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FIRSTENERGY CORP  
Form 35-CERT  
March 24, 2004

SEC File No. 70-10122

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

CERTIFICATE PURSUANT TO

RULE 24

OF PARTIAL COMPLETION OF

TRANSACTIONS

FirstEnergy Corp.

-----  
In the matter of :  
FirstEnergy Corp. : Certificate Pursuant  
: to Rule 24 of Partial  
: Completion of  
: Transactions  
: :  
SEC File No. 70-10122 :  
(Public Utility Holding Company Act :  
of 1935) :  
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TO THE MEMBERS OF THE SECURITIES AND EXCHANGE COMMISSION:

The undersigned, FirstEnergy Corp. (FirstEnergy) hereby certifies pursuant to Rule 24 of the Rules and Regulations under the Public Utility Holding Company Act of 1935 (the Act), that certain of the transactions proposed in the Applications, as amended, filed in SEC File No. 70-10122 have been carried out in accordance with the Commission's Order dated June 30, 2003 as follows:

(1) During the period October 1, 2003 through December 31, 2003, there were no sales of common stock or preferred securities by FirstEnergy.

(2) FirstEnergy issued 347,953 shares of common stock pursuant to options granted under employee benefit plans and dividend reinvestment plans during the fourth quarter of 2003.

(3) During the period October 1, 2003 through December 31, 2003, no FirstEnergy common stock was transferred to a seller of securities of a company being

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acquired.

(4) During the period October 1, 2003 through December 31, 2003, there were no Long-term Debt and Preferred Securities issued by FirstEnergy. FirstEnergy issued the following Short-term Debt during the fourth quarter of 2003:

|  | Transaction<br>Date | Maturity<br>Date | Rate  | Transaction<br>Amount | Loan Balance |
|--|---------------------|------------------|-------|-----------------------|--------------|
|  | -----               | -----            | ----  | -----                 | -----        |
| CitiBank (FirstEnergy Revolver - 364 Day Facility) |                     |                  |       |                       |              |
| FirstEnergy  | 11/20/2003          | 12/4/2003        | 2.30% | \$150,000,000.00      | \$134,166.67 |
| FirstEnergy  | 11/20/2003          | 12/1/2003        | 2.30% | \$150,000,000.00      | \$105,416.67 |
| FirstEnergy  | 12/1/2003           | 12/4/2003        | 2.43% | \$150,000,000.00      | \$30,312.50  |
| FirstEnergy  | 12/1/2003           | 12/8/2003        | 2.43% | \$100,000,000.00      | \$47,152.78  |
| FirstEnergy  | 12/4/2003           | 12/18/2003       | 2.43% | \$150,000,000.00      | \$141,458.33 |
| FirstEnergy  | 12/4/2003           | 12/12/2003       | 2.43% | \$120,000,000.00      | \$64,666.67  |
| FirstEnergy  | 12/4/2003           | 12/18/2003       | 2.43% | \$30,000,000.00       | \$28,291.67  |
| FirstEnergy  | 12/4/2003           | 12/12/2003       | 2.43% | \$30,000,000.00       | \$16,166.67  |
| FirstEnergy  | 12/12/2003          | 12/15/2003       | 2.30% | \$30,000,000.00       | \$5,750.00   |
| FirstEnergy  | 12/15/2003          | 12/18/2003       | 2.43% | \$30,000,000.00       | \$6,062.50   |
| FirstEnergy  | 12/8/2003           | 12/22/2003       | 2.43% | \$40,000,000.00       | \$37,722.22  |
| FirstEnergy  | 12/8/2003           | 12/12/2003       | 2.43% | \$40,000,000.00       | \$10,777.78  |
| FirstEnergy  | 12/12/2003          | 12/15/2003       | 2.30% | \$40,000,000.00       | \$7,666.67   |
| FirstEnergy  | 12/15/2003          | 12/22/2003       | 2.43% | \$40,000,000.00       | \$18,861.11  |
| FirstEnergy  | 12/15/2003          | 12/23/2003       | 3.00% | \$200,000,000.00      | \$133,333.33 |
| FirstEnergy  | 12/23/2003          | 12/29/2003       | 2.49% | \$200,000,000.00      | \$82,916.67  |
| FirstEnergy  | 12/22/2003          | 1/5/2004         | 2.49% | \$80,000,000.00       | \$77,388.89  |
| FirstEnergy  | 12/22/2003          | 12/23/2003       | 3.06% | \$80,000,000.00       | \$6,805.56   |
| FirstEnergy  | 12/23/2003          | 1/5/2004         | 4.30% | \$80,000,000.00       | \$124,222.22 |
| FirstEnergy  | 12/22/2003          | 12/23/2003       | 4.88% | \$35,000,000.00       | \$4,739.58   |
| FirstEnergy  | 12/23/2003          | 12/24/2003       | 2.49% | \$50,000,000.00       | \$3,454.86   |
| FirstEnergy  | 12/29/2003          | 1/12/2004        | 3.00% | \$200,000,000.00      | \$233,333.33 |
| FirstEnergy  | 1/5/2004            | 1/26/2004        | 3.00% | \$40,000,000.00       | \$70,000.00  |

