	$3,012,197	$1,615,265
Property Additions	**$ 868,099**	$ 771,131	$ 774,233	$ 568,044	$ 515,020	$ 476,746	$ 306,027
Capitalization at December 31:							
Common Stockholders' Equity	**$1,947,357**	$1,711,974	$1,488,371	$1,229,044	$1,067,524	$ 970,110	$ 484,713
Preferred and Preference Stock Not Subject to Mandatory Redemption	**455,490**	404,240	354,240	304,240	306,905	306,905	213,905
Preferred and Preference Stock Subject to Mandatory Redemption	**158,483**	158,112	152,560	151,141	156,450	150,850	—
Long-Term Debt	**2,449,502**	2,132,137	2,005,436	1,759,771	1,594,384	1,410,782	867,796
Total Capitalization	**$5,010,832**	$4,406,463	$4,000,607	$3,444,196	$3,125,263	$2,838,647	$1,566,414
Capitalization Ratios at December 31:							
Common Stockholders' Equity	**38.9%**	38.9%	37.2%	35.7%	34.2%	34.2%	30.9%
Preferred and Preference Stock Not Subject to Mandatory Redemption	**9.1**	9.1	8.9	8.8	9.8	10.8	13.7
Preferred and Preference Stock Subject to Mandatory Redemption	**3.1**	3.6	3.8	4.4	5.0	5.3	—
Long-Term Debt	**48.9**	48.4	50.1	51.1	51.0	49.7	55.4
Total Capitalization	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Long-Term Obligations at December 31	**$ 822,234**	$ 759,843	$ 656,655	$ 447,484	$ 265,000	—	—
Cost of Preferred & Preference Stock Outstanding at December 31	**9.87%**	9.63%	9.17%	8.37%	8.38%	8.36%	6.49%
Cost of Long-Term Debt Outstanding at December 31	**11.52%**	10.82%	10.69%	9.99%	9.16%	8.13%	7.17%
Common Stock Data							
Earnings per Average Common Share	**$2.50**	$2.22	$2.13	$2.30	$1.52	$1.80	$1.68
Return on Average Common Equity	**15.9%**	14.2%	13.5%	14.6%	9.7%	11.2%	11.1%
Dividends Paid Per Share	**$1.84**	$1.80	$1.76	$1.76	$1.76	$1.76	$1.64½
Common Stock Dividend Payout Ratio	**74%**	81%	83%	77%	116%	98%	98%
Common Stock Dividend Yield at December 31	**13.6%**	14.7%	12.6%	15.1%	14.8%	13.2%	13.9%
Price/Earnings Ratio at December 31	**5.4**	5.5	6.6	5.1	7.8	7.4	7.1
Shares of Common Stock Outstanding at December 31 (000)	**122,237**	108,460	96,082	78,676	68,526	59,622	31,695
Book Value per Common Share at December 31	**$15.93**	$15.78	$15.49	$15.62	$15.58	$16.27	$15.29
Market Price per Common Share at December 31	**$13.50**	$12.25	$14.00	$11.625	$11.875	$13.375	$11.875
Ratio of Market Price to Book Value per Share at December 31	**85%**	78%	90%	74%	76%	82%	78%