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|   | Transaction<br>Date | Maturity<br>Date | Rate  | Transaction<br>Amount | Loan Balance |
|---|---------------------|------------------|-------|-----------------------|--------------|
|   | -----               | -----            | ----  | -----                 | -----        |
| CitiBank (FirstEnergy Revolver - 3 Year Facility) |                     |                  |       |                       |              |
| FirstEnergy                                       | 8/11/2003           | 10/8/2003        | 2.38% | \$60,000,000.00       | \$229,583.33 |
| FirstEnergy                                       | 8/11/2003           | 10/16/2003       | 2.38% | \$125,000,000.00      | \$544,270.83 |
| FirstEnergy                                       | 10/1/2003           | 10/8/2003        | 2.25% | \$40,000,000.00       | \$17,500.00  |
| FirstEnergy                                       | 11/17/2003          | 12/1/2003        | 2.13% | \$75,000,000.00       | \$61,979.17  |
| FirstEnergy                                       | 11/17/2003          | 11/19/2003       | 2.13% | \$75,000,000.00       | \$8,854.17   |
| FirstEnergy                                       | 11/19/2003          | 12/1/2003        | 2.25% | \$75,000,000.00       | \$56,250.00  |
| FirstEnergy                                       | 11/19/2003          | 11/26/2003       | 2.25% | \$200,000,000.00      | \$87,500.00  |
| FirstEnergy                                       | 11/26/2003          | 12/10/2003       | 2.25% | \$130,000,000.00      | \$113,750.00 |
| FirstEnergy                                       | 12/1/2003           | 12/15/2003       | 2.25% | \$175,000,000.00      | \$153,125.00 |
| FirstEnergy                                       | 12/1/2003           | 12/12/2003       | 2.25% | \$175,000,000.00      | \$120,312.50 |
| FirstEnergy                                       | 12/10/2003          | 12/31/2003       | 2.31% | \$70,000,000.00       | \$94,427.08  |
| FirstEnergy                                       | 12/10/2003          | 12/12/2003       | 2.31% | \$70,000,000.00       | \$8,993.06   |
| FirstEnergy                                       | 12/12/2003          | 12/23/2003       | 2.19% | \$70,000,000.00       | \$46,788.19  |
| FirstEnergy                                       | 12/23/2003          | 12/29/2003       | 2.51% | \$70,000,000.00       | \$29,312.50  |
| FirstEnergy                                       | 12/29/2003          | 12/31/2003       | 2.64% | \$70,000,000.00       | \$10,256.94  |
| FirstEnergy                                       | 12/29/2003          | 1/20/2004        | 2.31% | \$200,000,000.00      | \$282,638.89 |
| FirstEnergy                                       | 12/31/2003          | 1/30/2004        | 2.64% | \$70,000,000.00       | \$153,854.17 |
| FirstEnergy                                       | 12/31/2003          | 1/27/2004        | 2.64% | \$50,000,000.00       | \$98,906.25  |
| FirstEnergy                                       | 12/31/2003          | 1/30/2004        | 2.64% | \$20,000,000.00       | \$43,958.33  |

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(5) During the period October 1, 2003 through December 31, 2003, the following short-term debt was issued by the Utility Subsidiaries:

|  | Transaction<br>Date | Maturity<br>Date | Rate  | Transaction<br>Amount | Loan Balance     |
|--|---------------------|------------------|-------|-----------------------|------------------|
|  | -----               | -----            | ----  | -----                 | -----            |
| CitiBank (Ohio Edison Company (OE) Revolver)       |                     |                  |       |                       |                  |
| OE   | 9/2/2003            | 10/2/2003        | 2.30% | \$250,000,000.00      | \$250,479,166.67 |
| OE   | 10/2/2003           | 11/3/2003        | 2.30% | \$250,000,000.00      | \$250,511,111.11 |
| OE   | 11/3/2003           | 11/12/2003       | 2.30% | \$150,000,000.00      | \$150,086,250.00 |
| OE   | 11/12/2003          | 12/3/2003        | 2.18% | \$75,000,000.00       | \$75,095,156.25  |
| OE   | 12/3/2003           | 1/2/2004         | 2.24% | \$40,000,000.00       | \$40,074,583.33  |
| CitiBank (The Toledo Edison Company (TE) Revolver) |                     |                  |       |                       |                  |
| TE   | 8/18/2003           | 11/18/2003       | 2.56% | \$70,000,000.00       | \$70,458,402.78  |
| TE   | 11/18/2003          | 1/2/2004         | 2.50% | \$70,000,000.00       | \$70,145,833.33  |
| TE   | 12/18/2003          | 1/2/2004         | 2.56% | \$70,000,000.00       | \$70,074,739.58  |
| FirstMerit (OE Bi-Lateral Facility)                |                     |                  |       |                       |                  |
| OE   | 12/8/2003           | 12/9/2003        | 1.75% | \$11,000,000.00       | \$11,000,000.00  |
| OE   | 12/1/2003           | 12/23/2003       | 1.75% | \$14,000,000.00       | \$14,000,000.00  |
| OE   | 12/26/2003          | 12/28/2003       | 1.75% | \$12,000,000.00       | \$12,000,000.00  |
| OE   | 12/29/2003          | 12/30/2003       | 1.75% | \$3,000,000.00        | \$3,000,000.00   |
| OE   | 12/31/2003          | 1/1/2004         | 1.75% | \$14,000,000.00       | \$14,000,000.00  |

Under the Utility Money Pool, the principal balance of borrowings at the end of the fourth quarter of 2003 and average interest rate during the fourth quarter of 2003 are as follows:

| Regulated Money Pool<br>Loan to/(Borrowing from):     | Average<br>Interest Rate | Principal<br>Balance |
|---|--------------------------|----------------------|
| -----   | -----                    | -----                |
| OE  | 1.7507%                  | \$ 175,969,303       |
| Pennsylvania Power Company (Penn)                     | 1.7507%                  | (11,334,233)         |
| The Cleveland Electric Illuminating<br>Company (CEI)  | 1.7507%                  | (168,984,937)        |
| TE  | 1.7507%                  | (285,953,021)        |
| American Transmission Systems,<br>Incorporated (ATSI) | 1.7507%                  | 105,527,635          |
| Jersey Central Power & Light<br>Company (JCP&L)       | 1.7507%                  | (230,984,856)        |
| Metropolitan Edison Company (Met-Ed)                  | 1.7507%                  | (65,335,434)         |
| Pennsylvania Electric Company<br>(Penelec)            | 1.7507%                  | (78,510,333)         |
| York Haven Power Company                              | 1.7507%                  | 10,467,095           |

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(6) During the fourth quarter of 2003, there were no financings consummated by any Non-Utility subsidiary that were not exempt under rule 52.

(7) During the fourth quarter of 2003, the following guarantees were made by FirstEnergy to support activities of its subsidiaries:

Purpose of

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| Beneficiary<br>-----  | Amount<br>----- | Terms<br>----- | Guarantee<br>----- |
|---|-----------------|----------------|--------------------|
| FirstEnergy Solutions Corp. (FES) (Trading - Electric)<br>----- |                 |                |                    |
| Constellation Power Source                                      | \$10,000,000    | (a)            | (b)                |
| Exelon Generation Company                                       | 6,000,000       | (a)            | (b)                |
| HQ Energy Services  | 7,500,000       | (a)            | (b)                |
| Midwest ISO (MISO)  | 8,000,000       | (a)            | (b)                |
| Strategic Energy  | 2,500,000       | (a)            | (b)                |
| FES (Trading - Gas)<br>-----                                    |                 |                |                    |
| ChevronTexaco Corporation                                       | 10,000,000      | (a)            | (b)                |
| Columbia Gas of Ohio  | 250,000         | (a)            | (b)                |
| Coral Energy Resources  | 4,000,000       | (a)            | (b)                |
| South Jersey Resource Group                                     | 2,050,000       | (a)            | (b)                |
| Utility Resource Solutions                                      | 1,500,000       | (a)            | (b)                |
| JCP&L<br>-----  |                 |                |                    |
| One River Associates  | 15,000,000      | 11 years       | (c)                |
| FirstEnergy Service Company<br>-----                            |                 |                |                    |
| One River Associates  | 3,500,000       | 6 years        | (c)                |
| FirstEnergy Generation Corp. (Fuel Marketing / Coal)<br>-----   |                 |                |                    |
| Phibro Inc.   | 1,000,000       | (a)            | (d)                |
| American Electric<br>Power Service                              | 500,000         | (a)            | (d)                |
| FES- Retail<br>-----  |                 |                |                    |
| Public Service Electric & Gas                                   | 1,405,000       | (a)            | (e)                |
| Met-Ed (Long-term Power Supply)<br>-----                        |                 |                |                    |
| Constellation Power Source                                      | 22,500,000      | 7 years        | (f)                |
| Penelec (Long-term Power Supply)<br>-----                       |                 |                |                    |
| Constellation Power Source                                      | 22,500,000      | 7 years        | (g)                |

- (a) Such guarantees are issued for a one-year term, with a ten-day termination right by FirstEnergy
- (b) Parental guarantees issued by FirstEnergy to provide credit support for electric power and natural gas purchases by subsidiary
- (c) Credit backstop to support leases of office space for FE building facilities
- (d) Credit backstop to support coal purchases and emission trading
- (e) Credit requirement in non-FirstEnergy service territories
- (f) Parental guaranty issued by FirstEnergy to support the long-term power purchase by Metropolitan Edison Company from Constellation.
- (g) Parental guaranty issued by FirstEnergy to support the long-term power purchase by Pennsylvania Electric Company from Constellation.

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The following Letters of Credits (LOC) were issued during the fourth quarter of 2003:

| Beneficiary<br>-----   | Amount<br>----- | Purpose of<br>LOC<br>----- |
|--|-----------------|----------------------------|
| FES<br>---   |                 |                            |
| Cincinnati Gas & Electric Company  | \$10,000,000*   | (a)                        |
| National Fuel Gas Distribution Corp.   | 3,267,000       | (b)                        |
| MYR Group Inc.<br>-----  |                 |                            |
| Zurich American Insurance  | 13,100,000      | (c)                        |
| C.N.A. Insurance Co.   | 565,412         | (c)                        |
| GPU Service, Inc.<br>-----   |                 |                            |
| Genesis Insurance Co.  | 4,197,016       | (d)                        |
| Cologne Reinsurance Company (Dublin) Ltd.  | 6,008,976       | (d)                        |
| JCP&L, FES, FirstEnergy Service Company,<br>GPU Telcom, Inc., FirstEnergy Telecommunication Corp.<br>----- |                 |                            |
| Travelers Casualty and Surety Co. of<br>America  | 3,000,000       | (e)                        |
| FirstEnergy<br>-----   |                 |                            |
| Deutsche Bank Trust Company Americas   | 400,000         | (f)                        |
| Deutsche Bank Trust Company Americas   | 60,000,000**    | (g)                        |
| Morgan Stanley   | 11,100,000      | (h)                        |

\* Amount increased from \$5.5 million to \$10 million in the fourth quarter 2003.

\*\* A replacement LOC of \$50 million that was issued in the second quarter 2003.

- (a) Collateral for entering into purchase power agreements with Cincinnati Gas & Electric Company.
- (b) Collateral for Customer Balancing Aggregator Program.
- (c) Replaces Surety Bonds on MYR Group insurance and workers compensation policies.
- (d) Replaces Surety Bonds for self-insurance claims.
- (e) Replaces Surety Bonds on workers compensation and self-insurance due to rating agency changes.
- (f) Collateral for the sale of the Termobarranquilla, S.A. (TEBSA) facilities.
- (g) Granted FirstEnergy the ability to sell its remaining 20.1% in Aquila Sterling Holdings (Midlands), and unencumbered the Argentina assets abandoned in April 2003.
- (h) Guarantee provided for the sale of Aquila Note to Morgan Stanley

(8) During the Fourth Quarter of 2003, FirstEnergy Corp. entered into fifteen (15) transactions designed to hedge the fair value of a portion of its fixed-rate long-term debt portfolio against decreases in interest rates. The hedge structures are fixed - for - floating interest rate swaps, whereby FirstEnergy Corp. will receive fixed payments equivalent to the fixed coupon rates of the bonds being hedged, and pay floating rate payments based on the 6-month London Interbank Offering Rate (LIBOR) plus or minus an applicable spread. The debt instruments being hedged, notional amounts, counterparties, and principal terms of the fair value hedges are filed pursuant to request for

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confidential treatment.