Consolidated Operating Statistics

	1984	1983	1982	1981	1980	1979	1974
Revenue From Electric Sales (thousands):							
Residential	**$ 571,878**	$ 540,167	$ 497,941	$ 442,267	$ 398,832	$360,273	$179,300
Commercial	**400,291**	385,277	356,325	308,599	268,788	240,458	122,009
Industrial	**469,112**	421,736	383,535	381,162	330,717	315,185	159,585
Other	**57,921**	69,278	67,828	53,993	50,420	42,607	22,641
Subtotal	**1,499,202**	1,416,458	1,305,629	1,186,021	1,048,757	958,523	483,535
Sales to Utilities	**117,385**	76,220	101,688	73,966	12,381	10,185	4,288
Total	**$1,616,587**	$1,492,678	$1,407,317	$1,259,987	$1,061,138	$968,708	$487,823
Revenue From Electric Sales—%:							
Residential	**35.4%**	36.2%	35.4%	35.1%	37.6%	37.2%	36.8%
Commercial	**24.7**	25.8	25.3	24.5	25.3	24.8	25.0
Industrial	**29.0**	28.3	27.3	30.2	31.2	32.5	32.7
Other	**3.6**	4.6	4.8	4.3	4.7	4.4	4.6
Subtotal	**92.7**	94.9	92.8	94.1	98.8	98.9	99.1
Sales to Utilities	**7.3**	5.1	7.2	5.9	1.2	1.1	0.9
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Kilowatt-Hour Sales (millions):							
Residential	**6,836**	6,735	6,733	6,747	6,801	6,650	5,610
Commercial	**5,101**	5,096	4,996	4,917	4,812	4,693	4,023
Industrial	**9,161**	8,386	7,708	9,352	8,909	9,830	9,631
Other	**1,075**	1,211	1,227	1,181	1,370	1,346	1,095
Subtotal	**22,173**	21,428	20,664	22,197	21,892	22,519	20,359
Sales to Utilities	**4,591**	2,917	3,361	2,465	502	441	323
Total	**26,764**	24,345	24,025	24,662	22,394	22,960	20,682
Customers Served at December 31:							
Residential	**885,376**	878,949	873,877	872,303	867,447	861,196	800,612
Commercial	**90,810**	90,072	89,706	89,231	88,505	87,425	83,111
Industrial	**1,757**	1,003	1,048	1,068	1,059	1,161	1,109
Other	**721**	736	724	711	704	693	586
Total	**978,664**	970,760	965,355	963,313	957,715	950,475	885,418
Average Annual Residential KWH Usage	**7,762**	7,695	7,723	7,760	7,870	7,780	7,070
Average Residential Price Per KWH	**8.37¢**	8.02¢	7.40¢	6.56¢	5.86¢	5.42¢	3.20¢
Cost of Coal Per Million BTU	**$1.59**	$1.62	$1.75	$1.81	$1.50	$1.26	$.90
Generating Capability at December 31:							
Coal	**89.1%**	89.2%	86.2%	86.3%	86.1%	85.1%	92.2%
Oil	**3.0**	3.0	6.3	6.2	6.4	7.4	7.8
Nuclear	**7.9**	7.8	7.5	7.5	7.5	7.5	—
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sources of Electric Generation:							
Coal	**90.4%**	89.8%	93.8%	89.9%	98.7%	93.9%	98.2%
Oil	**—**	—	0.1	0.2	0.6	2.0	1.8
Nuclear	**9.6**	10.2	6.1	9.9	0.7	4.1	—
Total	**100.0%**	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Peak Load—Megawatts	**4,093**	4,148	4,073	4,148	4,210	4,105	3,664
Number of Employees at December 31	**7,611**	7,702	7,885	7,669	7,503	7,157	6,156

Stockholder Profile
At the end of the year, 209,529 stockholders owned 122.2 million shares of Ohio Edison common stock. Approximately 29 percent of those stockholders are women, 27 percent are men and 32 percent are joint holders. The remaining 12 percent are trusts, corporations, institutions, brokers and other investment groups.

Nearly 75 percent of common stockholders own 300 shares or less. They live in all 50 states and many foreign countries.

Common Stock Dividend Increased
Effective the first quarter of 1985, the Company's Board of Directors increased the quarterly common stock dividend to 47 cents per share from 46 cents.

Dividends of 46 cents per share of common stock outstanding were declared by the Board for each quarter of 1984.

Dividend Income Taxability
Of total 1984 common stock dividends, 56 percent was estimated to represent a return of capital and was nontaxable for federal income tax purposes unless the stock was sold. All preferred and preference stock dividends paid during 1984 were taxable. These figures are subject to final determination by the Internal Revenue Service, and stockholders will be notified of any significant change.

A provision of the Deficit Reduction Act of 1984 requires certain changes in how a corporation calculates earnings to determine the portion of dividends treated as a return of capital. We expect those changes to virtually eliminate the possibility of return of capital dividends beginning in 1985.

Dividend Reinvestment Plan
At the end of 1984, more than 71,000 stockholders were enrolled in the Company's Dividend Reinvestment and Stock Purchase Plan, representing 31 percent of all stockholders. They reinvested $69.7 million in dividends and made optional cash payments of $44.2 million to acquire 10 million shares of common stock during the year.

The Plan was amended to eliminate the discounted price for stock acquired, beginning with optional cash payments in November 1984 and the common stock dividend payment in December 1984. Also, the purchase price of acquired stock is based on the average closing price for five days ending on the investment date instead of on the average high and low sale price on that date.

Most participants in the Plan may still exclude from their annual income up to $750 ($1,500 on a joint return) of taxable dividends they reinvested. But according to the Economic Recovery Tax Act of 1981, this exclusion will continue only through 1985, unless extended by Congress.

Additional information about the Plan, and a Prospectus, can be obtained by contacting Ohio Edison's Stockholder Services.

Annual Meeting of Stockholders
Stockholders are invited to attend the 1985 Annual Meeting on Thursday, April 25, at 10 a.m., local time, in the Company's General Office auditorium in Akron, Ohio. Those unable to or choosing not to attend can vote on the items of business by filling out and returning the proxy card, which is mailed to each stockholder approximately 30 days before the meeting.