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(9) Investments made during the fourth quarter of 2003 in any intermediate subsidiary or financing subsidiary are as follows:

| Company<br>-----             | Investment<br>-----<br>(In Thousands \$) |
|------------------------------|--|
| Centerior Funding Corp.      | \$13,500                                 |
| GPU Diversified Holdings LLC | \$ 400                                   |

(10) During the fourth quarter of 2003 FirstEnergy filed the following U-6B-2 forms:

| Company<br>----- | Filing Date<br>----- |
|------------------|----------------------|
| CEI              | December 22, 2003    |

(11) CEI engaged in jurisdictional financing transactions during the fourth quarter of 2003. Consolidated balance sheets of CEI for the quarter ended December 31, 2003 are incorporated by reference to CEI's Form 10-K Annual Report to SEC for the year ended December 31, 2003 (File No. 1-2323).

(12) The following table presented in thousands, provides the capital structure of FirstEnergy on a consolidated basis and each Utility Subsidiary as of the end of the fourth quarter 2003.

| FirstEnergy<br>----- | Amount<br>----- | Ratio<br>----- |
|----------------------|-----------------|----------------|
| Common Equity        | \$ 8,289,341    | 40.07%         |
| Preferred Stock      | 335,123         | 1.62%          |
| Long-Term Debt       | 11,543,263      | 55.79%         |
| Short-Term Debt      | 521,540         | 2.52%          |
|                      | -----           | -----          |
| Total Capitalization | \$20,689,267    | 100.00%        |
|                      | -----           | -----          |
|                      |                 |                |
| OE                   |                 |                |
| --                   |                 |                |
| Common Equity        | \$2,582,970     | 57.24%         |
| Preferred Stock      | 100,070         | 2.22%          |
| Long-Term Debt       | 1,646,378       | 36.49%         |
| Short-Term Debt      | 182,874         | 4.05%          |
|                      | -----           | -----          |
| Total Capitalization | \$4,512,292     | 100.00%        |
|                      | -----           | -----          |
|                      |                 |                |
| CEI                  |                 |                |
| ---                  |                 |                |
| Common Equity        | \$1,778,827     | 41.03%         |
| Preferred Stock      | 96,404          | 2.22%          |
| Long-Term Debt       | 2,272,057       | 52.41%         |
| Short-Term Debt      | 188,156         | 4.34%          |
|                      | -----           | -----          |
| Total Capitalization | \$4,335,444     | 100.00%        |
|                      | -----           | -----          |

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TE

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|                      |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$ 749,521  | 41.98%  |
| Preferred Stock      | 126,000     | 7.06%   |
| Long-Term Debt       | 553,722     | 31.02%  |
| Short-Term Debt      | 355,953     | 19.94%  |
|                      | -----       | -----   |
| Total Capitalization | \$1,785,196 | 100.00% |
|                      | -----       | -----   |

Penn

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|                      |           |         |
|----------------------|-----------|---------|
| Common Equity        | \$230,786 | 45.70%  |
| Preferred Stock      | 39,105    | 7.74%   |
| Long-Term Debt       | 223,832   | 44.32%  |
| Short-Term Debt      | 11,334    | 2.24%   |
|                      | -----     | -----   |
| Total Capitalization | \$505,057 | 100.00% |
|                      | -----     | -----   |

JCP&L

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|                      |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$3,153,974 | 67.54%  |
| Preferred Stock      | 12,649      | 0.27%   |
| Long-Term Debt       | 1,271,912   | 27.24%  |
| Short-Term Debt      | 230,985     | 4.95%   |
|                      | -----       | -----   |
| Total Capitalization | \$4,669,520 | 100.00% |
|                      | -----       | -----   |

Met-Ed

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|                      |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$1,292,667 | 63.53%  |
| Preferred Stock      | -           | - %     |
| Long-Term Debt       | 676,770     | 33.26%  |
| Short-Term Debt      | 65,335      | 3.21%   |
|                      | -----       | -----   |
| Total Capitalization | \$2,034,772 | 100.00% |
|                      | -----       | -----   |

Penelec

-----

|                      |             |         |
|----------------------|-------------|---------|
| Common Equity        | \$1,297,332 | 66.86%  |
| Preferred Stock      | -           | - %     |
| Long-Term Debt       | 564,526     | 29.09%  |
| Short-Term Debt      | 78,510      | 4.05%   |
|                      | -----       | -----   |
| Total Capitalization | \$1,940,368 | 100.00% |
|                      | -----       | -----   |

(13) The following table presented in thousands provides retained earnings analysis of FirstEnergy on a consolidated basis and each Utility Subsidiary as of the end of the fourth quarter 2003.

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|                                   | FirstEnergy | OE        | CEI       | TE        |
|-----------------------------------|-------------|-----------|-----------|-----------|
|                                   | -----       | -----     | -----     | -----     |
| Balance, December 31, 2002        |             |           |           |           |
| (Restated)                        | \$1,634,981 | \$800,021 | \$262,323 | \$ 76,978 |
| Net Income                        | 422,764     | 324,645   | 239,411   | 45,480    |
| Cash Dividends on Preferred Stock | -           | (2,732)   | (7,429)   | (8,838)   |
| Cash Dividends on Common Stock    | (453,360)   | (599,000) | -         | -         |
| Other                             | -           | -         | (93)      | -         |
|                                   | -----       | -----     | -----     | -----     |
| Balance, December 31, 2003        | \$1,604,385 | \$522,934 | \$494,212 | \$113,620 |
|                                   | -----       | -----     | -----     | -----     |

|                                   | Penn     | JCP&L     | Met-Ed   | Penelec  |
|-----------------------------------|----------|-----------|----------|----------|
|                                   | ----     | -----     | -----    | -----    |
| Balance, December 31, 2002        | \$50,916 | \$92,003  | \$17,841 | \$32,705 |
| Net Income                        | 48,451   | 68,017    | 61,170   | 21,333   |
| Cash Dividends on Preferred Stock | (3,188)  | (500)     | -        | -        |
| Cash Dividends on Common Stock    | (42,000) | (138,000) | (52,000) | (36,000) |
| Other                             | -        | 612       | -        | -        |
|                                   | -----    | -----     | -----    | -----    |
| Balance, December 31, 2003        | \$54,179 | \$ 22,132 | \$27,011 | \$18,038 |
|                                   | -----    | -----     | -----    | -----    |

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(14) On December 23, 2003, Standard & Poors Ratings Services (S&P) lowered its corporate credit rating on FirstEnergy Corp. to `BBB-' from `BBB'. With the exception of the senior secured issue ratings on Ohio Edison Co. bonds, all subsidiary ratings were lowered one notch as well. The ratings were removed from CreditWatch, where they were placed with negative implications on Aug. 18, 2003. The outlook on all ratings is stable. A list of S&P's ratings actions follows:

FirstEnergy

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- Corporate credit rating lowered to 'BBB-' from 'BBB'
- Senior unsecured debt lowered to 'BB+' from 'BBB'

OE

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- Corporate credit rating lowered to 'BBB-' from 'BBB'
- Senior secured debt affirmed at 'BBB'
- Senior unsecured debt lowered to 'BB+' from 'BBB'
- Preferred stock lowered to 'BB' from 'BB+'

CEI

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- Corporate credit rating lowered to 'BBB-' from 'BBB'
- Senior secured debt lowered to 'BBB-' from 'BBB'
- Senior unsecured debt lowered to 'BB+' from 'BBB'
- Preferred stock lowered to 'BB' from 'BB+'

TE

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- Corporate credit rating lowered to 'BBB-' from 'BBB'
- Senior secured debt lowered to 'BBB-' from 'BBB'
- Senior unsecured debt lowered to 'BB+' from 'BBB'
- Preferred stock lowered to 'BB' from 'BB+'

Penn



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 -- Corporate credit rating lowered to 'BBB-' from 'BBB'  
 -- Senior secured debt lowered to 'BBB-' from 'BBB'  
 -- Senior unsecured debt lowered to 'BB+' from 'BBB-'  
 -- Preferred stock lowered to 'BB' from 'BB+'

### Met-Ed

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 -- Corporate credit rating lowered to 'BBB-' from 'BBB'  
 -- Senior secured debt lowered to 'BBB' from 'BBB+'