Additional Information
Information and assistance on individual holdings, dividend payments, dividend reinvestment, the transfer of stock or any stockholder matter can be obtained by writing to Ohio Edison Company, Stockholder Services, 76 South Main Street, Akron, Ohio 44308, or by calling (216) 384-5509.

Ohio Edison Company common stock is listed on the New York and Midwest stock exchanges and traded on other registered exchanges under the "OEC" ticker symbol. Newspapers generally use the symbol "OhioEd" in stock listings.

A copy of our 1984 Annual Report to the Securities and Exchange Commission, Form 10-K, will be sent without charge to stockholders upon request. To receive a copy, please write to Gregory F. LaFlame, Secretary, Ohio Edison Company, 76 South Main Street, Akron, Ohio 44308.

For information and assistance on the transfer or registration of all classes of Company stock, contact:

Transfer Agent:
Transfer Agent
Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

Registrar:
National City Bank, Akron
One Cascade Plaza
Akron, Ohio 44308

Ohio Edison

Board of Directors

Donald C. Blasius
Chairman of the Board and Chief Executive Officer of The Tappan Company, Mansfield, Ohio (appliances and furnishings). Member, Nominating Committee, Finance Committee.

William A. Derrick
Independent Electrical and Mechanical Engineering Consultant, also President of Leisure Industries, Inc., Sandusky, Ohio (developer of real estate and residential buildings). Chairman, Compensation Committee.

Dr. Lucille G. Ford
Vice President, Dean of Business Administration and Economics and Director of the Gill Center for Business & Economic Education, Ashland College, Ashland, Ohio. Chairman, Nominating Committee; Member, Finance Committee.

Robert L. Loughhead
Chairman of the Board, President and Chief Executive Officer of Weirton Steel Corporation, Weirton, West Virginia (steel products). Member, Compensation Committee, Audit Committee.

Glenn H. Meadows
President and Director of McNeil Corporation, Akron, Ohio (various manufactured products). Member, Compensation Committee, Audit Committee.

John Nelson
Chairman of the Board and Chief Executive Officer of Commercial Shearing, Inc., Youngstown, Ohio (engineered metal components). Member, Compensation Committee.

Victor A. Owoc
Executive Vice President of Ohio Edison. Member, Finance Committee.

Justin T. Rogers, Jr.
President of Ohio Edison and Chairman of the Board of its subsidiary, Pennsylvania Power. Chairman, Finance Committee; Member, Nominating Committee.

Douglas W. Tschappat
Executive Vice President of Ohio Edison.

Frank C. Watson
President and Director of The Youngstown Welding and Engineering Company, Youngstown, Ohio (nonferrous alloys). Chairman, Audit Committee; Member, Nominating Committee.

William C. Zekan
President and Chairman of the Board of A. Schulman, Inc., Akron, Ohio (custom plastic compounds). Member, Audit Committee.

Directors Emeritus

D. Bruce Marshfield
Walter H. Sammis
Fred H. Zuck

Officers

Justin T. Rogers, Jr.
President

Victor A. Owoc
Executive Vice President

Douglas W. Tschappat
Executive Vice President

Lynn Firestone
Senior Vice President

David R. Gundry
Senior Vice President

Robert J. McWhorter
Senior Vice President

Russell J. Spetrino
Vice President and General Counsel

Ronald D. Best
Vice President

Frank E. Derry
Vice President

Clyde W. Frederickson
Vice President

John A. Gill
Vice President

James D. Wilson
Vice President

H. Peter Burg
Treasurer

William A. Daniels
Comptroller

Gregory F. LaFlame
Secretary

Mark T. Clark
Assistant Treasurer

Warren G. Fouch
Assistant Comptroller

Harvey L. Wagner
Assistant Comptroller

Joanne Martin
Assistant Secretary

Division Managers

Anthony N. Gorant
Akron Division

Denver G. Blosser
Bay Division

James E. Markle
Lake Erie Division

Malcolm E. Cash
Mansfield Division

Robert L. Kensinger
Marion Division

N. Rod Monahan
Springfield Division

Robert E. Dawson
Stark Division

David C. Bixler, Jr.
Warren Division

Peter A. Fetterolf
Youngstown Division

Management Changes

Vice President Donald J. List retired on February 1, 1985, after 38 years of service with Ohio Edison. He was succeeded by former Akron Division Manager John A. Gill as head of administrative services, human resources and industrial relations, information systems, purchasing and stores, and telecommunications.

With Mr. Gill's election to vice president by the Board of Directors, Anthony N. Gorant, former manager of the Bay Division, was named manager of the Akron Division. Mr. Gorant was succeeded by former Alliance District Manager Denver G. Blosser.

Also, Charles N. Glasgow, former assistant secretary, retired November 1, 1984, after 36 years of service with the Company.

OHIO EDISON
The Energy Makers

76 South Main Street
Akron, Ohio 44308

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