### Penelec

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 -- Corporate credit rating lowered to 'BBB-' from 'BBB'  
 -- Senior secured debt lowered to 'BBB' from 'BBB+'  
 -- Senior unsecured debt lowered to 'BB+' from 'BBB-'

### JCP&L

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 -- Corporate credit rating lowered to 'BBB-' from 'BBB'  
 -- Senior secured debt lowered to 'BBB' from 'BBB+'  
 -- Preferred stock lowered to 'BB' from 'BB+'

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(15) FirstEnergy's aggregate investment includes all amounts invested, or commitments to be invested, in foreign utility companies (FUCOs) and exempt wholesale generators (EWGs), for which there is recourse, directly or indirectly, to the registered holding company. Accordingly, FirstEnergy's aggregate investment as of December 31, 2003 is as follows:

|  | (In Thousands) |
|--|----------------|
| FUCOs                                  | -----          |
| -----                                  |                |
| Midlands Electricity plc               | \$ 64,200      |
|  | -----          |
| Subtotal                               | 64,200         |
|  | -----          |
| EWGs                                   |                |
| -----                                  |                |
| FE Generation Corp.                    | \$ 895,188     |
| GPU Power, Inc.                        | 174,060        |
|  | -----          |
| Subtotal                               | 1,069,248      |
|  | -----          |
| Aggregate Investment in FUCOs and EWGs | \$1,133,448*   |
|  | =====          |

\* Aggregate investment amounts reflected here include LOCs and guarantees, but do not include any goodwill or other fair value adjustments.

Aggregate Investment as a Percentage of FirstEnergy and Subsidiary Companies:

|                      |               |      |
|----------------------|---------------|------|
| Total capitalization | \$ 20,689,267 | 5.5% |
|----------------------|---------------|------|

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|                               |               |      |
|-------------------------------|---------------|------|
| Net utility plant             | \$ 13,268,922 | 8.5% |
| Total consolidated assets     | \$ 32,909,948 | 3.4% |
| Market value of common equity | \$ 11,610,237 | 9.8% |

(16) Set forth below is a summary of the direct or indirect investments as defined in SEC Rule 53(a) by FirstEnergy, as of December 31, 2003 in EWGs and FUCOs, as well as the percentage of equity ownership.

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| Associate<br>Company<br>-----                                 | FUCO<br>or<br>EWG<br>---- | First<br>Energy's<br>Investment<br>at 12/31/03<br>(\$000)**<br>----- | First<br>Energy's %<br>Equity<br>Owner-<br>ship<br>----- | Owners not affiliated with<br>FirstEnergy<br>-----<br>Name of Entity<br>-----                                   | Type<br>Ent<br>----- |
|---|---------------------------|--|--|---|----------------------|
| GPU Power, Inc.   | EWG                       | 174,060  | 100%   | Not Applicable  | N/                   |
| EI International<br>(a)                                       | EWG                       | 1,734*   | 100%   | Not Applicable  | N/                   |
| GPUI Colombia,<br>Ltda. (a)                                   | EWG                       | 1,858*   | 100%   | Not Applicable  | N/                   |
| Midlands<br>Holdings LLC<br>Electricity plc<br>(Midlands) (b) | FUCO                      | 64,200   | 20.1%  | Aquila Sterling   | Do                   |
| Termobarranquilla<br>S.A. (a)                                 | EWG                       | 113,806*   | 28.67%   | ABB Energy Ventures,<br>Inc.<br>Lancaster Steel<br>Distral Group<br>Corp. Electrica<br>De la Costa<br>Atlantica | Fo<br>Fo<br>Fo       |
| EI Barranquilla,<br>Inc. (a)                                  | EWG                       | 47,176*  | 100%   | Not Applicable  | N/                   |
| Barranquilla<br>Lease Holdings,<br>Inc. (a)                   | EWG                       | 49,280*  | 100%   | Not Applicable  | N/                   |
| Los Amigos<br>Leasing Company,<br>Ltd. (a)                    | EWG                       | 12*  | 100%   | Not Applicable  | N/                   |
| International<br>Power Advisors,<br>Inc.                      | EWG                       | 3,962*   | 100%   | Not Applicable  | N/                   |
| FE Generation<br>Corp.  | EWG                       | 895,188<br>-----   | 100%   | Not Applicable  | N/                   |

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Total Aggregate  
Investment in  
EWGs & FUCOs \* \$1,133,448  
=====

(\* ) FirstEnergy's aggregate investment does not include the items shown with asterisks in order to avoid duplication.

(\*\* ) Aggregate investment amounts reflected here include LOCs and guarantees, but do not include any goodwill or other fair value adjustments.

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(a) FirstEnergy reached an agreement to sell Termobarranquilla S.A.; Barranquilla Lease Holding, Inc.; Los Amigos Leasing Company, Ltd.; EI Barranquilla, Inc.; EI International and GPU I Colombia, Ltda. to Darby Delaware Mezzanine Holdings L.L.C. in 2003. The sale was completed on January 31, 2004.

(b) FirstEnergy reached an agreement to sell Midlands on October 21, 2003. The sale was completed on January 16, 2004.

(17) FirstEnergy and Subsidiary Companies Consolidated Capitalization Ratios as of December 31, 2003:

|   | Amount (000's) | %      |
|---|----------------|--------|
|   | -----          | -      |
| Common equity                                       | \$ 8,289,341   | 40.1   |
| Preferred stock not subject to mandatory redemption | 335,123        | 1.6    |
| Long-term debt-                                     |                |        |
| Preferred stock subject to mandatory redemption *   | 18,514         | 0.1    |
| Subordinated debentures to affiliated trusts**      | 294,324        | 1.4    |
| Other   | 11,230,425     | 54.3   |
| Notes payable                                       | 521,540        | 2.5    |
|   | -----          | -----  |
| Total capitalization                                | \$ 20,689,267  | 100.0% |
|   | =====          | =====  |

\* Effective July 1, 2003 with the adoption of SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity", preferred stock subject to mandatory redemptions were reclassified as long-term debt.

\*\* Effective in December 2003 with the adoption of FIN 46R, "Consolidation of Variable Interest Entities, and Interpretation of ARB No. 51", certain business trusts and their trust preferred securities previously reported by FirstEnergy in its consolidated financial statements have been deconsolidated and FirstEnergy began reporting the related subordinated debentures to those trusts in its consolidated financial statements.

(18) Market-to-book ratio of FirstEnergy and Subsidiary Companies common stock at December 31, 2003:

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|                                      |          |
|--------------------------------------|----------|
| Closing Market Price per Share       | \$ 35.20 |
| Book Value per Share                 | \$ 25.31 |
| Market-to Book Ratio of Common Stock | 139.1%   |

(19) No new EWG/FUCO project covered by the Modified Rule 53 Test in which Firstenergy has invested or committed to invest during the fourth quarter of 2003.

(20) Analysis of Growth in Retained Earnings for FirstEnergy and Subsidiary Companies:

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|                                    | (In Thousands) |
|------------------------------------|----------------|
| Retained Earnings as of 12/31/03   | \$1,604,385    |
| Retained Earnings as of 12/31/02 * | 1,634,981      |
|                                    | -----          |
| Decrease in Retained Earnings      | \$ (30,596)    |
|                                    | =====          |

Analysis of Decrease in Retained Earnings:

|  |             |
|--|-------------|
| Income contribution from regulated utility companies | \$ 766,064  |
| Loss from FUCOs/EWGs                                 | (111,291)   |
| Income contribution from all other companies         | (54,074)    |
| FirstEnergy Holding and Service companies            | (177,935)   |
| Cash dividends declared on common stock              | (453,360)   |
|  | -----       |
| Decrease in Retained Earnings                        | \$ (30,596) |
|  | =====       |

\* Retained Earnings as of 12/31/02 restated per Amendment No. 2 of FirstEnergy 2002 Form 10-K/A.

(21) Statements of Operations for the period ended December 31, 2003 for the following Project Parents and Exempt Entities will be filed separately under a request for confidential treatment under Rule 104 (b):

Termobarranquilla, S.A.  
 GPUI Colombia, Ltda.  
 FirstEnergy Generation Corp.

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SIGNATURE

The undersigned registered holding company has duly caused this quarterly report to be signed on its behalf by the undersigned officer thereunto duly authorized pursuant to the requirements of the Public Utility Holding Company Act of 1935.

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FIRSTENERGY CORP.

March 24, 2004

By: /s/ Harvey L. Wagner

-----  
Harvey L. Wagner  
Vice President, Controller  
and Chief Accounting Officer  
(Principal Accounting Officer)

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